



Hybar Raises Financing to Build Scrap Metal Recycling Steel Rebar Mill

Aug 02, 2023

Osceola, Arkansas, August 2, 2023—Hybar, a newly formed company, announced today that it successfully raised \$700 million of debt and equity financing to build, start up and operate a technologically advanced, environmentally sustainable scrap metal recycling steel rebar mill. The equity portion of the financing was led by TPG Rise Climate, the dedicated climate investing strategy of TPG's global impact investing platform TPG Rise, and Global Principal Partners, the investment entity used by Hybar's senior management team.

Of the \$700 million raised, \$470 million will be spent to build the rebar mill. The remainder of the financing will be used to start up and operate the mill and pay certain debt service costs during construction. The mill, which is expected to take 22 months to construct, is being built in northeast Arkansas on a 1,300-acre greenfield site with direct access to barge, rail and truck transportation options. The mill will produce a full complement of high-yielding rebar that will primarily be used in large infrastructure projects, including projects supported by the Infrastructure Investment and Jobs Act and the Inflation Reduction Act.

Hybar's mill technology, including the water treatment facility, is being supplied by SMS group. The substation is being supplied by Primetals Technologies. Hybar's technology is designed to significantly reduce the amount of energy needed to produce rebar, especially when compared to other rebar mills in North America, many of which were built more than thirty years ago. Hybar's technology will also greatly limit greenhouse gas emissions. Hybar expects its greenhouse gas emissions to be the lowest among all North American steel producers, and likely the lowest in the world's steel making community.

Hybar's ability to drastically reduce energy use while simultaneously limiting greenhouse gas emissions were key drivers leading to Hybar being the first steel company globally to be certified to issue Climate Bonds. Climate Bonds demonstrate compliance with the international Paris Agreement's greenhouse gas emissions targets.

"The Climate Bond certification aligns perfectly with Hybar's plan to offer our customers competitively priced rebar that is also the greenest rebar in the market," said Dave Stickler, Hybar's chief executive officer.

Goldman Sachs & Co. LLC served as lead underwriter for the Climate Bond offering and Truist Securities and Crews & Associates acted as co-managers. BakerHostetler and Latham & Watkins served as counsel to Hybar, and Mitchell Williams served as local counsel.

Stickler and his colleague, Ari Levy, Hybar's chief financial officer, have a long and successful track record of investing in, building and operating some of the finest scrap metal recycling steel mills in North America and elsewhere in the world. When commenting on Hybar's investor group, Levy said, "It says a lot about the Hybar project given that we have the same high-profile financial providers that have invested alongside Dave and me on prior projects, including the highly successful Big River Steel flat-rolled steel mill, which is located two miles away from the Hybar site."

After setting industry leading environmental sustainability, labor efficiency and profitability standards, Big River Steel was sold to U. S. Steel (NYSE: X).

"We look forward to building on the deep relationship and successful partnership we've had with Dave and Ari over many years," said Mike Stone, partner at TPG. "Our investment in Hybar not only reflects the trust we have in this talented management team but our thematic focus on sustainable materials broadly, and on green steel production specifically. The global steel industry accounts for 7-9% of global CO2 emissions today, which creates a massive opportunity for Hybar to drive decarbonization at scale."

Hybar's mill will be directly connected to an adjacent solar facility. This will allow the company to know with certainty that during certain periods of the day the electricity being used to run the mill is being generated from 100% renewable sources. No other steel mill in North America is directly connected to a solar field that can supply 100% of its power needs. Hybar also has a special rate power contract with Entergy Arkansas, under which Hybar will be able to buy electrical power to supplement the adjacent solar generated power when needed.

Hybar plans to produce 630,000 tons of rebar annually with approximately 154 employees (4,090 tons of rebar production per year per employee). The 154-employee figure includes all employees, not just operating employees. Hybar expects to be the most labor efficient steel rebar producer in the world.

This press release shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

This press release may contain forward-looking statements, including, but not limited to, the expansion project and financing plans, including the offering of the bonds and equity financing. Forward-looking statements may generally be identified by the use of the words "anticipates," "expects," "intends," "plans," "should," "could," "would," "may," "will," "believes," "estimates," "potential," "target," or "continue" and variations or similar expressions. These statements are based upon the current expectations and beliefs of management and are subject to certain risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Readers are cautioned not to place undue reliance on any of these forward-looking statements. These forward-looking statements speak only as of the date hereof. We undertake no obligation to update any of these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect actual outcomes, except as required by law.

###

MEDIA CONTACT: Images and b-roll video of first day of site construction available.

Patty Rioux, President

ODEA Group, LLC

312-893-5163

patty@teamodea.com