

Sustainable Site Developments for Plastic Waste Recycling & Energy Generation

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Business Plan

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June 22 2020

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Welcome to Plastic Green Power

Plastic Green Power (PGP) is a team of engineers and technical consultants with a proven solution to the most pressing environmental challenges facing the UK.

We're developing and will manage three initial sites for recycling and energy generation projects, called 'Round 1', with more sites identified for future growth.

To achieve this, we're seeking a minimum of £750,000 in seed capital investment to complete due diligence (DD) to financial close on these initial sites. An 8X money multiple ROI is achievable over five years.

Once DD is completed, the next phase is the development and delivery of the three target sites to deliver a combination of advanced mechanical recycling (AMR) for plastic separation and grading with gas-powered electricity generators, which are turned on at peak demand periods for premium value services to the grid (called gas peakers).

PGP aims to decarbonise these separate technologies through integration in the future on larger sites, adopting innovative, market leading technologies, with energy storage solutions and making transport fuels (for 'Round 2').

You're invited to explore our proposal for a radical new way of thinking about waste recycling and energy generation, using proven technology.



"We believe in a decarbonised future for sustainable energy and plastic waste recycling"



The vision

A decarbonised future through sustainable energy production and grading plastic waste, to meet tough recycling and low carbon energy targets.



The mission

To reduce the need for new plastic production by recycling waste destined for landfill or incineration. Excess, residual waste is converted into low carbon gas, significantly reducing reliance on fossil fuels. This benefits the environment, PGP and its stakeholders.

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1: Plastic Green Power

PGP and its technology partner, Reliagen Holdings Ltd, are developing three sites for proven, commercially viable recycling and energy generation projects, requiring additional development funding to complete project financing for Round 1's three sites' delivery and fee generation.

To reach financial close, PGP needs seed capital funding for DD, covering:

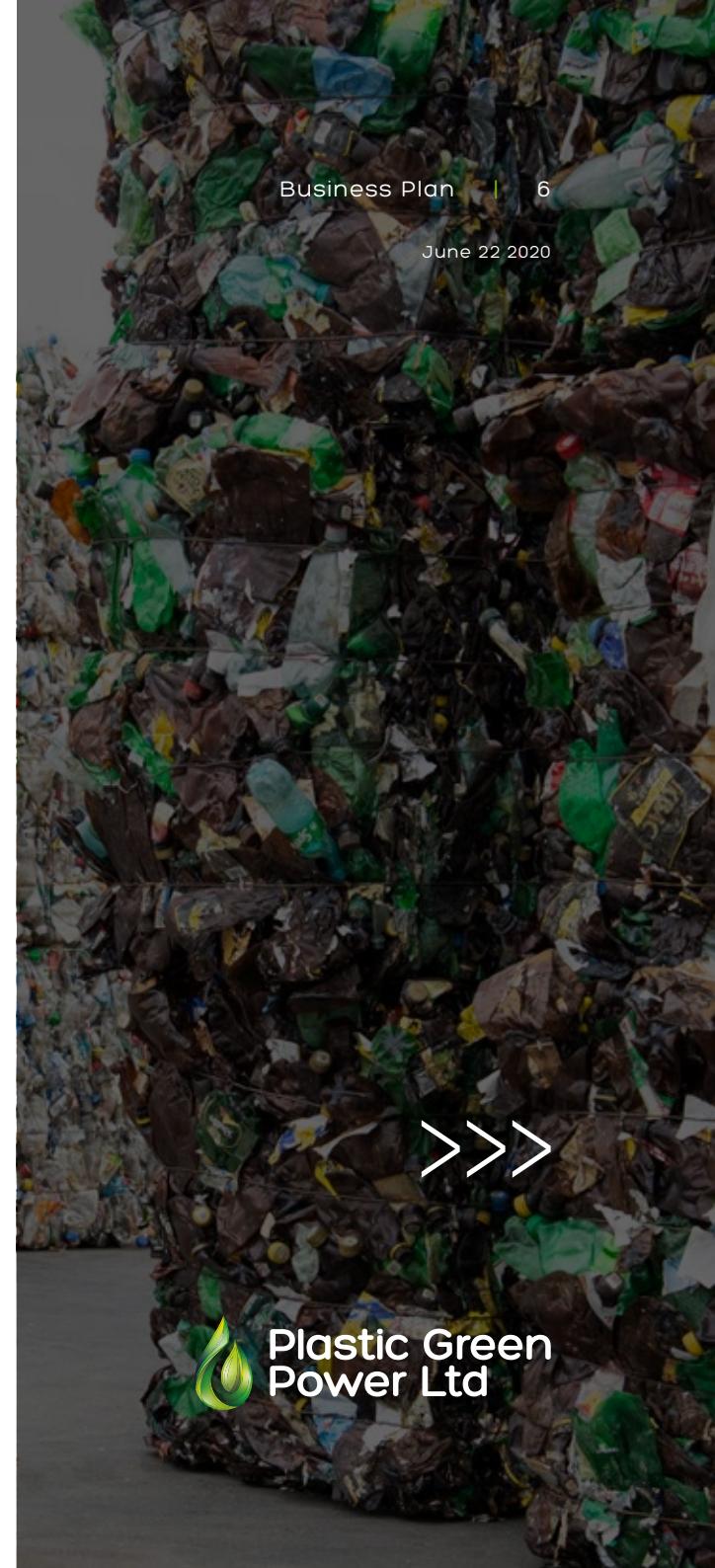
- Securing sites through deposits (conditional agreements in place)
- Detailed design work and finalisation of costings
- Progressing from heads of terms to contracts
- Finalising financial and tax structuring
- Completion on all contracts simultaneously (called 'Financial Close').

Once Round 1 is completed, we move to phased delivery of these initial three sites. This will create a range of fees back to PGP as detailed later on.

1.1: How will we achieve this?

Once installation is completed, each site will possess aspects of technology capabilities as follows (with future expansion / integration potential):

- AMR to sort and grade waste plastic
- Energy generation using cutting-edge gas peaking plants (peakers)
- Plastic waste to green power (PWGP), converting waste plastic to low carbon gas



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1.2: Revenue opportunities

These capabilities each present their own revenue streams:

- PGP will be paid a gate fee for plastic-rich waste, which is separated into high-grade recyclables for sale. Excess waste will be converted into low-carbon gas, oil and char.
- Low-carbon gas can be blended with [bio] methane and used to power peakers, reducing reliance on natural gas. PWGP green gas peakers can target multiple revenue stacking opportunities.
- Businesses can host their own gas engines for base load power supply on site for discounted off-grid energy through power purchase agreements (PPA) with PGP. This boosts PPA value nearer to retail than wholesale prices, giving customers savings for win-win, low carbon solutions.

1.3: The PGP roadmap

The technology used on our sites is proven in the field, both technically and commercially. The three initial sites are ready to progress.

PGP is bringing these sites to financial close by the end of Q4 2020, to then be delivered as turnkey facilities in 2021.

Over the next five years, our ambition is to develop, fund and manage 10 more sites, building on the track record of the initial projects.

Our team has over 100 years of combined experience and will work with contracting partners to provide robust, reliable technology for state-of-the-art recycling and renewable energy.

1.4: Funding requirements

PGP is seeking a minimum of £750,000 of Enterprise Investment Scheme (EIS) qualifying seed capital investment to bring Round 1 to financial close within 6-9 months, depending on market conditions.

Not only are the underlying investments extremely exciting, but investors gain tax advantages through the EIS scheme, subject to final HMRC approval.

The EIS scheme provides 30% tax relief on investments.

Opportunity for exit is proposed in 2025/6 via either sale or flotation.

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1.5: Key financials

PGP is forecast to grow through a combination of recurring monitoring fees and success fees. Initial development costs are expensed and recovered at financial close of the initial projects. PGP is forecast to develop a portfolio of projects that will generate annual recurring revenue of £3m per annum.

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total revenue	-	1,290,000	2,380,000	3,050,000	2,515,000	3,410,000	3,055,000	3,950,000	3,595,000	4,520,000	5,060,000
Total cost of sales	(101,200)	(1,336,440)	(1,159,175)	(1,365,880)	(1,186,850)	(1,439,680)	(1,297,550)	(1,550,380)	(1,474,745)	(1,867,870)	(1,978,570)
Gross profit	(101,200)	(46,440)	1,220,825	1,684,120	1,328,150	1,970,320	1,757,450	2,399,620	2,120,255	2,652,130	3,081,430
Total overheads	(191,936)	(180,000)	(473,398)	(635,062)	(517,610)	(718,762)	(643,160)	(844,312)	(762,061)	(956,773)	(1,082,323)
Operating profit	(293,136)	(226,440)	747,428	1,049,058	810,540	1,251,558	1,114,290	1,555,308	1,358,195	1,695,357	1,999,107
Taxation	27,778	43,024	(142,011)	(199,321)	(154,003)	(237,796)	(211,715)	(295,509)	(258,057)	(322,118)	(379,830)
Net profit	(265,358)	(183,416)	605,416	849,737	656,537	1,013,762	902,575	1,259,799	1,100,138	1,373,239	1,619,277
Retained profit	(265,358)	(448,774)	156,642	1,006,379	1,662,917	2,676,679	3,579,254	4,839,053	5,939,191	7,312,430	8,931,706

1.6: Valuation

The business has been valued based on the operating profit, value of retained earnings and the carried interest in individual projects. This is an estimate based on management forecasts and an anticipated structure agreed with project investors.



- Forecasts have been prepared based on a pipeline of projects to be developed over a 15 year period
- Recurring revenues represent around 60% of the total income in later years giving a stable and valuable income stream
- Forecasts exclude any carried interest or preferred returns to the developer above basic fee income
- Management expects income from such arrangements, but these remain to be agreed with project funders
- Overheads have been prepared initially on a bottom up basis and then are forecast from FY22 as a percentage of revenue
- Management salaries are forecast to remain modest with a bonus pool of 10% of profits being used to incentivise the team
- Costs related to the initial fund-raising and project development have been separately forecasted, with economies expected for future projects

2: Phasing strategy

Our initial project strategy is being developed in distinct phases:

1. Developing AMR sites for waste plastic grading, in addition we will build separate gas peakers that run on natural gas.
2. Plastic waste to green power (PWGP), powering integrated facilities with gas derived from low grade waste plastic; decarbonising gas peakers.

Through these phases, PGP will address key sustainability challenges facing our society over the next decade, across multiple tough government targets on recycling, packaging, transport and energy.

2.1: A global plastics crisis

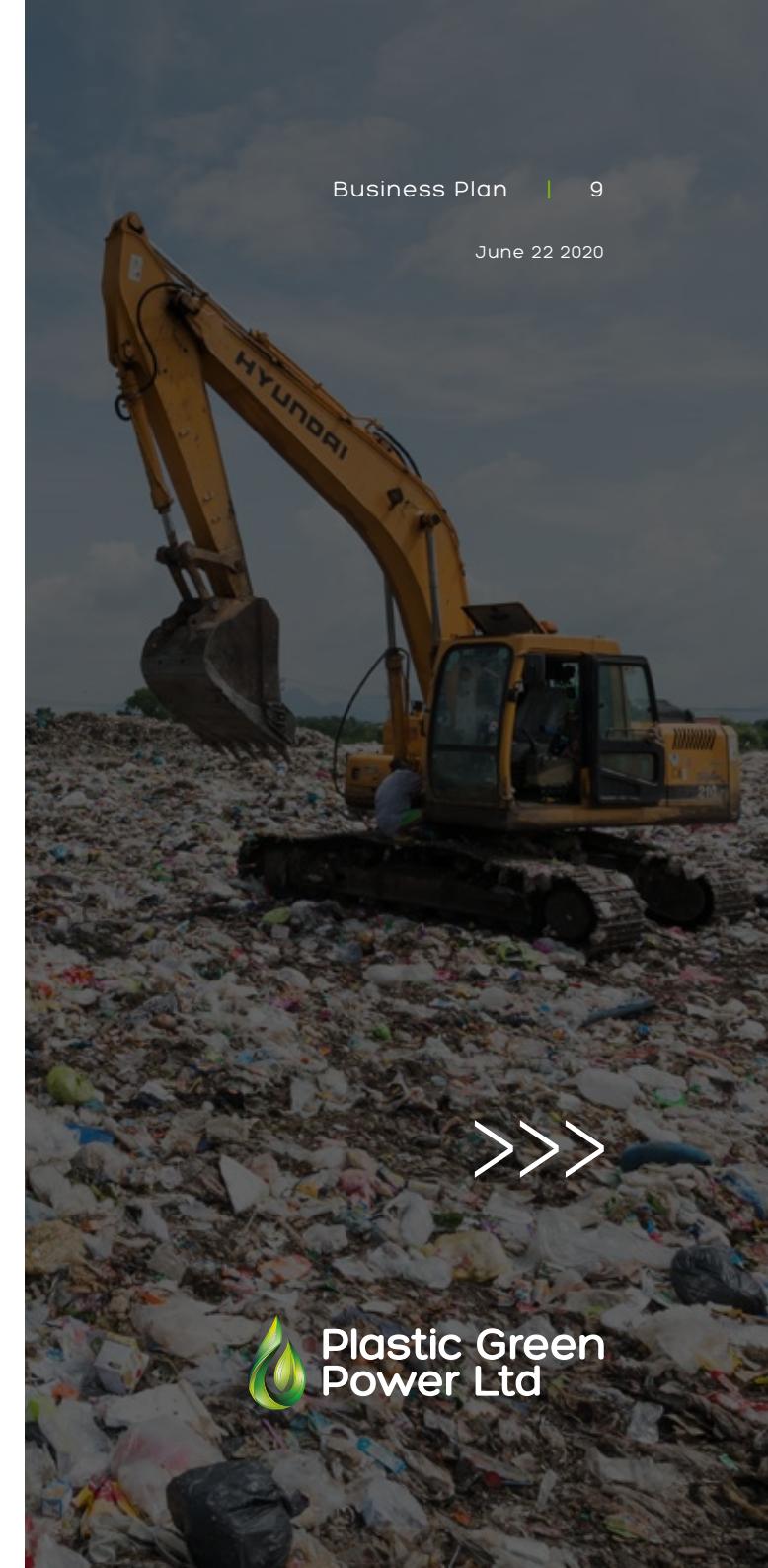
Every year, the human race produces its own weight in plastic waste; 300 million tonnes. In Europe, less than 30% of that waste gets recycled properly:

- <1% ends up in the sea
- 31% goes to landfill
- 39% gets incinerated

Right now, waste plastic recycling in the UK looks like this:



This is simply unsustainable. But look deeper; you'll see a number of revenue stacked opportunities for visionary investors.



