

VERBIO AG
Q3 2022/2023

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Disclaimer

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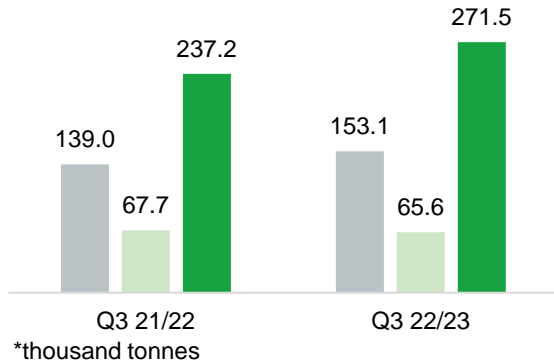
Agenda

1. **Group Financials: Q3 22/23**
2. **Segment Financials: Q3 22/23**
3. **Acquisition of South Bend Ethanol**
4. **Update & Outlook**

Key figures in Q3 22/23:

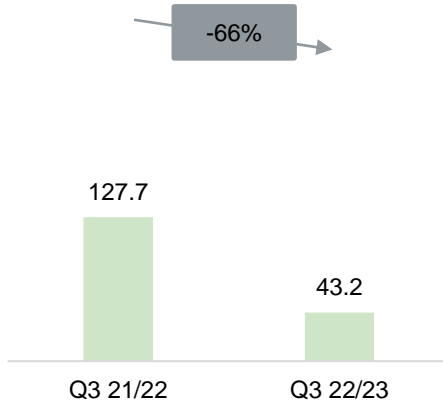
Production in kt* and GWh

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



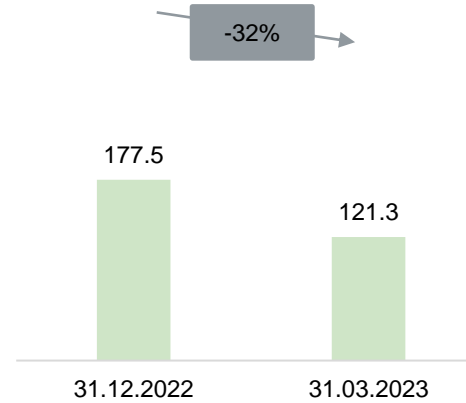
- Biodiesel Production +10% yoy due to higher utilization in Canada
- Ethanol Production stable yoy
- RNG Production +14% yoy due to capacity expansion

EBITDA in € m



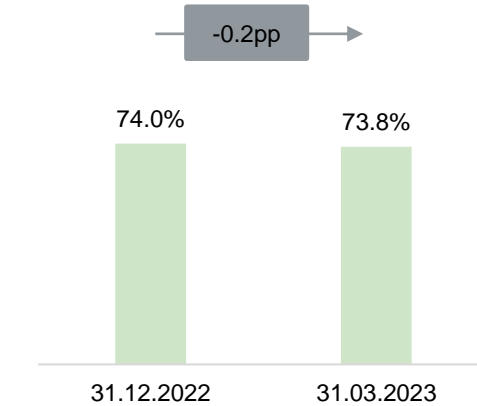
- Decrease primarily due to:
- Decline in sales prices, in particular for biodiesel
 - Higher purchasing prices

Net cash in € m



- Change is driven by:
- EBITDA (+)
 - WC (+)
 - Growth investments (-)
 - Tax Payment (-)
 - Dividend Payout (-)

