

B Upgrade second quality or scrap product

Situation you may face

- You have an amount of product that is not up to specifications, and thus needs to be sold as off-grade or discarded
 - Off-grade (product out of process as a result of transition from one product spec to another)
 - Collection of scraps

Solution

- Ancos can perform a number of processes to upgrade second quality or scrap product to first grade product that can be sold at full value
 - Dry product to meet specifications
 - Blend to homogenize product and meet specifications
- Ancos can handle odd batch sizes and frequencies, that you are not able to process or would impact your efficiency

Value creation

- Value creation per pound of product could be anywhere from **3x – 15x+ greater** than the investment in marginal incremental tolling fees, depending on product and services
 - Upgrade value of product from off-grade pricing to full market prices
 - Avoid discard fees

Example Ancos customer

- Customer has irregular amounts of product that are out of specification as a natural result of transitions in their operations
- Customer sends batches of off grade product to Ancos to be dried and meet specifications
- With Ancos processing support, customer is able to sell 100% of their product at full “prime” prices

Value creation:

- Incremental margin saved = \$600 k +
- Tolling investment < \$180k
- Return on investment > 3.3x

Example Ancos customer

- Customer has regular amount of scraps through normal course of business
- Customer sends batches of scrap to Ancos to homogenize
- Customer is able to use scraps and avoid disposal costs

Value creation:

- Value created per lb. = \$0.70 – \$0.80
- Return on investment > 15x



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