

The logo for Verbio, featuring the word "Verbio" in a bold, green, italicized sans-serif font.

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Biofuel and Technology

**Analyst's Conference
Financial Year 2017/2018**

VERBIO Vereinigte BioEnergie AG

**Claus Sauter (CEO)
Leipzig, September 26, 2018**

Disclaimer

This presentation contains forward-looking statements which are based on assumptions and judgements made by the management of VERBIO Vereinigte BioEnergie AG. Although the Company's management is of the opinion that those assumptions and estimations are realistic, actual future developments and future actual results may differ significantly from these assumptions and estimates due to a variety of factors. For example, these factors can include changes to the overall economic climate, changes to the legal and regulatory framework in Germany and the EU, and changes in the industry. VERBIO can give no guarantee and accepts no liability as to whether future development and the results actually achieved in future will match the assumptions and estimates made in this publication.

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**Market
conditions**

Legal environment in the EU

- By 2020, 10 % of energy used in the transport sector should be renewable sources, rising to 14 % by 2030. A review is possible in 2023.
- The use of first generation biofuels is capped at 7 %.
- The Renewal Energy Directive is implemented in very different ways in the individual EU member states. Possibilities for arbitrage and market barriers.

Legal environment in Germany

- Greenhouse gas quota in Germany rises from currently 4 % to 6 % in 2020.
- The use of first generation biofuels is capped at 6.5 %.
- Advanced Biofuels with a sub-quota of 0.05 % in 2020, rising to 0.5 % in 2025.
- Greenhouse gas quota credits for use of natural gas allowed since January 2018.

Differential Export Taxes Biodiesel (DET's)

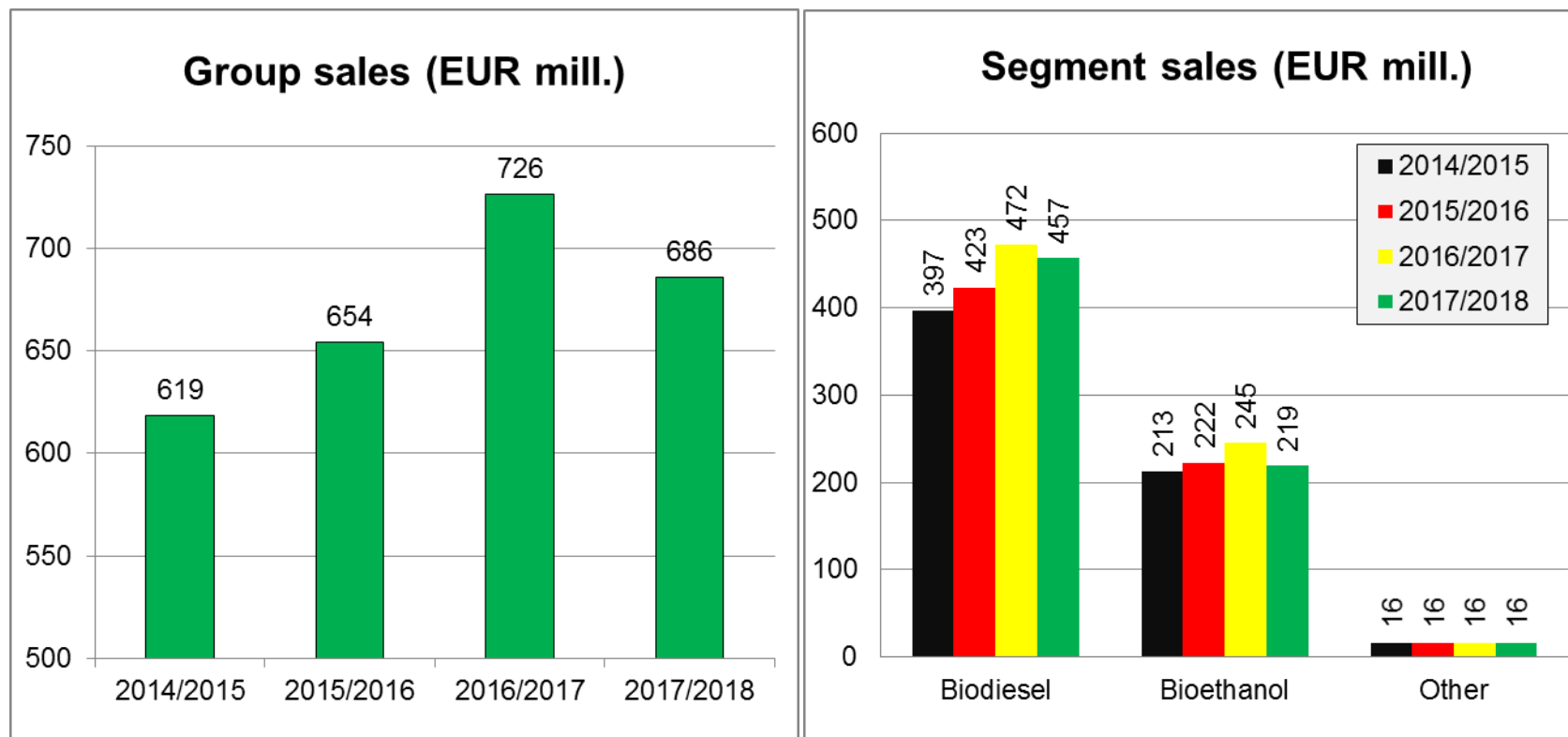
- EU-Commission examining new import duties for biodiesel from Argentina. A decision is expected in October 2018.
- Pressure on biodiesel margins is expected if there are no effective measures from the EU.



