

## Press Release

### VERBIO closes difficult financial year 2017/2018 with good results

- EBITDA of EUR 45 million meets latest forecast
- Proposed dividend: EUR 0.20 per qualifying share
- Biomethane production volume exceeds 600 GWh for the first time

**Leipzig, September 26, 2018** – This morning, VERBIO Vereinigte BioEnergie AG published its financial reporting covering FY 2017/2018. CEO Claus Sauter underlines that the financial year 2017/2018 was characterised by market upheavals and changes to political conditions which have had far-reaching implications for the sales markets of our Biodiesel and Biomethane segments. The repeal of import duties on biodiesel imports from Argentina and Indonesia, together with the entry into force of the 38th BImSchV at the start of the current calendar year have had a more significant effect on these markets than anticipated.

With total production of biodiesel and bioethanol amounting to 722,511 tonnes, close to the previous year's level, and production plant utilisation at 99 percent, our EBITDA of EUR 44.8 million and net cash balance of EUR 90.1 million were in line with our last results forecast issued on April 30, 2018 (EBITDA of EUR 40 million and net cash of EUR 85 million). The experience in this financial year strengthens VERBIO's resolution to accelerate its strategy of internationalising the business and of creating more diversity in its product range.

The 38th BImSchV permits the low greenhouse gas savings made by using fossil fuel natural gas compared to the petrol and diesel reference values to be credited towards meeting greenhouse gas quotas. This means that the operators of CNG filling stations can now also generate additional revenue income from the sale of non-renewable methane by marketing the greenhouse gas quotas. The practical consequence, however, is a further increase in the price differential between biomethane and fossil natural gas. In commercial terms this means that there is no longer any good reason to offer biomethane instead of natural gas at filling stations. The share of biomethane as a proportion of CNG fuel has fallen further as a result. VERBIO is forced to diversify its marketing activities to offer its product for use in other applications, such as electricity generation or as a raw material in the chemical industry.

However, VERBIO's position is unchanged: "Biomethane created from waste materials is the most efficient and sustainable biofuel for the future, and the economic alternative to electro mobility. Simple focus on electro mobility does not enable Germany to reach its ambitious objectives for climate protection", emphasizes Claus Sauter.

#### Investment secures innovation and growth opportunities

With investments totalling EUR 26.7 million in the financial year 2017/2018 we have once again invested significantly more than in the previous year (EUR 18.9 million). In addition to making further investment in the expansion of the sterol production, we are concentrating on expanding and optimising the existing biomethane plants– with a focus on the straw biomethane technology which is key for entering new markets in Asia and in the USA. The new bio-refinery plant at Pinnow is currently close to being brought into use.

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### Development of the Biodiesel and Bioethanol segments

Revenues in the Biodiesel segment in the financial year 2017/2018 amounted to EUR 456.8 million (2016/2017: EUR 471.6 million). Biodiesel production amounted to 476,211 tonnes (2017/2018: 473,382 tonnes), once again exceeding the record level of production set in the previous year. Production capacity utilisation was 101 percent. The Biodiesel segment contributed to the Group's results with an EBITDA of EUR 24.4 million (2016/2017: EUR 39.3 million) and an EBIT of EUR 19.6 million (2016/2017: EUR 34.6 million).

The Bioethanol segment generated revenues of EUR 219.1 million in 2017/2018 (2016/2017: EUR 245.2 million). Bioethanol production was not able to match the record levels in the previous year, with a total production volume of 246,300 tonnes (2016/2017: 248,755 tonnes). The production of biomethane increased by 8.8 percent to 608 GWh (2016/2017: 559 GWh). The Bioethanol segment contributed to the Group's results with an EBITDA of EUR 19.9 million (2016/2017: EUR 52.4 million) and an EBIT of EUR 2.8 million (2016/2017: EUR 36.0 million).

### Net assets and financial position

The remaining bank and loan financing totalling EUR 0.4 million compares with liquid funds totalling EUR 90.5 million.

Equity totalled EUR 300.2 million (June 30, 2017: EUR 296.4 million). The equity ratio was 82.0 percent (June 30, 2017: 79.4 percent). "For one thing, this healthy earnings performance represents our life insurance, given that the European biofuels market is characterised by political uncertainty. At the same time, it is also a solid basis on which we can implement further growth projects outside the biofuels market and outside Europe", says Claus Sauter, VERBIO's CEO.

### Dividend

Unchanged from last year, the Management and Supervisory Boards will propose to the annual general meeting to be held in February 2019 that the Company shall pay a dividend of EUR 0.20 per qualifying share. The Supervisory Board has approved the proposal made by the Management Board at its meeting held on September 21, 2018.

### Outlook FY 2018/2019

Based on current sales volumes and raw material prices, the planned production capacity usage and the uncertainty concerning possible competitive distortions resulting from imported biodiesel, the Management Board expects to achieve an EBITDA for the financial year 2018/2019 of around EUR 45 million. The balance of net cash at the end of the financial year is expected to fall to around EUR 73 million, primarily as a result of the planned increase in investments which will be financed from the Group's own funds. The net cash position would be reduced by the amount of any strategic investments approved by the Management Board.

Detailed information on business developments in the 2017/2018 financial year is provided in the annual report for the financial year 2017/2018. The report can be viewed from 9 a.m. on <https://www.verbio.de/en/investor-relations/news-publications/financial-reports/>

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### **Information about VERBIO Vereinigte BioEnergie AG (VERBIO)**

VERBIO is one of the leading independent producers and suppliers of biofuels, and is also the only large-scale producer of biodiesel, bioethanol and biomethane in Europe. The annual production capacity amounts to approximately 470,000 tonnes of biodiesel, 260,000 tonnes of bioethanol and 600 gigawatt hours of biomethane. The Company produces its highly efficient fuels using internally developed, energy efficient production processes and innovative technologies. VERBIO's biofuels achieve CO<sub>2</sub> reductions of up to 90 percent compared to petrol or diesel. VERBIO delivers its products directly to European oil companies, oil trading companies, independent filling stations, freight forwarders, municipal utilities and vehicle fleets. In addition, VERBIO markets high-quality pharma glycerine for the consumer goods and cosmetics industry (glycerine is manufactured as a by-product in the biodiesel production process). Within the Group, VERBIO Vereinigte BioEnergie AG acts as a management holding company. The operative business is conducted by the subsidiaries VERBIO Diesel Bitterfeld GmbH & Co. KG, VERBIO Diesel Schwedt GmbH & Co. KG, VERBIO Ethanol Schwedt GmbH & Co. KG, VERBIO Ethanol Zörbig GmbH & Co. KG and VERBIO Agrar GmbH. The VERBIO share (ISIN DE000A0JL9W6/WKN A0JL9W) has been listed in the prime standard segment of the Frankfurt Stock Exchange since October 2006.

### **Important notice**

This publication contains forward-looking statements which are based on assumptions and estimates made by the management of VERBIO Vereinigte BioEnergie AG. Although the Company's management is of the opinion that these assumptions and estimations are realistic, actual future developments and actual future 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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