



Recycling that Fuels the Energy Transition

Corporate Presentation: March 28, 2024

**Our Goal: 21/6**

Elimination of three-quarters of a million tonnes of greenhouse gases within 6 years



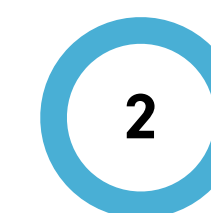
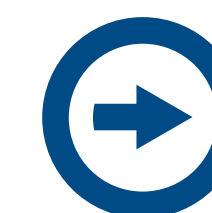


# Notice to Reader

► All figures presented in US Dollars unless otherwise denoted.

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# Ready to Deploy

Recycling used motor oil to reduce greenhouse gases while producing a lower carbon-intensive marine fuel



**Tremendous Global Opportunity:** Only 20% of 28 billion litres of UMO (Used Motor Oil) is recycled annually.



**Localized Solution:** Small footprint and lower CAPEX (5%), enabling regional recycling of a disseminated problem to “bring the solution to the problem”.



**Proven and Validated:** 2 million litres of UMO processed with patented technology to provide market validation.



**In Demand:** Shipping industry has mandated reduction in environment impacts (IMO target 40% reduction in GHG) and our fuel is 8-14% lower carbon intensity.



**Compelling:** Environmental need meets strong economic returns (IRR: 49%)



**Focused:** Deployment plan and near-term growth catalysts.







# Tremendous Global Opportunity

Only ~20% of UMO is currently recycled

UMO (Used Motor Oil) is defined as any petroleum-based or synthetic lubricating oil that cannot be used for its original purpose due to contamination. UMO is a disseminated problem as motor oil is used in every corner of the world.

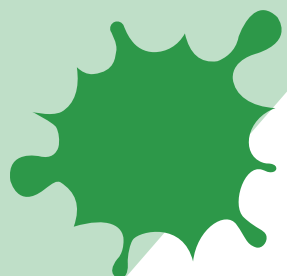
## UMO Generated Annually (million litres)<sup>1</sup>

Canada	800
USA	5,800
International	21,400
<b>TOTAL</b>	<b>28,000</b>
and forecasted to grow.	

Approximately **80%** (22 billion litres) is not recycled each year



Burnt



Dumped

### Emits....

- 8,000x** more lead
- 196x** more sulfur oxides
- 128x** more arsenic
- 35x** more inhalable particulate matter

...than burning conventional burner fuel

One litre can contaminate up to 1,000,000 litres of fresh water

The US Department of Energy<sup>2</sup> has issued a number of recommendations and acknowledged the opportunity that exists to recycle UMO.

<sup>1</sup>United Nations Compendium of Recycling and Destruction Technologies for Waste Oils  
<sup>2</sup>December 2020 US DOE Report to Congress: Used Oil Management and Beneficial Reuse Options



# Understanding the Barriers & Our Solution

## Addressing Recycling Barriers and Limits to Current Approaches

### Barriers to Recycling

- ✗ Lack of Recycling Alternatives
- ✗ Convenience & Capacity
- ✗ Economic Motivation
- ✗ Lack of Regulations or Enforcement

### Current Approach Limitations

- ✗ Require extensive collection networks
- ✗ Capital intensive with large footprints
- ✗ Saturated small market for re-refined lubricants
- ✗ End product stigma

### We Bring the Solution to the Problem

- ✓ Lower CAPEX (\$15m) – less than 5% of other recycling alternatives<sup>1</sup>
- ✓ Smaller Processing Capacity (Annual 30m litres/190k barrels) – reduces need for extensive collection network
- ✓ Smaller site requirements (3 acres) and labour requirements (15 total staff per plant)
- ✓ Compact repeatable modular skid mounted design enables ease of deployment (18 months)

We produce a premium in demand product vs. the stigma associated with a re-refined lubricant into a significantly larger market.

Viable localized solutions will enable better environment enforcement to deal with dumping and disposal of UMO.

