Contact

CropEnergies AG
Maximilianstraße 10
68165 Mannheim

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

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

http://www.cropenergies.com

Forward-looking statements and forecasts

This 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 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 report.

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Financial Year 2018/19

INTERIM REPORT

1st half
1 March to 31 August 2018

Mannheim, 10 October 2018

SÜDZUCKER GROUP

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

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

Highlights 1st half 2018/19

■ Revenues decline to € 393.2 (459.7) million	€ -67 million
■ EBITDA declines to € 33.7 (66.5) million	€ -33 million
■ Operating profit reaches € 14.2 (47.3) million	€ -33 million
■ Net earnings in the 1st half at € 7.1 (34.9) million	€ -28 million
■ Ethanol production reduced to 494,000 (567,000) m³	-13%
■ Net financial assets amount to € 37 (as of 28 February 2018: 37) million	

Outlook for the 2018/19 financial year confirmed

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

Interim management report

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 is set to increase to 10% by 2020, 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, greenhouse gas emissions associated with fuel consumption are to be reduced by 6 wt.-% compared with the base value of 94.1 g CO_{2eq}/MJ by the year 2020.

"Renewable Energies Directive" after 2020

With regard to the negotiations on the new version of the "Renewable Energies Directive", the European Parliament and the Council agreed on a common position on 14 June 2018. According to this, the proportion of renewable energies in the EU is to rise to at least 32% by 2030, with a proportion of at least 14% being envisaged for the transport sector. Renewable fuels from arable crops can still contribute to this figure. Their contribution should be able to remain at the level reached in 2020. 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, are to be counted multiple times towards the transport target in road transport. The directive is expected to be published in the Official Journal of the European Union and to enter into force at the beginning of 2019.

The compromise offers a chance that sustainably produced renewable fuels can be used 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 neither lower the consumption of fossil fuels nor reduce the exploitation of fossil oil sources. Over the next few years, CropEnergies will insist on proper implementation of the European targets at national level so that the consumption of fossil fuels actually declines and the climate footprint of fuels improves.

Germany

In Germany, a greenhouse gas reduction target of 4.0 wt.-%, which is set to increase to 6.0 wt.-% as of 2020, applies. The oil industry is being obliged, by means of binding greenhouse gas reduction targets, to lower the specific greenhouse gas emissions of the fuels that it places on the market. Greenhouse gas reduction is therefore a crucial competitive characteristic of renewable fuels. As a result, producers of renewable fuels have continually invested in increasing the specific greenhouse gas savings of their fuels. For example, renewable ethanol from European raw materials reduces greenhouse gas emissions by more than 70% on average.

Belgium

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

United Kingdom

The minimum proportion for renewable energies in fuels was raised in the United Kingdom from 4.75 vol.-% to 7.25 vol.-% in April 2018. This minimum proportion is to rise to 8.5 vol.-% next year and then gradually 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 renewable fuels from arable crops is to be limited to 4 vol.-% by the year 2020. Subsequently, this proportion is to be gradually halved by 2032. Increasing the proportion of renewable energies in the transport sector requires prompt and across-the-board introduction of E10.

France

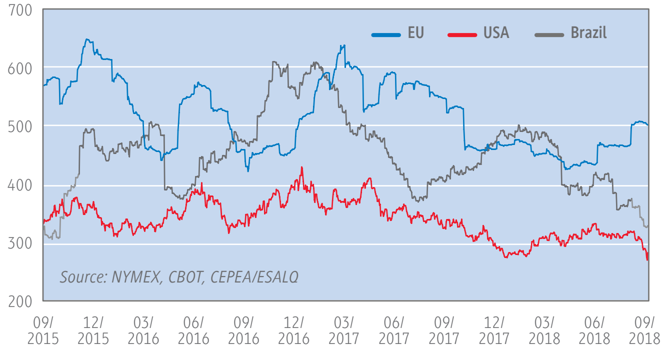
In France, an energy-based blending obligation of 7.5% for petrol fuels and 7.7% for diesel fuels has applied since the beginning of 2017. The proportion of renewable energies in the transport sector is set to increase to 15% by 2030. E10 is the most popular petrol variety, with a 40% share of the French petrol market.

