Pioneering
green solutions

Half-year financial report to December 31, 2024

(Q2 2024/2025)

Group key figures

[in EUR millions]

Results of operations	Q1 2024/2025	Q2 2024/2025	1 HY 2024/2025	Q1 2023/2024	Q2 2023/2024	1 HY 2023/2024
Revenue	358.0	393.6	751.6	488.1	420.8	908.9
EBITDA	−6.6	20.8	14.3	48.8	26.1	74.9
EBITDA margin (%)	−1.8	5.3	1.9	10.0	6.2	8.2
EBIT	−21.5	5.6	−15.9	36.8	13.5	50.3
Net result for the period	−22.9	−3.5	−26.4	21.8	0.8	22.6
Basic earnings per share (EUR)	−0.36	−0.06	−0.42	0.34	0.02	0.36
Diluted earnings per share (EUR)	−0.36	−0.05	−0.41	0.34	0.01	0.35

Operational statistics	Q1 2024/2025	Q2 2024/2025	1 HY 2024/2025	Q1 2023/2024	Q2 2023/2024	1 HY 2023/2024
Production (tonnes)	301,862	298,563	600,425	283,983	286,718	570,701
Production (MWh)	271,203	288,482	559,685	243,187	275,945	519,132
Utilisation Biodiesel/Bioethanol (%) [1]	80.0	79.1	79.5	75.2	76.0	75.6
Utilisation Biomethane (%) [1]	54.8	58.3	56.5	49.1	55.8	52.4
Investments in property, plant and equipment	25.9	36.0	61.9	44.7	54.2	98.9
Number of employees [2]	1,540	1,521	1,521	1,337	1,376	1,376

Continued on next page

[1] For the financial year 2024/2025 the annual production capacity of the production plants is as follows: biodiesel: 710,000 tonnes; bioethanol: 800,000 tonnes; biomethane: 1,980 GWh.

[2] At the balance sheet date.

Net asset position	30.09.2024	31.12.2024	30.09.2023	31.12.2023
Net debt	63.1	97.0	−10.1	13.6
Equity	884.9	903.9	945.8	929.0
Equity ratio (%)	65.0	64.7	72.6	69.3
Balance sheet total	1,361.7	1,397.9	1,303.2	1,340.9

Financial position	Q1 2024/2025	Q2 2024/2025	1 HY 2024/2025	Q1 2023/2024	Q2 2023/2024	1 HY 2023/2024
Operating cash flow	−6.1	12.3	6.2	19.3	34.1	53.4
Operating cash flow per share (EUR)	−0.10	0.20	0.10	0.30	0.54	0.84
Cash and cash equivalents [1]	121.3	100.5	100.5	155.3	142.5	142.5

[1] At the balance sheet date; includes amounts held in segregated accounts.

Segment key figures

[in EUR millions]

Biodiesel	Q1 2024/2025	Q2 2024/2025	1 HY 2024/2025	Q1 2023/2024	Q2 2023/2024	1 HY 2023/2024
Revenue	197.1	242.5	439.6	322.8	250.1	572.9
EBITDA	15.4	36.6	52.0	44.9	29.3	74.2
EBIT	12.5	33.7	46.2	42.2	26.3	68.5
Production (tonnes)	161,833	164,245	326,078	161,291	160,553	321,844
Utilisation (%) [1]	91.2	92.5	91.9	90.9	90.5	90.7
Number of employees [2]	248	250	250	220	221	221

Bioethanol/Biomethane	Q1 2024/2025	Q2 2024/2025	1 HY 2024/2025	Q1 2023/2024	Q2 2023/2024	1 HY 2023/2024
Revenue	157.5	146.9	304.4	162.0	166.5	328.5
EBITDA	−21.5	−15.3	−36.9	3.0	−5.2	−2.2
EBIT	−32.4	−26.4	−58.9	−5.2	−13.7	−18.9
Production (tonnes)	140,029	134,318	274,347	122,692	126,165	248,857
Production (MWh)	271,203	288,482	559,685	243,187	275,945	519,132
Utilisation Bioethanol (%) [1]	70.0	67.2	68.6	61.3	63.1	62.2
Utilisation Biomethane (%) [1]	54.8	58.3	56.5	49.1	55.8	52.4
Number of employees [2]	765	723	723	663	700	700

Other	Q1 2024/2025	Q2 2024/2025	1 HY 2024/2025	Q1 2023/2024	Q2 2023/2024	1 HY 2023/2024
Revenue	9.3	9.0	18.3	7.3	7.8	15.1
EBITDA	−0.4	−0.4	−0.9	0.9	2.0	2.9

[1] For the financial year 2024/2025 the annual production capacity of the production plants is as follows: biodiesel: 710,000 tonnes; bioethanol: 800,000 tonnes; biomethane: 1,980 GWh.
[2] At the balance sheet date.

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In order to improve the readability of the report that follows, we have not made use of multiple gender forms (he/she/diverse). The generic masculine form is used, with all genders being equally implied.

Group interim management report

for the period from July 1, 2024 to December 31, 2024

Economic report

Overall economic and sector-specific environment

In the second half of 2024 the global economy recorded stable but moderate growth, driven by continued private consumption and declining inflation. Central banks in key markets began to ease their monetary policy, while high financial uncertainties and geopolitical risks continued to weigh on business conditions. China in particular took new economic measures in Q3 2024, but continued to struggle with weak domestic demand and a weak property sector. Strong economic data from the USA contributed to global growth, particularly in the third quarter. There was only a moderate rate of growth in the eurozone over the course of 2024. There was once again a mixed picture in the eurozone where inflation rose again at the end of the year, mainly due to high energy and service prices. While Spain's economic growth even outperformed the USA according to the latest estimates, the German economy was one of the weakest in the eurozone. According to statistical sources, gross domestic product fell for the second period in succession. In particular, high energy costs, increasing competition for the German export industry in important sales markets, inflation, and the continued high level of interest rates contributed to the weakness in the economy. In the energy-intensive industries, production is still far below the level before Russia's war of aggression against Ukraine.

The weakness of the economy is also reflected in the reduced mileage covered by heavy goods vehicles, resulting in an observable overall decline in demand for diesel fuel in Germany in the reporting period. The demand for gasoline, mainly driven by the use of passenger vehicles, remained approximately stable compared to the same period in the previous year.

As a result of the implementation of the Renewable Energy Directive II (RED II), EU countries have specific objectives and targets for the use of biofuels in the transport sector, so that tax incentives and binding blending obligations and the greenhouse gas emissions quota (GHG quota) contributed to supporting the market for biofuels. In Germany, one of the largest markets for biofuels in Europe, the GHG quota was increased by 1.35 percentage points to 9.35 percent in January 2024. The oil industry is under an obligation to reduce greenhouse gas emissions – based on the annual total volume of petrol and diesel fuels sold by the respective companies – with the use of biofuels, electricity used in electromobility, and biogene liquefied gases, and the over-fulfilment of the GHG quota from the previous year.

The targets for 2022 and 2023 were massively over-fulfilled due to market distortions caused by a flood of presumably misdeclared biodiesel imports and cases of fraud in upstream emission reduction projects in China. The latter resulted in the cabinet's decision on November 13, 2024 to amend the German Regulation on the Determination of Further Provisions for the Reduction of Greenhouse Gases from Fuels (Verordnung zur Festlegung weiterer Bestimmungen zur Treibhausgasminderung bei Kraftstoffen). The amendment suspends the carry-forward of GHG quota surpluses for the years 2025 and 2026, which means that those subject to quotas must physically fulfil their obligations and cannot meet them by the use of surpluses accrued in periods up to and including 2024. In doing so, in 2025 and 2026 companies subject to quota obligations may make use of quotas generated by their own activities and quotas generated by third parties not subject to quota obligations. Quota-obligated parties can apply to carry over surpluses from 2024 and 2025 to 2027.

