Pioneering
green solutions

Annual Report
2023/2024

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* The contents marked with an asterisk have been subject to a limited assurance audit.

Group key figures

[in EUR millions]

Results of operations	1. HY 2023/2024	2. HY 2023/2024	2023/2024	1. HY 2022/2023	2. HY 2022/2023	2022/2023
Revenue	908.9	749.1	1,658.0	1,077.7	890.6	1,968.3
EBITDA	74.9	46.7	121.6	170.3	70.0	240.3
EBITDA margin (%)	8.2	6.2	7.3	15.8	7.9	12.2
EBIT	50.3	19.3	69.6	151.1	47.6	198.7
Net result for the period	22.6	−2.5	20.1	102.1	30.1	132.2
Basic earnings per share (EUR)	0.36	−0.04	0.31	1.61	0.47	2.08
Diluted earnings per share (EUR)	0.35	−0.04	0.31	1.60	0.48	2.08

Operational statistics	1. HY 2023/2024	2. HY 2023/2024	2023/2024	1. HY 2022/2023	2. HY 2022/2023	2022/2023
Production (tonnes)	570,701	587,989	1,158,690	445,776	482,346	928,122
Production (MWh)	519,132	581,052	1,100,184	522,128	555,925	1,078,053
Utilisation Biodiesel/Bioethanol (%) [1]	75.6	77.9	76.7	92.9	92.4	92.6
Utilisation Biomethane (%) [1]	52.4	58.7	55.6	80.3	85.5	82.9
Investments in property, plant and equipment	98.9	80.6	179.5	94.9	156.3	251.2
Number of employees [2]	1,376	1,395	1,395	1,131	1,180	1,180

Continued on next page

[1] For the financial year 2023/2024 the annual production capacity of the production plants is as follows: biodiesel: 710 thousand tonnes; bioethanol: 800 thousand tonnes; biomethane: 1,980 GWh. The capacity increase of 458 thousand tonnes compared to the previous year in the bioethanol segment is primarily a result of the acquisition of the South Bend plant in May 2023 and the growth project in Nevada.
[2] At the balance sheet date.

Net asset position	**31.12.2023**	**30.06.2024**		**31.12.2022**	**30.06.2023**	
Net debt	13.6	32.9		–177.5	–57.4	
Equity	929.0	928.2		881.6	911.8	
Equity ratio (%)	69.3	67.4		74.0	70.3	
Balance sheet total	1,340.9	1,377.8		1,191.5	1,297.2	

Financial position	**1. HY 2023/2024**	**2. HY 2023/2024**	**2023/2024**	**1. HY 2022/2023**	**2. HY 2022/2023**	**2022/2023**
Operating cash flow	53.4	63.4	116.8	–80.7	106.8	26.1
Operating cash flow per share (EUR)	0.84	1.01	1.83	–1.27	1.70	0.41
Cash and cash equivalents [1]	142.5	132.6	132.6	207.5	219.4	219.4

[1] At the balance sheet date, includes amounts held in segregated accounts.

Segment key figures

[in EUR millions]

Biodiesel	1. HY 2023/2024	2. HY 2023/2024	2023/2024	1. HY 2022/2023	2. HY 2022/2023	2022/2023
Revenue	572.9	414.6	987.5	792.8	574.6	1,367.4
EBITDA	74.2	39.9	114.1	138.5	14.2	152.7
EBIT	68.5	34.3	102.8	133.4	8.6	142.0
Production (tonnes)	321,844	315,439	637,283	303,093	307,416	610,509
Utilisation (%) [1]	90.7	95.6	89.8	91.8	93.2	92.5
Number of employees [2]	221	240	240	211	215	215

Bioethanol/Biomethane	1. HY 2023/2024	2. HY 2023/2024	2023/2024	1. HY 2022/2023	2. HY 2022/2023	2022/2023
Revenue	328.5	328.0	656.5	276.1	314.4	590.5
EBITDA	−2.2	4.7	2.5	30.6	53.7	84.3
EBIT	−18.9	−14.8	−33.7	17.8	38.6	56.4
Production (tonnes)	248,857	272,550	521,407	142,683	174,930	317,613
Production (MWh)	519,132	581,052	1,100,184	522,128	555,925	1,078,053
Utilisation Bioethanol (%) [1]	62.2	68.1	65.2	95.1	102.3	92.9
Utilisation Biomethane (%) [1]	52.4	58.7	55.6	80.3	85.5	82.9
Number of employees [2]	700	669	669	559	632	632

Other	1. HY 2023/2024	2. HY 2023/2024	2023/2024	1. HY 2022/2023	2. HY 2022/2023	2022/2023
Revenue	15.1	16.5	31.6	14.5	12.1	26.6
EBITDA	2.9	2.2	5.1	1.3	2.0	3.3

[1] For the financial year 2022/2023 the annual production capacity of the production plants was as follows:
biodiesel: 660 thousand tonnes; bioethanol: 342 thousand tonnes (SBE included on a proportionate basis for the fourth quarter of 2022/2023); biomethane: 1,300 GWh.
[2] At the balance sheet date.

Letter to our shareholders

Dear shareholders,

The 2023/2024 financial year, like the previous financial year, was again characterised by challenges that continued for a longer period than had been expected. The Group's results were again particularly affected by market disruptions caused by imports of biodiesel from China. There are counterfeiters at work in the market who have been wrongly labelling their biodiesel as particularly low-emission. As early as the start of 2023 we raised the issue of the consequences of such imports for the European biofuels market, and demanded action from politicians to ensure fair competition. This has been a very problematic development for European producers: Some of our competitors have had to stop their production and their trading activities; projects with large oil producers were stopped, as were new investments in low-CO_2 fuels – developments that could for us, as a leading player, be positive in the medium term.

We have clearly demonstrated that our competitiveness is already strong, since Verbio's existing plants have been operating at full capacity utilisation at all times despite these significant market disruptions. Furthermore, after we had to amend our forecast for the financial year 2023/2024 in January 2024 providing amended EBITDA guidance in a range of EUR 120 million to EUR 150 million (previous guidance in a range of EUR 200 million to EUR 250 million) due to the continued difficult market conditions, we generated a strong result in the context of the sector with an EBITDA of EUR 121.6 million.

In addition to the impacts of the European market, the start-up costs of our growth projects in the USA have been a burden on earnings in the financial year just ended. However, the earnings generated from production at the German plants and the record production at the biodiesel plant in Canada enabled us to more than offset these costs.

We were able to significantly increase our operating cash flows to EUR 116.8 million, thanks to lower levels of cash tied up in inventories and reduced tax payments. As expected, net financial debt of EUR 32.9 million was higher than in the previous year due to the lower earnings and to the investments made in our growth projects, but nevertheless it remained below the most recent forecast level. The equity ratio remained at a high level.

In the 2023/2024 financial year we have once again demonstrated the strength and sustainability of our business model. Even under difficult conditions, our technology enables us to achieve relatively attractive margins.

After the commissioning of the plant in Nevada took longer than planned, I am pleased to report that the bioethanol line has now successfully started production. The biorefinery is the first industrial-scale biomethane and bioethanol co-production plant in North America, and in future this will enable us to generate significant competitive advantages.

Claus Sauter
Chairman of the Management Board

We have learned from the initial difficulties in Nevada. A new team, a new technology and new products for the US market presented us with new challenges. However, as always in our history, these experiences help us with our growth plans, especially in South Bend, by immediately applying the lessons learned.

In addition, Verbio North America has been able to obtain an investment grant of approximately 30 percent of the cost of the investments made in the biomethane plant in Nevada. The grant was awarded under the Inflation Reduction Act (IRA). The IRA is being used to promote renewable energy in the USA. This example is an excellent illustration of how governments can provide liquidity for growth and innovation without bureaucracy.

We use this liquidity to drive forward the modernisation and expansion of the ethanol plant in South Bend, Indiana in order to establish it as a Verbio biorefinery. We celebrated the ground-breaking ceremony for this in May 2024.

