

Verbio

Biofuel and Technology

**Quarterly interim
statement for the period
ended March 31, 2017
(Q3 2016/2017)**

Group key figures

[in EUR million]

| Profitability | Q1 2016/2017 | Q2 2016/2017 | Q3 2016/2017 | 9 M 2016/2017 |
|--|---------------------|---------------------|---------------------|----------------------|
| Sales | 158.0 | 180.8 | 200.0 | 538.8 |
| EBITDA | 16.2 | 32.8 | 26.8 | 75.8 |
| EBIT | 10.8 | 27.5 | 21.4 | 59.7 |
| EBIT-margin (%) | 6.8 | 15.2 | 10.7 | 11.1 |
| EBT | 10.4 | 27.3 | 21.4 | 59.1 |
| Period result | 7.4 | 18.8 | 14.7 | 40.9 |
| Earnings per share (EUR) | 0.12 | 0.29 | 0.23 | 0.65 |
| Operating data | Q1 2016/2017 | Q2 2016/2017 | Q3 2016/2017 | 9 M 2016/2017 |
| Productions (t) | 176,767 | 183,375 | 179,659 | 539,801 |
| Productions (MWh) | 141,461 | 142,026 | 133,314 | 416,801 |
| Utilisation Biodiesel/ Bioethanol (%) ¹⁾ | 96.9 | 100.5 | 98.4 | 98.6 |
| Utilisation Biomethane (%) ¹⁾ | 94.3 | 94.7 | 88.9 | 92.6 |
| Investments in property, plant and equipment | 3.2 | 5.9 | 5.1 | 14.2 |
| Number of employees ²⁾ | 498 | 493 | 503 | 503 |
| Net asset position | 30.09.2016 | 31.12.2016 | 31.03.2017 | |
| Net financial assets | 61.8 | 72.6 | 94.6 | |
| Equity | 263.0 | 286.3 | 287.6 | |
| Equity ratio (%) | 80.9 | 80.4 | 78.9 | |
| Balance sheet total | 325.1 | 356.0 | 364.6 | |
| Financial position | Q1 2016/2017 | Q2 2016/2017 | Q3 2016/2017 | 9 M 2016/2017 |
| Operating cash flow | -1.4 | 16.9 | 36.0 | 51.5 |
| Operating cash flow per share (EUR) | -0.02 | 0.27 | 0.57 | 0.82 |
| Cash and cash equivalents ²⁾ | 65.6 | 76.0 | 97.1 | 97.1 |

¹⁾ As of July 1, 2016 the annual production capacity of the production plant was amended as follows:
biodiesel: from 450,000 tonnes to 470,000 tonnes; bioethanol 260,000 tonnes (unchanged) and biomethane from 480 GWh to 600 GWh

²⁾ At the balance sheet date

| | Q1 2015/2016 | Q2 2015/2016 | Q3 2015/2016 | 9 M 2015/2016 |
|--|---------------------|---------------------|---------------------|----------------------|
| | 155.9 | 174.9 | 148.6 | 479.4 |
| | 14.6 | 24.5 | 11.4 | 50.5 |
| | 9.4 | 19.3 | 6.2 | 34.9 |
| | 6.0 | 11.0 | 4.2 | 7.3 |
| | 9.1 | 19.0 | 5.7 | 33.8 |
| | 7.9 | 13.7 | 4.5 | 26.1 |
| | 0.12 | 0.23 | 0.07 | 0.41 |
| | Q1 2015/2016 | Q2 2015/2016 | Q3 2015/2016 | 9 M 2015/2016 |
| | 169,646 | 176,361 | 164,123 | 510,130 |
| | 132,761 | 131,242 | 132,496 | 396,499 |
| | 95.6 | 99.4 | 92.5 | 95.8 |
| | 110.6 | 109.4 | 110.4 | 110.1 |
| | 4.1 | 1.9 | 2.7 | 8.7 |
| | 491 | 481 | 481 | 481 |
| | 30.09.2015 | 31.12.2015 | 31.03.2016 | |
| | 14.4 | 40.5 | 36.1 | |
| | 219.1 | 234.8 | 232.0 | |
| | 72.7 | 74.4 | 76.4 | |
| | 301.2 | 315.8 | 303.6 | |
| | Q1 2015/2016 | Q2 2015/2016 | Q3 2015/2016 | 9 M 2015/2016 |
| | 10.9 | 28.0 | 4.2 | 43.1 |
| | 0.17 | 0.44 | 0.07 | 0.68 |
| | 28.8 | 56.2 | 50.7 | 50.7 |

