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Forward-looking statements and forecasts

This report 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 66 to 74 of the 2016/17 Annual Report provides an overview of the risks. We do not accept any obligation to update the forward-looking statements made in this report.

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Financial Year 2017/18

INTERIM REPORT

1st half
1 March to 31 August 2017

Mannheim, 11 October 2017

SÜDZUCKER GROUP

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 periods referred to are thus defined as follows:
2nd quarter: 1 June – 31 August
1st half: 1 March – 31 August

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.

Contents

Highlights 1st half year 2017/18

■ Revenues up significantly to € 459.7 (349.7) million	€ +110 million
■ EBITDA grows to € 66.5 (59.1) million	€ +7 million
■ Operating profit increases to € 47.3 (41.0) million	€ +6 million
■ Net earnings in the 1st half grow to € 34.9 (22.0) million	€ +13 million
■ Ethanol production rises to 567,000 (450,000) m³	+26%
■ Net financial debt amounts to € 9 (as of 28 February 2017: 9) million	

Outlook for the 2017/18 financial year raised

- Revenues are now expected to range between € 880 and € 920 million (previous expectation: between € 850 and € 900 million)

- Operating profit is expected to range between € 60 and € 90 million (previous expectation: between € 50 and € 90 million)

Interim management report

Operating environment

"Renewable Energies Directive"

The "Renewable Energies Directive" defines a mandatory target of 10% for renewable energies in the EU's transport sector for the year 2020, 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. One such criterion is that they must reduce greenhouse gas emissions by at least 35 wt.-% (as of 2018: at least 50 wt.-%) in comparison with fossil fuels across the entire value chain from raw material production through to fuel.

"Fuel Quality Directive"

The "Fuel Quality Directive" stipulates that, by the year 2020, there needs to be a reduction in greenhouse gases of 6 wt.-%, calculated in terms of overall fuel consumption. The average greenhouse gas intensity of fuels consumed in 2010 amounting to 94.1 g CO_{2eq}/MJ is used as the base value. By comparison, renewable ethanol from European raw materials reduces greenhouse gas emissions by around 70% on average. This greenhouse gas advantage is particularly being marketed through blending with petrol, that is to say, E5 and E10, i.e., petrol fuel with ethanol content of up to 5 and 10 vol.-%, respectively. In the EU, E10 is currently available throughout Belgium, Germany, France and Finland.

"2030 climate and energy package"

The European Council defined the framework for the climate and energy policy until 2030 as early as October 2014. According to this framework, greenhouse gas emissions in the EU are to fall by at least 40% compared with 1990, and the share of renewable energies is to rise to at least 27%. The Council also emphasised the necessity of reducing greenhouse gas emissions in the transport sector and the risks that arise from the dependence on fossil fuels.

On 30 November 2016, the European Commission proposed a new version of the "Renewable Energies Directive" for the period after 2020. However, the proposal put forward by the European Commission does not contain any specific targets for the transport sector. The package merely envisages gradually increasing the proportion of specific alternative fuels, mainly from waste and residues as well as e-mobility, from 1.5% in 2021 to 6.8% in 2030. The use of renewable fuels from arable crops, on the other hand, is to fall, as of 2021, from 7% to a maximum of 3.8% in 2030.

The European Commission justifies its proposals by citing doubts about the sustainability of renewable fuels from arable crops. However, European ethanol is already shown to cut 70 wt.-% of greenhouse gas emissions compared with petrol and also to reduce the excessive dependence on fossil fuel imports. Promoting alternative fuels from wastes and residues can make sense; however, they must not replace biofuels from arable crops, but should supplement them. This is the only way to further reduce the consumption of fossil fuels. On the other hand, the unchanged implementation of the Commission proposal would neither lower the consumption of fossil fuels nor reduce the exploitation of fossil fuel sources. The danger is that the 2020s could develop into a lost decade for climate and environmental protection on Europe's roads. At the same time, the proposals will put jobs and incomes in domestic agriculture and industry at risk, particularly in structurally weak rural regions.

Together with associations at national and European level, CropEnergies will therefore campaign, within the current legislative process, for the use of sustainably produced renewable fuels from arable crops to be promoted even after 2020. This particularly includes binding targets for increasing the proportion of renewable energies in the transport sector. This is the prerequisite for actually lowering the consumption of fossil fuels and improving the climate footprint of fuels. The adoption of a new "Renewable Energies Directive" requires the agreement of the European Parliament and Council. The committees deliberations in the European Parliament are due to have been completed by the end of 2017.

Germany

In Germany, the greenhouse gas reduction target was increased from 3.5 wt.-% to 4.0 wt.-% as of 1 January 2017. A further increase to 6.0 wt.-% is planned from 2020 onwards. The introduction of the binding greenhouse gas reduction target for the oil industry turned specific greenhouse gas reduction into a crucial competitive characteristic of renewable fuels. As a result, biofuel producers have continually invested in increasing the specific greenhouse gas savings of their biofuels. In 2016, biofuels in Germany cut greenhouse gas emissions by more than 70 wt.-% in comparison with fossil fuels. CropEnergies encourages the German federal government not only to pursue the path of more climate protection in the transport sector in Germany, but also to campaign in the EU for higher and binding greenhouse gas reduction targets in transport.

