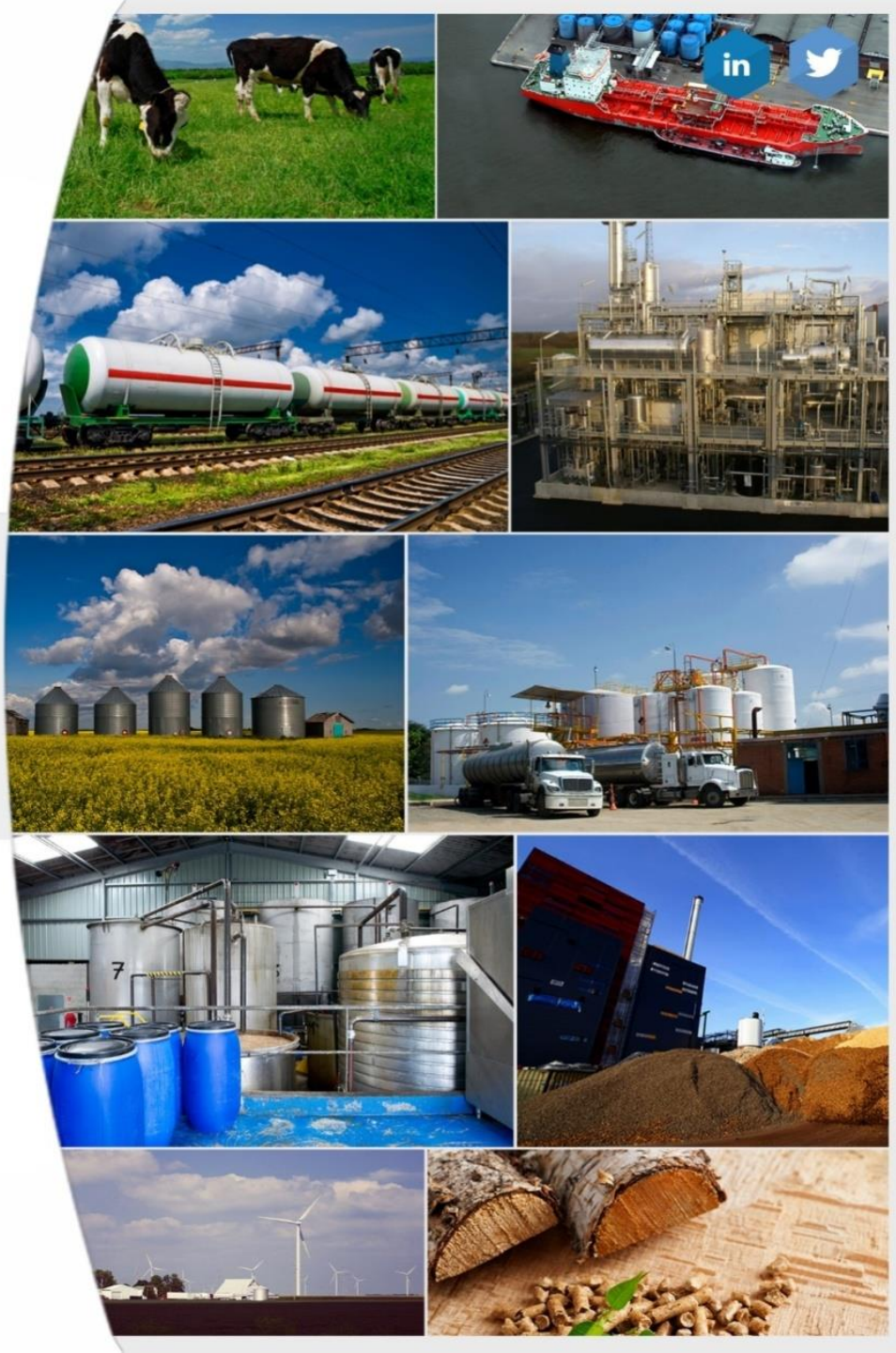
YOUR BROKER FOR WASTE-BASED
FEEDSTOCK & BIODIESEL

