

Pioneering  
green solutions

*Verbio*

**Half-year report to  
December 31, 2023**  
(Q2 2023/2024)

# Group key figures

[in EUR millions]

Results of operations	Q1 2023/2024	Q2 2023/2024	1 HY 2023/2024	Q1 2022/2023	Q2 2022/2023	1 HY 2022/2023
Revenue	488.1	420.8	908.9	592.2	485.5	1,077.70
EBITDA	48.8	26.1	74.9	121.4	48.9	170.3
EBITDA margin (%)	10.0	6.2	8.2	20.5	10.1	15.8
EBIT	36.8	13.5	50.3	111.9	39.2	151.1
Net result for the period	21.8	0.8	22.6	76.9	25.2	102.1
Basic earnings per share (EUR)	0.34	0.02	0.36	1.21	0.40	1.61
Diluted earnings per share (EUR)	0.34	0.01	0.35	1.21	0.39	1.60

Operational statistics	Q1 2023/2024	Q2 2023/2024	1 HY 2023/2024	Q1 2022/2023	Q2 2022/2023	1 HY 2022/2023
Production (tonnes)	283,983	286,718	570,701	216,514	229,262	445,776
Production (MWh)	243,187 <sup>3)</sup>	275,945	519,132	261,020	261,108	522,128
Utilisation Biodiesel/Bioethanol (%) <sup>1)</sup>	75.2	76.0	75.6	90.2	95.5	92.9
Utilisation Biomethane (%) <sup>1)</sup>	49.1	55.8	52.4	80.3	80.3	80.3
Investments in property, plant and equipment	44.7	54.2	98.9	42.9	52.0	94.9
Number of employees <sup>2)</sup>	1,337	1,376	1,376	1,091	1,131	1,131

Continued on next page

<sup>1)</sup> For the financial year 2023/2024 the annual production capacity of the production plants is as follows: Biodiesel: 710,000 tonnes (previously 660,000 tonnes); bioethanol: 800,000 tonnes (previously 342,000 tonnes); biomethane: 1,980 GWh (previously 1,300 GWh). The capacity increase for bioethanol is primarily a result of the acquisition of the South Bend plant in May 2023 and the growth project in Nevada.

<sup>2)</sup> At the balance sheet date.

<sup>3)</sup> Restated amount for Q1 2023/2024.

<b>Net asset position</b>	<b>30.09.2023</b>	<b>31.12.2023</b>	<b>31.12.2023</b>	<b>30.09.2022</b>	<b>31.12.2022</b>	<b>31.12.2022</b>
Net debt	-10.1	13.6	13.6	-261.9	-177.5	-177.5
Equity	945.8	929.0	929.0	889.3	881.6	881.6
Equity ratio (%)	72.6	69.3	69.3	72.0	74.0	74.0
Balance sheet total	1,303.2	1,340.9	1,340.9	1,234.7	1,191.5	1,191.5

  

<b>Financial position</b>	<b>Q1 2023/2024</b>	<b>Q2 2023/2024</b>	<b>1 HY 2023/2024</b>	<b>Q1 2022/2023</b>	<b>Q2 2022/2023</b>	<b>1 HY 2022/2023</b>
Operating cash flow	19.3	34.1	53.4	-44.2	-36.5	-80.7
Operating cash flow per share (EUR)	0.30	0.54	0.84	-0.70	-0.57	-1.27
Cash and cash equivalents <sup>4)</sup>	155.3	142.5	142.5	291.9	207.5	207.5

<sup>4)</sup> At the balance sheet date; includes amounts held in segregated accounts.

# Segment key figures

[in EUR millions]

Biodiesel	Q1 2023/2024	Q2 2023/2024	1 HY 2023/2024	Q1 2022/2023	Q2 2022/2023	1 HY 2022/2023
Revenue	322.8	250.1	572.9	435.4	357.4	792.8
EBITDA	44.9	29.3	74.2	91.5	47.0	138.5
EBIT	42.2	26.3	68.5	88.9	44.5	133.4
Production (tonnes)	161,291	160,553	321,844	145,124	157,969	303,093
Utilisation (%) <sup>1)</sup>	90.9	90.5	90.7	88.0	95.7	91.8
Number of employees <sup>2)</sup>	220	221	221	219	211	211
Bioethanol (incl. biomethane)	Q1 2023/2024	Q2 2023/2024	1 HY 2023/2024	Q1 2022/2023	Q2 2022/2023	1 HY 2022/2023
Revenue	162.0	166.5	328.5	152.8	123.3	276.1
EBITDA	3.0	-5.2	-2.2	28.9	1.7	30.6
EBIT	-5.2	-13.7	-18.9	22.6	-4.8	17.8
Production (tonnes)	122,692	126,165	248,857	71,390	71,293	142,683
Production (MWh)	243,187 <sup>3)</sup>	275,945	519,132	261,020	261,108	522,128
Utilisation Bioethanol (%) <sup>1)</sup>	61.3	63.1	62.2	95.2	95.1	95.1
Utilisation Biomethane (%) <sup>1)</sup>	49.1	55.8	52.4	80.3	80.3	80.3
Number of employees <sup>2)</sup>	663	700	700	591	559	559
Other	Q1 2023/2024	Q2 2023/2024	1 HY 2023/2024	Q1 2022/2023	Q2 2022/2023	1 HY 2022/2023
Revenue	7.3	7.8	15.1	7.5	7.0	14.5
EBITDA	0.9	2.0	2.9	1.1	0.2	1.3

<sup>1)</sup> For the financial year 2023/2024 the annual production capacity of the production plants is as follows:  
Biodiesel: 710,000 tonnes (previously 660,000 tonnes); bioethanol: 800,000 tonnes (previously 342,000 tonnes); biomethane: 1,980 GWh (previously 1,300 GWh). The capacity increase for bioethanol is primarily a result of the acquisition of the South Bend plant in May 2023 and the growth project in Nevada.

<sup>2)</sup> At the balance sheet date.

<sup>3)</sup> Restated amount for Q1 2023/2024.

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In order to improve the readability of the report that follows we have not made use of multiple gender forms (he/she/diverse). The generic masculine form is used, with all genders being equally implied.

# Group interim management report

for the period from July 1, 2023 to December 31, 2023

## Economic report

### Overall economic and sector-specific environment

The global economy continued to show unexpected resilience in the second half of 2023, the reporting period, despite higher inflation and more restrictive monetary policies in most economies. This is largely due to the surprising strength of the US economy, driven by strong consumer spending, low unemployment and high activity in the service sector.

In the eurozone, the economic recovery from the coronavirus crisis has slowed considerably. Official statistics show that economic growth stagnated between July and September compared to the third quarter of 2022. This was primarily due to Germany in particular, which has recorded the lowest growth in the monetary union for some time.

Accordingly, the eurozone is now on the brink of recession, not least due to a total of ten interest rate hikes by the European Central Bank, but also as a consequence of the geopolitical situation. However, sentiment indicators suggest that the economic situation is gradually improving.

Germany's economic weakness was also reflected in the decline in demand for mineral fuels, although in fact there has been an increase in the use of biodiesel and bioethanol as fuels. As a result of the implementation of the Renewable Energy Directive II (RED II) EU countries

have specific objectives and targets for the use of bio-fuels in the transport sector, so that tax incentives and blending and greenhouse gas (GHG) emissions quotas contributed to supporting the market for biofuels. In Germany, one of the largest markets for biofuels in Europe, the GHG quota was increased by a further percentage point to 8 percent in January 2023. The oil industry is under an obligation to reduce greenhouse gas emissions – based on the annual total volume of petrol and diesel fuels sold – by the use of biofuels, electricity in electro mobility, electricity-based fuels and biogene liquid gas.

In North America the demand for renewable fuels is driven by the Renewable Fuel Standard (RFS). The volume obligations for the year 2023 were announced retrospectively on June 14.

The uneven systems for the use of biofuels in Europe and worldwide result in an uneven pattern of demand and supply situations, and accordingly in the potential for arbitrage, which is important for the development of local biofuels production. We examine the economics of bio-fuels production in detail below. As Verbio biomethane is largely manufactured from waste materials from the production of bioethanol, the Group reports biodiesel separately and bioethanol and biomethane on a combined basis. A summary presentation of price trends is presented in tabular format at the end of this section.

