Q4 2025 Earnings Call

March 10, 2026

Disclaimer

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and 21E of the Securities Exchange Act of 1934, as amended, which provides a “safe harbor” for such statements in certain circumstances. When used in this presentation, the words "anticipates," “may,” "believes," "expects," "intends," "plans," "estimates," "predicts," the negative expressions of such words, or similar expressions and any other statements that are not historical facts are intended to identify those assertions as forward- looking statements. All statements that address activities, events or developments that Arq, Inc. (“we,” “us,” “our,” “Arq” or the “Company”) intends, expects or believes may occur in the future are forward-looking statements. These forward-looking statements include, but are not limited to, statements or expectations regarding: the future of our GAC Facility and Corbin Facility and the anticipated timing, results, and conclusions of our GAC business optimization review and the actions we may take upon the completion of such review; the anticipated benefits of transitioning away from using Corbin Wetcake to a bituminous proven performance coal as a feedstock for our GAC products; financial guidance for fiscal year 2026; the anticipated effects from fluctuations in the pricing of our AC products; expected supply and demand for our AC products and services, including our GAC products; the seasonal impact on our customers and their demand for our products; the future profitability and sustainability of our PAC business; our ability to fund our business over the next twelve months; our ability to access new markets for our feedstocks and other products, including renewable natural gas, asphalt, purified coal, rare earth minerals and synthetic graphite markets; any future plant development projects, including those that may be necessary to remediate design flaws in our GAC Facility, and our ability to finance any such projects; the effectiveness of our technologies and the benefits and competitive advantages they provide; the timing of awards of, and work and related testing under, our contracts and agreements and their value; probability of any loss occurring with respect to certain guarantees made by Tinuum Group; the timing and amounts of or changes in future revenue, funding for our business and projects, margins, expenses, earnings, tax rates, cash flows, royalty payment obligations, working capital, liquidity and other financial and accounting measures; the performance of obligations secured by our surety bonds; the amount and timing of future capital expenditures needed to fund our business plan; the impact of capital expenditure overruns on our business; the timing, adoption, and scope of regulations to control certain chemicals in drinking water and other environmental concerns and the impact of such regulations on our customers' and our businesses, including any increase or decrease in sales of our AC products resulting from such regulations; the impact of adverse global macroeconomic conditions, including international and domestic tariffs, rising interest rates, recession fears and inflationary pressures, and geopolitical events or conflicts; opportunities to effectively provide solutions to our current and future customers to comply with regulations, improve efficiency, lower costs and maintain reliability; our near-term priorities and objectives and our long-term outlook regarding the growth of our business; and the impact of prices of competing power generation sources such as natural gas and renewable energy on demand for our products. These forward-looking statements involve risks and uncertainties. Actual events or results could differ materially from those discussed in the forward-looking statements as a result of various factors including, but not limited to, the timing and scope of new and pending regulations and any legal challenges to or extensions of compliance dates of them; the U.S. government’s failure to promulgate new regulations or enforce existing regulations that benefit our business; changes in laws and regulations, accounting rules, prices, economic conditions and market demand; availability, cost of and demand for alternative energy sources and other technologies and their impact on coal-fired power generation in the U.S.; technical, start up and operational difficulties; competition within the industries in which the Company operates; risks associated with our debt financing; our inability to effectively and efficiently commercialize new products, including our GAC products; our inability to effectively identify solutions to the design flaws in GAC Facility at our Red River Plant or execute on any remedial measures or modifications thereto; disruptions at any of our facilities, including by natural disasters or extreme weather; risks related to our information technology systems, including the risk of cyberattacks on our networks; failure to protect our intellectual property from infringement or claims that we have infringed on the intellectual property of others; our inability to obtain future financing or financing on terms that are favorable to us; our inability to ramp up our operations to effectively address recent and expected growth in our business; loss of key personnel; ongoing effects of the inflation and macroeconomic uncertainty, including from increased domestic and international tariffs and armed conflicts around the world, and such uncertainty's effect on market demand and input costs; availability of materials and equipment for our business; intellectual property infringement claims from third parties; the impacts of any current or future write-downs or write-offs, restructuring, impairment or other charges; our failure to realize the anticipated benefits of acquisitions, joint ventures, and divestitures we may engage in; pending litigation; factors relating to our business strategy, goals and expectations, including our ability to execute on our GAC business plan; our ability to maintain relationships with customers, suppliers and others with whom the Company does business and meet supply requirements; our results of operations and business generally; risks related to diverting management's attention from our ongoing business operations; costs related to the ongoing manufacturing of our products, including costs necessary to resume GAC production; opportunities for additional sales of our AC products and end-market diversification, including for our Corbin Wetcake; the rate of coal-fired power generation in the U.S.; the timing and cost of any future capital expenditures and the resultant impact to our liquidity and cash flows; and the other risk factors described in our filings with the SEC, including those described in Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2025. You are cautioned not to place undue reliance on the forward-looking statements and to consult filings we have made and will make with the SEC for additional discussion concerning risks and uncertainties that may apply to our business and the ownership of our securities. In addition to causing our actual results to differ, the factors listed above may cause our intentions to change from those statements of intention set forth in this presentation. Such changes in our intentions may also cause our results to differ. We may change our intentions, at any time and without notice, based upon changes in such factors, our assumptions, or otherwise. The forward-looking statements speak only as to the date of this presentation, and we disclaim any duty to update such statements unless required by law.

Non-GAAP Financial Measures

Included in this presentation are certain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles ("GAAP") designed to supplement, and not substitute, the Company's financial information presented in accordance with GAAP. The non-GAAP measures as defined by the Company may not be comparable to similar non-GAAP measures presented by other companies. The presentation of such measures, which may include adjustments to exclude unusual or non-recurring items, should not be construed as an inference that the Company’s future results or leverage will be unaffected by other unusual or non-recurring items. Please see the attached appendix for how we define these non-GAAP measures, a discussion of why we believe they are useful to investors, and certain limitations and reconciliations thereof to the most directly comparable GAAP measures.

