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TrønderEnergi becomes the largest shareholder in Scandinavian Biogas

The Norwegian energy company TrønderEnergi has become the largest shareholder in Scandinavian Biogas, a leading producer of biogas in the Nordics. TrønderEnergi as an industrial owner, will provide a long-term perspective and support the growth ambitions of the Company in the biogas market. As part of the transaction, Scandinavian Biogas becomes approximately 97 per cent owner of its Norwegian subsidiary Biokraft Holding AS.

TrønderEnergi, owned by 24 municipalities in Norway, the utility NEAS and the Norwegian pension fund KLP, has since early 2016 been a minority shareholder of Biokraft, a subsidiary to Scandinavian Biogas. TrønderEnergi, through the transaction, will own approximately 37.1 million shares in Scandinavian Biogas, equivalent to approximately 18 per cent of all outstanding shares. Along with BTAB Invest and AC Cleantech Fund TrønderEnergi becomes the largest shareholder in Scandinavian Biogas.

As part of the transaction, Scandinavian Biogas acquires all shares of Biokraft owned by TrønderEnergi with payment through 30 million newly issued shares in Scandinavian Biogas as authorized by the annual general meeting in Scandinavian Biogas held in June 2020. As part of the transaction certain shareholder loans given from TrønderEnergi to Biokraft was also set-off against approximately 7.1 million shares in Scandinavian Biogas. The remaining minority ownership stake of approximately 3 per cent in Biokraft is held by the management in Biokraft. The board of Scandinavian Biogas will propose that an extraordinary shareholders meeting resolves to acquire the remaining 3 per cent of the shares in Biokraft as an issue in kind of approximately 2.1 million shares in Scandinavian Biogas. Notice to such extraordinary shareholders meeting will be announced separately. This enables Scandinavian Biogas to fully integrate Biokraft within its operations, which provides further efficiency gains to Scandinavian Biogas and Biokraft.

- This is a great and logical next step for TrønderEnergi executing the green energy investments and growth plan. The Swedish market for biogas has major potential, and it makes industrial sense for us to invest in Scandinavian Biogas as a leading biogas company in Scandinavia. Our ambition is to address the expected growth in the biogas market through the ownership in Scandinavian Biogas, as we see this as an important industrial development for a carbon neutral transport sector and a circular economy, says Ståle Gjersvold the CEO of TrønderEnergi.
- Even though the biogas market has experienced a material development and growth last ten years we are still at the beginning of the truly industrial biogas market development in Scandinavia. Sweden and Norway have ambitious climate targets for the transport sector, and biogas provides one of the best and most efficient ways to reduce the carbon footprint of the sector. With TrønderEnergi as a major shareholder and active owner Scandinavian Biogas will be strongly supported to take the next step in its development, says Matti Vikkula, CEO of Scandinavian Biogas.

Scandinavian Biogas has been a majority shareholder of Biokraft Holding AS since 2016. Biokraft owns and operates world's largest facility for production of liquid biogas, LBG, in Trondheim, Norway. Biokraft's main feedstocks to produce LBG are ensilage from fish industry and process water from pulp and paper industry. LBG delivered from the Biokraft facility is mainly used within transportation. The demand for LBG is high and growing, and has multiple applications, among others for long-haul freight traffic and for the shipping business, thus also closing the circular loop in the future – maritime based feedstock to maritime green fuel.

Scandinavian Biogas is today one of the Nordic region's largest private producers of biogas as vehicle fuel. The company also operates a production facility for pre-treatment of food waste and industrial organic waste, as well as a raw biogas plant in South Korea.

TrønderEnergi is a leading energy company based in the municipality Trondheim in Norway. The company operates substantial hydro power assets and has pioneered wind power development in Norway since the 1980s. It is owned by 24 municipalities in the mid-Norway region, the utility NEAS and the Norwegian pension fund KLP.

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