Waste-based feedstock and biofuels market in Europe

19 October 2016



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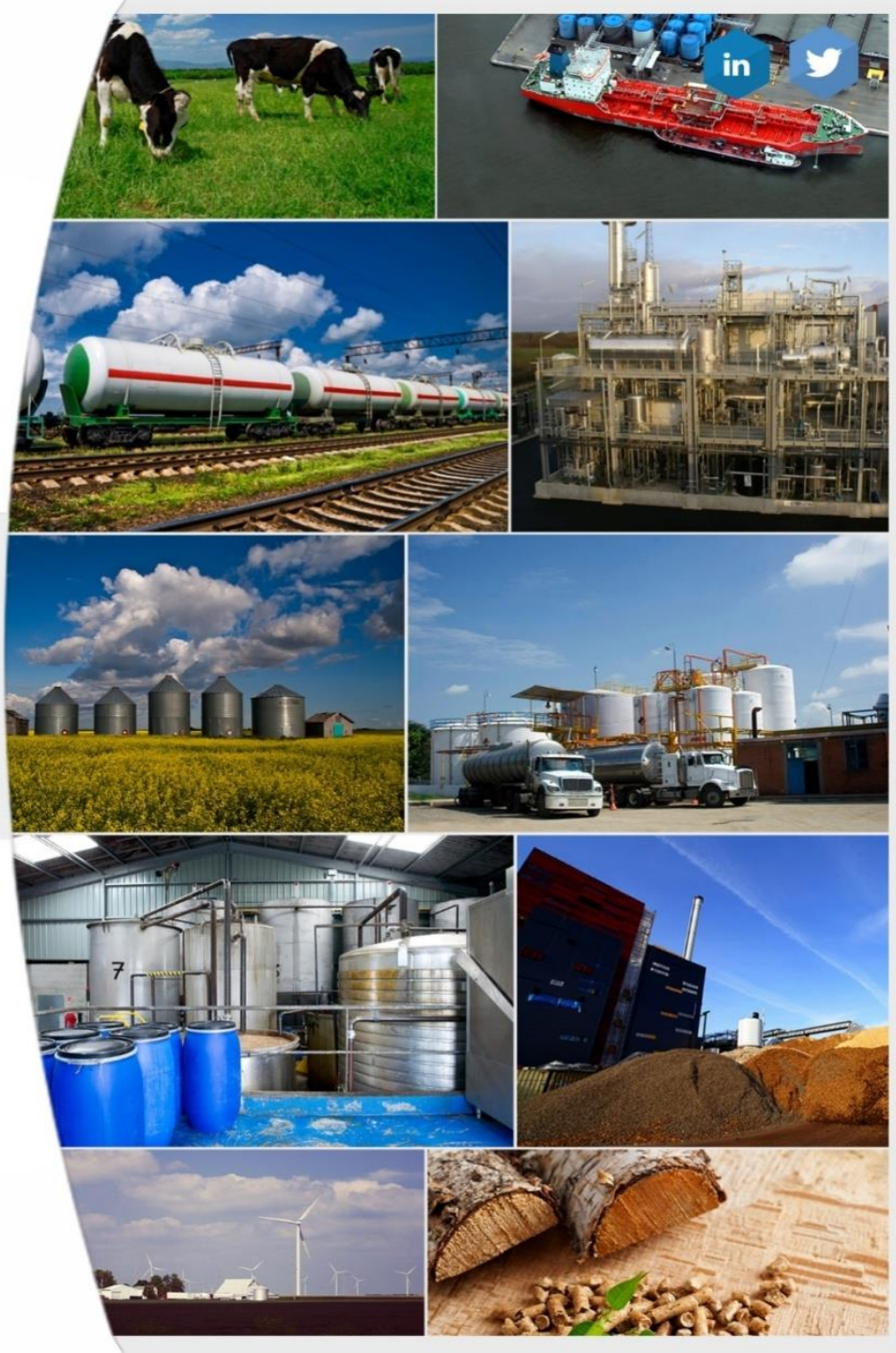
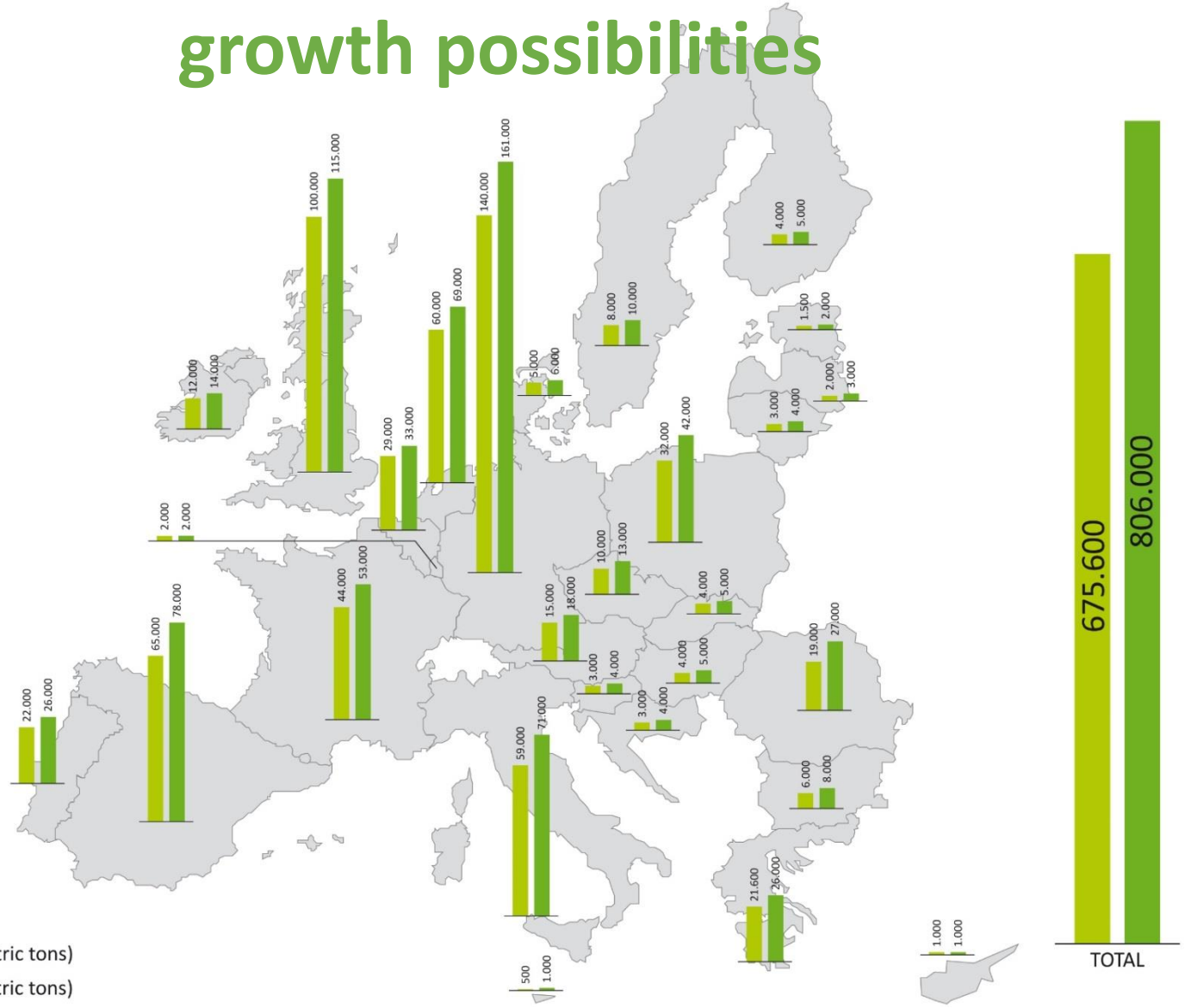
Agenda

Overview of the current market situation



European UCO resources are estimated at 806,000 MT per year

European UCO market is already mature with limited growth possibilities



Source: GREENEA analysis

To secure enough feedstock waste-based biodiesel producers have to look for alternative sources

Household collection

Supply: low quantities and difficult to collect

Interest: low due to high collection costs

Not really a viable option due to high operational costs, relatively low quantities to gain and unsure quality.

Imports from overseas

Supply: decreasing due to rising local demand

Interest: high due to mature market in Europe

Interesting option, however, the quantities offered are decreasing and the competition is fierce.

Requires some initial investment but allows more flexibility on quality and thus gives access to bigger volumes.

