

Registered number: 10673871

## **Greenergy Group Holdings III Limited**

**Annual report and financial statements for the year ended 31 December 2022**

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## **Officers and professional advisors**

### **Directors**

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## Strategic report

The Director's present their strategic report and the audited financial statements for the year ended 31 December 2022.

### Business review

The consolidated financial statements represent the results of the Greenergy Group of companies for the financial year ended 31 December 2022. Greenergy Group Holdings III is an international fuels and renewables supplier with operations in the UK, Ireland, Canada and Brazil. Increasing demand for renewable along with retail and fuel market growth in international markets continues to present strong opportunities for the business. The Group's principal activities during the year were the blending, supply and marketing of transportation fuels and waste derived renewable fuels in the UK, Ireland and Canada.

The Group made a loss before tax of £8,193,000 (31 December 2021: profit of £39,664,000) in the year. Group revenue increased by £4,903,695,000 to £20,456,307,000 for the year ended 31 December 2022. Decline in profitability was driven by increasing costs incurred in maintaining security of supply following Russia's invasion of Ukraine and the recognition of impairment expenses of £20,436,000 following a strategic review of UK infrastructure assets. The Group ended the year with net assets of £144,564,000 (31 December 2021: £160,043,000) and net current liabilities of £330,333,000 (31 December 2021: £324,938,000) due to the nature of the Group's funding through a working capital facility rather than long term debt. The working capital facility usage has increased during the year due to rising oil prices. Cash and cash equivalents reduced by £20,265,000. This was primarily the result of the net of cash inflows generated from operating activities of £99,191,000 (31 December 2021: outflows £134,160,000) and cash outflows relating to financing activities of £104,115,000 (31 December 2021: inflows £174,418,000).

The Company is a holding company for the investments in the subsidiary entities. The company made a profit of £1.0m (31 December 2021: loss of £0.1m) driven by dividend income from investments. The net assets improved to £221.1m (31 December 2021: £195.40m) due to the investment income offset by dividends paid.

### Our purpose

Our purpose is to drive transport decarbonisation through continued leadership in waste-derived renewables.

Greenergy is a leading supplier of waste-based renewables and transportation fuels. Originally founded over thirty years ago to supply diesel with lower emissions than standard diesel at the time, Greenergy is committed to reducing emissions in transport fuels.

As Europe's largest manufacturer of waste-based biodiesel, renewables are integral to our core strategy. Our flexible, global supply gives us optionality to source the lowest-cost feedstocks and products, ensuring reliable supply to our market-leading customer portfolio and extensive retail network.

### Our mission

To deliver long-term value for our stakeholders through the production and distribution of waste-derived renewable transportation fuels.

We do this by:

- Delivering change through innovation: developing and driving renewable projects
- Evolving our supply chain: maintaining quality and reliable supply
- Retaining strong customer relationships: honesty and transparency in how we work
- Acting responsibly and being accountable: doing no harm to people or place

### Our values

Our values underpin every interaction we have, whether with colleagues, customers, suppliers and the communities in which we operate.

- Respect
- Ownership
- Care
- Integrity

## Strategic report (continued)

### Markets and opportunities

#### Global context

Following two years of disruption from COVID-19, early 2022 saw demand for both gasoline and diesel recover following the rollout of vaccines for and movement restrictions lifted.

The faster-than-expected demand growth combined with reduced refinery output in 2021 eroded inventories and resulted in market backwardation at the start of the year, where forward prices were lower than prompt prices. Market tightness continued throughout the year despite refiners increasing production, exacerbated by the war in Ukraine, and diesel remained at all-time highs as inventories stayed low.

#### Ukraine

Russia's invasion of Ukraine on 24 February 2022 significantly impacted commodity and financial markets. OECD inventories of refined products were already low and when global governments began to introduce sanctions on Russian products, supplies declined further. This created upward pressure on prices as buyers sought alternative supply from countries further afield.

Markets responded and regular supply chains were significantly disrupted as vessel owners avoided loading at Russian ports and restrictions were placed on funding and insurance of Russian product.

Whilst UK and EU refineries together produce enough gasoline to meet regional demand, they do not supply enough diesel, so their output needs to be supplemented by diesel imports from further afield with Russia being one of the closest and cheaper available sources of supply.

With the market seeking additional supply, product was sourced from alternative countries which involved longer lead times for transport and delivery which impacted cost of supply. Changes to supply chains required flexibility as products were sourced from as far away as Middle East and USA. However, with further distance to travel, additional freight and handling costs, plus market premiums for non-Russian product, costs rose significantly.

Following the invasion into Ukraine, we replaced Russian diesel with non-Russian diesel where contractually possible and ceased importing Russian origin products ahead of UK Government sanctions that took effect 5 December 2022.

The conflict and subsequent sanctions resulted in significant upward pressure on commodity prices and combined with the lengthening of our supply chain to remove Russian diesel, led to an overall reduction in liquidity requiring short term support from our Parent company.

Core to our business model is our commitment to offer supply resilience. We have a responsibility to ensure security of supply in the UK and worked closely with our suppliers and Government to prepare for every contingency. Our experience in managing risk and volatility in our usual business equips us to manage these challenges and minimise any potential disruptions for our customers.

#### Post COVID-19

Following two years of disruptions from COVID-19 that saw demand fall significantly across our key markets, 2022 saw demand return along with improved availability of biodiesel feedstock for our plants and operations returning to pre-pandemic approach with staff returning to sites, plants and offices.

Our robust operations and flexible supply chain capability allow us to maintain continuity of operations and ensure supply of products for our customers.

#### UK and Ireland

Road transportation fuel demand rose again in 2022 following the easing of COVID restrictions. Overall demand remains slightly below pre-pandemic levels however has stabilised at 47.0 million tonnes (2021: 46.7 million tonnes)<sup>1</sup> with a marked change in demand structure owing to changed consumer purchasing habits.

In a bid to reduce emissions, the UK and Ireland have both introduced bans on the sale of new gasoline and diesel vehicles, planned for 2030 in the UK and 2035 in Ireland (Europe). Longer term, this will reduce demand for diesel and gasoline however with the average lifespan of a car at scrappage around 14 years and heavy good vehicles around 20 years, cars and vans powered by gasoline and diesel will be on the road for some time. Biofuels, such as the waste-based biodiesel we produce, remains one of the most readily deployable renewable options available to tackle greenhouse gas emissions in transport, and are capable of reducing carbon emissions from the many vehicles that will remain on the road for some time.

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<sup>1</sup> Source: JODI ([www.jodidata.org/oil](http://www.jodidata.org/oil))

## Strategic report (continued)

### Markets and opportunities (continued)

#### UK and Ireland (continued)

##### Import market

The UK and Ireland continue to depend on fuel imports to meet demand as domestic refiners export product to achieve a higher margin.

As markets tightened following Russia's invasion of Ukraine, demand for non-Russian product increased significantly. Without additional domestic strategic product storage or increased production from UK refiners, imports were critical during this period, however competition for non-Russian product increased, resulting in significant delays and additional costs.

As a net importer in the UK and Ireland, our flexible supply chain allows us to source product from other regions to provide optionality and ensure security of supply.

##### Americas

###### Canada

Canada's fuel demand increased further in 2022 as pandemic restrictions were lifted, with sales of gasoline and diesel reaching 63.3 million tonnes, up 1% from 2021.

As overall demand has remained below pre-pandemic levels (2019: 65.6 million tonnes), supply disruptions were minimal owing to high inventory levels.

Similar to the UK and Europe markets, the Canadian government has announced plans to limit the sale of new road vehicles to zero emission models from 2035 in an effort to achieve net-zero emissions across the country by 2050.

###### Brazil

The Brazilian market remained decoupled from international markets in 2022, as national pricing continued to be set by the majority state-owned oil company for most of the year below international import prices and the market having to respond to those pricing levels.

Whilst opportunities to trade were limited, our presence in Brazil allows us to source other components for our blending operations and feedstock for our renewables business.

##### Renewables

Rising sustainable obligations in the UK, Europe and Canada continue to increase demand for renewable transport fuels.

###### UK

The percentage of sustainable biofuel that fuel suppliers are obliged to blend into their gasoline and diesel is regulated under the Renewable Transport Fuel Obligation (RTFO) and continued to rise to 12.5% in 2022 and will continue to rise further to 17.4% by 2032.

###### Development fuels

As part of the RTFO legislation, a growing percentage of biofuel included in the obligation must be classed as development fuels, also known as dRTFCs.

Defined as new types of advanced biofuels made from sustainable wastes and residues, they are required to have a greenhouse gas savings threshold of at least 65% and represent a significant opportunity for Greenergy.

We are actively exploring opportunities to develop next generation waste-derived renewables and circular economy solutions for transport, energy and feedstocks. Within these projects, we are advancing projects that will create advanced biofuels that qualify as development fuels, capable of replacing diesel and petrol components as blended for use in conventional combustion engines.

###### Ireland

In Ireland, the Renewable Energy Directive is regulated by the Biofuel Obligation Scheme. This obligates suppliers to meet biofuel blend percentages in transport fuels. The current obligation increased to 14.94% and is expected to increase to 16.98% in 2023.

To meet these targets, increasing uptake of lower carbon fuels such as biodiesel and hydrogenated vegetable oil (HVO) is required.

## Strategic report (continued)

### Markets and opportunities (continued)

#### Canada

This year, Canada introduced the Clean Fuel Regulations to help meet its net-zero targets, replacing the current federal Renewable Fuels Regulations.

Mandatory from 1 July 2023, the Clean Fuel Regulations have established a credit market to incentivise the development and adoption of clean fuels, technologies and processes. Regulated parties such as producers and importers of gasoline and diesel must create or buy credits to comply with the reduction requirements. Credits can be held or traded, encouraging biofuel blending and the adoption of measures to reduce carbon intensity of products for the future.

Our expertise in producing, supplying and trading renewable fuels positions us to support our customers through the introduction of these regulations.

#### Biodiesel raw material supply

The market continued to be constrained by further disruptions to raw material supply in 2022 owing to continued lockdowns in Asia and tightening markets for chemicals used in biodiesel production. As legislative blending obligations increased once more in the UK, Europe and North America, demand for high quality biofuels continued to grow.

Our flexible supply chains enabled us to adapt our sourcing to other regions and ensure consistent feedstock supply for our three plants.

### Operational review

#### Renewables

We aim to build on our position as the largest waste-based biodiesel producer in Europe and accelerate investment in next generation renewables to support the energy transition.

##### *Source raw materials globally*

Our robust global supply chain provides optionality to manage our raw material costs and source a wide range of waste oils best suited to meet our technical quality and sustainability specifications.

As supply of waste oils continued to be limited in 2022 owing to prolonged COVID-19 lockdowns in certain regions, we are able to adapt our processes for more challenging quality oils. Our historical investments in our sourcing supply chain ensures we can maintain supply to our plants and diversify our sourcing from beyond the UK and Europe.

We continue to work with industry innovators such as Bioledger to further improve efficiency of data collection and ensure traceability in our supply chains.

##### *Manufacture renewables from waste*

We continue to expand our manufacturing operations through additional investments at our plants to increase output and operational efficiency. This year, we completed incremental works at our Teesside plant, and began expansion works in Amsterdam to increase output by over 25% when complete in 2023. Further works are continuing at Teesside and will be completed in 2023.

Ongoing process and technical enhancements improve the efficiency of our plants, increase output and allow us to optimise our biodiesel blends whilst reducing our raw material costs. This is essential for us to achieve our own net zero targets.

##### *Supply renewables to third parties*

We continue to sell biofuel to other oil companies throughout the UK, Europe and North America to meet increasing obligations.

Our expertise allows us to meet customer-specific sustainability and local quality requirements, recognising the characteristics of different countries and markets. This was particularly important throughout the pandemic which saw reduced availability in waste oils.

We blend biofuel in the gasoline and diesel we supply in the UK to meet our own biofuel supply obligations under the Renewable Transport Fuel Obligation ('RTFO') and are able to generate certificates that can be sold to other oil companies by blending more biofuel than our obligated amount.

Biofuel demand continues to increase as legislative blending mandates increase in our key markets. By applying our unique sustainability intellectual property, we are creating value for customers and maximising the value of the biofuels we supply.

## Strategic report (continued)

### Operational review (continued)

#### *Progress next generation renewable projects*

We are investing and progressing advanced biofuels from waste projects and exploring further opportunities to develop next generation renewable solutions for transport, energy and feedstocks including hydrogen, petrochemical, plastic-to-plastics and others.

Currently in FEED phase, our end-of-life tyre project GTT will take over 155,000 tonnes of shredded end-of-life tyres per annum and produce development fuel diesel, renewable naphtha, renewable very low sulphur fuel oil (VLSFO) and recovered carbon black, a product that can be used in the circular economy to produce new tyres and other industrial rubber products.

When complete, the GTT project will also satisfy the RTFO legislation that requires a growing percentage of biofuel to be classed as development fuels (dTRFCs) and exceed the greenhouse gas saving requirement of 65%. We are also progressing plans to produce sustainable aviation fuel ('SAF') from used cooking oil.

By creating renewable fuels and other products from waste, we are solving waste disposal problems and creating lower carbon and no carbon fuels for the future and supporting a circular economy.

### Retail, marketing and supply

#### UK and Ireland

We aim to earn the loyalty of our customers through reliable fuel supply, utilising our market leading renewables production, national supply footprint and access to key import infrastructure.

#### *Create cost and operational efficiencies*

We work to create operational and supply chain efficiencies to reduce costs and ensure supply resilience.

Against a backdrop of rising costs, we benefited from access to strategic infrastructure that gave us the flexibility to source larger cargo size ships from further afield creating economies of scale. By optimising our haulage patterns through our in-house haulage company daily, we were able to minimise disruptions for customers amidst national supply chain and protestor disruptions that continued throughout 2022.

#### *Source diesel from the lowest cost global producers*

Following the easing of restrictions related to COVID-19, demand for diesel returned at the start of 2022 whilst global inventories were low, creating backwardated market conditions. Following Russia's invasion of Ukraine on 24 February 2022 that saw global supply chains impacted, inventory levels were further strained and we saw record high prices for non-Russian fuel products.

Our access to strategic import infrastructure and robust supply chains ensured we were able to maintain supply security for the UK. Our storage facilities at the UK's only east-coast deep-water road fuel jetties, Navigator North Tees, and its pipeline connections gave the flexibility to source larger ships from further afield as sanctions on Russian ships and products were introduced. However, longer transport distances and increasing demand for non-Russian product increased costs throughout the year whilst global markets adjusted.

Greenergy welcomed government sanctions to phase out the import of Russian fuel products, and we worked closely with our suppliers to replace Russian diesel with imports from alternative sources ahead of the December 2022 deadline.

#### *Blend gasoline from component products*

We operate sophisticated gasoline blending systems at three of our largest UK import terminals. The scale of our operations allows us to accommodate a wide range of components, creating optionality and flexibility in our gasoline blending.

As demand for single use plastics declined as pandemic restrictions eased, blending components such as naphtha became more readily available and allowed us to optimise our gasoline blending.



## Strategic report (continued)

### Retail, marketing and supply (continued)

#### UK and Ireland (continued)

##### *Make safe, reliable and cost-efficient fuel deliveries to customers*

Our in-house haulage operation, Flexigrid, remains a key differentiator in our supply offer in the UK market, providing customers with highly responsive customer service.

Disruptions to supply chains owing to the war in Ukraine, coupled with protest activity across the UK and rising costs were felt across the haulage industry however the safety, quality and reliability of Flexigrid ensured we were able to minimise disruptions for our customers and secure new contracts.

As we look to maximise our efficiency, the average miles per gallon (MPG) from our in-house fleet remained stable at 9.19MPG (2021: 9.20MPG). As supply chain disruptions have also delayed our investment in new vehicles, we have had to maintain less fuel-efficient vehicles in our tractor fleet to ensure supply resilience for our customers.

To reduce our own emissions, in January 2022, we began a trial to use B20 fuel in 17 of our trucks operating out of Thames to reduce emissions and measure its efficiency. Across the trial, we saw an improvement in annual emissions of 13% on average above standard B7 diesel, along with no operational issues recorded.

In late 2022, Flexigrid partnered with Octopus Hydrogen to deliver green hydrogen to its customers, demonstrating Flexigrid's flexibility to deliver renewables across the UK.

##### *Expand our retail portfolio*

This year we have continued to expand our retail footprint across Ireland with a further seven forecourts. Recognising changing consumer demands, we have partnered with BWG to expand our convenience offering through the SPAR brand and introduced EV chargers to select forecourts.

##### *Grow in target markets*

We have expanded sales of renewable fuels such as high percentage biodiesel blends like B20 and hydrogenated vegetable oil (HVO) to help our customers reduce their emissions. Renewables remain key to our future strategy to support the energy transition and we are investing and progressing projects to produce and supply renewables for the future.

#### Americas

We have developed unique supply chains and infrastructure designed to bring low cost, quality fuels closer to our customers. We aim to extend and integrate our supply footprint into an expanding retail network to create a resilient fuel supply chain.

##### *Expand our supply footprint*

Our global supply chains comprise long-haul trucking, international and domestic rail, international shipping or a break-bulk combination of both. This unique model continues to differentiate us within the market, providing flexibility and supply resilience to our customers.

We are continuing to invest in strategic infrastructure to bring fuel supply closer to the end-consumer. This year, we expanded our supply to Langley, British Columbia.

Leveraging our supply footprint and experience in renewables, we continue to expand sales of B20, a higher percentage biodiesel, to the mining and forestry sectors to help reduce emissions compared to standard diesel. The introduction of the Clean Fuel Regulations this year provides further opportunities to expand renewables sales and support our customers through the energy transition.

##### *Develop supply chains in Brazil*

Amid tightening markets for blending components, our presence in Brazil enabled us to source and export to Europe to support our European marketing and supply business.

## Strategic report (continued)

### Investments

Our understanding of fuel markets allows us to make strategic investments to support our long-term strategy.

#### *Thames Enterprise Park*

Through our strategic joint venture with ALMCOR, a Marcol company, we are continuing work to redevelop Thames Enterprise Park and to realise the value of land on the site and in 2022, received planning permission.

Located on the site of the former Coryton refinery, adjacent to London Gateway Port, Thames Enterprise Park benefits from direct river access, a potential rail freight interchange and extensive road links to London for advanced logistics, manufacturing, and next generation energy users.

#### *Bahrain Gasoline Blending*

We continue to participate in Bahrain Gasoline Blending (BGB), a joint venture between nogaholding, Bapco and Greenergy. Established in 2017, this joint venture combines Greenergy's unique gasoline blending IP with Bapco's existing refinery infrastructure to blend gasoline to meet domestic demand within the region.

### Responsible business

#### Process safety

Safety underpins everything we do.

We operate a comprehensive central reporting system that supports the systematic investigation of each reported observation and event. This allows us to identify lessons learned from individual events and broader trends to ensure we correct issues that have the potential to lead to injuries, asset damage, environmental impacts or significant business impacts. Where we gain important learning from events, this information is communicated across the Group through noticeboards, weekly management meetings, intranet and employee app, monthly safety bulletins, toolbox talks and meetings as part of our policy of prevention and continual improvement.

#### Safety record

We maintain a strong reporting culture across all parts of the business and across all locations – from high hazard operating sites and haulage operations to offices. We encourage observation and reporting of hazards, near misses and unwanted events, however small, without fear or blame. This allows us to ensure our processes are appropriate.

Our safety record remained steady through 2022, with the rate of reportable injuries and near misses increasing slightly to 0.3 and 6.3 respectively per 100,000 hours worked (2021: 0.2 and 5.9), but lost time injuries and minor injuries decreasing.

In 2022, there were ten reportable injuries across the Group, an increase from 2021 in absolute terms (2021: 3). Whilst reportable injuries have remained stable across UK operations, the increase has been driven by international business acquired in 2021. We continue to review our processes and update our risk assessments to ensure our processes are appropriate for our business.

Every incident is shared across Greenergy management team, and safety performance reports are compiled weekly and reviewed by the senior management team to ensure full scrutiny and to share lessons across different businesses.

Group Process Integrity audits continued across all our operations, both our own facilities and also at joint venture facilities. To ensure compliance with Greenergy performance requirements, we include third-party terminals and contract haulage operations within our audit programme.

## Strategic report (continued)

### Responsible business (continued)

#### Approach

Process integrity determines how we perform our roles every day, and includes: health, personal and process safety, quality, environment, security, management of change and compliance.

We continue to review, extend and improve our Safe Operating Standards to provide a structured and consistent approach to Safety across all our operations. Continual improvement of the standards is driven by the Process Integrity team.

Our open and honest reporting captures data from across the entire Group so that we can reduce risks and improve the safe working practices for our business. New staff, contractors and new business acquisitions are rapidly introduced to the Greenergy culture of open and honest reporting.

Gap assessments and regular audits are completed on all new business areas to gain an understanding of the SHEQ culture. A tailored programme of training in safety awareness, hazard observations and Greenergy expectations of safety walks, event reporting and investigations is then developed and implemented. Across the Group, follow-up audits take place to ensure recommendations have been implemented.

Our Process Integrity management systems focus strongly on the prevention of unwanted events, however we recognise the potential for such events to occur and the need to be prepared for them. All of our facilities and business operations have effective emergency management plans in place, and review and test these plans on a regular basis. We operate a Group Crisis Management Plan that is reviewed, updated and communicated regularly. It provides management with clear processes to facilitate effective decision-making in a crisis.

#### Our people and our communities

Our greatest resource is our people, and our success is the result of their continued dedication and commitment.

As our business continues to grow and expand, so does our headcount. In 2022, we employed over 1,600 people globally across eight regions in various office, infrastructure, haulage and retail roles (1,346 in 2021).

Gender diversity as at 31 December 2022:

	M	F
All employees	1,215	396
Non-driver workforce	611	394
Leadership Team	10	2

#### Learning and development

##### Apprenticeships

As an employer committed to ongoing learning and training, we have utilised the UK Apprenticeship Levy to provide opportunities across the business – both formal Apprenticeships and also our Development Pathways programme.

During 2022, three of our colleagues completed their apprenticeships with a further twelve in progress within our plants and terminals.

##### Development Pathways

In late 2021, we implemented a new capability programme to support career progression through a series of learning and development initiatives aligned to technical and professional development.

Development Pathways are externally recognised qualifications that have been built to help teams grow through knowledge, professional skills and behaviours.

Throughout 2022, we had fifteen employees participate in active pathways and achieve qualifications in: accounting and finance, IT, data and technical qualifications.

## Strategic report (continued)

### Our people and our communities (continued)

Our greatest asset is our people, and we are committed to creating a safe and healthy working environment that supports employees physical and mental wellbeing.

Our Wellness Committee, comprising of volunteers from across the Group, provides useful tools and resources to meet a wide range of personal health needs.

Our independent Employee Assistance Programme is available to all staff globally and their families. It offers confidential, free advice and counselling on a variety of workplace and personal issues, including debt and money worries, managing work-related pressure and legal guidance on personal matters.

To support our people amidst the increase in cost-of-living, tailored initiatives were introduced across the business such as one-off payments and access to an employee discount programme.

### Supporting our local communities

#### *Charitable giving*

Our charity programme empowers our staff to support our local communities. Rather than allocated charity spending at a corporate level, the allocation is determined by employees across the Group and supported by our Charity Committee.

In 2022, half of the total charity budget of £377,000 was donated to 40 charities with a direct identifiable human benefit.

The remaining half was donated to the Disasters Emergency Committee in response to the humanitarian crisis in Ukraine, helping to fund food, water, shelter, healthcare and protection. A further donation of £111,500 was also made at a corporate level.

Through matched giving with our customers, our retail forecourts in Ireland raised a further €28,000 for the Disasters Emergency Committee to provide support in Ukraine.

#### *Leading Lights*

In Ireland, Inver's Leading Lights programme supports organisations that make an impact on children, education and families to close to Inver forecourt locations. In 2022, the programme donated €68,000 to 94 Irish charities and community organisations.

## Strategic report (continued)

### Supporting our local communities (continued)

#### *Community initiatives*

##### STEM-in-a-box

Working with local -primary schools, in September 2022 we launched STEM-in-a-box, an experience for children to experiment and explore different materials used to make energy. Working with local schools, teachers are provided with educational videos, and support materials needed for the experiment.

To date, the programme has been launched in five schools with nine classes.

##### Greenergy Challenge

Focused on secondary schools, the Greenergy Challenge asks students to investigate energy saving projects within their school or academy. Ideas are submitted and reviewed by a panel of experts for viability.

Successful projects will be initiated, and children invited to join teams to facilitate development. Supported by Greenergy's technical team, the challenge is designed to give students taking part something unique and different to incorporate into their CVs to help them stand out.

### Our environment

We seek to reduce the carbon emissions from every litre of fuel we supply and reduce the energy and resource requirements of our operations. Our priorities are:

1. Expand production and supply of waste-based biodiesel  
We blend biofuels derived from wastes because they deliver the greatest carbon benefit and have a lower land-use impact than biofuels made from crops and do not compete with food chains.  
In order to secure our own supply of waste-derived biofuels, we continue to invest in improving the efficiency and capacity of our own manufacturing capability.
2. Establish diverse and sustainable supply chains with robust certification systems  
We continue to expand our purchasing of used cooking oils from around the world as raw materials for our biodiesel manufacturing. We source not only in the UK and Europe, but also from countries where comparable biofuel incentives do not exist, and often waste oils are not disposed of responsibly with significant health and environmental impacts.  
We rely on robust supply chain certification processes that meet the International Sustainability and Carbon Certification (ISCC) standards that trace every litre of oil back to the specific restaurant or food producer.
3. Develop next generation renewables  
We continue to explore opportunities to develop next generation renewable solutions for transport, energy and circular economy and low carbon feedstocks.

### Biofuel sustainability

We devote time and resources into sourcing low carbon biofuels. Our priorities are:

1. Maximising the carbon savings from the biofuels we choose
2. Preventing land use change and protecting biodiversity
3. Choosing biofuels made from waste
4. Creating sustainable supply chains

Since 2017, 100% of our biodiesel manufactured has come from wastes.

## Strategic report (continued)

### Task Force on Climate-related Financial Disclosure (TCFD)

Whilst the climate transition poses a risk, it also creates opportunities for Greenergy to continue its development of new products and services that deliver low-carbon and circular solutions, as well as enhance the Group's future business resilience.

The Taskforce on Climate-related Financial Disclosure (TCFD) framework provides Greenergy with the opportunity to demonstrate the important role it has in the low-carbon transition and circular economy in the delivery of renewables from waste resources.

Although we are not required to make any climate-related financial disclosure until year<sup>2</sup> ended 31 December 2023, work has been undertaken in 2022 to identify, assess and manage the climate-related risks and opportunities that we believe to be relevant and material to our business. Looking forward, this will be used to inform an ongoing review of the measures required to manage exposure and seize the associated opportunities.

### Governance

#### Governance structure for climate-related matters

##### Board oversight

The Board has oversight of climate-related issues with support from the ESG Committee, chaired by the Chief Operating Officer. For example, it ensured climate considerations are incorporated into the Group's annual business plan and 5-year rolling strategy plan. During December 2022, the Board also took part in a dedicated ESG session which included a climate risks and opportunities education session.

The ESG Committee is responsible for reviewing and guiding the formulation of the Group's ESG policies and strategies. The Chair of the ESG Committee updates and keeps the Board informed of all relevant climate-related issues (and associated actions) at Board meetings as a key strategic theme on a quarterly basis.

The Board is supported by the Process Integrity Committee, the Audit Committee, and the Risk Committee, which play an important role in the identification, assessment, and management of risks across the business. The Major Projects and Investment Committee supports the Board oversees in assessing major capital expenditures and investment decisions, in addition to monitoring Greenergy's progress against targets.

Please refer to s.172 (page 45) for Board activities and decisions.

##### Management role

ESG and climate-related responsibilities are integrated throughout the management and operations of our business.

At management level, climate change issues and performance, as well as the development and implementation of the Group's ESG strategy including climate matters, are the responsibility of the ESG team, who report directly to the CEO, and are core members of the ESG Committee. The Head of ESG is responsible for leading our assessment and management of climate-related risks and opportunities in the future across climate scenarios, with reference to the TCFD recommendations.

The ESG team also engages with government bodies and trade associations to identify existing and emerging regulatory requirements related to climate change.

Climate and energy-related compliance issues are monitored at the site level by managers from individual business functions.

The ESG Working Group is a cross-functional group that is responsible for sharing information and ideas between the ESG Committee, the ESG team and the wider business, such as proposing decarbonisation initiatives for further investigation. The Working Group meets every quarter, to share insights of the respective business areas.

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<sup>2</sup> Under the Companies (strategic Report) (Climate related Financial Disclosure) Regulations 2022.

## Strategic report (continued)

### Task Force on Climate-related Financial Disclosure (TCFD) (continued)

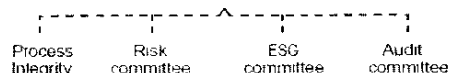
#### Sustainability and climate-related Governance

##### Board of Governance

Only Board committees with allocated responsibilities related to sustainability and climate change are listed

##### Board of Directors

##### Board committees

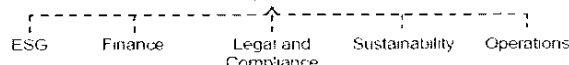


##### Management Governance

Group functions and dedicated teams with direct involvement in ESG committee matters, or with dedicated sustainability and climate change roles

##### Leadership team

##### Group functions



##### Cross-functional ESG working group

## Strategy

As a leading supplier of waste-based renewables, we are committed to reducing emissions in transport and supporting a circular economy.

### The climate scenario analysis process

Greenergy has committed to complete a Group-level assessment of climate-related risks and opportunities.

In 2022 we completed the first phase of our climate scenario analysis by undertaking a qualitative assessment of identified climate-related risks and opportunities across different climate scenarios, which entailed scoring and ranking the most material climate risks and opportunities that affect our business.

### Climate risks and opportunities assessment

Climate-related risks and opportunities, and an understanding of how potential impacts may affect on Greenergy were identified through desk-based research and extensive engagement across the business.

The tables on pages 15 to 19 set out the priority risks and opportunities that were qualitatively assessed, grouped using the TCFD classification.

Identified risks and opportunities were scored and ranked using three assessment criteria: vulnerability (a function of exposure, adaptive capacity, and sensitivity), magnitude and likelihood across climate scenarios and time horizons.

The identified risks and opportunities were considered across the following time horizons:

- **Short-term:** equivalent to 0-1 years, which aligns with the Group's annual business planning
- **Medium-term:** equivalent to 1-5 years, which aligns with the Group's strategy planning cycle
- **Long-term:** equivalent to over 5 years and up to 2050, in recognition that climate manifests over longer time periods, and in alignment with typical timelines for global Net Zero goals.

## Strategic report (continued)

### Task Force on Climate-related Financial Disclosure (TCFD) (continued)

Greenergy referenced climate projections from a range of scenarios to assess the potential impact of climate change under uncertain futures. We have adopted three sets of scenarios to ensure the spectrum of potential impacts is considered.