### Competitive Landscape

The limited recycling of UMO (~20%) today focuses on the production of base oils rather than marine fuel from much larger facilities.<sup>2</sup>

<sup>1</sup> ReGEN III CAPEX requirements: \$293m per plant

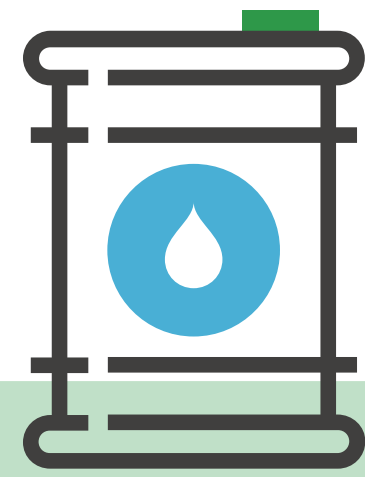
<sup>2</sup> Clean Harbors Inc, GFL Environmental, Heritage-Crystal Clean, ReGEN III are focused on production of base oils.





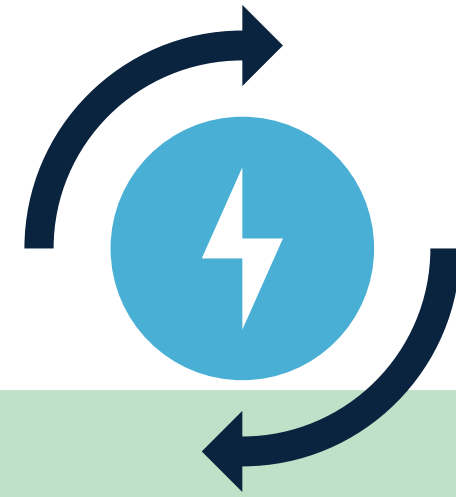
# Small Scale Enables Localized Solutions

Technology has been deployed into petroleum industry for over a century.



**Purify**

UMO is treated and dehydrated to remove contaminants (particulates, chemicals, and metals).



**Thermal Cracking**

Thermal cracking breaks the purified UMO into smaller hydrocarbon molecules.



**Distillation**

Distillation separates the fuel stream that meets the specifications for sale as marine grade fuel.



**Polishing**

Our unique polishing process is used to ensure our fuel meets the stringent IMO 2020 fuel regulations.

Feedstock  
**UMO**

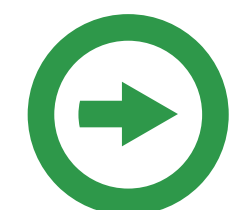
**Marine Fuel**

With Lower Carbon Intensity<sup>2</sup>

EnerPure has patented this innovative process in key strategic markets around the world.<sup>1</sup>

<sup>1</sup> Protected by 16 patents.

<sup>2</sup> Third-party report estimates 8-14% lower carbon intensity.







# Proven & Validated

With two million UMO litres already processed and validated by industry leaders

Manitoba Pilot Plant



Our Pilot Plant was designed for testing and proofing at 43% scale of the full commercial plant<sup>1</sup> and exceeded expectations in terms of validating the technology, operating processes, and market demand.

2 million litres (0.5 million gallons or 13,000 barrels) of UMO has been processed by the Pilot Plant.

Elbow River Marketing (ERM), a wholly-owned subsidiary of Parkland, has marketed the product and an off-take arrangement is in place with strong demand.

Blends seamlessly with existing marine fuels; reducing emissions with zero operational changes.

Maersk, the world's largest container shipping company, has been the end consumer and wants as much as we can deliver.



PARKLAND

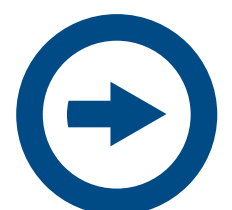
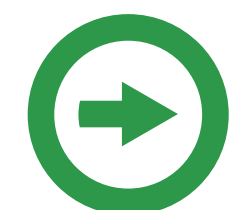


ELBOW RIVER



MAERSK

<sup>1</sup> Full scale plant based on 310 operating days and designed to process 30m litres (7.9 million gallons or 0.2 million barrels) of UMO







# In Demand

Industry and End Consumers require our premium product today

## Marine Shipping Industry

Shipping Industry is a significant contributor to GHG emissions (~3% of global GHG emissions).

