

Invitation to subscribe for shares

Biofrigas Sweden AB (publ)



Biogas

– the hidden natural resource

IMPORTANT INFORMATION

The following summary is not an offer but is to be seen as an introduction to Biofrigas Sweden AB's ("Biofrigas") memorandum and does not necessarily contain all information for an investment decision to be made. The investor is advised to consult the memorandum, which is available on Biofrigas' website (www.biofrigas.se), before making an investment decision to take note of the potential risks associated with the decision to invest in the securities. Biofrigas Sweden AB, org.no 556902-2881.



Biofrigas has developed an affordable production plant (CryoSep) that makes it economically sustainable even for smaller businesses to produce liquid biogas, LBG.

Biofrigas Sweden AB, founded in 2012, is a company located in Gothenburg with operations focused on producing liquid biogas, called LBG. Biogas is a renewable fuel with high climate performance.

Biofrigas has developed an affordable production facility (CryoSep) that makes it economically sustainable even for small-scale operations to pre-liquefy and produce LBG, an opportunity previously only available to larger businesses. LBG is considered to be the future fuel for sustainable transport, especially when it comes to heavy freight on longer distances, both on land and at sea. Liquid gas is currently the only propellant capable of measuring diesel in terms of range – and is, therefore, the only realistic and sustainable alternative to heavy transport. For short transports with lighter goods, battery-powered electric drive is an attractive alternative, but when it comes to longer and, above all, heavier transport, battery operation is not

a realistic alternative. Through Biofrigas' technology and plant, the company now gives a large group of operations incentives to produce renewable biogas in liquid form. Liquid biogas is currently a deficiency and the company see a clear interest from, among other things, gas station operators and fuel depots for additional volumes.

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“Our technology and plant are taking advantage of a huge resource that was previously not financially sustainable to extract. Biofrigas' technology is rightly positioned for future energy recovery and cycle.”

CEO Jonas Stålhandske



The picture above shows Biofrigas' pilot plant

The offer

Subscription period: May 7th – May 22nd, 2020.

Subscription price: SEK 4.70 per share.

Subscription post: The minimum subscription is 1,100 shares (corresponding to SEK 5,170).

Issue volume and minimum limit for implementation: The offering comprises a maximum of 3,617,766 shares, corresponding to approximately SEK 17 million. Of this SEK 17 million, approximately SEK 1 million refers to the compensation that bridge loan providers receive for the bridge loan that has been granted previously. The compensation, which thus does not involve capital for the company, is offset against shares in the new share issue, together with the bridge loan itself. The lowest limit for completing the rights issue is approximately SEK 10.6 million.

Number of shares before new share issue: 5,311,106 shares.

Valuation (pre-money): Approximately SEK 25 million.

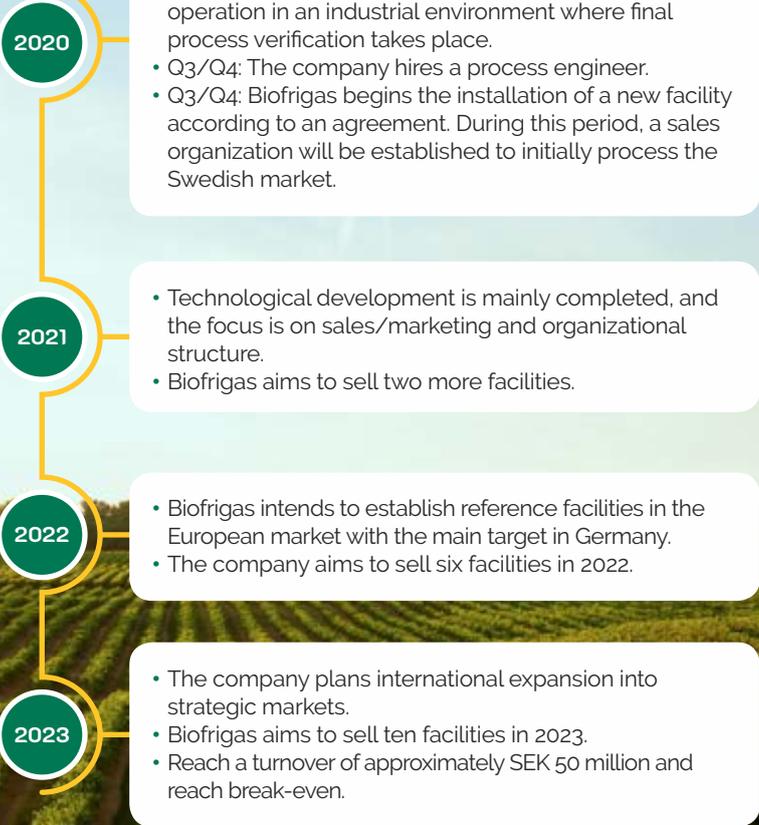
Subscription commitments: The company has received subscription commitments totaling approximately SEK 12.1 million. Of the subscription commitments, approximately SEK 5 million refers to the bridge loan that has been granted previously and which is to be offset in the current new share issue, approximately SEK 1 million refers to the compensation that the bridge loan donor receives and which is also offset against shares in the new share issue, and approximately SEK 6.1 million in additional subscription commitments.

