CNG Fuels Team

- A highly regarded team combining gas industry knowledge, business management, & financing experience

**Organisational Structure**

**Sales**
- Philip leads the business development and sales efforts. He is also the Key Account Manager for Waitrose and John Lewis Partnership.
- Peter Eaton joined CNG Fuels as General Manager in December 2016. His primary task is to identify and manage new customers.

**Finances**
- Baden focuses on the business’ partnerships and capital allocation decisions, particularly with regards to the financing of the public infrastructure rollout and project selection.
- Nick Reid has joined on a full-time basis to cover customer facing adoption of CNG relating specifically to vehicle and infrastructure build-out and acquisition.

**Station Development**
- Philip and Baden lead the initial development of stations, which includes identifying sites, landowner consents, planning etc.
- Ian Roughley, CNG Fuels Operations Director, oversees and carries out design of stations and well as stakeholder management (contact with pipeline operators, electricity suppliers etc).

**Management Team**

- **Philip Fjeld**  
  Chief Executive Officer  
  - 15 years of experience in the gas industry.  
  - Founded FLEX LNG in 2006, listed the company and raised over $600m in equity.  
  - Master’s degree in Strategy and Management from the Norwegian school of Economics and Business Administration.

- **Baden Gowrie-Smith**  
  Chief Financial Officer  
  - Investment advisor with UBS for six years managing A$750m in client assets.  
  - Current and previous experience at board level across several industries.  
  - MBA from London Business School, Masters in Finance and Bachelor of Economics from University of Sydney.

- **Nicholas Reid**  
  Finance Manager  
  - Senior Manager with ANZ Bank in Australia for six years across various industries.  
  - Four years of Consulting and Private Equity work in NY and London.  
  - BA from Bowdoin College in the USA and an MBA with Honours from IE Business School in Spain.

- **Peter Eaton**  
  General Manager  
  - Seven years experience at Halewood International encompassing various positions from sales, to marketing, to brand management and business development.  
  - Peter has worked in various countries including UK, China, Myanmar, Thailand, and South Africa.  
  - Degree in International Business from the University of Liverpool.

**Board of Directors** – Philip Fjeld, Baden Gowrie-Smith, John Baldwin, and Chris Barter

- **John Baldwin**  
  Director  
  - Widely regarded as UK’s leading gas authority.  
  - Founder and MD of CNG Services, a gas engineering company specialising in biomethane and CNG Station construction.  
  - Graduated from Oxford University.

- **Christopher Barter**  
  Director  
  - Chris Barter spent 20 years of his career with Goldman Sachs, including several years as co-chief of their Moscow office.  
  - Chris financially supported CNG Fuels in their Series A raising and brings substantial investment and corporate governance experience to the board.
For us, operating dedicated gas trucks has transitioned from being a trial, to being 'business as usual', with positives on carbon reduction, driver acceptance and cost. Operating them has, in the best way possible, become boring.

— Justin Laney, General Manager Transport
Waitrose & John Lewis Partnership

Accolades

- WINNER – REA: Low Carbon Emission 2017
- WINNER – LowCVP Champions Awards 2017 - Low Carbon Fuel Initiative of the year
- WINNER – UK Energy Innovation Awards 2017 - Environmental Impact
- Funded by EU Horizon 2020 - Innovation
- Runner-up - Low Carbon Vehicle Awards & Renewable
- Energy Association Awards
- Funded by Innovate UK
Contents

01  WHO WE ARE AND WHAT WE DO
02  THE BENEFITS OF RENEWABLE BIOMETHANE
03  AVAILABLE DEDICATED GAS VEHICLES
WHO WE ARE AND WHAT WE DO
CNG Fuels – Who Are We?

• CNG Fuels is the UK’s leading owner and operator of Compressed Natural Gas (CNG) refuelling infrastructure

• We own the UK’s two highest capacity CNG stations, located in Leyland and Crewe

• Double-digit number of new CNG stations in development

• Currently the only UK supplier of RTFO-approved Biomethane
100% Renewable Biomethane

- Our Biomethane is made from waste, approved under the Renewable Transport Fuel Obligation (RTFO)
- Predominantly from food waste, however there are other waste sources such as sewage sludge and manure etc.
- Generates Renewable Transport Fuel Certificates (RTFC)
- Customers will be issued with a certificate stating that they have purchased sustainable, renewable fuel, which can be claimed in yearly corporate accounts

RENEWABLE BIOMETHANE FUEL

The most cost effective, lowest-carbon alternative fuel to diesel for HGVs
Leyland & Crewe ‘Mother Stations’

• The UK network of public access CNG stations is currently limited, but this is changing quickly

• These sites are the UK’s two largest capacity public access CNG stations

• Capacity to dispense 30,000,000 kg/year of Biomethane/CNG to vehicles

• Both CNG stations are equipped with dedicated CNG trailer loading bays, which allows high-capacity CNG trailers (4,000+ kg) to be filled in a couple of hours

Two Compressors w/Combined Capacity Greater Than 90,000 kg of gas/day

CNG Station Open 24/7/365 With a Capacity to Refuel More Than 500 HGVs/day
CNG trailers can be used to deliver gas to ‘Daughter’ stations at more convenient refuelling locations.