	Paris ambitious action (Paris)	Delayed action (Delayed)	Business as usual (BAU)
<b>Scenario storyline</b>	Paris-aligned scenario, with ambitious and gradual efforts to limit temperature rise.	Slower, less ambitious policy action OR a time lag before sudden ambitious action.	Limited to no action, with society continuing along past trends resulting in extreme warming.
<b>Scenario sources</b>	<ul style="list-style-type: none"> <li>• Network for Greening the Financial System<sup>3</sup> (NGFS) Orderly (net zero 2050) transition</li> <li>• REMIND-MAGPie Net Zero scenario</li> <li>• IPCC's SSP1-2.6</li> </ul>	<ul style="list-style-type: none"> <li>• NGFS Disorderly (delayed) transition</li> <li>• REMIND-MAGPie Delayed Action scenario</li> <li>• IPCC's SSP2-4.5</li> </ul>	<ul style="list-style-type: none"> <li>• NGFS Hot House World (current policies)</li> <li>• REMIND-MAGPie Current Policy scenario</li> <li>• IPCC's SSP5 8.5</li> </ul>
<b>Temperature outcome range (2100)</b>	1.4°C - 1.8°C	1.6°C - 2.7°C	2.6°C - 4.4°C

#### Qualitative assessment results

Presented below are the priority risks and opportunities that have been identified as the most material risks to Greenergy's business, and the actions we are taking to manage and respond to these risks. These have been prioritised on their overall risk score across all three scenarios and time horizons.

Broadly, transition risks have been identified as posing the greatest potential impact on our business and strategy. Physical risks pose less of a risk to Greenergy in the short and medium term but have the potential to increase in the long-term. Mitigating actions across several risks are already in place which reduces our risk exposure. In addition to the opportunities outlined, we deliver products aligned with the low carbon transition and circular economy.

#### Key for risk and opportunity tables

H – High or Very high impact M – Moderate impact L – Low or minimal impact

<sup>3</sup> Network for Greening the Financial System (NGFS) scenarios used for transition risks, including projections on energy demand, price changes, shadow carbon price etc. IPCC WGI Interactive Atlas utilised for physical risks providing information on changes across climate variables including temperature, precipitation, snowfall, and wind.



## Strategic report (continued)

### Task Force on Climate-related Financial Disclosure (TCFD) (continued)

#### Assessment of priority R&Os

Market R&Os				
Increased competition to procure waste-derived feedstock		Short	Medium	Long
	Paris	M	H	H
	Delayed	M	M	H
	BAU	M	L	L
Shift in demand for road fuels reduces demand for Greenergy's product		Short	Medium	Long
	Paris	L	H	H
	Delayed	L	H	H
	BAU	L	M	H
<b>Management actions:</b> <ul style="list-style-type: none"> <li>• Greenergy has a robust and diverse global supply chain to ensure continuity of feedstock supply</li> <li>• Greenergy's Next Generation team is actively exploring opportunities to develop circular economy solutions for transport, energy and feedstocks including hydrogen and petrochemicals, to diversify supply and help customers decarbonise.</li> <li>• With the average lifespan of a car at scrappage around 14 years, and heavy-goods vehicles difficult to electrify, cars and trucks powered by gasoline and diesel will remain on the road for some time. Greenergy intends to continue serving this demand alongside investing and developing next generation renewable solutions.</li> </ul>				
<b>Linked opportunities:</b> <ul style="list-style-type: none"> <li>• Expansion of low-carbon road fuel product offering – commercial clients are increasingly motivated to achieve GHG reduction targets and are seeking low-carbon fuels whilst electric is not viable or suitable.</li> <li>• Growing pressure on other sectors such as marine and aviation to decarbonise presents additional opportunities for Greenergy to leverage our experience in waste derived fuels and next generation projects. EU and UK legislation in support of SAF is due to be implemented in 2025. Greenergy's experience and its GTT project are positioned to meet demand for these biofuels.</li> <li>• Development of low carbon / circular economy products – Increasing demand for low carbon fuels and by-products that support decarbonisation and other environmental targets (e.g., tyre pyrolysis (GTT), plastic pyrolysis, hydrogen) will provide future growth opportunities</li> <li>• Globally diversified supply chain ensures Greenergy is more resilient to climate events.</li> </ul>				

## Strategic report (continued)

### Task Force on Climate-related Financial Disclosure (TCFD) (continued)

Policy Risks				
Increased pricing of GHG emissions applied to direct operational emissions		Short	Medium	Long
	Paris	M	H	H
	Delayed	M	M	M
	BAU	M	M	M
Increased costs to meet RTFO/ Clean Fuel mandates		Short	Medium	Long
	Paris	M	M	M
	Delayed	M	M	M
	BAU	M	M	M
<b>Management actions:</b> <ul style="list-style-type: none"> <li>Greenergy is committed to carbon neutral operations by 2035, with a 50% reduction by 2030 against a 2020 baseline.</li> <li>Greenergy has piloted the use of solar panels and energy-saving measures at our Amsterdam plant. We intend to replicate this at both of our UK biodiesel facilities. In addition, the installation of new boilers and cooling towers and implementation of energy policies will reduce carbon-intensity across operations.</li> <li>Greenergy is also undertaking feasibility studies to understand potential GHG reduction and energy-saving measures including green steam and electric supply, and carbon capture systems.</li> <li>We are actively exploring opportunities to develop new and advanced forms of renewable liquid fuels, as defined under the RTFO legislation, which requires a growing percentage of biofuel to be classed as new development fuels and exceed the greenhouse gas saving requirement of 65%.</li> </ul>				
<b>Linked opportunities:</b> <ul style="list-style-type: none"> <li>Increasing mandates for renewable fuels increases the market for renewable fuels. Next Gen projects give Greenergy further opportunities to produce development fuels under the RTFO. Emerging legislation in markets outside of the UK – Legislation to incentivise the use of low-carbon fuels is emerging in new markets such as Ireland and Canada where Greenergy already have a supply footprint.</li> <li>Competitive advantage in marketing low-carbon products in Canada – Greenergy's Canadian business is able to leverage Greenergy's certification experience to gain a competitive advantage in an emerging Canadian market.</li> <li>Investment in low-carbon measures reduces Greenergy's exposure to transition risks – Greenergy is investing in haulage trucks that are B20 compliant which delivers significant GHG emission savings, as well as implementing energy efficiency measures at plants and terminals (e.g., the installation of new boilers and cooling towers and energy policies, and feasibility studies for green steam, electric supply and carbon capture systems) to reduce operational emissions.</li> </ul>				

## Strategic report (continued)

### Task Force on Climate-related Financial Disclosure (TCFD) (continued)

Technology Risks				
Cost to invest in infrastructure to align with the direction of energy transition		Short	Medium	Long
	Paris	M	H	H
	Delayed	M	H	H
	BAU	M	M	M
Large costs, and limited technological solutions to decarbonise emissions intensity of operations		Short	Medium	Long
	Paris	M	H	H
	Delayed	M	M	H
	BAU	M	M	H
<b>Management actions:</b> <ul style="list-style-type: none"> <li>• Greenergy is investing in infrastructure to support the energy transition. We have directed capital investment to develop further next generation renewables and circular economy solutions for transport, energy and feedstocks including hydrogen, petrochemicals and plastics.</li> <li>• Greenergy is active in developing and implementing a low-carbon strategy, to decarbonise operations as well as increase the supply of low-carbon products and services.</li> <li>• Greenergy is committed to carbon neutral operations by 2035, with a 50% reduction by 2030 against a 2020 baseline.</li> <li>• Greenergy has introduced energy-saving measures at our Amsterdam plant. We intend to replicate this at both of our UK biodiesel facilities.</li> </ul>				
<b>Linked opportunities:</b> <ul style="list-style-type: none"> <li>• Development of low carbon / circular economy products – Increasing demand for low carbon fuels and by-products that support decarbonisation and other environmental targets (e.g., tyre pyrolysis (GTT), plastic pyrolysis, hydrogen) will diversify revenue.</li> <li>• Reputational benefits– An ambitious strategy and transparent disclosures will differentiate Greenergy from peers by enhancing reputation and brand value, retaining talent etc.</li> <li>• Investment in low-carbon measures reduces Greenergy's exposure to transition risks –the installation of new boilers and cooling towers along with energy policies will reduce carbon-intensity across operations. Feasibility studies underway to understand other areas of potential including green steam, electric supply and carbon capture systems.</li> </ul>				

## Strategic report (continued)

### Task Force on Climate-related Financial Disclosure (TCFD) (continued)

Reputational Risks				
Decreased access to working capital for the oil and gas sector in the low-carbon transition		Short	Medium	Long
	Paris	M	H	H
	Delayed	M	H	H
	BAU	M	M	H
Decreased access to financing for fixed capital if Greenergy does not meet ESG lending requirements		Short	Medium	Long
	Paris	M	H	H
	Delayed	L	M	H
	BAU	L	M	M
<b>Management actions:</b> <ul style="list-style-type: none"> <li>• Greenergy's strategic plans are focussed on longer-term projects with the Next Generation project pipeline for renewables and circular economy solutions.</li> <li>• Greenergy is committed to carbon-neutral operations by 2035, with a 50% reduction by 2030 against a 2020 baseline.</li> <li>• Greenergy is developing a transition plan to outline our approach in aligning ourselves with the energy transition.</li> </ul>				
<b>Linked opportunities:</b> <ul style="list-style-type: none"> <li>• Expansion of low-carbon road fuel product offering – commercial clients are more motivated to achieve GHG reduction targets and are seeking low-carbon fuels whilst electric is not viable or suitable.</li> <li>• Development of low carbon / circular economy products – Increasing demand for low carbon fuels and by-products that support decarbonisation and other environmental targets (e.g., tyre pyrolysis (GTT), plastic pyrolysis, hydrogen) will diversify revenue.</li> <li>• Reputational benefits- An ambitious strategy and transparent disclosures could differentiate Greenergy from peers by enhancing reputation and brand value, retaining talent etc.</li> </ul>				

## Strategic report (continued)

### Task Force on Climate-related Financial Disclosure (TCFD) (continued)

Physical Risks				
Damage to terminals, plants, and other owned equipment from extreme weather events e.g., flooding		Short	Medium	Long
	Paris	H	H	H
	Delayed	H	H	H
	BAU	H	H	H
Disruption in the supply chain at supplier assets or in transportation		Short	Medium	Long
	Paris	L	H	H
	Delayed	L	H	H
	BAU	L	H	H
<b>Management actions:</b> <ul style="list-style-type: none"> <li>• Greenergy uses FM Global's Natural Hazard map to review physical risks to key sites.</li> <li>• Following previous flooding at Immingham, Greenergy rebuilt the site with flood defences to improve site resilience.</li> <li>• Greenergy's insurance program covers damages and business interruption due to physical damage, or loss of access, to sites.</li> <li>• Greenergy sources feedstock and products from around the world. By maintaining optionality, we are able to quickly respond to disruptions to the supply chain.</li> </ul>				
<b>Linked opportunities:</b> <ul style="list-style-type: none"> <li>• Investment in adaptation measures to increase resilience of operations to extreme weather .</li> <li>• Globally diversified supply chain means Greenergy are more resilient to climate events.</li> </ul>				

## Strategic report (continued)

### Task Force on Climate-related Financial Disclosure (TCFD) (continued)

#### Climate resilience

Greenergy is committed to delivering sustainable solutions for transportation through the energy transition. As such, our business is closely tied to climate change solutions and as a result, climate is already embedded in the way we think about our strategy and how we manage and respond to risks, ensuring the resilience of our strategy under the climate transition.

By investing in the diversification of products and services we provide through the delivery of next generation renewables, Greenergy seeks to not only maintain Group performance but to look for opportunities to grow the business. We are making progress on driving innovation, investing in the delivery of next generation renewables that support the low-carbon transition but also deliver in line with circular economy ambitions. Diversification of the products we supply our customers will also minimise the effect of changing customer preferences.

Ensuring the Group's resilience to physical climate hazards is a primary aspect of the Business Continuity Plans developed for each site. In addition, investment in climate adaptation measures ensures the Group can enhance its preparedness and ensure resilience.

Greenergy has invested in the decarbonisation of our own operations through the implementation of energy efficiency measures and switching to renewable or lower-carbon energy sources at our plants and terminals. For example, at Immingham, the installation of new boilers and cooling towers will be more efficient and are exploring opportunities to switch to LNG from natural gas and Kerosene at Tees and Immingham respectively.

In addition, we have invested in haulage trucks which can use B20 fuel. These measures are essential levers to reduce our emissions and the carbon intensity of our operations.

In the longer term we will be monitoring the development of emerging technologies to reduce or eliminate the harder-to-abate emissions in our direct operations. Our project pipeline supports our resilience through the climate transition. In 2022, we:

- Continued to progress our end-of-life tyre project, Green Tyre Technology Lt (GTT) currently in front end engineering design. Taking end of life tyres, GTT will produce development fuel diesel, and recovered carbon black that can be used in new tyre production, supporting a circular economy. The GTT plant will also have the capability to produce sustainable aviation fuel (SAF) from waste oils.
- Invested in the expansion of our Amsterdam biodiesel manufacturing plant by over 25% and allowing us to process a wider range of waste oils, demonstrating our commitment to expand capacity in the delivery of renewables from waste.
- Partnered with Octopus Hydrogen for the collection and delivery of green hydrogen to Octopus Hydrogen customers, with the first delivery made in December 2022. This partnership is the first step in our strategy of delivering hydrogen.
- Trialled B20 in a portion of our in-house haulage fleet Flexigrid, to reduce emissions from our operations and demonstrate the savings and impact of B20 on a commercial fleet.

Refer to strategic report p 2 to p 49 for further detail.

#### Risk management

Climate change and climate-related regulatory and compliance risks are part of the Group's principal risk register (refer pages 28 to 38).

Greenergy has welcomed adoption of the TCFD framework to help guide development of the internal assessment of climate related risks and opportunities. This assessment was undertaken in 2022 and the results have provided the Board and senior management with a more granular understanding of the drivers of climate-related risks.

Looking forward, this will be used to inform an ongoing review of the measures required to manage exposure and seize the associated opportunities.

## Strategic report (continued)

### Task Force on Climate-related Financial Disclosure (TCFD) (continued)

#### Risk and opportunities identification and assessment process

In the first stage of the assessment, Greenergy held internal interviews to understand the effect of climate risks and opportunities in different parts of the business. Each identified transition risk (including emerging regulatory requirements), physical climate risk, or related opportunity was qualitatively assessed and scored to understand the significance on the Group's strategic resilience.

For risks, a total score was determined as a function of three indicators: vulnerability, likelihood, and magnitude of impact. For opportunities, the total score was determined using two indicators: the size of the opportunity and the business' ability to execute based on existing strategic alignment and cost to realise the opportunity.

Each identified risk and opportunity were quantitatively assessed, score and ranks to understand the comparative significance to the business. This scoring was repeated for each climate scenario and time horizons considered (see pages 13 to 19 for more information).

See pages 28 to 38 for the principal climate risks and opportunities identified.

#### Risk controls

Greenergy incorporates climate factors into its risk management, and has taken action to avoid, mitigate and adapt to physical and transition risks.

Operational and major incident hazards, including those aggravated by climate change such as flooding or extreme temperatures, are identified, monitored and managed at site level, with support from the Process Integrity and Business Continuity Plan team.

Flooding is one of the main hazards faced by many of our terminals and plants which are coastal or riverside and the risk and associated mitigants are outlined in the Risk Register on pages 28 to 38.

The Group has also responded to transition risks, such as the adoption of an internal carbon price. This was reviewed in 2022, and at £80 per tonne/CO<sub>2</sub>e to reflect recent increases with the UK ETS cost. The carbon price has been incorporated into investment calculations and large capital decisions, and the Group is defining relevant metrics to drive its commitment to prioritise growth capital on projects that reduce emissions intensity.

#### Risk integration

Climate change and climate-related regulatory and compliance risks, such as biofuel supply obligations or the Renewable Transport Fuel Obligation (RTFO) scheme feature in the Group's principal risk register. Climate-related physical risks sit as risk drivers to the Business Continuity principal risk. Both form part of the Group's principal risk register, refer to pages 28 to 38 for more detail.

#### Metrics and targets

Climate change is identified as a principal risk in recognition of low carbon transition impacts and potential physical impacts of climate change. Our climate impact assessment has provided a more granular understanding of risks and subsequently increased the comparative importance of climate change as a principal risk.

Greenergy monitors its performance across a range of absolute and intensity environmental indicators, which keeps the Group informed of and accountable for its environmental impact.

We measure operational (Scope 1 and 2) GHG emissions as well as emissions from Scope 3 categories relating to indirect emissions from business travel, waste and water for all UK plants, terminals and offices and other environmental metrics related to avoided emissions, water, energy, renewables, waste, and fuel-specific intensity metrics. In 2022, the Group prioritised the development of a more comprehensive Scope 3 inventory (see page 22) and it is our intention to disclose all material Scope 3 emission categories, including those relation to emissions from the use of our products, alongside the adoption of the requirements for of the TCFD in 2023.

Greenergy has committed to achieving Net Zero by 2050 or sooner, and to attaining carbon neutrality of operational (Scope 1 and 2) emissions by 2035, with an interim target to reduce gross emissions by 50% by 2030, against our 2020 baseline.

In line with our strategic commitment to supply low-carbon fuels and circular solutions, we have a target of helping our customers avoid 8m tCO<sub>2</sub>e by 2030, and 12m tCO<sub>2</sub>e by 2035, with our products, which we are on track to achieve (see page 24)

The Science-based Targets Initiative (SBTi) is currently developing a new methodology for oil and gas companies to set science-based targets. Greenergy continue to monitor best practice and global industry standards for decarbonisation targets.

## Strategic report (continued)

### Task Force on Climate-related Financial Disclosure (TCFD) (continued)

#### Greenenergy's alignment with TCFD cross-industry metrics

Greenenergy has various KPIs that are used to report publicly and track internally but recognise the benefit of setting metrics that align with our most material risks and opportunities. The table below sets out our alignment with the TCFD recommended cross-industry metrics and our actions to improve our metrics and targets.

Metric category	Alignment and rationale
<b>GHG emissions:</b> Absolute Scope 1, Scope 2, and Scope 3; emissions intensity	<b>Scope 1, Scope 2, Scope 3, Tonnes CO2e per cubic metre of product sold (Scope 1 &amp; 2), Tonnes of CO2e per employee, Flights, train, car travel (metric tonnes), Waste and water (metric tonnes), CO2 emissions by activity (renewables, Retail, marketing, and supply – Europe, Retail, marketing, and supply – Americas, Middle East).</b> Greenenergy have been reporting their GHG emissions since 2019. In 2022, we have incorporated in our internal reporting where our material risks and opportunities are connected to our GHG emissions. Please refer to page 25 for information on methodology used.
<b>Transition Risks:</b> Amount and extent of assets or business activities vulnerable to transition risks	Greenenergy is looking to set metrics and risk management indicators to measure and monitor the extent to which our most material transition risks impact our business, and to monitor the management actions we are taking.
<b>Physical Risks:</b> Amount and extent of assets of business activities vulnerable to physical risks	Greenenergy is looking to set metrics and risk management indicators to measure and monitor the extent to which our most material physical risks impact our business, and to monitor the management actions we are taking.
<b>Climate-related Opportunities:</b> Proportion of revenue, assets, or other business activities aligned with climate-related opportunities	Greenenergy is looking to set metrics to measure and monitor the scale of the opportunities that align with our business activities.
<b>Capital Deployment:</b> Amount of capital expenditure, financing or investment deployed toward climate-related risks and opportunities	Greenenergy is looking to set metrics for capital deployment following our forthcoming quantitative scenario analysis.
<b>Internal Carbon Prices:</b> Price on each ton of GHG emissions used internally by an organisation	<b>Internal carbon price (£ 80 per tonne).</b> Greenenergy recently updated our internal carbon price which is used in decision making for new projects including decarbonisation and next generation projects.
<b>Remuneration:</b> Proportion of executive management remuneration linked to climate considerations	Greenenergy does not have a remuneration metric and does not anticipate setting one in the near-term.

#### Next Steps

In 2023, Greenenergy will progress our alignment with the TCFD recommendations with a quantitative assessment of our priority risk and opportunities.



## Strategic report (continued)

### Streamlined energy and carbon report<sup>4</sup>

We continually look to improve all of our processes, making them more efficient and sustainable to reduce the impact of our operations.

#### Energy consumption

We have continued to make good progress to improve our energy consumption across our operations through introduction of energy efficiency measures and modifications to our plants. However, as we delivered a higher volume of product in 2022 compared to 2021, energy consumption increased across the Group.

We aim to have 100% of electricity purchased coming from renewable sources by 2025 or sooner. In 2022, we continued the process of switching the electricity contracts we control to certified renewable tariffs.

#### Biodiesel plants

Our biodiesel plants contribute the most energy usage across the business, and we are continuing to investigate how we can reduce energy usage further.

Our UK plants have run on renewable electricity since late 2020 and in 2022, our Amsterdam plant switched for a green tariff for electricity and gas. Regular maintenance schedules and continued investment in our plants keeps them in optimal condition, allowing us to operate them as efficiently as possible and increase output.

Following the energy saving measures introduced at the Amsterdam plant in 2021, we have begun to replicate the learnings at our UK plants. At our Immingham plant for example, we completed an in-depth heat and energy survey, made modifications to plant, and installed solar panels to our site offices. In Teesside, we installed a second boiler control panel, delivering both gas and electricity reductions and commenced the installation of a new, more efficient cooling tower which is expected to be completion in 2023.

In 2022, to improve the understanding and management of energy for our plants we installed an energy monitoring system at our Teesside plant. The system will provide live energy data and historic trends and we will assess the potential roll out of the system at our other plants. We are also in the process of achieving ISO 50001 accreditation for all three plants, with the initial audit complete and training of the requirements undertaken by the biofuels team. We will continue to progress throughout 2023.

#### Flexigrid

A key contributor to our operational emissions sits within our distribution fleet. This year, non-renewable fuel consumption rose within Flexigrid as we drove further to deliver more fuel. We optimise our haulage patterns daily to operate efficiently, however supply and protest disruptions meant that we had to drive longer distances this year.

Solutions to reduce haulage and distribution fleet emissions is therefore important for us to deliver against our goals. In addition to driver training and route optimisation efforts to improve fuel efficiency, in 2022 we trialled the use of a high percentage biodiesel blend - B20 at a large scale under real world conditions. The 12-month trial resulted in an annual average 13% GHG saving above standard B7 diesel and positive feedback from our drivers. We are looking at the possibility of rolling out the use of B20 to other locations and are working with customers about the potential use of the fuel to support their own emission reduction journeys.

#### Energy consumption (kWh) across the Company and subsidiaries by type

	2022	2021
Non-renewable fuel	94,571,348	83,761,061
Renewable fuel	5,597,162	5,222,695
Non-renewable electricity	4,681,309	10,226,123
Renewable electricity	29,477,378	23,806,808
Non-renewable heat	219,942,206	273,717,587
Renewable heat	20,463,553	-
<b>Total non-renewable energy</b>	<b>319,194,863</b>	<b>367,704,771</b>
<b>Total renewable energy</b>	<b>55,538,093</b>	<b>29,028,503</b>
<b>Total energy consumption</b>	<b>374,732,956</b>	<b>396,733,274</b>

<sup>4</sup> The Streamlined energy and carbon report is presented for the Greenergy Group Holdings III Limited Group, of which the Company is a wholly owned subsidiary

## Strategic report (continued)

### Streamlined energy and carbon report (continued)

We are committed to reducing our emissions from our operations, and the products we supply. We do this by continually improving our processes to operate more efficiently and using our expertise and continued leadership to develop waste-based renewables.

In setting our commitments, we chose to separate our emissions into operational (Scope 1 and 2) and Scope 3, so that we can better measure progress made within our operational control. We have also chosen to focus on increasing the greenhouse gas savings of the products we sell.

Guidance from the GHG Protocol, Science Based Targets Institute and the Task Force on Climate-related Financial Disclosures has been used in agreeing our commitments.

Throughout 2023, we will further develop our roadmap to meeting our commitments, including the setting of milestone targets for our scope 3 emissions.

#### Capital expenditure

As we continue to expand our operations, this year we have considered the impact to our emissions intensity of projects requiring growth capital. We will continue to assess this impact, prioritising projects that support a reduction in emissions intensity.

#### Our commitment:

1. Carbon neutral operations by 2035 (50% by 2030) against 2020 baseline
2. Help our customers avoid 8m tCO<sub>2</sub>e by 2030 and 12m tCO<sub>2</sub>e by 2035 with our products
3. Achieve Net Zero<sup>5</sup> by 2050 or sooner

### 2022 Carbon emissions

Total operational CO<sub>2</sub>e emissions decreased across the Group in 2022, driven by modifications and energy efficiency measures to our plants, and the continued roll out of renewable electricity purchase contracts.

#### CO<sub>2</sub>e emissions (\*metric tonnes) for the Company and subsidiaries

		2022	2021
Scope 1 – direct emissions from operations		66,966	74,253
Scope 2 – indirect emissions	Location based <sup>6</sup>	8,624	8,455
	Market based <sup>7</sup>	1,302	3,388
Scope 3 – indirect emissions related to business travel, waste and water where available		333	127
Total emissions	Location based	75,923	82,835
	Market based	68,601	77,768

#### Intensity figures

	2022	2021
Metric Tonnes CO <sub>2</sub> e per cubic metre of product sold	0.004	0.005
Metric Tonnes CO <sub>2</sub> e per employee	42	55

<sup>5</sup> Net Zero is defined as a state of zero/neutral carbon dioxide emissions, primarily through reducing/removing of emissions and then by balancing (Scopes 1, 2, and 3).

<sup>6</sup> Location based method of calculating emissions reflecting the average emissions intensity of grids on which energy consumption occurs

<sup>7</sup> Market based method reflects emissions from electricity specific chosen, for example from the purchase of renewable energy.

## Strategic report (continued)

### Streamlined energy and carbon report (continued)

#### Scope 3 – CO<sub>2</sub>e emissions (metric tonnes) from business travel, waste and water<sup>8</sup>

	2022	2021
Flights, train, car travel	324	104
Waste and water	9	23
Total	333	127

#### Operational (Scope 1 and scope 2) CO<sub>2</sub>e emissions (metric tonnes by activity)

	2022	2021
Renewables	42,787	54,613
Retail, marketing and supply – Europe	25,285	22,905
Retail, marketing and supply – Americas	195	123
Total	68,267	77,641

#### Methodology

Conversions from Greenergy operational data have been calculated in accordance with the Defra Conversion Factors 2022 (version 2.0 expiry 7 June 2023).

During 2022 we reviewed and updated our organisational boundary, updating our consolidation approach from financial to operational control, with an equity share approach utilised for our investments. The use of operational control better aligns with others in our sector, to allow for more comparable information, and with the draft guidance of the SBTi sector standard.

We have included all emissions classified in Scope 1 (fuel combustion, company vehicles and fugitive emissions) and Scope 2 (purchased electricity) of the Greenhouse Gas (GHG) Protocol – A Corporate Accounting and Reporting Standard. Certain aspects of Scope 3 have also been included as required, relating to business travel in addition to waste and water where information is available. This reporting is in alignment with the GHG Protocol “Corporate Value Chain (Scope 3) Accounting and Reporting Standard”.

Emissions associated with office and travel have been allocated to the relevant business unit.

KWh figures follow same methodology as CO<sub>2</sub>e calculations, using conversion factor where necessary.

#### Carbon emissions

This period, total carbon footprint decreased largely driven by the decline in emissions from our renewables business.

To meet our targets, we are continuing to progress plans to reduce our carbon footprint further, we remain focused on reducing our consumption and emissions further.

This year, we reviewed and updated the reporting methodology and organisational boundary for our emissions, moving from a financial control basis to operational control to better align with others within the industry. Historical data has been restated to align with this new methodology.

#### Renewables

Reflecting the transition of our UK plants onto renewable energy, emissions from our renewables production business decreased in 2022, totalling 42.7k mt CO<sub>2</sub>e (2021: 54.6K mt CO<sub>2</sub>e).

We continue to actively evaluate further measures to reduce emissions

<sup>8</sup> 2021 Scope 3 emissions relate to indirect emissions from business travel, waste and water for all UK plants, and terminals/offices where information is available.

## Strategic report (continued)

### Future Outlook

Our strategy to lead in waste-based renewables, grow our supply chain infrastructure advantage, retail portfolio and expand our route to key markets will enable us to deliver on our purpose and mission. We continue to focus our capital on waste-based renewables and Next Gen fuels to support the energy transition.

We are continuing to progress projects to reduce our own carbon emissions.

Further indication of the likely future developments in the business, including the impact of government net zero by 2050 policies, can be found in the strategic report.

### Key Performance Indicators

The Group uses a number of key performance indicators to evaluate the overall performance of the Group from a financial and operations perspective. The Group's key financial and other performance indicators during the year were as follows:

	Year ended 31 December 2022	Year ended 31 December 2021
Adjusted EBITDA (£'000)	148,268	134,371
(Loss)/profit before taxation (£'000)	(8,193)	39,664
Sales volume litres (billions)	16.7	17.1
International sales growth litres (billions)	2.3	2.2
Biodiesel from waste (%)	81	100
Bioethanol from waste (%)	18	46
Fuel efficiency in our in-house haulage fleet (MPG)	9.19	9.20
On-time deliveries from our in-house haulage fleet (%)	96.20	97.74
Number of deliveries per crossover	11,832	24,027

#### Adjusted EBITDA<sup>9</sup>/Profit before tax

Adjusted EBITDA for 2022 was £148.3m compared to £134.4m in 2021. Loss before tax totaled £8.2m, a decline from a profit before tax of £39.7m in 2021 reflecting increased costs incurred to ensure supply security.

Performance benefited from returning demand the easing of restrictions in all markets from the pandemic, and increasing demand for renewable fuels.

#### Sales volume

Higher commodity prices and rising inflation in 2022 impacted on fuel demand in the UK and ultimately dampened our supply volumes. We also took the decision to exit our marine business which led to lower supply volume. International sales growth increased reflecting growth in our Canada supply business.

#### Biofuel from waste

We continue to maximise our use of waste-based biofuels in our blending in the UK, using biodiesel produced in our own manufacturing operations and, when available, waste-based bioethanol sourced from third parties.

With rising demand and reduced feedstock as restaurants recovered from the pandemic, this period we supplemented waste-based biodiesel produced in our manufacturing facilities with crop-based biodiesel supplied by third parties to meet customer demand.

#### Fuel efficiency in our in-house haulage fleet

Fuel efficiency in our in-house fleet remained stable in 2022 at 9.19 miles per gallon (MPG) (2021: 9.20MPG). With delays to global supply chains, we have slowed our replacement vehicle programme which has meant that older vehicles are staying on the road longer.

MPG is expected to remain at this level, well above industry standards as we continue to optimise our haulage operations.

<sup>9</sup> Adjusted EBITDA is a non-GAAP measure. Refer to note 32 of the financial statements for further details and reconciliation.