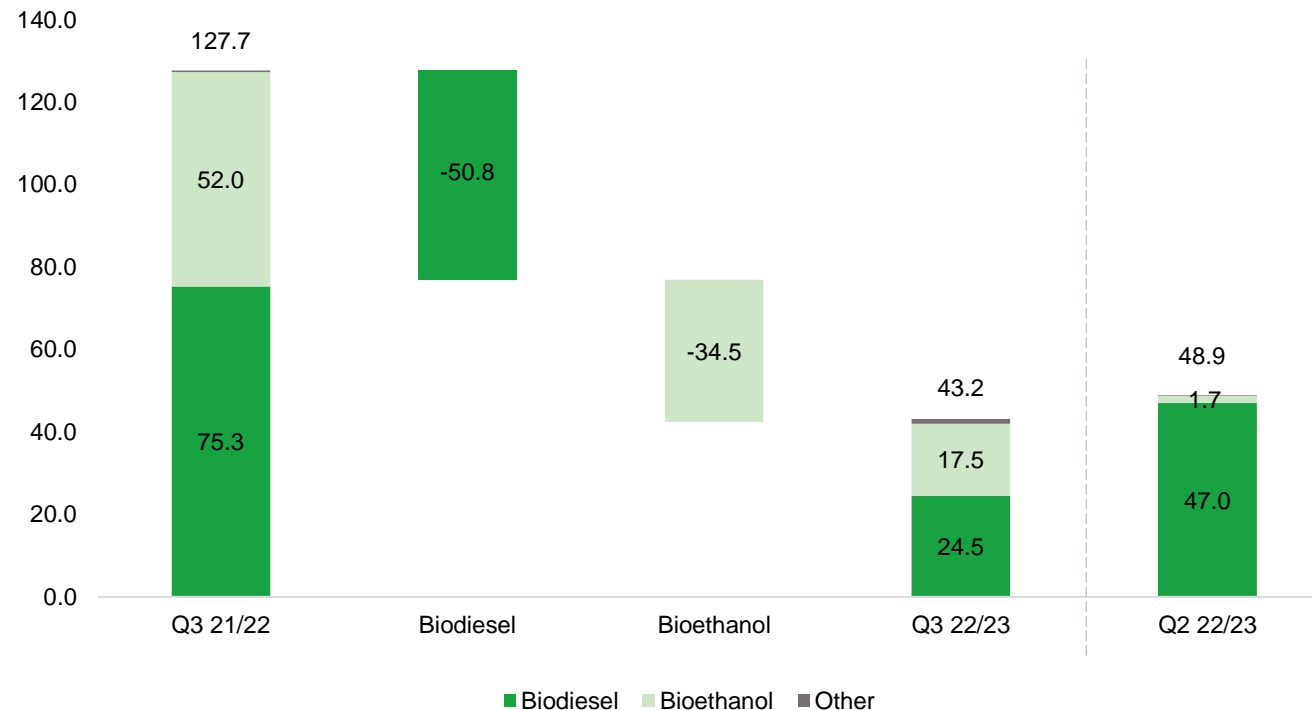
Equity ratio in %



Financial stability remains high

Segment Overview: Recovery in Ethanol Segment qoq

Group EBITDA by Segment Q3 22/23 vs Q3 21/22 in €m

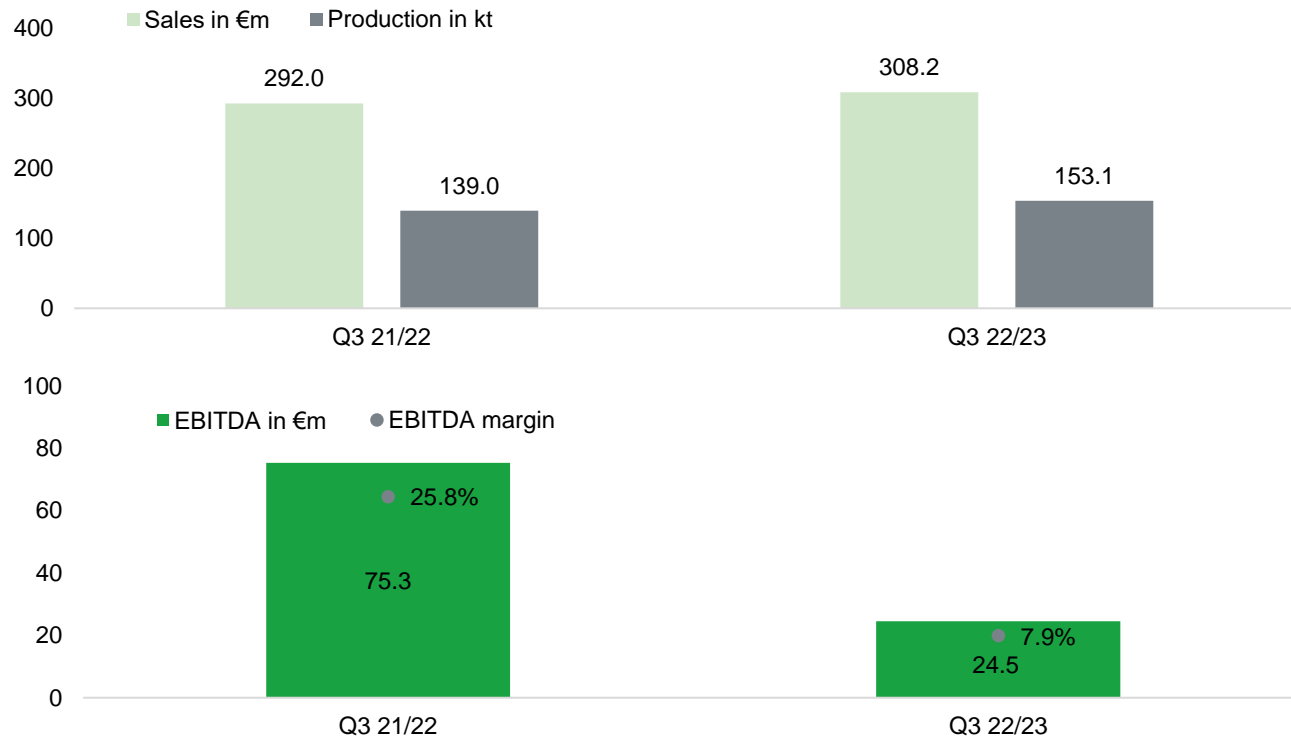


Comments

- Low yoy comparability due to opportunistic feedstock price hedging in 2021/22
- Qoq EBITDA remained largely stable:
 - Increase in Bioethanol segment thanks to recovery in sales prices
 - Decrease in Biodiesel segment is driven by sharp decline in biodiesel prices in Europe coupled with only a small decrease in purchasing prices