Shipping industry estimated to consume 350 billion litres of marine fuel annually.

Maritime trade is expected to triple by 2050.<sup>1</sup>

Marine Industry brought under existing EU ETS<sup>2</sup> Legislation<sup>3</sup> which is driving change in the industry.

IMO 2030 target is to reduce GHG emissions by 40%<sup>4</sup>



## Premium Product

IMO strategy is to reduce carbon intensity<sup>5</sup> - our fuel is 8-14% less carbon intensive than comparable fuels.<sup>6</sup>

Our product exceeds ultra-low sulphur oil marine fuel standards including ISO 8217.

IMO mandates a maximum sulphur content of 0.5%<sup>7</sup> - our fuel is less than 0.1%.<sup>8</sup>

<sup>1</sup> Organization for Economic Co-operation and Development (OECD) - [oecd.org/ocean/topics/ocean-shipping/](https://oecd.org/ocean/topics/ocean-shipping/). <sup>2</sup> EU Emissions Trading System set up with the aim of reducing GHG emissions within EU <sup>3</sup> Starting Effective April 1, 2024 <sup>4</sup> 2023 IMO Strategy on Reduction of GHG Emissions from Ships - Annex 15 <sup>5</sup> July 2023, Annex 15 2023 IMO Strategy on Reduction of GHG Emissions from Ships <sup>6</sup> Third-party report estimates 8-14% lower carbon intensity. <sup>7</sup> [imo.org/en/MediaCentre/PressBriefings/pages/02-IMO-2020.aspx](https://imo.org/en/MediaCentre/PressBriefings/pages/02-IMO-2020.aspx). <sup>8</sup> Based on third-party fuel test results.