Ethanol markets

In the **USA**, ethanol production is expected to rise to 61.9 (61.5) million m^3 in 2018. Owing to the production surplus, US net exports of 5.0 (5.0) million m^3 are expected. The one-month futures contract for ethanol on the Chicago Board of Trade (CBOT) declined, in the reporting period, from the equivalent of € 330/m^3 at the beginning of June 2018 to around € 290/m^3 at the end of August 2018. The decline in price was the result of a temporary rise in stocks, among other things, after low maize prices in the USA had encouraged a high capacity utilisation rate.

* Current blending of 8.5 vol.-% is equivalent to an energy content of around 5.6%.

International bioethanol prices (€/m³)



29.2 (27.8) million m³ of ethanol are expected to be produced in **Brazil** in the 2018/19 sugar year. Owing to the lower world market prices for sugar, over 60% of the harvested sugar cane will be processed into ethanol, whereas this was the case with only around 50% in the previous year. Ethanol production will therefore increase, despite a slight decline in the sugar cane harvest, and be largely in line with the expected consumption of 29.4 (28.4) million m³. Ethanol prices initially continued their downward trend, declining from the equivalent of around € 420/m³ at the beginning of June 2018 to around € 330/m³ at the end of August 2018.

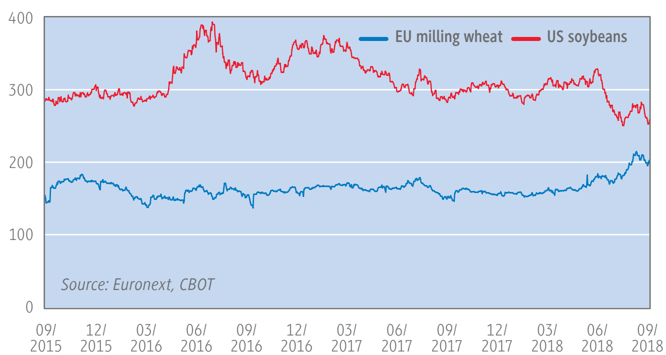
After ethanol prices in **Europe** had fallen below the € 450/m³ mark in the first quarter of 2018/19, they initially climbed to € 470/m³ at the beginning of June 2018, rising further to around € 510/m³ at the end of August 2018. The price increase can be attributed, among other things, to reduced imports and increased grain prices in the reporting period. Production and consumption of fuel ethanol in the EU are each expected to increase slightly to 5.3 (5.2) million m³.

In **Germany**, market observers expect fuel ethanol consumption to remain unchanged at 1.5 (1.5) million m³ in 2018. According to provisional data, however, sales stood at 752,000 (702,000) m³ in the 1st half of 2018, which was thus around 7% higher than in the same period in the previous year.

Grain and protein markets

According to its forecast published on 12 September 2018, the US Department of Agriculture (USDA) expects to see world grain production (excluding rice) of 2,080 (2,073) million tonnes in 2018/19, which is slightly above the previous year's level. Given anticipated grain consumption of 2,132 (2,095) million tonnes, stocks are expected to decline to 446 (498) million tonnes. In view of drought-related harvest losses, the European Commission expects EU grain production to decline significantly to 287 (307) million tonnes. The harvest will therefore be in line with expected consumption of 286 (285) 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 refined into valuable food and animal feed products. The European ethanol industry thus continues to reduce dependence on soy imports from North and South America.

International agricultural prices (€/t)



In view of the reduced availability of European grain, wheat prices on the Euronext in Paris increased from € 182/tonne at the beginning of June 2018 to € 205/tonne at the end of August 2018, a rise of more than 10%. Compared with the same period in the previous year, prices even increased by more than 30%.

The USDA expects to see a global soybean harvest of 369 (337) million tonnes in the 2018/19 financial year, which is thus set to significantly exceed that of the previous year and the previous record level from 2016/17. Global consumption as well as global stocks of soybeans are also expected to rise to record levels. The USDA expects global consumption to increase to 353 (337) million tonnes and stocks to rise to as much as 108 (95) million tonnes.