Belgium

In Belgium, the content of ethanol in petrol fuels was increased from an average of at least 4 vol.-% to 8.5 vol.-% in January 2017. At the same time, E10 was introduced throughout the country and, in a very short period of time, has achieved by far the biggest share of the market for petrol fuels, at around 80%.

United Kingdom

In the United Kingdom, biofuel blending (known as the "Renewable Transport Fuel Obligation" or RTFO) is unchanged at 4.75 vol.-%. After the Department for Transport had submitted initial proposals for amending the RTFO in November 2016 and interested parties had been able to participate in a public consultation until January 2017, the British government specified its proposals regarding the amendment of the RTFO in September 2017. According to this specification, the blending obligation from 2018 onwards is to be increased to 7.25 vol.-% and then gradually rise to 12.4 vol.-% by 2032. Selected alternative fuels, mainly from wastes and residues, are to be promoted by means of a sub-quota, which is to increase gradually from 0.05 vol.-% in 2019 to 1.4 vol.-% in 2032. In addition, these fuels are to be counted double towards the blending target. On the other hand, the contribution of fuels from arable plants is to be limited to 4 vol.-% by the year 2020. Subsequently, this proportion is to be gradually halved by 2032. To increase the proportion of renewable energies in the transport sector, the British government is seeking to introduce E10 in the near term.

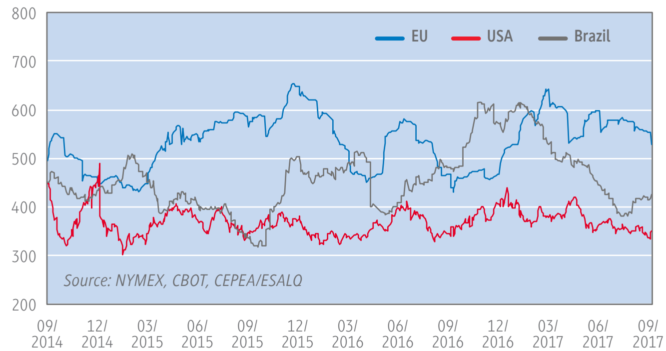
France

France has an energy-based blending obligation, which was increased to 7.5% in the petrol sector at the beginning of 2017 and stands at 7.7% in the diesel sector. Despite the discussion at EU level about an energy and climate package for 2030, France has already imposed a legal requirement to increase the proportion of renewable energies in the transport sector to 15% by 2030. France is thereby sending a clear signal that mandatory targets for renewable energies are also indispensable in the transport sector after 2020. E10's share of the French petrol market is currently already around 40%.

Ethanol markets

In the **USA**, ethanol production of 60.6 (59.5) million m³ is expected in 2017. Owing to the persistently high production surplus, a further increase in US net exports to 4.1 (3.9) million m³ is expected. The one-month futures contract for ethanol on the Chicago Board of Trade (CBOT) declined in the reporting period from the equivalent of € 360/m³ at the beginning of June 2017 to around € 340/m³ at the end of August 2017. The decline in price is mainly due to the appreciation of the euro against the US dollar. In US American currency, prices remained largely unchanged.

International bioethanol prices (€/m³)



26.0 (27.1) million m³ of ethanol are expected to be produced in **Brazil** in the 2017/18 sugar year. Ethanol production is therefore expected to be above the anticipated consumption of 25.8 (26.7) million m³. Given a largely even foreign trade balance, stocks of ethanol are expected to rise to 2.2 (1.9) million m³. Ethanol prices initially continued their downward trend, declining from the equivalent of around € 440/m³ at the beginning of March 2017 to around € 380/m³ in July 2017. A slight price recovery to around € 410/m³ then followed up to the end of August 2017.

After a reduction in price of around € 40/m³ could be observed from May 2017 to June 2017, ethanol prices in **Europe** largely ranged between € 550 and 575/m³. At the end of August 2017, the European ethanol price was slightly below the € 550/m³ mark.

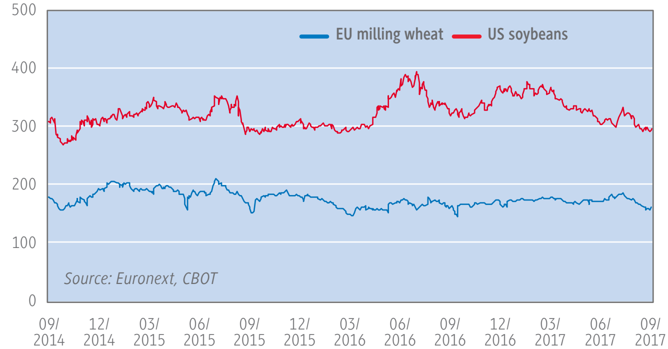
In view of additional demand impetus for more climate-friendly fuels as a result of higher blending targets, fuel ethanol consumption in the EU is expected to rise by 2% to 5.3 (5.2) million m³. Given a largely even foreign trade balance, European production of fuel ethanol is expected to grow to around 5.3 (4.8) million m³.

In **Germany**, fuel ethanol consumption in 2017 is expected to be at the previous year's level, at 1.5 (1.5) million m³. Despite the increase in the greenhouse gas reduction target to 4 wt.-% at the beginning of the year, fuel ethanol sales in the 1st half of 2017, at 696,000 (705,000) m³, lagged slightly behind sales in the previous year, according to provisional data.

