

The logo for Verbio, featuring the word "Verbio" in a bold, green, sans-serif font. The letter 'V' is stylized with a thick stroke and a slight curve at the top. The background of the slide is white with a large green graphic element on the left side that resembles a stylized leaf or a drop shape.

Biofuel and Technology

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

Claus Sauter (CEO)
Leipzig, 7th May 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

On March 4th, 2015 the Environment Committee of the European Parliament has agreed to the following proposal of the EU Council and EU Commission:

- **1st generation** biofuels to be **energetically limited at a rate of 7%**
- **Voluntary** sub-quota of 0.5% for „**advanced biofuels**“
- Specific biofuels (Feedstock e.g. Used Cooking Oil) will be double-counted
- **No binding iLUC factor**, only reporting requirement
- No regulations for beyond 2020 yet
- Expected decision by the EU Commission for mid-2015

Compromise should be evaluated basically positive.

Uncertainty about the year 2020 and beyond as well as voluntary sub-quota of 0.5% for 2nd generation biofuels provides no incentive for investment in advanced biofuels.

2nd generation biofuels

VERBIO-plant for the production of biomethane from 100 percent straw

- Supported with up to EUR 22.3 million from the EU under the program NER 300
- Internally developed technology of mono fermentation of straw (natural gas quality produced with 100% straw) in this dimension unique worldwide
- First feeding into the gas grid 4th quarter 2014
- No foodstuffs used as feedstock, fermentation residue marketed as high-quality fertilizer
- 8 to 13 million tons of straw p.a. potentially available in Germany*. Equivalent fuel consumption of about 5 million cars
- **Voluntary introduction of biofuel quota of 0.5% for advanced biofuels is possible!**

* Source: Study of DBFZ (German Biomass Research Centre)



A large, stylized number '2' is positioned on the left side of the slide. The number is white with a thick green outline and is set against a solid green background that occupies the lower half of the slide. The '2' is partially cut off by the left edge of the frame.

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Financials

9 Months 2014/2015

9 M 2014/2015 - Group key figures -

m EUR	9 M 2014/2015	9 M 2013/2014	rate of change
production (tons)	510,222	466,866	9%
turnover*	447.4	573.1	-22%
EBITDA	38.1	28.9	32%
EBIT	21.5	12.4	73%
equity ratio (in %)	65.8	59.3	
operating cash flow**	24.8	58.9	-34.1 m EUR
liquid funds	27.7	16.9	10.8 m EUR
net financial assets***	-9.9	-42.1	32.2 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 9 M 2014/2015: EUR 16.8 m vs. 9 M 2013/2014: EUR 101.6 m.)

