



Q4 2022 presentation

QUANTAFUEL ASA

28 February 2023

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KEY HIGHLIGHTS

STRATEGY AND GROWTH

PLANT & PROJECT UPDATE

FINANCIALS

OFFER

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- Financing solution needed by mid-Q2 – estimated equity requirement at USD 70 million for operations and communicated projects
- Delayed positive cash flow from operations
- Skive volumes increase continuously with four operational lines. Cash positive operations still not achieved, but we see improvements month on month
- MK II FEED for Dubai plant close to completion. CapEx has increased, but plant economics still provides attractive returns.
- Planning permission granted for plant in Sunderland
- ReSource Denmark on track – commissioning in Q4-23 and start-up Q1-24





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QUANTAFUEL MK II PROCESS

Way forward

- Dubai - Quantafuel's first MK II plant with 80 kta capacity
- CapEx estimate has increased (USD 200 – 250 million), but plant economics still provides attractive returns
- Final Investment Decision (FID) expected in Q2
- End result will be a plant defining a new standard within plastic recycling
- Future MK II plants expected to reduce Capex levels from modularized approach and optimizing of engineering, sourcing and construction



SUNDERLAND PROJECT PROCEEDING AS PLANNED

Quantafuel continues to receive strong support

- Planning permission granted 6th February 2023
- Capacity to process 100 kta of low value waste plastics in a sorting step preceding the MK II PtL plant
- Construction expected to get underway later this year
- Start of operation in 2025
- Capital light business model
 - Ownership of ~20% through developer's fee and sweat equity from IP and competence
- Progressing well with additional sites in the UK



PROJECT PIPELINE

Significant upside from acting now – clear first mover advantage for Quantafuel



1) PtL: Plastic to Liquid plant/chemical recycling



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- In January, the volume of plastic processed increased by 32% from December
- Four operational lines in Skive with volumes increasing continuously
- Focus to run three lines in parallel with fourth on stand-by
- Not yet achieved positive cash flow for a full month, but seeing progress month on month
- Optimising energy use and cost of operation by heating all four lines by self-produced gas (NCG) during normal operations



KRISTIANSUND

Maintaining attractive offtake prices and ramping up feedstock

- Limitation in suitable feedstock still restricts full utilisation of the plant
- Establishment of Polynate together with enhanced co-operation with local stakeholders instrumental in resolving the limitation
- Favourable offtake agreements despite softening demand for mechanically recycled plastic throughout Europe



ESBJERG – RESOURCE DENMARK

Becoming a market leader in an attractive part of the value chain

- A game-changer for the post-consumer plastic waste market in Denmark and a key advantage for the co-located large-scale PtL plant
- Construction is well under way
- Commissioning late 2023
- CapEx estimate increased approximately 10%
- Secured a two-year feedstock agreement of 20,000 tonnes annually





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FINANCIAL OUTLOOK

- NOK 122 (192) million in cash per 31 December 2022
- New guiding for an 80,000 tonnes MK II plant
 - CAPEX USD 200-250 million (USD 100-150 million)
 - Annual normalized EBITDA maintained around USD 50 million
- The equity need to realise the remaining parts of the Esbjerg project, the Dubai project and the upcoming pipeline of projects is estimated at approx. USD 70 million
- Impairment of NOK 52 million on the investment in Geminor Invest
- Successful financing solution must be in place by mid-Q2 to fund current operations and future plants



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CONCLUSION OF THE STRATEGIC REVIEW

- Following the announcement of the strategic review on 12 October 2022, Quantafuel's Management and Board of Directors have, together with its financial advisor ABG Sundal Collier, diligently conducted a broad process targeting potential strategic and/or financial partners to secure a long-term financing solution for Quantafuel to the benefit of the Company, its Shareholders and Employees
- Quantafuel is currently in a challenging financial situation, with a large short-term liquidity shortfall and will need to secure financing before mid Q2 2023 to continue its operations
- The understanding of the board is that the Company's largest shareholders, including KIRKBI and BASF, will not participate in an equity raise or debt financing
- Quantafuel currently sees no other viable or realistic long-term financing solutions as an alternative to the offer received
- Subject to the outcome of the offer, the Offeror is committed to secure the Company's short-term financing need as well as invest in the Company to realise ongoing projects and the roll out of the next generation of MK II plants

