

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

*Biofuel and Technology*

**Analyst's Conference  
Financial Year 2019/2020**

**VERBIO Vereinigte BioEnergie AG**

**Claus Sauter (CEO)**

**Leipzig, September 23, 2020**

## 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.

## Contents

1. **Business performance of the VERBIO Group in the financial year 2019/2020**
2. **Biodiesel segment**
3. **Bioethanol segment**
4. **Outlook for biomethane**
5. **Outlook for the financial year 2020/2021**

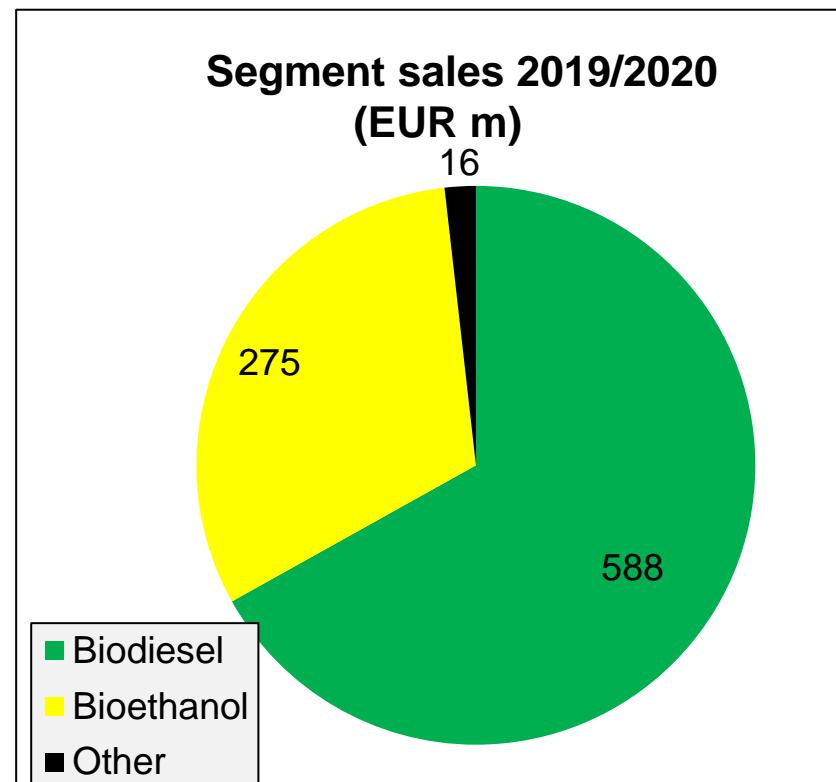
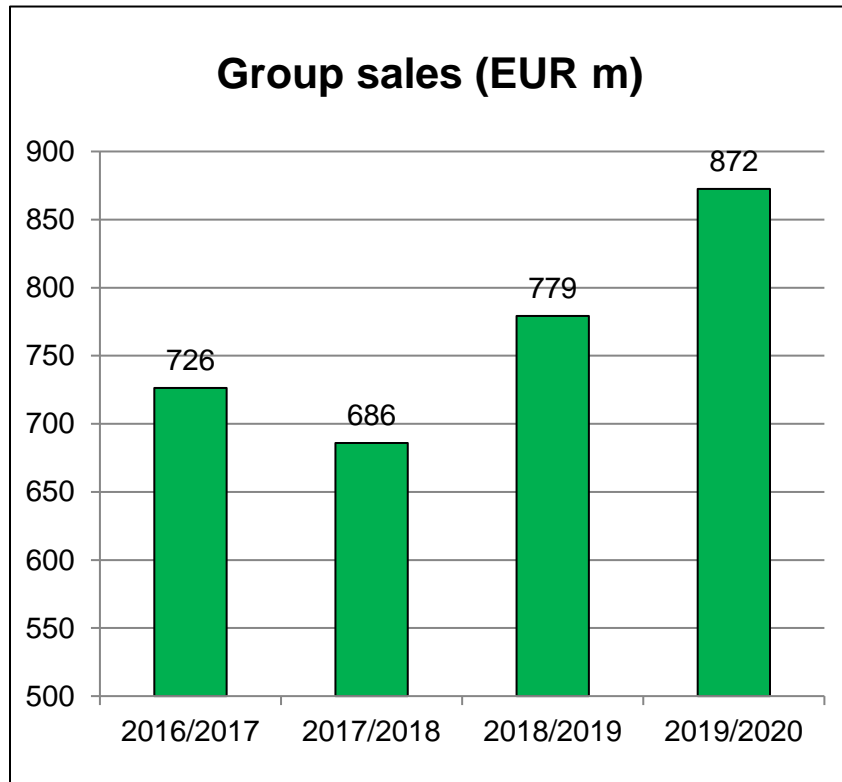
The logo for Verbio, featuring the word "Verbio" in a bold, green, italicized sans-serif font.

