

Verbio

Biofuel and Technology

**Quarterly interim
statement for the period
ended March 31, 2021
(Q3 2020/2021)**

Group key figures

[in EUR millions]

Profitability	Q1 2020/2021	Q2 2020/2021	Q3 2020/2021	9M 2020/2021
Sales	261.4	217.7	237.8	716.9
EBITDA	53.3	27.1	32.4	112.8
EBIT	45.6	19.4	25.4	90.4
EBIT-margin (%)	17.4	8.9	10.7	12.6
EBT	45.3	19.2	25.2	89.7
Net result for the period	31.7	12.5	17.6	61.8
Earnings per share (EUR)	0.50	0.20	0.28	0.98
Operational statistics	Q1 2020/2021	Q2 2020/2021	Q3 2020/2021	9M 2020/2021
Production (tonnes)	216,996	208,630	201,154	626,780
Production (MWh)	216,071	198,101	180,153	594,325
Utilisation Biodiesel/ Bioethanol (%) ¹⁾	94.3	90.7	87.5	90.8
Utilisation Biomethane (%) ¹⁾	96.0	88.0	80.1	88.0
Investments in property, plant and equipment	11.5	20.8	15.5	47.8
Number of employees ²⁾	754	780	787	787
Net asset position	30.09.2020	31.12.2020	31.03.2021	31.03.2021
Net financial assets	86.6	79.2	54.7	54.7
Equity	419.7	433.5	453.8	453.8
Equity ratio (%)	74.8	75.8	76.4	76.4
Balance sheet total	561.0	571.6	594.3	594.3
Financial position	Q1 2020/2021	Q2 2020/2021	Q3 2020/2021	9M 2020/2021
Operating cash flow	56.4	6.6	2.3	65.3
Operating cash flow per share (EUR)	0.90	0.10	0.04	1.04
Cash and cash equivalents ³⁾	116.8	109.2	84.9	84.9

¹⁾ As of July 1, 2020 the annual production capacity of the production plants was amended as follows:
biodiesel: 660,000 tonnes (unchanged); bioethanol: 260,000 tonnes (unchanged); biomethane: from 750 GWh to 900 GWh

²⁾ At the balance sheet date

³⁾ At the balance sheet date, includes amounts held in segregated accounts

Group key figures

[in EUR millions]

Profitability	Q1 2019/2020	Q2 2019/2020	Q3 2019/2020	9M 2019/2020
Sales	210.1	226.5	222.7	659.3
EBITDA	23.8	30.1	43.2	97.1
EBIT	17.6	22.3	36.0	75.9
EBIT-margin (%)	8.4	9.8	16.2	11.5
EBT	17.3	21.9	36.1	75.3
Net result for the period	12.1	13.2	24.9	50.2
Earnings per share (EUR)	0.20	0.20	0.39	0.79
Operational statistics	Q1 2019/2020	Q2 2019/2020	Q3 2019/2020	9M 2019/2020
Production (tonnes)	195,706	207,082	210,169	612,957
Production (MWh)	186,670	190,248	224,694	601,612
Utilisation Biodiesel/ Bioethanol (%) ¹⁾	85.1	90.0	97.7	87.2
Utilisation Biomethane (%) ¹⁾	93.0	101.5	108.2	97.7
Investments in property, plant and equipment	31.2	10.3	13.4	54.9
Number of employees ²⁾	695	702	717	717
Net asset position	30.09.2019	31.12.2019	31.03.2020	31.03.2020
Net financial assets	34.8	52.8	64.9	64.9
Equity	356.0	368.8	374.7	374.7
Equity ratio (%)	71.6	73.1	72.2	72.2
Balance sheet total	497.3	504.4	518.8	518.8
Financial position	Q1 2019/2020	Q2 2019/2020	Q3 2019/2020	9M 2019/2020
Operating cash flow	8.4	29.5	21.3	59.2
Operating cash flow per share (EUR)	0.13	0.47	0.34	0.94
Cash and cash equivalents ³⁾	86.3	81.5	94.8	94.8

¹⁾ As of July 1, 2020 the annual production capacity of the production plants was amended as follows:
biodiesel: 660,000 tonnes (unchanged); bioethanol: 260,000 tonnes (unchanged); biomethane: from 750 GWh to 900 GWh

²⁾ At the balance sheet date

³⁾ At the balance sheet date, includes amounts held in segregated accounts

Segment key figures

[in EUR millions]

