

**VERBIO AG**  
**Q2 2022/2023**

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## Disclaimer

This presentation contains forward-looking information, which is based on assumptions and estimates of the company management of VERBIO Vereinigte BioEnergie AG. Even though company management believes that these assumptions and estimates are correct, the actual future development and actual future results can deviate substantially from these assumptions and estimates due to many factors. For example, these factors can include alteration of the economic situation, legal and regulatory constraints in Germany and the EU, and changes in the industry. VERBIO assumes no liability and provides no warranty that future developments and actual future results will agree with the assumptions and estimates expressed in this presentation.

# Agenda

1. **New Segment Reporting: Starting 2023/24**
2. **Key Highlights in H1 and Q2 22/23**
3. **Group Financials: Q2 22/23**
4. **Segment Financials: Q2 22/23**
5. **Update & Outlook**

## 1st Gen Fuels

- Based on arable feedstocks (e.g. non-food-grade grains, oilseeds)
- Includes Rapeseed oil methyl ester, Bioethanol



< 75% GHG Emission Reduction vs Fossil Fuels

## Advanced 2nd Gen Fuels

- Based on waste and residues (e.g. corn stover, wheat straw, rice paddy)
- Includes RNG and advanced Biodiesel

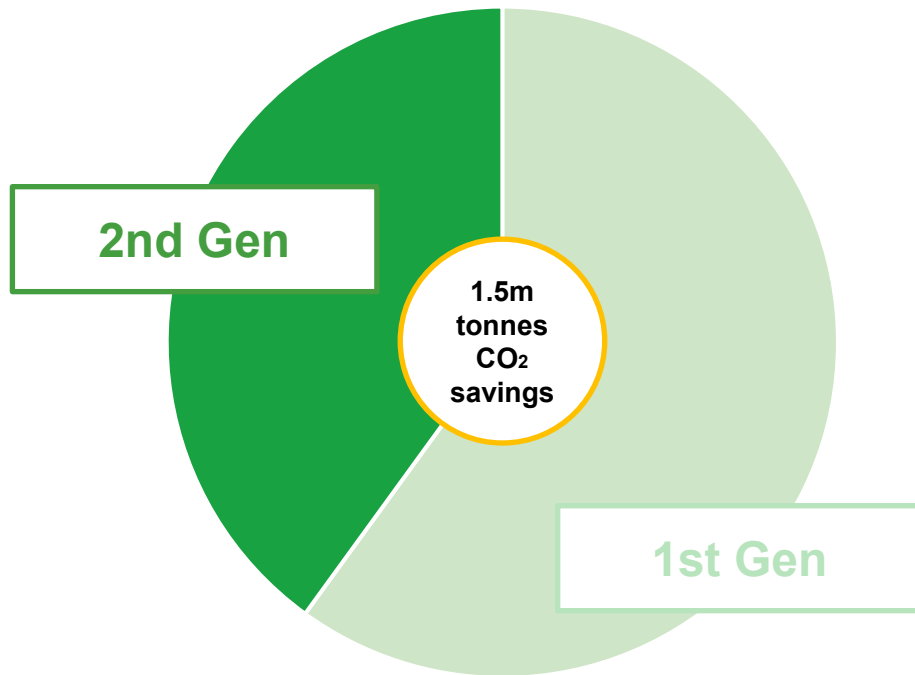


> 90% GHG Emission Reduction vs Fossil Fuels

## Specialities

- Includes high-quality pharma glycerine, sterols, chemical feedstocks, proteins



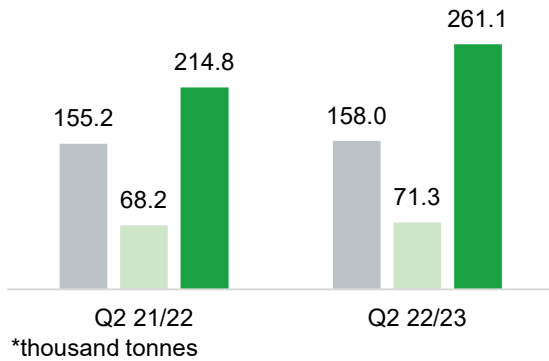


- Record RNG production levels in H1 and Q2 2022/23
- VERBIO generated 1.5m tonnes of CO<sub>2</sub> savings in H1 2022/23 – this compares to 1.5m people giving up their round trips from Paris to New York!
- Approx. 40% of CO<sub>2</sub> savings stem from advanced second generation biofuels
- Outlook confirmed

