

# Accelerating the energy transition

February 2025



# An entrepreneurial and highly experienced team

Deep experience with leading energy businesses



**Georges Menane**  
EVP and CFO

- 20 years of experience
- Previously CFO at ADNOC Refining

**Ernestina Benedetto**  
EVP Strategy & Transformation

- 15 years of experience
- Previously heading VARO's M&A group

**Theo Pannekeet**  
EVP New Energies & Innovation

- 25 years of experience
- Previously Product Trading Director

**Gilles Vollin**  
EVP Integration & Capability

- 30 years of experience
- Founding member of VARO Energy

**Rick Klop**  
EVP and COO, Markets and Commercial

- 20 years of experience
- Previously CFO

**Dev Sanyal**  
CEO

- 32 years of experience
- Previously at bp plc, with 10 years on Group EXCO

# Backed by world-leading shareholders

One of the world's largest energy investors, and one of the world's leading traders

THE CARLYLE GROUP

GLOBAL ALTERNATIVE ASSET MANAGEMENT

66.67%

shareholding

Global investment firm,  
with \$369bn assets under  
management

VARO 

 Vitol

33.33%

shareholding

Leading energy trader with  
8 million barrels per day of  
crude oil and products





Our purpose

We exist to accelerate the transition to a world of reliable, accessible, sustainable energy.

---

Our vision

We will be the energy transition partner of choice.

---

Our mission

We build, we partner, we empower to deliver energy solutions for our customers and the world.



# Our values

At VARO we always aim high, we challenge the status quo and we solve together. This is how we act to make a difference for our world and drive the pace of change in our industry.

## Embrace challenge

We are open to new ideas to challenge our thinking

We turn challenges into opportunities

We are eager to learn and grow

## Aim high

We are entrepreneurial with a shared purpose

We push ourselves, our business, and our industry into uncharted territories

We strive for success and overcome adversity

We share a sense of responsibility and respect for people & our planet



## Drive pace

We have an agile, can-do mindset and deliver on our promises

We are restless with the status quo

We make rapid progress because of the foundations we have built

## Solve together

We take collective responsibility for the safety of all

We build diverse teams to unlock our full potential

We invest in strong partnerships & know-how



# Our strategy

# Changing environment creates new opportunities



# Our customers need support to transform

## Energy security

“Europe’s energy crisis sends shockwaves through Germany’s industrial heart”

 **REUTERS**

“Europe at risk of winter energy rationing, energy watchdog warns”

**FINANCIAL TIMES**

“European gas prices rise as fluctuating flows stoke supply fears”