Notable FY 2025 Financial Highlights & Recent Updates

Total Revenue

$120M+

Reported record revenue for FY25 of $120.3 million (+10% YoY), driven by continued strength in foundational PAC business

Adjusted EBITDA[1]

$13M+

Achieved 7th straight quarter of positive Adj. EBITDA, resulting in FY25 Adj. EBITDA of $13.2 million, despite GAC startup offsets

PAC Volumes

117M

Achieved record PAC sales volumes of 117 million pounds in FY25, up from 111 million pounds in prior fiscal year

GAC Pause

Optimization Review

Pausing GAC production to conduct comprehensive engineering and production process optimization review

2026 Outlook

Inaugural Guidance

Introducing financial guidance, including revenue of $120-125 million and Adj. EBITDA of $17-20 million; assumes no GAC contribution

Executive Team

Leadership Evolution

Restructuring Operations, Finance and Sales leadership

(1) Adjusted EBITDA is a non-GAAP measure. Please see "Financial Detail" slides for reconciliation information. As of Q1 2025, the Company began adjusting for stock-based compensation in EBITDA calculation; 2024 figures shown have been adjusted consistently.

Q4 & FY 2025 Financial Highlights

$ millions unless noted	Q4 2025	Q4 2024	FY 2025	FY 2024
Revenue	**$29.4**	$27.0	**$120.3**	$109.0
Gross Margin	**13.6%**	36.3%	**27.9%**	36.2%
Net (loss) income	**($50.0)**	($1.3)	**($52.6)**	($5.1)
Adjusted EBITDA[1]	**$0.3**	$3.8	**$13.2**	$10.5
Cash & Restricted Cash	**$15.0**	$22.2	**$15.0**	$22.2

- Recorded record revenue performance for FY 2025, growing +10% YoY
- Strong performance driven by PAC volume growth to a record of 117 million pounds in 2025
- Achieved 7th consecutive quarter of positive Adj. EBITDA and +26% increase in annual Adj. EBITDA
- Gross margin and Adjusted EBITDA negatively impacted by several million dollars of costs associated with low, early-ramp GAC volumes
- Net loss impacted by Corbin impairment
- Q1 and FY 2026 should benefit from strong PAC business and absence of GAC start-up costs

1) Adjusted EBITDA is a non-GAAP measure. Please see “Financial Detail” slides for reconciliation information. As of Q1 2025, the Company began adjusting for stock-based compensation in EBITDA calculation; 2024 figures shown have been adjusted consistently.

Steady Price Increases Support Sustainable PAC Business Performance

PAC pricing remains robust and growing

YoY Average Sales Price (ASP) % Change

Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
+16%	+15%	+15%	+14%	+13%	+9%	+7%	+7%

+12%
Average quarterly YoY ASP increase[1]

+9%
FY25 vs FY24 average quarterly increase[1]

Outlook

- Long-term profitability and growth remains a focus
- Expanding into adjacent markets with enhanced pricing and developing new products
- Pricing growth expected to continue, but pace to moderate naturally
- 96% contract visibility on 2026 volumes
- Contract volume visibility: 2027 – 75%; 2028 – 43%

Strong visibility in PAC contract renewals extends runway and sustainability through 2026 and beyond

1) Q1 2024 through Q4 2025

Pausing GAC Production to Conduct Optimization Review

What We're Doing:

- Pausing GAC production for comprehensive engineering & production process optimization review
- Decision due to repeated operational issues including: original design flaws and inefficiencies, off-gas system designs challenges and thermal oxidizer capacity constraints
- Reflects disciplined capital allocation decision-making process
- Optimization review will determine:
  - Modifications required to thermal oxidizer / downstream off-gas treatment to achieve minimum 25 million lbs of production
  - Cost to make those modifications
  - Optimal capacity of 25 million lbs or higher
  - Return profiles at different production levels
- PAC business which is profitable, growing, and provides stable foundation with 2026 Adjusted EBITDA guidance of $17-20 million

Why We're Doing It:

Ensure optimal production scale economics

Determine best value creation path

Deploy capital most effectively

Protect long-term shareholder value

GAC Market Dynamics

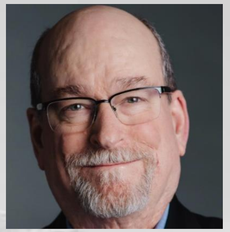
Basis for entering market remains unchanged and extremely compelling

- GAC fundamentals remain strong – continued excess demand versus supply in short, medium and long term
- Water market remains reliable demand base with significant growth anticipated
- Growing RNG demand anticipated to accelerate simultaneous with water market
- Customer conversations indicate pricing above previous assumptions
- Customers remain supportive of Arq and its products, demonstrated by willingness to maintain contracts despite delays
- Customers remain proactive in securing supply ahead of EPA's PFAS enforcement

Leadership Updates

Making changes to ensure right technical expertise and operational focus to optimize profitable PAC business and execute future GAC decisions

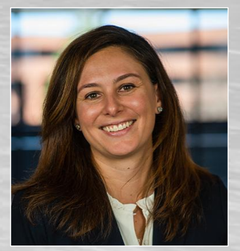
- COO role, previously held by Deke Williamson, eliminated as Corbin idling makes Arq a single-plant business, streamlining organizational structure. Jay Voncannon will no longer be CFO, effective immediately
- ***Eric Robinson*** appointed VP Operations - industry veteran with direct experience optimizing activated carbon facilities, including Arq's Red River plant. His prior work delivered 20% yield improvements, doubled production, and materially improved plant availability. His expertise specifically addresses the types of plant ramp-up challenges encountered to date at Red River's GAC line
- ***Jeanette McQueeney*** appointed VP and Head of Sales – joined in November with a long and successful sales career in chemicals and significant activated carbon sales experience. She is both a proven producer and a leader, bringing a strategic orientation to our sales efforts
- ***Anthony Nathan*** promoted to VP Finance - leveraging 8-years at Arq, including oversight of all equity and credit financings and the Arq/ADES combination (now Arq Inc), as well as 12-years capital markets experience previously. He will be responsible for financial planning, strategic analysis, budgeting and investor relations
- ***Stacia Hansen*** continues as Chief Accounting Officer, responsible for accounting, tax, and financial reporting functions and remains principal financial officer



