



Conference Call 1st half 2023/24

11 October 2023

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Highlights

- **Market and political environment**
 - Update on markets and politics
 - Development of market volumes and prices
- **Financials 2nd quarter 2023/24**
 - Revenues and earnings below previous year
 - Outlook for FY 2023/24 confirmed
- **Strategy update**
 - Protein project “EnPro” in UK



Market and political environment



Fit-for-55 package and RED-III

Overall goal to reduce greenhouse gas (GHG) emissions by 55% in 2030

Renewable Energy Directive (RED-III)

- Increase of overall share of renewable energy to 42.5% (vs. 32%)
- Transport sector: 29% by energy or 14.5% of GHG savings by 2030
 - Crop-cap (unchanged): share in 2020 plus 1% (max. 7%)
 - Sub-target of 5.5% for advanced biofuels and synthetic fuels

Emission Trading System (ETS)

- More ambitious GHG reduction goal of 62% (vs. 43%)
- Separate ETS for buildings, road transport and fuels

ReFuelEU aviation and Fuel EU maritime

- Sustainable aviation fuels of 6% in 2030 increasing to 70% until 2050
- GHG savings in maritime fuels of 6% in 2030 increasing to 80% by 2050

CO₂ standards for new cars and vans

- Increased CO₂ emission targets of -55% in 2030 and -100% in 2035
- Violation of technology neutrality despite loophole for synthetic fuels



Is Europe waking up to the importance of ethanol?

Several signs of more realism and pragmatism instead of stubborn ideology (I)

European policymakers start to recognize what their counterparts around the world already know:

Renewable ethanol offers strategic advantages for energy independence, food security, and the fight against climate change

- **20 May 2023:** EU leaders co-signed a G7 declaration asserting that sustainable biofuels have a vital role to play in transport decarbonization
- **19 June 2023:** European Court of Auditors report calling into question the current EU strategy of betting everything on electric vehicles as the way to decarbonize road transport – and phasing out all other options



Is Europe waking up to the importance of ethanol?

Several signs of more realism and pragmatism instead of stubborn ideology (II)

- **15 Sep 2023:** EU Commission introduces surveillance measures on imports of renewable ethanol for fuel
 - Decision allows a close three-year monitoring of imports into the Union
 - Imports of ethanol for all uses to the EU increased by more than 80% between 2021 and 2022
 - Surveillance is a first step to collect information and monitor the evolution of imports
 - EU renewable ethanol industry stands ready to act to prevent further injury to preserve its sector and jobs
- **21 Sep 2023:** UK government postpones the date for the ban on the sale of new cars with internal combustion engines from 2030 to 2035

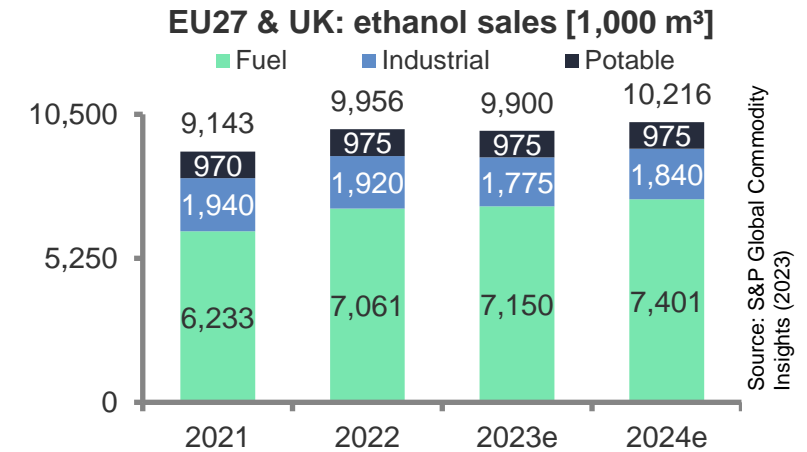


Market development

Volumes

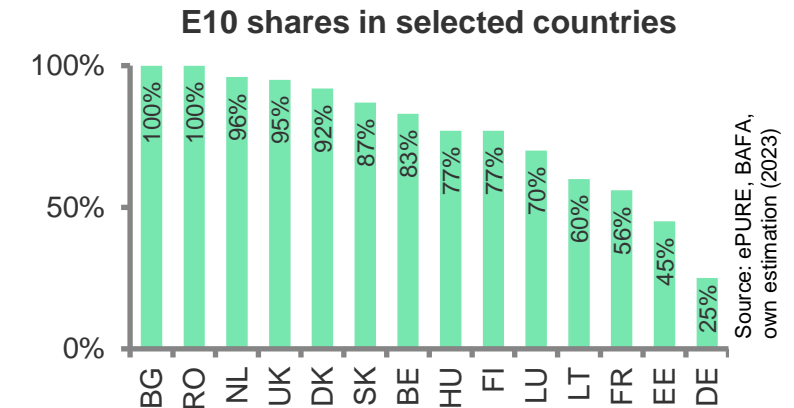
Ethanol market in the EU27 & UK in 2023 (in million m³)