## Strategic report (continued)

### Key Performance Indicators (continued)

#### On time deliveries (UK)

Our target is for more than 99% of our deliveries to be made within the delivery window agreed with the customer. The complexity of our delivery operations increased further as we expanded our delivered-in sales and improved our haulage optimisation.

Average on-time deliveries declined nominally from 2021 levels owing to increased supply and protest disruptions.

#### Crossovers

Our target is to eliminate all delivery crossovers. Crossovers cause additional costs and delays for our customers and can impact the general public directly as well as cause reputational damage.

This year, number of deliveries per crossover fell from 24,027 to 11,832, reflecting the increase in absolute figures. An increase from 2021, this remains a priority for us.

We continue to invest in driver training and are looking to expand the adoption of portable MIDAS. These units can help prevent a delivery crossover, ensuring reliable supply for our customers, and we hope to extend these further into our retail customer base during 2023.

## Strategic report (continued)

### Principal risks and uncertainties

The Group operates in a global industry exposed to risk from a variety of sources. These risk areas pose challenges to all parties involved in oil markets and supply. The Group invests heavily in risk management to identify and implement responses as mitigants.

The risks we face in our business, and the action we take to mitigate those risks, are formalised in a risk register which is reviewed regularly by the Board.

The principal risks to the Group are discussed below. We operate a numerical range for magnitude of impact and likelihood of occurrence after mitigation, with 1 being negligible/low and 5 being extreme/expected. Principal risks identified are considered risk of occurrence in the next 12-24 months.

Group risks		
<b>Health, safety and environmental incidents</b>  Our operations involve the storage and processing of fuel products and the movement of these products by ship, train and truck, and includes deliveries to both customer and retail sites. These activities bring us into contact with members of the public and the environment. Our retail operations include the preparation and storage of food items, and bring our staff into contact with members of the public.		
<b>Mitigating action</b> The personal health and safety of our staff and customers is our top priority. Safety is embedded in our culture and all staff understand their responsibility and are empowered to operate safely.  We focus on preventing major pollution, injury and/or loss of life due to systems or equipment failure through process management.  Our Group Process Integrity function oversees our global operations and sets the standard for all activities.  Personal and process management systems are based on best industry practice and implemented at both corporate and country level.  As we expand internationally, we audit all businesses on an appropriate timeline. Our approach is to ensure all activities are assessed, people trained, and all incidents are reported. Investigations are in an atmosphere of ownership and responsibility.		
<b>Magnitude of impact</b>	<b>Responsibility</b>	<b>Magnitude of impact after mitigation</b>
4.5 (2021: 4.5)	Executive Directors and Head of Process Integrity	3 (2021: 2.75)
<b>Likelihood of occurrence</b>		<b>Likelihood of occurrence after mitigation</b>
4 (2021: 4)		2.5 (2021: 2.5)

## Strategic report (continued)

### Principal risks and uncertainties (continued)

<b>Climate change</b>  Climate change is identified as a principal risk in recognition of low carbon transition impacts and potential physical impacts of climate change.  Risks associated with climate change and the transition to a lower carbon economy will affect markets, policy, technology, reputational and physical risks.  Broadly, transition risks have been identified as posing the greatest potential impact on Greenergy's business and strategy. Physical risks pose less of risk to Greenergy in the short and medium term but have the potential to increase.  Although we are not required to make any climate-related financial disclosures until year ended 31 December 2023, Greenergy has welcomed the TCFD framework to help guide development of the internal assessment of climate related risks and opportunities.  The information from this assessment will be used to inform an ongoing review of the measures required to manage exposure and seize the associated opportunities.  For more detailed information, refer TCFD disclosure.		<b>Mitigating action</b>  Our climate impact assessment has provided a more granular understanding of risks and subsequently increased the comparative importance of climate change as a principal risk.  Greenergy is committed to delivering sustainable solutions for transportation through the energy transition. Climate is already embedded in the way we think about our strategy and how we manage and respond to risks.  We are investing in the delivery of next generation renewables that support the low-carbon transition but also deliver against circular economy ambitions. Diversification of our products we offer will also minimise the effect of changing customer demands.  Ensuring the Group's resilience to physical climate hazards is a primary aspect of the Business Continuity Plans developed for each site. In addition, investment in climate adaptation measures ensures the Group can enhance its preparedness and ensure resilience.  We are decarbonising our own operations, implementing energy efficiency measures and switching to renewable or lower-carbon energy sources at our plants and terminals. Longer term, we believe emerging technologies will be needed to further reduce emissions in our direct operations.  Our project pipeline supports our resilience through the climate transition.  Whilst the climate transition poses a risk, it also creates opportunities for Greenergy to continue its development of new products and services that deliver low-carbon and circular solutions, as well as enhance the Group's future business resilience.
<b>Magnitude of impact</b>	<b>Responsibility</b>  Executive Directors, ESG Committee and Head of ESG	<b>Magnitude of impact after mitigation</b>
4 (2021: 4)		3 (2021: 4)
<b>Likelihood of occurrence</b>		<b>Likelihood of occurrence after mitigation</b>
4 (2021: 3)		3.5 (2021: 3.5)

<b>Pandemic</b> A global outbreak of an infectious disease, increasing the risk of morbidity and mortality. As seen from the outbreak of the COVID-19, a global pandemic can have sudden and widespread impacts on our operations, global economies and the physical and mental health of our employees		<b>Mitigating action</b> To protect our staff during COVID-19, we transitioned non-operational staff to working from home where possible and implemented a raft of measures to protect our operational staff, such as those at plants, terminals and our drivers. These measures minimised contact with colleagues and the public to provide as safe a working environment as possible whilst ensuring continuity of supply for our customers.  The approach taken allows us to make quick risk-based decisions to protect our team and limit the impact of any different virus mutations that arise or any future pandemic.
<b>Magnitude of impact</b>	<b>Responsibility</b>  Executive Directors	<b>Magnitude of impact after mitigation</b>
5 (2021: 5)		4 (2021: 4)
<b>Likelihood of occurrence</b>		<b>Likelihood of occurrence after mitigation</b>
2.5 (2021: 2.5)		2.5 (2021: 2.5)

## Strategic report (continued)

### Principal risks and uncertainties (continued)

<p><b>Business continuity</b></p> <p>Unforeseen extreme events are by their nature difficult to predict but have potential to cause severe impact on business performance and customer service.</p> <p>The COVID-19 pandemic and Russian sanctions introduced following the invasion of Ukraine, highlights the importance of planning and preparation of unforeseen events and our ability to respond.</p>		<p><b>Mitigating action</b></p> <p>The Group has a well-established and communicated crisis management plan, which gives a structured response to unforeseen events and detailed plans to ensure business continuity. This includes the setting up of response teams to co-ordinate a structured response for longer-term situations.</p> <p>Comprehensive disaster recovery processes are tested regularly, which allow business operations to continue in the event of a disruption that impacts our critical systems or office locations.</p> <p>Office staff are well equipped to work remotely with secure access to all resources.</p> <p>As demonstrated through the pandemic and the introduction of Russian sanctions we were able to maintain operations to ensure continuous fuel supply for customers. Drawing on our crisis plans and flexible supply chains that allowed us to source product from further afield to ensure business continuity and compliance with sanctions.</p>	
<p><b>Magnitude of impact</b></p> <p>4 (2021: 4)</p>	<p><b>Responsibility</b></p> <p>Executive Directors</p>	<p><b>Magnitude of impact after mitigation</b></p> <p>3 (2021: 3)</p>	<p><b>Likelihood of occurrence after mitigation</b></p> <p>3 (2021: 3)</p>
<p><b>Likelihood of occurrence</b></p> <p>4.5 (2021: 4.5)</p>			

<p><b>Regulatory changes</b></p> <p>The Group is exposed to regulatory changes in all the regions in which it operates. These can significantly impact the cost of supplying fuel to the end-user and it may not always be possible to pass on additional costs through our supply chain.</p> <p>Any change to global sanctions and tariffs can also disrupt our supply chain, increasing costs.</p> <p>Examples of historical changes have included:</p> <ul style="list-style-type: none"><li>• The UK's Renewable Transport Fuel Obligation (RTFO) obligation scheme which sets out the requirements to blend biofuels into road fuel<ul style="list-style-type: none"><li>- Ireland's Biofuel Obligation Scheme which sets out the requirements to blend biofuels into road fuels</li><li>• The UK standard moving from an E5 standard to E10 (maximum 10% ethanol for gasoline) in 2021.</li></ul></li></ul> <p>The introduction of the Clean Fuel Regulations in Canada which incentivises blending and measures to reduce carbon intensity.</p>		<p><b>Mitigating action</b></p> <p>Our global supply chain allows us optionality to switch product sourcing between regions as required. We have multiple sourcing and delivery locations for all of our feedstock, components and products, ensuring security of supply to our customers.</p> <p>We continue to work with governments in the regions we operate to prepare for any changes and minimise any potential disruptions for our customers.</p> <p>As Europe's largest manufacturer of biodiesel from waste, we are uniquely positioned to meet growing demand for biofuels from higher UK blending obligations from our own plants, and we continue to invest in next generation renewables from waste projects to support transport decarbonisation. These projects also meet the RTFO legislation that requires a growing portion of biofuels to be derived from development fuels, such as our end-of-life tyre project.</p>	
<p><b>Magnitude of impact</b></p> <p>3.5 (2021: 3.5)</p>	<p><b>Responsibility</b></p> <p>Board</p>	<p><b>Magnitude of impact after mitigation</b></p> <p>3 (2021: 3)</p>	<p><b>Likelihood of occurrence after mitigation</b></p> <p>2 (2021: 2)</p>
<p><b>Likelihood of occurrence</b></p> <p>3 (2021: 3)</p>			



## Strategic report (continued)

### Principal risks and uncertainties (continued)

<p><b>Cyber</b></p> <p>The profile and therefore the risk of cyber-attack is increasing for businesses globally. Threats present themselves in many forms, including viruses or targeted emails which create data integrity issues or loss of data, leading to inaccurate reporting or financial loss.</p> <p>Unauthorised access to systems either internally or externally create risk of loss of data and exposure under GDPR legislations. Local approaches to GDPR exist in many jurisdictions we operate in including UK, EU and Canada.</p> <p>The pandemic created an increased risk of cyber-attack particularly through complex social engineering attacks as much of the workforce moved to a remote working platform.</p>			<p><b>Mitigating action</b></p> <p>We work with leading external security specialists to improve our technology, staff awareness and involve multiple layers of security to protect the business. Participation in specialist Government/industry committees provides additional notification and ensures we remain aligned with industry best practice.</p> <p>Our systems retain the same security and access restrictions in a remote working environment as they do when physically present in the office and as such are well structured for the new ways of working in response to the pandemic</p> <p>Our information security strategy is reviewed at Board level.</p>		
<b>Magnitude of impact</b>	<b>Responsibility</b>		<b>Magnitude of impact after mitigation</b>		
4 (2021: 4)			4 (2021: 4)		
<b>Likelihood of occurrence</b>	Board, Executive Directors and Head of IT		<b>Likelihood of occurrence after mitigation</b>		
5 (2021: 5)			3 (2021: 3)		

<p><b>Loss of key staff</b></p> <p>Loss of key staff would mean loss of knowledge and skills to the Group. As we expand, the importance of experienced senior management increases.</p> <p>The response to COVID-19 has reinforced the ability of the workforce to operate effectively in a wider range of settings. The increased expectation for flexible working and the failure to provide this could lead to staff losses.</p>			<p><b>Mitigating action</b></p> <p>Staff retention and succession planning is carried out with a focus on both culture and financial reward, including an established performance related pay scheme.</p> <p>With the acceleration of the energy transition, it is important that all staff understand our strategy for the future and their role within it. The Group recognises the need to engage staff, along with training and retraining our people to ensure they are skilled for the transition.</p> <p>We have a strong focus on wellness and mental health supported by a number of initiatives including an employee assistance helpline.</p> <p>There is good management connection and team building between different offices and a long-serving senior management team.</p> <p>Our business preparedness plans review our dependence on key staff and our ability to respond to events, such as COVID-19, in particular to ensure staff are available to maintain business continuity.</p>		
<b>Magnitude of impact</b>	<b>Responsibility</b>		<b>Magnitude of impact after mitigation</b>		
3 (2021: 3)			2 (2021: 2)		
<b>Likelihood of occurrence</b>	Executive Directors		<b>Likelihood of occurrence after mitigation</b>		
4 (2021: 4)			2 (2021: 2)		

## Strategic report (continued)

### Principal risks and uncertainties (continued)

<b>Liquidity risk</b>  Greenergy operates in a capital-intensive industry. Market volatility can lead to increased calls on working capital as security for our ongoing operations or through heightened purchasing costs.		<b>Mitigating action</b>  We monitor the utilisation of capital within all areas of the business to ensure that resources are appropriately allocated.  The impact on working capital of our trading terms and operations is built into strategic decision making across the Group.  Customers are actively managed to ensure that the costs of providing working capital is built into commercial assessments.
<b>Magnitude of impact</b>	<b>Responsibility</b>	<b>Magnitude of impact after mitigation</b>
4 (2021: 3)		3 (2021: 3)
<b>Likelihood of occurrence</b>	Treasury / Chief Financial Officer	<b>Likelihood of occurrence after mitigation</b>
4 (2021: 3)		3 (2021: 3.5)

<b>Currency Risk</b> We purchase fuel products mainly in US Dollars and Euros. Because the international oil markets generally price in US Dollars, and our customers generally wish to purchase fuel products in their domestic currency, there can be a significant foreign currency exchange risk inherent in our business.  Without mitigating action, the nature of our business creates significant currency exposure, particularly as we expand further into new markets and operations, and this has increased in recent years.		<b>Mitigating action</b> To mitigate transactional foreign exchange risk, our treasury department ensures that, at all times, the financial assets denominated in a particular currency match the financial liabilities denominated in the same currency.  As a further control, balance sheets for each of our major currencies are prepared on a monthly basis and any surplus assets or liabilities are hedged as appropriate. In response to market and exchange risks we continue to develop and refine our internal control processes and hedging mechanisms.  Our experience in managing market volatility provides us with the expertise to manage any increase currency volatility.
<b>Magnitude of impact</b>	<b>Responsibility</b>	<b>Magnitude of impact after mitigation</b>
4.5 (2021: 4.5)		2 (2021: 2)
<b>Likelihood of occurrence</b>	Chief Financial Officer	<b>Likelihood of occurrence after mitigation</b>
5 (2021: 5)		2.5 (2021: 2.5)

## Strategic report (continued)

### Principal risks and uncertainties (continued)

<b>Bribery and corruption, codes of conduct, ethics and good governance</b>  <p>The business sources product globally from a wide variety of suppliers, counterparties, agents and intermediaries.</p> <p>As we expand internationally, we sell to customers on increasingly complex terms with the number of counterparties connected to transactions increasing.</p> <p>There is a need to ensure compliance with domestic and international rules around full disclosure of business dealings, codes of conduct and controls on facilitation and equivalent payments (such as those stipulated in the UK under the Bribery Act 2010).</p>		<b>Mitigating action</b>  <p>The Group has in place clear and company-wide policies to inform and set limitations and prohibitions, including reporting of conflicts of interest, a gift register, a record of supplier/customer entertainment and regular ethics/ABC training sessions. Staff across the business undertake annual training to ensure awareness.</p> <p>We identify any roles, which may be considered to be high risk and ensure those staff members particularly are aware of the requirements placed on them.</p> <p>The Group has established an "ethics hotline" to allow staff to report concerns and we have rolled out a process of agreement to a code of conduct by all non-driver staff.</p>
<b>Magnitude of impact</b>	<b>Responsibility</b>	<b>Magnitude of impact after mitigation</b>
2 (2021: 2)		2 (2021: 2)
<b>Likelihood of occurrence</b>	Chief Financial Officer	<b>Likelihood of occurrence after mitigation</b>
3 (2021: 3)		2 (2021:2)

<b>Oil price volatility</b>  <p>Fluctuations in fuel product prices can result in a difference between purchase and sales prices. Unless managed, these fluctuations could very significantly impact purchase and sales margins.</p>		<b>Mitigating action</b>  <p>Our comprehensive control processes and hedging mechanisms are in place to limit exposure to oil and product price fluctuations.</p> <p>The objective of these mechanisms is to match our priced physical positions (generated from spot and term contracts entered into with suppliers and customers with equal and opposite hedging instruments).</p> <p>Our risk committee assesses and limits exposure to particular markets and products to ensure that risk is in line with company appetite.</p> <p>In response to global supply and demand risk, we maintain an active forward purchasing and sales activity hedged with appropriate market instruments. Sales contracts also include floating elements which are linked to market prices which reduces exposure to fuel product price rises.</p> <p>Significant changes in demand, such as seen in early 2020 because of COVID-19 and most recently in 2022 following Russia's invasion of Ukraine has caused more intense price fluctuations in the oil and product markets. Our controls to mitigate the effect of volatility allows us to minimise its impact on the business.</p>
<b>Magnitude of impact</b>	<b>Responsibility</b>	<b>Magnitude of impact after mitigation</b>
4.5 (2021: 4.5)		1 (2021: 1)
<b>Likelihood of occurrence</b>	Executive Directors	<b>Likelihood of occurrence after mitigation</b>
5 (2021: 5)		4 (2021: 4)

## Strategic report (continued)

### Principal risks and uncertainties (continued)

<b>Interruption of fuel supply to customers</b> An event which significantly interrupts the supply of fuel to our customers has potential to cause reputational, commercial and financial damage.  Supply disruption could be market-wide or site-specific. <ul style="list-style-type: none"> <li>- A political or physical event in a major oil producing nation or a significant supply location could disrupt supplies</li> <li>- Weather-related shipping delays, industrial action, a fuel quality issue or an IT failure could cause product unavailability at a specific supply location.</li> <li>- Events that significantly disrupt the normal demand for fuel (e.g. fuel crisis in 2021) where disruption to competitors create a panic situation affecting our ability to meet demand</li> <li>- Protest action that affects operations, such as seen in 2022 by Just Stop Oil protests at terminals around the UK.</li> </ul>		<b>Mitigating action</b>  Supply resilience is central to our mission. By maintaining optionality across our supply chain, we minimise reliance on any single supplier, supply location or haulage provider.  Our access to storage allows us to effectively manage product availability and ensure supply resilience for customers.  With our flexible global supply chains and our deep-water infrastructure, we can quickly switch our purchasing to other locations in the event of a major event disrupting oil flows.  In Europe, our global product sourcing, network of storage and supply locations, in-house and third-party haulage arrangements all give operational flexibility and the ability to switch supply to ensure security of supply.  In North America, supply resilience is achieved by combining rail and import infrastructure, giving us the ability to source from local suppliers and also from the USA and Europe.
<b>Magnitude of impact</b>	<b>Responsibility</b>	<b>Magnitude of impact after mitigation</b>
3 (2021: 3)	Executive Directors	1 (2021: 1)
<b>Likelihood of occurrence</b>		<b>Likelihood of occurrence after mitigation</b>
3 (2021: 3)		2 (2021: 2)

<b>Counterparty risk</b>  Our global supply chain means that we transact with a wide range of counterparts around the world. Failure of any of these parties to perform could affect our results.  There is also the risk that counterparts behave in a fraudulent or unethical manner, including failure to adopt processes to identify and mitigate human rights and modern slavery risks, placing our supply chain at risk, exposing the company to increased risk of litigation as well as compromising our ability to comply with mandated sustainability schemes.  The lingering effects of both COVID-19 and Brexit, combined with the current financial environment that is impacting debt servicing costs leads to an increased risk of corporate failure in 2023. The introduction of sanctions against Russia following its invasion of Ukraine creates further counterparty risk.		<b>Mitigating action</b>  We have a robust KYC process on all new counterparts to ensure that companies not previously known to the Group are thoroughly checked.  Our risk committee monitors and sets appropriate trading levels for all counterparts ensuring that risks of trading are well managed and reported.  We proactively manage our counterparty risk and exposure daily. Drawing on our strong relationships with counterparts, we can quickly identify counterparts that may be experiencing increased cash flow pressure.  We use third party auditors and adopt standards such as the ISCC to ensure that our biofuel supply chain is compliant with the regulations of the UK RTFO scheme. These standards include issues such as human and labour rights, emissions and environmental management practices. We focus on knowing our suppliers and maintain regular contact through our purchasing, sustainability, and credit teams. Credit insurance is maintained where considered appropriate.  As sanctions have been introduced against Russia, we have proactively reviewed our KYC process on both new and existing counterparties to ensure compliance.
<b>Magnitude of impact</b>	<b>Responsibility</b>	<b>Magnitude of impact after mitigation</b>
4 (2021: 4)	Risk Committee	2 (2021: 2)
<b>Likelihood of occurrence</b>		<b>Likelihood of occurrence after mitigation</b>
4 (2021: 4)		3.5 (2021: 3.5)

## Strategic report (continued)

### Principal risks and uncertainties (continued)

<b>Product quality issues</b>  The supply of fuel failing to meet quality standards could lead to significant reputational damage and remediation costs.		<b>Mitigating action</b> The risk of a field quality issue is minimised through extensive operational controls embedded within our quality management system and certified to ISO 9001. This includes independent product quality tests on receipt of product, in tank and prior to releasing product for customer deliveries.  Our own internal procedures go above and beyond national standards.
<b>Magnitude of impact</b> 3.5 (2021: 3.5)	<b>Responsibility</b>  Process Integrity Committee	<b>Magnitude of impact after mitigation</b> 1.5 (2021: 1.5)
<b>Likelihood of occurrence</b> 3.5 (2021: 3.5)		<b>Likelihood of occurrence after mitigation</b> 1.5 (2021: 1.5)

<b>Industrial relations</b>  From time to time our global operations are impacted by third party industrial relations disputes. Previous examples include third party strike action in Brazil (2018) and Canada (2019) affecting our ship, road and rail operations and having a knock-on impact on our ability to supply fuel.  In the UK our driver workforce is largely unionised. An industrial dispute involving our drivers has the potential to disrupt fuel supply to customers, with potentially significant implications for the business. Deliveries could also be disrupted by industrial action involving third party facilities or drivers.		<b>Mitigating action</b> We maintain a diverse supply chain with multiple supply points and options around different delivery methods. By keeping in close communications with all our delivery partners we minimise the impact of any disruption.  In the UK we have in-sourced most of our haulage operations. We focus on open dialogue with our in-house drivers under a respect agenda and provide a variety of forums for communication, both formal and informal, including regular updates on the performance of the business. Past and present drivers are also stakeholders in Greenergy Flexigrid, encouraging performance and ownership.  A practical working relationship with the union is ensured through various channels including full engagement with shop stewards.  In the event of disruption we have the flexibility to lift from alternative storage locations as and when required.
<b>Magnitude of impact</b> 3 (2021: 3)	<b>Responsibility</b>  Executive Directors and CEO	<b>Magnitude of impact after mitigation</b> 3 (2021: 3)
<b>Likelihood of occurrence</b> 3.5 (2021: 3.5)		<b>Likelihood of occurrence after mitigation</b> 3 (2021: 3)

## Strategic report (continued)

### Principal risks and uncertainties (continued)

<b>Biofuel compliance risk</b>  <p>To count towards our biofuel supply obligations under the UK's RTFO, biofuel must meet independently audited sustainability and carbon requirements. With a buy-out fee currently set at 50ppl, audit failure would have significant financial implications for the business.</p> <p>In Canada, the Clean Fuel Regulations impose a requirement to meet certain targets on the carbon intensity of fuel supplied. Regulated parties such as producers and importers of gasoline and diesel must create or buy credits to comply with the reduction in carbon intensity requirements.</p> <p>For all jurisdictions we comply with the criteria set out in the local legislation be that in the UK RTFO and the implementation by member states or in other state's biofuel legislation.</p>		<b>Mitigating action</b>  <p>We own and operate a number of biodiesel production locations. Our manufacturing facilities are certified by the ISCC sustainability and carbon system, making the biodiesel we produce automatically compliant with RTFO criteria. We work with feedstock suppliers to implement our ISCC accreditation in their supply chain.</p> <p>We have invested upstream in the supply chain providing us with greater visibility of our biofuel supply chain and increased confidence of its sustainability data.</p> <p>In Canada, we blended sustainable biofuels above our blending obligation and sell Compliance Units to other parties. A trained compliance team fulfils our reporting and auditing requirements.</p>
<b>Magnitude of impact</b>	<b>Responsibility</b>	<b>Magnitude of impact after mitigation</b>
4 (2021: 4)	Chief Operating Officer	4 (2021: 4)
<b>Likelihood of occurrence</b>		<b>Likelihood of occurrence after mitigation</b>
3 (2021: 3)		2 (2021: 2)

<b>Retail Forecourts</b>  <p>There are risks specific to the operation of fuel forecourts that relate to the provision of fuel directly to the public in Ireland, and also the provision of food service in Ireland.</p> <p>With the acquisition of Amber Petroleum in 2021, our retail operations have continued to grow.</p> <p>There are increased risks of theft and exposure to crime for our staff working in retail operations.</p>		<b>Mitigating action</b>  <p>We perform risk assessments for all our forecourts to identify and mitigate risks to our staff and to the public.</p> <p>Training is carried out specific to the retail space particularly focussing on the response to crime and scenarios that could lead to personal risk.</p>
<b>Magnitude of impact</b>	<b>Responsibility</b>	<b>Magnitude of impact after mitigation</b>
1.5 (2021: 1.5)	Chief Operating Officer	1.5 (2021: 1.5)
<b>Likelihood of occurrence</b>		<b>Likelihood of occurrence after mitigation</b>
4 (2021: 4)		3.5 (2021: 3.5)

## Strategic report (continued)

### Principal risks and uncertainties (continued)

<b>Inflation (NEW)</b>  Sustained higher levels of inflation can lead to a growing cost base without sufficient ability to pass those costs on to our customers.		<b>Mitigating action</b> Our pricing of customer contracts passes through any increase or decrease in the price of fossil fuels directly to the customer and is not exposed to inflation, however there are significant costs embedded in the supply chain that are exposed to inflation.  We have long term agreements over critical assets that contribute to supply chain costs limiting the impact of inflation on our cost base.  Greenergy maintains long term relationships with our customers which are renewed at regular intervals, sustained levels of inflation impacting on our overheads is built into renewal of contracts.
<b>Magnitude of impact</b>	<b>Responsibility</b>	<b>Magnitude of impact after mitigation</b>
2.5	Board	2
<b>Likelihood of occurrence</b>		<b>Likelihood of occurrence after mitigation</b>
3		3

<b>Renewable products (NEW)</b>  The energy transition has been accelerated by availability of new products and legislation changes to meet government targets. In countries where we operate, demand for alternative products such as HVO, hydrogen and higher percentage biodiesel blends is increasing.  Increasing demand for renewables is also increasing competition to procure waste feedstock, such as used cooking oil.		<b>Mitigating action</b> Already Europe's largest manufacturer of biodiesel, we work with suppliers and customers to understand their transition strategies and provide reliable supply of renewable fuels.  We are continuing to progress next generation projects to create and supply waste-based renewables both now and for the future.  We work with our customers to ensure that differences between products are clearly understood.
<b>Magnitude of impact</b>	<b>Responsibility</b>	<b>Magnitude of impact after mitigation</b>
3	Board	3
<b>Likelihood of occurrence</b>		<b>Likelihood of occurrence after mitigation</b>
3		3.5

## Strategic report (continued)

### Principal risks and uncertainties (continued)

<b>Protest action (NEW)</b>  Greenergy delivers road fuel across the UK and Ireland.  With increasing focus on climate change, there is increasing risk of our supply locations or customers being targeted with a goal of disrupting supply to carry a political message.  Although less likely that Greenergy is the target of such protests, we are likely to be impacted owing to our supply footprint. Disruption of supply is likely to gain public visibility.		<b>Mitigating action</b>  We work with the relevant authorities, our terminal partners and our customers to provide as secure and reliable a supply chain as possible.  Where protest action is anticipated, we proactively engage with our staff to ensure they are prepared and aware of procedures.  We will always comply with the prevailing regulations and where sanctions or other restrictions exist with those as well.
<b>Magnitude of impact</b>	<b>Responsibility</b>	<b>Magnitude of impact after mitigation</b>
3	Board	3
<b>Likelihood of occurrence</b>		<b>Likelihood of occurrence after mitigation</b>
4.5		4.5

<b>Input costs (NEW)</b>  Greenergy operations, particularly in biofuels, are heavily dependent on steam for the creation of UCOME. Steam boilers are primarily run from either gas or kerosene and are key contributors to utility costs. With the current war in Ukraine, these costs are significantly higher in 2022 than historical.		<b>Mitigating action</b>  Where possible, flexibility on fuel sources is maintained and fixed term utility costs to allow appropriate management of site running costs.  The spread between feedstock and finished biodiesel has widened to reflect some of the increased cost of operation.
<b>Magnitude of impact</b>	<b>Responsibility</b>	<b>Magnitude of impact after mitigation</b>
3.5	Board	3
<b>Likelihood of occurrence</b>		<b>Likelihood of occurrence after mitigation</b>
5		5



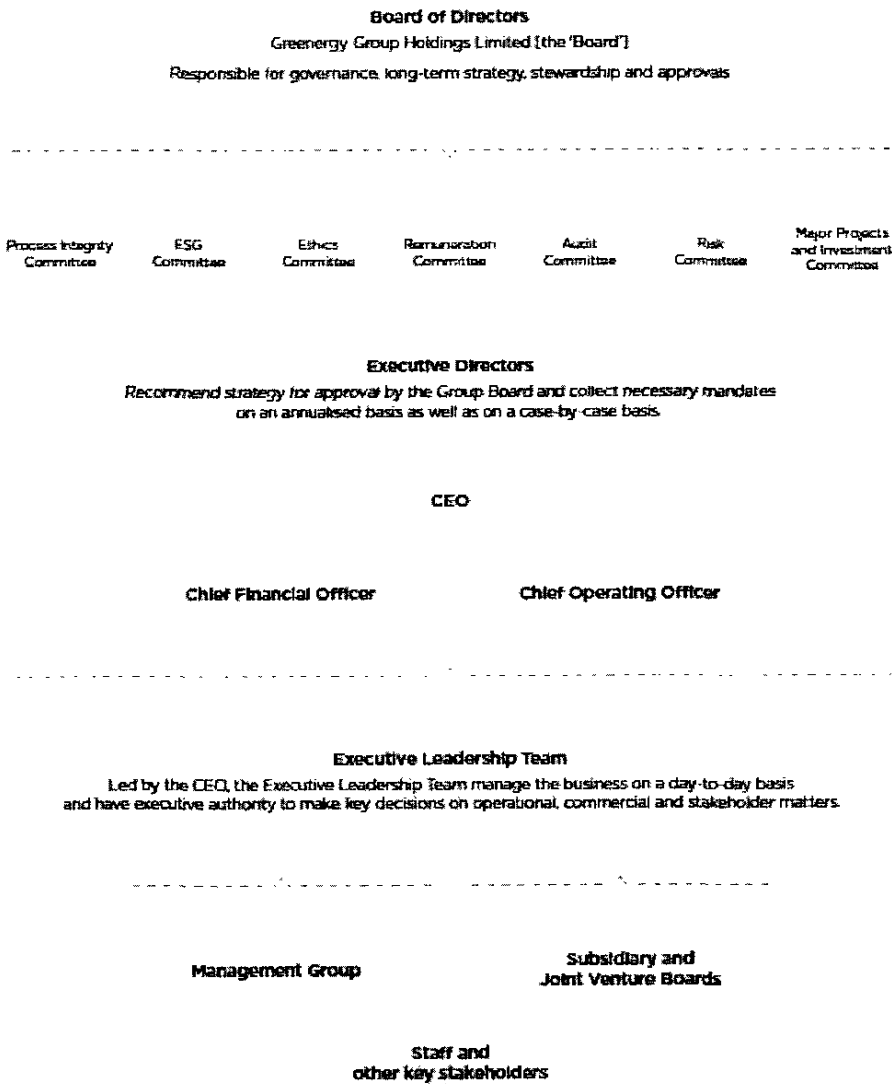
Strategic report (continued)

Corporate Governance report

As a large private company, we are required to disclose our corporate governance arrangements under the Companies (Miscellaneous Reporting) Regulations 2018 to ensure sustainable and responsible governance practices.

