

FiberBoards



from Waste to Value

High Quality Building Boards from Recycled Paper Waste

Taus Nöhr lind

This is FiberBoards

- Using waste from recycled paper to produce high quality building boards
- Solving a costly waste disposal problem for the paper industry
- Providing the market with an environmentally friendly product

- Global market for building boards: 3-6 billion m² pa + other industries
- Global market for FiberBoard Plants: ~1.000 sites with recycling facility

- Revenue potential: DKK 1+ billion (based on 250 plants)
- Selling 25 plants will generate revenues of DKK 100+ million/year

- A FiberBoard Production Plant – Investment DKK 75-150 mio.
- A FiberBoard Production Plant – Payback 4-6 years

- Pilot phase ongoing – Verification of improved production process
- Funding for production plant in Næstved ~DKK 70-80 mio.
- International expansion – Selling FiberBoard Production Plants

Excellent Building Board Properties

The Fiber Board is well positioned within the following characteristics:

- Fire resistance
- Strength
- Density
- Finishing
- Moisture tolerance
- Sound reduction / Acoustics
- Thermal insulation
- Individual finishing
- Easy handling

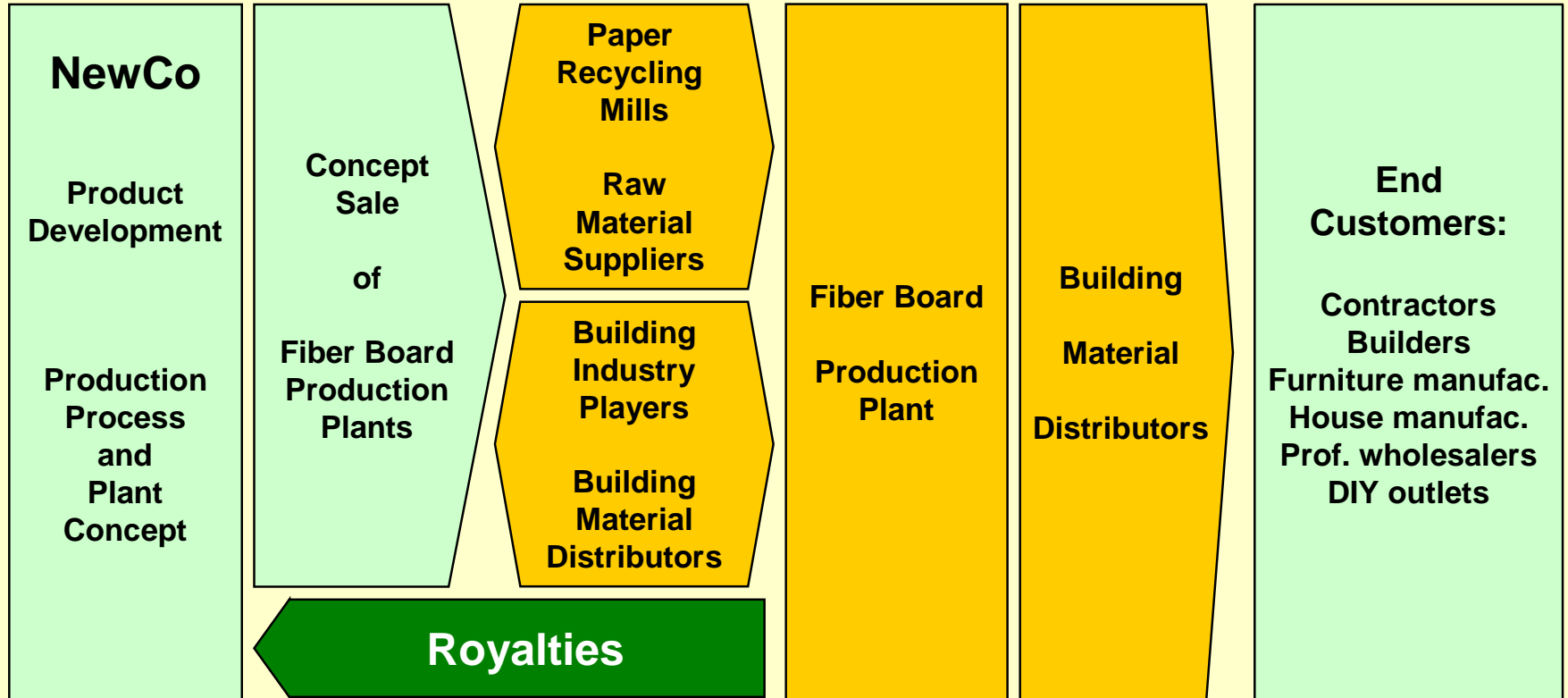


The Fiber Board has obtained a CE certificate

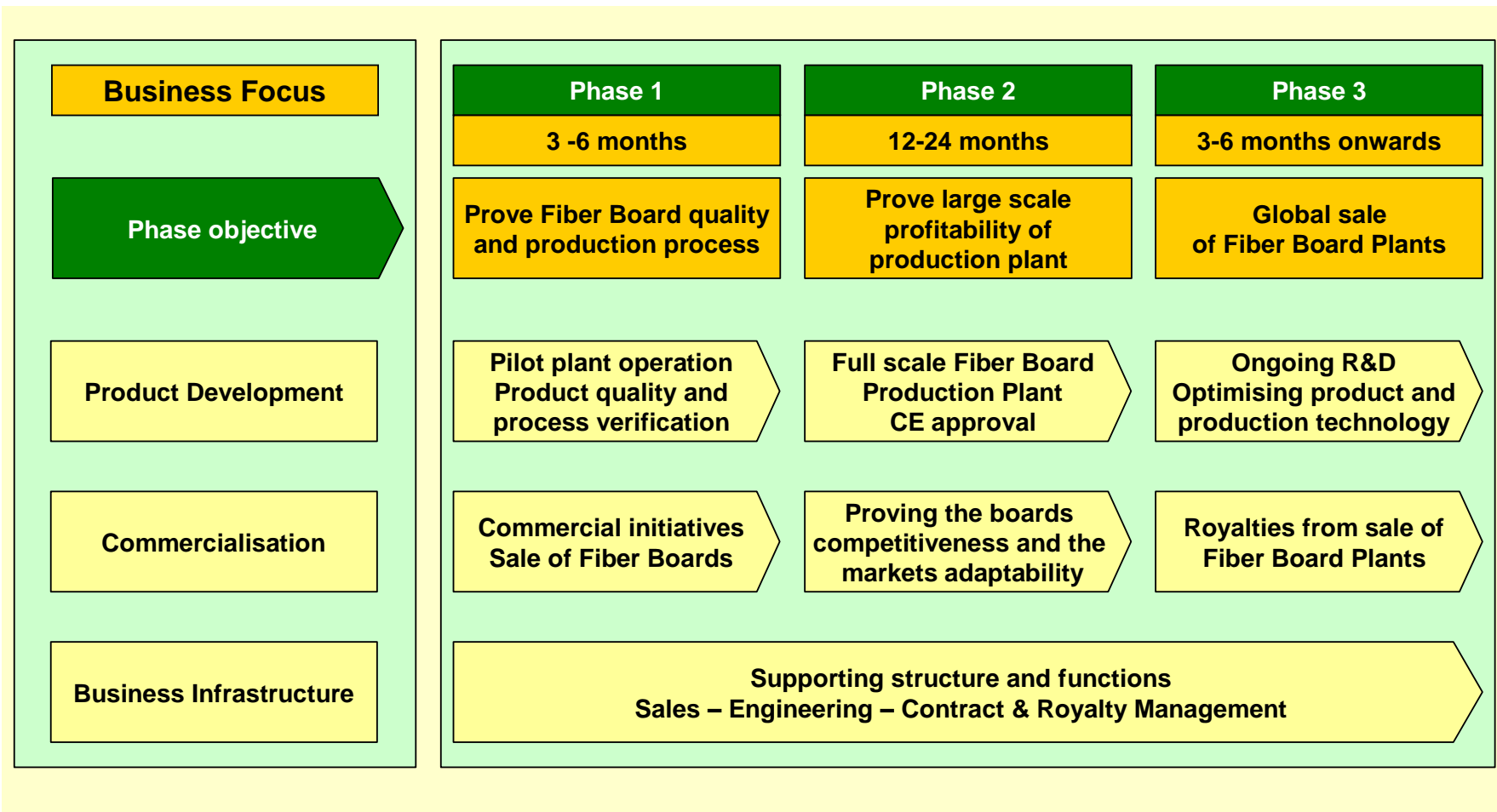


FiberBoard

Business Model



FiberBoard - Strategy



A FiberBoard Production Plant

Resulting P&L when improved by DKK 250 per reduced tonnes of waste

