

Vehicles available to mitigate risk

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FIVEBARGATE
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Mitigate market risk

Mitigate feedstock & technology risk

Mitigate all risk

Trade on risk

Subsidiary risk

Leave all risks open

Technology development risk

Feed-stock locked in

Off-take locked in

Hedge placed to lock in profit

Technology risk delayed implementation

Enthusiastic entrepreneurs – debt finance

Off-balance sheet investment
related to existing products

Technology robust – multi-feedstock

Feed-stock secure

Off-takes left to float
developed at start up based on quality

Experienced production team
equity finance off-take partner developed

Lock in feedstock

Lock in off-take

Robust technology and EPC contracts

Outsource operations

Management team understands markets
debt financed

Short term fixed supply

Short term fixed off-take

No technology or EPC exposure

Understand regional policy arbitration opportunities

Trade around the edges

Enthusiastic traders – cash rich subsidiaries

Feedstock secured

Technology robust

Locked in to limited off-take agreements

Off-take Counterparty dominates operations

Production focused teams with equity support

Proprietary technology

Feedstock development

Supply and off-take left floating

Now diversified development companies

Established entrepreneurs with hedge fund support

Pure technology play – Gen 1a and 2G

No scale production planned

Pilot plant development

IP licensing structures

Venture capital technology developers

- Lessons learned
 - Appropriate use of market instruments can help
 - Feedstock is most important
 - Multi-feedstock – robust technology
 - Simpler technology – narrower feedstock slate
 - Upside value is in trading around a position
 - Understand regional opportunities
 - Supply chain based OR trading based
 - Generate a brand
 - Spot market dictates dynamics
 - Limited off-take security
 - Carries its own baggage
 - Starts and ends with a good team



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