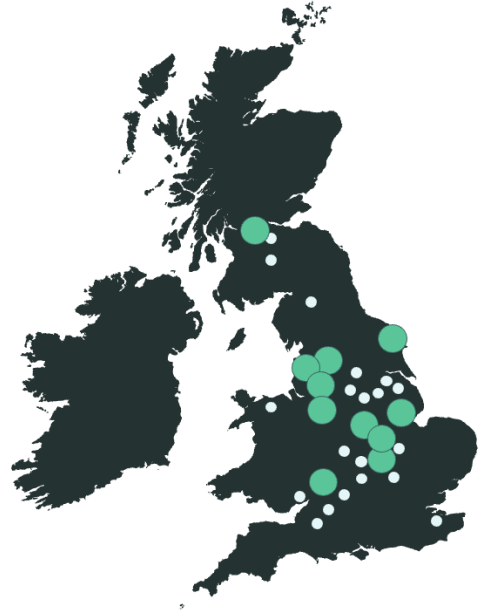


# Interim report Q1 2024

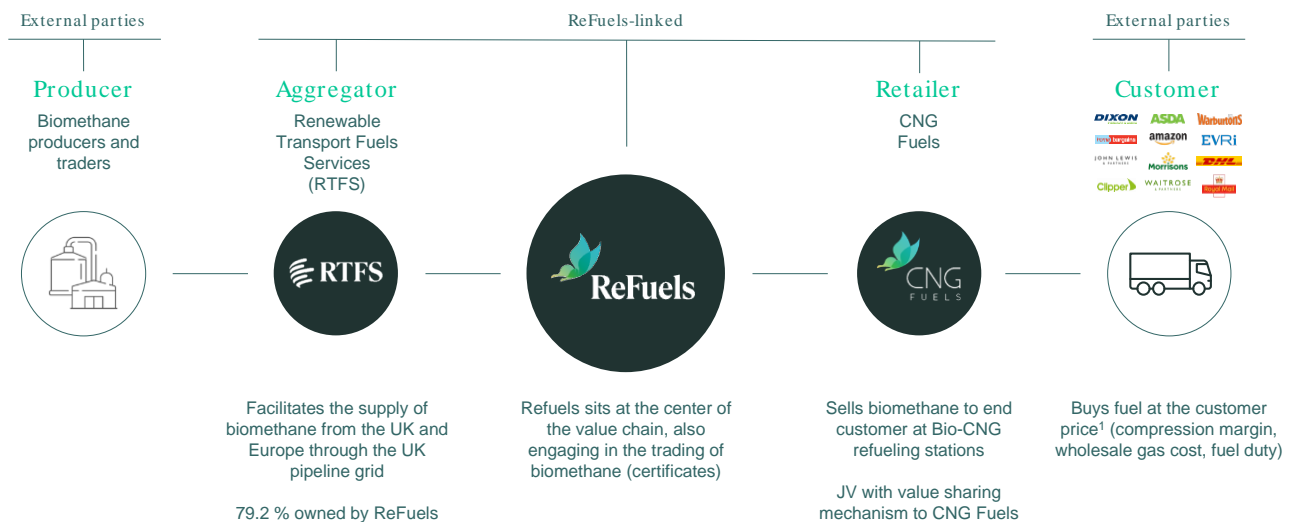
April-June 2023

# Decarbonising Europe's truck fleet

- ReFuels develops, owns and operates green refuelling station infrastructure
- The company is rolling out a network of reliable and convenient stations offering compressed renewable biomethane (bio-CNG) fuel to heavy goods vehicles (HGVs), with hydrogen and fast charging to be added
- By the end-2026 the target is to have 30-40 stations across the UK, while the long-term ambition is to become Europe's leading integrated supplier of alternative fuels for commercial fleets
- Listed on Euronext Growth Oslo (ticker REFL) since May 2023



## End-to-end control unlocking value from biomethane



<sup>1</sup> Subject to terms negotiated with the relevant customers which may vary, ReFuels seeks to ensure there is full pass through of gas price without risk for ReFuels

