Investor Presentation

Q2 Earnings Conference Call | August 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 overall business optimization review and the actions we may take upon the completion of such review, including efforts to maximize throughput and optimize unit costs; the anticipated commercial success and efficacy of our new product applications, including PAC for PFAS™; the anticipated benefits of transitioning away from using Corbin Wetcake to a bituminous proven performance coal as a feedstock for our GAC products in the future; financial guidance for fiscal year 2026; the anticipated effects from fluctuations in the pricing of our AC products, including through expansion into higher-value end markets; expected supply and demand for our AC products and services, including our GAC and PAC for PFAS™ 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 monetize our Corbin Facility and 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, 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 products and the benefits they provide; 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, use and timing of future capital expenditures needed to fund our business plan and total anticipated capital expenditures for the current fiscal year; the 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 demand and sales of our AC products resulting from such regulations; 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 Q2 2026 Financial Highlights & Recent Updates

Total Revenue
$29.9M
Revenue increased 5% YoY, driven by continued PAC pricing and volume strength

Adjusted EBITDA[1]
$5.8M
+59% YoY on PAC profitability, pricing discipline, and no GAC production offsets; 9th straight quarter of positive Adjusted EBITDA

2026 Outlook
Reiterate Guidance
Reiterated inaugural guidance, including full-year 2026 revenue of $120-125 million and Adjusted EBITDA of $17-20 million[2]

Optimization Review
Remains Underway
Review ongoing and including broader operational assessment to boost furnace throughput, operating profitability and additional products

PAC for PFAS™
New Growth Initiative
Highly engineered PAC product to address PFAS without new GAC capex

Planned Plant Turnaround
Completed Under Budget
Biennial plant maintenance shutdown completed in April materially under budget

(1) Adjusted EBITDA is a non-GAAP measure. Please see "Financial Detail" slides for reconciliation information.
(2) Assumes no GAC contribution

Q2 2026 Financial Highlights

Solid financial and operational performance, including material improvement in profitability

$ millions unless noted	Q2 2026	Q2 2025
Revenue	**$29.9**	$28.6
Gross Margin	**38.5%**	33.3%
Net loss	**($0.7)**	($2.4)
Adjusted EBITDA[(1)]	**$5.8**	$3.7
Cash & Restricted Cash	**$12.1**	$15.0[2]

- Revenue growth driven by continued PAC pricing (+7% YoY) and volume (+4% YoY) improvements
- Gross margin improvement of ~520 bps reflects stronger PAC profitability and absence of GAC production costs that weighed on Q2 2025
- Biennial plant turnaround completed in April 2026, materially under budget at $3.1 million
- R&D decreased by $1.7 million on lower GAC development spend
- Adjusted EBITDA of $5.8 million marks 9th consecutive quarter of positive Adjusted EBITDA

1) Adjusted EBITDA is a non-GAAP measure. Please see "Financial Detail" slides for reconciliation information.
2) As of December 31, 2025

Strategic Optimization Review Update

Ongoing optimization of broader operations targeted to potentially deliver up to 50% Adjusted EBITDA growth

Existing business can potentially be made materially more profitable by:

- ✓ **Increasing capacity utilization**
  Optimize fixed costs
- ✓ **Increasing throughput**
  Maximize sales into existing markets
- ✓ **Growing new products**
  (i.e. PAC for PFAS™)
- ✓ **Increased savings**
  Reduction of operating/SG&A costs
- ✓ **Targeting up to 50% Adj. EBITDA growth**
  Based on combined efforts above
- ✓ **Generating more cash flow**
  Higher base for leverage, enabling greater utilization of debt, less equity

Ensure optimal production scale economics

Determine best value creation path

Deploy capital most effectively

Create long-term shareholder value

GAC Optimization

- Review ongoing
- Range of current potential capital estimates ~$40-60 million (tightening of guidance in process)
- No GAC production expected in 2027 as review remains ongoing
- Anticipate ~12-month construction and commissioning timeline (plus securing financing)

Introducing *PAC for PFAS™*

PFAS removal for certain customers can provide incremental volume from 2027

What We're Doing:

- A highly engineered PAC product designed to remove low levels of PFAS contamination
- Targets utilities marginally outside the EPA's 4 ppt compliance threshold
- Can address PFAS and taste/odor control simultaneously for customers already using PAC
- Customer trials ongoing, with no material 2026 contribution expected