In line with the significant production surplus that was becoming apparent, the one-month soybean futures contract on the CBOT declined from around US$ 10/bushel* to around US$ 8/bushel in the reporting period. The soybean price fell from the equivalent of € 320/tonne at the beginning of June 2018 to around € 265/tonne at the end of August 2018. Significantly less rapeseed than in the previous year is expected to be harvested in the EU in 2018/19, at 19 (22) million tonnes. As a result of this, European rapeseed meal prices rose from € 225/tonne at the beginning of June 2018 to around € 240/tonne at the end of August 2018.

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

Business development

Production of ethanol and food and animal feed products

CropEnergies' biorefineries, with their broad range of products, produce renewable ethanol and protein-rich food and animal feed products. Ethanol production stood at 494,000 (567,000) m^3 in the 1st half of the 2018/19 financial year. Production capacity utilisation and raw material use were brought into line with market conditions. Lower capacity utilisation also meant that there was a decrease in the production of dried food and animal feed products.

Revenues and net earnings

€ thousands	2nd quarter		1st half year	
	2018/19	2017/18	2018/19	2017/18
Revenues	**200,780**	**228,715**	**393,234**	**459,736**
EBITDA*	**19,405**	**33,438**	**33,704**	**66,522**
EBITDA margin in %	*9.7%*	*14.6%*	*8.6%*	*14.5%*
Depreciation*	-9,811	-9,694	-19,530	-19,239
Operating profit	**9,594**	**23,744**	**14,174**	**47,283**
Operating margin in %	*4.8%*	*10.4%*	*3.6%*	*10.3%*
Restructuring costs and special items	0	-271	0	-542
Income from companies consolidated at equity	80	-17	33	-69
Income from operations	**9,674**	**23,456**	**14,207**	**46,672**
Financial result	-744	302	-1,095	166
Earnings before income taxes	**8,930**	**23,758**	**13,112**	**46,838**
Taxes on income	-4,251	-6,408	-5,999	-11,939
Net earnings for the period	**4,679**	**17,350**	**7,113**	**34,899**
Earnings per share, diluted/undiluted (€)	**0.05**	**0.20**	**0.08**	**0.40**

* Without restructuring costs and special items

Business development: 2nd quarter

CropEnergies' revenues in the 2nd quarter, at € 200.8 (228.7) million, were below those of the previous year, but were above the level of € 192.5 million achieved in the 1st quarter. The decline compared with the previous year was mainly due to a lower sales volume and lower ethanol revenues. Higher revenues for food and animal feed products partially only offset the decline.

Higher raw material and energy costs also proved to be an additional strain on earnings. In comparison with the very good same quarter in the previous year, EBITDA declined significantly to € 19.4 (33.4) million. Compared with the preceding 1st quarter, however, EBITDA improved by € 5.1 million, mainly due to further increases in ethanol prices.

With depreciation more or less unchanged, operating profit declined to € 9.6 (23.7) million. Based on revenues, this gives rise to an operating margin of 4.8% (10.4%). Income from operations, as the sum of operating profit, earnings from entities consolidated at equity and special items, showed a decline to € 9.7 (23.4) million.

Taking the financial result that was influenced by currency effects into account, earnings before income taxes declined to € 8.9 (23.8) million. After taxes, this produces net earnings of € 4.7 (17.4) million for the 2nd quarter of 2018/19. Based on 87.25 million no-par-value shares, that translates into earnings per share of € 0.05 (0.20).

Business development: 1st half

On aggregate, CropEnergies' revenues reached € 393.2 (459.7) million in the 1st half of the financial year. Although the ethanol revenues generated had been able to show a significant recovery since the beginning of the financial year, from a half-year perspective they were still significantly below the good levels achieved in the previous year.

As raw material costs were simultaneously above the previous year's level, production and sales quantities were accordingly reduced. EBITDA halved to € 33.7 (66.5) million. With depreciation levels more or less the same as in the previous year, operating profit thus declined significantly to € 14.2 (47.3) million. This gives rise to an operating margin of 3.6% (10.3%). Income from operations reached € 14.2 (46.7) million.

Considering the financial result of € -1.1 (0.2) million, earnings before income taxes declined to € 13.1 (46.8) million. After taxes, this produces net earnings of € 7.1 (34.9) million for the reporting period. Based on 87.25 million no-par-value shares, this corresponds to earnings per share of € 0.08 (0.40).