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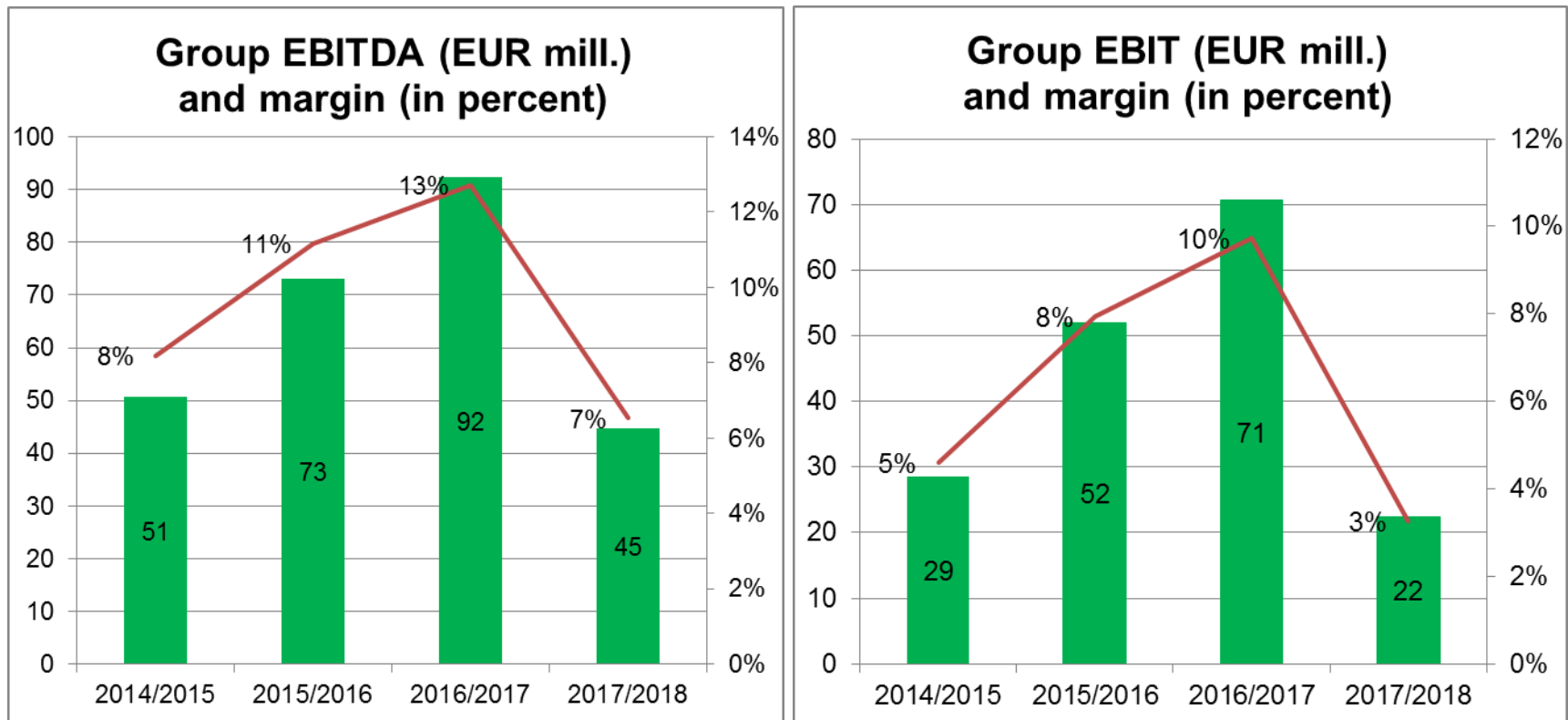
Business performance of the VERBIO Group in the financial year 2017/2018