## Key figures in Q2 22/23: RNG production again at a record level

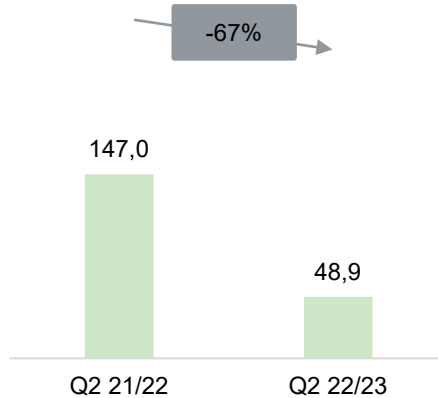
### Production in kt\* and GWh

■ Biodiesel in kt ■ Bioethanol in kt ■ RNG in GWh



- RNG: +22% rise in production yoy due to increase in capacity in Germany and ramp-up in USA/India
- Biodiesel/-ethanol: Capacity utilisation of 96%

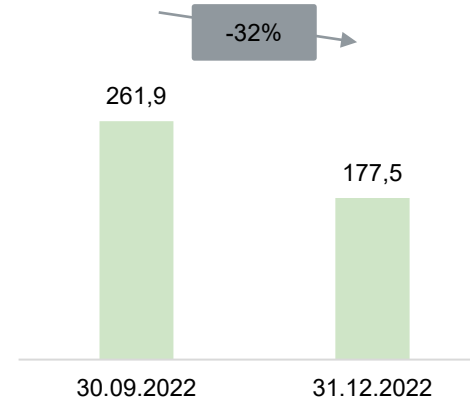
### EBITDA in € m



Decrease primarily due to:

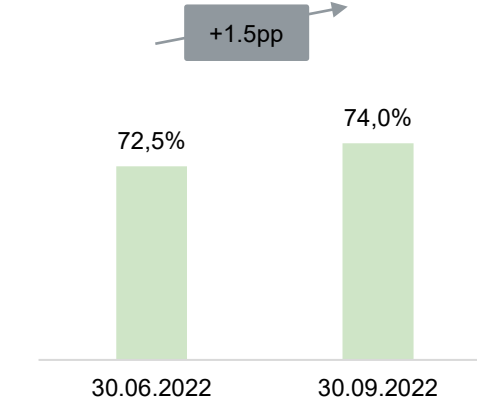
- Falling sales prices, in particular for bioethanol
- Higher raw material prices and a sharp increase in energy costs (> 400% compared to Q2 2021/22)

### Net cash in € m



- Increase in RNG inventories and investments in PPE for future growth as well as tax payments offset cash inflow

