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Forward-looking statements and forecasts
This quarterly 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.

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Financial Year 2018/19

QUARTERLY STATEMENT

1st – 3rd Quarter
1 March to 30 November 2018

Mannheim, 9 January 2019

SÜDZUCKER GROUP

Contents

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:
3rd quarter: 1 September – 30 November
1st – 3rd quarter: 1 March – 30 November

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 first three quarters of 2018/19

■ Revenues decline to € 596.1 (678.9) million	€ -83 million
■ EBITDA declines to € 48.5 (88.2) million	€ -40 million
■ Operating profit reaches € 19.1 (59.3) million	€ -40 million
■ Net earnings at € 12.9 (42.3) million	€ -29 million
■ Bioethanol production reduced to 771,000 (847,000) m^3	-9%
■ Net financial assets of € 56 (as of 28 February 2018: € 37) million	€ +19 million

Outlook for the 2018/19 financial year

- Revenues expected to range between € 770 and € 800 million
- Operating profit expected to range between € 25 and € 40 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 renewable fuels from arable crops being able to account for up to 7%. Renewable fuels 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, renewable fuels are to make a significant contribution to reducing greenhouse gas emissions associated with fuel consumption by 6 wt.-% compared with the base value of 94.1 g CO_{2eq}/MJ by the year 2020.

"Renewable Energies Directive" after 2020

After the European Parliament and the Council of the European Union had given their consent, the recast ″Renewable Energies Directive″ was published in the Official Journal of the European Union on 21 December 2018 and entered into force on 24 December 2018. According to this new version, 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 as at present to this figure. Their contribution should be able to remain up to one percentage point above the level reached in 2020. At the same time, the use of biofuels whose raw material extraction has resulted in a loss of high-carbon areas (e.g., rain forest) is to be gradually reduced from 2023 onwards. 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.

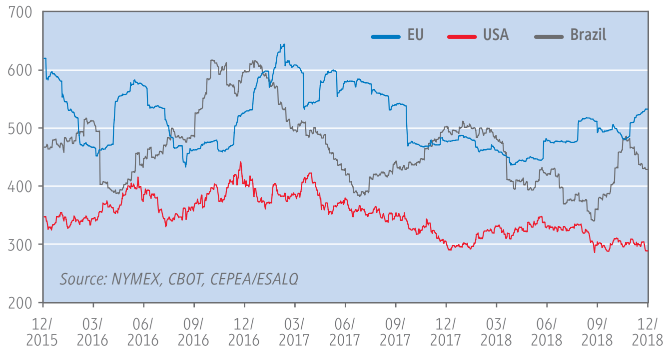
The follow-on regulation up to 2030 offers a chance that sustainably produced renewable fuels can contribute to climate protection on Europe's roads even after 2020. To that end, EU member states will be required to press ahead with the extensive introduction of E10 without further delays. What must be critically evaluated is the multiple counting of certain fuels and energy sources, as the associated virtual increase in the renewable energy proportion will lower neither the consumption of fossil fuels nor the associated emissions. The exploitation of fossil oil sources will thus continue unabated. Over the next few years, it will be up to the EU member states to actually lower the consumption of fossil fuels and to improve the climate footprint of fuels through proper implementation of the European targets at national level.

Ethanol markets

In the **USA**, the one-month futures contract for ethanol on the Chicago Board of Trade (CBOT) declined from the equivalent of € 292/m³ to € 285/m³ in the 3rd quarter of 2018/19. The decline in price was even clearer in US dollars. US$ 1.20/gallon on 29 November 2018 marked a 13-year low. The continuing high pressure on prices was due, in particular, to the increasing production surpluses. Data so far show that, in the USA in 2018, over 7.5 (6.9) million m³ more ethanol was produced than consumed domestically. Consequently, not only were consistently high stocks recorded in the USA in 2018, but more than 6.5 (5.2) million m³ of ethanol were exported to third countries, as provisional trade data suggest.

In **Brazil**, ethanol prices increased from the equivalent of € 350/m³ at the beginning of September 2018 to € 425/m³ at the end of November 2018. An increase in ethanol production to 31.5 (27.8) million m³ is expected in the current 2018/19 sugar year. The significant expansion in production is being accompanied by a similarly vibrant development in demand. Domestic consumption is expected to rise to 31.2 (28.4) million m³, meaning that, in view of a largely balanced supply situation, no significant net exports from Brazil are expected.