Listing on Spotlight Stock Market: The share in Biofrigas is planned to be listed on Spotlight. The trading is planned to commence on June 18th, 2020.

The ISIN code for the share: SE0014262887.

Objectives

Biofrigas is now undertaking capitalization to scale up the business and to establish a technology and sales organization for the fastest possible market establishment. Biofrigas' plants are expected to have a wide range of uses since the small-scale production has a cost structure that enables an interesting deal for the producers of LBG. The company has a delivery agreement on a plant and the installation is planned to commence during Q3 / Q4 2020. Biofrigas expects to reach break-even in 2023.



The market

The market and demand for renewable fuels are growing, primarily through increased climate and environmental considerations, combined with strict regulatory requirements for air pollution and waste management. Liquid biogas, called LBG, is an environmentally sustainable fuel where residual products from, for example, agriculture constitute an excellent raw material for the production of LBG. For example, LBG can be used as a vehicle and ship fuel. Biofrigas' facility for the production of liquid biogas cleans and cools the raw gas produced by the business. During cooling, the gas is condensed into liquid and shrinks at least 600 times, making the fuel easier and more cost-effective to handle, store, and distribute. The result is a fuel that is as efficient as liquefied natural gas (LNG), but with the important difference that the biogas is in principle completely fossil-free and climate neutral. Biofrigas' facility cleans and condenses red gas from organic waste, thereby reducing its negative impact on the climate while creating clean energy. There is a huge resource in the form of agricultural waste products that are not utilized, and the company estimates that there are currently over 2,500 farms in Sweden and 140,000 farms in Europe that can produce high-quality liquid biogas through Biofrigas' CryoSep facility.

The company's facility CryoSep has achieved Proof-of-Concept which means that the key functions of the facility have been verified, to separate the carbon dioxide, and to cool the biogas so that it is liquefied to form the final product LBG. Biofrigas has received EU funding, SME-1, and has since achieved a number of awards for its technology.

”Liquid natural gas (LNG) is driving the development for vehicle gas and the future sea and road transport will be adapted to this fuel. In line with increased climate requirements to reduce fossil dependence, liquid biogas (LBG) is an attractive and high-quality vehicle and ship fuel, with substantially the same composition as LNG, and can therefore advantageously be used in these gas-adapted vehicles.”

Chairman of the Board Martin Linde

CEO Jonas Stålhandske has the floor

The need for sustainable energy solutions is urgent and, above all, the transport sector faces major challenges with growing emissions from road and maritime transport – as needs for transport increase. The energy solutions of the future must contribute to reducing the climate and environmental impact of transport through renewable and cleaner fuels and the use of more efficient technology.