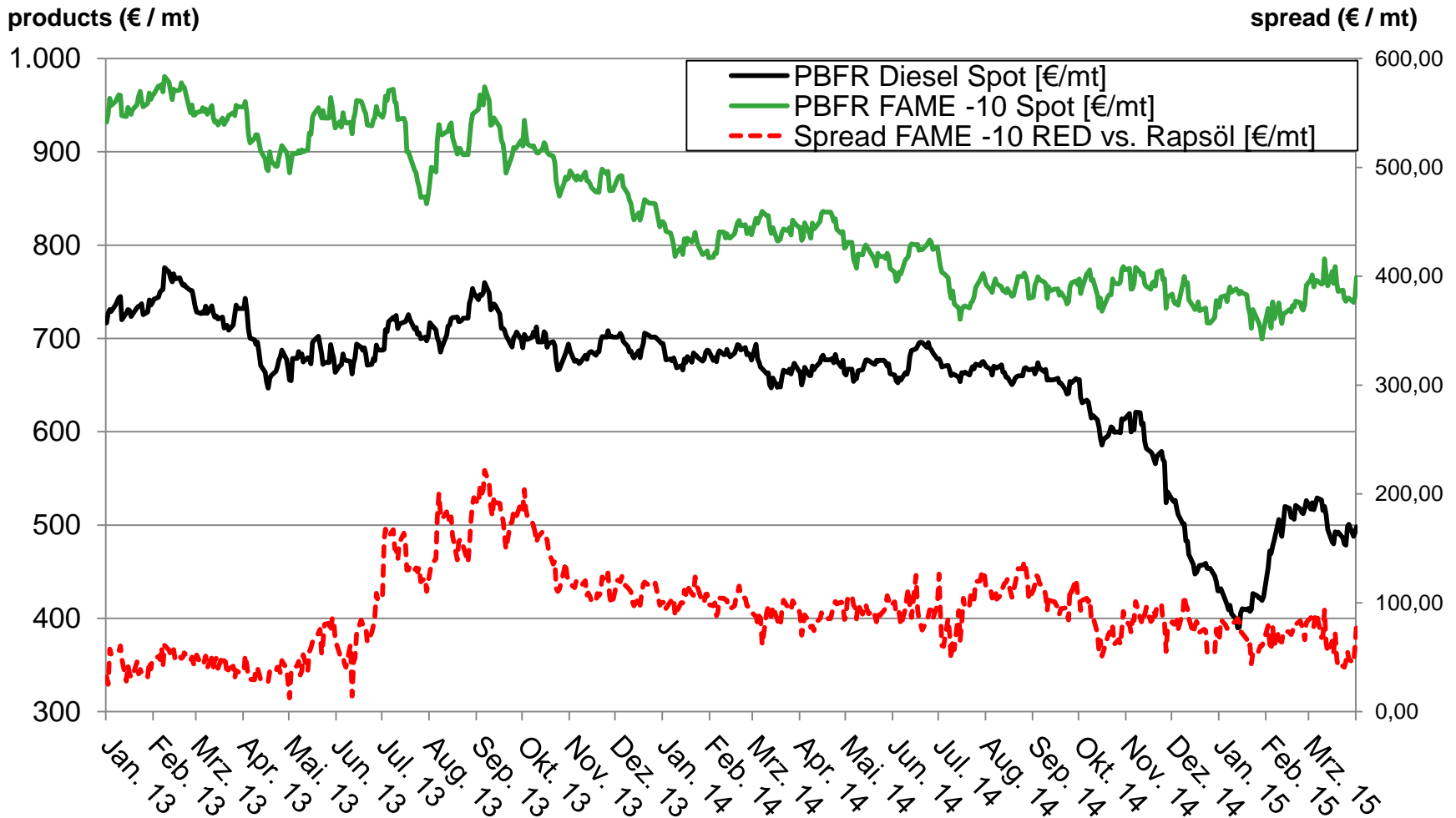
** Previous period driven by sale of Märka assets

*** By June 30th 2015 tending towards zero

m EUR	9 M 2014/2015	9 M 2013/2014	rate of change
production (tons)	327,863	314,600	4%
capacity utilization (%)	97.1	93.2	
turnover	289.2	360.9	-20%
gross margin	31.2	30.2	3%
EBITDA	20.3	19.2	6%
EBIT	16.5	15.4	7%

- Decrease in turnover was primarily due to the lower price levels for biofuels and to the lower level of merchandise revenues from fossil and biofuel trading
- GHG-Quota system in place since 1st January 2015;
Gross margin in Q3 2014/2015 with EUR 10.3 million (Q3 2013/2014: EUR 8.9 million)
- High capacity utilization at good gross profit margin in Q4 2014/2015.