All entities in the Greenergy Group operate under the Group Corporate Governance Framework mandated by the Board of Directors (the 'Board') of the parent company Greenergy Group Holdings Limited. The Group has adopted the *Wates Principles* as part of its governance framework and considers these integral to its governance approach.

Governance framework



## Strategic report (continued)

### Corporate Governance report (continued)

#### Principle 1: Purpose and leadership

The Group's purpose is to drive transport decarbonisation through continued leadership in waste-derived renewables, supported by our mission to deliver long-term value for our stakeholders through the production and distribution of waste-derived renewable transportation fuels. We do this by evolving our supply chain, retaining strong customer relationships, delivering change through innovation, acting responsibly and being accountable.

Our purpose and mission is more than supplying products and services. It includes the way we do business, our interactions with our stakeholders, our governance and is underpinned by our values and culture.

The close relationship between effective Governance and effective executive authority and action is at the heart of this process and our business.

Day-to-day operations of the Group are managed by the Executive Leadership Team, comprising twelve members of senior management (female: two) who have executive authority to make key decisions on operational, commercial and key stakeholder matters.

The Executive Leadership Team meet formally and informally on a weekly basis to discuss key stakeholder matters and make decisions within their executive authority. In addition to these meetings, the Executive Directors also meet on a weekly basis.

The Executive Leadership Team receives its mandates and guidance from the Board and the committees, each with a particular mandate, which have been established to directly advise and engage with the company. They in turn give mandates and guidance to the senior management team with weekly management meetings as well as regular engagement through emails, blogs and stewardship meetings with the functional heads. This framework ensures that the Greenergy Group's executive and Leadership Team are empowered with the appropriate level of authority to make decisions on behalf of the individual operating entities.

Throughout the year, the primary focus for the Board and Executive Leadership Team was to ensure the Group was able to maintain security of supply given the war in Ukraine, and actively review projects to drive the energy transition and grow the business. As the energy transition accelerates, Greenergy's history of being an innovative transportation fuel producer and supplier remains a key focus for the Board, as we look to continue developing cleaner, lower emission fuels. This is supported through the Group's purpose and mission that drive our business plan and strategy.

#### Principle 2: Board composition

The Board composition remains unchanged, although there has been a change involving a non-executive director. It comprises three executive directors, the CEO, Chief Financial Officer and Chief Operating Officer and seven non-executive directors, including a non-executive Chairman and three independent directors. Certain reserved matters such as governance, long-term strategy, mergers and acquisitions, restructuring and commercial deals over a certain size or duration are submitted to the Board for advice and ultimate approval.

The size and experience of the Group Board is considered appropriate for the size of the Group, with the directors bringing a wide range of commercial and industry knowledge, ensuring a well-balanced range of views and experience.

The Directors recognise the Board composition lacks diversity. We are committed to supporting diversity, equity and inclusion across the entire workforce and in particular continuing to improve diversity among the senior management and executive leadership teams.

#### Principle 3: Directors' responsibilities

The Board is continuously improving its approach to Corporate Governance ensuring clear responsibilities are allocated to individuals and sub-committees and reviewing if the strategy is still fit for purpose, requesting updates from the sub-committees and subject matter experts. All sub-committees are governed by agreed Terms of Reference.

At the beginning of each year, quarterly recurring board meetings for the Group are scheduled for the year and dates set. Two additional strategic board meetings are set to discuss and define the Group's strategy and five year strategic plan.

Board meetings are a mechanism to evaluate and review business operations and how they align with the Group's overall strategy and the impact on our key stakeholders. The key activities and decisions undertaken by the Board in 2022 are outlined in the 'Section 172(1) Companies Act 2006 Statement' (see s172(1) p.45).

Each board meeting follows a considered agenda, agreed in advance by the Board. Within the set sections there are standing items such as a review and discussion on Process Integrity data and events along with Governance.

Special topics are also added to individual sections as required with non-board Executives and key management personnel periodically invited to Board meetings for specific items to provide their expertise to the Board and discussion dependent on matters under consideration.

## Strategic report (continued)

### Corporate Governance report (continued)

#### Principle 4: Opportunity and risks

Greenergy's mission, values and overall Group strategy guide the Board's decisions to promote and deliver long-term value, taking advantage of opportunities which arise whilst ensuring an appropriate risk framework is in place to manage the risks we face in our business.

The Group's Risk Committee, chaired by the Chief Financial Officer, aims to assist the Board in the fulfilment of its corporate governance, establishment of procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.

Principal risks are identified across the business at all levels, to ensure those are registered and reported to the Board along with the mitigation plans associated with them. The risks we face in our business, and the action we take to mitigate those risks, are formalised in a risk register which is reviewed by the Risk Committee and formally approved by the Board.

Different business units assess the risk in their area of expertise, with the Board being informed of such risks to establish the level of risk accepted to meet its strategic objectives.

#### Principle 5: Remuneration

The role of Greenergy's Remuneration Committee is to determine and oversee the Group's overall remuneration strategy and policy, ensuring its aligned to the successful delivery of the Group's purpose, culture, values and Group wide strategy. It regularly reviews the on-going appropriateness and relevance of the remuneration policy to ensure compliance and appropriate consistency and effectiveness of application, and, if necessary, make proposals for changes.

The Remuneration Committee sets and reviews the strategy and policy in relation to terms and conditions of engagement (including remuneration) of Greenergy's Leadership Team and to determine their specific total remuneration (including payments and awards under annual bonus plans, share incentive schemes, pension schemes and any other compensation arrangements), ensuring that payments awarded are fair and appropriate based on performance.

It also oversees any major changes in employee benefit structures of the Group and establishes the overall parameters for annual salary reviews and bonus plans of the Group's employees, making recommendations to the Board for approval.

The Remuneration Committee supports Greenergy's ambition to be and remain a preferred employer, attracting, motivating and retaining talent at all levels as well as succession planning by developing and promoting where possible from within.

The Committee is responsible for the development of the remuneration policy which ultimately is approved by the Board.

#### Principle 6: Stakeholders

Stakeholder engagement is considered crucial by the Board, and this is applied at all levels of the organisation supported by the Leadership Team and reported to the Board.

All stakeholders are appropriately considered throughout our decision-making process and consulted and engaged regularly through dedicated surveys or meetings, including tailored initiatives. The impact that activities might have on each stakeholder is balanced and assessed throughout the decision-making process to ensure the stakeholders' interests are appropriately considered.

Our key stakeholders, how we engage with them, and the effect stakeholders have on Board decision making is outlined in the Section 172(1) Companies Act 2006 Statement on pages 42 to 49.

## Strategic report (continued)

### Section 172(1)<sup>10</sup> – Companies Act 2006 Statement

Our stakeholders are essential for us to deliver on our mission. This section summarises our relationships with our key stakeholders and their influence on board decision making.

#### Our stakeholders

<b>Our colleagues</b>	
<p>Our people are our most important asset. They are a reflection of our culture and values and are essential to upholding our values and delivering on our purpose and mission.</p>	
<b>Our priorities</b> <ul style="list-style-type: none"> <li>• Ensuring all staff can perform their roles safely</li> <li>• Ensuring diversity and inclusion across our workforce</li> <li>• Ensuring that all key positions are filled with the best person for the job</li> <li>• Maintaining high employee engagement</li> <li>• Instilling our culture and values with rapid employee growth</li> <li>• Developing the skills and talents of our people</li> <li>• Supporting the mental and physical health of our people.</li> </ul>	<b>How we engage and communicate</b> <ul style="list-style-type: none"> <li>• Safety underpins all that we do. Lessons Learned and safety updates are shared with employees across the entire business</li> <li>• Colleagues are kept informed of performance and strategy through Staff Reviews and Quarterly Meetings. All executives regularly engage with our colleagues around the business</li> <li>• Our Intranet provides regular updates of what is going on around the business, along with updates from the CEO</li> <li>• In 2022, we launched an employee news app to help our staff keep up-to-date with news across the business.</li> <li>• Following the pandemic, we reintroduced staff conferences in Europe and North America as an important opportunity to foster team building and instil our values across the business.</li> <li>• The Knowledge Hub provides a learning and development tool for our colleagues, to provide people with a range of programmes that be accessed anywhere on any device.</li> </ul>
<b>Our shareholders</b>	
<p>Our shareholders support the growth of our business to achieve our long-term growth objectives.</p>	
<b>Our priorities</b> <ul style="list-style-type: none"> <li>• Demonstrate sound financial and operational performance, in line with the Group strategy.</li> </ul>	<b>How we engage and communicate</b> <ul style="list-style-type: none"> <li>• Attendance at board meetings</li> <li>• Regular communications such as financial updates, investment plans and capital allocation.</li> </ul>

<sup>10</sup> In accordance with Companies Act 2006 Regulations, the Directors are required to provide a 'S172(1) statement'. Pages 42 to 49 are our section 172(1).

## Strategic Report (continued)

### Section 172(1) – Companies Act 2006 Statement (continued)

Customers and Suppliers	
Our customers include supermarkets, major oil companies, commercial users, independent retailers and consumers. Our customers rely on us to run their business', and our relationships with our suppliers allows us to meet the needs of our customers and consumers.	
<b>Our priorities</b> <ul style="list-style-type: none"> <li>• Build supply chain optionality through our relationship with our suppliers</li> <li>• Develop long-term relationships with customers and suppliers who support our strategic growth objectives.</li> </ul>	<b>How we engage and communicate</b> <ul style="list-style-type: none"> <li>• By demonstrating our values and living our mission in every interaction we have</li> <li>• Dedicated and engaged teams, who are available to our customers when they need us most. Our local Customer Care teams remain a key differentiator in our offer and allows us to support our customers day or night.</li> <li>• Regular and timely communications, including financial and operational updates throughout the year. We understand the important role our suppliers and partners have in achieving our growth objectives.</li> </ul>
Environment	
Our business was founded in the 1990s to supply low emission diesel, and our commitment to produce and supply low carbon <i>renewable fuels at scale continues today.</i>	
<b>Our priorities</b> <ul style="list-style-type: none"> <li>• We recognise the urgent need to further reduce greenhouse gas emissions in the transportation sector</li> <li>• We continuing to invest in the sector and progress projects to further expand our renewable fuel production and are actively exploring new, innovative projects to produce renewables from wastes.</li> </ul>	<b>How we engage and communicate</b> <ul style="list-style-type: none"> <li>• Reducing the environmental impact of our activities by continued investment in process improvements at our plants to improve efficiency of our operations</li> <li>• Manufacturing biodiesel from waste raw materials, rather than virgin vegetable oils, giving higher carbon savings and reducing land-use impacts</li> <li>• Involvement in round table discussions and industry consultations on best practice</li> <li>• Encouraging all employees to play a role in our continual improvement of processes to improve the sustainability of our operations</li> <li>• Development of our ESG framework and strategy to drive more detailed reporting.</li> </ul>
Communities	
We believe in supporting our communities. Our charity programme and our STEM projects help support our communities.	
<b>Our priorities</b> <ul style="list-style-type: none"> <li>• Through our employee-led charity programme, help fund a range of charity initiatives with a directly identifiable benefit</li> <li>• Engage with our local communities through STEM projects that provide information and inspiration to young people considering their future careers.</li> </ul>	<b>How we engage and communicate</b> <ul style="list-style-type: none"> <li>• While the total charity budget is set by the Board, the allocation of funds is nominated by charity teams that involve all employees of the Group, and final approval by the employee-led Charity Committee</li> <li>• Employees are encouraged to work closely with the charities to understand how funds will be used</li> <li>• The Charity Committee is made up of volunteer staff, and each team within the business is led by a Captain to encourage engagement</li> <li>• Through our STEM projects, we aim to work with local schools and educational colleges to inspire students, and demonstrate tangible career options that are available through STEM.</li> <li>• In our retail businesses in Ireland, our local team partner with retailers to support their local communities.</li> </ul>

## Strategic report (continued)

### Section 172(1) – Companies Act 2006 Statement (continued)

<b>Government</b>	
As a fuel supplier, we maintain close relationships with Government bodies in the regions we operate.	
<b>Our priorities</b> <ul style="list-style-type: none"> <li>Develop productive relationships with Government bodies, particularly in the UK where we provide a critical role in the national supply chain.</li> </ul>	<b>How we engage and communicate</b> <ul style="list-style-type: none"> <li>Regular meetings and communications with our Government contacts to provide business updates</li> <li>Involvement in round table discussions and industry consultations.</li> </ul>
<b>Financial institutions</b>	
We rely on support from our banks to fund our ongoing working capital requirements to allow us to operate in the way in which we do.	
<b>Our priorities</b> <ul style="list-style-type: none"> <li>Develop long-term relationships with a syndicate of banks and other institutions to support our ongoing business.</li> </ul>	<b>How we engage and communicate</b> <ul style="list-style-type: none"> <li>Monthly financial and operations update provided to our lenders</li> <li>Annual all banks presentation on our results and outlook and strategy for the years ahead</li> <li>Regular ad hoc meetings with all lenders to discuss business operations.</li> </ul>

## Strategic report (continued)

### Section 172(1) – Companies Act 2006 Statement (continued)

#### Section 172(1)<sup>11</sup> Board activities

	Our decision Process	Our decision	Interested Stakeholder Groups
<b>Process Integrity</b>			
<b>Process integrity reporting for new business units</b>  The Board observed challenges integrating new business units (e.g. through acquisitions) to Greenery's culture of process integrity reporting.	<ul style="list-style-type: none"> <li>Process Integrity (PI) is the first standing agenda item at all Board and Executive meetings</li> <li>The PI Committee Chairman presented an update on PI to the Board including trends on health and safety events</li> <li>The PI Committee Chairman outlined challenges in reporting culture with businesses that were acquired and proposed an approach to address these issues.</li> </ul>	The Board supported the approach outlined by the PI Committee Chairman including: <ul style="list-style-type: none"> <li>A targeted campaign across all sites and office locations to reiterate the importance of health and safety and encourage an open and honest culture of reporting</li> <li>Increased management presence and safety walks to be undertaken by the Leadership Team</li> </ul>	<ul style="list-style-type: none"> <li>Our colleagues</li> <li>Our shareholders</li> <li>Our customers and suppliers</li> <li>Our environment</li> </ul>
<b>Environment, Social &amp; Governance (ESG)</b>			
<b>Taskforce for Climate Related Financial Disclosures (TCFD)</b>  The TCFD requirements will become mandatory for the Group in 2023 as a large, private entity.. The Board discussed the requirements and early adoption reporting.	<ul style="list-style-type: none"> <li>The Board discussed the requirements of the TCFD and completed a specific awareness session on TCFD and the process undertaken by the business in 2022 to complete qualitative assessments.</li> <li>A gap analysis was completed against FRC and TCFD implementation guides and the Board considered the findings.</li> </ul>	<ul style="list-style-type: none"> <li>The Board agreed with the ESG Committee's proposal to obtain external support for the completion of scenario analysis modelling and risk/opportunity heat map.</li> </ul>	<ul style="list-style-type: none"> <li>Our colleagues</li> <li>Our shareholders</li> <li>Our customers and suppliers</li> <li>Our environment</li> <li>Our communities</li> <li>Government</li> <li>Financial institutions</li> </ul>
<b>2021 Sustainability Report</b>  Following its inaugural Sustainability Report in 2020, the Group again prepared a standalone Sustainability Report in 2021 to provide stakeholders with an overview of the Group's approach to ESG and strategic direction to achieve sustainability commitments.	<ul style="list-style-type: none"> <li>The ESG Committee, comprising both executive and non-executive directors, is mandated to articulate Greenery's strategy for environment, social and governance – including our climate change policy and strategy</li> <li>The Board discussed the content for the 2021 Report and our future strategy.</li> </ul>	<ul style="list-style-type: none"> <li>On the recommendation of the ESG Committee, the Board approved the issue of the 2021 Sustainability Report</li> <li>Board supported the appointment of a Head of ESG to help build, develop, and articulate Greenery's ESG strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Our colleagues</li> <li>Our shareholders</li> <li>Our customers and suppliers</li> <li>Our environment</li> <li>Our communities</li> <li>Government</li> <li>Financial institutions</li> </ul>
<b>ESG Framework and Reporting</b>	<ul style="list-style-type: none"> <li>The ESG Committee, comprising both executive and non-executive directors, is mandated to articulate Greenery's strategy for environment, social and governance – including our climate change policy and strategy</li> <li>The ESG Committee presented data from across the business and presented a strategic proposal to the Board for consideration</li> <li>The Board discussed the updated ESG strategy framework, including material areas of focus and ambition levels</li> <li>The Board discussed expanding the reporting of emissions and updating the internal carbon price</li> <li>The Board discussed climate scenario modelling and reviewed the TCFD qualitative scenarios analysis work.</li> </ul>	<ul style="list-style-type: none"> <li>The Board approved the ESG strategy framework and associated focus areas.</li> <li>The Board approved the updated approach to emissions reporting and expansion of scope 3 greenhouse gas data reporting.</li> <li>The Board agreed to update the internal carbon price.</li> </ul>	<ul style="list-style-type: none"> <li>Our colleagues</li> <li>Our shareholders</li> <li>Our customers and suppliers</li> <li>Our environment</li> <li>Our communities</li> <li>Government</li> <li>Financial institutions</li> </ul>

<sup>11</sup> In accordance with Companies Act 2006 Regulations, the Directors are required to provide a 's172(1) statement'. Pages 42 to 49 are our section 172(1).

Strategic report (continued)

Section 172(1) – Companies Act 2006 Statement (continued)

	Our decision Process	Our decision	Interested Groups	Stakeholder
<b>People</b>				
<b>Inflationary pressures and cost of living</b>  With over 1,500 employees, people remain the biggest asset of Greenergy. With rising inflation and cost of living crisis, consideration was given to how the business could support our employees	<ul style="list-style-type: none"> <li>The executive directors and Head of HR discussed and considered how the business could support its employees through the cost-of-living crisis and rising inflationary pressures</li> <li>After due consideration, a proposal was established and presented to the Remuneration Committee by the CEO.</li> </ul>	<ul style="list-style-type: none"> <li>The Group's Remuneration Committee approved cost of living support and initiatives for our employees.</li> </ul>	<ul style="list-style-type: none"> <li>Our colleagues</li> </ul>	
<b>Financial</b>				
<b>Establishment of Major Projects and Investment Committee</b>  Where relevant, a sub-committee of the Board is established to assist the Board in its oversight of key areas	<ul style="list-style-type: none"> <li>The Board discussed the need for a Major Projects &amp; Investment Committee to assist in oversight of acquisitions, disposals and major capital projects that require Board approval</li> <li>Terms of Reference for the committee were prepared and shared with the Board for consideration</li> <li>Committee members with relevant expertise and experience were put forward on behalf of the Board.</li> </ul>	<ul style="list-style-type: none"> <li>The Board approved the proposed Terms of Reference and established the Major Projects and Investment Committee.</li> </ul>	<ul style="list-style-type: none"> <li>Our shareholders</li> <li>Our environment</li> <li>Financial institutions</li> </ul>	
<b>Restructure and refinance of the Group's working capital facility</b>  The Group relies on a working capital facility to finance its ongoing business. The existing facility is due to expire on 30 April 23. The Board considered a proposal to refinance the existing facility with new bilateral inventory and receivables facilities.	<ul style="list-style-type: none"> <li>The CFO presented an overview of the existing facility to the Board and outlined the options available to the company for the refinance.</li> <li>The Board considered the impacts of restructuring from a single borrowing base facility into separate bilateral inventory and receivables facilities.</li> <li>The Board considered the current and future capital structure of the Group.</li> </ul>	<ul style="list-style-type: none"> <li>On recommendation of the Group CFO, the Board agreed to proceed with the restructure of the existing facility and refinance with separate facilities for inventory and receivables</li> </ul>	<ul style="list-style-type: none"> <li>Our colleagues</li> <li>Our shareholders</li> <li>Our customers and suppliers</li> <li>Government</li> <li>Financial institutions</li> </ul>	



## Strategic report (continued)

### Section 172(1) – Companies Act 2006 Statement (continued)

	Our decision Process	Our decision	Interested Groups	Stakeholder
<b>Financial (continued)</b>				
<b>Strategic business plan and financial budget</b>  Each year, the business prepares a five year strategic plan and financial budget to share with the Board giving consideration to longer term strategic direction of the Group, noting the impact of climate risk and the energy transition, and what steps are required to ensure that the plan can be delivered.	<ul style="list-style-type: none"> <li>The Group business plan process commences with a Board strategy day to discuss and debate the future strategic direction and how it would benefit and support our business and key stakeholders</li> <li>The output from the strategy day is input into the five year business plan for the Board to assess</li> <li>The key drivers and underlying assumptions were discussed, debated, and challenged by the Board</li> <li>The business plan process was iterative with several follow up sessions to review key changes and impacts on the financial budgets.</li> </ul>	<ul style="list-style-type: none"> <li>The Board reviewed the five year strategic business plan and financial budget and after due consideration and discussion approved the plan.</li> <li>This included the approval of the Group's capital expenditure program and major projects and subsequent alignment with the financial budget and business plan.</li> </ul>	<ul style="list-style-type: none"> <li>Our colleagues</li> <li>Our shareholders</li> <li>Our customers and suppliers</li> <li>Our communities</li> <li>Our environment</li> <li>Government</li> <li>Financial institutions</li> </ul>	
<b>Strategic priorities</b>				
<b>Closure of Cardiff fuel operations</b>  The Board reviews strategic options for existing assets and business units, including the potential closure and downsizing of operations	<ul style="list-style-type: none"> <li>A review of the current and expected future supply / demand breakdown was discussed and consideration given to the various options that were available to the Group taking into consideration the various stakeholders</li> <li>The Board considered the impact that ceasing operations would have on its key stakeholders, including its staff</li> <li>The Board reviewed various options including continued operation, partial shut down, and full closure</li> </ul>	<ul style="list-style-type: none"> <li>The Board reviewed the analysis and recommendation provided by the Executive Directors</li> <li>After due consideration, the Board agreed to cease fuel distribution operations at the Group's Cardiff Terminal</li> <li>The Board acknowledged the impact that its decision would have on staff, ultimately resulting in a number of redundancies for staff who could not be redeployed to other parts of the business.</li> </ul>	<ul style="list-style-type: none"> <li>Our colleagues</li> <li>Our shareholders</li> <li>Our customers and suppliers</li> <li>Our environment</li> </ul>	

## Strategic report (continued)

### Section 172(1) – Companies Act 2006 Statement (continued)

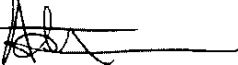
	Our decision Process	Our decision	Interested Stakeholder Groups
<b>Strategic priorities (continued)</b>			
<b>Entry into Hydrogen distribution</b>  As part of the Group's NextGen division, the Board evaluated opportunities to enter the distribution of hydrogen through the Group's in-house haulage operations.	<ul style="list-style-type: none"> <li>The Executive Directors provided an overview of the risks and benefits of distributing hydrogen through Greenergy Flexigrid</li> <li>The Board discussed the opportunity and evaluated the benefits and risks and how the opportunity fit with Greenergy's strategic direction in the energy transition.</li> </ul>	<ul style="list-style-type: none"> <li>The Board approved the decision to proceed with entering into an agreement to distribute hydrogen via Greenergy Flexigrid.</li> </ul>	<ul style="list-style-type: none"> <li>Our colleagues</li> <li>Our shareholders</li> <li>Our customers and suppliers</li> <li>Our environment</li> </ul>
<b>Legal and regulatory</b>			
<b>Approval of statutory accounts</b>  The Group prepares statutory financial reports which are not only a legal requirement, but are used by our stakeholders to understand the financial performance and decisions taken by the Group.	<ul style="list-style-type: none"> <li>The final statutory accounts and any adjusting items are presented to the Audit Committee.</li> <li>The audit committee reviews these and once satisfied, recommends to the Board to approve the statutory accounts.</li> </ul>	On the recommendation of the Audit Committee, the Board approved the statutory accounts and authorised them for issue.	<ul style="list-style-type: none"> <li>Our Shareholders</li> <li>Our customers and suppliers</li> <li>Financial institutions</li> <li>Our environment</li> </ul>
<b>Introduction of Sanctions on Russian Oil</b>  Following Russia's invasion of Ukraine, the UK and EU moved to introduce sanctions on Russian origin oil products.	<ul style="list-style-type: none"> <li>The Board considered the implications of the sanctions on the wider supply chain and the Group's business</li> <li>The Executive Directors provided the Board with an overview of how the business could remove Russian origin oil from its supply chain and ensure security of supply for the UK prior to the sanctions being imposed.</li> </ul>	<ul style="list-style-type: none"> <li>The Board agreed with the overview presented to ensure security of supply for the UK ahead of sanctions being introduced.</li> </ul>	<ul style="list-style-type: none"> <li>Our customers and suppliers</li> <li>Our colleagues</li> <li>Shareholders</li> <li>Financial institutions</li> <li>Government</li> </ul>

## Strategic report (continued)

### Section 172(1) – Companies Act 2006 Statement (continued)

The Directors of the Company and Group have acted in the way they consider, in good faith, would be most likely to promote the success of the Company and Group for the benefit of its members as a whole.

Approved for issuance by order of the Board on 20 April 2023 and signed on their behalf:



A J Traeger  
Chief Financial Officer

## Directors' report

The Directors present their annual report together with the financial statements for the year ended 31 December 2022.

In accordance with s414C(11) of the Companies Act 2016 information relating to corporate governance arrangements, subsequent events, future developments, Key Performance Indicators, streamlined energy and carbon reporting and financial risk management have been included within the strategic report.

### Results and dividends

The Group recorded a loss before tax of £8.2 million for the year ended 31 December 2022. This compares with a profit before tax of £39.7 million in 2021.

The Group held net assets of £144.6 million at year end (2021: £160.0 million). The nature of the Group financing for working capital resulted in a net current liabilities position of £330.3 million at year end (2021: £324.9 million).

The company made a profit of £1.0m (31 December 2021: loss of £0.1m) driven by dividend income from investments. The net assets improved to £221.1m (31 December 2021: £195.40m) due to the investment income offset by dividends paid.

No dividends were declared or paid by the Company during the year (2021: £nil). The Directors proposed no final dividend (2021: £nil).

### Dividend policy

When it is able to, the Company seeks to return a proportion of its profits to its Shareholders by way of paying a dividend from its distributable reserves. In determining the amount of dividend payable, the Board will take into account the Company's free cash flow, short-to-medium term capital investment programme and five-year strategic plan. The payment and level of any dividend will be determined by the Board, ensuring that there are sufficient distributable reserves, and will ultimately be approved by the Shareholders.

### Political and charitable contributions

Through its charity programme, the Group allocated to charitable giving £0.4m (2021: £0.4m). No political donations were made and no political expenditure was incurred during the year.

### Financial risk management

The financial risk management programme of the Company, including liquidity risk, market risk, credit risk, foreign exchange risk, is detailed within the principal risks and uncertainties section of the strategic report. As part of the financial risk management programme, in addition to meeting funding requirements, the Directors' also monitor compliance with loan covenants where applicable.

### Employees

Communications are established and maintained with all employees through the Group intranet and employee news app and staff presentations.

Consultation with employees or their representatives has continued at all levels with the aim of ensuring that their views are taken into account when decisions are made that are likely to have an impact on their interests and that all employees are aware of the financial and economic performance of their business units and of the Company as a whole (refer s172 p.42).

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability. Should a person become disabled while in the Group's employment, we will look to adjust where necessary, whilst aiming to retrain and develop where possible as part of our policy of retention.

## **Directors' report (continued)**

### **Employee engagement**

A dedicated hotline is available for all employees, in different languages and on an anonymous basis, to encourage reporting of wrongdoings. The Board promotes the helpline with a dedicated campaign and actively encourages reports made in good faith with no fear of retaliation or retribution.

Training programmes have continued throughout the year and serves as a tool to train staff on specific programmes but also to learn more about other business areas to deepen their understanding. The training meetings are held regularly throughout the year with encouraged attendance from all levels.

A meeting with global reach is held quarterly, where the Leadership Team openly addresses current challenges and business updates. All employees are encouraged to attend with the possibility to give input on concerns, issues or strategies. A recording is made available to staff who cannot attend and questions can be submitted in advance or during the meeting to encourage engagement and transparency.

The Board engages in visits to different sites throughout the year, to meet the staff from different offices in person and reinforce open communication and constructive exchange. This was particularly important in 2022 following the pandemic.

To ensure full comprehension of employee engagement and satisfaction levels, a survey takes place every two years on anonymous basis. The survey gives Directors and business heads valuable insight on a number of subjects such as working conditions, people development, quality of leadership and general employee satisfaction. As a result of this feedback, improvements are proposed and implemented.

### **Engagement with suppliers, customers and others**

Details of our engagement with suppliers, customers and others can be found in the Strategic report.

### **Corporate governance arrangements**

Details of our corporate governance arrangements can be found in the Strategic report.

### **Future developments**

Our strategy to lead in waste-based renewables, grow our supply chain infrastructure advantage, retail portfolio and expand our route to key markets will enable us to deliver on our purpose and mission. We continue to focus our capital on waste-based renewables and Next Gen fuels to support the energy transition.

We are continuing to progress projects to reduce our own carbon emissions.

### **Post balance sheet events**

Post balance sheet events of the Group are detailed in note 33 of the financial statements.

### **Directors**

The Directors who served Greenergy Group Holdings III during the year and up to the date of this report were as follows:

A W Owens  
A J Traeger  
E M J Brogan  
R N Rank  
R J Ingram

Greenergy International Limited, a subsidiary of Greenergy Group Holdings III Limited, on behalf of the Company and its subsidiaries has made qualifying third party indemnity provisions for the benefit of its directors and the directors of other group undertakings, which were made during the year and remain in place at year end.

## Directors' report (continued)

### Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Going concern

The Group, including the Company, has prepared the financial statements on the basis that it will continue to operate as a going concern. In preparing the financial statements on the going concern basis, the Directors have considered the principal risks and uncertainties impacting the Group.