Our technology makes it possible to liquefy biogas even in small-scale production for use in, for example, agriculture, smaller wastewater treatment plants, and industry. Biofrigas' plant creates financial conditions for the small-scale production of biogas to reach the market, which it does not currently do. At present, liquid biogas is produced in single large-scale facilities. With Biofrigas' technology and facility, the ambition is to reach the overall potential for biogas production from small-scale operations.

Of Sweden's total biogas potential, there is the greatest potential in the agricultural sector where virtually all organic material can be used as a raw material; manure, food waste, sewage sludge, and other organic residues. To achieve this potential, we have succeeded in creating a small-scale facility, reducing production costs but at the same time preserving the high-quality energy recovery required. This equation creates a commercially viable energy production for smaller businesses.



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”The energy solutions of the future must contribute to reducing the climate and environmental impact of transport through the use of renewable and cleaner fuels and the use of more efficient technology.”

The recovery process for producing biogas is started through a digestion process. Upon digestion, the waste products are decomposed and fermented by specific bacteria – whereby biogas is formed. The biogas then goes through three main stages where it is first purified from pollutants and water and then in the next step carbon dioxide is separated out. These steps create a high purity of the biogas, enabling liquefaction which is the third step. In the liquefaction process, the biogas is cooled and the final product, liquid biogas, is created.

Our facility has high mobility, it holds in a 40-foot container, which simplifies the permitting process for, for example, building permits. The facility is connected quickly to efficiently produce liquid biogas. This means that even small, decentralized facilities are given the opportunity for biogas production. In addition to producing liquid biogas, additional commercial opportunities are provided as the facility also produces carbon dioxide and heat.

With the prevailing situation caused by COVID-19, we see a subsequent discussion concerning Sweden's supply of food, for example, which can benefit the agriculture and the opportunities for Biofrigas' operations.

We are now implementing capitalization to scale up the business, build a sales organization for processing the market, and commercialize our facility. We primarily intend to target Sweden where we have already received an order and signed an agreement at a first facility. The installation of the facility will begin during Q3 / Q4 2020. Our goal is to establish reference facilities in Sweden and then, at a rapid pace, to advance to geographically selected markets in Europe, where we see great potential for our technology.

I hereby welcome you to take part in our exciting journey, with the aim of providing a large group of businesses with a commercially sustainable technology for creating liquid biogas, to benefit our society and the environment.

Jonas Stålhandske
CEO, Biofrigas Sweden AB (publ)

Subscription form for subscription of shares in Biofrigas Sweden AB

Subscription period: 7th of May – 22th of May 2020, at 3 p.m.

Subscription price: SEK 4.70

Allocation: Any allotment of shares will be notified via a settlement note.

Payment: To be made in accordance with instructions on the settlement note.

In an assessment of Biofrigas Sweden AB's future development and operations, it is of great importance to consider all relevant risks. Each investor must make their own assessment of the impact of these risks by reading and understanding all available information published concerning this offer. The memorandum is available for download at www.sedermera.se, www.spotlightstockmarket.com or www.biofrigas.se. Payment shall not be made in conjunction with the application for subscription. Any allotment is notified via a settlement note.

Subscription can also be made electronically with Bank-ID and Nem-ID on www.sedermera.se

Please note that the subscriber who has a custody account or account with specific rules, such as an ISK/KF account, the subscription must be made in agreement with the bank/trustee that holds the account.

The undersigned hereby applies for subscription of the following number of shares in Biofrigas Sweden AB at a subscription price of SEK 4.70 per share. Minimum allowed subscription is of 1 100 shares (equal to SEK 5,170.00).

Number of shares

Fill in where the allotted and paid for shares are to be delivered, owner-registered securities account (Swedish: VP account) or custody account (state only one alternative):

VP-Konto/Servicekonto	Bank/Förvaltare
0 0 0	
Depånummer	Bank/Förvaltare

Do you have an account at Nordnet or Avanza? Please, contact your respective bank to make your subscription directly via Nordnet or Avanza.

