



Scandinavian Biogas Fuels International AB

relating to the listing of

SEK 200,000,000 Senior Secured Floating Rate Bonds due 2020

Sole Bookrunner

Pareto Securities

Prospectus dated 6 April 2016

IMPORTANT NOTICE:

This prospectus (the "**Prospectus**") has been prepared by Scandinavian Biogas Fuels International AB (the "**Issuer**", "**SBG**" or the "**Company**" or together with its direct and indirect subsidiaries unless otherwise indicated by the context, the "**Group**"), a public limited liability company incorporated in Sweden, having its headquarters located at the address, Hölländargatan 21A, 111 60 Stockholm, with reg. no. 556528-4733, in relation to the application for the listing of the senior secured floating rate bonds denominated in SEK (the "**Bonds**") on the corporate bond list on NASDAQ OMX Stockholm Aktiebolag, reg. no. 556420-8394 ("**Nasdaq Stockholm**"). Pareto Securities (through Pareto Securities Oy and Pareto Securities AB) has acted as sole bookrunner in connection with the issue of the Bonds (the "**Sole Bookrunner**"). This Prospectus has been prepared in accordance with the standards and requirements of the Swedish Financial Instruments Trading Act (Sw. lag (1991:980) om handel med finansiella instrument) (the "**Trading Act**") and the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and of the Council (the "**Prospectus Regulation**"). The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "**SFSA**") pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Trading Act. Approval and registration by the SFSA does not imply that the SFSA guarantees that the factual information provided in this Prospectus is correct and complete. This Prospectus has been prepared in English only and is governed by Swedish law and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus. This Prospectus is available at the SFSA's website (www.fi.se) and the Issuer's website (www.scandinavianbiogas.com).

Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds beginning on page 48 (the "**Terms and Conditions**") shall have the same meaning when used in this Prospectus.

Except where expressly stated otherwise, no information in this Prospectus has been reviewed or audited by the Company's auditor. Certain financial and other numerical information set forth in this Prospectus has been subject to rounding and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them. This Prospectus shall be read together with all documents incorporated by reference in, and any supplements to, this Prospectus. In this Prospectus, references to "**EUR**" refer to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, references to "**SEK**" refer to Swedish krona, and references to "**USD**" refer to American Dollars.

Investing in bonds is not appropriate for all investors. Each investor should therefore evaluate the suitability of an investment in the Bonds in light of its own circumstances. In particular, each investor should:

- (a) have sufficient knowledge and experience to carry out an effective evaluation of (i) the Bonds, (ii) the merits and risks of investing in the Bonds, and (iii) the information contained or incorporated by reference in the Prospectus or any supplements;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate in the context of its particular financial situation the investment in the Bonds and the impact that such investment will have on the investor's overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks resulting from an investment in the Bonds, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the investor's own currency;
- (d) understand thoroughly the Terms and Conditions and the other Finance Documents and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the assistance of a financial adviser) possible scenarios relating to the economy, interest rates and other factors that may affect the investment and the investor's ability to bear the risks.

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction. It has been prepared solely for the purpose of listing the Bonds on the corporate bond list on Nasdaq Stockholm. This Prospectus may not be distributed in or into any country where such distribution or disposal would require any additional prospectus, registration or additional measures or contrary to the rules and regulations of such jurisdiction. Persons into whose possession this Prospectus comes or persons who acquire the Bonds are therefore required to inform themselves about, and to observe, such restrictions. The Bonds have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds are being offered and sold outside the United States to purchasers who are not, or are not purchasing for the account of, U.S. persons in reliance upon Regulation S under the Securities Act. In addition, until 40 days after the later of the commencement of the offering and the closing date, an offer or sale of the Bonds within the United States by a dealer may violate the registration requirements of the Securities Act if such offer or sale of the Bonds within the United States by a dealer may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to an exemption from registration under the Securities Act.

The offering is not made to individuals domiciled in Australia, Japan, Canada, Hong Kong, the Italian Republic, New Zealand, the Republic of Cyprus, the Republic of South Africa, the United Kingdom, the United States (or to any U.S. person), or in any other country where the offering, sale and delivery of the Bonds may be restricted by law.

This Prospectus may contain forward-looking statements and assumptions regarding future market conditions, operations and results. Such forward-looking statements and information are based on the beliefs of the Company's management or are assumptions based on information available to the Group. The words "considers", "intends", "deems", "expects", "anticipates", "plans" and similar expressions indicate some of these forward-looking statements. Other such statements may be identified from the context. Any forward-looking statements in this Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of the Group to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Although the Company believes that the forecasts of, or indications of future results, performances and achievements are based on reasonable assumptions and expectations, they involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements and from past results, performances or achievements. Further, actual events and financial outcomes may differ significantly from what is described in such statements as a result of the materialisation of risks and other factors affecting the Group's operations. Such factors of a significant nature are mentioned in the section "**Risk factors**" below.

This Prospectus shall be read together with all documents that are incorporated by reference, see subsection "**Documents incorporated by reference**" under section "**Other information**" below, and possible supplements to this Prospectus.

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RISK FACTORS

Investing in the Bonds involves inherent risks. A number of risk factors and uncertainties may adversely affect the Issuer. These risk factors include, but are not limited to, risks related to the business operations of the Issuer, production risks, environmental risks, technical risks, and regulatory risks. If any of these or other risks or uncertainties actually occur, the business, operating results and financial condition of the Issuer could be materially and adversely affected, which could have a material adverse effect on the Issuer's ability to meet its obligations (including repayment of the principal amount and payment of interest) under the Bonds. The risks presented in this Prospectus are not exhaustive, and other risks not presently known to the Issuer, or that the Issuer currently deems immaterial, and therefore not discussed herein, may also adversely affect the Issuer and adversely affect the price of the Bonds and the Issuer's ability to service its debt obligations. Prospective investors should consider carefully the information contained in this Prospectus and make an independent evaluation before making an investment decision.

Included in this Prospectus are various "forward-looking statements", including statements regarding the intent, opinion, belief or current expectations of the Issuer or its management with respect to, among other things, (i) the Issuer's target market, (ii) evaluation of the Issuer's markets, competition and competitive position, (iii) trends which may be expressed or implied by financial or other information or statements contained herein. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance and outcomes to be materially different from any future results, performance or outcomes expressed or implied by such forward-looking statements. Such factors include, but are not limited to, the risk factors described below and elsewhere in this Prospectus.

The risk factors below are not ranked in any specific order.

Market and Group specific risks

Products and application development

Scandinavian Biogas Fuels International AB (the "Issuer", "SBG" or the "Company" or together with its direct and indirect subsidiaries unless otherwise indicated by the context, the "Group") is dependent upon its ability to adjust itself to potential gas and/or biogas changes and develop new process applications and services and render such applications and services successful within existing and new market segments. Further, the Group must also be able to improve its existing applications in order to stay competitive and to avoid losing market share to competitors or customers, especially as competition is expected to increase, just as the quality demand for biogas. The Group conducts significant research and development within their business and also has a R&D team working full-time. Research and development efforts of improved applications are costly and always entail a risk of unsuccessful commercialisation. In addition, there is a risk that the Group will not be successful in its attempts to preserve and develop its applications. If not successful in the aforementioned fields, this would have an adverse effect on the Group's operations, earnings, financial position and future prospects and results.

Competition

The Group operates within the biogas industry offering mainly biogas as energy carrier, but also waste management services as well as bio fertilisers. There is a risk that the amount of supply material required for the production of biogas and other services currently is or becomes limited and the current market therefore only fits a limited number of producers. Nevertheless, the number of competitors is expected to grow resulting in increased competition for both supply material and for customers.

Companies in the industry compete by quality of goods, price and innovations, but also by other competitive factors such as short distances, production capacity, up-to-date technology and market penetration. Consequently, there is a risk that the competitive landscape reduces the future sales of the Group, which would have a negative effect on the Group's operations, earnings, financial position and future prospects.

Market risk relating to conduction of business globally

The Group is present in different geographic markets, including South Korea and with main focus on the Nordic region, meaning that the Group is being subject to external risks, such as political risks in individual countries and regions. Furthermore, the Group's business is subject to some seasonal variations and the demand for the Group's products is subject to changes in the end-customers' investments plans. Should the customers' investment patterns materially change, due to an economic or political situation in a country, industry or region, there is a risk that Group's ability to sell its product and especially to grow in such areas is negatively impacted. There is a risk that such events create a negative impact on the Group's business, earnings, financial position and future prospects.

Further, considering that the Group conducts its business, either directly, or through subsidiaries, as well as in several countries, the Group is exposed to risks associated with such international business, including:

- (i) foreign currency control provisions and foreign currency exchange volatility;
- (ii) introduction or increase of regulations affecting production, pricing and marketing of products;
- (iii) limited protection for intellectual property and trade secrets in certain countries;
- (iv) different accounting standards and tax systems, varying terms of payment between different countries;
- (v) social, economic, financial and market instability and volatility; and
- (vi) increased costs of, and availability of, materials or transportation.

There is a risk that the foregoing risks, if materialised, have a material adverse effect on the Group's results of operations, business, results and financial position.

Production facilities and distribution hubs

The Group's production activities are conducted at the production facilities in Henriksdal, Bromma, Södertörn, and Ulsan in South Korea and consist of chain processes. An interruption or a disturbance - such as a breakdown, a labour dispute, IT failure or a natural disaster - at any stage in the process would have a major impact on the Group's ability to fulfil its obligations to its customers in timely manner or at all. Moreover, if a production facility, or any of the Group's distribution hubs would be destroyed, closed or if the equipment in the facilities would be seriously harmed, there is a risk that the production and distribution of the Group's products is obstructed or aborted for a certain period of time. A comprehensive and lasting stop in the production would have a significant effect on the Group's ability to produce or distribute the relevant products. Although the Group has insurance coverage, there is a risk that the scope of the coverage will not cover risks that materialise and that the total amount of the Company's loss will not be compensated for in case of damages. Consequently, interruption, disturbance damages to production facilities or distribution hubs would have a negative effect on the Group's business, result or financial position.

Further, as these production plants are at times subject to maintenance or re-constructions, there is a risk that such services or construction upgrades are not completed in time, do not fulfil the requirements set out or are more costly than planned. These risks, if materialised, would have a

material adverse effect on the Group's results of operations, business and financial position. In addition, the production plants are often owned by the Group's investment partner, who is often also the Group's supplier, and not by the Group itself. Therefore, in addition to obtaining permits from the authorities, the Group will also need to receive permission from the landlord to carry out the planned re-constructions and adjustments on the property plant. Should the Group not be allowed to complete desired re-constructions, this would have a negative effect on the Group's business, future prospects and financial position.

With respect to the Södertörn production plant, the Issuer became aware in March 2016 that certain challenges had arisen in terms of the plant's commissioning, which require certain adjustments to the plant's facilities. This is expected to cause a delay in production increase with three to six months. There is a risk that such delay negatively affects the Group's earnings and financial position.

As regards the Ulsan production plant, Scandinavian Biogas Korea Co. Ltd (one of the Korean Group Companies) has an obligation to install a gas purification facility. Failure to comply poses a risk of penalties for the Korean Group Company in form of reimbursing the Ulsan Metropolitan City with 50 per cent of the gas sales figures from Mars 2011 until instalment of the gas purification facility. The gas upgrading facility was supposed to be completed no later than 30 November 2011, however, this obligation was waived by the counter-party until 2017, with the requirement that the Korean Group Company submits a proposal regarding the gas upgrading facility by the end of November 2015. The Korean Group Company has therefore asked the city of Ulsan to waive this obligation, as well as the corresponding penalty. The Korean Group Company is therefore still under an obligation to pay penalty fees or undertake costly investments without receiving a corresponding profit, making it difficult for the Korean Group Company to generate positive cash flow to the Group, which would have a negative effect on the Group's result and financial position.

Demand for biogas, waste management and bio fertilisers

The Group produces and sells biogas, waste management services and bio fertilisers which are highly specialised products and services utilised by a limited number of customers. The markets for these products and services are relatively small and both supply and demand is highly influenced by political, environmental, financial and technical aspects. Therefore, the markets for biogas, waste management services and bio fertilisers is considered volatile. Hence, there is a risk that an adverse variation in these markets takes place resulting in a lack of demand for biogas, which would have a negative effect on the Group's business, operations, result or financial position.

Cost of goods

The Group's cost base includes cost of goods, such as raw biogas, water, nutrition, chemicals, energy, organic materials and other components. Although the Group has a close relationship with its suppliers, there is a risk that a significant variation in the cost of goods, such as increased prices for raw materials, occurs which would negatively affect the Group's operations, earnings, financial position and future prospects.

Price

It is essential that the price for biogas, waste management services and bio fertilisers is upheld at an appropriate level, making sure that sales exceed cost of goods and production, but also that it is competitive with other fuels such as natural gas, gasoline and diesel. Should the price of other fuels be reduced by e.g. subsidies or taxes, or should the price for biogas for any other reason have to be reduced in order to stay competitive, such a decrease would negatively affect the Group's earnings, financial position and turnover.

Risks relating to regulations, standards and health and safety regulations

The Group and its growth is affected by various legislations, regulations and standards, including, inter alia, product safety regulations, environmental regulations, tax regulations, gas standards and employment legislation. There is a risk that failure to comply with such regulations or standards results in loss of business, production stops and large damages and fees which naturally effect the Groups financial position and results. There is a risk that unforeseen problems with the quality of the products moreover harm the Group's brand and the relationship with its customers, which would negatively affect the Group's business, result and financial position.

Further, amendments or restatements of laws, regulations and standards, leading to stricter requirements and changed conditions regarding tax, permits, product specifications, safety and health or environment, such as restrictions on indirect land use change, or a development to a stricter implementation and application by the authorities of existing laws and regulations would have several negative implications for the Group. There is a risk that such changes would require that the Group makes further investments, with increased costs and other commitments for the Group as a result. There is also a risk that such changes imply that certain of the Group's products and applications become obsolete and limits or obstructs the Group's business.

Political risks

Many of the Group's suppliers and customers are municipalities or state-owned entities. Hence, the Group's business is highly influenced by the political market. The supply and demand - as well as the level of interest - for biogas is therefore affected by the current political powers. Hence, a changing political commitment or interest, as well as modified tax rules, subsidies or considerations, would have a significant impact on the Group's business, results and financial position.

Environmental risks

The Group's business includes risks associated with the owning and running of industrial properties. The Group is exposed to risks of liability under e.g. environmental laws and regulations due to the production, storage, disposal and sale of materials that can cause contamination if released into the environment (e.g. slip of methane gas). Compliance with environmental laws involves cost of the manufacturing, cost of registration/approval requirements, and storage of products. There is furthermore a risk that the Group will incur substantial costs, including fines, damages, criminal or civil sanctions and remediation costs for violations arising under environmental laws. In addition, there is a risk that discovery of contamination arising from historical industrial operations at some of the Group's former, present and future properties exposes the Group to clean-up obligations and other damages. Compliance with environmental laws and liability arising in connection with any personal injuries or damages, as well as damages to the environment, would have a material negative effect on the Group's business, result and financial position.

Environmental permits

The Group is dependent on receiving the necessary environmental permits in order to conduct its business. Nevertheless, the Group cannot receive the required permits prior to have commenced planning and negotiations of the new production plant. Hence, there is a risk that the Group will incur costs should they initiate a new investment without receiving the necessary permit. Further, should the Group lose or not be able to renew the required permit, it would lead to business delays, stop in production and additional costs in order to obtain such permit. Hence, an inability to obtain necessary permits and approvals for its existing and future production would have a material negative effect on the Group's activities and would adversely affect the business and financial position of the Group.

Counterparty risks in relation to customers, suppliers and partners

The Group's customer-, supplier- and partner relations constitute an operational risk. The Group's business activities are dependent on a high demand from customers, as well as a close relationship with suppliers and business partners. Should the customer demand decrease, or the supply material or the investment level decline, this would have a negative impact on the Group's business, financial position and results.

Also, the Group is dependent on some of its suppliers in order to conduct its business. Should the Group's relationship with any of these suppliers terminate there is a risk that the Group is required to change its business plan, location, products and incur additional costs. The Group is also subject to the risk that some suppliers and/or contractual partners render their services inadequately or not in a timely manner and/or that its customers fail to fulfil their obligations to the Group. There is also a risk that such suppliers and/or contractual partners become insolvent during their engagement and/or a customer during the business relationship. In addition, there is a risk that erroneous or default deliveries by suppliers cause delay or default in the Group's deliveries to its customers, which would have a negative impact on the Group's business, financial position and results. Even though the Group deems that they have proper back-to-back protection there is a risk that the Group is not able to link together all liabilities between its suppliers and customers. Hence, there is a risk that the Group's exposure towards its customers is not adequately secured in the supply agreements. For example, should the Group's customer SL incur additional costs, e.g. in form of arranging for replacement traffic, due to the fact the Group has not fulfilled its delivery obligation, the Group shall be liable for such costs even though such cost may be considered a non-compensable indirect damage under the supply agreements. Further, the Group may also not be able to link the length of the supply agreements and the customer agreements at each production plant. Should either of the supply or customer agreement expire prior to the other, there is a risk that the Group breaches the agreement which would have an adverse effect on the Group's business, financial position and reputation.

The Group has entered into, and may in the future enter into, strategic co-operation agreements regarding, inter alia, the production, development and commercialisation of its products. The Group and its partners may from time to time have different opinions on how a co-operation shall be managed or how rights and duties should be allocated. As the Issuer is not the sole owner of all subsidiaries, and the Group conducts its business and operations closely with its partners, it is not within the Issuer's or the Group's sole discretion to decide on all questions and matters regarding the Group's business, operations and future development, which would have an adverse effect on the business and future prospects of the Group. Also, a disagreement or dispute including one or several partners would have a negative effect on the Group's business, financial position and results.

Exposure to customers

As the Group's customer base, as such, is relatively limited in terms of number of customers, the Group is highly dependent on these customers. A loss of any of the significant customers by the Group, or a material reduction in sales to a significant customer would have a material adverse effect on the Group's business and financial position. In combination hereto, the majority of the Group's customer agreements contain volume and quality undertakings for the Group, inter alia the material customer agreements with E.ON, AGA Gas, SL and Widrikssons Åkeri. There is a risk that failure to comply with such undertakings incur liability for the Group in form of damages to the counterparty, price reductions, and, in some cases, even entitles the customer to terminate the agreement.

Risks related to acquisitions and joint ventures

As the Group is dependent on finding new production plants and locations, it is continuously evaluating and negotiating new investments and co-operations. Hence, the Group evaluates potential acquisitions and joint ventures that are in line with the Group's strategic objectives on an on-going basis. Projects are planned and prepared over a significant amount of time and there is a risk that the preparatory work will not lead to completed projects. If the work does not result in finished projects this would mean that the value of resources, and work hours, spent, are lost to some extent. The Group has recently entered into a joint venture with TrønderEnergi regarding a plant in Skogn, Norway, called the Biokraft project. The agreement for the Biokraft project includes certain limitations as to which claims can be made and at what point in time such claims can be made.

There is also a risk that key counterparties, who are essential for new projects to function in accordance with the Group's plans, are financially or in any other way less stable or reliable than expected as no long-term relationship exists between the Group and the counterparty, which poses a risk that the counterparty needs to be replaced, or, if not possible, termination of the project. If, for example, the intended supplier for the Biokraft project, Norske Skog, is unable or unwilling to fulfil its role as supplier, the project is likely to be significantly affected, requiring finding alternative solutions for the continuation of the project (if possible), or at least significantly delayed during the procurement of other suppliers. In case of a bankruptcy of Norske Skog, such would have material negative effects on the contemplated acquisition of the building site, especially if the acquisition is not finalised at the time of bankruptcy being declared. The Group is thus dependent on Norske Skog fulfilling its obligations under the various contracts entered into.

Further to the above, there is a risk that acquisition activities presents certain financial, managerial and operational risks, including diversion of management's attention from existing core business, difficulties when integrating or separating businesses from existing operations and challenges presented by acquisitions which may not achieve sales levels and profitability that justify the investments made. If acquisitions are not successfully integrated, there is a risk that the Group's business, financial condition and results of operations is adversely affected. As many of the acquisitions and investments are made together with co-investors, the Group will not have full control over the projects and would have to accept measures and actions that are not beneficial for the Group. Also, there is a period of time between that the investment has been made and that the investment generates profit which poses a risk in relation to the Group's business, result or financial position, including e.g. liquidity and financial difficulties.