# Key events and figures

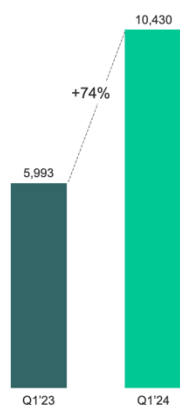
- 10,430 tonnes of renewable Bio-CNG dispensed across CNG Fuels' operating stations from April to June, corresponding to a year-over-year growth of 74%
- 1,367 heavy goods vehicles (HGVs) used the stations measured as a three-month rolling average, compared to 809 vehicles for the three-month period ending June 2022, a 69% increase.
- 128 unique customer fleets actively refuelling across the network at the end of June 2023 versus 76 at the end of June 2022
- 39.635 million Renewable Transport Fuel Certificates (RTFCs) were generated, a 74% annual increase reflecting 100% of the gas sold being approved as renewable Bio-CNG; RTFC prices affected by dislocations caused by increased biodiesel and feedstock supply from China impacted profitability
- Opening of the 11th and 12th Bio-CNG refuelling stations in June and July, increasing the group's refuelling capacity for high mileage HGVs to over 6,000 vehicles per day
- Creating a vertically integrated supplier of Bio-CNG through the acquisition of a majority stake in the biomethane sourcing and supply business Renewable Transport Fuel Service (RTFS)
- Acquisition of CNG Fuels' operated refuelling station in Newark through the CNG Foresight joint venture
- Successful private placement of NOK 53.2 million followed by a listing on Euronext Growth Oslo in May 2023



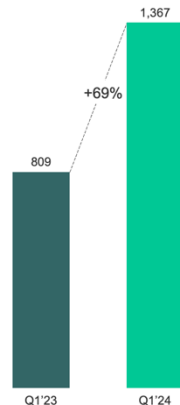
*"This has been a transformational quarter for ReFuels. After the acquisition of Renewable Transport Fuel Service (RTFS) in April 2023, we are one of Europe's largest vertically integrated suppliers of 100% renewable biomethane, unlocking value throughout the value chain including from certificates. Further, we have opened our 11<sup>th</sup> Bio-CNG refuelling station, reinforcing our market-leading position in the UK and making it even easier for operators of heavy goods vehicles to transition to a low-carbon future. In May, ReFuels listed on Euronext Growth Oslo to strengthen the platform for financing our roll-out plan of 30-40 stations by end-2026."*

Philip Fjeld, CEO and co-founder of ReFuels

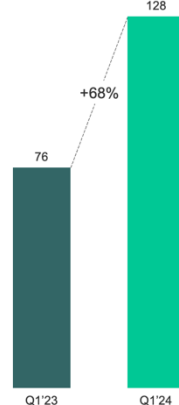
Dispensed volume  
tonnes



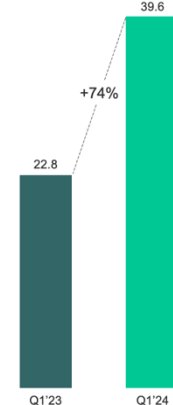
Average no. of trucks daily



Customer fleets



Certificates generated and sold  
millions



# Key figures – Q1 2024<sup>1</sup>

(Figures in GBP million)	Q1 2024
Revenue	17.1
Gross profit	(2.1)
EBITDA	(5.9)
Adjusted EBITDA <sup>2</sup>	(4.6)
Profit/loss before taxes	(10.2)
Cash flow from investment activities	9.4
Cash flow from financing activities	3.6
Net cash flow	6.7
Available cash	6.7
Total assets	201
Equity	129
Equity ratio	64%

ReFuels commenced operations as a consolidated entity as of 5 May 2023 following the acquisition of 100% of CNG Fuels and CNG Investments, resulting in an additional indirect holding in RTFS of 49.5% (or an aggregate 79.2%). The interim report for the first quarter of 2024 has been compiled based on the consolidated unaudited management information of ReFuels and its subsidiaries. The period for the Q1 2024 report starts on 5 May 2023 and ends on 30 June 2023, which is the commencement date of operations for the Refuels group and initial point of consolidation.

<sup>1</sup> Financial period is 05/05/2023 to 30/06/2023 reflecting period from formation of the Group

<sup>2</sup> Adjusted for equity-settled share-based payment expense and one-off transaction costs.

# Operational review

## Station network

During the first quarter of 2024, a total volume of 10,430 tonnes of Bio-CNG was dispensed from CNG Fuels' stations in operation. This is a 74% increase from 5,993 tonnes dispensed in Q1 2023 (8 stations). For the three-month period ending June 2023, a monthly average of 1,367 vehicles refuelled at CNG Fuels' stations, compared to 809 vehicles for the three-month period ending June 2022.