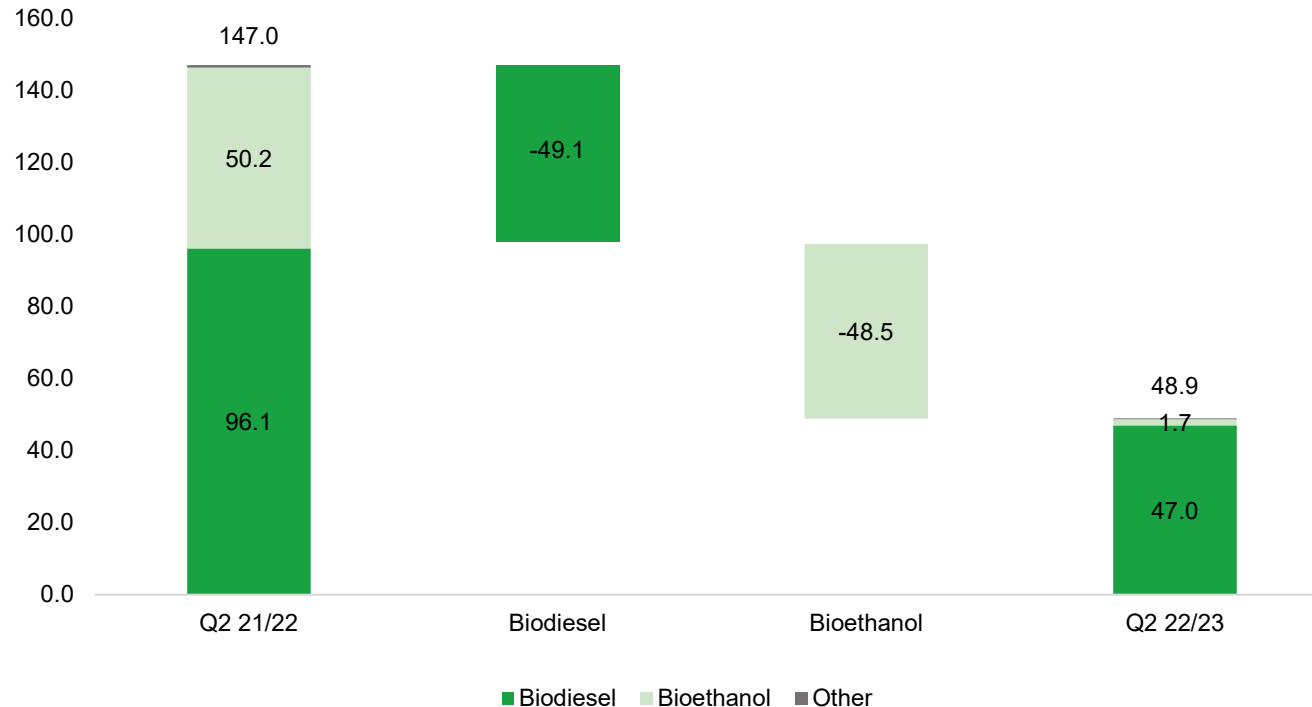
### Equity ratio in %



- Financial stability remains high

## Segment Overview: Diversified Portfolio Drives Profits

### Group EBITDA by Segment Q2 22/23 vs Q2 21/22 in €m

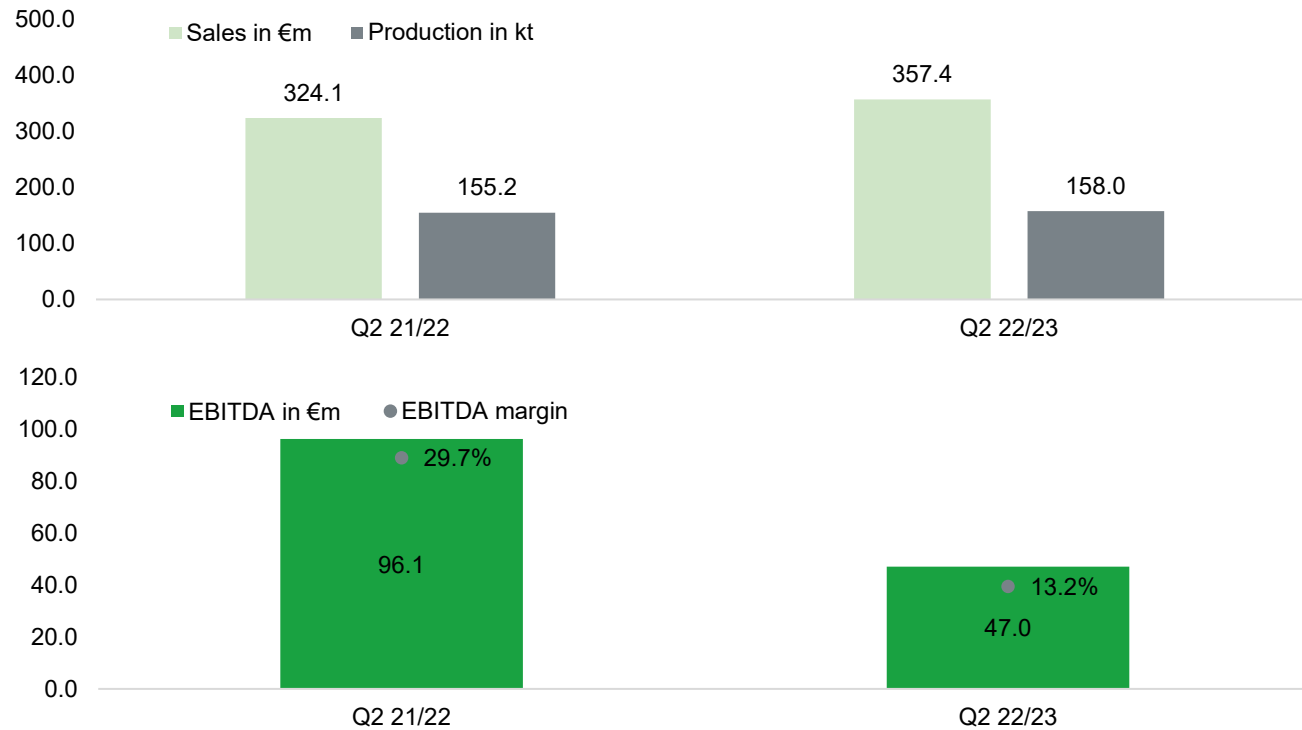


### Comments

- Higher sales in the Biodiesel segment overcompensate lower sales in the Bioethanol segment
- EBITDA burdened by:
  - Increase in raw material expenses and jump in energy costs (> 400% compared to Q2 21/22)
