Futureproof

Dear reader,

In front of you lies the FinCo Fuel Annual Report 2021. In it, we look back on the previous year. A period that was, once again, defined by the COVID-19 pandemic, but in which we also managed to reduce a record amount of CO_2 emissions. It was a year to be proud of. But this Annual Report is also a glimpse into the future. The world of fuels is constantly changing, and the next few years will be marked by a real revolution, not only in thinking, but also in doing. And because FinCo is a company that likes to lead the way, we have been making plans for that for quite a while and will continu to do so.

This book offers an overview of the playing field upon which we operate. There are interviews with many experts from the entire FinCo Fuel Group and beyond. They talk passionately about the latest activities and developments within our business, about the challenges and the victories. Together, they cover the wide range of energy solutions that FinCo wants to offer. The energy company of the future focuses not only on liquid fuels, but also on gases, hydrogen and electricity – on all kinds of energy carriers that form the building blocks for an energy portfolio that is as diverse and sustainable as possible. This enables us to support our customers in their sustainability processes in the best possible way.

Our desire to move away from fossil fuels is not solely motivated by our will to further reduce CO_2 emissions. With the horrific war in Ukraine, we have another reason to switch to low-carbon fuels and other forms of renewable energy as soon as possible, so that we are no longer dependent on oil and gas from Russia.

FinCo wants to be that wide-ranging energy company of the future. A platform for energy solutions, a gathering place of knowledge and expertise in decarbonisation. Together we strive for the year in which FinCo Fuel Group is 100 percent green in how it thinks, acts and invests. This report shows how far we have come, and that the future has already begun today.

We hope you enjoy reading it.

Board of Directors
FinCo Fuel Group

FinCo Fuel System

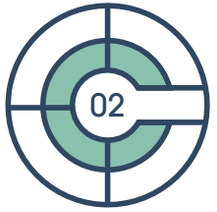
Storage capacity in m3
220.710 ▼-7%
2020: 236.197

Traded volume in m3
3.543.324 ▼-12%
2020: 4.039.542

Revenues in euro * 1.000
2.048.401 ▲+34%
2020: 1.532.087

Margin

Operational EBITDA in euro * 1.000
23.672 ▲+56.7%
2020: 15.103



Footprint

CO_2 emissions on processes in tons
9.427 ▼-29%
2020: 13.275
Recalculated according to transported volume and number of employees in 2021
Target was 22% reduction

CO_2 reduction on products in tons
413.644 ▲+46%
2020: 284.105
Target 2021 was 9,24% reduction on realized volumes (409.698)

Organisation & Culture

Employees (yearly average)
175 ▲+8%
2020: 162

2021 was a record year for FinCo Fuel Group. Volumes were lower (due to the lockdowns), margins were under pressure here and there, and the rollouts of new projects and ideas were delayed by the numerous travel restrictions. There was, however, a lot that counterbalanced this.

Record year with spectacular CO_2 savings

For example, we imported new bio-products, launched successful new products (high blends, HVO7) and managed to secure new (bio) feedstocks. We took our first steps into the world of hydrogen, as well as electricity, by entering into a partnership with sustainable energy supplier EQUANS. And we set up and executed successful bio strategies.
Furthermore, we aligned our financing with our sustainable

KPIs and expanded the international banking group. We also added retail stations with sustainable products to our network, acquired XBEE enzyme technology for the Benelux, and broadened our customer portfolio further.

The customer days that we organised were both important and instructive, as we talked to our customers about the changes that are coming our way. When you, as a company, are able to exchange ideas about CO_2 reduction with your customers openly and educate them, you can look forward to the energy transition and what is still to come. There will definitely be more of these successful customer days.

Results

All in all, this resulted in record results, both financially and in terms of CO_2 reduction. In the second half of 2021, market prices normalised. For all companies, the second half of the year showed a strong recovery. The group's total operating EBITDA increased from 15.1 million euros in 2020 to 23 million euros in 2021.

Our international branches also contributed to the record results. 2021 was a good year, despite the lower volumes caused by the COVID-19 pandemic. Enthusiasm and team spirit yielded good results. In addition, FinCo Fuel expanded its terminal network in Germany with locations in Lünen and Flörsheim am Main.

As one of our network companies, Dalergy took several important steps over the past year. It purchased a filling station on the Paasvuurweg in Epe, and opened a multi-product filling station in Heerde in December. And the collaboration with GoodFuels in the Road & Rail market has already borne its first fruits. What's more, as already mentioned above, we took

our first steps in the field of hydrogen. At Gulf Bunkering, our greening strategy is starting to show signs of success, with our first HVO20 contract being a prime example.

GoodNRG had an excellent year; in its full second year after being acquired by FinCo Fuel Group, its results doubled. As a pioneer in sustainable marine fuels, GoodNRG made a substantial contribution to the total CO_2 reduction, high above the legal obligation and the industry standard. The new business concepts that have been developed are ready to save even more CO_2.

In 2021, FinCo Fuel reduced its CO_2 emissions by a total of 417,713 tons, of which 4,069 tons was within our own business processes. We are extremely proud of that achievement because this was actually the goal for the end of 2022. Which means we are a year ahead of schedule, and this is thanks to all the great efforts everyone made and our reduction projects. Our leading role in the energy transition is becoming increasingly prominent.

Renewables

In 2021, the Renewables team continued to work on several large, innovative projects that fit within our pioneering role in the energy transition. Many of them are covered in this annual report. For example, we have successfully completed a first pilot with bio-methanol.

Furthermore, foundations were laid for a large international collaboration on the conversion of wood waste into low-carbon fuels. The Coega Biomass Centre in Gqeberha (formerly known as Port Elizabeth) in South Africa plays a central role in this. By the end of 2022, 120,000 tons of wood pellets will be produced per year from the waste of invasive

tree species. These trees will have been removed from wildlife parks, as they deplete water supplies, reduce biodiversity and intensify forest fires. The pellets will ensure a significant CO_2 reduction in many ways.

2021 was also a busy year for our Bio Team. We have had to deal with increasingly complex legislation. The European Commission presented its Fit for 55 package: new policy proposals containing measures to reduce greenhouse gas emissions (including CO_2) in Europe by 55 percent by 2030, and to be the first climate-neutral continent in the world by 2050. What's more, we saw large price fluctuations of biofuels and Renewable Energy Units (HBEs in Dutch) in the market. Thanks to the Bio department's constant vigilance, both in terms of analysing the new legislative proposals and the marketing of HBEs, FinCo Fuel has been able to take another step in making our company more sustainable.

Supply security

Supply and Trading is the central department of our company; they oversee the purchasing of all (new) products, their delivery to the depots and their sales. In recent years, the market has become more comprehensive and our product portfolio has broadened. Despite so many different purchasing flows, we have stuck to our principles – limiting price risks and always ensuring supply security – and have, once again, performed outstandingly this year.

Growth and safety

In 2021, the organisation grew by 13 FTEs to a total of 175 FTEs. Not only has the commercial department become larger, but the supporting organisation has also been strengthened. This has enabled FinCo Fuel to continue to evolve, both in size and in the personal development of our people and their talents.

Thanks to work processes that followed the latest SHE (safety, health and environment) requirements, checks, and well-qualified and trained employees (also on risk and compliance), FinCo Fuel can proudly report that, again, no incidents occurred. Our zero-tolerance policy, just like the year before, passed all external inspections and tests with flying colours. Cybersecurity is obviously part of our security programme, and FinCo Fuel pays full attention to awareness about cybercrime through special information meetings and continuous tests.

Trust

2021 was another ambitious year. Nevertheless, FinCo Fuel looks forward to the coming period with confidence and optimism. Thanks to our FinCo Formula and the resilient mindset of our people, we have grown in a time of declining fossil fuels, and increased price volatility. Moreover, we have taken important steps on the path of sustainability and CO_2 reduction, the path of the future, in which FinCo Fuel wants to play an even greater role in our customers' sustainability processes. Here's to a better world and an even better company.

We have taken important steps on the path of CO_2 reduction. FinCo wants to play a big role in our customers' sustainability processes.

Pathways

In order to develop low-carbon products for our customers in the various segments - on land and on water – FinCo Fuel uses different pathways.

1 – LIQUID	2 – FEEDSTOCKS
3 – ELECTRICITY	4 – GAS

In the next few years, we must do everything in our power to reduce CO_2 emissions worldwide. That is why FinCo Fuel Group is accelerating the use of sustainable energy carriers and phasing out fossil fuels. Our green energy system of the future consists of several innovative solutions that are currently being developed. During this process, we are working together with partners and experts from the entire chain – many of whom have their say in the pages of this FinCo Fuel Annual Report. They are indispensable in charting the playing field that lies ahead and in the making of right choices. With their knowledge, we can make a major contribution towards ensuring our company is future-proof and achieving the climate goals.

Charting the playing field

This is the decade of action. By now, we are all aware of the most recent reports from the United Nations' Intergovernmental Panel on Climate Change (IPCC). These documents paint an alarming picture. It warns that we only have a limited amount of time left to achieve sufficient CO_2 reductions in order to limit global warming to a maximum of 1.5 degrees. The European Commission also sees this urgency. In 2021, it came up with its Fit for 55 package of legislative proposals to reduce greenhouse gas emissions (including CO_2) in Europe by 55 percent by 2030. The need to press ahead with the climate goals is now greater than ever.

At FinCo, we've already started doing that. What the past COVID-19 period made clear to us, among other things, is that certain innovations happen faster when you join forces. And so, with a different way of working, new partnerships and a shift in daily focus, new initiatives arose. The sustainability agenda has now become the No.1 priority across our entire company, and it's what we formulate concrete objectives on.

Challenge

Our biggest challenge is to reduce CO_2 emissions by accelerating the use of sustainable energy carriers. Society will still need a lot of liquid fuels in the coming years; 90 percent of all transport in 2030 will still have a combustion engine. But those who think that fossil fuels are the only solution are mistaken. Fully renewable fuels are just as fluid. And FinCo's system is just as suitable for those sustainable fuels. Small adjustments are all that are often required: more varied blend components, for example, which require a different tank layout and flexible blending skids. So that shouldn't be an issue.

We have demonstrated this over the past year. For example, drivers at the FinCo terminal in Enschede can now use a

blending skid with a large choice of sustainable fuels. In addition to the standard diesels, they can also fill their tanks with HVO (Hydrotreated Vegetable Oil, a synthetic diesel and a complete replacement for its fossil counterpart) here. With a few simple steps, drivers can determine, depending on the wishes of the customer, how much HVO should be blended with the fossil diesel. It is also possible to fill the tank completely with HVO100, pure HVO, with which you can quickly reduce CO_2 emissions by up to 89 percent. Another example is the new filling station in Heerde, Gelderland.
Here our network company Dalergy, the exclusive distributor for GoodFuels Rail & Road in the Netherlands, has been offering HVO100 for several months (p. 42). More stations will follow soon.

A platform for energy solutions

In recent years, FinCo has built both a large system, through which these renewable liquids can easily pass, and a large volume, with which we can make a lot of impact. This means that we move away from fossil fuels to be as sustainable as possible. We continually ask ourselves, as FinCo expert Christos Panoutsos, who is working on the Beter Fossiel (`Better

What the past COVID-19 period made clear to us, among other things, is that certain innovations happen faster when you join forces.

Fossil Fuel') project, says: "How can we save as much CO_2 as possible today? How can we ensure that on our way to achieving the ultimate goal – being completely green in how we think, act and invest – we are doing everything we presently can to become as green as possible? This motivation is the deciding factor in all our activities, be it in our search for the latest high-quality feedstocks for our renewable biofuels or in our attempts to make the fossil part as sustainable as possible." (p. 76)

Innovations are of great importance to FinCo when it comes to making the transition to a lower-emission fuel supply. We look at new sustainable feedstocks, such as roadside grass, wood waste and sewage sludge, as well as groundbreaking conversion technologies to convert these feedstocks into various suitable energy carriers that our customers can use themselves. Because the energy system of the future consists of all kinds of innovative solutions, our vision is wide-ranging. These innovations differ per market segment and mode; road traffic requires different solutions than shipping and air transport. We do not want to exclude any feedstock, technology or

That is the future we see for ourselves: FinCo Fuel Group as a platform for energy solutions, as a gathering place of knowledge and years of experience.

energy carrier in advance. "We are always curious," says Ratna Nataliani, sustainability expert at GoodFuels. (p. 98)

That is why we are not only looking at liquid fuels, but also at hydrogen and at electricity. In this Annual Report you will come across all these energy carriers. And these energy carriers are the building blocks that, thanks to different conversion routes, can be used in many different sectors. We do this because we want to be able to offer all our end customers an array of energy solutions, within which various options are possible. That is the future we see for ourselves: FinCo Fuel Group as a platform for energy solutions, as a gathering place of knowledge and years of experience.

Action

By naming a goal, you force yourself onto a clear path. FinCo has concrete CO_2 targets and goals to phase in sustainable energy carriers and phase out fossil fuels. Sometimes we do not yet know exactly how to achieve these goals, but by setting a target it is clear to everyone what the destination will be. And if the course is clear and you make the right decisions, then your journey can suddenly become a fast one. As confirmed in the fact that FinCo is ahead of the CO_2 targets that we set not so long ago. In 2021, we reduced CO_2 emissions by a total of 417,713 tons, of which 4,069 tons was within our own business processes. This was originally the target for the end of 2022.

So we are now in the middle of the process of further tightening our sustainability goals for the next five years. This is how FinCo Fuel becomes a symbol for the transition that all energy companies must go through. Many of our employees were experts in an industry that was entirely dominated by fossil fuels. But the course has now changed, and our sustainable product portfolio is transforming rapidly. Our business strategy is

becoming increasingly aligned with the ambitious role we want to play in the energy transition. We have the people, the resources and the innovative power to make a difference and contribute to a more sustainable world. But we can't do it alone.

We need the whole chain to move forward. Just like all other parties, we, as a fuel supplier, are part of that chain. If everyone contributes – the business community, the government, people as individuals – we can make great strides. Then together we will create a decade of action, an era of possibilities.

It is not for nothing that FinCo's Manager Renewables Strategy & Development Bart-Willem ten Cate invites other market parties to build new chains together with FinCo Fuel and to initiate innovative, circular projects. "If you want to get these kinds of circular projects off the ground," he says, "you have to organise this with the entire chain: from collector to technology provider to a party like FinCo, who purchases and distributes the product, to an end customer, such as a fisherman, who is ready and willing to participate in this. And I believe it is possible." (p. 106)

Practical experience

The implementation of the innovative solutions within FinCo Fuel is therefore not only a matter of developing technology. It is also linked to issues such as market acceptance, quality standards, logistical constraints and government policy. As a result, the laws and regulations regarding the introduction of new feedstocks, which are necessary for producing our sustainable biofuel, are becoming increasingly complex. FinCo Fuel is often ahead of the government.

This is also the case in the global search for advanced residue streams: matter that can no longer be used for anything else

and that you can upgrade to produce fuels. The share of renewable energy that has to be blended by fuel suppliers is increasing. At the same time, conventional feedstocks used to produce biofuels, (food and feed crops such as corn and sugarcane) are being phased out in the Netherlands. FinCo Fuel uses only 0.08 percent of conventional feedstocks. The majority already consists of advanced residue streams. And there have been several occasions that they are so new, they haven't yet been recorded in the register of the Dutch Emission Authority (Nederlandse Emissieautoriteit; NEa). (p. 90)

In order to build confidence in these new streams, FinCo Fuel is very active in innovations and product development, conducting practical tests with partners from the value chain and, for example, doing engine tests in various labs (p.120). We have noticed that this is important for the energy transition. And what's more, says Johannes Schürmann, Technical Manager at GoodFuels: "Because of all those practical experiences, by always just doing it – testing, trying, going for it – GoodFuels is now the most experienced player in the field of marine biofuels. Our name is well known, our customers trust us." (p. 114) Our experiences and research results show all that is possible. This is how we contribute to accelerating the energy transition.

Responsibility

When it comes to the energy transition, the government must take on a coordinating role, but, above all, it must let the market do its work. What we need are companies, governments and NGOs that will work more closely together and with more urgency. We need leaders with courage, both in business and in politics. You need that connection to move forward.

Patricia Osseweijer is Chair of the Sustainability Board at GoodFuels. Together with her colleagues, she advises on the feedstock streams for biofuels that GoodFuels wants to purchase for its customers. Are they sustainably sourced or not? And what about their societal impact on the areas where they come from? How can these feedstock streams provide employment opportunities, and energy- and food security? According to Patricia Osseweijer, it is of great importance that these issues are also considered when thinking about the energy transition.

How can the energy transition gain added value?

It is 3 March 2022, more than a week after Russia invaded Ukraine. Patricia Osseweijer (63), professor of Biotechnology & Society at Delft University of Technology (TU Delft), sits in her office on the university campus. The horrors of the war are the first topic of discussion, but it soon moves on to also cover whether this historic event will have a positive impact on the energy transition and the demand for biofuels. Now that people in Europe want to be less dependent on Russian oil and gas as soon as possible, it is obvious that countries will want to accelerate the energy transition. Is this the momentum for renewable fuels?

For now, Osseweijer assumes it is. The topic is, even more than usual, the order of the day. It comes up in every research group and committee she's involved in – of which there are quite a few. In addition to being a professor, Osseweijer is also the head of the Biotechnology and Society research group and is an ambassador for Brazil on behalf of her university; in this role, she leads a broad research programme at TU Delft on Energy, Water, Aviation and Infrastructure. With her own group, she collaborates with Brazilian scientists in the field of bioeconomy and biofuels. She is also Chair of the Sustainability Board at GoodFuels, which advises GoodFuels on the development and procurement of various biofuels and their sustainability.