### Biodiesel market:

The biodiesel market was characterised by a sharp price decline in the second half of 2023 compared to the previous year. This was supported not only by falling raw material costs, but also by imports of allegedly misdeclared biodiesel and hydrotreated vegetable oil (HVO) from China. Shipping movements show that palm oil-based biodiesel is shipped from Indonesia to China, and "advanced biodiesel" is shipped to Europe from the same storage tanks. In Germany in particular, this biodiesel has a high value, as biodiesel especially benefits from incentive systems. The market estimates that the annual volume imported to Europe in 2023 was in the range of 1.5 to 2 million tonnes. In Germany, the total consumption of biodiesel and HVO in 2022 was approximately 2.7 million tonnes.

The EU Commission initiated anti-dumping proceedings against biodiesel and HVO from China in December 2023. The reason given was the massive increase in imports of biodiesel and HVO produced in China. The proceedings are expected to be concluded in thirteen to fourteen months. Provisional measures, such as punitive tariffs, can be taken as early as within seven to eight months. The anti-circumvention proceedings against palm oil-based biodiesel from Indonesia that was allegedly re-declared in China, initiated in August 2023, are continuing in parallel to the anti-dumping proceedings.

With the European Commission's announcement to launch investigations into the circumvention of import duties from Indonesia, there was an observable rapid decline in Chinese biodiesel exports, particularly from the island of Hainan, which is at the centre of the alleged fraud. The European Biodiesel Board (EBB), which initiated the investigation, is now drawing attention to the anti-dumping proceedings. Other potentially illegal trading practices may also be pursued by anti-fraud teams.

In the USA, the low prices for so-called D4 Renewable Identification Numbers (RINs) – the 'currency' used to identify renewable fuels – and the increased production of HVO weighed on biodiesel margins in the second half of 2023. At the same time, the fall in commodity prices offered a slight opportunity for improvements in margins at times.

#### **Bioethanol market:**

After the European bioethanol market recovered in the first half of 2023 due to declining imports from Brazil and production stops at European bioethanol plants, and also while lower energy and raw material prices supported production margins, bioethanol prices and margins fell from October 2023. From December, higher volumes of imports compared to expected levels were noted again, in particular from Brazil. These imports led to a significant increase in inventory levels in Rotterdam, which in turn caused prices to fall by around 30 percent. The

current low prices for fossil crude oil and its derivatives make it unattractive to increase the proportion of ethanol at filling stations in Brazil. Although geopolitical tensions in the Middle East continue to be considered a significant risk factor for global oil supplies, their influence on oil prices has so far been limited. One positive development for price levels is that production capacity is already being withdrawn from the market in Europe.

In the USA, prices paid for maize reached historic highs, which lasted until the harvest of new maize in the USA in September/October. During this period the price of bioethanol followed the fluctuations in maize prices, so that the margins for bioethanol remained at a historically high level. The production of ethanol increased in December 2023 as a result of higher margins.

#### **Biomethane market:**

In the first half of 2023/2024 the estimated volume of biomethane consumed in transport in Germany increased from approximately 500 GWh to approximately 600 GWh. The share of biomethane used in the CNG market in the reporting period was 90 percent. There were two reasons for this: (i) operators of filling stations benefited from cheap alternatives offered by manufacturers of biomethane; and (ii) the demand for biomethane increased as logistics companies, as the most important end consumers in the biomethane market, must reduce their Scope-2 emissions to meet customer demand. In the USA, currently approximately two thirds of the biomethane

volumes are used in the transport sector, with the support of the RFS and the Low Carbon Fuel Standard (LCFS). In addition there is increased interest in biomethane from outside the transport sector, in the so-called 'voluntary markets'.

#### **GHG quota:**

With fuel consumption approximately stable, the increase in the GHG quota is creating growth in demand for CO<sub>2</sub> savings in Germany. As the oil companies often procure their needs early, the demand exceeds the statutory required volumes. The prices are directly related to the implied prices of CO<sub>2</sub> savings of the biofuels traded on exchanges. The GHG quota market came under pressure from as early as the first half of 2023 as a result of imports of allegedly improperly declared biodiesel from China, and the resulting availability of what were assumed to be cheaper sources of CO<sub>2</sub> savings. Based on market price information the price at December 31, 2023 was EUR 150/tonne of CO<sub>2</sub> savings. According to preliminary import duty statistics dated November 2023 on the achievement of the GHG quota for 2022, CO<sub>2</sub> savings in 2022 exceeded the respective obligations by 3.3 million tonnes. As a result of the allegedly improperly declared biodiesel and HVO imports, a further increase in the overhang of CO<sub>2</sub> savings is assumed for the calendar year 2023. This takes the total to almost 6 million tonnes, which represents approximately 30 percent of the CO<sub>2</sub> savings required for 2024.

**Price trends of selected raw materials and products**

	Q1 2022/2023	Q2 2022/2023	Q3 2022/2023	Q4 2022/2023	2022/2023	Q1 2023/2024	Q2 2023/2024
Crude oil (Brent; USD/barrel)	98	89	82	77	87	86	83
Diesel fuel FOB Rotterdam (EUR/tonne)	1,041	969	785	649	864	808	774
Biodiesel (FAME - 10 RED; EUR/tonne)	2,057	1,570	1,376	964	1,500	1,197	1,105
Rapeseed oil (EUR/tonne)	1,618	1,292	1,034	871	1,209	966	966
Petrol fuel FOB Rotterdam (EUR/tonne)	914	755	753	744	793	819	698
Ethanol USA (CBOT; EUR/cbm)	567	560	532	524	546	525	531
Bioethanol (T2 German Specs; EUR/cbm)	1,078	791	831	797	876	749	705
Wheat (MATIF; EUR/tonne)	336	328	281	237	296	235	228
Maize (CBOT; EUR/tonne)	258	258	242	226	246	180	174
Natural Gas TTF Day 1 (EUR/MWh)	201	95	53	35	97	33	41
Natural Gas Henry Hub Day Ahead (EUR/MWh)	29	21	17	7	18	9	10

**Business report and the Group's position****Results of operations**

Verbio produced 570,701 tonnes of biodiesel and bioethanol in the first six months of the 2023/2024 financial year, compared to 445,776 tonnes in the comparative period in the previous year. This represents a capacity utilisation rate of 75.6 percent overall. The increase in the Bioethanol segment was primarily due to the additional capacity of the South Bend (USA) plant that was acquired in May 2023. In the first half-year of the financial year 2023/2024 519,132 MWh of biomethane were produced (1 HY 2022/2023: 522,128 MWh).

Despite overall increased production and sales volumes, the Group's revenues fell by 16 percent to EUR 908.9 million (1 HY 2022/2023: EUR 1,077.7 million). Further information is presented in the detailed comments on the individual segments.

Raw material and consumables used amounted to EUR 746.0 million, also at a lower level than in the same period in the previous year (1 HY 2022/2023: EUR 888.9 million). Taking account of changes in inventories of unfinished and finished goods the gross margin was EUR 174.9 million, representing a decline of 25 percent compared to the same period of the previous year (1 HY 2022/2023: EUR 232.5 million). This includes adjustments made to

the measurement of inventories. In addition, Verbio was continuing to benefit from the hedging of attractive prices for rapeseed oil in the first quarter of 2022/2023. Within the reporting period, the gross margin fell to EUR 81.6 million in the second quarter of 2023/2024 after EUR 93.3 million in the first quarter, which was due in particular to falling sales prices for bioethanol.

Employee benefit expenses in the first six months of the financial year 2023/2024 amounted to EUR 52.6 million (1 HY 2022/2023: EUR 39.4 million). The increase is due to the further increase in the number of employees as a result of the ongoing organisational restructuring as well as the ongoing expansion of new business activities,



including the acquisition of the plant in South Bend. In addition, the changes reflected the full effect of amendments made to wages and salaries for employees to compensate for the general increase in prices.

