

Storing vital products with care



Algemene Vergadering van Koninklijke Vopak N.V.

21 april 2021



Agenda voor de jaarlijkse Algemene Vergadering van Koninklijke Vopak N.V. - 21 april 2021



1. Opening
2. Bespreking van het bestuursverslag over het boekjaar 2020
3. Implementatie van het remuneratiebeleid voor het boekjaar 2020
4. Bespreking en vaststelling van de jaarrekening over het boekjaar 2020
5. Dividend
 - a) Verantwoording reserverings- en dividendbeleid
 - b) Voorstel dividenduitkering over het boekjaar 2020
6. Decharge van de leden van de Raad van Bestuur voor de uitoefening van hun taken in het boekjaar 2020
7. Decharge van de leden van de Raad van Commissarissen voor de uitoefening van hun taken in het boekjaar 2020
8. Benoeming van de heer R.M. Hookway als lid van de Raad van Commissarissen
9. Voorstel tot machtiging van de Raad van Bestuur tot verwerving van gewone aandelen
10. Benoeming van Deloitte Accountants B.V. als de externe accountant voor het boekjaar 2022
11. Rondvraag
12. Sluiting

Een toelichting op de agendapunten 2 tot en met 10 is opgenomen in de Aandeelhouderscirculaire.

Punten 2 en 5a) zijn ter bespreking. De punten 3, 4 en 5b) tot en met 10 worden ter stemming voorgelegd, waarbij over punt 3 met adviserende stem wordt gestemd.

Storing vital products with care



**Eelco
Hoekstra**

Chairman of the Executive Board
and CEO of Royal Vopak



Key messages

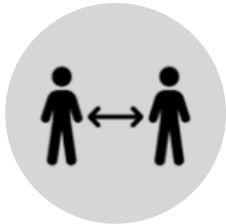


- **Storing vital products with care:** products that meet basic human needs of a growing population and store these vital products with the utmost care
- **Covid-19:** taking care of our people and supporting society by storing vital products with care – uninterrupted service to customers
- **Performance** and business themes in 2020
 - Delivered solid financial performance in a more volatile business environment
 - Continued portfolio positioning – momentum in industrial terminal delivery
 - Progressed on sustainability – well positioned to capture new energy opportunities and reduce environmental footprint
 - Digital transformation is progressing well

Covid-19

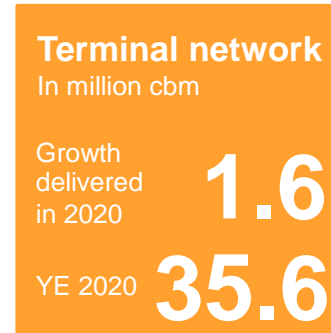
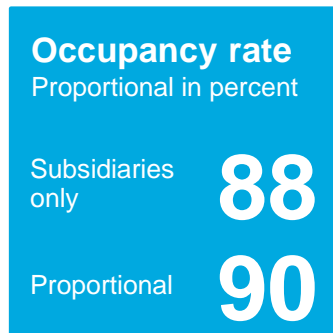
Uninterrupted service to customers and society

- We manage this crisis to the best of our ability to ensure we protect the health and well-being of our people and support society by storing vital products with care
- Effective controls and governance structures have been put in place
- All terminals are operational to serve our customers. If and where possible, we keep an attitude of business as usual
- We monitor developments and remain alert



Developments 2020

Solid short-term performance in a more volatile business environment



Developments 2020 with long-term value impact

- Energy transition and portfolio positioning
- Role of sustainability
- Digital transformation and capabilities

* Including net result from joint ventures and associates and excluding exceptional items