Benefits to Customers

Lower capital cost

Faster path to compliance

Leverages existing equipment

Can be used in conjunction with existing products

Benefits to Arq

Meaningful volume, pricing, & margin upside 2027+

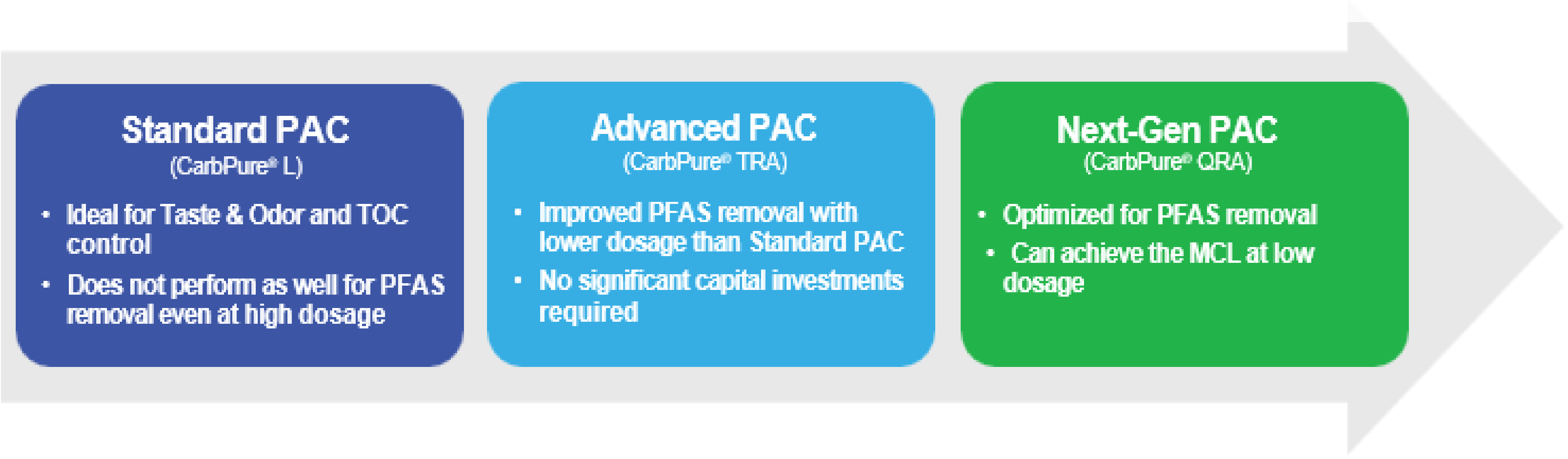
Minimal capex

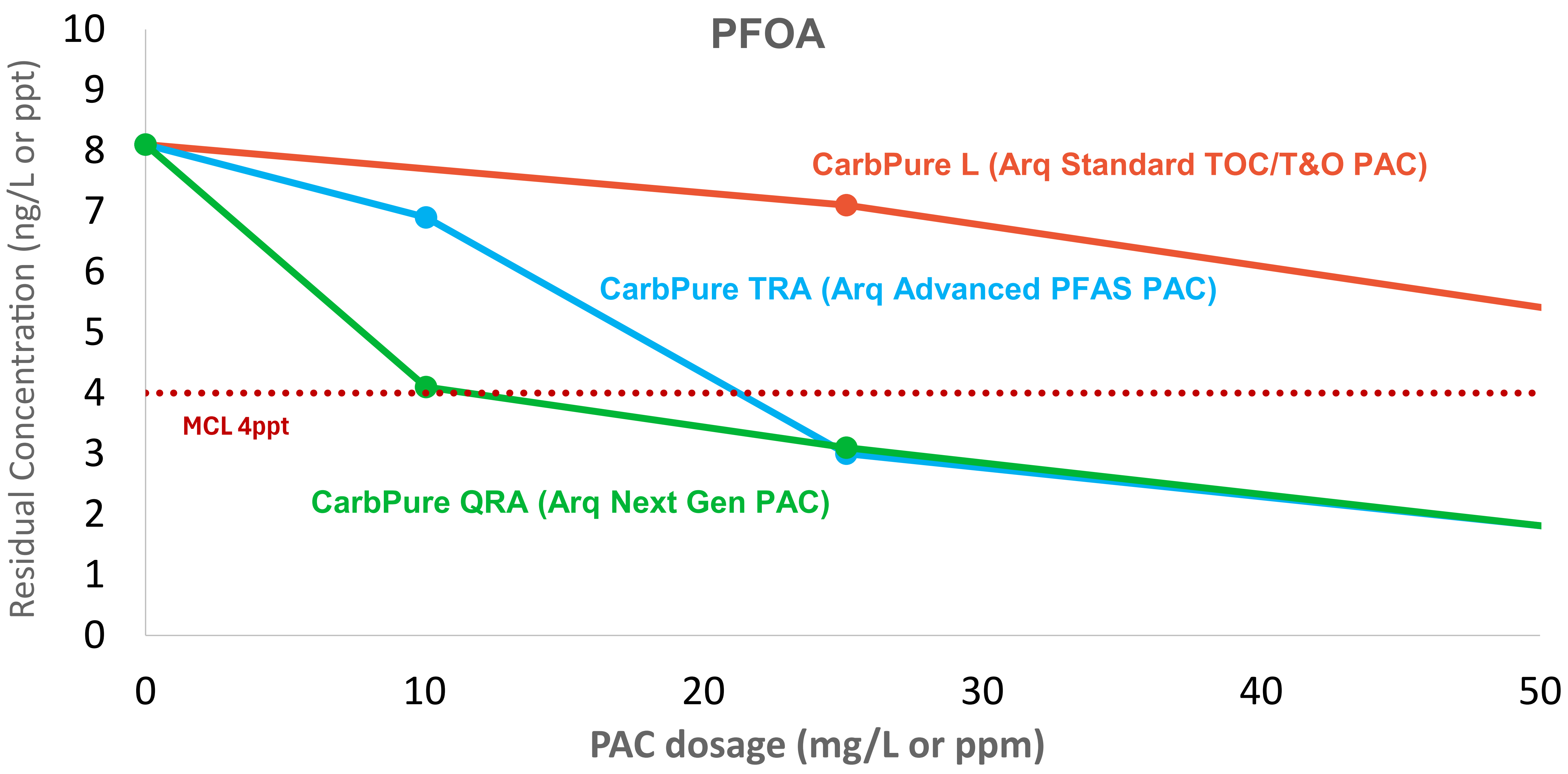
Optimization of fixed costs

Increased capacity throughput and utilization

Low Capital Cost Strategy to Address PFAS

Provides practical, proven and affordable solution to customers ahead of regulatory changes