Other operating expenses amounted to EUR 50.7 million in the reporting period (1 HY 2022/2023: EUR 35.5 million). Other operating expenses primarily include the costs of repair and maintenance, outgoing freight costs, insurance and subscriptions, legal and consultancy costs, and motor vehicle costs. The increase is primarily due to the significantly higher expenses incurred for repairs and maintenance (EUR 16.6 million; 1 HY 2022/2023: EUR 9.2 million).

Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to EUR 74.9 million, approximately 56 percent below the level of the EBITDA in the comparative period in the previous year (1 HY 2022/2023: EUR 170.3 million). There was a notable effect from the ramp-up costs of Verbio's growth projects in the USA, which have not yet generated significant corresponding income.

The Group operating result (EBIT), with a slight increase in depreciation and amortisation (EUR 24.6 million; 1 HY 2022/2023: EUR 19.2 million), was EUR 50.3 million, EUR 100.8 million lower than in the comparative period in the previous year (1 HY 2022/2023: EUR 151.1 million).

The financial result includes finance income of EUR 0.3 million (1 HY 2022/2023: EUR 0.6 million). Finance costs of EUR 5.0 million (1 HY 2022/2023: EUR 0.4 million) are also included in this total. The finance costs reported for the second quarter 2023/2024 include interest paid and accrued for the promissory notes for the whole of the first half of the financial year 2023/2024.

The Group result before tax (EBT) totalled EUR 45.6 million (1 HY 2022/2023: EUR 151.3 million), and the net result for the period was EUR 22.6 million (1 HY 2022/2023: EUR 102.1 million). Based on the result for the period, basic earnings per share are EUR 0.36 (1 HY 2022/2023: EUR 1.61) and diluted earnings per share are EUR 0.35 (1 HY 2022/2023: EUR 1.60).

Further information is presented in the detailed comments on the individual segments.

### Net assets and financial position

#### Assets and liabilities

The balance sheet total at December 31, 2023 amounted to EUR 1,340.9 million, representing an increase of EUR 43.7 million compared to June 30, 2023 (EUR 1,297.2 million).

On the asset side of the balance sheet, the changes primarily resulted from the increase in non-current assets.

Non-current assets increased by a total of EUR 68.9 million and amounted to EUR 739.3 million at the balance sheet date (June 30, 2023: EUR 670.4 million). The increase is due to investments in property, plant and equipment, which exceeded scheduled depreciation charges by a significant amount. In addition, non-current other assets are presented totalling EUR 37.2 million (June 30, 2023: EUR 42.0 million), representing payments on account for future supplies of raw materials. The decline compared to the previous period was due to supplies received.

The reduction in current assets by a total of EUR 25.2 million compared to June 30, 2023, from EUR 626.8 million to EUR 601.6 million, is primarily due to the EUR 58.3 million

decrease in reported cash and cash equivalents and a reduction in other current financial assets of EUR 32.7 million. Other current financial assets primarily include cash and cash equivalents on segregated accounts (EUR 30.5 million; June 30, 2023: EUR 49.1 million).

Offsetting effects were, in particular, the higher levels of trade receivables (EUR 110.5 million; June 30, 2023: EUR 89.8 million) and inventories (EUR 290.7 million; June 30, 2023; EUR 260.3 million).

In inventories, the increase is due to both higher inventories of raw materials, consumables and supplies (EUR 62.5 million; June 30, 2023: EUR 45.5 million) and an increase in inventories of finished goods (EUR 213.4 million; June 30, 2023: EUR 201.1 million). The increase in raw materials, consumables and supplies is primarily due to higher levels of grain and straw held in inventory by the Group's North American companies. The increase in inventories of finished goods is primarily a result of higher quantities of inventories of biomethane, biodiesel, biomethane quotas and biodiesel quotas held by Verbio SE.

Please refer to the comments on the cash flow statement for details of changes in the balance of cash and cash equivalents.

The liabilities and equity side of the balance sheet includes equity of EUR 929.0 million (June 30, 2023: EUR 911.8 million), representing approximately 69.3 percent (June 30, 2023: 70.3 percent) of the balance sheet total. The change in the equity ratio despite the increase in equity is primarily due to the sharper increase in current liabilities compared to the amounts reported at June 30, 2023. This was, in particular, due to the increase in the trade payables balance (EUR 135.3 million; June 30 2023: EUR 106.5 mil-

lion). At the same time, the level of borrowings (EUR 40.0 million; June 30, 2023; EUR 47.5 million) and other current liabilities (EUR 11.1 million, June 30, 2023; EUR 20.9 million) both fell.

The operating cash flow for the reporting period totalled EUR 53.4 million (1 HY 2022/2023: EUR – 80.7 million). The increase compared to the previous year, despite a significantly lower result for the period, is primarily due to the lower level of other assets and other current financial assets (1 HY 2022/2023: an increase of EUR 103.7 million). The additional cash tied up in inventories was also significantly lower than in the same period of the previous year (EUR 30.4 million; 1 HY 2022/2023: EUR 90.6 million). In addition, operating cash flow in the first half of the financial year 2022/2023 was also influenced by tax payments for previous financial years totalling EUR 71.6 million.

Cash outflows from investment activities in the first half-year 2023/2024 totalled EUR 99.1 million (1 HY 2022/2023: cash outflows of EUR 96.7 million). This primarily consisted of payments made for investments in property, plant and equipment.

The cash flow from financing activities for the reporting period totalled EUR – 12.1 million (1 HY 2022/2023: EUR – 3.2 million). Repayments of lease liabilities amounted to EUR 4.6 million in the reporting period (1 HY 2022/2023: EUR – 3.2 million), the repayment of borrowings totalled EUR – 87.5 million, and the drawdowns of borrowings amounted to EUR 79.9 million.

Cash and cash equivalents fell by a total of EUR 6.1 million. Cash and cash equivalents at December 31, 2023 amounted to EUR 112.0 million.

#### **Net debt**

The bank and loan finance arrangements are offset by cash and cash equivalents of EUR 112.0 million and other cash balances held in segregated accounts amounting to EUR 30.5 million, so that net debt at the balance sheet date amounts to EUR 13.6 million (June 30, 2023: EUR – 57.4 million).

#### **Investments**

Investments in property, plant and equipment totalling EUR 98.9 million were made in the first half of the financial year 2023/2024 (1 HY 2022/2023: EUR 94.9 million).

#### **Segment reporting**

##### **Biodiesel**

Verbio has an annual biodiesel production capacity of 710,000 tonnes (2022/2023: 660,000 tonnes). Production of biodiesel in the first six months of 2023/2024 totalled 321,844 tonnes, meaning that the production volume was 6 percent higher than in the corresponding period in the previous year (1 HY 2022/2023: 303,093 tonnes) which represented a total capacity utilisation rate of 90.7 percent, following 91.8 percent in the previous year, as a result of adjustments to the production capacity.

Revenue in the Biodiesel segment totalled EUR 572.9 million, following EUR 792.8 million in the corresponding period in 2022/2023. The decrease in revenue while production and sales volumes remained similar primarily reflects the lower average sales prices over the whole of the first half of the financial year 2023/2024. In addition to lower sales prices for biodiesel in Europe, the sales prices for biodiesel in North America were also significantly lower than in the same period of the previous year.

The raw material and consumables used amounted to EUR 482.7 million (1 HY 2022/2023: EUR 644.5 million), which, corresponding to revenue generated, was also significantly lower than in the first half of the financial year 2022/2023. In the first quarter of the comparative period in the previous year Verbio benefited from the hedging of attractive raw material prices. As a result the gross margin overall fell in the first half-year 2023/2024, from EUR 165.7 million to EUR 103.2 million.

Employee benefit expenses totalled EUR 15.2 million in the reporting period (1 HY 2022/2023: EUR 13.1 million).

Other operating expenses totalled EUR 15.5 million, almost unchanged compared to the same period in the previous year (1 HY 2022/2023: EUR 15.8 million).

Overall, the Biodiesel segment generated an EBITDA of EUR 74.2 million (1 HY 2022/2023: EUR 138.5 million).

