

Press release

VERBIO launches the first cellulosic RNG plant in the USA

- Inauguration of the new RNG production facility in Nevada, Iowa
- Plant will achieve full-scale production in summer 2022
- Further expansion is planned by 2023
- VERBIO CEO Claus Sauter: "VERBIO technology sets new standards in the USA"

Leipzig, May 9, 2022 – On the occasion of the official opening ceremony on May 6th, CEO Claus Sauter said in front of the attending state Governor Kim Reynolds and other representatives from politics and business: "The plant in Nevada (Iowa) is our first plant in the USA. Until summer 2022, we will achieve full-scale production. Then we will process up to 100,000 tons of corn stover into renewable natural gas (RNG) every year and make it available for the market as a climate-friendly, renewable biofuel. By 2023, we will expand the VERBIO biorefinery based on the model of the German plants to an integrated RNG and bioethanol production. Our advanced and approved technology sets new standards in the US biofuels market. Nevada is just the beginning. We want to install another five to ten biorefineries in North America over the next five years."

Approved technology for green fuel from corn stover

The plant in the state of Iowa is VERBIO's first major foreign investment. "In 2018 we bought the facility from DuPont. This was followed by the conversion of the cellulosic ethanol plant and the installation of a straw biomethane production based on the German model. The plant injected the first RNG to the grid at the end of 2021, and since then we have been continuously increasing production. So far, we have invested almost USD 50 million in the site. With further expansion, we will increase the investment to at least USD 115 million. Corn stover is turned into RNG here. And so far, this is unique technology and dimension in the USA," Claus Sauter says.

As in the other four large-scale biomethane production plants worldwide, VERBIO uses agricultural residues for bioenergy production in Iowa. "We don't use high-quality grain but only wasted corn stover. Farmers benefit from our new technology: We collect the straw from the field, which would otherwise simply rot there. This reduces CO₂ and methane emissions. At the end of our production chain, straw humus is produced, which is a high-quality bio-fertilizer. Our RNG contributes to the decarbonization of transport and agriculture," explains the biofuels expert.

Significant advantages for renewable energies in the US market

The RNG is fed into the natural gas grid of the energy supplier Alliant Energy who helps VERBIO to deliver it via pipeline to CNG filling stations and haulage companies across the country. RNG can also replace fossil natural gas in the industry. "We believe in our technology and the benefits of RNG made from residues. We've always done that, even if the regulatory framework in Germany hasn't always been favourable. That's why we've been promoting the internationalization of VERBIO for years - especially in growth regions where the regulatory environment for biofuels and renewable energies is more long-term based and reliable," Claus Sauter says. "In North America, the potential of domestic biofuels from regional raw materials for climate protection AND security of supply was recognized much earlier than in Germany and Europe," adds Sauter.

VERBIO Vereinigte BioEnergie AG

Ulrike Kurze
Marketing/PR
Ritterstraße 23 (Oelßner's Hof), 04109 Leipzig
Tel.: +49 176 13085404
Fax: +49 341 308530-999
E-Mail: ulrike.kurze@verbio.de

Constanze Reinsberg
WeichertMehner GmbH & Co. KG
An der Dreikönigskirche 5, 01097 Dresden
Tel.: +49 351 50140-205
Fax: +49 351 50140-209
E-Mail: verbio@weichertmehner.com

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In Germany, the law for determining the greenhouse gas emission quota (GHG quota), which was updated at the end of 2021, now offers better framework conditions for biofuels up to 2030 - especially for advanced biofuels, such as RNG from residues and straw. Therefore, VERBIO is currently investing in the expansion of its German locations.

However, after only five months since the law came into force, German politicians are again questioning its content. "This back and forth of German politics is irresponsible and unsettles not only the industry but also the capital market. This is critical because it leads to a lack of investments which are needed to quickly advance the necessary expansion of renewable energies and to achieve the desired independence from importing fossil fuels in the near future."

Bioenergy from North America offers great opportunities for the German market

The Midwest of the USA has a huge raw material potential of agricultural raw materials and residues. Approximately 300 million tons of residual straw are available for bio-energy production every year. In addition, there are good conditions for the production of synthetic biofuels through the use of green CO₂ from the existing bioethanol plants and from the VERBIO biorefineries. In the future, VERBIO plans to make this potential available for Germany and Europe by producing and importing liquefied biomethane (so-called BioLNG) and liquefied synthetic biofuels (so-called SynFuels). The construction of German LNG terminals, as for instance in Stade, is an important basis.

German politician MdB Oliver Grundmann (CDU) explains: "If we want to become both climate-neutral and independent of Russian gas, then there is no way around RNG from residues. With its RNG production in the Midwest of the USA, VERBIO will enable the large-volume export of RNG to Germany. With the construction of a LNG terminal in my hometown of Stade, we are currently creating the conditions for the BioLNG from the USA to be landed in Germany and used as a fuel for marine and heavy goods traffic and as a raw material for decarbonizing specialty chemicals. During my visit to the VERBIO biorefinery in the state of Iowa, I was able to see for myself that bioenergy production works entirely without foodstuffs. Against this background, I see with great concern that parts of politics in Germany are currently in the process of limiting a promising industry on the basis of false assumptions. Germany is about to sideline itself in terms of energy policy. We need to stop this misguided path."

Claus Sauter concludes: "Decarbonization and defossilization are global issues. In North America, we are also multiplying our German biorefinery concept to solve the problems that we have in Germany and Europe with fossil energy."

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Ulrike Kurze
Marketing/PR
Ritterstraße 23 (Oelßner's Hof), 04109 Leipzig
Tel.: +49 176 13085404
Fax: +49 341 308530-999
E-Mail: ulrike.kurze@verbio.de

Constanze Reinsberg
WeichertMehner GmbH & Co. KG
An der Dreikönigskirche 5, 01097 Dresden
Tel.: +49 351 50140-205
Fax: +49 351 50140-209
E-Mail: verbio@weichertmehner.com

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Information about VERBIO Vereinigte BioEnergie AG (VERBIO)

VERBIO Vereinigte BioEnergie AG is one of the leading independent bioenergy manufacturers, and is also the only large-scale producer of biodiesel, bioethanol and biomethane in Europe. The Group has approximately 900 people employed at its locations in Saxony, Saxony-Anhalt and Brandenburg as well as at its foreign subsidiaries in India, the USA, Canada, Poland and Hungary. VERBIO concentrates on the use of internally developed innovative technologies and efficient energy-saving production processes. VERBIO's biofuels achieve CO₂ savings of up to 90 percent compared to petrol or diesel. The Group's annual production capacity amounts to approximately 660,000 tonnes of biodiesel, 260,000 tonnes of bioethanol and 900 gigawatt hours of biomethane. In addition, VERBIO manufactures biofertiliser and animal feed for agricultural use as well as high-value raw materials for the pharmaceutical, cosmetic and foodstuff industries. With its innovative processes and highly efficient production plants, VERBIO is a technology leader in the biofuels market. The VERBIO share (ISIN DE000A0JL9W6/WKN A0JL9W) has been listed in the prime standard segment of the Frankfurt Stock Exchange since October 2006.

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Ulrike Kurze
Marketing/PR
Ritterstraße 23 (Oelßner's Hof), 04109 Leipzig
Tel.: +49 176 13085404
Fax: +49 341 308530-999
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