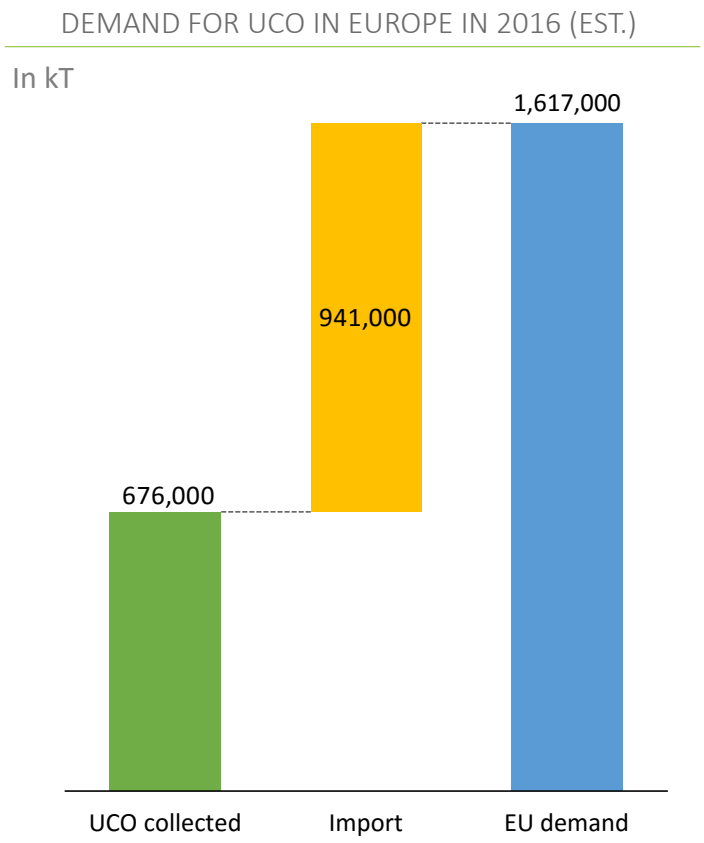
High acidity feedstock

Supply: high availability

Interest: still moderate due to processing difficulty

Source: GREENEA analysis

Europe relies on UCO imports for biodiesel production but competition overseas is fierce



58%

Percentage of European UCO demand covered by imports in 2016 (est.)

40%

Percentage of UCO imported to the EU that came from Asia

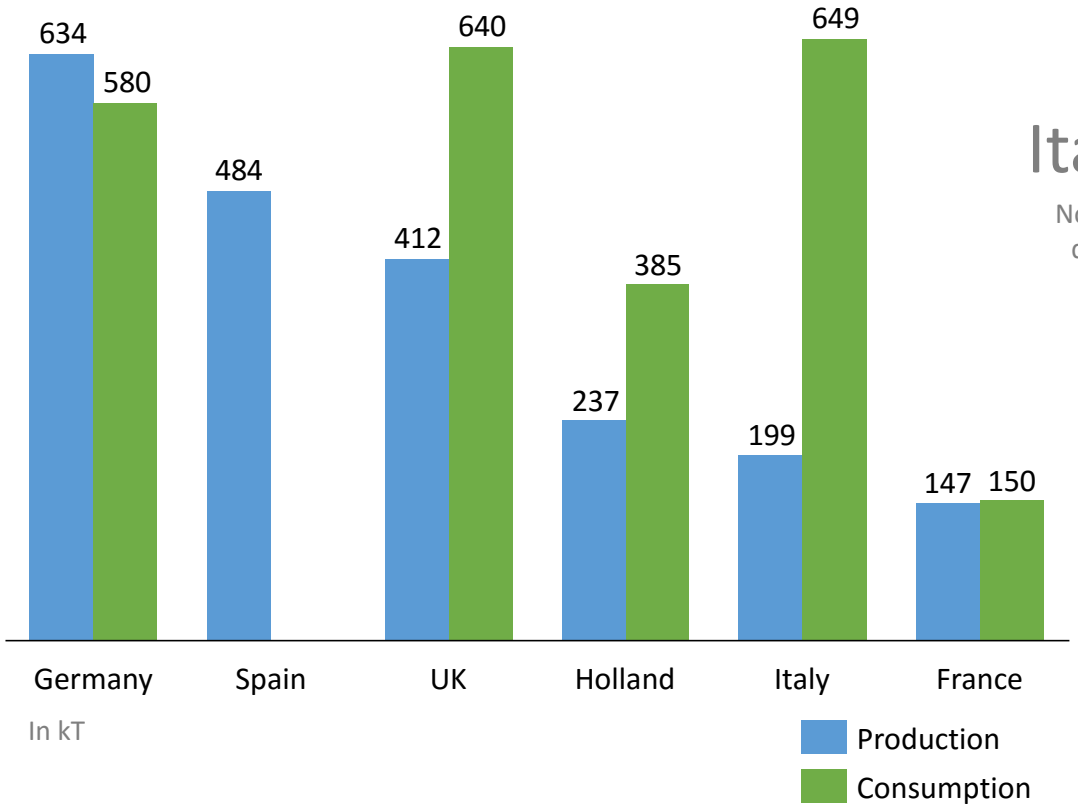
Due to investments in UCOME production in Asia, UCO quantities for export will be limited there

Source: GREENEA analysis

European biodiesel market is estimated at 14 million tons

Germany, Italy and the UK are key players on the waste-based biodiesel market

WASTE-BASED BIODIESEL PRODUCTION AND CONSUMPTION IN 2016 (EST.)



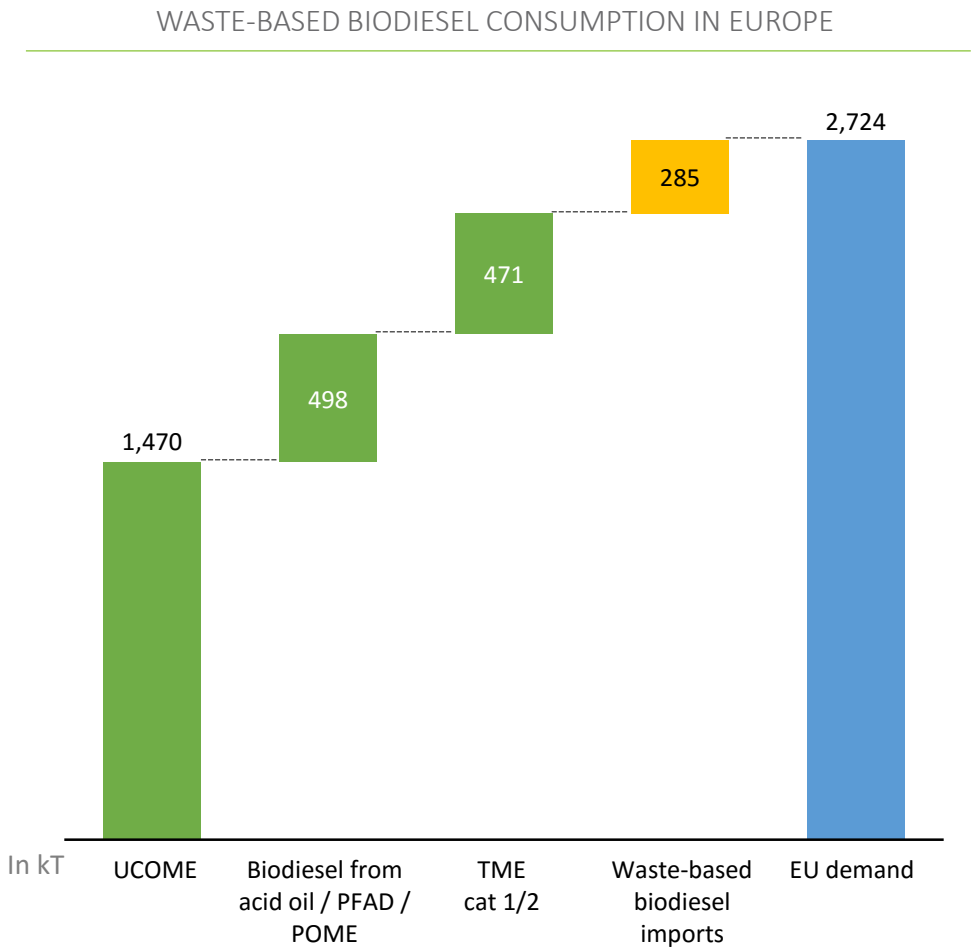
Spain

No local demand due to lack of DC scheme.