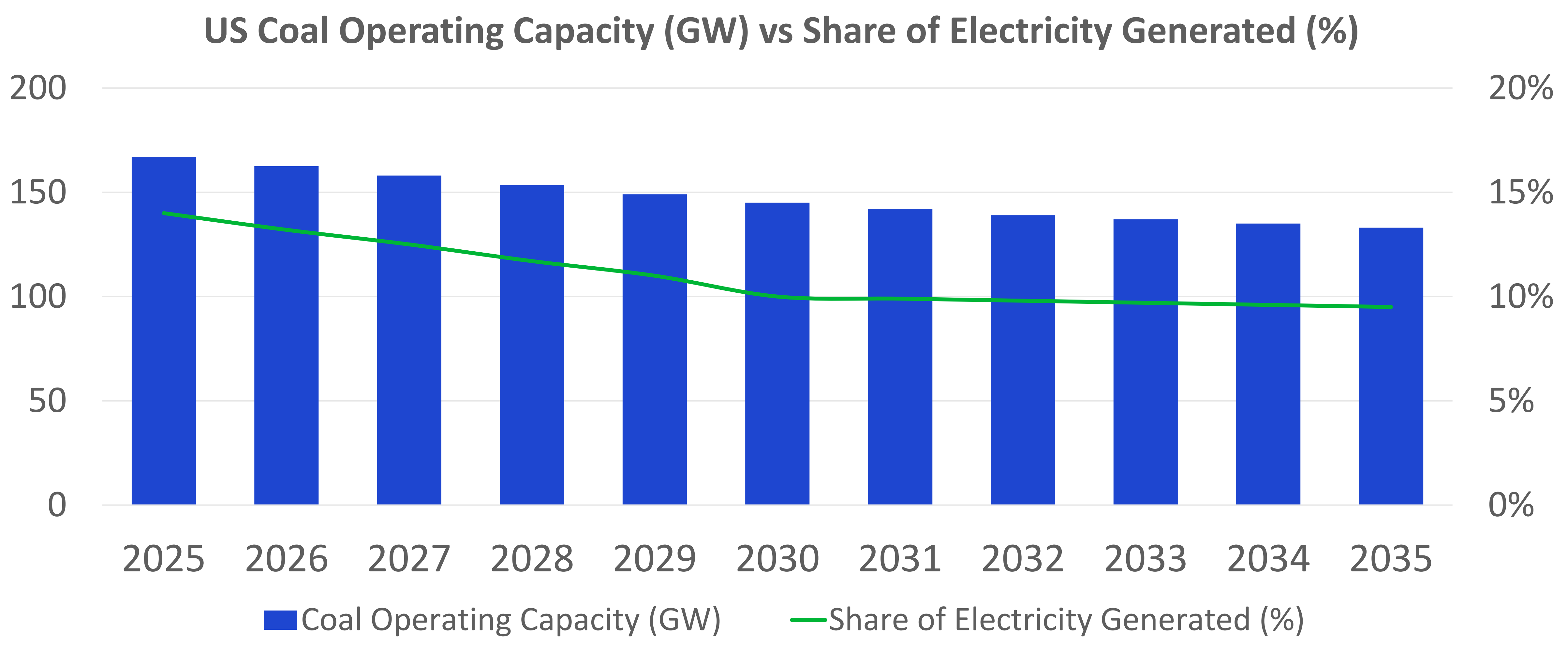


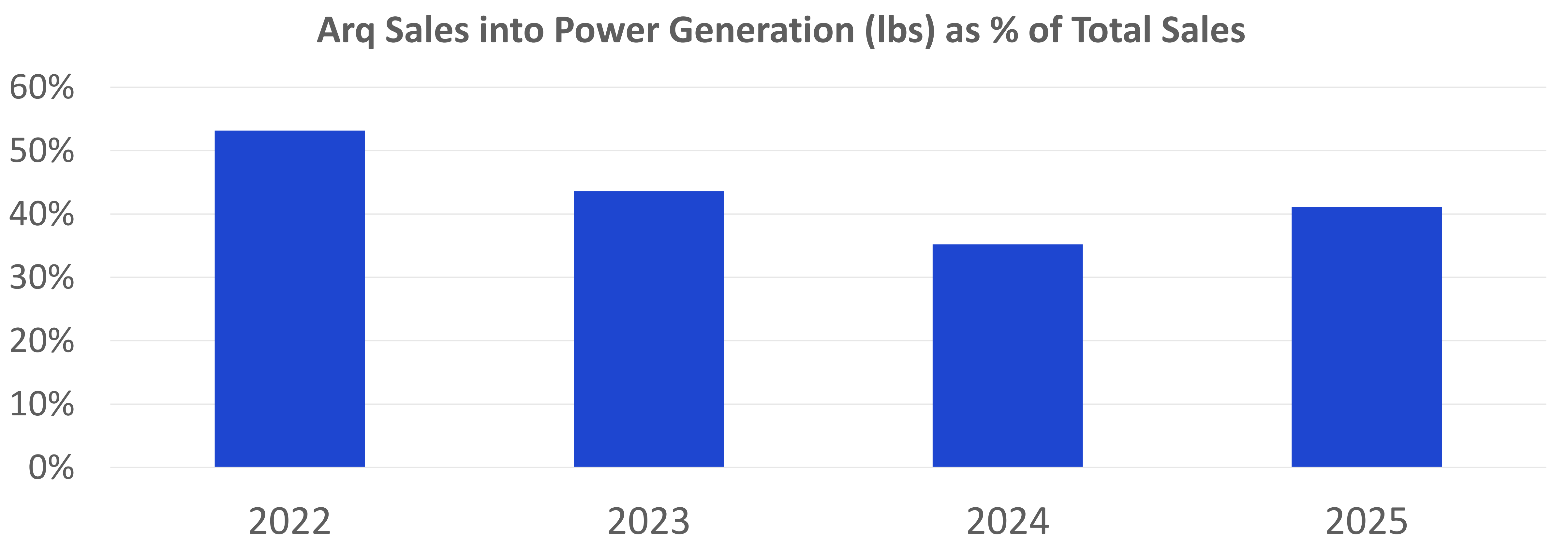
- Arq's Next-Gen PAC products expected to enable immediate PFAS compliance for certain customers without infrastructure capex requirements
- Arq's products are expected to provide PFAS compliance at lower dosage than standard industry water PACs
- Effective April 26, 2027, all U.S. community water systems must complete initial PFAS monitoring and report results publicly to customers
- Systems exceeding 4 ppt Maximum Contaminant Level for PFAS must notify customers and meet enforcement deadlines between April 2029-2031
- GAC retrofits typically require years to build and significant capital investment
- Arq's new products provide practical, proven and affordable first step for customers, while providing Arq with incremental low-capital growth products to address PFAS contamination ahead of potential GAC roll-out

