

The logo for Verbio, featuring the word "Verbio" in a bold, green, sans-serif font. The letter 'V' is stylized with a white negative space cutout.

Biofuel and Technology

**Press and Analysts' conference
Q2 2014/2015
VERBIO Vereinigte BioEnergie AG**

Claus Sauter (CEO)
Leipzig, 5th February 2015

Disclaimer

This presentation contains forward-looking information, which is based on assumptions and estimates of the company management of VERBIO Vereinigte BioEnergie AG. Even though company management believes that these assumptions and estimates are correct, the actual future development and actual future results can deviate substantially from these assumptions and estimates due to many factors. For example, these factors can include alteration of the economic situation, legal and regulatory constraints in Germany and the EU, and changes in the industry. VERBIO assumes no liability and provides no warranty that future developments and actual future results will agree with the assumptions and estimates expressed in this presentation.

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**Status quo
market environment**

Legal Conditions



Revision of RED – status quo of the debate

- Decision making by EU-Commission scheduled for mid 2015
- **1st generation** biofuels to be **energetically limited at a rate of 7%**
- additional **sub-quota** of 2.5% for „**advanced biofuels**“
- specific biofuels (Feedstock e.g. Used Cooking Oil) will be double-counted
- **no regulations for beyond 2020 yet**

Legal Conditions

GHG reduction quota in Germany



- **GHG-Quota 3.5% as of 1st January 2015**
- **GHG-Quota 4.0% as from 1st January 2017 (6.0% as of 1st January 2020)**
- **Current situation**
biodiesel approx. 60% GHG saving vs. diesel
bioethanol approx. 70% GHG saving vs. gasoline
- **trend of market volume compared to year 2014**
marginally reduction of market volume expected in 2015 and 2016
very CO₂-efficient “advanced” biofuels are economically disadvantaged
(therefore no incentive to encourage investments in advanced biofuels at this stage)
- **efficient control mechanism still not implemented**
→ calculations of GHG savings which encompass agricultural production and production of the biofuel itself are complicated and hardly verifiable
→ no internationally accepted common standard set for the calculation of GHG savings potential
- **Waste and residue based biofuels are forced to exit the German market!**

A large, stylized number '2' is rendered in a vibrant green color. The '2' is composed of thick, rounded strokes, with the top curve and the bottom horizontal bar being particularly prominent. It is positioned on the left side of the slide, partially overlapping the white background and the green background.

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Financials

1st HY 2014/2015

m EUR	1 st HY 2014/2015	1 st HY 2013/2014	rate of change
production (tons)	343,248	309,417	11%
turnover*	307.8	420.2	-27%
EBITDA	25.9	21.5	20%
EBIT	14.7	10.5	40%
equity ratio (in %)	64.6	54.2	
operating cash flow**	14.2	43.4	-29.3 m EUR
liquid funds	28.7	25.1	3.6 m EUR
net financial assets	-20,3	-55,9	35.6 m EUR

