

Contact

CropEnergies AG

Maximilianstraße 10
68165 Mannheim

Investor relations

Heike Baumbach
Phone: +49 (621) 714190-30
Fax: +49 (621) 714190-03
ir@cropenergies.de

Public Relations / Marketing

Nadine Dejung-Custance / Clarissa Sonnenschein
Phone: +49 (621) 714190-65
Fax: +49 (621) 714190-05
presse@cropenergies.de

<http://www.cropenergies.com>

Forward-looking statements and forecasts

This statement contains forward-looking statements. These statements are based on current estimations and forecasts of the executive board and information currently available to it. The forward-looking statements are not guarantees of the future developments and results mentioned therein. Rather, the future developments and results depend on a number of factors, entail various risks and imponderables and are based on assumptions that may not prove to be accurate. The "Risk and opportunities report" on pages 58 to 66 of the 2017/18 Annual Report provides an overview of the risks. We do not accept any obligation to update the forward-looking statements made in this statement.



Financial Year 2018/19

QUARTERLY STATEMENT

1st Quarter

1 March to 31 May 2018

Mannheim, 11 July 2018



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The figures stated in brackets on the following pages refer to the same period or point in time in the previous year.

CropEnergies AG's financial year differs from the calendar year.

The 1st quarter relates to the period from 1 March to 31 May.

The interim report is also available in German. This English translation is provided for convenience only and should not be relied upon exclusively. The German version of the interim report is definitive and takes precedence over this translation.

Highlights

1st Quarter 2018/19

- Revenues decline to € 192.5 (231.0) million € -39 million
- EBITDA declines to € 14.3 (33.1) million € -19 million
- Operating profit drops to € 4.6 (23.5) million € -19 million
- Net earnings in the 1st quarter reach € 2.4 (17.5) million € -15 million
- Ethanol production reduces to 257,000 (280,000) m³ -8%
- Net financial assets of € 41 million (as of 28 February 2018: € 37 million)

Outlook for the 2018/19 financial year

- Revenues are expected to range between € 810 and € 860 million
- Operating profit is expected to range between € 25 and € 55 million

Main events

Operating environment

Current framework in the EU

In the EU, the "Renewable Energies Directive" and the "Fuel Quality Directive" are setting the course for more climate protection in the transport sector. The proportion of renewable energies in 2020 is set to increase to 10%, with biofuels from arable crops certified as sustainable being able to account for up to 7%. Biofuels in the EU must comply with strict sustainability criteria and reduce greenhouse gas emissions by at least 50 wt.-% in comparison with fossil fuels across the entire value chain. In addition, greenhouse gas emissions associated with fuel consumption are to be reduced by 6 wt.-% compared with the base value of 94.1 g CO_{2eq}/MJ by the year 2020. Renewable ethanol from European raw materials reduces greenhouse gas emissions by around 70%.

"Renewable Energies Directive" after 2020

On 30 November 2016, the European Commission had proposed a new version of the "Renewable Energies Directive". The negotiators of the European Parliament and the Council continued their deliberations on this, agreeing on a common position on 14 June 2018. According to this, the proportion of renewable energies in the EU is to rise to at least 32% by 2030, with a proportion of at least 14% being envisaged in the transport sector. Renewable fuels from arable crops can still contribute to this figure. Their contribution should be able to remain at the level reached in 2020. The proportion of fuels from wastes and residues is to rise from 0.2% in 2022 to at least 3.5% in 2030. In addition, these fuels, as well as renewable electricity, can be counted multiple times towards the transport target in road transport.

CropEnergies welcomes the compromise, which ensures that sustainably produced renewable fuels can be used even after 2020. The European Parliament and the Council met two of the central demands made by the European biofuel industry: They specified a binding target for increasing the proportion of renewable energies in the transport sector and rejected a binding reduction of the proportion of renewable fuels from arable crops. The European Commission is also to ensure that the use of bio-fuels whose raw materials come from high-carbon areas (e.g. rain forest) is not increased further or, rather, is gradually reduced from 2023 onwards. Multiple counting of certain fuels and energy sources must, however, be critically evaluated. Neither the consumption of fossil fuels will be lowered nor the exploitation of fossil oil sources will be reduced by any virtual increase in the renewable energy proportion. The implementation of new EU regulations in member states will improve planning security for CropEnergies, considering the fact that the last few years have been characterised in particular by uncertainty regarding the political framework after 2020. The implementation of new EU regulations in member states will also improve planning security for CropEnergies, considering the fact that the last few years have been characterised in particular by uncertainty regarding the political framework after 2020. Over the next few years, CropEnergies is aiming for a will pay attention to proper implementation of the European targets at national level so that the consumption of fossil fuels actually declines and the climate footprint of fuels improves.