##### **Bioethanol/Biomethane**

Verbio has a total annual bioethanol production capacity of 800,000 tonnes. Production of bioethanol in the first six months of 2023/2024 totalled 248,857 tonnes, significantly higher than in the corresponding period in the previous year, with the increase primarily due to the integration of South Bend (1 HY 2022/2023: 142,683 tonnes). The capacity utilisation of the plants is calculated as 62.2 percent (1 HY 2022/2023: 95.1 percent, based on the previous year's annual capacity of 300,000 tonnes) as production of bioethanol in Nevada has not yet been ramped up. In addition, 519,132 MWh of biomethane were produced in the first half-year of the financial year 2023/2024 (1 HY 2022/2023: 522,128 MWh).

In total, the Bioethanol segment generated revenue of EUR 328.5 million (1 HY 2022/2023: EUR 276.1 million) thanks to higher production volumes in particular in the USA. While the average market price for bioethanol in Europe in the first quarter of 2023/2024 was already lower than the average price for the previous year, the average price of bioethanol fell further in the second quarter, and was significantly below EUR 700/cbm in December 2023. The prices paid for ethanol in the USA were at attractive levels.

Despite lower grain prices in Europe, the cost of raw material and consumables used in the first half of 2023/2024 amounted to EUR 260.2 million, higher than in the same period of the previous year (1 HY 2022/2023: EUR 238.9 million), which was also due to increases in production volumes. Overall, the segment gross margin increased by only EUR 3.9 million to EUR 67.3 million, compared to EUR 63.4 million in the previous year, after taking the change in inventories in the segment into account. The changes in inventories of finished goods and work in progress include adjustments made to the measurement of inventories that have a negative effect on the results for the period.

Other operating income in this segment in the reporting period amounted to EUR 3.4 million (1 HY 2022/2023: EUR 3.9 million).

Employee benefit expense amounted to EUR 32.8 million (1 HY 2022/2023: EUR 22.2 million), significantly higher than in the previous year as a result of the fact that the full effect is recorded of the increase in the number of employees in connection with the new plant in Nevada, as well as the additional expense recorded for the South Bend plant.

Other operating expenses in the first half-year 2023/2024 amounted to EUR 38.2 million, following EUR 21.6 million in the same period of the previous financial year. This primarily consists of outgoing freight and maintenance costs. Here too, the expenses were significantly affected by the acquisition of the South Bend plant in May 2023.

As a consequence of the significant increase in expenses, EBITDA in the reporting period was EUR – 2.2 million, following EUR 30.6 million in the same period in the previous year.

#### Other

Revenues generated in the Other segment, primarily representing revenues from transport and logistic services, totalled EUR 15.1 million in the first six months of the financial year 2023/2024 (1 HY 2022/2023: EUR 14.5 million). The segment result amounted to EUR 0.7 million (1 HY 2022/2023: EUR – 0.1 million).

### Outlook, opportunity and risk report

#### Outlook report

On the publication of the annual report for the financial year 2022/2023 on September 26, 2023 an expected EBITDA in the range of EUR 200 million to EUR 250 million was communicated for the financial year 2023/2024, with net debt at the end of the financial year 2023/2024 forecast to be in the range of EUR 110 million to EUR 150 million. A downward correction of this forecast was communicated in an ad hoc announcement on January 15, 2024. The revised forecast for the current financial year 2023/2024 is for an EBITDA in the range of

EUR 120 million to EUR 150 million and net debt in the range of EUR 145 million to EUR 175 million. The primary reason for the adjustment to the forecast was the unexpectedly sustained pressure on ethanol and GHG quota prices, particularly due to the massive volume of questionable imports of advanced biodiesel from Asia in 2023.

#### Risk and opportunity report

Verbio's risk management system ensures that existing risks are systematically recognised, analysed, evaluated and reported on a timely basis. The central organisational units and processes are integrated in the risk management process in order to ensure a comprehensive identification and evaluation of risks.

Verbio consolidates and aggregates all risks reported by the Group's various divisions and functions in accordance with its risk management guidelines. New subsidiaries and locations are being included in the risk reporting system on a step-by-step basis.

Detailed information on the Verbio Group's risk management system, and on the Group's opportunities and risks, is presented in the risk and opportunity report included in the 2022/2023 annual report.

There have been no changes to the opportunities and risks presented in the 2022/2023 annual report. Please refer to the forecast report for further information concerning the adjustment of the forecast already made as a result of the prolonged risk in connection with imports of advanced biodiesel from Asia. There have been no other significant changes in the Verbio Group's opportunity and risk profile in the reporting period. Verbio and its subsidiaries are currently not exposed to any risks that could threaten their ability to continue as a going concern.

# Consolidated financial statements (IFRS)

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# Consolidated statement of comprehensive income

for the period from July 1, 2023 to December 31, 2023

EUR (thousands)	Q2 2023/2024	Q2 2022/2023	1 HY 2023/2024	1 HY 2022/2023
1. Revenue (including energy taxes collected)	422,277	485,806	911,990	1,078,190
less: energy taxes	-1,528	-311	-3,106	-530
<b>Revenue</b>	<b>420,749</b>	<b>485,495</b>	<b>908,884</b>	<b>1,077,660</b>
2. Changes in inventories of finished goods and work in progress	11,636	29,396	11,942	43,716
3. Own work capitalised	2,246	1,988	3,234	2,864
4. Other operating income	1,815	2,615	4,139	5,526
5. Raw material and consumables used	-350,749	-426,491	-745,969	-888,850
6. Employee benefit expense	-27,745	-20,914	-52,551	-39,386
7. Other operating expenses	-24,656	-18,316	-50,713	-35,537
8. Changes in the value of financial assets and liabilities	-4,666	-10,590	-2,502	-2,832
9. Result from commodity forward contracts	-2,515	5,731	-1,573	7,162
<b>10. EBITDA</b>	<b>26,115</b>	<b>48,914</b>	<b>74,891</b>	<b>170,323</b>
11. Depreciation, amortisation and impairment of non-current assets	-12,581	-9,689	-24,607	-19,203
<b>12. Operating result (EBIT)</b>	<b>13,534</b>	<b>39,225</b>	<b>50,284</b>	<b>151,120</b>
13. Finance income	172	335	320	602
14. Finance costs	-3,977	-274	-4,962	-449
<b>15. Financial result</b>	<b>-3,805</b>	<b>61</b>	<b>-4,642</b>	<b>153</b>

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EUR (thousands)	Q2 2023/2024	Q2 2022/2023	1 HY 2023/2024	1 HY 2022/2023
<b>16. Result before tax</b>	<b>9,729</b>	<b>39,286</b>	<b>45,642</b>	<b>151,273</b>
17. Income tax expense	- 8,921	- 14,088	- 23,069	- 49,170
<b>18. Net result for the period</b>	<b>808</b>	<b>25,198</b>	<b>22,573</b>	<b>102,103</b>
Result attributable to shareholders of the parent company	804	25,335	22,606	102,213
Result attributable to non-controlling interests	4	- 137	- 33	- 110
<b>Income and expenses recognised directly in equity:</b>				
Items that may be reclassified subsequently to profit and loss:				
Translation of foreign operations	- 16,169	- 28,900	- 7,115	- 12,450
Fair value remeasurement of cash flow hedges	- 2,761	- 26,318	875	- 42,343
Tax effects	908	3,441	- 16	14,312
<b>19. Income and expenses recognised directly in equity</b>	<b>- 18,022</b>	<b>- 51,777</b>	<b>- 6,256</b>	<b>- 40,481</b>
<b>20. Total comprehensive result</b>	<b>- 17,214</b>	<b>- 26,579</b>	<b>16,317</b>	<b>61,622</b>
Total comprehensive result attributable to shareholders of the parent company	- 17,218	- 26,442	16,350	61,732
Total comprehensive result attributable to non-controlling interests	4	- 137	- 33	- 110
<b>Basic earnings per share (EUR)</b>	<b>0.02</b>	<b>0.40</b>	<b>0.36</b>	<b>1.61</b>
<b>Diluted earnings per share (EUR)</b>	<b>0.01</b>	<b>0.39</b>	<b>0.35</b>	<b>1.60</b>

