

Pioneering
green solutions

Verbio

Q1 2024/25

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Earnings Call

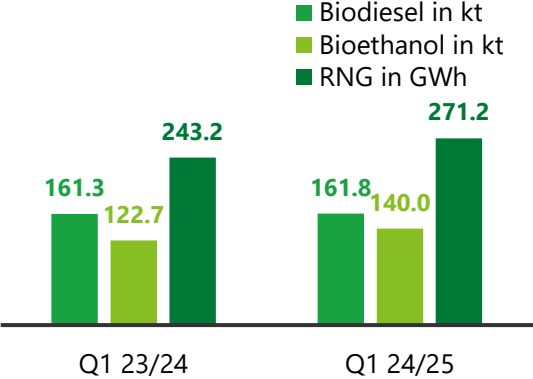
12.11.2024

Disclaimer

This presentation contains forward-looking information, which is based on assumptions and estimates of the company management of Verbio SE. 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.

Key figures in Q1 2024/25

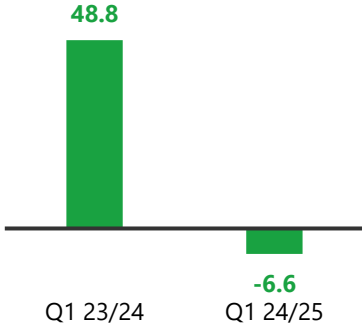
Production in kt* and GWh



* thousand tonnes

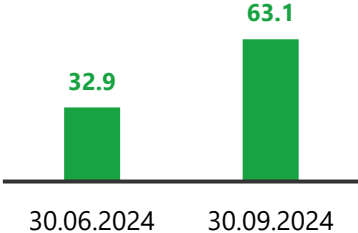
Ethanol production +15% yoy mostly thanks to better utilization at SBE and small volumes at Nevada; Increase in RNG production across all regions

EBITDA in € m



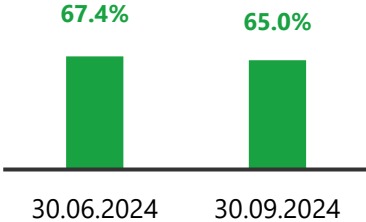
Decrease primarily due to market-related factors