Source: Company estimates

Coal-fired Power Market Provides Base Load Profitability for Arq

Remains material portion of US grid through 2035 but diversification still prudent





- Market has longer duration than previously anticipated
- Operating life of N American coal fired power generation anticipated to last far longer than previously anticipated
- Market share expected to remain ~10% through 2035 in absence of alternative base-load power generation
- 2025-2035: percentage of power modelled -32% but physical grid capacity only -20% – reflective of operator desire to mitigate against seasonal or extreme weather while alternative base-load built
- Demand now rapidly rising (driven by data centres and domestic industry) and utilities obliged to freeze scheduled retirements and keep old capacity functional
- Given long-term headwinds and pricing discrepancies, still prudent to diversify end-market exposure, so Arq reduced volumes sold into coal-fired power by 36% between 2022-2025, while growing volumes sold into alternative markets including water purification

Source: Reuters, EIA, Company estimates

GAC Market Dynamics

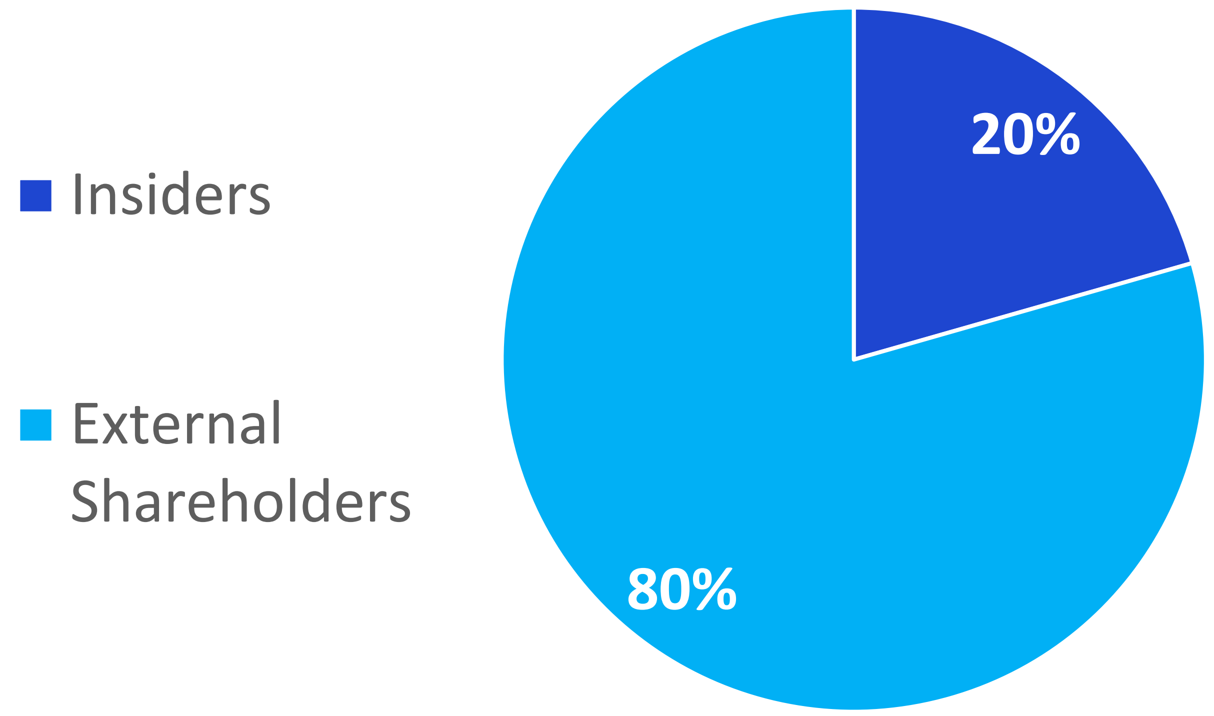
Fundamentals remain strong, supporting both our GAC and PAC for PFAS^{TM} strategy

- ***PAC for PFAS™*** **is complementary, near-term solution for certain customers and does not diminish underlying GAC opportunity**
- GAC fundamentals remain strong – mandatory PFAS monitoring begins April 2027 and full compliance (4 ppt) by 2029 or 2031
- Significant growth anticipated in stable water market
- RNG demand anticipated to accelerate simultaneous with water
- Customers remain supportive of Arq and its products – eg prepared to maintain GAC contracts
- April 2027 deadline for monitoring compliance means customers are proactive in securing supply ahead of EPA enforcement