- Consumption: 9.9 -1% (7.2 fuel | 2.8 non-fuel)
- Production: 7.3 -5% (5.2 fuel | 2.1 non-fuel)
- Fuel ethanol sales expected to increase further in 2024
- Non-fuel ethanol sales expected to decrease slightly in 2023



E10 no. 1 petrol in many European countries

- Currently, 17 EU member states plus Norway and the UK have rolled out E10 at petrol stations
- E10 sales in Germany also increasing
- Start of E10 sale in Ireland, Austria and Norway in April 2023
- Introduction in Poland planned at beginning of 2024



Market development

Imports and prices

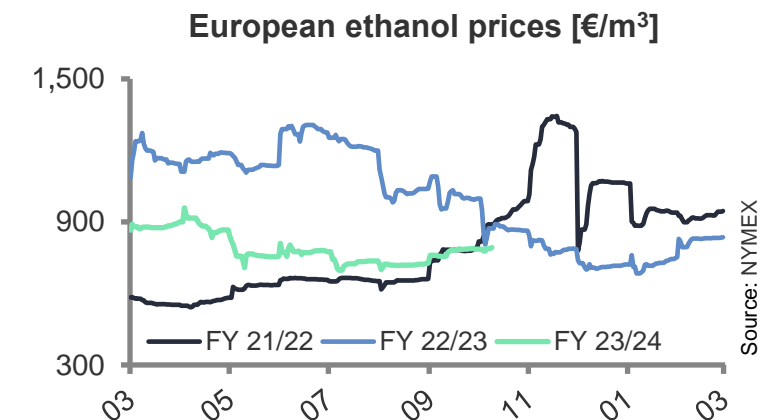
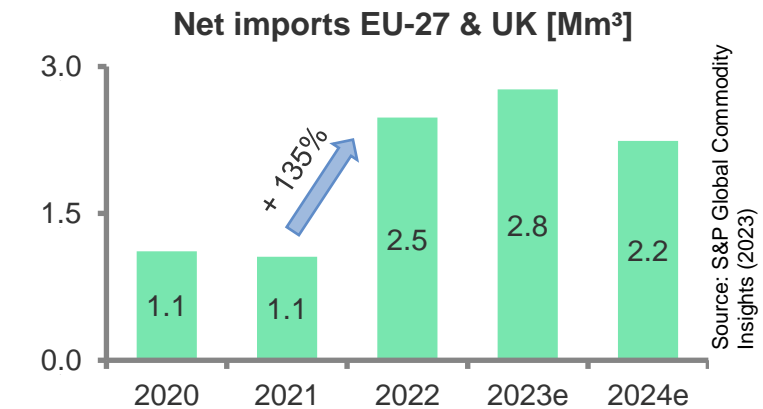
Imports expected to remain at high level in 2023

- Large price difference made imports to Europe attractive
- Price gap has decreased in recent months
- Europe needs imports to cover rising demand, but level playing field needed

European ethanol price* in 2023

- Average ethanol price in Q2 2023/24 € 746 (1,171) /m³
- Lower price level due to general normalisation of price levels on commodity markets
- Closed arbitrage over the last months making imports less attractive