Net debt in € m



Net debt driven by investments

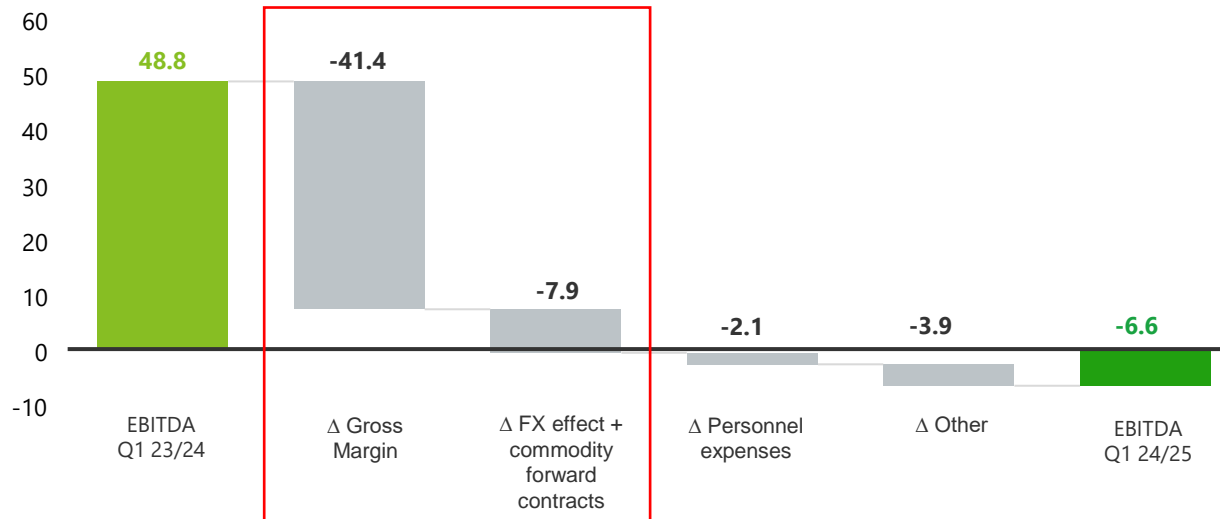
Equity ratio



Financial stability remains high

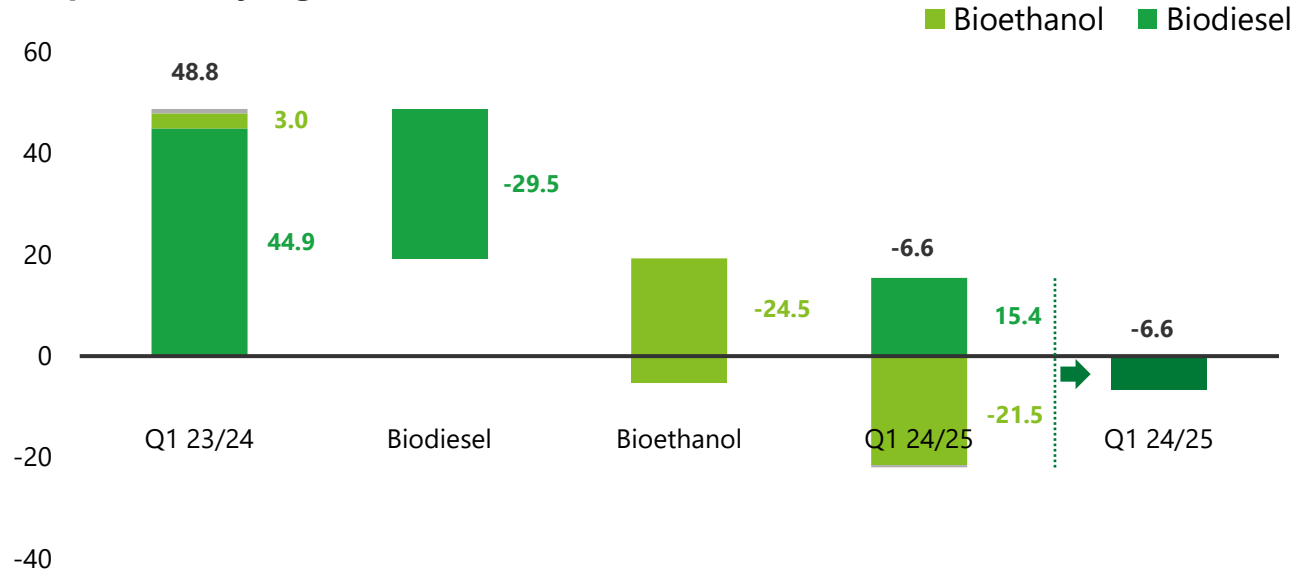
Overview: Decline in EBITDA mostly market driven