Grain and protein markets

According to its forecast published on 12 September 2017, the US Department of Agriculture (USDA) expects to see world grain production (excluding rice) of 2,061 (2,118) million tonnes in 2017/18. Given anticipated grain consumption of 2,085 (2,093) million tonnes, stocks are again expected to decline to 493 (517) million tonnes. The European Commission expects the EU to have a slightly higher grain harvest of 298 (294) million tonnes in the 2017/18 grain year, which is therefore again expected to be above the consumption figure of 282 (284) million tonnes. Animal feed products, with a share of more than 60%, continue to account for the majority of domestic grain consumption. The starch content of merely 4% of the EU grain harvest, on the other hand, is used for the production of fuel ethanol. The other components of the processed grain, particularly proteins, dietary fibres, fats, minerals and vitamins, are enriched into valuable food and animal feed products. The local ethanol industry thus reduces dependence on soy imports from North and South America.

International agricultural prices (€/t)



European wheat prices on the Euronext in Paris, at € 156/tonne at the end of August 2017, were around € 10/tonne below their level at the beginning of June 2017, when wheat was trading at € 166/tonne. The development in grain prices reflects the continuously comfortable global supply situation. In July 2017, wheat prices rose in between times to around € 180/tonne, which was due, in particular, to initially difficult harvest conditions in parts of the EU and the expectation of a much lower wheat harvest in North America. In the meantime, the price development has been significantly reversed again, particularly due to expected higher harvests in Russia and the Black Sea region.

The USDA expects to see a global soybean harvest of 348 (351) million tonnes in the 2017/18 financial year, which is thus set to be just short of the previous year's record. By contrast, global consumption of soybeans is expected to reach a new record mark, at 344 (330) million tonnes. Despite a rapid increase in demand of almost 10% within a period of only two years, global stocks are expected to continue to increase to 98 (96) million tonnes. In line with the continuing good supply situation, the one-month soybean futures contract on the CBOT was largely below the US$ 10/bushel* mark in the reporting period. The soybean price fell from the equivalent of € 300/tonne at the beginning of June 2017 to around € 290/tonne at the end of August 2017. More rapeseed than in the previous year is expected to be harvested in the EU in 2017/18, at 22 (20) million tonnes. European rapeseed meal prices also fell from around € 210/tonne at the beginning of June 2017 to around € 180/tonne at the end of August 2017.

*A bushel of soybeans is equivalent to 27.216 kg soybeans.

Business development

Increase in the production of ethanol and food and animal feed products

CropEnergies' biorefineries, with their broad range of products covering, among other things, renewable ethanol and protein-rich food and animal feed products, all achieved high capacity utilisation rates in the 1st half of 2017/18. As a result, CropEnergies increased ethanol production to 567 (450) thousand m^3 in the reporting period. Higher capacity utilisation also meant that there was an increase in the production of food and animal feed products. The increase in production quantities is particularly due to the fact that the plant in Wilton (United Kingdom) was taken back into operation in July 2016.

Revenues and net earnings

€ thousands	2nd quarter		1st half year	
	2017/18	2016/17	2017/18	2016/17
Revenues	**228,715**	**182,213**	**459,736**	**349,730**
EBITDA*	**33,438**	**31,093**	**66,522**	**59,124**
EBITDA margin in %	*14.6%*	*17.1%*	*14.5%*	*16.9%*
Depreciation*	-9,694	-9,439	-19,239	-18,094
Operating profit	**23,744**	**21,654**	**47,283**	**41,030**
Operating margin in %	*10.4%*	*11.9%*	*10.3%*	*11.7%*
Restructuring costs and special items	-271	-2,639	-542	-6,380
Income from companies consolidated at equity	-17	71	-69	108
Income from operations	**23,456**	**19,086**	**46,672**	**34,758**
Financial result	302	-2,053	166	-2,663
Earnings before income taxes	**23,758**	**17,033**	**46,838**	**32,095**
Taxes on income	-6,408	-3,917	-11,939	-10,078
Net earnings for the period	**17,350**	**13,116**	**34,899**	**22,017**
Earnings per share, diluted/undiluted (€)	**0.20**	**0.15**	**0.40**	**0.25**

* Without restructuring costs and special items

Business development: 2nd quarter

CropEnergies' revenues in the 2nd quarter of 2017/18, at € 228.7 (182.2) million, significantly surpassed those of the same period in the previous year, as the biorefinery in Wilton had not yet been operated continuously in the 2nd quarter of the previous year. This meant that production and sales of ethanol as well as food and animal feed products were considerably increased. In addition to increasing its own production, CropEnergies also increased its trading activities. Apart from the pleasing development in quantities, sales prices were higher, on the whole, than in the same quarter in the previous year; only DDGS revenues declined slightly.

Even though the prices for grain also increased, they were outweighed by the positive sales effects in the 2nd quarter of 2017/18, which meant that an operating profit of € 23.7 (21.7) million was generated. Based on revenues, this gives rise to an operating margin of 10.4% (11.9%).

Restructuring and special items declined significantly to € -0.3 (-2.6) million due to the fact that the production plant in Wilton was taken back into operation. Income from operations, as the sum of operating profit, earnings from entities consolidated at equity and special items, rose to € 23.5 (19.1) million.

The positive financial result in the 2nd quarter amounted to € 0.3 million, while a negative financial result of € -2.1 million had been incurred in the same period in the previous year, mainly due to debt. On the basis of earnings before income taxes of € 23.8 (17.0) million, this produces net earnings of € 17.4 (13.1) million for the 2nd quarter of 2017/18. Based on 87.25 million no-par value shares, that translates into earnings per share of € 0.20 (0.15).