Eric Robinson

Jeanette McQueeney

Anthony Nathan

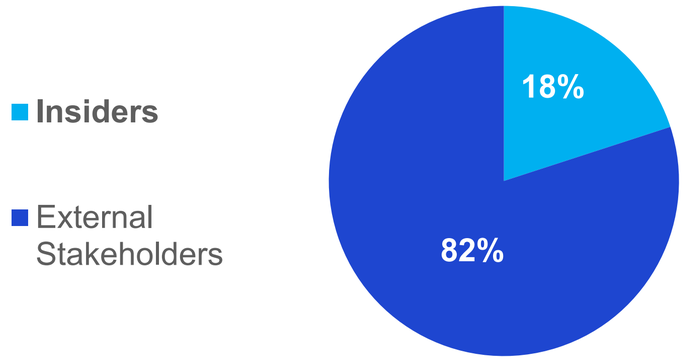


Stacia Hansen

Management and Board Alignment with Shareholders

Meaningful ownership and continued commitment

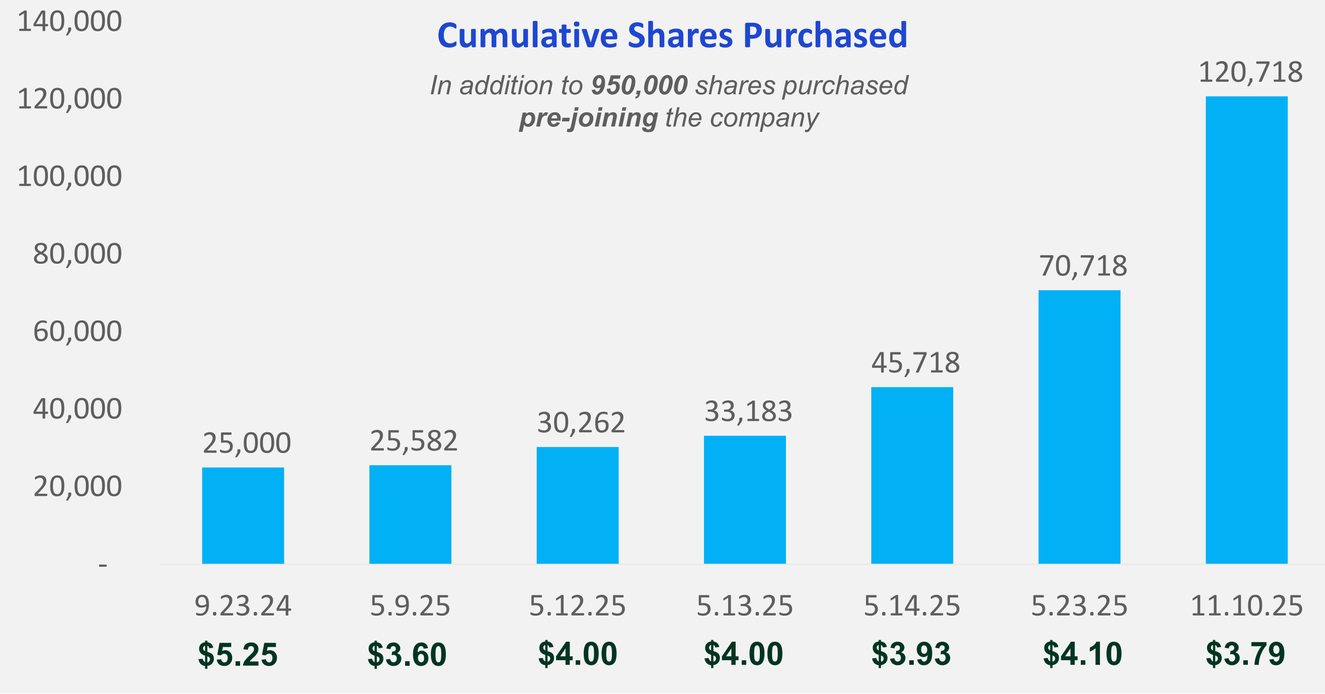
Insider Ownership: Board and Management



Leadership Aligned with Shareholder Interest

- 9 board and management members collectively own **~7.8M** shares, representing **18.3%** of shares outstanding
- Leadership team have previously purchased **shares during periods of price weakness** and outside trading blackout windows
- Sustained capital deployment by insiders underscores **alignment with long-term shareholder value creation**

CEO Robert Rasmus: A History of Commitment



$4.18	~1.1M	~$2.3M	2.5%	4.1x
Purchase VWAP	Total Position (Shares)	Total Position (purchase value)	Ownership Stake	Investment Multiple of Base Salary (Since Joining)

Inaugural Financial Guidance & Outlook – 2026

Total Revenue

$120 – $125M

Adjusted EBITDA

$17 – $20M

PAC Avg. Selling Price *($/lb)*

$0.88-0.91

(vs. $0.89 in FY25, $0.82 in FY24)

PAC Production Volumes *(M lbs)*

122 – 125M

(vs. 117M in 2025, 111M in 2024)

% Non-PAC Revenue

13 – 15%

Other chemicals/products

- Guidance based on proven PAC operations with over 15 years' experience
- 96% contract visibility on 2026 volumes
- Strong pricing reflects continued specialty product mix and market diversification
- GAC production pause redirects furnace hours to profitable PAC production, improving near-term performance
- Future GAC Phase I will not necessarily require PAC production reductions, preserving earnings power

Key Near-term Priorities & Objectives

- Continue optimization of cash-generative foundational PAC business
- Conduct and complete comprehensive optimization review of GAC business
- Continue expansion into adjacent market opportunities
- Deliver on 2026 financial guidance

Financial Detail

Consolidated Balance Sheet[1]