Statement of changes in financial position

€ thousands	1st half year 2018/19	1st half year 2017/18
Gross cash flow	**27,532**	**53,675**
Change in net working capital	-1,489	-14,700
Net cash flow from operating activities	**26,043**	**38,975**
Investments in property, plant and equipment and intangible assets	-4,676	-12,410
Cash received on disposal of non-current assets	42	158
Cash flow from investing activities	**-4,634**	**-12,252**
Cash flow from financing activities	**-33,013**	**-32,493**
Change in cash and cash equivalents due to exchange rate changes	159	-72
Decrease in cash and cash equivalents	**-11,445**	**-5,842**

As a result of the reduction in EBITDA, gross cash flow also declined to € 27.5 (53.7) million. Including the change in net working capital, cash flow from operating activities in the 1st half of 2018/19 amounted to € 26.0 (39.0) million.

Cash outflow from investing activities declined to € 4.6 (12.3) million overall and was largely attributable to investments in property, plant and equipment. The investments were used, in particular, to improve the production plants.

No financial liabilities were incurred in the 1st half of the 2018/19 financial year. By contrast, current financial receivables increased to € 11.2 million. Furthermore, a dividend of € 21.8 (26.2) million was paid in July 2018. This resulted in a net cash outflow from financing activities of € 33.0 (32.5) million.

Balance sheet structure

€ thousands	31 August 2018	31 August 2017	Change	28 February 2018
Assets				
Non-current assets	391,168	417,579	-26,411	406,830
Current assets	198,550	173,820	24,730	185,463
Total assets	**589,718**	**591,399**	**-1,681**	**592,293**
Liabilities and shareholders' equity				
Shareholders' equity	440,518	422,629	17,889	445,678
Non-current liabilities	50,872	46,298	4,574	46,978
Current liabilities	98,328	122,472	-24,144	99,637
Total liabilities and shareholders' equity	**589,718**	**591,399**	**-1,681**	**592,293**
Net financial assets (+) / net financial debt (-)	36,629	-8,809	45,438	36,874
Equity ratio	74.7%	71.5%		75.2%

Non-current assets declined by € 26.4 million to € 391.2 million as of 31 August 2018, with fixed assets, in particular, decreasing by € 26.8 million to € 386.8 million as a result of scheduled depreciation and allowing for investments. This amount includes goodwill of € 6.1 million. Deferred tax assets increased by € 0.4 million to € 2.4 million. The share in entities consolidated at equity remained virtually constant, at € 1.9 million.

Current assets rose by € 24.7 million year over year to € 198.6 million, with cash and cash equivalents, in particular, rising by € 17.3 million to € 25.4 million. Financial receivables due in the short term increased to € 11.2 million. By contrast, trade receivables and other assets declined by € 5.1 million to € 93.5 million. This includes the positive mark-to-market values from derivative hedging instruments of € 6.9 (0.0) million. Furthermore, tax assets increased by € 0.8 million to € 6.7 million and inventories rose by € 0.6 million to € 61.7 million.

Non-current liabilities increased by € 4.6 million to € 50.9 million, with deferred tax liabilities rising by € 5.6 million to € 25.8 million. Furthermore, provisions for pensions and similar obligations declined by € 0.7 million to € 22.6 million. Other provisions and other liabilities decreased slightly by € 0.2 million to € 2.3 million and by € 0.1 million to € 0.2 million, respectively.

Current liabilities declined by € 24.1 million to € 98.3 million, with current financial liabilities of € 17.0 million, in particular, being completely reduced. Current tax liabilities decreased by € 6.8 million to € 7.5 million. Furthermore, trade payables and other liabilities declined by € 2.3 million to € 74.5 million. This also includes the negative mark-to-market values from derivative hedging instruments of € 0.2 (9.9) million. By contrast, other provisions increased by € 2.0 million to € 16.4 million.

As of 31 August 2018, there were net **financial assets** of € 36.6 million (as of 31 August 2017: **net financial debt** of € 8.8 million). The net financial assets consisted of cash and cash equivalents of € 25.4 million and current financial receivables of € 11.2 million.