Business development: 1st half

As expected, CropEnergies' revenues in the 1st half of 2017/18, at € 459.7 (349.7) million, significantly surpassed those of the same period in the previous year. The production of food and animal feed products also increased in parallel with the greater quantity of ethanol. It was also possible to generate higher revenues for ethanol and to increase the trade volume.

It was therefore possible to offset the slight decline in sales prices for food and animal feed products as well as the costs arising from the planned maintenance periods as well as higher raw material prices. As a result, operating profit in the 1st half surpassed that achieved in the very successful previous year by 15.2%, reaching € 47.3 (41.0) million. Based on revenues, this gives rise to an operating margin of 10.3% (11.7%). Restructuring or special costs declined to € 0.5 (6.4) million as a result of taking the production plant in Wilton back into operation. Income from operations, as the sum of operating profit, earnings from entities consolidated at equity and special items, improved by 34.3% to € 46.7 (34.8) million.

The positive financial result reflected the very low net financial debt / net financial credit during the reporting period and reached € 0.2 (-2.7) million. On the basis of earnings before income taxes of € 46.8 (32.1) million, this produces net earnings of € 34.9 (22.0) million for the 1st half of 2017/18. Based on 87.25 million no-par value shares, that translates into earnings per share of € 0.40 (0.25).

Statement of changes in financial position

€ thousands	1st half year	
	2017/18	2016/17
Gross cash flow	**53,675**	**44,310**
Change in net working capital	-14,700	-18,146
Net cash flow from operating activities	**38,975**	**26,164**
Investments in property, plant and equipment and intangible assets	-12,410	-5,650
Cash received on disposal of non-current assets	158	41
Cash flow from investing activities	**-12,252**	**-5,609**
Cash flow from financing activities	**-32,493**	**-20,485**
Change in cash and cash equivalents due to exchange rate changes	-72	-71
Decrease in cash and cash equivalents	**-5,842**	**-1**

As a result of the higher EBITDA, cash flow increased to € 53.7 (44.3) million. Including the change in net working capital, cash flow from operating activities in the 1st half of 2017/18 amounted to € 39.0 (26.2) million.

Cash outflow from investing activities increased to € 12.3 (5.6) million overall, being almost entirely accounted for capital expenditure in property, plant and equipment. The investments served to expand the capacity for gluten production and to improve the production plants.

The receipt of financial liabilities amounting to € 12.5 (5.2) million was offset by repayments of € 18.8 (12.6) million and the dividend payment, in July 2017, of € 26.2 (13.1) million. This resulted in a net cash outflow from financing activities of € 32.5 (20.5) million.

Balance sheet structure

€ thousands	31 August 2017	31 August 2016	Change	28 February 2017
Assets				
Non-current assets	417,579	436,557	-18,978	428,650
Current assets	173,820	153,575	20,245	169,270
Total assets	**591,399**	**590,132**	**1,267**	**597,920**
Liabilities and shareholders' equity				
Shareholders' equity	422,629	374,735	47,894	425,777
Non-current liabilities	46,298	99,232	-52,934	65,225
Current liabilities	122,472	116,165	6,307	106,918
Total liabilities and shareholders' equity	**591,399**	**590,132**	**1,267**	**597,920**
Net financial debt	8,809	58,282	-49,473	9,285
Equity ratio	71.5%	63.5%		71.2%

Non-current assets declined by € 19.0 million to € 417.6 million as of 31 August 2017, with fixed assets, in particular, decreasing by € 20.2 million to € 413.6 million as a result of scheduled depreciation and allowing for investments. This amount includes goodwill, which was unchanged at € 5.6 million. Deferred tax assets increased by € 1.2 million to € 2.0 million. Furthermore, the interest in the entity consolidated at equity remained virtually constant, at € 1.9 million.

Current assets rose by € 20.2 million year over year to € 173.8 million, with trade receivables and other assets increasing by € 12.9 million to € 98.6 million and inventories by € 7.2 million to € 61.1 million. Furthermore, cash and cash equivalents increased slightly by € 0.1 million to € 8.2 million. Tax assets, at € 5.9 million, were virtually unchanged year over year.

Non-current liabilities decreased by € 52.9 million to € 46.3 million, with long-term financial liabilities, in particular, being completely reduced by € 47.0 million through repayments. Furthermore, other provisions declined by € 5.0 million to € 2.5 million and provisions for pensions and similar obligations by € 0.6 million to € 23.2 million. Deferred tax liabilities declined by € 0.3 million to € 20.3 million, while other liabilities remained virtually unchanged at € 0.3 million.

Current liabilities increased by € 6.3 million to € 122.5 million, with current tax liabilities increasing by € 4.1 million to € 14.3 million and trade payables and other liabilities rising by € 3.1 million to € 76.8 million. This also includes the negative mark-to-market values from derivative hedging instruments of € 9.9 (3.0) million. Furthermore, short-term financial liabilities decreased by € 2.3 million to € 17.0 million through repayments. Other provisions increased by € 1.5 million to € 14.4 million.

On balance, **net financial debt** was reduced to € 8.8 (58.3) million. Of the financial liabilities, € 17.0 million is due in the short term. Set against this, there are cash and cash equivalents of € 8.2 million.