**Bloomberg**

## Energy transition

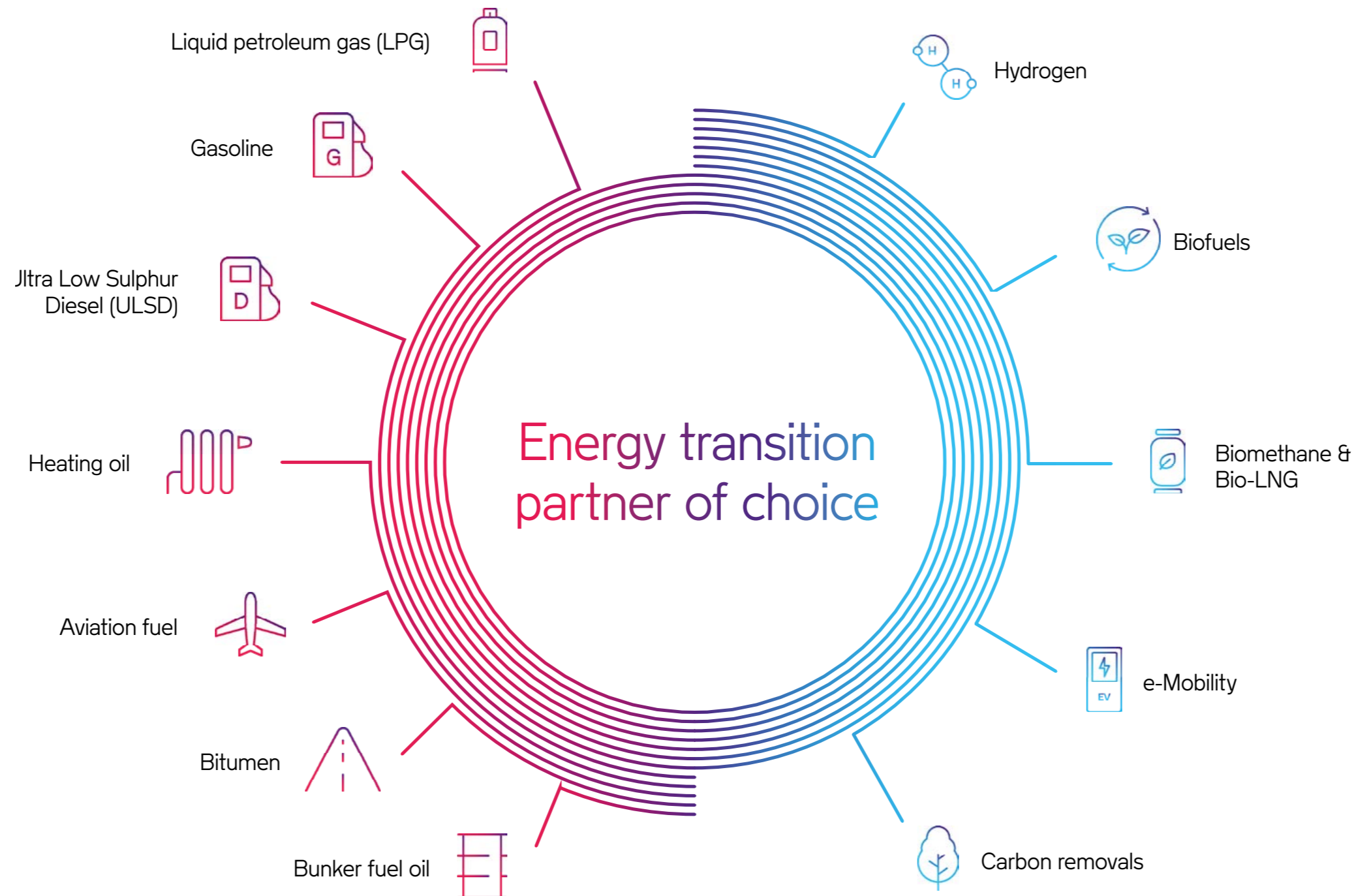
EU **Fit for 55** mandates a **55%** drop in GHG emissions (2030 versus 1990)