(in thousands, except share data)	As of December 31, 2025	2024
ASSETS		
Current assets:		
Cash	$ 6,573	$ 13,516
Receivables, net	14,980	14,876
Inventories, net	15,895	19,314
Prepaid expenses and other current assets	6,404	4,650
Total current assets	43,852	52,356
Restricted cash, long-term	8,467	8,719
Property, plant and equipment, net of accumulated depreciation of $28,375 and $26,619, respectively	143,154	178,564
Other long-term assets, net	35,107	44,729
Total Assets	$ 230,580	$ 284,368
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 15,269	$ 21,017
Revolving credit facility	18,950	13,828
Current portion of long-term debt obligations	1,063	1,624
Other current liabilities	7,015	8,184
Total current liabilities	42,297	44,653
Long-term debt obligations, net of current portion	8,452	9,370
Other long-term liabilities	11,868	13,069
Total Liabilities	62,617	67,092
Commitments and contingencies		
Stockholders' equity:		
Preferred stock: par value of $0.001 per share, 50,000,000 shares authorized, none issued or outstanding	—	—
Common stock: par value of $0.001 per share, 100,000,000 shares authorized, 47,348,394 and 46,639,930 shares issued and 42,730,248 and 42,021,784 shares outstanding at December 31, 2025 and 2024, respectively	47	47
Treasury stock, at cost: 4,618,146 and 4,618,146 shares as of December 31, 2025 and 2024, respectively	(47,692)	(47,692)
Additional paid-in capital	201,784	198,487
Retained earnings	13,824	66,434
Total Stockholders' Equity	167,963	217,276
Total Liabilities and Stockholders' Equity	$ 230,580	$ 284,368

(1) See complete, Consolidated Financial Statements and Notes related thereto within the Annual Report on Form 10-K for the period ended December 31, 2025.

Consolidated Statements of Operations[1]

(in thousands, except per share data)	Three Months Ended December 31, 2025	Three Months Ended December 31, 2024	Years Ended December 31, 2025	Years Ended December 31, 2024
	(unaudited)			
Revenue	$ 29,431	$ 27,040	$ 120,336	$ 108,959
Cost of revenue, exclusive of depreciation and amortization	25,441	17,236	86,804	69,515
Operating expenses:				
Selling, general and administrative	5,959	5,960	22,554	28,695
Research and development	1,200	709	7,337	4,050
Depreciation, amortization, depletion and accretion	3,323	2,504	11,747	8,594
Impairment of long-lived assets	44,756	—	44,756	—
(Gain) loss on sale of assets	(22)	218	96	64
Total operating expenses	55,216	9,391	86,490	41,403
Operating (loss) income	(51,226)	413	(52,958)	(1,959)
Other income (expense):				
Earnings from equity method investment	1,713	—	1,951	127
Interest expense	(544)	(831	(2,449)	(3,257)
Loss on extinguishment of debt	—	(1,422	—	(1,422)
Other income	42	307	858	1,238
Total other income (expense)	1,211	(1,946)	360	(3,314)
Loss before income taxes	(50,015)	(1,533)	(52,598)	(5,273)
Income tax expense (benefit)	12	(194)	12	(164)
Net loss	$ (50,027)	$ (1,339)	$ (52,610)	$ (5,109)
Loss per common share:				
Basic	$ (1.20)	$ (0.03)	$ (1.27)	$ (0.14)
Diluted	$ (1.20)	$ (0.03)	$ (1.27)	$ (0.14)
Weighted-average number of common shares outstanding:				
Basic	41,657	41,275	41,522	36,051
Diluted	41,657	41,275	41,522	36,051

(1) See complete, Consolidated Financial Statements and Notes related thereto within the Annual Report on Form 10-K for the period ended December 31, 2025.

Consolidated Statements of Cash Flows[1]

(in thousands)	Years Ended December 31, 2025	2024
Cash flows from operating activities		
Net loss	$ (52,610)	$ (5,109)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Impairment of long-lived assets	44,756	—
Depreciation, amortization, depletion and accretion	11,747	8,594
Stock-based compensation expense	3,363	2,715
Operating lease expense	2,432	2,004
Amortization of debt discount and debt issuance costs	359	601
Loss on sale of long-term assets, net	96	64
Loss from extinguishment of debt	—	1,422
Earnings from equity method investment	(1,951)	(127)
Other non-cash items, net	(678)	37
Changes in operating assets and liabilities:		
Receivables	(104)	1,316
Prepaid expenses and other assets	(2,030)	1,166
Inventories	3,250	1,636
Other long-term assets, net	(4,128)	(2,166)
Accounts payable and accrued expenses	(6,696)	216
Other current liabilities	(260)	1,144
Operating lease liabilities	205	(1,272)
Other long-term liabilities	(481)	(1,764)
Net cash (used in) provided by operating activities	(2,730)	10,477
Cash flows from investing activities		
Acquisition of property, plant, equipment and intangible assets, net	(8,576)	(85,170)
Acquisition of mine development costs	(531)	(181)
Proceeds from insurance recovery related to property and equipment	685	—
Distributions from equity method investee in excess of cumulative earnings	251	127
Proceeds from sale of property and equipment	10	150
Net cash used in investing activities	(8,161)	(85,074)

(1) See complete, Consolidated Financial Statements and Notes related thereto within the Annual Report on Form 10-K for the period ended December 31, 2025.

Consolidated Statements of Cash Flows[1] - Cont.

(in thousands)	Years Ended December 31, 2025	2024
Cash flows from financing activities		
Borrowings on revolving credit facility	$ 128,941	$ 13,828
Repayments of revolving credit facility	(123,818)	—
Principal payments on notes payable	(914)	(10,544)
Principal payments on finance lease obligations	(447)	(1,022)
Repurchase of common stock to satisfy tax withholdings	(66)	(1,135)
Net proceeds from common stock issued in public offering	—	26,654
Net proceeds from common stock issued in private placement transactions	—	14,951
Net proceeds from common stock issued to related party	—	800
Payment of debt issuance costs	—	(633)
Payment of debt extinguishment costs	—	(220)
Net cash provided by financing activities	3,696	42,679
Decrease in Cash and Restricted Cash	(7,195)	(31,918)
Cash and Restricted Cash, beginning of year	22,235	54,153
Cash and Restricted Cash, end of year	$ 15,040	$ 22,235
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 661	$ 2,017
Cash received for income taxes	$ (27)	$ (100)
Supplemental disclosure of non-cash investing and financing activities:		
Change in accrued purchases for property and equipment	$ 949	$ 6,198
Purchase of property and equipment through note payable	$ —	$ 1,004

(1) See complete, Consolidated Financial Statements and Notes related thereto within the Annual Report on Form 10-K for the period ended December 31, 2025.

