

## Press release

### Annual General Meeting of VERBIO AG:

## Exceptional fiscal year with a track record - VERBIO AG continues to grow

**Leipzig, January 29, 2021.** At today's ordinary virtual general meeting, the CEO of VERBIO Vereinigte BioEnergie AG commented in detail on the results of the 2019/2020 financial year and explained the company's short and medium-term business goals and growth prospects.

As in the previous year, a dividend payment of EUR 0.20 per entitled share was proposed to the shareholders. The proposal was confirmed by the voting shareholders present.

"The second half of our financial year, which ended on June 30, 2020, was influenced by the COVID-19 pandemic. We were forced to break new ground and develop new ideas," reports CEO Claus Sauter. "We switched to the production of disinfectants based on ethanol and glycerine at short notice. In doing so, we have not only assumed social responsibility, but also secured jobs in a biofuel market that has come under pressure from the pandemic," adds Sauter.

### Record results of the previous year could be increased again

Despite the decreasing market in the fuel segment as a result of the restricted mobility, VERBIO was able to achieve a record result again. The company generated consolidated sales of EUR 872.4 million in the 2019/2020 financial year (2018/2019: EUR 779.3 million). With a total production of 796,411 tons of biodiesel and bioethanol, VERBIO has once again increased the production record of the previous year. Biomethane production also significantly increased to 784 gigawatt hours, which is 11 percent above the previous year's result.

Despite the difficult framework conditions in the biofuel market, EBITDA was EUR 122.1 million and thus EUR 27 million above the previous year's result and well above the original forecast at the beginning of the financial year.

CEO Claus Sauter about the annual result: "The pandemic has once again revealed the specific DNA of VERBIO: to react quickly and flexibly to changed framework conditions." That is essentially the merit of the committed 725 employees worldwide, the board colleagues and the supervisory board, so the VERBIO chairman.

### Smart investments for innovation and stability

The investment volume in 2019/2020 was EUR 66.7 million, which was nearly at the previous year's level (2018/2019: EUR 64.6 million). The funds were used in the strategic expansion of international growth projects as well as the continuous plant optimization and further development of our leading technologies.

Throughout the group, more than 40 employees work in the various R&D areas and drive VERBIO's position as a technology leader in Germany and Europe and our successful progress in the biofuel market.

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In the long term, VERBIO is pursuing a strategy of international growth and increasing diversification: The main business with renewable, biogenic energy sources is supplemented by the development of new, high-yield products outside the biofuel market. This includes the sterol production that has been successfully established at the Bitterfeld location in recent years.

Also in the biodiesel segment, the biofuel experts are working with the Hungarian subsidiary XiMo on the large-scale production of a catalytic converter and the development of industrial production processes to produce raw materials from biodiesel for the production of lubricants, solvents, plastics and fragrances. The diversity of the product portfolio contributes to the stability and growth power of the company.

### New production record in the biodiesel segment

In the 2019/2020 financial year, the biodiesel segment recorded a significant year-on-year increase in sales to EUR 588.2 million (2018/2019: EUR 514.5 million). For the first time, biodiesel production exceeded 500,000 tons and rose to 559,735 tons (2018/2019: 476,211 tons). The biodiesel segment contributed an EBITDA of EUR 46.1 million to the company's total result.

In the bioethanol / biomethane segment, sales revenue of EUR 275.2 million (2018/2019: EUR 254.7 million) was achieved in the 2019/2020 reporting period. With 236,676 tons of bioethanol, production reached a level similar to the previous year (2018/2019: 239,846 tons). The bioethanol / biomethane achieved an EBITDA of EUR 74 million.

The production of biomethane was increased by 11 percent to 784.4 GWh (2018/2019: 706.6 GWh), setting a new production record.

### Good framework conditions for international growth projects

The new straw biomethane plants in India and the USA will go into operation in autumn 2021. They form the basis for further projects in these countries.

“The market conditions for our expansion projects in Asia and North America are extremely positive. On the one hand, the Indian government is promoting the expansion of gas mobility as a cheap alternative to expensive fossil fuels in the country. On the other hand, it urgently needs and wants to contain the problem of massive air pollution caused by the large-scale burning of waste straw in the fields. Our straw biomethane technology is so far the only concrete answer to both challenges,” Claus Sauter says.

In the USA, President Biden puts climate protection at the center of his presidency and pursues ambitious climate goals. This creates positive framework conditions for the roll-out of VERBIO's straw technology and the expansion of biodiesel production in Canada.

