



## Press release

### **VERDEMOBIL BIOGAZ, supplier and operator of local renewable gas production technologies, announces the approval of its Registration Document by the *Autorité des Marchés Financiers* in connection with its planned Initial Public Offering on Euronext Growth® Paris**

- ❖ An industrial player at the heart of the energy transition **for 15 years**
- ❖ Modular solutions for capturing and **upgrading 100% of biogas** into renewable energy and CO<sub>2</sub>, with **zero emission** into the atmosphere
- ❖ High-potential markets: **Biomethane, BioCO<sub>2</sub>, BioLNG and BioH<sub>2</sub>**
- ❖ An operator model that is currently being rolled out **in France and abroad**
- ❖ Proven technology: an **operational fleet of 40 modules installed**, including **4 proprietary modules**, and **15 modules in the order book**, including **8 proprietary modules** (at 1 June 2023)
- ❖ A track record of self-financed innovation and **profitable growth**
- ❖ A pipeline of **46 modules**, including **30 proprietary modules**, and ambitious **targets for 2028**

**Montaigu, 16 June 2023 - 8.00 am.** VERDEMOBIL BIOGAZ, supplier and operator of local renewable gas production technologies, announces the approval of its Registration Document by the *Autorité des Marchés Financiers* on 15 June 2023, under number I.23-028. The approval of this Registration Document is the first step in VERDEMOBIL BIOGAZ's planned IPO on the Euronext Growth® Paris market. This project remains subject to approval by the AMF of the prospectus relating to the offer of VERDEMOBIL BIOGAZ shares on the Euronext Growth® Paris market, and to favourable market conditions.

**Philippe Khairallah, Founder and Chief Executive Officer of VERDEMOBIL BIOGAZ, said:**

*“The climate change we are experiencing today is accompanied by an upheaval in the geopolitical environment that requires the deployment of actions with an immediate impact. Thanks to its unique technological expertise and the technologies developed by Cryocollect, which it uses exclusively, the VERDEMOBIL BIOGAZ Group is making a daily contribution to decarbonising high value-added markets. Our planned IPO is part of a drive to accelerate the deployment of our solutions, both in France and internationally. A listing on the stock market*



*would also be a fantastic opportunity to bring new shareholders on board and make VERDEMOBIL BIOGAZ a leading independent European player, helping to speed up the energy transition."*

### **VERDEMOBIL BIOGAZ, 100% biogas recovery with a value proposition of "zero discharge" into the atmosphere**

Biogas is a renewable energy produced by the fermentation of organic matter in an oxygen-free environment. During the process of purifying biogas into biomethane, a significant proportion of "lean gas" (30 to 50% of the purified biogas), composed mainly of BioCO<sub>2</sub> and residual Biomethane (bioCH<sub>4</sub>), is released into the atmosphere. A strategic source of energy today, biogas is only partially recovered by existing industrial processes.

With recognised technological expertise and the exclusive use of technologies developed by Cryocollect, VERDEMOBIL BIOGAZ has a range of solutions for upgrading 100% of this biogas into Biomethane and BioCO<sub>2</sub>. The Biomethane can itself be reprocessed to obtain BioGNL (Bio Liquefied Natural Gas) or BioH<sub>2</sub> (Bio Hydrogen).

### **A pioneer and multi-technology player in the energy transition**

VERDEMOBIL BIOGAZ includes the design, manufacture, maintenance and operation of biogas recovery units. Created in 2008, VERDEMOBIL BIOGAZ commissioned its first biogas production unit in 2010, and since then has continued to innovate and extend its range of solutions to serve high added-value markets. It now boasts unique expertise and a recognised technological lead, backed up by an installed base of 33 biomethane purification and production units. In addition, VERDEMOBIL BIOGAZ is the only player in France to have commissioned 5 installations for the purification, liquefaction and distillation of BioCO<sub>2</sub> from methanisation sites. VERDEMOBIL BIOGAZ is also the only French player in the liquefaction of Biomethane into BioLNG and has commissioned its first BioH<sub>2</sub> installation in Germany in 2021.



