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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 60 to 68 of the 2019/20 Annual Report provides an overview of the risks. We do not accept any obligation to update the forward-looking statements made in this statement.



Financial Year 2020/21

QUARTERLY STATEMENT

1st Quarter

1 March to 31 May 2020

Mannheim, 8 July 2020



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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 1st quarter relates to the period from 1 March to 31 May.

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 Quarter 2020/21

- Revenues decline to € 170.7 (202.7) million € -32 million
- EBITDA declines to € 18.2 (25.8) million € -8 million
- Operating profit reaches € 8.1 (15.2) million € -7 million
- Net earnings in the 1st quarter reach € 7.9 (10.6) million € -3 million
- Ethanol production stable at the previous year's level of 208,000 (208,000) m³
- Net financial assets increase to € 130 million (as of 29 February 2020: € 107 million)

Outlook for the 2020/21 financial year

- CropEnergies continues to expect revenues and operating profit to decline significantly in the 2020/21 financial year as a result of the corona pandemic.

Main events

Operating environment

Current framework in the EU

In the EU, the "Renewable Energy 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 be 10% in 2020. This includes renewable fuels from arable crops, which can account for up to 7%, as well as fuels from wastes and residues, and renewable electricity used in rail and road transport. In addition, renewable fuels contribute to reducing greenhouse gas emissions associated with fuel consumption. Reductions of 6 wt.-% compared with the base value of 94.1 g CO_{2eq}/MJ are to be achieved in 2020. Based on a litre of petrol, this is equivalent to around 3 kg CO_{2eq}, whereas it is only 0.5 kg CO_{2eq}/litre, on average, for ethanol from sustainable European production.

"Renewable Energy Directive" after 2020

With regard to the period after 2020, the recast "Renewable Energy Directive" provides for the proportion of renewable energies in the transport sector to increase to at least 14% in the year 2030. The contribution of renewable fuels from arable crops should be able to remain up to one percentage point above the level reached in 2020. 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. Sustainably produced renewable fuels will therefore continue to be fundamental to more climate protection in the transport sector.

“Climate Protection Regulation”

By means of the “Climate Protection Regulation”, the EU is seeking to lower greenhouse gas emissions in those sectors not covered by EU emissions trading by 30% by the year 2030. This “non-ETS area” includes not only buildings, agriculture, waste management and smaller industrial installations, but also transport, in particular. National reduction targets have been defined owing to regional differences within the EU. Emissions in Germany, for example, are to be reduced by 38% by the year 2030.

In order to achieve the target, effective measures for limiting emissions at national level have to be implemented. In Germany, climate protection targets are enshrined in law in the *Klimaschutzgesetz* (Climate Protection Act – KSG). A reduction in greenhouse gas emissions to no more than 95 million tonnes CO_{2eq} by 2030 is planned for the transport sector. This is equivalent to a reduction of more than 60 million tonnes or around 40% compared with 2019. A national emissions trading system for pricing CO₂ emissions of fossil fuels is to contribute to reducing greenhouse gas emissions from 2021 onwards. In May 2020, the federal government decided that the CO₂ price in 2021 should start at € 25/tonne instead of the € 10/tonne that had previously been decided. The federal government and the federal states had agreed on this in December 2019. The German ethanol industry welcomes the pricing of fossil CO₂ emissions and, as an accompanying measure, proposes raising the greenhouse gas reduction quota for fuels gradually from 6 wt.-% in 2020 to 16 wt.-% by 2030. This would ensure that greater use is made of less carbon-intensive fuels and that the fuel sector thereby also makes its contribution to achieving the 2030 climate targets.

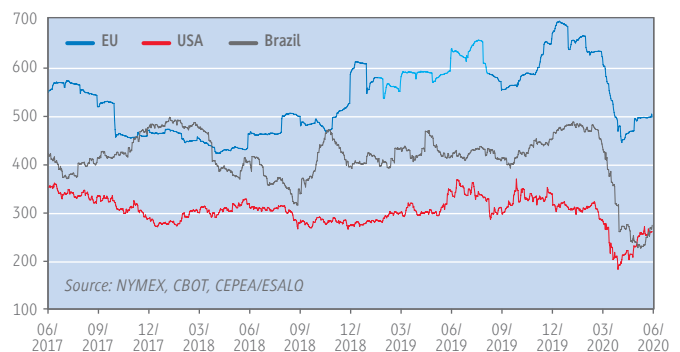
Ethanol markets

The development of international ethanol markets in the 1st quarter of 2020/21 was shaped by considerable market distortions in the wake of the corona pandemic. To contain the coronavirus,

governments across the world adopted extensive mobility restrictions, which had a massive impact on fuel demand.