The PGP future of plastic waste recycling looks like this:



Phase 1:
Advanced Mechanical
Recycling (AMR)



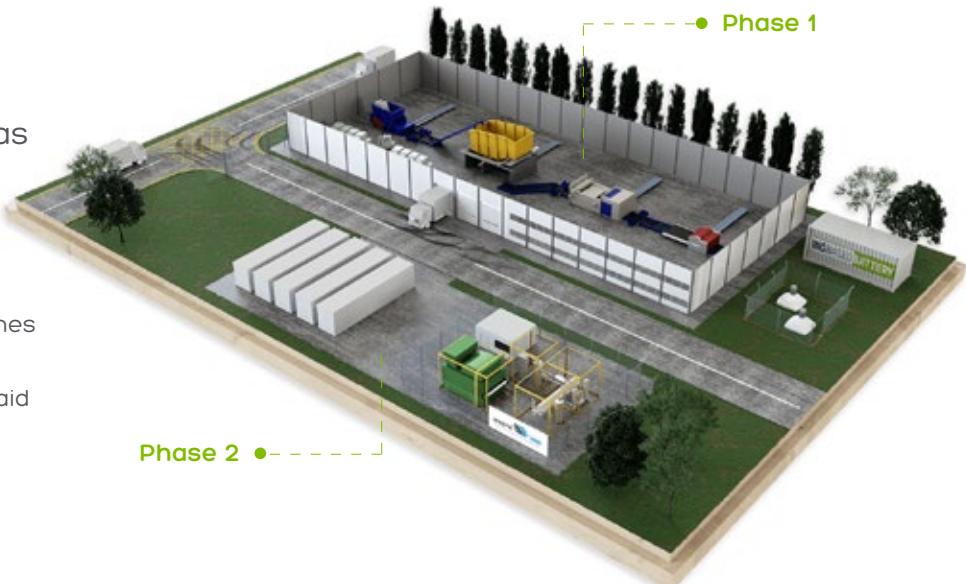
Phase 2:
Plastic Waste to Gas
Power (PWGP)

PGP has agreed terms for a waste contract through Reliagen to process 90,000 tonnes of plastic rich waste each year, for ten years, at £95/tonne plus annual index (CPI).

Our AMR facilities separate and recycle plastic rich residual waste, for which we're paid a gate fee for feedstock input and produce Tier 1 and 2 grades of plastic output for additional revenues.

High grade Tier 1 plastics: polypropylene (PP) and polyethylene (PE) will be thermally converted/recycled into base chemicals (e.g. monomers) for remanufacturing with less need for virgin plastic sources (i.e. into polymers) for a more circular economy.

Tier 2 plastics: polyethylene terephthalate (PET) are mechanically recycled for a range of end markets. Demand is high for both outputs thanks to the UK's Plastics Packaging Tax, requiring at least 30% recycled content, otherwise a £200/tonne tax will be imposed on suppliers.



Low grade Tier 3 plastics: (mixed polymers) are split into fuels and lower value recyclates (PVC, PU, PS).

Suitable waste residue gets converted into low carbon gas, oil and char for further valorisation and displacement of fossil fuel products.



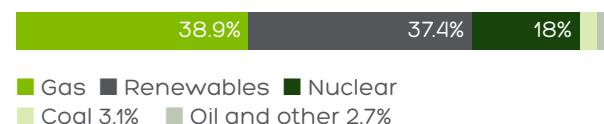
2.2: A looming energy gap

The UK is the first major economy to commit to net zero greenhouse gas (GHG) emissions by 2050, via 5 yearly steps.

Coal will be phased out by 2025, with carbon targets toughening from 2023.

A move away from damaging fossil fuels and the decision to retire existing nuclear reactors raises questions about the UK's future energy sources.

Our energy generation mix by quarter and fuel source to Q4 2019 looks like this:



Source: BEIS energy trends section 5 electricity (ET5) 1st January 2020.

Renewables like wind and solar are set to become the dominant sources of energy in the UK. Solar energy is now competitive without subsidies and wind is close, following advances in manufacturing and installation to lower their cost year-by-year. UK wind energy production is set to double over the next 10 years, with the EU and global projections following similarly.

However, wind and solar are intermittent in nature due to changing weather conditions. This intermittency, coupled with declining reliance on base load nuclear and fossil fuels begs the question of where our power will come from in the 2020s and beyond.

The energy PGP will generate from waste will play a significant role in the nation's drive to meet the 2050 'net zero' carbon emissions target.

The low carbon gas that PGP produces from waste, which would otherwise go to landfill or incineration, replaces coal and nuclear over the coming decades, plugging the gap from wind and solar, through combining energy storage. Low carbon gas is blended to feed specialist gas engines to balance demands on the national grid, whilst still decarbonising the grid mix towards 2050.

Gas peaking plants are activated when demand for energy is at its peak or when wind and solar production are low. These peakers have a low switch-on cost and relatively quick run-up time. This service obtains a premium price.

These plants are a technically and commercially proven means of balancing supply and demand across the grid. They're ready to provide cost-effective, clean and efficient energy compared to coal or gas stations using steam cycle technology, both on and off grid.

These Round 2 projects will use gas engines that can run on blended synthetic gas (syngas) from plastic and waste residues, natural gas (methane) and bio-methane from organic wastes.

PGP will help balance the national grid by constructing these specialist gas peaking units. National Grid is rationalising the contracts for these services to make it simpler and quicker to secure stacked revenues.

Our strategy includes building peakers, largely independent of the grid, connecting them directly to industry through lucrative PPA agreements. Target sites and criteria have been identified, ready for development towards Round 2..

In the short term, peakers powered using natural gas are a robust means of generating energy due to the 'spark spread' of buying low cost, wholesale gas to produce high value electricity. A typical 20 MW natural gas peaker generates revenue of £4 million per year, plus indexing, subject to contract type.

By integrating phase one and two, the facilities powered with gas derived from waste plastic become even more attractive assets. Each 20 MW site can power 11,250 homes annually.



Strategy

2.3: Is there a market for this?

- Local authorities are struggling to meet higher recycling targets
- Industry is dealing with high energy prices and carbon taxes
- The energy sector faces toughening environmental targets

Our initial projects present a proven, lucrative solution to the challenges faced by these key sectors, with a back drop of structured regulations and timings.

The flexible energy generation market is forecast to grow 310% by 2040 (Aurora, 2019) thanks to the growing drive towards renewable energy sources.

PGP projects represent 0.6% of that growth in flexible generation, a very achievable market position with realistic expectation to reach higher targets.

Revenue per site from phase one: AMR is expected to reach £8 million per year, plus indexing. This is prior to the UK's Plastics Packaging Tax being enforced.

Phase two: PWGP is expected to initially bring in over £1.5 million in revenue per year plus indexing.

Our first three AMR and gas peaker sites are ready to progress, with a construction and commissioning period of 12 months or less.

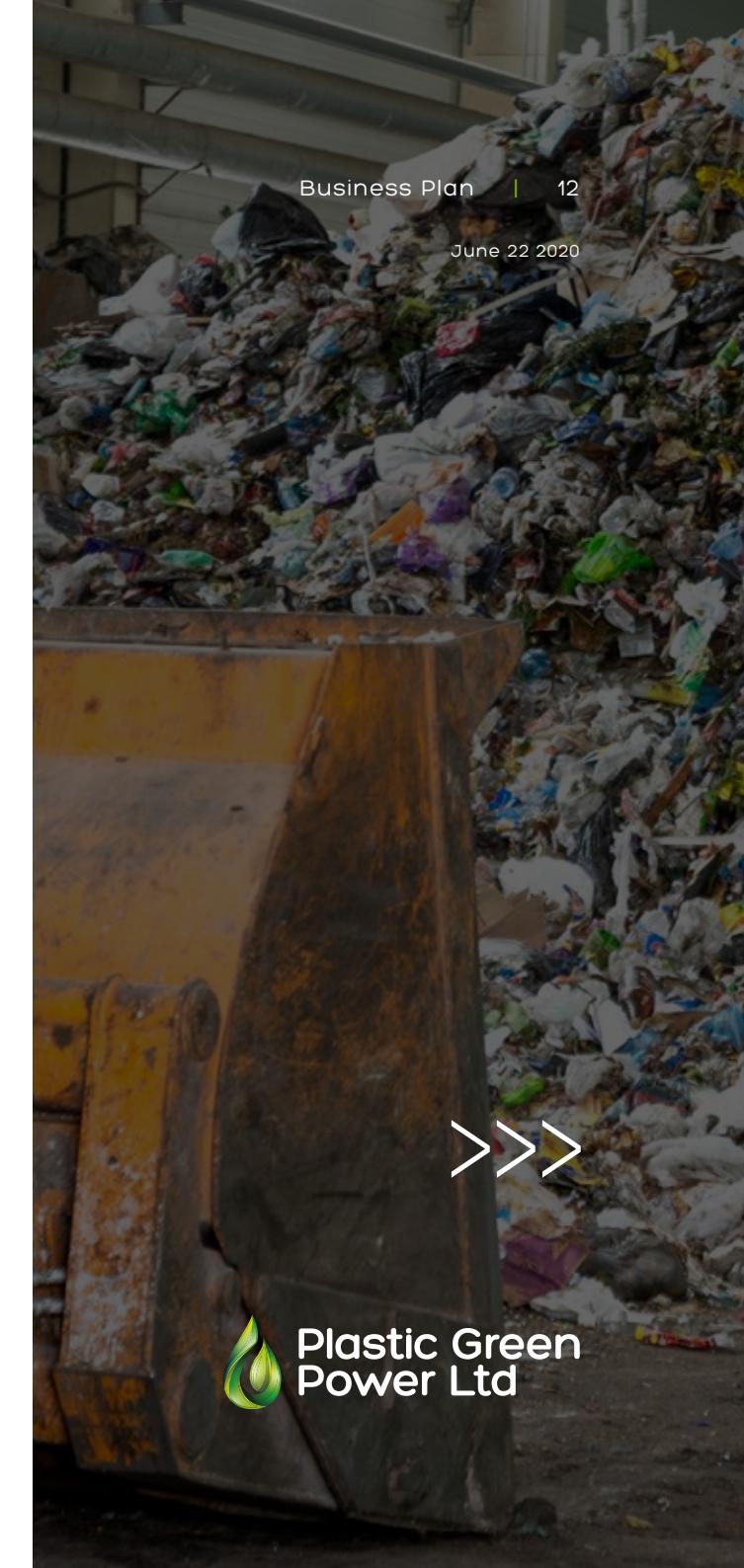
Not only is there growing demand for these types of project solutions, PGP is well positioned to leverage these opportunities fast by having pre-screened sites with draft terms in place to progress contracts.

2.4: What about regulations?

PGP is already aligned with UK legislation on carbon emissions and recycling targets. Once additional recycling incentives take hold, such as the Plastic Packaging Tax and Green Gas Levy, PGP becomes an even more attractive proposition. Further regulatory changes benefit PGP:

- Export taxes on refuse derived fuels (RDF) encourage more domestic processing.
- Incineration taxes and restrictions on landfill demand better use cases.
- Changes to national grid balance favours the use of gas peaking.
- R&D innovation grants/tax credits support the development of more sustainable technologies for future integration.

The global paradigm shift towards green capital calls for recycling technologies with a proven commercial and operational case, plus lower life cycle impacts assessment (LCA) scoring. This is a futureproof, sustainable concept.