Group EBITDA drivers Q1 23/24 vs. Q1 24/25 in € m

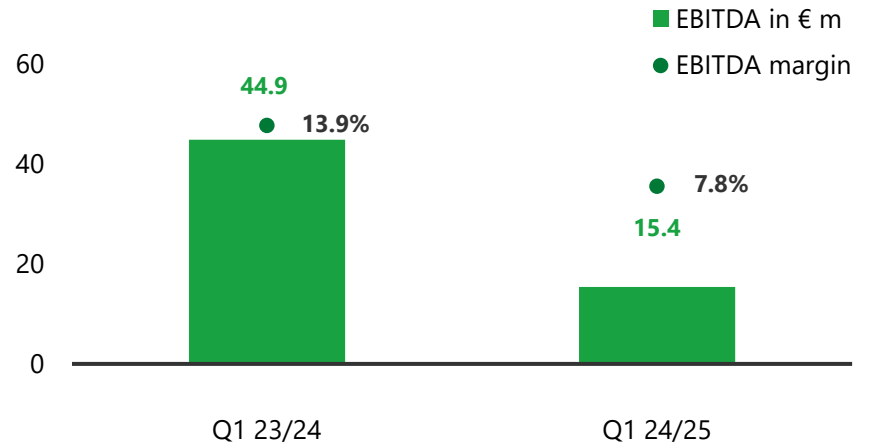
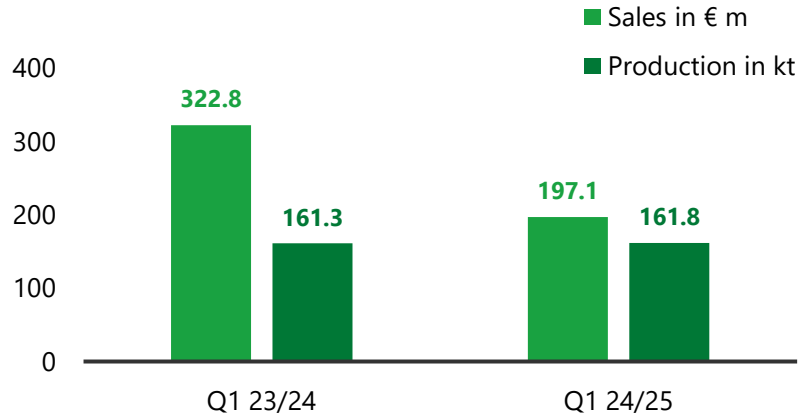


Overview: Biodiesel segment safeguards results

Group EBITDA by segments Q1 23/24 vs. Q1 24/25 in € m



Biodiesel segment

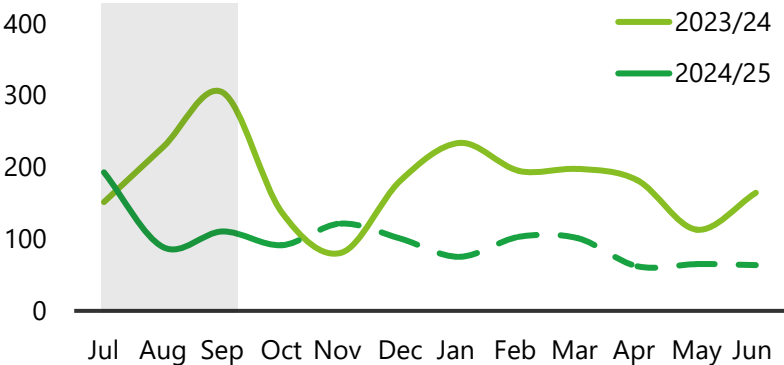


Revenue trends were primarily driven by the sharp decline in biodiesel prices, lower level of sales of GHG quota and change in reporting for the Canadian production unit since December 2023.

In addition to the lower absolute product margin despite favorable rapeseed oil procurement, the low GHG quota prices in Europe also had a negative impact on earnings.

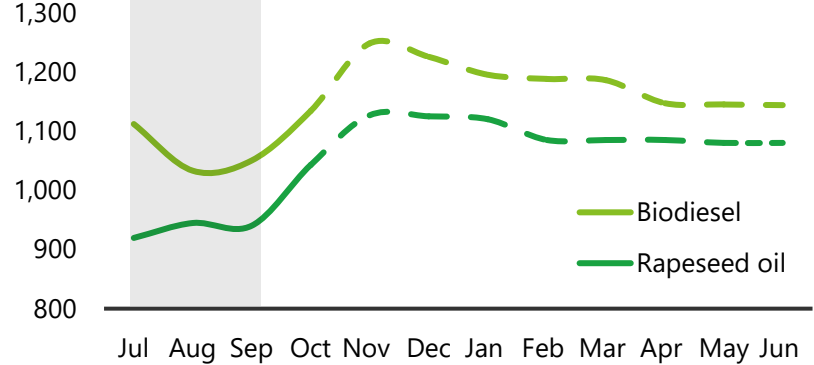
Biodiesel market development (Europe)