She has been with GoodFuels in this position since it was established in 2015. Osseweijer knows CEO Dirk Kronemeijer from when he founded SkyNRG, a supplier of sustainable aviation biokerosene. "When he asked me to join the Sustainability Board at GoodFuels, I immediately said yes," she says.

"I thought it would be great to do for two reasons. First, I applaud any effort to ban the use of fossil fuels. Second, this

is a complex and interesting playing field, where different aspects come together, both in the field of sustainability and technology, and in the societal field."

Local well-being

And that intersection is exactly her field of expertise. The transition to a sustainable, circular and biomass-based economy that we all strive for is driven by technological innovations and solutions. At the same time, this transition also depends on societal acceptance. Wind energy, biomass, solar panels – these are important in the new economy, but they also generate a lot of discussion.

"I myself am of the opinion that the more renewable energy there is, the better," says Osseweijer. "But often, the huge scale that is needed to realise economic feasibility is a stumbling point. However, I believe that these are not the only aspects we should focus on. It's also about local well-being and the possibilities to increase it, to achieve energy security and social impact in the places where it is desperately needed.

"This is a complex and interesting playing field, where different aspects come together, both in the field of sustainability and technology, and in the societal field."

It is of great importance that we consider these issues when thinking about the energy transition."

Bio-hubs

The projects in which Osseweijer is involved mainly focus on areas where the population is growing the fastest and which will be hit particularly hard by climate change in the coming years: countries in Sub-Saharan Africa and in South America, for example. How do you promote employment in these countries, how can the energy transition gain added value there?

"Windmills and solar panels do not provide many extra benefits for the people there, not even in terms of social development. The technology comes from somewhere else, and the ownership, plus any potential profits, lie elsewhere too. Almost all the people there have access to areas of fertile land, where, with improvements in agricultural management and the use of residues, sufficient production can be made to convert a significant part of the global fossil demand into bio-based fuels. And thus they can generate energy themselves at a reasonable price. We can help with systems for water availability, education on sustainability, and efficiency.

"Our projects consist of setting up bio-hubs, where small communities will grow both food and crops intended for energy. In doing so, we improve the soil, work on local employment opportunities and economic independence, and ensure a faster transition towards biofuels." Osseweijer hopes that these types of systems can be a source of supply for parties such as FinCo Fuel and GoodFuels in a short while.

Expertise

The members of the independent Sustainability Board come together once every four months. Osseweijer's colleagues on

the Board are Anne Marit Post-Melbye, Head of Industry Policy at the Norwegian climate NGO ZERO, and Martin Junginger, professor of Bio-based Economy at Utrecht University. Per meeting, they discuss about ten to fifteen potential feedstock streams for biofuels.

"Our expertise is broad, which is really necessary, because you have to take so many different things into account when assessing the streams. We look at the total picture: Where does the feedstock come from, is it a certified stream, are there social issues that you have to take into account, does it fit within the criteria for marine engines, does it fit within European legislation? And we use all this data to deliver an opinion. GoodFuels ultimately has to decide for itself whether a stream is economically interesting; we are simply concerned with sustainability and whether it can be guaranteed for every stream and in every area."

Social sustainability

It sometimes – but not often – happens that the Sustainability Board delivers a negative opinion. For example, palm oil residues (feedstock streams on which FinCo Fuel has a strict policy) require extra vigilance. "Palm oil is considered less sustainable by many parties; there is a lot of public discussion about it. We therefore advise not to use palm oil for biofuels. But if we're talking about the waste from the palm oil chain, then – in that case – we examine all the aspects extra carefully. For example, whether waste from sustainably certified and non-certified plantations are mixed together, so that sustainability cannot be guaranteed. What's more, you always have to take corruption into account. As members of the Sustainability Board, we don't get involved in these discussions on behalf of GoodFuels. We are an impartial body that tries to determine whether or not certain streams are

sustainable, based on scientific publications and our own research and expertise."

Whereby sustainability is understood in the broadest sense possible: not only in a climate-technology sense, but also from a societal point of view. "Biomass is one of the few means by which poorer countries can develop," says Osseweijer. "The population can produce these crops themselves, from their own land, with their own workforce. As a result, these countries do not have to be dependent on expensive contracts with others. Independent energy supply for itself and for sales is an important element in social sustainability. I think more attention should be paid to this. That is why I am always very interested in companies that want to make a breakthrough in this and that attach great importance to sustainability."

Companies like GoodFuels. Osseweijer doesn't know how long she will remain Chair of the Sustainability Board. But for the time being, at least, she has no desire to stop. "I still learn something new every day from the analyses I make for GoodFuels."

"It is of great importance that we also consider local well-being and the possibilities to increase it, when thinking about the energy transition."

Circular economy
An economic system of closed loops in which feedstocks, components and products lose their value as little as possible, renewable energy sources are used, and systems thinking stands at the core.

Climate neutral
Also called CO_2 neutral: terms that indicate that a process does not contribute to climate change. Climate-neutral energy is energy without CO_2 emissions.

Decarbonisation
The process of reducing carbon emissions, especially CO_2, into the atmosphere. The aim is to achieve global climate neutrality through the energy transition.

FAME
Fatty Acid Methyl Ester: a biodiesel produced from animal and vegetable fats or waste cooking oils.

Feedstocks
Raw materials, mostly of natural origin, which are used to produce goods. Conventional feedstocks used to produce biofuels (food and feed crops, such as corn and sugarcane) are being phased out in the Netherlands. Meanwhile, only 1.4 percent of these conventional feedstocks can be used in the Netherlands (FinCo only uses 0.08 percent conventional feedstocks). Instead, FinCo mainly uses advanced residue streams: matter that can no longer be used for anything else and that can be upgraded to produce fuels. (See interview with Laurens Venderbos on p. 90)

Fit for 55
A package of policy proposals, presented by the European Commission in 2021: measures to reduce greenhouse gas emissions (including CO_2) in Europe by 55 percent by 2030, and to be the first climate-neutral continent in the world by 2050. (See also **RED**)

HBE
Renewable Energy Unit, or Hernieuwbare Brandstofeenheid in Dutch: a bio-credit. Companies that supply fuel in the Netherlands and have an excise duty obligation need HBEs to meet their sustainability obligations. FinCo creates and sells HBEs.

HVO
Hydrotreated Vegetable Oil: a synthetic diesel that is produced from residue streams from the food industry or from industrial processes.

Insetting
A process of reducing CO_2 emissions in which the reduction is realised in the same sector that the customer is active in. For example: a customer pays for HVO, but because that fuel is not physically available everywhere yet, they are supplied with regular diesel instead. The HVO portion sold is then additionally mixed into the FinCo system. This way, the customer still reduces their CO_2 emissions.

ISCC
International Sustainability & Carbon Certification: a globally applicable sustainability certification system that assesses sustainable production, management, traceability (documentation) and greenhouse gas reduction.

NEa
Dutch Emissions Authority (Nederlandse Emissieautoriteit): the independent national authority for the implementation and supervision of market instruments that contribute to a climate-neutral society. (See **Climate neutral**)

Offsetting
Process of CO_2 reduction in which the reduction of emissions is realised in another sector and/or elsewhere in the world. For example: our collaboration with African Clean Energy (ACE) to level the remaining CO_2 emissions on our own processes.

PoS document
Proof of Sustainability: a proof of sustainability that travels with a biofuel throughout the supply chain and that is necessary to register the stream with the NEa. (see **NEa**)

RED
Renewable Energy Directive: European legislation to promote the use of renewable energy that includes, among other things, definitions, basic principles for renewable energy, calculation methods and targets. In 2021, the European Commission made a proposal for the revision of RED. (See also **Renewable energy** and **Fit for 55**)

Renewable energy
Energy from renewable energy sources is energy from natural sources. These are constantly renewed and are therefore infinitely available. These include, among others, wind energy, solar energy, hydropower, and energy from biomass and biogas. The main form of renewable energy for transport is biofuels (as defined by the European Commission, see also **RED**).

Sustainability Board
Advisory board that actively thinks and works on a future-proof and sustainable organisation. In this Annual Report: the council that advises GoodFuels on the development and purchase of various biofuels and their sustainability. (See interview with Patricia Osseweijer on p. 24)

LIQUID

BIO-METHANOL (CH_3OH)

ILHV: 20 MJ/kg
Density at atmospheric pressure: 0,79 kg/liter
CO_2 reduction potential: 75% - 95%
Fuels: gasoline blends (M3, M85, GEM), MTBE, diesel substitution, FAME, DME, OME, H_2 carrier
Fuel uses: passenger cars, ships (inland and seagoing), gensets, boilers, fuel cells

---

CELLULOSIC ETHANOL (C_2H_5OH)

ILHV: 27 MJ/kg
Density (at atmospheric pressure): 0,79 kg/liter
CO_2 reduction potential: 85% - 95%
Fuels: gasoline blends (E05, E10, E85), diesel substitution (e.g. ED95)
Fuel uses: passenger cars, trucks, buses

HVO (C_NH2_{N+2})

LHV: 44 MJ/kg
Density: 0,78 kg/liter
CO_2 reduction potential: 85% - 95%
Fuels: diesel blends (HVO20 – HVO100)
Fuel uses: passenger cars, trucks, busses, gensets, etc.

A pioneering role in HVO

NAME: Arno de Graaf
AGE: 46
JOB TITLE: Sales Manager Wholesale
SINCE: 2014

HVO is the greatest fuel of the past 20 years. It is a synthetic diesel, which is produced from the residue streams of the food industry or industrial processes. It is a very sustainable fuel: it reduces CO_2 emissions by up to 89 percent and ensures clean combustion, both on land and water. You can add an unlimited amount of HVO to fossil fuels and as a finished product, HVO in its purest form is even a complete replacement for fossil fuel.

We sell HVO to the shipping industry (via GoodFuels, Gulf Bunkering and others) and to the land transport sector (via, among others, Dalergy). Therein, we make the distinction between HVO as a finished product and HVO as a blending product. The latter means that you add the fuel in various quantities to a fossil diesel in order to be able to comply with the Dutch bio-obligation, which states that a certain amount of biofuel must be added to the regular fuels being used in Dutch road transportation. Currently, a maximum of 7 percent FAME may be added to the diesel, and 9.8 percent ethanol to gasoline. According to the applicable diesel and gasoline specifications, more than that is not permitted, but it is insufficient to meet the bio-obligation. That is why HVO is so great: you can add an unlimited amount of it to the diesel without the product going beyond its specification and without it being harmful to the engine. And of course, it is better for the crucial reduction of CO_2 emissions.

Making choices

As a Sales Manager I see both the benefits and the challenges of the fuel. HVO is a more expensive product; there is just too little demand for it. And because tank storage in the Netherlands is limited – that applies not only to FinCo, but to everyone – we always have to ask ourselves where we want to offer HVO on land and in what form: pure or in blends.
At the moment, we mainly sell HVO100, HVO20 and HVO7. We

no longer offer 100 percent fossil diesel anywhere. Our loading location in Enschede has equipment that offers all blends. At the other FinCo loading locations, we have to supply blends per barge. And so, we have to make choices about which blend we offer where. For the time being, our customers are not always able to refuel with HVO products at a location that's most convenient for them. But this is inherent in the development of the HVO market.

Noticeable awareness

At the same time, we do see a shift. Until about nine months ago, the demand for HVO came mainly from the government and municipal institutions. For large, tendered projects, extra money was made available for sustainable fuel. In recent months, a new group has been added: large companies (such as Albert Heijn, Jumbo and Adidas) that are going to become more sustainable based on the notion that we all have to move away from fossil fuels, and that need HVO as a kind of 'license to operate'. This increasing demand creates a noticeable awareness in the transport sector.

These developments are going to offer us a lot of opportunities. I am personally a huge supporter of HVO insetting, which we are now doing in Harlingen and Kampen. This means that customers get regular diesel delivered but pay for HVO. And the HVO portion sold is then additionally mixed into the FinCo system. This way, customers still reduce their CO_2 emissions. As a guarantee, they also receive CO_2 Reduction Certificates. This is a great solution for us and our customers, seeing as we are unable to physically offer HVO everywhere. Insetting ensures that we bring more HVO to the Dutch market, and thus help accelerate the energy transition.

Pioneering role

We notice that customers still need to get used to this.

Transporters want their own trucks to emit less CO_2 when they are on the road; they want HVO in their own tanks. I think we have an even bigger role to play there. People need to know: if they do business with FinCo Fuel, we will ensure that this clean product actually brings a significant CO_2 reduction in the Dutch atmosphere. I believe in that, provided the story is 100 percent correct. For all these types of projects, whether it's about insetting or offsetting, you have to be as transparent as possible and can precisely show: 'This is what you pay for, that's where it goes and that's what it delivers'.

When you convert the blends to pure HVO, we are now selling 30,000 cubic meters of HVO per year. If you consider that our goal is to make the total volume of FinCo more sustainable, then this is still not enough. The government isn't stimulating the sale of HVO sufficiently yet; there are no laws and regulations. That is why we want to take a pioneering role and bring it to the fore. An important part of the automotive sector will be electrified by 2035 and we are contributing to that, but until then, there is still so much CO_2 to be saved. HVO can play a major role in this.

No one can bring that story across better than FinCo. We have a large, commercial toolbox at our disposal and we now have enough experience with the product to be sure that the environment is really better off with more HVO.

"We want to take a pioneering role and show that HVO can play a major role in CO_2 reduction."

What do motorists get when they refuel from the brand-new pump in Heerde, Gelderland? And what do they know about HVO100, the clean, CO_2-saving fuel that *Dalergy* has recently started offering here?
“A saving of up to 89 percent, you say? I could fill up the camper van here and then drive to Norway; that’s not a bad idea at all.”

At the filling station

As of December 2021, the brand-new, shiny filling station at Heerde has been selling HVO100. This renewable fuel is the pure form of Hydrotreated Vegetable Oil, a synthetic diesel and a complete replacement for its fossil counterpart. Heerde is one of Dalergy's first two locations (the other station is nearby, in Epe) that offer the sustainable fuel to private individuals who come here to refuel. And there are plans for more filling stations to follow. This is the result of a collaboration between GoodFuels and Dalergy, in which Dalergy has become the exclusive distributor for GoodFuels Rail & Road in the Netherlands.

Having HVO100 in the tank can quickly reduce CO_2 emissions by up to 89 percent. "It's a fantastic product," says Henrike Koetzier (36), Marketing & Communications Manager at Dalergy. "You won't get any cleaner than HVO100."

Voluntary sustainability

Dalergy is currently working hard to increase awareness of the fuel. The company is focusing on various sectors: government agencies; the civil, transportation and hydraulic engineering sectors; the transport companies and their drivers, for whom refuelling with HVO while on the road must become standard; and the independent owners of filling stations, who only need to make a minor adjustment in order to be able to offer HVO.

"That's something we did ourselves at the filling station in Epe," says Koetzier. "We replaced our premium diesel with HVO100, a drop-in solution that you can use for refuelling without making any adjustments." Owners of filling stations could then focus mainly on the business drivers, whose clients increasingly want, and need, to greenify. At the moment, parties such as the government, where sustainability is often subsidised, and the large transport companies are already switching to cleaner fuel.

Compensation

For the time being, the price difference between HVO and fossil diesel is such that most private motorists don't refuel with HVO. Today, a sunny day in March – with the uncertainty surrounding the war in Ukraine and the sanctions on Russia having pushed up fuel prices worldwide – the difference between the two products is 31 cents per litre.

Business driver Harry den Houdijker (58), who has a car company nearby, likes to refuel here. He believes HVO100 to be a good product; only it's too expensive at the moment. "The price is the deciding factor now," he says. "If this fuel actually reduces CO_2 emissions, then – as far as I'm concerned – as a motorist you should be compensated for that. As soon as that happens, I will certainly consider it."

HVO100 is also not an option for Mr. Zevenhoven (64). "We rarely drive," he says. "I used to drive a lot – a great many kilometres – especially through Germany. And I refuelled my diesel there because of the prices. But I think we'll probably be switching to an electric car soon."

Green benefits

"HVO100 is a new product at filling stations," says Koetzier. "And it would be nice if the government would promote it. And we need awareness, so that everyone knows as quickly as possible just how much CO_2 you can save with it. Which is why it's important that we inform and advise as many people as possible based on our own experiences with HVO." And via its campaign on industrial sites, flyers for consumers, and media coverage on the online platform *TankPro*, among other things, Dalergy is reaching more and more people about the great green benefits of driving on HVO. "We really want to raise a specific awareness."

Starting with Mr. Blokzijl (63) from Enschede, who comes to Epe to refill his green jeep with gasoline and stands at the pump intently studying the fuel selection. "I just thought: What kind of Goodfuels product is that?" He would like to know more.

"I am very conscious of the whole energy transition. At home we have solar panels, a heat pump and triple glazing everywhere. So, if I can also do something about my transport, then of course I will. Look, I'm not crazy. I live near the border and you can refuel for less in Germany. But we also have a camper van and it runs on diesel. We go on holiday in it every year; last year we were in Norway. I don't think such a CO_2-saving fuel is a bad idea at all. Up to 89 percent you say? If that's the case, I would be able to fill up the tank completely here and start driving. Yes, it is more expensive, but on the other hand: if you refuel along the motorway en route, normal diesel is often also more expensive. Yet you do that without a second thought."

