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APOLLO

Apollo Funds to Acquire Majority Stake in Leading Sustainable Bioenergy Producer AS Graanul Invest

Supports Company's Crucial Role in Providing Sustainable Biomass Wood Pellets to Fuel the Energy Transition and European Renewable Energy Targets

Positions Largest Wood Pellet Producer in Europe for Continued International Growth as an Industry Leader in Bioenergy Production and Supply

NEW YORK and TALLINN, Estonia, Aug. 04, 2021 (GLOBE NEWSWIRE) -- Apollo Global Management, Inc. (NYSE: APO) (together with its consolidated subsidiaries, "Apollo") today announced that funds managed by its affiliates (the "Apollo Funds") have agreed to acquire a majority stake in AS Graanul Invest ("Graanul" or the "Company"), the largest producer of sustainable wood pellets in Europe – and one of the largest producers globally.

Since its inception in 2003, Graanul has been pioneering some of the most advanced processes and technologies in the biomass and bioenergy industry and providing a critical baseload renewable energy resource. Through its 12 state-of-the-art pellet production plants located in the Baltics and U.S., Graanul manufactures sustainable wood pellets, which are a proven, renewable energy source, enabling baseload electricity and heat generation to replace coal and balance intermittent renewable energy sources like wind and solar. The Company also operates six combined heat and power ("CHP") plants in Estonia and Latvia and is one of the largest producers of renewable energy in the Baltic region, having generated more than 17 percent of all renewable bioelectricity in Estonia in 2020. The highly energy efficient CHP plants power the Company's manufacturing operations, helping it to achieve the lowest carbon footprint in the industry.

Wood pellets are manufactured from waste wood, such as sawdust, wood chips and shavings, and forestry residues, which is processed into pellet form, creating a high energy density fuel source. All Graanul operations and activities follow the principles and criteria of the leading sustainable forest management systems, and the Company maintains multiple independent, third-party sustainability certifications confirming that it excludes any unverified material in its production processes to ensure environmentally friendly and sustainable sourcing of materials.

"With the accelerating Energy Transition in Europe and globally, baseload renewable energy sources such as biomass are a critical and enabling piece of the puzzle, by providing dispatchable electricity and heat to must-run facilities," said Apollo's Brad Fierstein. "Raul and the Graanul team are best-in-class in this industry and have done an excellent job scaling and positioning the business to play a critical role supporting this energy transition, as a reliable supplier to its customers, with proven sustainability."

Geoffrey Strong, Senior Partner and Co-Head of Natural Resources and Infrastructure at

Apollo, added, “We believe Graanul is a unique energy transition platform from which to build around the once-in-a-generation shift in the European energy mix. We look forward to building on that success together with Raul and the team and continuing to grow the business organically and through attractive development opportunities in the biomass market.”

“In Apollo, we will have a sophisticated strategic investor who is not only intimately familiar with our business, but also understands the complexities and the unique value opportunities present in the bioenergy space today,” said Raul Kirjanen, Chairman and CEO of Graanul. “Our operations and activities have always been – and will continue to be – designed for and dedicated to creating a globally sustainable and renewable energy system to replace fossil fuel emissions. Our team and people, as well as our corporate structure and operations, are a highly valued foundation to the exciting growth ahead with Apollo. New capital and global connectivity will provide new international opportunities for Graanul and its employees as we build on the company’s many achievements together.”

The transaction, which is expected to close later in 2021, is subject to antitrust and regulatory approvals and other customary closing conditions.

J.P. Morgan served as financial advisor and Ellex and White & Case LLP served as legal advisors to Graanul. Allen & Overy LLP, Paul, Weiss, Rifkind, Wharton & Garrison LLP, and Sorainen served as legal advisors to the Apollo Funds.

About Apollo

Apollo is a high-growth, global alternative asset manager. We seek to provide our clients excess return at every point along the risk-reward spectrum from investment grade to private equity with a focus on three business strategies: yield, hybrid and opportunistic. Through our investment activity across our fully integrated platform, we serve the retirement income and financial return needs of our clients, and we offer innovative capital solutions to businesses. Our patient, creative, knowledgeable approach to investing aligns our clients, businesses we invest in, our employees and the communities we impact, to expand opportunity and achieve positive outcomes. As of March 31, 2021, Apollo had approximately \$461 billion of assets under management. To learn more, please visit www.apollo.com.

About AS Graanul Invest

Founded in 2003, Graanul is a world leader in biomass and bioenergy production and is the largest producer of wood pellets in Europe. The Company employs more than 500 professionals across its 12 modern pellets plants in the Baltics and U.S., as well as its six combined heat-and power plants in Estonia and Latvia. Graanul is fully committed to providing viable and sustainable alternative solutions to fossil fuel and carbon emissions, tracing 100 percent of the materials it uses across its supply chain to its source. To learn more, please visit <https://graanulinvest.com>.

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