In Germany, too, we were able to celebrate the commencement of construction for our ethenolysis plant to manufacture bio-based speciality chemicals, for which we have also been awarded an investment grant of up to EUR 15.0 million by the State of Saxony-Anhalt to contribute to the investment costs. With this development we are tapping into a new market segment within the chemical industry, and diversifying our products and markets beyond the biofuel market. In addition, a protein demonstration plant was commissioned in the financial year 2023/2024. We will use this to show how the added value of bioethanol production can be expanded to include other products. In the past financial year we have also established a trading unit based in Geneva in order to better map the global flow of goods, anticipate them more quickly, and trade more proactively.

In view of these developments, in November 2023 we took the logical step of converting VERBIO Vereinigte BioEnergie AG into a European Company (Societas Europaea, SE): Verbio SE. The Management Board views this as the appropriate legal form for the Company in view of its size and internationalisation.

This shows that our growth strategy continues to be based on internationalisation and product diversification. Both of these drivers are, and will remain, key factors for our competitiveness.

Incidentally, I am also observing a clear trend towards more honesty in sustainability issues. Renowned companies have toned down their sustainability targets; the lack of availability of competitive green technologies and the increasingly stringent reporting requirements leave them with no other choice. It is not enough to have ambitious targets. For this reason, more decisive political action is needed. There is an urgent need to create framework conditions that support sustainable products and business models, and not to rule out pragmatic solutions. The example of technology openness for combustion engines gives hope; the EU recently announced exemptions for e-fuels, which is an important step towards a balanced and realistic climate policy.

At Verbio we combine sustainability and profitability, and we extend this to our customers. There is a growing need for affordable, sustainable solutions, particularly in the chemical industry. Our products reduce CO_2 emissions and increase both resource and cost efficiency.

Our aspiration to combine sustainability with economic success is the basis for long-term growth and success in climate protection.

Our Return on Capital Employed (ROCE) over the past five years has averaged approximately 28 percent. Accordingly, we invest our capital efficiently and generate a high return for our investors. ROCE in Europe in the financial year 2023/2024 remained in double digits – an impressive performance in view of the difficult market conditions. We have not included our non-European activities in this figure, as these high investments have not yet been offset by the corresponding income. These investments are of strategic importance for our long-term growth, and we expect that they will deliver strong earnings after the ramp-up and integration phase.

We have increased the CO_2 savings potential of our products significantly with an increase of 1.0 million tonnes to 4.4 million tonnes. We have made considerable progress by expanding our capacities, increasing the sales volumes of our products and improving our raw material efficiency. Our innovation efforts should continue to increase resource efficiency and reduce the CO_2 emissions of our products.

In this way, we also show with hard facts that we are on the right track in terms of our profitability, carbon handprint and innovative strength.

However, sustainability does not only consist of economic success and climate protection; it also involves compliance with laws and social responsibility. We see it as our duty to identify unfair trading practices that undermine sustainability goals, and to demand remedial action.

Producers from China are torpedoing climate protection by ignoring sustainability requirements and bringing allegedly waste-based biodiesel products or fraudulent Upstream Emission Reduction (UER) volumes to the market at low prices. This is damaging for producers in Germany and Europe. In addition, supposed CO_2 savings are not being achieved because of the use of falsely declared and ultimately unsustainable products. This is causing massive damage to the GHG quotas market. Such economically and ecologically absurd and unfair trade affects not only our sector, but all green industries and producers.

We have spoken out publicly about this from the outset, and pointed out the problem. This was, and still is, a laborious process. However, there have been initial changes; we welcome the preliminary results of the

European anti-dumping proceedings, which are intended to combat unfair competition from imports of products that are deceptively packaged as green. The German government also finally had to react after television reports on UER projects in China. Empty chicken coops in western China were being counted as supposed environmental protection projects in Germany and credited with millions of tonnes of CO_2 savings on greenhouse gas quotas in transport – but these CO_2 savings never took place. As a consequence, UER projects will no longer be counted towards the GHG quota from 2025 onwards. Nevertheless, there is still a pressing need for controls and sanctions to be used outside Europe. It is not right that European manufacturers are more tightly controlled and measured against different standards.

In particular, we regret that our share price, and with it your investment, has fallen in value as a result of the unfair market conditions.

Our team accepts these challenges, is committed to fair market conditions, and has already proven that it can perform even under difficult conditions. I would like to thank our employees and my dedicated colleagues on the Management Board, whose experience, commitment and dedication are crucial to our success.

The recovery of the market for greenhouse gas quotas is clear in its direction. Developments in recent months have shown that quota prices must rise in order for investments in more climate protection in the transport sector to be worthwhile. Nevertheless, it is not possible to precisely predict the timing of developments, which means that we have to plan more cautiously and on a more conservative basis. The situation also shows that we are well prepared. Our flexible, robust business model is the basis of our future success, also in uncertain times. We will also closely monitor our costs and liquidity in order to remain efficient and competitive.

Earnings in the USA, which are expected to make a positive contribution to EBITDA for the first time since entering the market, will have a decisive effect on the Group's earnings in the financial year 2024/2025. In Europe, the development of GHG quota prices in particular plays a role, together with the development of GHG quota prices and the prices of raw materials. In the first half of the financial year 2023/2024 Verbio was still able to benefit from contractually fixed, attractive prices, meaning that the starting point for comparison is at a relatively high level.

Based on expected prices for sales of our products, raw material and energy price levels, the planned production capacity usage as well as the prevailing current uncertainties, the Management Board expects to achieve an EBITDA for the financial year 2024/2025 in the range of EUR 120 million to EUR 160 million. Net debt is expected to increase to a maximum of EUR 190 million at the end of the financial year as a result of the investments planned in expanding production capacities in Europe and North America as well as in VerbioChem, the Group's high-potential growth business.

Accordingly, we are looking forward to the new year with cautious optimism.

In doing so, we continue to give priority to our financial stability. For this reason we propose the payment of an unchanged dividend of 20 cents per share. At the same time, we plan investments on a measured basis in order to take timing uncertainties into account, and to be able to continue to exploit strategic growth opportunities.

Dear shareholders, we can look back over a challenging financial year 2023/2024, but also a successful one. Thanks to your support and trust, we have been able to make significant progress and achieve important milestones despite difficult market conditions. Your continued commitment will enable us to pursue our strategic goals and achieve sustainable growth. We are proud of what we have achieved together, and we look forward to the future with optimism.

Yours, Claus Sauter

Chairman of the Management Board

Report from the Supervisory Board

Dear shareholders,

For the past financial year Verbio SE reports revenues of EUR 1,658.0 million, EBITDA of EUR 121.6 million and a net profit of EUR 20.1 million. The unexpected continued pressure on ethanol and GHG quota prices and the allegedly misdeclared biodiesel imports from Asia prompted the Management Board to make a downward revision of its original forecast for the financial year on January 15, 2024. Nevertheless, it should be noted that despite the adverse market conditions it was still possible to generate a strong result in the context of the sector as a whole. Verbio has a good credit standing, and in view of the Group's continued solid key financial figures the Management and Supervisory Boards again recommend the payment of a dividend for the financial year 2023/2024 of EUR 0.20 per qualifying share.

Verbio SE is successfully continuing its growth course and its path to becoming an international technology company. A key achievement in this financial year was the continued diversification of the product portfolio, accompanied by the development of new sales markets and an even more robust positioning for long-term growth. The investments in the growth projects in the USA and Germany represent a substantial expansion of the Group's production capacity for biofuels, and the construction of the first ethenolysis plant in the world once again underlines Verbio's strength in innovation.

With its investments, Verbio SE will again drive forward its dynamic growth and internationalisation strategy in the new financial year by expanding its production capacity for advanced biofuels, and with the construction of the first ethenolysis plant in the world. Together with the Management Board, we will continue to observe the economic environment carefully, taking additional measures when needed to ensure the Group's sustainable and successful progress.

The Supervisory Board will continue to do all it can to support the Management Board with its corporate strategy geared towards growth and internationalisation. It will be available to provide advice as needed, and will closely examine proposals and decisions in the interest of the Company.

Alexander von Witzleben
Chairman of the Supervisory Board

Cooperation between the Supervisory and Management Boards

Good corporate governance and supervision are associated with a trusting relationship between the Management and Supervisory Boards, working together in the interest of the Company and its shareholders. Verbio's Supervisory and Management Boards have a shared objective of increasing the value of the business on a sustainable and long-term basis.

