

QUANTAFUEL INVESTMENT CASE

Quantafuel aim to be a Global leader in plastic recycling. QFUEL targets to have 6 facilities in operation by 2023/2024. Qfuel is backed by world class partners: Vitol, BASF, Kirkby

Key financials copied from 4-trader on September 3 - 2021



Valuation						
Fiscal Period: December	2018	2019	2020	2021	2022	2023
Capitalization ¹	49.8	219	968	469	-	-
Enterprise Value (EV) ²	49.8	220	958	436	466	495
P/E ratio	-	-17.9x	-14.3x	76.7x	1 254x	27.1x
Yield	-	-	-	-	-	-
Capitalization / Revenue	4.92x	4 169x	980x	123x	15.8x	3.51x
EV / Revenue	4.92x	4 190x	969x	115x	15.7x	3.71x
EV / EBITDA	-	-42.2x	-68.3x	-41.0x	42.6x	6.46x
Price to Book	-	9.43x	13.9x	3.33x	3.26x	2.97x
Nbr of stocks (in thousands)	72 680	111 675	135 826	148 922	-	-
Reference price (USD)	0,68	1,96	7,13	3,15	3,15	3,15
Announcement Date	02/28/2019	02/28/2020	02/23/2021	-	-	-

¹ NOK in Million ² USD in Million

Estimates



Key data

Capitalization (NOK)	4 059 609 549
Capitalization (USD)	468 634 762
Net sales (USD)	988 470
Number of employees	85
Sales / Employee (USD)	11 629
Free-Float	90,6%
Free-Float capitalization (NOK)	3 679 889 713
Free-Float capitalization (USD)	424 800 518
Total assets	1 550 284

Cash & Cash equivalents 494 967

Overview of key share price drivers:

- 1) **Quantafuel's project in Amsterdam** with VTTI / Vitol is moving forward with submittal of permit applications as the next important milestone.
- 2) **Kristiansund update** – Mechanical recycling investment on track. Quantafuel will be able to locally sort and recycle 20,000 tons of plastic waste annually
- 3) **Skive Plant** update – Ramp up continuing, turnaround planned for Q4
- 4) **Esbjerg plant** is proceeding according to plan and will be one of the biggest plastic sorting plants in Europe, as well as the first of its kind in Denmark. In May, Esbjerg City Council unanimously approved Quantafuel's Environmental Impact application for the Esbjerg plant. In July we were pleased to announce the purchase of a 58,000 m² site, with an option to extend with additional 48,000 m².
- 5) **Quantafuel** announced in June its investment in a **pre-treatment line in Aalborg**. The sorting line will be located adjacent to Geminor's existing logistics hub.
- 6) **New CEO** – during Q4

Growth strategy and outlook Quantafuel's full focus on Skive continues. With Skive getting closer to stable production at design capacity, Quantafuel is discussing the roll-out of large-scale capacity plants with both existing and potential partners. We have agreements in place with **Corepla and Saipem for the Italian market** and with **BASF and Remondis targeting the German and central European market**. Further prospects are under development and will be announced when the necessary maturity is reached.

Quantafuel is currently in the final stage of commissioning and modification of its first commercial Plastic-toLiquid plant in Skive, Denmark, and the cost of the plant is presented in Property plant and equipment (PPE). At full operation, the plant will have a yearly capacity to transform 20,000 ton of plastic waste into **16,000 ton of high value products**.

One should also note that the European Union is planning a 800USD/tonne tax on plastics. That means Quantafuel can take in plastic material, AND BE PAID for taking it, while producing and selling high-grade oils for new uses.

Planned production full load key figures:

- 1) **Skive: Capacity to transform 20,000 ton of plastic waste into 16,000 ton of high value products.**
- 2) **Esbjerg: Capacity to transform 80,000 ton of plastic waste into 64,000 ton of high value products.**
- 3) **Kristiansund: Recycle 20,000 tons of plastic waste annually**
- 4) **Antwerp – 100,000ton**
- 5) **Amsterdam – 100,000ton**
- 6) **Quantafuel own 40% stake in Geminor. Quantafuel's strategic partnership with Geminor is an open invitation to the EU waste industry to join us in developing and increasing the plastic waste. Geminor has an estimated annual turnover of €180 million**

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Additional information that picture a potential x 10 of present share price of NOK27.

- Growth at highly attractive plant economics – Excellent payback time
Together with Vitol, world's largest oil trader, QFUEL has already commenced feasibility studies of two large scale facilities (100,000t plastic waste per year) in Antwerp and Amsterdam.
- It's estimated that a plant cost approximately Euro100m, and contributes with an EBITDA around Euro45m, resulting in a highly attractive payback time.
- QFUEL targets to have 6 facilities in operation by 2023/2024, and if we assume 50% ownership, then QFUEL will be a very interesting investment case given the company's rapid growth opportunities with sound economy, proprietary technology, ESG profile and three world class strategic partner.

Historical Targets:

Recent price targets:

SpareBank1 200 NOK 18.09.2020

DNB 84 NOK 08.09.2020

Pareto 100 NOK 16.09.2020

ARTIC SECURITIES 125 NOK 04.09.2020

Danske Bank 131 NOK 10.09.2020

Fearnley Securities 105 NOK 23.09.2020

Realistic Targets as of today September 7 – 2021:

Assuming PoC obtained end of Q4: Short term target **NOK50**

12-month target: NOK 160, assuming all below projects moving steadily forward.

Rough Estimate of 12-month target relationship:

Kristiansund – 20nok

Skive – 20nok

Esbjerg – 30nok

Amsterdam – 30nok

Antwerp – 30nok

Geminor - 30nok

Additional factory agreements for e.g German, Italian and East European marked will increase share price target with around 25-30 nok per factory agreement that's signed.

With 8-10 factories on track within coming 24 month we could be facing a share price around nok 270 equal to 10 times higher that todays share price of nok27.