

# Scandinavian Biogas intends to carry out a private placement and listing of its dark green shares on Nasdaq First North Premier Growth Market

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**Scandinavian Biogas Fuels International AB (publ) ("Scandinavian Biogas" or the "Company"), a leading producer of biogas in the Nordics<sup>1</sup>, today announces its intention to carry out a private placement of dark green shares<sup>2</sup> in the Company directed to Swedish and international qualified investors (the "Private Placement"). Subsequent to the Private Placement, the Company intends to list its shares on Nasdaq First North Premier Growth Market (the "Listing").**

The Board of Directors and the senior management of Scandinavian Biogas consider the Listing a logical and important step in the Company's development. The Company has an ambitious growth strategy focused on continuing to contribute to a sustainable and fossil free future by expanding its production of biogas, primarily liquid biogas, both at existing and new production plants.

A listing of Scandinavian Biogas shares would help to facilitate the Company's continued growth strategy. In addition, a listing would also help to further increase the awareness of the Company and its operations as well as further enhance Scandinavian Biogas' profile with investors, business partners, customers, and other important stakeholders.

Länsförsäkringar Fondförvaltning, Handelsbanken Hållbar Energi and Skandia Sverige Hållbar (together the "Cornerstone Investors") have undertaken, subject to certain conditions, to acquire shares in the Private Placement of up to SEK 130 million on a post-money valuation of up to approximately SEK 1.1 billion. Depending on market conditions, the Listing is expected to be completed in December 2020.

## **Scandinavian Biogas' dark green shares**

Scandinavian Biogas is the first company to receive a 100 per cent Dark Green Shading, the highest possible rating from CICERO Shades of Green AS ("CICERO"), on the Company's revenue streams and investments.

## **The Private Placement in brief:**

- The Private Placement is expected to be conducted through a directed share issue of newly issued shares in the Company of approximately SEK 350 million, before deduction of costs related to the transaction, together with a sale of existing shares from selling shareholders.
- The Cornerstone Investors, Länsförsäkringar Fondförvaltning, Handelsbanken Hållbar Energi and Skandia Sverige Hållbar, have undertaken, subject to certain conditions, to acquire shares in the Private Placement for an amount of up to SEK 130 million.
- The net proceeds from the Private Placement will be used to continue the expansion of the Company's production capacity, primarily within LBG, through investments in new production plants and to partly finance the recent acquisition of Ekdalens Biotransporter AB.
- The Private Placement will be offered to qualified investors in Sweden and internationally.
- Depending on market conditions, the Listing is expected to be completed in December 2020.
- Further announcements relating to the Private Placement and the Listing will be made in due course.

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<sup>1</sup> Company assessment.

<sup>2</sup> Scandinavian Biogas has been reviewed by CICERO, which provides market-leading independent, research-based evaluations of green and sustainability bonds as well as full company assessments. In November 2020, CICERO allocated the highest possible rating, Dark Green shading, to all of Scandinavian Biogas' revenue streams and investments.

## Matti Vikkula, CEO of Scandinavian Biogas

"The biogas market in Scandinavia has experienced a material development and growth during the last ten years but is still only at the beginning of the large-scale industrial development. The global energy market is on the verge of a tremendous conversion and the need for renewable energy is increasing year by year. We are now seeing a paradigm shift, with the advantages of liquid biogas becoming increasingly apparent for heavy transports and shipping as it provides one of the most efficient ways to reduce the carbon footprint. I look forward to offering new shareholders the opportunity to be part of one of the Nordic region's leading biogas companies."

## Göran Persson, Chairman of the Board of Directors of Scandinavian Biogas

"Scandinavian Biogas is a leading biogas producer – with its truly renewable business and clear growth agenda with continued investments, I am convinced that Scandinavian Biogas is well positioned to deliver continued strong performances in the coming years. A listing on Nasdaq First North Premier Growth Market will enable a broader ownership base and access to the capital market and is therefore a natural next step in the development of the Company."

### About Scandinavian Biogas:

Scandinavian Biogas, founded in 2005, is a leading producer of biogas in the Nordics. The Company sells renewable energy based on compressed biogas and liquid biogas. The Company operates five production plants located in Henriksdal, Södertörn, Bromma, Skogn (Norway) and Ulsan City (South Korea). Through its operations, Scandinavian Biogas supports a sustainable transition from fossil to renewable energy by turning locally sourced organic waste into renewable energy in the form of biogas and bio-fertiliser, whilst adding zero net emissions to the atmosphere.

