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Forward-looking statements and forecasts
This quarterly statement contains forward-looking statements. These statements are based on current estimations and forecasts of the executive board and information currently available to it. The forward-looking statements are not guarantees of the future developments and results mentioned therein. Rather, the future developments and results depend on a number of factors, entail various risks and imponderables and are based on assumptions that may not prove to be accurate. The "Risk and opportunities report" on pages 58 to 66 of the 2018/19 Annual Report provides an overview of the risks. We do not accept any obligation to update the forward-looking statements made in this statement.

mobility – sustainable. renewable.

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Financial Year 2019/20

QUARTERLY STATEMENT

1st – 3rd Quarter
1 March to 30 November 2019

Mannheim, 13 January 2020

The figures stated in brackets on the following pages refer to the same period or point in time in the previous year.

CropEnergies AG's financial year differs from the calendar year. The periods referred to are thus defined as follows:
3rd quarter: 1 September – 30 November
1st – 3rd quarter: 1 March – 30 November

The interim report is also available in German. This English translation is provided for convenience only and should not be relied upon exclusively. The German version of the interim report is definitive and takes precedence over this translation.

Contents

Highlights first three quarters of 2019/20

■ Revenues up to € 667.6 (596.1) million	€ +71 million
■ EBITDA grows to € 101.9 (48.5) million	€ +53 million
■ Operating profit rises to € 70.3 (19.1) million	€ +51 million
■ Net earnings reach € 50.2 (12.9) million	€ +37 million
■ Ethanol production declines to 729,000 (771,000) m³	-6%
■ Net financial assets increase to € 90 million (as of 28 February 2019: € 27* million)	

Outlook for the 2019/20 financial year**

- Revenues are now expected to be around € 900 million (previously expected: between € 840 and € 870 million)
- Operating profit is expected to be approximately € 100 million (previously expected: between € 70 and € 90 million)
- This is equivalent to an EBITDA of around € 145 million (previously expected: between € 110 and € 135 million)

* including adjustment in accordance with IFRS 16
** cf. inside information according to section 17 MAR of 16 December 2019

Main events

Operating environment

Current framework in the EU

In the EU, the "Renewable Energy Directive" and the "Fuel Quality Directive" are setting the course for more climate protection in the transport sector. The proportion of renewable energies is set to increase to 10% in 2020, with renewable fuels from arable crops being able to account for up to 7%. Fuels from wastes and residues as well as renewable electricity used in rail and road transport are to close the remaining gap. In addition, renewable fuels are to make a significant contribution to reducing greenhouse gas emissions associated with fuel consumption. Consequently, virtually all EU member states have now created regulations to reduce fuel-related greenhouse gas emissions by 6 wt.-% compared with the base value of 94.1 g CO_{2eq}/MJ. In this context, a litre of petrol causes emissions of around 3 kg CO_{2eq}/litre, whereas for European ethanol the average is only 0.5 kg CO_{2eq}/litre. European ethanol can be used directly and without significant modifications in the existing tank infrastructure in the existing vehicle pool as an E5 or E10 fuel and contributes significantly to regional added value through the use of raw materials of European origin.

"Renewable Energy Directive" after 2020

The recast "Renewable Energy Directive" provides for the proportion of renewable energy in the transport sector to increase to at least 14% for the period after 2020. The contribution of renewable fuels from arable crops may remain up to one percentage point above the level reached in 2020. The share of fuels from wastes and residues is to rise from 0.2% in 2022 to at least 3.5% in 2030. In addition, these fuels, as well as renewable electricity, can be counted multiple times towards the renewable energies target in the transport sector. The follow-up regulation, which is to be transposed into national legislation by mid-2021, ensures that sustainably produced renewable fuels can continue to contribute to climate protection.

"Climate Protection Regulation"

By means of the "Climate Protection Regulation", the EU is seeking to lower greenhouse gas emissions in those sectors not covered by EU emissions trading by 30% by the year 2030. This "non-ETS area" includes not only buildings, agriculture, waste management and smaller industrial installations, but also transport, in particular. National reduction targets have been defined owing to regional differences within the EU. Germany, for example, is to lower non-ETS emissions by 38% by 2030.

In order to achieve the target, effective measures for limiting emissions at national level have to be implemented. To this end, the Klimaschutzgesetz (Climate Protection Act – KSG) and the Brennstoffemissionshandelsgesetz (Fuel Emissions Trading Act – BEHG) were adopted in Germany in November 2019. The KSG enshrines climate protection targets in binding law and defines emission ceilings for all sectors of the economy, for the first time. Emissions in transport are to fall gradually from 150 million tonnes CO_{2eq} in 2020 to 95 million tonnes CO_{2eq} in 2030. The BEHG, on the other hand, provides the basis for certificate trading for emissions of fossil motor and heating fuels.