"I am very conscious of the whole energy transition. So, if I can do something about my transport, then of course I will."


Snel Tank
Heerde
Snel Tank
Heerde
Castrol
Castrol

Always one step further with sustainable biodiesel

NAME: Alex Pechman
AGE: 37
JOB TITLE: Trading Manager
SINCE: 2014

It's been evident from the start that FinCo pursues clear sustainability goals and wants to be at the forefront in this issue. Biofuels were high on the list when the company was founded in 2013 (a year before I joined). To actually be able to greenify, however, you first need sufficient volume; something we built up in the first few years. Then we specialised in biofuels: What are the trends, the latest technologies, the best feedstocks…?

As we can blend more bio-products than is required by Dutch law and we create CO_2 credits, we not only have a sustainable business, but a profitable one too. So we have made our business model bigger and applied it in FinCo's infrastructure and network operators. Over the years we have established good contacts and, therefore, a strong reputation.

We have a clear function in the market. We supply our customers with products that are both sustainable and technically reliable, and also try to familiarise them as much as possible with biofuels. At first glance, they are more expensive than their fossil counterparts, but we always try to keep the prices as competitive as possible. That's how we ensure that the gap between biofuels and regular fuels gets smaller and smaller.

Trust

It's the same story with regards to our experience with FAME, a biodiesel that is produced from animal and vegetable fats or used cooking oil. When we introduced it, we had to gain a lot of trust. In the land transport sector, there's a European Biofuel Obligation that applies to diesel. You can add a maximum of 7 percent FAME to it. In shipping, this obligation is not yet in place. Which means we were met with more scepticism in the bunker market when we started offering marine fuels mixed with biofuel. Shipowners were afraid that FAME would be bad for the engine.

In the beginning, we needed parties who would say: "We are going to use it anyway, because we want to become more sustainable, and we trust you." They were out there, mainly thanks to the fact that FinCo had built up a lot of technical expertise and we had tested the fuel a lot and regularly throughout the FinCo Fuel Group. As a result, we were able to offer the product with conviction and again position ourselves as leaders in this. In fact, thanks in part to the efforts of the team at GoodFuels, we are now commencing with adding the maximum amount of biofuels possible instead of the minimum. The high blends we offer consist of 100 or 90 percent sustainable biodiesel.

Price indicators

Because we depend on a regular stream of feedstocks to produce our fuels, we want to know exactly where they come from. We want to enter into long-term partnerships with producers, so that we can be sure of the quality of the products and the supply.

This is important because, over the years, FAME feedstocks have changed. In the beginning, these consisted of virgin (or 'first-generation') vegetable oils, originating from soybeans, corn, rapeseed, palm. As these feedstocks compete with the food market, however, they will be phased out. In addition to the 'second-generation' feedstocks (waste cooking oils and animal fat, not suitable for human consumption), FinCo is now also using more and more residue streams from other sectors, such as the paper or sugarcane industries, from which our advanced biofuels are made. The laws and regulations are constantly changing as far as these streams are concerned. And it is partly because of this that our Trading team is continually dealing with new products that haven't been traded enough and for which no reliable price indicators are yet available. And with the residue streams we use becoming increasingly more complex, the market will also become more comprehensive and our product portfolio will broaden. So we have to take a view of new products for which no listing is yet available.

Sustainability course

Moreover, as I said earlier, we must take into account the fact that biofuels and their fossil counterparts are still far apart in terms of price and are not always perfectly correlated. FinCo is always looking for the best way to bridge that gap. We use different hedging instruments to handle these differences and have a limit in terms of our risk appetite. The price risk is hedged by various derivative products on both fossil- and biofuels. This way, we keep price risks to the lowest limits, as we have very limited risk appetite. We also use financial instruments to limit foreign currency risks.

During customer sessions at FinCo, we like to tell people about the success of proven fuels such as FAME and new bioproducts. Irrespective of quoted market prices, FinCo always succeeds in bringing new projects to a successful conclusion. A combination of factors is important, such as efficient logistics or research & development on product quality, so that we meet the customers' various blend specifications and a price that benefits all stakeholders in the chain. And above all it's about making a statement: We are in the midst of an energy transition, and FinCo has set a clear sustainability course. Will you join us?

Time profit

NAME: Eelco Dekker
AGE: 54
JOB TITLE: Project Manager Renewables
SINCE: 2020

Methanol is the simplest alcohol around, and it has attractive properties as a fuel. This liquid has the largest hydrogen/carbon ratio of all liquids: four to one. And because methanol has no carbon compounds, it is a clean-burning fuel. So clean, in fact, that the flame is almost invisible. With other fuels, you get an orange flame, which indicates incomplete combustion, and this results in soot. The burning of methanol, however, is clean in all respects: you get no soot, no sulphur and virtually no nitrogen oxide emissions.

Yes, you guessed it: I could talk about methanol for hours and down to the smallest details… So for now, I will limit myself to the reasons why the fuel is interesting for FinCo and the markets we serve.

Versatile

First off: methanol is a liquid. This means that it fits perfectly into our existing logistics system. Secondly, you can make methanol from almost any residue stream you can think of, so the feedstocks are always available. You can even make it from CO_2 and green electricity. In addition, methanol's production process is relatively simple and requires relatively little energy. And because you make it from sustainable feedstocks, the product has a very low carbon footprint, with savings of up to 80 to high in the 90s percent. So when I talk about methanol, I always mean bio-methanol.

In the coming years, bio-methanol will play a role in various projects within FinCo. That is an additional advantage of the fuel: it is very versatile. You can mix small amounts of methanol with gasoline without having to make adjustments to the system or engines. And what's even more interesting is that you can completely replace diesel with methanol. This is particularly important for seagoing marine, which

FinCo focuses on with, among others, GoodFuels and FinCo Bunkering. There are an increasing number of large parties, such as Maersk, Stena and Boskalis, that are going to switch to sailing on methanol because this results in enormous CO_2 savings and significantly lower local emissions.

Simple processes

In addition to shipping, FinCo is also focusing on inland marine and the fishing industry, via Gulf Bunkering and Licorne. These are sectors where a lot still needs to be done for them to become more sustainable. And because the use of methanol requires relatively minor modifications to a marine engine, skippers with older engines can achieve significant emission reductions. That way you can really speed up the energy transition.

Methanol's versatility also means that we can use the product for other applications. Not only as a pure fuel, but also as an energy carrier for hydrogen, for example. Hydrogen is a gas that is difficult to transport on its own. The moment you convert it to methanol, hydrogen fits into the existing infrastructure, and is easier for you to carry it with you on a ship. As soon as you want to use the hydrogen, all you need to do is separate the molecules from each other again. These are relatively simple processes. Here's a salient detail for you: a cubic metre of methanol contains more hydrogen than a cubic metre of hydrogen, even when that hydrogen is stored under high pressure.

We are currently at an interesting point in the energy transition: there are quite a few alternatives to fossil fuels. Ship owners and engine suppliers are regularly approached by parties who say that they have the sustainable solution for the coming years. You notice that people find it difficult to make a choice. Which is completely understandable: it involves large investments and if you choose to switch your fleet completely

to one particular energy carrier, then you want to be sure that it will cope with it.

Cost-benefit analysis

With a biofuel such as bio-methanol, you'll quickly find you have a good match. Is it a bit more expensive? Yes, but only if you look purely at the price per litre. That's only half the story; you have to look at the system costs, too. Those who sail on methanol save considerable amounts of CO_2, soot, sulphur and nitrogen emissions. On the other hand, methanol's relatively low energy density means that a ship will have to create either more tank capacity or bunker more often. Another challenge for the use of methanol in inland shipping is that regulations to carry methanol as a fuel on board are still in development. For the first ships, exemptions will therefore have to be requested per ship.

Each customer makes a choice regarding energy supply based on their own cost-benefit analysis. FinCo advises and supports them in this and can then supply them with various products and energy carriers. What is most important to us is the speed with which we can help our customers become more sustainable. When you offer a biofuel that fits almost seamlessly into the customer's fuel system so that, for example, a shipowner doesn't have to replace their fleet's engines, then that is a big advantage. That customer can start saving CO_2 today and contribute to better local air quality. Everything that leaves the existing logistics systems untouched is what we call 'time profit'.

"Methanol is a liquid. This means that it fits perfectly into our existing logistics system."

Vertoro Geleen wants to speed up the green revolution. According to them, the green gold of the future is a new drop-in biofuel for maritime vessels, which is made from high-quality lignin that has been dissolved in sustainable methanol. How does it work exactly, and what could Vertoro do for GoodFuels and FinCo Fuel?

Strong stuff

"Look," says Michael Boot (42), pointing. "That's where our new factory will be; it'll account for one million kilos of biofuel per year." We are standing in a large scientific hall on the grounds of the Brightlands Chemelot Campus (a centre for enterprise, teaching and research in chemistry) in Geleen, Limburg, surrounded by humming, metre-high installations. Here, all kinds of small companies and startups make use of the multi-purpose machines, which mainly serve as test setups.

Vertoro, which was founded in 2017 by Boot and Panos Kouris, also has such a test setup: a kind of large 'espresso machine', as the CEO calls the installation. But instead of coffee beans and water, woody biomass and sustainable methanol are cooked up in a large kettle and, after being heated to 180°C, produce cellulose (coffee grounds) and liquid (lungo). That liquid – which Vertoro has called 'Goldilocks' and is a new drop-in biofuel for maritime vessels that consists of high-quality lignin dissolved in methanol – is the core of this story. But more on that in a moment.

Expectations

Vertoro (the name derives from the Spanish oro verde, 'green gold') is about to scale up. A much larger machine is currently being assembled elsewhere and will be placed in this hall in a month or two, opposite the test setup, which can only make a few hundred kilos of product per year. From that moment on,

volumes will increase and expectations will be higher. Together with GoodFuels, Vertoro is part of the EU project IDEALFUEL, a formal Research & Development collaboration. At the moment, the two parties are investigating whether a commercial collaboration is also possible (see p. 71). Maersk is also interested, as the shipping company builds ships that can sail entirely on methanol and therefore also on the methanol-lignin fuel that is being developed and produced here in Geleen.

Who would have thought that when Vertoro first started five years ago? Well, Boot probably did, for one. The combustion technologist has been working in sustainable technology for more than 15 years and instinctively looks at things a little differently than most people. For his PhD research at Eindhoven University of Technology, he didn't start from the concept that simply any residue stream can simply be used to make biofuel; no – he reasoned from the engine's perspective. "I thought: If the engine had the final say, what would the mixture consist of? I eventually ended up with lignin. With that data, we started writing project proposals."

Perfect feedstock

Lignin (sawdust) is an organic compound that mainly occurs in the woody part of the cell walls of plant biomass. The substance protects the plant and gives it strength. Until now, lignin was mainly seen as a residue product; to separate it from the cellulose – which serves as residue product for the paper industry or to produce bioethanol – the hard parts of the woody biomass are burnt, often in biomass plants. Which, according to Boot, is a shame, because liquid lignin is the perfect feedstock for a high-quality biofuel. "When you burn lignin in a ship's engine, it yields ten times more." And this is how you can help a sector that is difficult to make more sustainable, such as shipping, go green more quickly.

What's more, lignin is more energy-rich and less expensive than biomethanol; green methanol sometimes costs more than EUR 1,500 per ton. The biomass that Vertoro uses – very finely ground sawdust from remnants of softwood used in the furniture industry, and which comes from a sawmill in Slovakia – can be obtained for EUR 100 per ton. By extracting the energy-rich lignin from this and dissolving it in methanol, you increase the energy density of the fuel and lower the average price per calorie. This is Vertoro's revenue model.

"The funny thing is," says Boot, who sports the Vertoro logo – a green gold drop – on his white jumper, "our method is actually far from innovative. During my research, I looked at the problem from a mechanical engineering perspective: that everything in the fossil world is liquid, and not biomass. Then I wondered what the simplest way was to convert that biomass into something that can flow through a pipe. So in the end we ended up with thermal solvolysis, which is exactly the same as brewing coffee. We set the temperature lower and lower, until we reached 180°C."

Diversification

A lower temperature results in lower costs. And there is also another advantage. At this mild degree of heat, the high-quality functions of lignin are retained. When, after 'brewing coffee', the liquid is completely evaporated (i.e. all the methanol is extracted), a thickened, soluble form of lignin remains: "the ristretto", says Boot. He takes me to his white laboratory, a bit further down the chemistry campus, and shows me: a little grey powder in a mortar. He stirs it. "We sell this as an antioxidant to a feed business operator in Germany."

So: strong stuff, that lignin. And multi-purpose too. Which only makes Vertoro's business case stronger. "The same molecules

that go to our biofuel customers also go to that company in Germany, albeit in smaller quantities," says Boot. "At the moment, we are using the energy market to quickly reach a capacity of one million tons or more of biofuel. And when the green startup subsidies disappear for us, we will develop those other high-quality opportunities and make them profitable. Then the diversification of our product will become more important."

But first, that new factory. "With the new setup, everything will soon be a thousand times larger than what we have now," says Boot. "Just think: one ship can easily burn 30,000 or 40,000 tons of our biofuel per year. This is the most exciting phase for us. After this, everything will become easier."

Johannes Schürmann, Technical Manager at GoodFuels: "Vertoro's technique is of great interest to us. We are now looking at whether we can blend that lignin into our current fuels in some way. To liquefy lignin, it must be dissolved in a solvent. In Vertoro's case, that's methanol. The challenge is: just as oil and water don't mix, a lignin-methanol doesn't mix well with our fuels. So that still requires a lot of research, which leads to other interesting experiments. For example, there are parties that are engaged in mixing water and methanol in fossil diesel. This results in a different combustion, so that you emit less nitrogen. We may be able to use this method to mix lignin into our fuels."


QUIPO

Better fossil

NAME: Christos Panoutsos
AGE: 46
JOB TITLE: Distillates Trader
SINCE: 2021

For a while it looked like the Beter Fossiel (‘Better Fossil Fuel’) project would be a long-term one. But now, partly due to the war in Ukraine and the sanctions on Russian oil, we see things changing rapidly. At the end of 2022, we expect to complete a pilot agreement with one of the major oil companies, something that FinCo has been working towards in recent years.

Beter Fossiel is an important project that contributes to the realisation of our sustainability ambitions. It focuses on fossil fuels derived from North Sea crudes that naturally have a smaller carbon footprint than others. Most of the North Sea crude is better fossil oil. The North Sea is close by, and the oil doesn’t need to be shipped halfway across the globe. So that already makes a significant difference when it comes to carbon footprint. In addition, it contains less sulphur and isn’t as thick as other crude oils. Which means that it takes less energy to refine the oil into the products that FinCo Fuel sells to customers – and that in turn results in less CO_2 emissions.

A better fossil fuel therefore has a major positive influence on a fuel. Its effect will be immediately measurable. For products such as gasoline and diesel, the renewable part – so the part to which low-carbon fuels are added – is small. If you take your car’s tank for example, there is always 90-93 percent fossil fuel

in there. By only using the better fossil fuels for that part, the total impact will be significantly greater.

As green as possible

At FinCo, we are working on a future-proof system, with which we can make a major contribution to the climate goals. It is an important reason that I decided to make the switch to this company a year ago. I wanted to be part of the energy transition. And FinCo is also moving away from fossil fuels. By 2035, fossil fuels will make up just 40 percent of the energy mix; by 2040, all our fuels may even be completely renewable.

Until then, we will always be asking ourselves: How can we save as much CO_2 as possible today? How can we ensure that on our way to achieving the ultimate goal – being completely green in how we think, act and invest – we are doing everything we presently can to become as green as possible? This motivation is the deciding factor in all our activities, be it in our search for the latest high-quality feedstocks for our renewable biofuels or in our attempts to make the fossil part as sustainable as possible.

> “How can we ensure that on our way to achieving the ultimate goal – being completely green in how we think, act and invest – we are doing everything we can to become as green as possible?”

Hence our interest in these better fossil fuels. There is still so much to be gained in that field. We want to encourage our suppliers to process those better crude oils to produce lower-carbon products, for which we pay a little extra.

Good news

The good news is that the industry is now moving. The demand for better fossil fuels has increased, on the one hand because the market sees more and more advantages in reducing CO_2 emissions; and on the other hand because people currently want to move away from using Russian oil as much as possible. This has resulted in competition, not only between fuel customers, but also between the various sectors. The aviation, sea shipping and land transport sectors all benefit from the fuels that have a lower carbon footprint, and they are willing to pay for it. The big question is how the refineries are going to handle this: Where are they going to offer that oil?

Even faster

What’s missing are proper laws and regulations. Currently, it’s all done on a voluntary basis: the buyer that offers the highest price gets priority. If the government were to regulate this better, we would have more transparency and fairness when it comes to the distribution and selling of low-carbon fuels, and the whole process would move even faster.

In the meantime, FinCo is in a strong position. In recent years, we have invested in strong relations. We purchase diesel and gasoline there, so those contracts and the necessary logistics are already in place. This is a good foundation for obtaining sustainable fossil fuels, with which we want to further strengthen our climate ambitions. FinCo is ready for this.

FEEDSTOCKS

EU RENEWABLE ENERGY DIRECTIVE (RED)

- Distinguishes between the sustainability of biofuels produced from different feedstocks.

- Limits the admissible share of biofuels produced from food & feed crops;
- Specifies a sub-target for advanced biofuels made from feedstocks listed in Annex IX Part A, starting at 0.2% in 2022, at least 1% in 2025, and increasing to at least 3.5% in 2030.

