

PRESS RELEASE 081202

## CHEMREC completes \$20 million C-round to fund commercialisation of its biorefinery technology

**Chemrec, the world leader in black liquor gasification, has completed a \$20 million funding round. The investment was led by Environmental Technologies Fund (ETF), with support from existing investors, Vantage Point Venture Partners and Volvo Technology Transfer. Swedish company Nykomb AB, which helped develop the Chemrec technology, remains an investor in the Company. The investment is to be used to support Chemrec in commercialising its ground-breaking technology.**

Chemrec's technology enables pulp & paper mills to become "biorefineries", opening up a whole new range of high-value revenue streams and increasing overall profitability. Typical pulp & paper mills produce thousands of tons a day of a liquid biomass called black liquor. Currently this by-product is burned in steam boilers with low energy efficiency for production of steam and electricity. Sweden-based Chemrec has developed a proprietary, highly efficient gasification technology that enables the conversion of black liquor into renewable motor fuels, biomaterials, or electricity. The global potential of this is equivalent to over 45 billion litres a year of gasoline - 2% of global fuel demand. This would imply an annual reduction in fossil CO<sub>2</sub> emission of more than 100 million tonnes.

Jonas Rudberg, CEO of Chemrec, said: "Our gasification technology is already proven with two plants in operation and we are currently working with leading pulp & paper firms in the US and Sweden to develop the first industrial scale 2nd generation plants. There is no comparable technology in the market and we have a great opportunity to position Chemrec as the leader in pulp & paper mill based biorefineries. We are very pleased to have ETF as a new investor, and to welcome Henrik Olsén of ETF to the board."

Henrik Olsén, Partner of ETF, added, "Chemrec enables the pulp & paper industry to also become a "biorefining industry". The technology can easily be integrated with existing facilities and hence represents a fast and cost-effective path towards the large-scale production of 2nd generation biofuels. The company has a strong management team, enjoys great customer interest as well as industry and government support in both the US and Sweden, and is poised for significant growth. We have known Chemrec for many years and are pleased to now be part of this exciting transformation of an industry."

Bernie Bulkin, Chemrec Chairman & Venture Partner at Vantage Point, added, "Chemrec has made great progress in the past two years since the initial investment by Vantage Point and Volvo. The Company has seen strong interest from customers, who have recognized the potential of Chemrec's well developed and extensively patented technology to produce low carbon fuels, while offering a step change in the revenue and returns on capital at a pulp and paper mill. This new investment in the Company is a continued vote of confidence in its future."

**For further information** regarding this press release, please contact: Jonas Rudberg, CEO of Chemrec, on +46 70 622 35 71. [www.chemrec.se](http://www.chemrec.se)

### About ETF - Environmental Technologies Fund

Environmental Technologies Fund L.P. is a £110m venture capital fund investing growth capital in companies focusing on clean technologies and services. ETF was created to provide entrepreneurs with a top-quality venture capital group in Europe dedicated solely to Cleantech. The team is backed by leading institutional investors and has a great deal of experience - gathered over decades - of working in Venture Capital and with environmental companies. ETF is supported by the European Communities Growth and Employment Initiative, MAP – ETF Startup Facility. For further information see: [www.etf.eu.com](http://www.etf.eu.com)

# CHEMREC

## **About VantagePoint Venture Partners**

VantagePoint Venture Partners is a leader in investing in 21st century technologies and partners with entrepreneurs in the CleanTech, Healthcare and Information Technology sectors. With a large investment team of experts, a broad network of strategic partners and advisors, and more than \$4.5 billion in committed capital, the Firm has the depth of resources to help build transformative companies that are clear leaders in their categories. The Silicon Valley Firm has investments in more than 70 companies including Better Place, BrightSource Energy, Gain Capital, Mascoma, Miasole, Premium Power, ReachLocal and others. For more information visit [www.vpvp.com](http://www.vpvp.com).

## **About Volvo Technology Transfer**

Volvo Technology Transfer (VTT) is the corporate venture capital company of the Volvo Group. VTTs main tasks are to bring the Volvo Group closer to new technologies or services by investing in companies with relevance to the Volvo Group, to support the development of businesses based on Volvo technology outside the Group and to support the development of entrepreneurship and innovation within the Group. Formed in 1997 Volvo Technology Transfer has 100 MEUR under management and is one of the most active cleantech investors in Sweden.

[www.volvo.com/venturetech](http://www.volvo.com/venturetech)

## **About Nykomb AB**

Nykomb has more than 20 years of experience as technology- and project developers, early-stage equity investors and consultants in the thermo-chemical energy domain. Activities focus on providing clean and profitable energy solutions and include build-own-operate energy production, technology development, and consultancy. Current technology investments initially developed by Nykomb include Chemrec and HyHeat. Energy production investments include Windau, Compagnie d'Electricité du Sénégal and Société d'Energie Renouvelable Togolaise. [www.nykomb.com](http://www.nykomb.com)