* Ethanol T2 FOB Rdam, next date of expiry

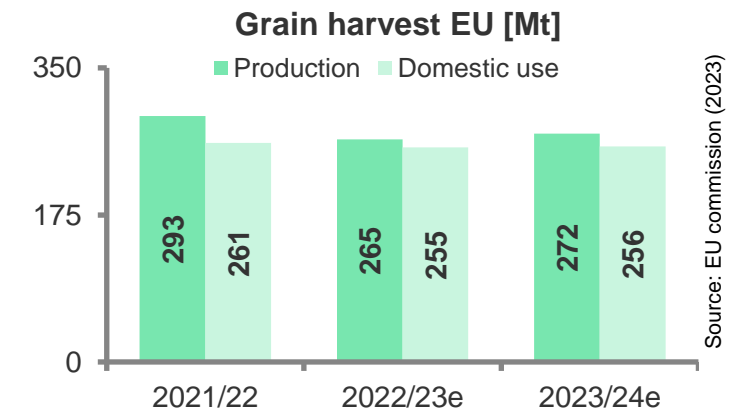
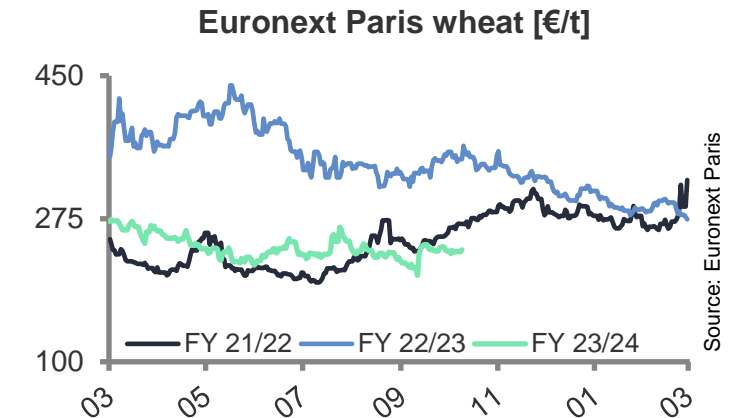


Market development

Feedstock market

Grain market 2023/24

- Grain prices in Q2 2023/24*: € 236 (350) /t
- EU grain harvest: 272 (265) Mt exceeds consumption of 256 (255) Mt
- Imports to EU are expected to stay on a high level after sharp increase in grain year 2022/23
- IGC expects rise of global grain harvest with 2,294 (2,266) Mt
- Recent price increase due to battle operations at the Black Sea



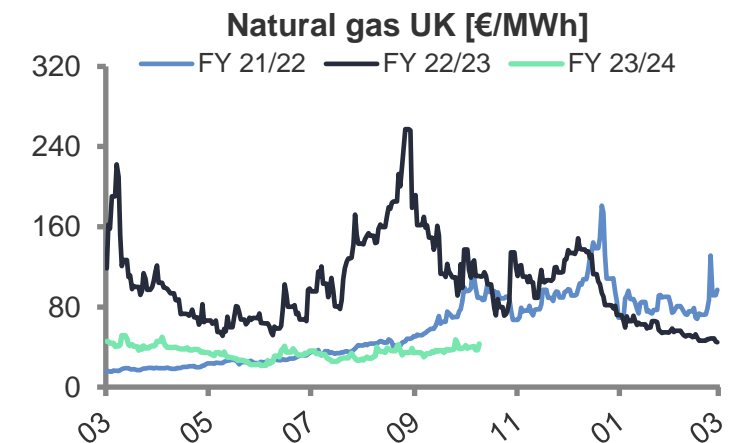
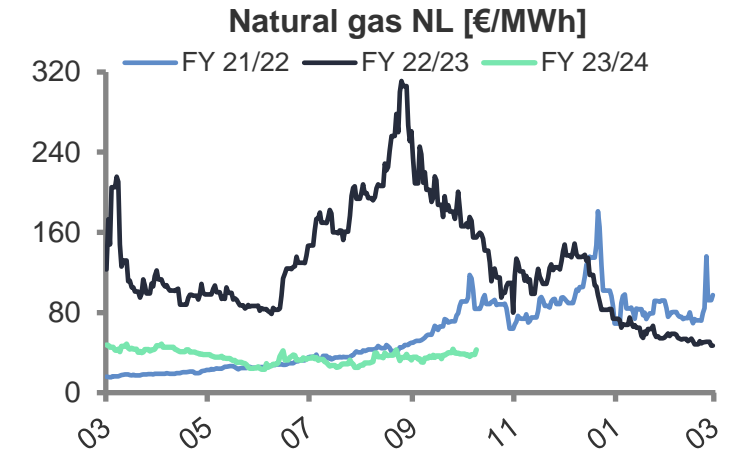
* Wheat (Euronext Paris), next date of expiry

Market development

Energy markets

Gas price quotations showing a slight downwards movement

- Spot prices are down week-on-week
- Strikes at Australian LNG terminals have been resolved
- Imports from Norway are coming back after the latest maintenance phasis
- Currently mild weather forecasts
- Further price developments and security of supply in Europe will mainly be determined by
 - global LNG supply and demand
 - storage levels
 - natural gas consumption
 - weather conditions
- Crude oil price as central benchmark drifting downwards for several days