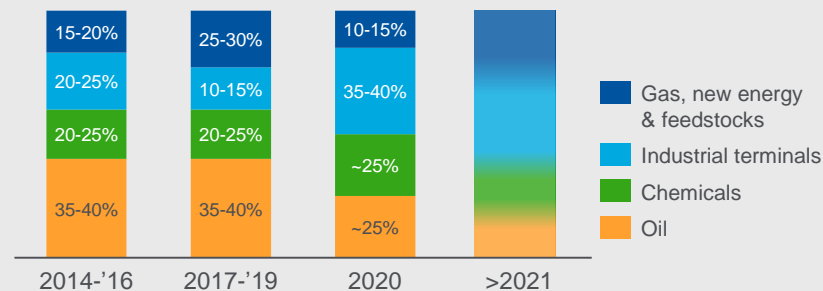
Continued portfolio positioning

Strategic transformation toward more sustainable forms of energy & feedstocks

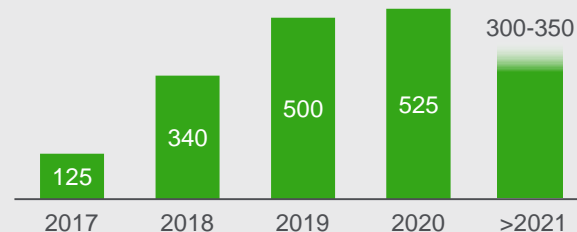


- Majority of growth investments will be allocated towards industrial, gas and new energies infrastructures
- Positive views on chemicals have not changed
- New growth investments in oil infrastructure are expected to be reduced and will mostly be targeted towards strengthening our leading hub positions.
- Capital allocation decisions
 - Q4 2020, industrial terminal acquisition in the US
 - Q1 2021, invest in renewable feedstocks storage in the Port of Rotterdam

Vopak growth capital allocation



Investments in growth



Industrial terminal delivery

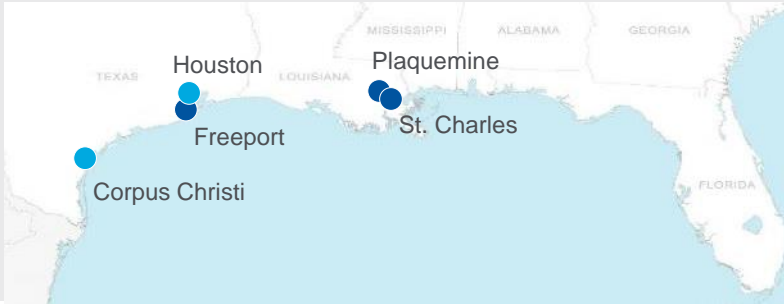
Established leading position in industrial terminals



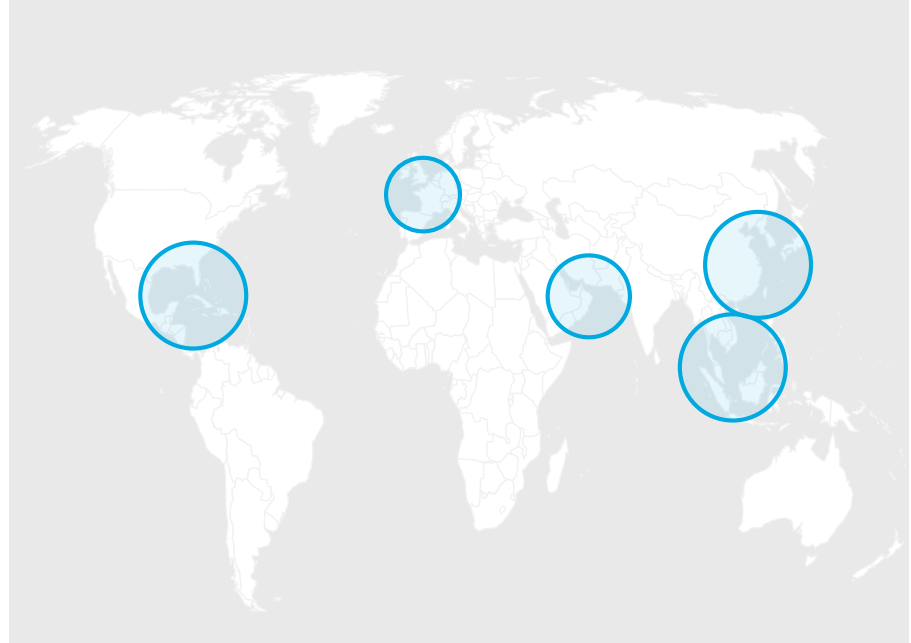
Dow industrial terminals transaction

- Vopak & BlackRock joint venture acquired three industrial terminals (852,000 cbm) from Dow supported by long-term service agreements
- Transformative industrial terminals footprint on US Gulf Coast, leading to a project completion total Vopak storage capacity: 2.3 million cbm (14.5 million bbl)