In the financial year 2023/2024 the members of the Verbio SE Supervisory Board have performed the tasks imposed on them by law, by the articles of association and by internal rules of procedure, discharging these duties in full and with the utmost care. The reporting obligations of the Management Board and the requirement to issue a catalogue of transactions requiring prior approval are legal requirements, and the detailed application of these requirements is set out in the Company's internal rules of procedure for the Management Board to follow.

We have provided support to the Management Board on a regular basis, in particular concerning the management and strategic development of the Company; we have regularly made ourselves available to provide advice;

we have accompanied and carefully supervised the Board's governance of the business on a continuous basis; and we have analysed in depth the development of and market perspectives for synthetic and biomass-based products and components in general and for Verbio SE in particular. The Supervisory Board was involved, in a direct and timely manner, in all decisions of fundamental importance for the Company or matters in which it should be consulted in accordance with the law, the articles of association and internal rules of procedure. When necessary, in matters requiring its urgent attention the board was able to approve resolutions using written circulation procedures. Due to the regular, timely and comprehensive provision of information by the Management Board, the Supervisory Board was able to perform its supervisory and advisory role effectively at all times. Verbal reports made by the Management Board in our meetings were supported by comprehensive and relevant written documents provided to each member of the Supervisory Board on a timely basis in advance of each meeting, so that the members of the Supervisory Board had sufficient opportunity to form a critical assessment of the reports and the proposed resolutions submitted by the Management Board, and to contribute their own proposals. The Supervisory Board was able to assure itself of the lawful, appropriate and proper conduct of the Company's corporate governance.

The collaboration between the Supervisory Board and the Management Board was characterised by an intensive and open discourse at all times. We were provided with comprehensive information in good time and on a regular basis, both orally and in writing, regarding all matters of importance for the Company and for the Group, in particular concerning business trends, business planning, fundamental questions regarding the Company's business and sustainability strategy, the profitability of the business and the course of business, as well as the risk situation including financial and non-financial risk management, the internal audit and relevant compliance and sustainability matters. In addition, the Management Board reported on transactions that were of particular significance to the Company's profitability or liquidity. The Management Board provided detailed information on variances between the course of business and the business plans and objectives. The reasons for the variances, as well as the measures taken in response to them, were discussed in depth with the Supervisory Board. The reporting obligations under Art. 9 (1) c) ii) of the Council Regulation (EC) No 2157/2001 of October 8, 2001 on the Statute for a European Company (SE) (SE Regulation), together with § 90 (1) and (2) of the German Stock Corporation Act (Aktiengesetz) and the German Corporate Governance Code (Deutscher Corporate Governance Kodex – DCGK), have been met in full.

The Supervisory Board was in regular contact with the Management Board in addition to the fixed meeting dates, and was kept informed on a continuous basis regarding the current course of business, and concerning significant transactions, including in view of the Ukraine war. In addition, between the meeting dates in the reporting period I have been involved in regular discussions with members of the Management Board, in particular with the Chairman of the Management Board. I kept the Supervisory Board informed of these discussions.

On the basis of the comprehensive reporting provided by the Management Board, we are convinced that the business of the Company and the Group was conducted in a lawful, proper and economic manner, and we saw no need to use our audit rights provided for under Art. 9 (1) c) ii) SE Regulation together with § 111 (2) AktG.

Meetings and resolutions of the Supervisory Board

In the financial year 2023/2024 the Supervisory Board held four ordinary meetings with members attending in person. In addition, the Supervisory Board held seven extraordinary meetings by means of video conference in which issues that could not be delayed until the date of the next ordinary meeting of the Supervisory Board were discussed and decided upon. In addition, on three occasions decisions were made by written circulation procedures on the basis of proposals put forward by the Management Board. All members of the Supervisory Board were present at all meetings.

The meetings of the Supervisory Board were largely held with the participation of the Management Board. However, the agenda of the Supervisory Board's meetings includes, as a recurring item, a "Private meeting" topic under which the Supervisory Board discusses matters for which it is appropriate that the board meets without the presence of the members of the Management Board – for example, when personnel matters concerning the Management Board and matters concerning structure and organisation are discussed. The Supervisory Board made use of this practice in the financial year just ended. All regular Supervisory Board meetings included a report from the Management Board regarding the current business situation and the development of the Company, the political environment for biofuels, the current market situation, and the asset, financial and earnings positions of the Group and its segments, as well as the status of current projects. In addition, the meetings include a risk report containing information on risk positions associated with market price changes, as well as the effects on the associated reporting and risk management system.

Furthermore, the Supervisory Board has examined Verbio SE's foreign business activities and their associated opportunities and risks in an intensive and critical manner. It has kept itself informed on the progress of the foreign projects and international business divisions in each of its Supervisory Board meetings. The strategy followed by the Management Board in these ventures continues to receive our support.

In addition to addressing the standardised agenda matters discussed at each regular Supervisory Board meeting as described above, attention is drawn to the following significant issues discussed by the Supervisory Board in the reporting period, presented here in summary form.

The first meeting of the Supervisory Board in the financial year 2023/2024 was held on July 6, 2023. This meeting was an extraordinary meeting held in the form of a video conference. The topic of this meeting was the approval of a resolution on the proposed motions for resolutions and the agenda of the extraordinary general meeting on the conversion of VERBIO Vereinigte BioEnergie AG into Verbio SE. In addition, at this meeting the Supervisory Board also approved the competence profile of and specific targets for the composition of the Supervisory Board.

A further extraordinary meeting was held by video conference on July 20, 2023 to approve the draft planning.

At the extraordinary meeting convened after the extraordinary general meeting on August 25, 2023, the Supervisory Board resolved in a hybrid meeting to delete § 4 (5) of the articles of association. The annual general meeting had previously decided to cancel the conditional capital, meaning that the articles of association had to be amended accordingly.

Immediately following this meeting, the Supervisory Board convened for Verbio SE's constituent Supervisory Board meeting. Alexander von Witzleben was appointed Chairman of the Supervisory Board and Ulrike Krämer was appointed as Vice-Chair. Ulrike Krämer was appointed Chair of the audit committee, with Alexander von Witzleben appointed as Vice-Chairman. The Supervisory Board also re-appointed the members of the Management Board.

In its first regular Supervisory Board meeting held in Leipzig on September 22, 2023 the Management Board presented its planning for the financial year 2023/2024. This was approved without reservation by the Supervisory Board. In addition, we also dealt with the profitability of Verbio SE and the Verbio Group in accordance with Art. 9 (1) c) ii) SE Regulation together with § 90 (1) No. 2 AktG, approved the separate non-financial report in accordance with § 315b HGB, and discussed corporate governance issues. In this meeting the Supervisory Board and the Management Board jointly issued the statement on corporate governance required in accordance with § 315d HGB, including the corporate governance report and the declaration of conformity in accordance with Art. 9 (1) c) ii) SE Regulation together with § 161 AktG. Also at this meeting discussions were held concerning the audit and the explanations provided on the draft annual financial statements prepared by the Management Board and the draft Verbio SE consolidated financial statements. The auditor responsible for the audit of the financial statements participated in the meeting and reported on the key matters addressed in the audit and on the results of their audit. In addition, the audit report of the Supervisory Board to the annual general meeting, prepared in accordance with Art. 9 (1) c) ii) SE Regulation together with § 171 (2) AktG, was approved.

A further topic was the resolution on determining the variable compensation of the Management Board in accordance with the employment contracts of the members of the Management Board. Other topics discussed at this meeting were, among other things, the approval of an application for an investment project proposed for the RNG plant in Nevada, the approval of the expansion of investment project applications already approved, and the approval of the sale of a parcel of land owned by VERBIO Agrar GmbH. Furthermore, the Supervisory Board finalised the evaluation of the efficiency audit carried out in the past financial year, adopted the amended rules of procedure for the Management Board, and resolved to hold the annual general meeting in February 2024 as a physical presence event.