Biodiesel: Low Comparability yoy; Qoq Decline Driven by Deteriorating Biodiesel Prices

Segment Biodiesel

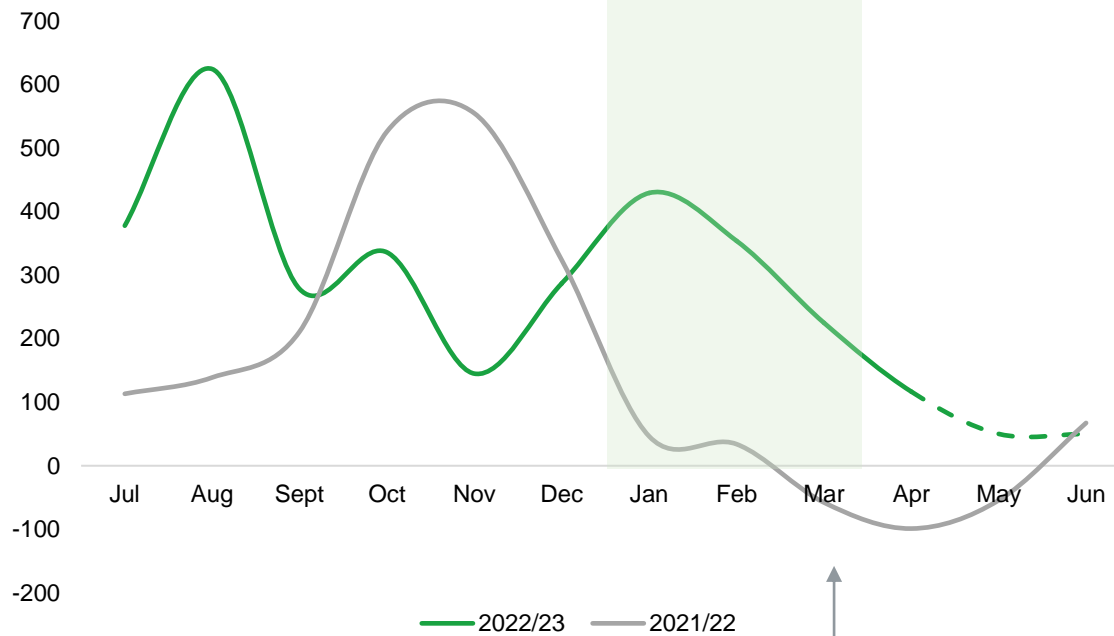


Comments

- Revenues increased 6% yoy thanks to higher volumes and sales prices for lower-margin biodiesel in North America
- Decline in European Biodiesel prices coupled with comparably high purchasing costs burdened EBITDA
- Attractively priced GHG premiums stabilized the results
- Q3 21/22 positively impacted by attractively hedged prices