Belgium

In Belgium, a decision was taken to increase the share of sustainable biofuels to 8.5% of fuel consumption from 1 January 2020 onwards. To achieve the target, the energy content of renewable ethanol in petrols shall rise to 6.5%*. Furthermore, biofuels from wastes and residues up to a proportion of 0.6% are to be counted double towards the overall target.

Ethanol markets

In the **USA**, the one-month futures contract for ethanol on the Chicago Board of Trade (CBOT) rose from the equivalent of € 317/m³ to € 330/m³ in the 1st quarter of 2018/19. However, this price increase is due solely to exchange rate changes, whereas the quotation in US dollars showed little or no change from March to May 2018. Estimates for 2018 indicate, in the light of continuing high production surpluses, that net exports, at 4.8 (5.0) million m³, will remain at the high level of the previous year.

International bioethanol prices (€/m³)



In **Brazil**, ethanol prices fell, after the start of the new sugar cane harvest, from the equivalent of € 490/m³ at the beginning of March 2018 to € 420/m³ at the end of May 2018. An increase in bioethanol production to 29.2 (27.8) million m³ is expected in the current 2018/19 sugar year. Production is therefore largely in line with expected domestic consumption of 29.1 (28.4) million m³, meaning that no significant net exports from Brazil are expected.

Ethanol prices in **Europe** further declined from € 465/m³ to € 442/m³. International price trends and imports which are expected to amount to 0.5 (0.5) million m³ in 2018 have contributed to this. The imports are contrasted by domestic production of 7.7 (7.5) million m³ and domestic consumption of 7.9 (7.7) million m³.

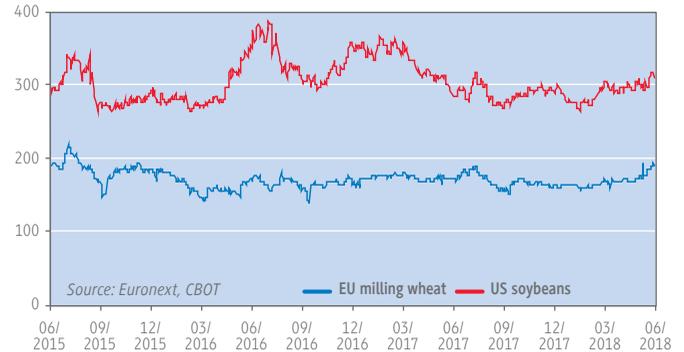
Production and consumption of fuel ethanol in the EU are each expected to increase to 5.3 (5.2) million m³ in 2018. Market observers expect Germany, which continues to be the largest fuel ethanol market within the EU, to consume 1.5 (1.5) million m³ of fuel ethanol in 2018.

Grain and protein markets

According to the US Department of Agriculture (USDA), world grain production (excluding rice) is expected to increase to 2,082 (2,073) million tonnes in 2018/19. Given anticipated grain consumption of 2,127 (2,100) million tonnes, a decline in stocks to 448 (493) million tonnes is expected. The European Commission expects the EU grain harvest in 2018/19, with 304 (307) million tonnes, to be at the previous year's level and hence again significantly above consumption of 286 (285) million tonnes. The surplus is expected to lead, in particular, to higher net exports of 22 (12) million tonnes. The starch content of 4% of the EU grain harvest will continue to be used for the production of fuel ethanol. The other components of the processed grain, particularly proteins, are refined to valuable food and animal feed products, thereby reducing dependence on soy imports from North and South America.

European wheat prices on the Euronext in Paris rose from € 167/tonne at the beginning of March 2018 to € 183/tonne at the end of May 2018. The increase is due to exchange rate developments and speculations about a slight decline in yields due to weather conditions.