As the final version of the annual financial statements was not available in the European Single Electronic Format (ESEF) it was not yet possible to adopt the annual financial statements and endorse the consolidated financial statements at the meeting held to approve the financial statements. Accordingly, the Supervisory Board resolved to approve a resolution to endorse and adopt the financial statements on completion of the final ESEF version and the unqualified audit opinion by means of a circulation procedure. Following the Supervisory Board meeting, the versions of the annual and consolidated financial statements tagged in the ESEF were submitted to the auditor. On completion of the audit of the report in the ESEF, unqualified audit opinions were issued by the auditor on both the annual financial statements and the consolidated financial statements of the Verbio Group.

Accordingly, on September 25, 2023, by means of a written circulation procedure, the Supervisory Board approved a resolution on the consolidated financial statements and the annual financial statements prepared by the Management Board on which the auditor had issued unqualified audit opinions, as well as on the proposal by the Management Board made to the annual general meeting on the appropriation of profits. The Supervisory Board examined the Management Board's proposal for the appropriation of profits, taking into account the interests of the Company and of its shareholders, and concurred with the proposal. In addition, the Supervisory Board approved the forecast made by the Management Board for the financial year 2023/2024.

In its extraordinary meeting held in virtual form on October 10, 2023 the Supervisory Board approved the grant of a loan by VERBIO Finance GmbH to VERBIO International AG and the formation of a new Polish company. Further, the updated financial calendar for 2023/2024 was approved at this meeting.

In its ordinary meeting held on November 6, 2023 the Supervisory Board approved a resolution on the approval of an expansion of the current ethanol plant in South Bend (USA), as well as the issue of a group guarantee line for the trading business of VERBIO International AG.

In the ordinary meeting of the Supervisory Board held after the conclusion of the annual general meeting on February 2, 2024 we discussed the approval of a loan agreement between VERBIO International AG and an international bank, as well as the approval of the financial calendar 2024/2025. In addition, resolutions of the constitutional meeting of the audit committee were confirmed again, and the rules of procedure for the Management and Supervisory Boards were amended.

As not all topics could be fully addressed at this meeting, an extraordinary virtual meeting was scheduled for February 14, 2024. At this meeting the Management Board provided additional information on its comments on the Management Board report. The meeting also included a report on the current status of the new Management Board remuneration system, together with a discussion on how to proceed.

One further extraordinary meeting was held by video conference on April 14, 2024. At this meeting the Supervisory Board approved a parent company guarantee to be issued by VERBIO North America Corporation in favour of the buyer in the course of the sale of the Investment Tax Credit.

The last ordinary presence meeting of the financial year 2023/2024 was held on May 7, 2024. At this meeting we addressed the preliminary business planning for the financial year 2024/2025 and approved an increase of the loan granted to South Bend Ethanol LLC, the capital made available to the US companies, the inclusion of VERBIO Chem GmbH in the cash pooling arrangement, and a loan to XIMO Kft., as well as amendments to various investment projects.

Over the course of the financial year 2023/2024, in addition to the resolution approved by circulatory procedure on September 25 concerning the adoption of the annual and consolidated financial statements, two further uses of the circulatory procedure were made with votes submitted in writing. By resolution dated August 8, 2023 we gave consideration to the conclusion of a loan agreement between an international bank and VERBIO Finance GmbH, as well as the conclusion of a guarantee facility between VERBIO North America Holdings Corporation and an international insurance company. By circular procedure dated December 18, 2023 we approved the increase of a loan to VERBIO Nevada LLC and approved the agenda for the annual general meeting to be held on February 2, 2024.

Formation of committees

In accordance with the articles of association the Verbio SE Supervisory Board consists of three members only, which means that it is of an appropriate size to ensure that it is able to discuss and make resolutions on all matters in the presence of the entire board. With the exception of the audit committee, once again no sub-committees were formed in the financial year just ended. As a result, all matters except those addressed by the audit committee were addressed during the plenary sessions of the Supervisory Board.

Audit committee

In accordance with Art. 9 (1) c) ii) SE Regulation together with § 107 (4) AktG, the Supervisory Board of a public interest entity as defined in § 316a sentence 2 HGB is required to establish an audit committee. If a Supervisory Board consists of only three members, that committee is also regarded as the audit committee. Accordingly, in accordance with the legal requirements, as Verbio SE's Supervisory Board consists of three persons the Supervisory Board is also the audit committee. The members of the audit committee elected Ulrike Krämer, member of the Supervisory Board, as Chair of the audit committee for the period of her election as a member of the Supervisory Board; she abstained from voting on her election. Ulrike Krämer and Alexander von Witzleben are considered independent financial experts in the sense of

Art. 9 (1) c) ii) SE Regulation together with § 100 (5) AktG. Ulrike Krämer has specific knowledge and experience in the application of financial reporting principles and systems of internal control and risk management. She is also familiar with the audit of financial statements.

The Supervisory Board, in its role as audit committee, held a total of seven meetings, of which four were held as a physical presence event and three were held by video conference. All members of the audit committee were present at all of the meetings held.

At the meeting held on July 13, 2023 the auditor provided information on the progress of audit work during the interim audit of the 2022/2023 financial statements. In particular, discussions were held concerning impairment issues and the focal points of the audit.

On September 15, 2023 the auditor made a report on the results of the audit of the annual financial statements.

Following this, on September 22, 2023, again in the presence of the auditor and in advance of the meeting held to approve the financial statements, the audit committee examined in detail the draft annual financial statements prepared by the Management Board and the draft consolidated financial statements, the management report and Group management report, the dependency report, and the separate non-financial Group report, as well as the Management Board's proposal for the appropriation of profits. On the basis of Ulrike Krämer's report as Chair of the audit committee, particularly in relation to the quality of the audit of the financial statements and her recommendations as Chair of the audit committee contained therein, the Supervisory Board approved the resolutions described above by circulatory procedure on September 25, 2023. The audit committee also examined the independence of the auditor. The compliance report, which dealt with the audit of VERBIO India Private Limited, was also a subject of this meeting.

At its meeting held on November 6, 2023, together with the Chief Financial Officer, the recommendations for improvements made by the auditor as part of the audit were discussed and an action plan was prepared. Further, the quarterly statement for the period ended September 30, 2023 was discussed and approved, and the new risk management system was presented.

The approval of the half-yearly report for the period ended December 31, 2023 was discussed at the meeting held on February 2, 2024. The audit committee also received regular reports on the topics of compliance and risk management. The Chair of the audit committee also reported on further discussions with Grant Thornton AG Wirtschaftsprüfungsgesellschaft on the subject of ESG.

The board's scheduled discussion with the auditor of the annual financial statements for 2023/2024 was held on April 29, 2024.

The meeting held on May 7, 2024 was concerned with discussing and approving the quarterly statement for the period ended March 31, 2024. Further, approval was given to the non-audit services provided by Grant Thornton AG, and the Statement on Respect for Human Rights was approved. This statement, which is made available on the Company's website, has been in effect from July 1, 2024.

Annual general meeting

Two annual general meetings were held in the financial year just ended.

The virtual annual general meeting on August 25, 2023, held under the chairmanship of the Chairman of the Supervisory Board, Alexander von Witzleben, addressed the resolution on the conversion of VERBIO Vereinigte BioEnergie AG into a European Company (Societas Europaea, SE), the associated new election of new Supervisory Board members, the selection of the auditor, and the cancellation of the conditional capital.

The ordinary annual general meeting held on February 2, 2024 was held in Leipzig as a physical presence event. This meeting was also chaired by Alexander von Witzleben, Chairman of the Supervisory Board, in accordance with the articles of association.

We would like to take this opportunity to thank our shareholders for their participation.

Conflicts of interest

The members of the Supervisory Board are expected to disclose any conflicts of interest without delay. In compliance with the relevant recommendation of the German Corporate Governance Code (Deutscher Corporate Governance Kodex – DCGK), the Supervisory Board reports to the annual general meeting on any conflicts of interest arising and how these are managed.

In the financial year just ended no conflicts of interest affecting members of the Management or Supervisory Boards were noted which would have required disclosure to the Supervisory Board in accordance with recommendations E.1 and E.2 of the DCGK and which would have needed to be reported to the annual general meeting in this report.