Vopak US Gulf Coast footprint



Industrial terminal focus areas



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**Gerard
Paulides**

Member of the Executive Board
and CFO of Royal Vopak



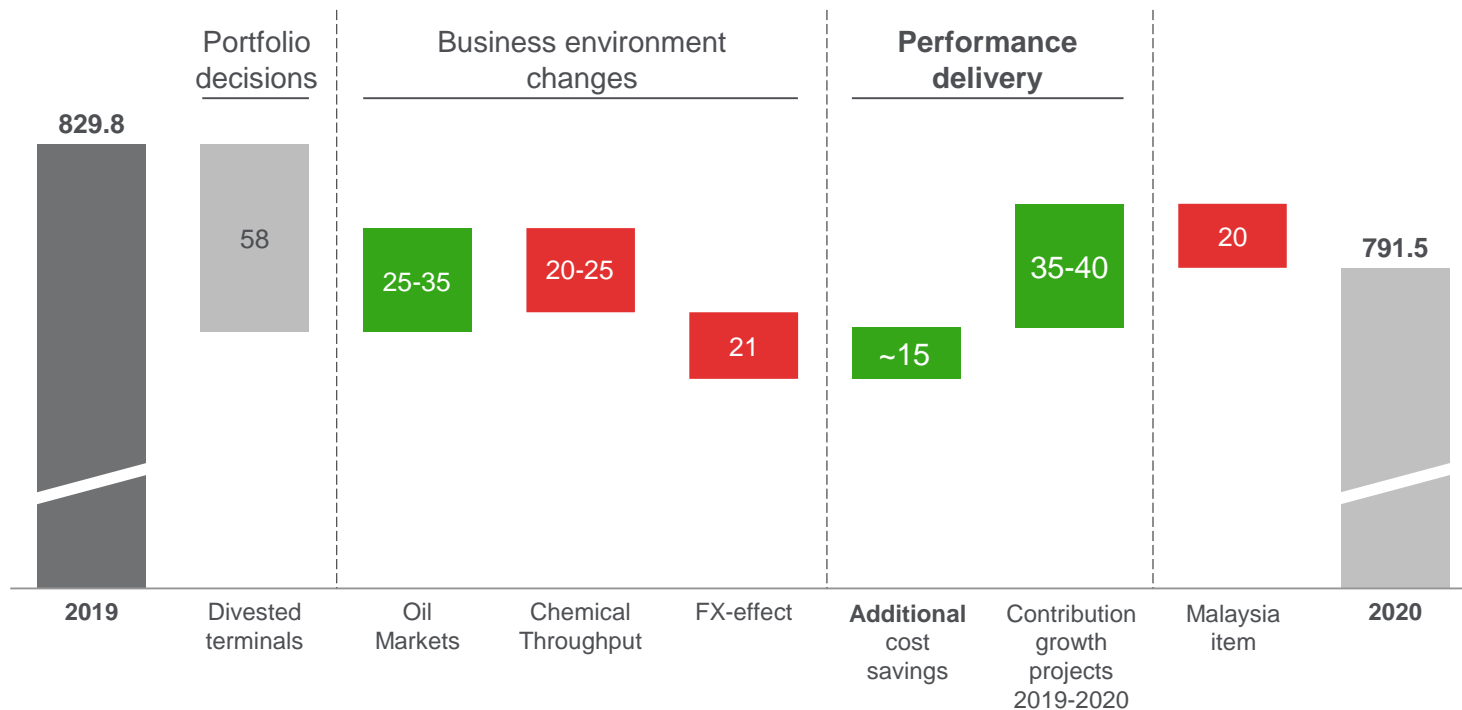
Financial highlights



- **EBITDA post-divestments increased** EUR 20 million reflecting growth contributions and resilient business performance in a dynamic environment
- **Cost efficiency measures** delivered - cost base below EUR 600 million revised target
- **Growth momentum** with EUR 525 million invested in growth in 2020 and continued capital allocation to growth investments in 2021
- EUR 100 million **share buyback program** completed in 2020
- **Earnings per share** of EUR 2.42 and dividend proposal of EUR 1.20

EBITDA growth post-divestments

Delivery of cost efficiency measures and growth projects - despite some construction delays