In North America the demand for renewable fuels is determined by the Renewable Fuel Standard (RFS) together with the Renewable Volume Obligations (RVOs) determined annually by the EPA. The volume obligations were announced on June 14, 2023 with retroactive effect for 2023, as well as for 2024 and 2025.

The different systems for the obligatory use of biofuels in Europe and worldwide result in uneven patterns of demand and supply, and accordingly in the potential for arbitrage, which is important for the development of local biofuels production. We examine the economics of biofuels production in detail below. As Verbio biomethane is largely manufactured from residual materials from the production of bioethanol, the Group reports biodiesel separately and bioethanol and biomethane on a combined basis. A summary presentation of price trends is presented in tabular format at the end of this section.

Biodiesel market

Demand for biodiesel was down on the same period of the previous year, primarily due to the weak economy and lower mileage. In Germany, it is assumed that as the right to carry forward quota transfer has been suspended, companies subject to quota obligations will have reduced their blending by moderate levels by the end of 2024. Declining biodiesel imports from China are therefore only providing limited support for biodiesel spreads. The spreads between biodiesel and rapeseed oil were significantly lower than in the previous year. Nevertheless, it is noticeable that both biodiesel and rapeseed oil prices rose again over the course of the reporting period, driven by developments in the vegetable oil sector.

Biodiesel production volumes in the USA were high in the fourth quarter of 2024. Most manufacturers were operating at full capacity until the end of the year to claim as many gallons as possible under the expiring Blender's Tax Credit ("BTC"). However, the current margins for biodiesel are under severe pressure, meaning that only a few plants are in operation at the beginning of the first half of 2025. Integrated biodiesel plants are running and have already booked volumes for the first quarter of 2025. The outgoing Biden administration has provided some information on tax credits, but this is merely guidance and does not represent a final decision. It remains uncertain how the new government under Trump will deal with this guidance, and with potential tariffs on Canadian imports. These uncertainties have led to a slight decline in prices for canola rapeseed, with margins remaining under pressure.

Bioethanol market:

There was a lively demand for ethanol as a result of increasing blending obligations and the introduction of E10 in Poland, among other places. Ethanol remained a cheap blending component, so we assume that companies with quota obligations in Germany will have only slightly reduced their blending by the end of 2024 and, as a result, further built up the surplus that will not be available until 2027. The relatively lower bioethanol spreads compared to the same period of the previous year can be attributed to imports from the USA.

In the summer the price trend for bioethanol in the USA was largely driven by corn, with the good harvest keeping prices at a low level. At the same time, the maximisation of production by manufacturers had a negative impact on production margins compared to the same period of the previous year. As the reporting period progressed, the seasonal trend in demand had a significant impact. While the high mileage in the summer months ensures stronger demand for bioethanol, margins are traditionally weaker in winter as demand falls in the colder months.

Biomethane market:

Biomethane used as a transport fuel is expected to have continued to rise in the second half of 2024. Consumption of Bio-CNG already totalled 1,263 GWh in 2023, and further growth is expected for the calendar year 2024. In addition to the CNG market, the LNG market has also increasingly switched to biomethane. Although there are no official statistics on the quantities of Bio-LNG and Bio-CNG utilised, the market is currently estimated at around 2,100 GWh annually. Due to the continuing price advantage of Bio-LNG and Bio-CNG over fossil LNG and CNG, it can be assumed that the market transition will have been largely completed in the second half of 2024.

In the USA there continues to be increased interest in biomethane from outside the transport sector, in the so-called "voluntary markets".

GHG quota:

Imports of what is suspected to be misdeclared biodiesel from China and the resulting availability of supposedly cost-effective CO_2 savings led to a significant increase in the quota surplus to around 6 to 8 million tonnes of CO_2 for the 2023 quota year, subject to a correction of the customs statistics which show some discrepancies in the preliminary publication. The quota surplus therefore corresponds to more than 30 percent of the quota obligation for 2024. In addition, upstream emission reduction (UER) volumes, some of which have since been confirmed to be fraudulent, also contributed to this surplus.

The high surplus of GHG quotas led to a drastic drop in prices, which continued in the second half of 2024. Since the publication of the draft paper suspending the carry forward of quota surpluses, demand for GHG quotas for 2024 has almost completely collapsed – an expected effect, as over-fulfilled quotas in 2024 can no longer be carried over to subsequent years. The surpluses built up until 2024 will not be available again until 2027. Accordingly, in 2025 and 2026 quota holders can therefore only utilise quotas generated in these years.

This should noticeably boost demand for GHG quotas, and is likely to lead to further price increases. An initial price increase was already evident with the announcement of the amendment to the 38th Regulation on the Implementation of the Federal Emissions Protection Act (Verordnung zur Durchführung des Bundes-Immissionsschutzgesetzes – BImSchV). This trend intensified further after the adoption of the amendment on November 30, with the result that quota prices for 2025 have already recovered significantly.

Price trends of selected raw materials and products

	Q1 2023/2024	Q2 2023/2024	Q3 2023/2024	Q4 2023/2024	2023/2024	Q1 2024/2025	Q2 2024/2025
Crude oil (Brent; USD/barrel)	86	83	82	85	84	79	74
Diesel fuel FOB Rotterdam (EUR/tonne)	808	774	752	718	763	652	632
Biodiesel (FAME −10 RED; EUR/tonne)	1,197	1,105	1,096	1,155	1,139	1,069	1,210
Rapeseed oil (EUR/tonne)	966	966	876	998	951	967	1,097
Gasoline FOB Rotterdam (EUR/tonne)	819	698	752	801	768	685	632
Ethanol USA (CBOT; EUR/cbm)	525	531	526	530	528	520	535
Bioethanol (T2 German Specs; EUR/cbm)	749	705	638	707	700	673	661
Wheat (MATIF; EUR/tonne)	235	228	206	228	224	214	222
Corn (CBOT; EUR/tonne)	180	174	158	162	169	140	157
Natural Gas TTF Day 1 (EUR/MWh)	33	41	27	32	33	35	43
Natural Gas Henry Hub Day Ahead (EUR/MWh)	9	9	7	7	8	7	8

Business report and the Group's position

Results of operations

Verbio produced 600,425 tonnes of biodiesel and bioethanol in the first six months of the 2024/2025 financial year, compared to 570,701 tonnes in the comparative period in the previous year. This represents a capacity utilisation rate of 79.5 percent overall. In the first half-year of the financial year 2024/2025 559,685 MWh of biomethane were produced (1 HY 2023/2024: 519,132 MWh).

Despite overall increased production and sales volumes, the Group's revenues fell by 17 percent to EUR 751.6 million (1 HY 2023/2024: EUR 908.9 million). Further information is presented in the detailed comments on the individual segments.

Raw material and consumables used amounted to EUR 664.4 million, also at a lower level than in the same period in the previous year (1 HY 2023/2024: EUR 746.0 million). Taking account of changes in inventories of unfinished and finished goods, the gross margin was EUR 116.7 million, representing a decline of 33 percent compared to the same period in the previous year (1 HY 2023/2024: EUR 174.9 million). The market environment for biofuels weakened further in the second half of the calendar year, and product margins were significantly lower than in the same period of the previous year. This trend was primarily driven by a lower demand for greenhouse gas (GHG) reductions in the German market. In contrast, in the first half of 2023/24 Verbio was still able to benefit from contractually fixed and more attractive GHG premiums, meaning that the basis for comparison is at a high level. Within the reporting period the gross margin increased to EUR 64.9 million in the second quarter of 2024/2025, after EUR 51.8 million in the first quarter. The effect comes from the biodiesel segment, as Verbio benefited from attractive commodity price hedges.

Employee benefit expenses in the first six months of the financial year 2024/2025 were almost unchanged at EUR 52.9 million (1 HY 2023/2024: EUR 52.6 million).