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2.5: An integrated solution for the UK

The UK is among the most forward-thinking of the world's major economies in meeting the 2050 net zero carbon emissions target. The government has committed to ambitious recycling and sustainability targets, encouraging invention and innovation, giving investors EIS tax relief in PGP and the AMR projects, subject to final HMRC approval. Round 1 is focused on more proven solutions. This will build up PGP's track record, skills and resources to develop and deliver the more pioneering Round 2 expansion stage of 10 more sites.

PGP and its technology partners have the right phasing strategy for investors to benefit from gaining competitive advantage ahead of the changing market as well as getting EIS tax relief, subject to HMRC approvals.

Fully completed, these projects present the ideal response to the UK's energy challenges across two initial phases:

- Phase 1: AMR grading plastic rich residual waste, in addition we will build separate gas peakers that run on natural gas.
- Phase 2: PWGP decarbonising gas with additional stacking revenues / contracts.

Round 1 ring fences investment in specific projects via special purpose vehicles (SPVs), whilst preparing for future integration benefits.



Site - Reading

SPV 1 - AMR :
SPV 2 - PWGP

Site - Aberdare

SPV 1 - AMR : SPV 2 - PWGP :
SPV 3 - 20MW GAS PEAKER

Site - Location N/E

SPV 3 - 20MW GAS
PEAKER

Investors are free to support both PGP and SPVs, covering these phases and sites. Keeping phases initially separate de-risks investment, which in turn de-risks revenues (i.e. fees) to PGP over time so protecting seed capital investors also.

One of the initial sites, at Aberdare in South Wales, has the space and services in place to enable all phases to be integrated as a showcase site. It can potentially obtain Government grant funding towards the novel integration, provided that SPVs are structured to avoid double counting of public sector support via capital grant or revenue subsidy. Once demonstrated at such a commercial scale, PGP plans to roll the full system out to another 10 sites in the UK.

Following AMR and PWGP proof of integration, Round 2 sites will consist of providing energy directly to local industry through low carbon gas production, resulting in revenue generated through a Power Purchase Agreement (PPA), further reducing costs from being on the grid and obtaining lucrative contracts for the SPVs.

Proposed UK legislation will encourage precisely this kind of innovation within the economy. The Department for Business, Energy and Industrial Strategy (BEIS) are currently consulting industry on the Green Gas Support Scheme (GGSS), which relates to the 2020 Spring Budget announcement on the Green Gas Levy (GGL).

GGL is levied on users of fossil gas to pay for incentives to fund the projects creating the low carbon gas, using the GGSS revenue contract. Green Gas Certificates (GGCs) can be used to indirectly use bio-methane from the gas grid, produced by the anaerobic digestion (AD) of biodegradable wastes and residues.

The inclusion of the advanced thermal conversion (ATC) technology to convert residual Tier 3 low grade, mixed plastics to green gas, oil and char will make the whole integrated system more innovative and market leading.

3: Current project status

PGP has made strong progress towards key project milestones, ready to deliver the next stages of growth.

3.1: Key milestones

Stage 1 - preparation for financial close:

Key document	Status	Finalisation
Technical DD	Awaiting seed funding	Q3 2020
Commercial DD	Awaiting seed funding	Q3 2020
Full financial models	Awaiting seed funding	Q2 2020
Lease / freehold terms	Seed funding needed to place deposits	Q3 2020
Planning	Within existing use (except energy aspects)	Complete (for AMR manufacturing of fuels and chemicals)
EA Permit	Awaiting seed funding	Financial close and during construction phase

Stage 2 - project contracts and heads of terms (HOTs):

Key document	Status	Finalisation
EPC contract	Headline terms	Q3 2020
Equipment supply contract	Headline terms	Q3 2020
Fuel supply, 10 years	Agreed in principle (HOTs drafted)	Q4 2020
Plastics/chemicals offtake, 5-10 years	Commercially agreed in principle	Q4 2020
Waste/residuals offtake, 10 years	Agreed in principle (HOTs drafted)	Q4 2020
PPA, 10 years	Commercially agreed in principle	Q4 2020
Funding term sheet	To be managed by broker, HMT LLP	Q4 2020
Site lease, 20 years	Agreed in principle (HOTs drafted)	Q4 2020

3.2: Reaching financial close

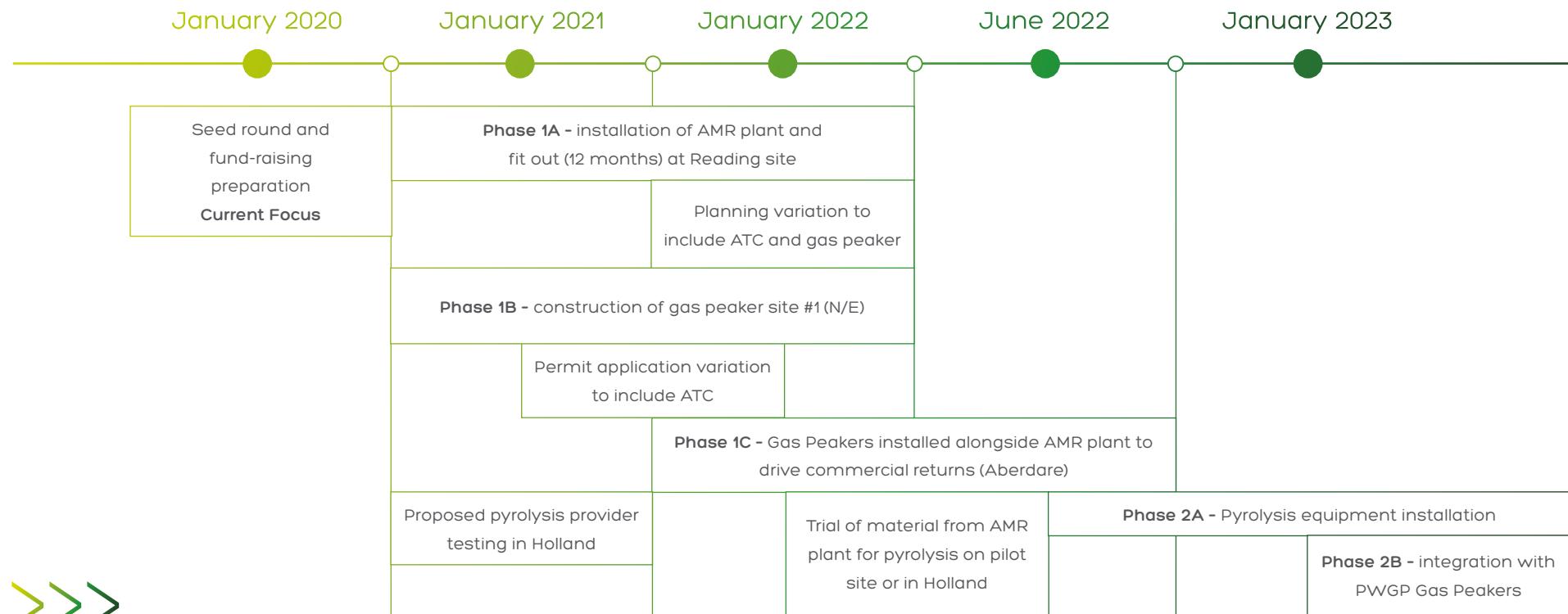
Towards contract completion and financial close, PGP will carry out technical and commercial DD, using independent advisors and reports to support SPV investment:

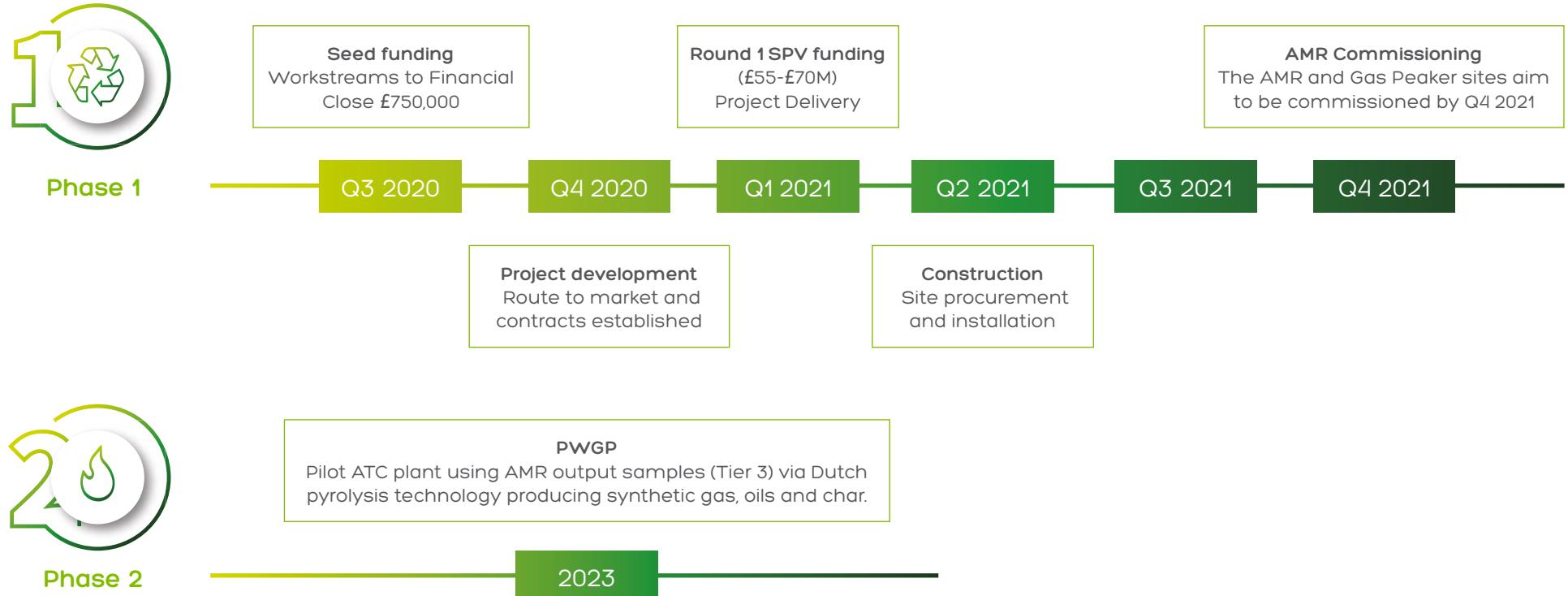
- Detailed financial modelling ensures a robust investment case for the initial projects, providing attractive returns.
- Legal agreements will be drafted with engineering procurement and construction (EPC) providers and other contractors.
- Feedstock/fuel supply, offtake, and power purchase agreements (PPA) will be drafted with selected counter parties, building on existing HOTs.
- Fundraising will commence, with information memorandum (IM) drafted for investor meetings towards negotiation of investment terms.
- Fees for all workstreams will be negotiated to minimise exposure to PGP via contingency arrangements.
- Key tasks are highlighted within each of the workstreams and will be agreed with all parties.
- Tax recoveries will be sought (R&D tax credits) along with grant funding. This builds on existing analysis, applications and development of novel plant integration and optimisation methods for all technologies.



3.3: Beyond financial close

Focus for the initial projects and longer-term goals





Fees from financial close and operations of projects will fund development of further projects across 10+ sites, including preparations for innovative added value solutions to attract stacked revenues.

PGP's experienced and expert management team has a track record of delivery in energy generation, recycling and infrastructure projects.



4: PGP company structure



PGP owns 90% of the trading subsidiary, PGE, which helps ring-fence and de-risk investment while complying with EIS rules.



4.1: Our core team

With our technical partner, Reliagen, PGP have over 100 years of combined experience in renewables, power generation and waste recycling.



Sean Lindgren
Founder & CEO

- 20 years' corporate experience in utilities.
- Senior management at Tiscali, BT, Securicor Rhapsody, Toshiba, Panasonic and Mercury Communications.
- Designed and project managed gas peaking projects and large-scale solar arrays.
- Instrumental in developing teams for designing gas peaking power plants at various stages of due diligence.



Nicholas Dimmock
350PPM - Investment Advisor

- 13 years' environmental project development experience.
- Founded 350 PPM Ltd, the environmental private equity house in 2015, with Tim Hyett (FCISI).
- Responsible for a pipeline of over eight utility-scale environmental projects across Chile and Mexico.
- Involved in the creation of ongoing emission reductions for over 9 million tonnes of CO₂ emissions per annum.



Mark Christensen
Chief Technical Officer (CTO)

- Over 20 years' experience in complex technical project development.
- Founder and Director of PGP's technology partner, Reliagen.
- International specialist in biogas, biomass, refined fuel production and advanced mechanical recycling (AMR).
- Led consortia bids for the PFI era of waste contracts, tech fundraising and business case development.
- Expert witness on EfW schemes and commercialisation opportunities for biochemical production.



Martijn Beerthuizen
Technical Advisor

- Lecturer in heat engineering, Kharkiv State University.
- 10 years' experience developing fuel and emission reduction technology.
- Assists companies, industry, NGOs, and government with implementing renewable energy solutions.
- Global experience competing in tender programmes.