# Consolidated balance sheet

at December 31, 2023

EUR (thousands)	31.12.2023	30.06.2023
<b>Assets</b>		
<b>A. Non-current assets</b>		
I. Intangible assets	1,236	940
II. Property, plant and equipment	665,960	594,982
III. Right-of-use assets under leasing arrangements	29,291	27,350
IV. Financial assets	1,920	1,920
V. Other non-current assets	37,168	42,029
VI. Deferred tax assets	3,767	3,212
<b>Total non-current assets</b>	<b>739,342</b>	<b>670,433</b>
<b>B. Current assets</b>		
I. Inventories	290,722	260,278
II. Trade receivables	110,483	89,763
III. Derivatives	8,794	8,839
IV. Other current financial assets	33,986	66,706
V. Current tax receivable	1,839	9,494
VI. Other current assets	43,764	21,368
VII. Cash and cash equivalents	111,974	170,306
<b>Total current assets</b>	<b>601,562</b>	<b>626,754</b>
<b>Total assets</b>	<b>1,340,904</b>	<b>1,297,187</b>

Continued on next page

EUR (thousands)	31.12.2023	30.06.2023
<b>Equity and liabilities</b>		
<b>A. Equity</b>		
I. Share capital	63,517	63,517
II. Capital reserve	502,432	501,540
III. Retained earnings	363,211	340,605
IV. Reserve for cash flow hedges	-733	-1,592
V. Translation reserve	-1,714	5,401
<b>Equity attributable to owners of the parent</b>	<b>926,713</b>	<b>909,471</b>
VI. Non-controlling interests	2,323	2,356
<b>Total equity</b>	<b>929,036</b>	<b>911,827</b>
<b>B. Non-current liabilities</b>		
I. Borrowings	116,162	114,500
II. Lease liabilities	22,944	20,923
III. Non-current provisions	195	167
IV. Investment grants	391	619
V. Other non-current financial liabilities	224	224
VI. Deferred tax liabilities	2,216	6,453
<b>Total non-current liabilities</b>	<b>142,132</b>	<b>142,886</b>

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EUR (thousands)	31.12.2023	30.06.2023
<b>C. Current liabilities</b>		
I. Borrowings	40,002	47,518
II. Lease liabilities	7,085	7,028
III. Trade payables	135,319	106,538
IV. Derivatives	11,698	12,731
V. Other current financial liabilities	58,464	42,718
VI. Current tax payable	2,754	1,983
VII. Current provisions	2,725	2,329
VIII. Investment grants	567	734
IX. Other current liabilities	11,122	20,895
<b>Total current liabilities</b>	<b>269,736</b>	<b>242,474</b>
<b>Total equity and liabilities</b>	<b>1,340,904</b>	<b>1,297,187</b>

# Consolidated statement of cash flows

for the period from July 1, 2023 to December 31, 2023

EUR (thousands)	1 HY 2023/2024	1 HY 2022/2023
<b>Net result for the period</b>	<b>22,573</b>	<b>102,103</b>
Income tax expense	23,069	49,170
Financial result	4,642	-153
Depreciation and amortisation	24,607	19,203
Non-cash expenses for share-based remuneration	892	1,492
Non-cash expenses and income	1,072	-3,167
Gain on disposal of property, plant and equipment	-24	-59
Release of investment grants	-394	-409
Non-cash changes in derivative financial instruments	-113	-347
Increase in inventories	-30,444	-90,556
Increase (previous year: decrease) in trade receivables	-20,720	1,099
Decrease (previous year: increase) in other assets and other current financial assets	15,187	-103,627
Increase in provisions	418	1,922
Increase in trade payables	28,762	10,447
Increase in other current financial and non-financial liabilities	6,547	3,475
Interest paid	-2,905	-285
Interest received	319	602
Income taxes paid	-20,101	-71,572

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EUR (thousands)	1 HY 2023/2024	1 HY 2022/2023
<b>Cash flows from operating activities</b>	<b>53,387</b>	<b>- 80,662</b>
Acquisition of intangible assets	- 2,010	- 74
Acquisition of plant, property and equipment	- 97,743	- 96,260
Proceeds from disposals of property, plant and equipment	610	394
Cash outflows for other investments	0	- 733
<b>Cash flows from investing activities</b>	<b>- 99,143</b>	<b>- 96,673</b>
Repayment of borrowings	- 87,500	0
Proceeds from borrowings	79,983	0
Payment of lease liabilities	- 4,554	- 3,210
<b>Cash flows from financing activities</b>	<b>- 12,071</b>	<b>- 3,210</b>
Net change in cash funds	- 57,827	- 180,545
Change in cash funds due to the effects of exchange rates	- 505	- 985
Cash funds at beginning of the period	170,306	299,612
<b>Cash funds at end of the period</b>	<b>111,974</b>	<b>118,082</b>
Cash funds at year end comprise the following:		
Cash and cash equivalents	111,974	118,082
<b>Cash funds at end of the period</b>	<b>111,974</b>	<b>118,082</b>

# Consolidated statement of changes in equity

for the period from July 1, 2023 to December 31, 2023

EUR (thousands)	Share capital	Capital reserve	Retained earnings	Reserve for cash flow hedges	Reserve for translation adjustments	Equity attributable to owners of the parent	Non-controlling interests	Total equity
<b>01.07.2022</b>	<b>63,398</b>	<b>499,393</b>	<b>221,261</b>	<b>13,438</b>	<b>18,741</b>	<b>816,231</b>	<b>2,224</b>	<b>818,455</b>
Translation of foreign operations	0	0	0	0	-12,450	-12,450	0	-12,450
Fair value remeasurement of cash flow hedges	0	0	0	-42,343	0	-42,343	0	-42,343
Tax effects on cash flow hedges	0	0	0	14,312	0	14,312	0	14,312
<b>Income and expenses recognised directly in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-28,031</b>	<b>-12,450</b>	<b>-40,481</b>	<b>0</b>	<b>-40,481</b>
Net result for the period	0	0	102,213	0	0	102,213	-110	102,103
<b>Comprehensive result for the period</b>	<b>0</b>	<b>0</b>	<b>102,213</b>	<b>-28,031</b>	<b>-12,450</b>	<b>61,732</b>	<b>-110</b>	<b>61,622</b>
<b>Equity-settled share-based remuneration</b>	<b>0</b>	<b>1,492</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,492</b>	<b>0</b>	<b>1,492</b>
<b>31.12.2022</b>	<b>63,398</b>	<b>500,885</b>	<b>323,474</b>	<b>-14,593</b>	<b>6,291</b>	<b>879,455</b>	<b>2,114</b>	<b>881,569</b>

Continued on next page

EUR (thousands)	Share capital	Capital reserve	Retained earnings	Reserve for cash flow hedges	Reserve for translation adjustments	Equity attributable to owners of the parent	Non-controlling interests	Total equity
<b>01.07.2023</b>	<b>63,517</b>	<b>501,540</b>	<b>340,605</b>	<b>-1,592</b>	<b>5,401</b>	<b>909,471</b>	<b>2,356</b>	<b>911,827</b>
Translation of foreign operations	0	0	0	0	-7,115	-7,115	0	-7,115
Fair value remeasurement of cash flow hedges	0	0	0	875	0	875	0	875
Tax effects on cash flow hedges	0	0	0	-16	0	-16	0	-16
<b>Income and expenses recognised directly in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>859</b>	<b>-7,115</b>	<b>-6,256</b>	<b>0</b>	<b>-6,256</b>
Net result for the period	0	0	22,606	0	0	22,606	-33	22,573
<b>Comprehensive result for the period</b>	<b>0</b>	<b>0</b>	<b>22,606</b>	<b>859</b>	<b>-7,115</b>	<b>16,350</b>	<b>-33</b>	<b>16,317</b>
Equity-settled share-based remuneration	0	892	0	0	0	892	0	892
<b>31.12.2023</b>	<b>63,517</b>	<b>502,432</b>	<b>363,211</b>	<b>-733</b>	<b>-1,714</b>	<b>926,713</b>	<b>2,323</b>	<b>929,036</b>

# Selected explanatory disclosure notes

## Condensed interim consolidated financial statements

### Basis for preparation of the consolidated financial statements

The Verbio SE (until November 30, 2023: VERBIO Vereinigte BioEnergie AG) interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and adopted by the EU, as were the consolidated financial statements as of June 30, 2023. The requirements set out in IAS 34 "Interim financial reporting" have been applied accordingly. The interim financial statements of all companies included in the consolidated financial statements of Verbio SE were prepared using uniform accounting and valuation methods.

