Optimisation at the Plant

January 2016
The Climate in the UK is Challenging

Market Conditions

• Gate fees dropped to zero from £65 five years ago
• Brown power dropped by over 20% in 2015/16
• Degression in subsidies
• Permitting is more expensive
• Commercial rents up by 12% in 2015

Plant Efficiency Key
A necessity not a nice to have

Most UK food waste AD plants are losing money

At least 16 plants are up for sale (because they are unable to deliver a profit?)
Efficiency Through Design

Experience of building sites on time and on budget

The technology is a differentiator:

- Delivering lowest Capital Cost per MWh
- Industry-leading low parasitic use of power
- High gas yields per tonne of food input
- Minimal staffing
- Low maintenance costs
- High quality end product (lower digestate disposal costs)
- High operational availability
- Suitable for a wide range of wastes
- Biological robustness
- High power output
Many factors that determine plant unit cost are dictated by site

Site dictates

- AD process / design (restrictions)
- Digestate market
- G to G or CHP
- Rent
- Access to waste
The Agrivert Difference

Location
- Access to waste
- Digestate outlets
- Deliverable (planning & environmental)

Customer Focus
- Fast turnaround for trucks
- Safe work environment
- Flexible to multiple waste streams
- Sympathetic to contamination

Robust Process
- 100% availability
- High energy yields

Long Retention Time
- Stable biology
- Quality digestate
- Maximise gas yields
- Low odour

Quality Technology Aggregation
- Combine the best elements
- Minimise maintenance downtime
- Optimise efficiency

Design Focus
+ Initial Investment

= Easier Operation
+ Happy Customers
Industry leading, consistent power

Agrivert AD Plant Power Generation (% of max)

2015 average for comparable UK AD plants: 71%
## Agrivert’s Gate Fee Advantage

Agrivert builds a platform to yield the lowest unit economics as illustrated in the table below.

<table>
<thead>
<tr>
<th>Operational Driver</th>
<th>AGRIVERT</th>
<th>Avg. Competitor</th>
<th>Gate Fee Advantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power production</td>
<td>96% efficient</td>
<td>71% efficient</td>
<td>£20.40</td>
</tr>
<tr>
<td>Parasitic use</td>
<td>12%</td>
<td>14%</td>
<td>£1.30</td>
</tr>
<tr>
<td>Staff</td>
<td>3.5 employees</td>
<td>6 employees</td>
<td>£2.37</td>
</tr>
<tr>
<td>Digestate</td>
<td>£7.5 per tonne</td>
<td>£13 per tonne</td>
<td>£5.50</td>
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<tr>
<td>Rent per site</td>
<td>£110k</td>
<td>£180k</td>
<td>£1.80</td>
</tr>
<tr>
<td>Food carry in plastic</td>
<td>1%</td>
<td>3%</td>
<td>£2.00</td>
</tr>
<tr>
<td>Gas scrubbing (only against some)</td>
<td>£800</td>
<td>£40,000</td>
<td>£1.48</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>£34.85</strong></td>
</tr>
</tbody>
</table>

*Gate fee advantage is defined as monetary advantage / 38,000 tonnes (based on a 2.4Mw plant)*

Other undefined drivers include, proximity to waste, capex and low maintenance costs.
What next

Focus on major costs / revenue opportunities

• Reduce contamination costs
• Co-digestion opportunities
• Heat utilisation in a non standard way