International agricultural prices (€/t)



The global soybean harvest in 2018/19, at 355 (337) million tonnes, is expected to set another record. Given consumption of 358 (342) million tonnes, stocks are, however, still expected to decline to 87 (92) million tonnes. The one-month soybean futures contract on the CBOT hovered just above the US\$ 10/bushel* mark in the last few months. Converted to euro, this was equivalent to around € 320/tonne at the end of May 2018. European rapeseed meal prices likewise showed little change in the reporting period, standing at around € 225/tonne.

Business development

Production of bioethanol and food and animal feed products

CropEnergies' biorefineries, with their broad range of products, produce, among other things, renewable ethanol and protein-rich food and animal feed products. Ethanol production amounted to 257,000 (280,000) m³ in the first three months of the 2018/19 financial year. Production capacity utilisation and raw material use were adjusted in line with market conditions. Lower capacity utilisation also meant that there was a slight decrease in the production of dried food and animal feed products.

Revenues and net earnings

€ thousands	1 st quarter	
	2018/19	2017/18
Revenues	192,454	231,021
EBITDA*	14,299	33,084
<i>EBITDA margin in %</i>	<i>7.4%</i>	<i>14.3%</i>
Depreciation*	-9,719	-9,545
Operating profit	4,580	23,539
<i>Operating margin in %</i>	<i>2.4%</i>	<i>10.2%</i>
Restructuring costs and special items	0	-271
Income from companies consolidated at equity	-47	-52
Income from operations	4,533	23,216
Financial result	-351	-136
Earnings before income taxes	4,182	23,080
Taxes on income	-1,748	-5,531
Net earnings for the period	2,434	17,549
Earnings per share, diluted/undiluted (€)	0.03	0.20

* Without restructuring costs and special items

CropEnergies recorded a noticeable decline in revenues of 17% to € 192.5 (231.0) million in the 1st quarter. This was due to significantly lower ethanol revenues. The quantities sold were also below the previous year's level. In contrast to that, sales prices for food and animal feed products remained virtually unchanged, stabilising revenues.

As grain prices were also slightly above the level of the reference period, EBITDA declined to € 14.3 (33.1) million.

With depreciation more or less the same, operating profit declined to € 4.6 (23.5) million. Based on revenues, operating margin was 2.4% (10.2%). Taking earnings from entities consolidated at equity as well as special items into account, income from operations of € 4.5 (23.2) million was recorded.

With only slight changes to the financial result, earnings before income taxes amounted to € 4.2 (23.1) million. After taxes, this produces net earnings of € 2.4 (17.5) million for the 1st quarter of 2018/19. Based on 87.25 million no-par-value shares, that translates into earnings per share of € 0.03 (0.20).

Statement of changes in financial position

€ thousands	1 st quarter	
	2018/19	2017/18
Gross cash flow	12,336	27,306
Change in net working capital	-6,615	6,803
Net cash flow from operating activities	5,721	34,109
Investments in property, plant and equipment and intangible assets	-1,976	-4,386
Cash received on disposal of non-current assets	22	34
Cash flow from investing activities	-1,954	-4,352
Cash flow from financing activities	-27,000	-35,573
Change in cash and cash equivalents due to exchange rate changes	45	-49
Decrease in cash and cash equivalents	-23,188	-5,865

As a result of the reduction in EBITDA, gross cash flow also declined to € 12.3 (27.3) million. Including the change in net working capital, net cash flow from operating activities amounted to € 5.7 (34.1) million in the 1st quarter of the 2018/19 financial year.

Cash outflow from investing activities declined to € 2.0 (4.4) million overall and was largely attributable to investments in property, plant and equipment. The investments were used, in particular, to improve the production plants.

No financial liabilities were incurred in the 1st quarter of the 2018/19 financial year. By contrast, short-term financial receivables increased to € 27.0 million. This resulted in a net cash outflow from financing activities of € 27.0 (35.6) million.

