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 **GREEN**

Interim report

1 OCTOBER – 31 DECEMBER 2021

C-GREEN TECHNOLOGY AB (PUBL). ORG NR 559001-6001



Interim Report Fourth Quarter 2021

DURING FOURTH QUARTER 2021 the focus continued to be on development and sales projects in C-Green's three main market segments: pulp and paper, sewage, and recycling services.

- Profit/loss for the quarter was -472 kSEK.
- C-Green appointed Carnegie Investment Bank as its financial advisor for one or more directed new share issues or other financial instruments during 2022.
- At our industrial-scale demonstration OxyPower HTC™ biorefinery at the Stora Enso packaging mill in Heinola, Finland the focus has been on continuous operation and availability. The trend was positive and during the period the biorefinery was in operation for a total of twenty-three around the clock periods.
- An OxyPower HTC™ biorefinery is planned to be commissioned in Q1 2023 at a Ragn-Sells recycling center in Sweden for municipal sludge from different sources.

After the end of the quarter, C-Green began a collaboration with a world leader in water treatment technologies. Where possible, the company is committed to integrating C-Green's OxyPower HTC™ technology in 10 projects in their quotes for public tenders in central Europe, during the coming 5 years. C-Green also initiated a cooperation with the leading Dutch industrial waste management company, REYM Rotterdam, part of Remondis, the world's largest private waste recycling service company, to explore the feasibility of building an OxyPower HTC™ biorefinery at their facility in Rotterdam.

Hydrochar from C-Green's
OxyPower HTC™ process



CEO Commentary

C-GREEN IS PERFECTLY positioned to offer a new and innovative technology that not only has a major positive climate impact but also produces renewable energy to replace fossil fuels. We are now at a decisive moment, transitioning from a start-up into a ramp-up, on the path to becoming the global leader in wet waste refining.

We made progress during the quarter at our demonstration OxyPower HTC™ biorefinery in Finland including improving productivity and capacity, as well as achieving longer periods of availability.

Our collaboration with a world leader in water treatment technologies is an important step in increasing circular municipal sludge handling and reducing the climate impact of sludge in Europe. The collaboration with REYM Rotterdam is an important step in increasing circular sludge handling and reducing the climate impact of sludge starting in the Netherlands. These are important milestones for establishing C-Green, both on the European market and in the global arena.

Michael Sjöberg, CEO
C-Green



FOTO: JOEL SHERWOOD, SEB

»Our collaboration with a world leader in water treatment technologies is an important step in increasing circular municipal sludge handling.«



Significant events during the quarter

PROJECT DEVELOPMENT STRENGTHENED IN FOCUS MARKET SEGMENTS

PULP AND PAPER DEVELOPMENT PROJECT: HEINOLA, STORA ENSO FINLAND

C-Green's industrial-scale OxyPower HTC™ biorefinery onsite at Stora Enso's paper packaging mill in Heinola, Finland has an annual capacity of 18,000 tons of pulp and paper sludge. The biorefinery will produce heat and electricity for use at the mill. The hydrochar produced replaces fossil fuels, including peat, and will reduce the mill's GHG emissions by ~2,500 tons of CO_{2e} per year, when operating at design capacity.

Q4 2021: The focus has been on continuous operation and availability. The trend was positive and during the period the biorefinery was in operation for a total of twenty-three round the clock periods. A number of equipment and control improvements were identified and carried out.

After the end of Q4 2021: There has been continuous improvement of plant operations compared to Q4 2021, with thirty-five round the clock periods during Q1 2022. The wet oxidation process was operational and the performance test of running wet oxidation for 7 consecutive days was achieved. With this we have now fulfilled all of Stora Enso's plant acceptance criteria.

SEWAGE SALES PROJECT: ROSLAGSVATTEN

An OxyPower HTC™ biorefinery for municipal wastewater treatment sludge at Roslagsvatten in Margretelund, near Stockholm will be offered during 2022. Currently, the Margretelund wastewater treatment plant handles sewage from 40,000 people but will soon more than double its capacity. The OxyPower HTC™ biorefinery will have an annual capacity for treating 25,000 tons of sludge, resulting in ~5,000 tons of hydrochar that will be used for soil improvement. The project is subject to approval by Roslagsvatten. Partial financing of the project in the amount of SEK 25 million has been applied for from *Klimatklivet* - a Swedish Environmental Protection Agency fund for investments that reduce greenhouse gas emissions.