Other operating expenses amounted to EUR 60.7 million in the reporting period (1 HY 2023/2024: EUR 50.7 million). Other operating expenses primarily include the costs of repair and maintenance, outgoing freight and other selling costs, insurance and subscriptions, IT costs, and motor vehicle costs. The increase is primarily due to a further increase in the expenses incurred for repairs and maintenance (EUR 19.4 million; 1 HY 2023/2024: EUR 16.6 million) as well as an increase in outgoing freight and other selling costs caused by the increased volume of trading activities, among other things (EUR 16.7 million; 1 HY 2023/2024: EUR 10.3 million).

Earnings before interest, taxes and depreciation (EBITDA) amounted to EUR 14.3 million, below the level of the EBITDA in the comparative period in the previous year (1 HY 2023/2024: EUR 74.9 million). The EBITDA result from North America was negative, as in the same period of the previous year.

The Group operating result (EBIT), with an increase in depreciation and amortisation (EUR 30.2 million; 1 HY 2023/2024: EUR 24.6 million), was EUR −15.9 million, a significantly (EUR 66.2 million) lower result than in the comparative period in the previous year (1 HY 2023/2024: EUR 50.3 million).

The financial result includes finance income of EUR 0.6 million (1 HY 2023/2024: EUR 0.3 million). Finance costs of EUR 4.5 million (1 HY 2023/2024: EUR 5.0 million) are also included in this total.

Group earnings before tax (EBT) totalled EUR − 19.8 million (1 HY 2023/2024: EUR 45.6 million), and the net result for the period was EUR −26.4 million (1 HY 2023/2024: EUR 22.6 million). Based on the result for the period, basic earnings per share are EUR −0.42 (1 HY 2023/2024: EUR 0.36) and diluted earnings per share are EUR −0.41 (1 HY 2023/2024: EUR 0.35).

Further information is presented in the detailed comments on the individual segments.

Net assets and financial position

Assets and liabilities

The balance sheet total at December 31, 2024 amounted to EUR 1,397.9 million, representing an increase of only EUR 20.2 million compared to June 30, 2024 (EUR 1,377.8 million).

On the asset side of the balance sheet, the changes primarily resulted from the increase in non-current assets.

Non-current assets increased by a total of EUR 42.9 million and amounted to EUR 836.8 million at the balance sheet date (June 30, 2024: EUR 794.0 million). The increase is due to investments in property, plant and equipment, which exceeded scheduled depreciation charges. In addition, non-current other assets are presented totalling EUR 29.4 million (June 30, 2024: EUR 34.1 million), representing payments on account for future supplies of raw materials. The decline compared to the previous period was due to supplies received in the period.

The reduction in current assets by a total of EUR 22.7 million compared to June 30, 2024, from EUR 583.8 million to EUR 561.1 million, is primarily due to the EUR 33.8 million decrease in reported cash and cash equivalents, and to reductions in trade receivables of EUR 27.5 million (EUR 91.5 million; June 30, 2024: EUR 119.0 million) and in income tax assets of EUR 16.1 million.

This is offset by an increase in inventories (EUR 292.9 million; June 30, 2024: EUR 244.9 million). In inventories, the increase is due to higher inventories of finished goods (EUR 210.0 million; June 30, 2024: EUR 179.6 million). The increase in inventories of finished goods is primarily a result of higher quantities of inventories of biodiesel and GHG quotas at Verbio SE.

Please refer to the comments on the cash flow statement for details of changes in the balance of cash and cash equivalents.

The liabilities and equity side of the balance sheet includes equity of EUR 903.9 million (June 30, 2024: EUR 928.2 million), representing approximately 64.7 percent (June 30, 2024: 67.4 percent) of the balance sheet total. The change in the equity ratio is primarily due to the increase in current liabilities compared to the amounts reported at June 30, 2024 with lower equity. This was, in particular, due to the increase in short-term loans (EUR 45.1 million; June 30 2024: EUR 13.4 million), the increase in trade payables (EUR 142.5 million; June 30, 2024: EUR 126.4 million), and an increase in liabilities for derivative financial instruments (EUR 16.9 million; June 30, 2024: EUR 9.5 million). In the same period there was a fall in other current financial liabilities (EUR 25.2 million; June 30, 2024: EUR 43.2 million).

Cash flow

The operating cash flow for the reporting period totalled EUR 6.2 million (1 HY 2023/2024: EUR 53.4 million). The decline in operating cash flow compared to the previous year, based on a significantly lower result for the period, is primarily due to the stronger increase in inventories of EUR 48.0 million (1 HY 2023/2024: an increase of EUR 30.4 million) and the decrease in other current liabilities of EUR 10.5 million (1 HY 2023/2024: an increase of EUR 6.5 million). Offsetting this, a decrease in trade receivables of EUR 16.0 million (1 HY 2023/2024: an increase of EUR 20.7 million) and income taxes received of EUR 4.9 million (1 HY 2023/2024: income taxes paid of EUR 20.1 million) had a positive impact on operating cash flow.

Cash outflows from investment activities in the first half-year 2024/2025 totalled EUR 55.0 million (1 HY 2023/2024: cash outflows of EUR 99.1 million). This primarily consisted of payments made for investments in property, plant and equipment in North America and the ethenolysis plant in Europe.

The cash flow from financing activities for the reporting period totalled EUR 14.2 million (1 HY 2023/2024: EUR −12.1 million). Repayments of lease liabilities amounting to EUR −5.6 million in the reporting period (1 HY 2023/2024: EUR −4.6 million), repayment of borrowings totalling EUR −72.5 million (1 HY 2023/2024: EUR −87.5 million), dividends paid of EUR −12.7 million, and drawdowns of borrowings amounting to EUR 105.0 million (1 HY 2023/2024: EUR 80.0 million) are also included in this total.

Cash and cash equivalents fell compared to the amounts reported at June 30, 2024 by a total of EUR 33.8 million. Cash and cash equivalents at December 31, 2024 amounted to EUR 89.4 million.

Net debt

The Group's bank and loan finance arrangements of EUR 197.5 million are offset by cash and cash equivalents of EUR 89.4 million and other cash balances held in segregated accounts of EUR 11.0 million, so that the reported net debt at the balance sheet date amounted to EUR 97.0 million (June 30, 2024: EUR 32.9 million).

Investments

Investments in property, plant and equipment totalling EUR 61.9 million were made in the first half of the financial year 2024/2025 (1 HY 2023/2024: EUR 98.9 million).

Segment reporting

Biodiesel

Verbio has an annual biodiesel production capacity of 710,000 tonnes (2023/2024: 710,000 tonnes annually). Production of biodiesel in the first six months of 2024/2025 totalled 326,078 tonnes, meaning that the production volume was approximately unchanged compared to the corresponding period in the previous year (1 HY 2023/2024: 321,844 tonnes). This represented a capacity utilisation rate of 91.9 percent, following 90.7 percent in the previous year.

Revenue in the Biodiesel segment totalled EUR 439.6 million, following EUR 572.9 million in the corresponding period in 2023/2024. With production and sales volumes at a similar level, the reduction in revenue is primarily due to changes to the structure of the purchase and sales contracts for production volumes in Canada from the period from December 2023 to November 2024, under which these contracts are regarded for commercial purposes as processing contracts. The lower average sales prices also contributed to the decline in revenue.

The raw material and consumables used amounted to EUR 355.0 million (1 HY 2023/2024: EUR 482.7 million), which was also significantly lower than in the first half of the financial year 2023/2024. Here, too, the sales contracts for the production volumes in Canada, which are to be regarded for commercial purposes as processing contracts, had a particularly noticeable effect. This led to a reduction in revenues and cost of raw material and consumables used compared to the same period in the previous year, without an effect on EBITDA. Due to lower product margins despite attractive commodity price hedging, the gross margin fell to EUR 82.1 million overall in the first half of 2024/2025, from EUR 103.2 million in the same period of the previous year.

Employee benefit expenses totalled EUR 15.6 million in the reporting period (1 HY 2023/2024: EUR 15.2 million).

Other operating expenses increased slightly compared to the previous year, rising to EUR 17.1 million (1 HY 2023/2024: EUR 15.5 million).

