

## Press release

### Verbio SE annual financial statements press conference: Good results despite market disruptions demonstrate future viability

- EBITDA of EUR 121.6 million, within the expected range
- Biofuels production exceeds one million tonnes for the first time
- Offensive countering of market disruptions caused by climate fraud
- Proposed dividend of EUR 0.20 per qualifying share

**Leipzig, September 26, 2024** – Verbio has been able to achieve a good result in the financial year 2023/24 against the backdrop of challenging market conditions, caused by massive questionable imports of advanced biodiesel from Asia as well as climate fraud in so-called UER (Upstream Emission Reduction) projects. Verbio's EBITDA of EUR 121.6 million was within the range anticipated in the most recent earnings forecast.

In the financial year 2023/24 Verbio's production exceeded one million tonnes of biodiesel and bioethanol for the first time, with biomethane production totalling 1,100 GWh.

The CO<sub>2</sub> savings potential generated by manufactured and traded products was increased to 4.4 million tonnes of CO<sub>2</sub>.

Despite the record levels of production, group revenues of EUR 1,658 million in 2023/24 were below the previous year's level. Among other things, this decline is due to the lower sales prices for the Group's core products.

EBITDA was EUR 121.6 million, which was, as forecast, significantly below the previous year's level of EUR 240.3 million. The fall in earnings was due to the lower prices for GHG quotas as a result of the market disruptions described above, as well as to the ongoing investments being made in Verbio's growth projects focussing on the USA.

#### Market disruptions due to climate fraud

For months now, Verbio has been actively drawing attention to the problem of unfair competition caused by imports of counterfeit green biofuels from Asia, and has campaigned strenuously for the abuses to be investigated and remedied.

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Falsely-declared Chinese imports of allegedly advanced biodiesel have been flooding the European market since the beginning of 2023. In addition, based on current information from the Federal Ministry for the Environment, there are at least 45 suspected cases of fraud involving fake climate protection projects – so-called UER projects. According to the “Stop the climate fraud” initiative (Initiative Klimabetrug Stoppen – IKS), up to 9 million tonnes of greenhouse gas reductions were counted towards meeting the German GHG quota (greenhouse gas reduction quota) in the transport sector, but in fact these reductions never happened. This led to a collapse in GHG quota prices, which make a significant contribution to the economics of biofuels.

Oil corporations are able to use UER (Upstream Emission Reduction) projects to obtain emission reductions from new technologies or from GHG offsetting projects, in order to offset emissions that result from the production of oil. An example of this is capture and processing of associated petroleum gases. The reductions can be used to meet the German statutory greenhouse gas emissions reduction targets in the transport sector, but the problem has been that many of the climate protection projects submitted to the Federal Ministry for the Environment only exist on paper, with no real CO<sub>2</sub> savings generated at all. However, until now politicians have ignored the information on such fraud provided to them by the biofuels industry, and allowed the supposed CO<sub>2</sub> savings from the fraudulent UER projects to be counted towards meeting the quotas. Only in recent weeks has a rethink begun, following sustained pressure from the industry and various associations.

“We are actively working with more than 70 other partners in the “Stop the climate fraud” initiative in order to combat fake climate protection projects and the resulting market distortions. We regard it as a great success that the German Parliament, according to its press release from September 11, 2024, now finally wants to take action and reverse fraudulent climate protection projects,” explained Claus Sauter, Chief Executive Officer (CEO) of Verbio SE. He added, “It is clear that the market for GHG quotas must recover, because increasing quota prices are needed to ensure that investment in climate protection in the transport sector is economically feasible.”

### Important strategic milestones achieved

Over the financial year just ended Verbio has continued to make investments in international growth projects and in the diversification of its product portfolio on a consistent basis.

Verbio now operates three production facilities in North America - two in the USA and one in Canada. The US plants are being expanded into biorefineries as part of the IRA (Inflation Reduction Act) along the lines of the German Verbio plants.

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Verbio has taken successful measures to increase the efficiency of bioethanol production at its South Bend (Indiana) location, and in addition, in May 2024 the Company celebrated the groundbreaking ceremony marking the start of its expansion project to enable combined bioethanol-biomethane production.

Verbio has already been manufacturing biomethane from corn straw at its Nevada (Iowa) plant since 2022. In recent months the Company has successfully realised the start of production in the additional bioethanol line, making this biorefinery into the first industrial-scale biomethane and bioethanol co-production plant in North America. In future, Verbio expects clear competitive advantages in the North American biofuels market from its unique technology.