Further, joint ventures generally mean that the Group will potentially not have full control over the business conducted, meaning that it can be forced into decisions not in line with the Group's business plan.

Risks relating to the planned expansion

The Group plans to expand its sales of biogas to new geographies, e.g. into Norway. Expansions into new markets and countries normally entail additional costs such as costs for marketing and distribution, and risks including inter alia lack of insight in the new markets, failure to obtain brand recognition and right associations as well as an inability to ensure compliance with local laws, regulations or permits. Moreover, there is a risk that the Group is not successful with expanding its business into new markets and product segments.

Key employees

The Group is engaged in a line of business which requires access to employees with highly specialised knowledge in technical and regulatory matters. Hence, the Group's employees have a comprehensive knowledge of the industry in general and the Group in particular. The Group's future

development and success is therefore dependent on its ability to recruit and keep qualified management and other key personnel. If such key personnel leaves the Group in the future, or take up employment with a competing business, there is a risk that it has a negative effect on the Group's operations and earning. Hence, inability to keep, replace and recruit key employees and qualified management poses a risk in relation to the Group's business, result and financial position.

Intellectual property rights and know-how

The Group relies on a combination of patents, trademarks, trade secrets and confidentiality provisions to establish and protect the Group's intellectual proprietary rights. However, there is a risk that the steps the Group has taken to protect its intellectual property will not be adequate to prevent infringement of the Group's rights or misappropriation of its technology. Certain employees may lack sufficient regulations in their employment agreements regarding confidentiality and rights to IPR. Furthermore, there is a risk that confidentiality undertakings and regulation of right to IPR is breached or otherwise does not provide meaningful protection for trade secrets and know-how related to the design, manufacture or operation of the Group's products.

It should be noted that the Group is partly dependent on know-how that cannot be protected by intellectual property law. There is a risk that competitors will develop similar know-how or that the Group is not able to protect its know-how in a desired manner. Unless protected by patents, there is a risk that products are reversed engineered by competitors.

In light of this, there is a risk that the Group will not be able to protect its patents, know-how, trademarks and other intellectual property rights.

As with most companies of this nature, there is a risk that the Group can be considered to infringe the intellectual property rights of others. Infringement disputes can, like disputes in general, be costly and time consuming and therefore there is a risk that such disputes adversely affect the Group's business, financial position and results.

Corporate governance

The Group relies on its employees to carry out the business of the companies in accordance with their respective internal corporate policies for governance and compliance. There is a risk that the Group's employees violate such internal policies, thus exposing the Group to risks such as being in breach of agreements, entering into contradictory agreements, violating applicable laws and regulations etc. Should any of the risks described above materialise, it would have an adverse effect on the Group's operations, earnings and financial position.

Risks relating to IT infrastructure

The Group depends on information technology to manage critical business processes, including operation of the production plants. Extensive downtime of network servers, attacks by IT-viruses or other disruptions or failure of information technology systems are possible and would have a negative effect on the Group's operations and business. Should failure of the Group's information technology systems occur there is a risk of productions stops, environmental contamination, health and safety hazard and bad publicity, which would have a negative effect on the Group's operations, earnings, financial position and future prospects.

Disputes

There is a risk that the Group becomes involved in different disputes in connection with its operations or investments. Disputes may relate to inter alia construction, agreements, product liability, intellectual property and claimed defects in delivered products or services. There is a risk that such disputes are costly, time consuming, relate to large amounts and disrupt the normal

business of the Group. Furthermore, the outcome of complicated disputes is hard to predict. Although the Group is not currently involved in any material dispute, there is a risk that future disputes arise. Disadvantageous outcome in such disputes, if materialised, would have a negative effect on the Group's business, result or financial position.

Financing and liquidity risks

The Group is reliant on its financing in order to carry out further investments, product developments and growth/development projects. Should the Group not be able to receive further funding, this would have a negative impact on the Group's business, financial position and results.

Pursuant to the above, the Group aims to continuously assess and monitor the funds needed for its business so it will have enough liquidity to finance its operations and possible investments as well as for the payments of the expiring debts. However, there is a risk that the Group fails in liquidity management which can have a material adverse effect on Group's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Bonds as well as the market price and value of the Bonds.

Insurance risks

The Group is exposed to various types of risks, such as property damage, environmental damage, third party liability and business interruption, including events caused by natural disasters and other events beyond the Group's control. There is a risk that the Group in such case is required to pay for losses, damages and liabilities out of own funds, which would materially and adversely affect its business, earnings and financial position. Even if the insurance coverage would be adequate to cover direct losses, there is a risk that the Group is not able to take remedial actions or other appropriate measures. Furthermore, there is a risk that the Group's claims records affects the premiums which insurance companies charge in the future. In addition, there is a risk that the Group's current insurance coverage will be cancelled or become unavailable on reasonable economic terms in the future. Materialisation of these risks would have an adverse effect on the Group's business, earnings, financial position and future prospects.

Taxes and charges

The Group conducts its business in accordance with its interpretation of applicable tax regulations, including the applicable tax rates, and applicable requirements and decisions. There is a risk that the Group's or its advisors' interpretation and application of laws, provisions, judicial practice has been, or will continue to be, incorrect or that such laws, provisions and practice will be changed, potentially with retroactive effect. If such an event should occur, or if the applicable tax rate would change, there is a risk that the Group's tax liabilities increases and/or leads to sanctions by the tax authorities, which would have an adverse effect on the Group's business, earnings, financial position and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Bonds and the value of the Bonds.

Changed accounting rules

The Group's business is affected by the accounting rules that, from time to time, are applied in the countries where the Group conducts its business, including for example IFRS and other international accounting rules. This means that there is a risk that the Group's accounting, financial reporting and internal control in the future is affected by and would have to be adapted to changed accounting rules or a changed application of such accounting rules. This might entail uncertainty regarding the Group's accounting, financial reporting and internal control and might also affect the Group's accounted earnings, balance sheet and equity, which would have a material negative effect on the Group's operations, earnings and financial position.

Credit risk

When there is a risk of the Group's counterparties being unable to fulfil their financial obligations towards the Group, there is a credit risk. There is a risk that the Group's current and potential customers and other counterparties gets in a financial situation where they cannot pay the agreed fees or other amounts owed to the Group as they fall due or otherwise abstain from fulfilling their obligations. Credit risks within the financial operations arise, inter alia, from the investment of excess liquidity, when interest swap agreements are entered into and upon obtaining long- and short-term credit agreements. There is a risk that the Group's counterparties cannot fulfil their obligations which would affect the Group's earnings and financial position.

Pension matters

The Group has in Sweden defined contribution retirement plans. A defined contribution retirement plan is financed by contributions assessed by an actuary to be sufficient to fund the expected pension payments. There is a risk that the Group's or its advisors' estimates of the requirements, interpretation and application of laws, provisions and judicial practice has been, or will continue to be, incorrect or that such laws, provisions and practice will be changed, potentially with retroactive effect.

Risks relating to the Bonds**Credit risks**

Investors in the Bonds carry a credit risk relating to the Group. The investor's ability to receive payment under the Bonds is therefore dependent on the Group's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The Group's financial position is affected by several factors of which some have been mentioned above.

There is a risk that an increased credit risk causes the market to charge the Bonds a higher risk premium, which would affect the Bonds' value negatively. Another aspect of the credit risk is that a deteriorating financial position of the Group exposes the Group to the risk of not receiving debt financing at the time of the maturity of the Bonds.

Refinancing risk

There is a risk that the issuer is required to refinance certain or all of its outstanding debt, including the Bonds. The Issuer's ability to successfully refinance its debts is dependent on the conditions of the debt capital markets and its financial condition at such time. Even if the debt capital markets improve, there is a risk that the Issuer's access to financing sources is not available on favourable terms, or at all. The Issuer's inability to refinance its debt obligations on favourable terms, or at all, would have a material adverse effect on the Group's business, financial condition and results of operations and on the bondholders' recovery under the Bonds.

Liquidity risks

The Issuer intends to apply for listing of the Bonds on Nasdaq Stockholm, and has undertaken to have the Bonds listed within 60 days after the issue date of the Bonds. However, there is a risk that the Bonds will not be admitted to trading within the aforementioned time frame, or at all. If the Issuer fails to procure listing in time, investors holding Bonds on an investment savings account (Sw. ISK or IS-konto) will no longer be able to hold the Bonds on such account, thus affecting such Investor's tax situation. Further, even if securities are admitted to trading on a regulated market, active trading in the securities does not always occur and hence there is a risk that a liquid market for trading in the Bonds will not exist or is maintained even if the Bonds are listed. There is a risk that this results in that the holders cannot sell their Bonds when desired or at a price level which allows

for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market would have a negative impact on the market value of the Bonds. Furthermore, there is a risk that the nominal value of the Bonds is not indicative compared to the market price of the Bonds if the Bonds are admitted for trading on the regulated market.

It should also be noted that during a given time period there is a risk that it is difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

Interest rate risk

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest. Investments in the Bonds involve a risk that the market value of the Bonds is adversely affected by changes in market interest rates.

The market price of the Bonds may be volatile

There is a risk that the market price of the Bonds is subject to significant fluctuations in response to actual or anticipated variations in the Group's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, exposes the Issuer to the risk of negative effects on the market price of the Bonds without regard to the Group's operating results, financial condition or prospects.

Ability to service debt

The Issuer's ability to service its debt under the Bonds will depend upon, among other things, the Group's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond the Group's control. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. There is a risk that the Group is unable to affect any of these remedies on satisfactory terms, or at all. Furthermore, the financing arrangement with Proventus stipulates that all loans provided by the Issuer to Scandinavian Biogas Sweden AB shall be subject to security and be subordinated to the indebtedness incurred by Scandinavian Biogas Sweden AB towards Proventus. The subordination undertaking includes restrictions on the repayment of principal and payment of interest under such intra-group loans, which may affect the Issuer's ability to receive cash required to service its debt, including interest payments, under the Bonds. In addition, the Proventus financing includes restrictions on the ability of Scandinavian Biogas Sweden AB to make dividends to the Issuer.

Risks relating to the transaction security

Although the obligations under the Bonds and certain other obligations of the Group towards the bondholders will be secured, there is risk that the proceeds of any enforcement sale of the security assets would be insufficient to satisfy all amounts then owed to the bondholders. In addition, some transaction security is granted with a second ranking security interest whereas the bondholders can only benefit from such security provided that the obligations towards the first ranking pledgee have been satisfied in full. Furthermore, if the Issuer issues additional Bonds, there is a risk that the security position of the current bondholders is impaired.

The bondholders will be represented by the Security Agent in all matters relating to the transaction security. There is a risk that the Security Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing or taking other necessary actions in relation to the transaction security. The transaction security is subject to certain hardening periods during which times the bondholders do not fully, or at all, benefit from the transaction security. The Security Agent shall take enforcement instructions from the bondholders. However, it is possible that the Security Agent will act in a manner that is not preferable to the bondholders.

The Security Agent is entitled to enter into agreements with the Issuer or a third party or take any other actions necessary for the purpose of maintaining, releasing or enforcing the transaction security or for the purpose of settling, among others, the bondholders' rights to the security.

There is a risk that the transaction security granted to secure the Bonds is unenforceable or that enforcement of the security is delayed according to Swedish law or any other applicable laws. There is also a risk that the enforceability of the transaction security is subject to a certain degree of uncertainty or that applicable law requires that a security interest in certain assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party or the security provider. The transaction security may not be perfected if the security agent or the relevant security provider is not able to or does not take the actions necessary to perfect or maintain the perfection of any such security. There is a risk that such failure results in the invalidity of the relevant transaction security or adversely affect the priority of such security interest in favour of third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same transaction security.

If the Issuer were to be unable to make repayment under the Bonds and a court was to render a judgment that the security granted in respect of the Bonds was unenforceable, there is a risk that bondholders finds it difficult or impossible to recover the amounts owed to them under the Bonds. Therefore, there is a risk that the security granted in respect of the Bonds is ineffective in respect of any of the Issuer's obligations under the Bonds in the event the Issuer becomes insolvent.

In addition, there is a risk that any enforcement is delayed due to any inability to sell the security assets in a timely and efficient manner.

Risks relating to the enforcement of the transaction security

If the subsidiaries whose shares are pledged in favour of the bondholders, are subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, the shares in such subsidiaries may then have limited value because all of the subsidiaries' obligations must first be satisfied, potentially leaving little or no remaining assets in the subsidiary for the bondholders. As a result, there is a risk that bondholders are unable to recover full or any value in the case of an enforcement sale of such pledged shares. In addition, the value of the shares subject to the pledge may decline over time.

Furthermore, the value of the pledge over the intercompany loans granted by the Issuer to certain subsidiaries are dependent on the financial position of those subsidiaries which, in an enforcement situation, is likely to have already been adversely affected.

If the proceeds of an enforcement are not sufficient to repay all amounts due under or in respect of the Bonds, then the bondholders will only have an unsecured claim against the remaining assets (if any) of the Issuer for the amounts which remain outstanding under or in respect of the Bonds.

Security over assets granted to third parties

The Issuer and the subsidiaries have, and may in the future subject to certain limitations from time to time, incur additional financial indebtedness and provide additional security for such indebtedness. In particular, the Group has financial indebtedness towards Nordea and Proventus, which indebtedness is secured with share security and substantial asset security. In the event of bankruptcy, re-organisation or winding-up of the Issuer, the bondholders will be subordinated in right of payment out of the assets being subject to security. For information on similar events of a subsidiary, please refer to the section "Insolvency of subsidiaries and structural subordination".

Risks related to early redemption

Under the terms and conditions for the Bonds the Issuer has reserved the possibility to redeem all outstanding Bonds before the final redemption date. Furthermore, the Issuer may at one occasion, in connection with an initial public offering of the shares in the Issuer (after which such shares will be admitted to trading on a regulated market or an MTF) repay up to 30 per cent of the nominal amount outstanding under the Bonds. If the Bonds are redeemed before the final redemption date, the bondholders have the right to receive an early redemption amount which exceeds the nominal amount in accordance with the terms and conditions for the Bonds. However, there is a risk that the market value of the Bonds is higher than the early redemption amount and that bondholders are unable to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds, and possibly at a significantly lower rate. It is further possible that the Issuer will not have sufficient funds at the time of the mandatory prepayment to make the required redemption of Bonds.

No action against the Issuer and bondholders' representation

In accordance with the terms and conditions for the Bonds, the Agent will represent all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against the Issuer. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security granted by the Issuer and there is therefore a risk that such bondholders lack effective remedies unless and until a requisite majority of the bondholders agree to take such action. However, there is a risk that a bondholder, in certain situations, brings its own action against the Issuer (in breach of the terms and conditions for the Bonds), which creates a risk of negatively impacting an acceleration of the Bonds or other action against the Issuer. To enable the Agent to represent bondholders in court, the bondholders may have to submit a written power of attorney for legal proceedings. There is a risk that the failure of all bondholders to submit such a power of attorney negatively affects the legal proceedings. Under the terms and conditions for the Bonds, the Agent will in some cases have the right to make decisions and take measures that bind all bondholders. Consequently, the actions of the Agent in such matters could impact a bondholder's rights under the terms and conditions for the Bonds in a manner that would be undesirable for some of the bondholders.

There is a risk that failure by a trustee to perform its duties and obligations properly or at all adversely affects the enforcement of the rights of the bondholders due to, for example, inability to receive any or all amounts payable from the Transaction Security in a timely and efficient manner.

The rights of bondholders depend on the Agent's actions and financial standing

By subscribing for, or accepting the assignment of, any Bond, each holder of a Bond will accept the appointment of the Agent (being on the issue date Nordic Trustee & Agency AB (publ)) to act on its behalf and to perform administrative functions relating to the Bonds. The Agent shall have, among other things, the right to represent the holders of the Bonds in all court and administrative proceedings in respect of the Bonds. However, the rights, duties and obligations of the Agent as the representative of the holders of the Bonds will be subject to the provisions of the terms and

conditions for the Bonds and the agent agreement, and there is no specific legislation or market practice in Sweden (under which laws the terms and conditions for the Bonds are governed) which would govern the Agent's performance of its duties and obligations relating to the Bonds. There is a risk that failure by the Agent to perform its duties and obligations properly or at all adversely affects the enforcement of the rights of the holders of the Bonds. Under the terms and conditions for the Bonds, the funds collected by the Agent as the representative of the holders of the Bonds must be held separately from the funds of the Agent and be treated as escrow funds to ensure that in the event of the Agent's bankruptcy, such funds can be separated for the benefit of the holders of the Bonds. In the event the Agent would fail to separate the funds in an appropriate manner, the funds could be included in the Agent's bankruptcy estate.

The Agent may be replaced by a successor Agent in accordance with the terms and conditions for the Bonds. Generally, the successor Agent has the same rights and obligations as the retired Agent. There is a risk that it is difficult to find a successor Agent with commercially acceptable terms or at all. Further, there is a risk that the successor Agent would breach its obligations under the above documents or that insolvency proceedings would be initiated against it.

There is a risk that the materialisation of any of the above risks have a material adverse effect on the enforcement of the rights of the holders of the Bonds and the rights of the holders of the Bonds to receive payments under the Bonds.

Bondholders' meetings

The terms and conditions for the Bonds include certain provisions regarding bondholders' meetings. Such meetings may be held in order to resolve on matters relating to the bondholders' interests. The terms and conditions for the Bonds allow for stated majorities to bind all bondholders, including bondholders who have not taken part in the meeting and those who have voted differently to the required majority at a duly convened and conducted bondholders' meeting. Consequently, there is a risk that the actions of the majority in such matters impacts a bondholder's rights in a manner that would be undesirable for some of the bondholders.

Restrictions on the transferability of the Bonds

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a holder of the Bonds may not offer or sell the Bonds in the United States. The Issuer has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, the Issuer has not registered the Bonds under any other country's securities laws. Each potential investor needs to be aware of the transfer restrictions that apply to the Bonds pursuant to the Terms and Conditions. It is the bondholder's obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws.

The Issuer is dependent on its subsidiaries

A significant part of the Group's assets and revenues relate to the Issuer's subsidiaries. Accordingly, the Issuer is dependent upon receipt of sufficient income related to the operation of and the ownership in the subsidiaries to enable it to make payments under the Bonds. The Issuer's subsidiaries are legally separate and distinct from the Issuer and have no obligation to pay amounts due with respect to the Issuer's obligations and commitments, including the Bonds, or to make funds available for such payments. The ability of the Issuer's subsidiaries to make such payments to the Issuer is subject to, among other things, the availability of funds. Should the Issuer not receive sufficient income from its subsidiaries, there is a risk that investors' ability to receive payment under the terms and conditions for the Bonds is adversely affected.

Insolvency of subsidiaries and structural subordination

In the event of insolvency, liquidation or a similar event relating to one of the Issuer's subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such company before the Issuer, as a shareholder, would be entitled to any payments. There is a risk that defaults by, or the insolvency of, subsidiaries of the Issuer results in the obligation of the Issuer to make payments under financial or performance guarantees in respect of such companies' obligations or the occurrence of cross defaults on certain borrowings of the Group. The Issuer and its assets would not be protected from any actions by the creditors of a subsidiary, whether under bankruptcy law, by contract or otherwise.

Further, the Group operates in various jurisdictions and in the event of bankruptcy, insolvency, liquidation, dissolution, reorganisation or similar proceedings involving the Issuer or any of its subsidiaries, bankruptcy laws other than those of Sweden could apply. The outcome of insolvency proceedings in foreign jurisdictions is difficult to predict and therefore there is a risk of a material and adverse effect on the potential recovery in such proceedings.

Risks relating to the clearing and settlement in Euroclear Sweden AB book-entry system

The Bonds will be affiliated to Euroclear Sweden AB's account-based system, and no physical notes will be issued. Clearing and settlement relating to the Bonds is carried out within Euroclear Sweden AB's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent on the functionality of Euroclear Sweden AB's account-based system.

