



“ I was honoured to be asked by the Board to succeed Andrew Owens as CEO of the Greenergy Group. Having founded Greenergy in 1992, Andrew has been integral in the transformation of Greenergy into the business that it is today.

As Andrew has transitioned into his role as Chairman for the Greenergy Group, he passes over the reins to a business which operates in nine countries, generates strong earnings, maintains a robust capital structure and has an excellent team.

On behalf of the Board of Directors and the entire Greenergy family, I would like to thank Andrew for his leadership as Founder and CEO of Greenergy. I look forward to continuing to develop his vision to expand Greenergy around the globe.”

**Christian Flach**  
Chief Executive

# Chief Executive's review

2019 was a very successful year for the company, with our renewables business making a particularly strong contribution.

## Safety, Health, Environment & Quality

I am impressed at the rigorous approach to safety and environmental care taken by everyone within the business, and I am committed to maintaining our culture of open and honest reporting.

It is pleasing that our safety record continued its positive trend this year, with the number of RIDDOR events and lost-time injuries decreasing, and as a business we are committed to seeing this trend improve further. One outlier 2019 was the rate of near misses, driven by increased reporting of both business and safety near misses.

Throughout 2019, we continued to roll out our safety culture to all aspects of our business, to ensure all businesses and regions provide consistent and regular reporting. Weekly safety reports are shared and discussed regularly with senior management and the wider Greenergy team. In addition Lessons Learned are published in our offices and on our digital training platform.

Health and safety

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## Results

This year the focus within the business was on operational excellence. As a team, we will work to maintain the very high standards achieved this year, to support future earnings growth.

After challenging conditions in 2018 when the business was affected by significant changes in many of our core markets, the underlying strength of the business was demonstrated in 2019 with a return to profitability and further expansion of our renewable fuel production and our people.

For the year ended 31 December 2019, Greenergy delivered an underlying Profit before tax of £48.4m against a loss of £24.7m in 2018 and Adjusted EBITDA of £137.6m against £53.6m in 2018.

This is an outstanding yet not unexpected result, following the combination of one-off market events that affected the business in 2018.

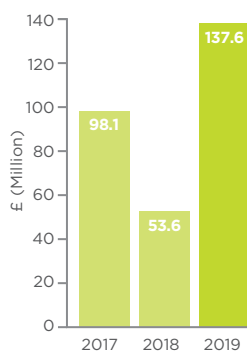
The most significant contributors to improved performance were:

- » Volume growth in our biodiesel production, combined with stronger manufacturing margins achieved by supply chain optionality and improvements in manufacturing efficiency and reliability
- » In our UK fuel supply, the optimisation of our gasoline blending margins.

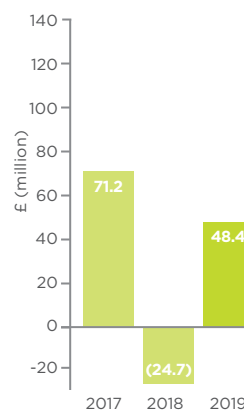
Financial KPIs

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Adjusted EBITDA<sup>1</sup>



Profit before tax<sup>2</sup>



<sup>1</sup> Adjusted EBITDA is a non-GAAP measure. Refer to **note 34** of the financial statements for further details and reconciliation.

<sup>2</sup> Due to a change in year end, the 2017 figure is restated to reflect calendar year.

## COVID-19 (coronavirus)

COVID-19 is a rapidly evolving global event. The extent to which the virus has spread has had a significant effect on the world, and measures introduced to curb the spread of the virus have created much uncertainty.

### People

We are committed to protecting the health and safety of our staff and customers at all times. We are closely monitoring the evolving situation and are continuing to follow Government and World Health Organisation guidance for employers, to ensure we have the best processes to protect our staff health and welfare. We have also implemented various measures that are role and region specific.

### Business continuity

We maintain a robust business continuity plan that is regularly reviewed and updated based upon the most up-to-date advice. We have also established a COVID-19 Taskforce who are responsible for staying abreast of the fast changing situation, and proactively monitor, propose and implement policies into the business. This ensures we have the most appropriate plans in place to mitigate the impact of COVID-19 on our business, and that of our customers.

Risk register

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### Decline in demand

We expect a significant decline in fuel demand in 2020 as countries around the world implement some form of lockdown to slow the spread of COVID-19. We maintain strategic supplies and expect to supply the market when demand returns.

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Directors' report

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### Suppliers and customers

We continue to work closely with our suppliers to ensure continuity of supply for our customers. This was particularly important in the early stages of the pandemic prior to lockdown measures being introduced, when demand increased dramatically across our markets.

As we consider and evaluate what an exit from lockdown may look like in different regions, we are confident in our ability to meet our future customer requirements. Our unique supply chains, alongside our storage and import capability, mean we are best placed to ensure supply resilience for our customers.