Market spreads in €/t



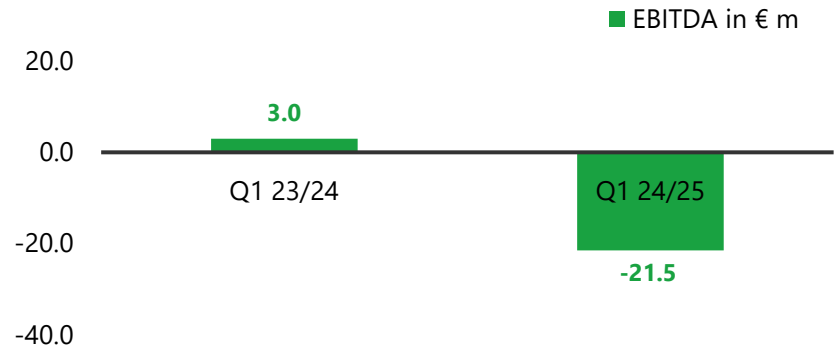
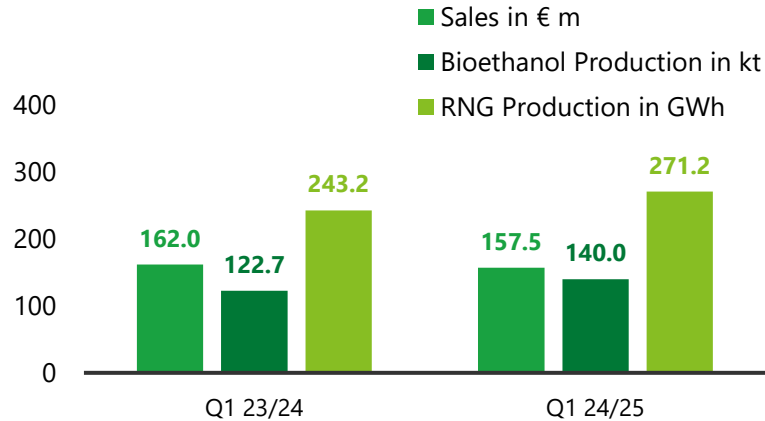
Spread = Biodiesel price / Rapeseed oil price per tonne of biodiesel;
As per 6 November 2024 close

Biodiesel and rapeseed oil in €/t of biodiesel in 2024/25



As per 6 November 2024 close

Bioethanol/Biomethane segment

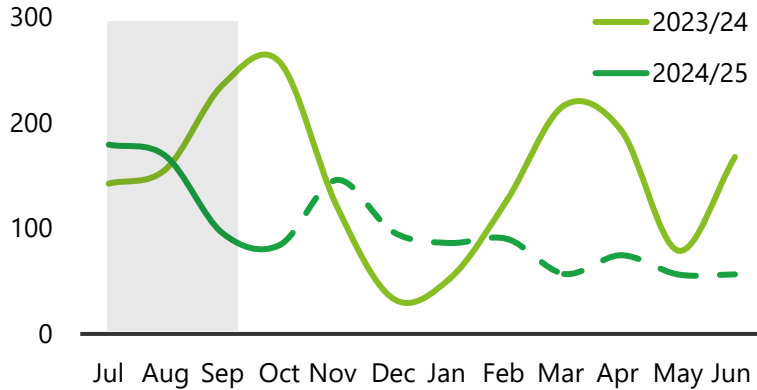


Revenues in the Bioethanol/Biomethane segment in all regions remained stable as a result of increases in production and sales volumes, despite lower sales prices.

Weaker markets in Europe, negative results from commodity forward contracts and changes in the fair values of financial assets due to the weak dollar were the major drivers behind EBITDA decline.

