

Alpek & ContourGlobal create JV to develop a CO₂ recovery facility

New facility would satisfy market's need for CO₂ & reduce Alpek's carbon footprint

Monterrey, N.L., Mexico. March 29th, 2021 – Alpek, S.A.B. de C.V. (“Alpek”) announced today that it has formed a new joint venture company (“JV”) with ContourGlobal plc (“ContourGlobal”) to develop a CO₂ capture and liquefaction facility. The site would be integrated into ContourGlobal’s cogeneration facility in Altamira, Mexico (“CGA”). Each party holds a 50% stake in the JV.

The JV was created to meet the rising need of food-grade CO₂ for Mexico’s food and beverage industry, which is currently undersupplied by around 80,000 tons per year, and used in the carbonation of soft drinks, beer, and mineral water, among others.

This venture is well aligned with the three pillars of Alpek’s Long-Term Strategic Growth Plan:

Foster a Circular Economy:

- **Sustainable Product Portfolio:** Alpek intends to continue growing its share of products that promote a lower carbon footprint and are well aligned with a fully circular economy. The proposed CO₂ recovery facility would be a carbon negative asset, helping Alpek reduce its carbon footprint, as the company works towards full carbon neutrality.

Strategic & Focused Growth:

- **Product Innovation:** When Alpek began negotiating the sale of CGA to ContourGlobal in 2019, both companies were already contemplating the construction of a CO₂ recovery facility. In this sense, this venture represents the fruit of a proactive mindset of both teams. Our Innovation team will continue to actively look for new products that can help Alpek grow by drawing on its core strengths.

Strengthen the Core Business:

- **Value Added Products:** This venture diversifies Alpek’s portfolio with a new product that can be commercialized through its existing PET customer base, moving us further into new, attractive and growing markets.

“This project is very attractive from both an ESG as well as a financial perspective,” said José de Jesús Valdez, Alpek CEO. “It combines the operational excellence of both partners alongside ContourGlobal’s expertise in carbon capture and Alpek’s ability to leverage its long-standing customer relationships in an effort to better serve their diverse needs.”

The facility being considered would have a nameplate capacity of 70,000 tons per year and could be completed as early by late 2022. Detailed engineering studies and commercial due diligence will be carried out to arrive at a final investment decision (“FID”) by the end of 3Q21.

About Alpek: Alpek is a leading petrochemical company operating two business segments: “Polyester” (PTA, PET, rPET, and polyester fibers), and “Plastics & Chemicals” (polypropylene, expandable styrenics, caprolactam, and other specialty & industrial chemicals). Alpek is a leading producer of PTA and PET worldwide, one of the largest rPET producers in the Americas, the third largest expandable polystyrene manufacturer worldwide, and the only producer of polypropylene and caprolactam in Mexico. In 2020, Alpek reported revenues of U.S. \$5.3 billion and Comparable EBITDA excl. RMCF of U.S. \$601 million. The Company operates 31 plants in the United States, Mexico, Canada, Brazil, Argentina, Chile and the United Kingdom, and employs more than 6,000 people. Alpek is a publicly traded company listed on the Mexican Stock Exchange.

About ContourGlobal:

ContourGlobal is listed on the premium segment of the London Stock Exchange (TKR: GLO). ContourGlobal is an international owner and operator of contracted wholesale power generation businesses. Pro-forma for the Acquisition of a package of US and Caribbean assets, it owns and operates approximately 6,307 MW in 1179 power plants in 20 countries and four continents.