Italy

No cap of DC boosted the demand by nearly 50% compared to 2015.

The supply of waste-based biodiesel in Europe does not cover the local demand



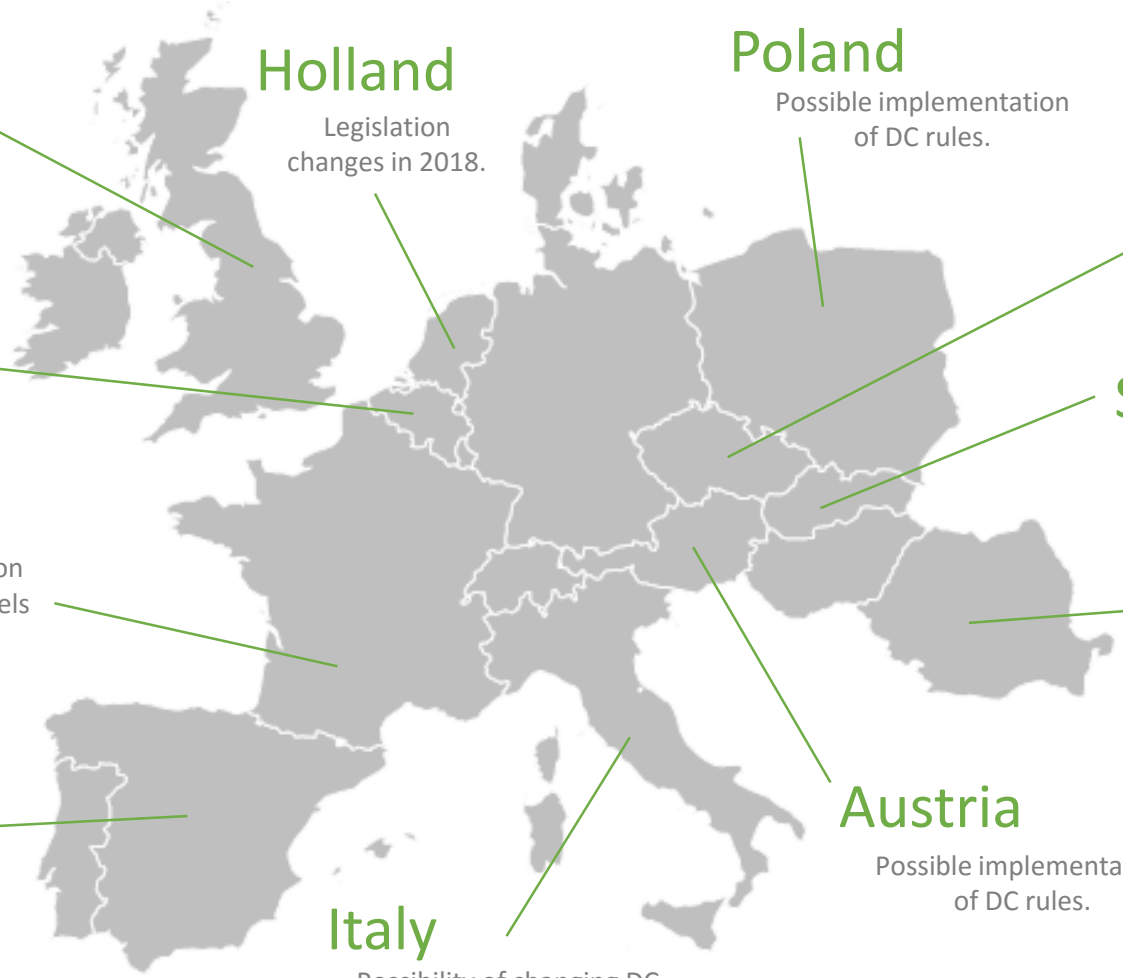
10%

Percentage of waste-based biodiesel demand in Europe that has to be covered by import

Asia is Europe's main supplier of waste-based biodiesel

Source: GREENEA analysis

The supply-demand structure might alter due to coming regulation changes



UK

Uncertainty of what will happen after Brexit.

Holland

Legislation changes in 2018.

Poland

Possible implementation of DC rules.

Czech Rep.

Implementation of GHG emission savings rules.

Belgium

The issue with registering for DC in Belgium still persists.

Slovakia

Possible implementation of DC rules.

France

Possible implementation of the Register of Biofuels Origination (RBO).

Romania

Possible implementation of DC rules.

Spain

Possible introduction of DC in 2017 or 2018.