These condensed interim consolidated financial statements do not include all the information that is required when annual consolidated financial statements are prepared. Accordingly, they should be read in conjunction with the consolidated financial statements as of June 30, 2023.

The condensed interim consolidated financial statements are prepared in euros (EUR). All amounts are presented in thousands of euros (EUR thousand) unless otherwise stated. Figures have been rounded in accordance with commercial practice; rounding differences may occur.

The condensed interim consolidated financial statements have been prepared under the assumption that the Group is a going concern. The Management Board approved the interim consolidated financial statements for publication on February 8, 2024.

### Entities included in the consolidation, consolidation principles and foreign currency translation

The extraordinary general shareholders' meeting held on August 25, 2023 approved a resolution proposal to convert VERBIO Vereinigte BioEnergie AG into a European Company (Societas Europaea, SE). The change of name to Verbio SE was registered on November 30, 2023.

There have been no changes to the composition of the companies included in the Group consolidated financial statements since June 30, 2023, with the exception of the following matters. In the first half of the financial year Verbio International AG (Switzerland) was formed as a wholly-owned subsidiary of Verbio SE, and Verbio Werkowice was formed as an indirectly wholly-owned subsidiary of Verbio SE via VERBIO Poland GmbH. VERBIO Schkopau GmbH was renamed VERBIO Chem GmbH.

Further details of the companies included in the Group consolidated financial statements are provided in the notes to the consolidated financial statements for the year ended June 30, 2023. The consolidation methods and the principles for the translation of amounts denominated in foreign currencies presented in the notes to the consolidated financial statements are unchanged.

### Accounting and valuation methods

The interim financial statements are based on the consolidated financial statements, and accordingly we refer to the notes to the consolidated financial statements as of June 30, 2023 for a detailed description of the Group's accounting, valuation and consolidation methods. The accounting and valuation methods are consistent with those used in the previous year. In addition, the new or amended accounting standards and interpretations listed in the consolidated financial statements for the year ended June 30, 2023 were applicable for the first time when preparing these interim financial statements. The implementation of the new and amended accounting standards and interpretations applicable to the Group for the first time from July 1, 2023 did not have a material effect on the presentation of the financial statements.

The key assumptions concerning future events and other key sources of estimation uncertainty at the reporting date are unchanged from those described in the latest consolidated financial statements for the year ended June 30, 2023.

The income tax expense reported in the interim financial statements was calculated using an estimated effective tax rate of 29 percent on reported results before tax for the interim period, based on the rate that is expected to apply to the results over the year as a whole, under consideration of the Group's income tax planning. In doing so, the tax expense calculated is adjusted for any significant amounts that were recognised in full in the interim period covered by the financial statements.

## Notes to individual items in the consolidated statement of comprehensive income

### Revenue

Revenue wholly comprises revenue from contracts with customers (EUR 908,884 thousand; 1 HY 2022/2023: EUR 1,077,660 thousand). A contract concluded with a customer with effect from December 1, 2023, which combines a vegetable oil purchase contract and a biodiesel sales contract with the participation of VDC and VNA, is, from a consolidated Group perspective, combined for commercial purposes to form a processing contract. This has the result of reducing both revenues from the sale of biodiesel and the cost of materials from the purchase of vegetable oils from that date.

We refer to the segment reporting presented within "Other disclosures" for an analysis of revenue by category.

### Other operating income

Other operating income amounted to EUR 4,139 thousand in the reporting period (1 HY 2022/2023: EUR 5,526 thousand). This primarily includes electricity and energy tax reimbursements of EUR 1,584 thousand (1 HY 2022/2023: EUR 1,753 thousand). Other operating income also includes income from subsidies and from the release of investment grants totalling EUR 394 thousand (1 HY 2022/2023: EUR 409 thousand).

### Raw material and consumables used

Raw material and consumables used primarily includes costs incurred for the purchase of raw materials, consumables and supplies for ongoing production requirements, and the cost of merchandise. Please refer to the segment reporting section of these disclosure notes for an analysis by segment.

### Other operating expenses

Other operating expenses in the reporting period amounted to EUR 50,713 thousand (1 HY 2022/2023: EUR 35,537 thousand). Significant items in other operating expenses included expenses for repair and maintenance of EUR 16,581 thousand (1 HY 2022/2023: EUR 9,215 thousand), outgoing freight costs of EUR 9,128 thousand (1 HY 2022/2023: EUR 7,697 thousand), insurance and subscriptions of EUR 4,444 thousand (1 HY 2022/2023: EUR 2,435 thousand) as well as legal and consultancy costs of EUR 2,406 thousand (1 HY 2022/2023: EUR 2,667 thousand).

### Result from commodity forward contracts

Gains and losses resulting from the change in value and closing out of forward commodity contracts for which hedge accounting could not be applied, and the ineffective portion of forward commodity contracts for which hedge accounting (cash flow hedges) was applied, totalled EUR -1,573 thousand (1 HY 2022/2023: EUR 7,162 thousand).

### Income tax expense

Income tax expense for the period from July 1, 2023 to December 31, 2023 amounted to EUR 23,069 (1 HY 2022/2023: EUR 49,170 thousand), comprising a current tax expense of EUR 28,559 thousand (1 HY 2022/2023: EUR 54,660 thousand) and deferred tax income of EUR 5,490 thousand (1 HY 2022/2023: EUR 4,000 thousand).

No new deferred tax assets were recorded for tax losses carried forward in foreign Group subsidiaries as the utilisation of the losses carried forward is not yet considered to be reasonably certain in view of the historical record of losses in accordance with the requirements of IAS 12.

### Earnings per share

Earnings per share was calculated in accordance with IAS 33. The earnings per share is calculated by dividing the earnings for the result attributable to owners of the parent by the weighted average number of shares outstanding. Verbio SE has 63,517,206 no-par shares with an arithmetic value of EUR 1 each. The Group result attributable

to owners of the parent for the period from July 1, 2023 to December 31, 2023 totalled EUR 22,606 thousand (1 HY 2022/2023: EUR 102,213 thousand). The basic earnings per share amounts to EUR 0.36 (1 HY 2022/2023: EUR 1.61). The expected issue of new shares as a component of the remuneration of the Management Board gives rise to potential ordinary shares, with the result that the basic earnings per share differs from the diluted earnings per share. Taking into account of the number of outstanding potential ordinary shares, the diluted earnings per share amounts to EUR 0.35 (1 HY 2022/2023: EUR 1.60).

## Notes to individual items in the consolidated balance sheet

### Non-current assets

#### Property, plant and equipment

Movements on property, plant and equipment included scheduled depreciation (EUR 19,901 thousand), disposals (EUR 2,316 thousand), new investments in property, plant and equipment (EUR 98,887 thousand), reclassifications to intangible assets (EUR –6 thousand) and the effects of changes in currency exchange rates (EUR –5,686 thousand). As a result, the carrying value of property, plant and equipment increased to EUR 665,960 thousand (June 30, 2023: EUR 594,982 thousand).

#### Right-of-use assets under leasing arrangements

This position represents the right-of-use assets recognised under leasing arrangements as a result of the application of IFRS 16. The movements on right-of-use assets in the first half of the financial year 2023/2024 included additions

as a result of new lease contracts (EUR 6,375 thousand), the effects of changes in currency exchange rates (EUR –178 thousand) and amortisation of the right-of-use assets (EUR 4,256 thousand). As a result, the carrying value of right-of-use assets amount to EUR 29,291 thousand at December 31, 2023 (June 30, 2023: EUR 27,350 thousand).

#### Other non-current assets

Other non-current assets include payments on account for supplies of raw materials. Verbio has made payments on account totalling USD 40.2 million in connection with the long-term portion of a supply agreement for raw materials.