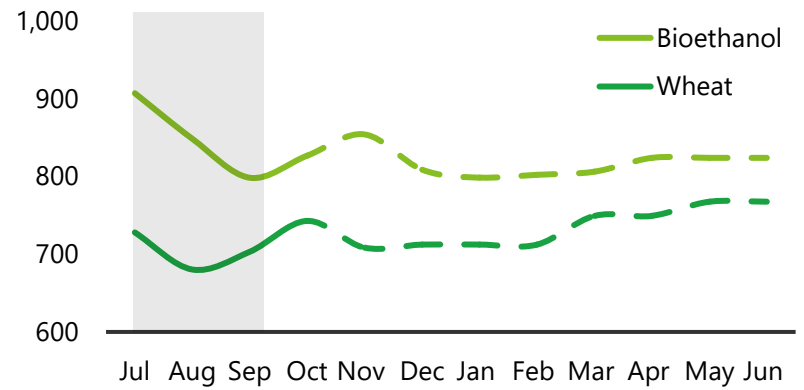
Bioethanol market development (Europe)

Market spreads in €/t



Spread = Bioethanol price ./ Wheat price per tonne of Bioethanol;
As per 6 November 2024 close

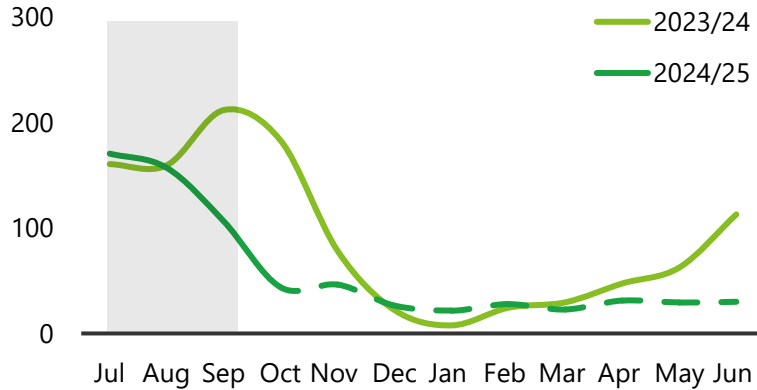
Bioethanol and wheat in €/t of bioethanol in 2024/25



As per 6 November 2024 close

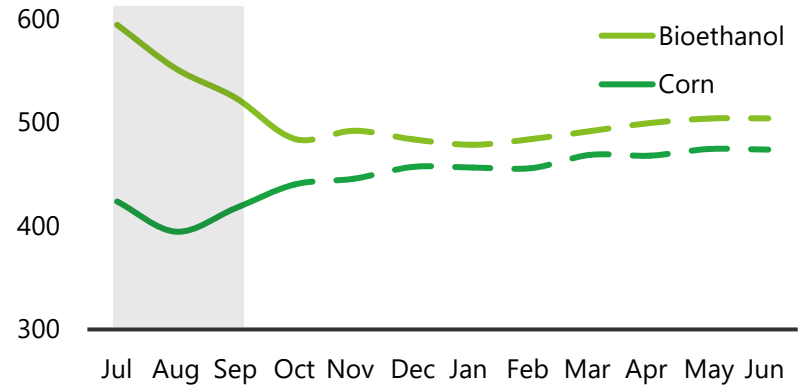
Bioethanol market development (USA)

Market spreads in €/t



Spread = Bioethanol price ./ Wheat price per tonne of Bioethanol;
As per 6 November 2024 close

