

Verbio

Biofuel and Technology

Quarterly interim
statement for the
period ended
September 30, 2021
(Q1 2021/2022)

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[in EUR million]

Profitability	Q1 2021/2022	Q1 2020/2021	Q2 2020/2021	Q3 2020/2021	Q4 2020/2021	2020/2021
Sales	350.4	261.4	217.7	237.8	309.1	1,026.0
EBITDA	40.2	53.3	27.1	32.4	53.5	166.3
EBIT	33.1	45.6	19.4	25.4	46.2	136.6
EBIT-margin (%)	9.4	17.4	8.9	10.7	10.4	13.3
EBT	32.8	45.3	19.2	25.2	45.7	135.4
Period result	22.6	31.7	12.5	17.6	31.7	93.5
Undiluted earnings per share (EUR)	0.36	0.50	0.20	0.28	0.50	1.48
Operating data	Q1 2021/2022	Q1 2020/2021	Q2 2020/2021	Q3 2020/2021	Q4 2020/2021	2020/2021
Productions (tonnes)	209,066	216,996	208,630	201,154	207,761	834,541
Productions (MWh)	199,877	216,071	198,101	180,153	200,492	794,817
Utilisation Biodiesel/Bioethanol (%) ¹⁾	90.9	94.3	90.7	87.5	90.3	90.7
Utilisation Biomethane (%) ¹⁾	88.8	96.0	88.0	80.1	89.1	88.3
Investments in property, plant and equipment	19.3	11.5	20.8	15.5	19.9	67.7
Number of employees ²⁾	892	754	780	787	820	820
Net asset position	30.09.2021	30.09.2020	31.12.2020	31.03.2021	30.06.2021	30.06.2020
Net financial assets	111.5	86.6	79.2	54.7	100.2	100.2
Equity	541.7	419.7	433.5	453.8	509.8	509.8
Equity ratio (%)	71.8	74.8	75.8	76.4	75.1	75.1
Balance sheet total	754.8	561.0	571.6	594.3	678.6	678.6
Financial position	Q1 2021/2022	Q1 2020/2021	Q2 2020/2021	Q3 2020/2021	Q4 2020/2021	2020/2021
Operating cash flow	18.5	56.4	6.6	2.3	51.9	117.2
Operating cash flow per share (EUR)	0.29	0.90	0.10	0.04	0.81	1.85
Cash and cash equivalents ³⁾	141.5	116.8	109.2	84.9	44.1	130.2

¹⁾ At of July 1, 2021 the annual production capacity of the production plant was as follows:
biodiesel: 660,000 tonnes (unchanged); bioethanol: 260,000 tonnes (unchanged); biomethane: 900 GWh (unchanged)

²⁾ At the balance sheet date

³⁾ At the balance sheet date, including cash on segregated accounts

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Biodiesel	Q1 2021/2022	Q1 2020/2021	Q2 2020/2021	Q3 2020/2021	Q4 2020/2021	2020/2021
Sales	261.6	173.0	148.2	177.3	231.4	729.9
EBITDA	22.2	13.6	13.8	28.2	37.6	93.2
EBIT	19.6	10.9	11.0	25.5	34.9	82.3
Production (tonnes)	150,007	154,888	152,342	147,268	146,759	601,257
Utilisation (%) ¹⁾	90.9	93.9	92.3	89.3	88.9	91.1
Number of employees ²⁾	224	214	219	219	224	224

Bioethanol (incl. Biomethane)	Q1 2021/2022	Q1 2020/2021	Q2 2020/2021	Q3 2020/2021	Q4 2020/2021	2020/2021
Sales	86.0	86.2	66.9	58.2	75.3	286.6
EBITDA	17.1	38.8	12.6	4.0	15.2	70.6
EBIT	13.0	34.2	8.2	0.0	11.2	53.6
Production (tonnes)	59,059	62,108	56,288	53,887	61,001	233,284
Production (MWh)	199,877	216,071	198,101	180,153	200,492	794,817
Utilisation Bioethanol (%) ¹⁾	90.9	95.6	86.6	82.9	93.9	89.7
Utilisation Biomethane (%) ¹⁾	88.8	96.0	88.0	80.1	89.1	88.3
Number of employees ²⁾	456	358	371	378	401	401