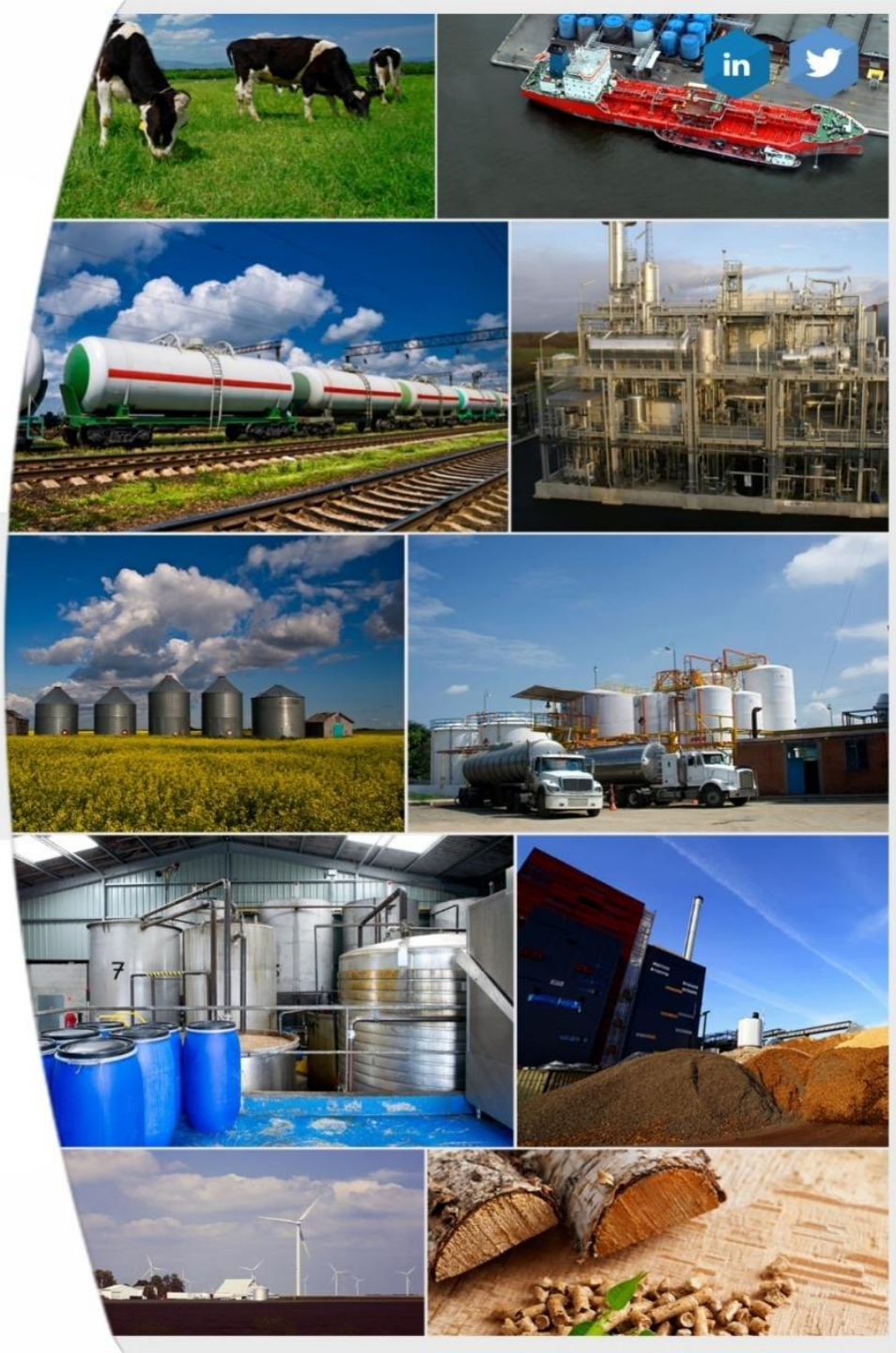
Austria

Possible implementation of DC rules.

Italy

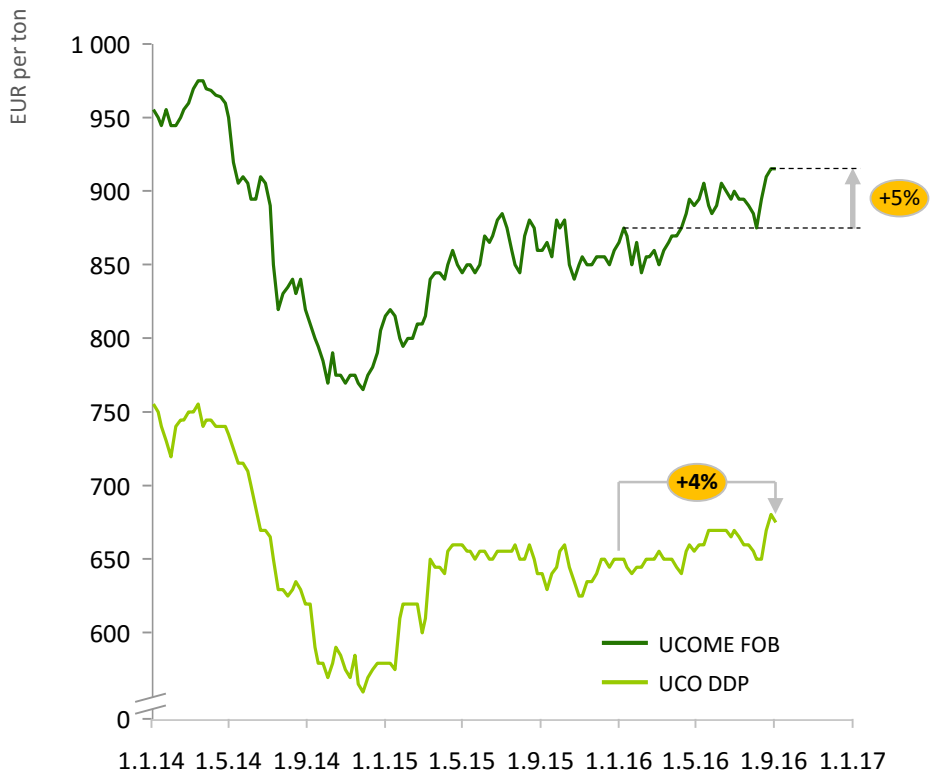
Possibility of changing DC rules regarding PFAD.

Pricing



The margins for UCOME producers have been increasing since the beginning of the year