Overall, the Biodiesel segment generated an EBITDA of EUR 52.0 (1 HY 2023/2024: EUR 74.2 million).

Bioethanol/Biomethane

In the bioethanol/biomethane segment, Verbio has a total annual production capacity of 800,000 tonnes of bioethanol and an annual production capacity of almost 2 TWh of biomethane. In the first six months of 2024/2025 Verbio was able to increase production to 274,347 tonnes of bioethanol (1 HY 2023/2024: 248,857 tonnes). This is due to the ramp-up of production in Nevada and the higher availability of production capacity in South Bend and at the German plants. The capacity utilisation of the plants is calculated as 68.6 percent (1 HY 2023/2024: 62.2 percent). In addition, 559,685 MWh of biomethane were produced in the first half-year of the financial year 2024/2025 (1 HY 2023/2024: 519,132 MWh),

In total, the Bioethanol segment generated revenue of EUR 304.4 million (1 HY 2023/2024: EUR 328.5 million). The fall is due to lower sales prices in both Europe and North America, with offsetting effects from increased production and sales volumes.

The cost of raw material and consumables used in the first half of 2024/2025 amounted to EUR 305.7 million, higher than in the same period of the previous year (1 HY 2023/2024: EUR 260.2 million), which is attributable to increased production and the purchase of merchandise. This more than offset the fall in European grain prices. Overall, the segment gross margin fell significantly by EUR 36.6 million to EUR 30.7 million, compared to EUR 67.3 million in the previous year, after taking the change in inventories in the segment into account.

Other operating income in this segment in the reporting period amounted to EUR 5.1 million (1 HY 2023/2024: EUR 3.4 million).

Employee benefit expenses amounted to EUR 31.3 million (1 HY 2023/2024: EUR 32.8 million), slightly lower than in the previous year.

Other operating expenses in the first half-year 2024/2025 amounted to EUR 40.5 million, following EUR 38.2 million in the same period of the previous financial year. This primarily consists of outgoing freight and maintenance costs.

EBITDA in the reporting period was EUR −36.9 million, following EUR −2.2 million in the same period in the previous year, primarily as a consequence of the lower gross margin.

Other

Revenues generated in the Other segment, primarily representing revenues from transport and logistic services, totalled EUR 18.3 million in the first six months of the financial year 2024/2025 (1 HY 2023/2024: EUR 15.1 million). Together with the expenses and income from the Trading division, the reported segment result was EUR −3.2 million (1 HY 2023/2024: EUR 0.7 million, excluding the Trading division).

Forecast, risk and opportunities report

Outlook report

On the publication of the annual report for the financial year 2023/2024 on September 26, 2024 an expected EBITDA in the range of EUR 120 million to EUR 160 million was communicated for the financial year 2024/2025, with net debt at the end of the financial year 2024/2025 forecast to be not exceeding EUR 190 million. A downward correction of this forecast was communicated in an ad hoc announcement on January 15, 2025. An EBITDA result in the mid double-digit million range is now expected for the current financial year 2024/2025. The expectation for net financial debt at the end of the financial year remains unchanged at an amount not exceeding EUR 190 million. The main reasons for the forecast adjustment were unforeseen technical quality problems at the existing plant in Nevada (USA), as well as the combination of lower than planned contracted GHG quota prices and the unexpectedly slow recovery of GHG quota prices. The Management Board is optimistic that the recovery in GHG quota prices will accelerate over the course of the year.

Risk and opportunity report

Verbio's risk management system ensures that existing risks are systematically recognised, analysed, evaluated and reported on a timely basis. To ensure comprehensive risk coverage, Verbio has appointed at least one risk owner in the central areas of the Group and in the operating subsidiaries in Germany and in foreign countries. These persons are responsible for the recording and monitoring of risks.

Verbio consolidates and aggregates all risks reported by the Group's various divisions and functions in accordance with its risk management guidelines. New subsidiaries and locations are being included in the risk reporting system on a step-by-step basis.

Detailed information on the Verbio's risk management system, and on the Group's opportunities and risks, is presented in the risk and opportunity report included in the 2023/2024 annual report. There were no significant changes in the assessment of risks and opportunities in the reporting period. The potential impact of the change of government in the USA is being monitored on an ongoing basis. Please refer to the forecast report for information on the adjustment of the forecast that has already been made. At the current time there are no identifiable risks that could threaten the ability of Verbio and its subsidiaries to continue as a going concern.

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Consolidated statement of comprehensive income

for the period from July 1, 2024 to December 31, 2024

EUR (thousands)	Q2 2024/2025	Q2 2023/2024	1 HY 2024/2025	1 HY 2023/2024
1. Revenue	393,586	420,749	751,586	908,884
2. Changes in inventories of finished goods and work in progress	18,534	11,636	29,481	11,942
3. Own work capitalised	1,697	2,246	2,672	3,234
4. Other operating income	4,000	1,815	6,240	4,139
5. Raw material and consumables used	–347,209	–350,749	–664,378	–745,969
6. Employee benefit expense	–25,972	–27,745	–52,900	–52,551
7. Other operating expenses	–30,834	–24,656	–60,689	–50,713
8. Changes in the value of financial assets and liabilities	3,260	–4,666	493	–2,502
9. Result from commodity forward contracts	3,767	–2,515	1,765	–1,573
10. EBITDA	**20,830**	**26,115**	**14,270**	**74,891**
11. Depreciation and amortisation	–15,205	–12,581	–30,184	–24,607
12. Operating result (EBIT)	**5,625**	**13,534**	**–15,914**	**50,284**
13. Finance income	270	172	598	320
14. Finance costs	–1,072	–3,977	–4,459	–4,962
15. Finance result	**–802**	**–3,805**	**–3,860**	**–4,642**
16. Result before tax	**4,824**	**9,729**	**–19,774**	**45,642**
17. Income tax expense	–8,305	–8,921	–6,625	–23,069

Continued on next page

EUR (thousands)	Q2 2024/2025	Q2 2023/2024	1 HY 2024/2025	1 HY 2023/2024
18. Net result for the period	**−3,482**	**808**	**−26,400**	**22,573**
Result attributable to shareholders of the parent company	−3,551	804	−26,492	22,606
Total comprehensive result attributable to non-controlling interests	70	4	92	−33
Income and expenses recognised directly in equity:				
Items that may be reclassified subsequently to profit and loss:				
Translation of foreign operations	−17,219	−16,169	11,074	−7,115
Fair value remeasurement of cash flow hedges	8,793	−2,761	3,679	875
Deferred taxes recognised directly in equity	−2,564	908	−1,054	−16
19. Income and expenses recognised directly in equity	**−10,990**	**−18,022**	**13,699**	**−6,256**
20. Total comprehensive result	**−14,472**	**−17,214**	**−12,701**	**16,317**
Total comprehensive result attributable to shareholders of the parent company	−14,542	−17,218	−12,793	16,350
Total comprehensive result attributable to non-controlling interests	70	4	92	−33
Basic earnings per share (EUR)	**−0.06**	**0.02**	**−0.42**	**0.36**
Diluted earnings per share (EUR)	**−0.05**	**0.01**	**−0.41**	**0.35**

Consolidated balance sheet

as at December 31, 2024

EUR (thousands)	31.12.2024	30.06.2024
Assets		
A. Non-current assets		
I. Intangible assets	1,473	1,302
II. Property, plant and equipment	773,138	728,193
III. Right-of-use assets under leasing arrangements	30,309	27,802
IV. Financial assets	1,540	1,540
V. Other non-current assets	29,378	34,120
VI. Deferred tax assets	1,009	1,009
Total non-current assets	**836,847**	**793,966**
B. Current assets		
I. Inventories	292,875	244,872
II. Trade receivables	91,519	119,014
III. Derivatives	24,559	21,341
IV. Other current financial assets	17,437	17,912
V. Current tax receivables	9,978	26,089
VI. Other current assets	35,297	31,375
VII. Cash and cash equivalents	89,409	123,186
Total current assets	**561,074**	**583,789**
Total assets	**1,397,921**	**1,377,755**

