

Press Release Stockholm, 2019-01-25

THIS PRESS RELEASE MAY NOT BE PUBLISHED, PUBLISHED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, IN AUSTRALIA, HONG KONG, JAPAN, CANADA, NEW ZEALAND, SWITZERLAND, SINGAPORE, SOUTH AFRICA, SOUTH KOREA, USA OR IN ANY OTHER JURISDICTION WHERE NOT PUBLICATION, PUBLICATION OR DISTRIBUTION OF THE INFORMATION SHOULD BE COMPATIBLE WITH APPLICABLE REGULATIONS

### **Scandinavian Biogas Intends to Conduct a Directed Share Issue**

**Scandinavian Biogas Fuels International AB (publ) ("Scandinavian Biogas" or "The Company")** intends to investigate the possibility of, based on the authorization of the Annual General Meeting 2018, carrying out a directed share issue of up to SEK 136 million to a number of institutional and private investors. As part of the directed issue, the Company intends to offer certain existing shareholders the option of converting loans totaling SEK 36 million into shares. The company also intends to carry out a rights issue of up to SEK 10 million during the spring of 2019, at the same subscription price as is determined in the directed share issue. In total, the Company intends to issue shares with a value of up to SEK 146 million.

The work on the directed share issue will commence immediately after this press release. The subscription prices in the directed share issue and the subsequent rights issue will be the same and be determined as a result of discussions with potential investors key stakeholders. The Company reserves the right to decide on the timing of the completion of the process, pricing and allocation and will announce the result of the directed share issue in a press release after the process has concluded. The company has engaged SV Ventures as its financial advisor in connection with the directed share issue.

The reasons for deviating from the shareholders' preferential rights are to increase equity funding in a time and cost-effective manner and to broaden the shareholder base. The issue proceeds are intended to be used to finance an improvement and expansion of Scandinavian Biogas' plant in Södertörn, including the possibility of supplying liquid biogas (LBG), and to ensure certain working capital requirements.

As previously communicated, the Group's long-term goal is to ensure

- Growth corresponding to a 20 to 30% increase in average annual biogas sales and deliveries
- Initially achieving a total capacity of about 1 Terrawatt Hour. This growth may be based on the Company's own production or agreed knowledge utilization.
- That project level profitability corresponds to at least a 15% IRR
- An EBIT margin corresponding to at least 10%
- An equity ratio corresponding to at least 30%

Based on planned investments and improvements to Södertörn, the Group has a long-term goal of achieving approx. MSEK 500 in sales and at least 30% in profitability (EBITDA %). Gross investments are estimated to correspond to approximately SEK 300 million, of which about half is assumed to be financed with investment incentives.

The directed new share issue requires a decision from the board and the board may choose to cancel the process and refrain from proceeding with the directed new share issue, or to carry out the directed new share issue with a higher or lower amount than stated above.

#### **For further information, please contact:**

Matti Vikkula, CEO and president,  
+46 70 597 99 38, matti.vikkula@scandinavianbiogas.com

Erik Arnetz, VD & Partner, SV Ventures  
+ 46 70-792 76 18, erik@svventures.se

#### **Scandinavian Biogas Fuels International AB (publ)**

Holländargatan 21A, SE-111 60 Stockholm, Sweden. Phone: +46 (0)8 503 872 20.  
www.scandinavianbiogas.com

**The Company in brief:**

Scandinavian Biogas is today one of the largest private producers of biogas as a vehicle fuel. The Company also operates a manufacturing plant for pre-treatment of food waste and industrial organic waste, as well as a plant for production of raw biogas in South Korea and a plant for production of liquid biogas in Norway.

**Information:**

The information in this press release is such that Scandinavian Biogas Fuels International AB (publ) must disclose in accordance with the EU Market Abuse Regulation (EU MAR) No. 596/2014. The information was submitted for publication on 25 of January 2019, at 11:00 CET.

**Important information:**

Publishing, publishing or distributing this press release may, in certain jurisdictions, be subject to law and law enforcement in those jurisdictions where this press release has been published or distributed should inform and follow such legal restrictions. This press release does not constitute an offer or invitation to acquire or subscribe for any securities in Scandinavian Biogas in any jurisdiction.

This press release does not constitute an offer to acquire securities in the United States. The securities mentioned herein may not be sold in the United States without registration in accordance with the U.S. Pat. The Securities Act of 1933 or without the application of an exception to such registration. The information contained in this press release may not be published, published or distributed, directly or indirectly, to Australia, Hong Kong, Japan, Canada, New Zealand, Switzerland, Singapore, South Africa, South Korea, the United States or any other jurisdiction in which the disclosure, publication or distribution of the information would be contrary to current rules.

This press release is not a prospectus. Scandinavian Biogas has not provided or approved any offer to the public of shares or rights in any Member State of the EEA and no prospectus has been produced or will be produced in connection with the directed new issue.