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Driving Sustainability with Biodiesel and Renewable Diesel

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REG RENEWABLE ENERGY GROUP

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Safe Harbor Statement

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This presentation reports Adjusted EBITDA, a non-GAAP financial measure. A reconciliation of Adjusted EBITDA to net income, the most comparable GAAP measure, is provided in the Appendix to this presentation.

ABOUT REG

REG AT A GLANCE

20+

YEARS

of biodiesel industry leadership

505

MMGY

Nameplate capacity

FUEL LINEUP

Biodiesel, renewable diesel, ULSD, blended fuel, more

DEDICATED SERVICE

and technical support

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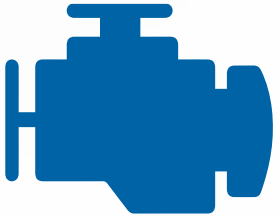
WHY FLEETS ARE CHOOSING BIODIESEL

WHY FLEETS USE BIODIESEL

COST-EFFECTIVE ALTERNATIVE FUEL

REDUCED EMISSIONS



PERFORMANCE

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TREND: SUSTAINABILITY

Transportation industry is largest source of emissions in U.S.[1]

Customers demanding sustainability

Regulatory push

[1] https://rhg.com/research/preliminary-us-emissions-estimates-for-2018/

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GHG EMISSIONS INCREASE PER GALLON vs. REG B100[1]

580%

Petroleum diesel

430%

Compressed natural gas

190%

Electric vehicle with natural gas-derived electricity

[1]REG calculations based on CA-GREET Model. Based on REG produced biodiesel using used cooking oil

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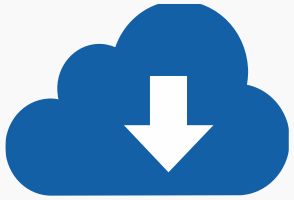
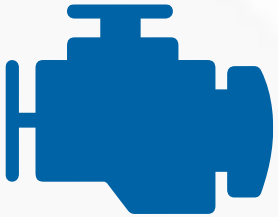
BIODIESEL BASICS

ADVANTAGES OF OXYGENATED FUEL

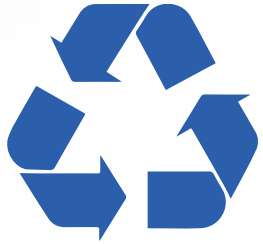


REDUCED EMISSIONS

SAFE HANDLING



INCREASED LUBRICATION



BIODEGRADABLE

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PERFORMANCE STAYS STRONG WITH BIODIESEL

Drop-in fuel

ASTM CETANE MINIMUM

47 Biodiesel ▸ **40** Diesel

2% Biodiesel **= 2x** More Lubricity

Meets stringent ASTM specs

"When we switched to biodiesel there was zero degradation in fleet performance. It was a huge success."

–Vince Buonassi, G&D Integrated

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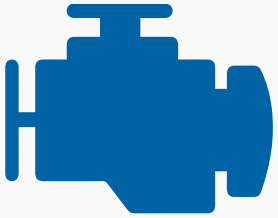
RENEWABLE DIESEL BASICS

ADVANTAGES OF RENEWABLE DIESEL



EXCEPTIONAL CETANE

REDUCED EMISSIONS

LOW CLOUD POINT

DROP-IN FUEL

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REG ULTRA CLEAN™ DIESEL — THE PERFECT BLEND

REG ULTRA CLEAN™ DIESEL

- Proprietary blended fuel (patent pending)
- CARB approved (no additive needed)
- Superior performance
- Significant emissions reductions