- Waste from average paper recycling facility ~60.000 tonnes
- Today's waste disposal costs ~DKK 500-700 per tonnes
- Annual waste costs ~DKK 30-40 million
- 60.000 tonnes of raw material = ~3 mio m² board
- 80% production capacity exploitation = 2,4 mio m² board
- Sales price of DKK 30,- pr. m² board
- Investment in production plant ~DKK 75 million
- Pay-back on investment 4-6 years

Required Capital	DKK
Production equipment	48.650.000
One-off set-up costs	10.900.000
Operational finance to break-even	12.572.500
Total required capital	72.122.500

Sales	Year 1	Year 2	Year 3	Year 4	Year 5
Sales in m ² fiber board	0	255.000	1.500.000	2.390.000	2.400.000
Sales in DKK	0	7.650.000	45.000.000	71.700.000	72.000.000
EBITDA (1)	-17.150.000	-6.322.500	16.320.000	30.595.000	31.320.000
Cumulated EBITDA (2)	-17.150.000	-23.472.500	-7.152.500	23.442.500	54.762.500

(1) - The EBITDA figure is incl. reduced waste payments

(2) - Set-up costs are written off at time of acquisition save for the production equipment.

Organisation

Key Team Members

- | | |
|----------------------|--------------------------------|
| • Frank Skjelmosse | Inventor |
| • Bjørn Zebitz | Sales Director |
| • Dennis Larsen | Production Manager |
| • Taus Nöhrind | Business Development / Mgt. |
| • Key Member (named) | Mgt. / Production / Int. Sales |

Other key team members:

- | | |
|---------------------|------------------------------|
| • Jesper Berning | Legal and Business Advisor |
| • Ulrich Kaarsgaard | Retail and Key Account Sales |
