

Corporate News

FY 2022/2023: Second-best results in the history of VERBIO

- EUR 240.3 million EBITDA in 2022/23
- Net cash balances of EUR 57.4 million at June 30, 2023 as a result of investments in growth
- Proposed dividend of EUR 0.20 per share

Leipzig, September 26, 2023 – VERBIO was able to generate a good result in the financial year 2022/23 in light of the volatility in raw materials and considering the extraordinarily successful results reported in the previous year. EBITDA of EUR 240.3 million was in the range of the most recent forecast, and is the second-best result in VERBIO's history. The forecast was adjusted on April 27, 2023 to approximately EUR 240 million due to declining biodiesel prices, due, among other things, to biodiesel imports from Asia which were likely to have been falsely labelled, coupled with rolling forward raw material procurement. The Group's sales revenues for 2022/23 totalled EUR 1,968.3 million (FY 2021/22: EUR 1,812.5 million), almost reaching the EUR 2.0 billion mark. The increase in sales revenues is primarily due to the increase in sales volumes of both biodiesel and bioethanol over the course of the financial year. Net financial assets were EUR 57.4 million, significantly lower than the figure of EUR 284.1 million at the end of the previous year due to tax payments and investments in growth.

Q4 2022/23: The Bioethanol/Biomethane segment generates positive results, while the Biodiesel segment suffers as a consequence of imports from Asia

VERBIO generated sales revenues of EUR 447.0 million in the fourth quarter (Q4 2021/22: EUR 575.0 million) and an EBITDA of EUR 26.8 million (Q4 2021/22: EUR 188.4 million), following on from the third quarter in which the Group generated sales revenues of EUR 443.6 million and an EBITDA of EUR 43.2 million. The continued recovery in the Bioethanol segment partially offset the decline in the Biodiesel segment, highlighting the advantages of VERBIO's product portfolio.

In the Biodiesel segment VERBIO generated sales revenues of EUR 266.4 million, 32 percent lower than in the same period in the previous year (Q4 2021/22: EUR 392.0 million) and 14 percent lower than in the previous quarter (Q3 2022/23: EUR 357.4 million). This fall is primarily due to the sharp falls in biodiesel prices, which are due, among other things, to imports of what is likely to be falsely labelled biodiesel from Asia, while the time lag between procurement and sales was also an additional burden on the result. The attractively priced GHG premium and by-products had a

VERBIO Vereinigte BioEnergie AG

Ritterstraße 23, 04109 Leipzig, Germany

Alina Köhler
Investor Relations
Tel.: +49 341 308530-299
E-Mail: ir@verbio.de

Ulrike Kurze
Global Marketing & Communications
Tel.: +49 176 13085404
E-Mail: ulrike.kurze@verbio.de

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stabilising effect on earnings, with the result that the gross margin was almost break-even. As a result EBITDA was EUR -10.3 million (Q3 2022/23: EUR 24.5 million; Q4 2021/22: EUR 104.8 million).

In the Bioethanol/Biomethane segment VERBIO reports positive sales trends growth compared to the third quarter of the financial year 2022/23 as a result of the initial consolidation of South Bend Ethanol (SBE) from the beginning of May, and as a result of the increased sales volumes of BioCNG and BioLNG (Q4 2022/23: EUR 180.6 million; Q3 2022/23: EUR 133.8 million). The average sales prices for ethanol remained almost constant. Falling procurement prices for grain and sales of additional GHG quotas for biomethane had a positive effect on EBITDA, with the result that VERBIO generated EBITDA growth of 107 percent compared to the previous quarter (EUR 36.2 million; Q3 2022/23: EUR 17.5 million). Organic EBITDA growth was approximately 89 percent. In the comparative period for the previous year (Q4 2021/22: EUR 83.0 million) VERBIO benefited from significantly higher market prices for ethanol (+ EUR 508/tonne bioethanol) with only slightly higher procurement prices for grain and lower energy costs (EBITDA Q4 2021/22: EUR 83.0 million).

Building on our strategy

VERBIO invested EUR 120.5 million in property, plant and equipment in the fourth quarter. As a result, investments have increased three-fold compared to the previous year (Q4 2021/2022: EUR 40.5 million). In addition to the acquisition of South Bend Ethanol, the investments made were primarily in the US plants, in the expansion of plants and the filling station network in Germany and, to a lesser extent, in the new production process for manufacturing basic chemicals from rapeseed oil methyl ester (biodiesel). The bioethanol plant acquired in the USA will be modified on a step-by-step basis to convert it into a VERBIO biorefinery.

Net financial assets at June 30, 2023 totalled EUR 57.4 million (June 30, 2022: EUR 284.1 million) and the equity ratio was 70.3 percent (June 30, 2022: 72.5 percent).

The Management and Supervisory Boards will make a proposal to the annual general meeting to be held in February 2024 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.

Outlook: "Pioneering green solutions"

In view of the decarbonisation and defossilisation targets in transport and the newly-created markets in industry, a significant growth in the market for low CO₂ raw materials and products can

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Investor Relations
Tel.: +49 341 308530-299
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be expected. VERBIO will actively address this market growth with its international expansion and by optimising its existing production capacity, as well as with the construction of new capacity for manufacturing various different renewable molecules in the form of green- and brownfield investments.