Shareholders' equity rose to € 440.5 (422.6) million; the equity ratio increased to 74.7% (71.5%).

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 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

In the 1st half of 2018/19, CropEnergies generated revenues of € 393.2 (459.7) million and operating profit of € 14.2 (47.3) million. The reduction in revenues and earnings is mainly due to the ethanol price being significantly below the previous year's level and to the increase in raw material costs.

In the light of an expected improvement in ethanol prices over the further course of the year, CropEnergies confirms the previous forecast. Revenues of between € 810 and € 860 million (previous year: € 882 million) and operating profit of between € 25 and € 55 million (previous year: € 72 million) are therefore expected for the 2018/19 financial year as a whole. This is equivalent to an EBITDA of between € 65 and € 95 million (previous year: € 111 million).

Interim financial statements

Statement of comprehensive income

€ thousands	2nd quarter		1st half year	
	2018/19	2017/18	2018/19	2017/18
Income statement				
Revenues	**200,780**	**228,715**	**393,234**	**459,736**
Change in work in progress and finished goods inventories and internal costs capitalised	-8,816	4,968	-10,056	-2,655
Other operating income	2,235	1,071	2,968	1,356
Cost of materials	-150,487	-176,507	-304,232	-342,993
Personnel expenses	-8,515	-8,410	-17,249	-17,305
Depreciation	-9,811	-9,694	-19,530	-19,239
Other operating expenses	-15,792	-16,670	-30,961	-32,159
Income from companies consolidated at equity	80	-17	33	-69
Income from operations	**9,674**	**23,456**	**14,207**	**46,672**
Financial income	40	576	77	933
Financial expenses	-784	-274	-1,172	-767
Earnings before income taxes	**8,930**	**23,758**	**13,112**	**46,838**
Taxes on income	-4,251	-6,408	-5,999	-11,939
Net earnings for the period	**4,679**	**17,350**	**7,113**	**34,899**
Earnings per share, diluted/undiluted (€)	**0.05**	**0.20**	**0.08**	**0.40**

Table of other comprehensive income				
Net earnings for the period	**4,679**	**17,350**	**7,113**	**34,899**
Mark-to-market gains and losses*	6,646	-5,943	10,088	-7,865
Foreign currency differences from consolidation	-963	-2,692	-538	-4,007
Income and expenses to be reclassified in future in the profit and loss account	**5,683**	**-8,635**	**9,550**	**-11,872**
Remeasurement of defined benefit plans and similar obligations*	0	0	0	0
Income and expenses not to be reclassified in future in the profit and loss account	**0**	**0**	**0**	**0**
Income and expenses recognised in shareholders' equity	**5,683**	**-8,635**	**9,550**	**-11,872**
Total comprehensive income	**10,362**	**8,715**	**16,663**	**23,027**

* After deferred taxes

Cash flow statement

€ thousands	1st half year	
	2018/19	2017/18
Net earnings for the period	7,113	34,899
Depreciation and amortisation of intangible assets, property, plant and equipment and other investments	19,530	19,239
Other items	889	-463
Gross cash flow	**27,532**	**53,675**
Change in net working capital	-1,489	-14,700
I. Net cash flow from operating activities	**26,043**	**38,975**
Investments in property, plant and equipment and intangible assets	-4,676	-12,410
Cash received on disposal of non-current assets	42	158
II. Cash flow from investing activities	**-4,634**	**-12,252**
Dividends paid	-21,813	-26,175
Increase of current financial receivables	-11,200	0
Receipt of financial liabilities	0	12,467
Repayment of financial liabilities	0	-18,785
III. Cash flow from financing activities	**-33,013**	**-32,493**
Change in cash and cash equivalents (Total of I., II. and III.)	**-11,604**	**-5,770**
Change in cash and cash equivalents due to exchange rate changes	159	-72
Decrease in cash and cash equivalents	**-11,445**	**-5,842**
Cash and cash equivalents at the beginning of the period	36,874	13,999
Cash and cash equivalents at the end of the period	**25,429**	**8,157**

€ thousands	1st half year	
	2018/19	2017/18
Interest expense	124	425
Tax payments	10,269	8,340