  - € 6m increase yoy in personnel expenses due to a bigger workforce in line with our strategic expansion plans and inflation bonuses
  - € 12m negative FX effect yoy

## Biodiesel: EBITDA above long-term Average

### Segment Biodiesel



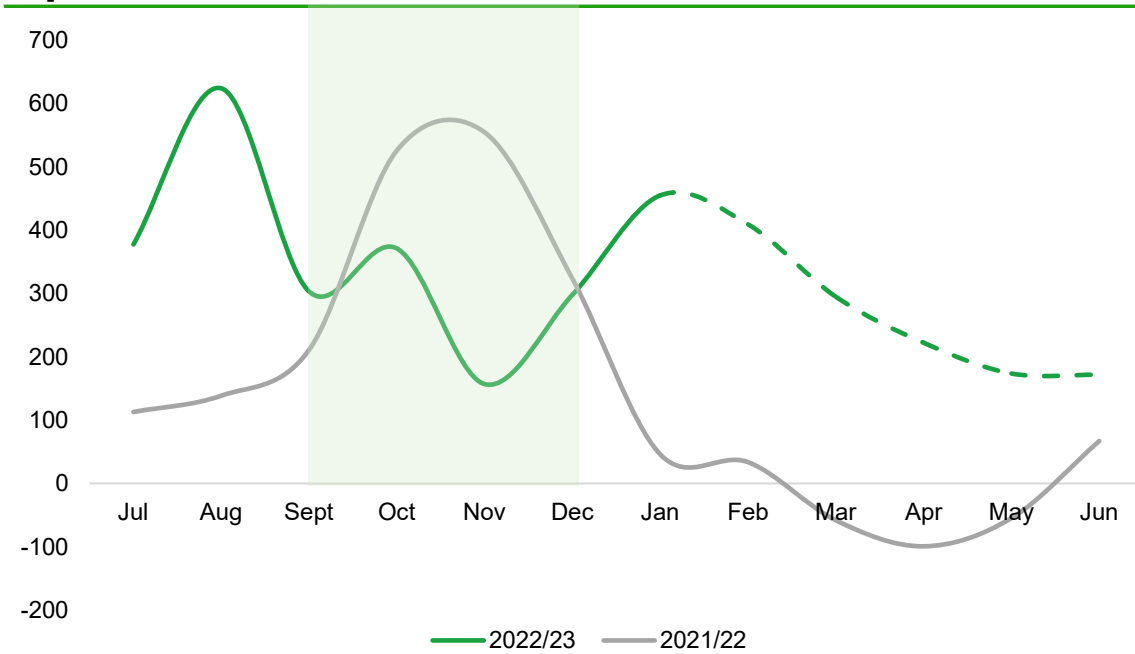
### Comments

- Record production levels
- Revenues increased 6% yoy thanks to higher sales prices for high-value glycerine and for biodiesel in North America
- Higher input costs pressured EBITDA
- EBITDA remained significantly above the long-term average
- Q2 21/22 positively impacted by attractive hedged prices