| • John Hansen | Production |

The FiberBoard Business

- Turning waste from recycled paper into competitive building boards
- Establishing FiberBoard Production Plants with sales of DKK 80-150 mio. with EBIT >30-40%
- Creating an international business with IP revenues in the scope of potentially DKK 1 billion
- **Required: Investment of DKK 100 mio. + International Expansion**



Connect Denmark – Springboard

Gode og Brugbare fordele ved et Springboard:

- **Test og Feedback på investor- / virksomhedspræsentation**
- **God sparring på forretningsgrundlag og strategi**
- **Mulig adgang til investoremner**
- **Mulighed for etablering af netværk**

- **Vær forberedt – Arbejd med præsentationen**
- **Lyt åbent – Tag notater**
- **Følg op – Individuelt og Kollektivt**

Key Figures for Næstved Plant

Required Capital	DKK
Production equipment	48.650.000
One-off set-up costs	8.800.000
Operational finance to break-even	9.250.000
Total required capital	66.700.000

Sales	Year 1	Year 2	Year 3	Year 4	Year 5
Sales in m ² fiber board	10.000	760.000	1.680.000	2.310.000	2.400.000
Sales in DKK	300.000	22.800.000	50.400.000	69.300.000	72.000.000
EBITDA (1)	-15.805.000	2.170.000	19.380.000	30.055.000	31.080.000
Cumulated EBITDA (2)	-15.805.000	-13.635.000	5.745.000	35.800.000	66.880.000

(1) - The EBITDA figure is incl. reduced waste payments of DKK 250 per tonnes

(2) - Set-up costs are written of at time of acquisition save for the production equipment.