Other	Q1 2021/2022	Q1 2020/2021	Q2 2020/2021	Q3 2020/2021	Q4 2020/2021	2020/2021
Sales	5.4	4.1	4.1	4.0	4.5	16.7
EBIT	0.5	0.5	0.1	0.0	0.2	0.8

¹⁾ At of July 1, 2021 the annual production capacity of the production plant was as follows:
biodiesel: 660,000 tonnes (unchanged); bioethanol: 260,000 tonnes (unchanged); biomethane: 900 GWh (unchanged)

²⁾ At the balance sheet date

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Business report and the Group's position

VERBIO AG reports a slight overall fall in its results for the first three months of the financial year 2021/2022 compared to the same period in the previous year. Group revenues increased by 34.0 percent to EUR 350.4 million compared to the previous year (Q1 2020/2021: EUR 261.4 million).

Earnings before interest, taxation, depreciation and amortisation (EBITDA) for the first three months of the financial year 2021/2022 amounted to EUR 40.2 million, below the level in the comparative period in the previous year (Q1 2020/2021: EUR 53.3 million). The Group result before interest and taxes (EBIT) totalled EUR 33.1 million (Q1 2020/2021: EUR 45.6 million). The net result for the period amounted to EUR 22.6 million (Q1 2020/2021: EUR 31.7 million). Based on the result for the period, earnings per share are EUR 0.36 (Q1 2020/2021: EUR 0.50).

Net assets and financial position

Cash flows

Cash flow from operating activities in the first three months of the financial year 2021/2022 amounted to EUR 18.5 million (Q1 2020/2021: EUR 56.4 million). The decrease compared to the previous year was primarily due to the lower net profit for the period (EUR 22.6 million; Q1 2020/2021: EUR 31.7 million), together with the EUR 33.1 million increase in trade receivables and other financial assets (Q1 2020/2021: decrease of EUR 20.0 million). There were offsetting effects, in particular from the increase in the trade payables and other current financial and non-financial liabilities of EUR 26.5 million (Q1 2020/2021: decrease of EUR 3.5 million).

Driven by investments made in property, plant and equipment, total cash outflows in the first three months of 2021/2022 amounted to EUR 20.2 million (Q1 2020/2021: EUR 11.2 million), which also corresponds to the total cash flows from investing activities. In the first quarter of the previous year the release of term deposits resulted in cash inflows of EUR 20.0 million, so that the overall cash flows from investing activities amounted to EUR 8.8 million.

The cash flows from financing activities in the current reporting period exclusively consisted of repayments of lease liabilities of EUR 1.6 million (Q1 2020/2021: EUR 1.4 million). As a result of the above, cash and cash equivalents fell by only EUR 3.3 million in the period from July 1, 2021 to Sep-

tember 30, 2021. Cash and cash equivalents reported in the balance sheet at September 30, 2021 amounted to EUR 102.2 million.

Net cash

The Group's bank and loan finance arrangements are offset by cash and cash equivalents as well as additional cash held in segregated accounts totalling EUR 141.5 million, so that the reported net cash balance at September 30, 2021 amounted to EUR 111.5 million (June 30, 2021: EUR 86.6 million).

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Development of the Biodiesel and Bioethanol segments

The primary driver of the results in the first quarter of the financial year 2021/2022 compared to the same period in the previous year was the significantly higher margins achieved in the Biodiesel segment in the first quarter of 2021/2022. On the other hand, the margins in Bioethanol were below the levels of the first quarter of the previous year.

However, despite the increase in raw material costs, the margins were significantly above those seen at the end of the previous financial year.