Biodiesel	Q1 2020/2021	Q2 2020/2021	Q3 2020/2021	9M 2020/2021
Sales	173.0	148.2	177.3	498.5
EBITDA	13.6	13.8	28.2	55.6
EBIT	10.9	11.0	25.5	47.4
Production (tonnes)	154,888	152,342	147,268	454,498
Utilisation (%) ¹⁾	93.9	92.3	89.3	91.8
Number of employees ²⁾	214	219	219	219

Bioethanol (incl. biomethane)	Q1 2020/2021	Q2 2020/2021	Q3 2020/2021	9M 2020/2021
Sales	86.2	66.9	58.2	211.3
EBITDA	38.8	12.6	4.0	55.4
EBIT	34.2	8.2	0.0	42.4
Production (tonnes)	62,108	56,288	53,887	172,283
Production (MWh)	216,071	198,101	180,153	594,325
Utilisation Bioethanol (%) ¹⁾	95.6	86.6	82.9	88.4
Utilisation Biomethane (%) ¹⁾	96.0	88.0	80.1	88.0
Number of employees ²⁾	358	371	378	378

Other	Q1 2020/2021	Q2 2020/2021	Q3 2020/2021	9M 2020/2021
Sales	4.1	4.1	4.0	12.2
EBIT	0.5	0.1	0.0	0.6

¹⁾ As of July 1, 2020 the annual production capacity of the production plants was amended as follows:
 biodiesel: 660,000 tonnes (unchanged); bioethanol: 260,000 tonnes (unchanged); biomethane: from 750 GWh to 900 GWh

²⁾ At the balance sheet date

Segment key figures

[in EUR millions]

Biodiesel	Q1 2019/2020	Q2 2019/2020	Q3 2019/2020	9 M 2019/2020
Sales	140.5	147.8	152.8	441.1
EBITDA	13.6	11.5	18.0	43.1
EBIT	12.0	8.8	15.7	36.5
Production (tonnes)	134,643	146,350	145,043	426,036
Utilisation (%) ¹⁾	81.6	88.7	87.9	86.1
Number of employees ²⁾	200	199	208	208

Bioethanol (incl. biomethane)	Q1 2019/2020	Q2 2019/2020	Q3 2019/2020	9 M 2019/2020
Sales	66.9	76.7	67.6	211.2
EBITDA	9.6	18.0	24.6	52.2
EBIT	5.4	13.3	20.2	38.9
Production (tonnes)	61,063	60,732	65,126	186,921
Production (MWh)	186,670	190,248	224,694	601,612
Utilisation Bioethanol (%) ¹⁾	93.9	93.4	100.2	95.9
Utilisation Biomethane (%) ¹⁾	93.0	101.5	108.2	97.7
Number of employees ²⁾	330	338	342	342

Other	Q1 2019/2020	Q2 2019/2020	Q3 2019/2020	9 M 2019/2020
Sales	4.5	3.5	4.2	12.2
EBIT	0.2	0.2	0.2	0.6

¹⁾ As of July 1, 2020 the annual production capacity of the production plants was amended as follows:
 biodiesel: 660,000 tonnes (unchanged); bioethanol: 260,000 tonnes (unchanged); biomethane: from 750 GWh to 900 GWh

²⁾ At the balance sheet date

Content

Business report and Group's position	7
Consolidated profit and loss account	9
Consolidated balance sheet	10
Consolidated cash flow statement	12
Financial calendar, Contact address and imprint	13

Business report and the Group's position

VERBIO AG reports an improvement in results for the first nine months of the financial year 2020/2021 compared to the same period in the previous year. However, in the third quarter of 2020/2021 the Group has not quite been able to build on the results generated in the first half of the financial year, whereas in the third quarter of the previous year there was an acceleration of business momentum,

Overall, group revenues increased by 9 percent to EUR 716.8 million compared to the previous year (9 M 2019/2020: EUR 659.3 million).

Earnings before interest, taxation, depreciation and amortisation (EBITDA) for the nine-month period amounted to EUR 112.8 million, 16 percent ahead of the comparative period in the previous year (9 M 2019/2020: EUR 97.1 million). The Group result before taxation and interest (EBIT) totalled EUR 90.4 million (9 M 2019/2020: EUR 75.9 million). The Group result before taxation (EBT) totalled EUR 89.7 million (9 M 2019/2020: EUR 75.3 million), and the net result for the period was EUR 61.8 million (9 M 2019/2020: EUR 50.2 million). Based on the result for the period, earnings per share amount to EUR 0.98 (9 M 2019/2020: EUR 0.79).