ANNEX IX A

- Primarily waste & residues streams from agriculture and forestry;
- Considered more sustainable compared to conventional biomass feedstocks.

ANNEX IX PART B

- Used Cooking Oil and animal fats (category I and II) for which the biofuels are restricted to a maximum of 1.7% of transport energy.

Eucalyptus, acacia, pine – in the Eastern Cape of South Africa, invasive tree species cause major problems. The ambitious Solid Biomass in South Africa project – a partnership between the Dutch and South African governments, NGOs and six companies, including FinCo Fuel – wants to do something about this. And the *Coega Biomass Centre* in Gqeberha will play a key role in this plan. For FinCo Fuel, the agreement means, among other things, new opportunities for more biofuels in its system and a significant step in further CO_2 reduction.

A factory that manu-factures solutions

The Coega Biomass Centre (CBC) is located in (the former) Port Elizabeth, the city that was renamed Gqeberha at the beginning of this year and which is situated in one of South Africa's most important economic zones. The factory stood unused for years, but that changes in autumn 2022 when it will be reopened and will start (in phases) producing 120,000 tons of wood pellets per year. These pellets come from tree species that are not originally found in South Africa, such as eucalyptus, acacia and pine.

Because these invasive species deplete water supplies and are a driver in biodiversity loss, foresters are replacing them with native South African vegetation. But that isn't the whole answer to the problem, because if the felled trees are left lying around for too long, they can intensify forest fires. Therefore, to prevent this from happening, they are removed and processed into biomass. The Gqeberha plant is capable of processing approximately 900 hectares of invasive tree species annually, which is equivalent to a water saving of 3 million m^3. Calculations show that there will be sufficient biomass for the next ten years at least.

Sustainable biomass chains

At the beginning of 2022, Partners for Innovation (an independent adviser for sustainable innovation) and iLive Sustainable Development (an organisation for technological developments within the circular economy) became the owners of CBC, and FinCo Fuel supported them financially in this.

The restart of the biomass factory is part of the ambitious Solid Biomass in South Africa project, a collaboration between the Dutch and South African governments, NGOs and six companies, including FinCo Fuel. Together, they will ensure that the CBC will set up sustainable biomass chains, which will provide local communities and international markets with clean

and affordable energy. Furthermore, the wood pellets must also guarantee a significant CO_2 reduction in various ways.

The largest South African oil company has indicated that it wants to become an important partner in the cooperation. The company currently produces fuels from coal and wants to replace 5 to 10 percent of its coal intake with wood pellets and, in doing so, produce sustainable synthetic fuels. This would also mean that the factory can reduce its CO_2 emissions by 4 million tonnes per year.

New route

For FinCo Fuel, this means a new route to include biofuels from advanced feedstocks in the FinCo system. We will purchase the sustainable diesel and gasoline produced and thus take new steps in our ambition to save as much CO_2 as possible. FinCo's sustainability partner ACE (African Clean Energy) can use the wood pellets for the ACE One, a hybrid cooker that burns biomass in a clean and safe way.

"We've really got something great here," says Bart-Willem ten Cate, who travelled to South Africa on behalf of FinCo to meet up with all the parties involved. "We want to use this to demonstrate that it is possible to set up an integrated supply chain, from sustainable biomass to renewable fuels."

For FinCo Fuel, this means a new route to include biofuels from advanced feedstocks in the FinCo system.

Explorers, thanks to – and despite – the legislation

NAME: Laurens Venderbos
AGE: 33
JOB TITLE: Business Analyst Biofuels
SINCE: 2019

Anyone who supplies renewable energy such as biofuels to the Dutch transport sector must register these streams in the register of the Dutch Emission Authority (Nederlandse Emissieautoriteit; NEa). There are long lists of feedstocks that have been approved by European and Dutch legislation and have already been used. But we have found on several occasions that FinCo wanted to catalogue a feedstock that hadn't yet been registered in the NEa. This means that we were the first to supply biofuel made from these feedstocks to the Dutch market. Two years ago, this applied to bagasse, a residue stream from the sugarcane industry from Brazil; last year it was a residue stream from forestry, which we needed for a test with bio-methanol.

In the worldwide search for residue streams, FinCo is therefore ahead of the game. We have to be, because the share of these feedstocks is increasing due to stricter European and Dutch laws and regulations. In 2021, as a Dutch fuel supplier, we were required to mix in 17.5 percent renewable energy. At that time, 5 percent of this could still be conventional, i.e. renewable products made from food and feed crops, such as corn and sugarcane. The use of these feedstocks in the Netherlands, however, is now being phased out.

FinCo was already ahead of the legislation back then. For some time now, we have been mainly using residue streams: matter that can no longer be used for anything else and that you can upgrade to produce fuels. Meanwhile, only 1.4 percent of these conventional feedstocks can be used in the Netherlands (FinCo only uses 0.08 percent conventional feedstocks). This means that the share from (advanced) residue streams must increase, which is a challenge because now all parties are looking for the same feedstocks.

Proof of Sustainability

When new feedstocks come in, they quickly land on my desk. I am part of FinCo's Bio Team. We look at the (sustainability) criteria, whether they meet the European Renewable Energy Directive (RED) and where we can use the feedstocks within FinCo. Certification is an important condition for indicating this. The entire biofuel production chain must be certified according to a sustainability system. Every supply of biofuel must be accompanied by Proof of Sustainability (PoS), which is becoming increasingly important. We need that proof to register the stream with the NEa.

Sustainability scheme

With the registration of these biofuel supplies, Renewable Energy Units (HBEs in Dutch) are created; they're kind of credits. Companies that supply fuel in the Netherlands and have an excise duty obligation need these HBEs to meet their sustainability obligations. I am responsible for the supply and trading of these HBEs. Some of these companies do not have the possibilities to blend biofuels themselves, because they do not have depots and tanks. They are dependent on parties such as FinCo. By selling the HBEs we have created, we are able to become more sustainable again.

Almost every department within FinCo comes into contact with the Bio department at some point. You have to deal with those HBEs, with the supply and trading of products, CO_2 objectives, the NEa and the audits that go with it. Because FinCo is certified according to a sustainability scheme approved by the European Commission, we have to keep a close eye on what we buy and sell. We have a great administrative duty, and the controls are strict. Which is exactly how it should be. FinCo wants to be transparent, everyone is welcome to come and see what we do and how we do it.

Ambitions

In our opinion, legislation is not moving fast enough. Last year, the European Commission presented its Fit for 55 package: 12,000 pages of policy proposals containing measures to reduce greenhouse gas emissions (including CO_2) in Europe by 55 percent by 2030, and to be the first climate-neutral continent in the world by 2050. That is definitely a step in the right direction, but as far as we are concerned, it can't happen soon enough.

Legislation is necessary, but sometimes we run into limits with the application of certain feedstocks. Then it suddenly becomes a restrictive factor. And you can want all you like, but if the legislation doesn't ask for it, is there a market for it? Fortunately, we have a good Public Affairs team in house. These colleagues are busy analysing the new policy proposals (including on the use of renewable energy and reducing CO_2 emissions in various sectors) and, if necessary, discussing them with the relevant stakeholders – always with the ambitions of the entire FinCo Fuel Group in mind.

Going forward, we will continue to focus on the feedstocks that we have already used a lot of in recent years, such as used cooking oil for HVO and biodiesel, and a large part of residue streams from the sugarcane and sugar beet industries to make ethanol. But above all, we will look at new advanced residue streams that are not yet used by anyone, but from which fuel can be made. That's where we remain explorers.

"In the worldwide search for residue streams, FinCo is ahead of the game."

Bio-markets that don’t yet exist

NAME: Ratna Nataliani
AGE: 31
JOB TITLE: Sourcing & Sustainability Manager at GoodFuels
SINCE: 2021

The best thing about my job as a Sustainability expert is that I contribute to bridging a gap that I find especially important to bridge in the energy sector. It is a bridge between the policymakers who deal with the legislations, and the market that wishes to adapt and make a real change – for instance ship owners who are ready to propel their vessel engines with biofuels. There is a gap between the everyday practice and what is devised at a distance in terms of rules and targets. Sometimes something is decided upon in Brussels, but then it turns out that this particular feedstock is technically tricky to work with.

I studied Engineering Physics and started out my career in the sustainability sector in Indonesia. I was always intrigued with the way of thinking and the opinions of my expat colleagues about things that I was accustomed to, such as Indonesian culture and developments. Almost six years ago, I left my country and moved to the Netherlands.

Objective assessment

At GoodFuels, I examine whether the new feedstocks we find are truly sustainable; that's where my expertise lies. Furthermore, we consult with our independent Sustainability Board and FinCo's experts that are in close contact with relevant authorities to get an objective assessment of the feedstocks. What I do is highly related to my interest in energy policies and how government measures shall be translated into market practice. I try to understand both sides; I think it's important that there is more and more expertise like this to endorse effective realisations – notably in countries like mine, Indonesia.

In the European Union, feedstocks have to comply with a lot of rules. This is of course a good thing, but also a challenge, because we want the use of biofuels to grow as quickly as possible. There is simply no time to wait until everything is

100 percent ready. We are too far behind in protecting our planet the way we should have done.

As a party with leading knowledge and expertise, we conduct research and testing on marine biofuels ourselves, in order to bridge the policy-technology gap. Only then can we say, "We've tested the feedstock or fuel with our own innovative resources and partners, and these are our findings. What have we learnt? How can we move forward?"

Always curious

When we assess a new feedstock, we look into it beyond the environmental aspects as guided by the EU's Renewable Energy Directive (RED) sustainability criteria or guidelines from voluntary schemes such as the International Sustainability & Carbon Certification (ISCC). We take a closer look at the legal, economic and social impacts of each feedstock. We ask ourselves again and again: Is this form of energy really a residue stream? Are we not accidentally disrupting another market with this feedstock? Are we making sure that another market doesn't have to use more fossil fuels again? What about the local working conditions?

In principle, we are always open to new feedstocks; we never exclude any forms of energy in advance. We are always curious. If the form of energy competes directly with the food market and creates indirect land-use change risks, then we won't accept it. Once we have a reasonably clear idea about the feedstock, and a green light from our Sustainability Board, we commence the quest of the feedstock or the feedstock-based final products.

Balance

Sometimes there is not much to be found online about the details of a certain feedstock and its relevance to the biofuels

implementation, which makes it challenging. Not only do we want to know that the feedstock will meet our strict quality criteria, we also have to ultimately be able to give it a price. How do you determine that? Marine biofuel is relatively new; there aren't many standardisations in the market yet to which we can benchmark. For example, if you want to determine how much you would value a certain oil stream that comes from the shells of a specific type of nut, you have to ask yourself: Should we take the market price of the nut itself as a strong basis? Because the position of this oil is not yet established in the fuel market.

Personally, I think it's wise not to be too strict as a company at times. You want to try to balance between the sustainability compliance and the growth or competitiveness. When it comes to new feedstocks, sometimes there's just no ideal situation; we will have to continuously assess how far we dare to go. We should keep our eyes and ears open to what our competitors are busy doing, consult with colleagues and experts, and stay up to date on the latest news from the governments. Fortunately, we have the chance to continuously equip ourselves with more expertise and networks. There's always room to learn and, at this point, GoodFuels is the best place to be and to grow.

"As a party with leading knowledge and expertise, we conduct research and testing on marine biofuels ourselves."

Facts & figures

NEW ENERGY

- The latest reports of the United Nations climate panel (IPCC) warn that we have very limited time left to limit global warning to a maximum of 1.5 degrees.

- In the coming years we must do everything we can to reduce CO_2 emissions worldwide. We have only a few years left at our current rate of emissions before we blow the 1.5 °C carbon budget. We have to act now.

- At FinCo Fuel Group, we have already started doing so. We accelerate the deployment of sustainable energy carriers, phases out fossil fuels and moves towards alternatives. We use various low-carbon feedstocks and advanced residue streams. We are also looking at ‘recycled carbon fuels’: fuels derived from non-renewable waste streams, such as used car tyres and non-recyclable plastic.

- Our green energy system of the future consists of various innovative solutions that are currently being developed. We don’t rule out any option. We need everything, including energy carriers that are further away from our current system, such as electricity and gaseous energy carriers.

.

The playing field is widening

NAME: Bart-Willem ten Cate
AGE: 50
JOB TITLE: Manager Renewables Strategy & Development
SINCE: 2014

Every year, 1.5 billion used car tyres are discarded worldwide. If you were to pile them on top of each other, you would get a tower from here to the moon, every year. Most of these car tyres end up as landfill, the rest are burnt. But you could also make fuel from them. By heating the car tyres without adding oxygen to the process, the rubber breaks down into solid, liquid and gaseous parts. As a fuel industry, we could use the liquid part and thus make a significant contribution to solving a residue stream.

The same applies to non-recyclable plastic. Admittedly, it is not always technically easy, because it is not a homogeneous product, and yes, sometimes you have to upgrade that to make it a fuel that we can put in our system… but it can be done. So why not do it?

Geopolitical factor

We are all in the midst of an energy transition. Until now, this was mainly driven by climate ambitions and the need to reduce our carbon footprint. But since the beginning of 2022, the war in Ukraine has added a geopolitical factor. Those who previously did not believe in the need to become less dependent on Russian gas and oil from a climate point of view, hopefully do so now. Everything suggests that we have to move away from fossil and towards alternatives.

FinCo's strategy is in line with this. Our fuel mixes are now so advanced that in five years' time, 20 percent of our throughput could consist of non-fossil, renewable sources. By 2040, our fuels may be fully renewable. We use various feedstocks and residue streams, some of which are already quite advanced. But there are others. At the moment, FinCo is also looking at used car tyres and non-recyclable plastic.

Economic added value

The point is that there is currently insufficiently clear regulation from the government regarding these residue streams. As a result, there is also little movement from the fuel producers. There is no financial support; nobody knows how to give a clear economic added value to those fuels. As a customer, you cannot include them in your bio-obligation, and a carbon fee for energy products – which parties must therefore pay tax on based on the environmental performance of fuels – will only come into effect after 2025. But what do we do in the meantime?

The framework conditions are therefore not ideal. You will have to make investments yourself and they are usually long processes. Nevertheless, as FinCo, we want to play our part here. Car tyres and plastic may not provide biofuel but converting them to fuel will solve a pressing waste problem. What's more, it will ensure that more oil remains in the ground. The government must meet us halfway on this and adjust the regulations. If the conditions are not right now, when will they be?

Invitation

If you want to get these kinds of circular projects off the ground, you have to organise this with the entire chain: from

"FinCo wants to play a role in the circular economy. It is important to take a stand now. And maybe we'll get the government on board too."

collector to technology provider to a party like FinCo, who purchases and distributes the product, to an end customer, such as a fisherman, who is ready and willing to participate in this. And I believe it is possible. So this is, in fact, an invitation to other market parties to take up these kinds of initiatives and to build those chains together with us. FinCo wants to do this, we need these kinds of flows that are currently difficult to fit within the regulations.

This widens the playing field. You are looking for feedstocks that are interesting for all kinds of different markets. The energy market, the traditional fuel manufacturers, the agricultural sector, technology providers, chemical companies – they all face the same challenges in the coming period: becoming significantly sustainable and reducing CO_2 emissions. So you will partly be each other's competitor but will also be able to build partnerships with each other. And everyone should get their fair share of course. But looking at the similarities instead of the differences and determining a common goal with all those individual parties – that definitely provides opportunities. You need that connection to move forward. It is also a strong signal to the government: market parties in various sectors are finding each other and thereby setting the circular economy in motion.

It's slow at the moment, but I can clearly see that something is changing. Where previously the deciding factor of circular collaborations was their business case, idealism is also now important. And if you want to contribute to solving the waste problem, you need idealism. FinCo wants to be a leader here, we want to play a role in the circular economy. It is very important that we take a stand now. And maybe we'll get the government on board too.

Pioneering in biofuels

NAME: Johannes Schürmann
AGE: 28
JOB TITLE: Technical Manager at GoodFuels
SINCE: 2019

I first heard about GoodFuels while studying for my Master's in Energy Science at Utrecht University. I immediately applied for an internship, was accepted and have been working here – with great pleasure – ever since. I know a bit about all the departments, but I mainly focus on the technical side of the company now: sourcing and testing products, quality management, determining the sustainability of products and resolving any technical issues. Currently, I'm also working on setting up the back-office of the Operations department.

GoodFuels wants to create momentum in the shipping industry. We want to provide sustainable fuels that ships can already use now, to show that they don't have to wait with the energy transition. Because the current fuels are based on oils and fats and that supply is limited, we're also looking at other feedstocks, such as roadside grass, wood waste and sewage sludge.

A lot of these kinds of energy sources are usually burnt and used to produce heat and electricity. But you can try to get them one step higher in the sustainability pyramid by turning them into transport fuels. In these innovation projects, we look at different conversion techniques with which we can convert the energy source into transport fuels. It's initially for shipping, but if they can be used for road transport or aviation, that will obviously make us very happy too.

Testing

My expertise lies mainly in the technical process of onboarding new fuels. We often do this in collaboration with partners such as research and development service providers. And on this basis, we determine whether we are going to do a live test on a ship. There's no manual for this; biofuels are still so new, and we often don't know how these energy sources will work. Testing on a ship, therefore, always involves different

challenges. You can't simulate the many months that fuel is stored in a tank; those tanks are open, so that air can get out and condensation doesn't form. But, as a result, salt water can also get in. And what does that do to that biofuel? Then it goes through a whole system, in which the fuel is heated, centrifuged and filtered, before it enters the ship's engine. And here we face the question: How does the combustion process work?