THE BONDS IN BRIEF

The following summary contains basic information about the Bonds. It is not intended to be complete and it is subject to important limitations and exceptions. Potential investors should therefore carefully consider this Prospectus as a whole, including documents incorporated by reference, before a decision is made to invest in the Bonds. For a more complete understanding of the Bonds, including certain definitions of terms used in this summary, see the Terms and Conditions.

| | |
|-------------------------------------|---|
| Issuer | Scandinavian Biogas Fuels International AB. |
| Bonds Offered | SEK 200,000,000 in aggregate principal amount of senior secured floating rate bonds due 2020. |
| Number of Bonds | 200. |
| ISIN | SE0007784111. |
| Issue Date | 10 February 2016. |
| Issue Price | 100 per cent. |
| Interest Rates | Interest on the Bonds will be paid at a floating rate of three-month STIBOR (floor at 0.00%) plus 9.75 per cent. per annum, subject to adjustments. |
| | The floating rate margin may decrease down to 8.25 per cent in accordance with the Terms and Conditions of the Bonds. |
| Interest Payment Dates | 10 February, 10 May, 10 August and 10 November of each year commencing on 10 May 2016. Interest will accrue from (but excluding) the first Issue Date. |
| Nominal Amount | The Bonds will have a nominal amount of SEK 1,000,000 and the minimum permissible investment in the Bonds is SEK 1,000,000. |
| Status of the Bonds | The Bonds are denominated in SEK and each Bond is constituted by the Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with the Terms and Conditions. |
| | The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer, and: |
| | <ul style="list-style-type: none"> • will at all times rank at least pari passu with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them |

- are guaranteed by the Guarantor (as defined below);
- are effectively subordinated to any existing or future indebtedness or obligation of the Issuer and its subsidiaries that is secured by property and assets that do not secure the Bonds, to the extent of the value of the property and assets securing such indebtedness; and
- are structurally subordinated to any existing or future indebtedness of the subsidiaries of the Issuer (other than the Guarantor to the extent secured by the Guarantee), including obligations to trade creditors.

Guarantee The Issuer's obligations under the Bonds are guaranteed (the "**Guarantee**") by Scandinavian Biogas Fuels AB, Swedish reg. no. 556691-9196 (the "**Guarantor**").

See "*Description of Material Agreements – Guarantee Agreement*" for further details.

Ranking of the Guarantees ... The Guarantee is a general obligation of such Guarantor and:

- ranks *pari passu* in right of payment with any existing and future indebtedness of the Guarantor that is not subordinated in right of payment to such Guarantee, including the indebtedness under any loan document (unless any such loan is secured by security);
- ranks senior in right of payment to any existing and future indebtedness of the Guarantor that is expressly subordinated in right of payment to such Guarantee; and
- is effectively subordinated to any existing or future indebtedness or obligation of the Guarantor that is secured by property and assets that do not secure the Bonds, to the extent of the value of the property and assets securing such indebtedness.

The Guarantee is subject to certain limitations under local law.

Security The Bonds, together with obligations under the agency agreement with Nordic Trustee & Agency AB (publ), are secured by the following security interests:

- a first ranking share pledge over the shares in

- Scandinavian Biogas Fuels AB;
- a first ranking share pledge over 50.03 per cent. of the shares in Biokraft Holding AS;
 - a second ranking share pledge over the shares in Scandinavian Biogas Sweden AB;
 - possibly, a first ranking share pledge over the shares in respect of the Issuer's proportion of any Newbuild Holdco (if any, and as set out and defined in the Terms and Conditions);
 - possibly and subject to certain limitations, a first ranking share pledge in respect of the Issuer's proportion of any Newbuild SPV (if any, and as set out and defined in the Terms and Conditions); and
 - possibly, certain other security as set out in Clause 13.13 (*Subsequent Transaction Security*) of the Terms and Conditions.

See the definition of "**Security Documents**" in Clause 1.1 (*Definitions*) of the Terms and Conditions.

Call Option..... The Issuer has the right to redeem outstanding Bonds in full at any time at the applicable Call Option Amount in accordance with Clause 10.3 (*Voluntary Total Redemption (call option)*) of the Terms and Conditions.

The Issuer has the right, following an Equity Listing Event, to prepay up to 30 per cent. of the Total Nominal Amount in accordance with Clause 10.4 (*Voluntary Partial Prepayment upon an Equity Listing Event*) of the Terms and Conditions.

Call Option Amount Call Option Amount means:

- (a) from the First Issue Date to, but not including, the First Call Date at a price equivalent to the Make Whole Amount;
- (b) from the First Call Date to, but not including, the date falling 36 months after the First Issue Date at a price equivalent to 105 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest;
- (c) from the date falling 36 months after the Issue Date, but not including, the date falling 42 months after the First Issue Date at a price equivalent to 103.75 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest;
- (d) from the date falling 42 months after the

Issue Date, but not including, the date falling 45 months after the First Issue Date at a price equivalent to 102.50 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest; and

- (e) from the date falling 45 months after the Issue Date to, but not including, the Final Maturity Date at a price equivalent to 101.25 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest.

Make Whole Amount..... Make Whole Amount means a price equivalent to the sum of:

- (a) the present value on the relevant record date of 105 per cent. of the Outstanding Nominal Amount as if such payment originally should have taken place on the First Call Date; and
- (b) the present value on the relevant record date of the remaining Interest Payments (assuming that the Interest Rate for the period from the relevant redemption date to the First Call Date will be equal to the interpolated SEK mid-swap rate for the remaining term from the redemption date until the First Call Date plus 5 per cent.), less any accrued but unpaid interest, through and including the First Call Date, each calculated by using a discount rate of 50 basis points over the comparable Swedish government bond rate (i.e. the rate for a comparable period from the relevant redemption date to the First Call Date) and where "relevant record date" shall mean a date agreed upon between the Trustee, the CSD and the Issuer in connection with such repayment.

First Call Date Means the date falling 30 months after the First Issue Date.

Final Maturity Date Means 10 February 2020.

Change of Control..... Upon a Change of Control Event occurring, each Bondholder shall have the right to request that all, or only some, of its Bonds be repurchased at a price per Bond equal to 101.00 per cent. of the Outstanding Nominal Amount together with accrued but unpaid Interest.

Change of Control Event..... The occurrence of an event or series of events whereby one or more persons, not being Ahlström Capital (or an

Affiliate thereof), acting together, acquire control over the Issuer and where "control" means (a) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

Certain Covenants..... The Terms and Conditions contain a number of covenants which restrict the ability of the Issuer and other Group Companies, including, *inter alia*:

- restrictions on making any changes to the nature of their business;
- a negative pledge, restricting the granting of security on Financial Indebtedness (as defined in the Terms and Conditions);
- restrictions on the incurrence of Financial Indebtedness (as defined in the Terms and Conditions); and
- limitations on the making of distributions and disposal of assets.

The Terms and Conditions contain incurrence covenants which govern the ability of the Issuer and the other Group Companies to incur additional debt.

The Issuer shall ensure that the Equity Ratio is not less than:

- 20 per cent. on 30 June 2016 and on each Reference Date thereafter to and including 30 June 2017;
- 21 per cent. on 30 September 2017 and on 31 December 2017;
- 22 per cent. on 31 March 2018 and on 30 June 2018;
- 23 per cent. on 30 September 2018 and on 31 December 2018;
- 24 per cent. on 31 March 2019 and on 30 June 2019; and
- 25 per cent. on 30 September 2019 and each Reference Date thereafter.

A "Reference Date" is 31 March, 30 June, 30 September and 31 December in each year for as long as any Bonds are

outstanding

Each of these covenants is subject to significant exceptions and qualifications, see the Terms and Conditions.

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|---|---|
| Use of Proceeds | <p>The proceeds from the initial Bond Issue have been used towards:</p> <ul style="list-style-type: none"> • financing the Issuer Contribution; • partially refinancing the Proventus Debt in an approximate amount of SEK 51,500,000; • financing the Investment & NWC Program; • paying Transaction Costs; and • financing general corporate purposes of the Group. <p>The proceeds from a subsequent Bond Issue shall be used towards:</p> <ul style="list-style-type: none"> • refinancing any debt under the Existing Debt Facilities; and/or • financing Newbuild Capex. |
| Transfer Restrictions | The Bonds are subject to customary transfer restrictions as set out in Clause 5 (<i>Transfer Restrictions</i>) of the Terms and Conditions. |
| Listing..... | Application has been made to list the Bonds on Nasdaq Stockholm. |
| Trustee | Nordic Trustee & Agency AB (publ). |
| Security Agent | Nordic Trustee & Agency AB (publ). |
| Issuing Agent | Pareto Securities AB. |
| Governing Law of the Bonds and legislation under which the Bonds have been created | Swedish law. |
| Governing Law of the Guarantee Agreement..... | Swedish law. |
| Risk Factors | Investing in the Bonds involves substantial risks and prospective investors should refer to the section " <i>Risk Factors</i> " for a description of certain factors that they should carefully consider before deciding to invest in the Bonds. |

STATEMENT OF RESPONSIBILITY

The issuance of the Bonds was authorised by resolutions taken by the board of directors of the Issuer on 21 December 2015, and was subsequently issued by the Issuer on 10 February 2016. This Prospectus has been prepared in connection with the Issuer's application to list the Bonds on the corporate bond list of Nasdaq Stockholm, in accordance with the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and of the Council and Chapter 2 of the Trading Act.

The Issuer is responsible for the information given in this Prospectus. The Issuer is the source of all company specific data contained in this Prospectus and the Sole Bookrunner has conducted no efforts to confirm or verify the information supplied by the Issuer. The Issuer confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the Issuer's knowledge, in accordance with the facts and contains no omissions likely to affect its import. Any information in this Prospectus and in the documents incorporated by reference which derive from third parties has, as far as the Issuer is aware and can be judged on the basis of other information made public by that third party, been correctly represented and no information has been omitted which may serve to render the information misleading or incorrect. The board of directors confirms that, having taken all reasonable care to ensure that such is the case, the information in this Prospectus is, to the best of the board of directors' knowledge, in accordance with the facts and contains no omission likely to affect its import.

5 April 2016

SCANDINAVIAN BIOGAS FUELS INTERNATIONAL AB

The board of directors

DESCRIPTION OF MATERIAL AGREEMENTS

The following is a summary of the material terms of material agreements to which the Issuer is a party and considered as outside of the ordinary course of business. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements.

Financing Arrangements

General

Other than the Bonds, the Group's counterparties for the financial leases are Stockholm Vatten and SRV and the credit institutions are Proventus, Nordea and Daegu Bank. Certain agreements contain financial covenants and/or restrictions on the Group. Each such contract is deemed material to the Group.

| Counterpart | Total debt | Cash interest | Fixed amortisations | Maturity |
|------------------|------------|---------------|---------------------|----------------|
| Proventus | 103 | Floating rate | No | May 2018 |
| Nordea | 38 | Floating rate | Yes | September 2020 |
| Daegu Bank | 21 | Fixed rate | Yes | December 2017 |
| Stockholm Vatten | 113 | Floating rate | Yes | December 2038 |
| SRV Återvinning | 62 | Floating rate | Yes | April 2039 |

(Amounts are approximate amounts in million SEK as per 31 December 2015.)

Proventus facility

In September 2012, Scandinavian Biogas Sweden AB entered into a term loan agreement with Proventus Capital Partners in the amount of SEK 100 million. In May 2014 the original agreement was amended due to a sale and leaseback transaction with Stockholm Vatten. In connection with the sale and leaseback the security package, among other, was amended to reflect the new ownership of the plants. The final maturity date is 9 May 2018 but the loan may be repaid earlier but at a prepayment fee. A repayment in the amount of SEK 51.5 million, which corresponded to 50 per cent of the total debt, was made on 10 February 2016.

The loan bears a floating rate interest, where the margin is depending on the borrower's (Scandinavian Biogas Sweden AB) and two of its subsidiaries' (Scandinavian Biogas Stockholm AB and Scandinavian Biogas Södertörn AB) net debt to EBITDA leverage. However, the borrower, i.e., Scandinavian Biogas Sweden AB, may elect to apply a mixture of pay-in-kind (PIK) and cash interest instead. The Group utilised the option for PIK interest for the first time at the end of 2015.

The security package for the loan includes:

- (i) first ranking share pledge over Scandinavian Biogas Sweden AB and Scandinavian Biogas Södertörn AB;
- (ii) second ranking business mortgages over Scandinavian Biogas Stockholm AB;
- (iii) second ranking share pledge over Scandinavian Biogas Stockholm AB;
- (iv) intra-group loan pledge over any loans granted by Scandinavian Biogas Sweden AB to Scandinavian Biogas Södertörn AB or Scandinavian Biogas Stockholm AB;
- (v) first ranking business mortgage over Scandinavian Biogas Södertörn AB; and
- (vi) security assignment agreement relating to certain buildings and constructions in the biogas plant in Scandinavian Biogas Södertörn AB.

Nordea facility

In September 2014, Scandinavian Biogas Stockholm AB entered into a new six-year loan agreement with inter alia Nordea Bank AB with an effective loan amount of SEK 40 million. As per December 2015, the remaining outstanding amount was SEK 38 million. The loan carries quarterly amortisation which gradually increases during the tenor of the loan. After initial amortisations of SEK 0.5 million per quarter during Q4 2014 to Q3 2016 the amortisations increase to SEK 1 million during Q4 2016 to Q3 2018 and SEK 2.25 million from Q4 2018 until full redemption at maturity in September 2020. The loan's three-month floating interest rate.

The loan is secured by:

- (i) share pledges over Scandinavian Biogas Fuels i Varberg AB and Scandinavian Biogas Stockholm AB;
- (ii) business mortgages over Scandinavian Biogas Stockholm AB; and
- (iii) guarantees from Scandinavian Biogas Fuels International AB and Scandinavian Biogas Sweden AB.

Scandinavian Biogas Stockholm AB is obliged to meet the following financial covenants for as long as any amount is outstanding: (i) Scandinavian Biogas Stockholm AB's equity ratio is not less than 30 per cent, (ii) Scandinavian Biogas Stockholm AB's rolling twelve month EBITDA is not less than SEK 10 million and not less than SEK 1.8 million on a quarterly basis, and that the borrower's liquidity is at least SEK 10 million measured quarterly on the fifth day after the reporting period.

Daegu Bank facility

Scandinavian Biogas Korea Co., Ltd. entered into a loan agreement with Daegu Bank Co., Ltd. in December 2013. The outstanding amount as per December 2015 was KRW 2,966.1 million (SEK 21 million) and the loan carries a fixed interest with quarterly interest payments.

The loan is secured by:

- (i) a share pledge over the borrower, Scandinavian Biogas Korea Co., Ltd;
- (ii) an insurance pledge over certain potential claims to insurance proceeds;
- (iii) an account pledge over a bank account and a contractual right pledge over the borrower's right under certain agreements; and
- (iv) guarantees from Scandinavian Biogas Fuels AB in the event Scandinavian Biogas Korea fails to repay principle or interest.

In addition to the security package, the borrower is at all times required to have a deposit of KRW 900 million (SEK ~7 million) on an escrow account until the loan is repaid in full. Prior to the final redemption date in December 2017 the borrower shall partially repay the loan through quarterly amortisations of KRW 375 million (SEK ~2.8 million).

New Biokraft loan consortium

Biokraft AS' liquefied biogas ("LBG") plant at Skogn, Norway, shall be partly financed by NOK 215 million in debt under a loan agreement with a consortium of lenders. The operating company, Biokraft AS, is the borrower under the loan agreement. Interest accruing up to 30 June 2017 shall accumulate and be added to the loan. From 31 December 2018, the loan carries semi-annually amortisations representing 1/18 of the outstanding loan equal to NOK ~24 million per annum. Final maturity date is assumed to be 31 December 2027.

The loan is secured by:

- (i) Mortgages related to the property in the amount of NOK 250,000,000;
- (ii) Operating accessories charges in the amount of NOK 250,000,000;
- (iii) Motor vehicle charges in the amount of NOK 250,000,000;
- (iv) Inventory charges in the amount of NOK 250,000,000;
- (v) General assignment in the amount of NOK 250,000,000;
- (vi) Assignment of receivables in the amount of NOK 250,000,000;
- (vii) Share pledges over Biokraft AS in the amount of NOK 250,000,000; and
- (viii) Assignment of shareholder claims in the amount of NOK 250,000,000; and
- (ix) Bank account charges and guarantees from the owners regarding the investment in Biokraft.

Biokraft AS is obligated to meet the following financial covenants for as long as any amount in outstanding: (i) shall at any time from 31 December 2018 maintain a book equity of no less than 30 per cent of its total assets (ii) shall at any time from 31 December 2019 maintain a ratio of EBITDA to debt service of no less than 1.1 measured on a twelve-month rolling basis (iii) shall at any time from 31 December 2018 maintain a ratio of EBITDA to interest payments of no less than 3.3 measured on a twelve-month rolling basis (iv) shall at any time from 31 December 2018 maintain a ratio of net interest bearing debt to EBITDA of no more than 4.5 measured on a twelve-month rolling basis (v) shall at any time maintain a positive working capital (vi) shall at any time from the first drawdown of the loan maintain a deposit of no less than NOK 10 million until 30 June 2018 and a deposit of no less than NOK 16.8 million at the time thereafter.

Guarantee Agreement

The Guarantor and the Security Agent have entered into a guarantee agreement dated 10 February 2016 (the "**Guarantee Agreement**"), pursuant to which the Guarantors have agreed to jointly and severally guarantee the Group's obligations as follows:

- the full and punctual payment and performance within applicable grace periods of all present and future obligations and liabilities of the Issuer and the Guarantors, including all payment of principal of, and premium, if any, and interest under the Finance Documents when due, whether at maturity, by acceleration, by redemption or otherwise, and interest on any such obligation which is overdue, and of all other monetary obligations of the Issuer or Guarantors to the Secured Parties;
- the full and punctual performance within applicable grace periods of all other obligations and liabilities of the Issuer or Guarantors under the Finance Documents; and
- the full and punctual performance of all obligations and liabilities of the Issuer or Guarantor under any Finance Document (as defined in the Terms and Conditions) to which it is a party.

The Guarantees are subject to certain limitations imposed by local law requirements in Sweden.

Other material agreements

As the Group is dependent on relatively few suppliers and customers, the contracts set out under Section "*Customer and supply contracts*" and in the tables under the headings "*Overview of main suppliers and contracts length*" and "*Overview of main customers and contract length*" are deemed material to the Group albeit being contracts entered into in the ordinary course of business of the

Group. In relation to the Biokraft project, the contracts between Biokraft AS and Norske Skog regarding, among other things, Norske Skog's delivery of process water are also deemed important for the Group. Furthermore, the lease agreements with Stockholm Vatten AB in relation to the plants in Henriksdal and Bromma (both expiring in 2038), and the lease agreement with SRV in relation to the plant in Södertörn (expiring in 2039), are deemed material to the Group.

In addition, the Group has entered into an investment agreement and a shareholders agreement with the other shareholders of Biokraft Holding AS regulating the rights and obligations amongst the shareholders.

DESCRIPTION OF THE GROUP

History and development

Scandinavian Biogas Fuels International AB, which is the legal and commercial name of the Company, was incorporated on 28 December 1995 and is a Swedish public limited liability company operating under the laws of Sweden with reg. no. 556528-4733.

The registered office of the Company is Holländargatan 21 A, 111 60 Stockholm, and the Company's headquarter is located at the same address, with telephone number +46 (0)8 503 872 20.

In accordance with the articles of association of the Company, adopted on 8 December 2015, the objects of the Company are to directly or indirectly, on the international market, produce and distribute biogas and to conduct research and development within the field of biogas production, and to conduct related operations.

Business and operations

Scandinavian Biogas was founded in 2005 and is today one of Sweden's largest private producers of upgraded biogas and is also operating a pre-treatment and raw biogas production plant in South Korea. The Group has 60 employees and has its headquarters located in Stockholm. Scandinavian Biogas has an experienced and highly knowledgeable management team with over 90 years of combined relevant industry experience. The Board of Directors is led by Chairman Göran Persson, former Prime Minister of Sweden during the period 1996-2006. The main shareholder of Scandinavian Biogas is Ahlström Capital Cleantech Growth Fund 1 Holding AB and Bengtssons Tidnings AB.

The Group's operations focus on industrial level production and the Group possess leading expertise in the design and operation of biogas plants through its HOLD Technology™, to achieve consistently high levels of biogas production, generated through resource and energy efficient processes.