*Biofuel and Technology*

A large green graphic element on the left side of the slide, consisting of a white, curved, arrow-like shape pointing to the right.

## **Business performance of the VERBIO Group in the financial year 2019/2020**

## Group sales revenues



- Group sales 2019/2020 includes revenues of EUR 11.6 m (LFY: EUR 19.6 m) from biofuel trading used to optimise margins and logistics
- Revenues increased; commissioning biodiesel Canada & increased production biomethane
- Revenue in the Other segment primarily comprises revenue for transport and logistics services

# 1. Business performance VERBIO Group

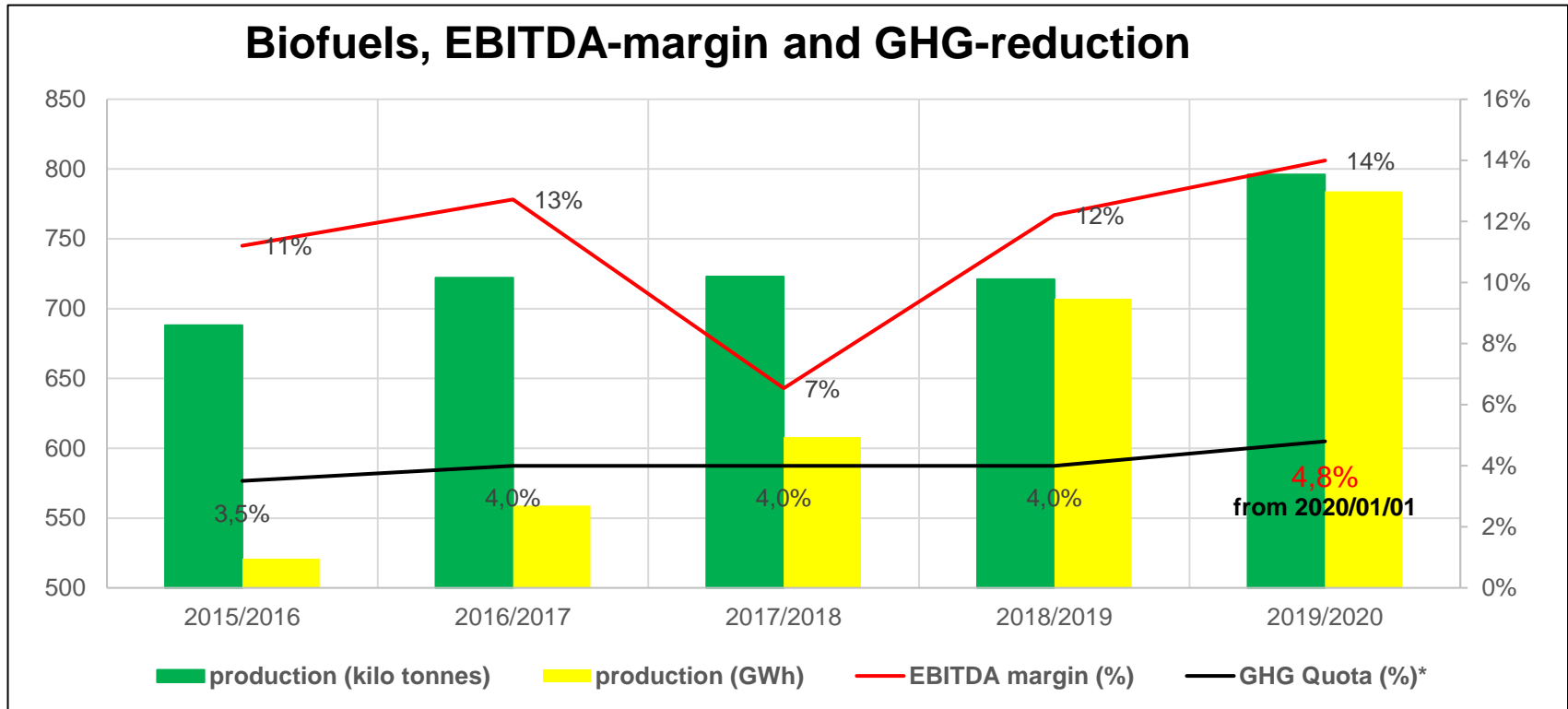
## Group overview

EUR m	2019/2020	2018/2019	change
Production (t)	796,411	721,126	10.4%
Sales revenues	872.4	779.3	11.9%
EBITDA	122.1	95.1	28.4%
EBIT	91.1	73.7	24.7%
EPS (EUR/share)	1.01	0.84	20.2%
Equity ratio (%)**	73.8	79.8	
Operating cash flow	71.7	44.3	EUR 27.4 m
Liquid funds*/**	86.1	74.2	EUR 11.9 m
Net financial assets*/**	55.9	64.2	EUR -8.3 m

\* incl. segregated accounts and term deposits

\*\* end of FY 2019/2020

## Production and EBITDA margin trends



\*GHG emission reduction obligation in accordance with 37. BImSchG and RED II 6% from 2020 onwards (less 1.2% UER)