Daughter stations can:
• be located on or off depot
  • depending on space available
  • depending on proximity to required routes
• be private or public access
  • trading off demand and convenience against sharing volume commitments and lowering gas costs
  • private better for large or potentially rapidly growing fleets
• vary in capacity depending on space and fleet size
  • infrastructure is better amortised over a larger committed volume to bring down overall cost of gas
• be located up to 150 miles from the mother station
  • shorter distance lowers costs based on haulage and wages
Current UK Gas Fleet Operations

HGV & Van Fleets:
- Waitrose
- ASDA
- John Lewis
- Argos
- DHL
- HPH
- Brit-European
- Howard Tenens
- Numerous new customers are launching Gas fleets over the next 12 months

Bus Fleets:
- Sunderland
- Durham
- Runcorn
- Plymouth
- Reading
- Nottingham

Waste/City Council Fleets:
- Leeds City Council (Fleet of 90 in 2018)
- Speaking a number of Waste Management Companies
THE BENEFITS OF RENEWABLE BIOMETHANE
CNG Fuels’ Leyland LTS CNG station has been independently monitored for more than one year. The results show:

- A dedicated CNG truck provides a CO2eq. saving of more than 80% WTW compared to a diesel HGV
- A high-mileage HGV running on Biomethane saves more than 140 tons CO2 eq./year
- 60% NOx reductions compared to a diesel HGV
- CNG HGV is approx. 50% quieter than diesel
Since January 2017 there have been 30+ companies that have used our sites to trial CNG – using both our Scania Demo vehicle and Iveco’s Demo vehicle

- The average trial lasted 4 weeks
- 130,000kms has been driven in our own CNG Demo Vehicle
- Results showed potential fuel cost savings of between £16k - £35k per annum depending on annual mileage
- Average CO2 emission savings were between 80% - 85%
- Both vehicles displayed excellent results compared to diesel equivalent vehicles on the same routes
- The customers were seeing north of 40% pence/mile fuel savings
# Payback & Cost Saving – 5yr & 7yr

<table>
<thead>
<tr>
<th>Assumptions</th>
<th>Bio-CNG</th>
<th>Diesel</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational Life of CNG Vehicle</td>
<td>5 years</td>
<td>5 years</td>
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<tr>
<td>Miles Per Year</td>
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<td>120,000 miles</td>
<td></td>
</tr>
<tr>
<td>Km Per Year</td>
<td>193,121 km</td>
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</tr>
<tr>
<td>Fuel Used Per km</td>
<td>3.90 km/kg</td>
<td>10.35 MPG</td>
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</tr>
<tr>
<td>Fuel Used Per Year</td>
<td>49,518 kg</td>
<td>52,687 ltr</td>
<td></td>
</tr>
<tr>
<td>Drop in Efficiency CNG vs. Diesel</td>
<td>20%</td>
<td>-</td>
<td>Conservative as more efficient gearbox being introduced in 2017</td>
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<tr>
<td>Cost of Fuel</td>
<td>£0.687 £/kg</td>
<td>£0.993 £/ltr</td>
<td>Futures prices for next 7 years (as of 22 Dec 2016)</td>
</tr>
<tr>
<td>Annual Spend on Fuel</td>
<td>£34,019</td>
<td>£52,319</td>
<td></td>
</tr>
<tr>
<td>Additional CAPEX CNG Vehicle</td>
<td>£33,000</td>
<td>£</td>
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<tr>
<td>Maintenance Premium CNG Vehicle</td>
<td>£1,000 £/yr</td>
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<td>U.S. experience shows CNG vehicles cheaper to maintain than diesel</td>
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## Single Vehicle Economics

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<td>Payback Period Additional CAPEX</td>
<td>1.91 Yrs</td>
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5-yr savings (after extra CAPEX paid back) **£53,498**

ROI on Additional CAPEX **43.9%**

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<td>Operational Life of CNG Vehicle</td>
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<td>Miles Per Year</td>
<td>120,000 miles</td>
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5-yr savings (after extra CAPEX paid back) **£88,097**