Competitive Position

Material property	NewCo Fiber Boards	Gypsum boards	MDF boards	Wood chip boards
Strenght ⁽¹⁾	High	Low	High	Medium
Fire resistance	Class A (material) ⁽²⁾ Class 1 (covering) ⁽²⁾	Class A (material) ⁽³⁾ Class1 (covering)	Class B (material)	Highly inflameable
Surface finish	Very good	Fair	Good	Good
Outdoor resistance	No	No	No	No
Machinability	High	Low	High	High
Formaldehyde	No	No	No	Yes
Weight per m ² (12 mm board)	15,6 kg	9,5 kg	9,6 kg	8,2 kg

(1) Strenght covers impact resistance and withdrawal of screws. Source: Aeraneum

(2) One board is fire resistant to 60 minutes.

(3) Two gypsum boards are required to provide the same fire resistance as one Fiber Board offers.

Current Market Position

Building board customers - Expression of interest:

- **Hammerich A/S**
- **Cembrit A/S**
- **DLH**

Production plant customers - Expression of interest:

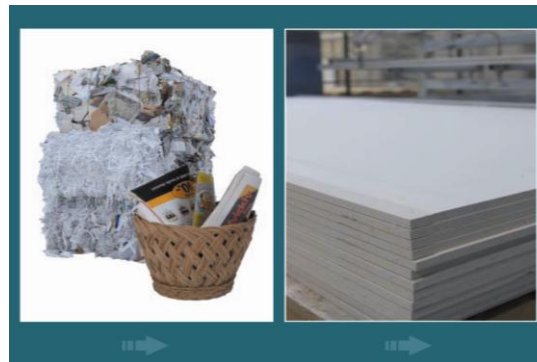
- **Dalum Papir – Plant in Næstved**
- **Aylesford Newsprint**
- **Sustainable housing project in China**

Production plant funding - Expression of interest:

- **8 – 10 potential investors**
- **=> ~ 2-3 actual closer dialogue**

Business Model

- 1) **Approach paper mills with recycling facility**
- 2) **Attract local distributor within building materials**
- 3) **Ensure participation of local investor**
- 4) **Sell the turn-key fiber board production plant**
- 5) **Revenues from royalties or dividends**



From Waste-to-Value

A FiberBoard Production Plant

- **Waste from average paper recycling facility ~60.000 tonnes**
- **Today's waste disposal costs ~DKK 500-700 per tonnes**
- **Annual waste costs ~DKK 30-40 million**
- **60.000 tonnes of raw material = ~3 mio m² board**
- **80% production capacity exploitation = 2,4 mio m² board**
- **Sales price of DKK 30,- pr. m² board**
- **Investment in production plant ~DKK 75 million**
- **Pay-back on investment 4-6 years (depending on waste costs inclusion)**

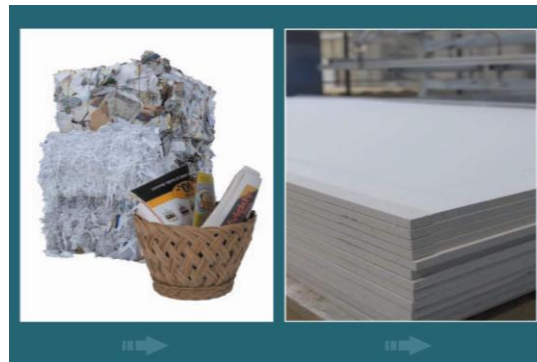
A FiberBoard Production Plant

P&L WITH NO SAVINGS ON WASTE					
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EBITDA (1)	-17.150.000	-7.342.500	10.320.000	21.035.000	21.720.000
Cumulated EBITDA	-17.150.000	-24.492.500	-14.172.500	6.862.500	28.582.500
(1) - Set-up costs are written of at time of acquisition save for the production equipment.					