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

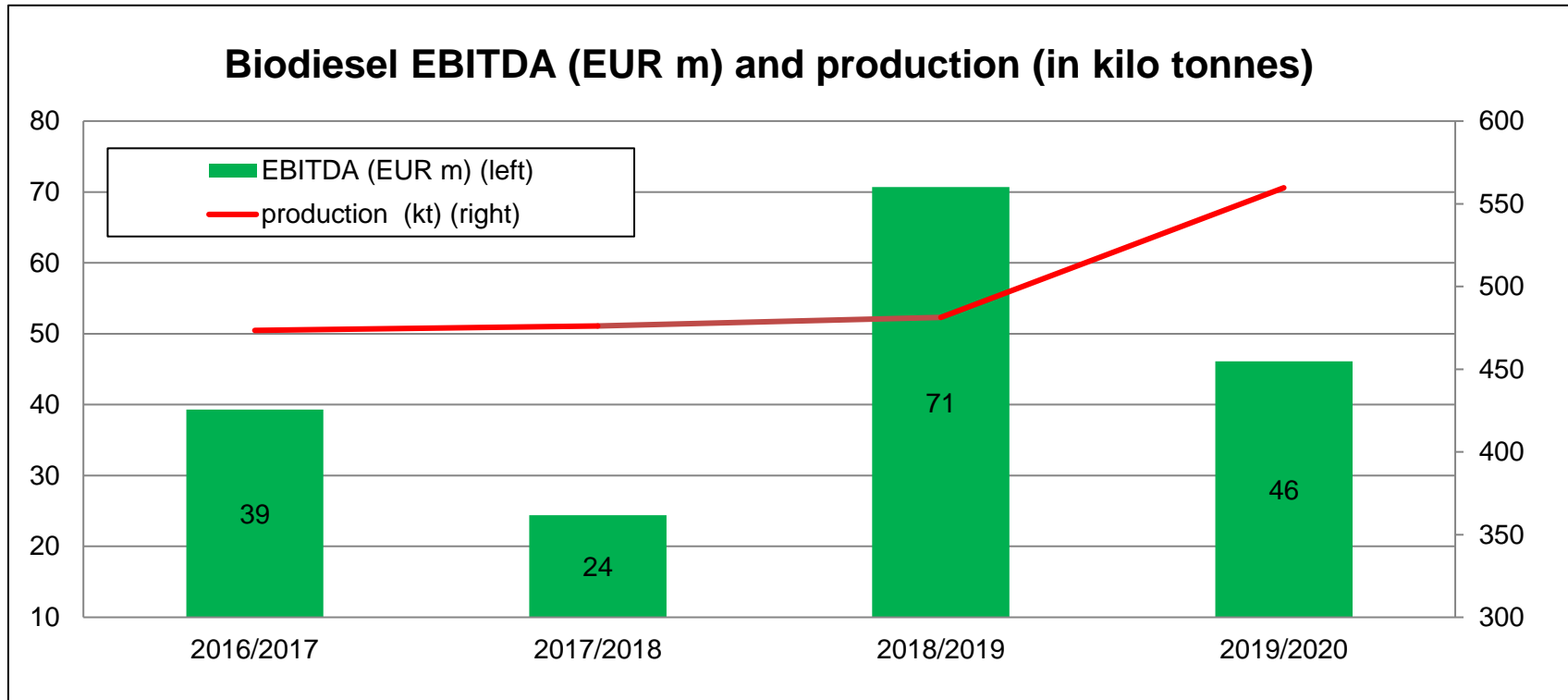
***Verbio***

*Biofuel and Technology*

**Biodiesel segment**



## EBITDA and production



- Margins in FY 2018/2019 higher due to the one-off effect of low water levels river Rhine
- Lower EBITDA in FY 2019/2020 primarily due to the lower demand in connection with the coronavirus lockdown (03-05/2020)
- Lower average capacity utilisation due to the ramp-up phase of the biodiesel plant in Canada

## 2. Biodiesel segment

### Segment overview

EUR m	2019/2020	2018/2019	change
Production (t)	559,735	481,280	16.3%
Utilisation (percent)	84.8	102.4	
Sales	588.2	514.5	14.3%
EBITDA	46.1	70.7	-34.8%
EBIT	35.5	65.7	-46.0%
Employees	208	158	50