Logical reasoning and learning

Together with the development service providers and with GoodFuels' experts Olivia Morales Gonzalez and Felipe Ferrari, who can look at such a fuel on a molecular level, we determine which blends we are going to explore and what tests we are going to perform. We try to understand as many ambiguities as possible during this process, so that it is easier to solve potential problems that may arise on board later on.

Because yes, troubleshooting is also my domain. I can suddenly get a call from someone within an engine room, who doesn't speak much English and is in need of help. There was one

"We want to create momentum in the shipping industry. We want to provide sustainable fuels that ships can already use now, so they don't have to wait with the energy transition."

occasion, for example, when too much water got to the fuel, creating a kind of sludge in the filters and fuel pipes.

Fortunately, GoodFuels has good contacts with filter producers and other experts who are ready to help right away, because they can also make good use of the knowledge within their own practice. Often, it's a matter of logical reasoning, and having a thorough understanding of how the specific fuel system on that specific ship works, of course. In this instance, the solution lay in raising the temperature, so that the fuel-water emulsion didn't materialise. Consequently, the problem was solved immediately.

It's pioneering, but we're always learning more. And we now also identify problems remotely. We used to go everywhere straight away; we were on board such a ship in no time. Now we say more and more often: "Try so-and-so first, because we've seen this before."

Strength

The whole process of introducing new biofuels over and over again takes time. There are no standards for fuels in shipping. We need to find out in practice how we monitor quality and how we document it. Which is stressful, because you feel responsible for such a ship, and you want to avoid any risks. But that tension also makes the work very fun and challenging.

What's more: because of all those practical experiences, by always just doing it – testing, trying, going for it – GoodFuels is now the most experienced player in the field of marine biofuels. Our name is well known, our customers trust us. That gives us a lot of strength, not just now but for the coming years too, in which, thanks to the ambitions of FinCo and GoodFuels, we will also be adding other energy sources to our portfolio.

Before they are subjected to a live test on a ship, FinCo's biofuels are extensively examined and tested in an independent *research and development service provider* in the north of Germany. Fabian and Martin have been working here since 2009 and regularly run our latest biofuels and additives through the single- and six-cylinder marine engines that are set up in the company's factory hall.

Fair results

The test site is located on the outskirts of the small town in northern Germany. It is quiet in the street, until two large doors swing open. Behind them is a high-ceilinged factory hall with, among other things, marine engines, fuel injection machines and reconstructed energy systems – and all the sounds and activity that go with it.

This independent service provider in the field of thermal processes and machines analyses the energy conversion processes that take place in, for example, car and ship engines and power plants. Using experimental and simulation-based research, the company wants to contribute to the technical development of combustion engines, because the company believes that they – and their associated fuels – will continue to play a major role in all kinds of areas in the coming years.

This place functions as an important link between the local university – which is a fountain of knowledge and expertise – and the associated technology sectors and business community. In addition to the test location, there is also a chemical lab. One of the companies that use the research laboratory for marine fuel tests is GoodFuels.

Independent assessment

Today's tour is led by Dr.-Ing. Fabian (38), an expert in injection systems and optical measurement technology, and Dipl.-Ing. Martin (also 38) specialised in single-cylinder engines and their infrastructure. Both have been working here since 2009 and – as happens when you feel right at home somewhere – they're no longer impressed by the size of the ship engines (if they ever were, that is).

"It's just an engine," Fabian says, shrugging his shoulders, as he leads us to a space almost entirely occupied by an impressive

six-cylinder marine engine, a beast of a thing, given by marine-engine manufacturer, Caterpillar. It's here and in the area next to it, which holds a single-cylinder engine, that they constantly test (drop-in) fuels and additives. In other places there are test beds for, among other things, hydrogen, methanol and methane – future energy carriers that FinCo Fuel are also interested in.

"We have a lot of experience in-house," says Martin. "We don't really test according to fixed standards that much, but from our accumulated experience. Every fuel reacts differently, and that's something you have to keep taking into account. Our clients expect us to provide them with an independent assessment and fair results, which they can then hand over to engine builders, filter producers or ship owners who want to know whether they can use the fuel on their ships."

Research

When the lab receives a fuel, the researchers first look at the data that goes with it. Density, viscosity, acid number and total sediment are just a few of the properties that govern the usability on the engine. Sometimes additional tests need to be carried out in the chemical lab. Then the fuel is passed through a separator, which removes any harmful residue material. After

"GoodFuels has a lot of experience. And they don't just talk the talk there; they walk the walk."

that, the liquid is allowed to pass through the test engines, where all kinds of measurements are made – before, during and after its journey.

"These are simulations, of course," says Fabian. "It's research. But we know the engines so well by now; we can ensure that the conditions here are as close as possible to those of a real ship at sea. We can do everything: from assessing the fuel's efficacy to analysing the particles left on filters or other important parts. Sometimes you have to let a fuel go through the system for 100 hours before you can determine with certainty whether the data you have obtained is reliable."

All the results go to the client. If, at the lab, they are convinced that the fuel or additive can be used on a ship without any problems, then the client is one step closer to implementing and marketing the product. If irregularities occur, it might be beneficial to carry out further tests or even take a step back and work on the formulation of the fuel itself.

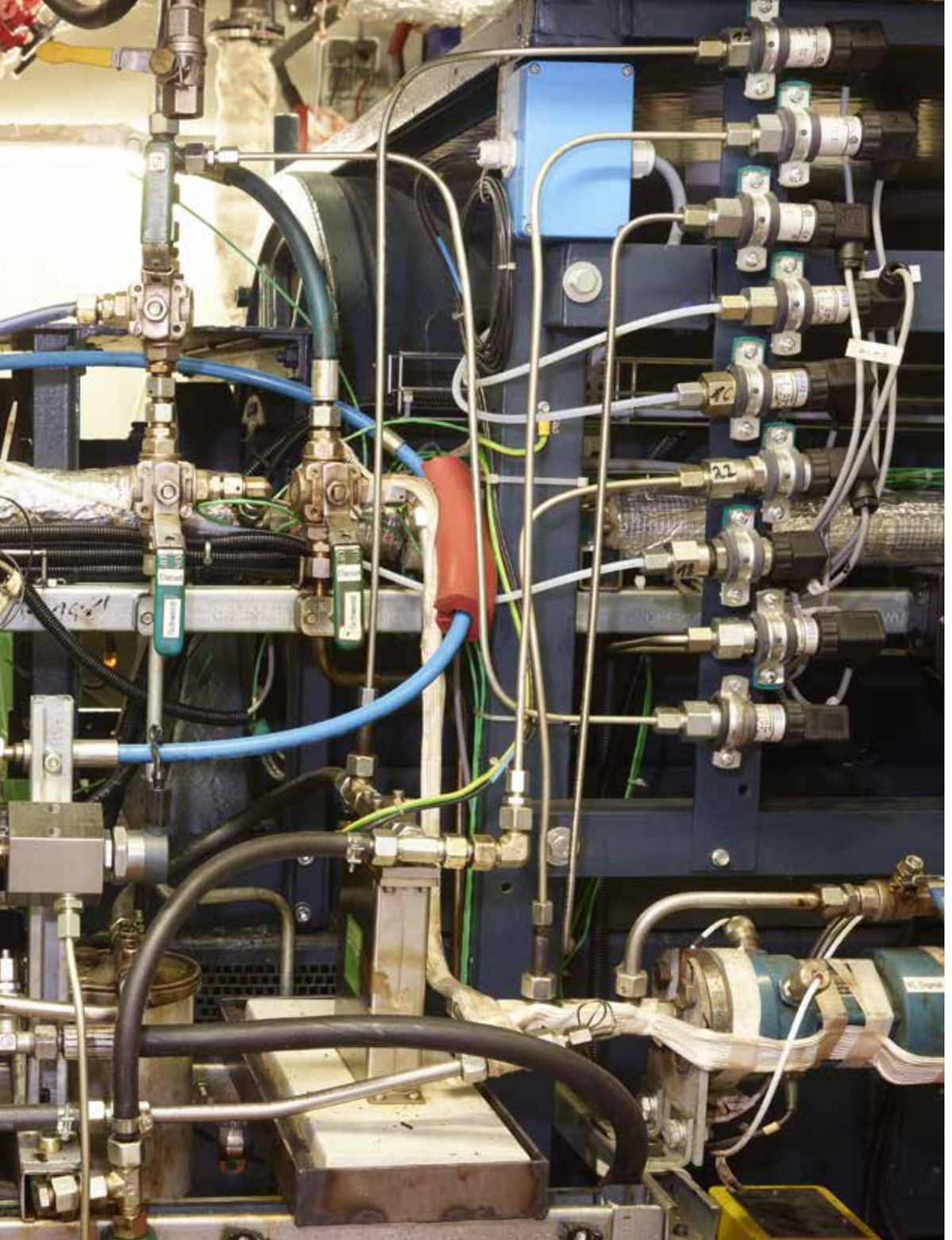
Greener and greener

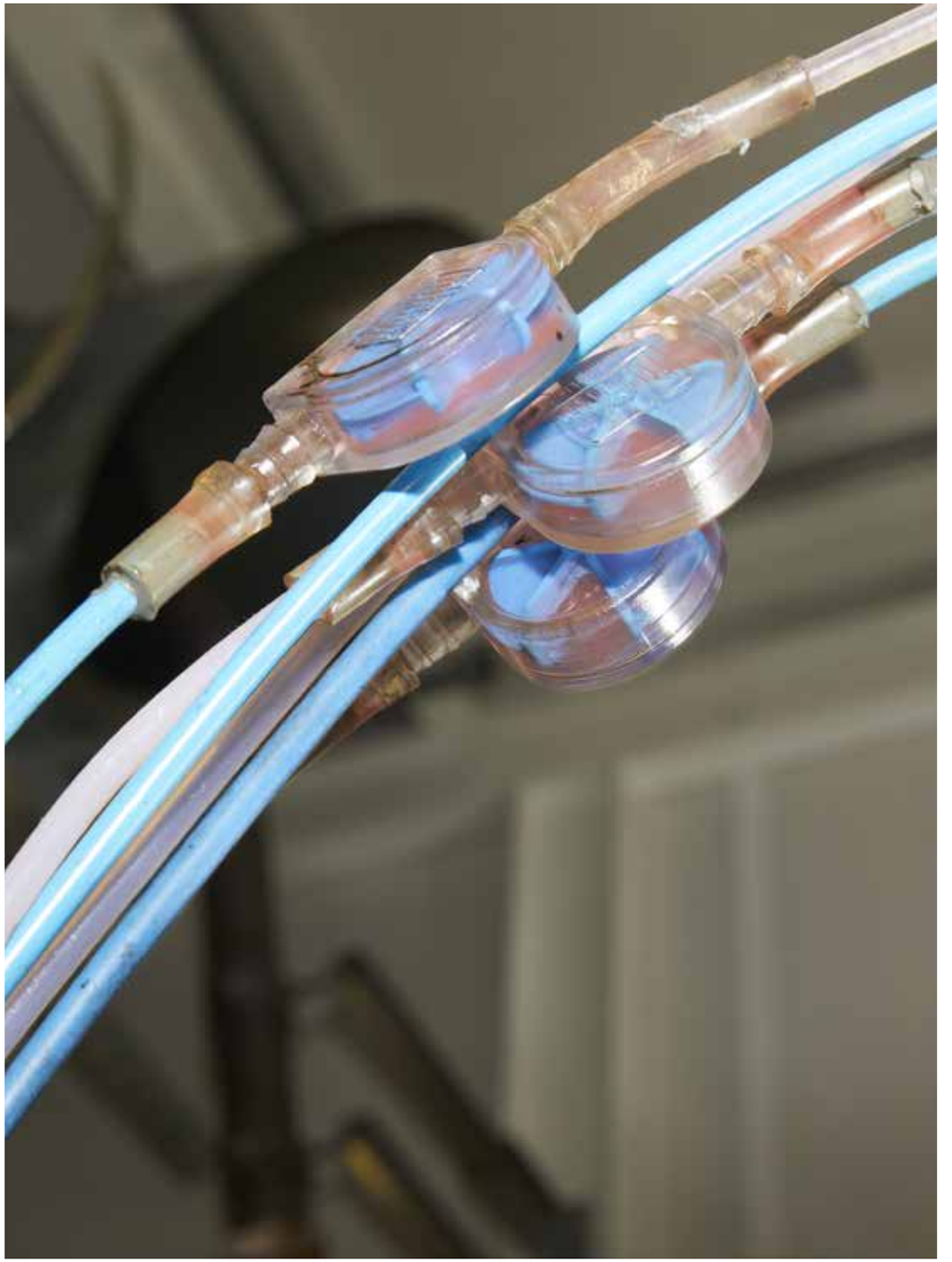
"Sometimes we also give advice," says Martin. "Our people here can often solve problems. But we are also careful when we share the test results; we make sure that they cannot be misinterpreted. We sometimes get asked to indicate that a certain fuel would be good for the engine regardless of the actual test results. That's something we won't – and don't – do."

Their collaboration with GoodFuels is a good one. "GoodFuels also has a lot of experience. And they don't just talk the talk there; they walk the walk." And that is exactly the intention. Because the time for producing biofuels from feedstocks is now, say Martin and Fabian. "There is an increasing demand for these products. And we expect it to become greener and greener."

"We can do everything: from assessing the fuel's efficacy to analysing the particles left on filters."


KOLBENMASCHINEN
Aktuelles





New energy

ELECTRICITY

- For some, the future of clean transport can only be electric. It will certainly play an important role going forward, especially for light duty vehicles. But there are other ways...

- Renewable power can be generated anywhere in the world, where it can next be converted into a transportable liquid fuel which can be used in existing modes of transport, to help reduce our dependence on fossil fuels.

- Renewable electricity can also be converted to produce hydrogen.

- Hydrogen can be used in fuel cells to power vehicles. Or, the hydrogen is used as a feedstock to produce synthetic, fossil free gaseous or liquid fuels which are suitable to power existing cars, trucks, buses, ships and planes.

- In policy terms, these synthetic fuels are qualified as Renewable Fuels of Non-Biological Origin (RFNBO), more commonly known as e-fuels or Power-to-X.

Growing fast, in electricity too

NAME: Harmen Huiskens
AGE: 42
JOB TITLE: Business Manager Bio
SINCE: 2020

Working as a Business Manager Bio at FinCo Fuel, I am part of the company's Bio Team, that will undoubtedly grow in the near future. I am responsible for the future legislative side: What does it mean when we add a biofuel to our portfolio, which regulations does it have to comply with, how can we sell it and to whom? Everything about the requirements and rights of CO_2 tickets, which we create by blending renewable fuels into our system, falls within our department.

The nice thing is that we deal with everything and everyone within the company. You need to be aware of both Dutch and European legislation as well as the operational chain within FinCo. You must be able to analyse as well as think very practically and commercially. New rules from Brussels can often be complex, not just for us but for our customers too. At FinCo, we are good at grasping that complexity and making legislation easier to understand for our customers, so that they can implement it their own way. Making information manageable and thinking about the long-term strategy – that's what I like most about my work.

Electrification

We also take this approach when it comes to exploring electricity and the role that electric transport will soon play in the transport sector. At FinCo, we think that it will grow fairly quickly especially in the Netherlands. Yes, there are still all kinds of hurdles ahead – for example, how do you ensure sufficient cables underground, will there be enough green electric current, and where do you get the feedstocks for your batteries from? – but it is a development that we believe will keep on growing. How fast that will happen is difficult to estimate. But when I see that our own fleet has incorporated more and more electric cars in recent years... The fact that we are at the forefront of this is quite special for a fuel company.

We are also realistic. The electrification of passenger transport may well seem to be going fast, but in 2030 the vast majority of cars will still have a combustion engine. If we spend time now waiting for everything to be electric, we are wasting precious years. In the meantime, we can, and we must, already save a lot of CO_2 with renewable biofuels. We are always looking for the balance.

Accelerating

If you look at the added value that FinCo can offer in electricity, you will quickly come across HBEs. You can also create this with electric transport, except it is very difficult and certainly not yet possible for private individuals. That's why we have taken the first step, by entering into a partnership with sustainable energy supplier Equans. It's a collaboration that benefits both companies.

Equans installs public charging stations in Dutch municipalities. By doing so, the company creates several HBEs every year. Because we are already familiar with HBEs within FinCo and already have the necessary structure, we can help Equans with this. This is how we complement each other. Equans can install more charging stations in the Netherlands, and together we accelerate the development of electric driving.

In a few years' time, we will be following the guidelines and legislation arising from Fit for 55, a package of measures set by Brussels to reduce greenhouse gas emissions (including CO_2) in Europe by 55 percent by 2030. By then, HBEs may well have already been replaced by a different type of certificate. That is a development that we are keeping an eye on.

Links

It's beneficial for both sides. We are looking at what else we can do with our knowledge and our broad network.

For example, via our subsidiary Dalergy, are there logistics companies that might want to electrify? And yes, the collaboration with Equans is also a strategic step for FinCo. We now have access to information that wasn't so rapidly available to us before. How many HBEs do you in fact create with the electrification of one truck? For us, electricity is a new business, which we know is going to be big; we have to respond to that.