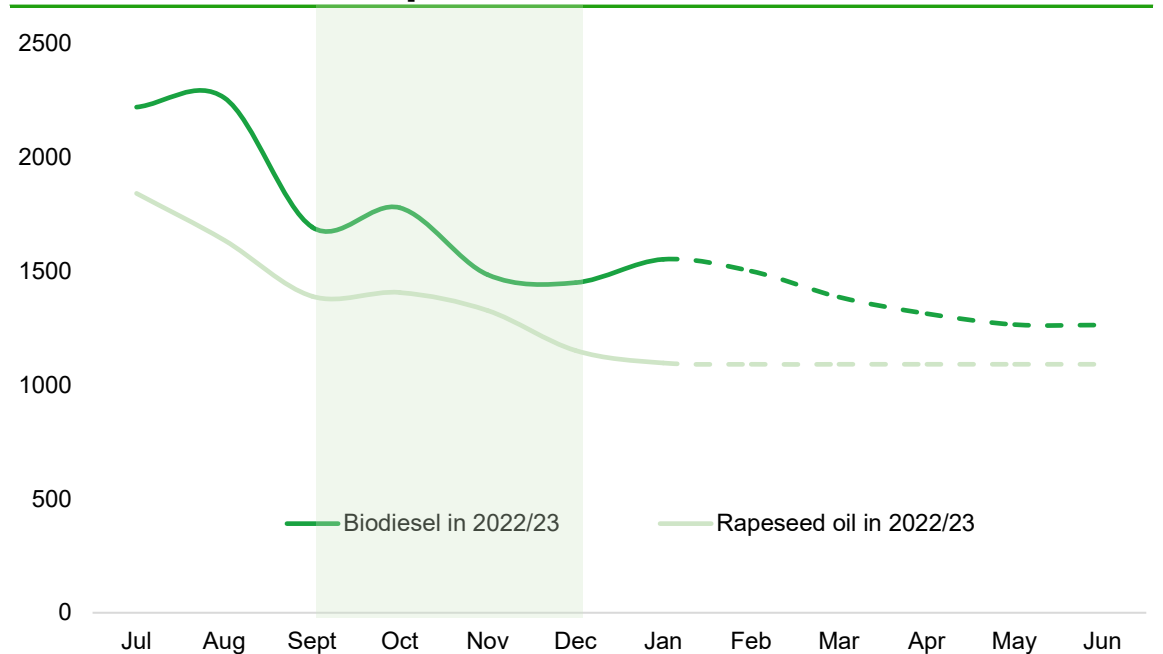
## Biodiesel Market Development: Normalizing Spreads

### Spreads in €/t



Source: Reuters

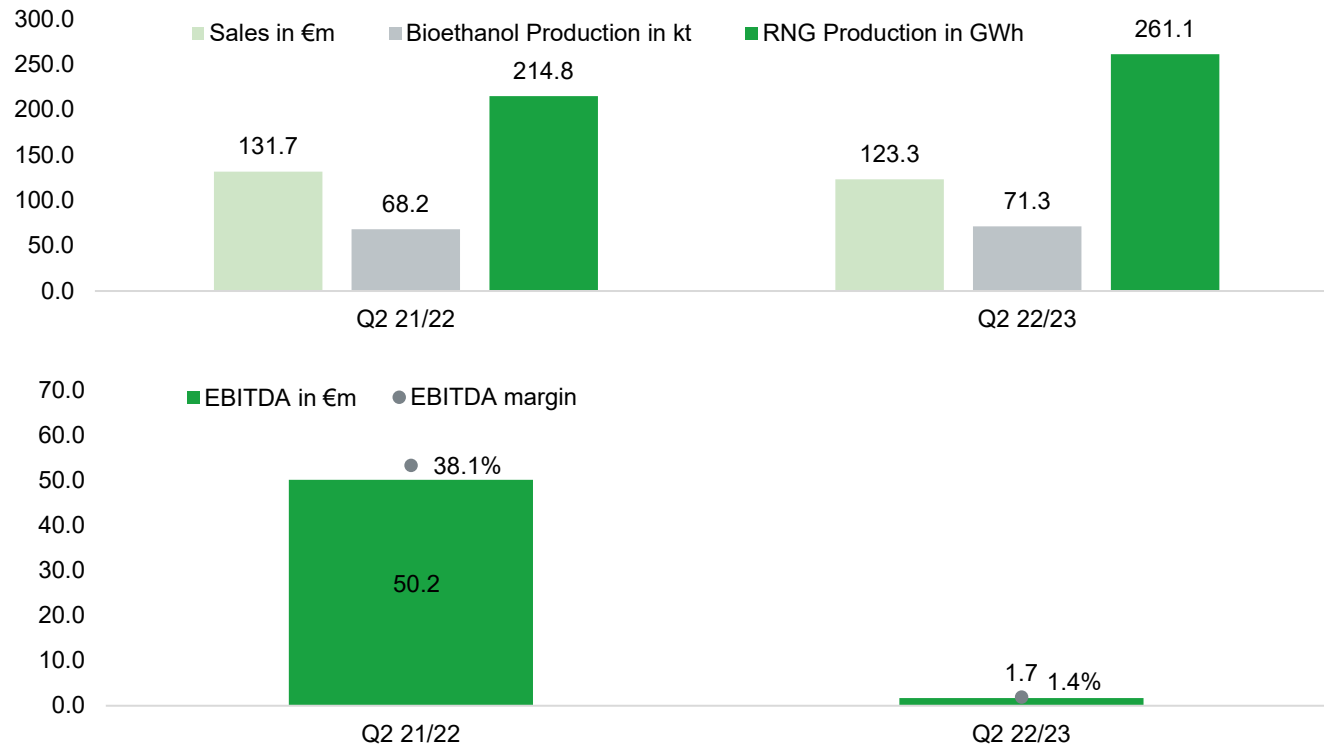
### Biodiesel and Rapeseed oil in €/t Biodiesel