The Group is in close cooperation with one or more strategic partners in all of its current facilities. In general the Group's respective projects are based around few, large, long-term supply contracts as well as off-take agreements with large, stable counterparties. Currently, the Group's most important suppliers and customers are Stockholm Vatten ("SV") (supply), certain Korean companies and the City of Ulsan in South Korea (supply and sales), SRV Återvinning AB ("SRV") (supply), AGA (contracted sales) and Aktiebolaget Storstockholms Lokaltrafik ("SL") (contracted sales).

SBG's biogas projects are managed in close cooperation with private and municipal stakeholders in the Nordic region, particularly in east central Sweden, which is the core market of the Group's current operations. In addition, Scandinavian Biogas also produces biogas in South Korea.

Historically, municipal and government-owned stakeholders have been focusing primarily on the handling and disposal of waste rather than utilising and exploiting the resource. This is part of Scandinavian Biogas' success as the Group has been able to focus on extracting valuable energy from otherwise, at times, disregarded material. When entering into new projects, the set-up with co-ownership and/or strategic partnerships, whether it is on the supply side or as offtake partners, enables the Group to assume the role as product and process experts with regards to biogas production and upgrading.

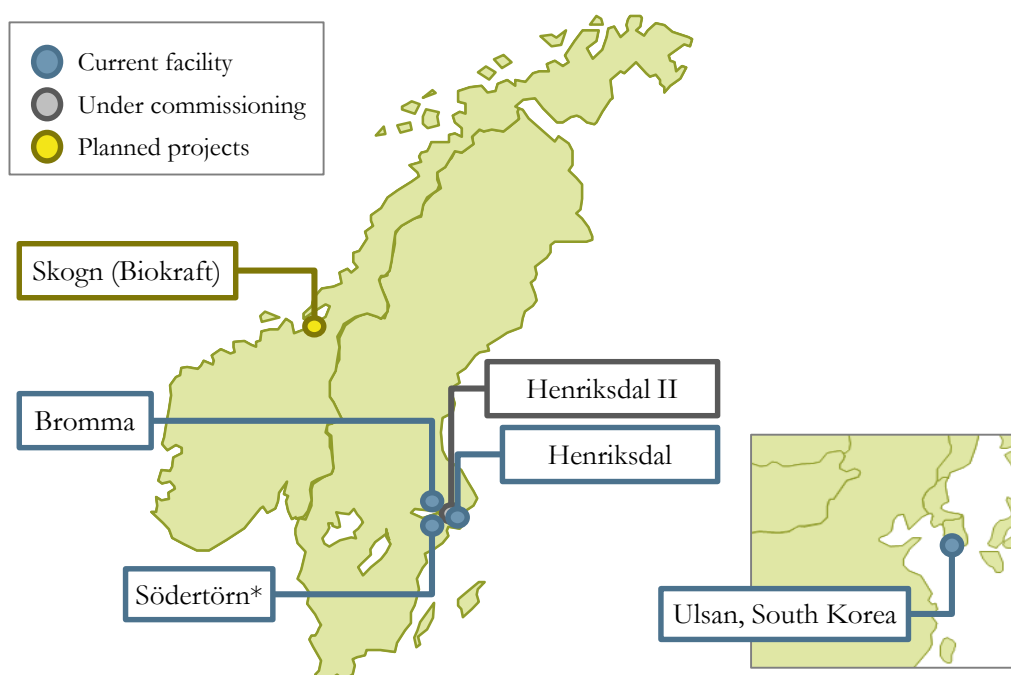
So far the Group's operations have been focused on the upgrading of biogas to compressed biogas ("CBG") in its facilities in Sweden while the South Korea operations include a pre-treatment and anaerobic digestion facility. In addition, the newly constructed first stage of the Södertörn plant also

includes the pre-treatment stage in co-operation with SRV Återvinning as well as the anaerobic digestion production process and upgrading. The impending investment in the Norwegian Biokraft plant will comprise a pre-treatment plant, an anaerobic digestion and a biogas upgrading facility.

For the financial year 2015, Scandinavian Biogas reported net sales of approximately SEK 176 million and an EBITDA of SEK 23.4 million. The Group has several expansion and improvement projects either under commissioning or in pipeline, which is expected to result in a production capacity growth of more than 70 per cent in 2016 year-on-year. As 2016 in part will be characterised by a ramp-up and tuning period for two of the Group's new plants, additional sales are expected in 2017 as the production is optimised.

Production facilities

The Group is currently operating biogas production facilities in Henriksdal (Stockholm, Sweden), Bromma (Stockholm, Sweden), Södertörn (Greater Stockholm Area, Sweden) and Ulsan (South Korea). Södertörn, with exception of the pre-treatment plant, is owned by the Group. The strategic objectives of Scandinavian Biogas include future expansions with focus on the Nordic region, and in line with this strategy is the Biokraft project located in Skogn, Norway in which a controlling stake has been acquired by the Group.



| Site | Status | Pre-treatment | AD biogas production | Upgrading (CBG) | Type | Operational since/in |
|---------------|---------------|---------------|----------------------|-----------------|------|----------------------|
| Henriksdal | Operational | NO | CO-OPERATION | YES | CBG | 2003 ¹ |
| Bromma | Operational | NO | NO | YES | CBG | 2000 ² |
| Henriksdal II | Commissioning | NO | CO-OPERATION | YES | CBG | Q1 2016 |
| Södertörn | Commissioning | YES | YES | YES | CBG | 2015/2016 |

¹ By the Group since 2010

² By the Group since 2010

| | | | | | | |
|-----------------|-------------|-----|-----|-----|---------|-------------------|
| Ulsan | Operational | YES | YES | NO | Raw gas | 2002 ³ |
| Biokraft, Skogn | Planned | YES | YES | YES | LBG | Q2 2017E |

The plants in Henriksdal and Bromma are focused on upgrading raw biogas to compressed biogas which is primarily used as a vehicle fuel. The raw biogas to these facilities is supplied by the Group's strategic partner Stockholm Vatten (SV), which produces the raw gas mainly from wastewater sludge in adjacent wastewater treatment plants. Scandinavian Biogas has a close co-operation with SV and assists in operating and tuning SV's anaerobic digestion (AD) facilities, ensuring an efficient utilisation of the wastewater. There is a major investment on-going at the Henriksdal site financed by Stockholm Vatten where the Group will be able to more than double the volumes of upgraded compressed biogas once the project is finalised.

The Södertörn plant has commenced production during Q4 2015 of vehicle fuel compressed biogas. The Ulsan plant in South Korea is operating at close to full capacity, producing raw biogas that is sold via the regional gas distributor. With respect to the Södertörn production plant, the Issuer became aware in March 2016 that certain challenges had arisen in terms of the plant's commissioning, which require certain adjustments to the plant's facilities. This is expected to cause a delay in production increase with three to six months. There is a risk that such delay negatively affects the Group's earnings and financial position.

The Group's first project in Norway is a planned raw gas and compressed biogas upgrading facility in which the Group has acquired a majority stake and the investment phase has commenced in Q1 2016. The Biokraft plant in Skogn, Norway has an estimated construction time of approximately one year and is expected to commence production in H1 2017.

The Group's production plants have so far been concentrated to the Stockholm area. The Group has deliberately established a leading position in the area as biogas production both in terms of supply (i.e., food waste and sewage sludge) and demand (i.e., liquefied or compressed vehicle fuel) for natural reasons are local and hence the competition for both supply and sales are to a great extent regional. In addition, Stockholm is the administrative as well as the growth capital of Sweden which provides a beneficial market for Scandinavian Biogas.

Scandinavian Biogas' involvement in the Ulsan plant in South Korea has been an operational success and the Group has been able to optimise and increase the efficiency at the site. The Ulsan plant has reached its full potential and is currently operating close to full capacity in terms of treated food waste volumes. However, the agreement relating to the Ulsan plant stipulates certain improvement requirements which, if not made, waived or re-negotiated, may impose certain penalties on Scandinavian Biogas as further set out in Section "Risk factors".

The Henriksdal plant in Stockholm is currently the single most important plant for the Group in terms of revenue. At the Henriksdal plant, the production process has been successfully optimised since the Group acquired the plant in 2010 from its main supplier SV, resulting in approximately 17 per cent growth in upgraded gas volumes (in terms of GWh) in 2015E compared to 2011. The plant was sold back to SV in September 2014, upon which the Group, as tenants, entered into a lease agreement with SV as landlord.

³ Refurbished in , and operated by, the Group since 2011

Business model

With its recently constructed and nearly finished expansions, Scandinavian Biogas has established a solid business and a reputable name in the biogas sector. The Group has a very strong presence in Sweden and with the planned expansion in Norway, Scandinavian Biogas will further strengthen its dominant market position in the Nordics for industrial biogas production plants.

Scandinavian Biogas has a clear strategy in place to increase production in the years to come, partly stemming from investments made during recent years. The Group has formulated a long-term target of one TWh (1,000 GWh) of produced and sold bioenergy by 2020. The Group has a well-developed and high-quality pipeline concentrated on the main markets of Sweden and the Nordics that acts as a basis for continued sustainable growth. Current expansions in Nordics are expected to increase the Group's total production capacity from 100 to almost 500 GWh by 2017.

The Group's growth ambition is based on a persistent under-penetration of renewable fuels particularly within transportation. With time the still fairly local CBG markets will emerge into larger regional and country based markets with support of availability of LBG, better adaptation of the Green Gas Principle, better coverage of filling stations for CBG and LBG, availability of medium and heavy trucks as well as new substrates. The sea transportation is in addition assumed to emerge as a new segment for biogas.

In line with the general market trend, biogas production sites are expected to become bigger and the Group has a strategy in place of focusing on plants with annual capacity in excess of 50 GWh (CBG) or more than 100 GWh (LBG).

The Group's proprietary core competence (HOLD Technology™) will be further developed and leveraged going forward. Furthermore, as the waste streams will be a limiting factor in the future it is important that new, still underutilised substrate sources be identified and used as organic material streams for the AD biogas production. Potentially interesting substrate streams might be available from pulp and paper industry as well as in the form of woodchips in different formats.

The Group aims to operate under a so-called Build-Own-Operate ("**BOO**") business model with the emphasis on Build (design according to HOLD Technology™) and Operate (leverage the know-how). Scandinavian Biogas rarely owns the production plants but rather seeks to secure long-term strategic partnerships and/or lease agreements stretching over the majority of a plant's lifetime. By investing or working in long-term partnership in a production facility (e.g. with a supplier), the Group can add value by providing qualified expertise in the field of biogas production. The Group's strength lies in developing resource efficient and economic processes for many different types of substrate.

These processes include, according to the HOLD Technology™, the whole chain from designing biogas plants to the management, pre-treatment and digestion of organic material as well as the upgrade of biogas to vehicle fuel grade quality. An efficient operation of biogas plants is at the core of Scandinavian Biogas' business model, and fine-tuning of the digestion process is what differentiates Scandinavian Biogas from many others in the industry. An early involvement in new projects enables the Group to highly influence the design of a plant and ensure an optimal production.

Years of research and evaluation have resulted in extensive knowledge, with a database covering more than 300 substrates. The qualified expertise in biogas production enables the Group to:

- Produce more gas per m³ digester volume
- Achieve greater stability in the reactor during the digestion process

- Provide qualified knowledge in a wide range of substrates
- Upgrade the gas with very low methane leakage
- Achieve effective cost and resource efficient production
- Constantly increase the biogas yield

When the Group assesses new potential projects, the evaluation process is broken down into several steps. In general a year may be spent on the initial evaluation of a new project during which the potential of the project is carefully assessed and a basic feasibility study is carried out. Applications for permits and logistic evaluations are normally also initiated during this stage. Before the Group proceeds to the next step, the possibility for the Group to assume a leading role is considered along with prerequisites for achieving an acceptable sharing of responsibilities and co-ownership with strategic partners.

In the second phase of the project process, a more detailed feasibility study is carried out where an in-depth analysis of potential substrates and digestate conditions is carried out. Construction and operating permits are granted and main supplier and offtake contracts are secured before an investment decision is taken and the project moves on to the investment phase.

During the investment phase when ground work and the construction of the plant is carried out, the Group puts substantial efforts into the design of the new plant, ensuring the production facility will be fully compatible, when applicable, with the Group's HOLD Technology™. Procurement processes are handled and off-take agreements are signed with key counterparties, ensuring stable sales from future production. The installation and start-up of a plant may take up to twelve months before full production is achieved.

During the operation of the plant, Scandinavian Biogas seeks to achieve continuous efficiency improvements. Potential opportunities for production enhancements are evaluated on an on-going basis. A biogas production facility commonly has an expected life span in excess of 25 years. Currently, three of the Group's plants are being leased on long-term contracts maturing in 19, 23 and 25 years respectively. The vast majority of key supply contracts and off-take agreements are signed on maturities stretching well beyond 2020 and the longest supply contracts production capability until 2038.

Customer and supply contracts







Customer and supply contracts generally take the form of framework agreements with predetermined quality, prices and minimum volumes. Due to the large investment required to construct a biogas plant and the mutual benefit between suppliers and producers of making use of waste products, the majority of the Group's contracted volumes are long-term, generally running over 10-25 year periods resulting in a close cooperation between the two parties.

In general, each plant sources all its input material from one or two nearby suppliers. Stockholm Vatten is the Group's largest supplier delivering the majority of input material to the plants in Henriksdal and Bromma while a state-owned entity from the city of Ulsan is the sole supplier of feedstock to the facility in South Korea. As a general feature, most supply and customer contracts have an index-price mechanism regulating annual price changes.

Contracted sales

Below are an overview of the Group's largest customers and the length of each contract. As illustrated, Scandinavian Biogas has been able to secure long-term contracts for all of its facilities. All of the largest customers are on contracts running until 2020 or longer with limited scope for premature termination. In general, a contract can only be terminated due to material breach such as if the Group does not meet the quantity obligations, the quality of the gas fails to meet the contracted requirements or the Group becomes insolvent. No such event has ever occurred in the history of the Group. None of the Group's customers are able to terminate the contracts out of convenience only.

Overview of main customers and contract length

| Plant | Major client | 2016 | 2017 | 2018 | 2019 | 2020 | Past 2020 | % of current plant capacity |
|------------|---|------|------|------|------|------|--------------------|-----------------------------|
| Henriksdal |  | | | | | | 2021 & 2023 | ~84%* |
| Henriksdal |  | | | | | | 2019 & 2020 | ~16%* |
| Bromma |  | | | | | | 3 year ext. option | 100% |
| Ulsan |  | | | | | | No fixed date | 100% |
| Södertörn |  | | | | | | Q4 2020 | ~67%* |
| Biokraft |  | | | | | | 2027 | 100%** |

* % of estimated production capacity in 2016

** Construction of the Biokraft facility is expected to be finished in 2017

The Group has secured two contracts with SL for the delivery of vehicle fuel produced at the facility in Henriksdal. The first contract has been in place since 2010 with a final maturity date in 2023 while the second contract will commence in January 2016 in connection with the production start of the currently nearly finished facility in Henriksdal. The new contract matures in 2021 and SL has an option to extend the agreement for another four years. With the new SL contract the Group will more than double its contracted volumes in 2017 compared to current levels. Both contracts have pre-determined pricing.

For Bromma, the Group has an off-take agreement with AGA until 2020 (with a three-year extension option) where Scandinavian Biogas is obliged to sell virtually all compressed biogas produced at the facility to AGA at a pre-determined price. The contract also secures additional sales from any ramp-up in volumes as AGA is obligated to purchase all compressed biogas that is delivered by the plant.

E.ON is the main customer for the Södertörn Biogas plant and accounts for around 90 per cent of total contracted sales corresponding to approximately 67 per cent of total estimated plant production capacity in 2016. The five-year contract is in place until the end of 2020. Other contracted customers are SRV and Widrikssons Åkeri with volumes expected to increase. Any remaining volumes in Södertörn are planned to be sold B2B via the filling station located on the site of the plant.

The Ulsan plant has a supply agreement in place with Kyungdong City Gas ("KDCG") who is the exclusive supplier of gas in Ulsan City in accordance with Korea local regulation. The sole end-customer for the Ulsan plant is however the South Korean chemical and life science company SK Chemicals. The contract with KDCG/SK Chemical has no fixed maturity date and is effective until the

date the Ulsan plant produces and supplies upgraded biogas. SK Chemicals receives the biogas through dedicated pipeline from Scandinavian Biogas Korea Ulsan ("SBKU") and SK Chemicals.

For Biokraft the entire planned production volume is contracted to AGA under a 10 year contract on a take-or-pay basis where AGA is obliged to buy all LBG produced in the plant, including future volume increases resulting from tuning and optimisation efforts. If AGA would fail to fulfil its obligations, the Group has the right to invoice AGA for any produced volumes.

In Bromma, additional volumes are covered by present contracts where the off-take counterparties purchase the biogas on the same prerequisites as for the contracted volume. In Henriksdal and Södertörn, potential additional volumes have not been pre-sold; rather, the Group currently prefers to sell these volumes at spot market prices until production is up and running in order to maximise the price in a new contract and subsequently the profitability of the operations.







Sourcing and suppliers

The Group has entered into a long-term supply agreement with SV for the supply of raw biogas to the upgrading facilities in Henriksdal and Bromma. The contract with SV runs until 2038. Although the plant is dependent on a single supplier, the long-term contract and the fact that SV is the owner of both the facilities in Bromma and Henriksdal significantly limits the Group's sourcing risk. However, as the plant in Henriksdal is under expansion, which will increase the plant's capacity by approximately 75 per cent over the next couple of years, Management is evaluating additional sources of raw biogas to meet this additional capacity.

SV is planning to eventually close down the WWTP in Bromma, and the current plan is to re-direct the wastewater to their WWTP in Henriksdal. SV estimates to complete this project by 2024. In the event that the future plans to discontinue SV's WWTP in Bromma are realised, the Group has already signed a contract securing additional volumes of raw biogas to the facility in Henriksdal in an amount equal to the volumes delivered to Bromma.

SRV is the main supplier to the Södertörn pre-treatment facility and biogas plant, which includes supply from Stockholms Stad, delivered by SRV. The current contract runs until the end of 2018 securing supply corresponding to 50-69 per cent of estimated production capacity during this period. The risk of the contract not being extended past 2018 is limited by the fact that the location is favourable as the site is co-located with the Gladö Kvarn recycling plant. The location is also favourable for other organic waste suppliers south of Stockholm as it is in proximity to the most densely populated region in Sweden.

Overview of main suppliers and contract length

| Plant | Key supplier | 2016 | 2017 | 2018 | 2019 | 2020 | Expiry | % of current plant capacity |
|------------|---|------|------|------|------|------|--------|-----------------------------|
| Henriksdal |  | | | | | | 2038 | ~96% |
| Bromma |  | | | | | | 2038 | ~81% |
| Ulsan |  | | | | | | 2026 | ~98% |
| Södertörn |  | | | | | | 2018 | 50-69%* |
| Biokraft |  | | | | | | 2026 | ~60%** |
| Biokraft |  | | | | | | 2026 | ~20%** |

The Group has a large part of supply for its planned production secured over the years to come, ensuring stable production rates. In addition to the key suppliers listed in figure 26 above, the Group sources complementary substrates from various counterparties, typically on shorter term contracts.

Market overview

Naturally, biogas is a global product that is common in countries where the technical knowledge and political policies create optimal conditions for biogas manufacturing. However, as the Group is currently active on the Swedish and South Korean market and is expanding into the Norwegian market in 2016, this section will explore the market in the three abovementioned countries. Furthermore, the market for biogas is to a significant extent a domestic or regional one as high transportation costs do not make it economically feasible to export biogas across regions or continents.