Segment key figures

[in EUR million]

| Biodiesel | Q1 2016/2017 | Q2 2016/2017 | Q3 2016/2017 | 9 M 2016/2017 |
|-----------------------------------|---------------------|---------------------|---------------------|----------------------|
| Sales | 111.4 | 124.9 | 123.7 | 360.0 |
| EBITDA | 9.1 | 18.7 | 11.9 | 39.7 |
| EBIT | 7.9 | 17.5 | 10.8 | 36.2 |
| Production (t) | 117,180 | 119,250 | 117,129 | 353,559 |
| Utilisation (%) ¹⁾ | 99.7 | 101.5 | 99.7 | 100.3 |
| Number of employees ²⁾ | 111 | 109 | 110 | 110 |

| Bioethanol (incl. Biomethane) | Q1 2016/2017 | Q2 2016/2017 | Q3 2016/2017 | 9 M 2016/2017 |
|--|---------------------|---------------------|---------------------|----------------------|
| Sales | 44.2 | 53.3 | 74.0 | 171.5 |
| EBITDA | 6.7 | 14.1 | 14.9 | 35.7 |
| EBIT | 2.7 | 10.0 | 10.8 | 23.5 |
| Production (t) | 59,587 | 64,125 | 62,530 | 186,242 |
| Production (MWh) | 141,461 | 142,026 | 133,314 | 416,801 |
| Utilisation Bioethanol (%) ¹⁾ | 91.7 | 98.7 | 96.2 | 95.5 |
| Utilisation Biomethane (%) ¹⁾ | 94.3 | 94.7 | 88.9 | 92.6 |
| Number of employees ²⁾ | 236 | 232 | 238 | 238 |

| Other | Q1 2016/2017 | Q2 2016/2017 | Q3 2016/2017 | 9 M 2016/2017 |
|-------------------|---------------------|---------------------|---------------------|----------------------|
| Third party sales | 4.1 | 4.1 | 4.1 | 12.3 |
| EBIT | 0.1 | 0.0 | -0.1 | 0.0 |

¹⁾ As of July 1, 2016 the annual production capacity of the production plant was amended as follows:
biodiesel: from 450,000 tonnes to 470,000 tonnes; bioethanol 260,000 tonnes (unchanged) and biomethane from 480 GWh to 600 GWh Biodiesel:

²⁾ At the balance sheet date

| | Q1 2015/2016 | Q2 2015/2016 | Q3 2015/2016 | 9 M 2015/2016 |
|--|---------------------|---------------------|---------------------|----------------------|
| | 103.9 | 113.3 | 95.7 | 312.9 |
| | 7.1 | 8.4 | 4.3 | 19.8 |
| | 6.0 | 7.4 | 3.2 | 16.6 |
| | 111,155 | 115,946 | 106,994 | 334,095 |
| | 98.9 | 103.1 | 95.1 | 99.0 |
| | 110 | 110 | 113 | 113 |

| | Q1 2015/2016 | Q2 2015/2016 | Q3 2015/2016 | 9 M 2015/2016 |
|--|---------------------|---------------------|---------------------|----------------------|
| | 50.0 | 59.1 | 50.7 | 159.8 |
| | 7.2 | 15.5 | 6.9 | 29.6 |
| | 3.2 | 11.5 | 2.9 | 17.6 |
| | 58,491 | 60,415 | 57,129 | 176,035 |
| | 132,761 | 131,242 | 132,496 | 396,499 |
| | 90.0 | 92.9 | 87.9 | 90.3 |
| | 110.6 | 109.4 | 110.4 | 110.1 |
| | 226 | 219 | 221 | 221 |

| | Q1 2015/2016 | Q2 2015/2016 | Q3 2015/2016 | 9 M 2015/2016 |
|--|---------------------|---------------------|---------------------|----------------------|
| | 4.4 | 3.9 | 3.6 | 11.9 |
| | 0.2 | 0.4 | 0.1 | 0.7 |

