



Conference Call

1st quarter 2022/23

6 July 2022

Dr Stephan Meeder, CEO/CFO

Highlights

- **Market and political environment**
 - Framework markets and politics
 - Development of market volume and prices
- **Development of CropEnergies Group**
 - Increased production compared to previous year
 - CropEnergies acquires stake in LXP Group
- **Financials 1st quarter 2022/23**
 - Revenues and earnings increased significantly
 - Outlook for FY 2022/23 increased



Politics: Demand for less biofuels

Discussion ongoing

Parts of the German federal government still strive for less biofuels

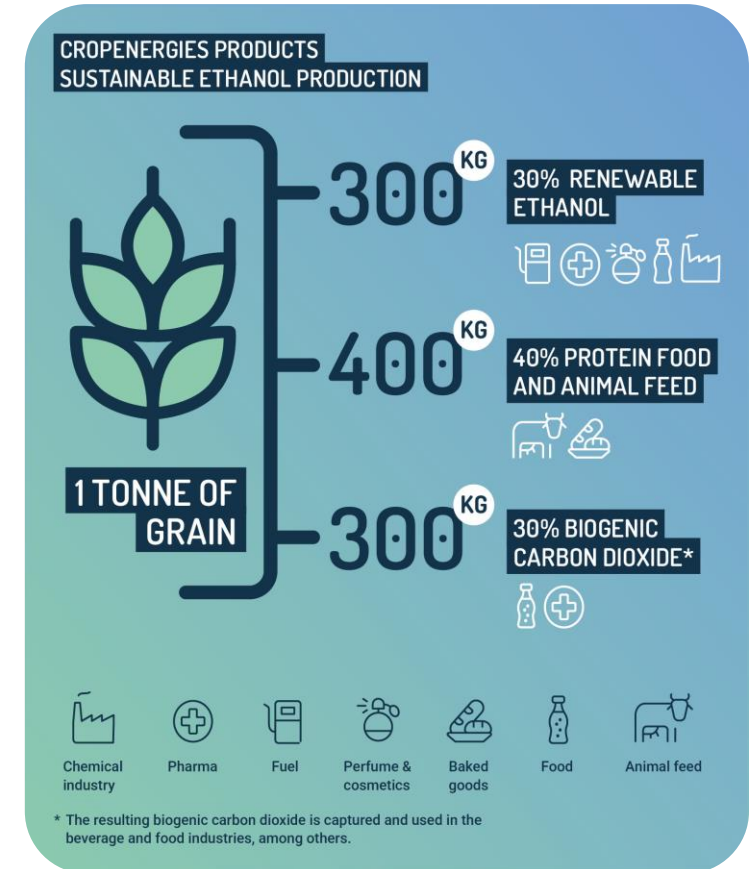
- There is still no agreed position from the federal government

Discussion at political level falls short

- Sustainability of biofuels questioned despite comprehensive legal framework – 100 % of biofuels certified sustainable
- Ignoring that biofuels have no significant influence on agricultural prices
- Disregards the integrated production of food, feed, and biofuels

European ethanol

- Security of supply
- Climate protection: reduces GHG emissions
- Reduces dependence on imports (protein & crude oil)
- Affordable fuel