Patrick Agese
Energy Markets Advisor

- Eight years' experience in clean energy.
- Involved in developing over 15 MW of green energy generation plants such as energy from waste, renewables, and energy storage.
- Contributing member of the Institution of Engineering and Technology (IET).
- 1st class degree in green energy technology, currently completing a PhD in energy engineering.



Stephen Burnett
Financial Advisor

- Over 30 years of wide-ranging practical experience as a project manager and financial analyst in the development of renewable energy and other environmental infrastructure.
- Specialises in investment due diligence as well as the creation and management of financial models.
- Recently supporting some of the UK's largest environmental companies as lead financial modeller in their bids for PFI/PPP contracts and with re-negotiations post-award.
- Worked with numerous developers to help finance their ventures and to establish them commercially.



4.2: Advisory team (AMR)

Paul Winter

Project Director

- Over 30 years' experience in the construction sector managing major complex projects.
- These have included airports, power stations, and roads including developing international management systems at corporate level.
- Focused on energy from waste facilities.
- His experience also encompasses the construction of gas fired power stations and other large-scale developments.

Tim Sutherland

Project Engineer

- A mechanical and manufacturing background specialising in process optimisation and energy.
- Low carbon industry and renewable technologies experience, taking lead roles for PLCs and public sector.
- Supports clean growth ventures to resolve technical, commercial and resource barriers on behalf of academia, developers, business and investors.

Peter Thomas

Technical Manager/Compliance

- 20 years' experience in waste management, was Managing Director of Bristol's largest privately owned waste management business.
- Registered assessor for statutory certificates of technical competence (COTC), providing advice and mentoring to businesses.
- Specialist in environmental permitting work and general waste contracting business as well as interim management for operational waste facilities.



4.3: Advisory team (gas peakers)

Glyn Jones

Head of Engineering

- Highly experienced business leader and power engineer.
- IET-accredited, with unrivalled electricity distribution and supply industry expertise.
- Former Director of Midlands Electricity PLC.
- Utility connections expert with extensive industry network.
- Large scale business acquisition, merger, and disposal track record, as well as being a business turnaround specialist.

Wayne Askey

Senior Engineer

- Highly experienced multi-utility infrastructure designer and project manager, former British Gas and Centrica Senior Business Manager.
- Utility Business Director with a proven track record in technical compliance, technical advisory and engineering implementation.
- Commercially adept, with a track record in managing subcontractor networks and suppliers.

Alan Edwards

Development Project Partner

- 32 years employment in the electricity industry, Senior Manager since 1990.
- Consultant to the likes of Anglian Water and Sterling Power.
- Continual development of a portfolio of Northern-based generation and battery storage sites, working with technical support from Avon Utilities and Generation.

David Owen

Head of Finance and Commercial

- First-class utilities and DNO industry knowledge and experience, proven track record as Finance Director.
- Expert in financial cost and return modelling for generation portfolios, as well as stressed and distressed asset sales.
- Commercial skills and experience ranging from EPC and standard contract forms (JCT, NEC) to sale and purchase agreements.
- Business turnaround and improvement specialist.

Mathew Jones

Head of Operations

- 15 years' experience in the utilities and contracting industries.
- Business turnaround and improvement specialist with a track record in site development for generation plants.
- Experienced in the attainment and retention of industry accreditations (ISO, NERS) and implementation of associated management systems.



4.4: Advisory Team (marketing and investment strategy)



John Crosland
PR and Communications

- 15 years' experience in global B2B tech development and deployment.
- Award-winning expertise in developing high-performance digital communications teams.
- International experience in PR and comms for major technology brands.
- Deep, cross-sector understanding of how to drive conversation among targeted audiences.



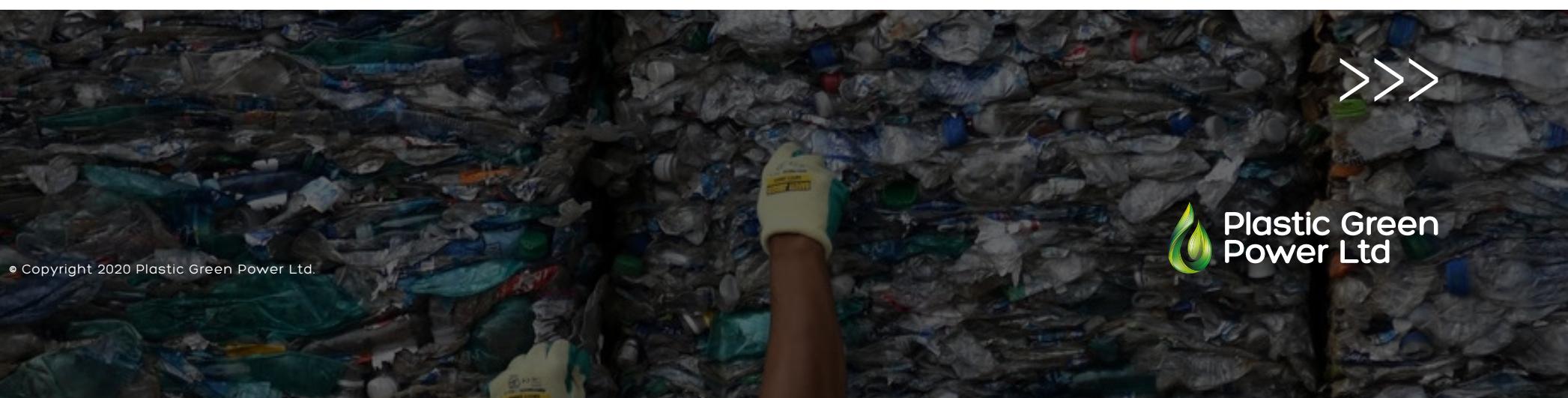
Gerry Westwood
Strategic Marketing Consultant

- Over 25 years' experience in marketing strategy and operations consultancy.
- Senior positions with Pepsico and Cambridge Assessment.
- Developed campaigns globally across the IT, fintech, healthcare, retail, manufacturing and education sectors.
- Chairman of the Cambridge 100 Business Club for senior executives.



Jake Baugh
Marketing and Investment Advisor

- Built full-scale engineering technology solutions for Rolls Royce.
- Speaker at the World Didac conference, Hong Kong, for the Bloodhound SSC and engineering.
- Led a project for Bristol's Green Capital Digital around waste recycling.
- Developing the automation of PGP's commercial investment strategy and digital interfaces.



4.5: Advisory partners

Alongside our core teams, our advisory partners provide specialist assistance.

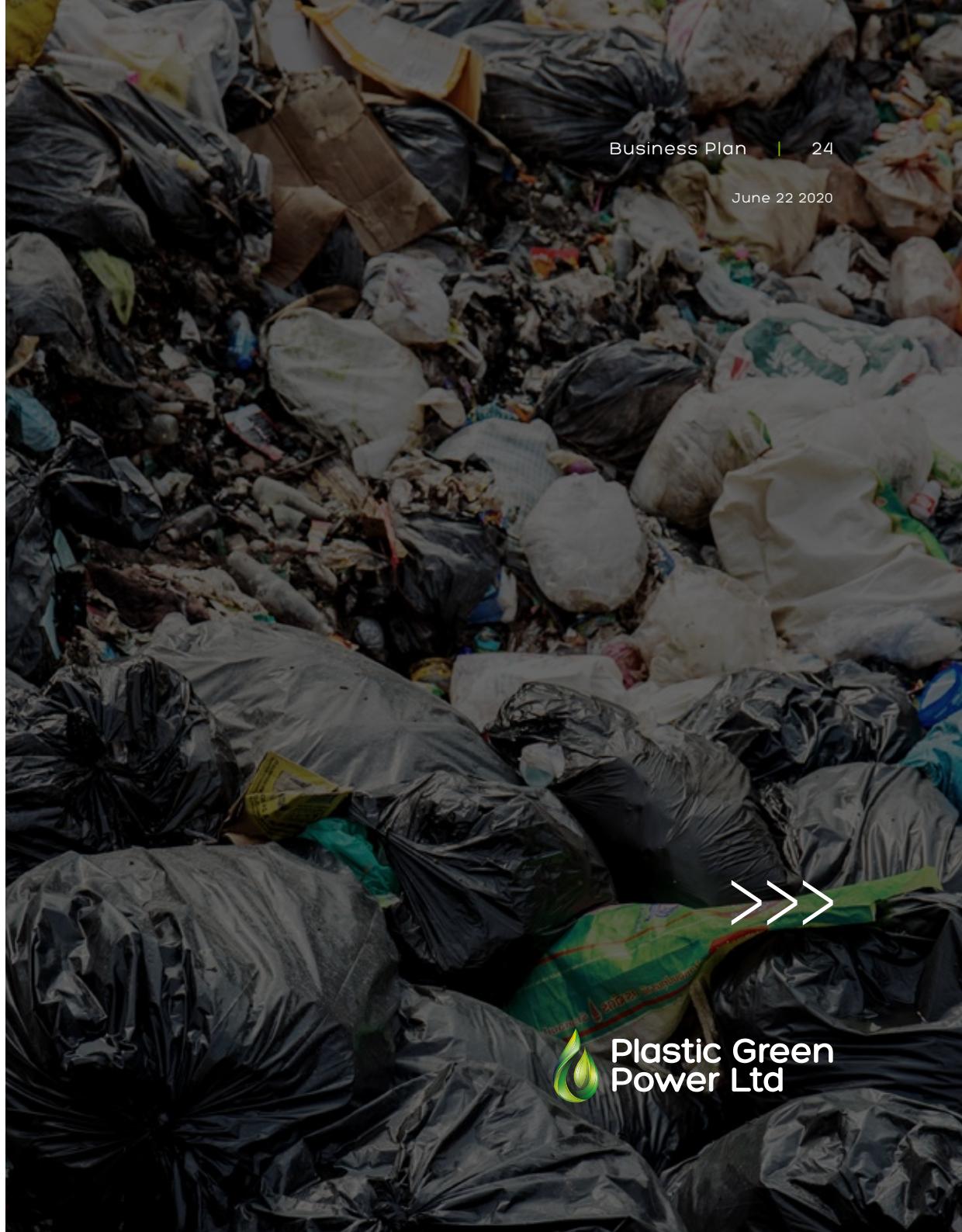
James Cowper Kreston LLP advises on tax structure and compliance. Through them, PGP investors are expected to be eligible for EIS tax relief of 30%, following the Advance Assurance application to HMRC. They also provide general accountancy support to PGP and its subsidiary, Plastic Green Energy Ltd.

HMT LLP provides financial advisory services to broker investment from suitable sources of capital for the special purpose vehicle (SPV) projects. The financial modelling and business case proposal documentation will be prepared by HMT along with support during the DD work to reach financial close. This will include definition and involvement in the negotiation of the various fees for PGP with prospective funders.

Freeths Ltd oversee the legal and commercial structure, advising on funding and development matters related to reach financial close. Including the financing and refinancing of energy infrastructure.

Resource Futures Ltd carry out the feedstock analysis and reporting on the waste suppliers into the AMR for optimisation and DD preparation. On-going verification will also be provided to validate supply to input specifications under contract, during commissioning of the AMRs.

Ricardo AEA Ltd provides independent DD technical advisory services to review the details of the process, inputs, outputs and commercial implications of complex infrastructure projects, such as proposed by PGP and its technology partners. Ricardo has specialist team members for the PWGP integration and will also help verify the chemical outputs and values.



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5: AMR in detail



Phase 1: Advanced Mechanical Recycling (AMR)

This advanced separation technology for automated sorting and grading mixed materials produces chemically similar feedstocks to be reprocessed. Only the lower mixed grades remain for energy production.

Experience with multiple international engineering companies on complex technical projects enables a commercial-scale process to be designed and delivered for dealing with plastics rich municipal, commercial and industrial waste. This incorporates more inventive steps to gain market advantage, ready to meet tougher recycling targets and fiscal incentives.

In recent studies by the UK's Environmental Services Association (ESA), affirmed by Viridor's CEO, Phillip Piddington, it is suggested that the UK will require an additional 200 AMR type of facilities to comply with recycling targets.

Competitors like Viridor rely on Councils hand separating plastics without using AMR technology, or they rely on human participation rates to produce 'commingled' materials for more basic mechanical sorting. They also incinerate the excess waste, still full of recyclables, producing significant carbon emissions.