Management & Board Alignment with Shareholders

Meaningful ownership and continued commitment

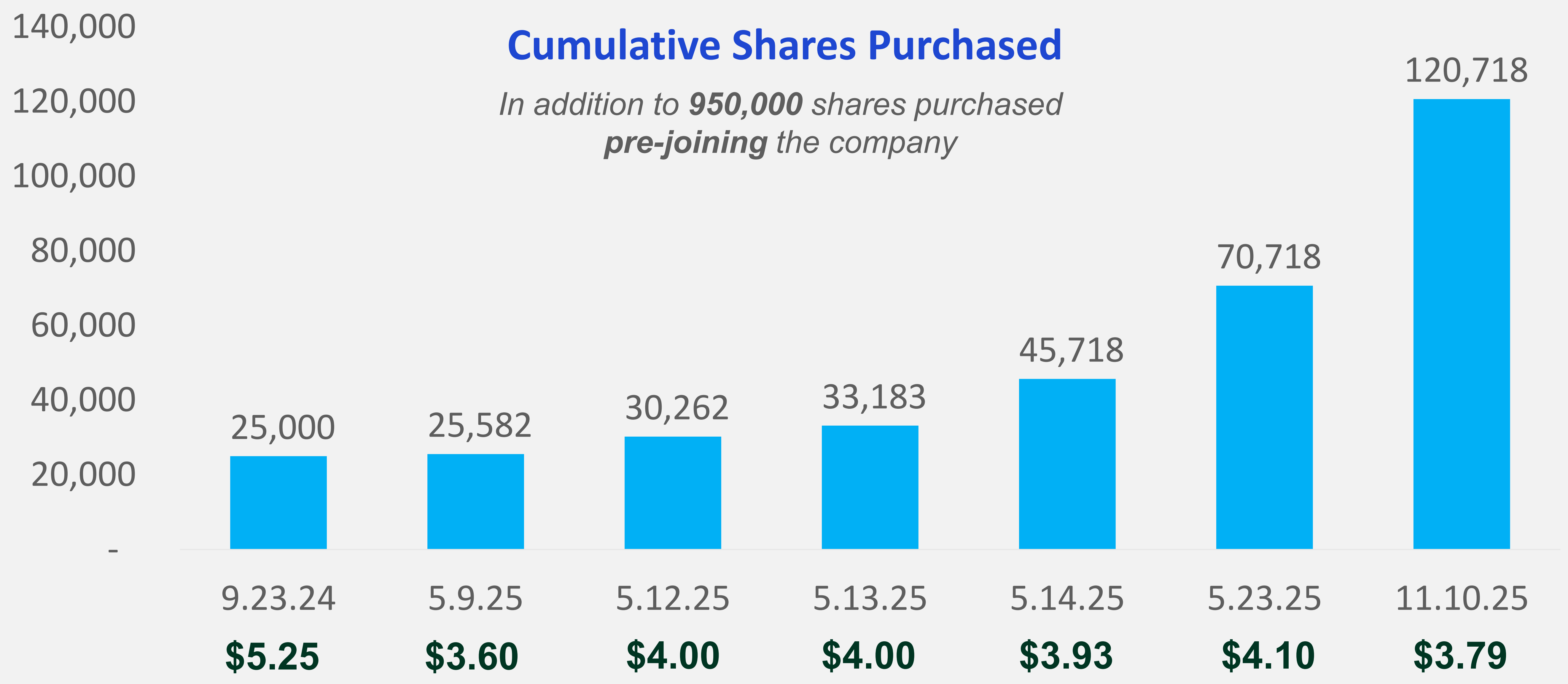
Insider Ownership: Board and Management



Leadership Aligned with Shareholder Interest

- 9 board and management members collectively own ~8.7 million shares, representing 20% 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	~4%	4.1x
Purchase VWAP	Total Position (Shares)	Total Position (purchase value)	Beneficial Ownership Stake1	Investment Multiple of Base Salary (Since Joining)

In addition to purchases and ownership above, Mr Rasmus receives a $50,000 annual salary and through PSUs and RSUs has combined exposure to ~3.7 million shares in total

1) Measured as of April 14, 2026, Arq's Record Date for its 2026 Annual Meeting

Financial Guidance & Outlook (Full-Year 2026)

Guidance based on proven PAC operations with 15+ years of experience

Total Revenue

$120 – $125M

Adjusted EBITDA

$17 – $20M

(vs. $13.2M in FY25)

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 FY25, 111M in FY24)

% NON-PAC REVENUE

13 – 15%

(Other chemicals / products)

- Strong pricing reflects continued specialty product mix and market diversification
- Strategic optimization review ongoing, including broader assessment to boost furnace throughput
- No GAC production expected in 2026 or 2027, with furnace hours fully directed to profitable PAC production

Key Near-term Priorities & Objectives

- Achieve 50% increase in Adjusted EBITDA from base PAC/Lignite business
- Complete strategic optimization review of existing business, adjacent markets & GAC
- Continue expansion into new PAC market opportunities
- Deliver on 2026 financial guidance
- Create long-term shareholder value

Financial Detail

Consolidated Balance Sheet[2]

(in thousands, except share data)	As of Jun 30, 2026	As of Dec 31, 2025 As Adjusted [1]
ASSETS		
Current assets:		
Cash	$ 906	$ 6,573
Receivables, net	20,030	14,980
Inventories, net	19,407	15,895
Prepaid expenses and other current assets	6,894	6,404
Total current assets	47,237	43,852
Restricted cash, long-term	11,236	8,467
Property, plant and equipment, net of accumulated depreciation of $34,264 and $28,375, respectively	139,038	143,154
Other long-term assets, net	35,500	35,501
Total Assets	$ 233,011	$ 230,974
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 15,412	$ 15,269
Revolving credit facility	21,410	18,950
Current portion of long-term debt obligations	1,099	1,063
Other current liabilities	8,068	7,015
Total current liabilities	45,989	42,297
Long-term debt obligations, net of current portion	8,195	8,452
Other long-term liabilities	10,606	11,868
Total Liabilities	64,790	62,617
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, 47,506,052 and 47,348,394 shares issued, and 42,887,906 and 42,730,248 shares outstanding at June 30, 2026 and December 31, 2025, respectively	47	47
Treasury stock, at cost: 4,618,146 and 4,618,146 shares as of June 30, 2026 and December 31, 2025, respectively	(47,692)	(47,692)
Additional paid-in capital	203,518	201,784
Retained earnings	12,348	14,218
Total Stockholders' Equity	168,221	168,357
Total Liabilities and Stockholders' Equity	$ 233,011	$ 230,974

(1) Includes retrospective adjustment related to the Company's adoption of deferral method for planned major maintenance activities.
(2) See Condensed Consolidated Financial Statements and Notes related thereto within the Quarterly Report on Form 10-Q for the period ended June 30, 2026.