Balance sheet

€ thousands	31 August 2018	31 August 2017	Change	28 February 2018
Assets				
Intangible assets	9,099	9,170	-71	9,409
Property, plant and equipment	377,692	404,442	-26,750	392,987
Shares in companies consolidated at equity	1,915	1,888	27	1,882
Receivables and other assets	39	40	-1	40
Deferred tax assets	2,423	2,039	384	2,512
Non-current assets	**391,168**	**417,579**	**-26,411**	**406,830**
Inventories	61,719	61,119	600	66,002
Current financial receivables	11,200	0	11,200	0
Trade receivables and other assets	93,492	98,628	-5,136	75,279
Current tax receivables	6,710	5,916	794	7,308
Cash and cash equivalents	25,429	8,157	17,272	36,874
Current assets	**198,550**	**173,820**	**24,730**	**185,463**
Total assets	**589,718**	**591,399**	**-1,681**	**592,293**

Liabilities and shareholders' equity				
Subscribed capital	87,250	87,250	0	87,250
Capital reserves	197,847	197,847	0	197,847
Other reserves and other comprehensive income	155,421	137,532	17,889	160,581
Shareholders' equity	**440,518**	**422,629**	**17,889**	**445,678**
Provisions for pensions and similar obligations	22,550	23,239	-689	21,667
Other provisions	2,341	2,522	-181	2,486
Non-current financial liabilities	0	0	0	0
Other liabilities	150	269	-119	238
Deferred tax liabilities	25,831	20,268	5,563	22,587
Non-current liabilities	**50,872**	**46,298**	**4,574**	**46,978**
Other provisions	16,371	14,392	1,979	16,799
Current financial liabilities	0	16,966	-16,966	0
Trade payables and other liabilities	74,455	76,768	-2,313	70,656
Current tax liabilities	7,502	14,346	-6,844	12,182
Current liabilities	**98,328**	**122,472**	**-24,144**	**99,637**
Total liabilities and shareholders' equity	**589,718**	**591,399**	**-1,681**	**592,293**

Development of shareholders' equity

€ thousands	Subscribed capital	Capital reserves	Other reserves and other comprehensive income: Other reserves	Cash flow hedges	Cumulative foreign currency differences	Total	Total consolidated shareholders' equity
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**
1 March 2018 (published)	**87,250**	**197,847**	**165,153**	**-3,836**	**-736**	**160,581**	**445,678**
Adjustment of the first-time adoption IFRS 9			**-10**			**-10**	**-10**
1 March 2018	**87,250**	**197,847**	**165,143**	**-3,836**	**-736**	**160,571**	**445,668**
Net earnings for the period			**7,113**			**7,113**	**7,113**
Mark-to-market gains and losses on cash flow hedging instruments*				10,088			
Foreign currency differences from consolidation					-538		
Remeasurement of defined benefit plans and similar obligations*			0				
Income and expenses recognised in shareholders' equity			**0**	**10,088**	**-538**	**9,550**	**9,550**
Total comprehensive income			**7,113**	**10,088**	**-538**	**16,663**	**16,663**
Dividends paid			**-21,813**			**-21,813**	**-21,813**
31 August 2018	**87,250**	**197,847**	**150,443**	**6,252**	**-1,274**	**155,421**	**440,518**

* After deferred taxes

Notes to the interim financial statements

Principles of preparation of the interim consolidated financial statements

The interim financial statements of the CropEnergies Group as of 31 August 2018 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 2018 are presented in a condensed form. The interim consolidated financial statements as of 31 August 2018 have not been reviewed. The executive board of CropEnergies AG prepared these interim financial statements on 1 October 2018.

As shown in the notes to the Annual Report for the 2017/18 financial year in item (1) "Principles of preparation of the consolidated financial statements" on pages 82 to 85, new or amended standards and interpretations were applicable for the first time to the interim reporting.

With effect from 1 March 2018, application of standards IFRS 9 (Financial Instruments) and IFRS 15 (Revenue from Contracts with Customers) became mandatory.