Note on Non-GAAP Financial Measures

To supplement our financial information presented in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP"), we provide certain supplemental financial measures, including EBITDA and Adjusted EBITDA, which are measurements that are not calculated in accordance with U.S. GAAP. EBITDA is defined as earnings before interest, taxes, depreciation and amortization, and Adjusted EBITDA is defined as EBITDA reduced by the non-cash impact of equity earnings from equity method investments and other non-cash gains, increased by cash distributions from equity method investments, share-based compensation expense, other non-cash losses and non-recurring costs and fees. EBITDA and Adjusted EBITDA should be considered in addition to, and not as a substitute for, net income (loss) in accordance with U.S. GAAP as a measure of performance. See below for a reconciliation from net income (loss), the nearest U.S. GAAP financial measure, to EBITDA and Adjusted EBITDA.

We believe that the EBITDA and Adjusted EBITDA measures are less susceptible to variances that affect our operating performance. We include these non-GAAP measures because management uses them in the evaluation of our operating performance, and believe they help to facilitate comparison of operating results between periods. We believe the non-GAAP measures provide useful information to both management and users of the financial statements by excluding certain expenses, gains, and losses which can vary widely across different industries or among companies within the same industry and may not be indicative of core operating results and business outlook.

EBITDA and Adjusted EBITDA:

The following table reconciles net loss, our most directly comparable as-reported financial measure calculated in accordance with U.S. GAAP, to (EBITDA Loss) EBITDA and Adjusted EBITDA.

Reconciliation of Net Loss to Adjusted EBITDA[1]

(in thousands)	Three months ended December 31, 2025	Three months ended December 31, 2024	Years ended December 31, 2025	Years ended December 31, 2024
Net loss	$ (50,027)	$ (1,339)	$ (52,610)	$ (5,109)
Depreciation, amortization, depletion and accretion	3,323	2,504	11,747	8,594
Amortization of Upfront Customer Consideration	239	127	620	508
Interest expense, net	541	516	2,383	2,154
Income tax expense (benefit)	12	(194)	12	(164)
(EBITDA Loss) EBITDA	(45,912)	1,614	(37,848)	5,983
Corbin Facility impairment and write-down of related assets[(1)]	47,027	—	47,027	—
Share-based compensation[(2)]	840	530	3,363	2,715
GAC Facility pre-production feedstock[(3)]	32	—	2,911	—
Earnings from equity method investment	(1,713)	—	(1,951)	(127)
Cash distributions from equity method investment	13	—	251	127
Gain on insurance proceeds[(4)]	—	—	(685)	—
(Gain) loss on sale of assets	(22)	218	96	64
Financing costs	—	47	—	275
Loss on extinguishment of debt	—	1,422	—	1,422
Adjusted EBITDA	$ 265	$ 3,831	$ 13,164	$ 10,459

1. Represents impairment charge recognized at our Corbin Facility of $44.8 million as well as the write-down of certain additional assets at the GAC Facility related to the use of product produced at the Corbin Facility that could not be reused or repurposed, resulting in an additional loss of $2.3 million during the year ended December 31, 2025.
2. Represents non-cash stock-based compensation expenses that are included within "Cost of revenue, exclusive of depreciation and amortization" and "Selling, general and administrative" expenses in the Consolidated Statements of Operations. Previously reported Adjusted EBITDA for the year ended December 31, 2024 has been revised to include non-cash stock-based compensation expense.
3. Represents expenses related to feedstock utilized in pre-production testing of our GAC Facility during the year ended December 31, 2025 included within "Research and development" expense in the Consolidated Statements of Operations.
4. Represents gain related to an insurance claim related to equipment at our Five Forks Mine during the year ended December 31, 2025 included within "Other income" in the Consolidated Statements of Operations. We received the proceeds in October 2025.

Appendix

Arq Company Overview

- **Arq** is a diversified, environmental technology company producing ***activated carbon*** products which reduce or reverse environmental liabilities, including PFAS or “forever chemicals”. Our products enable a ***cleaner and safer planet***

- **Arq** has the ***only fully domestic*** vertically integrated supply chain, improving water and air quality – contributing to ***America’s energy independence***

General Applications of Our Products

Note: PFAS: Per- or poly-fluorinated alkyl substances (PFAS) are a group of industrial chemicals used in everyday products and are often referred to as ‘Forever Chemicals’ because of their extreme persistence in the environment

What is Activated Carbon?

- Also known as activated charcoal
- Activated carbons are largely engineered sorbent materials which purify, filter and remove pollutants from air, water and soil
- When activated, able to “adsorb” a wide range of harmful compounds from air, gas & liquids
- “Activation” process makes product more porous (e.g. think kernel of corn and popcorn kernel)

2 Major Types of Activated Carbon

Powder Activated Carbon (PAC)	Granular Activated Carbon (GAC)

Products & Market Applications

GAC from bituminous coal best at remediating PFAS and forever chemicals

Applications

- Potable Water
- PFAS Remediation
- Wastewater Treatment
- Biogas
- Mercury Emissions
- Pharma
- Specialty
- Automotive
- Food & Beverage
- Soil & Groundwater Remediation

Market Focus

Growth Business	Granular Activated Carbon **(GAC)**	**Municipal water, PFAS remediation, soil & groundwater remediation, specialty gas purification**
Foundation Business	Powder Activated Carbon **(PAC)**	**Power generation, industrial and municipal water**