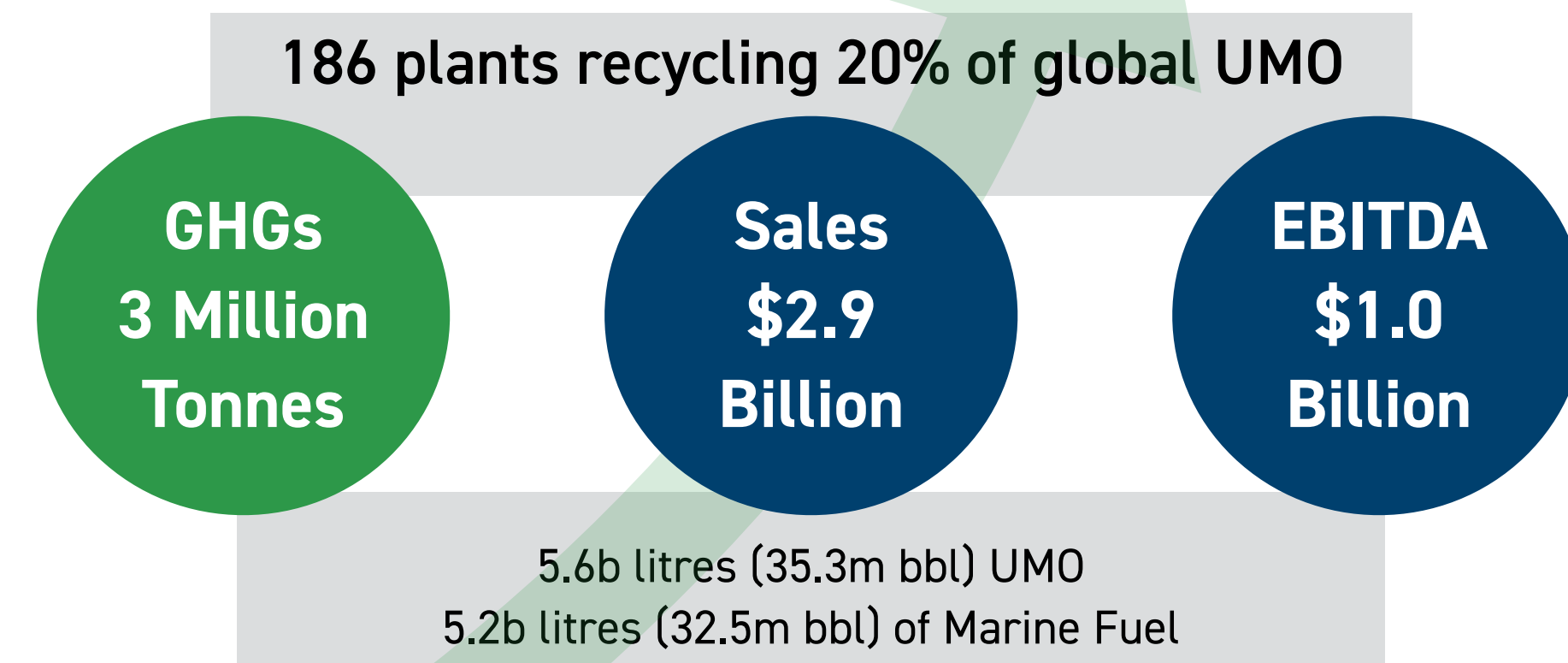
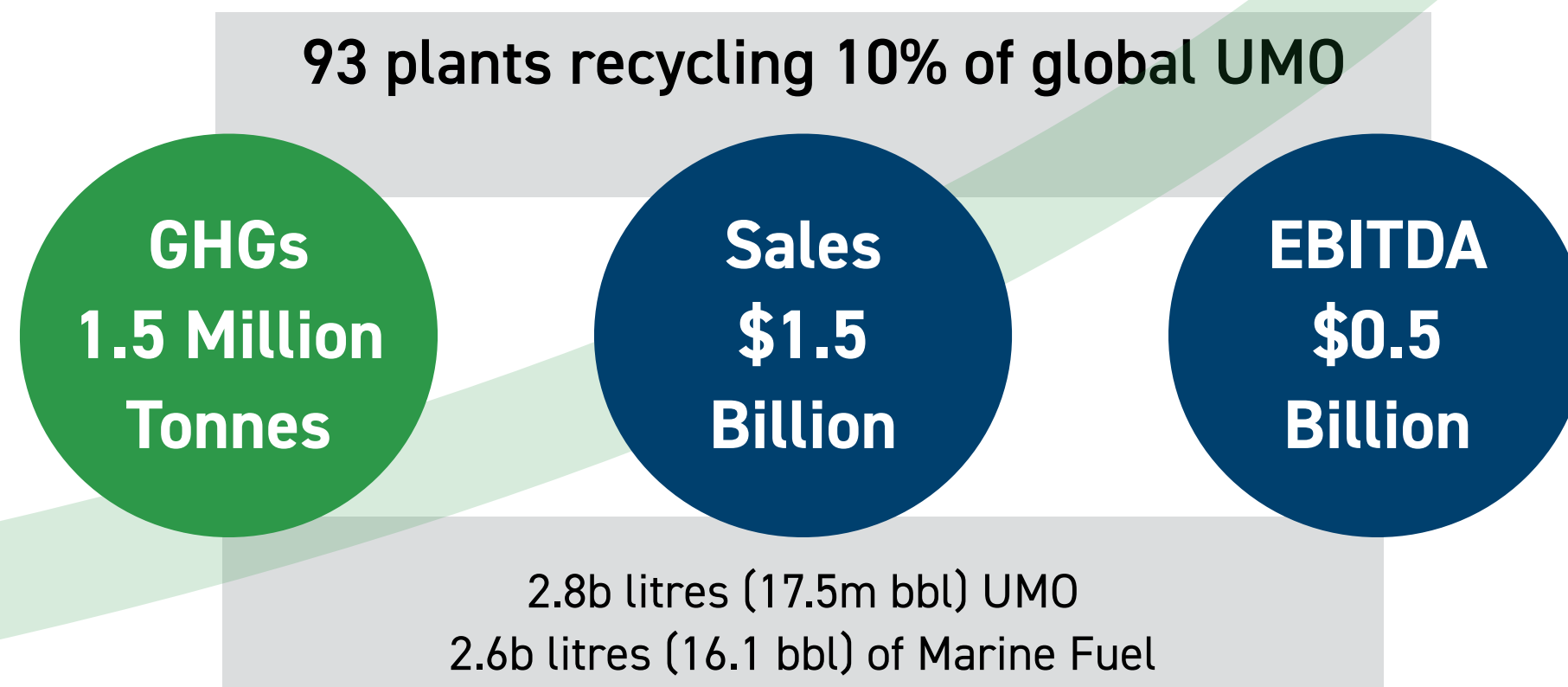
