

Scandinavian Biogas establishes subsidiaries in Germany and begins planning two projects

PRESS RELEASE
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Scandinavian Biogas has identified concrete investment opportunities for the construction of biogas plants in Germany and has decided to establish a subsidiary in the strategically important German market.

We have also today signed an agreement with German Biogas i Sverige AB a project development company which has initiated the development of two production plants in Germany with a combined capacity of approximately 240 GWh. Each production plant company will be co-owned by Scandinavian Biogas (85%) and German Biogas i Sverige AB (15%). Closing will take place once each company is registered, and all other conditional agreements are met, which is expected to take place no later than 31 May 2023.

Initially, we focus on these two projects, and we estimate that the final investment decisions will be made in 2024 when among other things environmental permits are granted. The total investment is estimated at approx. 90 million Euro and the operating EBITDA margin is estimated to significantly exceed 30%, which is in line with the group's goals.

The group's ambition is to build a strong pipeline of potential biomethane plant projects in Northern Europe. The German market is prioritized given its size, well-developed gas infrastructure and pro-biogas attitude.

Production is, according to our growth strategy, mainly based on manure and other organic waste from agriculture. The plan is to inject the biogas into the German gas network. Some or all the production may be liquefied. The rot remains are post-processed into bio-fertilizer which is returned to nearby farms completing the cycle.

"Entering the vast German market is a strategic milestone and an important addition towards our production targets in 2026 and 2030. The very attractive German biogas market is in a transition process from electricity production to biomethane production, and we aim to be an important player in that transition," says Matti Vikkula President and CEO, Scandinavian Biogas.

The next step involves preparing for final investment decisions, which includes among other things, securing land and environmental permits, specifications, choosing technology partners and cater for each facility to be financed. Investment decisions are expected to be made within 12 and 20 months respectively. Commissioning typically takes place within 14-18 months from the investment decision.

"Through this collaboration, we get a partner to support us in our development of the German market. It feels very good to start the partnership with two established projects and options for further future biogas projects," says Michael Wallis Olausson, Head of Growth, at Scandinavian Biogas.

Scandinavian Biogas strategic goal is to reach a production capacity of 1.2 TWh of biomethane in 2026 and 3 TWh by 2030 through establishing several large-scale fertilizer and agricultural-based biogas plants in Scandinavia and Northern Europe.

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Scandinavian Biogas is a leading Nordic producer of biogas for vehicle fuel and fertilizer. Biogas is CO₂-neutral and made from sewage and household, agriculture as well as industrial organic waste. Today Scandinavian Biogas has facilities in Sweden, Norway and Korea. In 2022, the company delivered 328 GWh of energy. Scandinavian Biogas has over 105 employees and total revenue of SEK 407 million in 2022. The head office is located in Stockholm and the company is listed on Nasdaq First North Growth Premier Market. Certified advisor is Erik Penser Bank AB, telephone: +46 (0) 8-463 80 00, [certifiedadviser\(at\)penser.se](mailto:certifiedadviser@penser.se). www.scandinavianbiogas.com