2.1 Group sales revenues



- Group sales revenue 2017/2018 includes income from biogene fuels trading totalling EUR 18.2 mill. (PY: EUR 24.4 mill.) which is used to optimise margins and logistics.
- Segment sales affected by the low price levels for biofuels.
- Segment Other primarily represents sales revenues from transport and logistics services.

2.2 Development EBITDA and EBIT



- EBITDA in 2017/2018 significantly down compared to the previous year as a result of the difficult conditions in biodiesel and ethanol (pressure on margins).
- Repairs and maintenance EUR 10.5 mill. (PY: EUR 8.1 mill.) / effect on EBITDA.
- Depreciation 2017/2018 slightly up EUR 22.4 mill. (PY: EUR 21.7 mill.).

2.3 Key financials

EUR mill.	June 30, 2018	June 30, 2017	change
Production (mt)	722,511	722,137	0.1%
Sales revenues	685.9	726.4	-5.6%
EBITDA	44.8	92.4	-51.5%
EBIT	22.4	70.7	-68.3%
EPS (EUR/share)	0.24	0.82	-70.7%
Equity ratio (%)	82.0	79.4	
Operating Cash Flow	10.7	75.0	EUR -64.3 mill.
Liquid funds*	90.5	117.6	EUR -27.1 mill.
Net financial assets*	90.1	115.7	EUR -25.6 mill.

* incl. segregated accounts

2.4 Biofuel Market

Vivergo: Biofuels plant in Hull to stop production

7 September 2018

BUSINESS NEWS MAY 16, 2018 / 6:13 PM / 4 MONTHS AGO



COMMODITIES MARCH 23, 2018 / 12:33 PM / 6 MONTHS AGO

ADM to suspend biodiesel output at German plant

1

2 MIN READ



HAMBURG (Reuters) - U.S. agribusiness group Archer Daniels Midland Co will suspend production at a major biodiesel plant in Germany because of increasing cheap imports of the renewable fuel into the European Union, it said on Friday.

Bunge cuts biodiesel output in German refinery

2 MIN READ



HAMBURG (Reuters) - U.S. agribusiness group Bunge (BG.N) said on Wednesday it was reducing biodiesel output at a German refinery, the latest in a series of production cuts in Germany following a surge of cheap imports of the green fuel into Europe.

Bunge expects to initially cut output at its Mannheim biodiesel plant by 50 percent in the second quarter of 2018, a Bunge