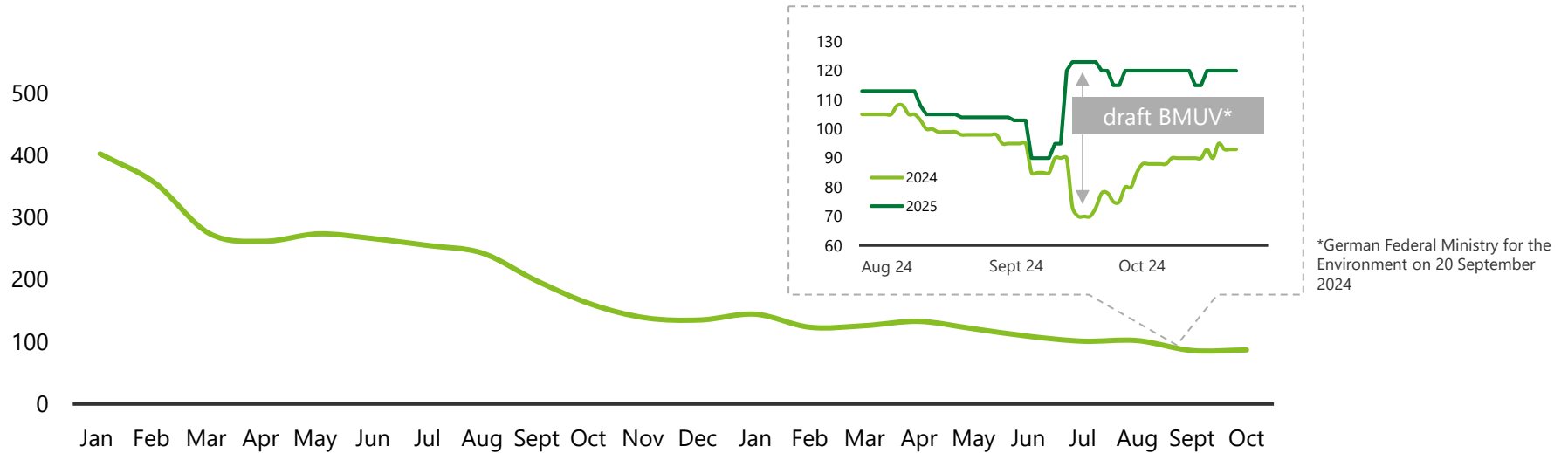
Bioethanol and wheat in €/t of bioethanol in 2024/25



As per 6 November 2024 close

Quota prices remained under pressure, but upside imminent

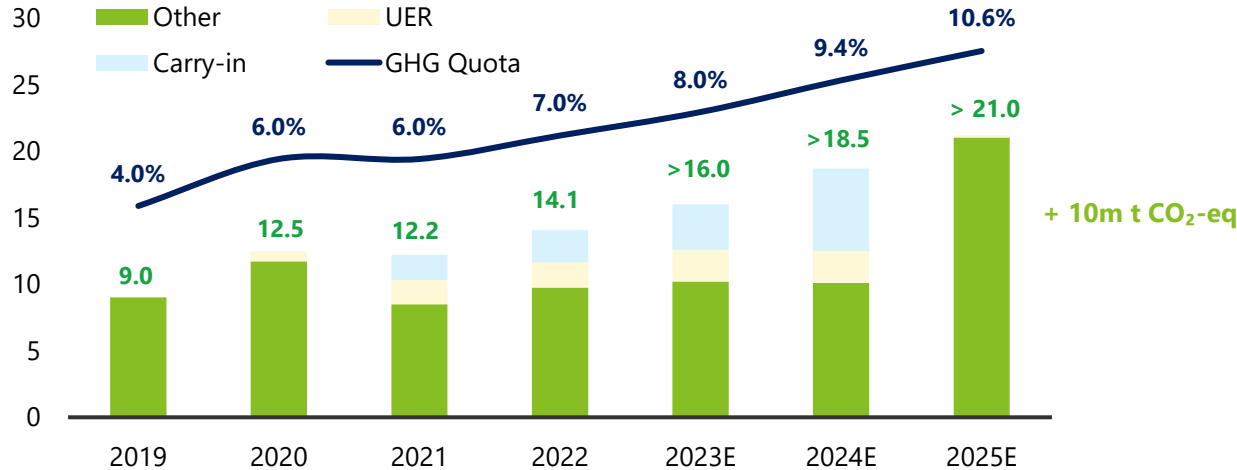
GHG quota price development from Jan 2023 to Oct 2024 in €/t CO₂-eq