P&L WITH SAVINGS ON WASTE = DKK 700 PER TONNES					
Sales	Year 1	Year 2	Year 3	Year 4	Year 5
Sales in m ² fiber board	0	255.000	1.500.000	2.390.000	2.400.000
Sales in DKK	0	7.650.000	45.000.000	71.700.000	72.000.000
EBITDA (1)	-17.150.000	-4.486.500	27.120.000	47.803.000	48.600.000
Cumulated EBITDA	-17.150.000	-21.636.500	5.483.500	53.286.500	101.886.500
(1) - Set-up costs are written of at time of acquisition save for the production equipment.					

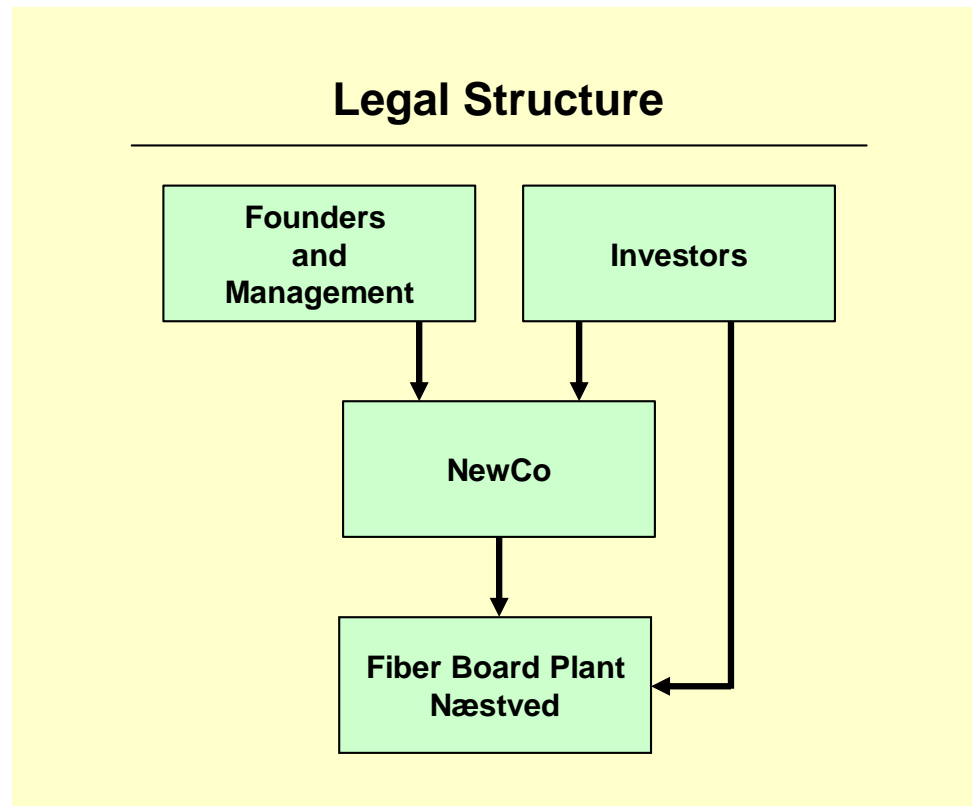
Strategy

- 1) **Completion of improved production process**
 - Cost advantage; More sq. meter per time unit
- 2) **Establish full scale Fiber Board Production Plant**
- 3) **Establish business infrastructure to facilitate global sale**
- 4) **Selling Fiber Board Production Plants globally**



