



# **EQTEC Group**

## **Business update and outlook**

Annual General Meeting

Cork, Ireland

21 June 2023

# Shareholder alignment

## Points of confirmation

### Italy MDC.

- ❖ Completed December 2022, operational March 2022, handover now
- ❖ Onboarding and training full team, final calibrations led by EQTEC engineering team
- ❖ Feedstock security, biochar customers, storage and site

### Share price.

- ❖ EQT 2019 – 2022 SP: 43% improvement, ahead of comparators
- ❖ EQT 2019 – 2022 revenues: 1.6x – 26x ahead of comparators
- ❖ EQT 2019 – 2022 EBITDA: losses less than comparators

### Placing.

- ❖ Very difficult market conditions; very limited capital
- ❖ Purpose: finance the 'pivot' to capital-light
- ❖ Current conditions will not support past approaches

### Strategic investment.

- ❖ Investment bank appointed
- ❖ Investment vehicle options under construction
- ❖ Enhance valuation building a premium

### Communication.

- ❖ Approach outlined in the annual report
- ❖ Plan in place to enhance news flow
- ❖ Nature abhors a vacuum

PHOTO: Italia MDC

# Strategy

## Three pillars guiding EQTEC's growth

### MARKET PROPOSITIONS

- ⚡ **Industrial:** circular, on/near premise
- ⚡ **Utility:** decarbonised, new business
- ⚡ **Municipal:** local-to-local waste-to-value
- ⚡ **Agricultural:** remote, autonomous

### EQTEC BUSINESS MODEL

- ⚡ **Licensor:** IP innovation, recurring revenue
- ⚡ **Capital-light:** shed development liabilities
- ⚡ **Best-in-class:** engineering & marketing
- ⚡ **Local:** relationships, partners, procurement

### EQTEC OPERATING MODEL

- ⚡ **Innovation:** Global network for R&D
- ⚡ **Engineering:** Able to serve every market
- ⚡ **GTMs:** demand incubation and delivery
- ⚡ **Pipeline:** EQTEC orders into client projects

### MARKET DEVELOPMENT CENTRES

- ⚡ Castiglione d'Orcia, **Italy** (Agricultural)
- ⚡ Belišće, **Croatia** (Industrial)
- ⚡ Grand-Combe, **France** (Utility)
- ⚡ Southport, **UK** (Municipal)

### TOP-TIER PARTNERS

- ⚡ **Investors:** strong balance sheet
- ⚡ **Technology:** top-tier innovators
- ⚡ **Development:** leading owner-operators
- ⚡ **Delivery:** top-tier EPCs and contractors

### ENGINEERING LEADERSHIP

- ⚡ **Innovation:** market-leading R&D
- ⚡ **Talent:** top-quartile process engineers
- ⚡ **Capacity:** flex resourcing with CT3
- ⚡ **Access:** partner with leading universities

PHOTO: France MDC

# 2022 – 24 business plans

## Making the pivot

### FROM:

- EQTEC capital
- Bundled solutions, blended margins
- Project business
- Project owner
- Small-scale, local partners