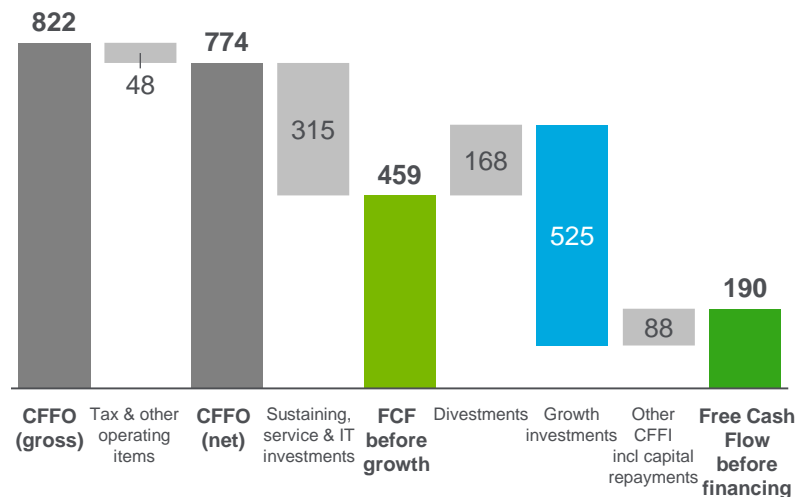
Cash flow overview

Investment momentum driven by growth project



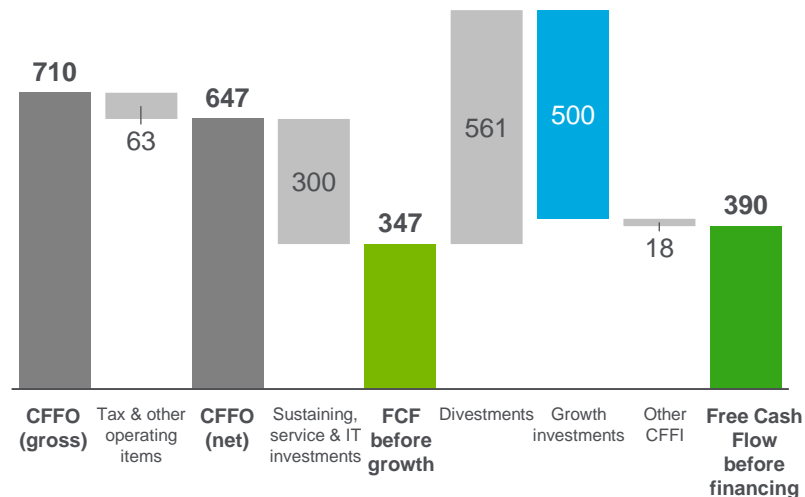
2020

In EUR million



2019

In EUR million



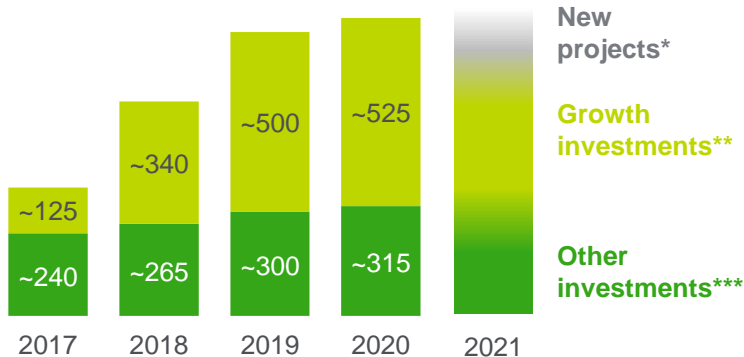
Investment phasing

Balanced approach for growth, sustaining, service improvement and IT investments



Investments

In EUR million



- For 2021, Vopak has the ambition to allocate some **EUR 300-350 million** to growth investments
- In the period 2020-2022, Vopak may invest **EUR 750-850 million** in sustaining and service improvement capex, subject to additional discretionary decisions, policy changes and regulatory environment
- In the period 2020-2022, Vopak expects to spend annually **EUR 30-50 million** in IT capex

* For illustration purposes only, new announcements might increase future growth investments

** Growth capex at subsidiaries and equity injections for joint ventures's and associates

*** Sustaining, service improvement and IT capex

Robust balance sheet



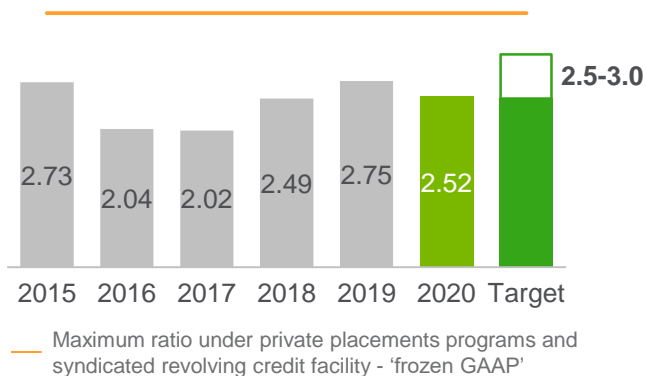
Target leverage of 2.5 to 3.0 times senior net debt : EBITDA