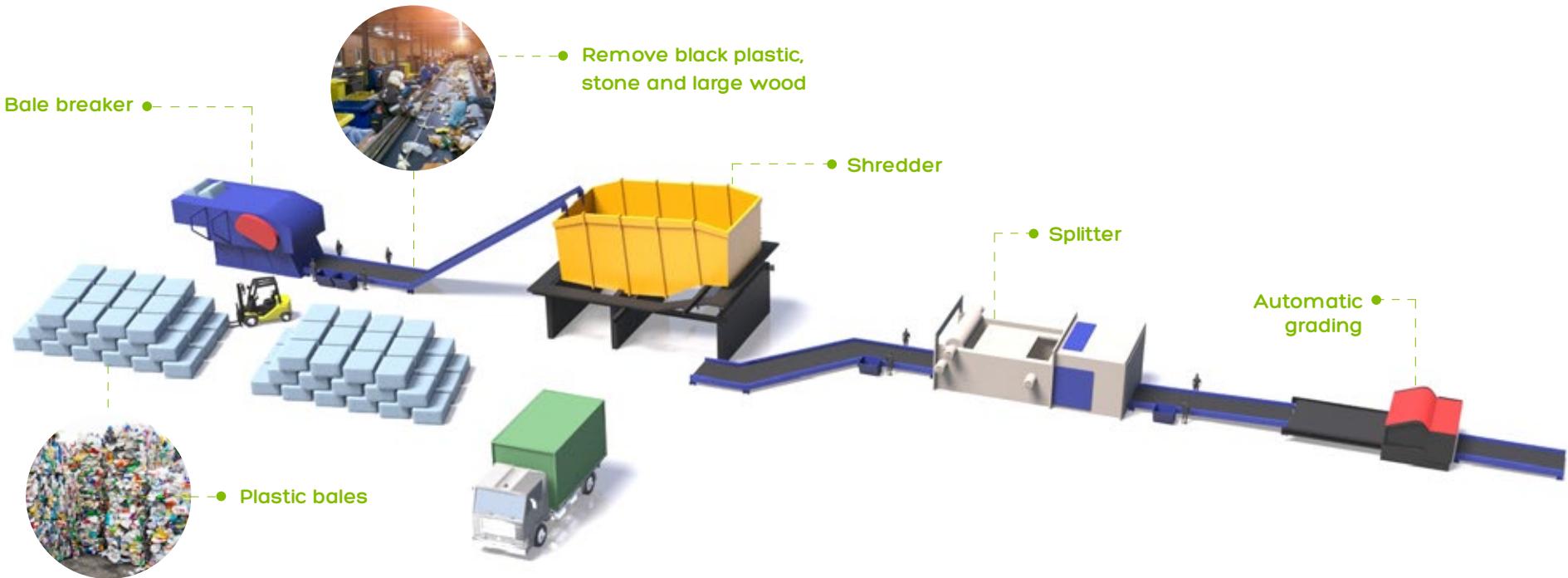
Separate gas peaker sites

The gas peaker sites have been developed through planning, gas and power connection consents, ready for investment. These will be standard reciprocating gas engines in banks of modular units, ready to automatically respond to grid demand. Delivery will be through a suitable main contractor.



**Project revenue from
AMR in excess of
£8 million
per year**

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Plastic bales are broken open and fed into the dosing hopper to remove the oversize and non-desirable fines.

A quality control picking station removes: black plastics, stone, large wood prior to automated ferrous and non-ferrous removal.

Throughput is split into two lines for the optical sorting of Tier 1, 2 and 3 plastic grades from paper/card and residues.

Tier 1 plastics are used to make chemicals such as PLAXX for use in plastic remanufacturing.

Tier 2 plastics and polymers are used to make lower granulate or pellets for remanufacturing.

Tier 3 plastics residue and mixed polymers will be converted to make low carbon gas to run PWGP engines, oil (e.g. for shipping) and char for steel making etc.



5.1: The status quo

Moving up the waste hierarchy, away from disposal and energy recovery, is limited when relying on manual sorting (subject to human error/participation) and source separation collections (high cost and high carbon). Advanced engineering solutions are needed for:

- Upskilling current recycling jobs,
- Recruitment of chemical engineers,
- Decarbonising the supply chain.

This can be achieved using monomers derived from emerging chemical recycling technologies, as identified by PGP and its technical partner, Reliagen.

Long-term reliance on mechanical recycling of plastics is hampered by the gradual thermal degradation of polymers. Over time, the mechanical heat involved in grinding and granulating material for melting back into plastic products and packaging erodes quality.

Public perception of reusing waste-derived plastics in food-grade packaging is also a superficial constraint. Both issues can be overcome through chemical recycling for remanufacturing, which also has significant lifecycle impact assessment (LCA) benefits and CO₂ equivalent emissions savings.

Gas engines are well established for combined heat and power (CHP) supply and can be competitively sourced to suit the gas peaker revenue contracts available per site. The details of these sites and contracts will be progressed during the DD process.

5.2: Our focus (AMR)

AMR facilities are focused on manufacturing rather than energy production, so they have legal precedence under the B2 Use Class category for planning consent on standard industrial buildings. This is similar to those used for distribution, warehousing and logistics for 24/7 operations.

This approach to modern, highly controlled, industrialised and automated recycling is exactly what the waste sector must embrace to unlock material value in established supply chains. Waste can be harnessed as a resource through technology solutions.

5.3: Other revenue opportunities (AMR)

In developing AMR sites around the UK, partners are welcome to discuss mutually beneficial opportunities including:

- Site co-location
- Waste supply
- Logistics
- Co-investment
- Utilisation of lower grade wastes for energy

There are many synergies and expansion options from this approach, including decarbonising transport systems linked to the facility supply chain, which further improves competitiveness.

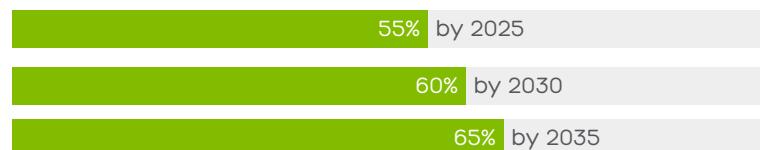


5.4: The global perspective (AMR)

Market dynamics are changing for refuse-derived fuel (RDF) export as countries like Holland and Sweden are taxing imported carbon-rich waste. Extra CO₂e emitted from incinerating plastics rich waste is significant and affects those countries' ability to decarbonise under the Paris COP21 Agreement.

Many of the UK and EU energy recovery facilities (ERFs) are nearing their 20 year lifespan, creating pressure to ensure local municipal solid waste (MSW) can be recovered in their domestic energy-from-waste (EfW) facilities, rather than using imported RDF/wastes.

Germany, Denmark and Belgium are also considering taxing imported RDF/waste. Modern ERFs are expensive and by having 25 year MSW contracts they constrain councils' ability to meet the higher EU Circular Economy Package (CEP) recycling targets of:



Tougher CO₂e reduction targets from the Paris COP21 Agreement took effect from April 2020, with the UK leading the EU towards their net zero target for 2050 also, known as the Green Deal.

The UK is currently stagnating on MSW recycling rates of ~50% average, so achieving the extra 10%+ means focusing on plastics, as well as food and garden wastes to make bio-methane. This plays into the Round 2 plans from 2023 when food waste separation becomes mandatory for Councils, so the biomethane produced through advanced anaerobic digestion (AAD) can be blended with residual plastic derived syn-gas to make low carbon gas for more sustainable gas peaker sites.

5.5: The output (AMR)

Our AMR process produces three grades of output stream:

- **Tier 1 plastics:** Polypropylene (PP), Polyethylene (PE) and Polybromide (PB).
- **Tier 2 plastics:** Polyethylene terephthalate (PET), Polyethersulfone (PES), Polycarbonate (PC).
- **Tier 3 plastics:** Polyurethane (PU), Polyvinyl Chloride (PVC), Polystyrene (PS), Polyamide (PA), ABS, PTFE, latex, silicone, etc. This includes black plastics of all grades.

Biogenic fractions of paper, cardboard and cartons will be sent to:

- Bioprocessing end users to make pure bio-methane for gas grid injection or compression to supply HGVs as transport fuel and to gas peaker engines.
- Resulting indigestible fibre / lignin rich residue can be turned into biomass fuel to supply EfW facilities looking for alternative sources of fuel to waste wood chip, which needs to go to recycling offtakers, i.e. panel board mills, due to tightening recycling and sustainability targets.

The AMR process is de-risked by using established input and output contractors, except for the Tier 3 stream, which aims to be turned into syn-gas via advanced thermal conversion (ATC) technology, such as being tested in Holland by one of PGP's partners. Until those tests are completed (before 2023), the residual Tier 3 material will be stored or disposed of to cement kilns or other energy intensive processes.



6: PWGP in detail



Phase 2: Plastic Waste to Gas Power (PWGP)

PGP's intention is to take the Tier 3 residual waste from its AMR processing and thermally crack it under temperature and pressure to turn it into synthetic gas, oils and char. This process is called advanced thermal conversion (ATC).

This gas can be blended with [bio]methane for green gas power generating engines like gas peakers. As an alternative, synthetic oil can be produced and will have a low sulphur content, used in shipping fuel to reduce emissions. The char can be used in energy intensive processes to blend with coke, for example. These end uses will be explored through trials using the Dutch ATC test rig, taking the Tier 3 samples.

PGP is exploring suitable technologies for the Tier 3 feedstock valorisation and plans to conduct tests, trials and pilot plant development with an established Dutch company, SophSys, under licence.

This company has a pre-commercial scale test facility in Holland, with laboratories, providing a scaled down version of commercial scale facilities that have been running for over six years in Bulgaria and were originally developed and proven for the Dutch military. UK government officials have also already shown interest in the technology.

The timeline to commence commercial scale delivery in the UK is 2023 after approval by UK regulators. PGP plans to have multiple modules installed at the larger target sites fully integrating the AMR and gas peaker system. This will be detailed as a de-risked step-wise plan as part of the Round 2 set of SPVs to be developed, ready for delivery over the decade.



Project revenue from
PWGP in excess of
**£1.5 million
per year**

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PWGP process flow

Tier 3 plastics and residue are received from the AMR unit and stored inside 32,000 tonnes per year (min.) to feed the pyrolysis system.

Shredder units prepare Tier 3 plastics to store inside a bunker unit, ready for controlled loading of the pyrolysis modules.

From the bunker unit, the shredded materials get transported via conveyor belts towards the reactor units and fed into each reactor at 1 tonne per hour.

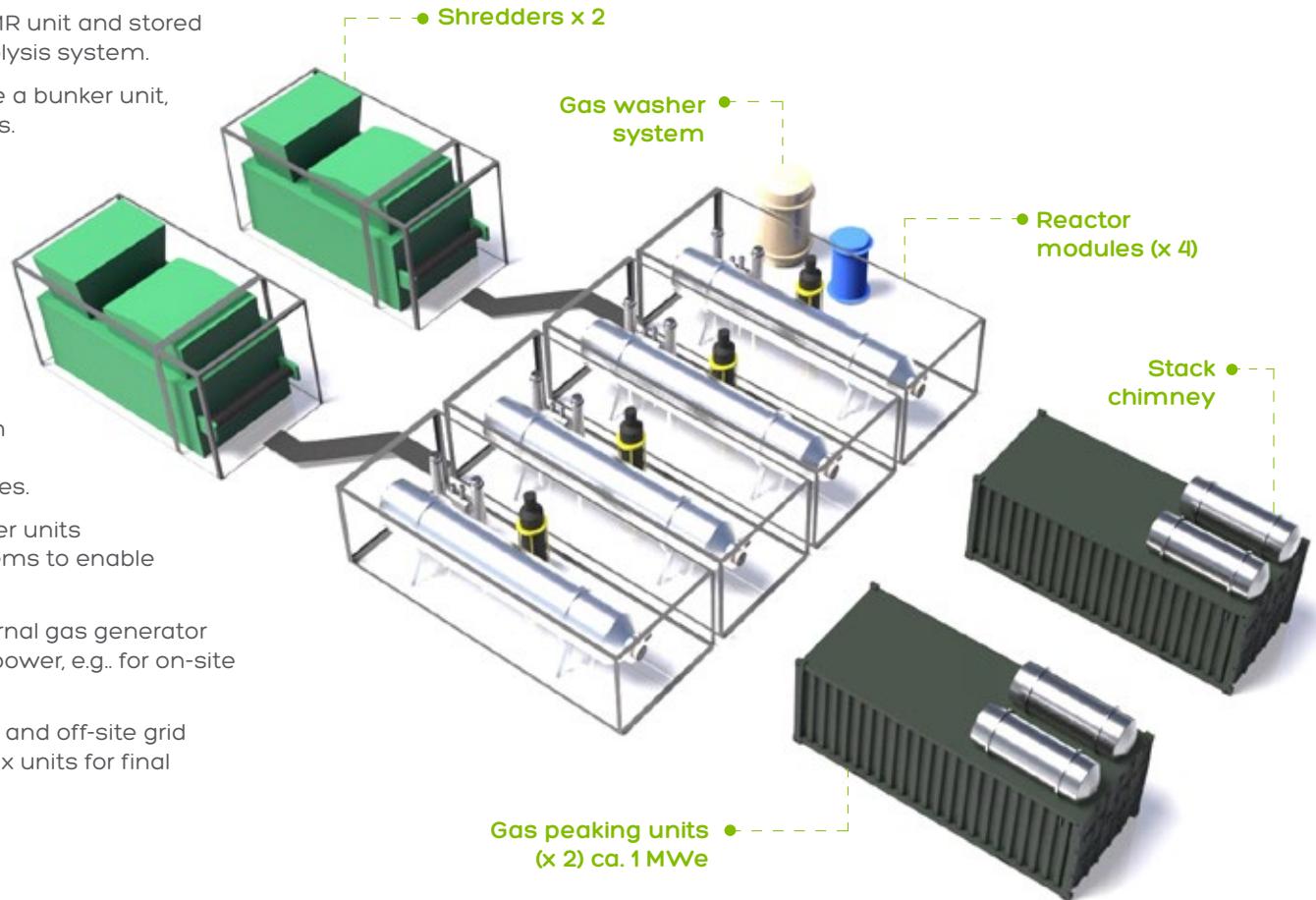
Inside the reactor the materials undergo the thermal cracking process (C3) for decomposition. Reactor core is between 200 and 900 degrees centigrade.