2015-2016: UCO AND UCOME PRICE DEVELOPMENT



5%

Increase of UCOME price since the beginning of 2016

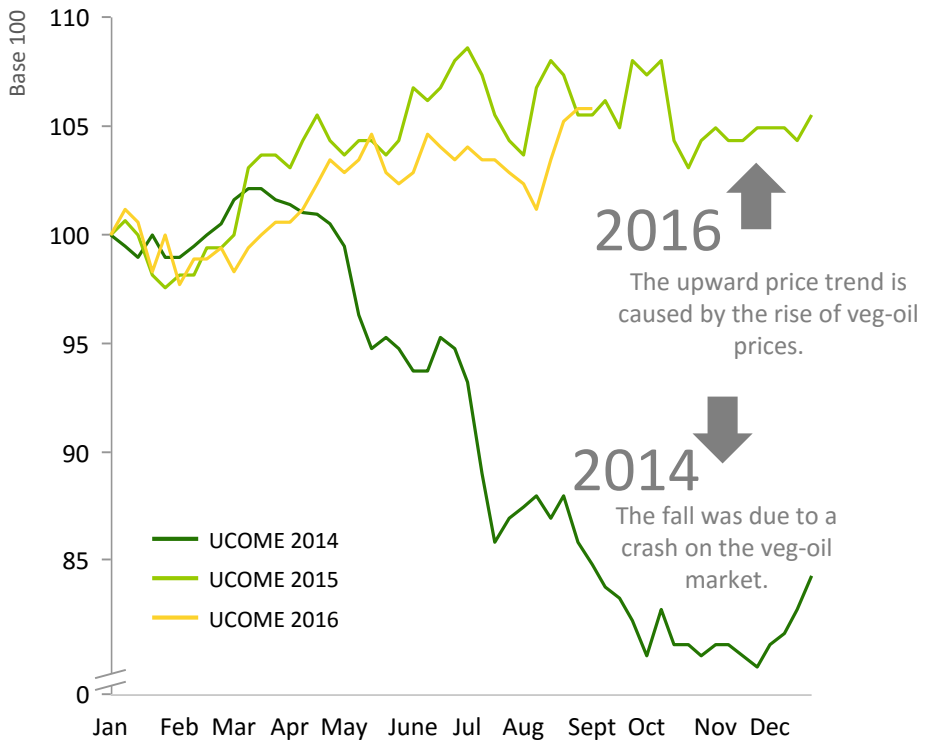
4%

Increase of UCO price since the beginning of 2016

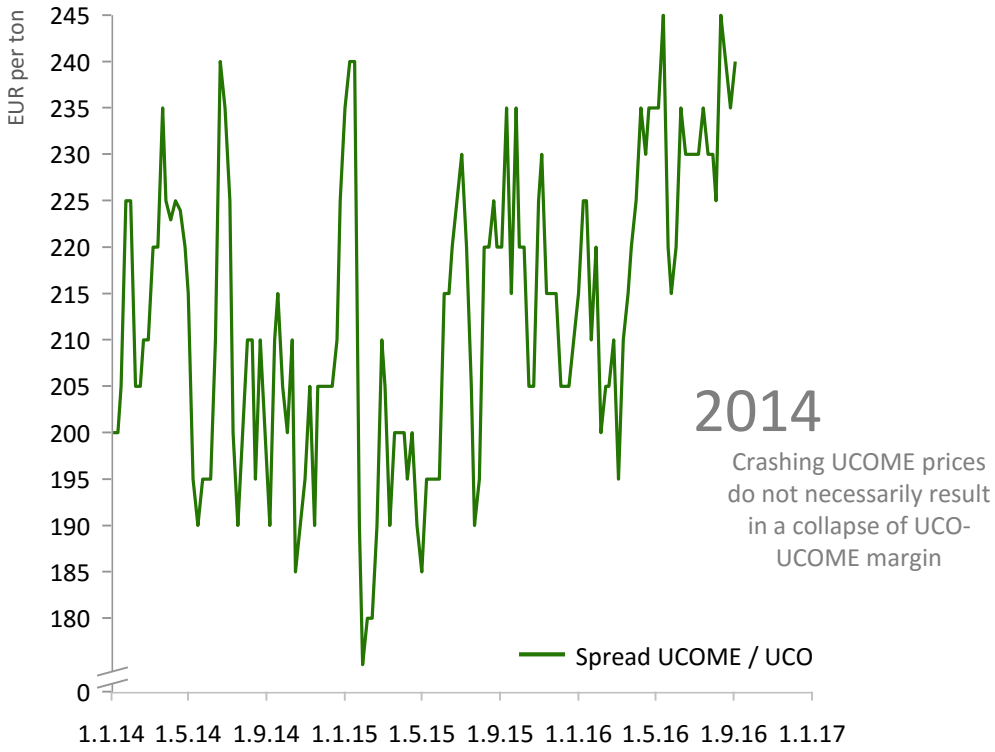
Source: GREENEA analysis

In 2016, UCO and UCOME show again an upward price trend

2014-2016: YEARLY UCOME PRICE TREND

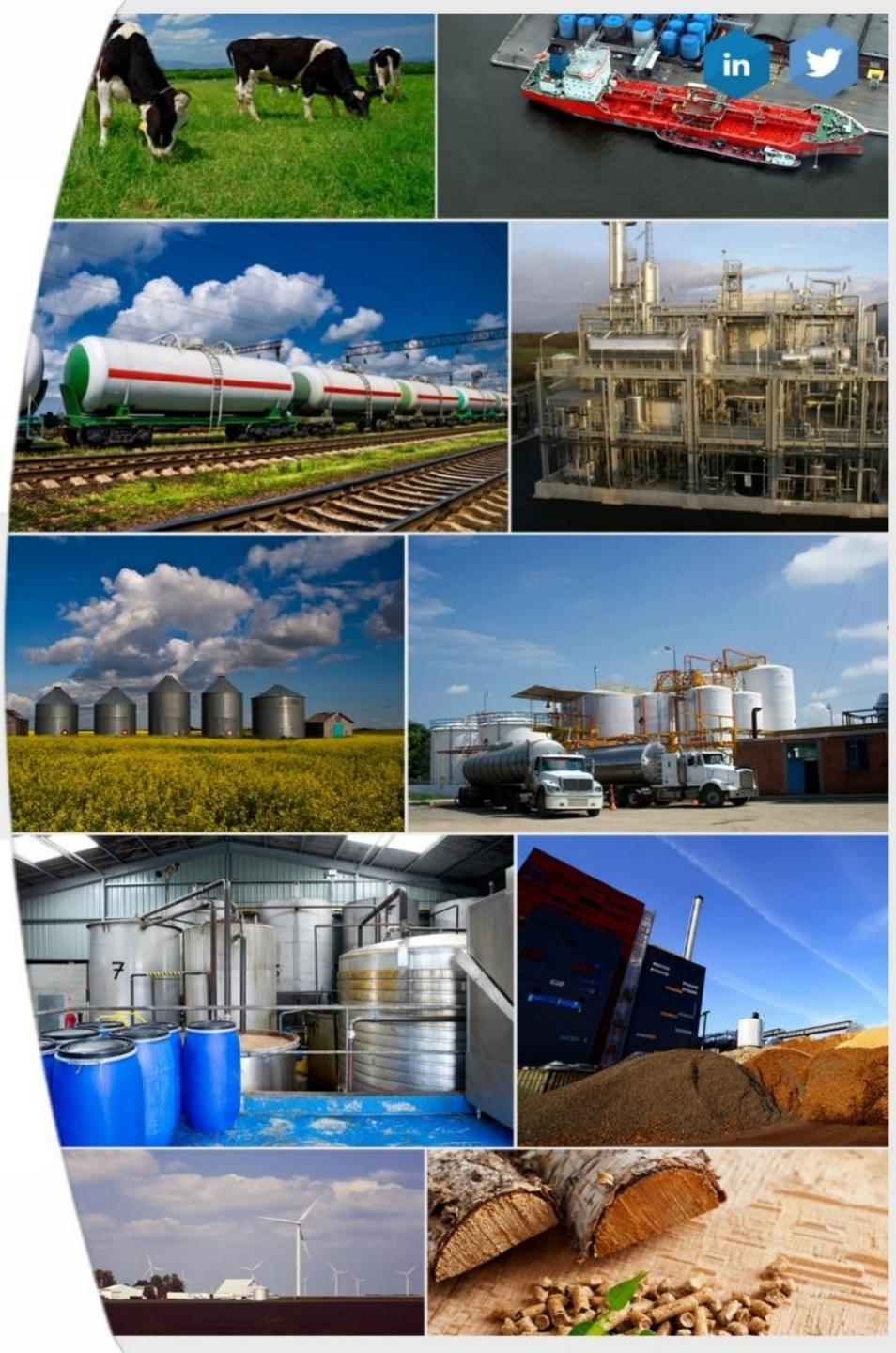


2014-2016: SPREAD BETWEEN UCO AND UCOME



Source: GREENEA analysis

HVO: market development



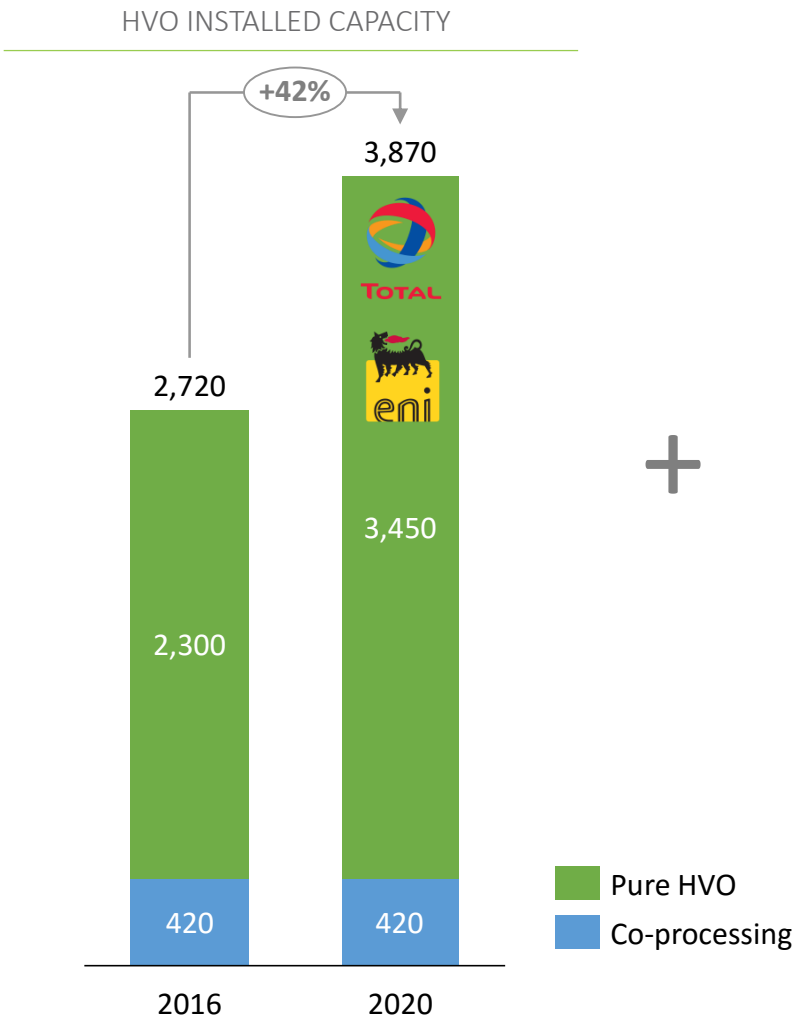
In the last 5 years, HVO has been developing rapidly