Biodiesel Market Development: Wrongly Labelled Biodiesel Floods European Market

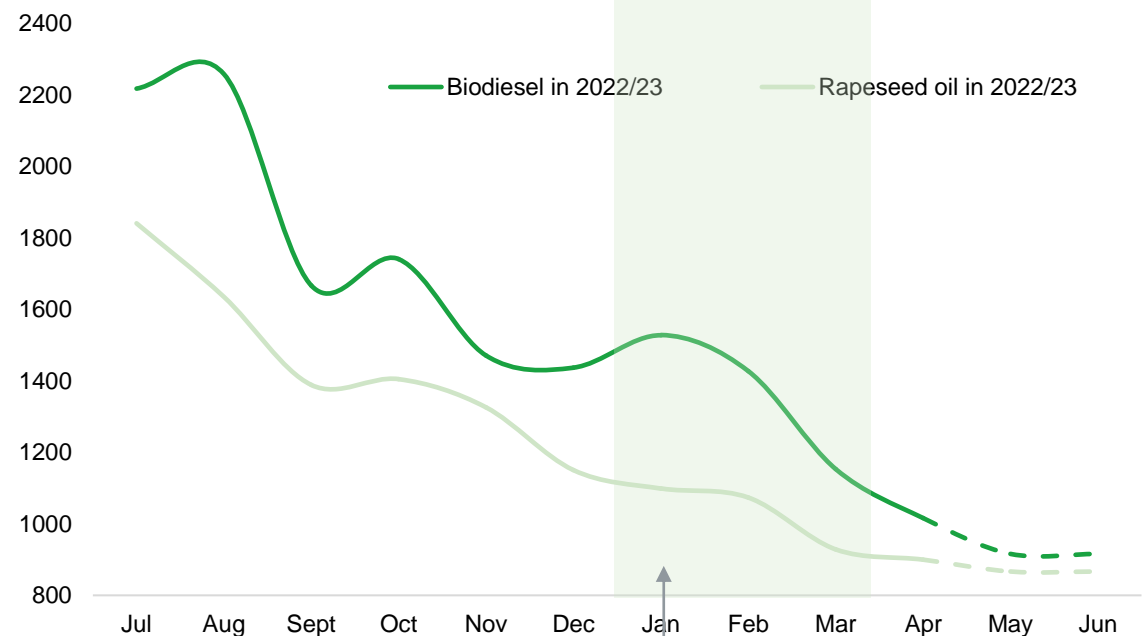
Spreads in €/t



Source: Reuters; Spread = Biodiesel Price ./ Rapeseedoil Price per Tonne of Biodiesel

H2 21/22: VERBIO spreads remained at much higher level compared to market spreads due to early procurement of rapeseedoil