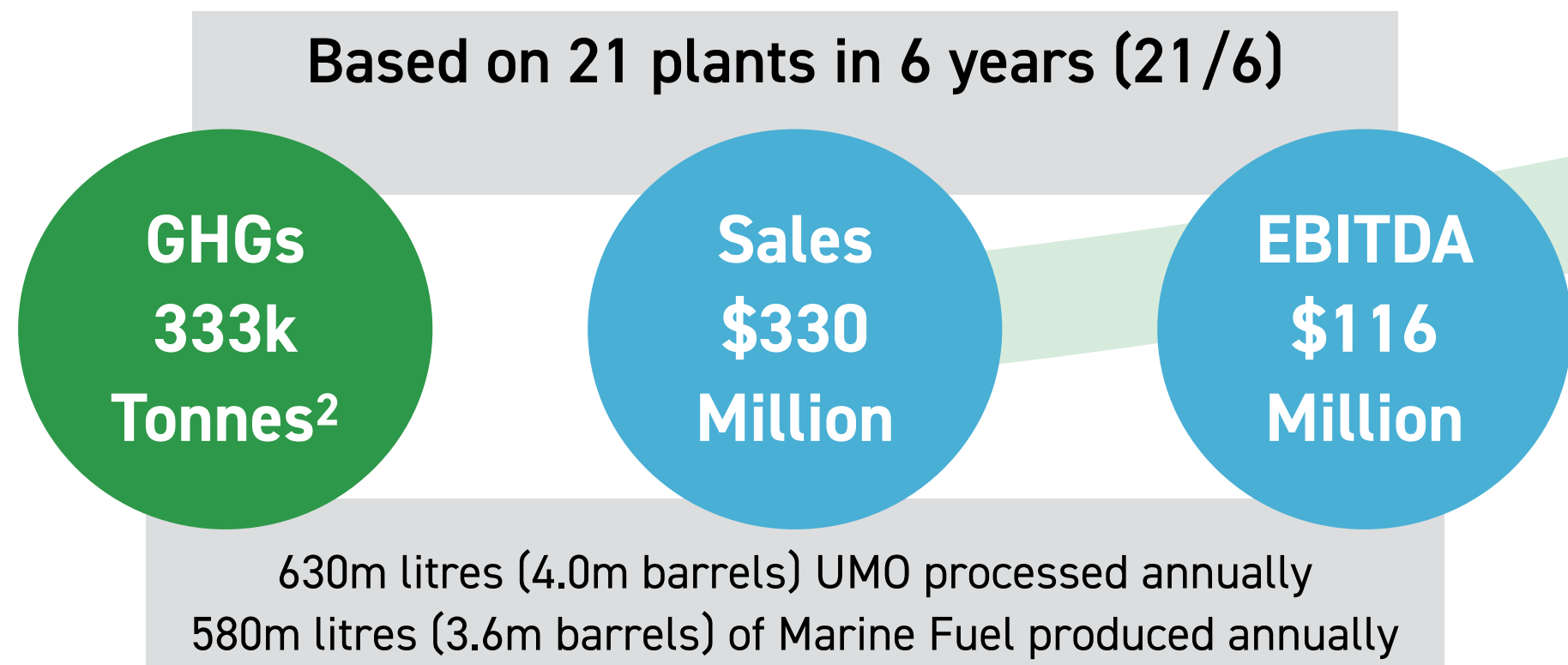