Source: Reuters

## Bioethanol: Full Earnings Benefit from RNG will be Visible in Future Periods

### Segment Bioethanol



### Comments

- Record RNG production levels
- Fall in ethanol price (-20% yoy) not entirely compensated by higher ethanol sales volumes and GHG premiums
- Massive increase in cost burden mainly linked to higher input costs
- RNG is largely stored in grid to capture full product margins once downstream business is operational

## Bioethanol: Maximizing Downstream Margin Capture for RNG

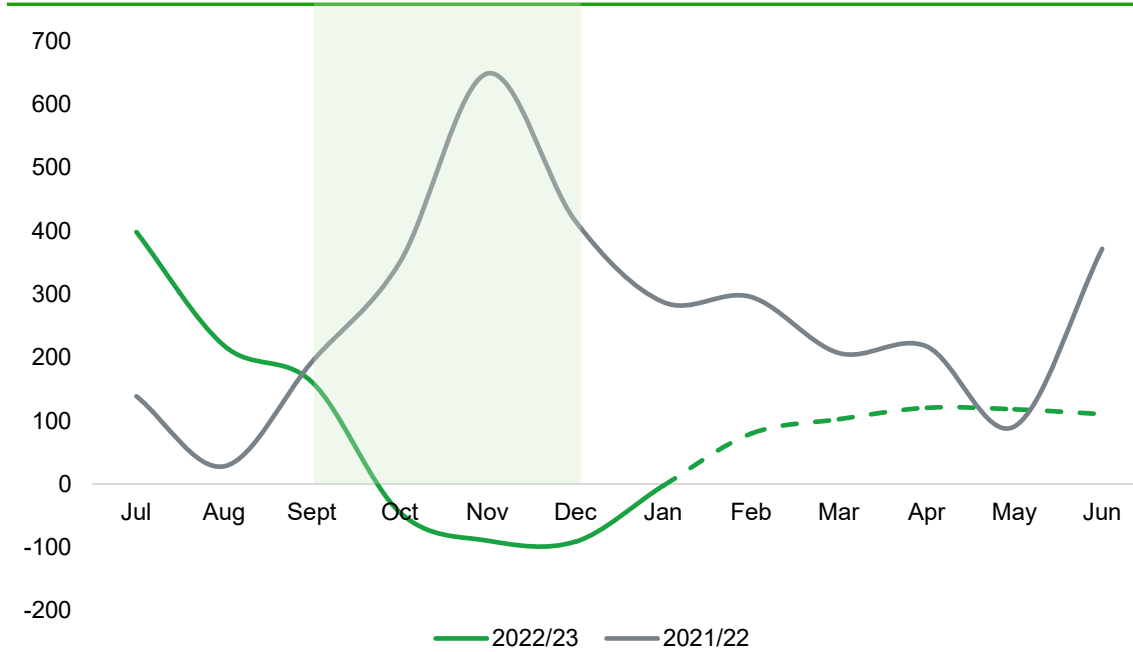


### Comments

- VERBIO is continuing to follow the strategy of increasing inventory of biomethane in order to be able to capture the entire product margin using its own BioCNG/BioLNG infrastructure
- Approx. 700 GWh stored in the grid + 2/3rds of future production
- Downstream business starts in Q4 22/23