Consolidated Statements of Operations[2]

(in thousands, except per share data)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025 As Adjusted [(1)]	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025 As Adjusted [(1)]
Revenue	$ 29,883	$ 28,584	$ 58,936	$ 55,831
Cost of revenue, exclusive of depreciation and amortization	18,372	19,066	37,486	36,398
Operating expenses:				
Selling, general and administrative	6,789	5,918	14,158	11,971
Research and development	958	2,697	1,940	3,571
Depreciation, amortization, depletion and accretion	3,542	2,721	6,407	5,138
Loss (gain) on sale of assets	290	(27)	290	118
Total operating expenses	11,579	11,309	22,795	20,798
Operating loss	(68)	(1,791)	(1,345)	(1,365)
Other income (expense):				
Interest expense	(748)	(594)	(1,453)	(1,318)
Other income	83	16	928	281
Total other expense	(665)	(578)	(525)	(1,037)
Loss before income taxes	(733)	(2,369)	(1,870)	(2,402)
Income tax expense	—	—	—	—
Net loss	$ (733)	$ (2,369)	$ (1,870)	$ (2,402)
(Loss) income per common share:				
Basic	$ (0.02)	$ (0.06)	$ (0.04)	$ (0.06)
Diluted	$ (0.02)	$ (0.06)	$ (0.04)	$ (0.06)
Weighted-average number of common shares outstanding:				
Basic	42,102	41,507	41,914	41,415
Diluted	42,102	41,507	41,914	41,415

(1) Includes retrospective adjustment related to the Company's adoption of deferral method for planned major maintenance activities.
(2) See Condensed Consolidated Financial Statements and Notes related thereto within the Quarterly Report on Form 10-Q for the period ended June 30, 2026.

Consolidated Statements of Cash Flows[2]

(in thousands)	Six Months Ended June 30, 2026	2025 As Adjusted [1]
Cash flows from operating activities		
Net loss	$ (1,870)	$ (2,402)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation, amortization, depletion and accretion	6,407	5,138
Stock-based compensation expense	1,934	1,470
Operating lease expense	1,382	1,161
Amortization of debt discount and debt issuance costs	205	173
Loss on sale of long-term assets, net	290	118
Other non-cash items, net	(59)	(160)
Changes in operating assets and liabilities:		
Receivables	(5,050)	(671)
Prepaid expenses and other assets	(683)	(2,853)
Inventories	(2,690)	(1,580)
Other long-term assets, net	(2,197)	(1,631)
Accounts payable and accrued expenses	178	(5,709)
Other current liabilities	1,224	1,651
Operating lease liabilities	(1,562)	204
Other long-term liabilities	(168)	(185)
Net cash used in operating activities	(2,659)	(5,276)
Cash flows from investing activities		
Acquisition of property, plant, equipment and intangible assets, net	(1,973)	(5,589)
Acquisition of mine development costs	(128)	(96)
Distributions from equity method investee in excess of cumulative earnings	78	155
Net cash used in investing activities	(2,023)	(5,530)
Cash flows from financing activities		
Borrowings on revolving credit facility	58,173	61,884
Repayments of revolving credit facility	(55,714)	(57,184)
Repurchase of common stock to satisfy tax withholdings	(200)	(48)
Principal payments on notes payable	(358)	(393)
Principal payments on finance lease obligations	(117)	(264)
Net cash provided by financing activities	1,784	3,995
Decrease in Cash and Restricted Cash	(2,898)	(6,811)
Cash and Restricted Cash, beginning of period	15,040	22,235
Cash and Restricted Cash, end of period	$ 12,142	$ 15,424
Supplemental disclosure of non-cash investing and financing activities:		
Acquisition of property and equipment under finance lease	$ 242	-
Accrued purchases for property and equipment	$ 912	$ 553

(1) Includes retrospective adjustment related to the Company's adoption of deferral method for planned major maintenance activities.
(2) See Condensed Consolidated Financial Statements and Notes related thereto within the Quarterly Report on Form 10-Q for the period ended June 30, 2026.

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[2]

(in thousands)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025 As Adjusted [1]	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025 As Adjusted [1]
Net loss	$ (733)	$ (2,369)	$ (1,870)	$ (2,402)
Depreciation, amortization, depletion and accretion	3,542	2,721	6,407	5,138
Amortization of Upfront Customer Consideration	180	127	360	254
Interest expense, net	693	585	638	1,256
Income tax expense	—	—	—	—
EBITDA	$ 3,682	$ 1,064	$ 5,535	$ 4,246
Share-based compensation	1,043	734	1,934	1,470
Executive transition and severance [2]	827	—	827	—
Loss (gain) on sale of assets	290	(27)	290	118
GAC Facility pre-production feedstock [3]	—	1,897	—	1,897
Adjusted EBITDA	$ 5,842	$ 3,668	$ 8,586	$ 7,731

(1) Adjusted to reflect a retrospective change in accounting method for planned major maintenance costs.
(2) Represents expenses related to executive severance and separation, as well as legal fees and recruiting costs associated with the CFO, COO and CAO transitions. In addition to these amounts, we also incurred approximately $0.2 million of share based compensation associated with executive transition and severance during the three months ended June 30, 2026, which is included in the Share-based compensation adjustment above.
(3) Represents expenses related to feedstock utilized in pre-production testing of our GAC Facility during the three months ended June 30, 2025 included within "Research and development" expense in the Condensed Consolidated Statements of Operations.

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
- **May 2026**: EPA proposed two major rules under the Safe Drinking Water Act: one to uphold PFOA and PFOS limits while allowing water systems to request a compliance extension to 2031; and a second to rescind Biden-era limits for PFHxS, PFNA, GenX (HFPO-DA) and related Hazard Index mixtures