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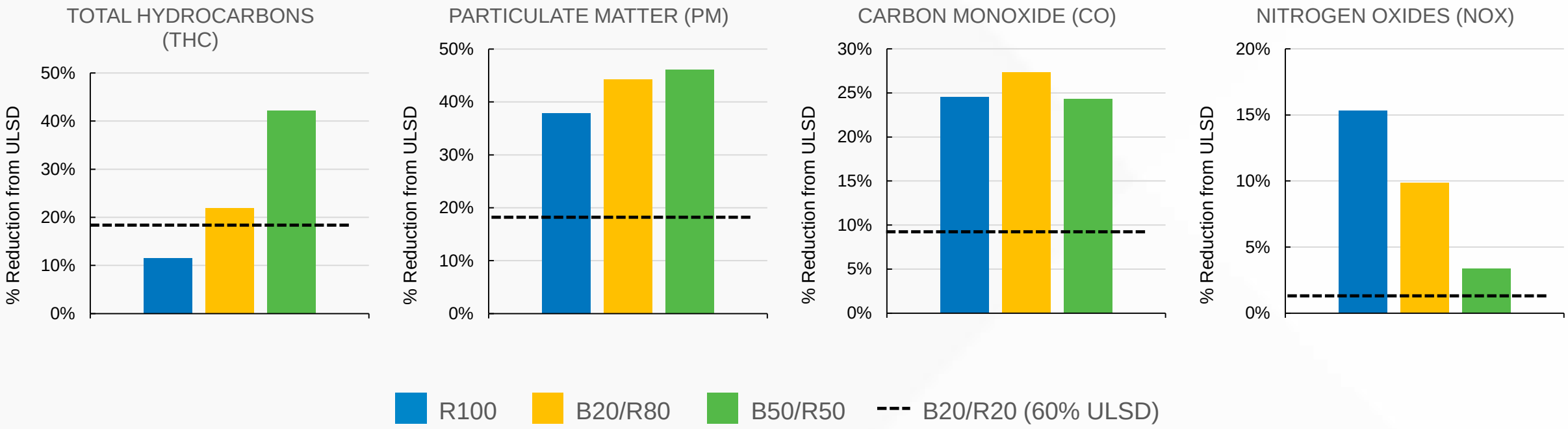
CLEANER FUEL SOLUTIONS



Source: REG charts based on California Air Resources Board assessments compared to federal ULSD

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For more information, visit www.regi.com.

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B20 FUEL EFFICIENCY

MYTH

Biodiesel reduces fuel efficiency

FACT

4 published studies showed no statistically significant difference in fuel efficiency between B0 and B20

StudiesProc, K., Barnitt, R., Hayes, R. R., Ratcliff, M., McCormick, R., Ha, L., Fang, H.L. (2006, October). 100,000-Mile Evaluation of Transit Buses Operated on Biodiesel Blends (B20). NREL/CP-540-40128. Retrieved from NREL online database., McKinley, C.R., Lumles Jr., J.H. (2009). Quantitative Evaluation of an On-Highway Trucking Fleet to Compare #2ULSD and B20 Fuels and their Impact on Overall Fleet Performance. Retrieved from American Society of Agricultural and Biological Engineers library (ISSN 0883-8542)., Heck, D. (2009). The 2 Million Mile Haul, Year One Summary,