### Current assets

#### Inventories

Inventories consist of the following:

EUR (thousands)	31.12.2023	30.06.2023
Raw materials, consumables and supplies	62,536	45,508
Finished goods	6,954	9,120
Unfinished goods	213,425	201,137
Merchandise	7,807	4,513
<b>Inventories</b>	<b>290,722</b>	<b>260,278</b>

Inventories with a carrying value of EUR 133,315 thousand (June 30, 2023: EUR 85,854 thousand) are carried at their acquisition and production cost. Further inventories with a carrying value of EUR 157,407 thousand (June 30, 2023: EUR 174,424 thousand) are carried at their lower net realisable value.

Allowances to write down the value of inventories to market or net realisable value totalling EUR 31,864 thousand (June 30, 2023: EUR 16,939 thousand) were made after the performance of net realisable value tests. The resulting additional expense of EUR 16,503 thousand to record the allowances against finished goods is reported in the statement of comprehensive income within "Changes in inventories of finished goods and work in progress". Of the changes in allowances, an amount totalling EUR 1,578 thousand is attributable to raw materials, consumables and supplies; the reversals are reported within raw material and consumables used.

#### Trade receivables

Trade receivables amounted to EUR 110,483 thousand at the balance sheet date (June 30, 2023: EUR 89,763 thousand) and are presented net of valuation allowances of EUR 1,889 thousand (June 30, 2023: EUR 1,250 thousand). All trade receivables have a remaining term of up to one year.

#### Other current financial assets

Other current financial assets of EUR 33,986 thousand (June 30, 2023: EUR 66,706 thousand) include cash and cash equivalents in segregated accounts totalling EUR 30,458 thousand (June 30, 2023: EUR 49,099 thousand).

#### Other assets

Other assets of EUR 43,764 thousand (June 30, 2023: EUR 21,368 thousand) include EUR 22,746 thousand (June 30, 2023: EUR 10,106 thousand) for value added tax receivables and payments on account of EUR 10,837 thousand



(June 30, 2023: EUR 47 thousand), as well as receivables for electricity and energy tax reimbursements of EUR 4,994 thousand (June 30, 2023: EUR 4,948 thousand).

### Derivatives

The derivatives held at December 31, 2023 are described in the disclosures on financial instruments.

### Cash and cash equivalents

Cash and cash equivalents include unrestricted cash and cash equivalents of EUR 111,974 thousand (June 30, 2023: EUR 170,306 thousand).

## Equity

### Reserve for cash flow hedges

The reserve for cash flow hedges includes the effective portion of the cumulative change in fair value measurements of forward commodity contracts that qualify as cash flow hedges, to the extent that these transactions had not yet been realised by December 31, 2023. Cash flow hedges with a value of EUR 3,778 thousand were transferred from equity to the cost of materials in the reporting period as part of the cash flow hedge accounting (1 HY 2022/2023: EUR 16,953 thousand), whereby the reclassification in the cost of materials with effect on earnings is preceded in each case by a basis adjustment within inventories as a recycling of other comprehensive income. The change in the fair values of cash flow hedges thereafter amounted to EUR -2,903 thousand. Deferred tax effects of EUR 535 thousand have been recorded within the reserve for cash flow hedges at December 31, 2023 (June 30, 2023: EUR 550 thousand).

## Non-current liabilities

### Borrowings

Borrowings totalled EUR 156,164 thousand as of the December 31, 2023 balance sheet date (June 30, 2023: EUR 162,018 thousand). The borrowings primarily consist of the long-term promissory notes with a total volume of EUR 102,500 thousand that were issued in the second half of the previous financial year 2022/2023. The borrowings include amounts of EUR 40,002 thousand (June 30, 2023: EUR 47,518 thousand) which mature within less than one year. These amounts are reported within current liabilities.

### Investment grants

Movements on the investment grants balance of EUR 958 thousand (June 30, 2023: EUR 1,353 thousand) result exclusively from the effect of scheduled releases to income.

### Lease liabilities

The lease liabilities totalling EUR 30,029 thousand include all obligations to make payments of instalments under lease arrangements recognised as a result of the application of IFRS 16. The lease liabilities at December 31, 2023 are split into non-current liabilities of EUR 22,944 thousand and current liabilities of EUR 7,085 thousand. Lease liabilities fell in the period from July 1, 2023 to December 31, 2023 as a result of lease payments of EUR 4,554 thousand and changes in currency exchange rates of EUR 135 thousand. In the same period, lease liabilities increased as a result of additions of EUR 6,373 thousand and interest expenses of EUR 394 thousand.

## Current liabilities

### Current tax payable

Tax liabilities include obligations for trade taxes of EUR 1,055 thousand (June 30, 2023: EUR 706 thousand) and corporation taxes of EUR 1,699 thousand (June 30, 2023: EUR 1,277 thousand).

### Provisions

Current provisions of EUR 2,725 thousand (June 30, 2023: EUR 2,329 thousand) primarily represent provisions recorded for expected losses on pending procurement and sales contracts.

## Financial instruments

Financial instruments originated by the Group classified as assets primarily consist of trade receivables, other financial assets and cash and cash equivalents, and are classified as measured at amortised cost. Instruments originated by the Group classified as liabilities are primarily the reported amounts of borrowings, trade payables and other financial liabilities. The financial instruments on the equity and liabilities side of the balance sheet originated by the Group are also classified as "at amortised cost".

Included in derivative financial instruments are instruments used to hedge price risks associated with procurement and sales transactions. Forward contracts have been entered into to hedge the supply price of rapeseed oil. There were derivatives with a positive market value at December 31, 2023 amounting to EUR 8,794 thousand (June 30, 2023: EUR 8,839 thousand) and derivatives with negative market

values which amounted to EUR 11,698 thousand (June 30, 2023: EUR 12,731 thousand). A discussion of the impact on the consolidated statement of comprehensive income is provided in the explanatory notes describing the result from forward commodity contracts and the description of the reserve for cash flow hedges.

The derivatives measured at fair values are based on the following fair value hierarchy levels of the instruments:

- Level 2 (use of valuation methods, directly observable market data): assets of EUR 8,794 thousand (June 30, 2023: EUR 8,839 thousand), liabilities of EUR 11,698 thousand (June 30, 2023: EUR 12,731 thousand).

There were no reclassifications between the individual levels of fair value hierarchy in the period from July 1, 2023 to December 31, 2023, or in the corresponding period in the previous year.

In view of, in particular, the short maturities and the variable interest rates for financial instruments with long-term maturities, it is assumed that the fair values of the financial instruments originated by the Group correspond to the carrying amounts.

Further details on the determination of the fair values of individual financial instruments and their allocation to the different measurement categories are provided in note 10 "Disclosures on financial instruments" in the notes to the consolidated financial statements in the annual report 2022/2023.

## Other disclosures

### Segment reporting

The risks and returns of the Group are primarily those of the Group's business segments. The Verbio Group consists of the Biodiesel, Bioethanol and Other segments, in line with the Group's internal organisation and management structure. The Other segment is a collective segment that includes the Group's transport and logistics activities.

Segmentation on a geographical basis is not reported as this is not used for the Verbio Group's internal management purposes.

### Segments according to internal corporate management

Revenues are presented net of energy taxes of EUR 3,106 thousand (1 HY 2022/2023: EUR 530 thousand). The Biodiesel and Bioethanol segments generate revenue from the sale of goods. In the Other segment, revenues are generated through the rendering of services. The valuation and accounting methods used for segment reporting purposes and for the purposes of reporting transactions between reportable segments are identical to those used by the Group as a whole in preparing its consolidated financial statements.

The Verbio Group generated revenue of EUR 445,416 thousand from sales of goods to or in other countries and from services in other countries (primarily in Europe and in North America) in the reporting period (1 HY 2022/2023: EUR 436,033 thousand).

Disclosures concerning how seasonal and cyclical factors affect the business activities of the Group's segments in the interim period are made in the Group interim management report in the section "Overall economic and sector-specific environment".