# Compelling Annual Impacts

Addressing environmental need with strong economic returns

## Initial Goal: 21/6

Elimination of three-quarters of a million tonnes of GHGs within 6 years.



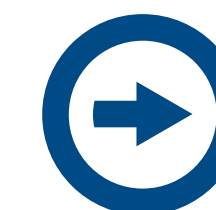
Using US\$80 per barrel oil, 15,860<sup>1</sup> GHG tonnes removed per plant, revenue of US\$16 million and US\$5.8 million EBITDA per plant. (Excludes monetizing any carbon credits.) Each Recycling Plant is estimated to generate 27.4 million litres (172k barrels) of marine fuel annually.

<sup>1</sup> GHG emissions extrapolated from a third party report by Life Cycle Associates (LCA) to current design size.

<sup>2</sup> Cumulative removal of three-quarters of a million tonnes of GHGs.



enerpure







# Strong Economic Returns

## Understanding the Key Financial Drivers

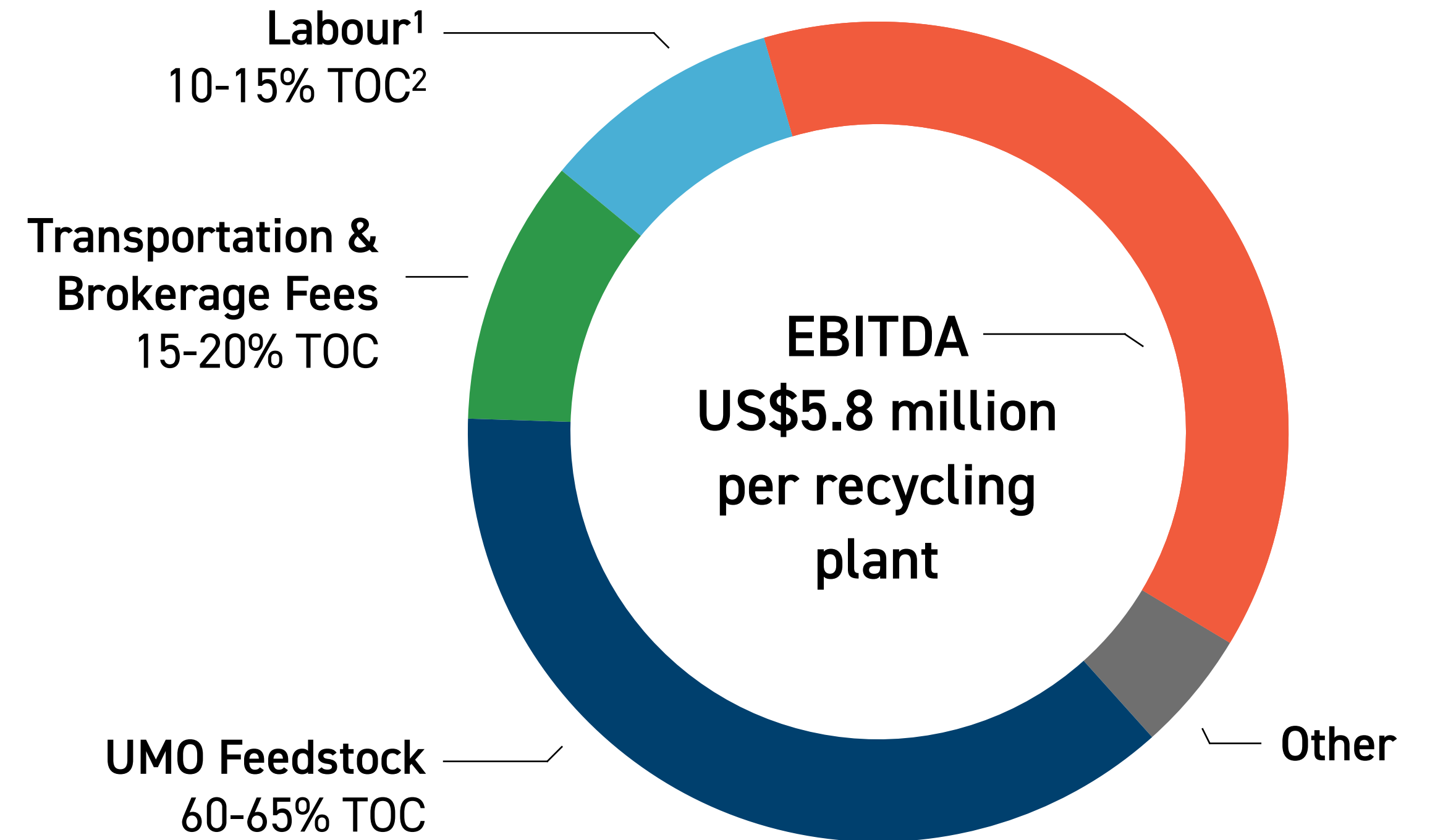
Sales  
\$330  
Million

EBITDA  
\$116  
Million

Based on 21 plants  
in 6 years (21/6)

### Recycling Plant Economics<sup>3</sup>

- ▶ CAPEX: US\$15m (per daily flowing barrel: \$33,700)
- ▶ NPV8: US\$50m
- ▶ Payback: Less than 3 years
- ▶ IRR: 49%
- ▶ Gross Revenue: US\$16m<sup>4</sup>
- ▶ EBITDA: US\$5.8m
- ▶ Cost of Conversion: 6.3 cents per UMO litre



Securing a dependable and consistent supply of feedstock will be key in any site selection criteria.<sup>5</sup> Recycling plants have been specifically sized to reduce permitting timelines. UMO prices have historically correlated with crude oil prices.

<sup>1</sup> Based on continuous operation with 4 shifts of 3 operators.

<sup>2</sup> Total Operating Cost

<sup>3</sup> Based on pre-tax Alberta project economics.