The BEHG makes provision, from 2021 onwards, for pricing of fossil greenhouse gas emissions in the transport and heating sectors. The federal government and the federal states agreed, on 18 December 2019, to the certificates being sold for a fixed price in the introductory phase from 2021 to 2025, which will gradually increase from € 25/tonne of CO_2 in 2021 to € 55/tonne of CO_2 in 2025. As of 2026, CO_2 certificates will be auctioned within a price corridor of between € 55/tonne and € 65/tonne of CO_2. The significance of alternative fuels in lowering greenhouse gas emissions was taken into account by assigning sustainably produced renewable fuels the emission factor zero.

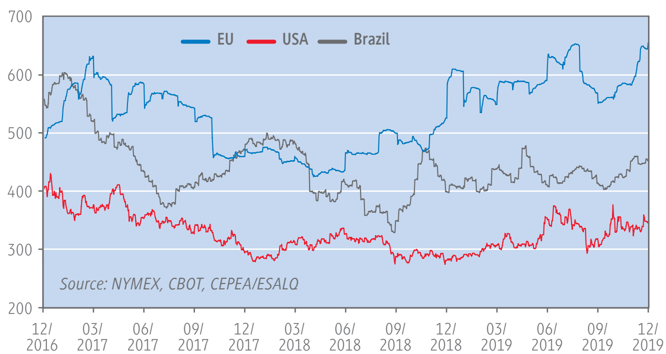
As a further measure, the German ethanol industry proposes raising the greenhouse gas reduction quota gradually from 6 wt.-% in 2020 to 16 wt.-% by 2030. This would ensure that less carbon-intensive fuels are used and that the fuel sector thereby makes its contribution to achieving the 2030 climate targets.

Ethanol markets

In the **USA**, the one-month futures contract for ethanol on the Chicago Board of Trade (CBOT) registered an increase from the equivalent of around € 320/m^3 to € 350/m^3 in the 3rd quarter of 2019/20. The price increase can be attributed to declining stocks in the USA. At the end of November 2019, stocks had fallen to their lowest level since the beginning of 2017 owing to lower production quantities and simultaneously high export quantities.

Ethanol production in the 2019 calendar year, at 61.4 (62.4) million m^3, is expected to be below the previous year's level. Domestic consumption, on the other hand, is expected to rise slightly from 56.1 to 56.6 million m^3, with the increase also being due to the wider spread of E15, i.e., petrol with an ethanol content of up to 15 vol.-%. Although exports, at 6.6 (7.3) million m^3, are consequently not expected to reach the previous year's record, they will remain at a very high level.

International ethanol prices (€/m³)



In **Brazil**, ethanol prices rose from the equivalent of around € 420/m³ at the beginning of September 2019 to € 460/m³ at the end of November 2019. In the current 2019/20 sugar year, ethanol production is expected to amount to 34.1 (33.1) million m³ and hence to be largely the same as domestic consumption of 34.2 (32.5) million m³. In view of the balanced supply situation, no significant net exports from Brazil are expected.

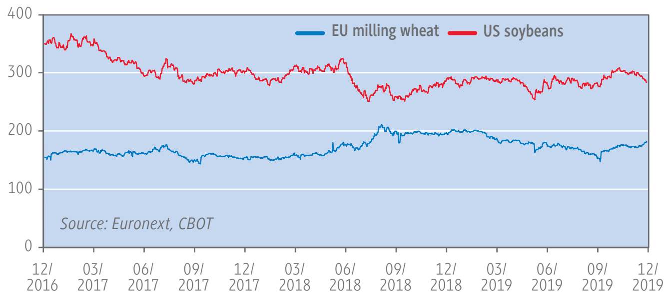
Ethanol prices in **Europe** increased, in the 3rd quarter of 2019/20, from around € 560/m³ at the beginning of September 2019 to € 650/m³ at the end of November 2019. Spot prices proved to be much more volatile, ranging between around € 545/m³ and € 715/m³. The increase in price was mainly due to higher demand. E10 was introduced in the Netherlands on 1 October 2019 and in Denmark, the Slovak Republic and Hungary on 1 January 2020. There will also be higher blending targets in many European countries for 2020. In Germany, for example, the greenhouse gas reduction target will be increased from 4 wt-% to 6 wt-%.