Financial position and net assets

Assets and liabilities

The balance sheet total at March 31, 2021 amounted to EUR 594.3 million, representing an increase of EUR 65.1 million compared to June 30, 2020 (June 30, 2020: EUR 529.2 million).

The increase on the asset side of the balance sheet included increases in both current and non-current assets. The increase in non-current assets (EUR 299.4 million; June 30, 2020 EUR 273.8 million) primarily reflects the ongoing high levels of investment activity in the current financial year. Changes in current assets reflect primarily the increase in the price level for raw materials, with an increase in inventories (EUR 90.7 million; June 30, 2020: EUR 78.8 million), and in addition the higher amounts of derivatives recorded to hedge the procurement of raw materials (EUR 28.5 million; June 30, 2020: EUR 4.1 million).

The equity and liabilities side of the balance sheet includes equity of EUR 453.8 million (June 30, 2020: EUR 390.8 million), representing approximately 76.4 percent (June 30, 2020: 73.8 percent) of the balance sheet total. Non-current and current liabilities are almost unchanged compared to the June 30, 2020 balance sheet date. However, there has been a shift in the components included in the current liabilities total

compared to June 30, 2020. While trade payables (EUR 31.0 million; June 30, 2020: EUR 41.1 million) and tax liabilities (EUR 11.0 million; June 30, 2020: EUR 18.1 million) decreased, on the other hand increased provisions were recorded (EUR 13.3 million; June 30, 2020: EUR 3.0 million), primarily for risks arising in connection with sales contracts.

Cash flows

The cash flow from operating activities in the first nine months of the financial year 2020/2021 was slightly higher than in the previous year, and amounted to EUR 65.3 million (9 M 2019/2020: EUR 59.2 million).

The total cash outflows from investment activities in the first nine months of 2020/2021 were EUR 28.1 million (9 M 2019/2020: EUR 56.6 million), primarily as a result of investments made in property, plant and equipment. In the current financial year, this primarily resulted from payments made for investments in property, plant and equipment (EUR 48.2 million; 9 M 2019/2020: EUR 56.6 million). In the current year these were partially offset by cash inflows from the release of term deposits (EUR 20.0 million).

The cash flow from financing activities totalled EUR -17.1 million (9 M 2019/2020: EUR 4.1 million). As in the previous year, EUR 12.6 million of this total resulted from the payment of the dividend for the previous financial year. In the current financial year, the cash flow from financing activities also includes cash outflows for the repayment of lease liabilities amounting to EUR 4.4 million (9 M 2019/2020: EUR 3.1 million). In contrast, in the previous year cash inflows included the receipt of EUR 31.7 million from new financial liabilities, while cash outflows for the repayment of financial liabilities only amounted to EUR 11.8 million.

As a result, cash and cash equivalents decreased by only EUR 0.3 million in the period from July 1, 2020 to March 31, 2021. The balance of cash and cash equivalents reported in the balance sheet at March 31, 2021 amounted to EUR 73.6 million. In addition, VERBIO has further cash resources in the form of lines of credit, the availability of which have been approved for the medium term, totalling EUR 40.0 million.

Net-cash

The Group's bank and loan finance arrangements are offset by cash and cash equivalents, as well as additional cash held in segregated accounts totalling EUR 84.9 million, so that the reported net cash balance at March 31, 2021 amounted to EUR 54.7 million (June 30, 2020: EUR 55.9 million).

Development of the Biodiesel and Bioethanol segments

The primary drivers of sales and results in the biodiesel segment in the first nine months of the financial year 2020/2021 were the increases in production and sales volumes, as a result of which there has been an increase in the overall capacity utilisation rate (91.8 percent; 9 M 2019/2020: 86.1 percent). The margins in the third quarter of 2020/2021 also improved significantly compared to the first two quarters.

In contrast, there was a significant decrease in margins in the Bioethanol segment in the third quarter of 2020/2021, with decreased production and sales volumes compared to the previous year. The production volume of biodiesel and bioethanol in the period from July 1, 2020 to March 31, 2021 totalled 626,780 tonnes, compared with 612,957 tonnes in the same period in the previous year. In addition, 594.3 GWh of biomethane were produced in the first nine months of the financial year 2020/2021, approximately unchanged compared to the previous year (9 M 2019/2020: 601.6 GWh).