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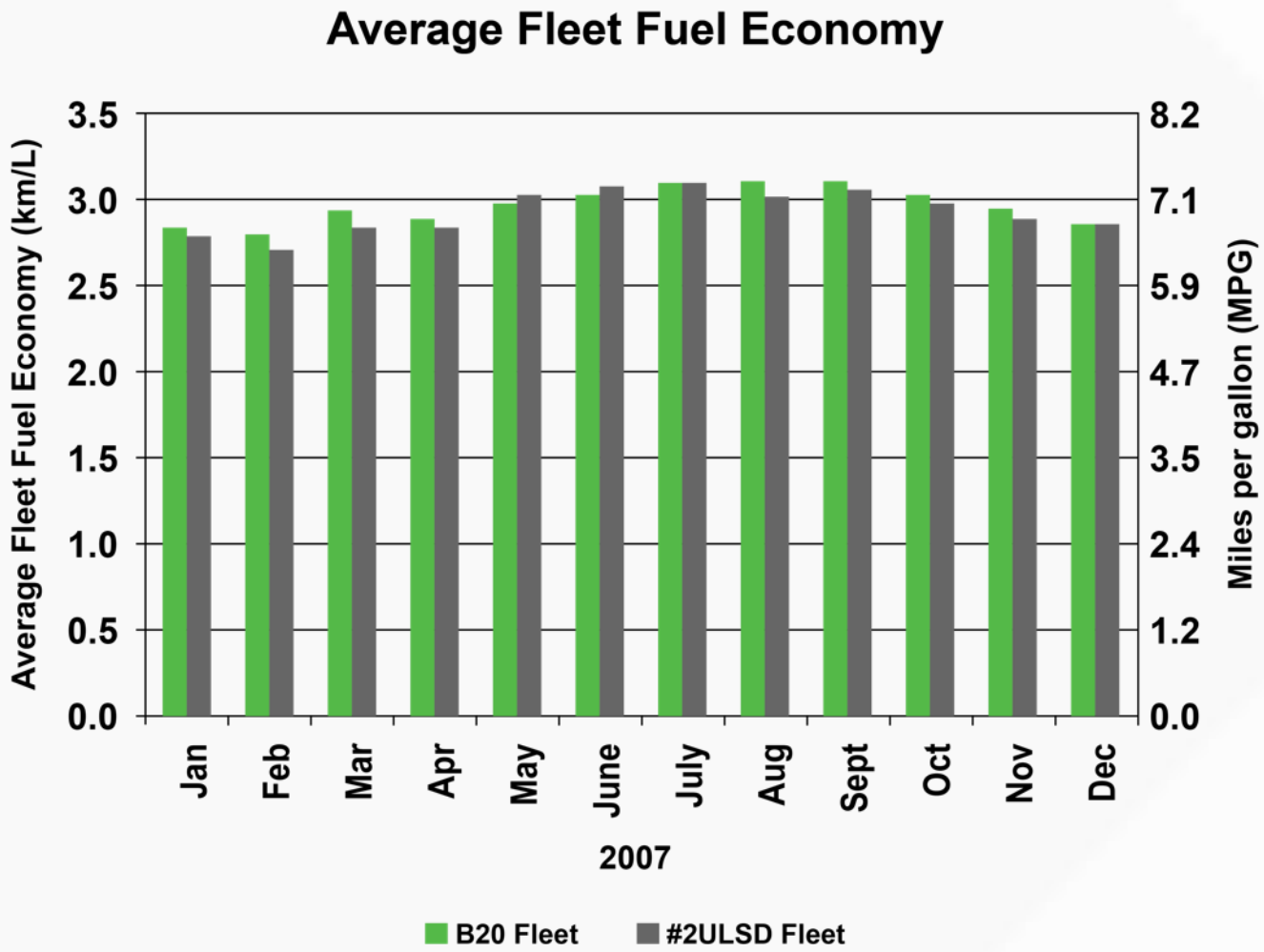
B20 FUEL EFFICIENCY



"B20 performed very similar to the #2 ULSD fleet in terms of fuel economy, fuel properties, engine oil samples, and operation and maintenance issues."
– Purdue University study