**No. 2 French player in terms of injected biomethane capacity**



**No. 1 French player in bioCO<sub>2</sub> production from methanisation**



**THE ONLY French player in biomethane liquefaction**



**PIIONEER in the production of bioH<sub>2</sub> from biogas**



**Exclusive use of the technologies developed by Cryocollect (49% owned directly and indirectly by Philippe Khairallah, Chairman and Chief Executive Officer and majority shareholder of Verdemobil Biogaz) on which the BioLNG and BioCO<sub>2</sub> modules depend.**

VERDEMOBIL BIOGAZ uses technologies developed by Cryocollect under three exclusive 20-year licensing agreements, (Cryocollect is directly and indirectly 49% owned by Philippe Khairallah, Chairman and Chief Executive Officer and majority shareholder of Verdemobil Biogaz). These agreements provide for an exclusive licence in France and French overseas departments and territories, Italy, Switzerland, Germany, the United Kingdom, the United States and Canada, for the technologies to which they relate. The technologies concerned apply only to the BioLNG and BioCO<sub>2</sub> modules. For the BioCH<sub>4</sub> and BioH<sub>2</sub> modules, VERDEMOBIL BIOGAZ uses its own technology developed by its R&D teams.

Cryocollect's technologies are essential to VERDEMOBIL BIOGAZ's growth plan, particularly as all of the innovative modules that VERDEMOBIL BIOGAZ wishes to own and market are BioCO<sub>2</sub> and BioLNG liquefaction modules. However, the licence agreements allow VERDEMOBIL BIOGAZ to terminate the agreement by giving 30 days' notice if it no longer wishes to use the technologies concerned.

To the best of VERDEMOBIL BIOGAZ's knowledge and at the date of this press release, the CryoCollect technologies used by VERDEMOBIL BIOGAZ are the best on the market for a lower investment and operating cost (better performance in electricity consumption in particular).

It should be noted that the estimated amount of royalties under the three licence agreements referred to above is €9 million for the construction of 72 BioCO<sub>2</sub> and BioGNL liquefaction modules planned for 2028.

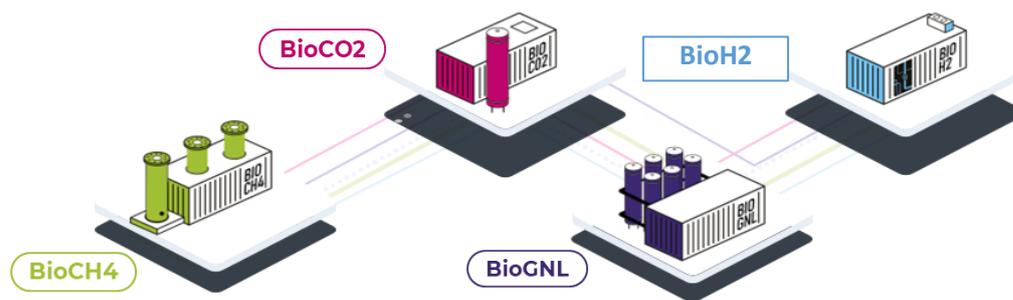
### **A range of modular solutions combining expertise in several technologies**

- Purification of biogas into Biomethane (BioCH<sub>4</sub>): VERDEMOBIL BIOGAZ uses the PSA (Pressure Swing Adsorption) technique, a reliable and proven solution that can be adapted to all sizes and types of biogas production sites.
- Purification, liquefaction and distillation of BioCO<sub>2</sub>: VERDEMOBIL BIOGAZ uses liquefaction by cryogenic distillation, a low-energy process that achieves a maximum degree of purity (>99.9%) in compliance with food industry standards.



- Production of BioLNG by liquefaction of BioCH<sub>4</sub>: VERDEMOBIL BIOGAZ uses a cryogenic liquefaction process for which it has an exclusive licence.
- Production of BioHydrogen (BioH<sub>2</sub>) by steam reforming of BioCH<sub>4</sub>: VERDEMOBIL BIOGAZ uses the steam reforming technique, a less energy-intensive solution than alternative technologies (coal gasification, water electrolysis).

The modular turnkey solutions offered by VERDEMOBIL BIOGAZ are compatible with all existing technologies, can be sized according to the production capacity of the sites, and can be containerised to optimise transport costs. VERDEMOBIL BIOGAZ guarantees its customers an availability rate of 98% for its installations and ensures their maintenance within the framework of 15-year maintenance contracts, based on a network of local technicians capable of intervening in less than 2 hours.