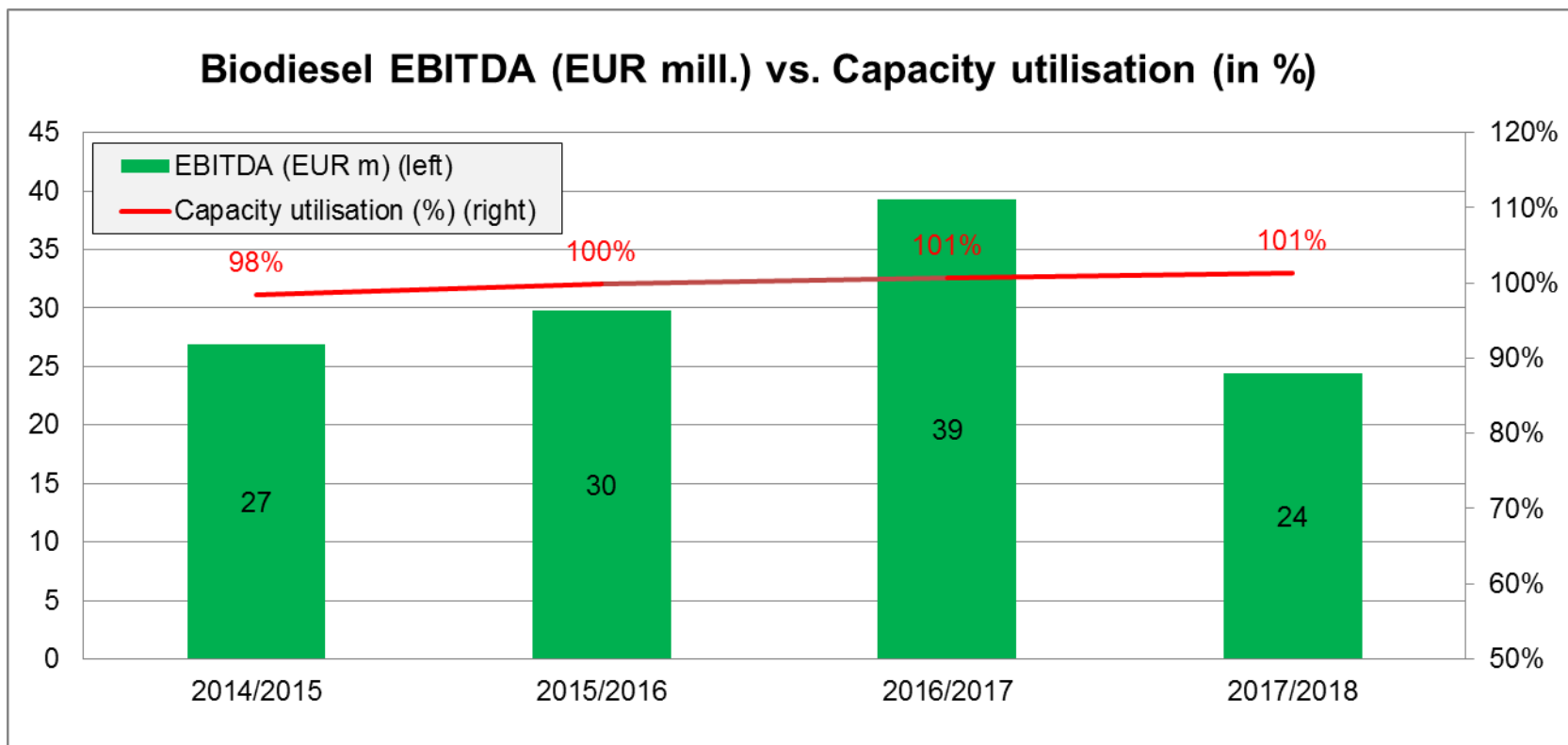


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**Biodiesel
segment**

3.1 EBITDA and capacity utilisation



- Decline in EBITDA in the financial year 2017/2018 primarily due to lower production margins due to the cheap imports of biodiesel from Argentina and Indonesia.
- Expansion of sterol production in line with plan. The first additional quantities are expected to be produced in Q1 2019/2020. Current capacity is sold into the medium term.