More climate protection for Europe

Review of the “Renewable Energies Directive” moves forward

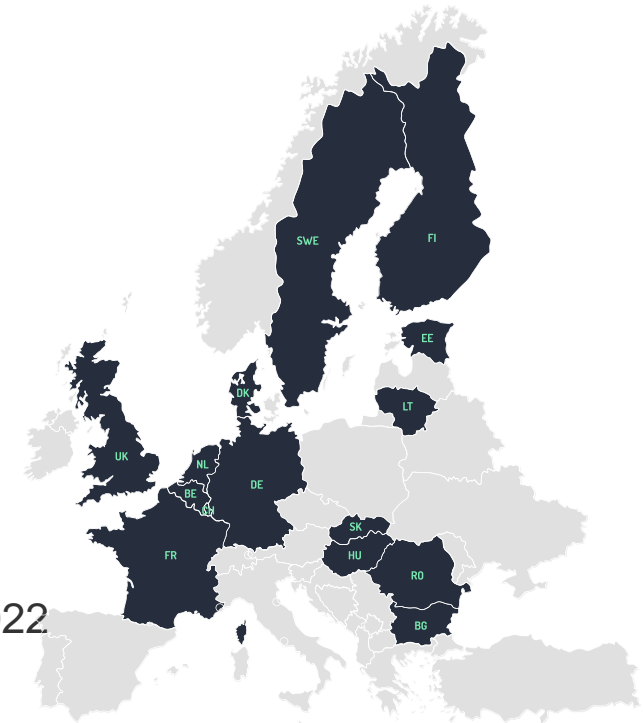
Revision of the “Renewable Energies Directive” (RED-III) - transport sector

- GHG reduction of 13% by 2030 (to replace energy quota of 14%)
- Biofuels from arable crops: Share 2020 plus 1%, within the 7% limit
- Extensive elimination of multiple credits
- Assessment: Higher GHG target needed and no one-sided focus on e-mobility

Status and next steps

- Council: Agreement on general approach on 27 June 2022
 - Aligned with Commission proposal for the most part
 - But: Energetic target and multiple counting for certain fuels to be reintroduced
- European Parliament: Negotiations continue – plenary vote expected in September 2022
- Trialogue negotiations of Parliament, Council and Commission as of autumn 2022

Super E10 in the EU & UK
20 million t less CO₂ possible



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EU: New CO₂ targets for cars

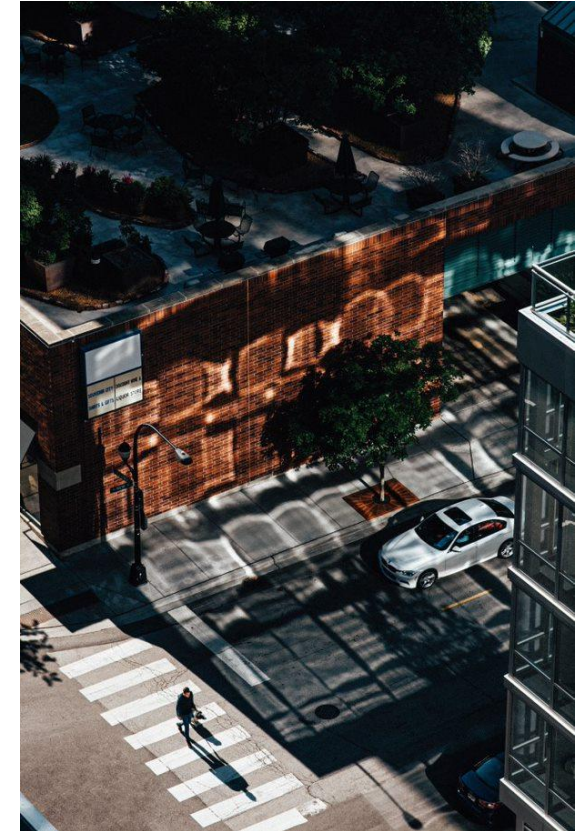
Extensive ban on new vehicles with combustion engines planned

EU member states advocate an extensive ban on new vehicles with internal combustion engines from 2035 onwards

- Proposal: 100% less CO₂ tailpipe emissions from cars and vans until 2035
- No mechanisms accounting for the contribution of renewable fuels

Assessment

- Clear violation of the principle of technology openness and neutrality
- Only tailpipe emissions are taken into account – life cycle emissions of vehicles without local emissions e.g. BEVs, are completely ignored
- Other technologies and fuel options are still required for a long time to reach climate targets in transport and to meet individual mobility needs
- Final agreement between Parliament and Council still pending, but technology-neutral regulation not to be expected