## Segment reporting for the period from July 1, 2023 to December 31, 2023

EUR (thousands)	Biodiesel		Bioethanol		Other		Total all segments	
	1 HY 2023/ 2024	1 HY 2022/ 2023	1 HY 2023/ 2024	1 HY 2022/ 2023	1 HY 2023/ 2024	1 HY 2024/ 2023	1 HY 2023/ 2024	1 HY 2022/ 2023
Revenue	572,874	792,767	328,528	276,056	15,087	14,556	916,489	1,083,379
Changes in inventories of finished goods and work in progress	12,995	17,501	-1,053	26,215	0	0	11,942	43,716
Own work capitalised	706	624	2,528	2,240	0	0	3,234	2,864
Other operating income	768	1,584	3,372	3,912	262	182	4,402	5,678
Raw material and consumables used	-482,687	-644,528	-260,194	-238,901	-6,002	-7,349	-748,883	-890,778
Employee benefit expense	-15,231	-13,164	-32,837	-22,199	-4,483	-4,023	-52,551	-39,386
Depreciation and amortisation	-5,617	-5,063	-16,752	-12,734	-2,238	-1,406	-24,607	-19,203
Other operating expenses	-15,474	-15,760	-38,237	-21,649	-1,956	-2,071	-55,667	-39,480
Changes in the value of financial assets and liabilities	-1,508	-11	-994	-2,821	0	0	-2,502	-2,832
Result from commodity forward contracts	1,719	-544	-3,292	7,706	0	0	-1,573	7,162
<b>Segment result</b>	<b>68,545</b>	<b>133,406</b>	<b>-18,931</b>	<b>17,825</b>	<b>670</b>	<b>-111</b>	<b>50,284</b>	<b>151,120</b>
Financial result	-1,842	71	-2,800	83	0	-1	-4,642	153
<b>Result before tax</b>	<b>66,703</b>	<b>133,477</b>	<b>-21,731</b>	<b>17,908</b>	<b>670</b>	<b>-112</b>	<b>45,642</b>	<b>151,273</b>

**Reconciliation**

EUR (thousands)	Total all segments		Inter-segment revenues and expenses		Group	
	1 HY 2023/2024	1 HY 2022/2023	1 HY 2023/2024	1 HY 2022/2023	1 HY 2023/2024	1 HY 2022/2023
Revenue	916,489	1,083,379	-7,605	-5,719	908,884	1,077,660
Changes in inventories of finished goods and work in progress	11,942	43,716	0	0	11,942	43,716
Own work capitalised	3,234	2,864	0	0	3,234	2,864
Other operating income	4,402	5,678	-263	-152	4,139	5,526
Raw material and consumables used	-748,883	-890,778	2,914	1,928	-745,969	-888,850
Employee benefit expense	-52,551	-39,386	0	0	-52,551	-39,386
Depreciation and amortisation	-24,607	-19,203	0	0	-24,607	-19,203
Other operating expenses	-55,667	-39,480	4,954	3,943	-50,713	-35,537
Changes in the value of financial assets and liabilities	-2,502	-2,832	0	0	-2,502	-2,832
Result from commodity forward contracts	-1,573	7,162	0	0	-1,573	7,162
<b>Segment result</b>	<b>50,284</b>	<b>151,120</b>	<b>0</b>	<b>0</b>	<b>50,284</b>	<b>151,120</b>
Financial result	-4,642	153		0	-4,642	153
<b>Result before tax</b>	<b>45,642</b>	<b>151,273</b>	<b>0</b>	<b>0</b>	<b>45,642</b>	<b>151,273</b>

**Contingent liabilities and other financial commitments****Litigation**

There are no open litigation issues that present a significant risk to Verbio at December 31, 2023.

Further details are provided in the notes to the consolidated financial statements for the 2022/2023 financial year.

**Order commitments**

Open purchase obligations for investments total EUR 87,748 thousand at December 31, 2023 (June 30, 2023: EUR 48,242 thousand).

**Disclosures concerning related persons and entities**

Detailed information on the nature of relationships with related persons and entities is provided in the related party disclosures in the notes to the consolidated financial statements for the financial year 2022/2023.

There were no significant changes to the nature and scale of transactions with related persons and entities.

**Significant events subsequent to the end of the reporting period**

There have been no significant events with an effect on the net assets and financial position since December 31, 2023.

**Audit of the interim financial statements and the interim  
management report**

These condensed interim consolidated financial statements  
and the interim management report have not been  
audited or been subject to review by auditors.

Leipzig, February 8, 2024



Claus Sauter  
Chief Executive Officer



Prof. Dr. Oliver Lüdtke  
CTO Bioethanol/Biomethane, Deputy CEO



Theodor Niesmann  
CTO Biodiesel, Plant Construction and Personnel



Bernd Sauter  
COO Europe



Stefan Schreiber  
COO North America



Olaf Tröber  
CFO

## Affirmation of the legal representatives

We, the legal representatives of Verbio SE, confirm that to the best of our knowledge, in accordance with the applicable accounting principles for interim reporting, the consolidated interim financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and that the Group interim management report includes a fair presentation of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Leipzig, February 8, 2024



Claus Sauter  
Chief Executive Officer



Prof. Dr. Oliver Lüdtke  
CTO Bioethanol/Biomethane, Deputy CEO



Theodor Niesmann  
CTO Biodiesel, Plant Construction and Personnel



Bernd Sauter  
COO Europe



Stefan Schreiber  
COO North America



Olaf Tröber  
CFO

# Executive bodies of the Company

## Management Board



**Claus Sauter**  
Chairman of the  
Management Board (CEO)

Responsible for global business development, global marketing and communication, global human resources, global trading, global risk management and specialities, sustainability



**Prof. Dr. Oliver Lüdtke**  
CTO, Vice-Chairman of the  
Management Board

Responsible for technical planning, procurement and construction, research and development, operations excellence



**Theodor Niesmann**  
Chief Technical Officer (CTO)

Responsible for technical planning, procurement and construction, research and development, operations excellence



**Bernd Sauter**  
COO Europe

Responsible for marketing & communication Europe, agrarmanagement Europe, procurement, trading and sales, VERBIO logistics, finance Europe, governmental and regulatory affairs Europe, quality management Europe, personnel Europe, head of production Europe



**Stefan Schreiber**  
COO North America

Responsible for development of synthetic fuels, governmental and regulatory affairs (North America), human resources (NA), VERBIO Nevada, VERBIO Canada, agrarmanagement (VEA) and VERBIO North America (VNA)



**Olaf Tröber**  
Chief Financial Officer (CFO)

Responsible for global IT, internal audit, global accounting and taxes, enterprise risk consolidation, global insurance, global controlling, global treasury, global legal department, investor relations, compliance

## Supervisory Board



**Alexander von  
Witzleben**  
Chairman, Delegate of the  
Supervisory Board

- President of the Board of Directors, Feintool International Holding AG, Lyss, Switzerland
- Executive Chairman, Arbonia Management AG, Arbon, Switzerland
- Member of the Board of Directors, Artemis Holding AG, Hergiswil, Switzerland
- Chairman of the Supervisory Board, PVA TePla AG, Wetztenberg
- Member of the Supervisory Board, Siegwerk Druckfarben AG & Co. KGaA, Siegburg
- Member of the Board of Directors Kaefer Management SE, Bremen
- Member of the Board of Directors Innoviz Technologies Ltd., Nitzba, Israel



**Ulrike Krämer**  
Vice-Chairman of the  
Supervisory Board

German Certified Public Auditor and German Certified Tax Advisor, Ludwigsburg



**Dr. Klaus Niemann**  
Member of the  
Supervisory Board

- Chemist, Oberhausen
- Shareholder and Managing Director, Reftec consult, Oberhausen



## Financial calendar

<b>February 8, 2024</b>	Half-year interim report for the period ended December 31, 2023 (H1 2023/2024)
<b>May 14, 2024</b>	Quarterly statement for the period ended March 31, 2024 (9M 2023/2024)
<b>September 26, 2024</b>	Annual report 2023/2024 for the year ended June 30, 2024 (FY 2023/2024) Financial statement press and analysts' conference
<b>November 12, 2024</b>	Quarterly statement for the period ended September 30, 2024 (3M 2024/2025)
<b>December 6, 2024</b>	Annual general meeting of Verbio SE (virtual)

**Pioneering  
green solutions**

**verbio**

#### **Forward-looking statements**

The report includes various statements concerning forecasts, expectations and information that relate to the future development of the Verbio Group and Verbio SE. 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 position, may therefore differ significantly from the expressed expectations and assumptions. 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 report.

This report 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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