In the **USA**, the one-month futures contract for ethanol on the Chicago Board of Trade (CBOT) fell from the equivalent of around € 300/m³ at the beginning of March to below € 200/m³ on 1 April 2020. The listing recovered in the course of the quarter and stood at around € 275/m³ at the end of May. The massive decline in price meant that numerous capacities were not fully utilised or were even closed down. At the same time, ethanol stocks in the USA rose significantly, with a new all-time high of 4.4 million m³ being reached in mid-April 2020. Overall, production is expected to fall to 53.7 (61.3) million m³ and domestic consumption to 48.7 (56.5) million m³ in 2020. Exports, at an expected 6.3 (6.4) million m³, will remain at the previous year’s level.

International ethanol prices (€/m³)



In **Brazil**, the ethanol price stood at the equivalent of around € 450/m³ at the beginning of March. In the course of March, the price fell to a low of around € 240/m³. Only a slight recovery in ethanol prices to the equivalent of around € 280/m³ was observable by the end of May. Sugar cane processing is expected to be significantly adjusted in favour of sugar in the 2020/21 sugar year. Brazilian ethanol production is therefore expected to be only about 30 (35.6) million m³ and domestic consumption

tion is expected to decline to 29.9 (34.9) million m³. Stocks also increased significantly in Brazil. In mid-April, at the beginning of the new sugar year, the highest level to date for this time of the year was recorded, at 2.3 (1.2) million m³ of ethanol.

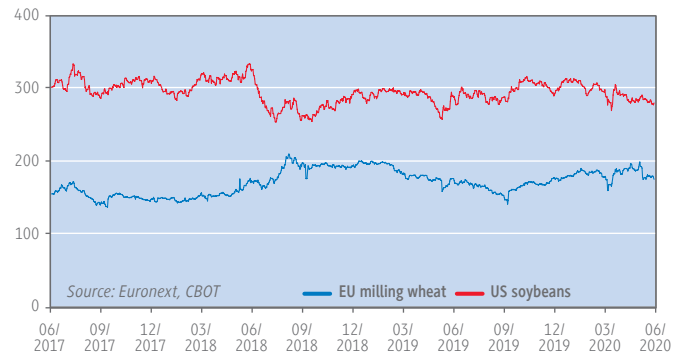
Ethanol prices in **Europe** also declined significantly from around € 630/m³ to around € 505/m³ at the end of the 1st quarter. Spot prices even fell to € 350/m³ in the short term. The reduced demand also resulted in an adjustment of the capacity utilisation of ethanol plants in Europe. Accordingly, production in the EU-27 is expected to decline to 6.7 (7.0) million m³ and domestic consumption to 6.8 (7.3) million m³ in 2020. The decline is expected to affect fuel ethanol primarily, while ethanol for industrial purposes is expected to show a significant increase. This is due to the increased demand for ethanol as a raw material for disinfectants. Imports, at 1.2 (1.2) million m³, are expected to be at the same level as in the previous year. Production in the United Kingdom is expected to be about the same, at 0.5 (0.5) million m³. Consumption is expected to be around 1.0 (1.1) million m³.

Grain and protein markets

According to the International Grain Council (IGC), world grain production (excluding rice) is expected to continue to increase to 2,230 (2,177) million tonnes in 2020/21. Given anticipated grain consumption of 2,218 (2,182) million tonnes, an increase in stocks to 627 (614) million tonnes is expected. The European Commission expects the grain harvest in the EU to fall slightly to 287 (294) million tonnes in 2020/21. Consumption is expected to remain unchanged at 261 (261) million tonnes. European wheat

prices on the Euronext in Paris ranged between € 170/tonne and € 206/tonne in the 1st quarter of 2020/21, the high volatility being triggered by uncertainties about the impact of the corona pandemic. Additionally, there was speculation about dry weather conditions in March and April and associated delays in growing. Amid the high volatility, grain prices on average were only slightly above the level achieved in the same quarter in the previous year.

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 2020/21 is expected to increase significantly and, at 363 (336) million tonnes, achieve a new record. Consumption, however, is also expected to continue to rise at the

same time and likewise stand at 363 (354) million tonnes. Stocks, at 42 (41) million tonnes, are expected to be at roughly the same level as in the previous year. The one-month soybean futures contract on the CBOT remained below US\$ 9/bushel* in the course of the 1st quarter of 2020/21 in view of the good harvest prospects and continuing tensions between the USA and the People's Republic of China. The soybean price ranged between the equivalent of around € 270/tonne and € 295/tonne. The rapeseed harvest in the EU, at 16 (15) million tonnes, is expected to remain at the previous year's low level. Due to high demand, prices for rapeseed meal rose to more than € 275/tonne at times in the course of the 1st quarter of 2020/21. By the end of May, they had declined again to around € 210/tonne.