3. Biodiesel segment

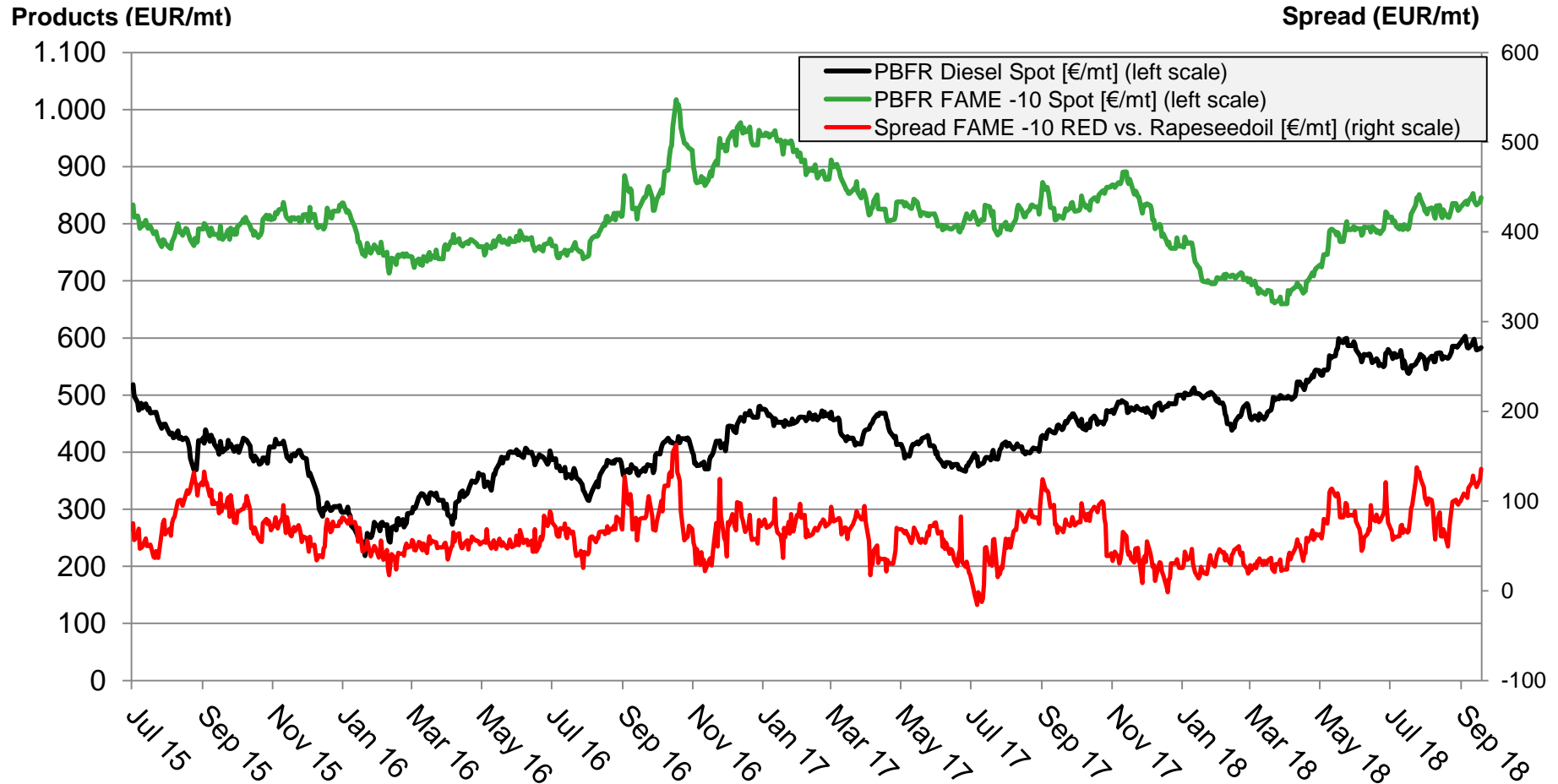
3.2 Key figures segment biodiesel

EUR mill.	2017/2018	2016/2017	change
Production (mt)	476,211	473,382	0.6%
Utilisation (percent)	101.3	100.7	
Sales	456.8	471.6	-3.1%
EBITDA	24.4	39.3	-37.9%
EBIT	19.6	34.6	-43.4%
Employees	113	110	

- 2017/2018 saw the highest annual production in the history of the Company.
- Fall in sales revenues despite slight increase in volumes due to lower biodiesel market prices.
- Production margin (and EBITDA) lower due to cheap imports of biodiesel in the second half of the financial year 2017/2018.
- Investments of EUR 5.9 mill. (PY: EUR 3.9 mill.), primarily for sterol capacity expansion.

3. Biodiesel segment

3.3 Market price trends biodiesel, rapeseed oil and diesel



- Strong decline in biodiesel prices and margins from November 2017 to March 2018. Effects on the raw material position. Fluctuating, but comparatively comfortable biodiesel margins since April 2018.