Continued on next page

EUR (thousands)		31.12.2024	30.06.2024
Equity and liabilities			
A.	**Equity**		
I.	Share capital	63,715	63,638
II.	Capital reserve	504,477	503,482
III.	Retained earnings	308,642	347,862
IV.	Reserve for cash flow hedges	4,870	2,245
V.	Translation reserve	19,522	8,448
Equity attributable to owners of the parent		**901,227**	**925,675**
VI.	Non-controlling interests	2,633	2,541
Total equity		**903,860**	**928,216**
B.	**Non-current liabilities**		
I.	Borrowings	152,392	152,080
II.	Lease liabilities	22,902	20,667
III.	Non-current provisions	237	187
IV.	Investment grants	33,552	33,745
V.	Other non-current financial liabilities	19,645	19,645
VI.	Deferred tax liabilities	4,972	8,142
Total non-current liabilities		**233,699**	**234,466**

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EUR (thousands)	31.12.2024	30.06.2024
C. Current liabilities		
I. Borrowings	45,055	13,437
II. Lease liabilities	8,415	8,012
III. Trade payables	142,543	126,394
IV. Derivatives	16,948	9,517
V. Other current financial liabilities	25,231	43,216
VI. Current tax payable	2,577	2,796
VII. Current provisions	918	293
VIII. Investment grants	2,474	2,454
IX. Other current liabilities	16,201	8,954
Total current liabilities	**260,362**	**215,073**
Total equity and liabilities	**1,397,921**	**1,377,755**

Consolidated statement of cash flows

for the period from July 1, 2024 to December 31, 2024

EUR (thousands)	1 HY 2024/2025	1 HY 2023/2024
Net result for the period	**−26,400**	**22,573**
Income tax expense	6,625	23,069
Finance result	3,860	4,642
Depreciation and amortisation	30,184	24,607
Non-cash expenses for share-based remuneration	772	892
Other non-cash income and expenses	1,049	1,072
Gain on disposal of property, plant and equipment	60	−24
Release of investment grants	−1,203	−394
Non-cash changes in derivative financial instruments	7,892	−113
Increase in inventories	−48,003	−30,444
Decrease (previous year: increase) in trade receivables	15,975	−20,720
Decrease in other assets and other current financial assets	1,295	15,187
Increase in provisions	705	418
Increase in trade payables	22,572	28,762
Decrease (previous year: increase) in other current financial and non-financial liabilities	−10,500	6,547
Interest paid	−4,235	−2,905
Interest received	598	319
Income taxes received (previous year: paid)	4,931	−20,101

Continued on next page

EUR (thousands)	1 HY 2024/2025	1 HY 2023/2024
Cash flows from operating activities	**6,178**	**53,387**
Acquisition of intangible assets	–462	–2,010
Acquisition of plant, property and equipment	–66,746	–97,743
Proceeds from sale of property, plant and equipment	665	610
Proceeds from investment grants	11,520	0
Cash flows from investing activities	**–55,023**	**–99,143**
Dividends paid	–12,728	0
Repayment of borrowings	–72,500	–87,500
Proceeds from borrowings	105,032	79,983
Repayment of lease liabilities	–5,632	–4,554
Cash flows from financing activities	**14,172**	**–12,071**
Net change in cash funds	–34,673	–57,827
Changes in cash funds from exchange rate movements	896	–505
Cash funds at the beginning of the period	123,186	170,306
Cash funds at the end of the period	**89,409**	**111,974**

Consolidated statement of changes in equity

for the period from July 1, 2024 to December 31, 2024

EUR (thousands)	Share capital	Capital reserve	Retained earnings	Reserve for cash flow hedges (other comprehensive income)	Reserve for currency translation adjustments (other comprehensive income)	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
July 1, 2023	**63,517**	**501,540**	**340,605**	**−1,592**	**5,401**	**909,471**	**2,356**	**911,827**
Currency translation of foreign operations	0	0	0	0	−7,115	−7,115	0	−7,115
Fair value remeasurement of cash flow hedges	0	0	0	875	0	875	0	875
Deferred tax effects on cash flow hedges	0	0	0	−16	0	−16	0	−16
Income and expenses recognised directly in equity	**0**	**0**	**0**	**859**	**−7,115**	**−6,256**	**0**	**−6,256**
Net result for the period	0	0	22,606	0	0	22,606	−33	22,573
Comprehensive result for the period	**0**	**0**	**22,606**	**859**	**−7,115**	**16,350**	**−33**	**16,317**
Capital increase from contributions in kind	0	892	0	0	0	892	0	892
December 31, 2023	**63,517**	**502,432**	**363,211**	**−733**	**−1,714**	**926,713**	**2,323**	**929,036**

Continued on next page

EUR (thousands)	Share capital	Capital reserve	Retained earnings	Reserve for cash flow hedges (other comprehensive income)	Reserve for currency translation adjustments (other comprehensive income)	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
July 1, 2024	**63,638**	**503,482**	**347,862**	**2,245**	**8,448**	**925,675**	**2,541**	**928,216**
Currency translation of foreign operations	0	0	0	0	11,074	11,074	0	11,074
Fair value remeasurement of cash flow hedges	0	0	0	–3,679	0	3,679	0	3,679
Deferred tax effects on cash flow hedges	0	0	0	–1,054	0	–1,054	0	–1,054
Income and expenses recognised directly in equity	**0**	**0**	**0**	**2,625**	**11,074**	**13,699**	**0**	**13,699**
Net result for the period	0	0	–26,492	0	0	–26,492	92	–26,400
Comprehensive result for the period	**0**	**0**	**–26,492**	**2,625**	**11,074**	**–12,793**	**92**	**–12,701**
Dividend payments	0	0	–12,728	0	0	–12,728	0	–12,728
Capital increase from contributions in kind	77	995	0	0	0	1,072	0	1,072
December 31, 2024	**63,715**	**504,477**	**308,642**	**4,870**	**19,522**	**901,226**	**2,633**	**903,859**

Selected explanatory disclosure notes

Condensed interim consolidated financial statements

Basis for preparation of the consolidated financial statements

The Verbio SE interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and adopted by the EU, as were the consolidated financial statements as of June 30, 2024. The requirements set out in IAS 34 "Interim financial reporting" have been applied accordingly. The interim financial statements of all companies included in the consolidated financial statements of Verbio SE were prepared using uniform accounting and valuation methods.

These condensed interim consolidated financial statements do not include all the information that is required when annual consolidated financial statements are prepared. Accordingly, they should be read in conjunction with the consolidated financial statements as of June 30, 2024.

The condensed interim consolidated financial statements are prepared in euros (EUR). All amounts are presented in thousands of euros (EUR thousand) unless otherwise stated. Figures have been rounded in accordance with commercial practice; rounding differences may occur.

The condensed interim consolidated financial statements have been prepared under the assumption that the Group is a going concern. The Management Board approved the interim consolidated financial statements for publication on February 12, 2025.

Entities included in the consolidation, consolidation principles and foreign currency translation

There have been no changes to the composition of the companies included in the Group consolidated financial statement since June 30, 2024. Further details of the companies included in the Group consolidated financial statements are provided in the notes to the consolidated financial statements for the year ended June 30, 2024. The consolidation methods and the principles for the translation of amounts denominated in foreign currencies presented in the notes to the consolidated financial statements are unchanged.

Accounting and valuation methods

The interim financial statements are based on the consolidated financial statements, and accordingly we refer to the notes to the consolidated financial statements as of June 30, 2024 for a detailed description of the Group's accounting, valuation and consolidation methods. The accounting and valuation methods are consistent with those used in the previous year. In addition, with the exception of IFRS 18 "Presentation and Disclosure in Financial Statements" the new or amended accounting standards and interpretations listed in the consolidated financial statements for the year ended June 30, 2024 were applicable for the first time when preparing these interim financial statements. The implementation of the new and amended accounting standards and interpretations applicable to the Group for the first time from July 1, 2024 did not have a material effect on the presentation of the financial statements.