**NET ZERO**  
by 2050 across the EU

Sale of new **ICE** banned from 2035 in EU



# ONE VARO twin engine strategy



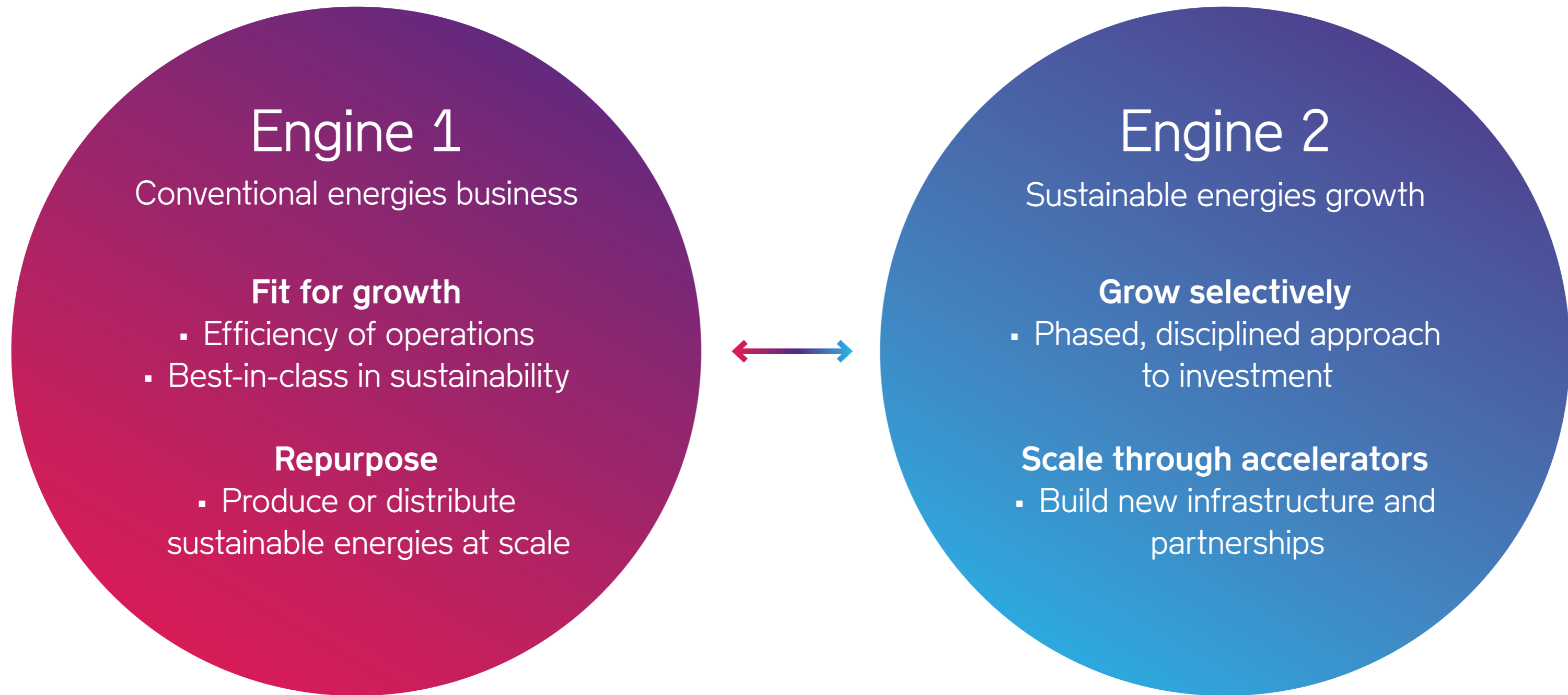
## Conventional Energies

Ensuring the energy security for today

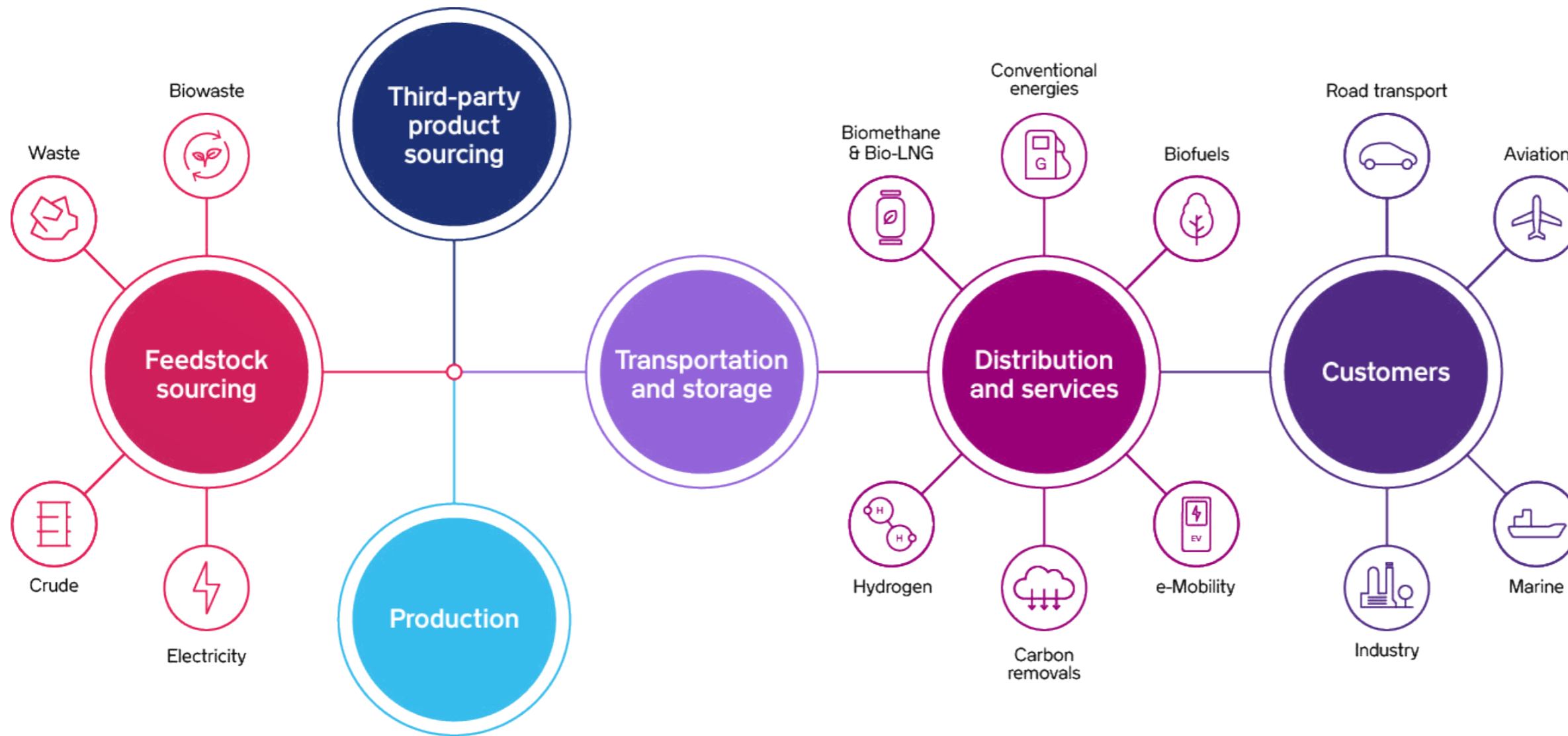
## Sustainable Energies

Accelerating the energy transition for tomorrow

# Engine 1 accelerates Engine 2 growth



# Our integrated business enables value creation, providing energy and decarbonisation as a service



How does VARO generate value?

Transformation premium between feedstock and products produced

Trading optimisation via physical and paper markets access

Margin on marketing of our solutions



An aerial photograph showing a cityscape with autumn-colored trees in the foreground, a wide river with a barge, and a railway line in the lower left. The image is partially obscured by a white curved shape on the right side of the slide.