Capacity utilisation of the production plants in both segments was good, including for the Group's biomethane plants. The production volume of biodiesel and bioethanol in the period from July 1, 2021 to September 30, 2021 totalled 217,644 tonnes, compared with 216,996 tonnes in the same period in the previous year. In addition, 199.9 GWh of biomethane were produced in the first three months of the financial year 2021/2022 (Q1 2020/2021: 216.1 GWh).

Outlook, opportunity and risk report

Report on expected developments

VERBIO is making no changes to the results forecasts provided in the 2020/2021 annual report published on September 22, 2021. Based on current sales and raw material price levels and the planned production capacity usage, but not making any adjustments for potential effects on results caused by the ongoing COVID-19 pandemic, the Management Board of VERBIO Vereinigte BioEnergie AG expects to achieve an EBITDA for the financial year 2021/2022 of around EUR 150 million. The Group plans to invest in further capacity expansions and internationalisation in the current financial year. This will be financed using the free cash reserves generated in previous financial periods and cash flows from current operations.

The Management Board expects that the Group will have net financial assets of approximately EUR 50 million at the end of the financial year 2021/2022. This forecast is made subject to the proviso that the continued course of the COVID-19 pandemic does not have a significant effect on the market for biofuels.

Risk and opportunity report

There have been no changes to the opportunities and risks presented in the 2020/2021 annual report. Further, there have been no changes in the risks and opportunities profile of the VERBIO Group during the reporting period. There are no present risks or discernible potential risks that represent a threat to the ability of the Group to continue as a going concern.

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EUR (thousands)	Q1 2021/2022	Q1 2020/2021
1. Revenue (including energy taxes collected)	350,609	262,053
less: energy taxes	-181	-698
Revenue	350,428	261,355
2. Change in unfinished and finished goods	585	7,105
3. Capitalised production of own plant and equipment	610	311
4. Other operating income	4,417	4,604
5. Cost of materials	-258,971	-196,527
6. Personnel expenses	-15,253	-12,436
7. Depreciation and amortisation	-7,137	-7,760
8. Other operating expenses	-12,314	-11,312
9. Result from commodity forward contracts	-29,313	243
10. Operating result	33,052	45,583
11. Interest income	36	18
12. Interest expense	-279	-297
13. Financial result	-243	-279
14. Result before tax	32,809	45,304
15. Income tax expense	-10,171	-13,591
16. Net result for the period	22,638	31,713
Result attributable to shareholders of the parent	22,545	31,586
Result attributable to non-controlling interests	93	127
Result per share (basic)	0.36	0.50

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EUR (thousands)	30.09.2021	30.06.2021
Assets		
A. Non-current assets		
I. Intangible assets	601	602
II. Property, plant and equipment	306,488	290,554
III. Right-of-use assets under leasing arrangements	15,653	16,228
IV. Financial assets	2,772	2,816
V. Deferred tax assets	2,077	2,077
Total non-current assets	327,591	312,277
B. Current assets		
I. Inventories	108,869	101,463
II. Trade receivables	94,401	69,565
III. Derivatives	69,604	44,172
IV. Other short-term financial assets	40,750	28,506
V. Tax refunds	73	73
VI. Other assets	11,249	17,540
VII. Cash and cash equivalents	102,232	105,025
Total current assets	427,178	366,344
Total assets	754,769	678,621