Shareholders' equity rose to € 422.6 (374.7) million thanks to the pleasing earnings situation; the equity ratio increased to 71.5% (63.5%).

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 an appropriate balance 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 66 to 74 of the Annual Report for the 2016/17 financial year. The disclosures provided there are still valid.

Outlook

CropEnergies was able to record a pleasing earnings situation in the 1st half of the 2017/18 financial year. The increase in revenues to € 459.7 (349.7) million is mainly due to the higher production and sales quantities. The hitherto positive price situation on the ethanol market and with regard to food and animal feed products also contributed to that. However, considerable volatility in ethanol prices is still to be expected. There are signs that they will not reach the high level of the first 6 months in the 2nd half of the year.

Operating profit rose to € 47.3 (41.0) million in the 1st half of 2017/18, with the rise in net raw material costs being more than offset by the improved revenue situation. Overall, higher grain prices are expected for the 2017/18 financial year.

In the light of the good 1st half, CropEnergies is adjusting its revenues forecast for the 2017/18 financial year and now expects revenues to range between € 880 and € 920 million (previous expectation: between € 850 and € 900 million). Operating profit is now expected to range between € 60 and € 90 million (previous expectation: between € 50 and € 90 million). This is equivalent to an EBITDA of between € 100 and € 130 million (previous expectation: between € 90 and € 130 million). In the previous year, revenues of € 802 million and operating profit of € 98 million were generated.

Interim financial statements

Statement of comprehensive income

€ thousands	2nd quarter		1st half year	
	2017/18	2016/17	2017/18	2016/17
Income statement				
Revenues	**228,715**	**182,213**	**459,736**	**349,730**
Change in work in progress and finished goods inventories and internal costs capitalised	4,968	6,586	-2,655	-1,273
Other operating income	1,071	2,492	1,356	3,439
Cost of materials	-176,507	-141,175	-342,993	-254,073
Personnel expenses	-8,410	-8,167	-17,305	-16,665
Depreciation	-9,694	-10,752	-19,239	-20,302
Other operating expenses	-16,670	-12,182	-32,159	-26,206
Income from companies consolidated at equity	-17	71	-69	108
Income from operations	**23,456**	**19,086**	**46,672**	**34,758**
Financial income	576	14	933	207
Financial expenses	-274	-2,067	-767	-2,870
Earnings before income taxes	**23,758**	**17,033**	**46,838**	**32,095**
Taxes on income	-6,408	-3,917	-11,939	-10,078
Net earnings for the period	**17,350**	**13,116**	**34,899**	**22,017**
Earnings per share, diluted/undiluted (€)	**0.20**	**0.15**	**0.40**	**0.25**

Table of other comprehensive income				
Net earnings for the period	**17,350**	**13,116**	**34,899**	**22,017**
Mark-to-market gains and losses*	-5,943	-315	-7,865	3,142
Foreign currency differences from consolidation	-2,692	-3,178	-4,007	-1,972
Income and expenses to be reclassified in future in the profit and loss account	**-8,635**	**-3,493**	**-11,872**	**1,170**
Remeasurement of defined benefit plans and similar obligations*	0	-2,579	0	-2,579
Income and expenses not to be reclassified in future in the profit and loss account	**0**	**-2,579**	**0**	**-2,579**
Income and expenses recognised in shareholders' equity	**-8,635**	**-6,072**	**-11,872**	**-1,409**
Total comprehensive income	**8,715**	**7,044**	**23,027**	**20,608**

*After deferred taxes

Cash flow statement

€ thousands	1st half year	
	2017/18	2016/17
Net earnings for the period	34,899	22,017
Depreciation and amortisation of intangible assets, property, plant and equipment and other investments	19,239	20,302
Other items	-463	1,991
Gross cash flow	**53,675**	**44,310**
Change in net working capital	-14,700	-18,146
I. Net cash flow from operating activities	**38,975**	**26,164**
Investments in property, plant and equipment and intangible assets	-12,410	-5,650
Cash received on disposal of non-current assets	158	41
II. Cash flow from investing activities	**-12,252**	**-5,609**
Dividends paid	-26,175	-13,088
Receipt of financial liabilities	12,467	5,221
Repayment of financial liabilities	-18,785	-12,618
III. Cash flow from financing activities	**-32,493**	**-20,485**
Change in cash and cash equivalents (Total of I., II. and III.)	**-5,770**	**70**
Change in cash and cash equivalents due to exchange rate changes	-72	-71
Decrease in cash and cash equivalents	**-5,842**	**-1**
Cash and cash equivalents at the beginning of the period	13,999	8,031
Cash and cash equivalents at the end of the period	**8,157**	**8,030**

€ thousands	1st half year	
	2017/18	2016/17
Interest expense	425	878
Tax payments	8,340	11,290

Balance sheet

€ thousands	31 August 2017	31 August 2016	Change	28 February 2017
Assets				
Intangible assets	9,170	9,783	-613	9,482
Property, plant and equipment	404,442	424,050	-19,608	415,248
Shares in companies consolidated at equity	1,888	1,876	12	1,957
Receivables and other assets	40	46	-6	40
Deferred tax assets	2,039	802	1,237	1,923
Non-current assets	**417,579**	**436,557**	**-18,978**	**428,650**
Inventories	61,119	53,891	7,228	63,106
Trade receivables and other assets	98,628	85,698	12,930	84,792
Current tax receivables	5,916	5,956	-40	7,373
Cash and cash equivalents	8,157	8,030	127	13,999
Current assets	**173,820**	**153,575**	**20,245**	**169,270**
Total assets	**591,399**	**590,132**	**1,267**	**597,920**