<sup>4</sup> Based on US\$80 per barrel

<sup>5</sup> For example, Alberta collected approximately 82 million litres of UMO in 2022/23. Our plant recycles 30 million litres annually.







# Deployment Schedule - 21/6

Design, locate, build, and operate 21 recycling plants in 6 years.

Design

Locate

Build

Operate

MISSION COMPLETE

Manitoba Pilot Plant<sup>1</sup>



Compact and Repeatable Modular Design<sup>2</sup>

Alberta Plant

Detailed Standardized Design Underway

2023: Site Selected and LOI Signed  
2023: UMO Secured  
2023: Off-take Arrangements in Place  
2024: Site Permitting

Targeting Commissioning in Q4 2025

Targeting First Fuel Production in Q4 2025

Texas Plant

Use of Detailed Standardized Design from Alberta Plant

2023: Evaluating Selected Site  
2024: Sign Site LOI and Site Permitting

Targeting Commissioning in Q1 2026

Targeting First Fuel Production in Q1 2026

2026: 6 plants



2029: 21 plants

Use of Detailed Standardized Design from Alberta Plant

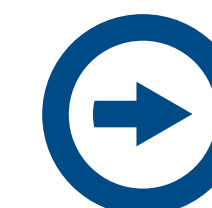
2024: Site selections and permitting to begin

2025 & Onward: Construction to begin

2026 & Onward: Operation to begin

<sup>1</sup> The Pilot Plant was designed for testing and proofing of the technology; processed 2 million UMO litres, end customer Maersk.

<sup>2</sup> EnerPure is in the process of completing the FEL-3 Engineering for its 4,000 litres per hour (30 million litres of UMO processed annually) recycling plant which will be the common design across all future sites with only minor site specific engineering work required, which is included within the capital estimates included on slide 10.