Sweden

Over the last ten years, the use of biogas has increased by 39 per cent, or with 0.5 TWh to a total of 1.8 TWh across almost 280 facilities.⁴ The majority of the increase comes from the increased demand for compressed gas for vehicles; either as compressed natural gas or compressed biogas as these are chemically alike and can be used interchangeably. Upgrading (mostly for renewable vehicle fuel) constituted 57 per cent of total use in 2014, up twelve per cent year-on-year and up from nine per cent of total use in 2005. Use in heating decreased by 17 per cent year-on-year, while flare systems increased by two per cent and electricity production increased by 25 per cent.⁵

Although gas is relatively widely used as a vehicle fuel in the form of fossil liquefied petroleum gas ("LPG") (*Sw. Gasol*), Sweden is currently one of few countries in the world with a large market for CNG/CBG-powered vehicles. Taxis and buses commonly use gas engines and the personal automobile segment is also growing. As of 2012, production of LNG has commenced in Sweden.^{6,7} Compressed Natural Gas (CNG) is imported to Sweden through a pipeline from Denmark and Liquefied Natural Gas (LNG) is imported by boat to terminals in Nynäshamn and Lysekil.^{8,9}

In Sweden when the biogas is sold as vehicle fuel it is normally blended with natural gas. The definition of vehicle gas (*Sw: fordonsgas*) refers to either natural gas, bio gas or a combination of the two, although in Sweden the share of upgraded biogas in "fordonsgas" at all major filling stations include a minimum of 50 per cent bio gas.^{10, 11, 12, 13}

Norway

Biogas has historically seen little use in Norway, but has started to become an increasingly important energy source in recent years. There are big plans for new capacity and fleets of gas-powered buses are being introduced in major cities, which drive demand.^{14,15} Currently, upgraded biogas constitutes a small part of the total biogas that is being produced, but its share is expected to grow.²

⁴ Produktion och användning av biogas och rötresten ... Project Reports 2005-2014. Energimyndigheten, Energigas Sverige.

⁵ Energimyndigheten

⁶ Ekman, Hanson, Danielsson: *LNG och LBG i Sverige – en översikt* (2014)

⁷ Eric Zinn, Göteborg Energi; *Utvecklingen av LBG-marknaden i Sverige* (2014)

⁸ <http://www.energigas.se/Energigas/Naturgas/FlytandeNaturgas>

⁹ <http://www.energigas.se/Energigas/Naturgas/Distribution>

¹⁰ www.statoil.se/sv_SE/pg1334072467656/privat/Drivmedel/%C3%B6vrigadrivmedel/Fordonsgas.html

¹¹ www.eon.se/om-eon/Press/#/pressreleases/e-on-lanserar-biogas-100-foer-en-snabbare-omstaellning-till-haallbara-transporter-1135107

¹² www.okq8.se/pa-stationen/drivmedel/fordonsgas/

¹³ preem.se/fordonsgas

¹⁴ Biogas and waste management in Norway. Presentation April 2012. IEA Bioenergy Workshop. Henrik Lystad.

¹⁵ Underlagsmateriale til tverrsektoriell biogass-strategi. Project Report April 2013. Klima- og forurensningsdirektoratet.

South Korea

At the end of 2014, there were 82 biogas plants in operation in South Korea with a total production of approximately 2.6 TWh per year¹⁶ compared to 280 facilities and 1.8 TWh in Sweden, implying that the biogas production plants tend to be operated on a larger scale in South Korea while there are still many small-scale plants in Sweden presently. 21 of the 82 biogas plants in South Korea were landfill gas where biodegradable waste is buried in landfills and gas is produced due to chemical reactions and microbes in a similar process to AD.¹⁷

Landfills are shrinking in importance in the Nordics as landfilling of organic waste is being banned. In Sweden, a ban has been in place since 2005.¹⁸ According to industry experts¹⁹, the biogas industry in South Korea is recognised as economically and technically unsuccessful due to a lack of know-how, poor technologies and policies. South Korea distinguishes itself from the Nordic market by using a large part of its biogas output in combined heat and power plants; in 2013, 59 per cent of biogas was used to produce electricity and 24 per cent to generate heat. The main part of the remaining biogas is used for heat generation (flaring), but this part is decreasing due to the growing demand for biogas sale. The use of biogas as vehicle fuel is still insignificant and constituted a mere 1.0 per cent of total production in 2013.

Share capital and ownership structure

The shares of the Company are denominated in SEK. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, the Company had an issued share capital of SEK 18,018,553.027571 divided into 90,092,662 of shares.

The following table sets forth the major shareholders in the Company as of 31 December 2015.

| <i>Shareholder</i> | <i>Share capital</i> | <i>Voting Rights</i> |
|---------------------------------------|----------------------|----------------------|
| AC Cleantech Growth Fund I Holding AB | 32.79% | 32.79% |
| Bengtssons Tidnings Aktiefbolag | 28.44% | 28.44% |
| Other shareholders | 38.77% | 38.77% |
| Total | 100.00 % | 100.00 % |

Management shareholders

Management shareholders include the following members of the Company's management:

- Matti Vikkula
- Michael Wallis Olausson
- Jörgen Ejlertsson
- Jean Collin

Other shareholders

Shareholders being directors of the board of the Company are the following:

¹⁶ Korea Country Report. Project Report October 2014. International Energy Agency. Ho Kang.

¹⁷ www.iea-biogas.net/files/daten-redaktion/download/publi-task37/upgrading_rz_low_final.pdf

¹⁸ eks.standout.se/userfiles/file/BiogasSydost/BioMethaneRegions/BasicDataonBiogas2012-komprimerad.pdf

¹⁹ www.researchgate.net/publication/254409702_Status_of_biogas_technologies_and_policies_in_South_Korea

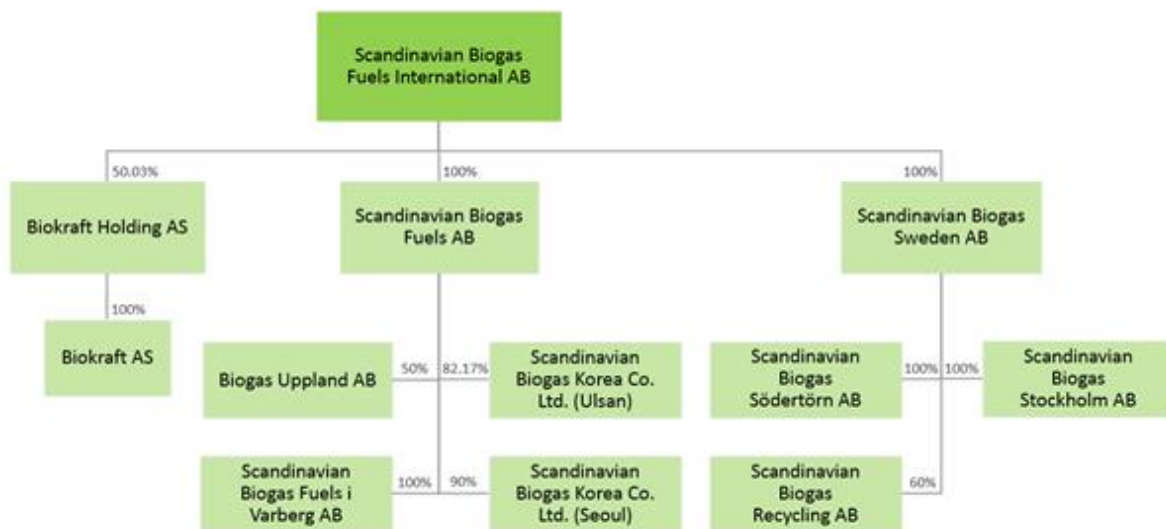
- Göran Persson
- Anders Bengtsson
- Andreas Berg

Shareholders' agreements

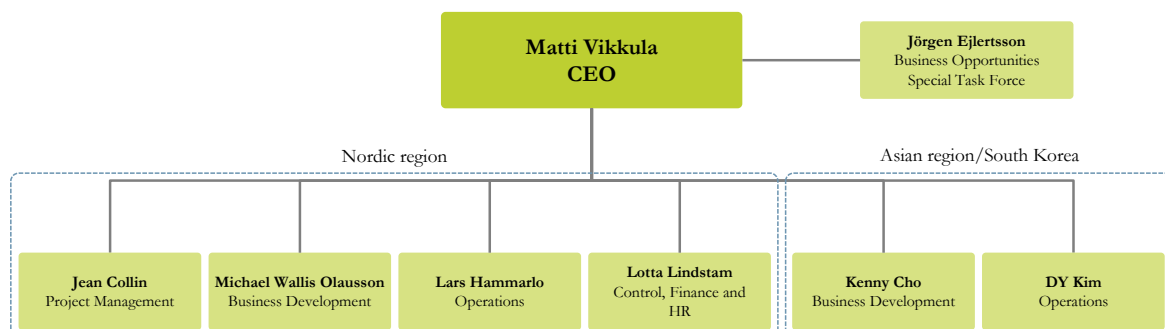
To the Company's knowledge, there are no shareholders' agreement(s) in place between any shareholders in the Company, nor any agreement or similar arrangements which affects the control which shareholder(s) exercise or may exercise in the future.

Overview of Group structure

The Company is the parent company of the Scandinavian Biogas group, which as per the date of this Prospectus consists of the entities set out below. The Guarantor, Scandinavian Biogas Fuels AB, Swedish Reg. No. 556691-9196, is a subsidiary of the Company.



Overview of Management



Recent events

There has been no recent event particular to the Group which is to a material extent relevant to the evaluation of the Issuer's solvency. However, with respect to the Södertörn production plant, the Issuer became aware in March 2016 that certain challenges had arisen in terms of the plant's commissioning, which require certain adjustments to the plant's facilities. This is expected to cause a delay in production increase with three to six months. There is a risk that such delay negatively affects the Group's earnings and financial position. Further, in connection with the release of the Group's consolidated financial statements for 2015, the Group announced changes in the profitability for 2016.

Significant change and trend information

There has been no material adverse change in the prospects of the Group since the date of publication of its last audited annual accounts and no significant change in the financial or trading position of the Group since the end of the last financial period for which audited financial information has been published.

Legal and arbitration proceedings

Other than the discussions with Ulsan City as set out under the heading "Production facilities and distribution hubs" in Section "Risk factors", neither the Issuer nor the Group is, or has been over the past twelve months, a party to any legal, governmental or arbitration proceedings that have had, or would have, a significant effect on the Group's financial position or profitability. Nor is the Issuer aware of any such proceedings which are pending or threatening and which could lead to the Issuer or any member of the Group becoming a party to such proceedings.

Credit rating

No credit rating has been assigned to the Issuer, or its debt securities.

MANAGEMENT

The board of directors of the Issuer currently consists of six members which have been elected by the general meeting and one employee representative. The board of directors and the senior management can be contacted through the Issuer at its headquarters at Holländargatan 21 A, 111 60 Stockholm. Further information on the members of the board of directors and the senior management is set forth below.

Board of directors

Göran Persson, chairman of the board since 2009

Education: Studies at Örebro University 1969 - 1971.

Current engagements: Elected as chairman of SBG in 2009, Mr. Persson has a unique experience within Public Affairs, Financial Markets, International politics and the EU.

Previous engagements: Former Prime Minister of Sweden 1996 - 2006, Chancellor of the Exchequer 1994 - 1996, Member of Parliament and Vice Chairman of the Standing Committee of Finance 1993 - 1994, Member of Parliament and Chairman of the Agriculture Committee 1991 - 1992 and Minister for Schools 1989 - 1991. Chairman of the Property Committee (PC) and the Remuneration Committee (RC).

Andreas Ahlström, member of the board since 2011

Education: Mr. Ahlström holds a M.Sc. of Economics degree from Hanken School of Economics in Helsinki.

Current engagements: Mr. Ahlström took an active role in Ahlström Capital in the autumn of 2010 with the main objective to work with new cleantech fund investments and is presently on the Board of Directors of three of the fund's portfolio companies.

Sara Anderson, member of the board since 2015

Education: M.Sc in Chemical Engineering from the Royal Institute of Technology in Stockholm.

Current engagements: Since 2014 Mrs. Anderson has worked as a consultant and expert in fuel and transportation at 2050 Consulting.

Previous engagements: Mrs Anderson has more than ten years of experience from working with implementation and increased use of biogas as a vehicle fuel and has been responsible for Stockholm Public Transport's fuel and energy strategy.

Anders Bengtsson, member of the board since 2009

Education: MBA from the Middlebury Institute of International Studies at Monterey, USA.

Current engagements: Founder of Dimitra AB, Partner at Bengtssons Tidnings Aktiebolag. Investments in areas such as Renewable Energy, Mobile IT, Real-estate, Mineral Resources and Mining. Board member of Diös Fastigheter AB (publ) among others.

Previous engagements: 20 years as Managing Director of small and medium sized companies and several years as a Management Consultant for, among others, Semcon AB.

Andreas Berg, member of the board since 2012 (Employee representative)

Education: Mr. Berg holds a M.Sc. in Biology from the University of Linköping.

Current engagements: In addition to being member of the board, Mr. Berg is Head of Research, thereby being responsible for leading the Group's research projects. Mr. Berg is the employee representative in the Board of Directors.

Previous engagements: Board member of Stångåstaden AB 2011-2015.

Hans Hansson, member of the board since 2013

Education: Economics.

Current engagements: Mr. Hansson joined the SBG Board in 2013 and is a board member in Svenska Galopp AB, Leax group and Scania Sverige.

Previous engagements: Mr. Hansson has a solid industrial background from several managing positions in Tibnor, VAG and Volvo and has since 2000 worked within the Scania group holding various executive positions.

Peter Lönnblad, member of the board since 2015

Education: Mr. Lönnblad holds a M.Sc. from Åbo Akademi University in Åbo.

Current engagements: Mr. Lönnblad is currently holding the position as Managing Director of John Nurminen Oy and CEO of John Nurminen Group.

Previous engagements: Mr Lönnblad has 10 years of experience in both senior managerial and director positions within the John Nurminen Group, and furthermore holds board positions in several of John Nurminen Group's portfolio companies.

Management

Matti Vikkula, Chief Executive Officer since 2011

Education: M.Sc in Economics from the Helsinki School of Economics in 1986. IEP, Insead Fontainebleau 1999.

Previous engagements: Mr. Vikkula has held several positions as CEO and SVP in listed companies such as Ruukki Group Oyj, Elisa Oyj and Saunalahti Group Oyj, and has also been a partner at PwC Management Consulting.

Jean Collin, Chief Technical Officer since 2013

Education: Mr. Collin holds a Civil Engineer degree in Agronomy from ISARA, Lyon. In addition, Mr. Collin holds a DEA (pre-doc) in environmental policy from ENTPA (ENGREF) in Paris.

Previous engagements: Mr. Collin's previous engagements include Project Leader for the Group's Ulsan project in South Korea (2008-2010), Project Director for Scandinavian Biogas Asia (2010-2011), Technical Consultant in environmental engineering for Sweco (1998-2007) and Assistant Technical Attaché for Environmental Affairs at the French Embasys in Tokyo (1996-1997).

Additional information: Mr. Collin is responsible for the engineering department where he, together with a team of project managers, process experts, and engineers, are head of the technical development of new plants. Mr. Collin also assists the operations department with project developing. Mr. Collin has 20-year industry experience.

Jörgen Ejlertsson, R&D Director since 2005

Education: Mr Ejlertsson holds a PhD from Linköping University.

Previous engagements: Former Deputy Professor of Tema V at Linköping University. Mr. Ejlertssons research career began in 1993 at the Swedish University of Agricultural Sciences in Uppsala.

Additional information: Mr. Ejlertsson is one of the three founders of Scandinavian Biogas and currently holds the position as R&D Director. Mr. Ejlertsson has 20-year industry experience.

Lars Hammarlo, Operations Director since 2013

Education: HTL Stockholm; Engineer's degree in Electrical and Electronics Engineering. Jurisdiction Electrical and Gas installations, Swedish Gas Association and Electrical Safety Authority.

Previous engagements: Mr Hammarlo has previously worked for Stockholm Water as Biogas specialist, including operating of biogas plants. He has 40 years of experience from the biogas industry and was one of the first "pioneers" in Sweden to start and build up production and a market for biogas.

Additional information: Employed since 2009. Mr. Hammarlo is responsible for the Group's plants in Sweden including further development of the operational efficiency and profitability of the business.

Lotta Lindstam, Chief Financial Officer since 2013

Education: Graduate of IHM Business School.

Previous engagements: Ms. Lindstam has been in the magazine & newspaper publishing business for 18 years, working for international publishing houses such as Hachette and Metro, and has also been in the wine importing business.

Additional information: Ms. Lindstam is head of the finance department and in charge of external financial reporting, as well as reporting to management and the board.

Michael Wallis Olausson, Business Director and VP since 2013

Education: MBA from Stockholm School of Economics 2004.

Previous engagements: A former Lieutenant Colonel in the Swedish Armed Forces, Mr. Olausson worked in Management Consulting with Deloitte prior to joining the Company.

Additional information: Mr Wallis Olausson joined the Group in November 2009 as CFO and is since 2013 responsible for business development including new projects and sales.

Conflicts of interest within administrative, management and control bodies

There are no conflicts of interests between any duties to the Issuer of the persons referred to in sections Board of Directors and Management above, and their private interests and/or other duties. It should be noted that Anders Bengtsson is a partner at Bengtssons Tidnings Aktiebolag, being a major shareholder in the Company, although the Company does not consider this giving rise to any conflict of interest.

Interest of natural and legal persons involved in the issue

The Sole Bookrunner and/or its affiliates have engaged in, and may in future engage in, investment banking and/or commercial banking or other services for the Issuer and the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Sole Bookrunner and/or its affiliates having previously engaged, or engaging in future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

HISTORICAL FINANCIAL INFORMATION

Historical financial information

The Group's consolidated financial statements for the financial year ended 31 December 2015 and the figures for the financial year ended 31 December 2014 as set out below are incorporated into this Prospectus by reference (please see section "*Other Information*"). The information incorporated by reference is to be read as part of this Prospectus.

The Group's consolidated financial statements for the financial years ended 31 December 2015 and 31 December 2014 have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the EU.

Other than the auditing of the Group's consolidated financial statements for the financial years ended 31 December 2015 and 31 December 2014, the Group's auditor has not audited or reviewed any part of this Prospectus.

The Group's consolidated financial statements for the financial year ended 31 December 2015 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- consolidated income statement, page 27;
- consolidated balance sheet, page 28-29;
- consolidated statement of changes in equity, page 30;
- consolidated cash flow statement, page 31; and
- the audit report, page 55.

The Group's consolidated financial statements for the financial year ended 31 December 2014 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- consolidated income statement, page 24;
- consolidated balance sheet, page 25-26;
- consolidated statement of changes in equity, page 27;
- consolidated cash flow statement, page 28; and
- the audit report, page 51.

Auditing of the annual historical financial information

The Company's consolidated financial statements as at present and for the years 2014 to 2015 have been audited, as applicable, by Öhrlings PricewaterhouseCoopers AB, Uppsala ("**PwC**"). PwC has been the Company's auditor since 2007. Leonard Daun is the auditor who is responsible for the Company. Leonard Daun is an authorized auditor and is a member of the professional body FAR, the professional institute for the accountancy sector in Sweden.

The auditing of the consolidated financial statements was conducted in accordance with international standards on auditing and the audit reports were submitted without comment.

Age of the most recent financial information

The most recent financial information has been taken from the consolidated financial statements for the financial year ended 31 December 2015, which was published on 4 April 2016 on the Issuer's website www.scandinavianbiogas.com.

OTHER INFORMATION

Assurance regarding the Prospectus

Scandinavian Biogas Fuels International AB is responsible for the content of the Prospectus and has taken all reasonable precautions to ensure that, as far as the Company is aware, the information in the Prospectus accords with the facts and contains no omission likely to affect its import. To the extent prescribed by law, the board of directors of the Company is also responsible for the content of the Prospectus. The board of directors has taken all reasonable care to ensure that the information in the Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Clearing and settlement

As of the date of this Prospectus, Bonds have been issued in an amount of SEK 200,000,000 and the Issuer may, subject to certain conditions set out in the Terms and Conditions, issue additional Bonds in a maximum aggregate amount of SEK 100,000,000. Each Bond has a nominal amount of SEK 1,000,000. The ISIN for the Bonds is SE0007784111.

The Bonds have been issued in accordance with Swedish law. The Bonds are connected to the account-based system of Euroclear Sweden AB. No physical notes have been or will be issued. Payment of principal, interest and, if applicable, withholding tax will be made through Euroclear Sweden AB's book-entry system.

The Guarantor

Specific information with respect to the Guarantor is set out below. The Guarantor may be contacted through the address of the Company.