Q4 2021: C-Green's mobile pilot plant processed sludge on-site continually during November and December.

After the end of Q4 2021: Pilot plant trials were carried out on the wet oxidation of process water. The agreements for the project are expected to be finalized during Q2 2022.

Pulp & Paper

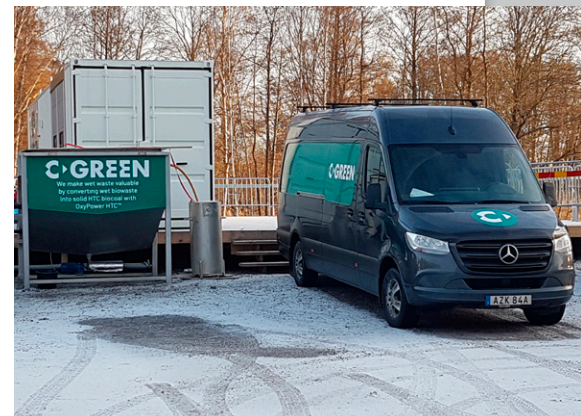
Unique Selling Points

- efficient recycling of organic industrial byproducts
- solves disposal problems
- improves primary processes
- strengthens sustainability



Sewage Unique Selling Points

- creates sludge-free wastewater treatment
- simplifies regulatory compliance
- reduces disposal fees
- 80% less climate impact and transportation
- no smell



RECYCLING SERVICES PROJECT: RAGN-SELLS

An OxyPower HTC™ biorefinery for municipal sludge from different sources is planned to be commissioned during Q1 2023 at a Ragn-Sells recycling center in Sweden. The biorefinery will have an annual capacity of handling 25,000 tons of sludge, produce ~5,000 tons of hydrochar and recover nitrogen. C-Green will be paid a gate fee per ton of sludge. The Swedish Energy Authority is financing the project with 40 MSEK. The finalization of agreement is expected during Q2 2022. Ragn-Sells manages about 300,000 tons of sludge in Sweden annually.

Q4 2021: A preliminary site was identified and the application for the environmental permit was submitted.

After the end of Q4 2021: Work continued on the design of the new generation of OxyPower HTC™ biorefineries. Alternative sites for the biorefinery outside of the Stockholm area are now being considered.

FINANCING: COOPERATION WITH CARNEGIE ON CAPITAL MARKET TRANSACTIONS

C-Green appointed Carnegie Investment Bank as its financial advisor for one or more directed new share issues or other financial instruments during 2022.

COVID-19

The company and employees adapted well to the surge in cases during the period. International travel restrictions were adjusted making it somewhat easier to travel to our biorefinery in Heinola. There were some delays in the delivery of components due to the pandemic.

Recycling Services

Unique Selling Points

- makes higher volumes possible and allows more diverse wet waste treatment
- simplifies regulatory compliance
- less pollution and reduced GHG emissions

»During the coming years, C-Green will become a global market player in climate-adapted sludge management. To meet the demand from our customers, we need to increase our capital intake. We look forward to working closely with Carnegie, the Nordic region's leading advisor on capital market transactions.«

Erik Odén,
Chairman of the Board,
C-Green



Significant events after the end of the quarter

Customer visits to Heinola: During Q1 2022, several of our prospective customers visited our industrial-scale operational biorefinery at Stora Enso's mill in Heinola. More visits from prospective customers, including Roslagsvatten, are planned for Q2 2022.

Collaboration with a world leader in water treatment technologies.

Where possible, the company will integrate C-Green's OxyPower HTC™ technology in ten projects during the coming 5 years in their quotes for public tenders in central Europe.

Collaboration with the leading Dutch industrial waste management company, REYM Rotterdam part of Remondis group.

The feasibility of building an OxyPower HTC™ biorefinery at the REYM facility in Rotterdam will be explored. In addition to substantial climate benefits this move is expected to increase REYM's operational activities. The City of Rotterdam awarded the project a grant of € 56,000 as part of its Smart Energy Systems (SES) program, which supports innovations that contribute to a cleaner, smarter, and more efficient energy system. REYM Rotterdam is part of the Remondis Group, one of the world's five largest private water and recycling companies with 32,000 employees serving 30 million people.