PFAS Regulations & Impact

EPA under new Administration remains committed to reducing and removing PFAS contamination

Landscape Update

- **Apr 2024:** 2024: EPA issues rule requiring municipal drinking water meet new PFAS limits within 5 years
- **Sep 2025:** EPA retains CERCLA designations for PFOA and PFOS as hazardous substances, defending Biden-era rule in ongoing litigation
- **Q4 2025:** EPA expected to propose extending compliance deadline and narrowing drinking water regulations to PFOS and PFOA only (eliminating PFHxS, PFNA, GenX from original requirements)
- **2025-2026:** Seven additional PFAS rulemakings planned across RCRA, TSCA, CWA including expanded monitoring/reporting requirements

Arq Implications & Additional Detail

- Arq estimates regulations could boost municipal water market demand 3-5x from ~170 million lb/year
- Serves as major catalyst for Arq demand and potential supply shortages
- Regulatory focus narrowed: PFAS Maximum Contaminant Level set at 4 ppt for PFOA/PFOS only (down from 70 ppt); 4 ppt ≈ 4 grains of sand in Olympic pool
- Expanded industrial demand: New NPDES permit requirements and effluent guidelines targeting plastics, chemical, synthetic fiber sectors create additional GAC opportunities
- $1B available for public water utilities; $9B under 2021 BIL for PFAS-impacted communities; additional $12B BIL for public water infrastructure improvements

Sources:
https://www.epa.gov/sdwa/and-polyfluoroalkyl-substances-pfas
https://www.epa.gov/newsreleases/administrator-zeldin-announces-major-epa-actions-combat-pfas-contamination
https://www.hklaw.com/en/insights/publications/2025/10/epas-pfas-rulemaking-trajectory-key-updates

Arq Benefiting from U.S. Tariffs

- Only domestic producer with fully integrated activated carbon supply chain - competitive advantage further amplified under tariffs
- Many competitors face headwinds due to imported feedstock dependencies
- Net beneficiary of current tariff environment - positioned to maximize operational and financial performance

Unique position with fully integrated domestic supply chain

Developing New Markets: Arq-Enabled Great Lakes Restoration Project

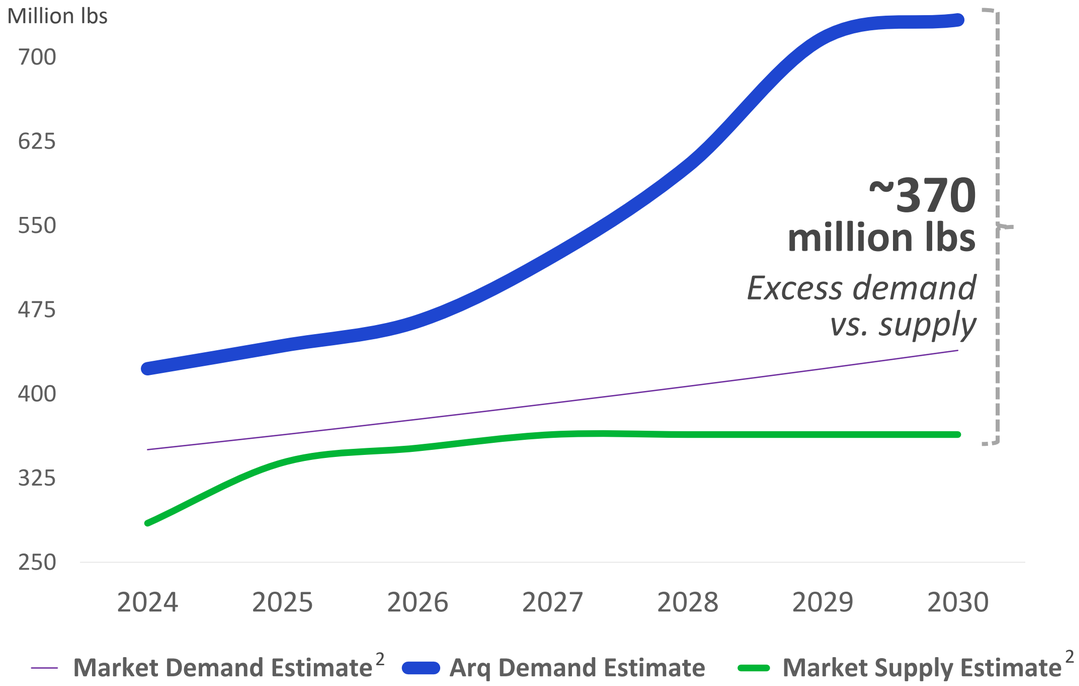
- Thomson Reservoir cleanup marks **largest activated carbon sediment remediation** in U.S. history
- **Activated carbon supplied exclusively by Arq and deployed to isolate and neutralize** toxic dioxins and furans from industrial legacy pollution
- Arq's engineered carbon plays a **critical role** in halting toxin migration through the **food chain**
- Project aims to **help delist** the St. Louis River as a **Great Lakes Area of Concern by 2030**
- Backed by the EPA and funded through the Bipartisan Infrastructure Law, ensuring **regulatory alignment** and long-term support
- Early data shows tangible ecosystem recovery, with Arq's material central to **measurable environmental impact**

Source: Arq, https://www.pinejournal.com/news/local/worlds-largest-environmental-cleanup-of-its-kind-resumes-on-st-louis-river.