- Scandinavian Biogas Fuels AB is a limited liability company incorporated in Sweden since 29 November 2005. It is registered with the Swedish Companies Register with reg. no. 556691-9196. Its registered address is Holländargatan 21 A, 111 60 Stockholm.
- Scandinavian Biogas Fuels AB is a holding and an operational company and owns certain operational companies as set forth in the Section "Overview of Group structure"
- Scandinavian Biogas Fuels AB provides services to other Group companies.
- Scandinavian Biogas Fuels AB conducts certain research and has, together with the Department of Tema at Linköping University ("LiU") and the consultancy company Pöyry, led a research and development project "Establishment and optimization of biogas production in Swedish paper- and pulp industry" 2011-2015. The project was funded mainly by the Swedish Energy agency and performed in close collaboration with partners from the Swedish pulp and paper industry. Scandinavian Biogas Fuels AB is also an active partner in the Biogas research center (BRC) based at LiU.
- The board of directors of Scandinavian Biogas Fuels AB comprise Matti Vikkula, Lotta Lindstam and Michael Wallis Olausson and Matti Vikkula is the chief executive officer (more information of each person is set out under the section "Management" above).

Material contracts

Other than as described under the section entitled "*Description of Material Agreements*" herein, the Group has not entered into any material contracts not in the ordinary course of its business and which may affect the Group's ability to fulfil its obligations under the Bonds.

Documents incorporated by reference

This Prospectus is, in addition to this document, comprised of information from the following documents which are incorporated by reference and available in electronic format on the Issuer's website at www.scandinavianbiogas.com:

- the Group's consolidated financial statements for the financial year ended 31 December 2015 and for the financial year ended 31 December 2014; and
- the audit report for the financial year ended 31 December 2015 and for the financial year ended 31 December 2014.

Documents available for inspection

The following documents are available at the Company's headquarters at Holländargatan 21 A, 111 60 Stockholm, on weekdays during the Company's regular office hours throughout the period of validity of this Prospectus.

- the Company's and the Guarantor's articles of association;
- the Company's and the Guarantor's certificate of registration;
- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2015 and for the financial year ended 31 December 2014;
- the financial statements and audit reports for the financial year ended 31 December 2014 and for the financial year ended 31 December 2015 for each company within the Group, including the Guarantor, (to the extent such Group companies were incorporated during 2014 or 2015);
- the Guarantee Agreement;
- the Trustee Agreement; and
- this Prospectus.

The following documents are also available in electronic form on the Company's website www.scandinavianbiogas.com:

- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2015 and for the financial year ended 31 December 2014; and
- this Prospectus.

Listing costs

The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 200,000.

TERMS AND CONDITIONS OF THE BONDS

1. Definitions and Construction

1.1 Definitions

In these terms and conditions (the "**Terms and Conditions**"):

"**Account Operator**" means a bank or other party duly authorised to operate as an account operator pursuant to the Financial Instruments Accounts Act and through which a Bondholder has opened a Securities Account in respect of its Bonds.

"**Accounting Principles**" means (i) until conversion to IFRS, the generally accepted accounting principles, standards and practices in Sweden as applied by the Issuer in preparing its annual consolidated financial statements and (ii) following conversion, international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

"**Additional Transaction Security**" means the Security set out in paragraph (d) and (e) in the definition of Security Document.

"**Advance Purchase Agreement**" means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment in the normal course of business with credit periods which are normal for the relevant type of project contracts, or (b) any other trade credit incurred in the ordinary course of business.

"**Adjusted Nominal Amount**" means the total Outstanding Nominal Amount less the Outstanding Nominal Amount of all Bonds owned by a Group Company or any Affiliate of the Issuer, irrespective of whether such person is directly registered as owner of such Bonds.

"**Ahlström Capital**" means AC Cleantech Growth Fund I Holding AB, Reg. No. 556729-8160 or another vehicle controlled, directly or indirectly, by Ahlström Capital Oy, Reg. No 1670034-3.

"**Affiliate**" means any Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purpose of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"**Bank Account**" means the bank account of the Issuer held with Nordea Bank AB (publ) into which the Net Proceeds will be transferred and which have been pledged in favour of the Trustee and the Bondholders (represented by the Trustee) under the Bank Account Pledge Agreement.

"**Bank Account Pledge Agreement**" means the pledge agreement entered into between the Issuer and the Trustee on or about the First Issue Date in respect of a first priority pledge over the Bank Account and all funds held on the Bank Account from time to time, granted in favour of the Trustee and the Bondholders (represented by the Trustee).

"**Biokraft Commitments**" means that (i) the Issuer will own at least 50 per cent. of the shares in Biokraft Holding AS, (ii) the Biokraft Debt is committed and available for utilisation and (iii)

the Co-Investors have provided or will, following the Issuer Contribution, provide the Minority Equity Contribution.

"**Biokraft Debt**" means the debt under the financings entered into between Biokraft AS and certain lenders in the maximum amount of NOK 215,000,000.

"**Biokraft Investment**" means the approximately NOK 410,000,000 investment into a new biogas production facility in Skogn, Norway, to be fully financed through the Biokraft Debt, the Issuer Contribution, the Minority Equity Contribution and grants in an approximate amount of NOK 82,000,000 provided by Enova, a Norwegian fund owned by the Ministry of Petroleum and Energy.

"**Bond Issue**" means the Initial Bond Issue and any Subsequent Bond Issue.

"**Bondholder**" means the person who is registered on a Securities Account as direct registered owner (*ägare*) or nominee (*förvaltare*) with respect to a Bond.

"**Bondholders' Meeting**" means a meeting among the Bondholders held in accordance with Clause 18 (*Bondholders' Meeting*).

"**Bonds**" means a debt instrument (*skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which are governed by and issued under these Terms and Conditions, including the Initial Bonds and any Subsequent Bonds.

"**Business Day**" means a day in Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (*midsommarafton*), Christmas Eve (*julafton*) and New Year's Eve (*nyårsafton*) shall for the purpose of this definition be deemed to be public holidays.

"**Business Day Convention**" means the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day.

"**Change of Control Event**" means the occurrence of an event or series of events whereby one or more persons, not being Ahlström Capital (or an Affiliate thereof), acting together, acquire control over the Issuer and where "control" means (a) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

"**CSD**" means the Issuer's central securities depository and registrar in respect of the Bonds, from time to time, initially Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.

"**Compliance Certificate**" means a certificate, in form and substance reasonably satisfactory to the Trustee, signed by the Issuer certifying that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it. If the Compliance Certificate is provided in connection with publishing of a Financial Report, the Compliance Certificate shall include calculations and figures in respect of the Equity Ratio.

"Co-Investors" means TrönderEnergi AS, Reg No. 980 417 824 and the founders of Biokraft AS.

"EBITDA" means earnings before interest, taxes, depreciations and amortisations (including on goodwill).

"Equity" means, by reference to the consolidated balance sheet of the Group the sum of (i) restricted equity, (ii) non-restricted equity (including any minority interests for the Group); and (iii) any Subordinated Loans.

"Equity Capital Raising" means a contribution of Equity to the Issuer or any Subsidiary by one or several investors not being the Issuer or any of its Subsidiaries.

"Equity Listing Event" means an initial public offering of shares in the Issuer after which such shares shall be quoted, listed, traded or otherwise admitted to trading on a Regulated Market or at a multilateral trading facility.

"Equity Ratio" means the ratio of Equity to Total Assets.

"Event of Default" means an event or circumstance specified in Clause 15 (*Events of Default and Acceleration of the Bonds*) (other than Clause 15.10).

"Existing Debt Facilities" means the Biokraft Debt, the Lease Debt, the Nordea Debt, the Proventus Debt and the Ulsan Debt.

"Final Maturity Date" means 10 February 2020, being the date falling four (4) years after the First Issue Date.

"Finance Documents" means:

- (a) the Terms and Conditions;
- (b) the Trustee Agreement;
- (c) the Security Documents;
- (d) the Guarantee and Adherence Agreement; and
- (e) any other document designated to be a Finance Document by the Issuer and the Trustee.

"Financial Indebtedness" means any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any finance leases, to the extent the arrangement is treated as a finance lease in accordance with the Accounting Principles applicable on the First Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability);
- (c) receivables sold or discounted (not including receivables sold on a non-recourse basis);

- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (a)-(f).

"Financial Instruments Accounts Act" means the Swedish Financial Instruments Accounts Act (*lag (1998:1479) om kontoföring av finansiella instrument*).

"Financial Report" means the Group's annual audited financial statements or quarterly interim unaudited reports, which shall be prepared and made available in accordance with Clause 12.1 (*Information from the Issuer*).

"First Call Date" means the date falling 30 months after the First Issue Date.

"First Issue Date" means 10 February 2016.

"Floating Rate Margin" means 9.75 per cent. *per annum* as adjusted pursuant to Clause 9(b).

"Force Majeure Event" has the meaning given to it in Clause 26 (*Force Majeure and Limitation of Liability*).

"Group" means the Issuer and all Subsidiaries from time to time.

"Group Company" means each of the Issuer or any of the Subsidiaries.

"Guarantee and Adherence Agreement" means the guarantee and adherence agreement pursuant to which the Guarantor shall (i) guarantee all amounts outstanding under the Finance Documents, including but not limited to the Bonds, plus accrued interests and expenses, (ii) agree to subordinate all subrogation claims, and (iii) undertake to adhere to the terms of the Finance Documents.

"Guarantor" means Scandinavian Biogas Fuels AB, Swedish Reg. No. 556691-9196.

"Initial Bonds" means the Bonds issued on the First Issue Date in a maximum amount of SEK 200,000,000.

"Initial Bond Issue" means the issuance of the Initial Bonds.

"Initial Transaction Security" means the Security listed in paragraph (a) to (c) in the definition of Security Documents.

"Insolvent" means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with its creditors (other than the Bondholders) with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

"Interest" means the interest on the Bonds calculated in accordance with paragraphs (a) – (c) of Clause 9 (*Interest*).

"Interest Payment Date" means 10 February, 10 May, 10 August and 10 November, of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 10 May 2016 and the last Interest Payment Date shall be the Final Maturity Date.

"Interest Period" means (i) in respect of the first Interest Period, the period from (but excluding) the First Issue Date to (and including) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

"Interest Rate" means STIBOR (3 months) plus the Floating Rate Margin *per annum*.

"Investment & NWC Program" means planned measures to enhance the Issuer's production capacity, cash management and profitability, including the performance optimization program, capex into its Södertörn production plant and general working capital measures.

"Issue Date" means the First Issue Date and any subsequent date when a Subsequent Bond is issued.

"Issuer" means Scandinavian Biogas Fuels International AB, a public limited liability company incorporated under the laws of Sweden with corporate identity number 556528-4733.

"Issuer Contribution" means the NOK 60,000,000 contribution in the form of Equity, financed with Net Proceeds, provided by the Issuer to Biokraft Holding AS for the purposes of partially financing the Biokraft Investment.

"Issuing Agent" means Pareto Securities AB, Reg. No. 556206-8956, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

"Lease Debt" means the liabilities relating to (i) the sale and lease back agreement between the Issuer, Scandinavian Biogas Stockholm AB and Stockholm Vatten AB regarding the Henriksdal and Bromma production facilities (including the plants Linje 1, Linje 2 and Linje 3:0 and the properties Rötammaren 2 and Reningsverket 2), and the lease agreement between the Scandinavian Biogas Recycling AB and SRV Återvinning AB regarding the pre-treatment plant in Södertörn (which liabilities in aggregate as of the 30 September 2015 amounted to SEK 172,006,000), in each case accounted for as interest bearing debt.

"Make Whole Amount" means a price equivalent to the sum of:

- (a) the present value on the relevant record date of 105 per cent. of the Outstanding Nominal Amount as if such payment originally should have taken place on the First Call Date; and
- (b) the present value on the relevant record date of the remaining Interest Payments (assuming that the Interest Rate for the period from the relevant redemption date to the First Call Date will be equal to the interpolated SEK mid-swap rate for the remaining term from the redemption date until the First Call Date plus 5 per cent.), less any accrued but unpaid interest, through and including the First Call Date,

each calculated by using a discount rate of 50 basis points over the comparable Swedish government bond rate (i.e. the rate for a comparable period from the relevant redemption date to the First Call Date) and where "relevant record date" shall mean a date agreed upon between the Trustee, the CSD and the Issuer in connection with such repayment.

"Market Loan" means any loan or other indebtedness where an entity issues commercial paper, certificates, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), provided in each case that such instruments and securities are or can be subject to trade on Nasdaq Stockholm or any other regulated or unregulated recognised market place.

"Material Adverse Effect" means a material adverse effect on (a) the business, financial condition or operations of the Group taken as a whole, (b) the Issuer's ability to perform and comply with the undertakings set out in Clause 13 (*General Undertakings*) under the Terms and Conditions, or (c) the validity or enforceability of the Finance Documents.

"Material Group Company" means the Issuer or a Subsidiary, representing more than 10.00 per cent. of the total assets of the Group on a consolidated basis (for the avoidance of doubt, excluding any intra group transactions) or the consolidated EBITDA of the Group according to the latest Financial Report.

"Maintenance Test" has the meaning set forth in Clause 14 (*Maintenance Test*).

"Minority Equity Contribution" means the NOK 40,000,000 in the form of Equity to be contributed by the Co-Investors.

"Nasdaq Stockholm" means the Regulated Market operated by Nasdaq OMX Stockholm AB, a limited liability company incorporated under the laws of Sweden with corporate identity number 556420-8394.

"Net Proceeds" means the proceeds from the Bond Issue after deduction has been made for the Transaction Costs payable by the Issuer to the Sole Bookrunner (if the Sole Bookrunner has requested that its fees and costs shall be deducted) and the Issuing Agent for the services provided in relation to the placement and issuance of the Bonds.

"Newbuild Capex" means capital expenditures applied towards investments into a biogas plant or similar asset not being owned as of the First Issue Date (for the avoidance of doubt, Newbuild Capex may not be made in respect of any assets owned by the Group on the First Issue Date).

"**Newbuild Holdco**" means a special purpose vehicle established for the purposes of owning shares in one or more Newbuild SPV.

"**Newbuild SPV**" means a special purposes vehicle established to conduct Newbuild Capex.

"**Nominal Amount**" has the meaning set forth in Clause 2(c).

"**Nordea Debt**" means the facility entered into between Nordea Bank AB (publ), Scandinavian Biogas Stockholm AB and the Issuer in the amount of SEK 38,000,000 as per 30 September 2015.

"**Outstanding Nominal Amount**" means the Nominal Amount less the aggregate amount by which each Bond has been partly repaid in accordance with these Terms and Conditions.

"**Permitted Debt**" means any Financial Indebtedness:

- (a) incurred under the Bonds;
- (b) of the Group incurred pursuant to any financial leasing arrangements incurred in the ordinary course of the Group's business in a maximum amount of SEK 5,000,000;
- (c) of Biokraft AS or its Subsidiaries incurred pursuant to any financial leasing arrangements relating to any evaporator (Sw. *indunstare*) to be used in the ordinary course of business;
- (d) taken up from a Group Company;
- (e) of the Group under any guarantee issued by a Group Company in the ordinary course of business;
- (f) arising under a foreign exchange transaction or commodity derivatives for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under the Terms and Conditions, but not any transaction for investment or speculative purposes;
- (g) arising under any interest rate hedging transactions in respect of payments to be made under the Terms and Conditions, but not any transaction for investment or speculative purposes;
- (h) related to any Subordinated Loans;
- (i) incurred under the Existing Debt Facilities (excluding for the avoidance of doubt, the part of the Proventus Debt having been prepaid in accordance with Clause 3(a)(ii) which will be permitted until so prepaid);
- (j) any Financial Indebtedness incurred to refinance any Existing Debt Facility (other than the Lease Debt) provided that such Financial Indebtedness is incurred on market terms or terms more beneficial to the Group than the terms under the relevant Existing Debt Facility being refinanced and furthermore provided that if the amount incurred in such refinancing exceeds the amount of the Existing Debt Facility being refinanced (an "**Excess Refinancing**"), then (i) no Group Company (other than

the Group Company incurring such Financial Indebtedness and its Subsidiaries) may grant guarantees for any part of the Excess Refinancing, and (ii) the relevant Group Companies use, directly or indirectly, all funds of the Excess Refinancing towards dividends to the Issuer or prepayment of loans granted by the Issuer;

- (k) incurred under Advance Purchase Agreements;
- (l) incurred by a Group Company (other than the Issuer) in relation to bank guarantees or payment guarantees provided in the ordinary course of business (excluding any guarantees in relation to Newbuild Capex);
- (m) incurred by a Newbuild SPV on a non-recourse basis (i.e. no guarantees from any part of the Group, including the Issuer) (except for guarantees granted by the Newbuild Holdco holding shares in such Newbuild SPV) for the purpose of partially funding of a Newbuild Capex;
- (n) incurred by the Issuer if such Financial Indebtedness ranks *pari passu* or is subordinated to the obligations of the Issuer under the Finance Documents, provided that such debt has a final maturity date or a final redemption date and, when applicable, early redemption dates or instalment dates, which occur after the Final Maturity Date.

"Permitted Security" means any security:

- (a) provided under the Finance Documents;
- (b) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, excluding guarantees or security in respect of any monies borrowed or raised);
- (c) provided in relation to any operational lease agreement entered into by a Group Company;
- (d) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements;
- (e) provided by a Newbuild Holdco (in respect of the shares in the relevant Newbuild SPV) or a Newbuild SPV in relation to any Financial Indebtedness permitted under paragraph (m) of the definition Permitted Debt;
- (f) provided for the Existing Debt Facilities or Financial Indebtedness referred to in paragraph (j) of Permitted Debt, provided that only the Group Company incurring refinancing Financial Indebtedness and its Subsidiaries may grant additional security for or in connection with an Excess Refinancing;
- (g) provided for interest rate hedging transactions set out in paragraph (g) of the definition Permitted Debt; and
- (h) provided for any guarantees issued by a Group Company in the ordinary course of business.

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality.

"**Proventus Debt**" means the facility entered into between Proventus and Scandinavian Biogas Sweden AB as borrower and the Issuer as guarantor in the approximate amount of SEK 103,000,000 as per 31 December 2015, of which approximately SEK 51,500,000 will be refinanced using Net Proceeds.

"**Quotation Day**" means, in relation to any period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

"**Record Date**" means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 16 (*Distribution of Proceeds*), (iv) the date of a Bondholders' Meeting, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

"**Redemption Date**" means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 10 (*Redemption and Repurchase of the Bonds*).

"**Reference Date**" means 31 March, 30 June, 30 September and 31 December in each year for as long as any Bonds are outstanding.

"**Regulated Market**" means any regulated market (as defined in Directive 2004/39/EC on markets in financial instruments).

"**Secured Obligations**" means all present and future obligations and liabilities (whether actual or contingent, whether owed jointly, severally or in any other capacity whatsoever and whether originally incurred by the Issuer) of the Issuer and each other Group Company to the Secured Parties under each of the Finance Documents, together with all costs, charges and expenses incurred by any Secured Party in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents, or any other document evidencing or securing any such liabilities.

"**Secured Parties**" means the Bondholders and the Trustee (including in its capacity as Trustee under the Trustee Agreement).

"**Securities Account**" means the account for dematerialised securities maintained by the CSD pursuant to the Financial Instruments Accounts Act in which (i) an owner of such security is directly registered or (ii) an owner's holding of securities is registered in the name of a nominee.

"**Security**" means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

"Security Documents" means the relevant security agreements purporting to create:

- (a) a first ranking share pledge in respect of all the shares in Scandinavian Biogas Fuels AB;
- (b) a first ranking share pledge in respect of at least 50 per cent. of the shares in Biokraft Holding AS;
- (c) a second ranking share pledge in respect of all the shares in Scandinavian Biogas Sweden AB;
- (d) a first ranking share pledge in respect of the Issuer's proportion of any Newbuild Holdco;
- (e) to the extent not granted to the external financiers of the Newbuild Capex (as permitted under paragraph (e) of the definition Permitted Security), a first ranking share pledge in respect of the Issuer's proportion of any Newbuild SPV; and
- (f) any Security pursuant to Clause 13.13 (*Subsequent Transaction Security*).

"Sole Bookrunner" means Pareto Securities Oy.

"STIBOR" means:

- (a) the applicable percentage rate per annum displayed on Nasdaq Stockholm's website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- (b) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period,

if any such rate is below zero, STIBOR will be deemed to be zero.