As a result of the growth in demand, ethanol imports are expected to increase to 1.0 (0.6) million m³ in 2019. Imports are contrasted by domestic production of 7.6 (7.8) million m³ and domestic consumption of 8.2 (8.1) million m³. Production of fuel ethanol, at 5.2 (5.4) million m³, is expected to be below consumption of 5.6 (5.5) million m³.

Grain and protein markets

According to the International Grain Council (IGC), world grain production (excluding rice) is expected to increase to 2,162 (2,143) million tonnes in 2019/20. Given anticipated grain consumption of 2,188 (2,172) million tonnes, a decline in stocks to 594 (620) million tonnes is expected. The European Commission expects the grain harvest in the EU to increase to 316 (290) million tonnes in 2019/20. Consumption is expected to show little or no change compared with the previous year, amounting to 290 (288) million tonnes. Despite the extremely good supply situation, European wheat prices on the Euronext in Paris increased from around € 165 €/tonne to 185 €/tonne in the course of the 3rd quarter. The price increase can mainly be attributed to weather-related sowing delays in parts of Europe.

International agricultural prices (€/t)



Animal feed products, with a share of more than 60%, continue to account for the majority of domestic grain consumption. The starch content of merely around 4% of the EU grain harvest, on the other hand, is used for the production of fuel ethanol. The other components of the processed grain, particularly proteins, are refined into valuable food and animal feed products, thereby reducing dependence on soy imports from North and South America.

The global soybean harvest in 2019/20 is estimated at 341 (359) million tonnes. Given consumption of 359 (352) million tonnes, stocks are expected to decline to 35 (53) million tonnes. In view of lower stocks, the 1-month soybean futures contract on the CBOT recovered noticeably from its interim lows over the past few months. At the end of the 3rd quarter, soybeans cost around US$ 8.80/bushel* or the equivalent of € 292/tonne. Rapeseed meal

* A bushel of soybeans is equivalent to 27.216 kg of soybeans.

prices in Europe also increased. A very small rapeseed harvest of 17 (20) million tonnes in Europe also contributed to this. From the beginning of September 2019 to the end of November 2019, prices developed from around € 185/tonne to around € 205/tonne.

Business development

Production of ethanol and food and animal feed products

In its modern biorefineries in Belgium, Germany, France and the United Kingdom, CropEnergies produces renewable ethanol and protein-rich food and animal feed products. Ethanol production in the first nine months of the 2019/20 financial year, at 729,000 (771,000), was 6% below the previous year's level. The production of dried food and animal feed products decreased accordingly. Production capacity utilisation was adjusted to suit market conditions and to carry out regular maintenance activities.

Revenues and net earnings

€ thousands	3rd quarter		1st – 3rd quarter	
	2019/20	2018/19	2019/20	2018/19
Revenues	**220,035**	**202,901**	**667,625**	**596,135**
EBITDA*	**37,035**	**14,760**	**101,924**	**48,464**
EBITDA margin in %	*16.8%*	*7.3%*	*15.3%*	*8.1%*
Depreciation*	-10,420	-9,795	-31,591	-29,325
Operating profit	**26,615**	**4,965**	**70,333**	**19,139**
Operating margin in %	*12.1%*	*2.4%*	*10.5%*	*3.2%*
Restructuring costs and special items	0	10,115	0	10,115
Income from companies consolidated at equity	34	106	142	139
Income from operations	**26,649**	**15,186**	**70,475**	**29,393**
Financial result	-2,356	78	-2,610	-1,017
Earnings before income taxes	**24,293**	**15,264**	**67,865**	**28,376**
Taxes on income	-5,882	-9,483	-17,646	-15,482
Net earnings for the period	**18,411**	**5,781**	**50,219**	**12,894**
Earnings per share, diluted/undiluted (€)	**0.21**	**0.07**	**0.58**	**0.15**

* Without restructuring costs and special items

Business development: 3rd quarter

With revenues of € 220.0 (202.9) million, CropEnergies again surpassed the corresponding previous year's figure in the 3rd quarter. Given lower production due to maintenance work and a slight decline in sales, this was due to significantly improved ethanol sales prices. With simultaneously lower net raw material costs, CropEnergies was able to achieve a significant increase in EBITDA to € 37.0 (14.8) million.

After depreciation, which increased to € 10.4 (9.8) million as a result of the first-time adoption of IFRS 16, operating profit multiplied to € 26.6 (5.0) million. Based on revenues, this gives rise to an operating margin of 12.1% (2.4%). Income from operations, at € 26.6 (15.2) million, is therefore virtually the same as operating profit, after a special item in the form of a reversal of a provision amounting to € 10.1 million was included in the previous year.