Outlook, opportunity and risk report

Report on expected developments

VERBIO makes no change to the earnings forecast published in an ad hoc report on April 26, 2021. Accordingly, EBITDA is expected to be around EUR 150 million and the net financial assets balance at the end of the financial year is expected to be approximately EUR 65 million.

Risk and opportunity report

There have been no changes to the opportunities and risks presented in the 2019/20 annual report.

Further, there have been no changes in the risks and opportunities profile of the VERBIO Group during the reporting period. There are no present risks or discernible potential risks that present a threat to the ability of the Group to continue as a going concern.

Consolidated statement of comprehensive income

for the period July 1, 2020 to March 31, 2021

EUR (thousands)	Q3 2020/2021	Q3 2019/2020	9M 2020/2021	9M 2019/2020
1. Revenue (including energy taxes collected)	237,920	223,148	718,016	660,018
less: energy taxes	-162	-457	-1,164	-688
Revenue	237,758	222,691	716,852	659,330
2. Change in unfinished and finished goods	-1,001	7,573	11,070	15,045
3. Capitalised production of own plant and equipment	410	72	1,075	371
4. Other operating income	2,597	5,215	9,878	13,407
5. Cost of materials	-176,956	-169,660	-548,879	-521,262
6. Personnel expenses	-12,941	-9,762	-37,097	-31,805
7. Depreciation and amortisation	-7,012	-7,100	-22,416	-21,130
8. Other operating expenses	-10,456	-11,112	-33,219	-34,489
9. Result from commodity forward contracts	-7,020	-1,862	-6,845	-3,543
10. Operating result	25,379	36,055	90,419	75,924
11. Interest income	76	372	116	626
12. Interest expense	-258	-259	-847	-1,231
13. Financial result	-182	113	-731	-605
14. Result before tax	25,197	36,168	89,688	75,319
15. Income tax expense	-7,585	-11,342	-27,915	-25,149
16. Net result for the period	17,612	24,826	61,773	50,170
Result attributable to shareholders of the parent company	17,562	24,701	61,521	49,817
Result attributable to non-controlling interests	50	125	252	353
Result per share (basic and diluted)	0.28	0.39	0.98	0.79

Consolidated balance sheet

at March 31, 2021

EUR (thousands)	31.03.2021	30.06.2020
Assets		
A. Non-current assets		
I. Other intangible assets	567	673
II. Property, plant and equipment	277,817	249,756
III. Right-of-use assets under leasing arrangements	15,409	17,829
IV. Financial assets	2,799	2,806
V. Deferred tax assets	2,837	2,688
Total non-current assets	299,429	273,752
B. Current assets		
I. Inventories	90,671	78,810
II. Trade receivables	69,419	64,688
III. Derivatives	28,483	4,073
IV. Other current financial assets	19,487	14,655
V. Tax refunds	382	1,348
VI. Other assets	12,825	17,989
VII. Term deposits	0	20,000
VIII. Cash and cash equivalents	73,583	53,885
Total current assets	294,850	255,448
Total assets	594,279	529,200

Consolidated balance sheet

at March 31, 2021

EUR (thousands)	31.03.2021	30.06.2020
Equity and liabilities		
A. Equity		
I. Share capital	63,000	63,000
II. Additional paid-in capital	487,681	487,681
III. Other reserves	17,719	1,392
IV. Retained earnings	-114,410	-162,855
V. Reserve for translation differences	-2,134	-75
Total equity, excluding non-controlling interests	451,856	389,143
VI. Non-controlling interests	1,931	1,680
Total equity	453,787	390,823
B. Non-current liabilities		
I. Bank loans and other loans	30,000	30,136
II. Lease liabilities	9,697	12,665
III. Provisions	131	131
IV. Deferred investment grants and subsidies	2,354	3,012
V. Other non-current liabilities	3,316	3,316
VI. Deferred taxes	5,252	59
Total non-current liabilities	50,750	49,319
C. Current liabilities		
I. Bank loans and other loans	172	100
II. Lease liabilities	5,926	5,344
III. Trade payables	30,990	41,130
IV. Derivatives	9,812	3,140
V. Other current financial liabilities	12,354	11,963
VI. Tax liabilities	10,953	18,096
VII. Provisions	13,331	2,973
VIII. Deferred investment grants and subsidies	896	998
IX. Other current liabilities	5,308	5,314
Total current liabilities	89,742	89,058
Total equity and liabilities	594,279	529,200