Liabilities and shareholders' equity				
Subscribed capital	87,250	87,250	0	87,250
Capital reserves	197,847	197,847	0	197,847
Revenue reserves and other equity accounts	137,532	89,638	47,894	140,680
Shareholders' equity	**422,629**	**374,735**	**47,894**	**425,777**
Provisions for pensions and similar obligations	23,239	23,798	-559	22,448
Other provisions	2,522	7,548	-5,026	2,751
Non-current financial liabilities	0	47,006	-47,006	15,308
Other liabilities	269	333	-64	327
Deferred tax liabilities	20,268	20,547	-279	24,391
Non-current liabilities	**46,298**	**99,232**	**-52,934**	**65,225**
Other provisions	14,392	12,920	1,472	12,688
Current financial liabilities	16,966	19,306	-2,340	7,976
Trade payables and other liabilities	76,768	73,688	3,080	74,346
Current tax liabilities	14,346	10,251	4,095	11,908
Current liabilities	**122,472**	**116,165**	**6,307**	**106,918**
Total liabilities and shareholders' equity	**591,399**	**590,132**	**1,267**	**597,920**

Development of shareholders' equity

€ thousands	Subscribed capital	Capital reserves	Revenue reserves and other equity accounts: Revenue reserves	Cash flow hedges	Cumulative foreign currency differences	Total	Total consolidated shareholders' equity
1 March 2016	**87,250**	**197,847**	**84,229**	**-6,097**	**3,986**	**82,118**	**367,215**
Net earnings for the period			**22,017**			**22,017**	**22,017**
Mark-to-market gains and losses on cash flow hedging instruments*				3,142			
Foreign currency differences from consolidation					-1,972		
Remeasurement of defined benefit plans and similar obligations*			-2,579				
Income and expenses recognised in shareholders' equity			**-2,579**	**3,142**	**-1,972**	**-1,409**	**-1,409**
Total comprehensive income			**19,438**	**3,142**	**-1,972**	**20,608**	**20,608**
Dividends paid			**-13,088**			**-13,088**	**-13,088**
31 August 2016	**87,250**	**197,847**	**90,579**	**-2,955**	**2,014**	**89,638**	**374,735**
1 March 2017	**87,250**	**197,847**	**138,984**	**632**	**1,064**	**140,680**	**425,777**
Net earnings for the period			**34,899**			**34,899**	**34,899**
Mark-to-market gains and losses on cash flow hedging instruments*				-7,865			
Foreign currency differences from consolidation					-4,007		
Remeasurement of defined benefit plans and similar obligations*			0				
Income and expenses recognised in shareholders' equity			**0**	**-7,865**	**-4,007**	**-11,872**	**-11,872**
Total comprehensive income			**34,899**	**-7,865**	**-4,007**	**23,027**	**23,027**
Dividends paid			**-26,175**			**-26,175**	**-26,175**
31 August 2017	**87,250**	**197,847**	**147,708**	**-7,233**	**-2,943**	**137,532**	**422,629**

* After deferred taxes

Notes to the interim financial statements

Basis of preparation of the interim consolidated financial statements

The interim financial statements of the CropEnergies Group as of 31 August 2017 have been prepared according to the rules for interim financial reporting of IAS 34 (Interim Financial Reporting) in compliance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and their interpretation by the International Financial Reporting Interpretations Committee (IFRIC). In accordance with IAS 34, the interim consolidated financial statements of CropEnergies AG as of 31 August 2017 are presented in a condensed form. The interim consolidated financial statements as of 31 August 2017 have not been reviewed. The executive board of CropEnergies AG prepared these interim financial statements on 25 September 2017.

As shown in the notes to the Annual Report for the 2016/17 financial year in item (1) "Principles of preparation of the consolidated financial statements" on pages 84 to 87, new or amended standards and interpretations were applicable for the first time to the interim reporting.

On 31 August 2017, a discount rate of 2.10% was used as a basis for major pension plans when calculating the provisions for pensions and similar obligations; on 28 February 2017 and 31 August 2016, respectively, the discount rate was based on 2.10% and 1.55%.

Income taxes were calculated on the basis of country-specific income tax rates, taking into account income tax planning for the entire financial year. Irrespective of the annual tax rate calculation, significant special items are fully recognised in the respective quarter.

Besides, the same accounting principles as used in the preparation of the consolidated annual financial statements as of 28 February 2017 have been applied. Their explanations in the notes to the 2016/17 Annual Report in item (5) "Accounting principles" on pages 90 to 94 therefore apply accordingly.

Consolidated companies

The separate financial statements of CropEnergies AG and the entities which it controls (subsidiary companies) are included in the consolidated financial statements according to the principles of full consolidation. Under IFRS 10, control exists if a company is exposed, or has rights, to positive or negative returns from its involvement with another entity. It must also have the ability to affect these variable returns by controlling the entity's activities. Control can exist due to voting rights or prevailing circumstances, due, among other things, to contractual arrangements. Accordingly, the following subsidiary companies are consolidated:

- CropEnergies Bioethanol GmbH, Zeitz
- CropEnergies Beteiligungs GmbH, Mannheim
- BioWanze SA, Brussels (Belgium)
- Ryssen Alcools SAS, Loon-Plage (France)
- Compagnie Financière de l'Artois SA, Paris (France)
- Ensus UK Ltd, Yarm (United Kingdom)
- Ryssen Chile SpA, Lampa, Santiago de Chile (Chile)
- CropEnergies Inc., Houston (USA)

The joint venture CT Biocarbonic GmbH, Zeitz, in which CropEnergies has a 50% interest and which is under joint management, is included at equity in the consolidated financial statements. CT Biocarbonic GmbH's contribution to earnings is thereby included only in earnings from entities consolidated at equity.