Global events in recent years such as the COVID pandemic and Ukraine conflict have had significant impacts on fuel demand as well as financial and commodity markets in which the Group operates. Whilst the Group was able to successfully navigate these events, the Directors have used these events and the knowledge gained from them to carry out extensive sensitivity analysis and assessment of its ability to continue as a going concern.

The primary risk identified by the Directors was in respect of the Group's ability to finance its working capital and term debt facilities. The Directors continue to believe this remains the primary risk to going concern and as such have taken steps to address this risk through a restructuring and refinancing of its debt facilities.

As at 31 December 2022 the Group had various committed and uncommitted borrowing facilities which all mature before December 2023 therefore outstanding balances are classified as short-term in the consolidated statement of financial position. The amount drawn down under these facilities and outstanding as at 31 December 2022 was US\$ 867m (£721m) and relates to the financing facilities as follows:

- US\$ 584m (£485m) drawn down under the Working Capital Facility, maturing on 30 April 2023;
- US\$ 234m (£195m) drawn down under the UK Term Debt Facility, maturing in May 2023;
- US\$ 49m (£41m) drawn down under the Canadian revolving credit facility, maturing in July 2023.

Access to these facilities has been core to the ongoing operations of the Group and they were sized appropriately given consideration to the scale of the business, underlying commodity prices, volumes and the indirect tax and excise duty payment cycles applicable to Greenergy.

## Directors' report (continued)

### Going concern (continued)

Subsequent to year end, the Group has successfully restructured and refinanced its global financing facilities into various new facilities which are suitable to support the business going forward. These facilities consist of:

- US\$ 650m committed Receivables Purchase Facility expiring in 2025; and
- US\$ 250m – US\$ 500m committed, volumetric based Inventory Monetisation Facility with facility size flexing depending on commodity prices expiring in 2026.

The Group has prepared detailed base forecasts and scenario "stress testing" analysis taking into consideration the principal risks and uncertainties that the Group faces and the resulting impact on key business drivers such as volume demand and key commodity prices. Specific consideration was given to the impacts that upward pressure on oil prices would have on available liquidity. Principal risks not specifically modelled were either deemed not to have an impact within the going concern period or the financial effect sufficiently considered through the downside economic factors already applied. When assessing both the base forecasts, and the downside sensitivities, the Group's liquidity remains strong and financial covenants continue to be in compliance for a minimum of the next 12 months.

After careful consideration of the principal risks and uncertainties, and on the fact that the Group has secured a new package of debt facilities as highlighted above, the Directors have a reasonable expectation that the Group has sufficient resources to continue in operation for the going concern period, being a period of 12 months from the date the financial statements are authorised for issue. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts. Accordingly, the consolidated financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Group was unable to continue as a going concern.

### Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

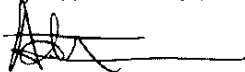
### Disclosure of information to auditor

Each of the Directors who held office at the date of approval of this Directors' report confirm that:

- So far as they are each aware, there is no relevant audit information of which the Company's auditor are unaware
- Each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Group and parent Company's auditor are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

By order of the Board and authorised for issuance on 20 April 2023



A J Traeger  
Director

198 High Holborn,  
London, UK, WC1V 7

**Independent auditor's report to the members of Greenery Group Holdings III Limited**

**Report on the audit of the financial statements**

**Opinion**

In our opinion:

- the financial statements of Greenery Group Holdings III Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards
- the parent company financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement and
- the related notes 1 to 34.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- obtained an understanding of relevant controls over management's going concern model, including the review of the inputs and assumptions used within the model.
- assessed the adequacy of the financial facilities that are available to the group, including the uncertainties that exist in relation to those due for renewal within the next 12 months.
- Checked the mathematical accuracy of management's model including agreement to approved budgets and forecasts.



**Independent auditor's report to the members of Greenenergy Group Holdings III Limited (continued)**

**Report on the audit of the financial statements (continued)**

**Conclusions relating to going concern (continued)**

- challenged the key assumptions of these forecast by:
  - reading industry data and other external data and comparing these with management's estimates.
  - comparing forecast results with the historical performance
  - evaluating the historical accuracy of forecasts prepared by management.
  - assessing the sensitivity of the headroom within management's forecasts.
- assessed the sufficiency of the group's disclosure in relation to going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Independent auditor's report to the members of Greenergy Group Holdings III Limited (continued)**

**Report on the audit of the financial statements (continued)**

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These include Data Protection Act 1998, Disability Discrimination Act, Age Discrimination Act 2006, Health and Safety at Work Act 1974, Anti-Bribery Act 2010 and general employment laws.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address it are described below:

Revenue recognition fraud risk in relation to:

- occurrence of non-rack sales and network sales within the UK operations; and
- occurrence of manual adjusting entries to retail sales within the Canadian operations.

In order to respond to the revenue significant risk within the UK operations we performed the following procedures:

- tested the relevant controls over management's network revenue calculation and the revenue recognition for non-rack sales;
- assessed the applicable contracts or alternative documentation to agree pricing and sale terms with the customer;
- assessed the contracts to understand the performance obligations present in the contract to evaluate whether revenue has been appropriately recognised in line with IFRS 15;
- obtained confirmation from the counterparty of the transaction; and
- performed an assessment of historic customer trading activities to identify any unusual trends.

**Independent auditor's report to the members of Greenenergy Group Holdings III Limited (continued)**

**Report on the audit of the financial statements (continued)**

**Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

Our response to the retail revenue significant risk within the Canadian operation included the following procedures:

- tested the relevant controls over manual journal entries posted to revenue;
- isolated and tested manual journal entries that are posted to revenue for the year; and
- obtained and evaluated the underlying documentation including the business rationale to validate that the transaction related to revenue under IFRS.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance

**Report on other legal and regulatory requirements**

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

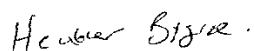
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

**Independent auditor's report to the members of Greenergy Group Holdings III Limited (continued)**

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Heather Bygrave, FCA  
For and on behalf of Deloitte LLP  
Statutory Auditor  
St Albans, United Kingdom  
20 April 2023

**Consolidated income statement**  
**For the year ended 31 December 2022**

		Year ended 31 December 2022	Year ended 31 December 2021
	Note	£'000	£'000
Revenue	4	20,456,307	15,552,612
Cost of sales		(20,110,147)	(15,251,288)
<b>Gross profit</b>		<b>346,160</b>	<b>301,324</b>
Distribution costs		(149,165)	(115,854)
Administrative expenses		(168,023)	(121,924)
Other operating income		3,976	1,536
Share of profit of joint ventures and associates	12	278	375
<b>Operating profit</b>		<b>33,226</b>	<b>65,457</b>
Finance income	7	2,004	162
Finance costs	8	(43,423)	(25,955)
<b>(Loss)/profit before taxation</b>		<b>(8,193)</b>	<b>39,664</b>
Income tax expense	9	(6,388)	(3,194)
<b>(Loss)/profit for the financial year</b>	5	<b>(14,581)</b>	<b>36,470</b>
(Loss)/profit attributable to:			
Equity holders of the parent		(13,039)	36,536
Non-controlling interest		(1,542)	(66)
		<b>(14,581)</b>	<b>36,470</b>

The results stated above are all derived from continuing operations.

The notes on pages 67 – 123 are an integral part of these consolidated financial statements.

**Greenergy Group Holdings III Limited**  
**Consolidated statement of comprehensive income**

**Consolidated statement of comprehensive income**  
**For the year ended 31 December 2022**

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
<b>(Loss)/profit for the financial year</b>	<b>(14,581)</b>	36,470
<b>Other comprehensive income:</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange difference on translation of net assets of subsidiaries	(898)	(1,115)
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>(898)</b>	(1,115)
<b>Other comprehensive expense for the year, net of tax</b>	<b>(898)</b>	(1,115)
<b>Total comprehensive (expense)/income for the year</b>	<b>(15,479)</b>	35,355
Attributable to:		
Equity holders of the parent	(13,937)	35,287
Non-controlling interest	(1,542)	68
<b>Total comprehensive (expense)/income for the year</b>	<b>(15,479)</b>	35,355

The items in the statement above are disclosed net of tax. There are no other taxation charges or credits associated with the elements of other comprehensive income reported above.

The notes on pages 67 – 123 are an integral part of these consolidated financial statements.

**Consolidated and Company balance sheet**  
**As at 31 December 2022**

Note	Group		Company	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	10	210,717	237,369	-
Right-of-use assets	15	276,984	299,517	-
Intangible assets including goodwill	11	199,065	194,127	-
Investments in subsidiaries	12	-	-	220,094
Investments in associates	12	345	398	-
Investments in joint ventures	12	8,562	8,077	-
Equity investments classified as fair value through other comprehensive income	13	16,678	16,524	-
Other receivables	16	48,991	26,557	2,371
Deferred income tax assets	21	9,149	4,405	-
		<u>770,491</u>	<u>786,974</u>	<u>222,465</u>
				195,467
<b>Current assets</b>				
Inventories	14	1,118,375	889,964	-
Trade and other receivables	16	965,109	897,161	53
Cash and short term deposits	18	44,422	64,687	1
Derivative financial instruments	24	21,996	14,465	-
Corporation tax assets		-	764	-
		<u>2,149,902</u>	<u>1,867,041</u>	<u>54</u>
				10,459
<b>Total assets</b>		<u><b>2,920,393</b></u>	<u><b>2,654,015</b></u>	<u><b>222,519</b></u>
				205,926
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Provisions	20	(6,725)	(8,590)	-
Other payables	23	(9,093)	(8,195)	-
Lease liabilities	22	(244,777)	(256,863)	-
Deferred tax liabilities	21	(34,999)	(28,345)	-
		<u>(295,594)</u>	<u>(301,993)</u>	<u>-</u>
<b>Current liabilities</b>				
Trade payables and accrued liabilities	23	(1,699,955)	(1,420,621)	(1,369)
Derivative financial instruments	24	(12,369)	(19,349)	-
Interest-bearing loans and borrowings	19	(720,764)	(704,422)	-
Lease liabilities	22	(46,370)	(47,587)	-
Corporation tax liabilities		(777)	-	-
		<u>(2,480,235)</u>	<u>(2,191,979)</u>	<u>(1,369)</u>
				(10,504)
<b>Total liabilities</b>		<u><b>(2,775,829)</b></u>	<u><b>(2,493,972)</b></u>	<u><b>(1,369)</b></u>
				(10,504)
<b>Net assets</b>		<u><b>144,564</b></u>	<u><b>160,043</b></u>	<u><b>221,150</b></u>
				195,422

**Greenery Group Holdings III Limited**  
**Consolidated and Company balance sheet**


**Consolidated and Company balance sheet (continued)**  
**As at 31 December 2022**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>31 December 2022</b>	<b>31 December 2021</b>	<b>31 December 2022</b>	<b>31 December 2021</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>EQUITY</b>					
Issued capital	25	<b>204,441</b>	204,441	<b>204,441</b>	204,441
Acquisition reserve		<b>(5,186)</b>	(5,232)	-	-
Revaluation reserve		<b>(10,312)</b>	(10,338)	-	-
Currency translation reserve		<b>7,066</b>	8,036	<b>15,688</b>	(8,947)
Retained profit/(losses)		<b>(59,218)</b>	(46,179)	<b>1,021</b>	(72)
<b>Equity attributable to owners of the parent</b>		<b>136,791</b>	150,728	<b>221,150</b>	195,422
Non-controlling interests		<b>7,773</b>	9,315	-	-
<b>Total equity</b>		<b>144,564</b>	160,043	<b>221,150</b>	195,422

The Company (Registered number: 10673871) has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company income statement. The profit of the parent Company for the year was £1,093,000 (Year ended 31 December 2021: loss of £46,000).

The notes on pages 67 – 123 are an integral part of these consolidated financial statements.

The financial statements were approved by the board of Directors and authorised for issue on 20 April 2023. They were signed on its behalf by:



**A J Traeger**  
**Director**



**Consolidated statement of changes in equity**  
**For the year ended 31 December 2022**

	Issued capital £'000	Retained losses £'000	Currency translation reserve £'000	Revaluation reserve £'000	Acquisition reserve £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
<b>Balance at 1 January 2021</b>	204,441	(82,715)	8,944	(9,955)	-	120,715	(112)	120,803
<b>Comprehensive income</b>	-	36,536	-	-	-	36,536	(66)	36,470
Profit/(Loss) for the year	-	36,536	-	-	-	36,536	(66)	36,470
<b>Other comprehensive income</b>	-	-	-	-	-	-	-	-
Exchange difference on translation of net assets of subsidiaries	-	-	(908)	(383)	42	(1,249)	134	(1,115)
<b>Total comprehensive income</b>	-	36,536	(908)	(383)	42	35,287	68	35,355
Acquisition of subsidiaries	-	-	-	-	-	-	8,173	8,173
Acquisition of NCI	-	-	-	-	(5,274)	(5,274)	1,186	(4,088)
<b>Total transactions with owners</b>	-	-	-	-	(5,274)	(5,274)	9,359	4,085
<b>Balance at 31 December 2021</b>	204,441	(46,179)	8,036	(10,338)	(5,232)	150,728	9,315	160,043
<b>Comprehensive income</b>	-	(13,039)	-	-	-	(13,039)	(1,542)	(14,581)
Loss for the year	-	(13,039)	-	-	-	(13,039)	(1,542)	(14,581)
<b>Other comprehensive income</b>	-	-	-	-	-	-	-	-
Exchange difference on translation of net assets of subsidiaries	-	-	(970)	26	46	(898)	-	(898)
<b>Total comprehensive income</b>	-	(13,039)	(970)	26	46	(13,937)	(1,542)	(15,479)
<b>Balance at 31 December 2022</b>	204,441	(59,218)	7,066	(10,312)	(5,186)	136,791	7,773	144,564

The notes on pages 67 – 123 are an integral part of these consolidated financial statements.

The revaluation reserve arose on revaluation of equity investments classified as fair value through other comprehensive income.

The acquisition reserve arose on the acquisition of non-controlling interest in a subsidiary.

Non-controlling interest represents the cumulative effect of earnings not distributed attributable to the non-controlling interest.

Retained losses represents the cumulative balance of earnings not distributed.

Currency translation reserve represents the cumulative balance of exchange differences on translation of net assets into the presentational currency.

**Company statement of changes in equity**  
**For the year ended 31 December 2022**

	<b>Issued capital £'000</b>	<b>Retained earnings £'000</b>	<b>Currency translation reserve £'000</b>	<b>Total £'000</b>
<b>Balance at 1 January 2021</b>	204,441	(26)	(10,734)	193,681
<b>Comprehensive income</b>				
Loss for the year	-	(46)	-	(46)
Exchange difference on translation of net assets	-	-	1,787	1,787
<b>Total comprehensive income</b>	-	(46)	1,787	1,741
<b>Balance at 31 December 2021</b>	204,441	(72)	(8,947)	195,422
<b>Comprehensive income</b>				
Profit for the year	-	1,093	-	1,093
Exchange difference on translation of net assets	-	-	24,635	24,635
<b>Total comprehensive income</b>	-	1,093	24,635	25,728
<b>Balance at 31 December 2022</b>	204,441	1,021	15,688	221,150

The notes on pages 67 – 123 are an integral part of these consolidated financial statements.

Retained earnings represent the cumulative balance of earnings not distributed.

Currency translation reserve represents the cumulative balance of exchange differences on translation of net assets into the presentational currency.

**Consolidated statement of cash flows**  
**For the year ended 31 December 2022**

		Year ended 31 December 2022	Year ended 31 December 2021
	Note	£'000	£'000
<b>Net cash generated from /(used in) operating activities</b>	26	<b>99,191</b>	<b>(134,160)</b>
<b>Investing activities</b>			
Acquisition of shareholding in joint arrangement	12	(864)	-
Acquisition of subsidiaries, net of cash acquired		-	(22,796)
Purchases of property, plant and equipment	10	(13,943)	(17,531)
Purchases of intangible assets	11	(5,193)	(2,380)
Proceeds from sales of property, plant and equipment		694	-
<b>Net cash used in investing activities</b>		<b>(19,306)</b>	<b>(42,707)</b>
<b>Financing activities</b>			
(Repayment of)/Proceeds from borrowings	19	(8,782)	257,070
Facility extension fees		-	(3,286)
Finance income	7	193	162
Finance costs	8	(30,360)	(23,893)
Repayment of lease liabilities - principal	15	(65,166)	(55,635)
<b>Net cash (used in)/generated by financing activities</b>		<b>(104,115)</b>	<b>174,418</b>
<b>Decrease in cash and cash equivalents</b>		<b>(24,230)</b>	<b>(2,449)</b>
Cash and cash equivalents at the beginning of the year		64,687	67,136
Impact of foreign exchange on cash and cash equivalents		3,965	-
<b>Cash and cash equivalents at the end of the year</b>	18	<b>44,422</b>	<b>64,687</b>

The notes on pages 67 – 123 are an integral part of these consolidated financial statements.

**Greenergy Group Holdings III Limited**  
**Company statement of cash flows**

**Company statement of cash flows**  
**For the year ended 31 December 2022**

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
<b>Net cash generated from operating activities</b>	-	-
<b>Investing activities</b>		
Dividends received	-	-
<b>Net cash generated from investing activities</b>	-	-
<b>Financing activities</b>		
Dividends paid	-	-
<b>Net cash used in financing activities</b>	-	-
<b>Movement in cash and cash equivalents</b>	-	-
Cash and cash equivalents and bank overdrafts at the beginning of the year	1	1
<b>Cash and cash equivalents at the end of the year</b>	<b>1</b>	<b>1</b>

The notes on pages 67 – 123 are an integral part of these consolidated financial statements.

## Notes to the financial statements

### 1. Summary of business and significant accounting policies

#### General business description

Greenergy Group Holdings III Limited (the "Company") is a private Company limited by shares, domiciled and incorporated in England under the Companies Act. The address of the registered office is given on page 1.

The Company and its subsidiaries (together, 'the Group') is a major supplier of transportation fuels and waste derived renewable fuels. Supported by strategic infrastructure and a leading renewable fuel production footprint, the Group markets in UK, Ireland, Canada and Brazil.

#### Basis of preparation

The consolidated and company financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) and the Companies Act 2006 applicable to companies reporting under IFRS.

The consolidated and company financial statements have been prepared on the historical cost basis except for the re-measurement of certain financial instruments that are measured at fair values at the end of each reporting period.

#### Going concern

The Group, including the Company, has prepared the financial statements on the basis that it will continue to operate as a going concern. In preparing the financial statements on the going concern basis, the Directors have considered the principal risks and uncertainties impacting the Group.

Global events in recent years such as the COVID pandemic and Ukraine conflict have had significant impacts on fuel demand as well as financial and commodity markets in which the Group operates. Whilst the Group was able to successfully navigate these events, the Directors have used these events and the knowledge gained from them to carry out extensive sensitivity analysis and assessment of its ability to continue as a going concern.

The primary risk identified by the Directors was in respect of the Group's ability to finance its working capital and term debt facilities. The Directors continue to believe this remains the primary risk to going concern and as such have taken steps to address this risk through a restructuring and refinancing of its debt facilities.

As at 31 December 2022 the Group had various committed and uncommitted borrowing facilities which all mature before December 2023 therefore outstanding balances are classified as short-term in the consolidated statement of financial position. The amount drawn down under these facilities and outstanding as at 31 December 2022 was US\$ 867m (£721m) and relates to the financing facilities as follows:

- US\$ 584m (£485m) drawn down under the Working Capital Facility, maturing on 30 April 2023;
- US\$ 234m (£195m) drawn down under the UK Term Debt Facility, maturing in May 2023;
- US\$ 49m (£41m) drawn down under the Canadian revolving credit facility, maturing in July 2023.

Access to these facilities has been core to the ongoing operations of the Group and they were sized appropriately given consideration to the scale of the business, underlying commodity prices, volumes and the indirect tax and excise duty payment cycles applicable to Greenergy.

Subsequent to year end, the Group has successfully restructured and refinanced its global financing facilities into various new facilities which are suitable to support the business going forward. These facilities consist of:

- US\$ 650m committed Receivables Purchase Facility expiring in 2025; and
- US\$ 250m – US\$ 500m committed, volumetric based Inventory Monetisation Facility with facility size flexing depending on commodity prices expiring in 2026.

The Group has prepared detailed base forecasts and scenario "stress testing" analysis taking into consideration the principal risks and uncertainties that the Group faces and the resulting impact on key business drivers such as volume demand and key commodity prices. Specific consideration was given to the impacts that upward pressure on oil prices would have on available liquidity. Principal risks not specifically modelled were either deemed not to have an impact within the going concern period or the financial effect sufficiently considered through the downside economic factors already applied. When assessing both the base forecasts, and the downside sensitivities, the Group's liquidity remains strong and financial covenants continue to be in compliance for a minimum of the next 12 months.

## Notes to the financial statements (continued)

### 1. Summary of business and significant accounting policies (continued)

#### Going concern (continued)

After careful consideration of the principal risks and uncertainties, and on the fact that the Group has secured a new package of debt facilities as highlighted above, the Directors have a reasonable expectation that the Group has sufficient resources to continue in operation for the going concern period, being a period of 12 months from the date the financial statements are authorised for issue. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts. Accordingly, the consolidated financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Group was unable to continue as a going concern.

#### Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2022. Control is achieved where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial performance and position of subsidiaries are consolidated for the same reporting period as the parent company, using consistent accounting policies. The results of subsidiaries acquired or disposed of during the period are fully consolidated from the effective date of acquisition or up to the effective date of disposal.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated on consolidation.

#### Foreign currency

##### a) *Functional and presentational currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Sterling Pounds (GBP or £), which is different to the Company's functional currency of US dollars. The directors believe that presenting the annual accounts in GBP reflects more accurately the nature of the group and therefore show more meaningful results.

##### b) *Transactions and balances*

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the income statement within cost of sales.

Non-monetary assets and liabilities that are measured at historical cost and denominated in a foreign currency are translated into the functional currency using the rates of exchange as at the dates of the initial transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated into the functional currency using the rate of exchange at the date the fair value was determined. These gains or losses on translation are included in the income statement within administrative expenses.

## Notes to the financial statements (continued)

### 1. Summary of business and significant accounting policies (continued)

#### Foreign currency (continued)

##### c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentational currency are translated into the presentational currency as follows:

- i. Assets and liabilities for each balance sheet presented are translated at the rate of exchange prevailing at the reporting date;
- ii. Income and expenses for each income statement are translated at exchange rates prevailing at the dates of the transactions; and
- iii. All resulting exchange differences are recognised in other comprehensive income and under currency translation reserve in equity.

Any goodwill and other intangibles arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

#### Subsidiaries exemption from audit by parent guarantee

The following subsidiaries incorporated in the United Kingdom, are exempt from the requirements relating to the audit of individual accounts, under s479A - 479C of the Companies Act 2006. The parental guarantee is provided by Greenergy Fuels Holdings Limited, a company limited by shares and incorporated in the United Kingdom.

Subsidiaries	Registered number
Greenergy Biofuels Limited	05082298
Greenergy Biofuels Teesside Limited	08460063
Greenergy Terminals Limited	06615825
Greenergy Morzine Holdings Limited	04423989
Greenergy International Limited	02809935
Greenergy Oil U.K. Limited	10268768
Greenergy Group Holdings V Limited*	10495590
Green Tyre Technology (UK) Limited	10126880
Inver Energy (UK) Limited	05706050
Thames Enterprise Park Land Limited	10844679
Thames Enterprise Park Limited	10844191
Greenergy Amber Holdings Limited	12855547

\*Parental guarantee to this subsidiary is provided by Greenergy Group Holdings III Limited

Note that the subsidiaries below were also exempt from the requirements relating to the audit of individual accounts under the equivalent legislation in the country of registration noted below.

Subsidiaries	Country of registration
Greenlife Oil Holdings Pty	Australia
Environmental Oils Pty Ltd	Australia
Greenlife Oil Tasmania Pty Ltd	Australia
Greenlife Oil South Australia Pty Ltd	Australia
Greenergy Deutschland GmbH	Germany
Greenergy Netherlands BV	Netherlands
Greenergy Biofuels Amsterdam BV	Netherlands
Morzine Limited	Jersey

## Notes to the financial statements (continued)

### 1. Summary of business and significant accounting policies (continued)

#### Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is re-measured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests in the acquired entity are re-measured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.



## Notes to the financial statements (continued)

### 1. Summary of business and significant accounting policies (continued)

#### Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and/or accumulated impairment losses, if any.

Historical cost includes the original purchase price or construction cost, any costs directly attributable to bringing the asset to its working condition for its intended use and the initial estimate of any decommissioning obligation, if any, and borrowing costs.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method and charged to write off the cost less the estimated residual value by equal instalments over their estimated useful lives once the asset has been successfully commissioned and is proven to be able to operate at normal levels. The useful lives of the Group's property, plant and equipment are as follows:

Land and Buildings	15 to 20 years
Plant and machinery	2 to 20 years
Office equipment	2 to 5 years
Motor vehicles	1 to 10 years

Depreciation is not charged on assets which are under construction or on plant and machinery which has yet to be successfully commissioned until such time that the asset is in a working condition for its intended use.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other operating income/(losses)' in the income statement.

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of those respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### Intangible assets

##### a) Goodwill

On acquiring a subsidiary, the acquisition method of accounting is used whereby the purchase consideration is allocated to the identifiable net assets on the basis of fair value at the date of acquisition.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

If the fair value attributable to the Group's share of the acquiree's identifiable net assets exceeds the fair value of the consideration, the Group reassesses whether it has correctly identified and measured the acquiree's identifiable net assets and recognises any assets or liabilities that are identified in that review. If that excess remains after the reassessment, the Group recognises the resulting gain in profit or loss on the acquisition date.

After initial recognition, goodwill has an indefinite life and is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment on an annual basis or more frequently if indications that the carrying value may be impaired arise. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Goodwill is allocated to those cash generating units that are expected to benefit from the business combination in which the goodwill arose. Where the carrying amount of the cash-generating unit exceeds its recoverable amount an impairment loss is recognised.

## Notes to the financial statements (continued)

### 1. Summary of business and significant accounting policies (continued)

#### *b) Other Intangible assets*

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The useful lives of the Group's intangible assets are as follows:

Branding rights	1 to 5 years
Software	1 to 10 years
Customer relationships	10 years
Retail Brand	10 years
Technology	10 years

Amortisation is not charged on Development costs which has yet to be successfully commissioned until such time that the asset is in a working condition for its intended use.

#### *Research and development*

All expenditure on research is charged to the income statement in the period in which it is incurred.

Development expenditure is charged to the income statement as incurred unless it meets the recognition criteria set out in IAS 38 'Intangible Assets'. Where the recognition criteria are met, intangible assets are capitalised and amortised over their useful economic lives.

#### *Branding rights*

Expenditure in relation to branding rights which meets the recognition criteria set out in IAS 38 'Intangible Assets' has been capitalised and amortised over the life of the branded wholesale agreement.

The carrying values of intangible assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. The amortisation of intangibles has been recognised within administrative expenses in the consolidated income statement.

#### **Investments in subsidiaries**

Investments in subsidiary companies held by the Company are stated at cost less impairment. The Company assesses whether there has been impairment of investments in subsidiaries based on the financial position and future prospects of the investments. This takes into consideration a range of factors such as the net assets of the investees, its recent trading performance, and the expected revenue growth.

#### **Investments in joint arrangements**

The Group applies IFRS 11 to all joint arrangements. A joint arrangement is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control; that is, when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Investments in joint arrangements are classified as joint operations to the extent the Group has rights to the assets and obligations for the liabilities of these arrangements.

As such, the Group has accounted for its share of the assets, liabilities, revenue and expenses on a line by line basis. Unrealised gains on transactions between the Group and its joint operations are eliminated to the extent of the Group's interest in the joint arrangement. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Investments in joint arrangements that are classified as joint ventures are accounted for using the equity method. At initial recognition, the investment is recognised at cost. Subsequent to initial recognition, the carrying value of the investment is adjusted for the Group's share of comprehensive income and distributions. The carrying value is assessed for impairments at each reporting date.

The Group's share of its joint venture's result is recognised as a component of operating profit as these operations form part of the core fuels business of the Group and are an integral part of the business.

## Notes to the financial statements (continued)

### 1. Summary of business and significant accounting policies (continued)

#### Investments in associates

The group applies IAS 28 to all investments in associates and as such are accounted for using the equity method. At initial recognition, the investment is recognised at cost. Subsequent to initial recognition, the carrying value of the investment is adjusted for the Group's share of comprehensive income and distributions. The carrying value is assessed for impairments at each reporting date. The Group's share of its associate's result is recognised as a component of operating profit as these operations form part of the core fuels business of the Group and are an integral part of the business.

#### Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Goodwill is tested for impairment annually as at 30 September and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

#### Financial assets

##### *(a) Classification*

Financial assets are classified as financial assets at fair value through profit or loss, fair value through other comprehensive income or amortised cost. The Group determines the classification of its financial assets upon initial recognition.

##### *(b) Measurement*

The initial and subsequent measurement of financial assets held by the Group depends on their classification as follows:

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Initial measurement is at fair value and transaction costs are expensed in the income statement. Subsequent measurement is at fair value with gains or losses to the fair value recognised in the income statement.

##### *Financial assets at amortised cost*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are held at amortised cost using the effective interest rate method under a collect model.

##### *Financial assets at fair value through other comprehensive income*

Other investments in debt and equity securities held by the Group are classified as being equity investments and are stated at fair value, with any resultant gain or loss being recognised directly in other comprehensive income, except for impairment losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is transferred to retained earnings.

## Notes to the financial statements (continued)

### 1. Summary of business and significant accounting policies (continued)

#### Financial assets (continued)

##### *(c) Impairment of financial assets*

The Group recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost or at FVOCI, lease receivables and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The expected credit losses on these financial assets are estimated using a provision analysis based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Trade receivables overdue by 90 days or more are provided for in full at the reporting date.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the entity measures the loss allowance for that financial instrument at an amount equal to 12 month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

##### *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

#### Financial liabilities

When a financial liability is recognised initially, the Group measures it at its fair value less, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability. Financial liabilities include trade payables, other payables, borrowings and derivative financial instruments. Subsequent measurement depends on its classification as follows:

##### *Financial liabilities at fair value through profit or loss*

Financial liabilities classified as held for trading and derivative liabilities that are not designated as effective hedging instruments are classified as financial liabilities at fair value through profit or loss. Such liabilities are carried on the balance sheet at fair value with gains or losses being recognised in the income statement.

##### *Other*

All other financial liabilities not classified as fair value through profit or loss are measured at amortised cost using the effective interest method.

#### Derivative financial instruments

Derivative financial instruments, such as forward commodity contracts are used to hedge commodity price risks. No hedge accounting has been applied to these derivatives. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The fair values of various derivative instruments used for hedging purposes are disclosed in note 24.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit or loss and other comprehensive income, and presented within operating profit.