Business report and the Group's position

VERBIO AG reports significantly improved results for the first nine months of the current financial year compared to the equivalent period in the previous year, although in the third quarter of the current financial year it was not possible to maintain the trend at quite the same level as in the second quarter.

Group revenues increased by 12 percent to EUR 538.8 million compared to the same period in the previous year (9 M 2015/2016: EUR 479.4 million).

Earnings before interest, taxation, depreciation and amortisation (EBITDA) for the nine-month period amounted to EUR 75.8 million, 50 percent ahead of the comparative period in the previous year (9 M 2015/2016: EUR 50.5 million). The Group result before taxation and interest (EBIT) in the same period amounted to EUR 59.7 million, an increase of 71 percent (9 M 2015/2016: EUR 34.9 million). The Group result before tax (EBT) totals EUR 59.1 million (9 M 2015/2016: EUR 33.8 million), and the net result for the period is EUR 40.9 million (9 M 2015/2016: EUR 26.1 million). Based on the result for the period, earnings per share is EUR 0.65 (9 M 2015/2016: EUR 0.41).

Net assets and financial position

Cash flows

Cash flow from operating activities in the first nine months of the financial year 2016/2017 amounted to EUR 51.5 million (9 M 2015/2016: EUR 43.1 million). The increase is primarily a result of the significant increase in the net result for the period.

The total cash outflows from investment activities in the first nine months of 2016/2017 were EUR 13.1 million (9 M 2015/2016: EUR 8.5 million). This primarily resulted from payments made for investments in property, plant and equipment.

The cash flow from financing activities totalled EUR –18.9 million (9 M 2015/2016: EUR –10.5 million). Of this, EUR 9.5 million resulted from the payment of the dividend for the financial year 2015/2016.

As a result, cash and cash equivalents increased by EUR 19.5 million in the period July 1, 2016 to March 31, 2017. Cash and cash equivalents at March 31, 2017 totalled EUR 97.1 million.

Net cash

The very low level of remaining bank and loan finance arrangements is more than offset by cash and cash equivalents of EUR 97.1 million, so that the reported net cash balance at March 31, 2017 amounted to EUR 94.6 million (June 30, 2016: EUR 65.6 million).

Development of the Biodiesel and Bioethanol segments

Earnings growth in the first nine months of the current financial year was driven by high margins, increased production volumes of biodiesel and bioethanol and higher production capacity utilisation of the biomethane production plant. Margins in the Biodiesel segment were lower in the third quarter of the current financial year compared to the second quarter of 2016/2017, whereby earnings in the third quarter of the current financial year were significantly improved compared to the same quarter in the previous year. The production volume of biodiesel and bioethanol in the period from July 1, 2016 to March 31, 2017 totalled 539,801 tonnes, compared to 510,130 tonnes in the same period in the previous year. In addition, 416.8 GWh of biomethane were produced in the first nine months of the financial year 2016/2017, an increase of 5 percent compared to the same period in the previous year (9 M 2015/2016: 396.5 GWh).

Outlook, opportunity and risk report

Outlook

VERBIO maintains the earnings forecast for the financial year 2016/2017 published in an ad hoc report on January 12, 2017. Accordingly, EBITDA is expected to be around EUR 90 million and the net cash balance at the end of the financial year is expected to increase to around EUR 120 million.

Risk and opportunity report

There have been no changes to the opportunities and risks presented in the 2015/2016 annual report and 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 present a threat to the ability of the Group to continue as a going concern.

