

FACT SHEET – VNA Wellington

Project Overview. VNA Wellington is the renewable natural gas (RNG) production facility planned for East 10th Ave, Wellington, KS 67152 (S18, T32, R01E). The entity will be 100% owned by VERBIO North America (VNA) Corporation (Grand Rapids, MI), a subsidiary of VERBIO Vereinigte BioEnergie AG (Leipzig/Zörlbig, Germany), a public German corporation and one of Europe's largest bioenergy and RNG producers. The location we have selected for this project meets our requirements for access to the natural gas transmission grid, high voltage power, major highways, feedstock sources, and sustainable water supply.

Feedstock. Our feedstock is baled crop residue procured within a 50-75 mile radius. We will utilize 75,000+ tons of wheat straw and corn stover per year during the first phase of operations and are interested in other types of cellulosic material including immature cover crops. Logistics consists of baling, storing and hauling: some growers will be in a position to perform all functions themselves, while others will rely on us or a third party to perform one or more functions. We are happy to work under any set of options. We will never use manure, food waste or other odorous material in our process.

Process Outputs. We produce RNG and humus. RNG will be cleaned to pipeline natural gas standards and injected into the onsite natural gas transmission pipeline for eventual use as compressed natural gas (CNG) or liquified natural gas (LNG) vehicle fuel. Humus, alternatively known as digestate, is a value-added lignin- and nutrient-rich soil amendment similar to peat moss or compost which will be principally returned to feedstock suppliers and spread on farmland to replace the agronomic value of the crop residue that was harvested. Our process does not create any wastewater and we will not pollute ground or surface waters.

Water Consumption. We will use up to 150 acre-feet of water per year during Phase 1. Although we will press the humus to recycle as much process water as possible, some water remains trapped in the humus and is ultimately spread on farmland in the region. Water will be provided by the City of Wellington.

Job Creation. During Phase 1 we expect to create 44 full time direct jobs at the plant and another 100+ indirect jobs in the local supply and value chain. Job titles include plant manager, superintendent, shift supervisor, mechanic, electrician, fork lift operator, truck driver, sales representative, logistics manager, lab technician, accountant and IT support. We expect jobs to be filled at an average wage of \$28+/hour and a median wage of \$30+/hour, plus health and retirement benefits.

Truck Logistics. We will employ round-trip trucking (stover bales/ humus) using specialized trailers and ultimately plan to exclusively utilize clean-burning compressed natural gas (CNG) vehicles.

Project Financing. VERBIO AG is providing all project financing for Phase 1 of construction. No public financing, federal grants or bank loans have been sought. We have applied to participate in the High Performance Incentive Program (HPIP) and Promoting Employment Across Kansas (PEAK) programs offered by the Kansas Department of Commerce and will pursue property tax abatement through the City of Wellington. Incentives are generally tied to achieving targets for job creation and wage rates.

Site Transition Statement

In early December 2018, VERBIO North America (“VNA”) terminated the agreement it had entered into to purchase a 159 acre parcel owned by Mrs. Myrtle Posey located at the southeast corner of N. Meridian Road and E 110th Avenue N. The site was selected, following a detailed search that lasted approximately 3 months, because it offered direct access to a 16” natural gas transmission pipeline located adjacent to the property running along N. Meridian Road. In addition, the site is located in the heart of the Kansas wheat belt offering an unlimited source of wheat straw, and also offered potential access to new water rights.

Upon initiating the agreement, VNA, on behalf of Mrs. Posey, filed an application with Sumner County to rezone the property from agricultural to heavy industrial. The zoning change coupled with a conditional use permit would have allowed VNA to construct its first US biomethane production facility. It was anticipated that the zoning and conditional use permit would be issued by no later than October 2018.

Unfortunately, a group of Sumner County residents opposed the zoning change. Following a number of contentious hearings, the Sumner County Planning Commission rejected VNA’s requests for that parcel due in large part to concerns about heavy vehicle traffic that would be required to serve the site.

Due to a recent procedural change unrelated to this project, the County Commissioners would have had the final vote on this matter. However, VNA believed it would be difficult in the long-term to ever overcome local negativity. Responsibly meeting our operating objectives, to include being a good corporate citizen, would have proved challenging.

Concurrently, VNA has been evaluating alternative site options in Sumner and the surrounding counties. Following additional discussions with community officials and business leaders, we have identified a 144 acre site owned by Charter Equities II, located 1 mile west of I-35, at the southwest corner of Highway 160 and Seneca Road. The site addresses VNA’s critical infrastructure requirements and will substantially mitigate any concerns about heavy vehicle access to serve the plant’s feedstock requirements.

Based on the stated commitments of City of Wellington officials, VNA remains convinced that siting a facility in Sumner County remains an excellent business decision.

Questions or comments should be directed to Greg Northrup, President & CEO, VERBIO North America at 616 975 0115 or by email at info@vnacorp.com.