ROI on Additional CAPEX **49.2%**
Payback & Cost Saving – 3.5t Van

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<th>Diesel</th>
<th>Comment</th>
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<tbody>
<tr>
<td>Number of vehicles</td>
<td>1</td>
<td>#</td>
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</tr>
<tr>
<td>Operational Life of CNG Vehicle</td>
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<td>7 years</td>
<td></td>
</tr>
<tr>
<td>Miles Per Year</td>
<td>30,000 miles</td>
<td>30,000 miles</td>
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</tr>
<tr>
<td>Km Per Year</td>
<td>48,280 km</td>
<td>48,280 km</td>
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</tr>
<tr>
<td>Fuel Used Per km</td>
<td>9.76 km/kg</td>
<td>22.00 MPG</td>
<td>Based on CNG vehicle trial results from other fleets</td>
</tr>
<tr>
<td>Fuel Used Per Year</td>
<td>4,947 kg</td>
<td>6,199 ltr</td>
<td>Futures prices for next 7 years (as of 29 Sept 2017)</td>
</tr>
<tr>
<td>Cost of Fuel</td>
<td>£ 0.657 £/kg</td>
<td>£ 0.985 £/litre</td>
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<tr>
<td>Annual Spend on Fuel</td>
<td>£ 3,250</td>
<td>£ 6,106</td>
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<tr>
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<td>£ 6,000</td>
<td>£</td>
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**Single Vehicle Economics**

- CNG Vehicle Fuel Savings (£/yr)                      2,856 £/yr
- Payback Period Additional CAPEX                      2.10 Yrs

**Fleet Savings**

- Total 7-yr savings (after extra CAPEX paid back)    £ 13,993
- ROI Additional CAPEX for CNG Vehicle                43.9%
- CO2 Reduction for Bio-CNG vs. Diesel Veh.           37.3 tons CO2/yr

*Please note these figures are based upon data gathered during the first trial through our stations*

*More UK trials to commence in 2018*
Future Fuel Choice

- Biomethane is the only viable fuel choice for truly heavy duty vehicles. This is now recognised by the UK Department for Transport.

<table>
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<tr>
<th>Fuel Type</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNG (Biomethane)</td>
<td>✓ Biomethane from waste available ✓ Low-cost ✓ Rapid and Safe Refuelling ✓ Range sufficient &gt;500 miles ✓ Available across vehicle types (HGV, Bus, RCV, Van)</td>
<td>✗ Not zero tailpipe emissions ✗ Still some particulates and NOx ✗ CO2 emissions at tailpipe ✗ Lack of refuelling infrastructure</td>
</tr>
<tr>
<td>LNG</td>
<td>✓ Rapid Refuelling ✓ Range &gt;700 miles ✓ Available across HGVs</td>
<td>✗ No Bio Content ✗ Refuelling requires safety equipment ✗ Only c.20% reduction in GHG emissions ✗ Still has particulate emissions</td>
</tr>
<tr>
<td>Hydrogen</td>
<td>✓ Rapid refuelling ✓ Zero tailpipe emissions, although pathway not necessarily ✓ Available for buses, refuse, small HGVs</td>
<td>✗ Very expensive vehicles and fuel ✗ Lack of refuelling infrastructure ✗ Not suitable for large HGVs ✗ Lack of economical and scalable fuel supply</td>
</tr>
<tr>
<td>Electric</td>
<td>✓ Zero tailpipe emissions ✓ Available for buses, small HGVs, vans</td>
<td>✗ Slow refuelling - not suitable for large HGVs ✗ No grid infrastructure support for commercial applications ✗ Low range ✗ Heavy and large batteries</td>
</tr>
</tbody>
</table>

- DFT Freight Carbon Review 2017 - available on request
Available Dedicated Gas Vehicles
Dedicated Gas HGV’s - SCANIA

Available:
- Scania 340 HP (4x2) tractor unit
- 9 litre engine
- Range: 300-500 miles (depending on tank package)
- Same torque as Diesel engine
- *Available for trial if needed*

Available Today:
- Scania Euro-6 two or three-axle rigid 280/340 HP

Available Today:
- Scania 410 HP tractor unit
- 13-litre gas engine
- 40-ton application
- New refuse vehicle offering available 2018/19
Dedicated Gas HGV’s - IVECO

IVECO – Available Since 2017:
- Iveco recently introduced a 400 HP CNG truck (9-litre)
- Demo vehicle available in UK
- 4x2 unit

IVECO – Available Now:
- Iveco have released a 460 HP gas truck in 2\textsuperscript{nd} half 2018
- Iveco also offer a wide range of rigid vehicles

IVECO – Coming Soon:
- Work is underway in the development of a CNG 6x2 offering in the UK
- Crucial to progressing the mass adoption
Dedicated Gas HGV’s – MERCEDES-BENZ

MERCEDES Econic: Available Now
- Mercedes offer a CNG truck called the Econic
- This does not come as a tractor unit, but is widely used as a refuse vehicle due to its leading “low entry cab”

MERCEDES Actros: Available 2019
- Perfect for inner-city deliveries
- Six-cylinder gas engine with 302 HP from 12.9l
- Should be available in UK in 2019, but exact date unknown
Dedicated Gas Van’s

- CNG versions of the Iveco Daily are available with a number of different body specifications

- CNG vans can undertake similar duties to regular diesel vans due to the long range available between refuelling

- Miles on full tank - Up to 300 miles (plus petrol reserve)

- Ideal operation - City, suburbs, motorway. Back to base. High mileage

- Example fleet - City and long distance courier, delivery, service engineer