Consolidated profit and loss account

for the period from July 1, 2016 to March 31, 2017

| EUR (thousands) | Q3 2016/2017 | Q3 2015/2016 | 9 M 2016/2017 | 9 M 2015/2016 |
|---|-----------------|-----------------|------------------|------------------|
| 1. Revenue (including energy taxes collected) | 200,150 | 148,716 | 539,213 | 483,758 |
| less: energy taxes | -121 | -134 | -400 | -4,352 |
| Revenue | 200,029 | 148,582 | 538,813 | 479,406 |
| 2. Change in unfinished and finished goods | -415 | 3,110 | 9,213 | 9,591 |
| 3. Capitalised production of own plant and equipment | 88 | 42 | 296 | 228 |
| 4. Other operating income | 2,169 | 3,127 | 7,389 | 8,581 |
| 5. Cost of materials | -159,739 | -128,581 | -435,038 | -405,124 |
| 6. Personnel expenses | -8,076 | -6,872 | -22,046 | -20,721 |
| 7. Depreciation and amortisation | -5,373 | -5,263 | -16,146 | -15,626 |
| 8. Other operating expenses | -7,273 | -7,934 | -22,296 | -23,028 |
| 9. Result from commodity forward contracts | 17 | 0 | -489 | 1,606 |
| 10. Operating result | 21,427 | 6,211 | 59,696 | 34,913 |
| 11. Interest income | 4 | 4 | 9 | 26 |
| 12. Interest expense | -67 | -498 | -628 | -1,162 |
| 13. Financial result | -63 | -494 | -619 | -1,136 |
| 14. Result before tax | 21,364 | 5,717 | 59,077 | 33,777 |
| 15. Income tax expense | -6,624 | -1,200 | -18,167 | -7,641 |
| 16. Net result for the period | 14,740 | 4,517 | 40,910 | 26,136 |
| Result attributable to shareholders of the parent company | 14,706 | 4,469 | 40,742 | 25,957 |
| Result attributable to non-controlling interests | 34 | 48 | 168 | 179 |
| Result per share (basic and diluted) | 0.23 | 0.07 | 0.65 | 0.41 |

Consolidated balance sheet

at March 31, 2017

| EUR (thousands) | 31.03.2017 | 30.06.2016 |
|---------------------------------------|----------------|----------------|
| Assets | | |
| A. Non-current assets | | |
| I. Other intangible assets | 219 | 238 |
| II. Property, plant and equipment | 165,698 | 167,947 |
| III. Financial assets | 58 | 56 |
| IV. Deferred tax assets | 888 | 8,497 |
| Total non-current assets | 166,863 | 176,738 |
| B. Current assets | | |
| I. Inventories | 43,862 | 26,277 |
| II. Trade receivables | 37,372 | 31,574 |
| III. Derivatives | 5,501 | 331 |
| IV. Other short-term financial assets | 4,390 | 718 |
| V. Tax refunds | 5 | 19 |
| VI. Other assets | 9,537 | 9,873 |
| VII. Cash and cash equivalents | 97,086 | 77,483 |
| Total current assets | 197,753 | 146,275 |
| Total assets | 364,616 | 323,013 |

| EUR (thousands) | 31.03.2017 | 30.06.2016 |
|--|----------------|----------------|
| Equity and Liabilities | | |
| A. Equity | | |
| I. Share capital | 63,000 | 63,000 |
| II. Additional paid-in capital | 487,680 | 487,680 |
| III. Fair value reserve | 1,522 | -183 |
| IV. Retained earnings | -265,523 | -296,815 |
| V. Reserve for translation adjustments | 17 | -90 |
| Total equity, excluding non-controlling interests | 286,696 | 253,592 |
| VI. Non-controlling interests | 901 | 733 |
| Total equity | 287,597 | 254,325 |
| B. Non-current liabilities | | |
| I. Bank loans and other loans | 567 | 1,531 |
| II. Provisions | 154 | 153 |
| III. Deferred investment grants and subsidies | 6,380 | 7,550 |
| IV. Other non-current liabilities | 3,756 | 3,333 |
| V. Deferred taxes | 955 | 347 |
| Total non-current liabilities | 11,812 | 12,914 |
| C. Current liabilities | | |
| I. Bank loans and other loans | 1,857 | 10,352 |
| II. Trade payables | 34,056 | 27,543 |
| III. Derivatives | 2,314 | 597 |
| IV. Other current financial liabilities | 6,589 | 7,504 |
| V. Tax liabilities | 13,787 | 6,225 |
| VI. Provisions | 2,087 | 389 |
| VII. Deferred investment grants and subsidies | 1,008 | 1,012 |
| VIII. Other current liabilities | 3,509 | 2,152 |
| Total current liabilities | 65,207 | 55,774 |
| Total equity and liabilities | 364,616 | 323,013 |