In June 2023, ReFuels opened a new refuelling station at Newton Aycliffe in Durham County with a total capacity of more than 27 million kg of Bio-CNG annually, making it CNG Fuels' highest capacity station to date, introducing fleets from Newcastle, Sunderland, Middlesbrough, and Darlington to Bio-CNG.

At the end of June, there were 11 operational public access station, with a combined daily refuelling capacity of more than 6,000 trucks per day.

	Q1 2024	Q1 2023	Change
Total dispensed volume	10,430	5,993	74%
No. of vehicles rolling 3 months average	1,367	809	69%
Annualised run-rate (tonnes) <sup>1</sup>	44,530		
No. of operational stations	11	8	37.5%

<sup>1</sup> Average daily dispensed volume in June 2023 x 365 days

## Station roll-out plan

The pipeline for future refuelling station development at the end of June 2023 amounted to 119 sites being reviewed and under negotiation, an increase from around 35 active investigations a year earlier.

The year-end 2026 target of 30-40 stations in operation equals a total capacity of up to ~16,500 HGVs per day and ~600 million kg of Bio-CNG annually. The group is nearing completion in Q2 2024 of its 12<sup>th</sup> station and expects at least four further stations to commence construction during the financial reporting year ending 31 March 2024.

11 of the stations are owned by the CNG Foresight joint venture (JV) where Foresight Group has committed to provide GBP 100 million in funding. A further four sites are expected to be developed within the JV.

Phase	Duration	Number of stations
Opportunities	2-6 months	82
Early-stage development	1-2 months	19
Late-stage development	6-9 months	12
In-build or under contract	7-8 months	6

<sup>1</sup> Land negotiations and signing largely happen in parallel with application and processing time.

## Organisation and corporate development

On 9 May 2023, ReFuels acquired an additional stake in Renewable Transport Fuel Services Limited (RTFS), this giving the group a total indirect ownership of 79.2% of the shares in RTFS. The principal activity of RTFS is supplying biomethane to CNG Fuels, and the purpose of the acquisition was to integrate and secure the critical upstream biomethane sourcing activities into the group to meet its customers' growing demand for renewable biomethane as a fuel source.

ReFuels had 85 employees at the end of the first quarter of 2024.

## New contracts

The number of active unique customer fleets refuelling across the CNG Fuels network increased from 76 at the end of June 2022 to 128 at the end of June 2023, of which nine were added during the first quarter 2024. A total of 41 customer fleets comprise more than five Bio-CNG trucks and are therefore considered likely to be placing materially larger orders as part of their future vehicle replacements.

Customer pricing across the Bio-CNG station network continues to increase with inflation and a typical compression charge is now 25p/kg.

## Renewable Transport Fuel Certificates (RTFCs)

The group generates and sells Renewable Transport Fuel Certificates (RTFCs) with biomethane dispensed into vehicles for road use. The RTFCs are traded in a market-based certificate system with other fuel suppliers with bio-fuel obligation targets purchasing certificates from the company to offset their shortfall in bio-fuel supply.

ReFuels generated 39.635 million RTFCs during the first quarter of 2024, compared to 22.775 million certificates in the corresponding quarter last year, and 33.187 million RTFCs in the quarter ending 31 March 2023.

The RTFC price is mainly determined by the price spread between one litre of fossil diesel and one litre of waste-based biodiesel (UCOME). During the first quarter of 2024, a record volume of biodiesel was imported from China to Europe, causing the price of biodiesel and RTFCs to decline to a three-year low and halting more than 2/3 of European biodiesel production.

On 17 August 2023, the European Commission announced an investigation into the flow of biodiesel from China based on the suspicion that fraudulent trading activity has caused the large increase in biodiesel imported from China. Recent market reports indicate that the investigation has had an impact and is further expected to significantly reduce the flow of biodiesel from China to Europe, thereby helping to balance the market.

The decrease in RTFC prices has significantly impacted group profitability. In 2022, the group sold forward approximately 30% of the RTFCs expected to be generated in 2023 at significantly higher prices than the current market levels. Still, the majority of RTFCs generated are sold in the spot market. ReFuels is optimistic that the measures taken by the European Commission will positively impact biodiesel prices and consequently support higher RTFC prices.