Revenue, profit, investment and employees

€ thousands	1st half year	
	2017/18	2016/17
Revenues	**459,736**	**349,730**
EBITDA*	**66,522**	**59,124**
EBITDA margin in %	*14.5%*	*16.9%*
Depreciation*	-19,239	-18,094
Operating profit	**47,283**	**41,030**
Operating margin in %	*10.3%*	*11.7%*
Restructuring costs and special items	-542	-6,380
Income from companies consolidated at equity	-69	108
Income from operations	**46,672**	**34,758**
Investments in property, plant and equipment and intangible assets	**12,410**	**5,650**
Employees	**408**	**405**

* Without restructuring costs and special items

EBITDA was increased to € 66.5 (59.1) million. As a result, operating profit in the 1st half surpassed that achieved in the very successful previous year by 15.2%, reaching € 47.3 (41.0) million. Based on revenues, this gives rise to an operating margin of 10.3% (11.7%). Restructuring or special costs declined to € 0.5 (6.4) million as a result of taking the production plant in Wilton back into operation. Income from operations, as the sum of operating profit, earnings from entities consolidated at equity and special items, improved by 34.3% to € 46.7 (34.8) million.

The capital expenditures amounting to € 12.4 (5.7) million were attributable almost entirely to property, plant and equipment. Of the total, € 7.0 million was invested at BioWanze SA, € 4.5 million at CropEnergies Bioethanol GmbH and € 0.6 million at Ensus UK Ltd.

As of the end of the first six months of the 2017/18 financial year, the number of employees (full-time equivalents) stood at 408 (405). Of this figure, 43 were employed at CropEnergies AG, 120 at CropEnergies Bioethanol GmbH, 119 at BioWanze SA, 46 at Ryssen Alcools SAS, 73 at Ensus UK Ltd and 7 at Ryssen Chile SpA.

Earnings per share

The net earnings of € 34.9 million in the 1st half of 2017/18 are fully attributable to the shareholders of CropEnergies AG. Earnings per share (IAS 33) are calculated on the basis of 87.25 (87.25) million shares. This produces earnings per share for the 1st half of 2017/18 of € 0.40 (0.25); there is no dilution of earnings per share.

Inventories

€ thousands	31 August	
	2017	2016
Raw materials and supplies	19,002	15,317
Work in progress	4,093	3,726
Finished goods and merchandise	38,024	34,848
	61,119	**53,891**

There was a volume-related increase of € 7.2 million in inventories to € 61.1 million.

Trade receivables and other assets

€ thousands	31 August	
	2017	2016
Trade receivables	50,234	47,249
Receivables from affiliated companies	7,925	9,610
Other assets	40,469	28,839
	98,628	**85,698**

Trade receivables and receivables from affiliated companies increased by € 1.3 million to € 58.2 million.

Other assets, amounting to € 40.5 (28.8) million, mainly consist of financial assets in the form of ring-fenced credits for hedges of € 19.0 (9.3) million and non-financial assets in the form of VAT receivables of € 9.7 (7.7) million and receivables from advance payments of € 8.0 (5.4) million.

Shareholders' equity

Shareholders' equity rose to € 422.6 (374.7) million. The revenue reserves and other equity accounts consist of the retained net earnings for the year, the changes in cash flow hedges, pensions and similar obligations recognised directly in equity, and consolidation-related currency translation effects. The "cash flow hedges" item contains the changes in the mark-to-market values – including deferred taxes – of wheat and currency derivatives including accruals amounting to € -7.9 (3.1) million.

Trade payables and other liabilities

€ thousands	31 August	
	2017	2016
Trade payables	35,701	40,874
Payables to affiliated companies	14,654	16,015
Other liabilities	26,413	16,799
	76,768	**73,688**

Trade payables and liabilities to affiliated companies declined by € 6.5 million to € 50.4 million.

Other liabilities, amounting to € 26.4 (16.8) million, mainly comprise financial liabilities in the form of negative mark-to-market values of derivative hedging instruments of € 9.9 (3.0) million as well as non-financial liabilities in the form of liabilities in respect of other taxes amounting to € 10.0 (7.0) million and liabilities in respect of personnel expenses of € 5.5 (5.6) million.

Financial liabilities

€ thousands	31 August	
	2017	2016
Liabilities to banks	16,961	9,274
Liabilities to affiliated companies	0	57,000
Liabilities from finance leasing	5	38
Financial liabilities	**16,966**	**66,312**
Cash and cash equivalents	-8,157	-8,030
Net financial debt	**8,809**	**58,282**

Net financial debt as of 31 August 2017 decreased to € 8.8 (58.3) million. This no longer includes any long-term financial liabilities.