Strong North American GAC Market Fundamentals

Data suggest demand outpacing supply – Arq anticipates a 3-5x increase in demand over next 5 years not accounting for potential incremental demand growth from other sectors (e.g., biogas)

- **Arq expects annual GAC market to grow ~75% to >700mm lbs[1]**
- **Would result in ~370mm lbs supply shortfall by 2030[1]**
- **New domestic supply limited by capital, feedstock, permits**



~35%

Of the ~153,000 public water systems in the U.S. estimated to require PFAS treatment facilities by 2030 (vs. 10% in 2023) [3]

$2 billion

Estimated market size of U.S. drinking water PFAS treatment market by 2030 (~10x growth vs. 2023) [3]

~80%

Estimated market penetration rate of GAC for PFAS treatment by 2030, driven by GAC advantages vs. alternative solutions [3]

2-4x increase

Replacement cycle for PFAS removal equipment estimated to increase ~2x (groundwater) and 4x (surface water) vs. historic usage [3]

~5% per year

Estimated annual increase in GAC prices (2025-2027) [3]

[1] Reflects company estimates. Note: Arq estimates 10% increase on previous market data in 2024 & YoY through 2026; a 50% increase YoY in 2027 through 2029 – i.e. accelerating into final stages of compliance with new EPA regulations. Excludes any new entrants.
[2] Source: IHS. Note: Estimates based on 2022 data, and therefore compiled prior to latest EPA regulatory changes.
[3] Goldman Sachs Research published on July 31, 2024.

GAC Usage in Water Industry

EPA confirms GAC as a Best Available Technology ("BAT") for PFAS removal [1]

- 77% of water entities still lack any PFAS treatment solution per GAO, despite many GAC systems under construction [2]
- Water systems must currently monitor PFAS by 2027 and remediate by 2029 if levels exceed EPA limits
- Despite demand imbalance, competitors are adding capacity cautiously to avoid over-supply
- Calgon added 55M lbs of GAC capacity in 2023 and is expanding higher-margin reactivation via Sprint Environmental acquisition
- Norit, owned by private equity, is exiting assets (e.g., sold UK reactivation assets to Kemira in 2024)

1 - https://www.epa.gov/sciencematters/reducing-pfas-drinking-water-treatment-technologies
2 - https://www.gao.gov/products/gao-24-106523

EPA Confirms GAC as a Best Available Technology for PFAS removal

Alternative technologies for PFAS removal and how they compare

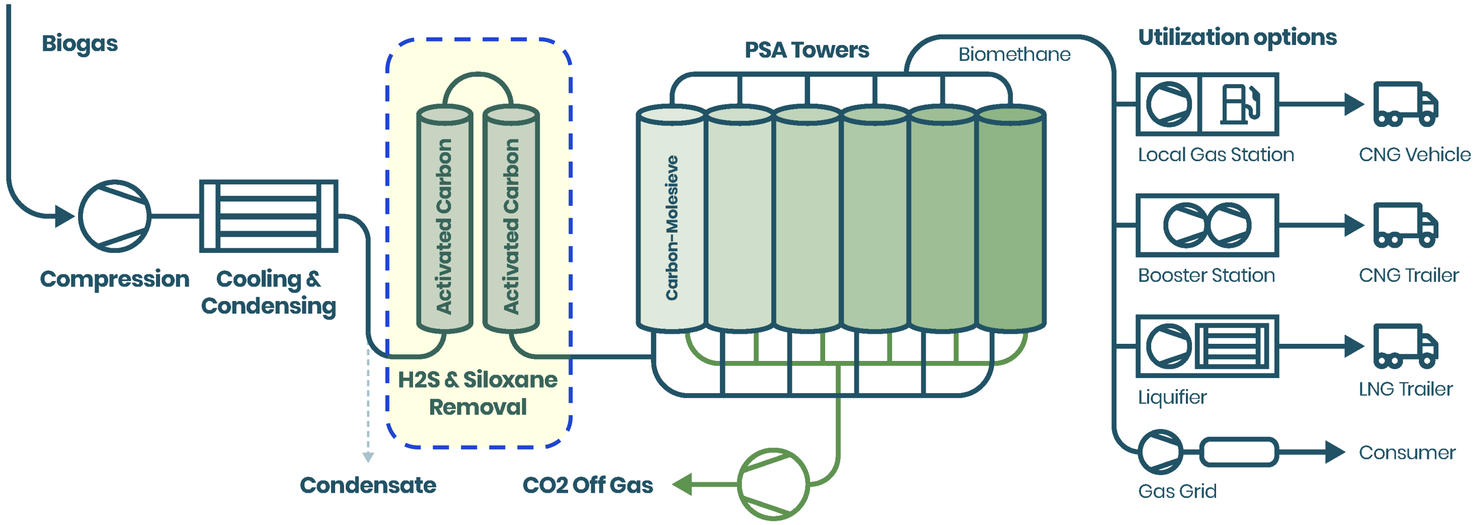
PFAS Technology	Advantage	Disadvantage
Granular Activated Carbon	✓ Lowest unit cost ✓ Strong PFAS removal performance ✓ Handles varied water quality ✓ Industry benchmark technology ✓ Broad adsorption spectrum ✓ Can be reactivated ✓ Flexible with other treatments ✓ Lowest capex requirement	x Requires longer contact time x More frequent media change-outs
Ion Exchange	✓ Smaller footprint ✓ No backwash needed	x Higher unit cost x Majority of supply imported x Needs pre-filters due to higher headloss x Media disposal required x Sensitive to chlorine x Flow variability can affect performance
Reverse Osmosis / Nanofiltration	✓ Compact footprint	x High cost and energy demand x Generates concentrated waste x Requires pre-treatment and more chemicals