# VARO's unique approach

Tailored customer approach

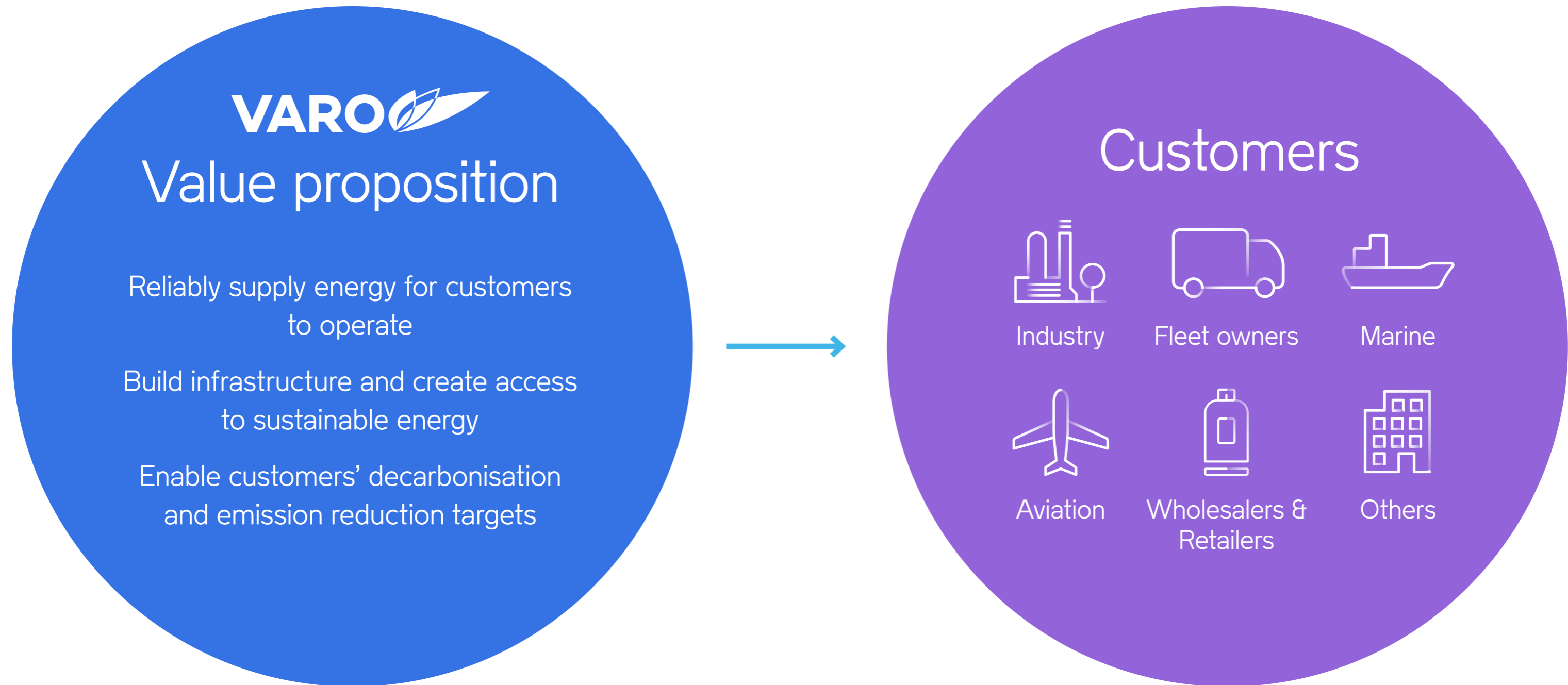
Optimisation & exposure management

Business innovation

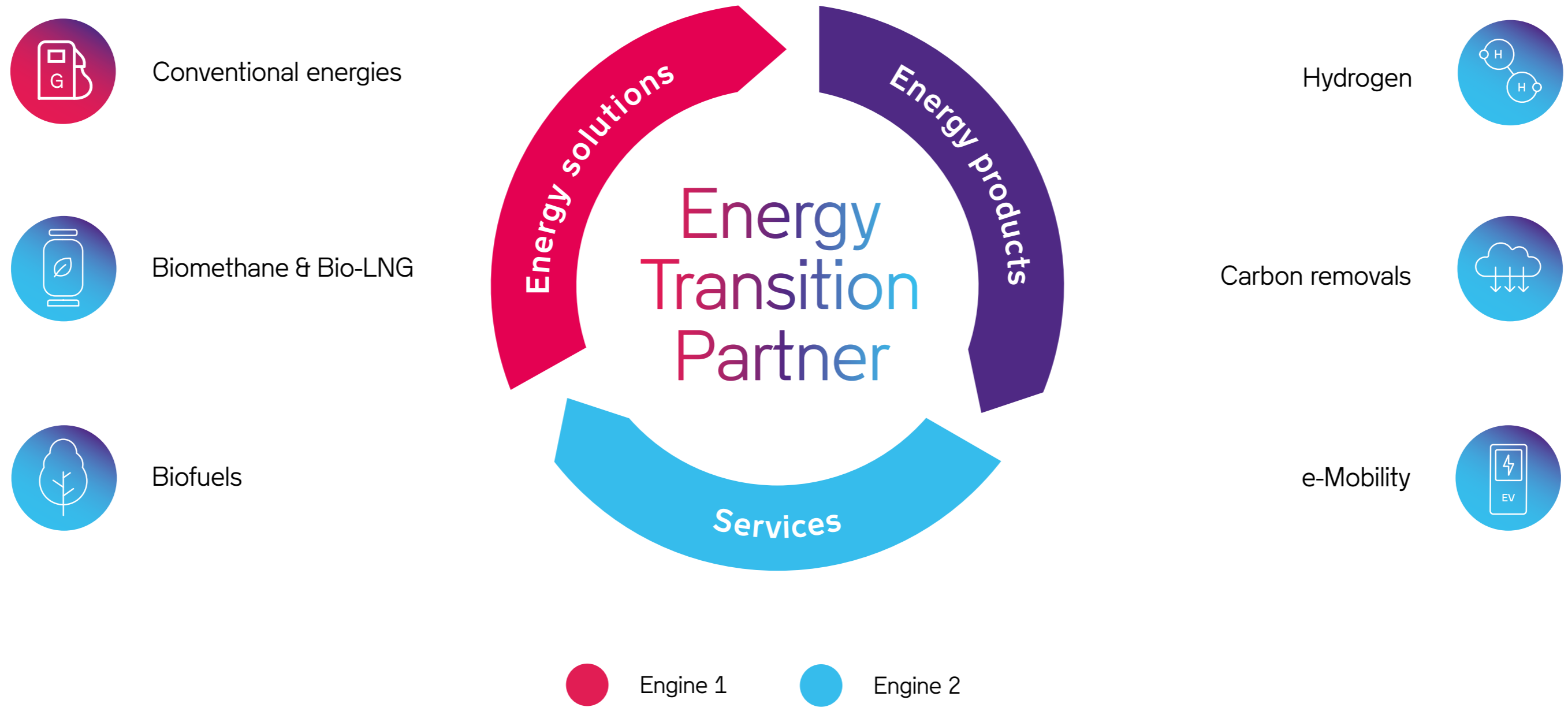
Operational excellence

Strategic infrastructure

# What does this mean for our customers?



# An integrated portfolio of energy solutions to meet customers' needs





# Providing solutions to our customers through our Customer Lighthouses



Working with customers to find solutions for their needs





# A carbon neutral company by 2040



2022

Launch of new ESG strategy including industry leading targets



2030

40% absolute reduction of Scope 1 & Scope 2 emissions

15% Scope 3 carbon intensity reduction



2040

Net Zero

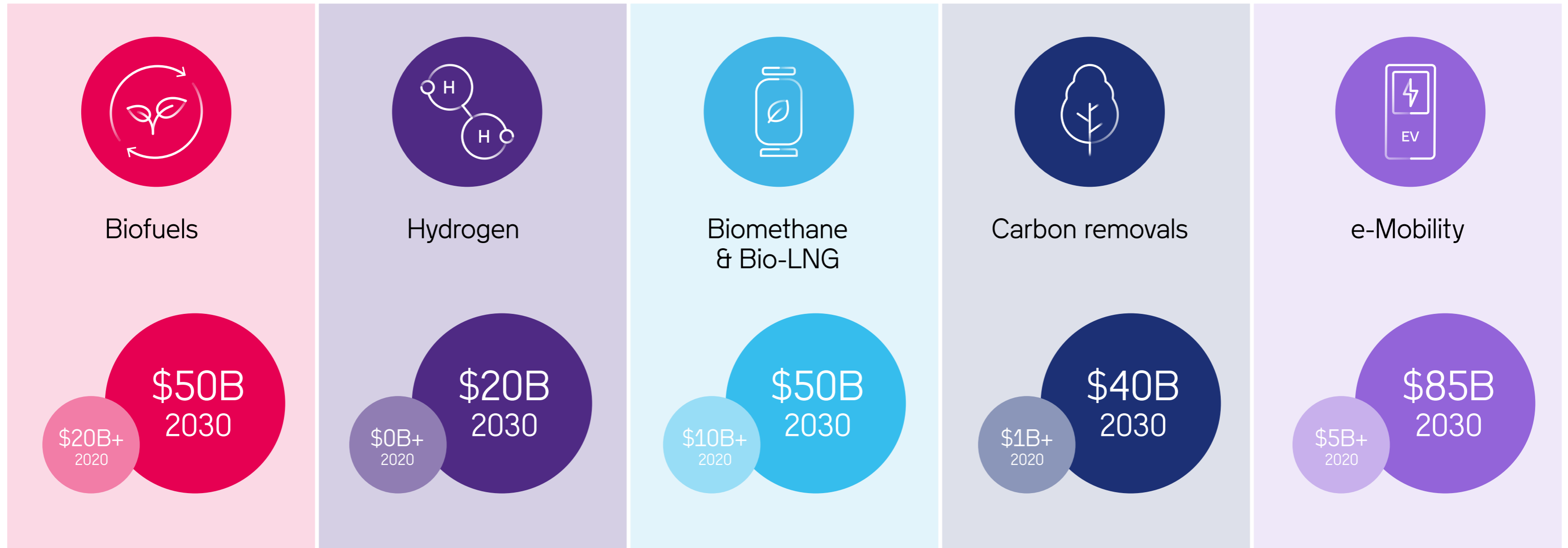


Our sustainable  
energies future

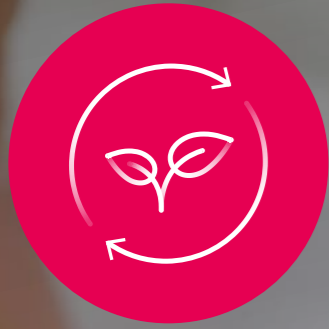
**VARO** 



# New energies business focused on growth sectors



Change in EU market size 2020 to 2030 (revenues)



## Biofuels

An integrated producer of 2G advanced biofuels, including SAF

### The Market

- Demand expected to be extremely underserved based on coming mandates
- Rapidly growing sustainable aviation fuel (SAF) market

### Why VARO

- Deep expertise with biofuels & biofeedstock sourcing, blending and marketing
- Internal demand due to natural short position
- Integrated value chain optimisation

### Our scale up plan

- Phased approach with initial focus on building manufacturing assets to produce renewable diesel, bioethanol and SAF
- Long term partnerships to secure 2G feedstock

Our 2026 goals

# 250kt

Operational target

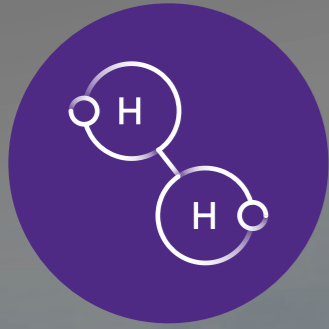
### The value chain

Feedstock sourcing

Production

Transportation & storage

Distribution



# Hydrogen

Leveraging position as significant H<sub>2</sub> consumer to develop H<sub>2</sub> production hubs