None of the members of the Supervisory Board holds a position as a board member or a consultancy role with a company that is, in the assessment of the Company, a significant competitor of the Company. No contracts were entered into with members of the Management Board that required a resolution of the Supervisory Board.

Corporate governance

The term "corporate governance" refers to corporate management that is transparent and aimed at generating long-term added value. The Supervisory Board follows the principles set out in the German Corporate Governance Code ("the Code").

The Supervisory Board and the Management Board place great emphasis on ensuring good corporate governance. This includes the Supervisory Board dealing with the corporate governance requirements applying to German listed companies on a regular and comprehensive basis, in particular the requirements under the German Stock Corporation Act and the revised German Corporate Governance Code (Deutschen Corporate Governance Kodex – DCGK) in the version dated April 28, 2022.

Accordingly, the Supervisory Board has again considered the recommendations and suggestions of the German Corporate Governance Code in the financial year 2023/2024. The Management Board reports jointly with the Supervisory Board annually on Verbio SE's system of corporate governance. On July 31, 2023 the Supervisory Board and the Management Board issued an intra-year declaration of conformity, which was published on the Verbio SE website without delay. In its meeting held to approve the annual financial statements held on September 22, 2023, as part of the resolution on the declaration on corporate governance, the Supervisory Board approved a resolution on the regular submission of the declaration of compliance, the content of which is identical to the declaration from July 2023. Both documents were also made accessible on a permanent basis on the Company's website without delay. With certain exceptions, which have been explained in the two identical declarations, all the recommendations of the DCGK in its current version have been and will continue to be complied with.

Information on Verbio SE's corporate governance can be found in the joint Management and Supervisory Board statement on corporate governance.
The statement on corporate governance is available for inspection on the Company's website.

Remuneration report

The Management and Supervisory Boards have prepared a remuneration report for the financial year 2023/2024 in accordance with Art. 9 (1) c) ii) SE Regulation together with § 162 AktG. The remuneration report was examined by the auditor in accordance with Art. 9 (1) c) ii) SE Regulation together with § 162 (3) AktG to determine whether the disclosures pursuant to Art. 9 (1) c) ii) SE Regulation together with § 162 (1) and (2) AktG were present in the report. The auditor has confirmed that the disclosures pursuant to Art. 9 (1) c) ii) SE Regulation together with § 162 (1) and (2) AktG have been made in all material respects. The remuneration report will be submitted to the annual general meeting of the Company for endorsement in accordance with Art. 9 (1) c) ii) SE Regulation together with § 120 a (4) AktG.

Efficiency audit

In accordance with recommendation D.12 of the German Corporate Governance Code, the Verbio SE Supervisory Board performs audits of the efficiency of its work, including its cooperation with the Management Board, at regular intervals in the form of a self-evaluation procedure, using a comprehensive company-specific checklist (efficiency audit). The checklist addresses significant issues such as cooperation with the Management Board, the preparation and conduct of meetings, the scope and content of documentation, and the timeliness and appropriateness of information provided, in particular concerning financial reporting, compliance and audits of financial statements, ESG issues as well as controlling and risk management.

The Supervisory Board audited and evaluated the efficiency of its work most recently in June/July 2023. The results of the audit were presented to the Supervisory Board and were subject to discussion. They confirm the professional and constructive cooperation within the Supervisory Board and with the Management Board, and further confirm that the board has an efficient system for organising and holding its meetings and that it is appropriately provided with information.

Training and further education measures

Supervisory Board members participate in such training and further education measures as are necessary for them to perform their duties under their own responsibility, with appropriate support being provided for these measures, when necessary, by the Company. The members of the Supervisory Board keep themselves informed on a regular basis by reviewing current literature, by self-study and by participating in various online seminars.

In addition, the members of the Supervisory Board keep themselves informed about matters relevant to their Supervisory Board duties, among other things, by subscribing to online magazines, sources of technical information and newsletters.

Members of the Supervisory Board and Management Board

There have been no changes in the composition of the Supervisory Board in the financial year 2023/2024 just ended.

Accordingly, the members of the Supervisory Board remain as follows:

- Alexander von Witzleben (Chairman of the Supervisory Board)
- Ulrike Krämer (Vice-Chair of the Supervisory Board)
- Dr. Klaus Niemann

Christian Doll is available as a replacement member.

Ulrike Krämer and Dr. Klaus Niemann are not members of any other statutory Supervisory Boards or any comparable domestic or foreign supervisory committees.

In the Supervisory Board's assessment, the current composition of the board meets the objectives set out in the competence profile defined in the financial year 2023/2024 in full.

The following persons were members of the Verbio SE Management Board in the reporting period:

- Claus Sauter (Chief Executive Officer)
- Prof. Dr. Oliver Lüdtke (Deputy Chief Executive Officer)
- Theodor Niesmann
- Bernd Sauter
- Stefan Schreiber
- Olaf Tröber

There were no changes to the allocation of responsibilities of the individual members of the Management Board in the financial year 2023/2024. The individual areas of responsibilities assigned to each member are described in summary form in the "Executive bodies of the Company" section.

Audit of the annual and consolidated financial statements

At the Company's extraordinary general meeting held on August 25, 2023 Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Leipzig was reappointed to audit the annual and consolidated financial statements of Verbio SE for the financial year 2023/2024.

The audit committee has obtained a declaration of independence from Grant Thornton AG in accordance with Art. 6 (2) of Regulation (EU) No. 537/2014 (EU Auditors' regulation). This is dated August 24, 2023.

The audit engagement was issued by the Supervisory Board on February 19, 2024 in accordance with the resolution approved at the annual general meeting.

Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Leipzig has audited the annual financial statements of Verbio SE prepared by the Management Board in accordance with the German Commercial Code (Handelsgesetzbuch – HGB) for the financial year from July 1, 2023 to June 30, 2024, together with the management report for the financial year from July 1, 2023 to June 30, 2024, and has issued an unqualified audit opinion thereon. The consolidated financial statements of Verbio SE for the financial year from July 1, 2023 to June 30, 2024 and the Group management report were prepared in accordance with § 315e HGB in accordance with International Financial Reporting Standards (IFRS) as applicable in the European Union. The auditor issued an unqualified audit opinion on both the consolidated financial statements and the Group management report.

The documents concerning the financial statements and the audit reports issued by the auditor were provided in good time to the Supervisory Board for inspection in its role as audit committee. In its meeting held on September 16, 2024 the audit committee discussed the results of the audit with the auditor in detail, and thereafter in its meeting held on September 19, 2024 it discussed the financial statements, reports and the proposal on the appropriation of profits, and audited them to assess, in particular, their legality, compliance and appropriateness.

The auditor presented a report on the significant results of the audit, as well as reporting that there were no significant weaknesses in the internal control system and the risk management system, which in their respective entireties, are not appropriately aligned with the risk situation of Verbio SE. In particular, the auditor provided explanations on the Group's and the Company's net assets, financial position and results of operations, and made themselves available to the audit committee to provide additional information as required. In addition, the auditor provided details of the scope of the audit, and of key audit matters for their audit of the financial statements. After performing our own audit and holding discussions on all documents in the audit committee, the Supervisory Board has determined that there are no objections to the results of the audit performed by the Company's auditor, and has endorsed the financial statements of Verbio SE and the consolidated financial statements for the Group prepared by the Management Board for the year ended June 30, 2024. The annual financial statements of Verbio SE have therefore been adopted. The audit committee has examined the proposal for the appropriation of profits submitted by the Management Board. In doing so, particular account has been taken of Verbio SE's and the Group's liquidity, tax aspects, and the financial position and results of operations, as well as the medium-term investment plans. In addition, the proposal was examined in the light of the dividend policy as well as the interests of investors. After examination of the proposal for the appropriation of profits put forward to the annual general meeting by the Management Board, the Supervisory Board agrees with the proposal for the payment of a dividend of EUR 0.20 per qualifying share, resulting in a total dividend payment of EUR 12.73 million, with the remaining balance of profit for the financial year 2023/2024 being carried forward to future periods.

Dependency report

As in previous years, in the financial year 2023/2024 the Management Board again drew up a report on relationships with affiliated companies for Verbio SE as a group company in accordance with Art. 9 (1) c) ii) SE Regulation together with § 312 AktG. In this report, the Management Board declared that Verbio SE had received fair consideration for the transactions entered into with affiliated companies described therein – taking account of the circumstances known at the date that the transactions were entered into – and that measures subject to reporting requirements were neither undertaken nor omitted in the financial year.