Source – Company data

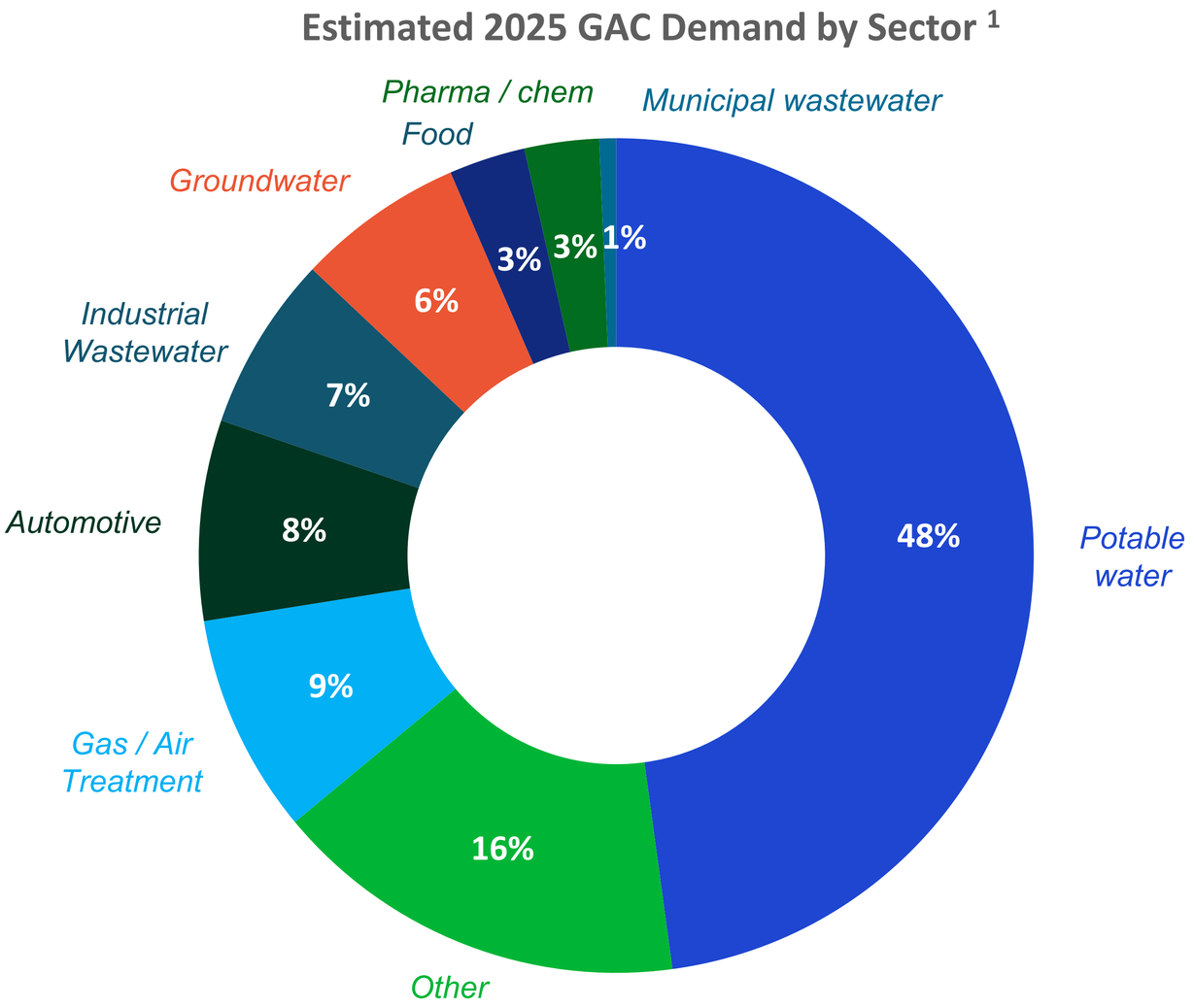
1 - https://www.epa.gov/sciencematters/reducing-pfas-drinking-water-treatment-technologies

GAC Usage in Biogas & Renewable Natural Gas Industry

- Biogas is produced when organic material decomposes in anaerobic conditions. Biogas can be processed to remove impurities – such as CO_2, H_2S and Siloxane – to produce high-quality Renewable Natural Gas (RNG)
- Sources of biogas for potential RNG production include landfill wastes, animal manure, separated organic waste, and wastewater treatment sludge
- GAC's role is as part of a larger biogas treatment system for purifying RNG by removing carbon dioxide, hydrogen sulfide, nitrogen, VOC and moisture
- The RNG is passed directly through a GAC column to achieve this purification
- System typically located near or on the RNG production site
- Arq has agreed to conduct real-world testing programs at multiple RNG sites once in commercial production in 2025
- RNG applications for GAC provide two benefits to Arq: diversification of GAC revenue stream; a natural hedge against the coal-fired power focus of the PAC portfolio
- GAC pricing for RNG applications is typically more attractive than many other GAC applications



GAC Market Summary



- GAC demand dominated by potable water
- Smaller markets can offer higher pricing and growth
- Provides potential for meaningful diversification for Arq as well as scope for pricing enhancement
- These figures do not account for any material increase in PFAS-related or biogas-related demand
- “Other” category includes remediation, gold mining, solvent recovery, and coconut husk-derived catalysts

1 – Source – IHS Data, Company Estimates

Activated Carbon (AC) Competitive Landscape

Arq remains only public pure-play in activated carbon

Arq

- ✓ Entering GAC market at sweet-spot: providing meaningful scale while also representing a viable alternative to larger incumbents
- ✓ Given dominance of private companies in the activated carbon market, limited public financial disclosure beyond Arq
- ✓ **Arq remains the only pure-play public company in the activated carbon market**

- **Attractive growth market** with concentrated pool of private competitors
- **Calgon Carbon Corporation** is the largest player in the North American activated carbon market
- **Arq** and **NORIT** have historically been positioned as #2 and #3 in the North American activated carbon market

Source: Company Estimates

Growth Beyond Activated Carbon

Advanced alternative product developments creating multiple potential revenue streams from Corbin feedstock

Potential applications:

- **Asphalt:** Using Arq wetcake as a blending component to extend asphalt life, maintain blackness, and improve freeze-thaw durability. Testing ongoing with leading North American asphalt producer
- **Purified Coal:** Signed non-binding MOU to evaluate Arq wetcake as feedstock for agglomerated coal alternative targeting ferrosilicon and synthetic graphite markets for silicon wafer manufacturing. Partner bears all initial costs under current MOU terms[1]
- **Rare Earth Materials:** Pursuing extraction from byproducts generated from Arq wetcake to support U.S.-sourced materials independent of foreign supply chains. Working with DOE to explore potential government funding. Research expected to commence in 2026
- **Synthetic Graphite:** Leveraging high purity of Arq wetcake as potential feedstock for synthetic graphite production. Currently pursuing government funding opportunities to evaluate commercial potential

1) If Arq decides to move forward with MOU arrangement.

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