Priorities for cash

- 1** Debt servicing
average interest rate 2020: 3.7%
- 2** Growth opportunities
Value accretive growth
- 3** Shareholder dividend
Stable to rising cash dividend
- 4** Capital optimization
Efficient robust capital structure

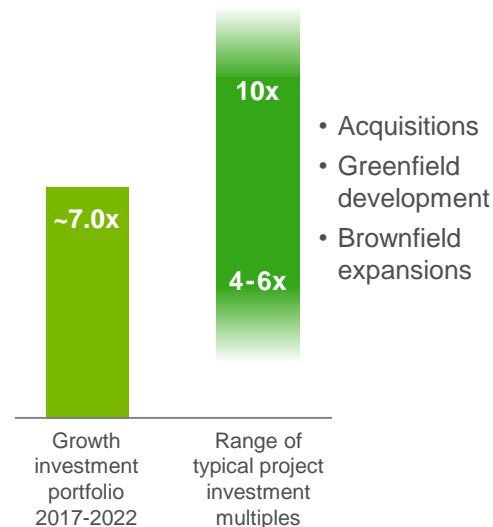
Senior net debt : EBITDA ratio

for covenant (frozen GAAP)



Growth investment multiples

Invested capital / normalized projected EBITDA*



* Invested capital reflects growth capex at subsidiaries and equity injections for JV's and associates
Normalized projected EBITDA reflects Vopak's EBITDA contribution in normalized operating and market conditions

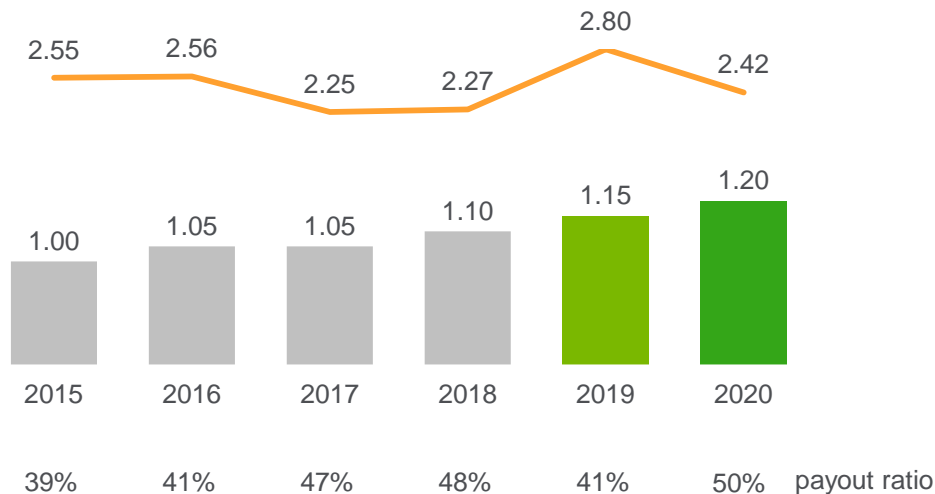
Increase in shareholder returns

Continued rising cash dividend



Dividend and EPS*

In EUR



- Dividend policy targets to pay an annual **stable to rising cash dividend** in balance with a management view on a payout ratio range of 25-75% of the net profit excluding exceptional items attributable to holders of ordinary shares and subject to market circumstances
- **Share buyback program** of EUR 100 million completed in 2020

* Including net result from joint ventures and associates and excluding exceptional items

Financial highlights



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**Frits
Eulderink**

Member of the Executive Board
and COO of Royal Vopak



Sustainability messages



- Storing vital products with care
 - Vopak is committed to maximize positive, and minimize the negative effects of our business activities on people's safety, health and well-being and on the environment
 - We are committed to remain a responsible member of the communities in which we operate
 - We aim to contribute to a more sustainable society by introducing more sustainable technologies, processes and products, and facilitating the energy and feedstock transition
 - We continue to seek opportunities to reduce our environmental footprint and implement our sustainability roadmap towards our ambition is to be climate neutral by 2050