"Subsequent Bonds" means any Bonds issued after the First Issue Date on one or more occasions.

"Subsequent Bond Issue" means the issuance of any Subsequent Bonds.

"Subordinated Loans" means

- (a) the grants provided by Enova to Biokraft AS;
- (b) loans incurred by Biokraft Holding AS or Biokraft AS towards the Issuer or the Co-Investors in the approximate aggregate amount of NOK 10,000,000; and

- (c) any loan incurred by the Issuer or any of its Subsidiaries, if such loan:
- (i) according to its terms (or pursuant to a subordination agreement on terms and conditions satisfactory to the Trustee), is subordinated to the obligations of the Issuer under the Terms and Conditions;
 - (ii) according to its terms have a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date; and
 - (iii) according to its terms yield only payment-in-kind interest.

"Subsidiary" means an entity from time to time of which a person:

- (a) has direct or indirect control; or
- (b) owns directly or indirectly more than fifty (50) per cent. of the share capital or other right of ownership.

"SEK" means the lawful currency of Sweden.

"Total Assets" means the consolidated book-value of all assets of all members of the Group calculated in accordance with the Accounting Principles.

"Total Nominal Amount" means the total aggregate Nominal Amount of the Bonds.

"Transaction Costs" means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with (i) the Bond Issue and (ii) the listing of the Bonds.

"Transaction Security" means the Security provided for the Secured Obligations pursuant to the Security Documents.

"Trustee" means Nordic Trustee & Agency AB (publ), Reg. No. 556882-1879, or another party replacing it, as Trustee, in accordance with these Terms and Conditions.

"Trustee Agreement" means the fee agreement entered into between the Trustee and the Issuer on or about the First Issue Date regarding, *inter alia*, the remuneration payable to the Trustee.

"Written Procedure" means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 19 (*Written Procedure*).

"Ulsan Debt" means the facility entered into between Daegu Bank Co., Ltd and Scandinavian Biogas Korea Co., Ltd in the approximate amount of SEK 23,600,000 as per 30 September 2015.

1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:

- (i) "assets" includes present and future properties, revenues and rights of every description;
 - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
 - (iii) a "regulation" includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (iv) an Event of Default is continuing if it has not been remedied or waived;
 - (v) a provision of law is a reference to that provision as amended or re-enacted; and
 - (vi) a time of day is a reference to Stockholm time.
- (b) A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
 - (c) When ascertaining whether a limit or threshold specified in SEK has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against SEK for the previous Business Day, as published by the Swedish Central Bank (*Riksbanken*) on its website (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.
 - (d) No delay or omission of the Trustee or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

2. Status of the Bonds

- (a) The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- (c) The Nominal Amount of each Initial Bond is SEK 1,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
- (d) The minimum permissible investment upon issuance of the Bonds (including with respect to any Subsequent Bonds) is SEK 1,000,000.
- (e) Following an issue of a Compliance Certificate, the Issuer may, at one or several occasions, issue Subsequent Bonds. Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the nominal amount and the final maturity applicable to the Initial Bonds shall apply to Subsequent Bonds. The issue price of the Subsequent Bonds

may be set at a discount or at a premium compared to the Nominal Amount. The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 300,000,000 unless a consent from the Bondholders is obtained in accordance with Clause 17(e)(i). Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 9(a), and otherwise have the same rights as the Initial Bonds.

- (f) The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.
- (g) Except as set out in Clause 5 (*Transfer Restrictions*) below, the Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- (h) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

3. Use of Proceeds

- (a) The Issuer shall use the Proceeds from the Initial Bond Issue for the purpose of:
 - (i) financing the Issuer Contribution;
 - (ii) partially refinancing the Proventus Debt in an approximate amount of SEK 51,500,000;
 - (iii) financing the Investment & NWC Program;
 - (iv) paying Transaction Costs; and
 - (v) financing general corporate purposes of the Group.
- (b) The Issuer shall use the Net Proceeds from the Subsequent Bond Issue for the purpose of:
 - (i) refinancing any debt under the Existing Debt Facilities; and/or
 - (ii) financing Newbuild Capex.

4. Conditions Precedent

4.1 Conditions Precedent for Issuance

- (a) The payment of the Net Proceeds into the Bank Account is subject to the Trustee having received, in form and substance satisfactory to the Trustee (acting reasonably):
 - (i) duly executed Terms and Conditions; and
 - (ii) a duly executed copy of the Bank Account Pledge Agreement, including evidence of perfection of the Security over the Bank Account.

4.2 Conditions Precedent for Disbursement in Connection with the Initial Bond Issue

- (a) The Issuer shall provide, or procure the provision of, to the Trustee, in form and substance satisfactory to the Trustee (acting reasonably) the following:
 - (i) copies of certificate of registration and articles of association of the Issuer;
 - (ii) copies of corporate resolutions for the Issuer and each entity granting Initial Transaction Security and/or Guarantee;
 - (iii) evidence that the Finance Documents have been duly executed (however in relation to the Security Documents, only such evidencing the Initial Transaction Security);
 - (iv) a copy of the executed acquisition agreement, pursuant to which the Issuer shall acquire at least 50 per cent. of the shares in Biokraft Holding AS;
 - (v) a copy of a the executed loan agreement in an approximate amount of NOK 160,000,000, entered into between amongst others Biokraft AS and certain lenders, and a copy of the executed commitment letter for a debt facility in an approximate amount of NOK 55,000,000, in each case relating to the financing of Biokraft AS;
 - (vi) evidence that Enova has committed to provide grants in the amount at least of NOK 82,000,000;
 - (vii) evidence that the Co-Investors have provided or will, following the Issuer Contribution, provide the Minority Equity Contribution;
 - (viii) evidence that the Initial Transaction Security has been duly provided and perfected or will be perfected immediately following disbursement; and
 - (ix) a legal opinion on the validity and enforceability of the Finance Documents issued by a reputable law firm.
- (b) When the conditions precedent for disbursement set out in paragraph (a) above have been fulfilled to the satisfaction of the Trustee (acting reasonably), the Trustee shall instruct the bank (with which the Issuer holds the Bank Account) to transfer the funds to be used in accordance with Clause 3(a) (*Use of Proceeds*). Any residual funds of the Net Proceeds on the Bank Account shall be transferred by the Trustee to

the bank account specified by the Issuer and the Transaction Security over the Bank Account shall be released.

- (c) If the conditions precedent for disbursement set out in paragraph (a) above have not been fulfilled to the satisfaction of the Trustee (acting reasonably) or waived by the Trustee within thirty (30) Business Days from the First Issue Date, the Issuer shall redeem all Bonds at a price equal to 100 per cent. of the Outstanding Nominal Amount together with any accrued but unpaid Interest. Any funds distributed by the Trustee to the Bondholders in accordance with the Bank Account Pledge Agreement shall be deemed to be paid by the Issuer towards the redemption of such Bondholder's Bonds under this paragraph (c). In such case, the redemption date shall fall no later than sixty (60) Business Days after the First Issue Date.

4.3 Conditions Precedent for disbursement in connection with a Subsequent Bond Issue

- (a) The Issuer shall provide, or procure the provision of, to the Trustee, in form and substance satisfactory to the Trustee (acting reasonably) the following:
- (i) in the event a Subsequent Bond Issue being conducted to refinance debt under any Existing Debt Facilities:
 - (A) evidence that the entire outstanding amount under the relevant Existing Debt Facility will be repaid; and
 - (B) evidence that all security and guarantees granted for the relevant Existing Debt Facility will be released in connection with such Existing Debt Facility being repaid,

or
 - (ii) in the event a Subsequent Bond Issue being conducted to finance Newbuild Capex, documents evidencing an Equity Capital Raising has been, or will in connection with the issuance of Subsequent Bonds be, completed in the amount of at least 60 per cent. of the amount of Subsequent Bonds.
- (b) Clauses 4.2(b) and 4.2(c) above shall *mutatis mutandis* apply on a disbursement following a Subsequent Bond Issue.

5. Transfer Restrictions

- (a) Except as set out below, and subject to any restrictions to which a bondholder may be subject due to local law or otherwise, the Bonds are freely transferrable.
- (b) Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a bondholder may be subject (due to e.g. its nationality, its residency, its registered address or its place(s) for business). Each bondholder must ensure compliance with local laws and regulations applicable at their own cost and expense.
- (c) Bondholders understands that the Bonds will be "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and may not be offered, sold,

pledged or otherwise transferred except (A)(i) to the Issuer, (ii) to a person who the seller reasonably believes is a QIB within the meaning of Rule 144A under the Securities Act purchasing for its own account or for the account or benefit of a QIB in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in compliance with Rule 903 or Rule 904, as applicable, of Regulation S under the Securities Act, (iv) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), (v) pursuant to any other available exemption from registration under the Securities Act, subject to the receipt by the Issuer of an opinion of counsel or such other evidence that the Issuer may reasonably require confirming that such sale or transfer is in compliance with the Securities Act; or (vi) pursuant to an effective registration statement under the Securities Act and (B) in accordance with all applicable securities laws of the states of the United States and any other jurisdiction. No representation can be made as to the availability of the exemption from registration provided by Rule 144 for resales of the Bonds.

- (d) The Bonds may not, subject to applicable Canadian laws, be traded in Canada for a period of four months and a day from the date the Bonds were originally issued.

6. Bonds in Book-Entry Form

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- (b) Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- (c) The Issuer (and the Trustee when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Trustee, the Issuer shall promptly obtain such information and provide it to the Trustee.
- (d) For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.
- (e) The Issuer shall issue any necessary power of attorney to such persons employed by the Trustee, as notified by the Trustee, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Trustee or unless consent thereto is given by the Bondholders.

7. Right to Act on Behalf of a Bondholder

- (a) If any person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of

attorney or proofs of authorisation starting with the Bondholder and authorising such person.

- (b) A Bondholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- (c) The Trustee shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 7(b) and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Trustee has actual knowledge to the contrary.

8. Payments in Respect of the Bonds

- (a) Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such person who is registered as a Bondholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- (b) If a Bondholder has registered, through an Account Operator, that principal and interest shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Bondholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- (c) If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 9(f) during such postponement.
- (d) If payment or repayment is made in accordance with this Clause 8, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.
- (e) The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

9. Interest

- (a) Each Initial Bond carries Interest at the Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from (but excluding) the Interest

Payment Date falling immediately prior to its issuance up to (and including) the relevant Redemption Date.

- (b) If the Issuer subsequent to the First Issue Date has received injection(s) of Equity:
 - (i) in an amount of at least SEK 100,000,000 on one occasion, then the Floating Rate Margin shall be reduced by 75 basis points; and
 - (ii) in an additional amount of at least SEK 100,000,000 on one occasion (together with the injection referred to in paragraph (i) above, being an aggregate amount of SEK 200,000,000), then the Floating Rate Margin shall be reduced by an additional of 75 basis points,

provided that the Trustee has received evidence of such equity injection(s) in form and substance satisfactory to it.

- (c) Upon a reduction of the Floating Rate Margin, the Issuer and the Trustee shall instruct the CSD to adjust the Interest Rate of the Bonds accordingly. Such adjusted Interest Date shall have effect from the first day in the next Interest Period following the relevant Equity injection.
- (d) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (e) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- (f) If the Issuer fails to pay any amount payable by it on its due date under the Finance Documents then, unless otherwise stipulated in the relevant Finance Document, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (2) per cent. higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Trustee or the CSD, in which case the Interest Rate shall apply instead.

10. Redemption and Repurchase of the Bonds

10.1 Redemption at maturity

The Issuer shall redeem all, but not some only, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Outstanding Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

10.2 Issuer's purchase of Bonds

The Issuer may, subject to applicable law, at any time purchase Bonds. Bonds purchased by the Issuer may at the Issuer's discretion be retained, sold or cancelled.

10.3 Voluntary total redemption (call option)

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full from and including:
- (i) the First Issue Date to, but not including, the First Call Date at a price equivalent to the Make Whole Amount;
 - (ii) the First Call Date to, but not including, the date falling 36 months after the First Issue Date at a price equivalent to 105 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest;
 - (iii) the date falling 36 months after the Issue Date, but not including, the date falling 42 months after the First Issue Date at a price equivalent to 103.75 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest;
 - (iv) the date falling 42 months after the Issue Date, but not including, the date falling 45 months after the First Issue Date at a price equivalent to 102.50 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest; and
 - (v) the date falling 45 months after the Issue Date to, but not including, the Final Maturity Date at a price equivalent to 101.25 per cent. of the Outstanding Nominal Amount, together with accrued but unpaid interest.
- (b) Redemption in accordance with paragraph (a) above shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Trustee. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

10.4 Voluntary Partial Prepayment upon an Equity Listing Event

- (a) The Issuer may at any time on one (1) occasion, in connection with an Equity Listing Event, repay up to 30 per cent. of the Total Nominal Amount, in which case all outstanding Bonds shall be partially repaid by way of reducing the Outstanding Nominal Amount of each Bond *pro rata*, provided that such repayment is made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of the Equity Listing Event (net of fees, charges and commissions actually incurred in connection with such Equity Listing Event and net of taxes paid or payable as a result of such Equity Listing Event). The repayment must be made on an Interest Payment Date within one hundred eighty (180) days after the Equity Listing Event.
- (b) The amount of such partial repayment in accordance with paragraph (a) above shall be equal to the repaid percentage of the Outstanding Nominal Amount;
- (i) if made before the First Call Date, at the price set out in Clause 10.3(a)(ii); and

- (ii) if made at any time after the First Call Date, at the relevant price set out in Clause 10.3(a)(ii) to 10.3(a)(v) as applicable for the relevant period,

in each case together with accrued but unpaid interest on the repaid amount.

10.5 Mandatory repurchase due to a Change of Control Event (put option)

- (a) Upon the occurrence of a Change of Control Event, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Outstanding Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) calendar days following the giving of notice by the Issuer of the Change of Control Event pursuant to Clause 12.1(e) (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event.
- (b) The notice from the Issuer pursuant to Clause 12.1(e) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 12.1(e). The repurchase date must fall no earlier than the date falling ten (10) Business Days after the end of the period referred to in paragraph (a) above and no later than the date falling thirty (30) Business Days after the end of the period referred to in paragraph (a) above.
- (c) The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 10.5, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 10.5 by virtue of the conflict.
- (d) Any Bonds repurchased by the Issuer pursuant to this Clause 10.5 may at the Issuer's discretion be retained, sold or cancelled.

11. Transaction Security

- (a) As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall grant the Transaction Security to the Secured Parties as represented by the Trustee.
- (b) The Trustee shall hold the Transaction Security on behalf of the Secured Parties in accordance with the Security Documents. The Issuer shall enter into the Security Documents and perfect the Transaction Security in accordance with the Security Documents.
- (c) Unless and until the Trustee has received instructions from the Bondholders in accordance with Clause 17 (*Decisions by Bondholders*), the Trustee shall (without first having to obtain the Bondholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Trustee's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing

the Transaction Security, creating further Security for the benefit of the Secured Parties or for the purpose of settling the Bondholders' or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Finance Documents.

12. Information to Bondholders

12.1 Information from the Issuer

- (a) The Issuer will make the following information available to the Bondholders by way of publication on the website of the Issuer:
 - (i) not later than four (4) months after the end of each financial year, the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors; and
 - (ii) not later than two (2) months after the end of each financial quarter, with the first such report being made available for the period ended 31 March 2016, the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors.
- (b) The reports referred to under Clause 12.1(a)(i)-(ii) shall be prepared in accordance with the Accounting Principles and when the Bonds have been listed shall, in addition, be made available in accordance with the rules and regulations of Nasdaq Stockholm (as amended from time to time) and the Swedish Securities Market Act (*värdepappersmarknadslag (2007:528)*).
- (c) The Issuer shall issue a Compliance Certificate to the Trustee:
 - (i) in connection with the incurrence of Financial Indebtedness; and
 - (ii) in connection with publishing a Financial Report.
- (d) When the financial statements and other information are made available to the Bondholders pursuant to Clause 12.1(a), the Issuer shall send copies of such financial statements and other information to the Trustee.
- (e) The Issuer shall promptly notify the Trustee when the Issuer is or becomes aware of the occurrence of (i) a Change of Control Event, or (ii) an Event of Default, and shall provide the Trustee with such further information as the Trustee may request (acting reasonably) following receipt of such notice.
- (f) The Issuer is only obliged to inform the Trustee according to this Clause 12.1 if informing the Trustee would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with Nasdaq Stockholm. If such a conflict would exist pursuant to the listing contract with Nasdaq Stockholm or otherwise, the Issuer shall however be obliged to either seek approval from Nasdaq Stockholm or undertake other reasonable measures, including entering into a non-

disclosure agreement with the Trustee, in order to be able to timely inform the Trustee according to this Clause 12.1.

12.2 Information from the Trustee

The Trustee is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds however subject to any non-disclosure agreement or other arrangements entered into pursuant to Clause 12.1(f). Notwithstanding the foregoing, the Trustee may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.

12.3 Publication of Finance Documents

- (a) The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Trustee.
- (b) The latest versions of the Finance Documents shall be available to the Bondholders at the office of the Trustee during normal business hours.

13. General Undertakings

13.1 General

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 13 for as long as any Bonds remain outstanding.

13.2 Distributions

- (a) The Issuer shall not, and shall procure that none of its Subsidiaries will:
 - (i) pay any dividend on its shares to the Issuer's direct or indirect shareholders (other than loans, dividends and group contributions to the Issuer or a Subsidiary of the Issuer, provided that any such distribution made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, the distribution is made so that a Group Company receives at least its pro rata share);
 - (ii) make any contribution (other than contributions to Subsidiaries, provided that any such contributions made to a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, the contribution is made so that the contributing Group Company contributes no more than its pro rata share);
 - (iii) repurchase any of its own shares;
 - (iv) redeem or reduce its share capital or other restricted equity with repayment to shareholders;

- (v) make any payments or prepayments of principal or interest under any long-term debt of the Issuer ranking junior or *pari passu* with the Bonds (other than in relation to loans between the Group Companies); or
- (vi) make any other similar distributions or transfers of value to the direct or indirect shareholders of the Issuer or its Subsidiaries, or any of the Affiliates of such direct and indirect shareholders (other than to the Issuer or a Subsidiary of the Issuer).

Items (i)-(vi) above are together referred to herein as "**Restricted Payments**" and each a "**Restricted Payment**".

- (b) Notwithstanding paragraph (a) above, a Restricted Payment may be made by any of the Issuer's Subsidiaries if following an Equity Listing Event and following completion of a redemption in accordance with Clause 10.4 (*Voluntary Partial Prepayment upon an Equity Listing Event*), if at the time of the payment no Event of Default is continuing and if, at the time of the payment, the aggregate amount of all Restricted Payments of the Group in any fiscal year (including the Restricted Payment in question) does not exceed 25 per cent. of the Group's consolidated net profit for the previous fiscal year.

13.3 Listing of Bonds

The Issuer's intention is to ensure that the Bonds are listed at the corporate bond list on Nasdaq Stockholm no later than 30 days after the First Issue Date and the Issuer shall take all reasonable measures to ensure that the Bonds are listed accordingly, provided that the Bonds shall in any case be listed within 60 days after the First Issue Date, and the Issuer shall thereafter take all measures required to ensure that the Bonds, once listed on Nasdaq Stockholm, continue being listed on Nasdaq Stockholm for as long as any Bond is outstanding (however, taking into account the rules and regulations of Nasdaq Stockholm and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

13.4 Nature of Business

The Issuer shall procure that no substantial change is made to the general nature of the business carried on by the Group if such substantial change would have a Material Adverse Effect.

13.5 Financial Indebtedness

The Issuer shall not, and shall procure that none of its Subsidiaries will, incur, prolong or renew any additional Financial Indebtedness, provided however that the Issuer and its Subsidiaries have a right to incur Financial Indebtedness that constitutes Permitted Debt, if, other than in relation to Permitted Debt set out under paragraphs (d) and (h) in the definition of Permitted Debt, such Permitted Debt is incurred on market terms (or better).

13.6 Loans out

The Issuer shall not, and shall procure that none of its Subsidiaries, provide any loan to any party other than to:

- (i) the Issuer or a wholly-owned Subsidiary of the Issuer;
- (ii) any associated company which is not directly or indirectly wholly-owned by the Issuer, on a *pro rata* basis (or less); or
- (iii) to Scandinavian Biogas Korea Co., Ltd. in Ulsan or Scandinavian Biogas Korea Co., Ltd. in Seoul provided that the Issuer directly or indirectly owns at least 82 per cent. or 90 per cent. of the shares in the respective Subsidiary.