# Deployment Execution



**Todd Habicht**

*CEO & Board Chair*

Founder of EnerPure.  
Successfully started & sold  
multiple businesses in  
various industries.



**Doug Kroeker, P.Eng**

*President & COO*

Over 30 years of petroleum  
and energy experience in  
North America, Middle East,  
and Africa.



**Damian Towns, CPA**

*CFO & Corporate Secretary*

Over 25 years of experience  
in progressive and rapid-  
growth companies, spending  
over 15 years leading  
organizations at the  
executive level.

Our Executive team has over 80+ years of relevant experience in both the energy industry and growth stage enterprises including 30+ years in the UMO recycling industry. This extensive experience includes technology development, permitting, design & engineering, project development, financing, construction and operation around the globe.



**Design:** Leading all facets of engineering, design and development of capital-intensive projects



**Locate:** International experience in the Americas, Europe, the Middle East, and Africa



**Build:** Significant project construction experience and commissioning



**Operate:** Management and financial oversight and leadership of production and operations





# Company Overview

## Share Structure, Ownership, and Financings



### Share Structure (CAD\$ millions)<sup>1</sup>

Common Shares Outstanding 143.6

Warrants & Options 23.2

Fully Diluted Common Shares<sup>2</sup> 166.8

Last Unit Offering Price \$0.55

**Deemed Market Capitalization \$79.0**

Cash<sup>1</sup> \$3.4

Total Cash Raised to Date<sup>4</sup> \$36

**Market Comparables trade at 1.4x SALES/EV<sup>3</sup>**

### Latest Financings

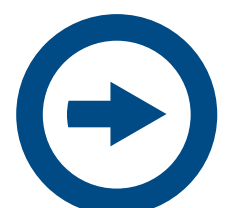
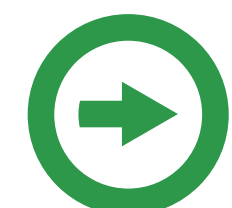
C\$7.4 million at \$0.55 per unit (Nov 2023)

C\$2.4 million at \$0.40 per unit (Mar 2022)

SDTC Grant: C\$3.5 million (2019)

### Ownership<sup>1</sup>

Management & Insiders 35%



<sup>1</sup> As of Feb 29, 2024. <sup>2</sup> Excludes 1.9 million preferred shares. <sup>3</sup> As of October 27, 2023. <sup>4</sup> Includes \$31 million in equity and \$5 million in non-repayable government funding.





# Growth Catalysts

## Upcoming milestones fuelling our growth

- ✓ Completion of oversubscribed C\$5 million equity offering - Nov 2023<sup>1</sup>
- ✓ Final engineering underway for upsized repeatable recycling plant design (4,000 litre per hour) - Nov 2023
- ✓ Conversion Efficiency Increase (88% to 92%) - Mar 2024
- Product Mix Optimization - Q2 2024
- Update to GHG Emission and Carbon Intensity Study - Q2 2024
- Third-Party Capital Cost Estimate - Q2 2024
- Financing terms and structure for Alberta Plant - Q2 2024
- Commence site permitting for Alberta - Q3 2024
- Sign LOI for selected Texas Plant site and commence site permitting - Q3 2024
- Completion of final Engineering Package - Q4 2024
- Strategic partnerships and financing - 2024

<sup>1</sup> Raised C\$7.4 million







# Investment Thesis

**Our Goal: 21/6**

**Elimination of three-quarters of a million tonnes of GHGs within 6 years.**



Lack of recycling represents a tremendous market opportunity.



Technology has been used for over a century and pilot plant at scale has mitigated deployment risk.



Validated strong customer demand with 2 million (0.5 million gallons/13,000 bbl) UMO litres already processed.



Industry and end customers demanding a premium product with lower carbon intensity and lower emissions. Our fuel is 8-14% lower carbon intensity.



Compelling environmental need meets strong economic returns (49% IRR and less than 3 year payback).



Focused deployment plan led by experienced management team with near-term catalysts to value creation.

## Recycling that Will Fuel the Energy Transition.





**For further information**  
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