As per 30 October 2024 close

BMUV draft aims to increase the demand for GHG quota and to support the price in 2025 and 2026*

Mandated GHG quota demand development in million t CO₂-eq



- Control measures remain a critical factor
- IKS (Initiative against climate fraud) demands a register system that would serve as an effective barrier through an amendment to the Biofuel Sustainability Ordinance

*BMUV: Referentenentwurf einer dritte Verordnung zur Änderung der Verordnung zur Festlegung weiterer Bestimmungen zur Treibhausgasmindeung bei Kraftstoffen | Gesetze und Verordnungen, 20 September 2024

UERs: Further upside potential?

Potential cancellation of 4m t CO₂-eq

Out of those 45 [projects], the UBA “strives to reverse at least 32 projects, which would secure around 4 million t of CO₂ in unauthorised UER certificates”. [...] It is likely that the savings concerned have been generated in multiple compliance years, some of them having already been transferred to generate GHG quota certificates.

The UBA explained that project leaders linked to false UER certificates’ generation are “obliged by law to provide **new and valid UER certificates** as compensation”. [...]

However, UBA said that “in the event of willful fraud, the person obliged to meet the greenhouse gas quota could be liable under Section 37c of the German Federal Immission Control Act for tax evasion”. German finance authorities would have then the duty to investigate those cases.”

Outlook: Guidance confirmed

	2022/2023	2023/2024	2024/2025E
Biodiesel Capacity	660,000 t	710,000 t	710,000 t
Capacity utilisation	92.5%	89.8%	→ yoy
Bioethanol Capacity	342,000 t	800,000 t	800,000 t
Capacity utilisation	92.9 %	65.2%	↑ yoy
Biomethane Capacity	1,300 GWh	1,980 GWh	1,980 GWh
Capacity utilisation	82.9%	55.6%	↑ yoy
EBITDA	€ 240.3m	€ 121.6m	€ 120m to € 160m
Net Debt	€ -57.4m	€ 32.9m	max. € 190m

Appendix



Powerful oil lobby defends IRA

“Big Oil Urges Trump Not to Gut Biden’s Climate Law

Oil companies try to persuade Trump and his Republican allies **not to slash provisions of the Inflation Reduction Act** potentially worth billions

Oil companies are conveying an unlikely message to the GOP and its presidential candidate: **Spare President Biden’s signature climate law.** At least the parts that benefit the oil industry. In discussions with former President Trump’s campaign and his allies in Congress, oil giants including Exxon Mobil XOM , Phillips 66 and Occidental Petroleum have extolled the benefits of the Inflation Reduction Act. Many in the fossil-fuel industry opposed the law when it passed in 2022 but have come to love provisions that earmark billions of dollars for low-carbon energy projects they are betting on. [...]

[...] Some oil lobbyists have told Trump’s campaign the industry’s IRA-backed projects will be a boon to U.S. jobs and manufacturing as major oil companies invest billions.”

Further resources

Zweifel an Klimaschutzprojekten in China: Rosneft reagiert – ZDFheute

Deutscher Bundestag - Lemke will gefälschte Klimaschutzprojekte rückabwickeln

Carbonleaks

BMUV: Sofortmaßnahme erhöht Nachfrage bei klimaneutralen Kraftstoffen und stärkt den Klimaschutz | Pressemitteilung

<https://www.wsj.com/business/energy-oil/big-oil-urges-trump-not-to-gut-bidens-climate-law-795dc597?st=M15qrr>

BMUV: Referentenentwurf einer dritte Verordnung zur Änderung der Verordnung zur Festlegung weiterer Bestimmungen zur Treibhausgasminderung bei Kraftstoffen | Gesetze und Verordnungen

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