Currency effects led to a financial result of € -2.4 (0.1) million, which gives rise to earnings before income taxes of € 24.3 (15.3) million. After taxes, net earnings of € 18.4 (5.8) million were achieved in the 3rd quarter of 2019/20. Based on 87.25 million no-par-value shares, this corresponds to earnings per share of € 0.21 (0.07).

Business development: 1st – 3rd quarter

In the first nine months of the financial year, CropEnergies increased revenues to € 667.6 (596.1) million. This was mainly due to significantly higher sales prices for ethanol. Despite increased raw material prices, EBITDA doubled to € 101.9 (48.5) million.

Against the backdrop of slightly higher depreciation, CropEnergies more than tripled operating profit to € 70.3 (19.1) million. This gives rise to an operating margin of 10.5% (3.2%). Income from operations reached € 70.5 (29.4) million.

Taking a financial result of € -2.6 (-1.0) million into account, earnings before income taxes improved to € 67.9 (28.4) million. After taxes, this produces net earnings of € 50.2 (12.9) million for the reporting period. Based on 87.25 million no-par-value shares, that translates into earnings per share of € 0.58 (0.15).

Statement of changes in financial position

€ thousands	1st – 3rd quarter	
	2019/20	2018/19
Gross cash flow	**80,705**	**42,857**
Change in net working capital	15,344	7,064
Net cash flow from operating activities	**96,049**	**49,921**
Investments in property, plant and equipment and intangible assets	-19,667	-8,513
Payment into current financial investments	-14,993	0
Cash received on disposal of non-current assets	44	45
Cash flow from investing activities	**-34,616**	**-8,468**
Cash flow from financing activities	**-52,236**	**-64,932**
Change in cash and cash equivalents due to exchange rate changes	1,494	-29
Increase (+) / Decrease (-) in cash and cash equivalents	**10,691**	**-23,508**

As a result of the higher EBITDA, gross cash flow increased to € 80.7 (42.9) million. Including the change in net working capital, cash flow from operating activities in the 1st to 3rd quarter amounted to € 96.0 (49.9) million.

The cash outflow from investing activities rose to € 34.6 (8.5) million. € 19.7 (8.5) million of this was attributable to investments in property, plant and equipment. The investments were used, in particular, to expand and improve the production plants. Furthermore, CropEnergies made a short-term investment in fixed-interest securities of € 15.0 (0) million.

Current financial receivables increased by € 36.5 million to € 70.5 (43.2) million in the 1st to 3rd quarter. Furthermore, a dividend of € 13.1 (21.8) million was paid in July 2019. The repayment of lease liabilities of € 2.6 (0) million gave rise to a net cash outflow from financing activities of € 52.2 (64.9) million.

Assets and liabilities

The application of standard IFRS 16 became mandatory for the first time from 1 March 2019. IFRS 16 provides new specifications on how to recognise, measure and present leases.

The change in property, plant and equipment as of 30 November 2019 was therefore mainly due, in addition to investments and depreciation, to the capitalisation of long-term rights to use property, plant and equipment as leases amounting to € 9.3 million.

Accordingly, non-current financial liabilities as of 30 November 2019 show a balance of € 5.8 million and current financial liabilities one of € 3.5 million as a result of being recognised as lease liabilities in the context of the first-time adoption of IFRS 16.

As of 30 November 2019, a discount rate of 1.45% was used as a basis for major pension plans when calculating the provisions for pensions and similar obligations; as of 28 February 2019, the discount rate was 2.20%.

Net financial assets amount to € 89.7 million, which include current financial receivables from Südzucker AG amounting to € 70.5 million.

The green certificates allocated by the government on the basis of the actual energy produced from renewable raw materials by the biorefinery at the Wanze site in Belgium reduced the cost of materials in the amount of their sales proceeds of € 17.1 (16.2) million.