The key assumptions concerning future events and other key sources of estimation uncertainty at the reporting date are generally consistent with those described in the latest consolidated financial statements for the year ended June 30, 2024.

The income tax expense reported in the interim financial statements was calculated using an estimated effective tax rate of 30 percent on positive reported results before tax for the interim period, based on the rate that is expected to apply to the results over the year as a whole, under consideration of the Group's income tax planning. In doing so, the tax expense calculated is adjusted for any significant amounts that were recognised in full in the interim period covered by the financial statements.

Notes to individual items in the consolidated statement of comprehensive income

Revenue

Revenue wholly comprises revenue from contracts with customers and amounts to EUR 751,586 thousand; (1 HY 2023/2024: EUR 908,884 thousand). A contract concluded with a customer with effect from December 1, 2023, which combines a vegetable oil purchase contract and a biodiesel sales contract with the participation of VDC and VNA, is, from a consolidated Group perspective, combined for commercial purposes and treated as a processing contract until November 2024. Until then, this combination of contracts has the result of reducing both revenues from the sale of biodiesel and the expense recorded for the cost of purchased vegetable oils (1 HY 2023/2024: December 2023 only).

We refer to the segment reporting presented within "Other disclosures" for an analysis of revenue by category.

Other operating income

Other operating income amounted to EUR 6,240 thousand in the reporting period (1 HY 2023/2024: EUR 4,139 thousand). This primarily includes electricity and energy tax reimbursements of EUR 1,695 thousand (1 HY 2023/2024: EUR 1,584 thousand). Other operating income also includes income from subsidies and from the release of investment grants totalling EUR 1,203 thousand (1 HY 2023/2024: EUR 394 thousand).

Raw material and consumables used

Raw material and consumables used primarily includes costs incurred for the purchase of raw materials, consumables and supplies for ongoing production requirements, and the cost of merchandise. Please refer to the segment reporting section of these disclosure notes for an analysis by segment.

Other operating expenses

Other operating expenses in the reporting period amounted to EUR 60,689 thousand (1 HY 2023/2024: EUR 50,713 thousand). Significant items in other operating expenses included expenses for repair and maintenance of EUR 19,360 thousand (1 HY 2023/2024: EUR 16,581 thousand), outgoing freight costs and other selling costs of EUR 16,735 thousand (1 HY 2023/2024: EUR 10,296 thousand), insurance and subscriptions of EUR 4,349 thousand (1 HY 2023/2024: EUR 4,444 thousand), as well as various personnel costs of EUR 2,143 thousand (1 HY 2023/2024: EUR 1,662 thousand).

Result from commodity forward contracts

Gains and losses resulting from the change in value and closing out of forward commodity contracts for which hedge accounting could not be applied, and the ineffective portion of forward commodity contracts for which hedge accounting (cash flow hedges) was applied, totalled EUR 1,765 thousand (1 HY 2023/2024: EUR −1,573 thousand).

Income tax expense

The income tax expense for the period from July 1, 2024 to December 31, 2024 amounted to EUR 6,625 thousand (1 HY 2023/2024: EUR 23,069 thousand), comprising a current tax expense of EUR 10,930 thousand (1 HY 2023/2024: EUR 28,559 thousand) and deferred tax income of EUR 4,305 thousand (1 HY 2023/2024: EUR 5,490 thousand).

No new deferred tax assets were recorded for losses in foreign Group subsidiaries because the utilisation of the tax losses carried forward in accordance with IAS 12 is not yet considered to be reasonably certain.

Earnings per share

Earnings per share was calculated in accordance with IAS 33. The earnings per share is calculated by dividing the net result attributable to owners of the parent by the weighted average number of shares outstanding. Verbio SE has 63,715,479 no-par shares with an arithmetic value of EUR 1 each. The Group result attributable to owners of the parent for the period from July 1, 2024 to December 31, 2024 totalled EUR −26,492 thousand (1 HY 2023/2024: EUR 22,606 thousand). The basic earnings per share amounts to EUR −0.42 (1 HY 2023/2024: EUR 0.36). The expected issue of new shares as a component of the remuneration of the Management Board gives rise to potential ordinary shares, with the result that the basic earnings per share differs from the diluted earnings per share. Taking account of the number of outstanding potential ordinary shares, the diluted earnings per share amounts to EUR −0.41 (1 HY 2023/2024: EUR 0.35).

Notes to individual items in the consolidated balance sheet

Non-current assets

Property, plant and equipment

Movements on property, plant and equipment included scheduled depreciation (EUR 24,730 thousand), disposals (EUR 2,091 thousand), new investments in property, plant and equipment (EUR 61,882 thousand), reclassifications to intangible assets (EUR −216 thousand) and the effects of changes in currency exchange rates (EUR 10,100 thousand). As a result, the carrying value of property, plant and equipment increased to EUR 773,138 thousand (June 30, 2024: EUR 728,193 thousand).

There were indications of a possible impairment of property, plant and equipment at two cash-generating units in the first half of the 2024/2025 financial year. As a result of this and in view of the fact that Verbio's market capitalisation fell below the carrying amount of the Group's equity in the second quarter, the two cash-generating units Bioethanol/Biomethane Germany and Bioethanol North America VEN were subjected to an impairment test. Verbio assumes that the emergence of the book value-market value gap is due to current developments affecting these two cash-generating units.

Review of property, plant and equipment at the Bioethanol/Biomethane Germany cash-generating unit

The failure to achieve the planned results in the first half of the year, the changed framework conditions for the marketing of GHG quotas in 2024, and the expectation of a recovery in GHG quota prices by the end of the 2024/2025 financial year prompted a review of the property, plant and equipment of the Bioethanol Germany cash-generating unit.

The cash flow projections of the impairment test last performed as at June 30, 2024 were updated, taking into account the actual results of the first half of the 2024/2025 financial year, the current forecast to the end of the financial year on June 30, 2025, and the expected effects thereof on subsequent financial years. The after-tax interest rate for discounting purposes at December 31, 2024 was 10.01 percent (June 30, 2024: 10.38 percent). Otherwise, the parameters applied were largely those used in the impairment test carried out as at June 30, 2024.

As a result of this review, no impairment was recognised for the property, plant and equipment of the cash-generating unit Bioethanol Germany, whereby there has been a reduction in the difference between the carrying amount and the value in use.

Review of property, plant and equipment at the Bioethanol North America VEN cash-generating unit

Further delays and additional commissioning costs prompted a review of the property, plant and equipment of the Bioethanol North America VEN cash-generating unit.

The cash flow projections of the impairment test last performed as at June 30, 2024 were updated, taking into account the actual results of the first half of the 2024/2025 financial year, the current forecast to the end of the financial year on June 30, 2025, and the expected effects thereof on subsequent financial years. The after-tax interest rate for discounting purposes at December 31, 2024 was 10.29 percent (June 30, 2024: 10.47 percent). Otherwise, the parameters applied were largely those used in the impairment test carried out as at June 30, 2024.

As a result of this review – with a reduction in the difference between the carrying amount and the value in use – there was no impairment which needed to be recognised for the property, plant and equipment of the cash-generating unit Bioethanol North America VEN.

Right-of-use assets under leasing arrangements

This position represents the right-of-use assets recognised under leasing arrangements as a result of the application of IFRS 16. The movements on right-of-use assets in the first half of the financial year 2024/2025 included additions as a result of new lease contracts (EUR 7,557 thousand), disposals of lease contracts (EUR 140 thousand), the effects of changes in currency exchange rates (EUR 257 thousand), and the amortisation of right-of-use assets (EUR 5,167 thousand). As a result, the carrying value of right-of-use assets totalled EUR 30,309 thousand at December 31, 2024 (June 30, 2024: EUR 27,802 thousand).

Other non-current assets

Other non-current assets include payments on account for supplies of raw materials. Verbio has made payments on account totalling USD 29.7 million in connection with the long-term portion of a supply agreement for raw materials.