## Notes to the financial statements (continued)

### 1. Summary of business and significant accounting policies (continued)

#### Inventories

Fuel products are traded in active markets and are purchased with a view to resale in the near future, generating a profit from fluctuations in prices or margins. As a result, stocks of fuel products are carried at market value by reference to quoted market prices at year-end, in accordance with the broker/trader exemption granted by IAS 2. Changes in fair value are recognised in the income statement through cost of sales. Used cooking oil and other products and chemicals used in the production of biofuels are valued at the lower of cost and net realisable value, on a first in first out basis. Duty paid on stock is valued at cost.

Land held for development and resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred.

#### Renewable Transport Fuel Obligation (RTFO)

The Group is part of the Renewable Transport Fuel Obligation (RTFO) scheme under which it is required to meet annual targets for the supply of biofuels. The obligations which arise are either settled by cash or through the delivery of certificates which are generated by the Group through the blending of biofuels.

To the extent that the Group generates certificates in excess of its current year obligation, these can either be carried forward to offset up to 25% of the obligation of the Group in the following year or sold to other parties.

The liability associated with the Group's obligations under the scheme are recognised in the year in which the obligation arises and is valued by reference to either the cost of generating the certificates which will be surrendered to meet the obligation or the expected future cash outflow where cash settled. This is disclosed as the fuel compliance obligation.

Certificates generated or purchased during the year which will be used to settle the current obligation are recognised at the lower of cost and net realisable value. Where certificates are generated, cost is deemed to be the average cost of blending biofuels during the year in which the certificates are generated.

Certificates held for sale to third parties are recognised at fair value by reference to year-end market prices. Changes in market prices of the certificates and the quantity of tickets considered to be realisable through external sales are recognised immediately in the income statement.

Certificates for which no active market is deemed to exist are not recognised.

## Notes to the financial statements (continued)

### 1. Summary of business and significant accounting policies (continued)

#### Trade receivables

Trade receivables are amounts due from customers for fuel products sold or services performed in the ordinary course of business. If collection is expected in one year or less they are classified as current assets, otherwise they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently at amortised cost, less provision for impairment.

#### Cash and short-term deposits

Cash and short-term deposits include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

#### Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

#### Trade payables and accrued liabilities

Trade payables and accrued liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less; otherwise they are presented as non-current liabilities.

Trade payables and accrued liabilities are recognised initially at fair value and subsequently measured at amortised cost.

#### Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Bank overdrafts are included within the current borrowings on the balance sheet.

## Notes to the financial statements (continued)

### 1. Summary of business and significant accounting policies (continued)

#### Current and deferred income taxes

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

##### *(a) Current taxes*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income.

##### *(b) Deferred taxes*

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### Pension costs

Contributions are made to the personal plans of all applicable employees. The expenditure is charged to the income statement in the period to which it relates.

#### Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount.

A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events or where the amount of the obligation cannot be measured reliably. Contingent assets are not recognised, but are disclosed where an inflow of economic benefits is probable.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its Group, the Company considers these to be insurance arrangements, and accounts for them accordingly. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

## Notes to the financial statements (continued)

### 1. Summary of business and significant accounting policies (continued)

#### Revenue recognition

The Group recognises revenue from the following major sources:

- Sale of fuel products and RTFO certificates;
- The provision of managed services and storage services; and
- The provision of haulage services to third-party customers on a delivered-in basis.
- Gasoline and convenience retail sales.

Revenue is measured in line with *IFRS 15* and is based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer. The transaction price is allocated to fuel products on a price-per-litre basis in line with weekly published averages.

#### *Sale of fuel products and RTFO certificates*

Revenue from the sale of goods represents net invoiced sales of fuel products and RTFO certificates, excluding value added tax and including excise duty. Revenue is recognised when the performance obligation has been satisfied, this being the point at which the product has been delivered to/lifted by the customer.

#### *Managed services and storage services*

Revenue is recognised for these services based on the stage of completion of the contract, which is deemed to be complete satisfaction of the performance obligations under *IFRS 15*. Revenue related to one-off services is recognised on the date of the service provision.

#### *Haulage services*

The Group provides haulage services to third-party customers on a delivered-in basis. The revenue related to haulage services is recognised at the point the goods are received by the customer.

#### *Gasoline and convenience retail sales*

Revenue from gasoline and convenience retail sales represents net invoiced sales of gasoline and convenience retail products, excluding value added tax and including excise duty. Revenue is recognised when the performance obligation has been satisfied, this being the point at which the goods are received by the customer.

Revenue in note 4 is disclosed as only sale of fuel product and retail sales as the other sources noted above are considered to be immaterial. Those revenue sources are included within sale of fuel product.

#### Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group and the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.

#### Investment income

Investment income is recognised when the right to receive payment is established.



## Notes to the financial statements (continued)

### 1. Summary of business and significant accounting policies (continued)

#### Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Government grants are offset against the expense to which they relate.

#### Leases

##### (a) The Group as lessee

The Group assesses at contract inception, all arrangements to determine whether they are, or contain, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets which are recognised as expense on a straight-line basis over the lease term. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### (i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are presented as a separate line in the statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

The categories of the Group's Right-of-use assets are as follows:

Buildings  
Plants  
Equipment

Right of use assets are depreciated over the asset's useful life, or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term. On average this is 8 years.

##### (ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The lease liability is presented as a separate line in the statement of financial position.

## Notes to the financial statements (continued)

### 1. Summary of business and significant accounting policies (continued)

#### Leases (continued)

##### (iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

##### (b) The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease.

## Notes to the financial statements (continued)

### 1. Summary of business and significant accounting policies (continued)

#### Fair value measurement

The Group measures financial instruments such as derivatives, and non-financial assets and liabilities such as equity investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

#### New and amended IFRS Standards that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

#### *Amendments to IFRS 3 Reference to the Conceptual Framework*

The Group has adopted the amendments to IFRS 3 Business Combinations for the first time in the current year. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

#### *Amendments to IAS 16 Property, Plant and Equipment— Proceeds before Intended Use*

The Group has adopted the amendments to IAS 16 Property, Plant and Equipment for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

## Notes to the financial statements (continued)

### 1. Summary of business and significant accounting policies (continued)

#### New and amended IFRS Standards that are effective for the current year (continued)

##### *Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract*

The Group has adopted the amendments to IAS 37 for the first time in the current year. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

##### *Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle*

The Group has adopted the amendments included in the Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle for the first time in the current year. The Annual Improvements include amendments to four standards:

**IFRS 1 First-time Adoption of International Financial Reporting Standards:** The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a). These amendments had no impact on the consolidated financial statements of the Group as it is not a first time adopter.

**IFRS 9 Financial Instruments:** The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

**IFRS 16 Leases:** The amendment removes the illustration of the reimbursement of leasehold improvements.

**IAS 41 Agriculture:** The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement. These amendments had no impact on the consolidated financial statements of the Group as it did not have assets in scope of IAS 41 as at the reporting date.

#### New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective and in some cases had not yet been adopted by the UK:

IFRS 17 (including the June 2020 amendments to IFRS 17)	<i>Insurance Contracts (effective for periods beginning on or after 1 January 2023)</i>
IFRS 10 and IAS 28 (amendments)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date is yet to be set the IASB)</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current (effective for periods beginning on or after 1 January 2024)</i>
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies (effective for periods beginning on or after 1 January 2023)</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates (effective for periods beginning on or after 1 January 2023)</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for periods beginning on or after 1 January 2023)</i>

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods. The Group will adopt these standards on the effective dates.

## Notes to the financial statements (continued)

### 2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, described in note 1, the directors are required to make judgements which have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

Estimates and associated assumptions applied within the business are continually evaluated and are based on historical experience, current issues and events, and expectations of future events. Actual results may differ from these estimates.

#### Critical accounting judgements

##### Recognition of revenue from contracts with customers containing non-standard terms and conditions

The Directors have identified the assessment of revenue derived from contracts with customers under non-standard terms and conditions to be a critical accounting judgement. Critical judgements include the determination of when revenue should be measured on a gross or net basis depending on whether the Group controls goods from a contractual perspective, in addition to the timing of revenue recognition for transactions that fall outside of standard terms for delivery of goods.

Specific revenue streams where judgement involved in recognition are:

- a) Bookouts: the Group does not physically control the goods that are supplied in these transactions and is therefore unable to recognise revenue in relation to these transactions. The gain or loss from net settlement is taken to cost of sales.
- b) Network customers: risk and title do not transfer at the same stage. Management have assessed the performance obligation to have been met in respect of these sales when physical delivery to end customer takes place.

#### Key sources of estimation uncertainty

Estimates applied within the business are continually evaluated and are based on historical experience, current issues and events, and expectations of future events.

##### Impairment of non-current assets including goodwill

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The Group determines the recoverable amount of the CGUs based on the value in use. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows reflecting expected sales volumes and cost recovery, including the cost of inflation.

Expected sales volumes and cost recovery used in impairment testing provide a source of estimation uncertainty as referred to in paragraph 125 of IAS 1 Presentation of Financial Statements (IAS 1.125).

Further details on the key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 11.

Impairment reviews conducted did not suggest any indication of goodwill impairment.

## **Notes to the financial statements (continued)**

### **3. Capital management**

Management regard the capital of the business to be equity and net debt (constituting borrowings less cash and cash equivalents).

The Group's objective for managing capital is to maintain a solid capital base in order to preserve the confidence of the Group's investors and creditors and to sustain future development of its businesses.

Group members are subject to various banking covenants on their financing facilities. These generally take the form of a requirement to meet a variety of financial ratio targets. Such targets are monitored as part of the regular reporting processes for the entities concerned and forms part of the Group's going concern assessment as detailed in note 1.

A variety of financial modelling techniques are employed in the appraisal of potential capital expenditure projects and Board approval is required before such projects are entered into.

A Group Capital Committee is in place and meetings are held regularly to discuss both ongoing and prospective capital projects.

Value for shareholders is measured by internal business KPIs.

### **4. Operating segments**

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Revenue		
Sale of fuel products	20,318,368	15,473,493
Gasoline and convenience retail sales	137,939	79,119
	<b>20,456,307</b>	<b>15,552,612</b>

Revenue is recognised in line with the provisions of IFRS 15. Contracts with customers for the sale of fuel products did not contain any significant financing components. Consideration per litre is not dependent on volumes sold and is primarily based upon weekly published averages for price per litre of the specified fuel product.

Revenue is disclosed as only sale of fuel product and gasoline and convenience retail sales as the other sources noted in note 1 are considered to be immaterial. Those revenue sources are included within sale of fuel product.

The primary segments for management and reporting are geographies as outlined below. For more detail on the services and products included in each business segment refer to the strategic report.

Revenue by geographical origin is as follows:

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
UK	18,500,404	12,467,215
Europe	818,368	1,783,717
Rest of the world	1,137,535	658,766
	<b>20,456,307</b>	<b>14,909,698</b>

Non current assets by geographical area is as follows:

	31 December 2022 £'000	31 December 2021 £'000
UK	633,743	659,327
Europe	91,736	80,660
Rest of the world	45,012	46,987
	<b>770,491</b>	<b>786,974</b>

## Notes to the financial statements (continued)

### 5. (Loss)/profit for the year before taxation

	Note	31 December 2022 £'000	31 December 2021 £'000
<b>(Loss)/profit for the year before taxation has been arrived at after charging/(crediting):</b>			
Depreciation of Property, plant and equipment	10	19,058	19,040
Amortisation of Intangible assets	11	22,872	21,233
Depreciation of right of use assets	15	57,150	48,109
Impairment of property, plant and equipment	10	19,309	-
Impairment of right of use assets	15	1,127	-
Impairment of investments	12	1,399	-
Loss/(profit) on disposal of property, plant and equipment & intangibles		329	(72)
Employee benefit expense	6	99,359	83,036
Defined contribution pension cost	6	3,545	3,358
Government grant for the purpose of immediate financial support		-	(629)
Net foreign exchange gain		(29,516)	(4,680)
Fair value loss on financial instruments	24	147,242	264,449
Cost of inventory recognised as an expense	14	19,679,811	14,572,084

In 2021, government grants of £437,000 were received as part of a UK Government initiative, the Coronavirus Job Retention Scheme, in relation to furloughed staff in order to provide immediate financial support as a result of COVID-19. During the prior year, 360 employees were furloughed in the UK. In other regions, similar schemes were introduced to mitigate the effects of COVID-19 totalling £192,000 in 2021. In 2022 no such costs in respect of these grants, which were received solely as compensation for costs, were incurred.

### Auditor's remuneration

	31 December 2022 £'000	31 December 2021 £'000
The analysis of the auditor's remuneration is as follows:		
<b>Fees payable to the company's auditor and their associates for the audit of the company's annual accounts</b>	<b>46</b>	<b>44</b>
<b>Fees payable to the company's auditor and their associates for other services to the Group:</b>		
- The audit of the Company's subsidiaries	1,412	1,249
- Other audit related services	644	520
<b>Total audit fees</b>	<b>2,102</b>	<b>1,813</b>

Auditor's remuneration has been recharged to subsidiaries from Greenergy International Limited on a proportionate basis.

There were no non-audit fees incurred during the year (2021: none).

### 6. Employee numbers and benefit expense

The average monthly number of persons employed by the Group (including Executive Directors) during the year, analysed by category, was as follows:

	Year ended 31 December 2022 Number	Year ended 31 December 2021 Number
Drivers - Flexigrid	586	470
Infrastructure staff	216	226
Office staff	497	470
Retail staff	243	180
	<b>1,542</b>	<b>1,346</b>

## Notes to the financial statements (continued)

### 6. Employee benefit expense (continued)

The aggregate payroll costs net of governments grants of these persons were as follows:

	Year ended 31 December 2022	Year ended 31 December 2021
	£'000	£'000
Wages and salaries	90,461	75,213
Social security costs	8,898	7,823
Defined contribution pension cost	3,545	3,358
	<u>102,904</u>	<u>86,394</u>

The Company had no direct employees during the year or prior year. Refer to note 30 for information regarding key management compensation.

### 7. Finance income

	Year ended 31 December 2022	Year ended 31 December 2021
	£'000	£'000
Interest receivable on bank balances	189	162
Interest receivable on loans to affiliates	1,815	-
	<u>2,004</u>	<u>162</u>

### 8. Finance costs

	Year ended 31 December 2022	Year ended 31 December 2021
	£'000	£'000
Interest payable in servicing of:		
Term loans	10,880	6,795
Working capital facilities and bank overdrafts	23,605	9,547
Lease liabilities	8,938	9,613
	<u>43,423</u>	<u>25,955</u>



## Notes to the financial statements (continued)

### 9. Income tax expense

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
<b>Current tax</b>		
Current tax on income for the year	4,586	8,144
Adjustments in respect of prior period	(4,697)	(3,420)
<b>Total UK current tax charge/(credit)</b>	<b>(111)</b>	<b>4,724</b>
<b>Overseas tax</b>		
Current tax on income for the year	3,621	2,018
Adjustments in respect of prior period	968	(27)
	<b>4,589</b>	<b>1,991</b>
<b>Total current tax charge</b>	<b>4,478</b>	<b>6,715</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(12,160)	(6,048)
Adjustments in respect of prior period	14,070	2,527
<b>Total deferred tax charge/(credit)</b>	<b>1,910</b>	<b>(3,521)</b>
<b>Tax on profit on ordinary activities</b>	<b>6,388</b>	<b>3,194</b>

The total tax charge for the year is higher (2021: charge is lower) than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
(Loss)/Profit before tax	(8,193)	39,663
At tax rate of 19% (2021: 19%)	(1,557)	7,536
Effects of:		
Expenses not deductible for tax	1,845	1,038
R&D prior year adjustment	(47)	(15)
Income not subject to taxation	(109)	(732)
Remeasurement of deferred tax for changes in tax rates	(1,267)	6,990
CIR reactivation	(1,330)	-
Share of joint venture companies	(53)	(71)
Fixed asset differences	(19)	(377)
Movement on unrecognised deferred tax	479	(9,573)
Overseas differences in tax rates	(2,021)	(682)
Foreign tax credits	126	-
Adjustments in respect of previous years	10,341	(920)
<b>Total tax charge</b>	<b>6,388</b>	<b>3,194</b>

## **Notes to the financial statements (continued)**

### **9. Income tax expense (continued)**

Factors that may affect future tax charges:

Finance Bill 2021 announced that the main rate of Corporation Tax would increase to 25% from April 2023. This increase was reversed in the Mini budget in September 2022 but subsequently reinstated in the October 2022 Autumn Statement. Therefore deferred tax balances continue to be calculated at the rate of 25%.

There are no current or deferred tax items relating to other comprehensive income in these financial statements.

## Notes to the financial statements (continued)

### 10. Property, plant and equipment

	Assets under construction £'000	Land and buildings £'000	Plant and machinery £'000	Office equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>						
<b>At 1 January 2021</b>	10,697	41,804	211,107	2,489	5,471	271,568
Additions	12,640	2,736	1,918	161	76	17,531
Acquisition of subsidiaries	-	16,172	4,779	174	224	21,349
Disposals	(92)	-	(40)	(16)	(7)	(155)
Foreign exchange adjustments	(15)	(1,035)	(400)	(12)	3	(1,459)
Reclassifications*	(3,771)	2,538	12,076	4,980	(211)	15,612
<b>At 31 December 2021</b>	19,459	62,215	229,440	7,776	5,556	324,446
Additions	10,200	2,532	3,068	451	319	16,570
Disposals	(7,145)	-	(22,733)	(8)	(128)	(30,014)
Foreign exchange	(65)	731	(4,878)	(325)	(157)	(4,694)
Reclassifications*	(7,839)	3,006	6,834	2,228	(30)	4,199
<b>At 31 December 2022</b>	14,610	68,484	211,731	10,122	5,560	310,507
<b>Accumulated depreciation and impairment</b>						
<b>At 1 January 2021</b>	(5,732)	(112)	(44,095)	(1,075)	(1,739)	(52,753)
Acquisition of subsidiaries	-	-	(1,034)	-	-	(1,034)
Charge for the year	-	(796)	(16,564)	(776)	(904)	(19,040)
Reclassifications*	2,602	(1,997)	(13,847)	(1,644)	165	(14,721)
Disposals	-	-	32	16	3	51
<b>At 31 December 2021</b>	(3,094)	(2,061)	(76,069)	(3,397)	(2,456)	(87,077)
Charge for the year	-	(1,614)	(16,112)	(511)	(821)	(19,058)
Disposals	-	-	21,630	-	106	21,736
Foreign exchange adjustments	-	951	5,637	669	122	7,379
Reclassifications*	-	(1,822)	(609)	(1,111)	81	(3,461)
Impairment charge**	-	-	(19,309)	-	-	(19,309)
<b>At 31 December 2022</b>	(3,094)	(4,546)	(84,832)	(4,350)	(2,968)	(99,790)
<b>Net book value at 31 December 2022</b>	11,516	63,938	126,899	5,772	2,592	210,717
<b>Net book value at 31 December 2021</b>	16,365	60,154	153,371	4,379	3,100	237,369

Depreciation expense of £14,630,000 (31 December 2021: £14,837,000) has been charged to cost of sales, £2,597,000 (31 December 2021: £2,310,000) in distribution costs and £1,831,000 (31 December 2021: £1,893,000) in administration expenses.

\*Reclassifications in 2021 relate to a prior year correction between cost and depreciation which is not deemed material to restate comparatives. Impact to Net book value is £892,000. Reclassifications in 2022 relate to a prior year correction between cost and depreciation which is not deemed material to restate comparatives and transfers from assets under construction. Impact to Net book value is £739,000.

\*\* The Group made a decision to wind down operations at one of its terminals in the UK during 2022. These costs represent impairment charges related to this decision incurred in the year. Impairment of £4,798,000 was charged against Property, plant and equipment (see note 32). The Group also decided to sell a number of storage tanks which were originally acquired for storage of raw material inventory during 2022. Impairment of £14,511,000 was charged against Property, plant and equipment (see note 32). The impairment losses were included in Administrative expenses.

## Notes to the financial statements (continued)

### 11. Intangible assets

	Purchased goodwill £'000	Branding rights £'000	Software £'000	Technology £'000	Customer relationships £'000	Retail Brand £'000	Development Costs £'000	Total £'000
<b>Cost</b>								
<b>At 1 January 2021</b>	88,007	20,931	25,458	21,764	121,540	260	-	277,960
Additions	-	1,530	-	-	850	-	-	2,380
Acquisitions of subsidiaries	10,969	878	-	-	2,339	-	-	14,186
Foreign exchange	116	(153)	(142)	(141)	(810)	(2)	-	(1,132)
Reclassifications*	-	245	(3,632)	4	-	-	-	(3,383)
<b>At 31 December 2021</b>	<b>99,092</b>	<b>23,431</b>	<b>21,684</b>	<b>21,627</b>	<b>123,919</b>	<b>258</b>	<b>-</b>	<b>290,011</b>
Additions	-	748	487	-	116	2,070	6,432	9,853
Disposal	-	(31)	-	-	-	-	-	(31)
Foreign exchange	8,675	168	23	2,722	12,358	494	-	24,440
Reclassifications**	-	(21,028)	3,729	388	(6,090)	23,001	-	-
<b>At 31 December 2022</b>	<b>107,767</b>	<b>3,288</b>	<b>25,923</b>	<b>24,737</b>	<b>130,303</b>	<b>25,823</b>	<b>6,432</b>	<b>324,273</b>
<b>Accumulated amortisation and impairment</b>								
<b>At 1 January 2021</b>	-	(17,337)	(14,045)	(7,945)	(35,486)	(34)	-	(74,847)
Charge for the year	-	(2,187)	(2,476)	(2,680)	(13,864)	(26)	-	(21,233)
Foreign exchange adjustments	-	39	33	21	103	-	-	196
<b>At 31 December 2021</b>	<b>-</b>	<b>(19,485)</b>	<b>(16,488)</b>	<b>(10,604)</b>	<b>(49,247)</b>	<b>(60)</b>	<b>-</b>	<b>(95,884)</b>
Charge for the year	-	(89)	(1,519)	(2,604)	(16,229)	(2,431)	-	(22,872)
Foreign exchange	-	(437)	(873)	(724)	(4,296)	(122)	-	(6,452)
Reclassifications**	-	18,161	(2,673)	(36)	4,210	(19,662)	-	-
<b>At 31 December 2022</b>	<b>-</b>	<b>(1,850)</b>	<b>(21,553)</b>	<b>(13,968)</b>	<b>(65,562)</b>	<b>(22,275)</b>	<b>-</b>	<b>(125,208)</b>
<b>Net book value at 31 December 2022</b>	<b>107,767</b>	<b>1,438</b>	<b>4,370</b>	<b>10,769</b>	<b>64,741</b>	<b>3,548</b>	<b>6,432</b>	<b>199,065</b>
<b>Net book value at 31 December 2021</b>	<b>99,092</b>	<b>3,946</b>	<b>5,196</b>	<b>11,023</b>	<b>74,672</b>	<b>198</b>	<b>-</b>	<b>194,127</b>

Goodwill arose on the acquisition of:

1. Greenergy Biofuels Teesside Limited
2. Inver Energy Limited
3. 1796640 Ontario Limited
4. Rexon Energy PTE
5. Greenergy Biofuels Amsterdam BV
6. Amber Oil Products Ltd and Amber Petroleum Ltd
7. Greenergy Fuels Holdings Limited

\*Reclassifications in 2021 relates to transferring software implementation costs from intangibles to prepayments.

\*\*In the current period management undertook an exercise to evaluate the classification of intangible assets and as a result a number of revisions were made. The impact was not material and as such no restatement arose.

Branding rights relate to the costs associated with the Group being a branded wholesaler within the UK market.

Technology relates to internally generated biofuel blending technology as used in the production process.

Retail brand relates to the Inver brand on acquisition.

Customer relationships primarily relate to customers of Greenergy Fuels Holdings Limited on acquisition.

Software relates to internally generated software.

Development costs relate to development expenditure incurred in relation to an end-of-life tyre project where the recognition criteria set out in IAS 38 'Intangible Assets' is met.

## Notes to the financial statements (continued)

### 11. Intangible assets (continued)

As detailed in the accounting policies goodwill is assessed for impairment annually. Impairment reviews are performed for all other tangible and intangible assets where there has been an indicator of impairment during the year. These impairment reviews are based on value-in-use calculations for the relevant Cash Generating Units (CGU). These calculations use post-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five year period are extrapolated using estimated growth rates. Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units that are expected to benefit from that business combination. The Group considers there to be 4 CGU's (2021: 5) being Canadian Trade and Supply, Irish Trade and Supply, Irish Retail and UK Supply. During the year it was recognised that the cash inflows of the Brazilian Trade and Supply and UK Supply cash-generating units were largely interdependent such that they have been combined into a single cash-generating unit. The interdependency was a result of change in the Group's strategy in 2022 with Brazil beginning to export solely to the UK supporting the end-to-end supply of fuel to UK customers therefore considered to no longer generating independent cash flows to be considered a separate CGU. The carrying amount of the goodwill allocated to Brazilian Trade and Supply is £nil (2021: £nil) therefore the combination of the two CGUs did not lead to a transfer into the UK Supply CGU.

The carrying amount of goodwill is allocated to the cash generating units (CGUs) as follows:

	31 December 2022	31 December 2021
	£'000	£'000
Canadian Trade and Supply	5,624	5,393
Irish Trade and Supply	1,983	1,978
Irish Retail	6,235	5,477
UK Supply	93,925	86,244
	<b>107,767</b>	<b>99,092</b>

For the year ended 31 December 2022 no impairment charge has arisen (31 December 2021: £nil). The recoverable amount for all CGUs was determined by measuring their value in use (VIU) using discounted cash flows method.

#### UK Supply CGU

The recoverable amount of the UK Supply CGU of £564.8m as at 31 December 2022 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by the Board covering a five-year period. Cash flows projections beyond the five-year period are extrapolated using estimated growth rates. The projected cash flows reflect the expected decrease in demand and volumes as the road fuel market moves towards phase-out of the sale of new petrol and diesel cars and vans by 2030.

The key UK Supply CGU VIU assumptions used were:

	31 December 2022	31 December 2021
Post-tax discount rate	10.25%	14.69%
Terminal growth rate	-	(2%)
Numbers of years forecasted until terminal growth rate applied <sup>1</sup>	28	19
Average sales volume decline per annum	(8)%	(2)%
Cost recovery	2.5%	-

<sup>1</sup> Impairment assessment in the year ended 31 December 2022 extended to 2050 with no terminal value calculated to align with the forecast period of industry published data.

#### Sensitivity analysis

The calculation of value in use is most sensitive to the following assumptions:

- Discount rates
- Market share
- Volume decline rates applied throughout and used to extrapolate beyond the forecast period
- Costs recovery

**Discount rates** – Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC takes into account both the cost of debt and equity. The cost of equity is determined using the capital asset pricing model, the inputs of which include a country risk-free rate, equity risk premium, Group size premium and a risk adjustment (beta). The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. An increase in the discount rate to 13.31% (i.e., +3.05%) in the UK Supply unit would result in an impairment.

**Market share** – When assessing market share and overall fuel demand, the Group uses industry data to assess growth rates and how the Group's position in the market relative to its competitors may change over the period of assessment. Due to Greenergy's competitive position in the UK market and access to infrastructure in key demand centres, management expects the Group would be best placed to absorb any of the displaced volumes from competitors which would fall away as a result of the overall projected declining volumes as the market moves towards the phase-out of the sale of new petrol and diesel cars and vans by 2030.

## Notes to the financial statements (continued)

### 11. Intangible assets (continued)

*Volume decline rates estimates* - Rates are based on published industry data from the UK government and adjusted for the market share projections. A decline in the market share resulting in further volume decline in the UK Supply market (domestic and European) by 1.79% per annum would result in impairment in the UK Supply unit. If lower or no adjustment is made for market share projections, i.e. sales volume decline is in line with the industry forecasted data, this would result in an impairment ranging between £nil - £50m in UK Supply unit.

*Cost recovery* - Key assumption management uses in estimating future cash flows for value in use in UK Supply CGU is the recovery of costs increase, including those caused by inflation. Over the period of assessment, gross margins are adjusted to reflect the cost increase pass-through to the customers. If some or all costs increases are not recovered by pass-through to customers, this would result in an impairment in UK Supply unit ranging between £nil - £75.6m.

A sensitivity analysis has been conducted on each material CGU. This included either increasing the discount rates, reducing the long-term growth rate factoring the market share projections or reducing the cost recovery. The sensitivity assumptions and the impact on the headroom are set out in the table below. These are considered to be reasonably possible.

	UK Supply £'000
Goodwill	93,925
Other intangible assets	73,264
Property, Plant and Machinery	87,761
Right-of-use assets	262,946
Headroom under base case assumptions	46,860
1% increase in annual volume decline rate	(27,169)
2% increase in discount rate	(31,086)
10% reduction in cost recovery	(13,432)

### 12. Investments

#### 12a. Investment in Group undertakings

Company	31 December 2022 £'000	31 December 2021 £'000
At 1 January	195,467	193,680
Foreign exchange adjustments	24,627	1,787
At 31 December	220,094	195,467

The Group had the following subsidiaries with non-controlling interests at 31 December 2022:

	Non-controlling interest
Thames Enterprise Park Limited	37.5%
Greenlife Oils Holdings PTE	44.2%

During the year, the Group allocated a loss of £1,542,000 (2021: loss of £66,000) to the non-controlling interest associated with Thames Enterprise Park Limited and Greenlife Oils Holdings PTE.

Interests in subsidiary undertakings are as follows. All interests are 100% unless otherwise stated. All shareholdings are ordinary share capital unless otherwise stated.

All of the below companies operate principally in their country of incorporation or registration. The Directors believe that the carrying value of the investments is supported by their underlying net assets.