Business development

Production of ethanol and food and animal feed products

In its modern biorefineries in Belgium, Germany, France and the United Kingdom, CropEnergies produces renewable ethanol and protein-rich food and animal feed products. Ethanol production stood at 208,000 (208,000) m³ in the first three months of the 2020/21 financial year. Despite the delay in restarting after the scheduled maintenance shutdown in Wanze due to lockdown restrictions in Belgium, CropEnergies kept production volumes at the previous year's level. Production of food and animal feed products also remained at the previous year's level. There was a significant increase in the production of neutral alcohol at Zeitz and Loon-Plage.

Revenues and net earnings

€ thousands	1 st quarter	
	2020/21	2019/20
Revenues	170,655	202,735
EBITDA*	18,211	25,818
<i>EBITDA margin in %</i>	<i>10.7%</i>	<i>12.7%</i>
Depreciation*	-10,095	-10,656
Operating profit	8,116	15,162
<i>Operating margin in %</i>	<i>4.8%</i>	<i>7.5%</i>
Restructuring costs and special items	0	0
Income from companies consolidated at equity	93	-68
Income from operations	8,209	15,094
Financial result	2,331	-116
Earnings before income taxes	10,540	14,978
Taxes on income	-2,635	-4,344
Net earnings for the period	7,905	10,634
Earnings per share, diluted / undiluted (€)	0.09	0.12

* Without restructuring costs and special items

Revenues declined to € 170.7 (202.7) million. This was caused by a decline in ethanol sales owing to reduced trade volumes and by lower sales prices for both fuel ethanol and food and animal

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

feed products. Despite lower raw material costs, the reduced sales volume, in particular, resulted in EBITDA declining to € 18.2 (25.8) million.

Allowing for slightly reduced depreciation, operating profit reached € 8.1 (15.2) million. Based on revenues, this gives rise to an operating margin of 10.7% (12.7%). Since, as in the previous year, there were no special items, income from operations, at € 8.2 (15.1) million, is virtually the same as operating profit.

The financial result of € 2.3 (-0.1) million was aided by unrealised currency effects, giving rise to earnings before income taxes of € 10.5 (15.0) million. After taxes, net earnings of € 7.9 (10.6) million were achieved in the 1st quarter of 2020/21. Based on 87.25 million no-par-value shares, this corresponds to earnings per share of € 0.09 (0.12).

Statement of changes in financial position

€ thousands	1 st quarter	
	2020/21	2019/20
Gross cash flow	15,533	20,789
Change in net working capital	18,496	-5,977
Net cash flow from operating activities	34,029	14,812
Investments in property, plant and equipment and intangible assets	-10,068	-4,549
Cash received/paid on disposal of non-current assets	39	-3
Payment into current financial investments	-16,896	0
Cash flow from investing activities	-26,925	-4,552
Cash flow from financing activities	-906	4,525
Change in cash and cash equivalents due to exchange rate changes	-146	265
Increase in cash and cash equivalents	6,052	15,050

As a result of the reduction in EBITDA, gross cash flow also declined to € 15.5 (20.8) million. Including the change in net working capital, net cash flow from operating activities in the 1st quarter of 2020/21 amounted to € 34.0 (14.8) million.

Cash outflow from investing activities rose to € 26.9 (4.6) million. Thereof € 10.1 (4.6) million were attributable to investments in property, plant and equipment. The investments were used, in particular, to expand and improve the production plants. In addition, an amount of € 16.9 (0) million was invested in short-term cash investments.

After payments for lease liabilities of € 0.9 (1.0) million, this gave rise to a net cash flow from financing activities of € 0.9 million in the 1st quarter of 2020/21 (previous year: cash inflow of € 4.5 million).

Assets and liabilities

As of 31 May 2020, a discount rate of 1.85% was used as a basis for major pension plans when calculating the provisions for pensions and similar obligations. As of 29 February 2020 and 31 May 2019 respectively, the discount rate was 1.16% and 1.90%.

Net financial assets increased significantly to € 130.2 (36.5) million, which include current financial receivables from Südzucker AG amounting to € 105.4 million.