3. Have you, through Sedermera, invested ten (10) times during the last twelve (12) months, or invested through Sedermera six (6) times each year for the last five (5) years? Yes No

4. Subscription over 15 000 EURO?

If the subscription is over 15 000 EURO, or if the answer on question **3** is **Yes**, the following shall be made:

1) A money laundering form must be fulfilled which can be found on the following link: www.sedermera.se.

2) A verified copy of your valid ID (Passport) must be sent to Sedermera Fondkommission by post to the below stated address, during the subscription period.

Note that, the documents shall be sent to Sedermera Fondkommission **via post**, at the address below.

Note that Sedermera Fondkommission can not guarantee that the subscription form will be processed before the money laundering form has been submitted to Sedermera Fondkommission. You are always welcome to **sign the form digitally and identify yourself through BankID or NemID** at www.sedermera.se.

5. Fill in your name and address information (PLEASE WRITE CLEARLY)

Last name/company		First name	National ID number/Corp.ID no.
Street address (or PO Box or equivalent)		Daytime telephone/mobile phone	NID-number/LEI*
Postal code	City	Country (if other than Sweden)	E-mail (mandatory)
Place and date		Signature (authorized company signature, or guardian, if applicable)	

***NID-number** is a national ID for **physical** persons, required when subscribing for, trading, buying, selling and moving securities. NID is related to your citizenship. If you have only a Swedish or Danish citizenship, your NID is the same as your ID no./CPR together with the country code (SE/DK). Persons with more than one citizenship are advised to contact their local bank for support.

***LEI** is a global ID code for **legal** persons, required when subscribing for, trading, buying, selling and moving securities. Application for LEI code can be made with support from your bank but is also possible to conduct directly through institutions providing LEI codes. These are to be found at Global Legal Entity Identifier Foundation (GLEIF).

By signing this subscription form I confirm the following:

- That I have read the memorandum (Swedish use) and understand the risks associated with investing in this particular financial instrument;
- That I have read and understood the information stated in the section "Terms and Conditions" in the memorandum;
- That I have read and accepted the information stated on the subscription form;
- I have observed that the offer is not addressed to persons resident in the USA, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore or other countries where participation requires additional prospectus, registration or other measures other than those required by Swedish law;
- That I am aware that the application is not covered by the right of return that follows from the Swedish Distant and Doorstep Sales Act;
- That in signing this subscription form, I authorize Sedermera Fondkommission, at the undersigned's expense, to implement the subscription of shares pursuant to the Terms and Conditions stated in the memorandum issued by the board of Biofrigas Sweden AB in May 2020;
- That no amendments or additions may be made to the printed text in this subscription form;
- That the allocation of shares in accordance with the subscription cannot be guaranteed;
- That an incomplete or incorrect subscription form may be disregarded;
- That the subscription is binding;
- That I am aware that Sedermera Fondkommission will not make any assessment of whether the subscription to the instrument in question is suitable for me or the person on whose behalf I am subscribing;
- That I am aware that no customer relationship exists between Sedermera Fondkommission and the subscriber with respect to this subscription;
- That personal data will be stored and processed in accordance with the General Data Protection Regulation (GDPR).

7. Send the application form by one of the following options:

Mail: Subject: Biofrigas Sweden
 Sedermera Fondkommission
 Norra Vallgatan 64,
 211 22 Malmö, Sweden

E-post: issuingervices@sedermera.se

Fax: 0046-40 54 90 79

Questions, please call: Phone:0046-040-615

By checking this box, the subscriber agrees that information provided on the subscription form may also be used for communication regarding offers in the future.

MONEY LAUNDERING CHECK - NATURAL PERSON/ LEGAL ENTITY

In accordance with the Swedish act (2017:630) on measures against money laundering and terrorist financing

With reference to applicable regulations for the financial markets, including the rules on measures against money laundering and terrorist financing, the Swedish Financial Supervisory Authority (Finansinspektionen) has issued special regulations for supervised investment companies. The rules require investment companies to verify the identity of the parties with whom they transact business or for whom they perform transactions in accordance with a specifically prescribed arrangement.