Market development

Volumes

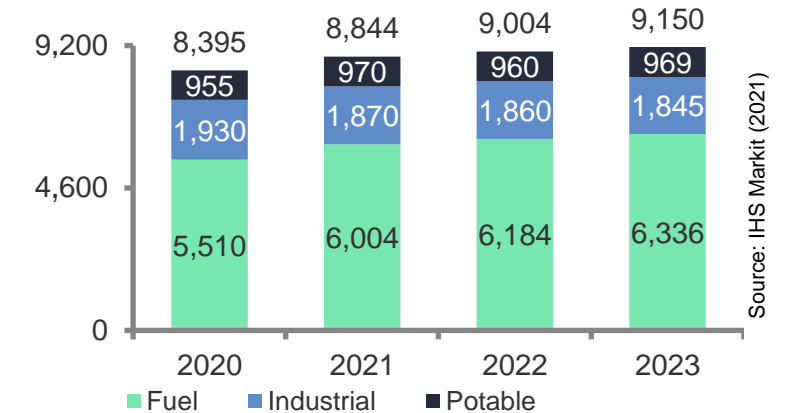
Ethanol market in the EU27 & UK in 2022 (in million m³)

- Consumption: 9.0 +2% (6.2 fuel | 2.8 non-fuel)
- Production: 7.7 -2% (5.4 fuel | 2.3 non-fuel)
- 2022 slight increase in fuel ethanol sales expected
- Non-fuel ethanol expected to remain stable
- Outlook: Further increase in fuel ethanol expected in 2023

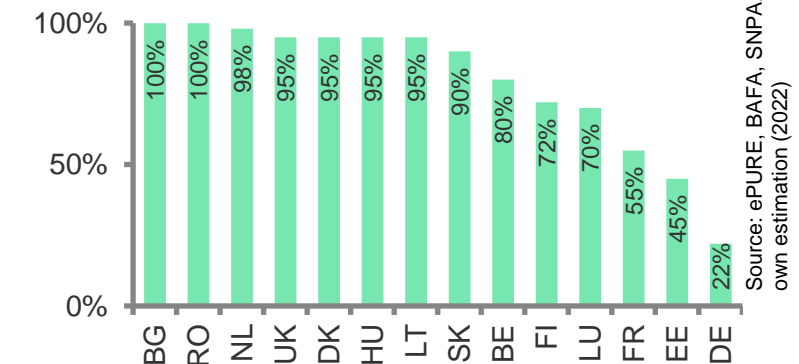
Super E10 continues to gain ground in Europe

- E10 No. 1 petrol in many European countries
- Sales growth in particular in France, Sweden, and UK
- E10 sales in Germany also increasing, e.g. April 2022
 - Consumption: up by 45% yoy
 - Market share increases to 23 (17)%

EU27 & UK: ethanol sales [1,000 m³]



