

Enerkem

Enerkem Closes \$255 Million Financing Round to Drive its Growth and Deployment of its Leading Gasification Technology

Strong Partnership Support Through New Investments by Repsol and Monarch and Additional Investments from Avenue and Other Existing Shareholders

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Enerkem, a world leader in the production of low-carbon intensity biofuels and circular chemicals from waste materials, announces the closing of a new financing totaling \$255 million.

Repsol invests \$170 million, of which \$75 million is in Enerkem's equity. In doing so, Repsol joins existing shareholder Suncor Energy as a strategic shareholder to accelerate the adoption and deployment of Enerkem's technology and to develop new projects in the Iberian Peninsula (Spain and Portugal).

In addition, Monarch Alternative Capital, a new investor, is contributing \$30 million to the round while Avenue Capital Group is reinvesting \$30 million. Finally, there is \$25 million reinvested by some existing shareholders.

Repsol becomes a strategic partner to accelerate Enerkem's deployment in Europe

Repsol is a global multi-energy company operating in 24 countries and leading the energy transition with its ambition of achieving zero net emissions by 2050. For Repsol, this partnership is a natural fit with the technological solution developed by Enerkem.

Since last year, the company has partnered with Enerkem and Agbar to build Ecoplanta Molecular Solutions in El Morrell, near Tarragona, Spain. The plant, scheduled to be operational in 2026, will use Enerkem's technology to process some 400,000 tonnes of non-recyclable solid waste per year and produce close to 240,000 tonnes of methanol. Among over 300 projects submitted by major European industrial groups last year, Ecoplanta Molecular Solutions was one of seven projects selected for financial support from the European Commission, with a confirmed grant of up to €106 million.

"We are pleased to welcome Repsol as a shareholder," said Dominique Boies, Chief Executive Officer of Enerkem. "Repsol is a global multi-energy supplier that will greatly assist in accelerating the deployment of our technology in new markets. Repsol's equity investment in Enerkem strengthens our position as a leader in the renewable fuels and chemicals sectors and in building a circular economy."

"At Repsol, we are truly proud to become a shareholder in Enerkem thus supporting its development to consolidate as a leader in waste gasification technology to produce renewable fuels and chemicals," added Juan Abascal, Executive Director for Industrial Transformation and Circular Economy of Repsol. "We anticipate that its cutting-edge technology, recently recognized by the EU Innovation Fund, will be key to the decarbonization and circularity of the chemical and fuel industry. Enerkem has several projects in different stages of development that will help

Enerkem

Repsol accelerate its circular economy initiatives and open new paths for production of low-carbon fuels, synthetic fuels, and renewable chemical products."

Additional support from Monarch Alternative Capital and Avenue Capital Group

Monarch Alternative Capital, a leading investment firm with approximately US\$9.5 billion of assets under management, is a new \$30 million investor in Enerkem, attracted by the potential of Enerkem's technology to have a tangible impact on greenhouse gas reduction.

"We believe Enerkem's team and technology are uniquely positioned to provide a compelling, scalable solution to some of the world's hardest to decarbonize sectors," said Joseph Citarrella, Managing Principal at Monarch Alternative Capital. "Through our experience in and focus on reducing the carbon footprint of fuels and chemicals, we are delighted to partner with Enerkem and its investors to advance its important strategic objectives."

As an investor in Enerkem since 2020, Avenue Capital Group, through the Avenue Sustainable Solutions Fund, is reinvesting over \$30 million. The fund promotes investments in private companies and projects with the goal of generating positive and measurable environmental and social impacts as well as financial returns.

"Enerkem continues to be a natural fit with our mission to drive measurable environmental impact," said John Larkin, co-manager of the Avenue Sustainable Solutions Fund and Head of Impact Investments. "We are excited to continue to back Enerkem's vision of decarbonizing industrial chemicals while offering a solution to municipal solid waste. Both are critical solutions in a sustainable future. "

These new investors are a great complement to the support of existing Enerkem investors such as Rho Ventures, Braemar Energy Ventures, Investissement Québec, Cycle Capital, Fonds de solidarité FTQ, Fondation and Suncor Energy.

"We are privileged to have high-calibre international investors supporting our vision and the deployment of our disruptive technology. These endorsements confirm the added value of our technology in the efficient and sustainable management of residual waste and forest biomass, transforming them into circular chemicals and advanced biofuels for road, air and sea transportation. In this way, we will contribute to decarbonizing sectors of activity that have a large environmental footprint. The geographic expansion of our investor base will help position Enerkem as a leading provider of technology to improve the global environment. We hope that this financing round will have a significant ripple effect on other Quebec and Canadian investors to stimulate innovative clean technologies," concluded Dominique Boies.

J.P. Morgan Securities LLC served as exclusive placement agent to Enerkem Inc. in connection with the financing.

Enerkem

About Monarch Alternative Capital LP

Monarch Alternative Capital is a global investment firm founded in 2002 with approximately US\$9.5 billion in assets under management. Monarch focuses primarily on opportunistic situations across corporate debt, real estate, capital solutions, and other market segments. Monarch draws on the skills and experience of its employees across offices in New York and London. For more information, visit www.monarchlp.com.

About Enerkem

Enerkem has developed and is marketing its breakthrough technology to produce, from non-recyclable waste, circular chemicals and advanced biofuels intended for hard to decarbonize sectors, such as sustainable aviation and marine fuels. Headquartered in Montreal, Quebec (Canada), Enerkem operates a full-scale commercial demonstration plant in Edmonton, Alberta, as well as an innovation centre in Quebec. A large-scale commercial facility is currently under construction in Varennes, Quebec (Canada) which will use Enerkem's technology. This also applies to agroforestry waste that, like urban waste, can be recycled into new products. Such technology can therefore diversify energy and chemical portfolios, as well as produce greener everyday products. It also provides a smart and sustainable alternative to landfilling and incineration. For more information, visit www.enerkem.com, follow us on Twitter @Enerkem or visit our LinkedIn or Facebook page.

About Repsol

Repsol is a global multi-energy supplier that facilitates the transition to a lower-emission energy model. It owns low-emission electricity generation assets and is developing several photovoltaic and wind renewable energy projects. Repsol has set itself the ambitious goal of being a company with zero net emissions by 2050 and has had a circular economy strategy in place since 2016, which it applies throughout the company's value chain, from obtaining raw materials to marketing products and services. Focused on the circular economy, the company's chemical business will also make a decisive contribution to a more decarbonized economy and is committed to the efficiency of its industrial chemical processes. Its products are used to manufacture everyday objects that improve people's quality of life, well-being, and safety. Its wide range of chemical products extends from base petrochemicals to derivatives, and includes a wide range of polyolefins, all of which are 100% recyclable. The company also has three large petrochemical facilities in Europe where differentiated high value-added products are developed. For more information, please visit: www.repsol.com

The Avenue Sustainable Solutions Fund, L.P. seeks to provide creative financing solutions to high-growth companies that can demonstrate a measurable, positive environmental outcome alongside competitive financial returns. For additional information on Avenue Capital Group, which is a global investment firm with assets estimated to be approximately US\$11.8 billion as of February 28, 2022, please visit www.avenuecapital.com.