Meanwhile, in Germany Verbio is driving forward the expansion of its existing filling station network and the conversion of its own heavy goods vehicles fleet to environmentally friendly alternatives. Currently Verbio offers biomethane as a climate-friendly and cheap fuel for transport companies at its own 15 BioCNG/BioLNG filling stations and 11 BayWa AG filling stations. In Verbio's heavy goods vehicle fleet, 116 of the 144 trucks already have been converted to alternative CNG/LNG powertrains.

### Pioneering green solutions: Speciality products from sustainable biomass

"Our portfolio of green products manufactured from biomass from renewable sources is becoming ever broader. Investing in research and development is the right thing to do, and increasing product diversification will give us several footholds outside the transport sector. Accordingly, this is an important guarantee of Verbio's growth and stability, as well as benefiting climate protection," said Claus Sauter.

A demonstration plant for the production of high-value proteins from grain was placed into service at the Company's Zörbig (Saxony-Anhalt) location in the financial year 2023/24. These proteins will be used in animal feedstock, and future use in the food industry is also possible.

At the Bitterfeld (Saxony-Anhalt) location Verbio is constructing the first production plant worldwide for bio-based speciality chemicals made from rapeseed oil methyl ester (biodiesel), which is widening the Group's product portfolio. The Federal State of Saxony-Anhalt is providing an investment grant of approximately 20 percent of the construction cost of the plant, while Verbio's Hungarian subsidiary XiMo will provide the metathesis catalysts needed.

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Claus Sauter proudly declares, “We are making chemistry green! From 2026 we will manufacture speciality chemicals in Bitterfeld from sustainably-produced rapeseed oil biodiesel. They will replace fossil raw materials in the manufacture of detergents and cleaning agents, lubricants and plastics, thereby contributing to the transformation of the chemical industry towards greater climate friendliness.”

### Dividend and outlook for the financial year 2024/25

Verbio will continue to focus on core projects in the financial year 2024/25. Accordingly, the Management and Supervisory Boards will make a proposal at the annual general meeting to be held in December 2024 for the payment of an unchanged dividend of EUR 0.20 per qualifying share. The available financial resources will be retained and targeted for use in funding the investments planned.

Earnings in the USA, which are expected to make a positive contribution to EBITDA for the first time since the Company entered this market, will have a decisive effect on the Group’s financial results in the financial year 2024/25. In Europe, the prices of products and raw materials as well as the development of GHG quota prices play a decisive role.

As reported in the ad hoc announcement of September 10, 2024, the Management Board expects to achieve an EBITDA for the financial year 2024/25 in the range between EUR 120 million and EUR 160 million. Net debt is expected to increase to a maximum of EUR 190 million by the end of the financial year as a result of the investments planned in expanding production capacities in Europe and North America as well as in bio-based speciality chemicals, the Group’s future growth business.

“Our flexible, robust business model continues to be the foundation for our success, even in uncertain times and under unfair conditions. At the same time we monitor costs and liquidity very carefully in order to remain efficient and competitive, while concentrating fully on implementing our pioneering projects in North America and entering the market for bio-based specialty chemicals,” emphasised Claus Sauter.

The detailed annual report 2023/24 is available from 8.30 AM at: [www.verbio.de/finanzberichte](http://www.verbio.de/finanzberichte)

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### **About Verbio**

At Verbio we make more from biomass. In our biorefineries we convert raw materials and residues from regional agriculture into climate-friendly fuels, green energy and renewable products for chemicals and agriculture. In addition, we create high-value components from sustainably-generated biomass for the animal feed and food industries. We employ approximately 1,400 people at our locations in Europe, Asia and North America. Our motto "Pioneering green solutions" sums up what drives our international team; with innovative technologies and green solutions, we are shaping the social and industrial transformation toward climate neutrality and ecological production. We contribute to preserving natural resources and to leaving the Earth in a habitable state for the generations that will follow us. In doing so we combine global growth with economic success, social responsibility and security of supply. Verbio shares (ISIN DE000A0JL9W6/WKN A0JL9W) have been listed in the prime standard segment of the Frankfurt Stock Exchange since October 2006. Our headquarters are in Zörbig, Germany.

[www.verbio.de](http://www.verbio.de) | [www.arbeiten-fuers-klima.de](http://www.arbeiten-fuers-klima.de) | [www.verbiogas.de](http://www.verbiogas.de) | [www.strohklug.de](http://www.strohklug.de)

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