## The Market

- Regulatory Support
- Long-term solution to decarbonise hard to abate sectors
- Existing hydrogen demand to be decarbonised

## Why VARO

- Expertise in H<sub>2</sub> handling: significant H<sub>2</sub> consumer / producer in own asset
- Advantaged site locations near industrial hubs
- Leverage regulatory support to build initial capacity in Bayernoil

## Our scale up plan

- Phased approach with initial investment in 125MW electrolyser in Bayernoil
- Future opportunities to expand capacity in green & biogenic H<sub>2</sub>
- Serve industry, heavy transport customers and explore synthetic fuels path

Our 2026 goals

# 125MW

Operational target

## The value chain

Electricity sourcing

Production

Transportation & storage

Distribution







## Biomethane & Bio-LNG

Become a leading producer via selected acquisitions and industrial scale greenfield projects

### The Market

- Biomethane offers flexible end uses, high availability of a wide range of cheap bio-feedstock
- Bio-LNG highly incentivised in Germany via RED2 bio-tickets
- “Waste treatment push” and “decarbonisation pull” drive tripling of European market by 2030

### Why VARO

- Advantaged customer relationships through fuels business
- Biotickets expertise and compliance short
- Expertise in bio-feedstock sourcing

### Our scale up plan

- Selective acquisitions while building industrial scale greenfield projects
- Monetisation focused on injection into the gas grid and bio-LNG

Our 2026 goals

~1TWh

Operational target

### The value chain

Feedstock sourcing

Production

Transportation & storage

Distribution





## Carbon removals

A fully integrated player in voluntary carbon removals through investment in forestry projects

### The Market

- Demand for voluntary credits is expected to rise to >1 GtCO<sub>2</sub>e per year in 2030 (CAGR of 25-30%)

### Why VARO

- SilviCarbon investment provides expert origination team to develop proprietary pipeline
- Strong synergies with trading and marketing
- Customer relationships for integrated energy offering

### Our scale up plan

- Invest in forestry projects to produce high-quality nature-based removals
- Expand sourcing and trading activities
- Create integrated customer value proposition

Our 2026 goals

# 15MtCO<sub>2</sub>

Operational target

### The value chain

Nature-based project sourcing

CO<sub>2</sub> ticket production

Services





## e-Mobility

Provide a turnkey charging solution for customers transitioning to e-Mobility

### The Market

- Market for private & commercial EVs accelerating with ~30% annual growth rate in Europe
- >60M Battery EVs expected by 2030

### Why VARO

- E-Flux investment provides expertise in the field and presence in ecosystem
- Biotickets compliance position creates synergies with existing business
- Strong financing capabilities to scale most attractive models

### Our scale up plan

- Portfolio approach with investment into four models: backend software, smart charging, project developer for commercial fleets and hospitality clients
- Partnerships and acquisitions throughout the value chain