E10 shares in selected countries

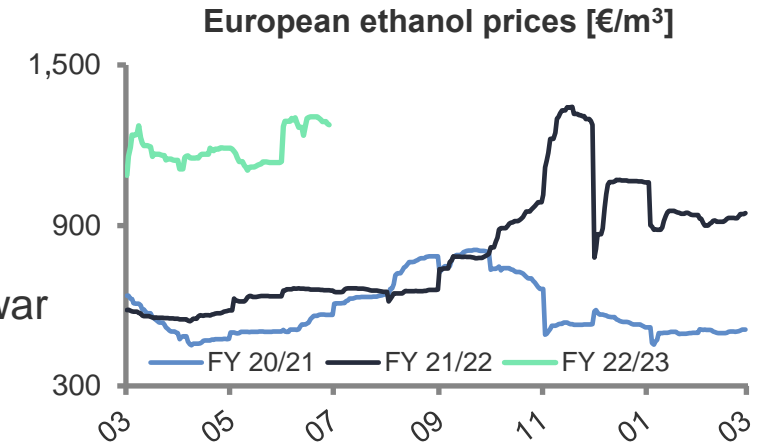


Market development

Ethanol prices and feedstock market

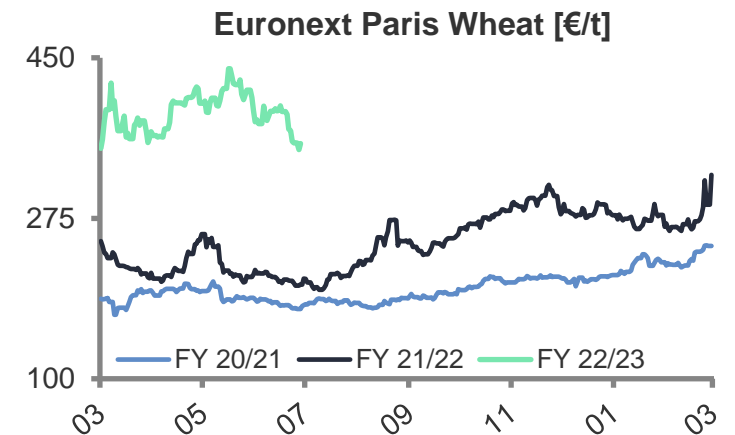
European ethanol price* at high level in course of first quarter

- Price increase since end of February
- Average ethanol price € 1,157 (590) /m³
- Triggered by general price hike for commodities in the wake of the Ukrainian war



Feedstock market 2022/23

- Grain prices in first quarter**: € 393 (225) /t
- EU grain harvest: 294 (293) Mt exceeds consumption of 258 (260) Mt
- IGC expects slight decline in 2022/23 with 2,251 Mt***
- Strong rise in grain prices triggered by war in Ukraine
- Recently somewhat declining prices due to approaching harvest



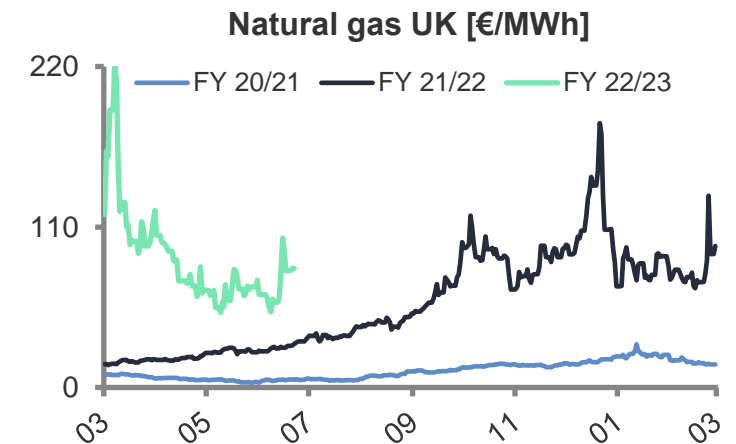
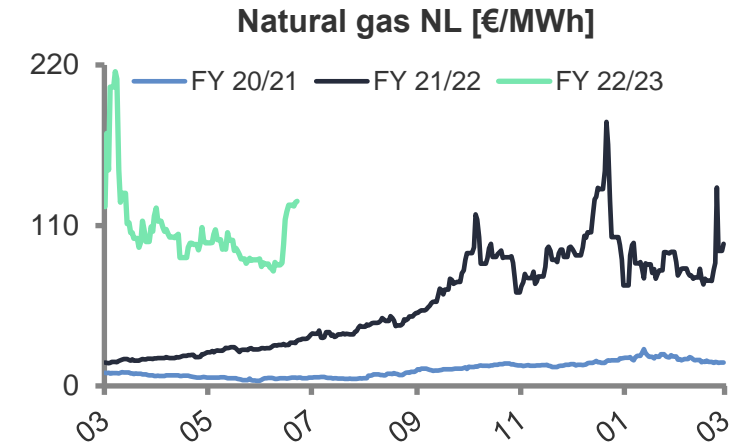
* Ethanol T2 FOB Rdam ** Wheat (Euronext Paris), next date of expiry *** all varieties, except rice