Financials



Overview 2nd quarter 2023/24



• Ethanol production	243.1 (302.4) ,000 m ³	- 20%
• Revenues	€ 309.2 (449.8) million	- 31%
• EBITDA	€ 31.0 (103.1) million	- € 72.1 million
• Operating profit	€ 20.0 (92.5) million	- € 72.5 million
• Net income	€ 16.5 (70.9) million	- € 54.4 million
• Net financial assets (vs. 28.02.2023)	€ 273.4 (318.1) million	- € 43.8 million
• Financial result	€ 1.9 (0.8) million	+ € 1.1 million

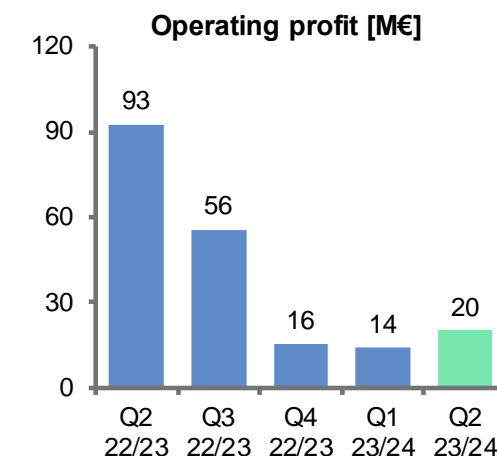
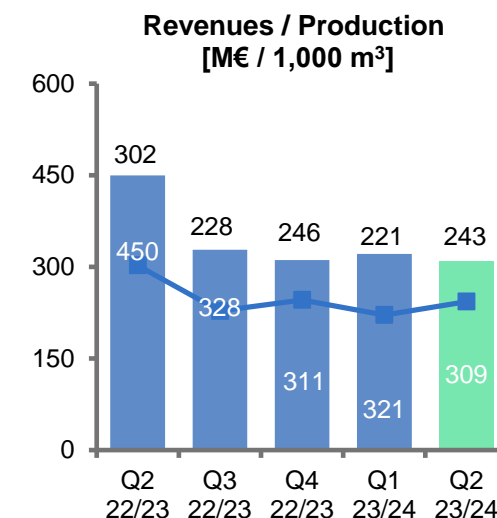
Note: Figures in parentheses relate to the corresponding prior-year period.

Operating profit 2nd quarter 2023/24

(in € million)	Q2 2023/24	Q2 2022/23	Δ
Revenues	309.2	449.8	- 31%
Overall performance	310.9	451.9	- 31%
Cost of materials*	-252.4	-319.9	+ 21%
Spread (gross)	58.5	132.1	- 56%
<i>in % of overall performance</i>	18.8%	29.2%	-
Further operating expenses/income*	-27.5	-28.9	+ 5%
EBITDA*	31.0	103.1	- 70%
Depreciation*	-10.9	-10.6	- 3%
Operating profit	20.0	92.5	- 78%
<i>Margin</i>	6.5%	20.6%	-

*without restructuring costs and special items

- Significantly lower sales prices for ethanol and lower production volume
- Prices for raw materials below level of previous period



Overview 1st half 2023/24

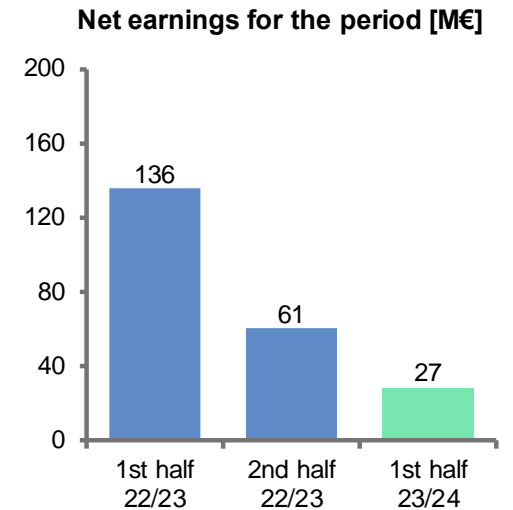


• Ethanol production	464.4 (583) ,000 m ³	- 20%
• Revenues	€ 630.6 (848.7) million	- 26%
• EBITDA	€ 56.1 (200.9) million	- € 145 million
• Operating profit	€ 34.2 (179.7) million	- € 146 million
• Net earnings	€ 27.5 (135.8) million	+ € 108 million
• Net financial assets (vs. 28/02/2023)	€ 273.4 (318.1) million	- € 44 million
• Financial result	€ 3.2 (1.2) million	+ € 2 million