Financial instruments and financial liabilities

Financial instruments

In the table below, the financial assets and liabilities calculated at fair value are classified by measurement level (fair value hierarchy) and defined as follows according to IFRS 13:

Measurement level 1 comprises financial instruments traded on active markets, whose listed prices are taken over unchanged into the measurement. Measurement level 2 applies when measurement is based on methods whose influencing factors are derived directly or indirectly from observable market data. The measurement of level 3 derivatives is based on methods involving at least one significant influencing factor that cannot be observed. CropEnergies does not use any level 3 derivatives.

Financial liabilities

The fair values of liabilities to banks are calculated as the present values of the cash outflows associated with the liabilities, based on the applicable yield curve. Owing to their short maturities, it is assumed that fair values correspond to the book values.

The fair values of trade receivables, other receivables and cash items are also assumed, owing to the short maturities, to correspond to the book values.

The same applies to trade payables and other current liabilities.

Further details on calculating the fair values of the individual financial instruments as well as their allocation to measurement levels can be found in the notes to the consolidated financial statements of the Annual Report for the 2016/17 financial year in item (28) "Additional disclosures on financial instruments" on pages 118 to 121.

€ thousands	Fair Value Hierarchy							
	31 August 2017	Level 1	Level 2	Level 3	31 August 2016	Level 1	Level 2	Level 3
Positive market values – Cash flow hedge derivatives	0	0	0	0	33	0	33	0
Positive market values – Derivatives held for trading	10	10	0	0	1,679	1,673	6	0
Financial assets	**10**	**10**	**0**	**0**	**1,712**	**1,673**	**39**	**0**
Negative market values – Cash flow hedge derivatives	9,575	9,386	189	0	2,719	2,719	0	0
Negative market values – Derivatives held for trading	365	361	4	0	320	313	7	0
Financial liabilities	**9,940**	**9,747**	**193**	**0**	**3,039**	**3,032**	**7**	**0**

Relations with related companies and persons (related party transactions)

"Related parties" for the purposes of IAS 24 (Related Party Disclosures) are Südzucker AG as majority shareholder, its executive and supervisory boards together with their close family members, and its subsidiaries (Südzucker Group), the joint venture CT Biocarbonic GmbH, and the members of the executive board and supervisory board of CropEnergies AG together with their close family members. Furthermore, there is Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft eG (SZVG), Stuttgart, whose own holdings of Südzucker shares plus the shares held in trust for its members represent a majority stake in Südzucker AG.

Südzucker AG

The transactions with Südzucker AG in the 1st half of the 2017/18 financial year involved supplies, especially raw materials and energy, by Südzucker AG amounting to € 19.9 (16.5) million. In addition, services worth € 1.8 (1.8) million, research & development work worth € 0.6 (0.7) million as well as other services worth € 0.5 (0.0) million were provided.

Set against this, the CropEnergies Group received € 0.7 (0.7) million from Südzucker AG for supplies of goods. Moreover, the CropEnergies Group received compensation payments of € 0.2 (0.0) million. The CropEnergies Group incurred net interest expense of € 0.4 (0.9) million on intercompany lendings and borrowings.

As of 31 August 2017, there were receivables of € 0.3 (0.7) million outstanding from Südzucker AG and liabilities of € 4.4 (5.5) million outstanding to Südzucker AG in respect of the aforesaid related party transactions. Financial liabilities due to Südzucker AG were completely reduced to € 0.0 (26.0) million.

Affiliated companies of Südzucker AG

The transactions with the affiliated companies of Südzucker AG in the 1st half of the 2017/18 financial year involved supplies, especially raw materials and traded commodities, amounting to € 31.4 (28.8) million. In addition, services worth € 0.4 (0.6) million were provided.

Set against this, the CropEnergies Group received € 31.0 (34.5) million from the affiliated companies of Südzucker AG for supplies of goods. In addition, the CropEnergies Group received compensation payments of € 0.2 (0.4) million and service revenues of € 0.2 (0.2) million.

As of 31 August 2017, there were receivables of € 7.6 (8.9) million outstanding from the affiliated companies of Südzucker AG and liabilities of € 10.3 (10.5) million outstanding to the affiliated companies of Südzucker AG in respect of the aforesaid related party transactions. Financial liabilities due to the affiliated companies of Südzucker AG were completely reduced to € 0.0 (31.0) million.

The related party transactions with Südzucker AG and its affiliated companies were settled at usual market prices and interest rates; performance and consideration were commensurate, so no party was placed at a disadvantage. No significant transactions were conducted with related persons.

Services were provided and goods were supplied, at usual market prices, for the joint venture CT Biocarbonic GmbH amounting to € 0.9 (0.9) million in the 1st half of 2017/18.

There were no transactions with Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft eG (SZVG) in the 1st half of the 2017/18 financial year.

Report on events after the balance sheet date

Since 31 August 2017, there have been no transactions of particular importance, which can be expected to have a significant impact on the assets, liabilities, financial position and profit or loss.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the group, and the interim management report of the group includes a fair review 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.

Mannheim, 25 September 2017

CropEnergies AG

The Executive Board

Joachim Lutz (Chief Executive Officer)	Michael Friedmann	Dr. Stephan Meeder

Financial calendar

Report for the 1st to 3rd quarters of 2017/18	10 January 2018
Annual press and analysts' conference for the 2017/18 financial year	16 May 2018
Report for the 1st quarter of 2018/19	11 July 2018
Annual General Meeting 2018	17 July 2018
Report for the 1st half of 2018/19	10 October 2018