Biodiesel and Rapeseed oil in €/t Biodiesel

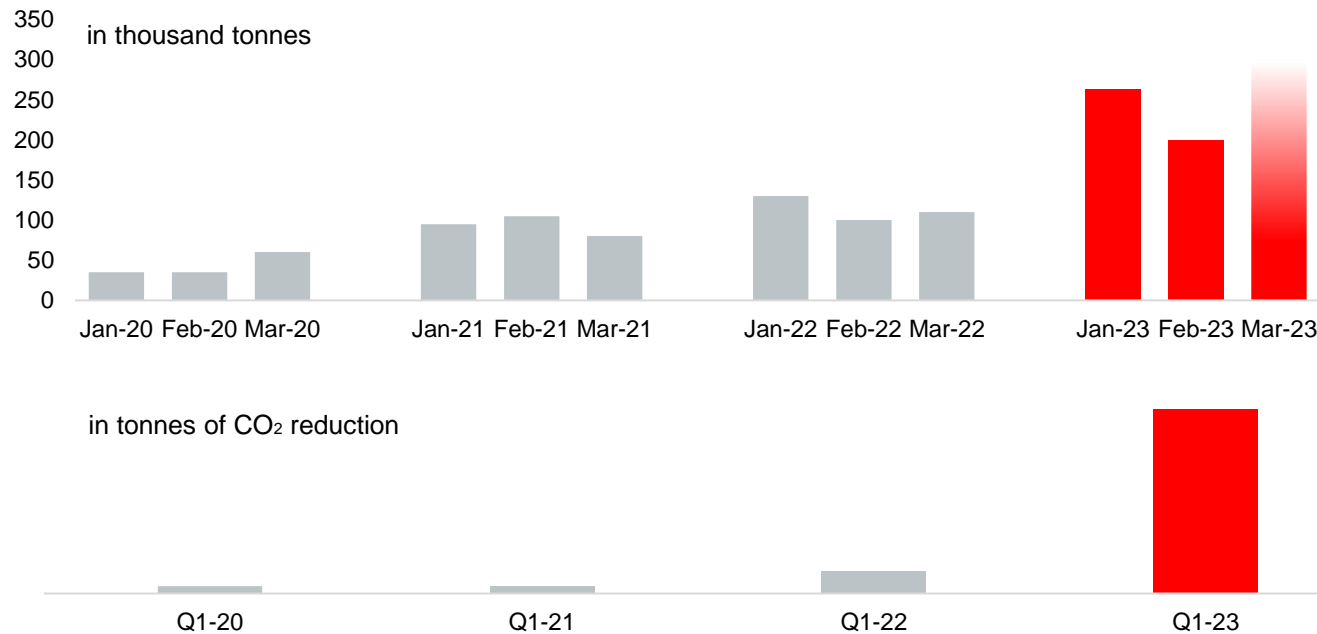


Source: Reuters

Verbio purchases feedstock ca. 2-3 months in advance

Action is Being Taken Against Wrongly Labelled Biodiesel

Chinese Biodiesel Exports and GHG Quota Generation



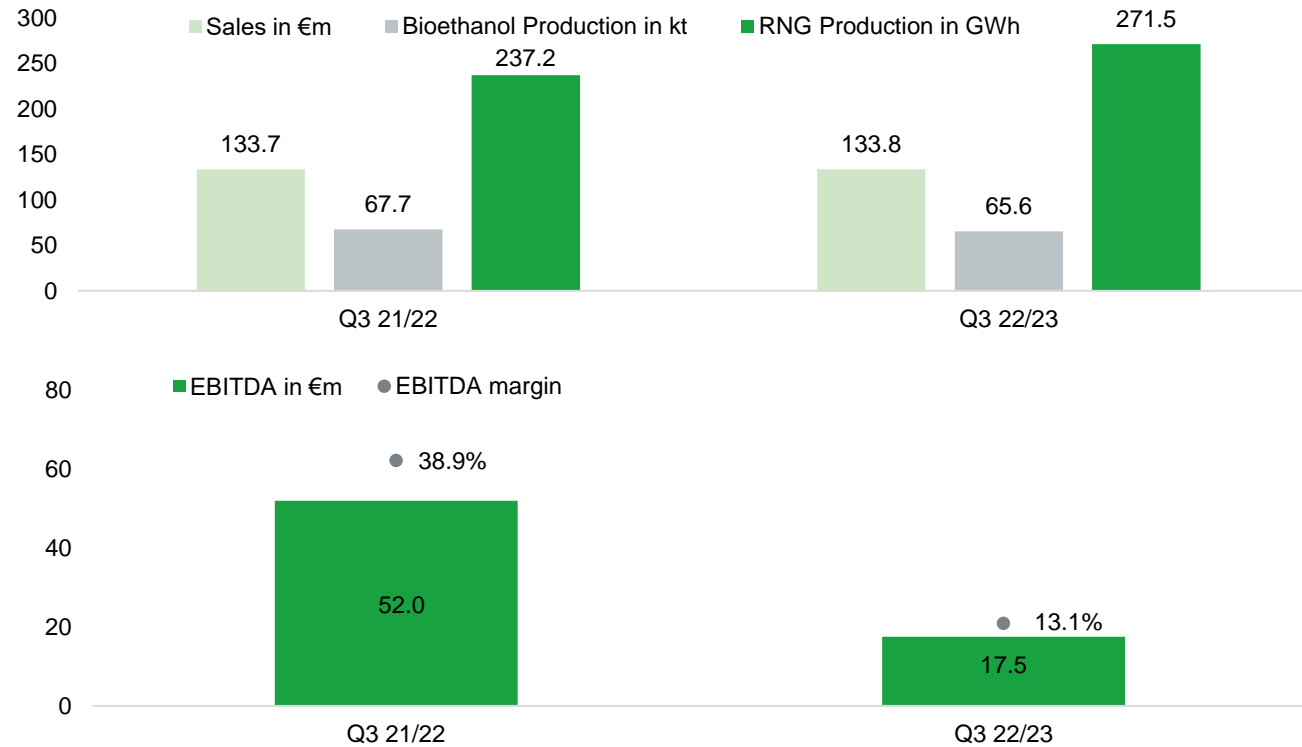
Source: PRIMA; GHG Quota Generation approximated