International bioethanol prices (€/m³)

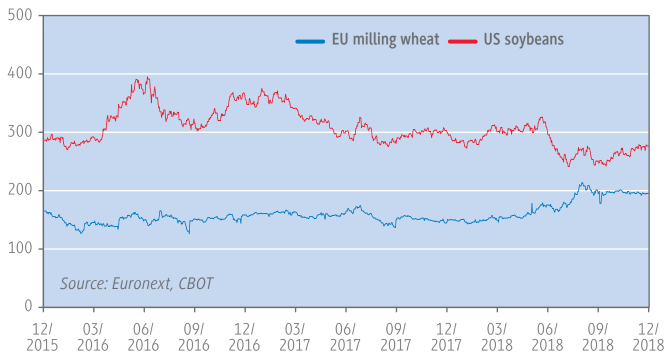


Ethanol prices in **Europe** continued their roller-coaster ride in the reporting period. After reaching € 505/m³ at the beginning of September 2018, they fell to around € 475/m³ by mid-October 2018, with spot prices showing additional markdowns of around € 30/m³ compared with short-term forward rates. By the end of November 2018, ethanol prices recovered significantly, closing at € 531/m³, with spot prices being as high as around € 590/m³. Speculation about European plants' capacity utilisation rates and the advantageousness of imports were the main contributing factors with regard to the high volatility. 0.5 (0.5) million m³ of ethanol is expected to continue to be imported in 2018, the imports being contrasted by domestic production of 7.7 (7.5) million m³ and domestic consumption of 7.9 (7.9) million m³. Production of fuel ethanol, at 5.4 (5.3) million m³, is expected to be slightly above consumption of 5.3 (5.4) million m³.

Grain and protein markets

According to the US Department of Agriculture*, world grain production (excluding rice) is expected to fall to 2,107 (2,120) million tonnes in 2018/19. Given an anticipated grain consumption of 2,153 (2,117) million tonnes, a decline in stocks to 603 (649) million tonnes is expected. Owing to the pronounced drought in large parts of the EU, the European Commission expects the grain harvest in 2018/19 to decline to 285 (305) million tonnes. Consumption is expected to show little or no change compared with the previous year, amounting to 286 (286) million tonnes. European wheat prices on the Euronext in Paris remained at a high level in the 3rd quarter of 2018/19, fluctuating within a narrow range around the € 200/tonne mark.

International agricultural prices (€/t)



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 around 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, are refined into valuable food and animal feed products, thereby reducing dependence on soy imports from North and South America.

The global soybean harvest in 2018/19, at 369 (339) million tonnes, is expected to set another record. Given consumption of 352 (336) million tonnes, stocks are expected to rise significantly to 115 (101) million tonnes. In view of the high stock levels, the one-month soybean futures contract on the CBOT closed at US$ 8.14/bushel** on 18 September 2018, as it had already done on 13 July 2018, which was its lowest level for almost ten years. The soybean price recovered to just under US$ 9/bushel by the end of November 2018. Converted to euro, this was equivalent to around € 289/tonne at the end of November 2018. European rapeseed meal prices remained steady in the reporting period, ranging largely between € 230/tonne and € 240/tonne.

*Note: In comparison with the 2018/19 interim report, the disclosures regarding global grain and soybean balances show significant differences. These differences are mainly due to revision of Chinese supply and demand quantities.

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

Business development

Production of ethanol and food and animal feed products

In its modern biorefineries in Belgium, Germany, France and the United Kingdom, CropEnergies mainly produces renewable ethanol and protein-rich food and animal feed products. Ethanol production stood at 771,000 (847,000) m³ in the first nine 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 a lower production of dried food and animal feed products.