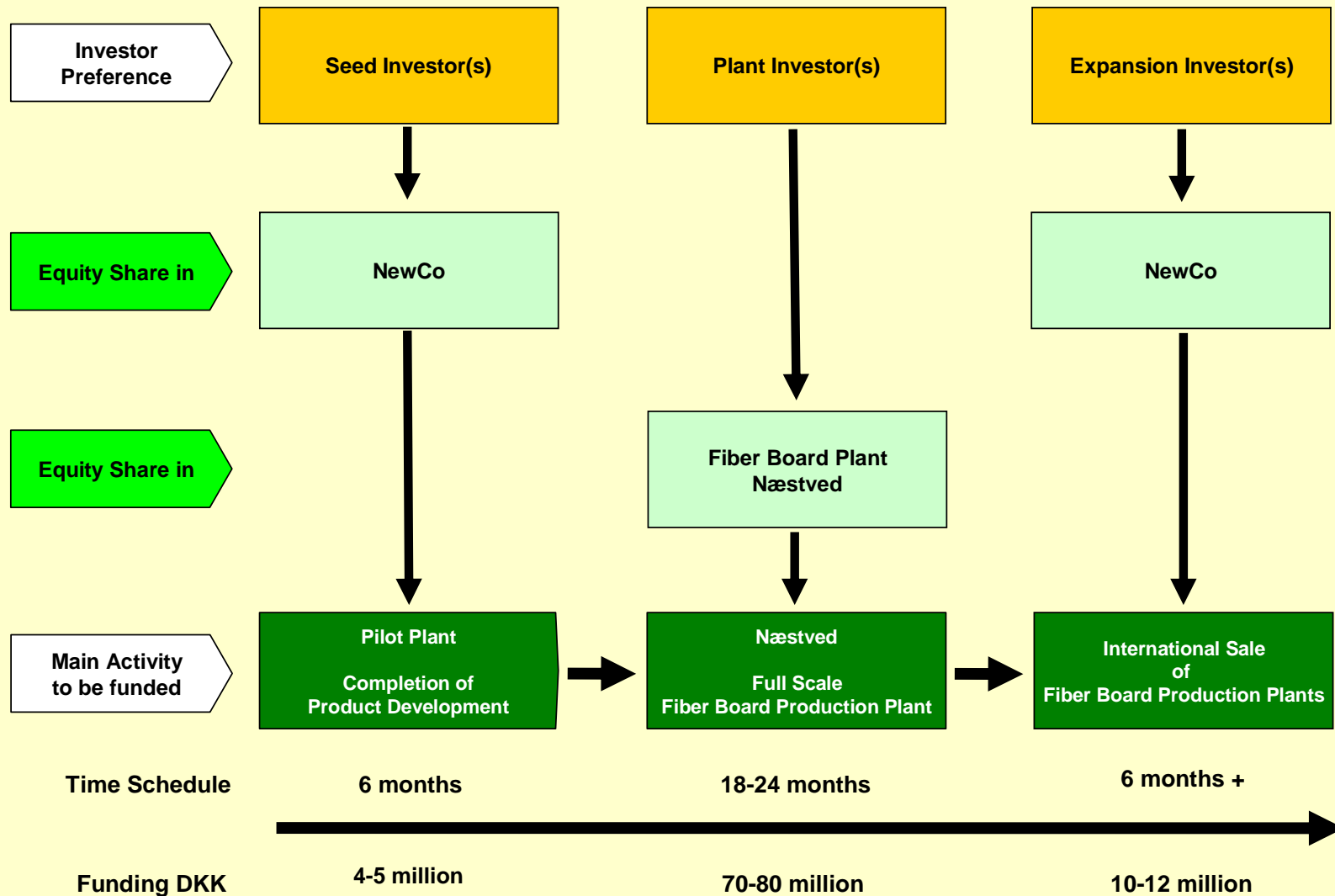
From Waste-to-Value

Legal Structure



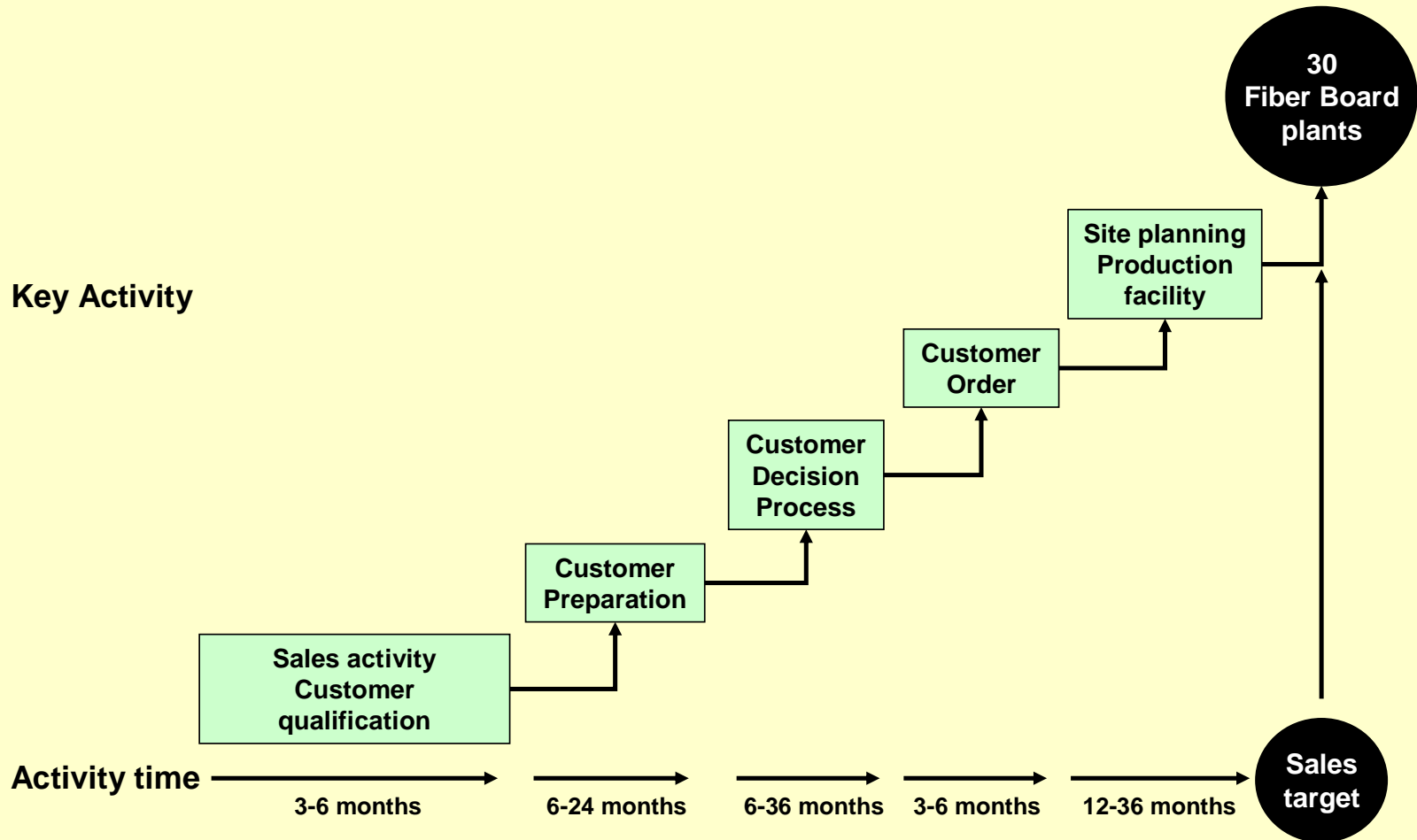
FiberBoards and Investors

Investor Consortium Structure



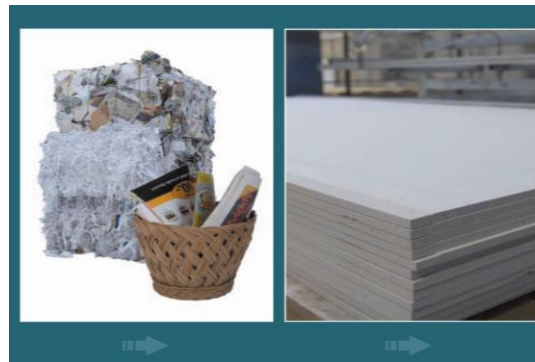
Sales Activity Planning

Illustration of Sales Activity Planning



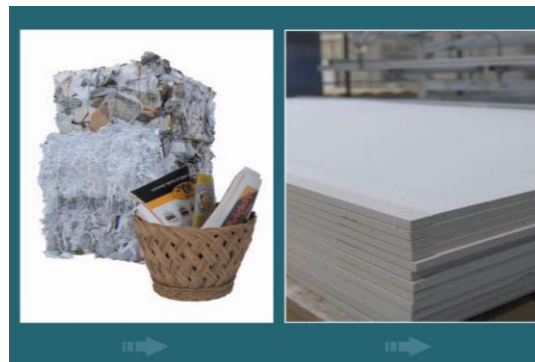
The Building Board Market

- **Global building board market 3-6 billion m²**
- **Furniture industry hold significant potential**
- **Attractive opportunity for product range expansion**



The Market for Production Plants

- **Around 1000 paper mills globally with recycling facility**
- **Rate of recycled paper increasing globally (regulatory demand)**
 - The EU has a 66% recycling target by 2010 (2006 = 55%)
 - The US has a 60% recycling target by 2012 (2007 = 56%)
- **Regulators are imposing still higher waste disposal taxes**
 - => Hence recycling rate will increase**
 - => Hence paper mills with recycling facility will increase**
 - => Making more raw material available**



Management & Organisation

Management Team	Background