Gas prices

Europe

Gas price quotations at a high level

- High uncertainties due to Russian invasion of Ukraine and resulting sanctions
- Imports through Nord Stream 1 have been decreased by Gazprom – free capacities of other pipelines not used to fulfill contractual obligations
- Gas storages have reached average levels
- LNG imports to Europe on high levels so far
- Freeport LNG terminal, which accounts for 20% of the US LNG exports, has been damaged and will most likely not be in operation for the next months
- European gas producers (e. g. Norway) are increasing production



Innovation from Biomass

For our future:

Sustainability and climate neutrality

- in its traditional core business of mobility - with sustainable and climate-friendly fuels
- in a completely new business area based on ethanol derivatives as an alternative to fossil raw materials
- with biogenic CO₂ as the raw material of the future and as capital for the company's further development
- to serve a clear growth market with protein products for the food and animal feed industry and to deepen the value chain



CropEnergies acquires stake in LXP Group



Next step in strategic realignment

CropEnergies secured approx. 20% of the biotech startup

Access to innovative technology for 2nd generation feedstocks

- Patented process – mild digestion of cellulosic and hemicellulosic biomass like forest and wood residues or straw for advanced biofuels and biobased chemicals
- In addition, high-purity, natural lignin – for e.g., 3D printer ink, carbon fibers or phenolic resins
- Technology can also be integrated into existing biorefineries
- LXP Group GmbH plans to build a pilot plant using 15,000 t of biomass in 2022/2023



LXP GROUP

Overview 1st quarter 2022/23



• Ethanol production	281 (235) ,000 m ³	+ 19%
• Revenues	€ 399 (214) million	+ 86%
• EBITDA	€ 97.8 (25.5) million	+ € 72 million
• Operating profit	€ 87.2 (15.1) million	+ € 72 million
• Net earnings	€ 64.9 (10.1) million	+ € 55 million
• Net financial assets (vs. 28.02.2022)	€ 332 (230) million	+ € 102 million

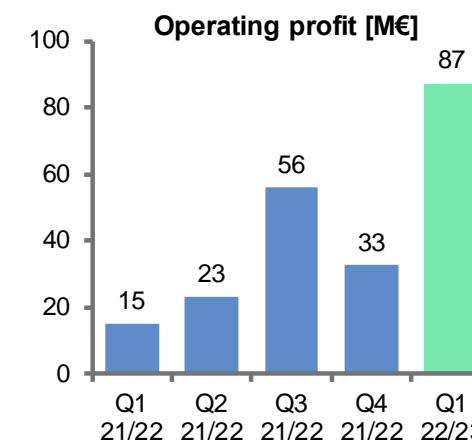
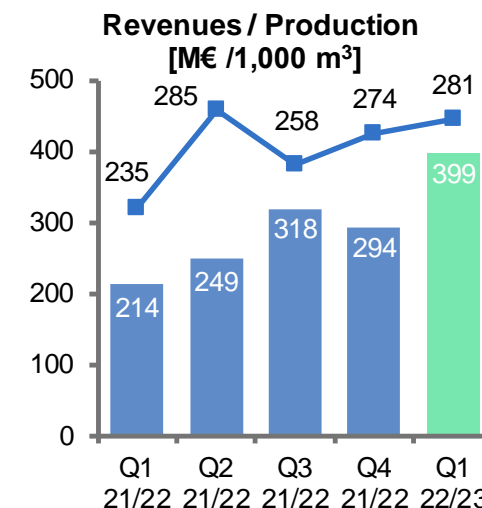
Note: Figures in parentheses relate to the corresponding prior-year period.