Source: GREENEA analysis

TOTAL and ENI plants will significantly increase the HVO production capacity in Europe

23%

The share of European biodiesel market that HVO might get by 2020



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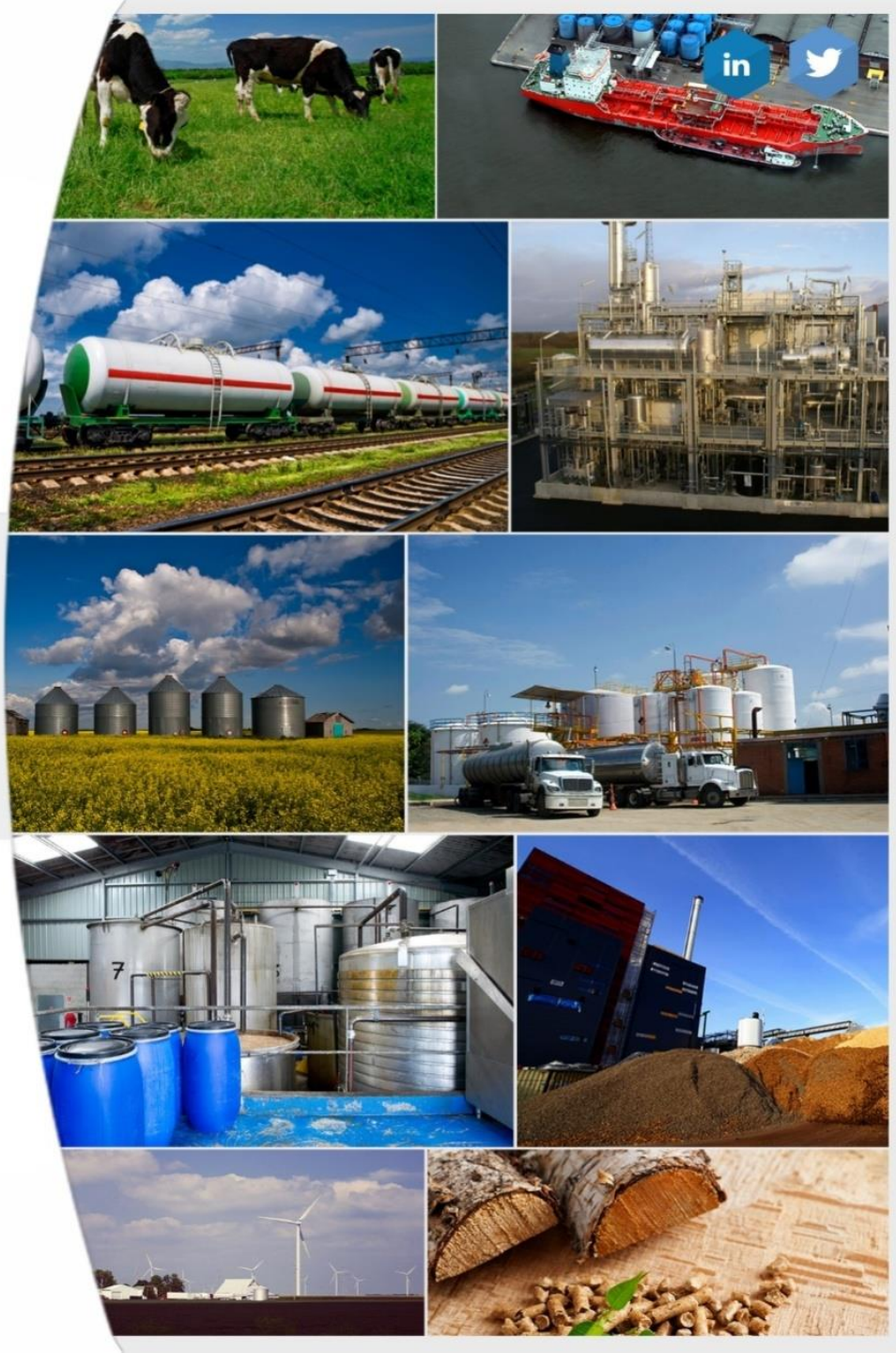
Discussed projects in:

- Japan
- China
- Eastern Europe

Source: GREENEA analysis

Conclusion



HVO development and struggle for feedstock supply will dominate the market in the next 5 years

HVO

New investments in Europe and overseas increase the HVO capacity.

