

VARO acquires Renewable Energy Services (RES) and expands biogas trading capabilities across 10 European countries

- **Builds significant scale:** adding a trading capacity of 1 TWh of biogas and Green Certificates per year which is equivalent to the greenhouse gas ("GHG") emissions of 100,000 European homes.
- **Integrated value chains:** strengthens VARO's ability to deliver competitive end-to-end biogas solutions for customers across 10 European countries.
- **Accelerates customers' decarbonisation plans:** verifiable carbon reduction and standard certified biogas equivalent to 60,000 tons GHG reductions¹. RES is a key supplier to key European 'blue-chip' customers.

15th June 2023, Zug, Switzerland - VARO Energy ("VARO") and Renewable Energy Services BV ("RES") today announce that VARO will acquire 100% of the share capital in RES, one of Europe's leading biogas trading companies. The transaction strengthens VARO's position in Europe by integrating its feedstock aggregation, manufacturing – VARO announced the acquisition of a 80% shareholding in Bio Energy Coeverden (BEC), one of the largest biogas facilities in Europe in January – alongside trading and customer offers.

European demand for biogas is expected to increase 3X by 2030, and bio-LNG, which is expected to grow by 10X in Germany by the end of the decade. Biogas is a strategic growth pillar for VARO where its integrated value chain will provide sustainable energy solutions to complement customers' energy needs.

Since 2013, Renewable Energy Services (RES) has been one of Europe's fastest growing biogas suppliers and traders, having achieved growth in excess of 800% year on year. In 2022, RES made a significant impact across the 10 European countries in which it operates, sourcing 250,000 MWh of biogas. This resulted in a reduction of 60,000 tons of GHG emissions equivalent to 100,000 European households. RES is on track to deliver an even more substantial amount, aiming for 1 TWh of biogas in 2023. With its pan-European operations, RES plays a major role in matching producers and consumers of biogas in the EU, enabling substantial growth in the European market.

Providing reliable customer service is key to supporting biogas adoption and development and support decarbonisation. To meet customer demand, including for many of Europe's largest companies, RES sources biogas from a large portfolio of producers in national and international markets, orchestrating the logistics, and supporting the customers with their deep knowledge of both compliance and Green Certificates. This guarantees that the biogas was produced from renewable energy sources. This commitment to the customer aligns with VARO's dedication to delivering high-quality, sustainable energy solutions.

The transaction is expected to be completed in Q3 2023, based on approval by relevant authorities.

Dev Sanyal, CEO of VARO, said: *"We believe biogas is a key ingredient in the future European energy mix. The addition of RES to VARO's diversified portfolio further enhances our sourcing and optimisation capabilities in biogas – one of the five strategic growth pillars that VARO has identified as offering the most attractive low carbon growth potential while playing to our strengths."*

"Our customers want to decarbonise and to do so they need a partner able to provide them with reliable low carbon fuels with credible certification across the markets they operate in. RES' established trading capabilities and customer value proposition, as well as their entrepreneurial culture, are well suited to supporting VARO's growth in biogas and build on our leading sourcing and operational capabilities."

Freek Smelt, Managing Director of RES, stated: *"My team and I are excited to join forces with VARO, a company that shares our vision for sustainable energy solutions. This acquisition marks a significant milestone for RES and reinforces our commitment to expanding the production and consumption of biogas across Europe. Together with VARO, we will leverage our trading capabilities and expertise to deliver renewable certified biogas and support customers in achieving their net zero targets. We look forward to being part of the VARO team to drive further growth in the biogas sector and create a sustainable future."*

Notes to Editors

About Biogas and 'Green Certificates'

Biogas is generated by breaking down agricultural waste or sludge, such as manure and other organic materials, in specially built anaerobic digesters and waste facilities or landfill sites. The result of this process is the production of biogas (which would have otherwise been flared or vented) which is then further processed to produce bio methane/bio-LNG or is burnt to generate electricity. This bio methane can be used interchangeably with natural gas (including as transport fuel, in power generation and in industrial heating). However, as biogas is derived from organic waste, its use results in much lower lifecycle greenhouse gas emissions.

Through 'Green Certificates' or Energy Attribute Certificates (EACs), companies can document the consumption of biogas. Each MWh of bio methane injected into the grid is labelled electronically. This unique identifier contains information about where when and how it was produced. Certificates guarantee that renewability claims are authentic and avoid the double counting of environmental attributes.

About VARO

VARO Energy ("VARO") is the partner of choice for customers in the energy transition by providing the sustainable and reliable energy solutions that they need to reach Net Zero. Engine 1 includes conventional energies manufacturing, storage, distribution, marketing and trading. Engine 2 activities are focused on sustainable energies and include biofuels, biogas, green hydrogen, e-mobility, and nature-based carbon removals. VARO plans to invest around \$3.5 billion over the 2022-26 period, with two-third committed to sustainable energies. The company has a net zero target for scope 1, 2 and 3 by 2040. VARO is a Swiss-based private company.

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ⁱ Based on 2019 data