A large, stylized number '4' is formed by green geometric shapes. It consists of a large green triangle on the left, a smaller green triangle to its right, and a green rectangle at the bottom right. The negative space of the '4' is white.

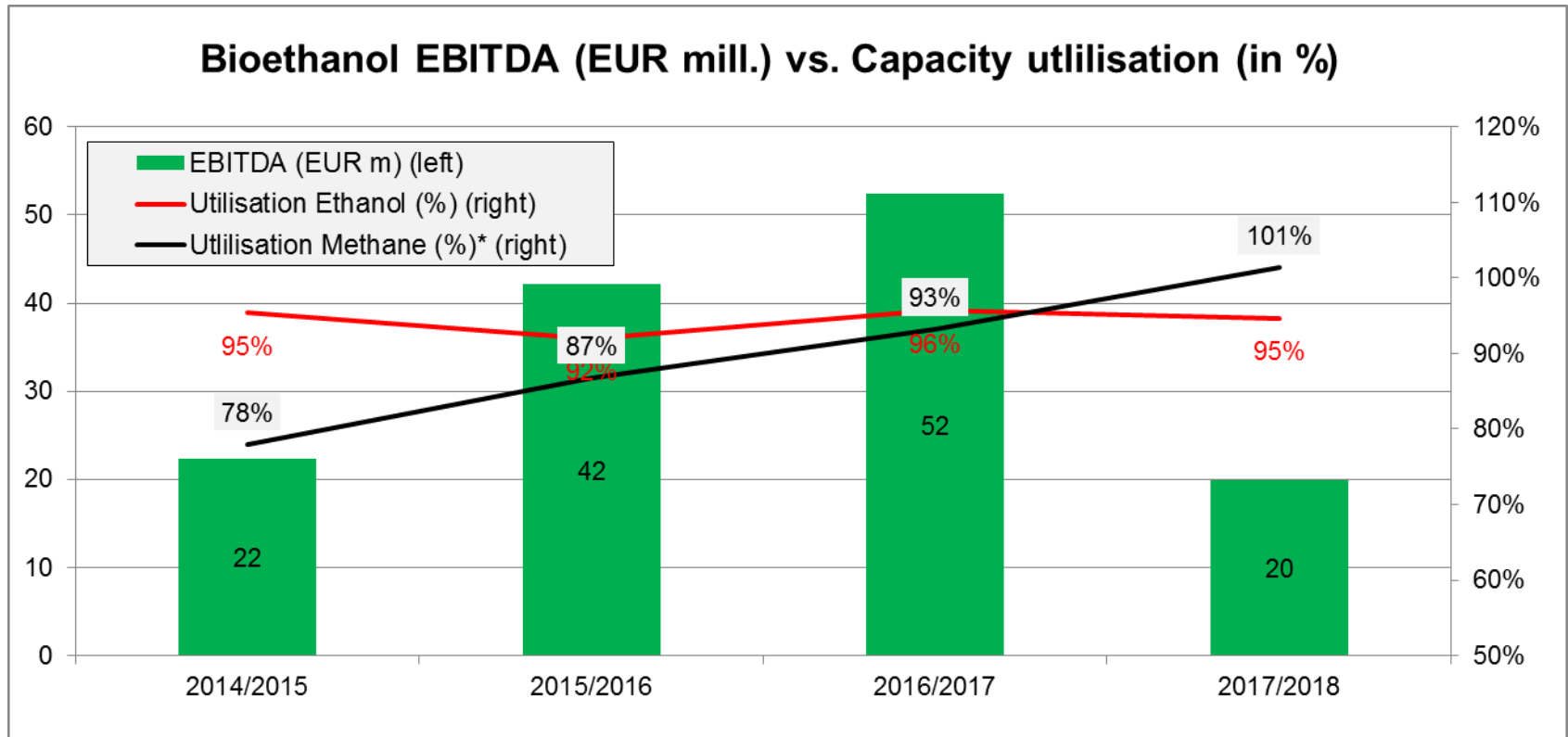
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**Bioethanol
segment**

4. Bioethanol segment

4.1 EBITDA and capacity utilisation



- Decline in EBITDA in the financial year 2017/2018 mainly because of a significant increase in competition in Europe.
- The construction of the new straw biomethane plant at Pinnow is almost complete, it is very likely to start production at the end of 2018.