Gases released during decomposition of the materials are being recovered via the top extraction unit. Remaining char ashes exit the reactor via conveyor to ash collector bags for sale to third parties.

Extracted gases are sent through industrial scrubber units for cleaning. Then sent through water cooling systems to enable direct conversion to energy.

The cleaned and cooled gases are sent to the external gas generator engines operated at 0.4 MWh per unit to generate power, e.g.. for on-site use (AMR).

Power is sent to an external transformer for on-site and off-site grid transmission. Exhaust gases are run through DeNOx units for final cleaning to comply with standards and regulations.



6.1: Electricity generation from low-carbon gas

According to Aurora's H1 report (December 2019) the flexible energy market is forecast to grow by 310% by 2040, which is increasingly relying on renewables. This points to the increasing need for gas peakers and forms of energy storage as well. PGP is looking into adding energy storage technologies in Round 2.

The attractiveness of the PGP proposal is that it represents an end-to-end process. AMR processing to low-carbon gas feeds peakers, balancing the national grid and also the option to direct green power to large, nearby energy consumers.

Peaker plants boast a range of features:

- Engines that turn low-carbon gas into electricity,
- Can operate both on or off grid,
- Ability to store energy in batteries to boost peak output potential,
- Peakers are highly efficient with a low switch-on price,
- Gas peaker installations are proven, commercially and technically,
- Can be located adjacent to high-demand sites.

The Capacity Market (CM) contracts have been put into place by National Grid to enable generation and energy storage infrastructure to meet the energy gap between supply and demand. These run for 15 years (plus CPI) and help underpin more merchant / short-term contracts and arbitrage / trading revenues.

Energy derived from fossils fuels is being cut back and only used as backup to renewables in supplying the grid. Coal power will cease to supply the National Grid by 2025, and reliance on nuclear power generation is gradually being reduced.

The balancing services market is a long-term market required to ensure that National Grid can maintain the system frequency for both short term and transient events on the UK grid.

In addition, the UK has to continue to try and meet its target for the connection of renewable energy and low carbon generation to the UK grid. Based on this, the current market is a strong opportunity for gas peakers that can also become increasingly co-located with energy storage as wind power generation doubles over the next 10 years.

Some sites will be large enough to accommodate phases one and two on the same site, for full integration. Pre-screening of such sites has commenced to ensure a pipeline of business for PGP, ready for Round 2 fund raising.



7: Initial key sites in detail

PGP has short-listed three ideal sites ready to progress DD and secure development assets under Round 1 fund raising.

10 further sites have been identified as having strong potential for future development, ready for Round 2. The fully integrated larger sites are expected to yield a total revenue of over £16 million per year, with all phases of development and technology in place.



Integrated site revenues in excess of £16 million per year.

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Plastic Green
Power Ltd

7.1: Reading (AMR)

Our Reading site is ideally positioned to kick off phase one as a dedicated AMR facility, near to existing waste management and biogas production facilities. The location provides good access to waste arising from London, the South East and surrounding counties, large towns and cities.

Two miles from junction 11 where the M4 meets the A33, served by the South Reading Mass Rapid Transit route, it's optimally placed to receive regional deliveries and process the part-processed residual waste and RDF to grade waste plastics for valorisation.

Fast turnaround of deliveries and space for loading offtakers is essential for a competitive service and to build confidence in the market for future AMRs. Grid connection allows for future on-site, small gas peaker and potential ATC pilot plant, subject to Planning and Permitting amendments.

Lease highlights:

PGP have secured a 20 year lease for the site, with a tenant only break option at year 10. HOs are agreed, ready to conduct property checks.

Rent sits at £11.75 per ft², totalling £1,498,125 per annum exclusive. This is balanced by the negotiation of 12 months rent free, granted via 24 months at half rent. This reduces cash flow constraints during installation and commissioning, supporting the ramp up of operations.

Looking to the future, rent is to be reviewed at the end of the 5th, 10th, and 15th years. Reviews will be conducted as the higher of an upwards-only open market rent, or an RPI annually compounded increase with a collar of 2.0% and a cap of 4.0%.

This is standard practice for modern industrial premises, which have all the as-built digital documents for process design and environmental Permitting.

The Reading site offices have suitable size, location and expansion space to house the PGP head offices, via a sub-let from the SPV and/or to third parties for additional income. The SPV has a full data room of documents, ready for DD to commence.

Revenue

2021	2023
Phase 1, AMR: £8 million (p.a.)	Phase 2, PWGP: £1.5 million (pilot)
Solar PV roof-top with energy storage & small gas peaker: £1 million	



7.2: North England (gas peaker)

Our site in Northern England houses a 20MW gas-fired peaking facility, located right next to a local 33kV / 11kV sub-station. Better yet, it's close to a pre-existing medium pressure gas supply. The site has a document data room ready to go.

As of June 2018, the National Grid has committed to new, low-voltage (11kV rather than 33kV) black start providers to be contracted for three to six-year terms. These are able to restart supply after a third-party supplier breakdown without the need for external feeding, such as via interconnectors.

Revenue

2021	2023
Phase 1, AMR: £4 million (p.a.)	Phase 2, PWGP: £1.5 million

7.3: Aberdare (full integration)

Our third key site lies only eight miles from junction 32, where the A470 meets the M4. Located within the prime infrastructure of the Aberaman Industrial Estate, Cardiff and Swansea are only 21 and 25 miles away respectively. This provides a low-cost freehold opportunity with space to run the fully integrated phases and SPVs all on one controlled ownership site. There's also space for future bio-methane production.

Aberdare qualifies for assistance under the Regional Selective Assistance (RSA) programme, making an attractive location eligible for grant support. The site's three main warehouses can be adapted and subdivided to suit PGP's needs and phasing, with ample loading and storage space to ensure efficient operations. Rental income from third parties is also available by leasing the spare parts of the building, prior to enabling phased expansion of PGP's plans.

Earmarked for a second 20 MW gas peaker, Aberdare can also house phase two PWGP operations over time, unlocking the same efficiencies as the N/E site.

Revenue

2021	2023
20 MW gas peaker: £4 million (p.a.)	AMR: £8 million
	Phase 2, PWGP: £1.5 million

8: Risk assessment

PGP has been fully assessed as an attractive market prospect, with on-going commercial and technical DD preparation ensuring we stay ahead of emerging global trends by adopting market disrupting, proven technologies.

8.1: Coronavirus

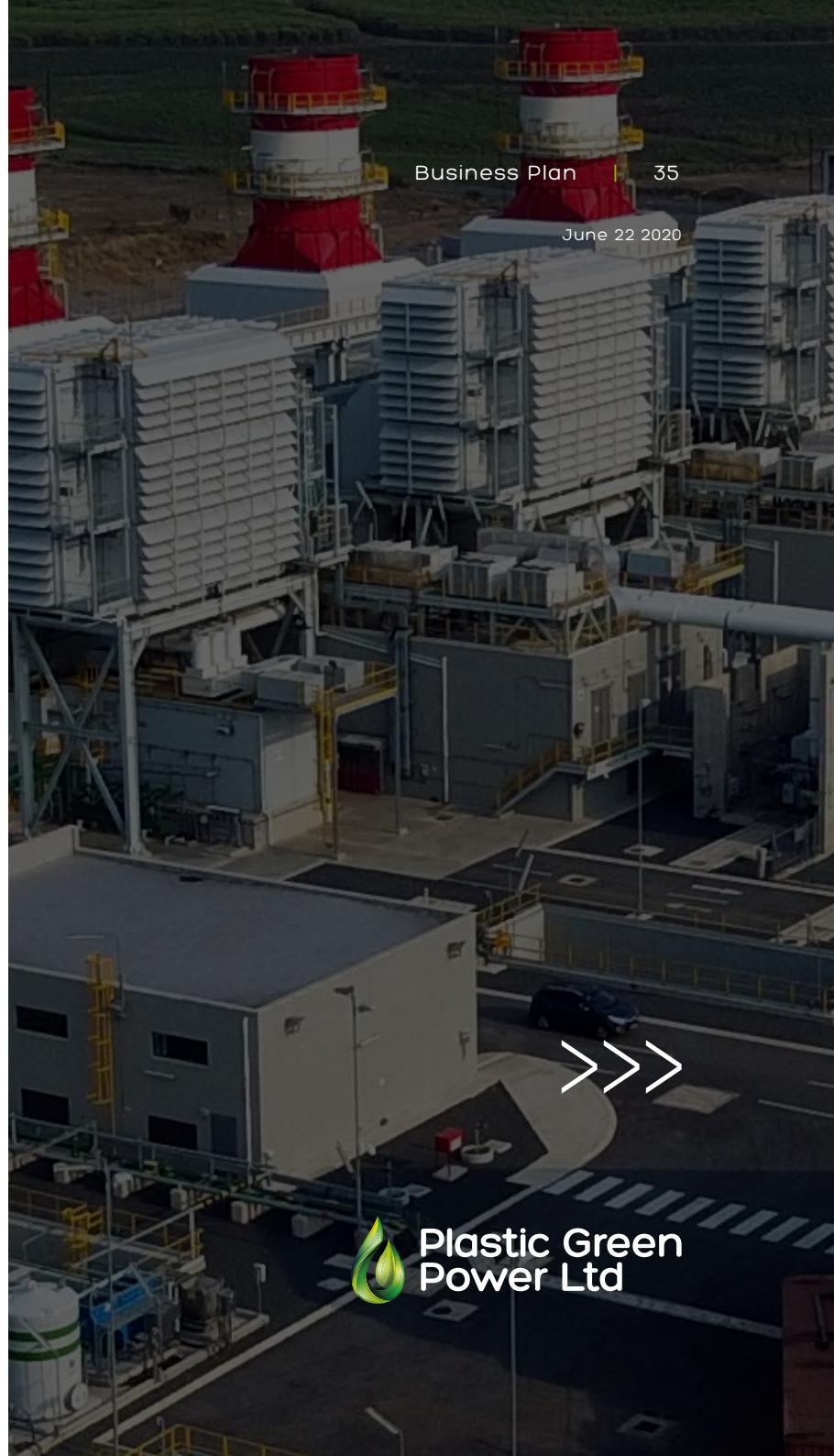
The pandemic impacts councils' ability to recycle 7 million tonnes of household waste and 10 million tonnes of industrial waste (House of Commons Library, 6 April 2020).

This risks more waste than ever going to landfill, making PGP's AMR to low-carbon gas solution very attractive. Budget pressures mean that competitive, automated solutions are desperately needed to avoid the high costs of incineration or landfill.

Energy is a critical enabler of prosperity; yet oil and gas prices have plummeted while energy demand from households has increased. This is being managed, as industry demand has fallen significantly. This makes the spark spread even more profitable for gas peakers.

Even with changes in the weather and the seasons, energy supply will continue to be stable and reliable (National Grid, 25 March 2020). This is still going to get harder to achieve over the coming years, making gas peakers essential.

Post COVID-19, public attitudes to pollution and usage of fossil fuels have already moved further towards greener solutions, with cross party MPs asking for tougher environmental regulations (The Guardian Report on Environmental Controls, 1 May 2020). Either way, the UK has legally committed to the Climate Change Act (2008) for net zero by 2050, toughening from 2023.



8.2: Competition

Across the scope of our fully realised AMR and PWGP operations, competition in the UK is all but non-existent...for the moment.

Companies like Viridor and Biffa don't use AMR to separate high-grade plastics and incinerate the excess. Kew-Tech are producing synthetic gas from plastic waste, but on a small scale and aren't involved in recycling waste or AMR to maximise stacked revenues and achieve more decarbonisation. Viridor recently announced a very similar AMR project in Scotland making chemicals from plastics, so PGP's vision is clearly a viable and market leading business opportunity.

PGP is the only company proposing an end-to-end valorisation process:

- Taking plastic rich waste intended for landfill or incineration,
- Recycling plastics by grading for further use and chemical remanufacture,
- Thermally converting residual mixed waste into low-carbon gas to feed gas peakers, rather than incinerating the excess is an inefficient technology at excessive cost.

The kind of mechanical recycling most incumbent waste companies practice is held back by expensive source-separation collections, relying on the human eye to control quality.

Output quality can be damaged by thermal degradation or contamination of input materials with other polymers.

The AMR uses near infra-red (NIR) detection and sorting machines to achieve >90% quality in Tier 1 and 2 materials in a fully automated process.

The on-site chemical recycling of graded AMR Tier 1 output (PP & PE) protects the quality and consistency of the end product, enabling repetitive remanufacturing.