Storing vital products with care

Create value for all stakeholders and society through achieving our SDGs



- 170 million metric tons of product handled for society
 - Chemicals that are the basis of millions of useful products and household goods
 - Energy products equivalent to power more than 120 million households



Vopak's Sustainability Roadmap

Shaped in 3 areas based on our purpose of storing vital products with care



Care for our societal impact (‘People’)



Safety & occupational health

Diversity & inclusion

Human rights & decent work

Community engagement

Care for our environmental & climate impact (‘Planet’)



Becoming climate neutral

VOC & other emissions to air

Spills to soil and water

Waste & wastewater

Preserving biodiversity

Care for our economic impact (‘Profit’)



Switch to cleaner fuels and feedstocks

New energies & feedstocks

Climate impact on Vopak

Sustainability performance



Our ambition is to be the sustainability leader in our industry and live up to our purpose,
Storing vital products with care

Social

Safety performance

Total Injury Rate (TIR)*

0.37

Process Safety Event Rate (PSER)*

0.14

Diversity & inclusion

% of women in senior management positions

16%

Human rights & decent work

All Vopak employees are being paid at least a living wage

Number of employees (headcount)

5,688

Environmental

GHG emissions

Total GHG emissions (scope 1 & 2 in metric tons)

444,150

VOC emissions

Societal impact reduction of VOC emissions versus 2016

- 19%

Reportable spills

Number of uncontained spills

14

Governance

Business ethics and integrity

Fines from permit violations

—

Number of Code of Conduct breaches

6

Corporate governance

% of women in Supervisory Board

33%

Attendance at Supervisory Board meetings

100%

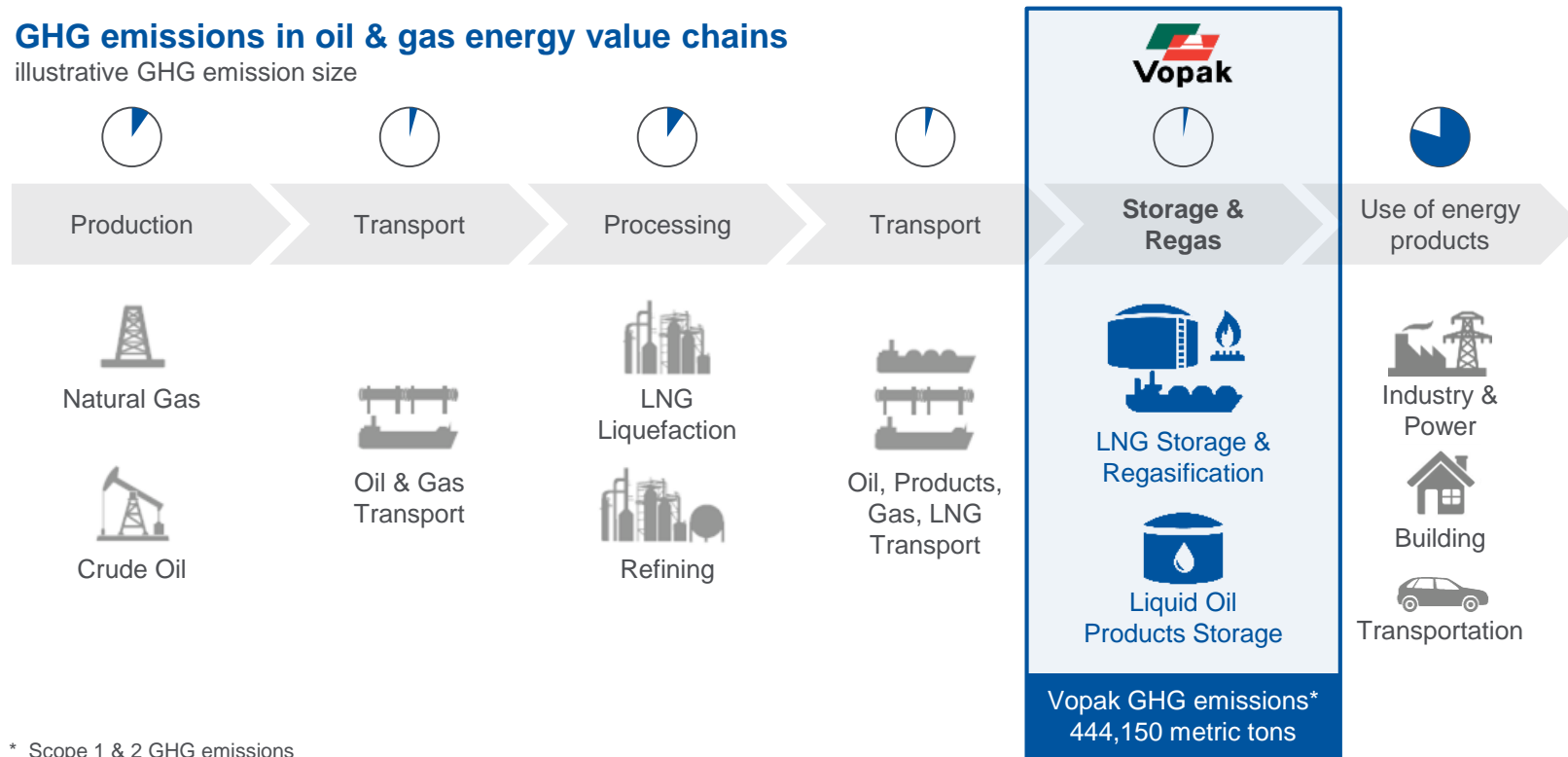
* For own employees and contractors (per 200,000 hours worked)