The auditor of the financial statements have audited the report on relationships with affiliated companies and issued an unqualified audit opinion as shown below:

"Following our statutory audit and evaluation we confirm that:

- the information stated in the report is correct, and
- the consideration provided by the Company in exchange under the transactions described in the report was not excessive."

Both the report on the relationships with affiliated companies and the audit report thereon were made available to the Supervisory Board on a timely basis. Both reports were discussed in detail following the auditor's report presented in person at the meeting held on September 19, 2024.

After performing a thorough audit of its own of the report on relationships with affiliated companies in the financial year 2023/2024, taking account of the results of the audit of its completeness and accuracy performed by the auditor, the audit committee has concluded that there are no objections to the closing remarks of the Management Board made at the end of the dependency report on relationships with affiliated companies.

Group sustainability reporting

With the entry into force of the CSR Directive Implementation Act (CSR-Richtlinie-Umsetzungsgesetz – CSR-RUG) and the associated reporting obligations, Verbio SE, as the parent company of the Verbio Group, is required to prepare a non-financial Group statement in accordance with Sections 315b, 315c in conjunction with Sections 289c to 289e German Commercial Law (Handelsgesetzbuch – HGB). This will be published as part of the integrated, combined Group management report. In this report, Verbio SE presents selected non-financial information by reference to the international sustainability standards issued by the Global Reporting Initiative (GRI).

The Supervisory Board has made use of the option available to it to submit the contents of the non-financial Group statement for the financial year 2023/2024 to a voluntary limited assurance audit performed by the Company's auditor. Engaged by the Supervisory Board, Grant Thornton AG, Wirtschaftsprüfungsgesellschaft, Leipzig have performed an audit of the non-financial Group statement and issued the following audit opinion:

"Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial Group statement of Verbio SE, Zörbig for the period from July 1, 2023 to June 30, 2024 is not prepared, in all material respects, in accordance with section 315b, section 315c in conjunction with sections 289c to 289e HGB, and the EU Taxonomy Regulation and the delegated acts issued thereunder together with the interpretation by the executive directors as disclosed in the non-financial Group statement."

The Supervisory Board, in its role as audit committee, also performed a thorough examination of the sustainability statement for the Group, prepared in accordance with § 315b together with § 289b HGB by the Company as part of the integrated Group management report, and audited and discussed it in detail, together with the Management Board, in its meeting held on September 19, 2024. Accordingly, the Supervisory Board has met its audit obligation under Art. 9 (1) c) ii) SE Regulation together with § 171 (1) sentence 4 AktG concerning the Company's non-financial Group statement prepared by the Company on corporate social responsibility. No objections were identified.

The representatives of the auditor who signed the audit opinion on the limited assurance audit procedures participated in the meetings of the audit committee concerning the non-financial Group statement. They have reported on the significant results of their limited assurance audit procedures, and were available to provide supplementary information.

Following its own audit the audit committee agreed with the results of the audit performed by Grant Thornton AG, Wirtschaftsprüfungsgesellschaft, and accordingly, on the recommendation of Ulrike Krämer, Chair of the audit committee, the non-financial Group statement was approved in the meeting held to approve the Group's financial statements on September 19, 2024.

Closing comments

The Supervisory Board is aware of the fact that the success of the business is very much dependent on the work of the Verbio Group employees, and that its employees form the basis of the Company's success. With their outstanding dedication and commitment, every one of them has contributed to ensuring Verbio SE's continued success and to keeping the Company on the right path forward. The Supervisory Board would like to express their immense gratitude and recognition to the members of the Management Board, the Managing Directors of the Group's subsidiaries and all of the Group's employees for yet another excellent performance in the financial year 2023/2024, and for the personal commitment that they have shown in their outstanding work. We also extend our thanks to our customers and business partners who have also made a significant contribution to the Company's success. In addition, we thank our shareholders for placing their trust in the Company and for their ongoing loyalty.

Finally, in the name of the entire Supervisory Board I would like to take this opportunity thank the members of the Management Board for their excellent working relationship with the Supervisory Board, which has been trusting and constructive at all times, and for the work that they have performed in the financial year 2023/2024. The Supervisory Board explicitly supports the Group's growth strategy and will continue to work intensively with the Management Board – both in its advisory role and by continuing to fulfil its supervisory role – on a regular and critical basis, as the Company continues to make progress in the current financial year 2024/2025.

Verbio SE

Leipzig, September 19, 2024

For the Supervisory Board

Alexander von Witzleben

Chairman of the Supervisory Board

The Verbio share

Verbio SE's shares are listed in the regulated market in the Prime Standard segment of the German stock exchange (ticker: VBK) and are traded on the electronic securities trading platform Xetra, among others.

The share at a glance

Ticker:	VBK
Ticker Bloomberg (Xetra):	VBK GY
Ticker Reuters (Xetra):	VBKG.DE
ISIN:	DE000A0JL9W6
Market segment:	Regulated market (Prime Standard):
Designated sponsor:	Stifel Europe Bank AG
Number of shares:	63,638,198
Type:	Ordinary shares
Nominal value per share:	EUR 1.00

	2023/2024	2022/2023
Closing share price* (June 28, 2024; June 30, 2023)	EUR 17.44	EUR 36.85
52-week high (Xetra)*	EUR 45.84	EUR 85.40
52-week low (Xetra)*	EUR 16.50	EUR 32.07
Market capitalisation (basis: closing share price Xetra)	EUR 1.11 billion	EUR 2.34 billion
Free float	27.25 percent	27.66 percent
Earnings per share (diluted/basic)	EUR 0.31/0.31	EUR 2.08/2.08
Operating cash flow per share	EUR 1.83	EUR 0.41
Book value per share	EUR 14.55	EUR 14.32

* Xetra closing share price.

The year on the stock market

Second half-year 2023

The second half of the 2023 stock market year was dominated by the issues of inflation and interest rates. In particular, the expectation that interest rates would be lowered in 2024 (with expectations stronger than they had been up to that point) led to rising share prices at the end of the year. Nevertheless, negative factors continued to weigh on expectations in the meantime. In the summer, many market participants became concerned about the Chinese real estate group Evergrande, which had drifted into difficulties. In addition, fluctuations in the price of oil had a negative impact on the stock market; at the end of September the price of WTI almost reached USD 95, but at the end of the year it stood at just under USD 72.

With an average performance, the German stock market is in line with its European peers (DAX +3.7 percent, STOXX Europe 600 +3.7 percent). In contrast, the US S&P 500 and the UK FTSE 250 performed even better in the second half of 2023, rising by 7.2 percent and 6.9 percent respectively.

First half-year 2024

Global stock markets recorded a notable gain in the first half of 2024. In particular, the technology sector performed well and benefited from the "AI boom". Economic growth also increased again slightly in the first quarter compared to the previous quarter. Corporate earnings results also supported the positive development. On the other hand, there was some headwind due to uncertainty caused by the unexpected call for a general election in France.

While the STOXX Europe 600 Index gained +6.8 percent in the period, the DAX recorded a gain of +8.9 percent. The American S&P 500 rose even further with a gain of +14.5 percent, while in contrast the British FTSE 250 gained only +3 percent.

The Verbio share 2023/2024

The Verbio share started the financial year 2023/2024 on July 3, 2023 with an opening price of EUR 36.93 per share on Xetra. On the final day of trading in June 2024 the share closed with a price of EUR 17.44. As a result the Verbio share was down 52.8 percent over the period. This puts the share performance in line with the sector, as Verbio's peer companies were also affected by multiple compressions.

Following the summer months in which the share price gained ground somewhat, it then fell over the course of the year, with volatility, and ended the second half of the year down by approximately 19 percent. Here, the share price reflected the difficult market conditions. The share price reached its high of EUR 45.84 in the financial year 2023/2024 on August 1, 2023. It reached its period low of EUR 16.50 on March 15, 2024.