The great thing is: suddenly you see all kinds of links. Where, before, our company and an electricity service company had nothing to do with each other; now we are in the mobility sector together, both providing our own knowledge and expertise. Now there is an evident connection and an opportunity to expand our own knowledge and expertise. A chance to learn and to explore. And that's exactly what we are doing.

"Suddenly you see all kinds of links. Before, FinCo and an electricity service company had nothing to do with each other; now we work together."

Thinking about e-fuels

NAME: Felipe Ferrari
AGE: 35
JOB TITLE: Project Researcher at GoodFuels
SINCE: 2021

At GoodFuels, we primarily push biofuels, because they have an immediate impact on climate change. The feedstocks are there, and you hardly have to change anything about the existing fuel systems on a ship; which means they can influence CO_2 emissions right away. But we also know that, in the future, it won't just be about biofuels. The future consists of a mix of energy sources: biofuels as well as hydrogen, and those derived from renewable and cheap electricity, for instance, from solar and wind energy.

That's why we keep a close eye on the development of e-fuels. E-fuels can be an important addition to that mix. Or not. That is something that we must weigh up, based on sound information. And that sound information comes from me. I started working at GoodFuels because I wanted be part of the sustainable transition and, at the same time, keep myself updated during the process. I joined GoodFuels right after receiving my PhD in bioenergy from the Delft University of Technology.

Circular processes

There are all kinds of ways of producing renewable fuels from different feedstocks. Ideally, they will cope with the circular approach: that you make something valuable from residue streams. And with that in mind, you can also look at particular e-fuels in the same way.

E-fuels are chemically equivalent to their fossil counterparts. E-diesel is equivalent to diesel, e-kerosene to kerosene, and so on. They have the equivalent energy content, density and viscosity. They can also pass through the same fuel system; you don't have to make any adjustments to your engine or tanks. The difference lies in the way they are produced.

'Ordinary' fossil fuels come from underground storages and, as they are burnt, the CO_2 ends up in the atmosphere. That is not a circular process. With e-fuels, however, you can start from that circle: you capture the CO_2 directly or indirectly from the air, or as a residue from other processes, use it as raw material, and then use renewable electricity, for instance from sun or wind, to produce fuels. In short: you capture a certain amount of CO_2 and you emit the same amount again. That way, the quantity remains the same.

Potential

That all sounds very nice, but you can't say that e-fuels are the solution for the future. E-fuels have great potential; it really depends on how you proceed in production. I always make the comparison with biofuels: one must secure the use of feedstocks within the limits of biodiversity, water and food security. Ideally, biofuels would be produced from residue

"The future consists of a mix of energy sources: biofuels as well as hydrogen, and those derived from renewable and cheap electricity, for instance, from solar and wind energy."

streams and must not have a negative impact on society or on the natural environment. The same applies to e-fuels.

So how do you decide if you should go down that road? That's a matter of collecting as much information as possible and making the right decisions based on the information gathered and business opportunity. Currently, the production of e-fuels requires a lot of energy, because the process is not efficient and mature enough. That makes them around four times more expensive than fossil fuels. That is unrealistic. There is no business case without legal and economic incentive. You have to understand: e-fuels are competing with an industry that has been successfully doing what it does for 150 years. If you want to achieve something, you need time. And investment. And technology. You have to achieve economies of scale.

Social aspects

Like I said: e-fuels have a lot of potential. I think they will definitely play a role in the future. But they won't be the only solution – it's essential to keep reiterating that. Each region has its own resources and capabilities for producing different types of energy. Not every place is suitable for every type; you are not only dealing with the natural environment and resources, but also with social aspects.

So before you blindly invest in a new technology, you have to ask yourself some questions. What about the economic conditions and profile of a region? Can we contribute to the local economy or set up a fair value chain? Is there an already established value chain we can benefit from? What are the local natural sources? If we don't do that, and focus on one form of energy, you get the same patterns that we've seen in recent years: that the power lies with those who hold that exclusive source. It's time we broke that way of thinking.

GAS

BIO-METHANE (CH_4)

LHV: 50 MJ/kg
Density at atmospheric pressure: 0,00075 kg/liter (CNG 0,18 kg/liter at 200 bar, LNG 0,42 kg/liter at -/- 160 °C)
CO_2 reduction potential: 80% - 95%
Fuels: Compressed Bio-methane (CBM), Liquid Bio-methane (LBM)
Fuel use: passenger cars, trucks, busses, ships (sea going)

HYDROGEN (H_2)

LHV: 120 MJ/kg
Density (at atmospheric pressure): 0,00009 kg/liter (liquid hydrogen 0,07 kg/liter at -/-250 °C and 1 bar pressure)
CO_2 reduction potential: 90% - 100%
Fuels: H_s
Fuel uses: passenger cars, shore power

Sustainability via hydrogen

NAME: Daan Faber
AGE: 32
JOB TITLE: Project manager renewables
SINCE: 2021

Hydrogen is still a relatively unfamiliar market for FinCo. We are in the process of building a new network, which is sometimes a quest. But we are all in a global step change: we are moving from fossil fuels to alternative energy carriers. And one of those new energy carriers is hydrogen. It is important to gain experience with this at an early stage; FinCo wants to be able to be flexible and have choices. It's an attitude that has proved to be constructive.

Because FinCo is known as an organisation that can adapt quickly, we are approached by all kinds of parties – big and small – who want to work with us. What's more, our large network also plays a role. It is important for hydrogen companies that they are in touch with the market, that they know exactly when the various sectors – inland shipping, agriculture, logistics, you name it – are going to switch energy carriers. If you do not have good contacts within those sectors, you miss that moment, with all the associated costs and risks. We have those contacts; that is why FinCo is also such a suitable partner for parties in hydrogen.

Important building block

Currently, there are two projects underway. An electrolyser will be build in Den Helder, which can be used to produce green hydrogen. The project plan is at an advanced stage, but there are still two parts of the production chain missing. They are looking for a party that, on the one hand, wants to invest in the project and, on the other hand, will enter into a purchase commitment; so looks for parties who want to buy the product.

Green hydrogen is an important building block for many other renewable energy carriers. For example, it is indispensable in the production of e-fuels and can play a major role in the transport sector. FinCo is keen to be part of this. We have a

large network of customers. Moreover, thanks to Gulf Bunkering, we are already a major player in the northern harbours, including Den Helder.

If you want to make hydrogen more sustainable, you must use green electricity in the production, usually sourced from wind and solar energy. That is often a bit more expensive. Suitable purchasing partners are therefore mainly found in customers who are willing to invest more in that sustainability step. So you need to know which parties find this important and who would find such a switch of interest. At the moment we are mainly focusing on the Dutch coastal shipping sector; that's where we see movement and interest.

Great conversations

The second project we are working on offers a solution for the storage and transport of hydrogen. This is usually difficult: you either have to put the hydrogen under great pressure or significantly cool it so that it becomes liquid. Another way is by connecting the hydrogen molecules onto a liquid, so that it can be easily transported in a ship or stored in a depot as a fuel. Then, by utilising heat, you can separate the hydrogen from the carrier molecules and use it for energy. The problem is that many of these carrier liquids pose safety risks and are less suitable for storage in the existing infrastructure. Now there is a party, a small startup, that has discovered a carrier that is very similar to diesel in terms of safety properties and is therefore safer to use.

The project is currently in research phase, which means that some outcomes are still uncertain. But it looks like this method with this particular carrier liquid will be cheaper than if you have to pressurise or cool the hydrogen. And we have noticed that there is already a lot of interest in it. Before I started at FinCo, I was an adviser in the field of sustainability. Back then, I

already noticed how important transparency is when it comes to guiding people in making important sustainability choices. When you, as a shipowner, decide to switch to hydrogen, you can't just go back to diesel. These are far-reaching decisions. At FinCo we are as clear as possible about the various possibilities and developments. We make an effort to provide people with information and to assess what they need. Ultimately, you also have to be able to convince people that making a company more sustainable is of value. Those are great conversations.

Alternatives

Regarding the future, it is important for an energy company to focus on a mix of energy carriers. With biofuels you can save a lot of CO_2 in the short term, but ultimately they are an interim solution for some sectors. Electrification in combination with batteries has many advantages but is by no means applicable everywhere. So you will have to look at alternatives. And many of those alternatives are focused on hydrogen.

That there is still a lot to be done to make hydrogen cost-effectively usable worldwide – that's for sure. The price of electrolysers must be reduced, for one. This will happen when there's an increase in the number of electrolysers being produced. But how can we speed that process up? For that you need parties that are willing to take steps early. Parties that realise it is worthwhile to greenify your business operations and are willing to go the extra mile.

"Green hydrogen is an important building block for many other renewable energy carriers."

An important prerequisite for financing

NAME: Nicolai Knop
AGE: 44
JOB TITLE: Corporate Finance Manager
SINCE: 2021

When it comes to Finco Fuel's best year ever, 2021 was it. At the start of the year, we began preparing to refinance, an intensive process that we completed in December. We had to ensure that we presented FinCo – both the strategy and the company's sustainability ambitions – well to the various banks that we approached. We needed more financial scope for growth, our Renewable Energy Unit (HBE in Dutch) stocks and the supply of new bio products from outside Europe. What's more, we wanted to link our financing to our sustainability goals – that was our main ambition. We had to get the banks to embrace that, and we succeeded.

I've been involved in financing for as long as Finco has been around; first as a financial advisor at Orchard Finance, then as Manager Corporate Finance. I was here when we acquired the Gulf activities, when we purchased the terminal in Groningen and during the expansion into Germany. FinCo Fuel has always been ambitious; it still is. Look at what we're doing now, for example: because of the energy transition we're moving towards a platform that enables us to contribute to the energy mix and decarbonisation processes of our clients. This requires innovative thinking in terms of new partnerships for both physical products and, for example, CO_2 allowances. And this form of thinking is evident and abundant within FinCo.

Shift

Sustainability is the core theme within the company. It's a focus that translates in different ways. On the one hand, it's reflected in the products and goods that we finance, such as the new bio products that we import from, among other places, Asia. This requires setting up a new product flow within FinCo from the source: from supplier, certification and transport to the moment FinCo incorporates the flows into its system, blends them and stores them. You need funding for all of that.

Another example concerns the financing of biotickets, such as HBEs and CO_2 allowances. These are systems set up by the government to ensure that the market gets a move on and increasingly makes the shift towards biofuels. The more biocomponents you blend, on land and at sea, the more HBEs and CO_2 credits you can produce. The allowances you then create can be resold. You also need working capital for that. We've made several presentations, together with FinCo's Bio Team, to explain exactly how this works to banks. How does the market work, how do you make money from it? And what does it mean for the banks themselves when they come on board?

License to operate

Nowadays, sustainability is a license to operate, and an important prerequisite for financing too. Banks are increasingly integrating sustainability criteria into their assessments, and Europe is at the forefront of this. As an entrepreneur, especially within the sector that FinCo Fuel is active, you must ensure that your financing is linked to the international ESG (Environmental, Social & Governance) themes. This means not only contributing to the climate goals, but also to social issues. We have appointed ING as our Sustainability Coordinator, and together we have established three Key Performance Indicators (KPIs)

"Nowadays, sustainability is an important prerequisite for financing."

for the coming years based on our sustainability strategy. At FinCo, our sustainability criteria are based on several of the United Nations' Sustainable Development Goals (SDGs). We have identified the reduction of CO_2 emissions as the most important target. In our case, this means that we reduce the CO_2 emissions of both our own processes (our offices, the ships with which we supply products, the depots, etc.) and our products. These are KPIs number one and two.

We do the latter by adding more and more bio products to our portfolio. For that we need new feedstocks, which are ever more often residue streams and which are becoming increasingly sophisticated and contribute more and more to the circular economy that we all want to get going. We have agreed with our banks that we will commit ourselves to two new residue streams every year. That is the third KPI.

Innovative thinking

At the end of each year, these KPIs are assessed by, for example, our accountant or by other external parties, such as the Sustainable Advisers. If we've performed well, we get a discount on our interest from the bank; if we haven't, we have to pay extra.

We try to embed FinCo's innovative thinking in everything we do. We connect different projects to each other to ensure that we save as much CO_2 as possible, and we always look ahead. Recently, we've been building the financial model for FinCo Fuel's strategy for the coming years. This way, we're trying to form an instant picture of profit development and future financing needs. And our distinctive ambitions are reflected there too. Given the flexibility and entrepreneurship within FinCo, I am convinced that our ambitions for 2035 will also be achieved.

Outlook 2022

The future is becoming increasingly unpredictable. After two years of uncertainty due to COVID-19, it is now the Russian invasion of Ukraine that, in addition to a lot of sadness and misery, is causing unrest. At FinCo Fuel Group we sympathise greatly with the victims of the war and are providing financial and humanitarian support wherever possible.

Despite the great uncertainties, we are looking ahead. Not just to tomorrow, or to the end of 2022, but further into the future. In March we have combined the new Business Plan 2022-2026 with a view of 2035, the year in which FinCo Fuel Group is 100 percent green in the way it thinks, acts and invests. The

accelerated decarbonisation is accompanied by a great social and local involvement of our company. A course that we are all proud to take.

In 2020, FinCo Fuel Group was the first fuel company in the Netherlands to obtain a Level 3 certificate on the CO_2 Performance Ladder. At the beginning of 2022, FinCo Fuel received a Silver ESG Sustainability Rating from EcoVadis. FinCo Fuel belongs to the best 20 percent of the industry: a major achievement and an incentive to follow the chosen path even more vigorously.

In order to continue to serve our large and broad customer group in their decarbonisation journey, we will further expand our product range in 2022. This includes the introduction of non-liquid fuels. Initially, we are focusing on the production, storage and sale of hydrogen. Further steps will also be taken in the field of feedstocks in 2022. With our participation in the Coega Biomass Centre, we will gain access to wood pellets that we will convert into high-quality renewable fuels. And we are also looking at committing ourselves to feedstock streams from Asia and Africa by setting up new partnerships there.

In addition to constantly striving to improve our products and bring new low-carbon products to the market, we are also continuing to expand our range of CO_2 credits. Thanks to GoodShipping, we are the market leader in Scope 3 insetting credits. And in 2022, GoodZero, a new venture of GoodNRG, will start offering high-quality offsetting credits. Another great step in supporting our customers on their journeys to decarbonise further.

Of course, we also greatly value our existing activities. We see an ceaseless drive from our colleagues to do better every

day. Better for our customers, better for our employees and better for other stakeholders. For example, FinCo Bunkering has successfully shifted its attention to low- and midblends for international shipping. A market that we expect a lot from in 2022, and certainly the years thereafter. At the beginning of 2022, Gulf Bunkering, together with Peterson in Den Helder, was able to complete a large test programme which showed that ChangeXL provides enormous improvements in the field of CO_2 and NOx reduction. As a result, sales of this niche product with bioenzymes will increase further.

FinCo Fuel Group will also continue to grow internationally. The expansion of GoodFuels to Singapore is an important step in serving the Asian market. In Switzerland, our colleagues are working on expansions towards ETBE and bio-MTBE: two promising (and new for FinCo Fuel) products. Growth in Germany will continue unabated in 2022, in which we will be looking at expansion to other regions.

The growth and progress of our company demands a lot from our organisation and our colleagues. People & Culture plays an increasingly central role within FinCo Fuel. We therefore continue to invest in the development of our people; not only professionally but also in aspects such as leadership and vitality. A safe and inspiring working environment enables us to attract new talent.

The expectations for 2022 are high. We expect to set new records both in terms of financial results and CO_2 reduction.

We continue to work on a better company and a better world.