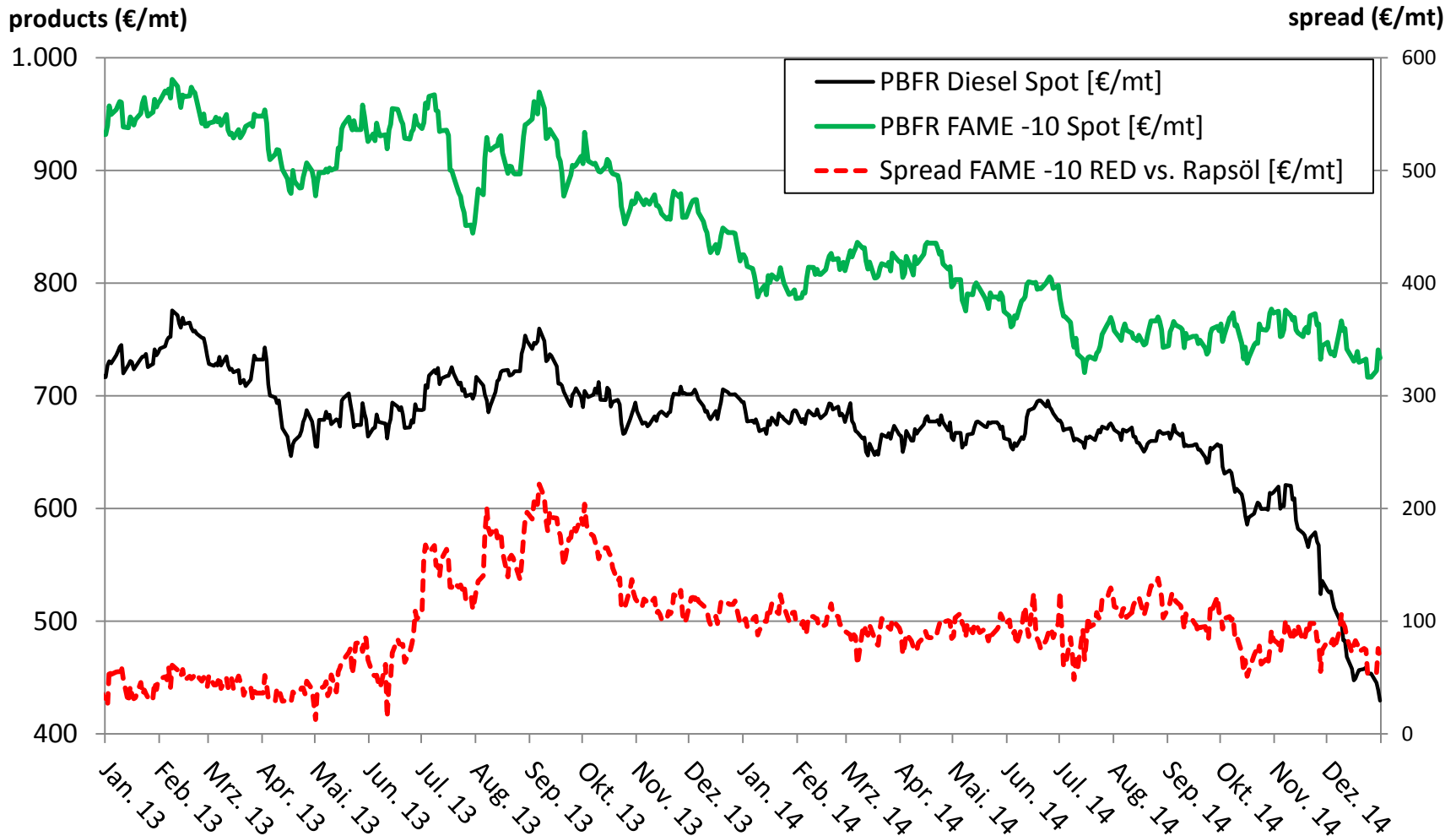
* Higher production capacity usage vs. price-driven development as well as decrease in biofuel trading and termination of diesel trading (effects from commercial transactions 1st HY. 2014/2015: EUR 14.6 m vs. 1st HY 2013/2014: EUR 97.1 m.).

** driven by sale of Märka assets in 1st HY 2013/2014.

m EUR	1 st HY 2014/2015	1 st HY 2013/2014	rate of change
production (tons)	217,954	209,522	4%
capacity utilization (%)	96.9	93.1	
turnover	195.5	257.9	-24%
gross margin	19.9	21.3	-7%
EBITDA	13.5	13.3	2%
EBIT	11.0	10.7	3%

- decrease in turnover despite increase in production volumes mainly due to lower product prices, reduction of biodiesel trading and termination of diesel trading compared to previous year's period.
- increased margin pressure and increased production resulting in lower gross margin 1st HY 2014/2015 .
- satisfactory capacity utilization at comparably low gross profit margin in 2nd HY 2014/2015.