# Market developments

## Biofuel market

Unprecedented imports of biodiesel and biodiesel feedstocks from China to Europe from the end of 2022 has led to a decrease in European prices for waste-based biodiesel. With ongoing investigations by the European Commission, the group expects that the biodiesel market in Europe will rebalance in the near to medium term.

Sustainable aviation fuel (SAF) mandates are expected to be implemented across Europe from 1 January 2025. According to estimates provided by the International Air Transport Association (IATA), more than 1 million tonnes of SAF is expected to be required across the EU in 2025, significantly increasing the demand for waste-based oil feedstocks, that today are used to produce biodiesel for road transport.

Combined with steadily increasing blending mandates for road transport, the group expects these factors to lead to an increasingly tight supply situation for biodiesel and waste-oil feedstocks.

## Bio-CNG market

One of the determining factors for fleet customers, when deciding to order a CNG truck, is the difference in total cost of ownership (TCO) between running a CNG truck and a diesel truck. Whilst a CNG truck often has a higher purchase cost than a diesel truck, the cost of fuel has historically been cheaper than diesel, leading to a positive business case for operating CNG trucks.

During 2021 and 2022, Europe went through an energy crisis that led to higher volatility in the price of gas. This resulted in fleet customers of the group for the first time ever having to pay more for Bio-CNG than diesel during certain months of this period. Despite this, orders for new vehicles continued to be placed, which are now coming into operation. In 2023, the price spread between Bio-CNG and diesel has returned to historical levels, offering significant cost savings to the group's fleet customers.

The group is running a record number of customer trials through its Bio-CNG station network, with an increasingly diverse mix of fleet operators. It is no longer just large nationwide fleets that are showing an interest in adopting Bio-CNG but adoption is now becoming more common amongst smaller more regional fleets. The group sees this as an encouraging signal that CNG trucks are now seen as "business as usual" and are truly being mass-adopted across all fleet segments in the UK.

# Financial review

## Summary of result

(Figures in GBP million)

	Q1 2024
<b>Revenue</b>	<b>17.1</b>
<b>Gross profit</b>	<b>(2.1)</b>
<b>EBITDA</b>	<b>(5.9)</b>
<b>Adjusted EBITDA</b>	<b>(4.6)</b>
<b>Profit/loss before tax</b>	<b>(10.2)</b>
<b>Profit/loss for the period</b>	<b>(9.2)</b>

Adjusted for equity settled share-based payment expense and one-off transaction costs.

## Profit and loss

The consolidated financial results for Q1 2024 and first quarter of operations for ReFuels starts on 5 May 2023 and ends 30 June 2023. Revenue was GBP 17.1 million in the first quarter of 2024. A total of 39.635 million RTFCs were generated and sold in the period at a volume-weighted price of 23.9 pence/RTFC at a margin of 8%. This compares to generating and selling 33.187 million RTFCs in Q4 2023 at a volume-weighted price of 33.91 pence at a margin of 16%.

In line with IFRS standards for the consolidated accounts of the new group, the margin on RTFC sales is being recognised two months after dispensing dates at the point certificates are sold outside of the group.

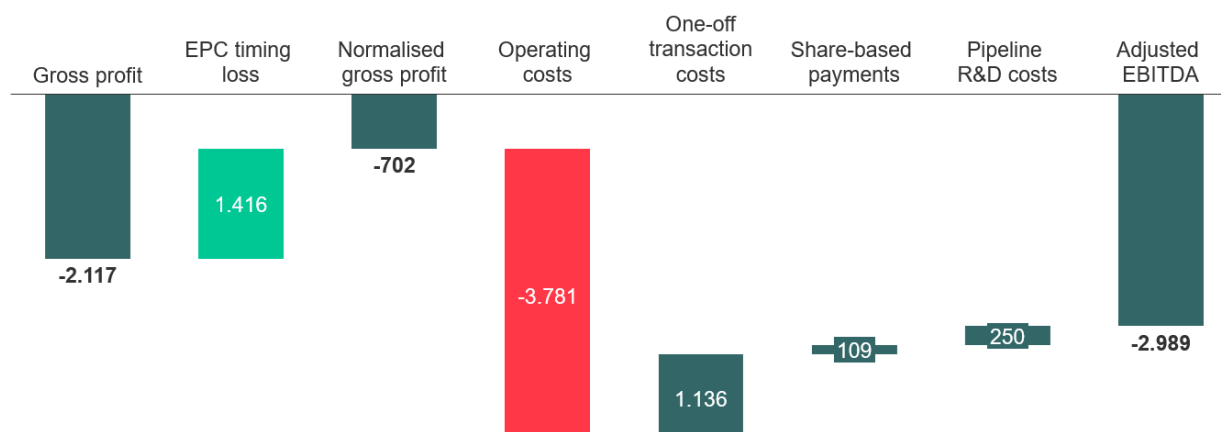
The gross profit was negative GBP 2.1 million in the period, primarily driven by low RTFC prices and by timing effects related to EPC (Engineering, Procurement, and Construction) margins in CNG Fuels on stations nearing completion in May and June.