This is a clear competitive advantage and PGP is at least 12 months ahead of anyone else doing this at scale in England. The thermal cracking of plastic into chemicals is a novel solution and PGP with Reliagen have been in detailed discussions with UK and German technology providers to integrate with the AMR Tier 1 output on-site. Viridor are using a Spanish chemical recycling technology.

Having a multi-module system of chemical recycling on site ensures the process can be better controlled with less risk of reduction in quality or throughput.



8.3: Intellectual property

The NIR technology proposed for our AMR sites is proven technically and commercially through cutting-edge European recycling facilities.

The process of grading for added value recycling and remanufacturing is deemed to be innovative enough for IP protection so our technology partner, Reliagen is applying for a patent, which will be licenced to the SPVs in due course.

Our team is up to speed with the latest developments in advanced thermal conversion (ATC) technologies, subject to independent DD in due course.

Preparations are underway to scale up and de-risk the multi-module approach for producing a low carbon synthetic gas and blending for optimal performance of gas engines, whether peakers or base load.

PGP has a global network of relationships to license and deliver the best IP to meet the UK's economic, social and environmental challenges.

8.4: Market gaps

PGP's unique combination of project sites and technologies has been formulated to take advantage of a number of promising market opportunities.

Local authorities struggling with tough recycling targets need competitive automated solutions to cope with the large volumes of plastic rich residual waste, like AMR.

Chemical recycling of graded AMR output gives us a premium product to leverage those prices as the UK Plastic Packaging Tax comes in.

The UK's looming energy gap and net zero carbon ambitions mean PGP will be among the first to market with low carbon gas peakers to plug that gap. Rapid delivery of proven technology ensures lucrative returns from energy generation.

Big businesses struggling with their own tough carbon targets and high energy costs will welcome the option of having their own green energy needs met with savings on their PPA. Again, PGP is ideally placed to be among the first to provide this decarbonisation solution.

8.5: Legislation

PGP is ahead of the game in terms of UK legislation. Radical changes in the 2020 Spring Budget geared towards a 2050 net zero carbon target only make our projects more viable and more futureproof:

- A Green Gas Levy (GGL) to encourage biogenic and low-carbon gas on the grid is very much to our advantage, as the low-carbon gas is expected to be 60-70% biogenic.
- Green Gas Certificates (GGCs) ensure suppliers have a healthy percentage of renewable supply in their portfolios. Critically, these certificates are traded separately to the supply itself, so allow indirect use of bio-methane to blend with the syngas for the specific gas engines.
- The Plastic Packaging Tax (PPT) is levied on packaging in the UK (imported or produced) with less than 30% recycled plastic content, to the tune of £200/tonne, making high-quality recyclates a growing challenge.
- The EU Circular Economy Package (CEP) is being transposed into UK law ahead of Brexit, which requires increasing municipal waste recycling of:
 - 55% by 2025
 - 60% by 2030
 - 65% by 2035
- The CEP also requires packaging waste recycling targets to be increased to:
 - 50% recycling of plastic packaging waste by the end of 2025
 - 55% by the end of 2030.

Otherwise fines of £1,300/tonne will be imposed after 2024 across the EU under the extended producer responsibility (EPR) schemes.

We're already aligned with the spirit of government ambition. Once these measures take root, investors will feel the added benefit of early adoption.

9: The investment case

PGP are seeking a **minimum of £750,000** in seed capital funding to bring DD to financial close to enable the delivery of 3 sites as Round 1, aiming for an 8X money multiple return on investment after five years.

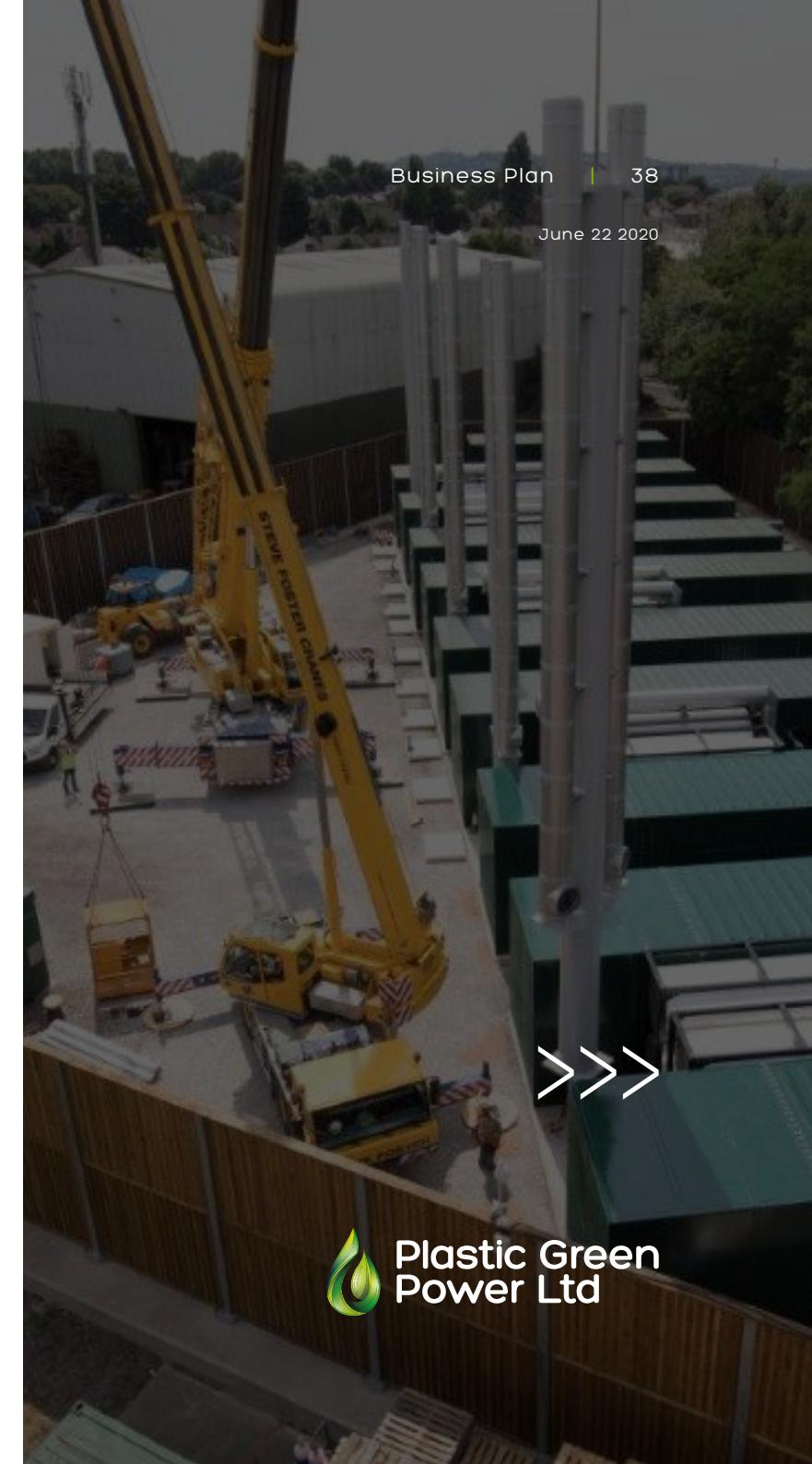
The current seed round is offered at 28p per share, giving a 21% stake in PGP, and is expected to come within the EIS funding cap for PGP, providing a 30% income tax relief for UK investors.

9.1: Funding requirements: £750,000

- Site surveys, searches & compliance: £35,000
- Permitting: £110,000
- DD by independent technical / commercial advisors: £115,000
- Marketing & stakeholder engagement: £45,000
- Legal, tax & financial fees: £225,000
- Staff overheads, site deposits & contingency: £220,000

When seed capital is obtained, detailed development can begin on the three sites once deposits are placed, so enabling final costings and progression to contracts from heads of terms. This will secure the basis of the SPVs to reach financial close and legal completion for the phase one AMR and gas peakers, leading into testing of the residual Tier 3 outputs from plastics separation and grading ready for phase two ATC into low carbon gas to blend for the next set of integrated power plants.

Round 1 investment is for £55-70 million, subject to DD completion and choice of final sites. This will be non-recourse project finance.



Investment

Project finance investors in the SPVs are free to choose to support either phase and type of SPV, or in a combination of all initial projects, leading to Round 2 further expansion and valorisation solutions, after 2023.

Once these initial projects are brought to financial close over Q3/4 2020 and installed in 2021, PGP will continue to manage the sites for the entire life of the assets. This provides monitoring fees to PGP, whilst also ensuring optimisation insights are taken forward to Round 2 sites. The Round 1 funding split is as follows:

- AMR of plastics (90 ktpa, Reading): £12 million
- Gas peaker (20MW, Leeds and/or Derbyshire): £12 million
- Site purchase (Aberdare): £5 million
- Gas peaker (Aberdare): £10 million
- ATC plant (combined with Peaker): £4 million
- AMR plastics plant (Aberdare): £12 million

Seed capital funding will be used for:

- Technical and commercial DD, including assessment of third-party advanced thermal conversion (ATC) technology.
- Full financial modelling and contract drafting.
- Tax structuring and legal compliance.

This covers third party fees for these professional services. Stage payments will be structured and linked to successfully achieving financial close to incentivise service providers in a timely manner, sharing risk.

Where possible, success fees to professional advisors will be capitalised in the project finance per SPV at financial close, along with any on-going third party fees from commissioning oversight / compliance.



The UK sends
3.2m tonnes
of waste to landfill annually¹

>>>

1. <https://www.gov.uk/government/statistics/local-authority-collected-waste-management-annual-results>

9.2: Returns for PGP investors

Initial projects are part of a wider programme of over £300 million in infrastructure development, with 10 or more operating sites deriving potential revenues from:



These will be negotiated with investors ahead of financial close. Initial projects are set to generate enough return to cover PGP development costs for each SPV, investing in future project development, driving more growth and returns.

PGP will continue to seek tax efficient status, such as via EIS and grant funding to improve returns.

Recent changes to EIS rules mean energy generation can't obtain this form of tax relief. However, AMR potentially can, alongside the development side of the projects involving knowledge intensive investment, subject to EIS approval from HMRC.

EIS Advance Assurance status is being sought from HMRC, de-risking investment by up to another 30% with significant downside protection.

Refinancing of the initial projects in 2022, following commencement of operations at all sites, improves returns to investors and may generate preferred returns to PGP.

The PGP forecasts do not include dividends or preferred returns from taking shareholdings in the SPVs, at this stage, but will be negotiated with project funders, with all equity parties benefiting from refinancing after 3 years of SPV accounts.

Forecasts assume that projects can be reinvested at zero NPV at the end of their 20-25 years life, or that sale of the interest in the sites offsets any decommissioning costs. So far, no preferred returns have been included in the forecasts for PGP from SPVs, but will be detailed during the DD stage.



The current seed capital raising for PGP is at 28p per share, giving a 21% stake in PGP and is expected to come within the EIS funding cap (£5m total in year 1, limited to £500m per personal investor) for PGP, providing a 30% income tax relief for UK investors.

All PGP returns are subject to providing a commercially viable return to investors in the development projects, SPVs, subject to agreement with project funders. Costings and forecasted revenues remain subject to DD, commercial agreement of terms, power price, market prices and capacity market/balancing mechanism market prices.

Unleveraged investor returns for AMR facility and a 20 MW gas peaker bank at 10-15% IRR

9.3: Exit options

Exit opportunities remain flexible, depending on the status of completed projects in 2025/6:

- As a preferred return and recurring fees business, PGP could be sold in a trade or private equity/pension fund investor sale.
- AIM or stock market listing is an option, with a strong pipeline of future development projects.

PGP expects a valuation on exit to be over £2 per share, based on a discounted cash flow.