Despite the ongoing uncertainties in Germany in the financial year 2023/24 as a result of the biodiesel imports from Asia, the Management Board expects a positive result within the wider context of the industry. VERBIO has already proved that it can generate attractive earnings even in challenging times as a result of its competitive business model and its innovative technologies. In the current financial year 2023/24, the Management Board expects that high capacity utilisation in the Biodiesel segment will continue. As a result of the doubling of capacity for advanced biodiesel the total annual capacity will be amended to 710,000 tonnes in the financial year 2023/24 (previously: 660,000 tonnes). Contracts guaranteeing a good margin are in place for Canadian biodiesel production in 2023/24. In the Bioethanol segment there will be a notable effect from the ramp-up of the plant in Nevada. In addition to the additional ethanol capacity in South Bend (250,000 tonnes), the ethanol plant in Nevada is already included in the annual total bioethanol capacity of 800,000 tonnes (previously: 300,000 tonnes). However, this plant will not reach full capacity utilisation and realise its full profitability until the financial year 2024/25. The same applies to the Nevada/Iowa biomethane plant commissioned recently. In Germany, too, the annual biomethane capacity will be adjusted upwards as a result of efficiency measures. In total, this will result in an annual production capacity of 1,980 GWh for the financial year 2023/24 (previously: 1,300 GWh). A medium level of plant capacity utilisation is expected, accompanied by a significant growth in production volume. In order to guarantee the full utilisation of VERBIO's own filling station infrastructure, with successive increases in its scale, the Management Board currently anticipates that there will be an increase in biomethane volumes in inventories initially.

Based on current sales and raw materials and energy price levels, our planned production capacity usage as well as our expectation that current uncertainties will continue, the Management Board expects to achieve an EBITDA for the financial year 2023/24 in the range of approximately EUR 200 million to EUR 250 million. Net cash at the end of the financial year is expected to fall to approximately EUR -150 million to EUR -110 million as a result of the high levels of investments planned to expand production capacities and invest in new growth areas.

"By achieving the second-best results in the history of VERBIO in the financial year 2022/23, we have once again demonstrated that we have made use of the opportunities available to us on the raw material and sales markets, and that we have risen to the challenges in the biofuels market with our wide-ranging product portfolio. We will do this again in the current financial year 2023/24,"

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Investor Relations
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said Claus Sauter, Chief Executive Officer of VERBIO AG. "We are pleased that in mid-August the EU finally launched an investigation into the large-scale fraud in the biodiesel supply chain from Southeast Asia to Europe. The scale of this problem is in the billions. It is a great achievement to have generated the second-best result in the Company's history under these challenging market conditions, with the crisis-ridden overall economic situation in Europe and the cost burden of our ambitious growth projects in North America. Our internationalisation strategy in North America and India were good and ground-breaking decisions taken at exactly the right time. We must increase the pace of our growth further in order to satisfy the growing global demand for our biomass molecules."

Detailed information on business developments in the 2022/23 financial year is provided in the annual report for the financial year 2022/23 and in the separate Group non-financial report, which can be viewed from 8.30 a.m. at www.verbio.de/financial_reports/.

VERBIO key figures

(EUR millions)	FY 21/22	FY 22/23	yoy	Q3 22/23	Q4 22/23	qoq
Production						
Biodiesel (tonnes)	574,031	610,509	6%	153,149	154,267	1%
Bioethanol (tonnes)	264,101	317,613	20%	65,566	109,364	67%
Biomethane (MWh)	884,959	1,078,053	22%	271,476	284,449	5%
Sales revenue	1,812.5	1,968.3	9%	443.6	447.0	1%
Segment Biodiesel	1,269.7	1,367.4	8%	308.2	266.4	-14%
Segment Bioethanol	531.3	590.5	11%	133.8	180.6	35%
EBITDA	503.3	240.3	-52%	43.2	26.8	-38%
EBITDA margin (%)	27.8%	12.20%	-16 pp	9.7%	6.0%	-4 pp
Segment Biodiesel	298.4	152.7	-49%	24.5	-10.3	-142%
EBITDA margin (%)	23.5%	11.20%	-12 pp	7.9%	-3.90%	-12 pp
Segment Bioethanol	202.3	84.3	-58%	17.5	36.2	107%
EBITDA margin (%)	38.1%	14.30%	-24 pp	13.1%	20.1%	+7 pp

(EUR millions)	30.06.2022	30.06.2023	+/-
Net financial assets	284.1	57.4	-80%
Equity ratio (%)	72.5%	70.3%	-2 pp

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About VERBIO

At VERBIO we make more out of biomass. In our biorefineries we convert raw materials and waste products from local agriculture into climate-friendly fuels, green energy and renewable products for chemicals and agriculture. In addition, we create high-value components from sustainably-generated biomass for the animal feed and food industries. We employ more than 1,000 people at our locations in Germany, Poland, Hungary, India, the USA and Canada. Our motto "Pioneering green solutions" summarises what drives our international team; with innovative technologies and green solutions, we are shaping the social and industrial transformation toward climate neutrality and ecological production. We contribute to preserving natural resources and to leaving the earth in a habitable state for the generations that will follow us. In doing so we combine global growth with commercial success, social responsibility and supply security. The VERBIO share (ISIN DE000A0JL9W6/WKN A0JL9W) has been listed in the prime standard segment of the Frankfurt Stock Exchange since October 2006. Our headquarters are in Zörbig, Germany.

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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