Source: "Quantitative Evaluation of an On-Highway Trucking Fleet to Compare #2 ULSD and B20 Fuels and their Impact on Overall Fleet Performance"; C.R. McKinley, J.H. Lumkes Jr.

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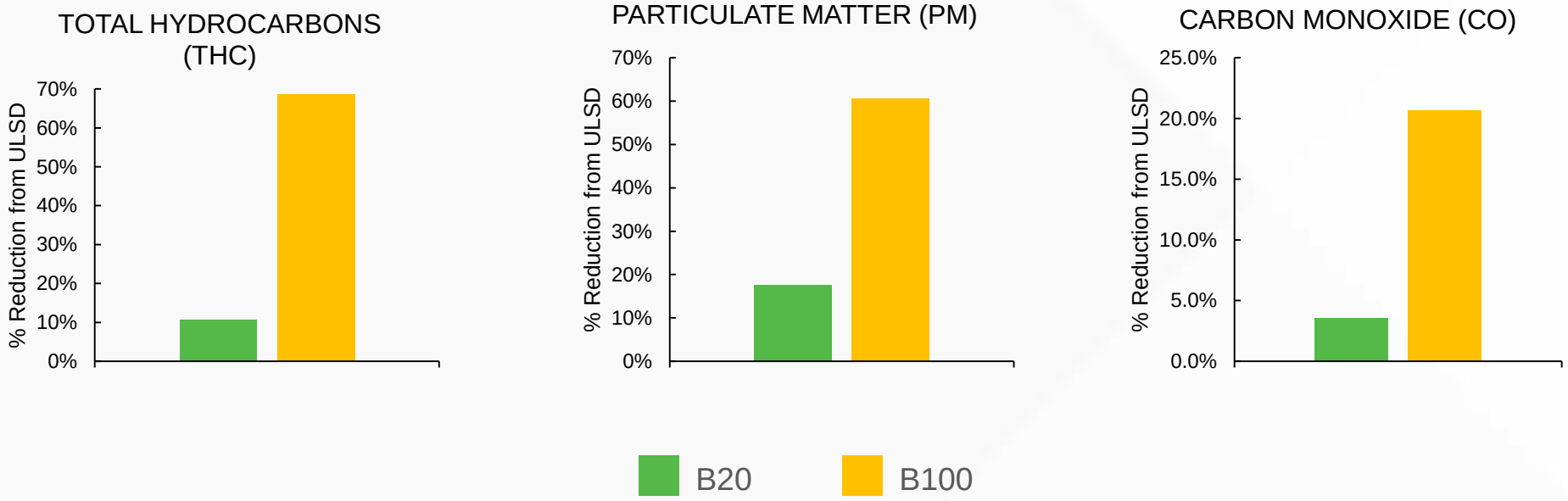
REDUCED EMISSIONS WITH BIODIESEL