### An offering positioned in high-potential markets, at the heart of the challenges of energy sovereignty and ecological transition

- **BioCH<sub>4</sub>** is injected into the grid to replace natural gas of fossil origin or transformed into BioGNL and transported as close as possible to consumers to meet their energy needs thanks to the deployment of renewable, local and competitive energy.
- **BioCO<sub>2</sub>** is used by a wide range of industrial and agricultural players, including the market garden sector (greenhouse cultivation), the food industry (production of carbonated drinks or refrigeration), fire extinguisher producers, the pharmaceutical industry and the construction sector (for chemical reaction purposes). All these sectors are currently forced to import the gas they need and are facing recurring shortages. VERDEMOBIL BIOGAZ's local offer is therefore a way of diversifying and securing their supplies.
- **BioLNG** is increasingly being used as an alternative to diesel or other fossil fuels in energy-intensive sectors such as heavy mobility (land, sea and airports) and industry.



- **BioH<sub>2</sub>** has a wide range of uses (fuel for mobility, production of electricity or heat, industrial processes, etc.), and represents a market with strong medium-term development potential for VERDEMOBIL BIOGAZ.

### VERDEMOBIL BIOGAZ, an industrial reality

- 40 modules installed
- 15 modules in the order book
- 10% of biomethane injected in France\*
- 15 years' experience
- Operating in 5 countries
- 38 employees

(\*[www.datagouv.fr](http://www.datagouv.fr))

### A mixed business model including manufacturing, ownership and operation

Originally characterised by the direct sale of modules accompanied by maintenance services, VERDEMOBIL BIOGAZ's business model evolved in 2022 towards a mixed model by now integrating the ownership of assets, the operation and the marketing of fluids. As a result, VERDEMOBIL BIOGAZ now has 3 sources of revenue:

1. Sale of BioCH<sub>4</sub>, BioCO<sub>2</sub>, BioGNL and BioH<sub>2</sub> plants.
2. Maintenance of these facilities (15-year contracts).
3. Marketing of fluids (BioCO<sub>2</sub>, BioGNL and BioH<sub>2</sub>) and sale of liquefaction services (multi-year contracts).

The ramp-up of this new model for operators of directly owned facilities should increase the share of fluid sales from 2% of sales in 2022 to more than 70% in 2028, with a positive impact on profitability.

This new model enables biogas producers to benefit from additional recurring income (from the marketing of fluids by VERDEMOBIL BIOGAZ) without having to make any investments or bear any operating costs.

### A high-visibility commercial pipeline: priority to BioCO<sub>2</sub> and BioGNL

At 1 June 2023, VERDEMOBIL BIOGAZ had a commercial pipeline (commercial proposals sent or negotiations in progress or to come) of 46 modules, including 16 for direct sale and 30 for own operation. The order book (signed contracts) comprises 15 modules for delivery in 2023 and 2024, including 7 for direct sale and 8 for own operation.



Sales and operation of BioCO<sub>2</sub> and BioLNG facilities are VERDEMOBIL BIOGAZ's two priority areas of development, accounting for more than 50% of the order book and almost 80% of the commercial pipeline as at 1 June 2023.

**2023 target: sales of €14.5m, with an EBITDA margin in excess of 10%**

Sales for 2023 are expected to reach €14.5m, of which 10% to 15% will come from the sale of fluids. This volume of business represents an increase of 21% on the previous year (€12m). Profitability, meanwhile, should benefit from the initial effects of the change in the revenue mix, with an EBITDA margin expected to exceed 10%.

These targets are based on an installed base of 48 modules at the end of the period, including 9 modules operated by the company itself.

**Ambition 2028: sales of €130m, with an EBITDA margin of between 35% and 50%**

The ordering of new equipment from the second half of 2023 and the gradual adoption of the operator model will result in a phased commissioning of new modules from 2025 onwards, with a growing proportion of proprietary modules.

The Group has set itself the target of achieving **sales of €130m by 2028**, over 70% of which will come from the sale of fluids, combined with an **EBITDA rate of between 35% and 50%**, based on an installed base of **135 modules** at the start of the period.

To support this strong growth, VERDEMOBIL BIOGAZ has a maximum annual production capacity of 30 modules, divided between its own industrial site and subcontracting partners.