Name of undertaking	Country of registration	Principal activity	Direct/indirect
1796640 Ontario Limited	Canada	Supply and marketing of transportation fuels	Indirect
Amber Oil Products Limited	Ireland	Supply and marketing of branded low emission fuels	Indirect
Amber Petroleum Limited	Ireland	Supply and marketing of branded low emission fuels	Indirect
Coryton Asset Holding Limited	England and Wales	Holding company	Indirect
Environmental Oils Pty Ltd (55.8%)	Australia	Blending, supply and marketing of branded low emission fuels	Indirect
Green Tyre Technology (UK) Limited	England and Wales	Sustainable biofuel	Indirect
Greenergy Amber Holdings Limited	England and Wales	Holding company	Indirect

## Notes to the financial statements (continued)

### 12. Investments (continued)

#### 12a. Investment in Group undertakings (continued)

Name of undertaking	Country of registration	Principal activity	Direct/indirect
Greenergy Asia DMCC	United Arab Emirates	Sourcing of raw materials in the Far East	Indirect
Greenergy Bioethanol SA	Switzerland	Procurement of sustainable bioethanol – in liquidation	Indirect
Greenergy Biofuels Amsterdam BV	Netherlands	Holding company	Indirect
Greenergy Biofuels Limited	England and Wales	Construction and operation of biofuel production plants and distribution of resultant products	Indirect
Greenergy Biofuels Teesside Limited	England and Wales	Construction and operation of biofuel production plants and distribution of resultant products	Indirect
Greenergy Brasil Trading SA	Brazil	Support entity working to procure sustainable bioethanol	Indirect
Greenergy Deutschland GmbH	Germany	Dormant company – in liquidation	Indirect
Greenergy Flexgrid Limited (75%)	England and Wales	Provision of haulage and logistics services	Indirect
Greenergy Fuels Australia Pty Ltd	Australia	Holding company	Indirect
Greenergy Fuels Canada Inc*	Canada	Blending, supply and marketing of branded low emission fuels	Indirect
Greenergy Fuels Holdings Limited	England and Wales	Holding company	Indirect
Greenergy Fuels Holdings North America Inc*	Canada	Holding company	Indirect
Greenergy Fuels Holdings Singapore Private Limited	Singapore	Holding company	Indirect
Greenergy Fuels Limited	England and Wales	Blending, supply and marketing of branded low emission fuels	Indirect
Greenergy Fuels North America Inc*	Canada	Holding company	Indirect
Greenergy Fuels Pakistan (Private) Limited	Pakistan	Business support services	Indirect
Greenergy Fuels Private Limited	India	Business support services	Indirect
Greenergy Fuels Spain SL	Spain	Holding company	Indirect
Greenergy Group Holdings IV Limited	England and Wales	Holding company	Direct
Greenergy Group Holdings V Limited	England and Wales	Holding company	Indirect
Greenergy Infrastructure Holdings Inc*	Canada	Holding company	Indirect
Greenergy International Limited	England and Wales	Business support services	Indirect
Greenergy Middle East FZE	United Arab Emirates	Sourcing of raw materials in the Far East – in liquidation	Indirect
Greenergy Morzine Holding Limited	England and Wales	Holding company	Indirect
Greenergy Netherlands B.V	Netherlands	Holding company	Indirect
Greenergy Oil U.K. Limited	England and Wales	Business support services	Indirect
Greenergy Services Limited	England and Wales	Service company – in liquidation	Indirect
Greenergy Terminals Limited	England and Wales	Construction and operation of fuel terminals	Indirect
Greenergy USA Inc*	United States of America	Procurement and brokerage on behalf of UK and Canada feedstock	Indirect
Greenlife Oil Holdings Pty Ltd (55.8%)	Australia	Holding company	Indirect
Greenlife Oil Pty Ltd (55.8%)	Australia	Blending, supply and marketing of transportation fuels – in liquidation	Indirect
Greenlife Oil South Australia Pty Ltd (55.8%)	Australia	Blending, supply and marketing of transportation fuels	Indirect
Greenlife Oil Tasmania Pty Ltd (55.8%)	Australia	Blending, supply and marketing of transportation fuels	Indirect
Inver Energy (UK) Limited	England and Wales	Business support services	Indirect
Inver Energy Limited	Ireland	Blending, supply and marketing of transportation fuels	Indirect
Morzine Limited	Jersey	Construction and operation of fuel terminals	Indirect
Navigator Terminals Holdings Limited	England and Wales	Holding company	Indirect
Greenergy Rexon PTE Limited	Singapore	Business support services	Indirect
Thames Enterprise Park Land Limited (67.5%)	England and Wales	Land development	Indirect
Thames Enterprise Park Limited (67.5%)	England and Wales	Holding company	Indirect
Wascan Terminals Inc*	Canada	Operation of fuel storage terminal	Indirect

The registered addresses of all related undertakings are included on pages 125 to 127.

\*On 1st January 2023, these 100% indirectly owned subsidiaries were amalgamated into a newly amalgamated 100% indirectly owned subsidiary, Greenergy Fuels Canada Inc., as part of a planned Group re-organisation. The assets and liabilities of the amalgamated remained the same immediately after the amalgamation, and the ultimate parent undertaking remained the same.

## Notes to the financial statements (continued)

### 12. Investments (continued)

#### 12b. Investments in associates

Group	31 December 2022 £'000	31 December 2021 £'000
As at the start of the year	398	397
Share of (loss)/profit	180	(1)
Impairment	(272)	-
Foreign exchange translation	39	2
<b>Aggregated carrying amount of the Group's interest in these associates</b>	<b>345</b>	<b>398</b>

Investments relate to a 49% investment in Anglo China Chemical Company Limited, which is an associate of Greenergy International Limited. The Directors believe that the carrying value of the investments is supported by their underlying net assets.

Name	Country of registration	Principal activity	Share class	Proportion of ownership interest and voting rights held by the Group
Anglo China Chemical Company Limited	Hong Kong	Procurement of Used Cooking Oil	Ordinary	49.0

#### 12c. Investments in joint arrangements

	31 December 2022 £'000	31 December 2021 £'000
Balance at the start of the year	8,077	16,063
Transfer from joint venture to subsidiary*	-	(8,173)
Foreign exchange translation	387	(188)
Investment in existing Joint ventures	1,127	-
Impairment **	(1,127)	-
Share of profit/(loss)	98	375
<b>Balance at the end of the year</b>	<b>8,562</b>	<b>8,077</b>

\* On 16 June 2021 Greenergy International Limited, a direct investment, acquired an additional 17.5% stake in Thames Enterprise Park Limited, an indirect investment. Following this acquisition, the Greenergy group of companies now owns 67.5% of the share capital of Thames Enterprise Park Limited.

\* On 1 April 2021 Greenergy Fuels Australia Pty Limited, a direct investment, acquired an additional 2.2% stake in Greenergy Oil Holdings Pty, an indirect investment. Following this acquisition, the Greenergy group of companies owned 52.2% of the share capital of Greenergy Oil Holdings Pty. On 15 December 2022, the Greenergy group of companies acquired additional 3.6% and now owns 55.8% of the share capital of Greenergy Oil Holdings Pty.

\*\* During the year, £1,127,000 was invested into an existing joint arrangement, Greenergy ABSL Developments Limited. During the year, this investment was impaired by £1,127,000.

At 31 December 2022, the Group had the following interests in joint arrangements carrying on businesses, which affect consolidated profits and losses. Unless otherwise stated the Group's principal joint arrangements all have share capital consisting solely of ordinary shares, which are indirectly held, and the country of incorporation or registration is also their principal place of operation.



## Notes to the financial statements (continued)

### 12. Investments (continued)

#### 12c. Investments in joint arrangements (continued)

Name	Country of registration	Principal activity	Share class	Percentage shareholdings <sup>1</sup>
Atlantic Fuel Supply Company Limited	Ireland	Operation of fuel storage terminal	Ordinary	50.0
Greenergy ABSL Developments Limited	England and Wales	Manufacture of gas	Ordinary	50.0
Protos Biofuels Limited	England and Wales	Manufacture of gas	Ordinary	50.0

Notes:

1. Rounded to nearest tenth of one percent.

### 13. Equity investments classified as fair value through other comprehensive income

	31 December 2022 £'000	31 December 2021 £'000
<b>Equity investments classified as fair value through other comprehensive income:</b>		
1 January	16,524	16,513
Exchange differences	154	11
<b>31 December</b>	<b>16,678</b>	<b>16,524</b>

Fair value through other comprehensive income financial assets include the following:

	31 December 2022 £'000	31 December 2021 £'000
<b>Quoted:</b>		
0.03% investment in Invinity PLC	88	88
<b>Unquoted:</b>		
15% investment in Bahrain Gasoline Blending W.L.L.	1,741	1,587
19.72% investment in Navigator Topco	14,849	14,849
	<b>16,678</b>	<b>16,524</b>

Invinity is a company quoted on the London Stock Exchange's Alternative Investment Market. The fair value of the investment in Invinity is determined by reference to published price quotations in an active market.

Navigator Topco is the holding company for Navigator Terminal assets. Bahrain Gasoline Blending W.L.L. is a strategic partnership between Nogaholding, Bahrain Petroleum Company (BAPCO) and Greenergy International Limited. The fair value of the investments is determined by reference to market conditions and operating output of the ongoing businesses.

## Notes to the financial statements (continued)

### 13. Equity investments classified as fair value through other comprehensive income (continued)

Upon adoption of IFRS 9 during the year ended 31 December 2019, the Group made an irrevocable election to classify equity investments as fair value through other comprehensive income (FVTOCI) given that all instruments are either:

- Long term investments and are not being held in order to sell in the future to collect cash flows (Invinity Plc);
- Held for the purposes of Strategic alliance (Navigator Topco);
- Held for the purposes of Strategic partnership (Bahrain Gasoline Blending W.L.L)

### 14. Inventories

	31 December 2022	31 December 2021
	£'000	£'000
Fuel products	653,030	510,053
Stock held at cost	36,847	16,688
Compliance certificates - own use	343,213	280,220
Land held for development and resale	85,285	83,003
	<b>1,118,375</b>	<b>889,964</b>

During the year £19,679,811,000 of inventory was expensed through cost of sales (31 December 2021: £14,572,084,000).

Inventories with a carrying amount of £1,118,375,000 (31 December 2021: £889,964,000) were pledged as security for certain of the Group's borrowings.

Compliance certificates include fuel sustainability compliance obligations in the UK and Canada. The UK compliance is managed through the RTFO scheme. The Canadian scheme is managed through the Ontario Greener Diesel programme.

Fuel products are traded in active markets and are purchased with a view to resale in the near future, generating a profit from fluctuations in prices or margins. As a result, stocks of fuel products are carried at fair value by reference to quoted market prices at year-end, in accordance with the broker/trader exemption granted by IAS 2. As such, these inventories are categorised as level 1 within the fair value hierarchy.

There is currently no externally quoted market for the valuation of compliance certificates. In order to value these contracts, management have adopted a pricing methodology, combining both observable inputs based on market data and assumptions developed internally based on observable market activity.

The anticipated market premia above the calculated cost of creation of compliance certificates are the most significant input. Assuming other inputs remain unchanged, if the premia was decreased by 1ppl, pre-tax profit would remain the same (31 December 2021: remain the same) due to holding no certificates for trading at year end.

Land held for development and resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred.

## Notes to the financial statements (continued)

### 15. Right-of-use assets

	Buildings	Plant	Equipment	Total
Cost	£'000	£'000	£'000	£'000
<b>At 1 January 2021</b>	14,228	364,141	12,059	390,428
Additions	812	21,813	4,506	27,131
Reinstatement*	-	15,202	-	15,202
Disposals	(40)	(11,401)	(1,690)	(13,131)
Foreign exchange	443	3,283	(65)	3,661
<b>At 1 January 2022</b>	15,443	393,038	14,810	423,291
Additions	2,989	28,285	7,180	38,454
Disposals	(1,121)	(9,825)	(1,820)	(12,766)
Foreign exchange	760	(2,990)	13	(2,217)
<b>At 31 December 2022</b>	<b>18,071</b>	<b>408,508</b>	<b>20,183</b>	<b>446,762</b>
<b>Accumulated depreciation and impairment</b>				
<b>At 1 January 2021</b>	(2,527)	(75,244)	(4,891)	(82,662)
Charge for the year	(1,281)	(42,864)	(3,964)	(48,109)
Disposals	32	10,853	1,631	12,516
Reinstatement*	-	(2,332)	-	(2,332)
Foreign exchange	(159)	(3,332)	304	(3,187)
<b>At 1 January 2022</b>	(3,935)	(112,919)	(6,920)	(123,774)
Charge for the year	(2,685)	(47,870)	(6,595)	(57,150)
Disposals	1,121	9,825	1,820	12,766
Impairment**	-	(1,127)	-	(1,127)
Foreign exchange	(856)	557	(194)	(493)
<b>At 31 December 2022</b>	<b>(6,355)</b>	<b>(151,534)</b>	<b>(11,889)</b>	<b>(169,778)</b>
<b>Carrying amount</b>				
<b>At 31 December 2022</b>	<b>11,716</b>	<b>256,974</b>	<b>8,294</b>	<b>276,984</b>
<b>At 31 December 2021</b>	<b>11,508</b>	<b>280,119</b>	<b>7,890</b>	<b>299,517</b>

\*Reinstatement in 2021 relates to a lease incorrectly disposed of in the prior year being brought back into cost and accumulated depreciation which is not deemed material to restate comparatives. Impact to net book value is £12,870,000.

\*\* The Group made a decision to wind down operations at one of its terminals in the UK during 2022. These costs represent impairment charges related to this decision incurred in the year. Impairment of £1,127,000 was charged against Right-of-Use assets (see note 32). The impairment loss was included in Administrative expenses.

The Group leases several assets including buildings, plant and IT equipment. The average lease term is 8 years (2021: 8). The Group's obligations are secured by the lessors' title to the leased assets for such leases. The maturity analysis of lease liabilities is presented in note 22.

	31 December 2022
Amounts recognised in profit and loss	£'000
Depreciation expense on right-of-use assets	57,150
Interest expense on lease liabilities	8,938
Expense relating to short-term leases	1,298
Expense relating to leases of low value assets	19

At 31 December 2022, the Group is committed to £242,000 (2021: £552,000) for short term leases. The total cash outflow for leases amount to £65,166,000 (2021: £65,248,000). Future cash outflows in respect of leases may differ from lease liabilities recognised due to future decisions that may be taken by the Group in respect of the use of leased assets. The Group may reconsider whether it will exercise extension options or termination options, where future reconsideration is not reflected in the lease liabilities. In addition, many of the Group's leases are repriced regularly with inflation related clauses. There is no exposure to these potential additional payments in excess of the recognised lease liabilities until these decisions have been taken by the Group.

## Notes to the financial statements (continued)

### 16. Trade and other receivables

	Group 31 December 2022 £'000	Group 31 December 2021 £'000	Company 31 December 2022 £'000	Company 31 December 2021 £'000
<b>Current</b>				
Trade receivables	830,377	667,548	-	-
Less: Provision for impairment of receivables	(3,321)	(3,177)	-	-
	827,056	664,371	-	-
Amounts owed by Group undertaking	-	-	-	10,406
Amounts owed by related parties (note 29)	5,138	8,019	-	-
Other receivables	41,086	59,647	19	11
Prepayments	28,042	43,364	34	30
Accrued income	63,787	121,760	-	-
	965,109	897,161	53	10,477
<b>Non-current</b>				
Other receivables	1,466	-	-	-
Amounts owed by Group undertaking	-	-	2,371	-
Amounts owed by related parties (note 29)	21,742	-	-	-
Loan receivable from affiliates (note 29)	25,783	26,557	-	-
	48,991	26,557	2,371	-

Trade and other receivables with a carrying amount of £959,971,000 (31 December 2021: £892,768,000) were pledged as security for certain of the Group's borrowings.

Trade and other receivables are predominantly non-interest bearing. Intercompany balances are repayable on demand, expected to be settled within 12 months, and have no right to deferral, and as such are classified as current. In the instances where interest is charged on intercompany loans, it is charged at a rate of SONIA plus 4% (2021: LIBOR plus 2%).

Loans to affiliates bear interest at a rate of 7% and are due for repayment in greater than five years.

As of 31 December 2022, trade debtors of the Group with a carrying value of £3,321,000 (31 December 2021: £3,177,000) were provided for. The aging of these debtors is as follows:

	31 December 2022 £'000	31 December 2021 £'000
90+ Days	3,321	3,177

During the year, receivables of the Group written off as uncollectible amounted to £489,000 (2021: £32,000).

Contract receivables are recognised when the performance obligation has been satisfied, this being the point at which the product has been delivered to/lifted by the customer and the point from which payment becomes due (subject to credit terms, typically within 60 days).

The Directors have identified the following types of risk which may arise from the use of financial instruments.

#### Credit risk

The Group is exposed to credit risk from its operating activities (primarily trade receivables and derivative instruments) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

## Notes to the financial statements (continued)

### 16. Trade and other receivables (continued)

#### Credit risk (continued)

In respect of trade receivables, the Group operates a strict policy of applying credit limits to all new customers prior to entering into a transaction. These limits are then subject to regular review throughout the term of the contractual relationship. The Group uses third party credit referencing agencies as an input into this process and monitors all trade debtor balances on a daily basis. Exposure to debt default is managed by the use of credit insurance where the cost of acquiring cover is considered commensurate with the risk incurred. At 31 December 2022, the Group had 2 customers (2021: 3) whose credit limit is greater than 10% of the Groups gross monetary assets at year end. These customers make up 21% (2021: 19%) of the group's year end trade receivables balance. The need for an impairment is analysed at each reporting date on an individual basis for major clients. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

The counterparties involved in the Group's other financial instruments such as swaps, futures and fixed price sales and purchase contracts within the scope of IFRS 9 are subjected to the same credit review process. In addition, contractual terms for all such instruments are reviewed in detail to ensure that credit risk is minimised.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets (refer to note 24). The value of trade and other receivables pledged as security against borrowings is disclosed in note 31.

The Group recognises a loss allowance for expected credit losses on contract receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The expected credit losses on these financial assets are estimated using a provision analysis based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The Group is exposed to credit risk in relation to financial guarantees given to banks. These are detailed in note 28.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	<b>Total £'000</b>	<b>Current - 90 Days £'000</b>	<b>90+ Days £'000</b>
<b>At 31 December 2022</b>			
Expected credit loss rate		0%	100%
Estimated total gross carrying amount at default	<b>830,377</b>	<b>827,056</b>	<b>3,321</b>
Expected credit loss	<b>(3,321)</b>	<b>-</b>	<b>(3,321)</b>
<b>At 31 December 2021</b>			
Expected credit loss rate		0%	100%
Estimated total gross carrying amount at default	667,548	664,371	3,177
Expected credit loss	(3,177)	-	(3,177)

## Notes to the financial statements (continued)

### 17. Finance lease receivable

	31 December 2022	31 December 2021
Amounts receivable under finance leases	£'000	£'000
Year 1	274	261
Year 2	274	261
Year 3	274	261
Year 4	221	261
Year 5	188	211
Onwards	574	725
Undiscounted lease payments	1,805	1,980
Less: unearned finance income	(65)	(127)
Present value of lease payments receivable	1,740	1,853
Undiscounted lease payments analysed as:		
Recoverable after 12 months	1,531	1,719
Recoverable within 12 months	274	261
	1,805	1,980
Net investment in the lease analysed as:		
Recoverable after 12 months	1,466	1,592
Recoverable within 12 months	274	261

Finance lease receivables are included within the other receivables. The average term for finance leases entered into is 9 years. The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all lease where the Group acts as lessor, are subleased, with both the headlease and sublease denominated in Euros.

The following table presents the amounts included in profit and loss:

	31 December 2022	31 December 2021
	£'000	£'000
Finance income on the net investment in finance leases	141	78

The Group's finance lease arrangements do not include variable payments. None of the finance lease receivables at the end of the reporting period is past due and taking into account the historical default experience and the future prospects of the industries in which the lessees operate, the Directors of the Group consider that no finance lease receivable is impaired.

### 18. Cash and short term deposits

	Group	Group	Company	Company
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	£'000	£'000	£'000	£'000
Cash at bank and in hand	44,422	64,687	1	1

## Notes to the financial statements (continued)

### 19. Interest-bearing loans and Borrowings

Interest on the bank overdrafts is charged at a commercial margin above SONIA (United Kingdom) and CDOR (Non-United Kingdom).

#### *Borrowings - current*

		31 December 2022	31 December 2021
	<b>Maturity</b>	<b>£'000</b>	<b>£'000</b>
Bank overdrafts:			
United Kingdom	On demand	485,476	508,036
Non-United Kingdom	On demand	40,592	23,555
		<b>526,068</b>	<b>531,591</b>
Bank loans: United Kingdom	See below	194,696	172,831
		<b>720,764</b>	<b>704,422</b>

<b>Bank loans</b>	<b>Effective interest rate %</b>	<b>Maturity</b>	<b>31 December 2022</b>	<b>31 December 2021</b>
			<b>£'000</b>	<b>£'000</b>
Bank loans:				
United Kingdom - Tranche B	SONIA / SOFR / ESTR + 3.75%	2023	141,325	125,432
United Kingdom - Extension	SONIA / SOFR / ESTR + 3.75%	2023	53,371	47,399
			<b>194,696</b>	<b>172,831</b>

<b>GROUP</b>	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Maturity of debt</b>		
Within one year	720,764	704,422
In more than one year, but not more than two years	-	-
In more than two years, but not more than five years	-	-
	<b>720,764</b>	<b>704,422</b>

## Notes to the financial statements (continued)

### 19. Interest-bearing loans and Borrowings (continued)

#### Liquidity risk

The Group's treasury department continually monitors the Group's cash position by maintaining up-to-date cash flow projections so that appropriate action may be taken to ensure financial liabilities are met as they become due. The Company and Group has maintained tight controls on its capital and liquidity position, ensuring it remained inside all of its covenants throughout 2022. The Directors therefore consider that the exposure to liquidity risk is low.

The primary risk identified by the Directors was in respect of the Group's ability to finance its working capital and term debt facilities. The Directors continue to believe this remains the primary risk to going concern and as such have taken steps to address this risk through a restructuring and refinancing its debt facilities.

As at 31 December 2022 the Group had various committed and uncommitted borrowing facilities which all mature before December 2023 therefore outstanding balances are classified as short-term in the consolidated statement of financial position. The amount drawn down under these facilities and outstanding as at 31 December 2022 was US\$ 867m (£721m) and relates to the financing facilities as follows:

- US\$ 584m (£485m) drawn down under the Working Capital Facility, maturing on 30 April 2023;
- US\$ 234m (£195m) drawn down under the UK Term Debt Facility, maturing in May 2023;
- US\$ 49m (£41m) drawn down under the Canadian revolving credit facility, maturing in July 2023.

Access to these facilities has been core to the ongoing operations of the Group and they were sized appropriately given consideration to the scale of the business, underlying commodity prices, volumes and the indirect tax and excise duty payment cycles applicable to Greenergy.

Subsequent to year end, the Group has successfully restructured and refinanced its global financing facilities into various new facilities which are suitable to support the business going forward. These facilities consist of:

- US\$ 650m committed Receivables Purchase Facility expiring in 2025; and
- US\$ 250m ~ US\$ 500m committed, volumetric based Inventory Monetisation Facility with facility size flexing depending on commodity prices expiring in 2026.

Group Bank loans and Overdrafts	31 December 2022		31 December 2021	
	Credit facility	Utilised	Credit facility	Utilised
Counterparty	£'000	£'000	£'000	£'000
On 13th April 2017 the facility was renewed with the following limits:				
Syndicated facility - committed (\$0.70bn)	584,670	485,476	519,251	508,036
Syndicated facility - uncommitted (\$0.38bn)	318,231	-	282,624	-
On 26 August 2016 a trade finance facility was taken out with the following limits:				
Trade facility – uncommitted (\$0.04bn, 31 December 2021: \$0.1bn)	29,096	-	73,831	-
Greenergy Fuels Canada Inc. facility – uncommitted (\$0.06bn)	49,879	40,592	44,298	23,555
On the 9th May 2017 a facility was taken out with the following limits:				
Tranche A & B loan facility - committed	141,325	141,325	125,512	125,512
A further extension and draw down was made on the 30 October 2017:				
Extension loan facility - committed	38,407	38,407	34,110	34,110
A further extension and draw down was made on the 6 April 2021:				
Extension loan facility - committed	14,964	14,964	13,290	13,290

Bank overdrafts of £526,068,000 (2021: £531,591,000) and bank loans with a carrying amount of £194,696,000 (2021: £172,912,000) have been secured by a charge over certain assets held by the Group. See note 31.



## Notes to the financial statements (continued)

### 19. Interest-bearing loans and Borrowings (continued)

Analysis of borrowings by currency:

	31 December 2022 US Dollar \$'000	31 December 2021 US Dollar \$'000
<i>Syndicated facility – committed</i>		
Utilised	583,979	688,109
Not Utilised	119,321	15,191
	<u>703,300</u>	<u>703,300</u>
<i>Syndicated facility – uncommitted</i>		
Utilised	-	-
Not Utilised	382,800	382,800
	<u>382,800</u>	<u>382,800</u>
<i>Trade facility – uncommitted</i>		
Utilised	-	-
Not Utilised	35,000	100,000
	<u>35,000</u>	<u>100,000</u>
<i>Greenergy Fuels Canada Inc. facility – uncommitted</i>		
Utilised	48,828	31,904
Not Utilised	11,172	28,096
	<u>60,000</u>	<u>60,000</u>

## Notes to the financial statements (continued)

### 20. Provisions

	Provision for plant dismantlement £'000	Legal and other provisions £'000	Total £'000
Opening balance	808	7,782	8,590
Additional provision in the year	2,773	3,300	6,073
Utilisation of provision	(212)	(7,726)	(7,938)
At 31 December 2022	3,369	3,356	6,725

The dismantlement provision represents management's estimate of the costs involved in dismantling and removing tanks and plants at the end of their useful life and returning the site to the same state in which they were originally acquired.

The additional legal and other provision relates to claims in relation to continuing operations incurred in a previous financial period by the Greenergy Group. The timing for the resolution of the claim is uncertain.

Additional provision in the year of £3,300,000 within Legal and other provisions and £1,273,000 within Provision for plant dismantlement relate to the decision to wind down operations at one of its terminals in the UK. These costs represent wind down costs incurred in the year (see note 32). The timing of these provisions are considered to be uncertain.

### 21. Deferred income tax

The elements of deferred taxation is as follows:

	31 December 2022 £'000	31 December 2021 £'000
<b>GROUP</b>		
Fixed assets	(20,006)	(9,667)
Other short term timing differences	3,479	3,312
Losses and other differences	9,472	3,727
Intangibles	(18,795)	(21,312)
<b>Net deferred tax liability</b>	<b>(25,850)</b>	<b>(23,940)</b>
Deferred tax asset	9,149	4,405
Deferred tax liability	(34,999)	(28,345)
<b>Net deferred tax liability</b>	<b>(25,850)</b>	<b>(23,940)</b>

The movement on deferred taxation is as follows:

	Accelerated capital allowances	Other short term timing differences	Intangible assets	Tax losses carried forward and other deductions	Total
At the beginning of the year	(9,667)	3,312	(21,312)	3,727	(23,940)
Adjustment in respect of prior years	(16,850)	142	(2,365)	5,003	(14,070)
Current year income statement charge	6,511	25	4,882	742	12,160
At the end of the year	(20,006)	3,479	(18,795)	9,472	(25,850)

The Group has unused capital losses of £51,000 (31 December 2021: £51,000), no unused trading losses carried forward of (31 December 2021: £10,000) and unused non trade loan relationship deficit losses of £144,000 (31 December 2021: £144,000) for which no deferred tax asset has been recognised. There are also £1,200,000 (31 December 2021: £1,200,000) unused pre-acquisition trading losses whose usage is restricted until after 20 August 2024. No deferred tax asset has been recognised on this amount.

The Directors have determined, based on forecasted results for the Group, that sufficient future profits will be available to utilise tax losses carried forward.

## Notes to the financial statements (continued)

### 22. Lease liabilities

	31 December 2022	31 December 2021
	£'000	£'000
<b>Maturity analysis</b>		
Year 1	53,255	55,798
Year 2	45,249	46,005
Year 3	40,720	38,962
Year 4	36,797	35,186
Year 5	32,000	32,834
Onwards	119,149	137,350
	327,170	346,135
Less: unearned interest	(36,023)	(41,685)
	291,147	304,450
 Analysed as:		
Current	46,370	47,587
Non-current	244,777	256,863
	291,147	304,450

The Group does not face a significant liquidity risk with regard to its lease liabilities.

### 23. Trade payables and accrued liabilities

	GROUP		COMPANY	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	£'000	£'000	£'000	£'000
<b>Current</b>				
Trade payables	123,095	102,982	-	-
Fuel compliance obligations	490,430	326,534	-	-
Amounts owed to parent company (note 29)	51,816	4,451	1,369	10,493
Other taxes and social security	604,898	619,966	-	-
Other payables	32,118	14,021	-	-
Accrued expenses	386,652	338,082	-	-
Deferred income	10,946	14,585	-	-
	1,699,955	1,420,621	1,369	10,493
<b>Non-current</b>				
Other payables	9,093	8,195	-	-
	9,093	8,195	-	-

The carrying amounts of trade payables and other payables approximate to their fair values.

Trade and other payables are predominantly non-interest bearing. Intercompany balances have no formal repayment plan and as such are classified as current. In the instances where interest is charged on intercompany balances, it is charged at a rate of SONIA plus 4% (2021: LIBOR plus 2%).

Other taxes and social security predominantly relates to VAT owed.

Other payables include the fair value of contingent consideration arising on the acquisition of subsidiary companies. At 31 December 2022 there is no outstanding balance related to contingent consideration (31 December 2021: £3,278,000).

## Notes to the financial statements (continued)

### 23. Trade payables and accrued liabilities (continued)

The table below shows the financial liabilities of the Group outstanding at the year end, on the basis of contractual undiscounted cash flows for liabilities:

	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000
<b>31 December 2022</b>			
Borrowings (note 19)	720,764	-	-
Trading and net settled derivative financial instruments (note 24)	12,369	-	-
Trade and other payables	1,699,955	-	9,093
	<b>2,433,088</b>	<b>-</b>	<b>9,093</b>
<b>31 December 2021</b>			
Borrowings (note 19)	704,422	-	-
Trading and net settled derivative financial instruments (note 24)	19,340	9	-
Trade and other payables	1,420,621	-	8,195
	<b>2,144,383</b>	<b>9</b>	<b>8,195</b>

## Notes to the financial statements (continued)

### 24. Financial instruments

The accounting policies for financial instruments in Note 1 have been applied to the line items below:

GROUP	Financial assets at amortised cost £'000	Financial assets at fair value through profit and loss £'000	Financial assets at fair value through other comprehensive income £'000	Total £'000
<b>Assets at 31 December 2022</b>				
Investments in equity instruments (level 1)	-	-	88	88
Investments in equity instruments (level 3)	-	-	16,590	16,590
Derivative financial instruments (level 1)	-	9,740	-	9,740
Derivative financial instruments (level 2)	-	12,256	-	12,256
Receivables	986,058	-	-	986,058
Cash and cash equivalents	44,422	-	-	44,422
	<b>1,030,480</b>	<b>21,996</b>	<b>16,678</b>	<b>1,069,154</b>

COMPANY	Financial assets at amortised cost £'000	Financial assets at fair value through profit and loss £'000	Financial assets at fair value through other comprehensive income £'000	Total £'000
<b>Assets at 31 December 2022</b>				
Receivables	2,390	-	-	2,390
Cash and cash equivalents	1	-	-	1
	<b>2,391</b>	<b>-</b>	<b>-</b>	<b>2,391</b>

GROUP	Financial assets at amortised cost £'000	Financial assets at fair value through profit and loss £'000	Financial assets at fair value through other comprehensive income £'000	Total £'000
<b>Assets at 31 December 2021</b>				
Investments in equity instruments (level 1)	-	-	88	88
Investments in equity instruments (level 3)	-	-	16,436	16,436
Derivative financial instruments (level 1)	-	1,362	-	1,362
Derivative financial instruments (level 2)	-	13,103	-	13,103
Receivables	853,797	-	-	853,797
Cash and cash equivalents	64,687	-	-	64,687
	<b>918,484</b>	<b>14,465</b>	<b>16,524</b>	<b>949,473</b>

## Notes to the financial statements (continued)

### 24. Financial instruments (continued)

COMPANY	Financial assets at amortised cost £'000	Financial assets at fair value through profit and loss £'000	Financial assets at fair value through other comprehensive income £'000	Total £'000
<b>Assets at 31 December 2021</b>				
Receivables	10,447	-	-	10,447
Cash and cash equivalents	1	-	-	1
	10,448	-	-	10,448

GROUP	Financial liabilities at fair value through profit and loss £'000	Financial liabilities measured at amortised cost £'000	Total £'000
<b>Liabilities at 31 December 2022</b>			
Payables	-	1,084,111	1,084,111
Bank loans and overdrafts	-	720,764	720,764
Derivative financial instruments (level 1)	6,121	-	6,121
Derivative financial instruments (level 2)	6,248	-	6,248
	12,369	1,804,875	1,817,244

COMPANY	Financial liabilities at fair value through profit and loss £'000	Financial liabilities measured at amortised cost £'000	Total £'000
<b>Liabilities at 31 December 2022</b>			
Payables	-	1,369	1,369
	-	1,369	1,369

GROUP	Financial liabilities at fair value through profit and loss £'000	Financial liabilities measured at amortised cost £'000	Total £'000
<b>Liabilities at 31 December 2021</b>			
Payables	-	773,890	773,890
Bank loans and overdrafts	-	704,422	704,422
Derivative financial instruments (level 1)	10,295	-	10,295
Derivative financial instruments (level 2)	9,054	-	9,054
Contingent consideration payable on acquisition of subsidiary undertakings (level 3)	3,278	-	3,278
	22,627	1,478,312	1,500,939

## Notes to the financial statements (continued)

### 24. Financial instruments (continued)

COMPANY	Financial liabilities at fair value through profit and loss	Financial liabilities measured at amortised cost	Total
	£'000	£'000	£'000
<b>Liabilities at 31 December 2021</b>			
Payables	-	10,493	10,493
	-	10,493	10,493

#### Fair value measurements and valuation processes

##### *Fair value instruments traded in active markets*

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial instruments held by the Group is the current mid-price. These instruments are included in Level 1. Instruments included in Level 1 comprise AIM equity investments classified as fair value through other comprehensive income and exchange-traded commodity derivative financial instruments.