### Positive signals for further growth in Germany and Europe

The general conditions in Germany are also developing favorably. Following massive criticism of the first version of the draft law to implement RED II in Germany, which was presented in September 2020, the Federal Environment Ministry presented a revised version in December 2020.

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This provides an increase in the GHG quota from the current 6 percent to 22 percent as the target for 2030 and defines an attractive sub-quota for advanced biofuels such as biomethane made from straw. VERBIO reacts to this positive signal and will increasingly focus its development and investment activities on biomethane. This advanced biofuel has great potential in both transport and industrial applications.

"CNG and biomethane from residues and straw are the only available, practicable and most cost-effective solution for maximum CO<sub>2</sub> reduction in truck freight transport," Claus Sauter is convinced. VERBIO is therefore accelerating the conversion of its own truck fleet. In the meantime, 20 of the 80 VERBIO trucks are already running on CNG or biomethane. The entire fleet is to be converted to vehicles with gas and biodiesel drives by the end of 2021. VERBIO will add the first LNG vehicles to the fleet in summer 2021.

At the same time, VERBIO is investing more than EUR 10 million in the installation of the corresponding infrastructure in order to become the largest provider of BioLNG (liquefied biomethane) in the German and European market from mid-2021.

### Biomethane with great potential as part of the National Hydrogen Strategy

In his speech, Claus Sauter also emphasized the future potential of biomethane in industrial applications. The National Hydrogen Strategy adopted last year lays the foundations for this. In addition to building a corresponding infrastructure for hydrogen, it also promotes the production of green hydrogen. This production can be based on either green electricity through electrolysis or on the use of biomethane.

"While VERBIO is mainly concentrating on the traffic sector with biomethane today, completely different customers from the steel, chemical and cement industries with huge needs will come to us in the next ten years. This supports our strategy of increasing independence from the fuel market. The question of how long the combustion engine will continue to exist in commercial goods transport does not become a question of survival for VERBIO," Sauter explains.

### Forecast for the 2020/2021 financial year

On the basis of the current sales and raw material price level as well as the targeted production capacity utilization, but without taking into account any effects that may have an impact on earnings due to the persistence of the COVID-19 pandemic, the Management Board assumes that EBITDA will be in the region of EUR 130 million in the 2020/2021 financial year. The group intends to make further investments in capacity expansion and internationalization in the current financial year. For this purpose, free funds from previous periods as well as the current operative cash flow are used. At the end of the 2020/2021 financial year, the Management Board expects the net cash to be in the region of EUR 50 million.

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### Results for the financial year 2019/2020 at a glance

<b>Group sales revenue:</b>	EUR 872.4 million
<b>EBITDA (result before interest, taxes and depreciation)</b>	EUR 122.1 million (2018/19: 95.1 million)
<b>Biodiesel production:</b>	559,735 tons (2018/19: 481,280 tons)
<b>Bioethanol production:</b>	236,676 tons (2018/19: 239,846 tons)
<b>Biomethane production:</b>	784 GWh (2018/19: 706.6 GWh)

More details can be found in the 2019/2020 annual report:

<https://www.verbio.de/en/investor-relations/news-publications/financial-reports/>

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

VERBIO Vereinigte BioEnergie AG is one of the leading independent bioenergy manufacturers, and is also the only large-scale producer of biodiesel, bioethanol and biomethane in Europe. The Group has approximately 700 employees at its locations in Saxony, Saxony-Anhalt and Brandenburg as well as at its foreign subsidiaries in India, the USA, Canada, Poland and Hungary. VERBIO concentrates on the use of internally developed innovative and efficient energy-saving production processes. VERBIO's biofuels achieve CO<sub>2</sub> savings of up to 90 percent compared to petrol or diesel. The Group's annual production capacity amounts to approximately 660,000 tons of biodiesel, 260,000 tons of bioethanol and 900 gigawatt hours of biomethane. In addition, VERBIO manufactures biofertiliser and animal feed for agricultural use as well as high-value raw materials for the pharmaceutical, cosmetic and foodstuff industries. With its innovative processes and highly efficient production plants, VERBIO is a technology leader in the biofuels market. The VERBIO share (ISIN DE000A0JL9W6/WKN A0JL9W) has been listed in the prime standard segment of the Frankfurt Stock Exchange since October 2006.

[www.verbio.de](http://www.verbio.de) | [www.verbiosept.de](http://www.verbiosept.de) | [www.verbioogas.de](http://www.verbioogas.de) | [www.strohklug.de](http://www.strohklug.de)

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