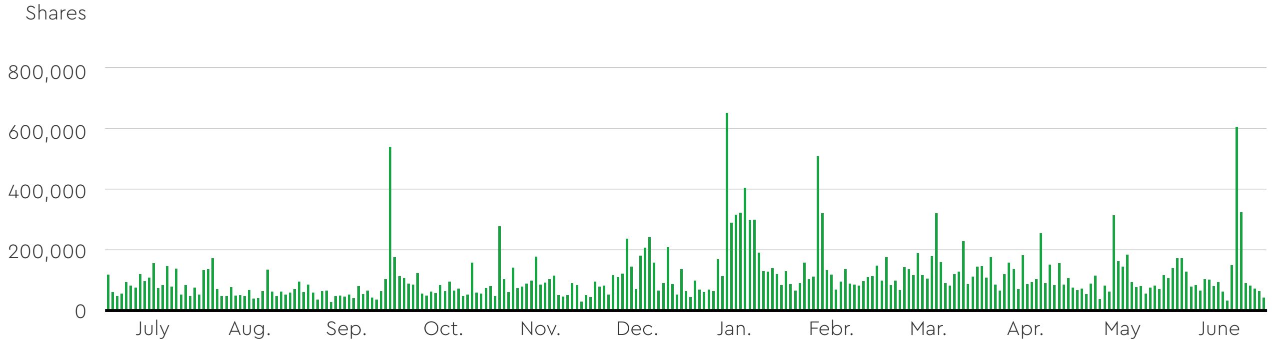
On January 15, Verbio adjusted its EBITDA forecast for the financial year 2023/2024 from EUR 200 million to EUR 250 million to around EUR 120 million to EUR 150 million as a result of the unexpected persistent pressure on ethanol and GHG quota prices, particularly due to the massive but questionable imports of advanced biodiesel from Asia. With the publication of the nine-month results on May 14, 2024 the Management Board specified that EBITDA for the financial year 2024 would be at the lower end of the indicated range.

In the second half of 2023 the daily average number of shares traded on the Xetra stock exchange was 87,556. This increased in the first half of 2024 to a daily average of 134,615 shares. Over the financial year as a whole, the daily average number of shares traded was 111,171. [1]

[1] Bloomberg.

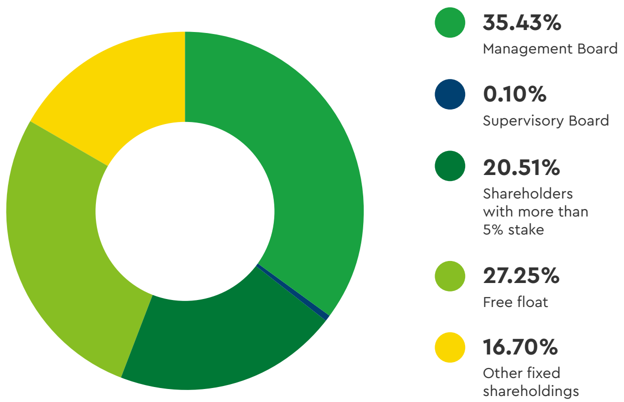
The Verbio share: performance and trading volume from July 1, 2023 to June 30, 2024

Development of the Verbio stock performance compared to TexDax (incl. Verbio until March 18, 2024) and SDAX (indexed) from July 1, 2023 to June 30, 2024



Trading volume (Xetra)
from July 1, 2023 to June 30, 2024 (in number of shares)

Shareholder structure at June 30, 2024



For Verbio SE the member state of origin is Germany, and the reporting thresholds for changes in significant shareholdings set out in § 33 and § 34 of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) apply. Verbio SE has received two reports of changes to significant holdings in the Company during the reporting period. These concerned the transfer of shares from Pollert Holding GmbH & Co. KG to RMP Holding GmbH & Co. KG and GaPo Holding GmbH & Co. KG. Furthermore, voting right notifications were made by way of legal succession within the Sauter families. Here, too, the voting rights remain in the pooling arrangement. Information on reportable transactions in the Company's voting share capital is provided in the Investor Relations section of the Company's website verbio.de.

Capital markets

Analyst coverage

Six analyst firms issued detailed studies and provided up-to-date short analyses of Verbio SE in 2023/2024: Kepler Chevreux commenced coverage in May 2024 with a buy recommendation. Jefferies International Ltd. had already commenced coverage in July 2023, also with a buy recommendation. In addition, reports about Verbio were issued by Deutsche Bank, Hauck & Aufhäuser Investment Banking, Stifel Europe Bank AG and EQUI.TS GmbH, who have covered the Company for some time. These analyses are prepared independently by the analysts at the respective companies based on publicly available information. The reports issued by the analyst firms represent their own opinions, assessments and recommendations, and are not subject to any influence or control by Verbio SE.

Communication with capital markets

In its communication with capital market participants, Verbio has a policy of treating all capital market participants equally. Accordingly, we always publish up to date information that is relevant to the share price on a timely basis consistently and in a transparent manner, using both an electronic distribution system and the Verbio SE website.

In the Investor Relations section of the Company's website verbio.de interested capital market participants are provided with relevant information such as the Company's financial reports, stock market data, analysts' recommendations and estimates, important financial reporting dates, and information about the annual general meeting and corporate governance. Obligatory capital market communications such as ad hoc reports and Corporate News are also provided there on a timely basis in both German and English. Notifications concerning voting rights in accordance with § 33 et seq. WpHG and disclosures of managers' transactions in accordance with Article 19 of the Market Abuse Regulation (managers' transactions/directors' dealings) are also made available on the website. Interested parties can register and add themselves to a distribution list on the Investor Relations section of the Verbio website to receive capital market news on a regular basis via email. In addition, regular press, analysts' and investor conferences (held as telephone conferences) are convened when quarterly, half-year and annual reports are released.

Further, the investor relations department makes itself available to existing and potential institutional and private investors as well as financial analysts for an exchange of information via personal meetings or electronic calls. In the financial year 2023/2024 Verbio SE welcomed investors and analysts to a Capital Markets Day for the first time. This was held at the production location at Schwedt (Brandenburg). Verbio provides regular corporate news updates on the verbio.de website, as well as via the Group's social media channels on Facebook, YouTube and Instagram. Also, Claus Sauter, Verbio's Chief Executive Officer, gives his opinion on current political developments, background issues and market conditions in his blog and podcast #strohklug (strohklug.de). Verbio also provides information to interested investors in the form of interviews, technical publications and presentations about the development of the business, and by participating in industry events and discussions at conferences about market developments, the regulatory environment and its impact on the biofuels sector.

Over the course of the financial year the Company participated in a series of roadshows and investor conference events and held a large number of individual and group meetings with interested analysts and investors in order to answer any questions arising, in particular concerning the Company' strategy and future growth prospects. These events were increasingly held as physical presence events, complemented by virtual media formats. The financial calendar, with all the important dates for the financial year 2024/2025, may be found on the penultimate page of this annual report and in the Investor Relations section of the Company's website verbio.de.

Annual general meeting and dividends

Annual general meeting 2024

Verbio SE held a virtual extraordinary general meeting on August 25, 2023 in order, among other things, to make a resolution on the conversion of VERBIO Vereinigte BioEnergie AG to a European Company (Societas Europaea, SE). The proposal was approved by 99.99 percent of the share capital represented at the meeting. The Company has officially traded as Verbio SE since November 30, 2023. The first ordinary annual general meeting of Verbio SE was held in Leipzig on February 2, 2024 as a physical presence event. Shareholders representing 51,174,194 ordinary shares and the same number of voting rights were represented at the meeting (80.57 percent of the Company's total share capital). In addition to the application of profits, the agenda also included giving formal approval to the actions of the Management Board and the Supervisory Board, the approval of the remuneration report 2022/2023, the election of Grant Thornton AG, Wirtschaftsprüfungsgesellschaft as auditor of the financial statements and the consolidated financial statements for the financial year 2023/2024, the proposal for the acquisition of treasury shares, a resolution to make editorial amendments to the articles of association, as well as voting on entering a commercial agreement between Verbio SE and VERBIO Chem GmbH.