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

Net earnings

(in € million)	6 M 2023/24	6 M 2022/23	Δ
Operating profit	34.2	179.7	- 81%
Restructuring costs / special items	-0.4	0.0	-
At-equity result	0.1	0.1	- 26%
Income from operations	33.9	179.8	- 81%
Financial result	3.2	1.2	> + 100 %
Earnings before income taxes	37.1	181.0	- 80%
Taxes on income	-9.6	-45.3	+ 79%
Net earnings for the period	27.5	135.8	- 80%

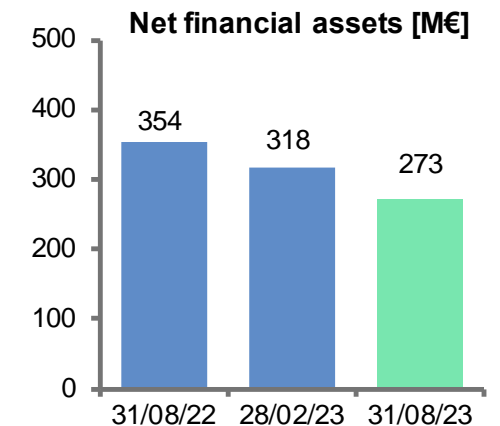
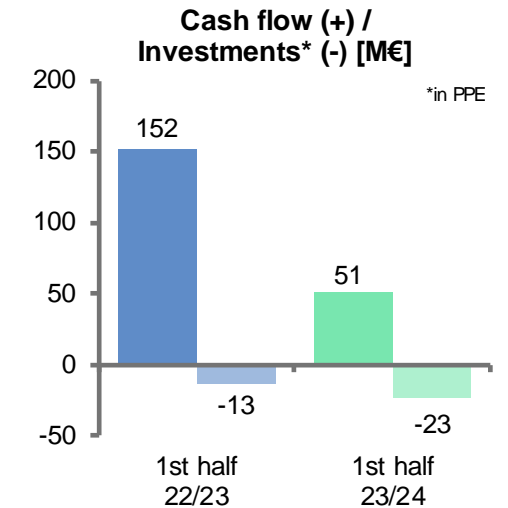


- Significant increase in interest income due to rising interest rates
- EPS at € 0.31 (1.56) follows earnings development

Cash flow

(in € million)	6 M 2023/24	6 M 2022/23	Δ
Cash flow	51.2	152.4	- 101.2
Change in net working capital	-17.2	26.3	- 43.5
Net cash flow from operating activities	34.0	178.7	- 144.7
Investments in property, plant et al.	-22.5	-12.5	- 10.0
Investments in financial assets	-1.2	-1.1	- 0.1
Increase / decrease in financial receivables	205.0	-120.2	+ 325.2
Payments into current financial investments	-114.6	-5.0	- 109.6
Cash flow from investing activities	66.7	-138.8	+ 205.5
Cash flow from financing activities	-55.2	-42.1	- 13.1
Changes in exchange rates / consolidation basis	0.1	-0.2	+ 0.3
Change in cash and cash equivalents	45.6	-2.4	+ 48.0
	31/08/2023	31/08/2022	Δ
Net financial assets	273.4	354.0	- 80.6

- Further investments for renewable ethyl acetate plant
- Significant increase of payments into financial investments

