

Corporate News

VERBIO AG: Record results in 2021/2022 and Q4 2021/2022

- EBITDA 2021/2022 increased 203 percent to EUR 503.3 million
- Net cash increased by 184 percent to EUR 284.1 million despite high levels of investment in further growth
- Equity ratio continues to be high
- Proposed dividend of EUR 0.20 per share
- VERBIO sets climate objectives

Leipzig, September 27, 2022 – The Group's sales revenues for 2021/2022 totalled EUR 1,812.5 million (previous year: EUR 1,026.0 million), an increase of 77 percent compared to the previous year. The increase in sales revenues is primarily due to the higher sales prices of both biodiesel and bioethanol over the course of the financial year.

The production volume of biodiesel and bioethanol in the financial year 2021/2022 totalled 838,132 tonnes (previous year: 834,541 tonnes). This represented a capacity usage of 91.1 percent (previous year: 90.7 percent). In addition, once again a new record level of biomethane was produced in the financial year 2021/2022, with total production amounting to 884,959 MWh (previous year: 794,817 MWh). In total, this means that 2.6 million tonnes* of CO₂ savings were generated for VERBIO's customers.

Earnings before interest, taxation, depreciation and amortisation (EBITDA) amounted to EUR 503.3 million, 203 percent ahead of the comparative period (2020/2021: EUR 166.3 million). VERBIO benefited from a global increase in demand for biofuels and from the improved environment for advanced biofuels in Europe.

The bank and loan finance arrangements of EUR 30.0 million are more than offset by cash and cash equivalents of EUR 299.6 million and other cash balances (security collateral) of EUR 14.5 million, so that the reported net cash balance at the balance sheet date amounted to EUR 284.1 million (previous year: EUR 100.2 million). The equity ratio was 72.5 percent.

As a result of the very good development of the Group's business the Management Board increased its earnings forecast for the financial year 2021/2022 on several occasions, with the most recent forecast of an EBITDA for the financial year of EUR 500 million and net cash of EUR 300 million. At the beginning of the financial year the Management Board had expected an EBITDA of EUR 150 million and net financial assets of EUR 50 million.

In the view of VERBIO AG's Management and Supervisory Boards, investments in advanced biofuels, the globalisation of the business model and the diversification of end markets are essential to ensure the Group can generate sustainable profitability from the available growth opportunities. For this reason, the Management and Supervisory Boards will, despite the record results, make a proposal to the annual general meeting to be held in February 2023 for the payment of an unchanged dividend of EUR 0.20 per qualifying share. The available financial resources shall be retained and targeted for use in funding the investments planned.

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Strategic highlights 2021/2022: Consistent pursuit of growth potential

In addition to the very pleasing operating performance, VERBIO also achieved important strategic progress in the financial year 2021/2022.

- In order to ensure it is prepared for its growth plans and to improve internal efficiency, the allocation of responsibilities within the Management Board was realigned by region and the Board was expanded to include a CFO. Olaf Tröber took up the CFO role from July 1, 2022.
- The global expansion continues; VERBIO commenced the production of biomethane from straw in the USA and India at the end of 2021. In India VERBIO will initially concentrate on ramping up to full-scale capacity at its production plant and on process and cost optimisation, while in the USA the expansion of the refinery has already commenced. This is expected to commence production in the winter of 2022/2023.
- In 2021/2022 VERBIO's R&D teams have continued to drive forward their efforts to make further improvements in gaining high-value products (e.g. proteins) from the raw materials used in our bioethanol refineries. First sales of these products are expected in 2023/2024. In addition, work continues on the further processing of rapeseed oil methyl ester (biodiesel) to create new, climate-friendly chemicals.
- The volume of investments totalled EUR 121,4 million in 2021/2022. VERBIO's investments are focussed on expanding the biorefinery in the USA, on BioLNG/BioCNG infrastructure and on increasing the efficiency of bioethanol and biomethane production in Germany. The new annual capacity levels for 2022/2023 across all plants are 660,000 tonnes of biodiesel, 300,000 tonnes of bioethanol and 1,300 GWh of biomethane.

Q4 2021/2022 EBITDA exceeds EBITDA 2020/2021

In the fourth quarter the Group generated record sales revenues of EUR 575.0 million (previous year: EUR 309.1 million), and a record result (EBITDA) of EUR 188.4 million (previous year: EUR 53.5 million).