Our 2026 goals

# 700k sockets

Operational target

The value chain

Electricity sourcing

Turnkey charger provider

Services



# Leverage our country-strategic assets portfolio

## Bayernoil

**108,000**  
barrels per day  
**51.4%** shareholding

Ongoing sole risk project on 125MW electrolyser to **produce green hydrogen**

## Cressier

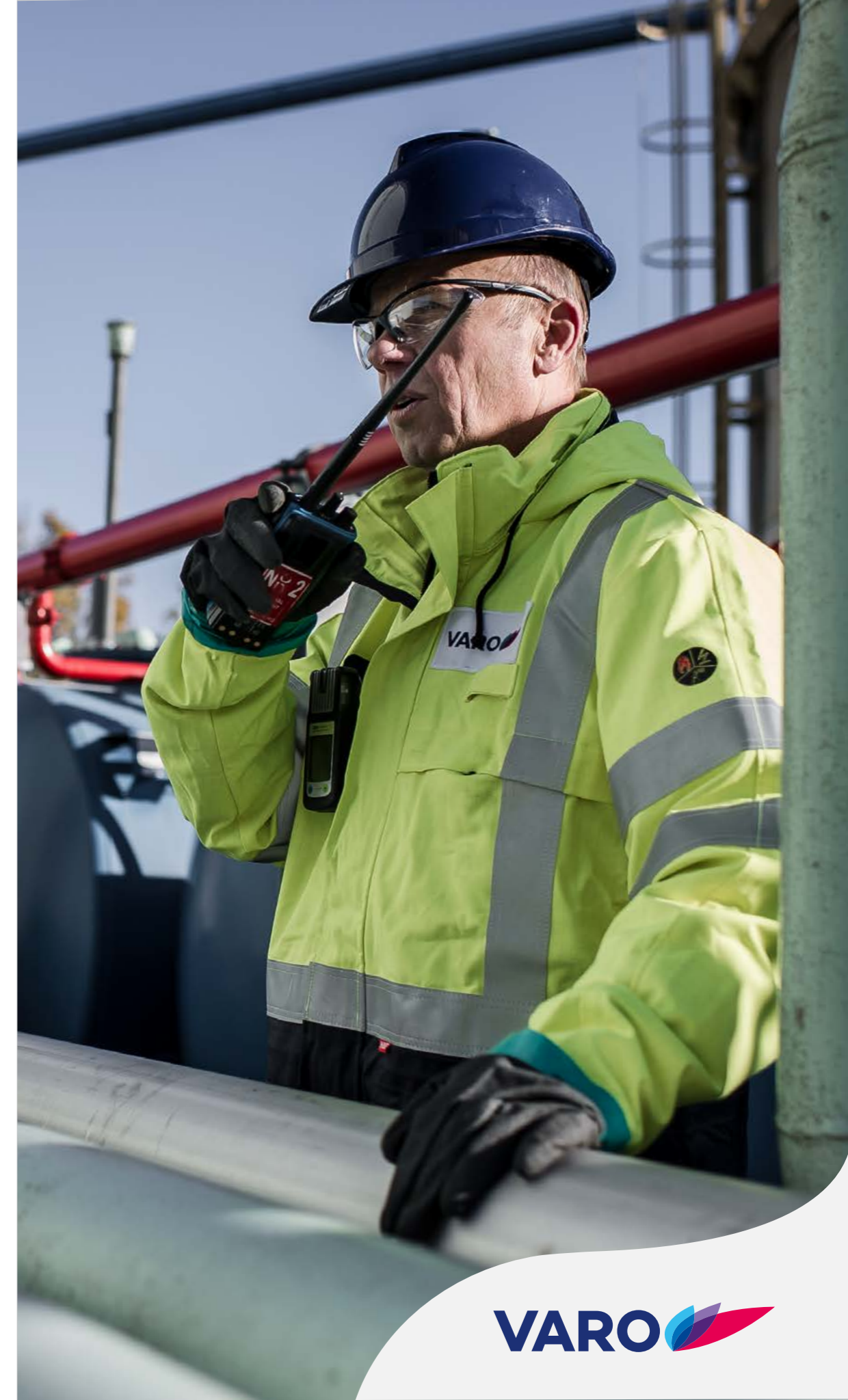
**68,000**  
barrels per day  
**100%** shareholding

**150,000** tonnes of CO<sub>2</sub> saving per year, additional initiatives to come within the next few years

## Bunkering / Terminal network

**Largest** inland bunkering network in Europe  
**40** storage facilities

**100% biofuel** bunkered to Unifeeder



# Financial framework

# Ambitious strategy to drive tangible transformation

Invest  
**~\$3.5B**  
over the 2022-26 period  
with more than 2/3 for  
sustainable energies

Grow EBITDA  
**>3x**  
by 2026

Sustainable energies  
to account for  
**+50%**  
of EBITDA by 2026



# Strategy underpinned by robust financial framework

A unique platform for growth in the energy transition

## Optimise strong balance sheet

- Significant capacity in balance sheet today given low leverage and strong cash generation
- Targeting long-term debt/ EBITDA ratio of 2.0x
- Maximum long-term debt/ EBITDA ratio at peak investment of 2.5-3.0x

## Disciplined capital allocation

- Capex of \$3.5 billion 2022-26
- 60-70% of new investments directed to Sustainable Energies business
- All projects to be NPV positive
- Maintain healthy liquidity to ensure working capital availability

## Deliver attractive financial performance

- Grow EBITDA x3 by 2026
- Over 50% of EBITDA consistently from Sustainable Energies by 2026
- Targeting ROACE of >15% for overall business by 2026
- Treble Enterprise Value by 2026



An aerial photograph of a long, multi-span bridge crossing a vast, deep blue body of water. The bridge has several concrete piers supporting its roadway. In the background, there are rolling green mountains under a bright blue sky with scattered white clouds. The water's surface is shimmering with sunlight. The overall scene is bright and scenic.

# The energy transition partner of choice





Accelerating the energy transition