Comments

- Chinese exports have doubled yoy with a large share of wrongly labelled biodiesel heading towards Germany to participate in attractive GHG quota market
- EU-wide and national solutions are currently being developed to address the mislabelling of biodiesel
- ISCC withdrew 5 certificates in the last couple of weeks
- First oil majors stop using mislabelled palm-oil-based biodiesel

Bioethanol: Strong Recovery qoq

Segment Bioethanol

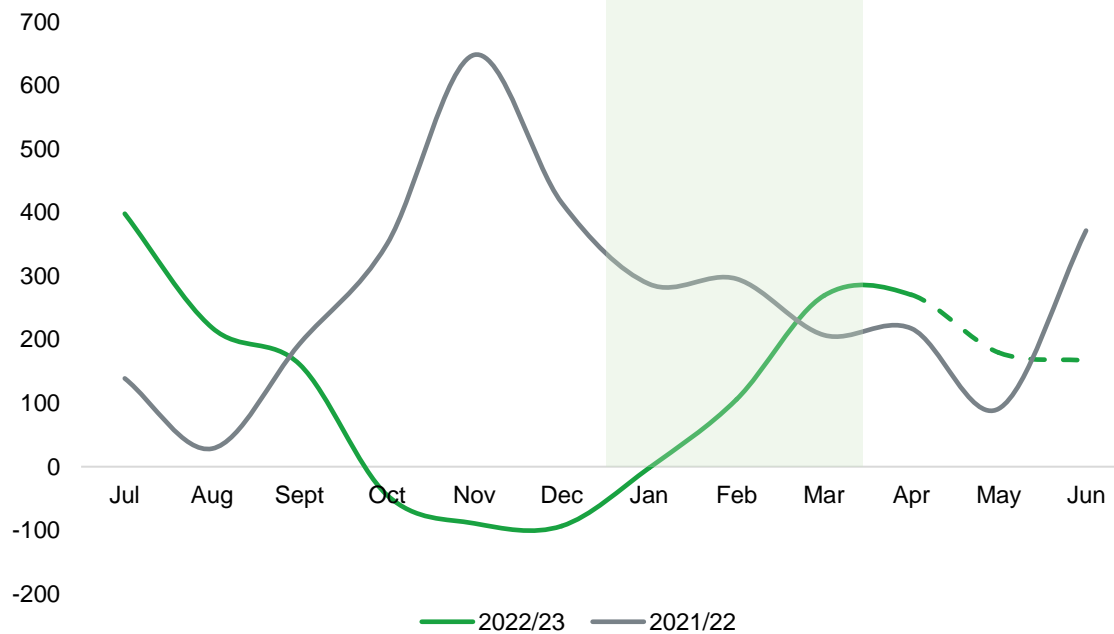


Comments

- Stable sales yoy thanks to sale of additional GHG quota at the beginning of the year
- Strong increase in cost burden mainly linked to higher input costs
- Positive one-off effects in Q3 21/22
- Initial BioLNG sales; GHG quota stored

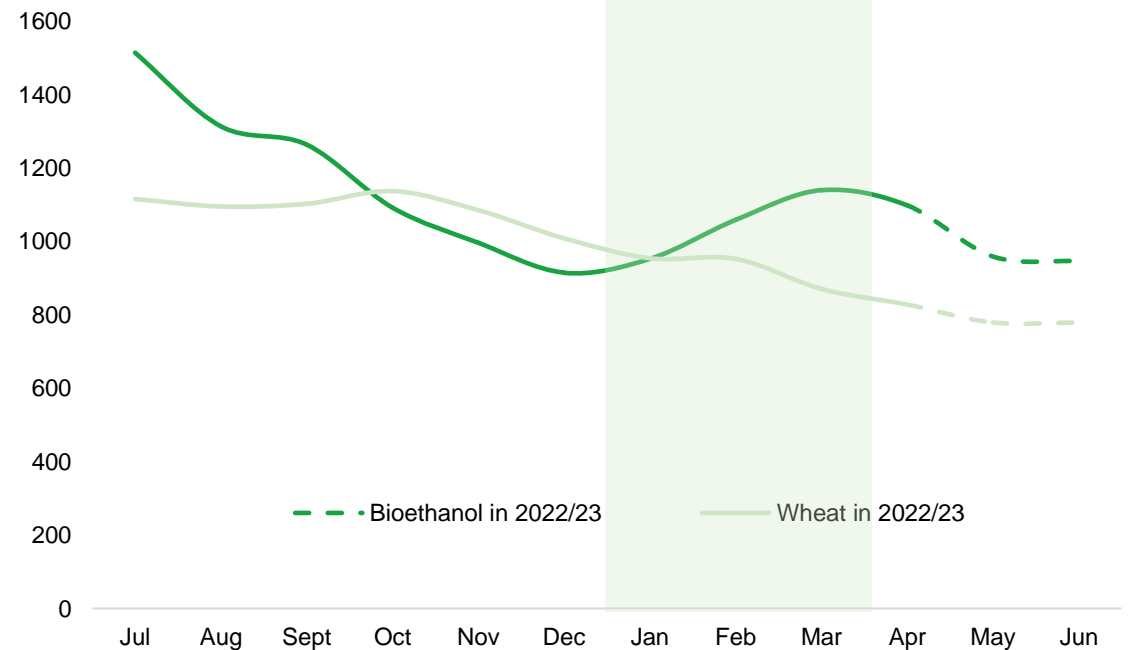
Bioethanol Market Development: Market Spreads Recovered Strongly