Revenues and net earnings

€ thousands	3rd quarter		1st – 3rd quarter	
	2018/19	2017/18	2018/19	2017/18
Revenues	**202,901**	**219,120**	**596,135**	**678,856**
EBITDA*	**14,760**	**21,677**	**48,464**	**88,199**
EBITDA margin in %	*7.3%*	*9.9%*	*8.1%*	*13.0%*
Depreciation*	-9,795	-9,707	-29,325	-28,946
Operating profit	**4,965**	**11,970**	**19,139**	**59,253**
Operating margin in %	*2.4%*	*5.5%*	*3.2%*	*8.7%*
Restructuring costs and special items	10,115	-135	10,115	-677
Income from companies consolidated at equity	106	-10	139	-79
Income from operations	**15,186**	**11,825**	**29,393**	**58,497**
Financial result	78	-797	-1,017	-631
Earnings before income taxes	**15,264**	**11,028**	**28,376**	**57,866**
Taxes on income	-9,483	-3,671	-15,482	-15,610
Net earnings for the period	**5,781**	**7,357**	**12,894**	**42,256**
Earnings per share, diluted/undiluted (€)	**0.07**	**0.08**	**0.15**	**0.48**

* Without restructuring costs and special items

Business development: 3rd quarter

CropEnergies’ revenues, at € 202.9 (219.1) million, also fell short of the previous year’s level in the 3rd quarter, but were slightly above the level of the previous two quarters. The decline was mainly due to lower sales volumes. This was offset by a slight improvement in ethanol revenues and increased sales prices for food and animal feed products averaged over the quarter. Owing to the sharp fall in price for bioethanol in October, CropEnergies decided to take a production pause at the plant in Wilton, starting at the end of November 2018.

Increased raw material and energy costs had a negative impact on earnings in the 3rd quarter. EBITDA consequently declined year over year to € 14.8 (21.7) million.

With depreciation more or less unchanged, operating profit significantly declined to € 5.0 (12.0) million. Based on revenues, operating margin stood at 2.4% (5.5%). By contrast, income from operations improved to € 15.2 (11.8) million. This was due to the reversal of a provision, recognised as a special item in the 2016/17 financial year, for a disputed excise duty liability of € 10.1 million. The case was successfully closed in the 3rd quarter.

Considering that there was a little change in the financial result, earnings before income taxes rose to € 15.3 (11.0) million. After taxes, this produces net earnings of € 5.8 (7.4) million for the 3rd quarter of 2018/19. Based on 87.25 million no-par-value shares, that translates into earnings per share of € 0.07 (0.08).

Business development: 1st – 3rd quarter

In the first nine months of the financial year, CropEnergies generated revenues of € 596.1 (678.9) million. Although the ethanol prices showed a positive development since the beginning of the financial year, on average they continued to lag significantly behind the level achieved in the previous year. Lower sales quantities also contributed to the decline in revenues.

In addition, higher sales prices for food and animal feed products were only partially able to offset increased raw material costs. On balance, EBITDA declining to € 48.5 (88.2) million. With depreciation levels more or less constant, operating profit declined to € 19.1 (59.3) million. The operating margin comes to 3.2% (8.7%). Including the positive special item posted in the 3rd quarter, income from operations halved to € 29.4 (58.5) million.

Considering the financial result of € -1.0 (-0.6) million, earnings before income taxes declined to € 28.4 (57.9) million. After taxes, this produces net earnings of € 12.9 (42.3) million for the reporting period. Based on 87.25 million no-par-value shares, this corresponds to earnings per share of € 0.15 (0.48).

Statement of changes in financial position

€ thousands	1st – 3rd quarter	
	2018/19	2017/18
Gross cash flow	**42,857**	**71,546**
Change in net working capital	7,064	-2,351
Net cash flow from operating activities	**49,921**	**69,195**
Investments in property, plant and equipment and intangible assets	-8,513	-13,796
Cash received on disposal of non-current assets	45	227
Investment subsidies received	0	24
Cash flow from investing activities	**-8,468**	**-13,545**
Cash flow from financing activities	**-64,932**	**-49,459**
Change in cash and cash equivalents due to exchange rate changes	-29	-82
Decrease (-) / Increase (+) in cash and cash equivalents	**-23,508**	**6,109**

As a result of the reduction in EBITDA, gross cash flow declined to € 42.9 (71.5) million. Including changes in net working capital, cash flow from operating activities in the 1st – 3rd quarter amounted to € 49.9 (69.2) million.

Cash outflow from investing activities declined to € 8.5 (13.5) million overall, largely attributable to investments in property, plant and equipment. The investments were used, in particular, to improve the production plants.

The receipt of financial liabilities of € 0.1 (12.5) million was offset by an increase in current financial receivables to € 43.2 million and the dividend payment, in July 2018, of € 21.8 million. This resulted in a net cash outflow from financing activities of € 64.9 (49.5) million. Overall, net financial assets improved to € 56.5 (as of 28 February 2018: € 36.9) million.