»C-Green's technology is entirely in line with our vision to integrate sustainable solutions into our sludge management services and reduce climate impact. With this cooperation, we will contribute to the development of climate-smart, sustainable sludge handling worldwide. It is a win-win situation.«

Fred Muller,
Branch Manager at
REYM Rotterdam



Other information

PERSONNEL

The average number of employees during 2021 (calculated based on paid hours in relation to a standard full-time position) was 22 (2020: 18), of which 5 (2020: 3) were women and 17 (2020: 15) were men.

After the end of Q4 2021: an additional three employees have been hired, bringing the total number of employees up to 25.

C-Green's team: we speak Swedish, English, German, Spanish, French, Arabic, Portuguese, Afrikaans, Polish and Farsi. Together we have a total of 5 PhDs & 16 Master's degrees.

Contact Person

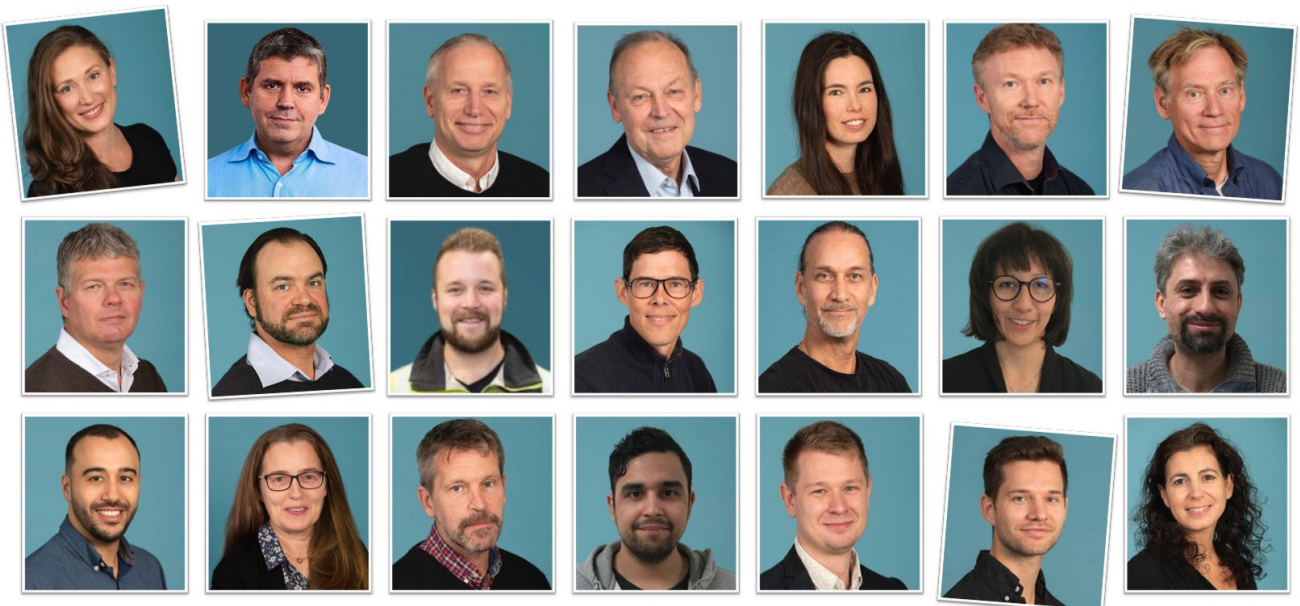
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Review

This interim report has not been reviewed by the company's auditors.