Operating profit

(in € million)	Q1 2022/23	Q1 2021/22	Δ
Revenues	398.9	214.1	+ 86%
Overall performance	396.3	210.5	+ 88%
Cost of materials*	-277.1	-163.0	- 70%
Spread (gross)	119.2	47.5	> + 100%
<i>in % of overall performance</i>	30.1%	22.6%	
Further operating expenses/income*	-21.4	-22.0	+ 3%
EBITDA*	97.8	25.5	> + 100%
<i>Margin</i>	21.8%	7.0%	-
Depreciation*	-10.6	-10.4	- 2%
Operating profit	87.2	15.1	> + 100%

*without restructuring costs and special items

- Significant increase in sales prices and quantities for both ethanol and proteins
- Raw material and energy costs benefit from early price hedging

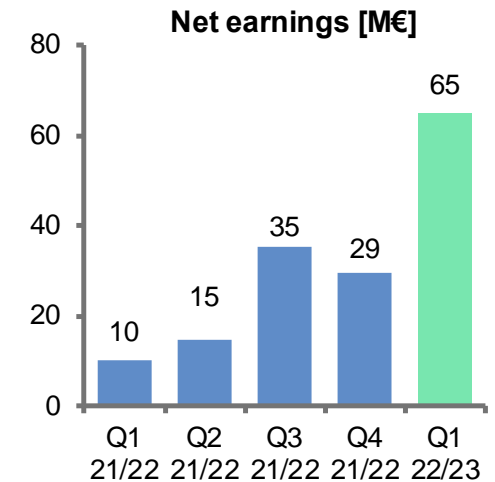


Net earnings

(in € million)	Q1 2022/23	Q1 2021/22	Δ
Operating profit	87.2	15.1	> + 100%
Restructuring costs / special items	0.0	0.0	-
At-equity result	0.1	-0.1	-
Income from operations	87.2	15.0	> + 100%
Financial result	0.5	-0.9	-
Earnings before income taxes	87.7	14.1	> + 100%
Taxes on income	-22.8	-3.9	-
Net earnings for the period	64.9	10.1	> + 100%
Earnings per share (in €)*	0.74	0.12	> + 100%

*based on 87.2 million time-weighted shares

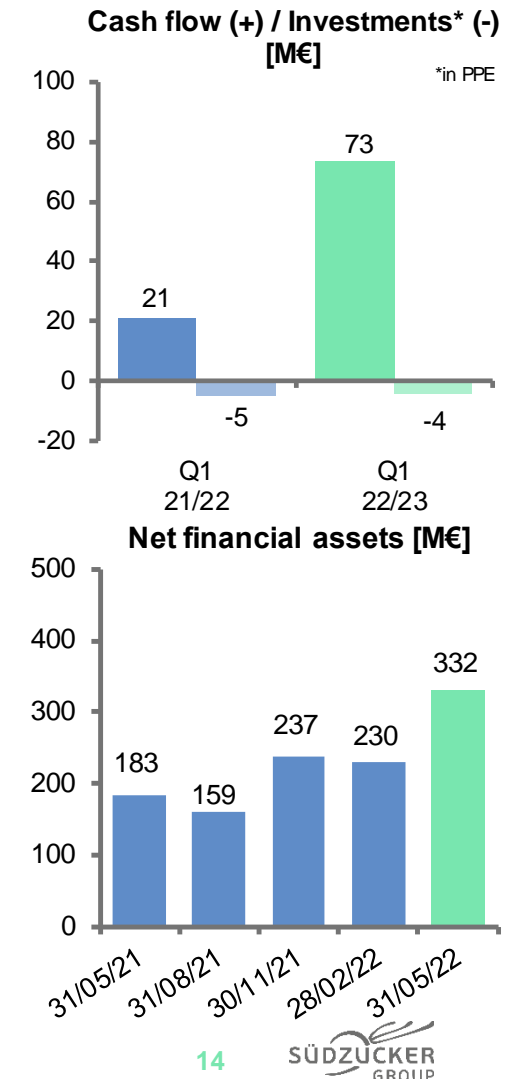
- Unrealised currency effects included in financial result
- EPS increased to € 0.74 (0.12)