Strategy in action

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We are confident that our business continuity planning and the strength of our underlying business positions us to manage this evolving situation, and mitigate the effects of COVID-19 on our business.

### **Strategic storage**

We have significant fuel storage facilities available to us at our fuel import terminals. We use these facilities to hold significant fuel stocks during contango market conditions, such as those seen in early 2020, when future prices were significantly higher than prompt prices.

### **Market volatility**

This is an unprecedented situation but we are confident that our experience in managing risk and volatility in our usual business equips us to deal with this in challenging times.

Risk register

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### **Renewables**

At the end of 2019 and into 2020, the market for biofuel raw materials and biofuels was significantly impacted by COVID-19, initially as supply of used cooking oil from Asia dried up, and then as demand for renewable fuels, supplied as a percentage blend in gasoline and diesel, rapidly declined with falling road fuel demand. Our global sourcing provides us with optionality to source raw materials from different markets and maintain supply during periods of disruption.

Chief Financial Officer's review

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## Chief Executive's review – continued

Our end-to-end supply chain, superior service level and customer responsiveness have proved to be powerful differentiators in the fuel industry. We are applying these principles as we look to expand our business into new markets.

### Markets

Markets were more stable in 2019 than in 2018 and we saw movement in commodity and currency markets. Our strong risk management processes and operating teams ensured that we successfully navigated our way through this volatility and mitigated its effect.

Markets p32

Risk register p83

### Strategy

We earn the loyalty of our customers by maintaining the lowest cost and highest service levels. We strive to win business in new sectors and new markets to ensure our continued growth.

Our ultimate strategic goal is to build a global, fully integrated and diversified fuels business.

Our performance in 2019 was underpinned primarily by strength in our core European business, with the market events which impacted the business in the prior year reversing as expected. Whilst UK sales volume declined in 2019, this was balanced by higher margins. We also generated strong earnings from our biodiesel production facilities, realising the benefits from capital investment made.

Fuel supply: Europe p42

Against the strength in Europe, our Canadian and Brazilian businesses faced a more challenging year in 2019, with industrial action and supply disruption impacting margins in Canada. Whereas in Brazil, domestic prices remained below international prices for the majority of the year, limiting imports, despite announcements by the government to deregulate the Brazilian fuels market. By continuing to invest in critical infrastructure and expanding our supply footprints further downstream in both regions, we will continue to grow these businesses.

Fuel supply: Americas p52

In the Middle East, BGB, our joint venture with nogaholding and Bapco continued to expand and is now supplying over 1.1 billion litres of gasoline to the local Bahraini market. We also extended the terms of our joint venture for a further 20 years, and are now looking to expand into other products.

Fuel supply: Middle East p60

In total, we reinvested £40.4m into capital projects and strategic acquisitions around the world in 2019. These investments will ensure we are best-placed to deliver strong results for our shareholders and exceptional supply resilience for our customers globally.

We are also investing more widely in the renewables sector, exploring new and innovative ways of producing liquid fuels from different types of wastes. This will allow us to expand and diversify our activities and deliver further carbon savings in the years ahead.

Investments p72

Chief Financial Officer's review p20

## People

In March 2019, we welcomed our 1,000th employee to Greenergy, and staff numbers grew further during the remainder of the year. As we are company expanding internationally, our focus is always on maintaining the training and development of our teams. This year we launched an online training platform in the UK, and following a successful trial it has now been extended to all regions.

I would also like to take this opportunity to thank our employees, who commit their expertise and enthusiasm for our customers each and every day. Their performance, know-how and ideas are the most important capital our company has.

Employment

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## Post balance sheet events

Subsequent to year end, the Group completed a merger with BG Fuels, a leading Canadian gasoline and convenience retailer. This transaction provides us with the scale to expand our fuel supply offer coast-to-coast, and leveraging BG Fuels' retail expertise will allow us to strengthen our offer to the independent forecourt market in Canada.

## Outlook

We have been closely monitoring the evolving COVID-19 situation since it was first reported in China in late December.

The health and safety of our people and our customers remains our top priority, and we will be guided by advice of governments and the World Health Organisation.

In these unprecedented times, we draw on our significant supply chain expertise and proven capabilities in managing market volatility to mitigate the financial impact of the coronavirus on our business, and I am confident we will bounce back from this challenge.

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COVID-19

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Looking beyond COVID-19, we are confident in the underlying strength of our business, and see future growth opportunities in our European, international fuel supply and in renewables. In line with our strategy we also remain active in seeking further bolt-on acquisition opportunities across the world.



**Christian Flach**  
Chief Executive Officer,  
Greenergy Group

“ Having worked in the industry for more than 25 years, I have always admired Greenergy's progress and growth. Now inside the company, I have come to appreciate fully the dedication and energy of the staff that underpin our operational strength and drive the business forward. ”