Financial Statements in Brief

INCOME STATEMENT

SEK	2021 OCT-DEC	2020 OCT-DEC	2021 JAN-DEC	2020 JAN-DEC
Operating income net sales	513 115	95 003	539 209	245 868
Other operating income	787 610	8 761 186	3 350 399	19 236 463
Total operating income	1 300 725	8 856 189	3 889 608	19 482 331
Raw materials and consumables*	5 679 412	-3 281 555	-2 985 970	-11 627 316
Other external costs	-2 986 928	-4 470 283	-11 968 680	-9 477 490
Personnel Costs	-2 394 353	-4 091 676	-14 673 218	-13 301 210
Depreciation	-1 130 655	-256 504	-2 467 396	-1 281 259
Other Operating expenses	-14 418	-59 258	-130 269	-82 602
Financial instruments	62 419	77 118	60 918	-25 217
Appropriations	-987 898	50 839	-1 065 980	50 839
Total operating expenses	-1 772 421	-12 031 319	-33 230 595	-35 744 255
Estimated TOTAL PROFIT/LOSS FOR THE PERIOD	-471 696	-3 175 130	-29 340 987	-16 261 924

*The costs of raw materials and consumables during Q4 2021 is positive due to the capitalization of development costs in the financial accounts for the whole of 2021.

STATEMENT OF FINANCIAL POSITIONS

SEK	2021 DEC 31	2020 DEC 31
ASSETS		
Fixed Assets		
Intangible assets	22 936 610	17 766 185
Tangible assets	13 001 875	594 597
Financial assets (Long term receivables)	340 000	1 327 898
Total fixed assets	36 278 485	19 688 680
Current assets		
Current receivables	2 970 437	5 027 869
Cash and bank balances	33 074 537	38 803 702
Total current assets	36 044 974	43 831 571
TOTAL ASSETS	72 323 459	63 520 251

EQUITY AND LIABILITIES

SEK	2021 - DEC 31	2020 - DEC 31
EQUITY AND LIABILITIES		
Equity		
Number of shares	1 255 563	1 182 860
Quota value	0,53	0,53
Share capital	665 448	626 916
Options	761 920	12 640
Patent revaluation fund	9 852 730	12 003 448
Fund balanced cost	9 626 863	2 305 720
Share premium fund	72 480 563	72 480 563
Retained profit/loss	-52 361 695	-30 929 346
Profit/loss for the period	-29 340 987	-16 261 924
Total equity	11 684 842	40 238 017
Provisions	3 202 827	3 202 827
Long term liabilities	40 108 620	0
Current liabilities	17 327 171	20 079 407
TOTAL EQUITY AND LIABILITIES	72 323 460	63 520 251

CHANGES IN EQUITY

SEK	SHARE CAPITAL	OTHER CAPITAL CONTRIBUTIONS	RETAINED PROFIT/LOSS	PROFIT/LOSS FOR THE PERIOD	TOTAL EQUITY
Shareholders equity as per December 31, 2019	626 916	12 640	-4 909 771	-26 947 426	56 499 941
Shareholders equity as per December 31, 2020	626 916	12 640	-30 929 346	-16 261 924	40 238 017
Shareholders equity as per December 31, 2021	665 448	761 920	-52 361 695	-29 340 987	11 684 842

CASHFLOW STATEMENT

SEK	2021 OCT-DEC	2020 OCT-DEC	2021 JAN-DEC	2020 JAN-DEC
Cash and cash equivalents at start of the period	45 693 547	25 200 570	38 803 702	52 107 247
Net cash flow for the period	-12 619 010	13 603 132	-5 729 165	-13 303 545
Cash and cash equivalents at the end of period	33 074 537	38 803 702	33 074 537	38 803 702

Accounting Principles

APPLIED RULES

This interim report is prepared in accordance with the Swedish Annual Accounts Act (Swedish Årsredovisningslagen (1995:1554)).

FOREIGN CURRENCY

The Company's functional currency is Swedish kronor (SEK), which is also the reporting currency. Transactions in foreign currency are translated to the functional currency using the exchange rates in effect on the transaction date.

EMPLOYEE COMPENSATION: PENSIONS

The Company has defined pension plans. Costs for defined contribution pension plans are expensed in pace with payment of premiums.

INTANGIBLE ASSETS

Intangible fixed assets are reported at acquisition value after deductions for accumulated depreciation and any writedowns. Depreciation takes place on a straight-line basis over the asset's estimated useful life. Assessment of an asset's residual value and useful life is made annually.

TANGIBLE ASSETS

Tangible assets are reported at cost less accumulated depreciation and any impairment losses. Depreciation is recognized on a straight-line basis over the asset's estimated useful life, which estimated to be three to ten years. Estimation of an asset's residual value and useful life is done yearly.

CASHFLOW STATEMENTS

Cash flow statements are prepared according to the direct method.