Value chain GHG emissions

Storage and regas typically minor part of energy value chain GHG emissions

GHG emissions in oil & gas energy value chains

illustrative GHG emission size



* Scope 1 & 2 GHG emissions
Source: IEA, IHS Markit, IPCC

Portfolio positioning impact GHG emissions

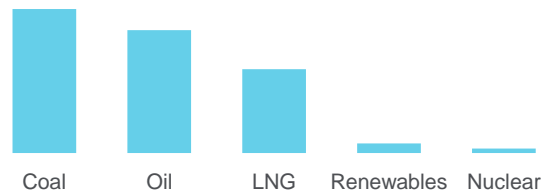


Investing in cleaner energy solutions for our customers and society, while energy intensity increases significantly for our operations supporting this transition

- Coal-to-gas switching can reduce GHG emissions significantly when producing electricity or providing heat.
- LNG has a growing number of uses, including the use of LNG as a lower-emission alternative to diesel and fuel oil in the transport sector
- For Vopak, energy intensity for our LNG operations (and other cryogenic gasses) is significantly higher than our conventional liquid bulk storage and handling operations

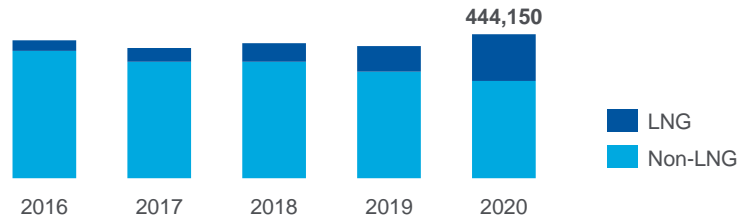
GHG emission intensity by energy source

in tons CO₂/GWh equivalent - illustrative



Vopak GHG emissions

Scope 1 & 2 emissions in metric tons



New energy & feedstocks strategy

Developing infrastructure solutions for new energies

Hydrogen



Hydrogen

- Green and low-carbon hydrogen as a source of energy
- Ammonia and methanol

Flow batteries



Flow batteries

- Storing large quantities of electricity

CO₂ infrastructure



CO₂ infrastructure

- Infrastructure supporting Carbon Capture Storage and transportation

New feedstocks



New feedstocks

- Low-carbon and green feedstocks for chemical industry and recycling plastics

Hydrogenious – green hydrogen in LOHC

Kick-off for construction and operation of the largest project plant for storing green hydrogen in Liquid Organic Hydrogen Carrier in Germany

- Vopak is one of the strategic partners that invested in Hydrogenious LOHC Technologies to further develop cross-regional and global hydrogen logistics
- World's largest plant for storing green hydrogen in LOHC on an industrial scale is being built at Chempark Dormagen, Germany.
- Potential establishment of a green hydrogen supply chain between the plant in Dormagen and Rotterdam is being planned. In the Netherlands, the green hydrogen would be released from the LOHC and could be used in the mobility and industrial sectors.