Note: All emissions data taken from 2006 Cummins ISM 370 on Federal Test Procedure driving cycle, as reported in Durbin, Thomas D., et al. "CARB Assessment of the Emissions from the Use of Biodiesel as a Motor Vehicle Fuel in California", "Biodiesel Characterization and NOx Mitigation Study". California Air Resources Board: Sacramento, CA (2011). Comparisons with Federal ULSD were conducted based on a linear comparison with CARB ULSD data. All biodiesel data shown is taken as an average of the means of high and low cloud point biodiesel emissions results, where available.

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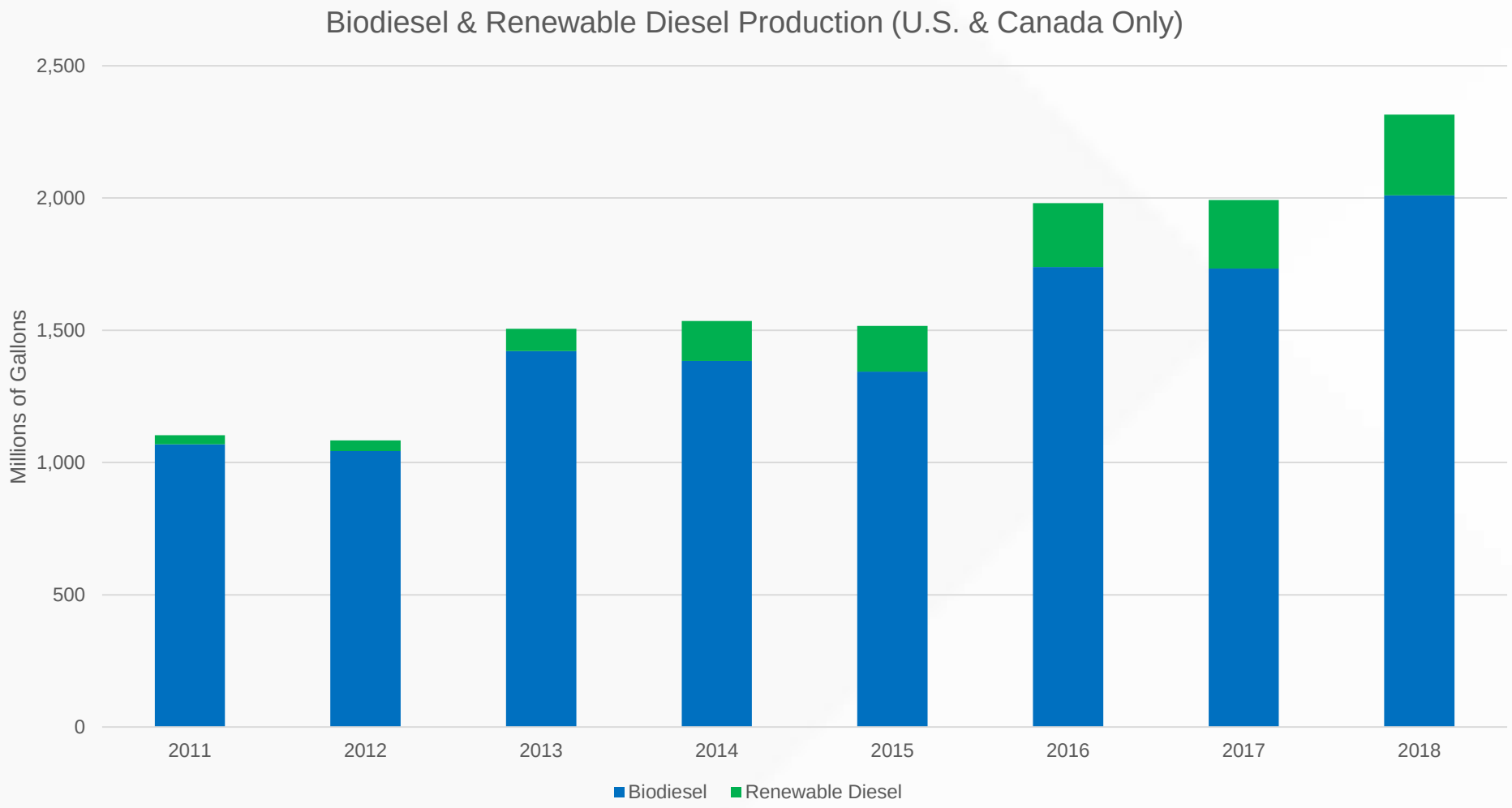
BIODIESEL VS RENEWABLE DIESEL PRODUCTION