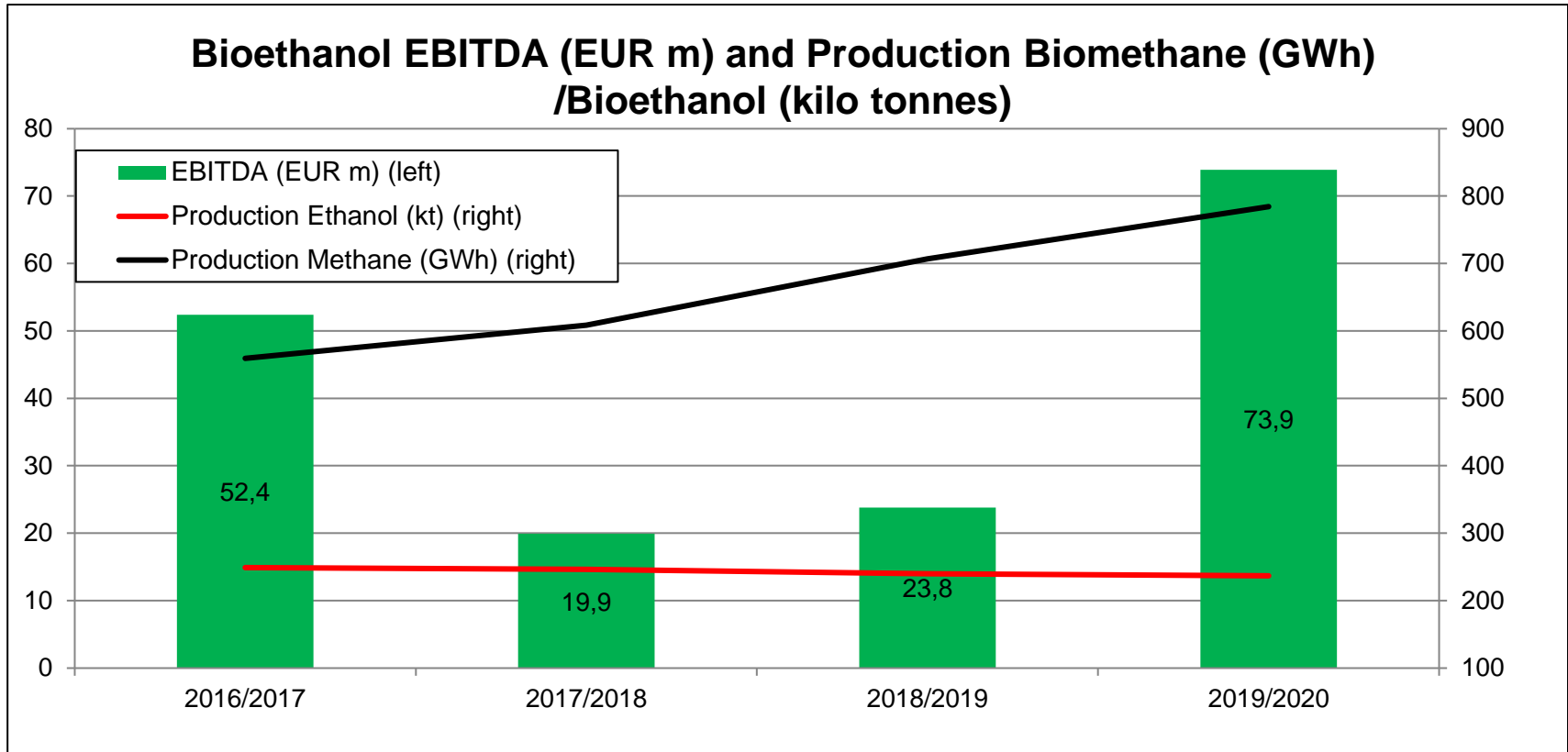
- A further increase in production in 2019/2020 and accordingly the highest annual production in the Company's history as a result of the integration of the biodiesel plant in Canada
- Investment of EUR 30.6 m (LFY: EUR 27.9 m) incl. acquisition biodiesel plant Canada
- Annual production capacity adjusted at July 1, 2019 from 470,000 tonnes to 660,000 tonnes

***Verbio***

*Biofuel and Technology*

**Bioethanol  
segment**

## EBITDA and production



- Increase in EBITDA in FY 2019/2020 due to higher ethanol-margins and biomethane quota prices as well as to increased biomethane production
- Biorefinery commissioned at the Pinnow location

# 3. Bioethanol segment

## Segment overview

EUR m.	2019/2020	2018/2019	change
Production (t)	236,676	239,846	-1.3%
Utilisation (percent)	91.0	92.3	
Production (GWh)	784.4	706.6	11.0%
Utilisation (percent)*	104.6	117.8	
Sales	275.2	254.7	8.0%
EBITDA	74.0	23.8	210.9%
EBIT	55.9	8.0	598.8%
Employees	340	332	8

\* At July 1, 2019 the annual production capacity of the biomethane plants was adjusted from 750 GWh to 900 GWh

- It was possible to hold on to market share. Good production capacity utilisation.
- Investment EUR 29.6 m (LFY: EUR 34.8 m). Plant construction in India and the USA.
- Biomethane production capacity adjusted from 600 GWh p.a. to 750 GWh p.a. from 7/2019

***Verbio***

*Biofuel and Technology*



**Outlook  
Biomethane**

### Greenhouse gas reduction obligation (GHG Quota) : **4.8%\***

Determining diesel and petrol greenhouse gas emissions

- Diesel consumption/p.a. \* 95.1 grCO<sub>2</sub>/MJ
- Petrol consumption/p.a. \* 93.3 grCO<sub>2</sub>/MJ

- Total emissions (c. 220 million tonnes) must be reduced in 2020 by **c.11 million tonnes** irrespective of how.
- **CO<sub>2</sub> reduction** in the transport sector of **at least 40%** by 2030
- Implementation of RED II by June 2021 in **all of Europe**.
  