Redox Flow Battery

Investigating the potential use of flow batteries in storing and supplying green energy at industrial locations

- Pilot project for Vanadium Redox Flow Battery technology for industrial in Singapore
- Redox flow batteries are scalable with high cycle life time to generate backup power
- Vopak can realize large scale backup storage through using tanks as batteries



Storage capacity for new feedstocks

Investing in storage capacity for waste based feedstocks in Rotterdam

- 16 new tanks with a combined capacity of 64.000 cbm will be built at Vopak Terminal Vlaardingen in the Port of Rotterdam.
- The renewable feedstocks that can be stored in the new tanks are waste materials, such as used cooking oil and tallow.
- The project supports our customers and society by developing infrastructure solutions to facilitate more sustainable feedstocks.



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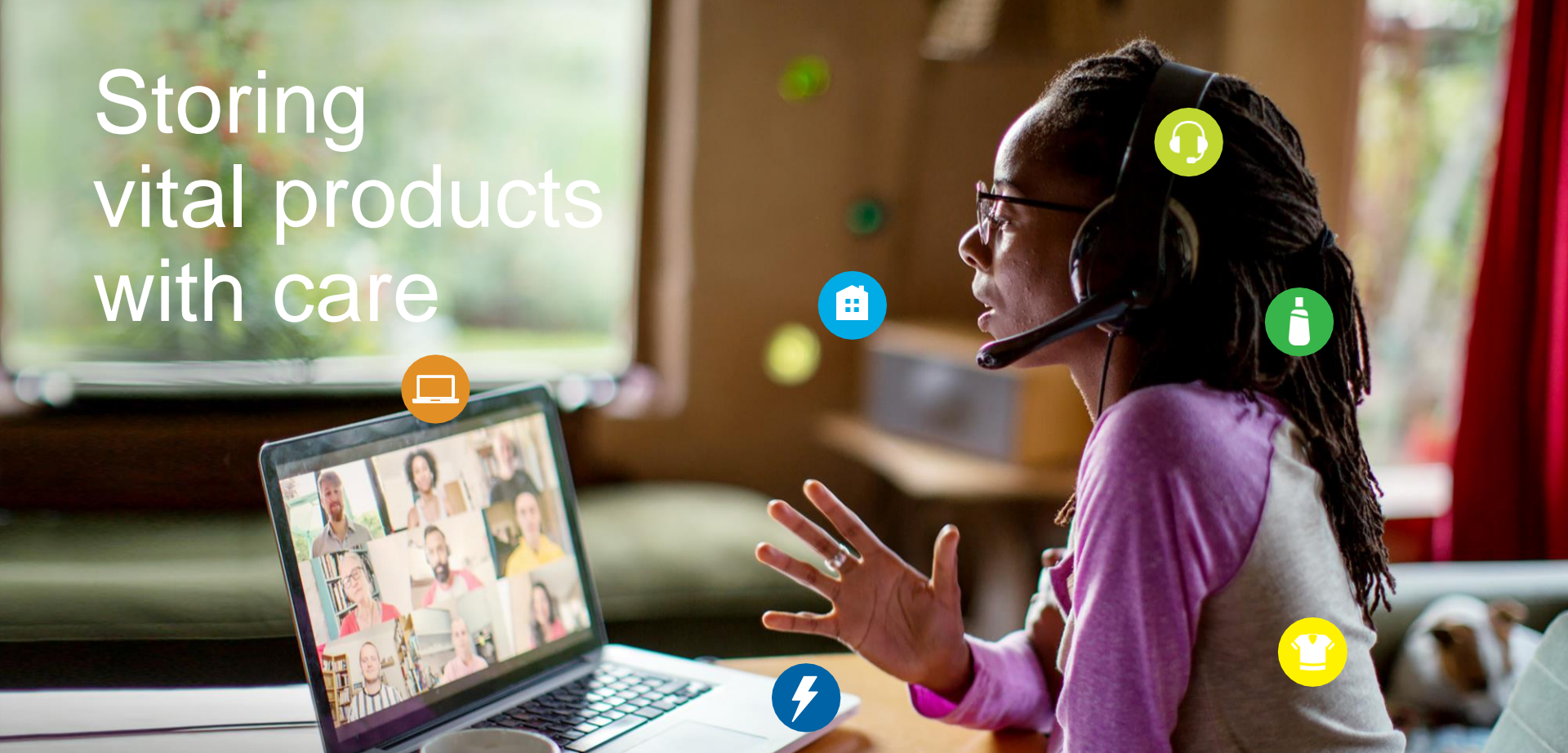


Annual General Meeting
21 April 2020

Questions & Answers



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