**Against a backdrop of energy transition, the methanisation sector benefits from a favourable regulatory framework, at both French and European level.**

- In 2018, the European Renewable Energy Directive (RED II - 2018) set a target of 32% **renewable energy** in the EU's energy mix by 2030, including biomethane in natural gas networks.
- In 2022, the European Commission announced its objective of producing 35 billion m<sup>3</sup> of **biomethane** in Europe from 2030 as part of the REPowerEU plan, as well as a €300 billion plan to reduce its dependence on fossil fuel imports.
- On 9 February 2023, the European Parliament's Committee on Industry, Research and Energy (ITRE) decided to make this objective **compulsory** and recognised the role of biomethane as a means of decarbonising the European gas mix.
- The European Climate Act has made it a legal obligation to meet the EU's climate target of reducing the EU's net GHG emissions by at least 55% by 2030.



- In 2015, the Climate Plan and the Energy Transition for Green Growth Act (TECV) set ambitious targets for France: 10% renewable gas in the grid by 2030.
- The Order of 14 June 2021 on Installations Classified for Environmental Protection (ICPE) limits methane emissions from the purification of biogas into biomethane to 0.5% of the volume of biomethane produced, compared with 1% previously<sup>1</sup>, from 1 January 2025

Find out all the information about the planned VERDEMIBIL BIOGAZ IPO  
of VERDEMIBIL BIOGAZ on:

<https://investir.verdemobil.fr/en/>

We are also available:

by telephone: +33 7 57 81 97 99

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### Provision of the Registration Document

Copies of VERDEMIBIL BIOGAZ's Registration Document, approved by the AMF on 15 June 2023 under number I.23-028, are available free of charge on request from the Company, at VERDEMIBIL BIOGAZ's registered office (10 rue Augustin Fresnel, 85600 Montaigu) and on the AMF website (<https://www.amf-france.org>) and VERDEMIBIL BIOGAZ website (<https://investir.verdemobil.fr>). The Registration Document contains a detailed description of VERDEMIBIL BIOGAZ, including its business, strategy and financial position, as well as the corresponding risk factors.

### Risk factors

Investors are advised to read carefully the risk factors described in section 3 "Risk factors" of the Registration Document before making any investment decision. The occurrence of some or all of these risks could have an adverse effect on the VERDEMIBIL BIOGAZ's business, results, financial situation or prospects. In addition, other risks, not yet identified or not considered significant by VERDEMIBIL BIOGAZ at the date of the Registration Document, could also have an adverse effect.

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<sup>1</sup> Applies to biomethane production capacities greater than 50NM3/h. The limit is 1% versus 2% for lower biomethane production capacities.



## Disclaimer

This press release and the information it contains are not an offer to sell or subscribe to, or a solicitation of an order to buy or subscribe the shares of VERDEMOBIL BIOGAZ in any country. No offer of shares is being made, nor will be made in France, prior to the approval by the French Financial Market Authority (Autorité des marchés financiers (the "AMF")) of a prospectus consisting of the registration document, which is the subject of this press release, and a Securities Note (note d'opération) (including the summary of the prospectus) which will be submitted to the AMF at a later date.

This press release constitutes promotional material and is not a prospectus within the meaning of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of June 14, 2017 (the "Prospectus Regulation") which is part of domestic law of the United Kingdom in accordance with the European Union (Withdrawal) Act 2018 (the "UK Prospectus Regulation").

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With respect to the member states of the European Economic Area other than France (the "Member States"), no action has been undertaken or will be undertaken to make an offer to the public of shares of the Company requiring the publication of a prospectus in any Member States. As a result, any shares of the Company may only be offered in Member States (i) to qualified investors, as defined by the Prospectus Regulation; (ii) to fewer than 150 natural or legal persons, other than qualified investors (as defined in the Prospectus Regulation) by Member States; or (iii) in any other circumstances, not requiring the Company to publish a prospectus as provided under Article 1(4) of the Prospectus Regulation; and provided that none of the offers mentioned in paragraphs (i) to (iii) above requires the publication of a prospectus by the Company pursuant to Article 3 of the Prospectus Regulation, or a supplement to the Prospectus Regulation pursuant to Article 23 of the Prospectus Regulation.

For the purposes of the provisions above, the expression "offer to the public" in relation to any securities in any Member State, means any communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the securities to be offered, so as to enable an investor to decide to purchase or subscribe for those securities in that Member State.

These selling restrictions with respect to Member States apply in addition to any other selling restrictions which may be applicable in the Member States.

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