The green certificates allocated by the government on the basis of the actual energy produced from renewable raw materials at the BioWanze site are recognised as a reduction of cost of materials in the amount of their sales proceeds. The corresponding sales proceeds of the green certificates amounted to € 2.0 (5.7) million in the reporting period.

Balance sheet

€ thousands	31 May 2020	31 May 2019	Change	29 February 2020
Assets				
Intangible assets	8,181	8,709	-528	8,317
Property, plant and equipment	367,133	371,792	-4,659	369,299
Shares in companies consolidated at equity	2,361	2,003	358	2,268
Receivables and other assets	44	39	5	44
Deferred tax assets	5,039	3,084	1,955	4,728
Non-current assets	382,758	385,627	-2,869	384,656
Inventories	71,039	72,719	-1,680	66,558
Current financial receivables	105,400	29,500	75,900	88,500
Trade receivables and other assets	94,517	98,943	-4,426	94,564
Current tax receivables	7,719	7,644	75	6,999
Securities	14,989	0	14,989	14,992
Cash and cash equivalents	19,411	17,863	1,548	13,359
Current assets	313,075	226,669	86,406	284,972
Total assets	695,833	612,296	83,537	669,628
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	237,794	166,883	70,911	217,784
shareholders' equity	522,891	451,980	70,911	502,881
Provisions for pensions and similar obligations	29,015	27,070	1,945	35,003
Other provisions	3,419	2,433	986	3,385
Non-current financial liabilities	6,553	6,775	-222	6,326
Other liabilities	0	64	-64	0
Non-current tax liabilities	1,956	0	1,956	1,957
Deferred tax liabilities	24,389	19,372	5,017	18,823
Non-current liabilities	65,332	55,714	9,618	65,494
Other provisions	6,346	6,205	141	11,049
Current financial liabilities	3,057	4,087	-1,030	3,216
Trade payables and other liabilities	89,214	85,321	3,893	77,599
Current tax liabilities	8,993	8,989	4	9,389
Current liabilities	107,610	104,602	3,008	101,253
Total liabilities and shareholders' equity	695,833	612,296	83,537	669,628
Net financial assets	130,190	36,501	93,689	107,309
Equity ratio	75.1%	73.8%		75.1%

Income statement

€ thousands	1 st quarter	
	2020/21	2019/20
Revenues	170,655	202,735
Change in work in progress and finished goods inventories and internal costs capitalised	-1,074	-4,885
Other operating income	4,427	1,063
Cost of materials	-131,270	-151,588
Personnel expenses	-10,044	-9,058
Depreciation	-10,095	-10,656
Other operating expenses	-14,483	-12,449
Income from companies consolidated at equity	93	-68
Income from operations	8,209	15,094
Financial income	2,680	278
Financial expenses	-349	-394
Earnings before income taxes	10,540	14,978
Taxes on income	-2,635	-4,344
Net earnings for the period	7,905	10,634
Earnings per share, diluted / undiluted (€)	0.09	0.12

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 60 to 68 of the Annual Report for the 2019/20 financial year. Allowing for the previously explained developments at regulatory level, the disclosures provided there are still valid.

Outlook

CropEnergies' start to the 2020/21 financial year has been better than expected. Despite corona-related distortions in fuel demand due to mobility restrictions and a temporarily significant decline in energy prices, CropEnergies achieved a very positive operating profit in the 1st quarter, significantly increasing the production of ethanol suitable for disinfectants.

After achieving a record result in the previous financial year, CropEnergies continues to expect a significant decline in revenues and operating profit for the 2020/21 financial year as a whole due to the corona pandemic. CropEnergies expects to see an improvement in the 2nd quarter compared with the 1st, as the operating and mobility restrictions mandated since mid-March 2020 have been eased in more and more countries in the past few weeks. This should go hand in hand with an increase in fuel demand, in general, and the demand for renewable, low-carbon energy, in particular. Climate protection will also remain a sociopolitical challenge in the medium term.

Due to the uncertainty about the further course of the corona pandemic and its impact on all areas of life, the earnings forecast for the 2020/21 financial year will be specified in more detail over the course of the financial year.

Financial calendar

■ Annual General Meeting 2020 (virtual)	14 July 2020
■ Report for the 1 st half of 2020/21	7 October 2020
■ Statement for the 1 st to 3 rd quarter of 2020/21	13 January 2021
■ Annual press and analysts' conference for the 2020/21 financial year	19 May 2021
■ Statement for the 1 st quarter of 2021/22	7 July 2021
■ Annual General Meeting 2021	13 July 2021