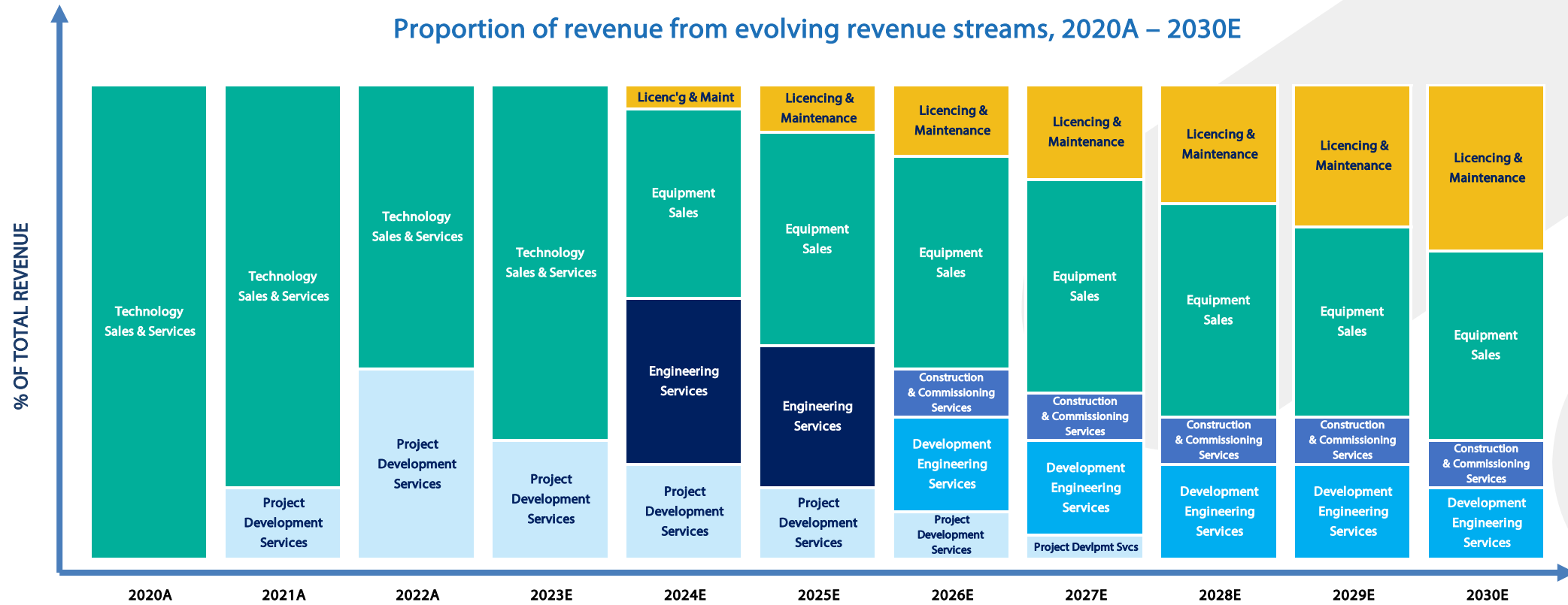


### TO:

- EQTEC IP and engineering
- Equipment, services, licensing
- Order book business
- Core technology provider
- Top-tier, (multi)national partners

# Pivot

## Toward recurring revenues



SOURCE: EQTEC annual reports and management forecasts

# Pivot

## GTM evolution

	← WORK TO DO			→ STRATEGICALLY ALIGNED		
	USA	UK	GREECE	CROATIA	ITALY	FRANCE
<b>Years active (2019 –)</b>	4	4	3	4	1	1
<b>Go-to-market capabilities</b>						
GTM model	Partnership	Subsidiary	Joint venture	Joint venture	--	Subsidiary
Strong partner/ MD	--	--	--	Y	(Y)	Y
Strong local delivery	--	Y	--	Y	Y	Y
Development liabilities	Y	Y	Y	--	--	--
<b>Pipeline</b>						
Live plants	-	-	-	-	1	-
Active orders	1	1	1	1	1	3
Qualified opportunities	2	4	3	3	3	5

# Case study

## France

	FRANCE MDC	GARDANNE	LIMOGES	Order 4	Order 5
<b>BUSINESS MODEL</b>	Utility	Utility	Municipal	Industrial	Utility
Feedstock	Mixed	Waste wood	Mixed	Wood	Mixed
Offtake	CHP	RNG	RNG	Syngas, biochar	RNG
Size (est.)	45,000 t/yr 7.5 MW <sub>e</sub>	80,000 t/yr (tbc)	35,000 t/yr 10.5 million Nm <sup>3</sup> /year	10,000 t/yr 3MW <sub>th</sub>	40,000 t/hr 12 million Nm <sup>3</sup> /year
<b>OWNER</b>	Top-tier Utility 1	(Top-tier Utility 2)	I dex	Top-tier Utility 3	Top-tier Utility 2
Permitted	Yes	(Yes)	Yes	Yes	(tbc)
Pre-funded	Yes	Yes	Yes	Yes	Yes
EQTEC role	Core technology	Core technology	Core technology	Turnkey	Core technology
<b>EQTEC REVENUES (est.)</b>	c. €12 million	c. €25 million	c. €12 million	c. €9 million	c. €12 million
EQTEC liabilities	--	--	--	--	--

# Outlook 2023 – 24

## Through the pivot and out again

### Value.

- ⚡ 2023 engineering sets up 2024 equipment
- ⚡ Invoicing early and often
- ⚡ Cash recovery

### Plants.

- ⚡ Croatia MDC
- ⚡ France MDC
- ⚡ Pushing for Agrigas, North Fork

### GTMs.

- ⚡ Top-tier Utilities
- ⚡ Ireland
- ⚡ Considering Spain, USA, others

### More molecule.

- ⚡ RNG
- ⚡ CHP→H<sub>2</sub> and syngas→H<sub>2</sub>
- ⚡ Exploring ethanol, methanol and liquid fuels

### Pipeline.

- ⚡ Target engagement across more projects
- ⚡ Qualification of customers, projects and requirements
- ⚡ Beyond boundaries of current GTMs

PHOTO: Aerial photo of Sierra Nevada (EQTEC)