Do you have any questions on how to fill out the form? Please call us on +46 (0) 40- 615 14 10, and we will assist you.

Note! If you are a natural person and not a company, please proceed to control questions below.

Beneficial owner*			
Natural person (first name and surname)	Personal ID number	Ownership (%)	Share of votes (%)
Natural person (first name and surname)	Personal ID number	Ownership (%)	Share of votes (%)
Natural person (first name and surname)	Personal ID number	Ownership (%)	Share of votes (%)

***Beneficial owners are:**

- Natural persons who, alone or with related persons, ultimately own more than 25% of the votes in the legal entity.
- Natural persons who, alone or with related persons, has the right to elect or dismiss more than 50% of the legal entity's board members or equal executives.
- Natural persons who, alone or with related persons, as a result of agreement with owners, members, the legal entity, regulations in the articles of association, company agreements and/or comparable agreements can control the company in accordance with the above.

There are no beneficial owners in accordance with the above. Sedermera Fondkommission will therefore consider the company's Chairman of the Board, CEO or other equivalent executive as the beneficial owner.

If the ownership structure is complex or comprises a number of ownership levels, or the legal entity is owned by a foundation, please contact Sedermera Fondkommission.

Control questions relating to measures against money laundering and terrorist financing

1. What is the purpose with the transaction?

Savings/investment Securities trading Other – please specify: _____

2. Origin of the capital (multiple options are possible)

Old savings Capital income Bonus Sale of property/company
 Investments Salary/pension Inheritance/gift Company revenue Other – please specify: _____

3. What amount are you/ the company planning to invest through Sedermera annually?

1-50 000 SEK 150 000-500 000 SEK 1 000 000-3 000 000 SEK 5 000 000 SEK or more.
 50 000-150 000 SEK 500 000-1 000 000 SEK 3 000 000-5 000 000 SEK Please specify amount: _____

4. PEP – Politically exposed persons

Have you/ any of the beneficial owners or any of the company's representatives (such as the CEO, board members, chairman and/or authorized signatories), any of their employees or any of their immediate family members been a politically exposed person (PEP*) in the last 18 months?

Yes No If the answer is Yes, please specify: Function: _____ Country: _____

The person's name and your relationship (if the person who held the function is someone other than yourself): _____

* A PEP is a person in a politically exposed position who holds, or has held, an important public function in a governmental or international organisation. This person's immediate family members and close colleagues should also be treated as PEPs. Examples are heads of state and of government, ministers, judges, ambassadors and members of parliament.

5. Operations in high-risk jurisdictions or a jurisdiction against which the EU or UN has decided on sanctions

Do you/ the company have operations in any of the following high-risk jurisdictions; Afghanistan, Bosnia and Herzegovina, Guyana, Laos, Vanuatu, Syria, Iran, Iraq, Yemen, Ethiopia, Uganda, North Korea, Sri Lanka, Pakistan, Trinidad and Tobago or a jurisdiction against which the EU or UN has decided on sanctions?

Yes No If the answer is yes, please specify country: _____

SIGNATURES

The form must be signed and then sent, together with a scanned identity form and authorization document (such as a certificate of incorporation or a valid power of attorney), to the e-mail address listed below.

Please send a certified identity check to Sedermera Fondkommission by mail to the following address: Norra Vallgatan 64, 211 22 Malmö, Sweden.

Valid identity checks: Swedish passport, Swedish driver's license or identity card issued by Swedish authorities or Swedish certified identity card. For persons who doesn't have Swedish identification forms, please provide passport or EU - driving license.

Documents to attach Natural Person:

- A copy of the Identity document.

Documents to attach Legal Entity:

- A copy of the identity document for authorized representatives
- A copy of a valid power of attorney or a certificate of incorporation (No more than 1 month old)

Signatures		
Place and date	Signature of the Party/ Authorized signatory	Print name/s
<i>I confirm that all questions have been answered correctly and I will inform Sedermera in the event of any changes.</i>		