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

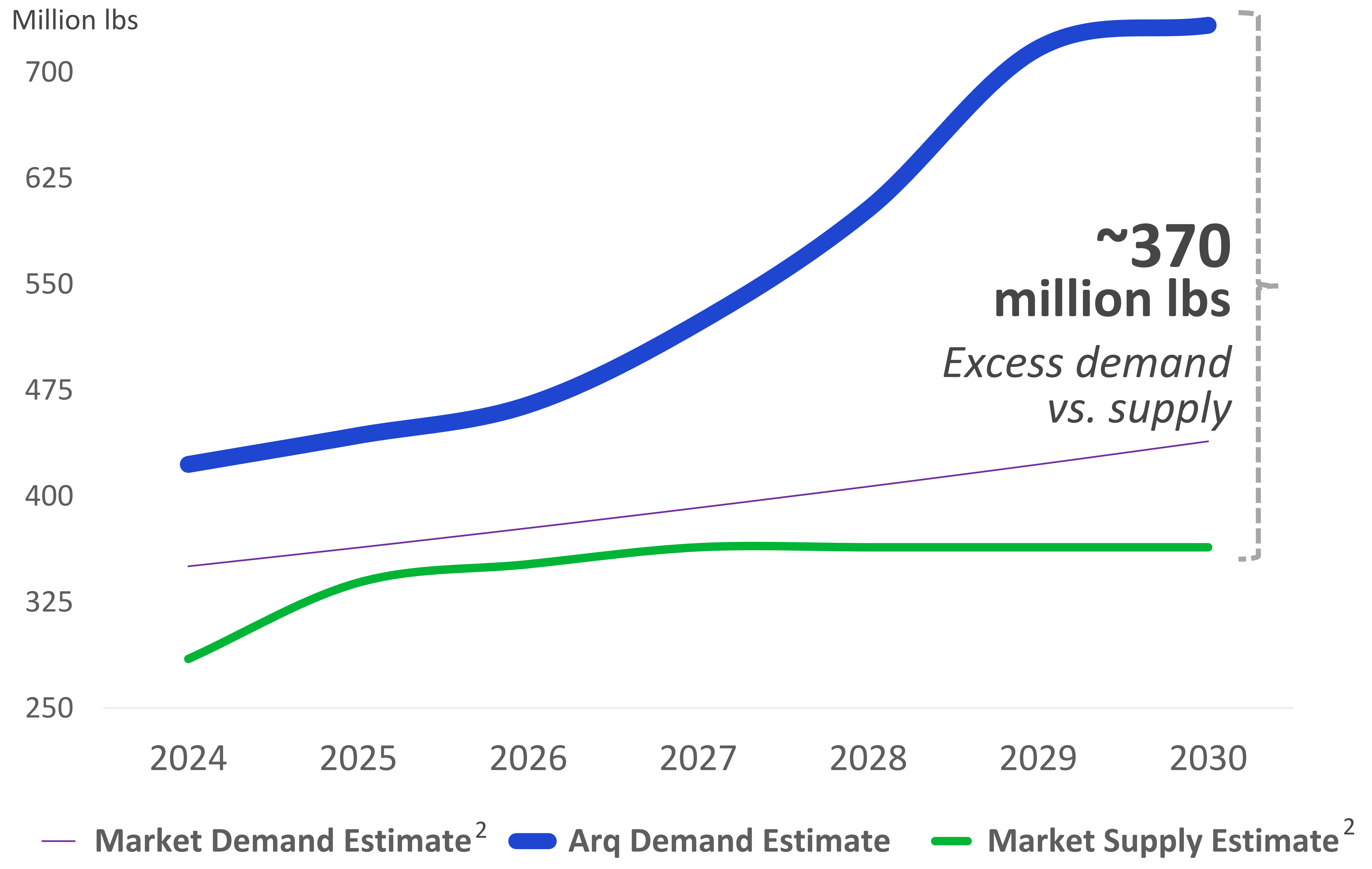
- Thomson Reservoir cleanup marks **largest activated carbon sediment remediation** in U.S. history
- **Activated carbon supplied exclusively by Arq and deployed to isolate and neutralize** toxic dioxins and furans from industrial legacy pollution
- Arq's engineered carbon plays a **critical role** in 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

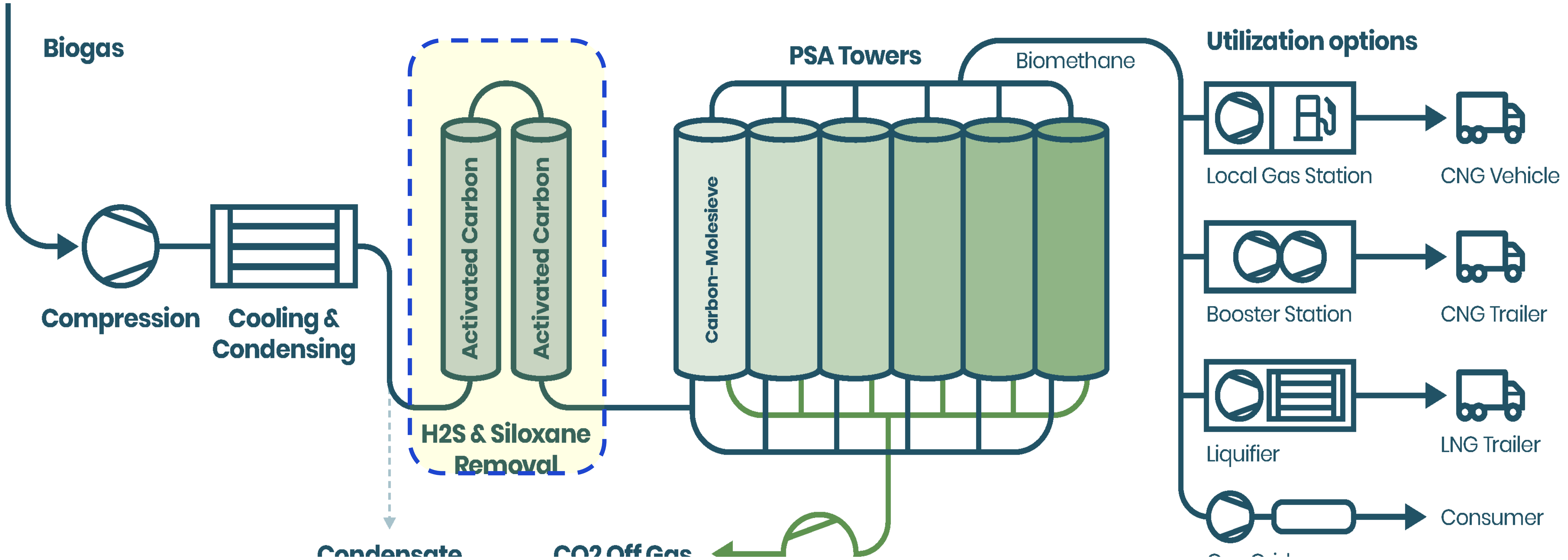
PFAS Technology	Advantage	Disadvantage
Granular Activated Carbon	✓ Lowest unit cost ✓ Strong PFAS removal performance ✓ Handles varied water quality ✓ Industry benchmark technology ✓ Broad adsorption spectrum ✓ Can be reactivated ✓ Flexible with other treatments ✓ Lowest capex requirement	x Requires 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
PAC for PFAS™	✓ Minimal capex requirement ✓ Faster path to compliance ✓ Leverages existing equipment ✓ Can be utilized with existing PAC products	x Not suitable for all PFAS pollutant levels