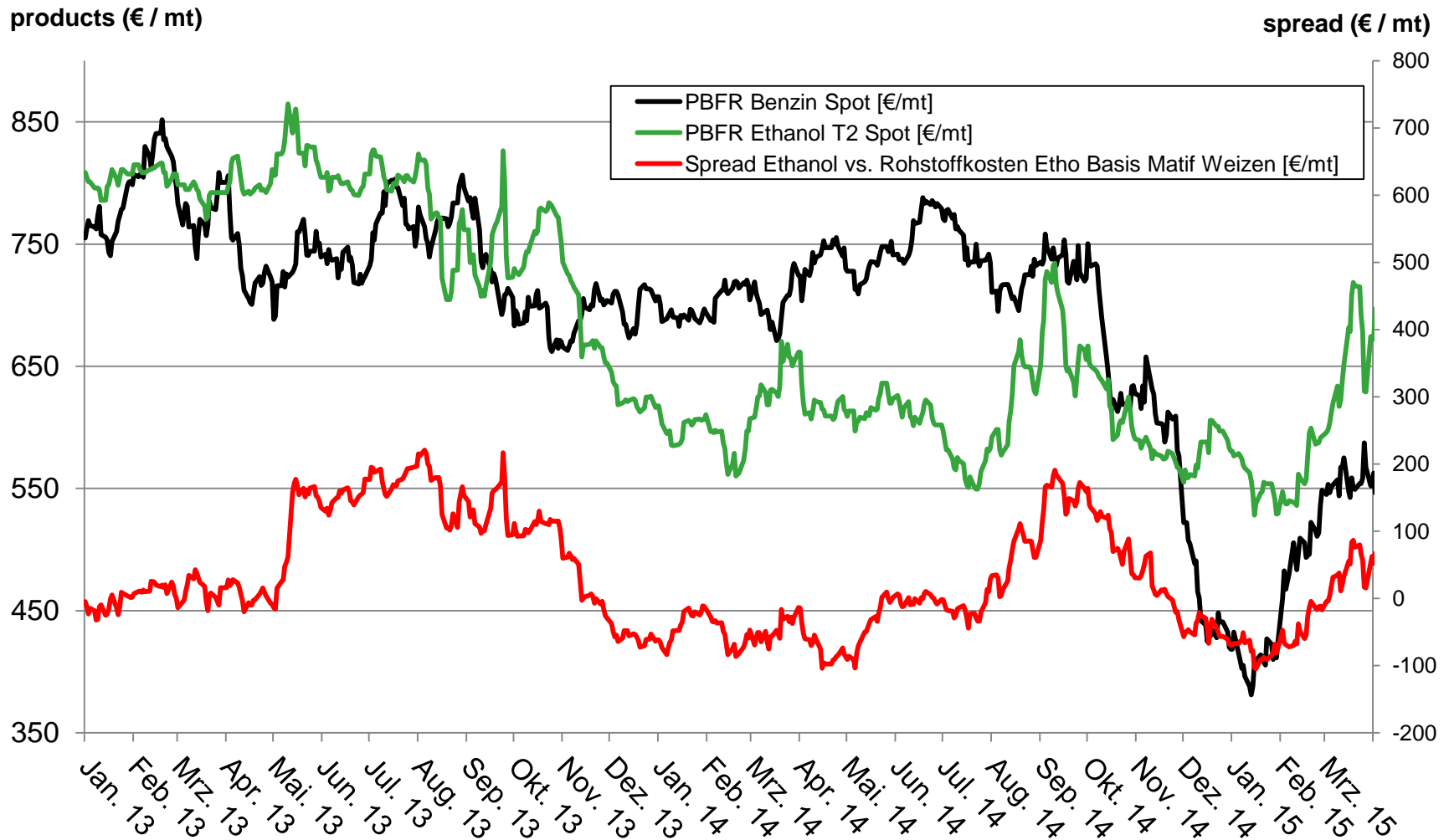
Market trends biodiesel and diesel



EUR	9 M 2014/2015	9 M 2013/2014	rate of change
production (tons)	182,359	152,266	20%
capacity utilisation (%)	93.5	78.1	
produktion biomethan(GWh)	334.1	219.2	52%
capacity utilisation (%)	92.8	68.5	
turnover	151.4	197.4	-23%
gross margin	29.1	21.9	33%
EBITDA	16.4	11.1	48%
EBIT	4.4	-0.4	

- Decrease in turnover as a result of lower product prices and reduction of bioethanol trading
- Significant increase in gross margin in the context of high capacity utilization
- Based on a biomethane capacity of 480 GWh p.a. (previous year rising step by step to 400 GWh p.a), the capacity utilization was increased from 68.5% to 92.8%
- Pressure on margins till beginning of March 2015 as a result of low market prices of bioethanol. High capacity utilization at increased gross profit margin in Q4 2014/2015

Market trend bioethanol and gasoline



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A large, stylized number '3' is positioned on the left side of the slide. The number is white with a thick green outline, set against a solid green background. The '3' is composed of two rounded, bulbous shapes connected by a central vertical stem, with a curved top and bottom. The overall design is clean and modern.

Outlook

- **GHG-Quota system in place since 1st January 2015**
- **Segments Biodiesel and Bioethanol with high capacity utilization rates in Q4 2014/2015**
- **Low biodiesel margin expected to continue**
- **Currently increased bioethanol margin as result of good selling price**
- **Increased Forecast FY 2014/2015**
 1. turnover*: EUR 500 - 600 m (unchanged)
 2. EBITDA: EUR 48 - 52 m (prev. EUR 36 - 44 m)
 3. EBIT: EUR 26 - 30 m (prev. EUR 14 - 22 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

an aggregate of EUR 9.0 mln. invested within the first nine months 2014/2015

* dependent on feedstock prices



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**Thank you for
your attention!**

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