- GHG quota obligation only Germany, Czech Republic, California and the west coast of North America; all other biofuels markets worldwide using quota obligations based on energy content

\*GHG emission reduction obligation in accordance with 37. BImSchG and RED II 6% from 2020 onwards (less 1.2% UER)

## Status in Germany

### Trend and target achievement for greenhouse gas emissions in Germany

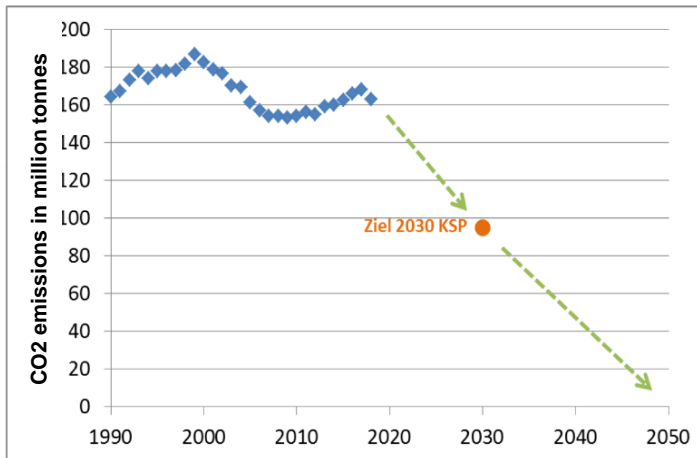
in million tonnes of carbon dioxide equivalents

Year	1990	2020	2030
Transport sector	164	150	95
Reduction compared to 1990 of		8%	42%

In **2018** the reduction of CO2 emissions compared to **1990** was only **1%** ( CO2 emissions 162.3 million tonnes of CO2)

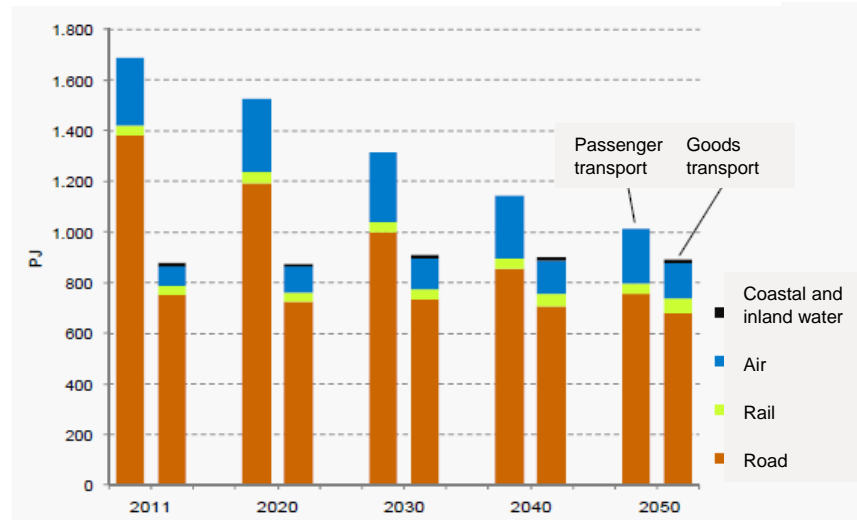
Source: German Federal Climate Protection Act

### Climate protection gap in transport



Source: German Federal Ministry for the Environment

### Energy consumption in the transport sector by transport mode and segment in reference forecast and trend scenario 2011-2050 in PJ



Source: Prognos/EWI/GWS 2014



## 4. Outlook Biomethane

**Only** VERBIO manufactures all biofuels in general market use

**verbiodiesel**

Max 7% blending for diesel!

**verbioethanol**

Max 10% blending for petrol!

**verbio**gas

No limit!