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EUR (thousands)	30.09.2021	30.06.2021
Equity and liabilities		
A. Equity		
I. Share capital	63,184	63,184
II. Additional paid-in capital	496,050	495,692
III. Other reserves	39,555	33,680
IV. Retained earnings	-59,314	-81,727
V. Reserve for translation differences	139	-2,980
Total equity attributable to owners of the parent	539,614	507,849
VI. Non-controlling interests	2,117	2,023
Total equity	541,731	509,872
B. Non-current liabilities		
I. Bank loans and other loans	30,000	30,000
II. Lease liabilities	10,724	11,125
III. Provisions	131	131
IV. Deferred investment grants and subsidies	1,845	2,172
V. Other non-current liabilities	222	222
VI. Deferred taxes	5,980	1,806
Total non-current liabilities	48,902	45,456
C. Current liabilities		
I. Lease liabilities	4,982	5,356
II. Trade payables	59,269	45,382
III. Derivatives	36,750	22,508
IV. Other current financial liabilities	24,536	11,235
V. Tax liabilities	24,452	18,993
VI. Provisions	5,539	9,656
VII. Deferred investment grants and subsidies	972	859
VIII. Other current liabilities	7,636	9,304
Total current liabilities	164,136	123,293
Total equity and liabilities	754,769	678,621

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EUR (thousands)	Q1 2021/2022	Q1 2020/2021
Net result for the period	22,638	31,713
Income tax expense	10,171	13,591
Interest result	243	279
Depreciation and amortisation	7,137	7,760
Non-cash expenses	176	41
Non-cash expense from share-based payments	359	
Gain on disposal of property, plant and equipment and disposal of investment grants	-82	-47
Release of deferred investment grants and subsidies	-213	-249
Non-cash changes in derivative financial instruments	3,207	-1,031
Increase in inventories	-7,405	-8,080
Increase (previous year period: decrease) in trade receivables	-24,836	9,062
Increase (previous year period: decrease) in other assets and other current financial assets	-8,210	10,994
Decrease (previous year period: increase) in provisions	-4,148	964
Increase (previous year period: decrease) in trade payables	14,946	-4,823
Increase in other current financial and non-financial liabilities	11,505	1,299
Interest paid	-225	-238
Interest received	37	10
Income tax paid	-6,759	-4,828
Cash flows from operating activities	18,541	56,417

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EUR (thousands)	Q1 2021/2022	Q1 2020/2021
Acquisition of intangible assets	-51	-60
Acquisition of property, plant and equipment	-20,243	-11,213
Proceeds from disposal of property, plant and equipment	81	32
Cash inflows from term deposits	0	20,000
Cash flows from investing activities	-20,213	8,759
Cash outflows for the repayment of financial liabilities	0	-9
Payment of lease liabilities	-1,589	-1,434
Cash flows from financing activities	-1,589	-1,443
Change in cash funds resulting from business transactions	-3,261	63,733
Change in cash funds due to effects of exchange rates	468	-385
Cash funds at beginning of year	105,025	53,885
Cash funds at end of year	102,232	117,233

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November 11, 2021	Publication of the quarterly statement for the period ended September 30, 2021 (July 2021 to September 2021)
February 4, 2022	Annual General Meeting 2022
February 10, 2022	Publication of the half-yearly interim report 2021/2022 (July 2021 to December 2021) Analyst's conference
May 12, 2022	Publication of the quarterly statement for the period ended March 31, 2022 (July 2021 to March 2022)
September 27, 2022	Publication of the annual report 2021/2022 Analyst's conference/ Press conference

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Forward-looking statements

This quarterly statement includes various statements concerning forecasts, expectations and information that relate to the future development of the VERBIO Group and VERBIO Vereinigte BioEnergie AG. These statements are based on assumptions and estimates and may be associated with known and unknown risks and uncertainties. Actual developments and results, as well as the financial and asset situation, may therefore differ substantially from the expectations and assumptions stated. Such differences may be due, among other things, to market fluctuations, changes in worldwide market prices for raw materials as well as financial markets and exchange rates, changes in national and international laws and directives, or fundamental changes in the economic and political climate. VERBIO does not intend to and does not undertake an obligation to update or revise any forward-looking statements to adapt them to events or developments after the publication of this statement.

This quarterly statement is published in German (original version) and in English (non-binding translation). It is available for download at <http://www.verbio.de> in both languages.

We will be delighted to send you additional information about VERBIO Vereinigte BioEnergie AG on request at no charge.

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