Consolidated cash flow statement

for the period July 1, 2020 to March 31, 2021

EUR (thousands)	9M 2020/2021	9M 2019/2020
Net result for the period	61,773	50,170
Income taxes	27,915	25,149
Interest result	731	605
Depreciation and amortisation	22,416	21,130
Non-cash expenses and income	532	-317
Gains on disposal of property, plant and equipment	-119	-412
Release of deferred investment grants and subsidies	-759	-760
Non-cash changes in derivative financial instruments	3,261	-991
Increase in inventories	-11,862	-23,634
Increase (previous year: decrease) in trade receivables	-4,730	2,490
Decrease (previous year: increase) in other assets and other current financial assets	1,230	-9,983
Increase (previous year: decrease) in provisions	10,300	-2,131
Decrease (previous year: increase) in trade payables	-10,210	3,938
Decrease in other current financial and non-financial liabilities	-77	-1,425
Interest paid	-644	-866
Interest received	116	603
Income taxes paid	-34,561	-4,415
Cash flows from operating activities	65,312	59,151
Cash inflows from term deposits	20,000	0
Cash outflows for acquisition of intangible assets	-116	-79
Cash outflows for acquisition of property, plant and equipment	-48,208	-56,615
Cash outflows for loans to associated companies	0	-1,036
Cash inflows from repayments of loans to associated companies	0	380
Cash inflows from disposal of property, plant and equipment	268	719
Cash flows from investing activities	-28,056	-56,631
Dividends paid	-12,600	-12,600
Payments for the redemption of financial liabilities	-64	-11,845
Cash inflows from new financial liabilities	0	31,669
Cash outflows for the repayment of lease liabilities	-4,427	-3,091
Cash flows from financing activities	-17,091	4,133
Change in cash funds arising from business activities	20,165	6,653
Change in cash funds due to effects of exchange rates	-467	146
Cash funds at the beginning of period	53,885	68,025
Cash funds at the end of the period	73,583	74,824
Cash funds at year end comprise the following:		
Cash and cash equivalents	73,583	74,824
Cash funds at the end of the period	73,583	74,824

Financial calendar

September 22, 2021	Publication of the annual report 2020/2021 Analyst's conference
November 11, 2021	Publication of the quarterly statement for the period ended September 30, 2021 (July 2021 to September 2021)
February 4, 2022	Annual General Meeting 2022
February 10, 2022	Publication of the half-yearly interim report 2021/2022 (July 2021 to December 2021) Analyst's conference
May 12, 2022	Publication of the quarterly statement for the period ended March 31, 2022 (July 2021 to March 2022)
September 27, 2022	Publication of the annual report 2021/2022 Analyst's conference

Contact address and imprint

Publisher/editing and text/pictures

VERBIO Vereinigte BioEnergie AG

Contact

VERBIO Vereinigte BioEnergie AG
Ritterstraße 23 (Oelßner's Hof)
04109 Leipzig
Telephone: +49 341 308530-0
Fax: +49 341 308530-999
www.verbio.de

Forward-looking statements

This statement includes various statements concerning forecasts, expectations and information that relate to the future development of the VERBIO Group and VERBIO Vereinigte BioEnergie AG. These statements are based on assumptions and estimates and may be associated with known and unknown risks and uncertainties. Actual developments and results, as well as the financial and asset situation, may therefore differ substantially from the expectations and assumptions stated. Such differences may be due, among other things, to market fluctuations, changes in worldwide market prices for raw materials as well as financial markets and exchange rates, changes in national and international laws and directives, or fundamental changes in the economic and political climate. VERBIO does not intend to and does not undertake an obligation to update or revise any forward-looking statements to adapt them to events or developments after the publication of this statement.

This statement is published in German (original version) and in English (non-binding translation).
It is available for download at <http://www.verbio.de> in both languages.

We will be delighted to send you additional information about VERBIO Vereinigte BioEnergie AG on request at no charge.
Telephone: +49 341 308530-0
Telefax: +49 341 308530-998
E-Mail: ir@verbio.de

VERBIO Vereinigte BioEnergie AG

Ritterstraße 23 (Oelßner's Hof)

04109 Leipzig

T: +49 341 308530-0

F: +49 341 308530-999

ir@verbio.de

www.verbio.de