Today, VERBIO is already the largest manufacturer worldwide of advanced second-generation biofuels as defined in Appendix IX a to the RED II

**No one can react more effectively to the applicable regulatory demands.**

## LNG - green potential for the future

- Toll fee exemptions for gas powered HGVs extended until 31.12.2023
- LNG 50% cheaper compared to diesel
- 100 LNG filling stations = sufficient until the end of 2020 in Germany
- Subsidy programme for buying CNG/LNG HGVs

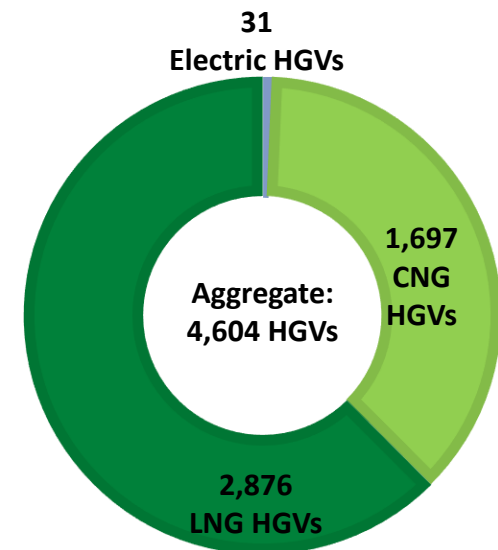
Survey of freight and transport companies  
LNG heavy goods vehicles in trend



Exemptions from tolls and state subsidies are good arguments for LNG vehicles. "trans aktuell" surveyed 34 transport companies

Source: eurotransport.de 31.08.2020

Application and registration numbers of trucks exempt from tolls according to the toll operating company until June 2020



Source: German Parliament; printed matter 19/20389

**99% of registrations are for natural gas HGVs**

# 4. Outlook Biomethane

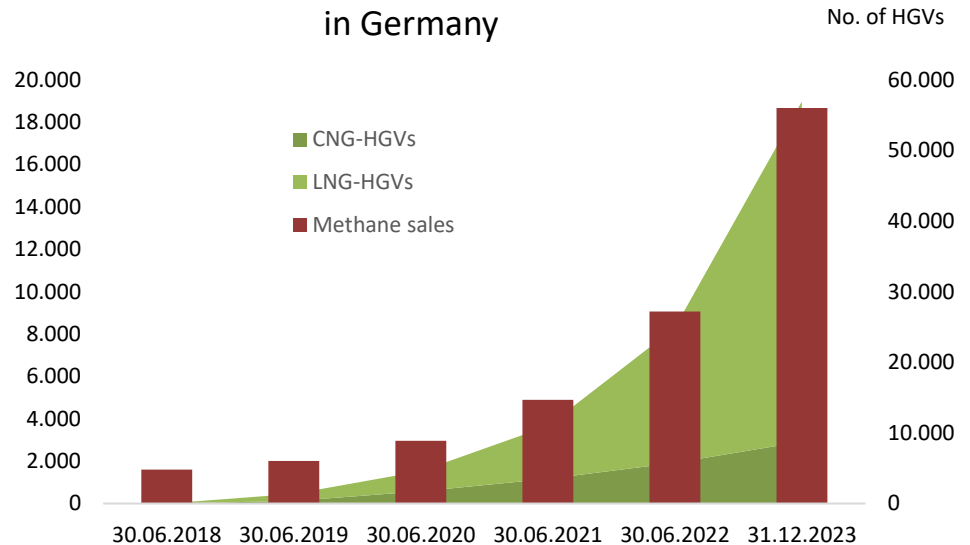
## Ten-fold increase in the sales potential for biomethane used as fuel

EUR 5,000 extra cost for CNG HGVs



GWh

Forecast trend for potential sales of low-emission methane CNG/LNG heavy goods vehicles in Germany



Source: Internal extrapolation based on sales of natural gas BDEW 2019; number of HGVs LKW at 06/2020, German Parliament

EUR 10,000 extra cost for LNG HGVs



**Rapid** growth in new registrations through 2023

Shell expects **300,000 LNG HGVs** in Europe by 2030

Bio-LNG will become a **global** growth market.