EBITDA was negative GBP 5.9 million and an adjusted EBITDA was negative GBP 4.6 million. In addition to the RTFC consolidation adjustment, the EBITDA was impacted by non-recurring transaction costs related to the group combination, the Euronext Growth listing in May and employee share incentive-based expenses, as well as high R&D costs which reflect an acceleration in maturity of sites close to development.

An intangible asset has been recognised on the acquisition date and a subsequent amortisation cost of GBP 4.3 million for the quarter.



## Normalization adjustments to EBITDA



## Financial position

Total assets on 30 June 2023 were GBP 201 million, of which GBP 24 million was goodwill and GBP 149 million were intangible assets and property, plant and equipment. Current liabilities amounted to GBP 34 million, of which GBP 28 million in trade and other payables. Total equity was GBP 129 million, corresponding to an equity ratio of 64%.

ReFuels executed a share-for-share exchange on 9 May 2023 to become the new parent company of CNG Fuels Limited and acquired an additional stake in RTFS.

On May 12, ReFuels completed a private placement to strengthen the working capital and support the company's operational strategy. A total of 2,141,486 new shares, each with a par value of EUR 0.01, were issued at a subscription price of NOK 24.84 per share, raising gross proceeds of approximately EUR 4.6 million (equivalent to approximately NOK 53.2 million). As part of the private placement terms, 3 warrants were issued for every share subscribed for at the subscription price of NOK 24.84, which are exercisable within 24 months of the issue date.

In June 2023, the CNG Foresight joint venture (JV), established by CNG Fuels and the independent UK-based infrastructure and private equity manager Foresight Group, acquired the CNG Fuels-operated refuelling station in Newark from a company managed by the Ingenious Group.

## Cash flow

Net cash flow used in operating activities was GBP 6.2 million in the first quarter of 2024. Net cash flow from investment activities was GBP 9.4 million in the period, related to the cash acquired through the acquisition of CNG Fuels and RTFS in the quarter.

Net cash flow from financing activities was GBP 3.6 million, mainly reflecting the private placement of new shares. Net change in cash and cash equivalents was GBP 6.7 million in the quarter, and the group held GBP 6.7 million in cash and cash equivalent at the end period.

**Cash flow summary**

(Figures in GBP million)

	<b>Q1 2024</b>
<b>Net cash flow used from operating activities</b>	(6.2)
<b>Net cash flow from investment activities</b>	9.4
<b>Net cash flow from financing activities</b>	3.6
Net change in cash and cash equivalents	6.7
<b>Cash and cash equivalents at start of period</b>	0.04
<b>Cash and cash equivalents at end of period</b>	6.7

**Share information**

On 30 June 2023, ReFuels had 60,226,164 shares issued.

Baden Gowrie-Smith is the company's largest shareholder with 14,948,651 shares, corresponding to 24.58% of the total number of shares outstanding.

The closing price for the company's share was NOK 30.7 per share as per 30 June, which corresponds to a market capitalisation of NOK 1,849 million.

Since the listing on Euronext Growth Oslo on 12 May 2023, the average daily traded volume was about 12,271 shares and the average daily traded value was about NOK 327,488.

**10 largest shareholders 30 June 2023**

<b>Shareholder</b>	<b>Number of shares</b>
Baden Gowrie-Smith	14,948,651
CNG Services Assets Limited	12,034,083
Philip Fjeld	11,927,023
Papailoa Holdings Pty Limited	4,424,751
Arcalis Guernsey Limited	3,210,050
Borumajobe Limited	1,596,912
Rakesh Patel	1,282,120
Chrysalis Investments Pty Ltd	1,078,547
Ian William Roughley	1,053,641
Thornaby Limited	1,015,800

## Related party transaction

During the ordinary course of business, the group may engage in certain arm's length transactions with related parties. There were no transactions with related parties during the period.