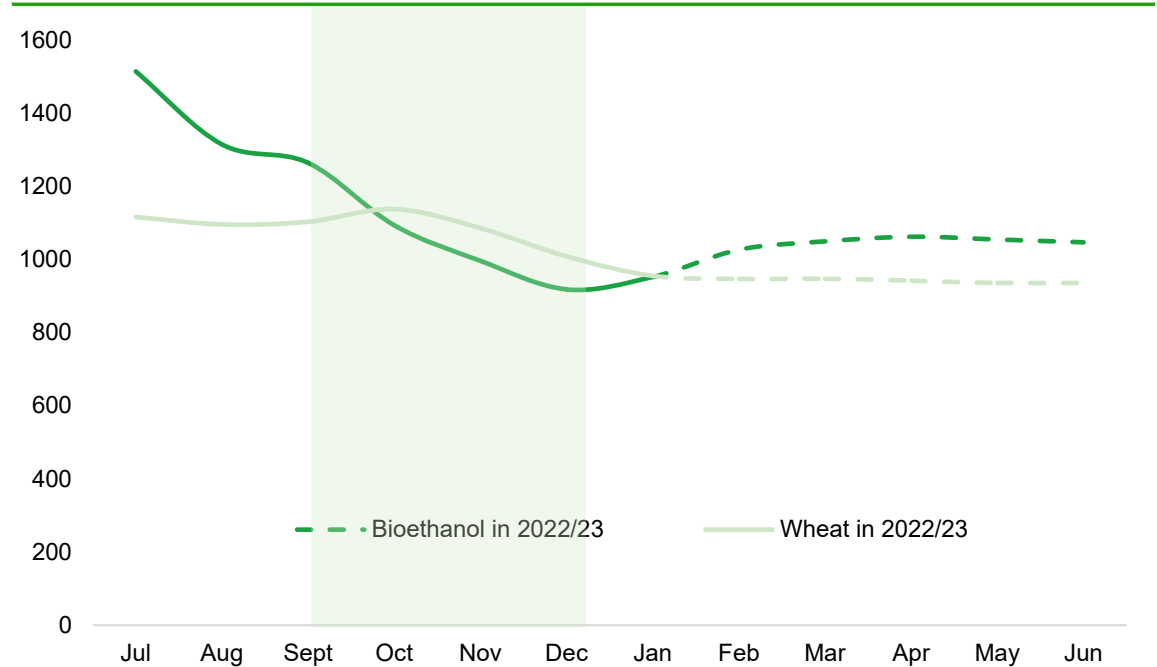
## Bioethanol Market Development: Easing Conditions in H2 22/23

### Spreads in €/t



Source: Reuters

### Bioethanol and Wheat in €/t Bioethanol



Source: Reuters

## Status Quo and Next Steps

- **Expansion in Germany:** Fully on track
- **USA:** 160 GWh straw-based RNG plant operational with c. 50%+ capacity utilisation, Nevada biorefinery roll-out running, mechanical completion of biorefinery expected by spring
- **India:** 160 GWh straw-based RNG plant operational with low capacity utilisation, focus on production ramp-up and profitability improvement
- **Liquefaction plant:** Expected to be operational by end of summer 2023
- **BioLNG/BioCNG stations:** 20 gas stations planned, locations secured, roll-out running, ramp-up in HY2 22/23
- **Ethenolysis:** Plant location secured, approval process for ethenolysis plant pending
- **VERBIO Protein:** Initial production volumes of feed-grade proteins achieved, expansion for production of food-grade proteins ongoing

## Fully on Track to Achieve Our Full Year Targets of € 300m EBITDA and € 30m Net Cash

- H1 22/23 figures are a good basis for the current fiscal year
- Accelerated investments in advanced biofuels, globalisation and diversification of end-markets expected

in €m	H1 22/23	FY 22/23E
<b>EBITDA</b>	170.3	300
<b>Net Cash</b>	177.5	30

# Q&A

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- 1st Gen Biofuel: First Generation Biofuel
- 2nd Gen Biofuel: Second Generation Biofuel
- RNG: Renewable Natural Gas = Biomethane