# 4. Outlook Biomethane

## Natural gas-HGVs commercially attractive

Diesel	Methane		
85,00	45,74	cent/ltr	Fuel costs
26,00	26,00	ltr/100 km	Fuel consumption/ 100 km
22,10	11,89	EUR/100 km	Fuel costs/ 100 km
<b>18,70</b>		EUR/100 km	Toll charges/100 km
<b>40,80</b>	<b>11,89</b>	<b>EUR/100 km</b>	
	<b>28,91</b>	EUR/100 km	Cost advantage natural gas HGV/100 km

Km/year	Cost saving EUR/year
80.000	<b>23.128</b>
120.000	<b>34.692</b>
150.000	<b>43.365</b>

The current LNG price corresponds to a crude oil price of c. **12 USD/bbl.**

***Verbio***

*Biofuel and Technology*



**Outlook for the  
financial year  
2020/2021**

## Status of foreign locations

### USA – Nevada/Iowa

- Expansion establishing a biorefinery for bioethanol and biomethane by the end of 2022 similar to the VERBIO Schwedt biorefinery
- Production start: 20 MW biomethane from summer 2021
- Capex for biorefinery USD 70 m.

### Canada

- Production start 08/2019; optimisation measures ongoing
- Expansion establishing a biorefinery for biodiesel and pharma glycerin by the end of 2022 similar to the VERBIO Bitterfeld site; doubling of capacity to 300,000 tonnes/year
- Capex c. USD 40 m.

### India

- Production start 20 MW biomethane in summer 2021

VERBIO plant in North America



VERBIO plant in India



## Capacity

- Establishment of an LNG filling station network in Germany
- From Q3 2021 onwards up to 40,000 tonnes/year of Bio-LNG from VERBIO in Germany annually (50% of production capacity)
  - Capex EUR 10 m.
- Search for new biomethane locations, primarily in Eastern Europe

Production capacity/year	2018/19	2019/20	2020/21	End 2022*	Increase
<b>Biodiesel (in thousand t)</b>	470	660	660	800	+70%
<b>Bioethanol (in thousand t)</b>	260	260	260	400	+54%
<b>Biomethane GWh</b>	600	750	900	2.000	+233%

\*target capacity

## Outlook

### ■ Plant capacity utilisation:

Generally good capacity utilisation expected in the financial year 2020/2021 in all segments

### ■ Margin expectations:

Generally good capacity utilisation expected in the financial year 2020/2021 in all segments.

Biodiesel: 1 HY 2020/2021 Expected margins: average

2 HY 2020/2021 Expected margins: average

Bioethanol: 1 HY 2020/2021 Expected margins: well above average

2 HY 2020/2021 Expected margins: average

### ■ CAPEX financial year 2020/2021:

c. EUR 85 m. primarily for plant construction in the USA and India as well as efficiency improvements for biodiesel Canada.

■ Proposed dividend of 20 cent/share for the financial year 2019/2020\*

### ■ Forecast for the financial year 2020/2021:

EBITDA: approximately EUR 130 m.

Net cash: approximately EUR 50 m. (end of financial year)

\* See explanatory comments in the annual report 2019/2020





# *verbio*

*Biofuel and Technology*

**Thank you for  
your attention!**

**VERBIO Vereinigte BioEnergie AG**

Ritterstraße 23 • 04109 Leipzig  
T: +49 (0) 341 308530-0 • F: +49 (0) 341 308530-999  
info@verbio.de • www.verbio.de

## Investor Relations

Olaf Tröber  
Investor Relations  
Ritterstraße 23  
04109 Leipzig  
T: + 49 341 308530-251  
F: + 49 341 308530-998  
E-Mail: [ir@verbio.de](mailto:ir@verbio.de)

## Public Relations

Ulrike Kurze  
Marketing/PR  
Ritterstraße 23  
04109 Leipzig  
T: + 49 341 308530-287  
M: + 49 176 13085404  
E-Mail: [ulrike.kurze@verbio.de](mailto:ulrike.kurze@verbio.de)