ReFuels has approved a GBP 3 million facility for CNG Fuels to draw on for commercial expansion and working capital requirements.

## Subsequent events

In July 2023, ReFuels opened its 12th refuelling station at Corby in Northamptonshire under the CNG Fuels brand, serving heavy goods vehicles along major trucking routes in East Midlands of England. On 23 August 2023 construction of a new refuelling station at Aylesford in Kent, Southeast England, commenced.

# ESG

Using renewable biomethane enables heavy truck operators to reduce greenhouse gas emissions by more than 90% compared to diesel. Bio-CNG offers strong financial benefits for fleet operators and is already available at scale where large truck manufacturers such as Iveco and Scania are offering CNG-powered trucks.

Heavy goods vehicles (HGVs) represent the segment of land-based transport which is considered hardest to decarbonise. In the UK, HGVs make up 1% of the vehicles on the road but account for 18% of all transport greenhouse gas emissions. The UK government has implemented a range of policies and frameworks to enable a 'Road to Zero' for transport emissions by 2040, where all new vehicles will be zero-emission by that time. ReFuels' customer base has progressed from being early customers to mass adoption, with several fleets committing to complete replacement of their existing diesel HGV fleets with Bio-CNG powered vehicles in coming years.

The CNG Fuels station network accounted for total savings of more than 122,000 tonnes of greenhouse gas emissions (GHG) during the financial year 2023.

The ReFuels group reduced GHG emissions from the UK road transport sector by approx. 42,000 tonnes during Q1 2024.

# Outlook

ReFuels expects its annual growth rate in terms of dispensed volume to customers and RTFCs generated for the financial year 2024 to equal or surpass the growth rate achieved in 2023. The expectation is based on the over 900 Bio-CNG trucks already on order from customer fleets that are expected to arrive during the next 12 months.

ReFuels sells parts of the RTFCs generated up to a year ahead based on a hedging strategy. Approximately one-third of the RTFCs that are expected to be generated for the financial year 2024 were sold last year at a higher price than the current spot market. The group expects a gradual improvement in the biofuel market fundamentals in Europe going forward, with RTFC prices returning to historical levels where margins have exceeded 30%.

ReFuels' business is uniquely positioned to benefit from structural trends in biofuel adoption supported by the rapidly growing fleet customer base and volumes dispensed. The group is also well placed as one of the largest buyers of biomethane for transport in Europe.

Over the next 12 months and beyond, the group's financial goals are based on continued deployment of capital to expand the UK network to a size that enables mass adoption of biomethane in the current primary HGV truck market. Further, the group will prudently invest in upstream activities to secure long-term, low cost biomethane from producers. The ambition is to generate a return on capital that enables the business to be self-funding on a free cashflow basis within a few years including investments in new infrastructure.

The group is actively engaged in a process to secure additional station development funding beyond the GBP 100 million facility provided to date by the Foresight Group. The ambition is to secure a financing partner to facilitate a station roll-out to the mid-term target of 30-40 stations by the end of 2026 at a cost of capital which reflects the significant progress the industry has made with proven technology and blue-chip fleet customers seeking to meet their net-zero targets.

## Interim financial statements (IFRS)

### Statement of Profit and Loss

<b>Summary of result</b>	
(Figures in GBP 1000)	
	<b>Q1 2024</b>
<b>Revenue</b>	<b>17,110</b>
Gross profit	(2,117)
<b>EBITDA</b>	<b>(5,870)</b>
<b>Adjusted EBITDA<sup>1</sup></b>	<b>(4,625)</b>
Amortisation and depreciation	(4,381)
Administrative expenses	(3,781)

<b>Operating profit (EBIT)</b>	<b>(10,280)</b>
Finance revenue	0
Finance costs	(50.5)
Other gains and losses	<b>79,0</b>
Profit/loss before tax	(10,249)
Income tax expense	1,011
<b>Profit/loss for the period</b>	<b>(9,239)</b>

<sup>1</sup> Adjusted for equity settled share-based payment expense and one-off transaction costs.