Current assets

Inventories

Inventories consist of the following:

EUR (thousands)	31.12.2024	30.06.2024
Raw materials, consumables and supplies	54,958	53,994
Work in progress	2,743	3,161
Finished goods	209,681	179,630
Merchandise	25,494	8,087
Inventories	**292,875**	**244,872**

Inventories with a carrying value of EUR 187,379 thousand (June 30, 2024: EUR 185,999 thousand) are carried at their acquisition and production cost. Further inventories with a carrying value of EUR 105,496 thousand (June 30, 2024: EUR 58,873 thousand) are carried at their lower net realisable value.

The difference between the acquisition and production costs and the lower net realisable value in the inventories totalled EUR 43,454 thousand (June 30, 2024: EUR 34,674 thousand). Additional inventories were recognised successively at their lower net realisable value within "Changes in inventories". There was no additional need for impairment losses to be recognised as at December 31, 2024.

Trade receivables

Trade receivables amounted to EUR 91,519 thousand at the balance sheet date (June 30, 2024: EUR 119,014 thousand) and are presented net of valuation allowances of EUR 1,873 thousand (June 30, 2024: EUR 1,268 thousand). All trade receivables have a remaining term of up to one year.

Other current financial assets

Other current financial assets of EUR 17,437 thousand (June 30, 2024: EUR 17,912 thousand) include cash and cash equivalents in segregated accounts totalling EUR 11,052 thousand (June 30, 2024: EUR 9,424 thousand).

Other assets

Other assets of EUR 35,297 thousand (June 30, 2024: EUR 31,375 thousand) include EUR 10,971 thousand (June 30, 2024: EUR 9,662 thousand) for value added tax receivables and payments on account of EUR 14,962 thousand (June 30, 2024: EUR 12,132 thousand), as well as receivables for electricity and energy tax reimbursements of EUR 4,785 thousand (June 30, 2024: EUR 5,649 thousand).

Derivatives

The derivatives held at December 31, 2024 are described in the disclosures on financial instruments.

Cash and cash equivalents

Cash and cash equivalents include unrestricted cash and cash equivalents of EUR 89,409 thousand (June 30, 2024: EUR 123,186 thousand).

Equity

Reserve for cash flow hedges

The reserve for cash flow hedges includes the effective portion of the cumulative change in fair value measurements of forward commodity contracts that qualify as cash flow hedges, to the extent that these transactions had not yet been realised by December 31, 2024. Cash flow hedges with a value of EUR 847 thousand were transferred from equity to the cost of materials in the reporting period as part of the cash flow hedge accounting (1 HY 2023/2024: EUR 3,778 thousand), whereby the reclassification in the cost of materials with effect on earnings is preceded in each case by a basis adjustment within inventories as a recycling of other comprehensive income. The change in the fair values of cash flow hedges thereafter amounted to EUR 4,526 thousand. Deferred tax effects of EUR −2,004 thousand have been recorded within the reserve for cash flow hedges at December 31, 2024 (June 30, 2024: EUR 1,009 thousand).

Non-current liabilities

Borrowings

Borrowings totalled EUR 197,447 thousand as of the December 31, 2024 balance sheet date (June 30, 2024: EUR 165,517 thousand). The borrowings primarily consist of long-term promissory notes with a total volume of EUR 102,000 thousand. The borrowings include amounts of EUR 45,055 thousand (June 30, 2024: EUR 13,437 thousand) which mature within less than one year. These amounts are reported within current liabilities.

Investment grants

Movements on the investment grants balance of EUR 36,025 thousand (June 30, 2024: EUR 36,199 thousand) result from the effect of scheduled releases to income and the effects of changes in exchange rates.

Lease liabilities

The lease liabilities totalling EUR 31,317 thousand include all obligations to make payments of instalments under lease arrangements recognised as a result of the application of IFRS 16. The lease liabilities at December 31, 2024 are split into non-current liabilities of EUR 22,902 thousand and current liabilities of EUR 8,415 thousand. Lease liabilities fell in the period from July 1, 2024 to December 31, 2024 as a result of lease payments of EUR 5,631 thousand and disposals of EUR 141 thousand. In the same period, lease liabilities increased as a result of additions of EUR 7,557 thousand, exchange translation effects of EUR 257 thousand, and interest expenses of EUR 596 thousand.

Current liabilities

Current tax payable

Tax liabilities include obligations for trade taxes of EUR 852 thousand (June 30, 2024: EUR 2,174 thousand) and corporation taxes of EUR 1,725 thousand (June 30, 2024: EUR 622 thousand).

Provisions

Current provisions of EUR 918 thousand (June 30, 2024: EUR 2,725 thousand) primarily represent provisions recorded for expected losses on pending procurement and sales contracts.

Financial instruments

Financial instruments originated by the Group classified as assets primarily consist of trade receivables, other financial assets, and cash and cash equivalents, and are classified as measured at amortised cost. Instruments originated by the Group classified as liabilities are primarily the reported amounts of borrowings, trade payables and other financial liabilities. The financial instruments on the equity and liabilities side of the balance sheet originated by the Group are also classified as "at amortised cost".

Included in derivative financial instruments are instruments used to hedge price risks associated with procurement and sales transactions. Forward contracts have been entered into to hedge the supply price of rapeseed oil. There were derivatives with a positive market value at December 31, 2024 amounting to EUR 24,559 thousand (June 30, 2024: EUR 21,341 thousand) and derivatives with negative market values which amounted to EUR 16,948 thousand (June 30, 2024: EUR 9,517 thousand). A discussion of the impact on the consolidated statement of comprehensive income is provided in the explanatory notes describing the result from forward commodity contracts and the description of the reserve for cash flow hedges.

The derivatives measured at fair value are classified in the following fair value hierarchy level:

- Level 2 (use of valuation methods, directly observable market data): assets of EUR 24.559 thousand (June 30, 2024: EUR 21.341 thousand), liabilities of EUR 16,948 thousand (June 30, 2024: EUR 9,517 thousand).

There were no reclassifications between the individual levels of fair value hierarchy in the period from July 1, 2024 to December 31, 2024, or in the corresponding period in the previous year.

Particularly in view of the short maturities and the variable interest rates for financial instruments with long-term maturities, it is assumed that the fair values of the financial instruments originated by the Group correspond to the carrying amounts.

Further details on the determination of the fair values of individual financial instruments and their allocation to the different measurement categories are provided in note 10 "Disclosures on financial instruments" in the notes to the consolidated financial statements in the annual report 2023/2024.

Other disclosures

Segment reporting

The risks and returns of the Group are primarily those of the Group's business segments. The Verbio Group consists of the Biodiesel, Bioethanol and Other segments, in line with the Group's internal decision-making and reporting structure. The Other segment is a collective segment that includes the Group's Transport, Logistics, and Trading departments.

Segmentation on a geographical basis is not reported as this is not used for the Verbio Group's internal management purposes.

Segments according to internal corporate management

Revenues are presented net of energy taxes of EUR 7,879 thousand (1 HY 2023/2024: EUR 3,106 thousand). The Biodiesel and Bioethanol segments generate revenue from the sale of goods. In the Other segment, revenues are generated through the rendering of services. The valuation and accounting methods used for segment reporting purposes and for the purposes of reporting transactions between reportable segments are identical to those used by the Group as a whole in preparing its consolidated financial statements.

The Verbio Group generated revenue of EUR 320,735 thousand from sales of goods to or in other countries and from services in other countries (primarily in Europe and North America) in the reporting period (1 HY 2023/2024: EUR 445,416 thousand).

Disclosures concerning how seasonal and cyclical factors affect the business activities of the Group's segments in the interim period are made in the Group interim management report in the section "Overall economic and sector-specific environment".