Balance sheet

€ thousands	30 November 2019	30 November 2018	Change	28 February 2019
Assets				
Intangible assets	8,415	8,893	-478	8,864
Property, plant and equipment	368,823	372,116	-3,293	368,600
Shares in companies consolidated at equity	2,213	2,021	192	2,071
Receivables and other assets	39	38	1	39
Deferred tax assets	2,874	2,772	102	3,096
Non-current assets	**382,364**	**385,840**	**-3,476**	**382,670**
Inventories	63,125	74,211	-11,086	78,728
Current financial receivables	70,500	43,200	27,300	34,000
Trade receivables and other assets	105,844	70,501	35,343	79,983
Current tax receivables	6,640	5,969	671	7,554
Securities	14,993	0	14,993	0
Cash and cash equivalents	13,504	13,366	138	2,813
Current assets	**274,606**	**207,247**	**67,359**	**203,078**
Total assets	**656,970**	**593,087**	**63,883**	**585,748**

Liabilities and shareholders' equity				
Subscribed capital	87,250	87,250	0	87,250
Capital reserves	197,847	197,847	0	197,847
Other reserves and other comprehensive income	195,474	157,171	38,303	163,614
Shareholders' equity	**480,571**	**442,268**	**38,303**	**448,711**
Provisions for pensions and similar obligations	31,104	22,941	8,163	24,227
Other provisions	2,551	2,361	190	2,514
Non-current financial liabilities	5,832	0	5,832	0
Other liabilities	0	112	-112	85
Deferred tax liabilities	18,343	24,270	-5,927	21,669
Non-current liabilities	**57,830**	**49,684**	**8,146**	**48,495**
Other provisions	8,632	6,899	1,733	9,138
Current financial liabilities	3,477	81	3,396	0
Trade payables and other liabilities	93,147	78,351	14,796	65,583
Current tax liabilities	13,313	15,804	-2,491	13,821
Current liabilities	**118,569**	**101,135**	**17,434**	**88,542**
Total liabilities and shareholders' equity	**656,970**	**593,087**	**63,883**	**585,748**
Net financial assets	89,688	56,485	33,203	36,813
Equity ratio	73.1%	74.6%		76.6%

Income statement

€ thousands	3rd quarter		1st – 3rd quarter	
	2019/20	2018/19	2019/20	2018/19
Revenues	**220,035**	**202,901**	**667,625**	**596,135**
Change in work in progress and finished goods inventories and internal costs capitalised	-3,189	15,333	-16,408	5,277
Other operating income	1,427	11,187	3,232	14,155
Cost of materials	-157,047	-176,870	-481,179	-481,102
Personnel expenses	-9,109	-8,707	-27,277	-25,956
Depreciation	-10,420	-9,795	-31,591	-29,325
Other operating expenses	-15,082	-18,969	-44,069	-49,930
Income from companies consolidated at equity	34	106	142	139
Income from operations	**26,649**	**15,186**	**70,475**	**29,393**
Financial result	-2,356	78	-2,610	-1,017
Earnings before income taxes	**24,293**	**15,264**	**67,865**	**28,376**
Taxes on income	-5,882	-9,483	-17,646	-15,482
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Risk and opportunities report

CropEnergies uses an integrated system for the early detection and monitoring of group-specific risks. The successful treatment of risks is based on achieving a balanced relationship between return and risks. The company's risk culture is characterised by risk-conscious conduct, clearly defined responsibilities, independence during risk controlling and the implementation of internal controls.

There are no risks posing a threat to the company's continued existence and there are none discernible at the present time.

The orderly Brexit that is in the offing will initially reduce the acute uncertainties in respect of an economic downturn and a restriction of goods traffic with Continental Europe. There are, however, still uncertainties as to whether it will actually be possible to negotiate and ratify a comprehensive free trade agreement in only a few months until the end of 2020.

For detailed information on the risk management system and the group's risks and opportunities, please refer to the "Risk and opportunities report" on pages 58 to 66 of the Annual Report for the 2018/19 financial year. Allowing for the previously explained developments at regulatory level and in the United Kingdom, the disclosures provided there are still valid.

Outlook

CropEnergies increased revenues to € 667.6 (596.1) million and operating profit to € 70.3 (19.1) million in the 1st to 3rd quarter of 2019/20. The main reasons for the improvement are the significant increase in sales prices for renewable ethanol and the continuing robust demand for climate-friendly alternatives to fossil fuels. Against this background, CropEnergies increased the forecast for the 2019/20 financial year on 25 October 2019 and on 16 December 2019, respectively.

CropEnergies now expects revenues of around € 900 (previous year: € 779) million and operating profit of approximately € 100 (previous year: € 33) million for the 2019/20 financial year as a whole. This is equivalent to an EBITDA of around € 145 (previous year: € 72) million.

Financial calendar

■ Annual press and analysts' conference for the 2019/20 financial year	13 May 2020
■ Statement for the 1st quarter of 2020/21	8 July 2020
■ Annual General Meeting 2020	14 July 2020
■ Report for the 1st half of 2020/21	7 October 2020
■ Statement for the 1st to 3rd quarter of 2020/21	13 January 2021