## Pro-forma statement of financial position

(Figures in GBP 1000)	Notes	30 June 2023
<b>Assets</b>		
Goodwill	1	23,955
Intangible assets	1	145,724
Property, plant and equipment		2,810
Investments	2	0.3
Deferred tax asset		27
<b>Non-current assets</b>		<b>172,516</b>
Inventories		630
Trade and other receivables		9,814
Contact assets		11,419
Cash and cash equivalents		6,711
<b>Current assets</b>		<b>28,574</b>
Trade and other payables		27,308
Current tax liabilities		2,110
Borrowings		2,252
Lease liabilities		488
Derivative financial instruments		870
Contract liabilities		545
<b>Current liabilities</b>		<b>33,571</b>
<b>Net current assets</b>		<b>(4,997)</b>
Lease liabilities		1,147
Deferred tax liabilities	3	36,431
Long-term provisions		491
<b>Non-current liabilities</b>		<b>38,069</b>
<b>Net assets</b>		<b>129,450</b>
<b>Equity</b>		
<u>Share capital of Refuels</u>		529
Share premium of Refuels		4,080
Merger reserve	4	119,490
Treasury shares		(133)
Non-controlling interest		15,135
Retained deficit – owners of parent		(9,651)
<b>Total equity</b>		<b>129,450</b>

## Statement of cash flow

(Figures in GBP 1000)	Q1 2024
<b>Cash flow from operations</b>	
Profit before income taxes	(9,239)
<b>Adjustments for:</b>	
Taxation charged	(1,011)
Investment income	(2,3)
Depreciation	105
Amortisation	4,276
Share based payment expenses	109
Other gains & losses	(79)
Finance cost	50,1
<b>Changes in working capital:</b>	
Inventories movement	14
Change in other current receivables	24,812
Change in trade payables	(24,736)
Change in social security and other taxes	(39)
Change in other current liabilities and provisions	(486)
<b>Cash generated from operations</b>	<b>(6,224)</b>
<b>Cash flow from investment activities</b>	
Business acquisitions	9,360
Payments for intangible assets	(0.9)
Interest received	2.2
<b>Net cash flow from investment activities</b>	<b>9,361</b>
<b>Cash flow from financing activities</b>	
Proceeds from issue of equity	3,884
Purchase of treasury shares	(133)
Repayment of borrowings	(62)
Repayment of lease liabilities	(81)
Interest paid – lease liabilities	(17)
Interest paid – borrowings	1.8
<b>Net cash flow from financing activities</b>	<b>3,590</b>
Net change in cash and cash equivalents	6,726
FX on translation OCI	(50)
Cash and cash equivalents at the beginning of the period	35
<b>Cash and cash equivalents at the end of the period</b>	<b>6,711</b>

# Selected notes to the quarterly report

## Note 1

As part of the post-transaction steps, independent valuation work is being carried out on the intangible assets identified at acquisition. Once completed, the independent valuations of the intangible assets will be compared to current estimates and updated in the consolidation workings if required, this may result in an adjustment to goodwill and intangible assets in future periods.

## Note 2

An independent valuation will be carried out on investments held in the group as part of the post-transaction steps. These are currently measured at cost.

## Note 3

A deferred tax liability has been recognised on intangible assets recognised on acquisition.

## Note 4

Based on the initial technical review, no recognition is deemed required for warrants issued, as the exercise price equals the IPO price. However, further analysis will be undertaken in future periods and adjusted if required.



# Alternative performance measures and glossary

ReFuels' financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The group presents certain financial measures using alternative performance measures (APMs) not defined in the IFRS reporting framework. The Group believes these APMs provide meaningful information about operational and financial performance. Relevant APMs include the following and are defined below.

Adjusted EBITDA: Adjusted for equity-settled share-based payment expense and one-off transaction costs.

Bio-CNG: Compressed renewable biomethane

EBIT: Earnings Before Interest and Taxes

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation

EPC: Engineering, Procurement, and Construction

FX: Foreign exchange

GBP: Great British Pound

GHG: Greenhouse gas emissions

HGV: Heavy goods vehicle

JV: Joint venture

NOK: Norwegian krone

OCI: Other comprehensive income

R&D: Research and development

RTFC: Renewable Transport Fuel Certificates

RTFS: Renewable Transport Fuel Services Limited

SAF: Sustainable Aviation Fuel

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