In accordance with the transitional provisions of IFRS 9, aggregate transitional effects were recognised, as of 1 March 2018, in other reserves, which are reflected in the development of shareholders' equity. The new rules for recognising credit risks from receivables depending on their days outstanding gave rise to a small additional impairment requirement of € 10 thousand, which was recognized directly in equity in other reserves as of 1 March 2018.

The new rules contained in IFRS 15 focus on a five-step model for determining the amount and timing of revenue recognition. The first-time application did not give rise to any changes in relation to the amount and timing of revenue recognition.

On 31 August 2018 as on 28 February 2018, a discount rate of 2.36% was used as a basis for major pension plans when calculating the provisions for pensions and similar obligations. On 31 August 2017, the discount rate was based on 2.10%. The biometric calculation basis for German pension plans is based on Heubeck's 2005 G Reference Tables.

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.

In other respects, the same accounting principles as used in the preparation of the consolidated annual financial statements as of 28 February 2018 have been applied. These principles are explained on pages 88 to 93 in the notes to the 2017/18 Annual Report and 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 as a result of voting rights or prevailing circumstances, as a consequence of, among other things, 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% stake 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	
	2018/19	2017/18
Revenues	**393,234**	**459,736**
EBITDA*	**33,704**	**66,522**
EBITDA margin in %	*8.6%*	*14.5%*
Depreciation*	-19,530	-19,239
Operating profit	**14,174**	**47,283**
Operating margin in %	*3.6%*	*10.3%*
Restructuring costs and special items	0	-542
Income from companies consolidated at equity	33	-69
Income from operations	**14,207**	**46,672**
Investments in property, plant and equipment and intangible assets	**4,676**	**12,410**
Employees	**417**	**408**

*Without restructuring costs and special items

EBITDA halved to € 33.7 (66.5) million. With depreciation levels more or less the same as in the previous year, operating profit thus declined significantly to € 14.2 (47.3) million. This gives rise to an operating margin of 3.6% (10.3%). Income from operations reached € 14.2 (46.7) million.

The capital expenditures amounting to € 4.7 (12.4) million were mainly attributable to property, plant and equipment. Of the total, € 1.8 million was invested at CropEnergies Bioethanol GmbH, € 1.6 million at Ensus UK Ltd and € 1.0 million at BioWanze SA.

As of the end of the first six months of the 2018/19 financial year, the number of employees (full-time equivalents) stood at 417 (408). Of this figure, 46 were employed at CropEnergies AG, 115 at CropEnergies Bioethanol GmbH, 118 at BioWanze SA, 46 at Ryssen Alcools SAS, 85 at Ensus UK Ltd and 7 at Ryssen Chile SpA.

Earnings per share

The net earnings of € 7.1 million in the 1st half of 2018/19 are fully given 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 2018/19 of € 0.08 (0.40); there is no dilution of earnings per share.

Inventories

€ thousands	31 August	
	2018	2017
Raw materials and supplies	23,174	19,002
Work in progress	4,303	4,093
Finished goods and merchandise	34,242	38,024
	61,719	**61,119**

Inventory value increased only marginally by € 0.6 million to € 61.7 million.

Trade receivables and other assets

€ thousands	31 August	
	2018	2017
Trade receivables	53,159	50,234
Receivables from affiliated companies	13,168	7,925
Other assets	27,165	40,469
	93,492	**98,628**

Trade receivables and receivables from affiliated companies increased by € 8.2 million to € 66.3 million.

Other assets, amounting to € 27.2 (40.5) million, mainly consist of VAT receivables of € 8.7 (9.7) million, positive mark-to-market values of derivative hedging instruments of € 6.9 (0.0) million, receivables from advance payments of € 5.3 (8.0) million and receivables in the form of ring-fenced assets for hedging operations of € 2.6 (19.0) million.

Shareholders' equity

Shareholders' equity rose to € 440.5 (422.6) million. The other reserves and other comprehensive income 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 – considering deferred taxes – of wheat and currency derivatives including accruals amounting to € 10.1 (-7.9) million.

Trade payables and other liabilities

€ thousands	31 August	
	2018	2017
Trade payables	40,672	35,701
Payables to affiliated companies	11,434	14,654
Other liabilities	22,349	26,413
	74,455	**76,768**

Trade payables and payables to affiliated companies increased by € 1.8 million to € 52.1 million.