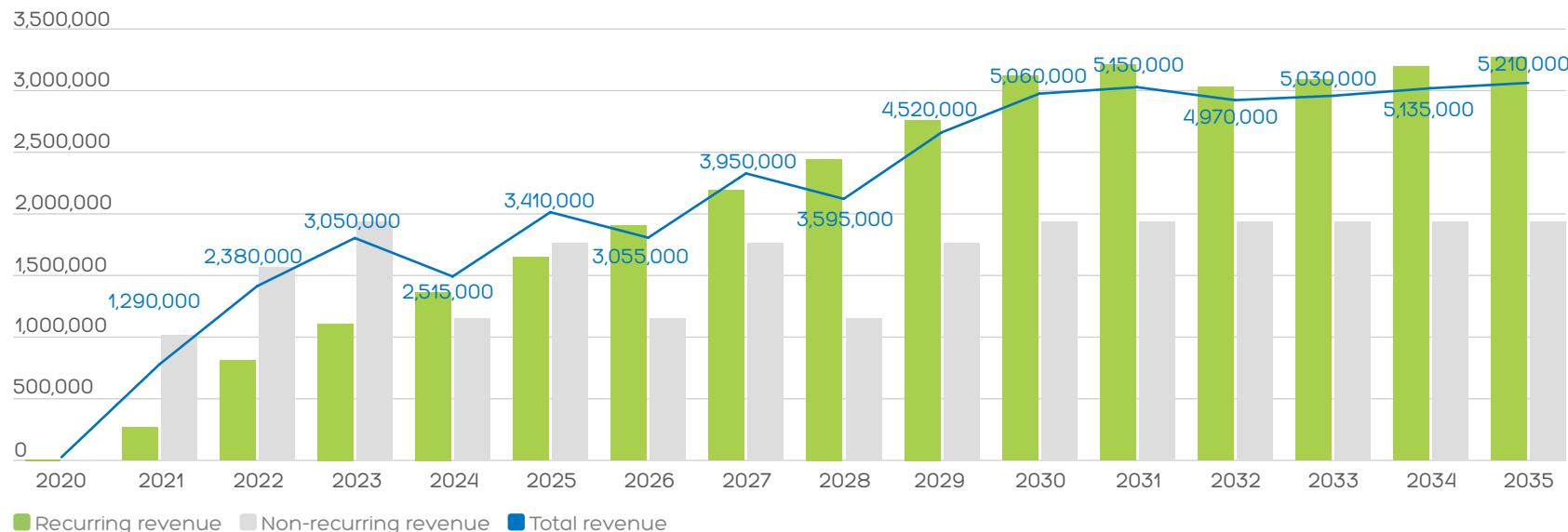
Returns for PGP investors
are forecast to be an
**8x money
multiple across
after five years**

>>>

10: Financial modelling

Revenues comprise recurring and non-recurring elements. From FY26 recurring revenues will exceed project success fees providing a strong stream of recurring cash flows for further project development and growth

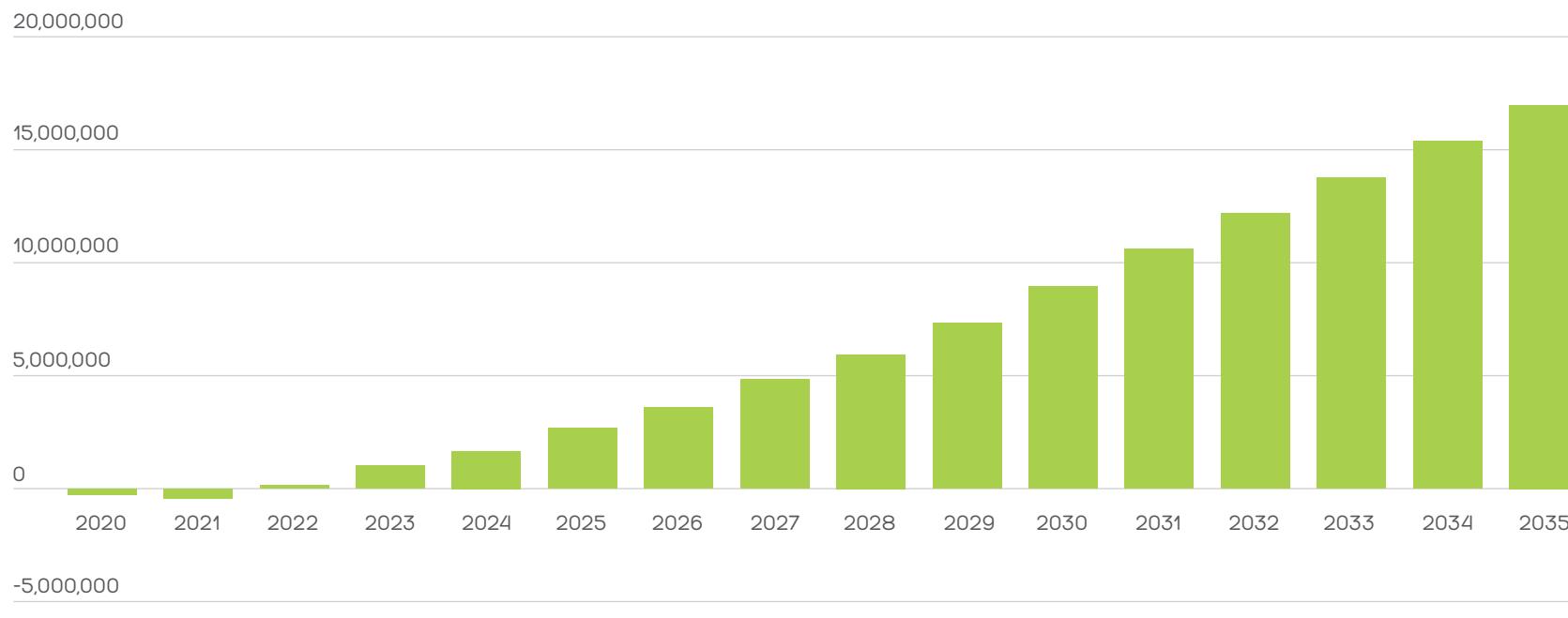
10.1: Annual revenue profile



- Annual revenues grow through the forecast period with recurring revenues building to ca.\$m per annum by FY30.
- Initial non-recurring revenues are driven by financial close being achieved with peaks as projects are completed or reach agreed milestones.
- Revenues do not include any carried interest or preferred returns for the developer on top of the initial and monitoring fees. Carried interest and preferred returns will be negotiated with project funders and will provide further income to PGP.

10.2: Annual cumulative retained earnings

PGP builds retained profits steadily over the forecast period which can either be reinvested or distributed. Recurring revenues form the platform for this continued growth from FY22



■ Retained profit

- Initial costs of developing the projects are offset by fee income driving a growth in retained earnings. These potentially distributable profits will be either retained to develop further projects or paid as dividends to shareholders.

10.3: Detailed financials

Forecast financials include detailed projections of project development expenses, initial cost to complete the initial projects and fund raising, and overheads. Allowances has been made for monitoring costs.

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Recurring revenue	-	270,000	810,000	1,110,000	1,365,000	1,650,000	1,905,000	2,190,000	2,445,000	2,760,000	3,120,000
Non-recurring revenue	-	1,020,000	1,570,000	1,940,000	1,150,000	1,760,000	1,150,000	1,760,000	1,150,000	1,760,000	1,940,000
Total revenue	-	1,290,000	2,380,000	3,050,000	2,515,000	3,410,000	3,055,000	3,950,000	3,595,000	4,520,000	5,060,000
Direct costs											
Pre-financial close	-	(565,990)	(671,275)	(740,630)	(671,275)	(740,630)	(671,275)	(740,630)	(737,770)	(941,270)	(941,270)
Round 1 costs	(101,200)	(506,000)	-	-	-	-	-	-	-	-	-
Other cost of sales	-	(264,450)	(487,900)	(625,250)	(515,575)	(699,050)	(626,275)	(809,750)	(736,975)	(926,600)	(1,037,300)
Total cost of sales	(101,200)	(1,336,440)	(1,159,175)	(1,365,880)	(1,186,850)	(1,439,680)	(1,297,550)	(1,550,380)	(1,474,745)	(1,867,870)	(1,978,570)
Gross profit	(101,200)	(46,440)	1,220,825	1,684,120	1,328,150	1,970,320	1,757,450	2,399,620	2,120,255	2,652,130	3,081,430
GPM%			51%	55%	53%	58%	58%	61%	59%	59%	61%
Overheads											
Administration	(6,566)	(12,000)	(42,100)	(61,000)	(50,300)	(68,200)	(61,100)	(79,000)	(71,900)	(90,400)	(101,200)
Legal & professional	(116,389)	(6,000)	(21,050)	(30,500)	(25,150)	(34,100)	(30,550)	(39,500)	(35,950)	(45,200)	(50,600)
Miscellaneous	(6,712)	(6,000)	(21,050)	(30,500)	(25,150)	(34,100)	(30,550)	(39,500)	(35,950)	(45,200)	(50,600)
Salaries	(41,028)	(120,000)	(235,500)	(305,000)	(251,500)	(341,000)	(305,500)	(395,000)	(359,500)	(452,000)	(506,000)
Travel & Entertaining	(21,239)	(36,000)	(70,650)	(91,500)	(75,450)	(102,300)	(91,650)	(118,500)	(107,850)	(135,600)	(151,800)
Bonus pool	-	-	(83,048)	(116,562)	(90,060)	(139,062)	(123,810)	(172,812)	(150,911)	(188,373)	(222,123)
Total overheads	(191,936)	(180,000)	(473,398)	(635,062)	(517,610)	(718,762)	(643,160)	(844,312)	(762,061)	(956,773)	(1,082,323)
Operating profit	(293,136)	(226,440)	747,428	1,049,058	810,540	1,251,558	1,114,290	1,555,308	1,358,195	1,695,357	1,999,107
Taxation	27,778	43,024	(142,011)	(199,321)	(154,003)	(237,796)	(211,715)	(295,509)	(258,057)	(322,118)	(379,830)
Net profit	(265,358)	(183,416)	605,416	849,737	656,537	1,013,762	902,575	1,259,799	1,100,138	1,373,239	1,619,277
Retained profit	(265,358)	(448,774)	156,642	1,006,379	1,662,917	2,676,679	3,579,254	4,839,053	5,939,191	7,312,430	8,931,706

11: Summary

By now, you've seen the pressing issues standing between the UK and a low-carbon future.

You've seen PGP's proven technical and commercial answers to these challenges.

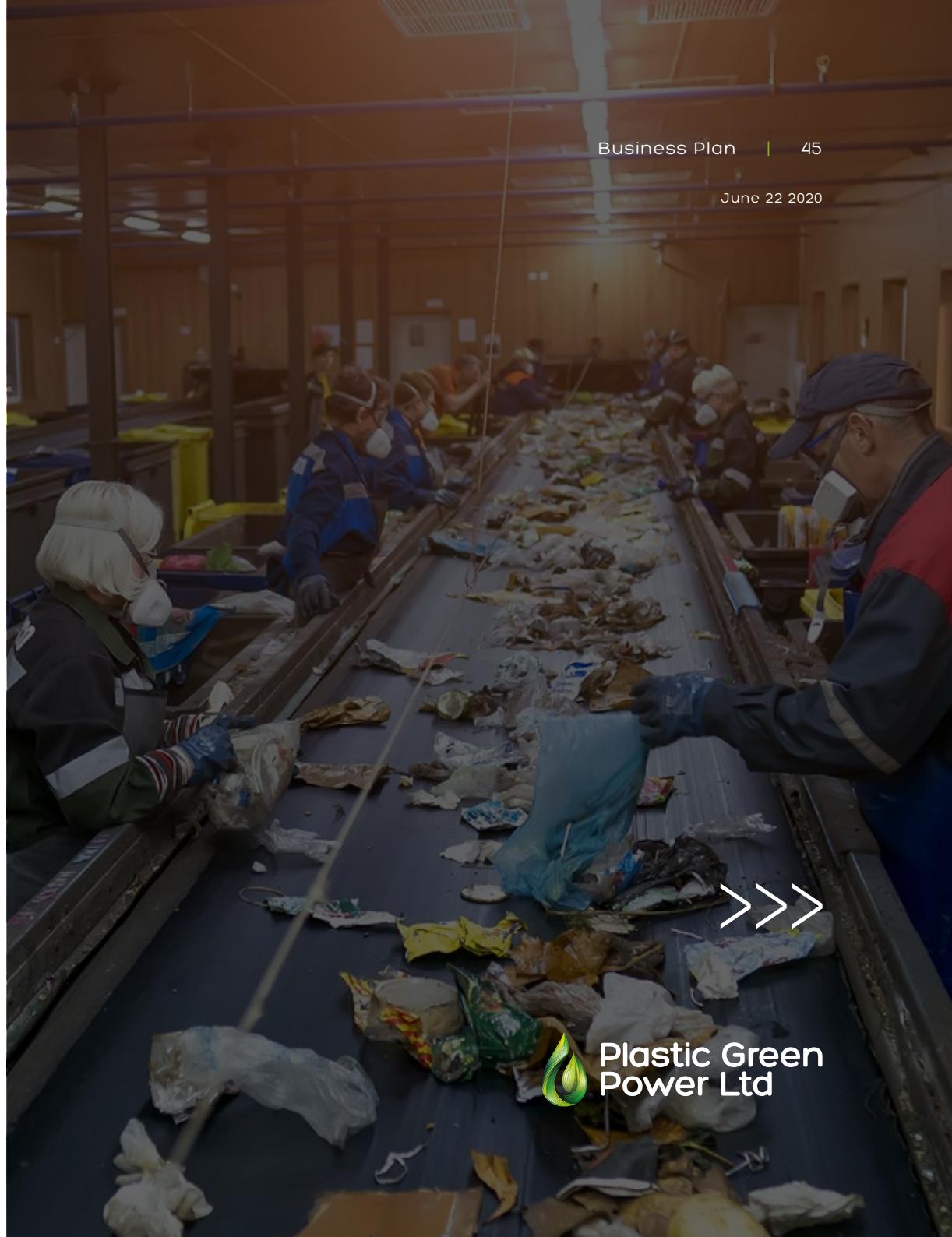
You've seen how your investment can make a positive impact with highly lucrative returns.

You've seen PGP has access to the technology and partnerships to realise a better tomorrow.

You've seen that PGP has a team with the skills, experience and track record to make it happen.

It's time to get started.

Contact PGP and let's begin a conversation that will change the world.



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