Asia

New investments in UCOME production for export to Europe.

UCO

Maturing market in Europe and increased local demand in Asia will put pressure on UCO supplies.

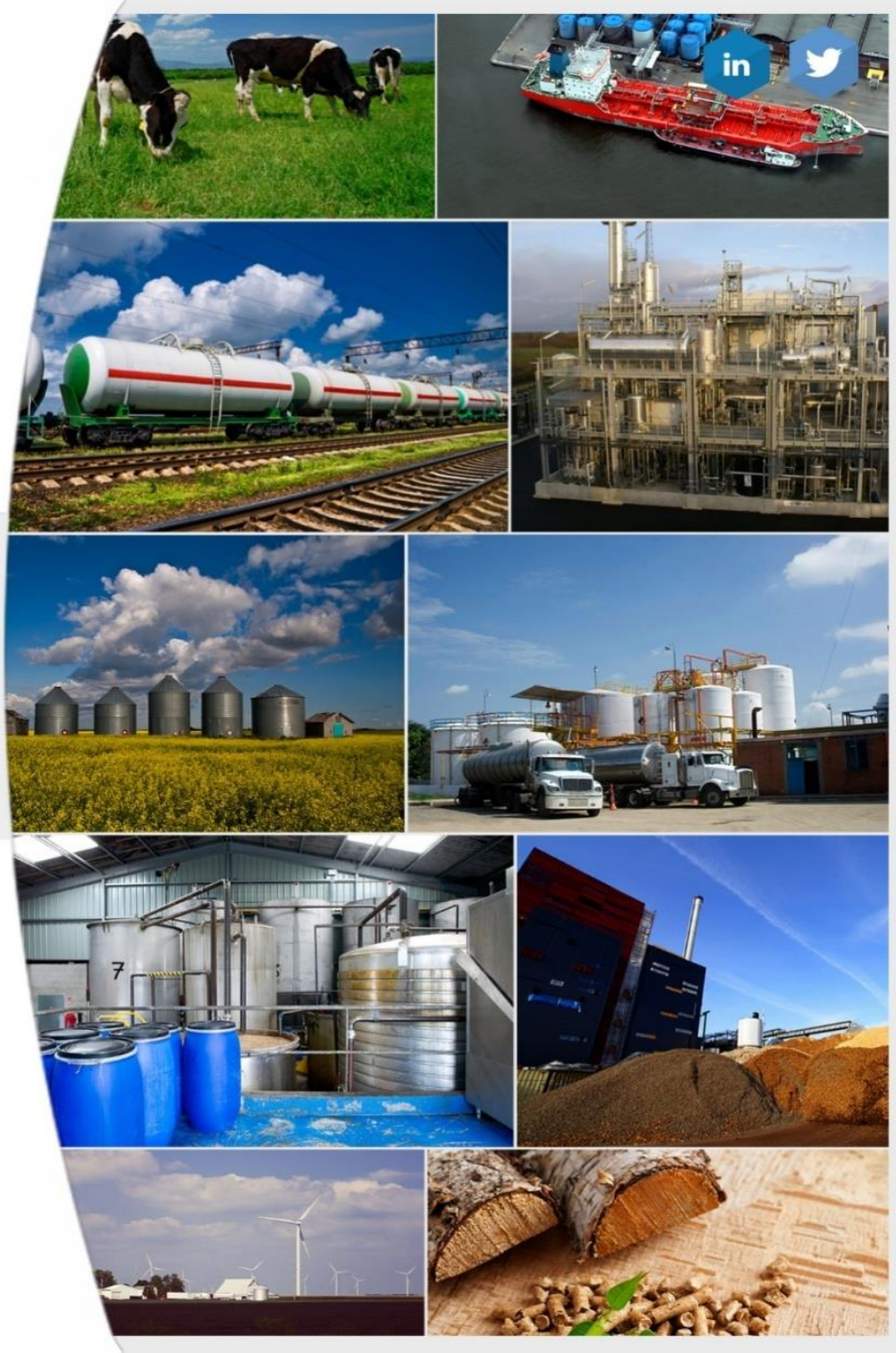
Law

New countries should implement DC scheme.

Technology

Investments to be able to process high acidity feedstock.

Why Greenea?



Why Greenea?

Risk & Energy Risk COMMODITY RANKINGS 2015 #1 RESEARCH IN BIOFUELS

MARKET EXPERIENCE

GREENEA is an independent **brokerage** and consulting company founded in 2007. It specialises in **waste-based raw materials and biofuels.**

GREENEA offers its **services to companies using raw materials in their production as well as to various other players from the oleo-chemical, animal feed, bioenergy and biofuels markets.**

It was our conscious and strategic choice to position ourselves on the market of **raw materials that do not compete with the food sector.**

Founded in **2007**

Since 2011 our average annual growth is **18%**

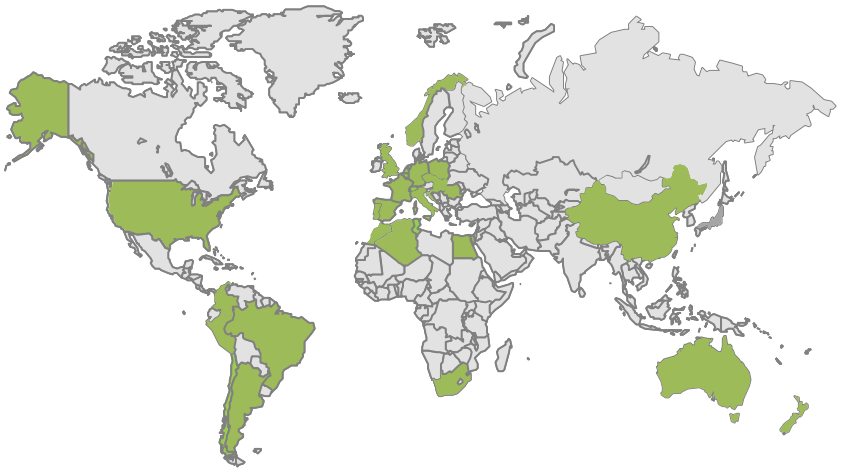
GREENEA OFFICES IN EUROPE

From our two offices in Paris and Prague we communicate with clients from all around the world thanks to our international and multilingual team.

We speak:

English, Spanish, Portuguese, Polish, German French and Italian

WIDE INTERNATIONAL PRESENCE



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Risk & Energy Risk
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2015
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