Since its inception in 2005 Scandinavian Biogas' total operating income has grown consecutively every year with a sales CAGR of approximately 30 per cent, reaching SEK 407 million in 2019. Having reached industrial scale, the Company has significantly improved its operating EBITDA margins<sup>3</sup> from 12.9 per cent in 2017 to 19.2 per cent in 2019<sup>4</sup>, corresponding to an operating EBITDA CAGR of 47 per cent.

In November 2020, the Company entered into an agreement to acquire Ekdalens Biotransporter AB, a company in the logistic sector primarily focused on specialised transports such as industrial organic waste and manure transports to biogas plants and bio-fertiliser transports from biogas plants to major farming areas in the south of Sweden. The integration of a logistics operator improves the reliability of substrate deliveries, a key factor in the capacity to guarantee high-availability supply for the production plants. Closing of the transaction is expected by the end of 2020.

### Financial highlights:

SEK million	January-September			Full year			
	Pro forma <sup>5</sup>			Pro forma <sup>6</sup>			
	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Audited	Audited
	2020	2020	2019	2019	2019	2018	2017
<b>Total operating income</b>	<b>342.8</b>	<b>304.1</b>	<b>303.2</b>	<b>453.7</b>	<b>407.1</b>	<b>310.2</b>	<b>289.3</b>
Total operating income growth, %	-	0.3%	44.0%	-	31.2%	7.2%	8.7%
<b>Operating EBITDA</b>	<b>74.1</b>	<b>55.3</b>	<b>58.8</b>	<b>91.6</b>	<b>75.8</b>	<b>15.6</b>	<b>35.2</b>
Operating EBITDA margin, %	23.6%	20.1%	20.2%	20.7%	19.2%	5.2%	12.9%
<b>Operating profit (EBIT)</b>	<b>10.1</b>	<b>-5.6</b>	<b>-6.7</b>	<b>9.0</b>	<b>-1.9</b>	<b>-71.8</b>	<b>-42.2</b>
EBIT margin, %	2.9%	-1.9%	-2.2%	2.0%	-0.5%	-23.1%	-14.6%

<sup>3</sup> Operating EBITDA: EBITDA excluding items affecting comparability; Operating EBITDA margin: Operating EBITDA divided by net sales plus other operating income excluding items affecting comparability.

<sup>4</sup> 20.7 per cent 2019 (pro forma).

<sup>5</sup> Pro forma financials illustrating the effect of the Ekdalens Biotransporter AB as if it had been completed on 1 January 2020.

<sup>6</sup> Pro forma financials illustrating the effect of the Ekdalens Biotransporter AB as if it had been completed on 1 January 2019.

**Key strengths and competitive advantages:**

- Biogas is a green natural gas – proven and cost-efficient energy source
- The biogas market is set to experience continued high growth driven by global mega trends
- Scandinavian Biogas is a market leading producer of biogas in the Nordics
- Stable and recurring revenues with long-term supply and off-take contracts
- Experienced management and organisation with expertise in complex projects
- Proven track-record of profitable growth and a strong growth trajectory

**Financial targets:**

- Production capacity of at least 700 GWh by 2024
- Total operating income of more than SEK 750 million by 2024
- Operating EBITDA margin of at least 30 per cent in 2024
- Uphold an equity ratio of at least 25 per cent

**Advisors:**

ABG Sundal Collier is acting as Sole Global Coordinator and Sole Bookrunner in connection with the Private Placement and the Listing. Cirio Advokatbyrå is acting as legal advisor to Scandinavian Biogas and Baker McKenzie is acting as legal advisor to the Sole Global Coordinator.

**For more information, please contact:**

Matti Vikkula, CEO Scandinavian Biogas

Telephone: +46 (0) 70-597 99 38

Email: [matti.vikkula@scandinavianbiogas.com](mailto:matti.vikkula@scandinavianbiogas.com)

Anna Budzynski, CFO Scandinavian Biogas

Telephone: +46 (0) 70-043 43 13

Email: [anna.budzynski@scandinavianbiogas.com](mailto:anna.budzynski@scandinavianbiogas.com)

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#### **Information to distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in the Company have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the private placement. Furthermore, it is noted that, notwithstanding the Target Market Assessment, ABG Sundal Collier AB will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in the Company.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in the Company and determining appropriate distribution channels.