4. Bioethanol segment

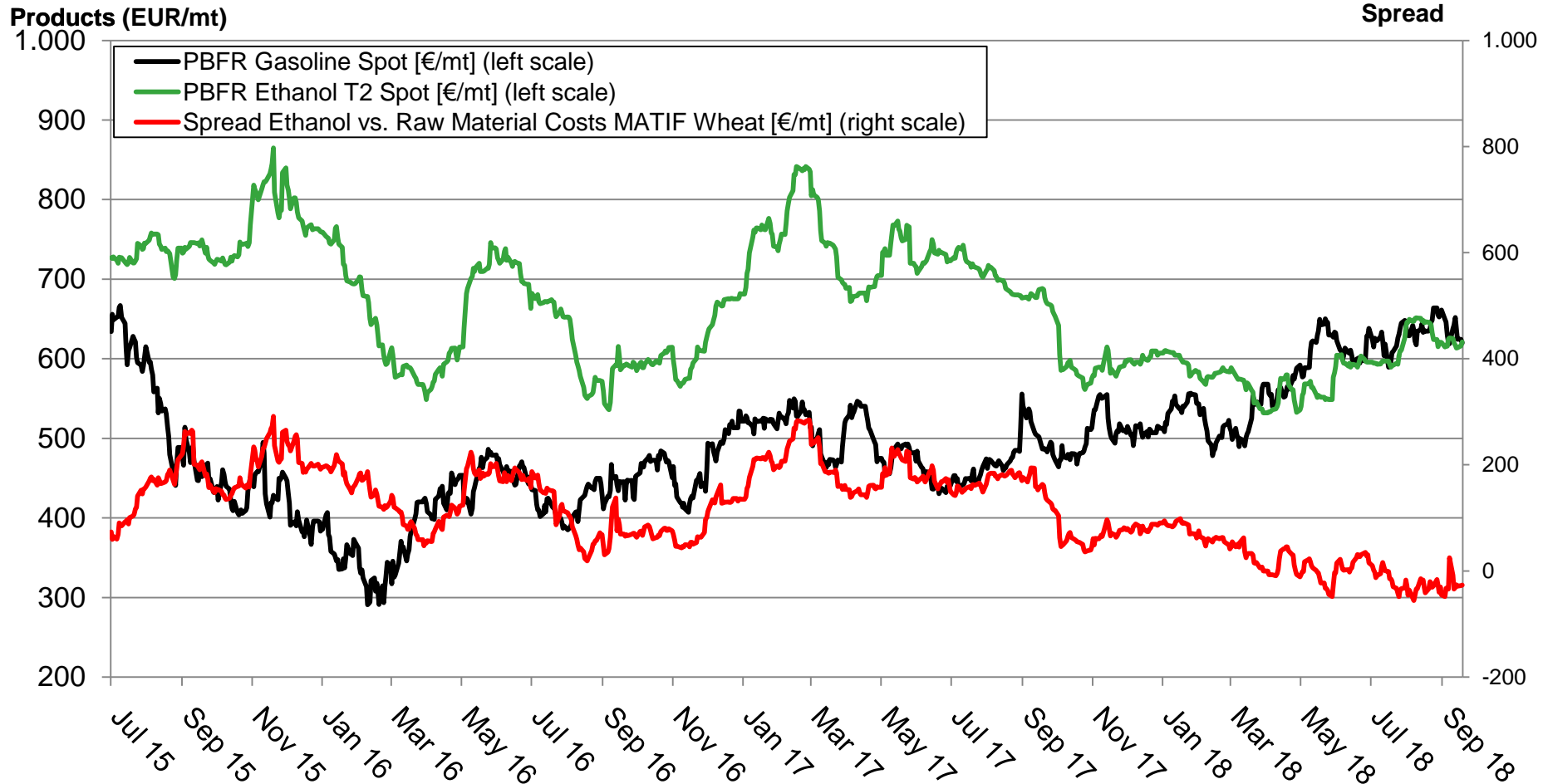
4.2 Key figures segment bioethanol

EUR mill.	2017/2018	2016/2017	change
Production (mt)	246,300	248,755	-1.0%
Utilisation (percent)	94.7	95.7	
Production (GWh)	608.3	559.2	8.8%
Utilisation (percent)*	101.4	93.2	
Sales	219.1	245.2	-10.6%
EBITDA	19.9	52.4	-62.0%
EBIT	2.8	36.0	-92.2%
Employees	260	252	