13.7 Disposal of Assets

- (a) The Issuer shall not, and shall procure that no Subsidiary will, sell or otherwise dispose of any shares in any Subsidiary, or of all or substantially all of its or that Subsidiary's assets, or operations to any person not being the Issuer or any of its wholly-owned Subsidiaries unless the transaction is carried out on market terms and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect. The Issuer shall notify the Trustee of any such transaction and, upon request by the Trustee, provide the Trustee with any information relating to the transaction which the Trustee deems necessary (acting reasonably).

13.8 Negative Pledge

- (a) The Issuer shall not, and shall procure that none of its Subsidiaries, provide, prolong or renew any security over any of its/their assets (present or future) to secure Financial Indebtedness.
- (b) Notwithstanding paragraph (a) above, a Group Company shall (i) have the right to provide, prolong and renew any Permitted Security and (ii) retain, but not prolong or renew, any existing security in relation to indebtedness held by an entity acquired by a Group Company.

13.9 Dealings with Related Parties

The Issuer shall, and shall procure that its Subsidiaries, conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding other Group Companies) and/or any Affiliates of such direct and indirect shareholders on arm's length terms.

13.10 Capex Restriction

- (a) The Issuer shall not make or commit to make (and shall procure that no Subsidiary of the Group, including any Newbuild SPV, makes or commits to make) any capital expenditure (including any Newbuild Capex) or enter into any newbuild contract for a biogas plant (or similar asset), unless:
 - (i) such capital expenditure is funded in whole by Equity; or
 - (ii) such capital expenditure relates to a Newbuild Capex and the following conditions are all met:
 - (A) if the Newbuild SPV is not owned by a Group Company (including an existing Newbuild Holdco) which shares have been granted as

security in favour of the Bondholders (represented by the Trustee), a new Newbuild Holdco has been established and such Newbuild Holdco owns the Issuer's proportion of the shares in the Newbuild SPV;

- (B) the Newbuild Capex is conducted by a Newbuild SPV and the relevant Newbuild SPV has received Equity by way of Equity Capital Raising corresponding to at least 60 per cent. of any other funding relating to the Newbuild Capex, and provided that (i) such Equity has been used towards the relevant Newbuild Capex, or (ii) such Equity is available to the Newbuild SPV at the time of incurring such other funding;
- (C) any Financial Indebtedness (unless incurred under Subsequent Bonds) raised to finance such Newbuild Capex is raised for the benefit of the Newbuild SPV on a non-recourse basis (i.e. no guarantee from any part of the Group, including the Issuer) (except for guarantees granted by the Newbuild Holdco holding shares in such Newbuild SPV); and
- (D) any construction contract related to a vessel for which any Newbuild Capex is utilised has to be on a non-recourse basis (i.e. no guarantee from any part of the Group, including the Issuer).

13.11 Cash Payment Restrictions

The Issuer shall not (and shall procure that no member of the Group) amend or supplement any document relating to the Proventus Debt to the effect that the level of cash payments (by way of interest, fees or otherwise) is increased.

13.12 Additional Transaction Security

The Issuer shall, and shall ensure that a relevant Group Company, grants the Additional Transaction Security as soon as reasonably possible after any Newbuild SPV and Newbuild Holdco (as applicable) have been established, in each case on terms satisfactory to the Trustee.

13.13 Subsequent Transaction Security

In the case of a Subsequent Bond Issue being conducted to refinance debt under any Existing Debt Facilities, the Issuer shall, as soon as practically possible and to the extent legally possible, procure that any security previously pledged in favour of the relevant Existing Debt Facility will be pledged and included in the Transaction Security.

14. Maintenance Test

- (a) The Issuer shall ensure that the Equity Ratio is no less than (the "**Maintenance Test**"):
 - (i) 20 per cent. on 30 June 2016 and on each Reference Date thereafter to and including 30 June 2017;

- (ii) 21 per cent. on 30 September 2017 and on 31 December 2017;
 - (iii) 22 per cent. on 31 March 2018 and on 30 June 2018;
 - (iv) 23 per cent. on 30 September 2018 and on 31 December 2018;
 - (v) 24 per cent. on 31 March 2019 and on 30 June 2019; and
 - (vi) 25 per cent. on 30 September 2019 and each Reference Date thereafter.
- (b) The Maintenance Test shall be tested quarterly on the basis of the interim report for the period ending on the relevant Reference Date on the basis of the Compliance Certificate delivered in connection therewith. The first test date for the Maintenance Test shall be 30 June 2016.

15. Events of Default and Acceleration of the Bonds

Each of the events or circumstances set out in this Clause 15 (other than Clause 15.10 (*Acceleration of the Bonds*)) is an Event of Default.

15.1 Non-Payment

The Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents unless its failure to pay is caused by administrative or technical error and payment is made within five (5) Business Days of the due date.

15.2 Other Obligations

The Issuer does not comply with its obligations under the Finance Documents, in any other way than as set out under 15.1 above, provided that the Trustee has requested the Issuer in writing to remedy such failure and the Issuer has not remedied the failure within fifteen (15) Business Days from such request (if the failure or violation is not capable of being remedied, the Trustee may declare the Bonds due and payable without such prior written request).

15.3 Cross-Acceleration

Any Financial Indebtedness of a Material Group Company is not paid when due as extended by any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this Clause 15.3 if the aggregate amount of Financial Indebtedness that has fallen due is less than SEK 5,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

15.4 Insolvency

- (a) Any Material Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors generally (except for Bondholders) with a view to rescheduling its Financial Indebtedness; or

- (b) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company.

15.5 Insolvency Proceedings

Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within sixty (60) days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to Subsidiaries, solvent liquidations) in relation to:

- (a) the suspension of payments, winding-up, dissolution, administration or reorganisation (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company; and
- (b) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Material Group Company or any of its assets or any analogous procedure or step is taken in any jurisdiction in respect of any Material Group Company.

15.6 Mergers and Demergers

A decision is made that any Material Group Company shall be demerged or merged if such merger or demerger is likely to have a Material Adverse Effect, provided that (i) a merger involving the Issuer, where the Issuer is not the surviving entity, shall always be considered an Event of Default and provided that the Issuer may not be demerged.

15.7 Creditors' Process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction which affects any asset or assets of any Material Group Company having an aggregate value of an amount equal to or exceeding SEK 5,000,000 and is not discharged within sixty (60) days.

15.8 Impossibility or Illegality

It is or becomes impossible or unlawful for the Issuer to fulfill or perform any of the provisions of the Finance Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable.

15.9 Continuation of the Business

The Issuer or any other Material Group Company ceases to carry on its business if such discontinuation is likely to have a Material Adverse Effect.

15.10 Acceleration of the Bonds

- (a) If an Event of Default has occurred and is continuing, the Trustee is entitled to, and shall following an instruction given pursuant to Clause 15.10(d), on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not only some, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Trustee determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.

- (b) The Trustee may not accelerate the Bonds in accordance with Clause 15.10(a) by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders' Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- (c) The Trustee shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Trustee received actual knowledge of that an Event of Default has occurred and is continuing. The Trustee shall, within twenty (20) Business Days of the date on which the Trustee received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be accelerated. If the Trustee decides not to accelerate the Bonds, the Trustee shall promptly seek instructions from the Bondholders in accordance with Clause 17 (*Decisions by Bondholders*). The Trustee shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- (d) If the Bondholders instruct the Trustee to accelerate the Bonds, the Trustee shall promptly declare the Bonds due and payable and take such actions as, in the opinion of the Trustee, may be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (e) If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- (f) In the event of an acceleration of the Bonds in accordance with this Clause 15.10, the Issuer shall redeem all Bonds at an amount equal to the redemption amount specified in Clause 10 (*Redemption and Repurchase of the Bonds*), as applicable considering when the acceleration occurs, provided that for the non-call period (until the First Call Date) the Bonds shall be redeemed at the price set out in Clause 10.3(a)(ii) (plus accrued and unpaid interest).

16. Distribution of Proceeds

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 15 (*Events of Default and Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security shall be distributed in the following order of priority, in accordance with the instructions of the Trustee:
 - (i) *first*, in or towards payment of the Trustee under the Trustee Agreement, including all costs and indemnities relating to the acceleration of the Bonds or the protection of the Bondholders' rights under the Finance Documents;
 - (ii) *secondly*, towards payment of accrued Interest unpaid under the Bonds;
 - (iii) *thirdly*, in or towards payment of principal under the Bonds; and
 - (iv) *fourthly*, in or towards payment of any other costs or outstanding amounts unpaid under the Bonds.

Any excess funds after the application of proceeds in accordance with paragraphs (i)-(iv) above shall be paid to the Issuer.

- (b) Funds that the Trustee receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security constitute escrow funds (*redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Bondholders and the other interested parties in accordance with the Swedish Escrow Funds Act (*lag (1944:181) om redovisningsmedel*). The Trustee shall arrange for payments of such funds in accordance with this Clause 16 (*Distribution of Proceeds*) as soon as reasonably practicable.

17. Decisions by Bondholders

- (a) A request by the Trustee for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Trustee) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Trustee and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Trustee and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Trustee. The person requesting the decision may suggest the form for decision making, but if it is in the Trustee's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- (c) The Trustee may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Bondholders and such person has informed the Trustee that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- (d) Only a person who is, or who has been provided with a power of attorney pursuant to Clause 7 (*Right to Act on Behalf of a Bondholder*) from a person who is, registered as a Bondholder:
- (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
 - (ii) on the Business Day specified in the communication pursuant to Clause 19(c), in respect of a Written Procedure,
- may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.
- (e) The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds ($66 \frac{2}{3}$) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in

a Written Procedure in accordance with the instructions given pursuant to Clause 19(c):

- (i) the issue of Subsequent Bonds, if such issue would cause the Total Nominal Amount to exceed SEK 300,000,000;
 - (ii) waive a breach of, or amendment of, any undertaking set out in Clause 13 (*General Undertakings*);
 - (iii) release the security provided under the Security Documents;
 - (iv) reduce the principal amount, interest rate or interest amount which shall be paid by the Issuer;
 - (v) amend any payment day for principal or interest amount or waive any breach of a payment undertaking; and
 - (vi) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 17 (*Decisions by Bondholders*).
- (f) Any matter not covered by Clause 17(e) shall require the consent of Bondholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19(c).
- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least twenty (20) per cent. of the Adjusted Nominal Amount:
- (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (ii) if in respect of a Written Procedure, reply to the request.
- If a quorum exists for some but not all of the matters to be dealt with at a Bondholders' meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- (h) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Trustee or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 18(a)) or initiate a second Written Procedure (in accordance with Clause 19(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in paragraph (g) above shall not apply to such second Bondholders' Meeting or Written Procedure.
- (i) Any decision which extends or increases the obligations of the Issuer or the Trustee, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Trustee, under the Finance Documents shall be subject to the Issuer's or the Trustee's consent, as appropriate.

- (j) A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- (k) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- (l) A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- (m) All reasonable costs and expenses incurred by the Issuer or the Trustee for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Trustee, shall be paid by the Issuer.
- (n) If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Trustee provide the Trustee with a certificate specifying the number of Bonds owned by Group Companies or its Affiliates, irrespective of whether such person is directly registered as owner of such Bonds. The Trustee shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company.
- (o) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Issuer and the Trustee, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Trustee, as applicable.

18. Bondholders' Meeting

- (a) The Trustee shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Trustee, it may convene a Bondholders' Meeting in accordance with paragraph (a) above with a copy to the Trustee. After a request from the Bondholders pursuant to Clause 21.4(c) (*Replacement of the Trustee*), the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with paragraph (a) above.

- (c) The notice pursuant to paragraph (a) above shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders), (iv) a specification of the Business Day at the end of which a person must be registered as a Bondholder in order to be entitled to exercise voting rights at the meeting, and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Trustee may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Trustee may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

19. Written Procedure

- (a) The Trustee shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent.
- (b) Should the Issuer want to replace the Trustee, it may send a communication in accordance with paragraph (a) above to each Bondholder with a copy to the Trustee.
- (c) A communication pursuant to paragraph (a) above shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least ten (10) Business Days from the communication pursuant to paragraph (a) above). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 17(e) and 17(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 17(e) or 17(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

20. Amendments and Waivers

- (a) The Issuer and the Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:

- (i) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 17 (*Decisions by Bondholders*).
- (b) The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
 - (c) The Trustee shall promptly notify the Bondholders of any amendments or waivers made in accordance with paragraph (a) above, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 12.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
 - (d) An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Trustee, as the case may be.

21. Appointment and Replacement of the Trustee

21.1 Appointment of the Trustee

- (a) By subscribing for Bonds, each initial Bondholder appoints the Trustee to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Trustee to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder including the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer and any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security; and
- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Trustee to act on its behalf, as set forth in paragraph (a) above.
- (c) Each Bondholder shall immediately upon request provide the Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Trustee), that the Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Trustee is under no obligation to represent a Bondholder which does not comply with such request.
- (d) The Issuer shall promptly upon request provide the Trustee with any documents and other assistance (in form and substance satisfactory to the Trustee), that the Trustee

deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.

- (e) The Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Trustee Agreement and the Trustee's obligations as agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) The Trustee may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

21.2 Duties of the Trustee

- (a) The Trustee shall represent the Bondholders in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security pursuant to the Security Documents on behalf of the Bondholders and, where relevant, enforcing the Transaction Security on behalf of the Bondholders.
- (b) When acting in accordance with the Finance Documents, the Trustee is always acting with binding effect on behalf of the Bondholders. The Trustee shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) The Trustee shall monitor the compliance by the Issuer with its obligations under these Terms and Conditions on the basis of information made available to it pursuant to the Finance Documents or received from a Bondholder. The Trustee is not obligated to assess the Issuer's financial situation other than as expressly set out in these Terms and Conditions.
- (d) The Trustee is entitled to delegate its duties to other professional parties, provided that such professional parties are selected with due care, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- (e) The Trustee shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (f) The Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Trustee pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the Trustee reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents. Any compensation for damages or other recoveries received by the Trustee from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 16 (*Distribution of Proceeds*).

- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If in the Trustee's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Trustee) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Trustee may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- (i) The Trustee shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Trustee under the Finance Documents or the Trustee Agreement or (ii) if it refrains from acting for any reason described in paragraph (i) above.

21.3 Limited liability for the Trustee

- (a) The Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Trustee shall never be responsible for indirect loss.
- (b) The Trustee shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Trustee or if the Trustee has acted with reasonable care in a situation when the Trustee considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) The Trustee shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Trustee to the Bondholders, provided that the Trustee has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Trustee for that purpose.
- (d) The Trustee shall have no liability to the Bondholders for damage caused by the Trustee acting in accordance with instructions of the Bondholders given in accordance with Clause 17 (*Decisions by Bondholders*) or a demand by Bondholders given pursuant to Clause 15.10 (*Acceleration of the Bonds*).
- (e) Any liability towards the Issuer which is incurred by the Trustee in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.

21.4 Replacement of the Trustee

- (a) Subject to paragraph (f) below, the Trustee may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Trustee at a Bondholders' Meeting convened by the retiring Trustee or by way of Written Procedure initiated by the retiring Trustee.

- (b) Subject to paragraph (f) below, if the Trustee is Insolvent, the Trustee shall be deemed to resign as Trustee and the Issuer shall within ten (10) Business Days appoint a successor Trustee which shall be an independent financial institution or other reputable company which regularly acts as trustee under debt issuances.
- (c) A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Trustee and appointing a new Trustee. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Trustee be dismissed and a new Trustee appointed.
- (d) If the Bondholders have not appointed a successor Trustee within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Trustee was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Trustee which shall be an independent financial institution or other reputable company which regularly acts as trustee under debt issuances.
- (e) The retiring Trustee shall, at its own cost, make available to the successor Trustee such documents and records and provide such assistance as the successor Trustee may reasonably request for the purposes of performing its functions as Trustee under the Finance Documents.
- (f) The Trustee's resignation or dismissal shall only take effect upon the appointment of a successor Trustee and acceptance by such successor Trustee of such appointment and the execution of all necessary documentation to effectively substitute the retiring Trustee.
- (g) Upon the appointment of a successor, the retiring Trustee shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Trustee. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Trustee.
- (h) In the event that there is a change of the Trustee in accordance with this Clause 21.4, the Issuer shall execute such documents and take such actions as the new Trustee may reasonably require for the purpose of vesting in such new Trustee the rights, powers and obligation of the Trustee and releasing the retiring Trustee from its further obligations under the Finance Documents and the Trustee Agreement. Unless the Issuer and the new Trustee agrees otherwise, the new Trustee shall be entitled to the same fees and the same indemnities as the retiring Trustee.

22. Appointment and Replacement of the Issuing Agent

- (a) The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds.
- (b) The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

23. No Direct Action by Bondholders

- (a) A Bondholder may not take any steps whatsoever against the Issuer with respect to the Bonds or the Finance Documents or with respect to the Transaction Security to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation or bankruptcy (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- (b) Paragraph (a) above shall not apply if the Trustee has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 21.1(c)), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Trustee under the Finance Documents or the Trustee Agreement or by any reason described in Clause 21.2(h), such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 21.2(i) before a Bondholder may take any action referred to in paragraph (a) above.
- (c) The provisions of paragraph (a) above shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due by the Issuer to some but not all Bondholders.

24. Prescription

- (a) The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Bondholders' right to receive payment has been prescribed and has become void.
- (b) If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Bonds, and of three (3) years with respect to the right to receive payment of interest (excluding

capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

25. Notices and Press Releases

25.1 Notices

- (a) Any notice or other communication to be made under or in connection with the Finance Documents:
 - (i) if to the Trustee, shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch;
 - (ii) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office; and
 - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery or letter for all Bondholders. A Notice to the Bondholders shall also be published on the websites of the Issuer and the Trustee.
- (b) Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Paragraph (a) above or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Paragraph (a) above.
- (c) Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.
- (d) If an Event of Default is continuing, any notice or other communication made by the Trustee to the Issuer under or in connection with the Finance Documents may, provided that the Trustee deems it necessary in order to preserve the Bondholders' rights under the Finance Documents, be sent by email and will be effective on the day of dispatch (unless a delivery failure message was received by the Trustee), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day. Any notice or other communication to be sent by email by the Trustee to the Issuer in accordance with this paragraph (d) shall be sent to the CFO and the CEO of the Issuer, to the email addresses most recently notified by the Issuer to the Trustee.

25.2 Press releases

- (a) Any notice that the Issuer or the Trustee shall send to the Bondholders pursuant to Clauses 10.3 (*Voluntary total redemption (call option)*), 10.4 (*Voluntary Partial Prepayment upon an Equity Listing Event*), 10.5 (*Mandatory repurchase due to a Change of Control Event (put option)*), 15.8 (*Impossibility or Illegality*), 12.1(c), 15.10(c), 17(o), 18(a), 19(a) and 20(c) shall also be published by way of press release by the Issuer or the Trustee, as applicable.

- (b) In addition to Paragraph (a) above, if any information relating to the Bonds or the Group contained in a notice the Trustee may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Trustee shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Trustee considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Trustee shall be entitled to issue such press release.

26. Force Majeure and Limitation of Liability

- (a) Neither the Issuer, the Trustee nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Trustee or the Issuing Agent (but not, for the avoidance of doubt, the Issuer) itself takes such measures, or is subject to such measures.
- (b) The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- (c) Should a Force Majeure Event arise which prevents the Issuer (to the extent applicable in accordance with paragraph (a) above), the Trustee or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- (d) The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

27. Governing Law and Jurisdiction

- (a) These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- (b) The Issuer submits to the non-exclusive jurisdiction of the District Court of Stockholm (*Stockholms tingsrätt*).

We hereby certify that the above terms and conditions are binding upon ourselves.

Place:

Date:

SCANDINAVIAN BIOGAS FUELS INTERNATIONAL AB

as Issuer

Name:

We hereby undertake to act in accordance with the above terms and conditions to the extent they refer to us.

Place:

Date:

NORDIC TRUSTEE & AGENCY AB (publ)

as Trustee

Name:

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