Cash flow

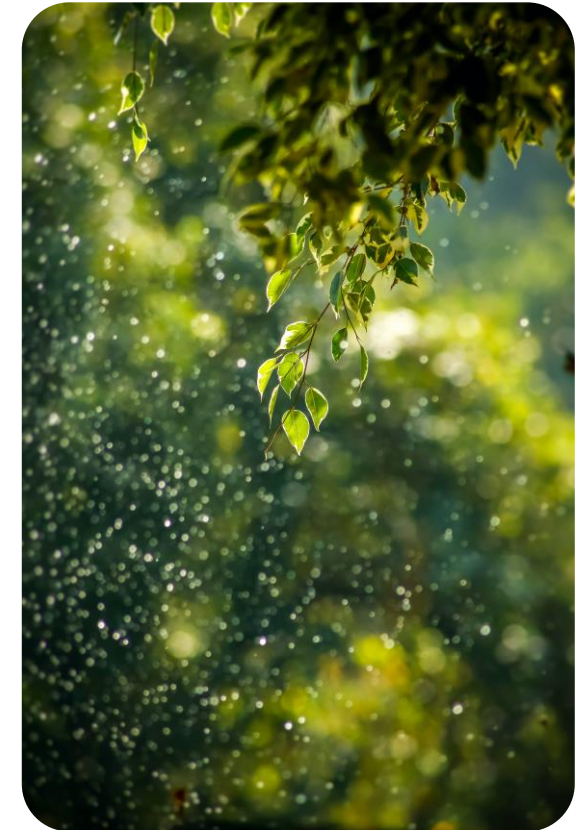
(in € million)	Q1 2022/23	Q1 2021/22	Δ
Cash flow	73.4	21.2	+ 52.2
Change in net working capital	35.1	12.9	+ 22.2
Net cash flow from operating activities	108.5	34.1	+ 74.4
Investments in property, plant et al.	-4.2	-4.5	+ 0.3
Investments in financial assets	-1.1	0.0	- 1.1
Increase in financial receivables	-126.7	-18.1	- 108.6
Payments into current financial investments	0.0	0.0	+ 0.0
Cash flow from investing activities	-132.0	-22.6	- 109.4
Cash flow from financing activities	9.7	-1.4	+ 11.1
Changes in exchange rates / consolidation basis	-0.2	0.0	- 0.2
Change in cash and cash equivalents	-13.9	10.1	- 24.0
	31/05/2022	31/05/2021	Δ
Net financial assets	331.6	182.6	+ 149.0

- Significant increase in net financial assets



Outlook 2022/23

- Outlook increased as insider information publication according to section 17 MAR on 15 June 2022
- Assumptions
 - Normalization of mobility behavior
 - Impact of the Ukraine war on sales, energy and raw material markets is difficult to assess
 - Sufficient energy and raw materials will be available for the production
 - Declaration of gas emergency plan alert in Germany will not have significant negative impact on prices
 - EU member states will essentially maintain their blending targets for biofuels
- Revenues between € 1.45 to € 1.55 (previously expected: € 1.35 to € 1.45; previous year: € 1.08) billion
- EBITDA in a range of € 205 to € 255 (previously expected: € 145 to € 195; previous year: € 169) million
- Operating profit between € 165 and € 215 (previously expected: € 105 to € 155; previous year: € 127) million



Financial Calendar

6 July 2022:	Statement for the 1 st quarter of 2022/23
12 July 2022:	Annual General Meeting 2022 (virtual)
12 October 2022:	Report for the 1 st half of 2022/23
11 January 2023:	Statement for the 1st-3rd quarter of 2022/23
24 May 2023:	Annual report and press and analysts' conference FY 2022/23

Stock Information

ISIN:	DE000A0LAUP1
Symbol:	CE2
Bloomberg / Reuters:	CE2 GY / CE2G.DE
Transparency standard:	Prime Standard

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Contact

CropEnergies AG
Maximilianstraße 10
68165 Mannheim
www.cropenergies.com

Investor Relations

Heike Baumbach
Phone: +49 (621) 71 41 90-30
ir@cropenergies.de

Public Relations / Marketing

Nadine Dejung-Custance
Phone: +49 (621) 71 41 90-65
presse@cropenergies.de