Source – Company data

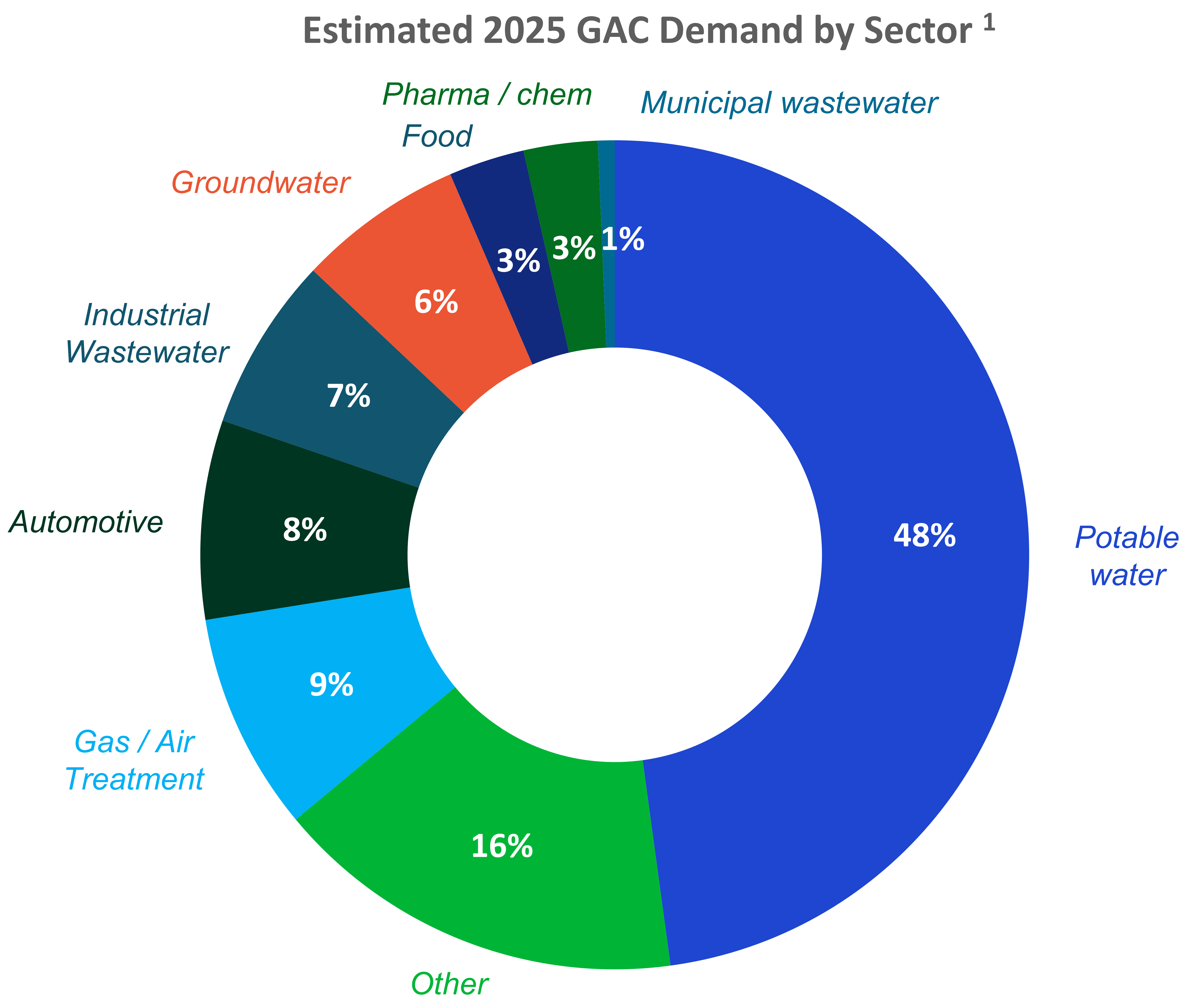
1 - https://www.epa.gov/sciencematters/reducing-pfas-drinking-water-treatment-technologies

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
- 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; figures may not total 100% due to rounding

Activated Carbon Competitive Landscape

Arq remains only large scale public pure-play in activated carbon

Arq

- ✓ Exposure to large and growing PFAS remediation market through planned PAC for PFAS™ and potentially through conventional GAC products
- ✓ Exposure to large, reliable municipal water market
- ✓ Meaningful scale while also representing a viable alternative to larger incumbents
- ✓ Given dominance of private companies in activated carbon market, limited public financial disclosure beyond Arq
- ✓ **Arq remains <u>only pure-play</u> public company in the activated carbon market**

- **Attractive growth market** with concentrated pool of private competitors
- **Calgon Carbon Corporation** is largest player in the North American activated carbon market and announced price increases of up to 25% across all activated carbon products and services as of September 1st 2026
- **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.

Arq Investor Relations

Contacts:

Anthony Nathan, Arq
Marc Silverberg, ICR
investors@arq.com

8051 E. Maplewood Ave, Suite 210
Greenwood Village, CO 80111

Nasdaq: ARQ