Summary Financial Statements 2021

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2021

(before profit appropriation)

EUR *1.000			2021		2020
Fixed assets					
Intangible fixed assets	1	6,507		9,799	
Tangible fixed assets	2	20,376		16,260	
Financial fixed assets	3	771		488	
			27,654		26,547
Current assets					
Inventories	4	82,575		69,720	
Trade and other receivables	5	162,165		87,135	
Cash and cash equivalents	6	12,375		3,131	
			257,115		159,986
			284,769		186,533
Group equity					
Shareholders' equity	7	40,755		30,363	
Minority interests	8	6,298		3,847	
			47,053		34,210
Provisions	9		4,459		4,385
Intangible long-term liabilities			1,609		1,891
Long-term liabilities	10		23,713		20,762
Current liabilities	11		207,936		125,285
			284,769		186,533

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR 2021

EUR *1.000			2021		2020
Sales	12	2,045,405		1,528,796	
Cost of goods sold		-1,998,775		-1,493,564	
Gross margin			46,630		35,232
Other operating income			2,995		3,291
Gross margin and operating income			49,625		38,523
Wages and salaries	13	-15,339		-12,155	
Social security charges and pension costs		-2,784		-2,386	
Amortisation and depreciation on fixed assets		-5,923		-5,546	
Other operating expenses	14	-6,389		-9,985	
Total operating expenses			-30,495		-30,072
Profit from ordinary activities before interest and tax			19,130		8,451
Interest receivable and similar income		93		-	
Interest expense and similar charges		-3,550		-2,672	
			-3,457		-2,672
Profit from ordinary activities before tax before tax			15,673		5,779
Tax on profit from ordinary activities		-3,791		-1,141	
Share of result of participating interests		98		86	
			-3,393		-1,056
Profit after tax			11,980		4,723
Minority interests			-2,207		-1,560
Net profit			9,773		3,163

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 2021

EUR *1.000	2021	2020
Consolidated net result after tax attributable to the Company	9,773	3,163
Foreign currency translation differences ecognized directly in equity	621	-500
Total result of the Company	10,394	2,663

CONSOLIDATED CASH FLOW STATEMENT 20211

EUR *1.000		2021		2020
Operating profit	19,130		8,451	
Adjusted for:				
• Depreciation/amortisation	5,629		5,209	
• Other value adjustments	17		22	
• Changes in provisions	-3		-64	
• Changes in working capital	-6,913		-10,556	
• Cash flow from business operations	17,860		3,063	
Interest paid	-2,267		-2,672	
Income tax paid	-1,438		-727	
Cash flow from operating activities		14,155		-336
• Intangible fixed assets	-522		-65	
• Tangible fixed assets	-6,208		-3,725	
• Financial fixed assets	-42		-30	
• Financial fixed assets repayments	36		45	
• Acquisition of group companies	-		-	
Cash flow from investing activities		-6,737		-3,775
Capital contributed	-		-	
Take-up of long-term debt	2,345		-	
Repayment of borrowing	-518		-502	
Cash flows from financing activities		1,826		-502
Net cash flow		9,244		-4,613
Cash, cash equivalents and bank overdrafts at beginning of year		3,131		7,744
Cash and cash equivalents at end of year		12,375		3,131

1 INTANGIBLE FIXED ASSETS

Movements in intangible fixed assets were as follows:

EUR *1.000	Goodwil	License	Software	Total
Balance as at 1 January 2021:				
• Purchase price	18,575	400	958	19,933
• Accumulated amortisation and impairment	-9,697	-173	-264	-10,134
• Carrying amount	8,878	227	694	9,799
Changes in carrying amount:				
• Investments	-	506	24	530
• Amortisation	-2,942	-99	-193	-3,235
• Impairment	-500	-	-87	-587
• Balance	-3,442	407	-257	-3,292
Balance as at 31 December 2021:				
• Purchase price	18,575	906	666	20,147
• Accumulated amortisation and impairment	-13,139	-272	-229	-13,640
• Carrying amount	5,436	634	437	6,507

2 TANGIBLE FIXED ASSETS

Movements in tangible fixed assets were as follows:

EUR *1.000	Land, Buildings and Infrastructure	Gas stations and installations	Transportati-on Units	Other fixed assets	Total
Balance as at 1 January 2021:					
• Purchase price	15,709	3,825	5,106	3,850	28,491
• Accumulated depreciation and impairment	-5,954	-3,080	-1,766	-1,431	-12,231
• Carrying amount	9,755	745	3,340	2,419	16,260
Changes in carrying amount:					
• Exchange rate differences	-	-	-	5	5
• Purchase price at acquisition date					
• Accumulated depreciation at acquisition date					
• Investments	4,474	1,099	216	444	6,234
• Depreciation	-1,369	-119	-254	-347	-2,089
• Disposals	-33	-	-76	-131	-240
• Accum. depreciation disposals	33	-	51	123	206
• Balance	3,105	980	-63	94	4,116
Balance as at 31 December 2021:					
• Purchase price	20,151	4,924	5,247	4,170	34,493
• Accumulated depreciation and impairment	-7,291	-3,199	-1,970	-1,657	-14,117
• Carrying amount	12,860	1,725	3,277	2,513	20,376

3 FINANCIAL FIXED ASSETS

Movements in financial fixed assets were as follows:

EUR *1.000	Participating interests	Other receivables	Loans	Deferred tax assets	Total
Balance as at 1 January 2021:					
• Cost price	65	330	-	279	673
• Accumulated depreciation and impairment	-	-186	-	-	-186
• Carrying amount	65	144	-	279	488
Changes in carrying amount:					
• New investments	75	49	-	221	345
• Divestments	-	-	-	-2	-2
• Impairment	-	-18	-	-	-18
• Repayments received	-	-42	-	-	-42
• Balance	75	-11	-	219	283
Balance as at 31 December 2021:					
• Cost price	140	336	-	498	974
• Accumulated depreciation and impairment	-	-203	-	-	-203
• Carrying amount	140	133	-	498	771

4 INVENTORIES

EUR *1.000	2021	2020
Fuels	76,718	67,179
Renewable Fuel Units	5,453	2,182
Other inventories	404	359
	82,575	69,720

5 TRADE AND OTHER RECEIVABLES

Trade receivables	111,866	61,515
Accrued income	33,827	14,347
Other receivables	11,489	6,465
Receivable from derivatives	1,920	3,635
Prepayments	2,304	4,203
Accounts receivable from participating interests	759	758
	162,165	90,923

6 CASH AND CASH EQUIVALENTS

Credit balances on bank accounts	12,349	3,112
Cash funds	26	19
	12,375	3,131

7 SHAREHOLDERS' EQUITY

EUR *1.000	Issued capital	Share premium reserve	Foreign currency translation reserve	Other reserves	Legal reserves (for software development)	Unappropriated profit	Total
Balance as at 1 January	1	11,347	-476	15,828	502	3,163	30,363
Changes in financial year							
• Increase of share premium	–	–	–	–	–	–	–
• Foreign currency translation differences	–	–	621	–	–	–	621
• Changes in valuation	–	–	–	208	-208	–	-2
• Retained profit	–	–	–	–	–	9,773	9,773
• Result appropriation	–	–	–	3,163	–	-3,163	–
Balance as at 31 December 2021	1	11,347	145	19,199	294	9,773	40,755

8 MINORITY INTERESTS

EUR *1.000	2021	2020
Minority interests:		
• Dalhuisen Holding B.V.	1,496	1,103
• FinCo Energie GmbH	64	62
• FinCo International AG	3,504	2,265
• FinCo International Trading AG	95	89
• GoodNRG B.V.	1,139	328
	6,298	3,847

Minority interests includes the third-party minority interests, taking into account specific rights, representing the share of third parties in the shareholders' equity of the group companies Dalhuisen Holding B.V., FinCo International AG, FinCo International Trading AG, GoodNRG B.V. and FinCo Energie GmbH.

9 PROVISIONS

Movements in provisions can be specified as follows:

EUR *1.000	Deferred tax liabilities	Environmental provision	Participating interest	Total
Balance as at 1 January 2021:	504	3,418	464	4,385
Changes:				
• Additions	142	65	40	247
• Provisions used during the year	-101	-4	-69	-173
Balance as at 31 December 2021	545	3,479	435	4,459

10 LONG-TERM LIABILITIES

EUR *1.000	2021	2020
Debts to related parties		
Subordinated debts to related parties	-	-
Loans from credit institutions	12,510	11,385
Other long-term liabilities	11,186	9,375
	17	2
	23,713	20,762

11 CURRENT LIABILITIES

EUR *1.000	2021	2020
Accounts payable to suppliers and trade creditors	34,814	26,011
Other taxes and social security contributions due	67,504	48,448
Debts to credit institutions	32,802	7,359
Liabilities from derivatives	934	587
Other liabilities and accruals	71,882	46,668
	207,936	129,073

12 NET TURNOVER

The breakdown of net turnover by revenue categories is as follows:

EUR *1.000	2021	2020
Sale of oil related products	2,045,303	1,528,718
Rendering of storage and other services	102	78
Net turnover	2,045,405	1,528,796
The breakdown of net turnover by product type/sector is as follows:		
Supply	1,935,323	1,447,781
Bunkering	109,980	80,937
Storage and other services	102	78
Net turnover	2,045,405	1,528,796
The breakdown of net turnover by geographical region is as follows:		
The Netherlands	1,640,106	1,244,369
Rest of Europe	405,299	279,319
Outside Europe	-	5,108
Net turnover	2,045,405	1,528,796

13 WAGES AND SALARIES

EUR *1.000	2021	2020
Salaries	12,904	11,956
Personnel cost (re-)charged (to)/from related parties	-44	150
Other personnel costs	2,539	49
	15,399	12,155

Staffing level During the financial year 2021, the average number of staff employed in the group, converted into full-time equivalents, amounted to 175 FTE (2020: 162). This staffing level (average number of staff) can be divided into the following staff categories:

Management	8	9
Back-office	107	94
Operations	60	60
	175	162

14 OTHER OPERATING EXPENSES

Housing expenses	1,237	2,120
Audit, advice and consultancy expenses	1,348	2,775
Other personnel expenses	1,499	2,271
Office expenses	1,585	1,282
Insurance costs	547	634
Other operating expenses	173	903
	6,389	9,985

Notes to the 2021 consolidated financial statements

General

Relationship with parent company and principal activities

FinCo Fuel Group B.V. (hereafter 'the Company' of FinCo), having its legal address in Rotterdam, K.P. van der Mandelelaan 120, (Chamber of Commerce registration number 6226 5199) is a private limited liability company under Dutch law, with 66,85% of its shares held by Coloured Finches B.V., 28,65% of the shares held by NIBC CO-Investments Holding B.V. and 4,5% held by management. The Company is involved in the storage, trading and distribution of oil and oil-related products in the Benelux. FinCo uses strategic assets to secure access to infrastructure linked to physical oil markets. FinCo anticipates on the changing market conditions in the global energy markets in which supply security, blending with biofuels and the further reduction of CO2 emissions are central. The head office of the group is located at K.P. van der Mandelelaan 120 in Rotterdam, the Netherlands.

During 2021 the following changes have been realized in the legal structure:

- In June 2021 CleanFuel Nederland B.V. is founded. Dalhuisen Holding B.V. holds 100% of the shares.
- In December 2021 FinCo Lubricants B.V. is founded. FinCo Fuel Nederland B.V. holds 100% of the shares.
- During 2021 the shares of ChangeXL B.V. are transferred from FinCo Renewables B.V. to FinCo Fuel Nederland B.V.

FinCo Fuel Group B.V.'s consolidated financial statements comprise the Company and its subsidiaries (together referred to as 'the Group' or 'FinCo'):

- FinCo Fuel Group B.V. at Rotterdam;
- FinCo Bunkering B.V. at Rotterdam;
- FinCo Logistics B.V. at Rotterdam;
- FinCo Terminal Groningen B.V. at Groningen;
- FinCo Supply & Trading B.V. at Rotterdam;
- Gulf Bunkering B.V. at Rotterdam;
- Bunkering Real Estate B.V. at Rotterdam;
- FinCo Operations B.V. at Rotterdam;
- FinCo International A.G. at Zug, Switzerland;
- FinCo International Trading A.G. at Zug, Switzerland;
- Dalhuisen Holding B.V. at Epe;
- Dalhuisen Olie B.V. at Epe;
- Wed. L. Dalhuisen B.V. at Epe;
- Dalhuisen Transport B.V. at Epe;
- Gulf Nederland B.V. at Epe;
- FinCo Energie GmbH at Hamburg, Germany;
- FinCo Fuel Nederland B.V. at Rotterdam;
- Licorne Fuel B.V. at Rotterdam;
- GoodNRG B.V. at Amsterdam;
- SeaNRG B.V. at Amsterdam;
- GoodFuels B.V. at Amsterdam;
- GoodShipping B.V. at Amsterdam;
- FinCo Renewables B.V. at Rotterdam;
- Change XL B.V. at Rotterdam;
- CleanFuel Nederland B.V. at Epe;
- FinCo Lubricants B.V. at Rotterdam.

Financial Reporting period

The financial reporting period covers the period from 1 January 2021 until 31 December 2021.

Basis of preparation

The financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code and presented in EUR. The applied accounting policies are based on the historical cost convention unless otherwise stated in the Accounting Policies. Certain reclassifications to the comparative financial information have been made to conform to the current year's presentation, which has no impact on the net income and/or equity.

Application of Section 402, Book 2 of the Netherlands Civil Code

The financial information of the Company is included in the consolidated financial statements. For this reason, in accordance with Section 402, Book 2 of the Netherlands Civil Code, the profit and loss account of the Company exclusively states the share of the result of participating interests after tax and the general result after tax.

Going concern

These financial statements have been prepared on the basis of the going concern assumption. As a result of the ongoing developments related to Covid 19 and the war in Ukraine COVID-19, we have seen macro-economic uncertainty with regards to prices and demand for oils. The scale and duration of these developments remain uncertain but could impact our earnings, cash flow and financial condition. Management will closely monitor the developments and take the required measures. Based on this continuous monitoring management is of the view that there is no doubt on the entity's ability to continue as a going concern.

Accounting policies

General

Unless stated otherwise, assets and liabilities are shown at nominal value.

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognised in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

Income is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits and or when all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet. Assets and liabilities are not included in the balance sheet if economic benefits are not probable and/or cannot be measured with sufficient reliability.

Revenues and expenses are allocated to the period to which they relate. Revenues are recognized when the Company has transferred the significant risks and rewards of ownership of the goods to the buyer.

The financial statements are presented in euros, the Company's functional currency.

Change in accounting policies
No changes in accounting policies.

Use of estimates
The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. Actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.
The management made estimates and assumptions for the purpose of presenting the financial position regarding the following balance sheet items: intangible fixed assets (goodwill), tangible fixed assets, provisions and valuation of financial instruments (e.g. derivatives).

Consolidation principles
The consolidated financial statements include the financial data of the Company, its group companies and other companies over which the Company has control. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. Group companies are participating interests in which the Company has a direct or indirect controlling interest.
In assessing whether controlling interest exists, potential voting rights that are currently exercisable are taken into account. Group companies exclusively acquired with the view to resale within the foreseeable future are exempted from consolidation.
In preparing the consolidated financial statements, intra-group debts, receivables and transactions are eliminated. The group companies are consolidated in full with a minority interest presented within group equity separate from parent's equity. For a summary of the consolidated group companies, please refer to note 26 'Financial fixed assets'.

Principles for the translation of foreign currency

Transactions in foreign currencies
Transactions denominated in foreign currency are translated into the relevant functional currency of the group companies at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated at the balance sheet date into the functional currency at the exchange rate applying on that date. Translation gains and losses are taken to the profit and loss account as expenditure.
Non-monetary assets and liabilities in foreign currency that are stated at historical cost are translated into euros at the applicable exchange rates applying on the transaction date. Non-monetary assets and liabilities in foreign currency that are stated at fair value are translated into euros at the applicable exchange rates at the date when the fair value was measured. Translation gains and losses are taken directly to equity as part of the revaluation reserve.

Foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into euros at exchange rates applying on the balance sheet date. Income and expenses of foreign operations are translated into euros at the exchange rate applying on the transaction date.
Translation gains and losses are taken to reserve for translation difference. If a foreign operation is fully or partially sold, the respective amount is transferred from the reserve for translation difference to the profit and loss account.

Financial instruments
Financial instruments include investments in shares and bonds, trade and other receivables, cash items, loans and other financing commitments, derivative financial instruments, trade payables and other amounts payable. These financial statements contain the following financial instruments: loans and receivables (both purchased and issued), equity instruments, other financial liabilities and derivatives.
A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the Company has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously. If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset.
Financial and non-financial contracts may contain terms and conditions that meet the definition of derivative financial instruments. Such an agreement is separated from the host contract if its economic characteristics and risks are not closely related to those of the host contract, a separate instrument with the same terms and conditions as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value with changes in fair value recognised in the profit and loss account.
Financial instruments embedded in contracts that are not separated from the host contract are recognised in accordance with the host contract.
Derivatives separated from the host contract are, in accordance with the measurement policy for derivatives for which no cost price hedge accounting is applied, measured at fair value.
Financial instruments are initially stated at fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through profit and loss, then directly attributable transaction costs are directly recognised in the profit and loss account.
After initial recognition, financial instruments are valued in the manner described below.

Loans granted and other receivables
Loans granted and other receivables are carried at amortised cost on the basis of the effective interest method, less impairment losses.

Investments in unlisted equity instruments
Investments in unlisted shares are stated after their initial recognition at the lower of cost or market value. Dividends, if any, are recorded in the profit and loss account at the time when these are declared.

Long-term and current liabilities and other financial commitments
Long-term and current liabilities and other

financial commitments are stated after their initial recognition at amortised cost on the basis of the effective interest rate method. Redemption payments regarding long-term liabilities that are due next year, are separately disclosed.

Derivatives

In order to mitigate price and product exposures, the group uses derivatives. Product price exposure is mitigated by the use of commodity derivatives. Exchange rate exposure is mitigated by the use of forward currency contracts and currency swaps.

Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The change in the fair value of a hedging derivative is recognized as profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is also recognized in profit or loss.

If the hedge item is derecognized, the unamortized fair value is recognized immediately in profit or loss. When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized as profit or loss.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of commodity derivatives is determined by reference to market value quotations for similar instruments. These market quotations have to be available on a current market or can be derived from similar trades around the valuation moment. If no reliable quotations are available, the contracts are valuated at cost.

According to RJ 290 commodity trading contracts are considered as derivatives when the contract meets the definition of derivative. These conditions are: The terms of the contract have been agreed (f.e. price and delivery date) and the parties have the right to settle the contract in cash. The contract settlement is also considered to be done in cash if the product is easily sold on a liquid market.

If a derivative constitutes a fair value hedge of a recognised asset or liability or an off-balance sheet commitment arising from a binding agreement, revaluation gains or losses on the derivative are recognised in the profit and loss account. These revaluation gains or losses are recognised simultaneously with any gains or losses on the hedged position that arise from the fair value change related to the specific risk of the hedged item or position.
If a derivative no longer meets the conditions for hedge accounting, expires or is sold, or if the Company has decided to no longer apply hedge accounting, the hedging relationship is terminated. The gains or losses recognised at the time of the termination of the hedging relationship remain in equity until the expected future transaction takes place. If the transaction is no longer expected to take place, the deferred gain or loss on the hedge recognised in equity is taken to the profit and loss account.