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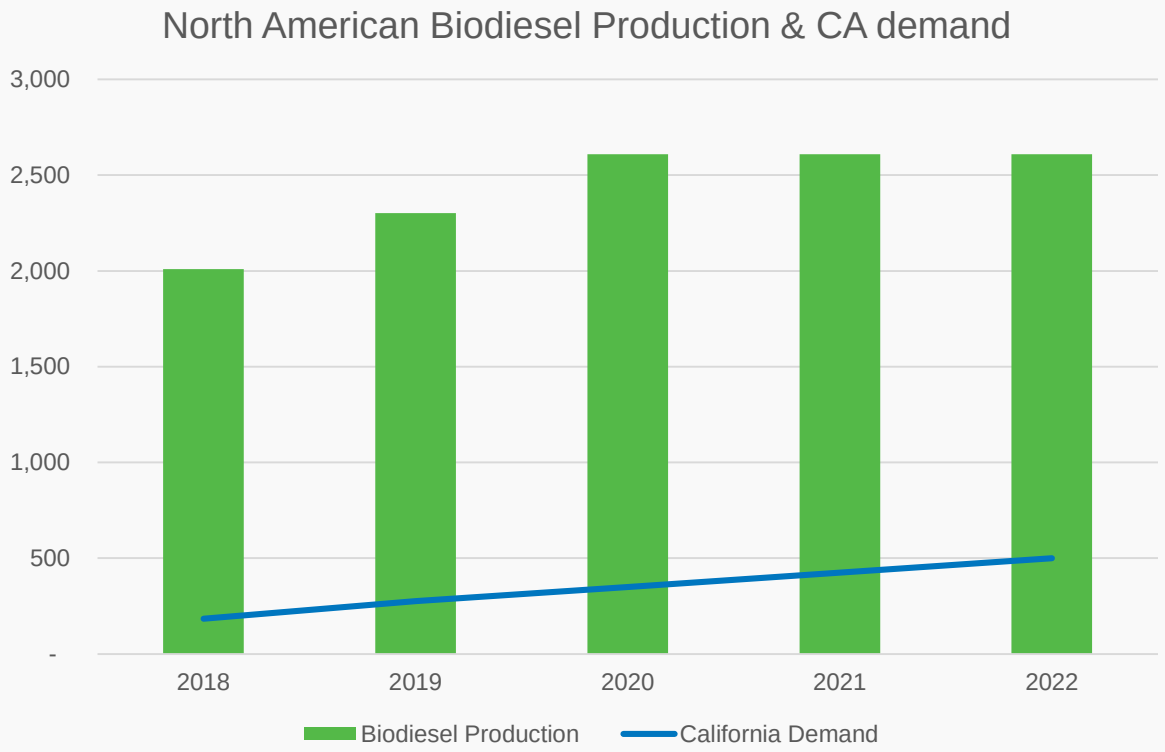
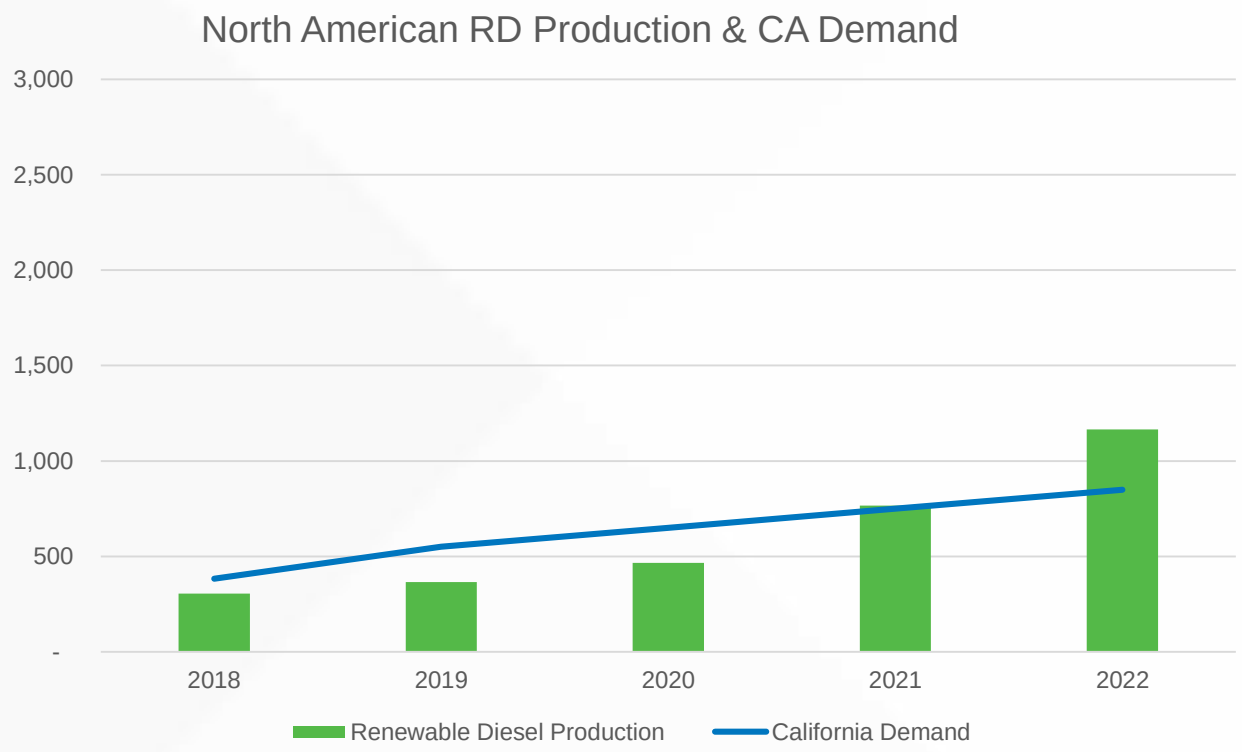
RENEWABLE DIESEL AVAILABLE ON WEST COAST





- Additional credits in California, Oregon, BC, and Scandinavia add up to $2 per gallon to RD value in those jurisdictions
- Customers in other jurisdictions should expect to pay this premium for RD until excess production becomes available

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The B20 Situation

- Certain OEMs have been slow to clearly support B20 use in all of their engines
- Maintaining B20 blends as an unquestionable fuel option will be crucial for your business
- You have the power to clarify any ambiguity by informing OEMs that you will only purchase engines with warranty statements that explicitly support B20

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The B20 Conclusion

- B20 can be used with any diesel equipment right now, no new equipment or fueling infrastructure required
- Many incentives are tied to the use of higher biodiesel blends
- There is no sacrifice in operational cost for using B20

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