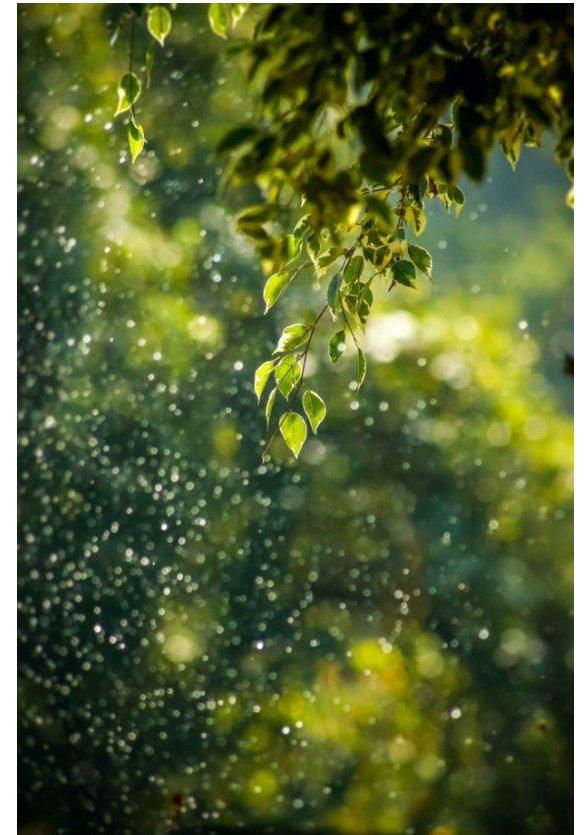


Outlook 2023/24 confirmed

- Revenues between € 1.27 to € 1.37 (previous year: € 1.49) billion
- EBITDA in a range of € 140 to € 190 (previous year: € 294) million
- Operating profit between € 95 to € 145 (previous year: € 251) million

Assumptions

- Gradual decrease in volatility on the sales, raw material and energy markets
- The introduction of E10 in further European countries points to stable sales of fuel ethanol
- This will be met by continued high import volumes



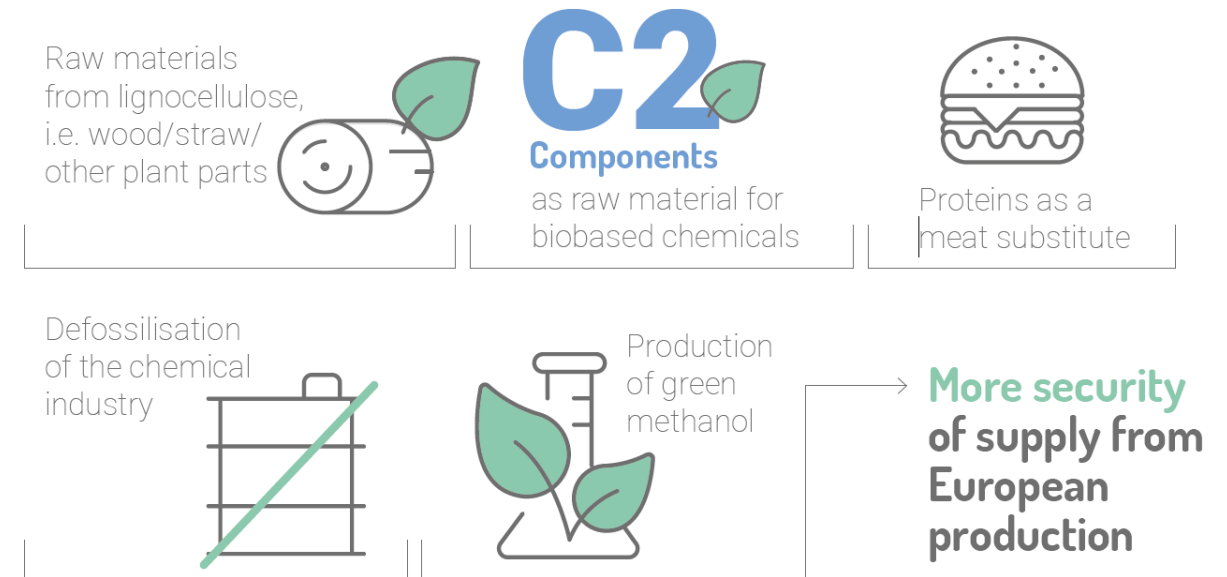
Innovation from Biomass

For our future:

Sustainability and climate neutrality

- Core business of mobility – with sustainable and climate-friendly fuels
- New business area – based on ethanol derivatives as an alternative to fossil raw materials
- Biogenic CO₂ as the raw material of the future and for the company's further development
- Protein products for the food and feed industry serve growth market and deepen value creation
- New business area for green electricity and green hydrogen

New product and production concepts



Protein Concentrate “EnPro”

Total investment of ~ € 100 million at Ensus plant

- New product will be marketed under the brand name EnPro
- High-protein product aimed at UK and European aquafeed and pet food markets
 - Protein content around 55-60%
 - GMO free and sustainable
- Capacity of 60,000 tons planned
- Total investment approximately € 75 million
- Diversification of overall product portfolio
- Commissioning scheduled for 2025
- Further investments of ~ € 25 million planned to improve plant reliability and reduce CO₂ emissions of Ensus' production site



Financial Calendar

11 October 2023:	Report for the 1 st half of 2023/24
10 January 2024:	Statement for the 3 rd quarter of 2023/24
15 May 2024:	Annual report and press and analysts' conference FY 2023/24
10 July 2024:	Statement for the 1 st quarter of 2024/25

Stock Information

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

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