##### *Sensitivity of unobservable inputs to fair value*

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The valuations of private equity investments, contingent consideration in business combinations and non-derivative financial assets held for trading are particularly sensitive to changes in one or more unobservable inputs which are considered reasonably possible within the next financial year. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. For derivative contracts where publicly available information is not available, fair value estimations are generally determined using models and other valuation methods, the key inputs for which include future prices, volatility, price correlations, counterparty credit risk and market liquidity, as appropriate; for other assets and liabilities, fair value estimations are generally based on the net present value of expected future cash flows. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

##### *Contingent consideration*

Contingent consideration is held at fair value, measured using scenario based modelling. The modelling adopted utilises a number of unobservable inputs, including scenarios of future forecast earnings and the probabilities applied to each earnings scenario. Therefore the valuation of contingent consideration has been deemed to be Level 3 within the hierarchy above. No material gain or loss for the year relating to this contingent consideration has been recognised in the profit and loss statement.

##### *Investments in equity instruments*

Equity investments are held at fair value, measured using appropriate valuation techniques such as prices from prior transactions. Equity instruments are valued using observable market data where it is available, and unobservable inputs such as long-term revenue growth rates, taking into account management's experience and knowledge of market conditions of the specific industries. The valuation of these instruments is therefore sensitive to changes in the unobservable inputs used by management. We have deemed these instruments to be Level 3 within the hierarchy above.

The Group is exposed to equity price risks arising from equity investments.

Equity investments in unlisted entities (see note 13) are held for strategic rather than trading purposes. The Group does not actively trade these investment.

The reconciliation of Level 3 movements in the Group's net financial instruments is included within Note 12 and Note 13.

## Notes to the financial statements (continued)

### 24. Financial instruments (continued)

The carrying amounts of financial assets are denominated in the following currencies:

	GROUP 31 December 2022 £'000	GROUP 31 December 2021 £'000	COMPANY 31 December 2022 £'000	COMPANY 31 December 2021 £'000
Pounds	756,508	710,211	-	-
US Dollars	219,887	148,769	2,391	10,320
Euros	51,694	55,837	-	-
Swiss Francs	33	72	-	-
Canadian Dollars	32,725	30,595	-	-
UAE Dirhams	28	102	-	-
Australian Dollar	3,044	1,596	-	-
Brazilian Real	5,191	2,290	-	-
Other	44	1	-	-
	<b>1,069,154</b>	<b>949,473</b>	<b>2,391</b>	<b>10,320</b>

The carrying amounts of financial liabilities are denominated in the following currencies:

	GROUP 31 December 2022 £'000	GROUP 31 December 2021 £'000	COMPANY 31 December 2022 £'000	COMPANY 31 December 2021 £'000
Pounds	808,386	806,297	-	-
US Dollars	893,160	587,733	1,369	10,082
Euros	81,031	50,017	-	-
Swiss Francs	-	42	-	-
Canadian Dollars	29,928	47,550	-	-
UAE Dirhams	396	302	-	-
Brazilian Real	3,092	7,021	-	-
Australian Dollar	-	1,604	-	-
Other	1,251	373	-	-
	<b>1,817,244</b>	<b>1,500,939</b>	<b>1,369</b>	<b>10,082</b>



## Notes to the financial statements (continued)

### 24. Financial instruments (continued)

#### Derivative financial instruments

The Group's activities expose it to a variety of financial risks, including market risk (currency risk and commodity risk), credit risk and liquidity risk. The Group selectively uses derivative financial instruments principally to manage these risks.

Amounts of the Group's derivative positions as at December 31 2022 and 2021 were as follows:

	31 December 2022	31 December 2022	31 December 2021	31 December 2021
	£'000	£'000	£'000	£'000
	(Charge) / credit to profit & loss account	Fair value asset / (liability)	(Charge)/credit to profit and loss account	Fair value asset / (liability)
Foreign exchange contracts	(22,908)	1,427	(16,625)	(1,138)
Commodity instruments	170,150	8,200	281,074	(3,746)
Total	147,242	9,627	264,449	(4,884)
Gross amount included in trade and other receivables		21,996		14,465
Gross amount included in trade and other payables		(12,369)		(19,349)
Total		9,627		(4,884)

The aggregate notional amounts of the Group's derivative positions as at December 31 2022 and 2021 were as follows:

	31 December 2022	31 December 2021
	£'000	£'000
Foreign exchange contracts	335,315	625,288
	335,315	625,288
Commodity instruments		
Oil based fuel (Cbm - millions)	14.02	17.11
	14.02	17.11

## Notes to the financial statements (continued)

### 24. Financial instruments (continued)

#### Foreign exchange contracts

The following table presents the notional amounts and average exchange rates for foreign exchange contracts held by the Group as at December 31 2022 and 2021. The notional amounts as at December 31 2022 and 2021 include both buy and sell contracts.

	Notional amount (£'000)		Average exchange rate	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Brazilian Real	-	10,679	-	7.54
British Pound	65,159	147,200	1.00	1.00
Canadian Dollar	1,330	-	1.64	-
Euro	66,419	3,130	1.13	1.19
United States Dollar	202,407	464,278	1.20	1.35
	<b>335,315</b>	<b>625,288</b>		

#### Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset with the net amount reported in the consolidated statements of financial position where the Group currently has a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The following table sets out the Group's financial assets and financial liabilities that are subject to counterparty offsetting or a master netting agreement. The master netting agreements regulate settlement amounts in the event either party defaults on their obligations:

	Gross amounts of financial assets presented in the balance sheet	Cash collateral pledged	Net amounts
	£'000	£'000	£'000
<b>As at 31 December 2022</b>			
Derivative financial assets	21,996	27,365	49,361
Derivative financial liabilities	(12,369)	12,369	-
<b>Total</b>	<b>9,627</b>	<b>39,735</b>	<b>49,361</b>
<b>As at 31 December 2021</b>			
Derivative financial assets	14,465	37,390	51,855
Derivative financial liabilities	(19,349)	19,349	-
<b>Total</b>	<b>(4,884)</b>	<b>56,739</b>	<b>51,855</b>

## Notes to the financial statements (continued)

### 24. Financial instruments (continued)

#### Liquidity risk management

The Group's policies surrounding non-derivative financial instruments are detailed in Note 1.

The following table details the Group's liquidity analysis for its derivative financial instruments based on contractual maturities. The table has been drawn up based on the undiscounted net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

At 31 December 2022	Settling within 1 year £'000	Settling in greater than 1 year £'000	Total £'000
Foreign exchange contracts	1,427	-	1,427
Commodity instruments	8,200	-	8,200
<b>Total</b>	<b>9,627</b>	<b>-</b>	<b>9,627</b>
 As at 31 December 2021			
Foreign exchange contracts	(1,138)	-	(1,138)
Commodity instruments	(3,737)	(9)	(3,746)
<b>Total</b>	<b>(4,875)</b>	<b>(9)</b>	<b>(4,884)</b>

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2021.

The capital structure of the Group consists of net debt and equity of the Group.

The Group is not subject to any externally imposed capital requirements.

## Notes to the financial statements (continued)

### 24. Financial instruments (continued)

#### Market risk

Market risk can be subdivided into fuel product price risk, foreign exchange risk and interest rate risk, which are addressed separately below.

##### a) Fuel product price risk

Fuel product prices are subject to international supply and demand, which are themselves particularly dependent on political climates throughout the world. The resulting risk of product price fluctuations impacting the Group's future cash flows is therefore high.

The Group has developed comprehensive internal control processes and hedging mechanisms to minimise this inherent risk. The objective of these mechanisms is to match the Group's priced physical positions (generated from spot and term contracts entered into with suppliers and customers) with equal and opposite derivative positions. In order to achieve this, the Group's risk management department analyses the priced position for each product type throughout each day. Traders use this information to identify the most appropriate derivative for hedging purposes.

The main types of hedge transaction which the Group enters into are as follows:

##### i) Exchange-traded commodity derivatives

Typically in the form of futures and options traded on a recognised exchange such as the International Petroleum Exchange or the New York Mercantile Exchange. The fair value of these derivatives changes with movements in the underlying commodity price. The Group is generally obliged to make margin calls to the exchange where the fair value of the instrument is in favour of the exchange. The Group generally closes out any futures contracts prior to crystallisation.

At 31 December 2021, if the closing price for each of the Group's exchange-traded commodity derivatives had been 1 US Dollar per metric tonne lower with all other variables held constant, consolidated pre-tax profit for the year would have been £131,000 lower (31 December 2021: £247,000 lower).

##### ii) Over-the-counter ('OTC') contracts

Typically in the form of commodity swaps, OTC contracts are negotiated between two parties and are not traded on an exchange. Swaps are entered into in respect of specified indices and time periods. The amount payable under such instruments varies directly with the quote of those indices over the specified period. The Group is generally obliged to make margin calls to the counterparty where the fair value of the instrument is in favour of the counterparty.

At 31 December 2021, if the closing price for each of the open OTC contracts had been 1 US Dollar per metric tonne lower with all other variables held constant, consolidated pre-tax profit for the year would have been £274,000 lower (31 December 2021: £269,000 lower).

##### b) Foreign currency exchange risk

The Group purchases fuel products mainly in US Dollars and Euros. Because the international oil markets generally price in US Dollars, and the majority of the Group's UK customers wish to purchase fuel products in Pounds Sterling, there can be a significant foreign currency exchange risk inherent in this aspect of the Group's business. In order to minimise the financial effect of this risk, the Group looks to ensure that at all times, the financial assets denominated in a particular currency match the financial liabilities denominated in the same currency.

## Notes to the financial statements (continued)

### 24. Financial instruments (continued)

The following table illustrates only the Group's sensitivity to the fluctuation of the major currencies on its income statement and financial assets and liabilities:

		At 31 December 2022
		Retained earnings
		£'000
US dollar/Sterling	+/-10% change	67,327
Canadian Dollar/Sterling	+/-10% change	280
Euro/Sterling	+/-10% change	2,934
		At 31 December 2021
		Retained earnings
		£'000
US dollar/Sterling	+/-10% change	43,896
Canadian Dollar/Sterling	+/-10% change	1,696
Euro/Sterling	+/-10% change	582

The above sensitivity information was calculated by reference to carrying amounts of assets and liabilities at December 31 only. The effect on retained earnings arises principally from the translation of assets and liabilities of entities that are not sterling-functional.

Where the Group's stock is denominated in US Dollars and a sale is priced in Pounds Sterling, a net US Dollar financial liability is generated, resulting in a potential foreign exchange exposure. Where purchases and sales are priced in different currencies, the Group's treasury department buys or sells currency to balance the assets and liabilities by currency, thus eliminating this transactional foreign exchange risk.

As a further control, balance sheets for each of the Group's major currencies are prepared on a monthly basis and any surplus assets or liabilities are hedged as appropriate.

There are also highly probable forecast sales denominated in foreign currencies. The risk of changes in the relevant spot exchange rate associated with these highly probable forecast foreign currency transactions is hedged as appropriate using forward contracts.

#### c) Interest rate risk

Interest on the Group's deposits/overdrafts is credited/charged on a daily basis based on SONIA plus a commercial margin. The Directors consider that there is no material interest rate risk on the Group's financial assets at the balance sheet date.

## Notes to the financial statements (continued)

### 24. Financial instruments (continued)

#### Overview of the Group's exposure to credit risk

The Group's policy with respect to credit risk is detailed in note 16.

The tables below detail the credit quality of the Group's financial assets and contract assets, as well as the Group's maximum exposure to credit risk by credit risk rating grades.

At 31 December 2022	Note	Internal credit rating	12 month or lifetime ECL	Gross carrying amount £'000	Loss allowance £'000	Net carrying amount £'000
Trade receivables	16	(i)	Lifetime ECL (simplified approach)	830,377	(3,321)	827,056
Other receivables	16	(i)	Lifetime ECL (simplified approach)	155,643	-	155,643

At 31 December 2021	Note	Internal credit rating	12 month or lifetime ECL	Gross carrying amount £'000	Loss allowance £'000	Net carrying amount £'000
Trade receivables	16	(i)	Lifetime ECL (simplified approach)	667,548	(3,177)	664,371
Other receivables	16	(i)	Lifetime ECL (simplified approach)	215,983	-	215,983

(i) See Note 16 for credit risk and rating policy.

For trade receivables, loans to Group undertakings and other receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using estimates based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the above estimates.

#### Reconciliation of level 3 financial instrument liabilities:

	£'000
At 1 January 2022	3,278
Payment	(3,278)
At 31 December 2022	-

Contingent consideration is held in other payables and arose on the acquisition of subsidiary companies. At 31 December 2022 this totalled £nil (31 December 2021: £3,278,000).

## Notes to the financial statements (continued)

### 25. Issued capital

	31 December 2022 £'000	31 December 2021 £'000
<b>Allotted, called up and fully paid</b>		
204,440,707 ordinary shares of £1 each	<b>204,441</b>	204,441

Total number of shares authorised is equal to the amount allotted, called up and fully paid.

### 26. Net cash generated from/(used in) operating activities

		Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
(Loss)/profit for the year		(8,193)	39,664
Adjustments for:			
Share of profit from joint ventures	12	(278)	(375)
Impairment of joint ventures and associates	12	1,399	-
Net finance costs	7,8	41,419	25,793
Repayment of lease liabilities - interest		-	(9,613)
Loss on disposal of property, plant and equipment and equipment	5	329	72
Depreciation of property, plant and equipment	10	19,058	19,040
Depreciation of right-of-use assets	15	57,150	48,109
Impairment of property, plant and equipment	10	19,309	-
Amortisation of intangibles	11	22,872	21,233
Revaluation of financial instruments	24	(13,958)	(24,069)
Foreign exchange		(930)	5,422
<b>Operating cash flows before movements in working capital</b>		<b>138,177</b>	<b>125,276</b>
Increase in inventory	14	(114,130)	(89,290)
Increase in receivables	16	(113,905)	(186,296)
Increase in payables	23	191,357	20,168
<b>Cash generated from/(used in) operations</b>		<b>101,499</b>	<b>(130,142)</b>
Income taxes paid	9	(2,308)	(4,018)
<b>Net cash from/(used in) operating activities</b>		<b>99,191</b>	<b>(134,160)</b>

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

## Notes to the financial statements (continued)

### 26. Net cash (used in) / generated from operating activities (continued)

GROUP	Note	At 1 January 2022	Financing cash flows	Lease additions	Interest capitalised	Non cash flow movements	At 31 December 2022
		£'000	£'000	£'000	£'000	£'000	£'000
Bank loans	19	172,831	-	-	-	21,865	194,696
Bank overdrafts	19	531,591	(41,895)	-	-	36,372	526,068
Lease liabilities	22	304,450	(65,166)	38,454	8,938	4,471	291,147
		1,008,872	(107,061)	38,454	8,938	62,708	1,011,911

### 27. Financial commitments

#### Capital commitments

Capital expenditure contracted for at the end of the reporting year but not yet incurred is as follows:

	31 December 2022	31 December 2021
	£'000	£'000
Property, plant and equipment	5,229	5,101
Intangible assets	6,344	2,426
	11,573	7,527

### 28. Guarantees

Greenery Fuels Limited, Greenery Fuels Canada Inc and Greenery Oil UK Limited have given fixed and floating charges over all the assets of the respective Group Companies in favour of their principal bankers to secure the liabilities to such bankers.

The aggregate secured liabilities comprise:

GROUP	31 December 2022	31 December 2021
	£'000	£'000
Bank loans and overdrafts	720,764	704,422

The Group enters into financial guarantee contracts to guarantee the indebtedness of other companies within its Group. In this respect, the Company treats the guarantee contract as a contingent liability.

The Group held letters of credit of £184,927,879 (2021: £113,491,000) as at the year-end date, which is secured against the Groups borrowing facility (see Note 19).

### 29. Related party transactions

#### Company

During the year the Company received no dividends from subsidiaries (31 December 2021: £nil).

At the year-end date the following balances were due to and from related parties:

	Amounts owed by related parties		Amounts owed to related parties	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	£'000	£'000	£'000	£'000
Greenery Fuels Limited	-	-	(30)	(30)
Greenery International Limited	-	-	(59)	(57)
Greenery Group Holdings Limited	-	-	(1)	-
Greenery Group Holdings II Limited	-	-	(1,279)	(10,406)
Greenery Group Holdings IV Limited	2,371	10,406	(30)	(30)



## Notes to the financial statements (continued)

### 29. Related party transactions (continued)

#### Group

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associates/ joint ventures are disclosed below.

#### Trading transactions

During the year, Group entities entered into the following transactions with related parties who are not members of the Group:

	Sale of goods		Purchase of goods	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	£'000	£'000	£'000	£'000
ALGECO UK Limited	-	-	(7)	-
Inter Terminals Shannon Limited	-	-	(9)	-
Navigator Terminals Holdings Limited	2,614	2,614	-	-
PD Ports Limited	-	-	(2,780)	(2,751)
Thames Enterprise Park Limited	-	107	-	-
BGIS Global Integrated Solutions Canada LP	-	-	(389)	-
Navig8 Group	-	-	-	(2,078)
Hartree Partners Singapore	-	-	-	(44,176)
Brookfield Spain Asset Management	-	-	(53)	(34)
TORM Plc	-	-	-	(1,553)
Freightliner Limited	29,865	12,953	-	-
Hartree Partners UK Limited	-	77	-	-

ALGECO UK Limited is a related party of the Group because it is owned by the ultimate parent undertaking and controlling party, Brookfield Corporation. The transaction relates to construction costs.

Inter Terminals Shannon Limited is a related party of the Group because it is owned by the ultimate parent undertaking and controlling party, Brookfield Corporation. The transaction relates to operational costs.

Brookfield Asset Management Technology Services Group is a related party of the Group because it is owned by the ultimate parent undertaking and controlling party, Brookfield Corporation. The transaction relates to the recharge of costs relating to IT equipment.

Brookfield Global Business Advisor Limited is a related party of the Group because it is owned by the ultimate parent undertaking and controlling party, Brookfield Corporation. The transaction relates to a recharge to a Group company for the secondment of an employee.

Navigator Terminals Holdings Limited is a related party of the Group because Greenergy Fuels Holdings Limited has an indirect 20% holding in the company. The transaction relates to income received for providing asset advisory services and loan interest. Details of the loan are provided below.

PD Ports Limited is a related party of the Group because it is owned by the ultimate parent undertaking and controlling party, Brookfield Corporation. The transaction relates to the purchase of conservancy services.

Thames Enterprise Park Limited is a Group company, and transactions in the year ended 31 December 2021 after 16<sup>th</sup> June 2021 have been eliminated on consolidation. The sale of goods to Thames Enterprise Park Limited in the prior year relate to sales which took place in the period prior to the company becoming a subsidiary of Greenergy Fuels Holdings Limited.

## Notes to the financial statements (continued)

### 29. Related party transactions (continued)

Navig8 was a related party of the Group because it was owned by the ultimate parent undertaking and controlling party, Brookfield Corporation, during the year ended 31 December 2021. The transaction related to the purchase of distribution services. During the year ended 31 December 2021, Brookfield Corporation disposed of their interest in the entity, therefore no transactions have been disclosed with this entity for the year ended 31 December 2022.

Hartree Partners Singapore Pte Ltd is a related party of the Group because it is an Oaktree entity. Oaktree is an equity accounted investment of the ultimate parent undertaking and controlling party, Brookfield Corporation. The transaction relates to consulting services.

Freightliner Limited is a related party of the Group because it is owned by the ultimate parent undertaking and controlling party, Brookfield Corporation. The transaction relates to the sale of fuels.

Brookfield Spain Asset Management is a related party of the Group because it is owned by the ultimate parent undertaking and controlling party, Brookfield Corporation. The transaction relates to consulting services.

TORM Plc is a related party of the Group because it is an associate of the ultimate parent undertaking and controlling party, Brookfield Corporation. The transaction relates to distribution services. During the year ended 31 December 2021, Brookfield Corporation disposed of their interest in the entity, therefore no transactions have been disclosed with this entity for the year ended 31 December 2022.

The following amounts were outstanding at the reporting date:

	Amounts owed by related parties		Amounts owed to related parties	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	£'000	£'000	£'000	£'000
Greenergy Group Holdings Limited companies	26,880	8,019	(51,816)	(4,451)

The Greenergy Group Holdings Limited companies are related parties of the Group they are owned by the ultimate parent undertaking and controlling party, Brookfield Corporation. Greenergy Group Holdings II Limited is the immediate parent undertaking of the Company. Amounts owed by/to Greenergy Group Holdings Limited companies includes an amount of £721,000 (2021: £721,000) owed by Greenergy Flexigrid Limited, a 75% owned subsidiary.

Amounts owed by these related parties have no formal repayment plan. There were no guarantees associated with these transactions and no amounts were provided for at the balance sheet date.

#### Remuneration of key management personnel

The remuneration of the directors, who are the key management personnel of the Group, is set out in Note 30.

#### Loans to related parties

	31 December 2022	31 December 2021
	£'000	£'000
Navigator Terminals Holdings Limited	25,308	25,308
Atlantic Fuel Supply Limited	475	1,235

The interest charged on the loan to Navigator Terminals Holdings Limited is charged at a rate of SONIA plus 4%.

Atlantic Fuel Supply Limited is a related party of the Group because it is an associate of Greenergy Fuels Holdings Limited. The interest charged on the loan to Atlantic Fuel Supply Limited is charged at a rate of SONIA plus 4%.

#### Loans from related parties

	31 December 2021	Receipts	Repayments	31 December 2022
	£'000	£'000	£'000	£'000
BCP IV Fuel Finco Ltd				
Short term funding	-	572,384	(572,384)	-
Non-recourse funding	-	33,112	(33,112)	-

The Ukraine conflict and subsequent sanctions resulted in upward pressure on commodity prices and combined with the lengthening of our supply chain to remove Russian diesel, led to an overall reduction in available liquidity.

During the year the Group obtained short-term shareholder working capital support to assist with its peak borrowing requirements. This was repaid in full during the year resulting in nil balance at year end.

## Notes to the financial statements (continued)

### 30. Key management personnel compensation

Key management is composed of the Directors of the company. The compensation paid or payable to key management of the Group for employee services is shown below in aggregate for each of the categories specified in IAS 24:

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Short term employee benefits	897	846
Post-employment benefits	18	15
	<b>915</b>	<b>861</b>
<b>Highest paid Director</b>		
Short term employee benefits	743	648
Post-employment benefits	18	15
	<b>761</b>	<b>663</b>

During the year, 1 director was part of a money purchase scheme (2021: 1).

### 31. Assets pledged as collateral

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	Notes	31 December 2022 £'000	31 December 2021 £'000
<b>Current assets</b>			
Inventories	14	1,118,375	889,964
Trade and other receivables	16	959,971	889,050
Cash and cash equivalents	18	44,422	64,687
Derivative financial instruments	24	21,996	14,465
<b>Total current assets pledged as security</b>		<b>2,144,764</b>	<b>1,858,166</b>
<b>Non current assets</b>			
Property, plant and equipment	10	210,717	237,369
Intangible assets	11	199,065	194,127
Investments in associates	12	345	398
Investments in joint ventures	12	8,562	8,077
Equity investments classified as fair value through other comprehensive income	13	16,678	16,513
Other receivables	16	27,249	26,557
<b>Total non current assets pledged as security</b>		<b>462,616</b>	<b>483,052</b>

Cash and cash equivalents with a carrying amount of £39,735,000 (2021: £56,739,000) have been pledged as SOCGEN collateral against all open derivative positions of the Group (see note 24). The Group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

The remaining current assets of £2,105,030,000 (2021: £1,801,427,000), and non-current assets with a carrying amount of £462,616,000 (2021: £483,052,000) have been pledged to secure borrowings of the Group (see note 19). The Group is not allowed to pledge these assets as security for other borrowings.

## Notes to the financial statements (continued)

### 32. Adjusted EBITDA

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
<b>Reported (loss)/profit before taxation</b>	<b>(8,193)</b>	<b>39,664</b>
Finance costs	41,419	25,955
Proportionate adjustment for associates and joint ventures: net finance and income tax expense	60	116
Depreciation & amortisation	41,930	40,273
Depreciation on right-of-use assets	57,150	48,108
Proportionate adjustment for associates and joint ventures: depreciation	391	400
<b>Reported EBITDA</b>	<b>132,757</b>	<b>154,516</b>
<i>Adjustments to reported measures:</i>		
Unrealised loss / (gain) on open financial derivatives	129	(20,009)
Unrealised gain on unperformed priced contracts	(25,937)	(2,445)
Non-current asset impairments	20,436	-
Non-cash acquisition provisions released	635	(2,709)
Non recurring M&A, restructuring and legal fees	-	-
Asset Dismantling Costs	20,248	5,018
<b>Adjusted EBITDA</b>	<b>148,268</b>	<b>134,371</b>

Adjusted EBITDA is a non-GAAP measurement used to provide additional useful information to Greenergy's key stakeholders. These measures include management judgements and should not be considered in isolation or used as a substitute for measures of performance prepared in accordance with IFRS. Adjusted EBITDA is used by management to evaluate the performance of Greenergy and its business units. This measure may also be used by investors and financial institutions to assess Greenergy's ability to service debt.

Adjusted EBITDA represents earnings before interest, taxes, depreciation, amortisation, exceptional items from operations and management adjustments for significant events that impacted on the business during the period. These significant events have been outlined further below. Adjusted EBITDA is reconciled to net earnings/(losses) before income taxes.

#### a. Unrealised (gain) / loss on open financial derivatives

The Group uses financial derivatives where appropriate to secure elements of margin on future contracted supply to its customers. When management evaluate the performance of Greenergy and its business units, the unrealised (gains) / losses on these financial derivatives are excluded from Adjusted EBITDA until such time that they become realised and the offsetting customer contract is performed.

#### b. Unrealised (gain) / loss on unperformed priced contracts

The Group's customer and supplier contracts typically are based on a contracted volume obligation and an underlying commodity price which is set prior to physical delivery being made. Once the price is set, the Group uses financial derivatives to reduce exposure on commodity price movements until the physical delivery is made and the contract is deemed to have been performed. The Group includes within its Adjusted EBITDA, the fair value of the customer and supplier contracts, for which there is offsetting financial derivatives, which exist at period end but the contract has not yet been performed.

#### c. Non-current asset impairments

The Group made a decision to wind down operations at one of its terminals in the UK during 2022. These costs represent impairment charges related to this decision incurred in the year. Impairment of £4,795,000 was charged against Property, plant and equipment (see note 10), and £1,127,000 was charged against Right-of-Use assets (see note 15). The Group also decided to sell a number of storage tanks which were originally acquired for storage of raw material inventory during 2022. Impairment of £14,511,000 was charged against Property, plant and equipment (see note 10).

## Notes to the financial statements (continued)

### 32. Adjusted EBITDA (continued)

#### d. Non-cash acquisition provisions released

The Group recognised an earnout provision as part of the FY17 Brookfield acquisition. The earnout relates to benchmarks being met in respect of a specific investment. The earnout provision was released in 2021 as a result of these benchmarks not being met.

#### e. Non recurring legal fees

The Group has recognised costs largely associated with ongoing legal and professional fees.

#### f. Asset Dismantling Costs

The Group made a decision to wind down operations at two (31 December 2021: one) of its storage facilities in the UK. It has also made the decision to wind down operations at one (31 December 2021: none) of its terminals in the UK. These costs represent wind down costs incurred in the year. At 31 December 2022, £4,573,000 of these costs (31 December 2021: £nil) are held as a provision (see note 20).

### 33. Events after the reporting period

Subsequent to year end, the Group has successfully restructured and refinanced its global financing facilities into various new facilities which are suitable to support the business going forward. These facilities consist of:

- US\$ 650m committed Receivables Purchase Facility expiring in 2025; and
- US\$ 250m – US\$ 500m committed, volumetric based Inventory Monetisation Facility with facility size flexing depending on commodity prices expiring in 2026.

Group members will be subject to various banking covenants on these refinanced facilities. These will generally take the form of a requirement to meet a variety of financial ratio targets. Such targets will be monitored as part of the regular reporting processes for the entities concerned and will form part of the Group's going concern assessment as detailed in note 1.

### 34. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Greenergy Group Holdings II Limited, a company incorporated in the UK. The ultimate parent undertaking and controlling party is Brookfield Corporation, a company incorporated in Canada.

Greenergy Group Holdings Limited is the parent undertaking of the smallest Group of undertakings to consolidate these financial statements at 31 December 2022. The consolidated financial statements of Greenergy Group Holdings Limited can be obtained from its registered address at Level 25 1 Canada Square, London, England, E14 5AA.

Brookfield Corporation is the parent undertaking of the largest Group of undertakings to consolidate these financial statements at 31 December 2022. The consolidated financial statements of Brookfield Corporation can be obtained from its registered address at Suite 300, Brookfield Place, 181 Bay Street, Toronto, Ontario, M5J 2T3.

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Registered offices

**Registered offices**

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