In the Biodiesel segment VERBIO generated record sales revenues of EUR 392.0 million (previous year: EUR 231.4 million) and a record EBITDA of EUR 104.7 million (previous year: EUR 37.6 million). There were positive contributions from, in particular, the higher sales prices driven by world market prices for used vegetable and animal fats, the phasing out of soya and palm oil as a raw material used in biodiesel production in Europe, and the continued strong demand for renewable fuels despite the slight fall in diesel consumption. The hedging of raw material purchases was a supporting factor in the results generated.

In the Bioethanol segment VERBIO also generated record sales revenues of EUR 179.9 million (previous year: EUR 75.3 million) and a record EBITDA of EUR 83.0 million (previous year: EUR 15.2 million). The increase of the greenhouse gas reduction quota in January 2022 and the price advantage

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for E10 at the filling station were factors which led to an increase in demand for bioethanol, particularly in Germany. In addition, the segment revenues also benefited from the double-crediting of advanced biomethane from January 2022. Accordingly, the revenues more than offset the higher prices of raw materials and the increase in energy costs, which are only partially hedged.

Outlook: “We are contributing to energy security and making mobility, logistics and chemistry green!”

VERBIO AG will continue to develop its successful business model, pursuing its strategy of globalisation and developing climate-friendly renewable products for a range of industrial applications. For 2022/2023 the Management Board expects that climate protection and energy security will be the primary drivers of growth for VERBIO. The current high prices for fossil fuels strengthen the competitiveness of VERBIO's bioenergy and increase the attractiveness of biomethane, including beyond the transport sector, as a substitute for Russian natural gas. Based on current sales, raw material and energy price levels and the planned production capacity utilisation, the Management Board of VERBIO AG expects to achieve an EBITDA for the financial year 2022/2023 of around EUR 300 million. This does not take any account of additional negative effects resulting from the Ukraine war.

The investments will be largely financed using the free cash reserves generated in previous financial periods and cash flows from current operations. The Management Board expects that the Group will have net financial assets of approximately EUR 30 million at the end of the financial year 2022/2023. Investments include, among other things, the expansion of the biorefinery in Nevada, the expansion of capacities for the production of advanced biofuels, the BioLNG/BioCNG infrastructure, the ethenolysis plant to manufacture climate-friendly chemicals, as well as other projects, in particular in the USA.

Climate targets

The VERBIO business model places particular importance on providing its customers with products that enable them to make as much CO₂ savings as possible for their value-added chains. The target is to enable VERBIO's customers to save at least 8 million tonnes of fossil CO₂* in 2025. In the financial year just ended customers were able to save 2.6 million tonnes of CO₂. The Group itself aims for (scope 1 & 2) climate-neutrality by 2035.

*Under the current regulatory framework

Detailed information on business developments in the 2021/2022 financial year is provided in the annual report for the financial year 2021/2022 and in the separate Group non-financial report, which can be viewed from 8.30 a.m. at www.verbio.de.

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VERBIO key figures

in EUR million	FY'20/21	FY'21/22	yoy	Q4'20/21	Q4'21/22	yoy
Production						
Biodiesel (t)	601,257	574,031	-5%	146,759	129,851	-12%
Bioethanol (t)	233,284	264,101	13%	61,001	69,197	13%
Biomethane (MWh)	794,817	884,959	11%	200,492	233,058	16%
Sales	1,026.0	1,812.5	77%	309.1	575.0	86%
Segment Biodiesel	729.9	1269.7	74%	231.4	392.0	69%
Segment Bioethanol	286.6	531.3	85%	75.3	179.9	139%
EBITDA	166.3	503.3	203%	53.5	188.4	252%
EBITDA Margin	16.2%	27.8%	+12pp	17.3%	32.8%	+15pp
Segment Biodiesel	93.2	298.4	220%	37.6	104.7	178%
EBITDA Margin	12.8%	23.5%	+11pp	16.2%	26.7%	+10pp
Segment Bioethanol	70.6	202.3	187%	15.2	83.0	446%
EBITDA Margin	24.6%	38.1%	+13pp	20.2%	46.2%	+26pp
Net financial assets	100.2	284.1	184%			
Equity ratio	75.1%	72.5%	-3pp			

Information about VERBIO Vereinigte BioEnergie AG (VERBIO)

VERBIO 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 1,000 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 technologies and efficient energy-saving production processes. VERBIO's biofuels achieve CO₂ savings of up to 90 percent compared to petrol or diesel. The Group's annual production capacity amounts to approximately 660,000 tonnes of biodiesel, 300,000 tonnes of bioethanol and 1,300 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.

Important notice

This publication contains forward-looking statements that 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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