Aemetis Biogas Receives $53 Million from Sale of IRA Investment Tax Credits

Company nets $53 million from tax credits generated by negative carbon intensity renewable natural gas investment; additional $800 million of IRA investment and production tax credits expected in the next four years from Aemetis renewable fuel projects

CUPERTINO, Calif. – October 9, 2023 – Aemetis, Inc. (NASDAQ: AMTX), a renewable natural gas and renewable fuels company focused on negative carbon intensity products, announced today the receipt of $53 million of cash, after transaction costs and buyer discount, from the sale of $63 million of Inflation Reduction Act (IRA) investment tax credits generated by its subsidiary, Aemetis Biogas LLC. The tax credits were sold to a corporate purchaser on September 29, 2023, and the payment was received by Aemetis on October 6, 2023.

The IRA was signed into law in August 2022, and provides transferable federal income tax credits for investments in certain renewable fuel projects and products. The IRA Section 48 investment tax credits were generated from biogas projects constructed and brought in service by Aemetis prior to the date of the tax credit sale agreement.

“The $53 million of cash proceeds received by Aemetis achieves the goals of the Inflation Reduction Act by funding methane capture using passive anaerobic biogas digesters at dairies for conversion into RNG transportation fuel as a replacement for petroleum diesel in trucks and other vehicles,” stated Eric McAfee, Chairman and CEO of Aemetis. “In addition, the repayment of high interest rate debt using these funds expands our access to lower cost debt funding. The Aemetis Five Year Plan is expected to qualify for more than $800 million of IRA investment and production tax credits during the next four years to support our biogas projects, CO2 re-use by our ethanol plant, the construction of our sustainable aviation fuel plant and CO2 sequestration.”

The Aemetis ethanol production facility supplies about two million pounds per day of animal feed to more than 80 dairies to feed more than 100,000 dairy cows in the local area. To capture methane at dairies and produce RNG, Aemetis has completed and is operating seven dairy biogas digesters, 33 miles of biogas pipeline, a central biogas to RNG production facility, and a PG&E utility gas pipeline
interconnection unit. An additional five digesters are under construction and a total of 37 dairies are under contract.

In addition to the $53 million received from this sale of IRA tax credits, Aemetis invested $30 million of equity and has been awarded $23 million of grants for the Aemetis Biogas Central Dairy Project. The total combined equity, grants and IRA tax credit sales related to the Aemetis Biogas project exceeds $100 million.

In October 2022 and July 2023, Aemetis Biogas closed a total of $50 million of construction and long-term debt financing for dairy digester construction based upon USDA Renewable Energy for America Program (REAP) loan guarantee commitments. An additional $150 million of 20-year, USDA-guaranteed, REAP loan financing is in process, with planned closings during 2023 and 2024.

Aemetis is also building its own RNG fueling station at the Keyes ethanol plant to fuel trucks with locally produced renewable natural gas that provides a 90% reduction in emissions compared to petroleum diesel fuel.

Approximately 25% of methane emissions in California are emitted from dairy waste lagoons. When fully built, the Aemetis Biogas project plans to capture methane from the waste produced by more than 150,000 cows at dairy farms in California and produce 1,650,000 MMBtu of renewable natural gas from captured dairy methane each year. The project is designed to reduce greenhouse gas emissions equivalent to an estimated 6.8 million metric tons of carbon dioxide over ten years, equal to removing the emissions from approximately 150,000 cars per year.

About Aemetis

Headquartered in Cupertino, California, Aemetis is a renewable natural gas, renewable fuel and biochemicals company focused on the acquisition, development and commercialization of innovative technologies that replace petroleum-based products and reduce greenhouse gas emissions. Founded in 2006, Aemetis is expanding a California biogas digester network and pipeline system to convert dairy waste gas into Renewable Natural Gas. Aemetis owns and operates a 65 million gallon per year ethanol production facility in California’s Central Valley near Modesto that supplies about 80 dairies with animal feed. Aemetis also owns and operates a 60 million gallon per year production facility on the East Coast of India producing high quality distilled biodiesel and refined glycerin for customers in India and Europe. Aemetis is developing the Carbon Zero sustainable aviation fuel (SAF) and renewable diesel fuel biorefineries in California to utilize renewable hydrogen, hydroelectric power, and renewable oils to produce low carbon intensity renewable jet and diesel fuel. For additional information about Aemetis, please visit www.aemetis.com.

Safe Harbor Statement

This news release contains forward-looking statements, including statements regarding assumptions, projections, expectations, targets, intentions or beliefs about future events or other statements that are not historical facts. Forward-looking statements in this news release include, without limitation, statements relating to the development, construction and operation of the Aemetis Biogas RNG project, the SAF and renewable diesel plant, and the carbon capture and sequestration wells, as well as our ability to qualify for the receipt and transferability of tax credits under the Inflation Reduction Act, expected greenhouse gas emission reductions from the completed Aemetis Biogas RNG project, the development of biogas upgrading facilities, and our ability to promote, develop and deploy technologies to produce renewable fuels and biochemicals. Words or phrases such as “anticipates,” “may,” “will,” “should,” “believes,” “estimates,” “expects,” “intends,” “plans,” “predicts,” “projects,” “showing signs,” “targets,” “view,” “will likely result,” “will continue” or similar expressions are intended to identify forward-looking
statements. These forward-looking statements are based on current assumptions and predictions and are subject to numerous risks and uncertainties. Actual results or events could differ materially from those set forth or implied by such forward-looking statements and related assumptions due to certain factors, including, without limitation, competition in the ethanol, biodiesel and other industries in which we operate, commodity market risks including those that may result from current weather conditions, financial market risks, customer adoption, counter-party risks, risks associated with changes to federal policy or regulation, and other risks detailed in our reports filed with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2022, and in our subsequent filings with the SEC. We are not obligated, and do not intend, to update any of these forward-looking statements at any time unless an update is required by applicable securities laws.