Other liabilities, amounting to € 22.3 (26.4) million, mainly comprise liabilities in respect of other taxes amounting to € 8.4 (10.0) million, liabilities in respect of personnel expenses of € 6.3 (5.5) million and liabilities in the form of negative mark-to-market values of derivative hedging instruments of € 0.2 (9.9) million.

Financial receivables / financial liabilities

€ thousands	31 August	
	2018	2017
Liabilities to banks	0	-16,961
Liabilities from finance leasing	0	-5
Financial liabilities	**0**	**-16,966**
Receivables from affiliated companies	11,200	0
Cash and cash equivalents	25,429	8,157
Net financial assets (+) / net financial debt (-)	**36,629**	**-8,809**

As of 31 August 2018, there were **net financial assets** of € 36.6 million (as of 31 August 2017: **net financial debt** of € 8.8 million). The net financial assets consisted of cash and cash equivalents of € 25.4 million and current financial receivables of € 11.2 million. The net financial position does not include any non-current 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 are 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.

The fair values of the financial instruments were measured on the basis of the market information available on the reporting date and the methods and assumptions set out below:

Owing to their short maturities, it is assumed in the case of trade receivables, financial receivables, other receivables and cash items that fair values 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 2017/18 financial year in item (28) “Additional disclosures on financial instruments” on pages 118 to 121.

€ thousands	Fair value hierarchy							
	31 August 2018	Level 1	Level 2	Level 3	31 August 2017	Level 1	Level 2	Level 3
Positive market values – Cash flow hedge derivatives	6,869	6,865	4	0	0	0	0	0
Positive market values – Derivatives held for trading	0	0	0	0	10	10	0	0
Financial assets	**6,869**	**6,865**	**4**	**0**	**10**	**10**	**0**	**0**
Negative market values – Cash flow hedge derivatives	84	0	84	0	9,575	9,386	189	0
Negative market values – Derivatives held for trading	103	102	1	0	365	361	4	0
Financial liabilities	**187**	**102**	**85**	**0**	**9,940**	**9,747**	**193**	**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 2018/19 financial year involved supplies, especially raw materials and energy, by Südzucker AG amounting to € 6.1 (19.9) million. In addition, services worth € 1.7 (1.8) million, other services worth € 0.5 (0.5) million as well as research and development work worth € 0.7 (0.6) million were provided.

Set against this, the CropEnergies Group received € 1.4 (0.7) million from Südzucker AG for supplies of goods. Moreover, the CropEnergies Group received compensation payments of € 0.1 (0.2) million and service revenues of € 0.2 (0.0) million. The CropEnergies Group incurred net interest expense of € 0.1 (0.4) million on intercompany lendings and borrowings.

As of 31 August 2018, there were receivables of € 0.3 (0.3) million outstanding from Südzucker AG and liabilities of € 1.8 (4.4) million outstanding to Südzucker AG in respect of the aforesaid related party transactions. Current financial receivables from Südzucker AG amounted to € 11.2 (0.0) million.

Affiliated companies of Südzucker AG
The transactions with the affiliated companies of Südzucker AG in the 1st half of the 2018/19 financial year involved supplies, especially raw materials and traded commodities, amounting to € 25.2 (31.4) million. In addition, services worth € 0.4 (0.4) million were provided.

Set against this, the CropEnergies Group received € 44.0 (31.0) million from the affiliated companies of Südzucker AG for supplies of goods. Moreover, the CropEnergies Group received compensation payments of € 0.1 (0.2) million and service revenues of € 0.3 (0.2) million.

As of 31 August 2018, there were receivables of € 12.9 (7.6) million outstanding from the affiliated companies of Südzucker AG and liabilities of € 9.6 (10.3) million outstanding to the affiliated companies of Südzucker AG in respect of the aforesaid related party transactions.

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 € 1.0 (0.9) million in the 1st half of 2018/19.

There were no transactions with Süddeutsche Zuckerrüben-Verwertungs-Genossenschaft eG (SZVG) in the 1st half of the 2018/19 financial year.

Report on events after the balance sheet date
Since 31 August 2018, 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, 1 October 2018

CropEnergies AG

The Executive Board

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

Financial calendar

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