Spreads in €/t



Source: Reuters; Spread = Bioethanol Price ./ Bioethanol Price per Tonne of Bioethanol

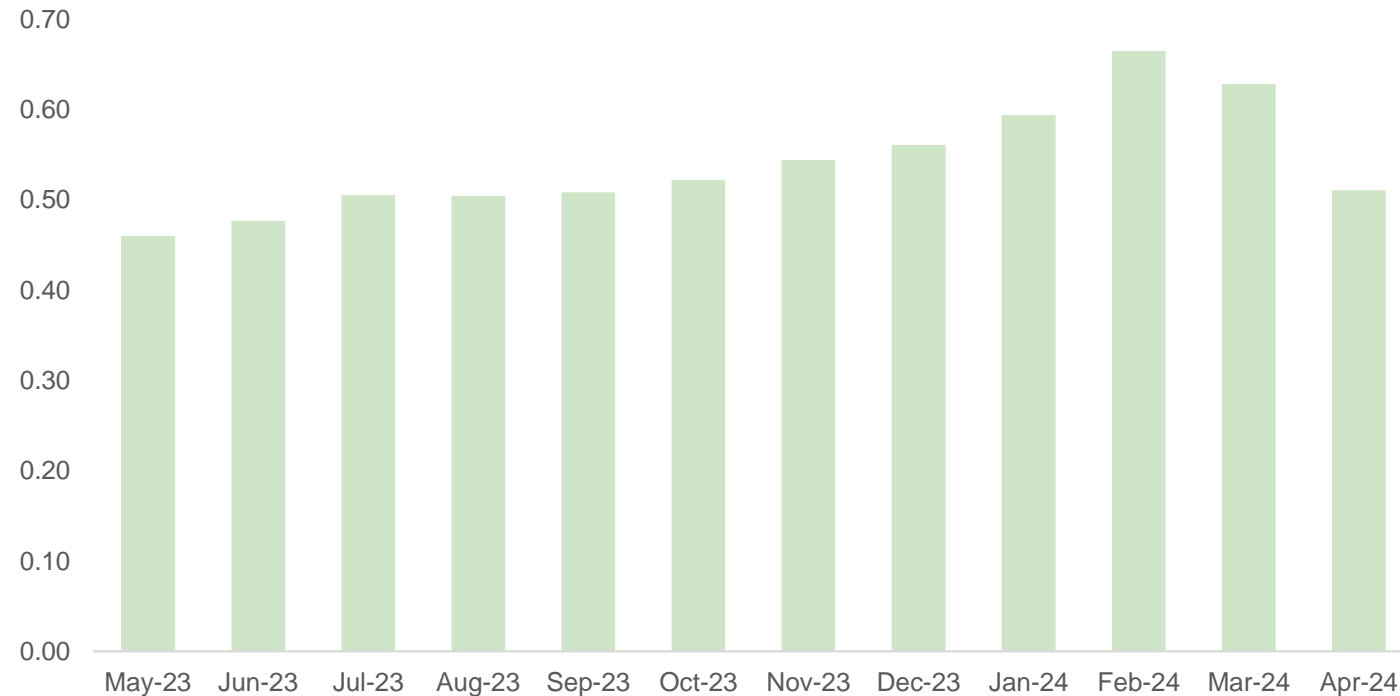
Bioethanol and Wheat in €/t Bioethanol



Source: Reuters

Our Competitive Advantage in the US Market

VERBIO's Competitive Advantage in USD/gal



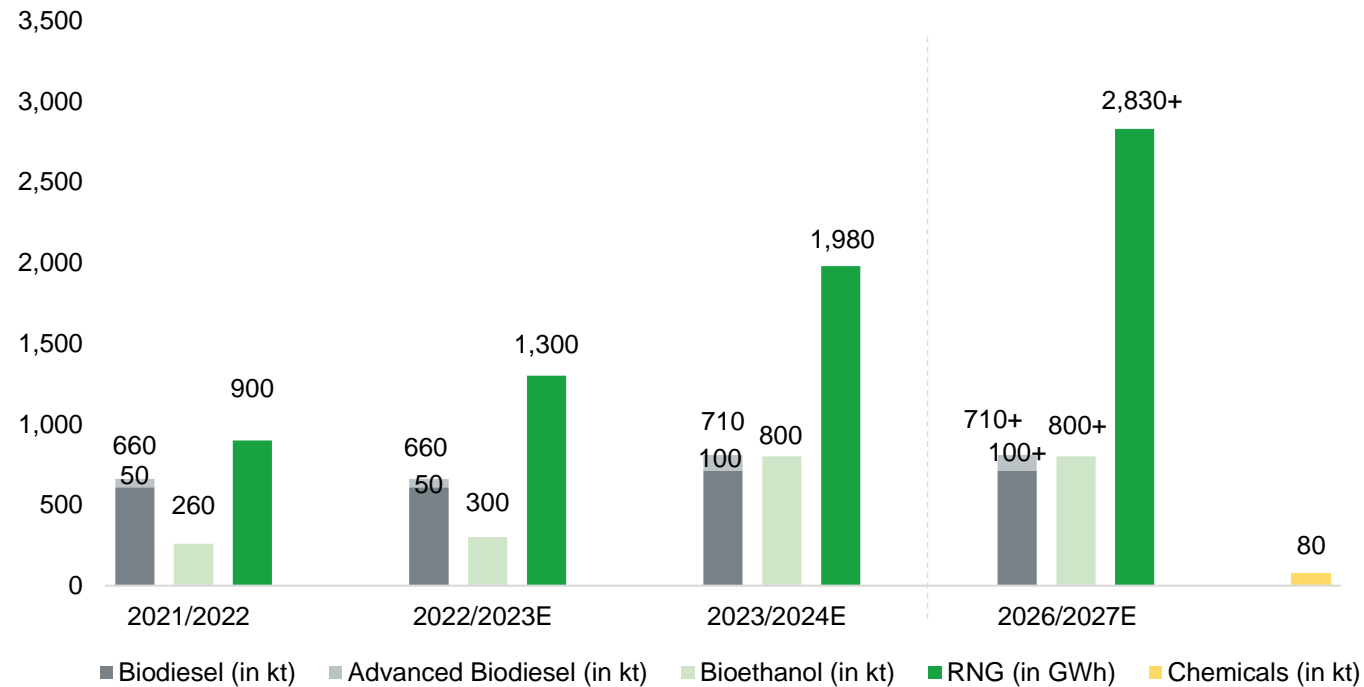
Source: Own Calculations; excl. Production Tax Credits and based on conservative price assumptions for RNG

Comments

- **Deal Rationale:** Convert traditional bioethanol plant into VERBIO biorefinery producing 85 million gal. bioethanol and 850 GWh RNG p.a. with strong competitive advantage
- **Estimated Capex:** USD 230m
- Project will be financed from freely available cash, credit lines and cash flow
- **IRA provides attractive provisions:** 30% Investment Tax Credit can bring IRR up by +10%

New Project Adds Substantial Capacities

Capacity Expansion incl. South Bend Ethanol



- **FY 22/23 Guidance adjusted to € 240m EBITDA; Net Cash in positive territory**
- **Expansion in Germany:** Slightly ahead of plan
- **USA:** 160 GWh straw-based RNG plant operational with c. 50%+ capacity utilisation, Nevada biorefinery roll-out running, mechanical completion of biorefinery expected by summer
- **BioLNG/BioCNG stations:** 20 gas stations planned, locations secured, roll-out running, 5 gas stations online
- **Ethenolysis:** Plant location secured, approval process for ethenolysis plant pending, applied for 25% funding

Q&A

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