Conditions for hedge accounting

The Company documents its hedging relationships in generic hedging documentation and regularly checks the effectiveness of the hedging relationships by establishing whether the hedge is effective or that there is no over-hedging.
At each balance sheet date, the Company assesses the degree of ineffectiveness of the combination of the hedge instrument and the hedged position (the hedging relationship). The degree of ineffectiveness of the hedging relationship is determined by comparing the critical features of the hedging instrument against the hedged position.
If the critical features, assessed in the context of the hedging relationship, are matching (matched) each other, there is (has been) no ineffectiveness. If the critical features, assessed in the context of the hedging relationship, are not matching (did not match) each other, there is (has been) ineffectiveness. In that case, the degree of ineffectiveness is determined by comparing the fair value change of the hedging instrument with the fair value change of the hedged position.
If there is a cumulative loss on the hedging relationship over the period between initial recognition of the hedging instrument and the balance sheet date, the ineffectiveness (loss) is directly recognised in the profit and loss account.

Impairment of financial assets

A financial asset that is not stated at (1) fair value with value changes reflected in the profit and loss account, or at (2) amortised cost or lower market value, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, with negative impact on the estimated future cash flows of that asset, which can be estimated reliably. Objective evidence that financial assets are impaired includes default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, indications that a debtor or issuer is approaching bankruptcy, or the disappearance of an active market for a security.
The entity considers evidence of impairment for financial assets measured at amortised cost (loan and receivables and financial assets that are held to maturity) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those individually significant assets found not to be specifically impaired and assets that are not individually significant are then collectively assessed for impairment by grouping together assets with similar risk characteristics.
In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of collections and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.
An impairment loss in respect of a financial asset stated at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Losses are recognised in the profit and loss account and reflected in an allowance account against loans and receivables or investment securities held to maturity. Interest on the impaired asset continues to be recognised by using the asset's original effective interest rate.
When, in a subsequent period, the amount of an impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the decrease in impairment loss is reversed through profit or loss (up to the amount of the original cost).

Intangible fixed assets

Goodwill
Goodwill represents the excess of the cost of the acquisition over the Company's interest in the net realisable value of the assets acquired and the liabilities assumed at the transfer date, less cumulative amortisation and impairment losses. The capitalised goodwill is amortised on a straight-line basis over a period of 5 years.

License and software
The license includes the exploitation right of the Dalhuisen retail location Vaassen and a licence agreement of ChangeXL for the Netherlands and Belgium related to exclusive sales rights of the product XBEE. This right is respectively amortized over a period of 10 years and 5 years.
The category software includes software used for risk management and financial administration.

Tangible fixed assets
Land and buildings, plant and equipment, other fixed operating assets, tangible fixed assets in production and prepayments on tangible fixed assets are stated at cost, less accumulated depreciation and impairment losses.
Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each item of the tangible fixed assets. Land, tangible fixed assets under construction and prepayments on tangible fixed assets are not depreciated.

The following depreciation percentages are applied:
- Buildings and infrastructure : 4% - 20%
- Gas stations and installations : 10% - 20%
- Transportation units : 5% - 40%
- Other fixed assets : 5% - 25%

Maintenance expenditures are only capitalised when the maintenance leads to extension of the useful life of the asset.
Assets that are taken out of service are stated at the lower of book value or net realisable value.
Assets held for sale are stated at the lower of book value or net realisable value.

Financial fixed assets
Participating interests where significant influence is exercised over the business and financial policy are valued according to the equity method on the basis of net asset value.
Participating interests where the Company exercises control along with other participants, such as in joint ventures, are valued in the same way.
The net asset value is calculated on the basis of the Company's accounting policies.
Results on transactions involving transfer of assets and liabilities between the Company and its participating interests and mutually

between participating interests are eliminated to the extent that these cannot be regarded as having been realised.
Participating interests with a negative net asset value are valued at nil. If the Company fully or partially guarantees the debts of the relevant participating interest, or if has the constructive obligation to enable the participating interest to pay its debts (for its share therein), then a provision is recognised accordingly to the amount of the estimated payments by the Company on behalf of the participating interest.
This provision is recognised primarily to the debit of the receivables on the respective participating interest and for the remainder is presented under provisions.
Participating interests where no significant influence is exercised are stated at the lower of cost or realisable value. In case of a firm intention to sell, then the participating interest is stated at the lower expected sales value.
Loans to non-consolidated participating interest are included at amortised cost using the effective interest method, less impairment losses.
The accounting policies for other financial fixed assets are included under the heading `Financial instruments'.
Dividends are accounted for in the period in which they are declared. Interest income is recognised in the profit and loss account on an accrual basis, using the effective interest rate method. Any profit or loss is recognised under financial income or expenses.

Joint arrangements
Participating interests where the Company exercises control along with other participants, such as in joint ventures, are valued according to the equity method on the basis of net asset value.

Other financial fixed assets
Receivables from non-consolidated participating interests are initially measured at fair value plus directly attributable transaction costs. Subsequently, these receivables are measured at amortised cost using the effective interest method, less impairment losses.
The further accounting policies for other financial fixed assets are included under the heading Financial instruments.
Dividends are accounted for in the period in which they are declared. Dividends from participating interests that are carried at cost, are recognised as income from participating interests (under financial income) in the period in which the dividends become payable.
Bonds, listed and unlisted recognised under financial fixed assets, that are not held as part of a trading portfolio and which will be held to maturity, are valued at their amortised cost.

Impairment of fixed assets
For tangible, intangible and financial fixed assets an assessment is made as of each balance sheet date as to whether there are indications that these assets are subject to impairment.
If there are such indications, then the recoverable value of the asset is estimated. The recoverable value is the higher of the value in use and the net realisable value. If it is not possible to determine the recoverable value of an individual asset, then the recoverable value of the cash flow generating unit to which the asset belongs is estimated.
If the carrying value of an asset (or a cash flow generating unit) is higher than the recoverable value, an impairment loss is recorded for the difference between the carrying value and the recoverable value.

In case of an impairment loss of a cash flow generating unit, the loss is first allocated to goodwill that has been allocated to the cash flow generating unit. Any remaining loss is allocated to the other assets of the unit in proportion to their carrying values.
In addition an assessment is made on each balance sheet date whether there is any indication that an impairment loss that was recorded in previous years has decreased. If there is such indication, then the recoverable value of the related asset (or cash flow generating unit) is estimated. Reversal of an impairment loss that was recorded in the past only takes place in case of a change in the estimates used to determine the recoverable value since the recording of the last impairment loss. In such case, the carrying value of the asset (or cash flow generating unit) is increased up to the amount of the estimated recoverable value, but not higher than the carrying value that would have applied (after depreciation) if no impairment loss had been recorded in prior years for the asset (or cash flow generating unit).
An impairment loss for goodwill is not reversed in a subsequent period, unless the previous impairment loss was caused by an extraordinary specific external event that is not expected to recur and if there are successive external events that undo the effect of the earlier event.

Disposal of fixed assets

Fixed assets available for sale are stated at the lower of their carrying amount and net realisable value.

Inventories

Inventories are carried at the lower of cost, determined in accordance with the first-in, first-out (FIFO) principle, and market value. Costs comprise all costs of purchases and other directly attributable costs incurred. For inventories that are hedged, the Company applies fair value hedge accounting and the gains and losses of both inventory and the related hedge instrument are recorded in the income statement.
The valuation of inventories includes possible impairments that arise on the balance sheet date.
Inventories includes renewable fuel units. Costs comprise all costs of purchases and other directly attributable costs incurred.

Receivables and securities

The accounting policies applied for the valuation of trade and other receivables and securities are described under the heading 'Financial instruments'.

Cash and Cash Equivalents

Cash and cash equivalents are stated at nominal value. If cash and cash equivalents are not readily available, this fact is taken into account in the measurement.
Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in the functional currency at the exchange rate ruling at that date. Reference is made to the accounting policies for foreign currencies.

Shareholders' equity

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholders' equity. Payments to holders of these instruments are deducted from the shareholders' equity as part of the profit distribution.

Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognised in the profit and loss as financial income or expense.

Minority interests

Minority interests are measured at net fair value of the acquirer's share in identifiable assets, liabilities and contingent liabilities according to the Company's valuation principles.

Provisions

General

A provision is recognised if the following applies:

- the Company has a legal or constructive obligation, arising from a past event; and
- the amount can be estimated reliably;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

If all or part of the payments that are necessary to settle a provision are likely to be fully or partially compensated by a third party upon settlement of the provision, then the compensation amount is presented separately as an asset.
Provisions for claims, disputes and legal proceedings are recorded if it is probable that the Group will be liable in a proceeding, for the estimated amount at which the liability can be settled. If the amount for which the liability can be settled cannot be reliably estimated,
the claim, dispute or legal proceeding is disclosed, if it is expected to be significant.
The amount of the provision is determined based on the amounts required to settle the liabilities and losses. Provisions are carried at present value if the value of time is material. The discount rate before taxation is 2% (2020: 2%). If the value of time is immaterial the provision is calculated at nominal value.

Provision for deferred taxes

For amounts of taxation payable in the future, due to differences between the valuation principles in the annual report and the valuation for taxation purposes of the appropriate balance sheet items, a provision has been formed for the aggregate of these differences multiplied by the current rate of taxation. These provisions are reduced by amounts of taxation recoverable in the future in respect of the carry-forward of unused tax losses, to the extent that it is probable that future tax profits will be available for settlement.

Environmental provision

The provision for clearance of existing environmental pollution is recognised if obliged by the legislation of the country where the pollution occurs. The provision relates to the expected amount for the clearance from the moment that it is virtually certain that such legislation will come into force.

Intangible long-term liabilities

Negative goodwill (badwill) represents the excess of the Company's interest in the net realisable value of the assets acquired and the liabilities assumed at the transfer date over the cost of the acquisition, less cumulative amortisation. The badwill is amortised on a straight-line basis over the remaining useful

lifetime of the acquired assets.
Negative goodwill is recognised as a separate liability.
To the extent that negative goodwill does not relate to expected future losses and expenses that can be determined reliably at the acquisition date, the portion of the negative goodwill not exceeding the fair values of the identifiable non-monetary assets is systematically credited to the profit and loss account over the weighted average useful life of the acquired amortisable assets, and the portion that exceeds the fair values of the identifiable non-monetary assets is immediately credited to the profit and loss account.

Long-term liabilities

The valuation of long-term liabilities is explained under the heading 'Financial instruments'.

Current liabilities

The valuation of current liabilities is explained under the heading 'Financial instruments'.

Revenue recognition

Revenue comprises revenue from commodity trading, sale of oil products, renewable fuel units and revenue from storage and other services.
Revenue from the sale of goods, including the renewable fuel units, is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing involvement with the goods. The transfer of risks and rewards varies according to the conditions of the relevant sales contract. Only created and sold renewable fuel units are recorded as revenue.
Revenues from excess throughputs and other services rendered are recognised in the profit and loss account when the revenue amount can be determined in a reliable manner, collection of the related compensation to be received is probable, the extent to which the services have been performed on the balance sheet date can be determined reliably, and the costs already incurred and (possibly) yet to be incurred to complete the service can be determined reliably.
Rental income from tank rental, including minimum guaranteed throughput, is recognised in the profit and loss account on a straight-line basis over the term of the lease.
Other income, costs and expenses are allocated to the year to which they relate.
Losses are accounted for in the year in which they are identified.

Employee benefits/pensions

Employee benefits

Employee benefits are charged to the profit and loss account in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognised as a current asset to the extent that there will be a reimbursement by the employees or a reduction in future payments by the Company.
For benefits with accumulating rights, sabbatical leave, profit-sharing and bonuses the projected costs are taken into account during the employment. At balance sheet date, a liability is recognised for this purpose. The recognised liability reflects the best estimate of the expenditure necessary to settle the obligation. The best estimate is based on contractual agreements with employees. Additions to and reversals of liabilities are charged or credited to the profit and loss account.
An expected payment resulting from profit-sharing and bonus payments is recognised if the obligation for that payment has arisen on or before the balance sheet date and a reliable estimate of the liabilities can be made.

Dutch pension plans

The current pension arrangements for several subsidiaries classify as defined contribution schemes. Contributions to the schemes are accounted for in the year when they occur and are reported in the income statement.
The pension plans are partly administered by insurance companies and partly by an industry pension fund.
The main principle is that the pension charge to be recognised for the reporting period should be equal to the pension contributions payable to the pension fund over the period.
In so far as the payable contributions have not yet been paid as at balance sheet date, a liability is recognised. If the contributions already paid exceed the payable contributions as at balance sheet date, a receivable is recognised to account for any repayment by the fund or settlement with contributions payable in future.
In addition, a provision is included as at balance sheet date for existing additional commitments to the fund and the employees, provided that it is likely that there will be an outflow of funds for the settlement of the commitments and it is possible to reliably estimate the amount of the commitments.
The existence or non-existence of additional commitments is assessed on the basis of the administration agreement concluded with the fund, the pension agreement with the staff and other (explicit or implicit) commitments to staff.
The liability is stated at the best estimate of the present value of the anticipated costs of settling the commitments as at balance sheet date.
For any surplus at the pension fund as at balance sheet date, a receivable is recognised if the Company has the power to withdraw this surplus, if it is likely that the surplus will flow to the Company and if the receivable can be reliably determined.
Under the pension plan administered by the industry pension and the insurance company the group entities have no obligation to contribute additional amounts in case of a funding shortfall, other than the payment of higher future contributions. Therefore, this pension plan is recognized as a defined contribution plan.

Operating leases

The Company may enter into financial and operating leases. A lease contract where the risks and rewards associated with ownership of the leased property are transferred substantially all to the lessee, is referred to as a financial lease. All other leases are classified as operating leases. In classifying leases, the economic reality of the transaction is decisive rather than its legal form.
If the Company acts as lessee in an operating lease, then the leased property is not capitalised. Lease payments regarding operating leases are charged to the profit

and loss account on a straight-line basis over the lease period.

Interest receivable and similar income and interest payable and similar charges

Interest income is recognised in the profit and loss account on an accrual basis, using the effective interest rate method. Interest expenses and similar charges are recognised in the period to which they belong.
Premium, discount and redemption premiums are recognised as interest expense in the period to which they belong. The allocation of these interest expenses and the interest income on the loan is the effective interest rate that is recognised in the profit and loss account. On the balance sheet, the amortized value of the debt(s) is recognised (on balance). The amounts of the premium that are not yet recognised in the profit and loss account and the redemption premiums already recognised in the profit and loss account, are recognised as an increase in debt(s) to which they relate. Amounts of the discount that are not yet recognised in the profit and loss account are recognised as a reduction of the debt(s) to which they relate.

Corporate income tax

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity. Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous years.
If the carrying values of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences. A provision for deferred tax liabilities is recognised for taxable temporary differences.
If the carrying amounts of assets and liabilities for financial reporting differ from their tax bases, these are temporary differences. For taxable temporary differences, a provision for deferred tax liabilities is recognized. For deductible temporary differences, available tax losses and unused tax credits, a deferred tax asset is recognized, but only to the extent that it is probable that future taxable profits will be available for set-off or compensation. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.
Deferred tax assets and liabilities are stated at nominal value.

Cash flow statement

The cash flow statement is prepared using the indirect method. Cash flows in foreign currency are translated into euros using the weighted average exchange rates at the dates of the transactions.

Determination of fair value

The fair value of a financial instrument is the amount for which an asset can be sold, or a liability settled, involving parties who are well informed regarding the matter, willing to enter into a transaction and are independent from each other.
The fair value of derivatives is determined by market value quotations for similar contracts and market exchange indices.

Report of the independent auditor

To: the shareholders and the management of FinCo Fuel Group B.V.

Our opinion

The summary financial statements 2021 (hereinafter: the summary financial statements) of FinCo Fuel Group B.V., based in Rotterdam are derived from the audited financial statements 2021 of FinCo Fuel Group B.V.

In our opinion the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements 2021 of FinCo Fuel Group B.V., on the basis described on page 178 of the related explanatory notes.

The summary financial statements comprise:

- The consolidated balance sheet as at 31 December 2021
- The consolidated profit and loss account over 2021
- The consolidated cash flow statements over 2021
- The consolidated statement of comprehensive income over 2021
- The related notes to the summary financial statements

Summary financial statements

The summary financial statements do not contain all the disclosures required by Part 9 of Book 2 of the Dutch Civil Code. Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements of FinCo Fuel Group B.V. and our auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our auditor's report on those financial statements of 28 April 2022.

The audited financial statements and our auditor's report thereon

We expressed an unmodified audit opinion on the audited financial statements 2021 of FinCo Fuel Group B.V. in our auditor's report of 28 April 2022.

Responsibilities of management for the summary financial statements

Management is responsible for the preparation of the summary financial statements on the basis as described on page 178 of the related explanatory notes

Our responsibilities

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which we conducted in accordance with Dutch law, including the Dutch Standard 810 Opdrachten om te rapporteren betreffende samengevatte financiële overzichten (Engagements to report on summary financial statements).

Rotterdam, 28 April 2022

Ernst & Young Accountants LLP

signed by A.M. Buijs

Annual Report FinCo Fuel Group 2021

FinCo Fuel Group B.V.
K.P. van der Mandelelaan 120
3062 MB Rotterdam
+31 88 021 51 00

Photography and concept: Henk Wildschut
Text and concept: Merel Bem
Design: Yke Bartels / Ykeswerk
English translation: Julia Gorodecky
Printer: Zwaan Print Media, Wormerveer