Balance sheet

€ thousands	31 May 2018	31 May 2017	Change	28 February 2018
Assets				
Intangible assets	9,285	9,352	-67	9,409
Property, plant and equipment	385,739	408,821	-23,082	392,987
Shares in companies consolidated at equity	1,835	1,905	-70	1,882
Receivables and other assets	38	35	3	40
Deferred tax assets	2,462	2,122	340	2,512
Non-current assets	399,359	422,235	-22,876	406,830
Inventories	69,069	59,008	10,061	66,002
Current financial receivables	27,000	20,000	7,000	0
Trade receivables and other assets	76,705	82,846	-6,141	75,279
Current tax receivables	6,749	7,594	-845	7,308
Cash and cash equivalents	13,686	8,134	5,552	36,874
Current assets	193,209	177,582	15,627	185,463
Total assets	592,568	599,817	-7,249	592,293
Liabilities and shareholders' equity				
Subscribed capital	87,250	87,250	0	87,250
Capital reserves	197,847	197,847	0	197,847
Other reserves and other comprehensive income	166,882	154,992	11,890	160,581
Shareholders' equity	451,979	440,089	11,890	445,678
Provisions for pensions and similar obligations	22,057	22,812	-755	21,667
Other provisions	2,334	2,966	-632	2,486
Non-current financial liabilities	0	0	0	0
Other liabilities	199	328	-129	238
Deferred tax liabilities	23,735	23,574	161	22,587
Non-current liabilities	48,325	49,680	-1,355	46,978
Other provisions	15,154	13,383	1,771	16,799
Current financial liabilities	0	7,711	-7,711	0
Trade payables and other liabilities	65,690	72,379	-6,689	70,656
Current tax liabilities	11,420	16,575	-5,155	12,182
Current liabilities	92,264	110,048	-17,784	99,637
Total liabilities and shareholders' equity	592,568	599,817	-7,249	592,293
Net financial assets	40,686	20,423	20,263	36,874
Equity ratio	76.3%	73.4%		75.2%

Income statement

€ thousands	1 st quarter	
	2018/19	2017/18
Revenues	192,454	231,021
Change in work in progress and finished goods inventories and internal costs capitalised	-1,240	-7,623
Other operating income	733	285
Cost of materials	-153,745	-166,486
Personnel expenses	-8,734	-8,895
Depreciation	-9,719	-9,545
Other operating expenses	-15,169	-15,489
Income from companies consolidated at equity	-47	-52
Income from operations	4,533	23,216
Financial income	37	357
Financial expenses	-388	-493
Earnings before income taxes	4,182	23,080
Taxes on income	-1,748	-5,531
Net earnings for the period	2,434	17,549
Earnings per share, diluted/undiluted (€)	0.03	0.20

Risk and opportunities report

CropEnergies uses an integrated system for the early detection and monitoring of group-specific risks. The successful treatment of risks is based on achieving a balanced relationship between return and risks. The company's risk culture is characterised by risk-conscious conduct, clearly defined responsibilities, independence during risk controlling and the implementation of internal controls.

There are no risks posing a threat to the company's continued existence and there are none discernible at the present time.

For detailed information on the risk management system and the group's risks and opportunities, please refer to the "Risk and opportunities report" on pages 58 to 66 of the Annual Report for the 2017/18 financial year. The disclosures provided there are still valid.

Outlook

CropEnergies started the 2018/19 financial year with a below-average 1st quarter. The decline in earnings is mainly due to the ethanol price being significantly below that of the previous year and the fact that it so far could not benefit from higher oil prices. A gradual improvement in ethanol prices and earnings is expected over the further course of the year, whereas the reverse trend was observable in the past financial year.

CropEnergies expects revenues to range between € 810 and € 860 million in the 2018/19 financial year, particularly due to the fact that ethanol prices have so far been significantly below the previous year's level. Operating profit is expected to range between € 25 and € 55 million. This is equivalent to an EBITDA of between € 65 and € 95 million.

Financial calendar

■ Annual General Meeting 2018	17 July 2018
■ Report for the 1 st half of 2018/19	10 October 2018
■ Statement for the 1 st to 3 rd quarter of 2018/19	9 January 2019
■ Annual press and analysts' conference for the 2018/19 financial year	15 May 2019
■ Statement for the 1 st quarter of 2019/20	10 July 2019
■ Annual General Meeting 2019	16 July 2019