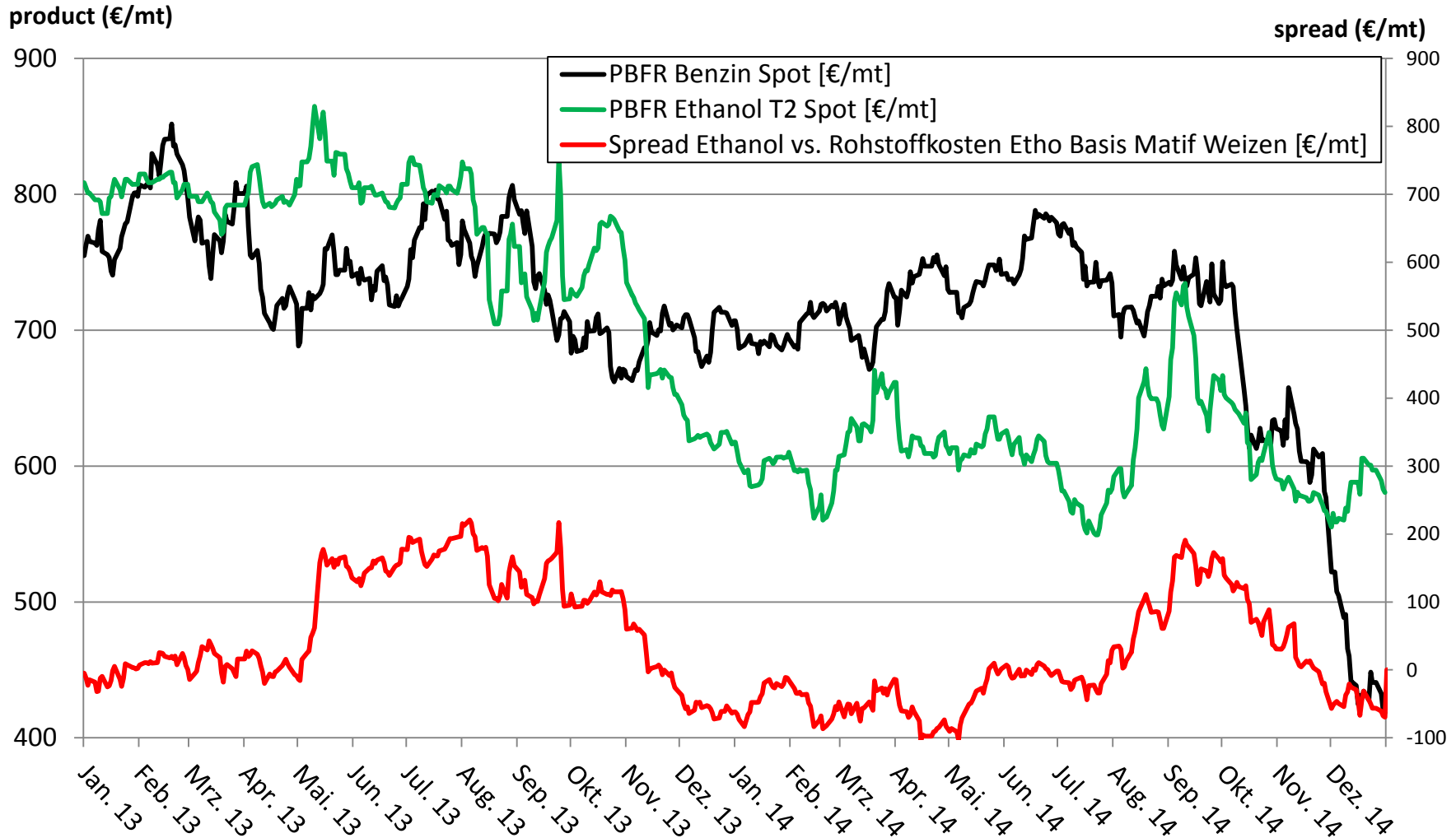
Market trends biodiesel and diesel



EUR	1 st HY 2014/2015	1 st HY 2013/2014	rate of change
production (tons)	125,294	99,895	25%
capacity utilisation (%)	96.4	74.0	
produktion biomethan(GWh)	227.5	132.5	72%
capacity utilisation (%)	94.8	66.3	
turnover	108.1	151.0	-28%
gross margin	19.9	15.2	31%
EBITDA	11.5	8.8	31%
EBIT	3.4	1.1	209%

- decrease in turnover despite sharp increase in production volumes mainly due to lower product prices and reduction of bioethanol trading compared to previous year's period.
- biomethane production significantly increased and stable on a high level.
- continuing pressure on margins as a result of low market prices of bioethanol.
- satisfactory capacity utilization at low gross profit margin in 2nd HY 2014/2015.

Market trend bioethanol and gasoline



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Outlook

- **structural strength and solid balance sheet**
- **good capacity utilization 2nd HY 2014/2015**
- **Low margin expected to continue in 2nd HY 2014/2015**

■ **Increased Forecast FY 2014/2015**

1. turnover*: EUR 500 - 600 m (unchanged)
2. EBITDA: EUR 36 - 44 m (prev. EUR 25 - 35 m)
3. EBIT: EUR 14 - 22 m (prev. EUR 3 - 13 m)

■ **CAPEX FY 2014/2015**

1. ca. EUR 5.1 m straw fermentation Schwedt/Oder
2. ca. EUR 7.3 m sterol production facility Bitterfeld
3. ca. EUR 1.6 m efficiency enhancing projects

■ **Possible dividend payment for the FY 2014/2015**

Provided current business trends continue, and provided that all statutory conditions are fulfilled, the payment of a dividend for the 2014/2015 financial year in a range of between five and ten cents per share is considered to be possible.

* dependent on feedstock prices



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**Thank you for
your attention!**

VERBIO Vereinigte BioEnergie AG

Ritterstraße 23 (Oelßner's Hof) • 04109 Leipzig
T: +49 (0) 341 308530-0 • F: +49 (0) 341 308530-999
info@verbio.de • www.verbio.de

Investor Relations

Olaf Tröber
Investor Relations
Ritterstraße 23
04109 Leipzig
T: +49 341 308530-251
F: +49 341 308530-998
E-Mail: ir@verbio.de

Public Relations

Ulrike Kurze
Marketing/PR
Ritterstraße 23
04109 Leipzig
T: +49 341 308530-287
F: +49 341 308530-999
E-Mail: pr@verbio.de