- Market share was maintained. Production capacity almost 100%.
- Investments of EUR 18.5 mill. (PY: EUR 14.5 mill.), primarily to optimise existing biomethane plants and to build the biomethane plant at Pinnow.

4. Bioethanol segment

4.3 Market price trends - gasoline, bioethanol and spread



- Production margins for bioethanol declining heavily from the end of 2017. Falling prices for bioethanol vs. rising grain prices.
- Increased competition in the European biofuels market leading to first plant closures.



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**Outlook for the
financial year
2018/2019**

Business performance outlook

■ Capacity utilisation:

Good production capacity utilisation in the first half of the financial year 2018/2019 in all segments. Aiming for high capacity usage for the second half of the year.

■ Market margins:

Biodiesel: Good margins expected until Q3 2018/2019; uncertainty from Q4 2018/2019 due to the EU decision on import duties against Argentina.

Bioethanol: Poor margins expected for the foreseeable future.

■ CAPEX FY 2018/2019:

Ca. EUR 45 mill., primarily for foreign straw biomethane projects (Bioethanol Segment) and for completing the sterol plant (Biodiesel Segment).

■ Proposed dividend of 20 cent/share for FY 2017/2018*

■ Outlook FY 2018/2019:

EBITDA: around** EUR 45 mill.

Net cash: around*** EUR 73 mill. (end of FY)

* see additional information in the annual report 2017/2018

** +/- 10 percent

*** higher volatility due to changes in working capital can not be excluded



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**Thank you for
your attention!**

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VERBIO is a leading independent manufacturer and supplier of biofuels to Germany and Europe.

It produces biodiesel, bioethanol and bio-methane on an industrial scale at three sites, making us a one-stop shop for all the biofuels in current use.

verbiodiesel **verbioethanol** **verbio**gas

- Approximately 540 employees
- Three production sites in Germany
- Market share in Germany > 20%
- Export markets are (but not limited to) Netherlands, Poland, Czech Republic
- World's biggest bio-methane producer

General Information

Stock Exchange: XETRA, Frankfurt

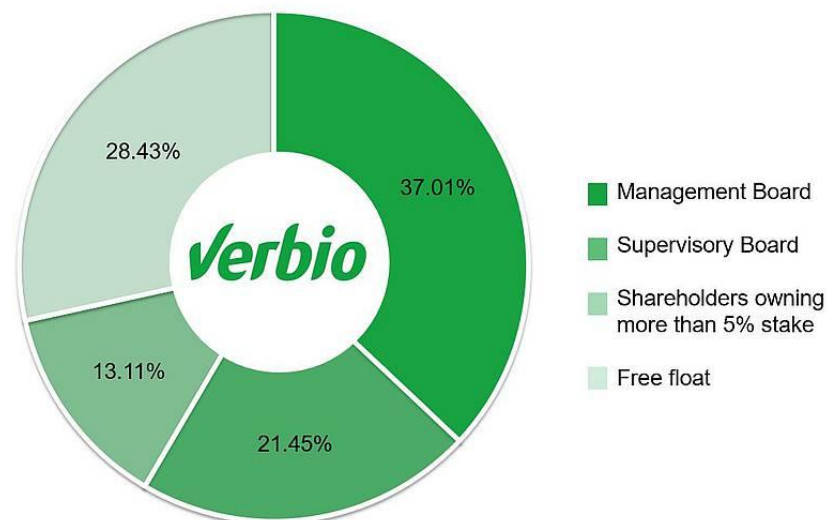
ISIN Code: DE000A0JL9W6

Primary Index: Prime All Share/ CDAX

TRBC Industry: Renewable Fuels

Average Turn Over: 115 tsd. shares/day (XETRA)

No. of Shares: 63 mill. bearer shares



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