Consolidated cash flow statement

for the period from Juli 1, 2016 to March 31, 2017

| EUR (thousands) | 9 M 2016/2017 | 9 M 2015/2016 |
|---|---------------|---------------|
| Net result for the period | 40,910 | 26,136 |
| Income taxes expense | 18,167 | 7,641 |
| Interest result | 619 | 1,136 |
| Depreciation and amortisation | 16,146 | 15,626 |
| Non-cash expense | 341 | 415 |
| Non-cash income | -149 | 0 |
| Gains on disposal of property, plant and equipment and disposal of investment grants | -37 | -10 |
| Release of deferred investment grants and subsidies | -760 | -773 |
| Non-cash changes in derivative financial instruments | -982 | 19 |
| Increase in inventories | -17,585 | -15,348 |
| Increase (prior-year period: decrease) in trade receivables | -5,798 | 15,809 |
| Increase (prior-year period: decrease) in other assets and other current financial assets | -3,757 | 877 |
| Increase (prior-year period: decrease) in provisions | 1,703 | -1,321 |
| Increase (prior-year period: decrease) in trade payables | 5,585 | -4,699 |
| Increase (prior-year period: decrease) in other current financial and non-financial liabilities | 867 | -2,939 |
| Interest paid | -653 | -981 |
| Interest received | 9 | 491 |
| Income taxes paid (prior-period year: received) | -3,138 | 995 |
| Cash flows from operating activities | 51,488 | 43,074 |

| EUR (thousands) | 9 M 2016/2017 | 9 M 2015/2016 |
|---|----------------------|----------------------|
| Proceeds from investment grants | 0 | 473 |
| Acquisition of intangible assets | -68 | -147 |
| Acquisition of property, plant and equipment | -13,101 | -9,086 |
| Proceeds from disposal of property, plant and equipment | 82 | 263 |
| Cash flows from investing activities | -13,087 | -8,497 |
| Payment of dividends | -9,450 | -6,300 |
| Payments for the redemption of financial liabilities | -9,500 | -7,510 |
| Proceeds from the assumption of financial liabilities | 41 | 3,274 |
| Cash flows from financing activities | -18,909 | -10,536 |
| Net change in cash funds | 19,492 | 24,041 |
| Change in cash funds due to effects of exchange rates | 111 | -5 |
| Cash funds at beginning of year | 77,483 | 26,657 |
| Cash funds at end of year | 97,086 | 50,693 |
| Cash funds at year end comprise the following: | | |
| Restricted cash and cash equivalents | 0 | 0 |
| Cash and cash equivalents | 97,086 | 50,693 |
| Cash funds at end of year | 97,086 | 50,693 |

Financial calendar 2016/2017

| | |
|---------------------------|---|
| September 21, 2016 | Publication of annual report 2015/2016 Analyst's conference/annual financial statements press conference |
| November 10, 2016 | Publication of quarterly statement to September 30, 2016 (July 2016 to September 2016) |
| January 27, 2017 | Annual General Meeting, Radisson Blu Hotel, Leipzig |
| February 9, 2017 | Publication of half-year report 2016/2017 (July 2016 to December 2016) Analyst's conference |
| May 11, 2017 | Publication of quarterly statement to March 31, 2017 (July 2016 to March 2017) |
| September 27, 2017 | Publication of annual report 2016/2017 Analyst's conference/annual financial statements 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.

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