Balance sheet

€ thousands	30 November 2018	30 November 2017	Change	28 February 2018
Assets				
Intangible assets	8,893	9,045	-152	9,409
Property, plant and equipment	372,116	399,832	-27,716	392,987
Shares in companies consolidated at equity	2,021	1,878	143	1,882
Receivables and other assets	38	38	0	40
Deferred tax assets	2,772	2,068	704	2,512
Non-current assets	**385,840**	**412,861**	**-27,021**	**406,830**
Inventories	74,211	52,913	21,298	66,002
Current financial receivables	43,200	0	43,200	0
Trade receivables and other assets	70,501	94,553	-24,052	75,279
Current tax receivables	5,969	6,145	-176	7,308
Cash and cash equivalents	13,366	20,108	-6,742	36,874
Current assets	**207,247**	**173,719**	**33,528**	**185,463**
Total assets	**593,087**	**586,580**	**6,507**	**592,293**

€ thousands	30 November 2018	30 November 2017	Change	28 February 2018
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	157,171	146,856	10,315	160,581
Shareholders' equity	**442,268**	**431,953**	**10,315**	**445,678**
Provisions for pensions and similar obligations	22,941	23,665	-724	21,667
Other provisions	2,361	2,537	-176	2,486
Non-current financial liabilities	0	0	0	0
Other liabilities	112	290	-178	238
Deferred tax liabilities	24,270	20,143	4,127	22,587
Non-current liabilities	**49,684**	**46,635**	**3,049**	**46,978**
Other provisions	6,899	15,851	-8,952	16,799
Current financial liabilities	81	0	81	0
Trade payables and other liabilities	78,351	76,912	1,439	70,656
Current tax liabilities	15,804	15,229	575	12,182
Current liabilities	**101,135**	**107,992**	**-6,857**	**99,637**
Total liabilities and shareholders' equity	**593,087**	**586,580**	**6,507**	**592,293**
Net financial assets	56,485	20,108	36,377	36,874
Equity ratio	74.6%	73.6%		75.2%

Income statement

€ thousands	3rd quarter		1st – 3rd quarter	
	2018/19	2017/18	2018/19	2017/18
Revenues	**202,901**	**219,120**	**596,135**	**678,856**
Change in work in progress and finished goods inventories and internal costs capitalised	15,333	-8,097	5,277	-10,752
Other operating income	11,187	985	14,155	2,341
Cost of materials	-176,870	-166,674	-481,102	-509,667
Personnel expenses	-8,707	-8,873	-25,956	-26,178
Depreciation	-9,795	-9,707	-29,325	-28,946
Other operating expenses	-18,969	-14,919	-49,930	-47,078
Income from companies consolidated at equity	106	-10	139	-79
Income from operations	**15,186**	**11,825**	**29,393**	**58,497**
Financial result	78	-797	-1,017	-631
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Earnings per share, diluted/undiluted (€)	**0.07**	**0.08**	**0.15**	**0.48**

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. Allowing for the previously explained developments at regulatory level, the disclosures provided there are still valid.

Outlook

CropEnergies generated revenues of € 596.1 (678.9) million and operating profit of € 19.1 (59.3) million in the 1st to 3rd quarter of 2018/19. The decline in earnings was mainly due to ethanol prices and sales quantities being, on average, significantly below those of the previous year and to the increase in raw material costs.

The price for ethanol fluctuated considerably in Europe in the last few weeks. While the price for ethanol was trading at around € 475/m^3 in mid-October, it increased to around € 615/m^3 by mid-December. Price changes are directly reflected in earnings. As a result of the unexpectedly sharp increase, CropEnergies raised the forecast for the 2018/19 financial year on 14 December 2018.

Revenues of between € 770 and € 800 million (previous year: € 882 million) and operating profit of between € 25 and € 40 million (previous year: € 72 million) are therefore expected for the entire 2018/19 financial year. This is equivalent to an EBITDA of between € 65 and € 80 million (previous year: € 111 million).

Financial calendar

■ 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
■ Report for the 1^{st} half of 2019/20	9 October 2019
■ Statement for the 1^{st}–3^{rd} quarter of 2019/20	13 January 2020