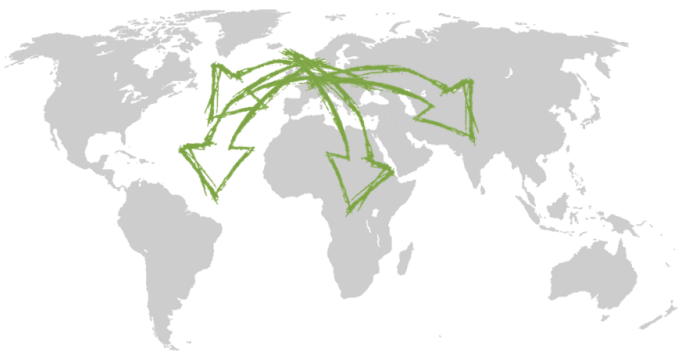
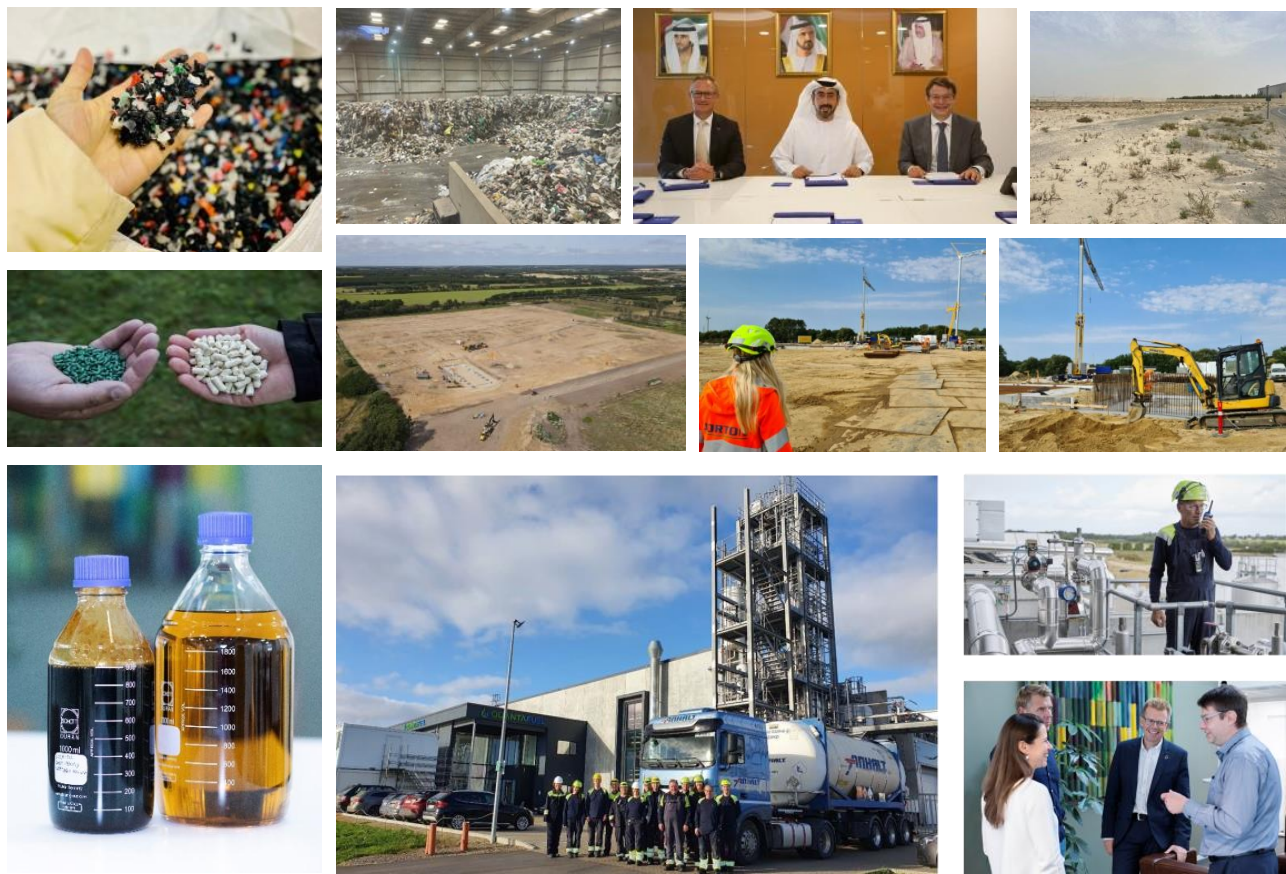
THE OFFER

- Quantafuel has entered into a transaction agreement for a unanimously recommended cash offer for all issued and outstanding shares in Quantafuel
- The shareholders of Quantafuel will receive a cash offer of NOK 6.38 per share
- The Company's two largest shareholders, KIRKBI and BASF, representing 20.6% of the shares, and both with a representative in Quantafuel's board, as well as all members of Quantafuel's Board of Directors and the Executive Management, have signed irrevocable pre-acceptances of the offer
- An offer document setting out the terms of the Offer will be made available to the shareholders by Viridor prior to start of the offer period, and is expected within a few days
- Viridor will also offer Quantafuel a Loan Facility to secure that the Group has sufficient financing during the offer period



- Viridor Limited («Viridor») is a leading UK-based waste management company
- Playing a key part in the UK's transition towards a circular economy, Viridor operates the largest fleet of Energy-from-Waste (EfW) facilities in the UK and the largest multi-line polymers reprocessing plant in the UK
- Viridor has been controlled by funds managed by KKR since 2020

QUESTIONS & ANSWERS





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