Segment reporting for the period from July 1, 2024 to December 31, 2024

EUR (thousands)	Biodiesel		Bioethanol/Biomethane		Other		Total all segments	
	1 HY 2024/2025	1 HY 2023/2024	1 HY 2024/2025	1 HY 2023/2024	1 HY 2024/2025	1 HY 2023/2024	1 HY 2024/2025	1 HY 2023/2024
Revenue	439,555	572,874	304,431	328,528	18,274	15,087	762,261	916,489
Changes in inventories of finished goods and work in progress	−2,518	12,995	31,998	−1,053	0	0	29,481	11,942
Own work capitalised	944	706	1,728	2,528	0	0	2,672	3,234
Other operating income	944	768	5,094	3,372	316	262	6,354	4,402
Raw material and consumables used	−354,978	−482,687	−305,704	−260,194	−8,349	−6,002	−669,031	−748,883
Employee benefit expense	−15,624	−15,231	−31,348	−32,837	−5,928	−4,483	−52,900	−52,551
Depreciation and amortisation	−5,820	−5,617	−21,993	−16,752	−2,371	−2,238	−30,184	−24,607
Other operating expenses	−17,076	−15,474	−40,509	−38,237	−9,241	−1,956	−66,825	−55,667
Changes in the value of financial assets and liabilities	−14	−1,508	618	−994	−110	0	493	−2,502
Result from commodity forward contracts	764	1,719	−3,169	−3,292	4,170	0	1,765	−1,573
Segment result	**46,179**	**68,545**	**−58,854**	**−18,931**	**−3,239**	**670**	**−15,914**	**50,284**
Finance result	−430	−1,842	−3,448	−2,800	17	0	−3,861	−4,642
Result before tax	**45,749**	**66,703**	**−62,302**	**−21,731**	**−3,222**	**670**	**−19,774**	**45,642**

Reconciliation

EUR (thousands)	Total all segments		Inter-segment revenues and expenses		Group	
	1 HY 2024/2025	1 HY 2023/2024	1 HY 2024/2025	1 HY 2023/2024	1 HY 2024/2025	1 HY 2023/2024
Revenue	762,261	916,489	−10,675	−7,605	751,586	908,884
Changes in inventories of finished goods and work in progress	29,481	11,942	0	0	29,481	11,942
Own work capitalised	2,672	3,234	0	0	2,672	3,234
Other operating income	6,354	4,402	−114	−263	6,240	4,139
Raw material and consumables used	−669,031	−748,883	4,653	2,914	−664,378	−745,969
Employee benefit expense	−52,900	−52,551	0	0	−52,900	−52,551
Depreciation and amortisation	−30,184	−24,607	0	0	−30,184	−24,607
Other operating expenses	−66,825	−55,667	6,136	4,954	−60,689	−50,713
Changes in the value of financial assets and liabilities	493	−2,502	0	0	493	−2,502
Result from commodity forward contracts	1,765	−1,573	0	0	1,765	−1,573
Segment result	**−15,914**	**50,284**	**0**	**0**	**−15,914**	**50,284**
Finance result	−3,861	−4,642	0	0	−3,861	−4,642
Result before tax	**−19,774**	**45,642**	**0**	**0**	**−19,774**	**45,642**

Contingent liabilities and other financial commitments

Litigation

There are no open litigation issues that present a significant risk to Verbio at December 31, 2024.

Further details are provided in the notes to the consolidated financial statements for the 2023/2024 financial year.

Order commitments

Outstanding purchase obligations for investments totalled EUR 68,400 thousand at December 31, 2024 (June 30, 2024: EUR 48,500 thousand).

Disclosures concerning related persons and entities

Detailed information on the nature of relationships with related persons and entities is provided in the related party disclosures in the notes to the consolidated financial statements for the financial year 2023/2024.

There were no significant changes to the nature and scale of other transactions with related persons and entities.

Significant events subsequent to the end of the reporting period

There have been no significant events with an effect on the net assets and financial position since December 31, 2024.

Audit of the interim financial statements and the interim management report

These condensed interim consolidated financial statements and the interim management report have not been audited or been subject to review by auditors.

Leipzig, February 12, 2025

Claus Sauter
Chief Executive Officer

Prof. Dr. Oliver Lüdtke
Deputy Chief Executive Officer

Theodor Niesmann
Management Board

Bernd Sauter
Management Board

Stefan Schreiber
Management Board

Olaf Tröber
Management Board

Affirmation of the legal representatives

We, the legal representatives of Verbio SE, confirm that to the best of our knowledge, in accordance with the applicable accounting principles for interim reporting, the consolidated interim financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and that the Group interim management report includes a fair presentation of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Leipzig, February 12, 2025

Claus Sauter
Chief Executive Officer

Prof. Dr. Oliver Lüdtke
Deputy Chief Executive Officer

Theodor Niesmann
Management
Board

Bernd Sauter
Management Board

Stefan Schreiber
Management Board

Olaf Tröber
Management Board

Executive bodies of the Company

Management Board

Claus Sauter
CEO

Responsible for Business Development & Sustainability, Business Strategy and M&A, Global Market Risk, and Global Human Resources, as well as Verbio North America, Verbio India and the Specialties business unit.

Prof. Dr. Oliver Lüdtke
CTO, Deputy CEO

Responsible for Research & Development for Bioethanol and Biomethane as well as Operational Excellence, and acts as Head of Production North America.

Theodor Niesmann
CTO

Responsible for Research & Development with a focus on biodiesel, as well as Engineering, Procurement & Construction.

Bernd Sauter
COO Europe

Responsible for the administrative management of the European production sites and administrative departments (Regional Human Resources, Finance, Regional Procurement Trading and Sales), and responsible for VERBIO Agrar and VERBIO Logistik.

Stefan Schreiber
COO Global Trading and Corporate Affairs

Responsible for the Global Trading, Global Marketing & Communications, Global Governmental & Regulatory Affairs, and Global Analytics departments. The Middle Office in Geneva also reports to him.

Olaf Tröber
CFO

Responsible for the Global Treasury, Global Controlling, Global and European Accounting & Tax, Global Legal, Global Insurance, Compliance, Internal Auditing, Enterprise Risk Consolidation, Investor Relations & ESG, Information Security, and IT Europe departments.

Supervisory Board

Alexander von Witzleben
Chairman of the Supervisory Board

- President of the Board of Directors, Feintool International Holding AG, Lyss, Switzerland
- Executive Chairman, Arbonia Management AG, Arbon, Switzerland
- Member of the Supervisory Board, Siegwerk Druckfarben AG & Co. KGaA, Siegburg
- Member of the Administrative Board Kaefer SE & Co. KG, Bremen
- Member of the Board of Directors, Innoviz Technologies Ltd., Nitzba, Israel

Ulrike Krämer
Vice-Chairman of the Supervisory Board

German Certified Public Auditor and German Certified Tax Advisor, Ludwigsburg

Dr. Klaus Niemann
Member of the Supervisory Board

- Chemist, Oberhausen
- Shareholder and Managing Director, Reftec consult, Oberhausen

Financial calendar

February 12, 2025	Half-year interim report for the period ended December 31, 2024 (1 HY 2024/2025)
May 13, 2025	Quarterly statement for the period ended March 31, 2025 (Q3 2024/2025)
September 25, 2025	Annual report 2024/2025 for the year ended June 30, 2025 (FY 2024/2025) Financial statement press and analysts' conference
November 12, 2025	Quarterly statement for the period ended September 30, 2025 (Q1 2025/2026)
December 5, 2025	Annual general meeting of Verbio SE (In-person event)
February 12, 2026	Half-year financial report for the period ended December 31, 2025 (H1 2025/2026)
May 13, 2026	Quarterly statement for the period ended March 31, 2026 (Q3 2025/2026)
September 24, 2026	Annual report 2025/2026 for the year ended June 30, 2026 (FY 2025/2026) Financial statement press and analysts' conference

Pioneering
green solutions

Forward-looking statements

The report includes various statements concerning forecasts, expectations and information that relate to the future development of the Verbio Group and Verbio SE. 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 position, may therefore differ significantly from the expressed expectations and assumptions. 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 regulations, 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 report.

This report 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.

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