Frank Skjelmose	The inventor of the Fiber Board and the production process method. Has spent more than 20 years in developing and testing the Fiber Board.
Jesper Berning	Doctor of Law and highly experienced in business, deal structuring and board level work. Has worked with Frank Skjelmose since 1998.
Bjørn Zebitz	More than 30 years of experience in sales and export market development of which more than 15 years has been spent in the building materials industry. Has been working with the Fiber Board business since 2004.
Taus Nöhrind	Specialises in international business development with more than 20 years of experience in the field. Has worked with the Fiber Board business since July 2008.
Key Employees	Background
Dennis Larsen	Educated tool-maker. 1999-2007 Production manager for the Fiber Board businesses.
Ulrich Kaarsgaard	Educated construction engineer and experienced project manager. Worked 2005-2007 as technical field sales executive with the Fiber Board business. Also handled technical training for distributors and resellers of the Fiber Boards.
John Hansen	Trained machine operator. Worked 2005-2007 in the production with the Fiber Board business

Staffing plan for future functions is in place

This is FiberBoards

- A true Waste-to-Value opportunity in the growing cleantech sector
- Using waste from recycled paper production as raw material
- Producing a sustainable and environmentally friendly product
- Solving a costly waste disposal problem for the paper industry
- Providing the market with a high quality competitive building board
- Two-dimensional market: Building Materials and Production Plants
- Global market for building boards: 3-6 billion m² pa + other industries
- Global market for FiberBoard Plants: ~1.000 sites with recycling facility
- Revenue potential from royalties: DKK 1+ mia. (based on 250 plants)
- A FiberBoard Production Plant – Investment DKK 75-150 mio.
- A FiberBoard Production Plant – Payback 4-6 years
- Selling 25 plants will generate royalties of DKK 100+ million/year
- 1. round funding ~DKK 5 mio. for production process verification
(outstanding ~DKK 2 mio.)
- Funding for production plant in Næstved ~DKK 70 mio.
- 2. round funding ~DKK 10 mio. for international expansion