All of the resolutions proposed by management were approved with the necessary majority. The Management and Supervisory Boards of Verbio SE take the voting results as indications that the Company's shareholders have a high level of trust in the Company's management. Details of the voting results and further information on the two general meetings held in the financial year 2023/2024 are provided in the Investor Relations section of the Company's website (verbio.de). The annual general meeting for the financial year 2023/2024 will be held on December 6, 2024 in virtual form.

Dividends

The Management and Supervisory Boards of Verbio SE aim to provide a consistent dividend stream under a dividend policy that is intended to reflect a fair arrangement between the interests of shareholders on the one hand and the financing needed for the growth of the business on the other. This should provide shareholders with a reasonable dividend in order to share in the Company's success. At the same time, it is also in the interests of shareholders to ensure that the Company maintains a solid equity base, high credit worthiness, and that it has sufficient cash to finance its operating activities as well as to take advantage of expansion opportunities to ensure the sustainable development of the business. Accordingly, Verbio SE's Management and Supervisory Boards make a careful examination of their dividend proposals every year, taking the interests of both the Company and its shareholders into account.

In EUR	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
Earnings per share (basic)	0.24	0.84	1.01	1.48	4.99	2.08	0.31
Dividend per share	0.20	0.20	0.20	0.20	0.20	0.20	0.20 [1]
Dividend distribution (in millions)	12.6	12.6	12.6	12.6	12.7	12.7	12.7

[1] Proposed dividend subject to approval at the annual general meeting in December 2024.

Dividend payment of EUR 0.20 per share for the financial year 2022/2023

The separate financial statements of Verbio SE prepared in accordance with HGB show a profit for the financial year 2022/2023 of EUR 154,194,699.88, with an accumulated retained profit of EUR 847,534,362.16. The Management and Supervisory Boards proposed the payment of a dividend of EUR 0.20 per qualifying share to the annual general meeting held on February 2, 2024, resulting in the payment of dividends totalling EUR 12,703,441.20 with EUR 834,830,920.96 carried forward as retained earnings.

The Verbio SE annual general meeting held on February 2, 2024 approved the proposal of the Management and Supervisory Boards to pay a dividend of EUR 0.20 per qualifying share for the financial year 2022/2023. This represents a dividend yield of 0.54 percent based on the closing price of the Verbio share of EUR 36.85 at June 30, 2023.

Proposed dividend for the financial year 2023/2024

Despite the market disruption caused by what are presumed to be falsely declared Chinese biodiesel imports, Verbio has generated solid financial and operating results in the financial year 2023/2024, and the Company intends that its shareholders shall participate in this result. Accordingly, the boards of Verbio SE have agreed to propose to the annual general meeting to be held on December 6, 2024 that the Company shall pay a dividend of EUR 0.20 per qualifying share, and transfer the remaining amount of the retained profit for the period to retained earnings. This represents a total dividend payment of EUR 12.73 million (2022/2023: EUR 12.70 million). This dividend proposal, which is subject to the approval of the annual general meeting, is for a dividend payment unchanged compared to the dividend paid in the previous year (2022/2023: EUR 0.20). This represents a dividend yield of 1.15 percent based on the closing Xetra price of the Verbio share of EUR 17.44 at June 28, 2024.

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Combined Group management report

for the financial year from July 1, 2023 to June 30, 2024

Combined Verbio SE Group and separate Verbio SE management report for the financial year from July 1, 2023 to June 30, 2024

(GRI 2-1)
Verbio SE is a stock exchange listed European Company (Societas Europaea, SE). The conversion of the Company into an SE was based on a resolution of an ordinary general meeting held in August 2023 and was legally effective on November 30, 2023. Verbio SE's shares are listed in the regulated market in the Prime Standard segment of the German stock exchange (ticker: ISIN DE000A0JL9W6) and are traded on the electronic securities trading platform Xetra, among others. The Company is a member of the SDAX.

About this report

This combined Group management report contains information on both the Verbio Group (hereafter also referred to as "Verbio" or "the Verbio Group") and, in addition, on the parent holding company Verbio SE (hereafter also referred to as "Verbio SE" or "the Company"). Unless stated otherwise, statements made in this document relate to the Group as a whole.

This management report is published in German (the original version) and in English (a non-binding and unaudited translation) and is available in both languages on the Company's website at www.verbio.de. For better readability, the simultaneous use of masculine, feminine and gender-neutral forms of language is avoided and the generic masculine is used, whereby all genders are intended to be referred to equally.

This report includes, in addition to financial reporting, significant non-financial information in accordance with the CSR Directive Implementation Act (CSR-Richtlinie-Umsetzungsgesetz – CSR-RUG) to present the relationships between economic, ecological and social factors. This non-financial reporting is prepared for the Group. For this purpose, selected non-financial information is presented by reference to the guidelines on international sustainability standards issued by the Global Reporting Initiative (GRI). The non-financial Group statement is not included in the content subject to the audit of the annual and consolidated financial statements performed by Grant Thornton AG Wirtschaftsprüfungsgesellschaft, but was subject to a limited assurance engagement.

[The passages that relate to either non-financial information or contents that are not typically included in a management report and are not audited are marked with an asterisk in the table of contents and with square green brackets in the text. For information that is both part of the non-financial information and in addition is also typically included in a management report, the corresponding GRI standards are stated in brackets.

The referencing technique is already orientated on the European Sustainability Reporting Standards (ESRS), which are obligatory for companies under the Corporate Sustainability Reporting Directive (CSRD) from 2025.

1. Fundamentals of the Group

1.1 Business model

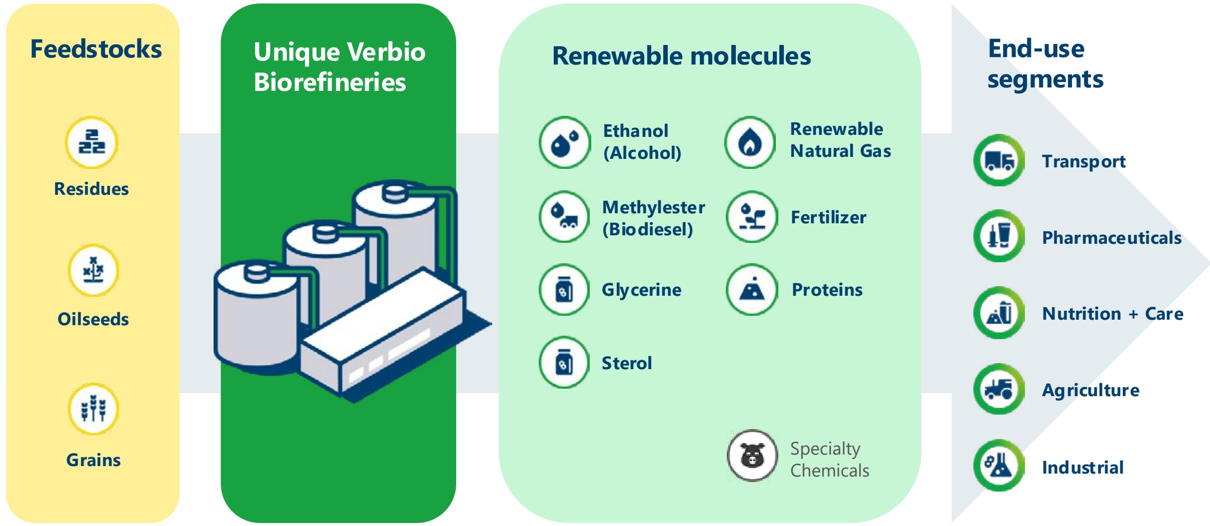
(GRI 2-6)
"Pioneering Green Solutions!" In Verbio's biorefineries we transform agricultural raw materials and waste products into climate-friendly fuels, green energy and renewable products for use in chemistry and agriculture. We supply the animal feed and foodstuff industries with high-value components from sustainably-generated biomass, and we are driving climate protection forward worldwide with our innovations and our leading technologies. We combine global growth with commercial success, social responsibility and supply security.

Verbio is a global business with production at its German locations in Zörbig, Bitterfeld, Schwedt/Oder and Pinnow, as well as foreign subsidiary companies in India (Chandigarh, Punjab), USA (South Bend, IN, and Nevada, IA), Canada (Welland, Ontario), and Hungary (Budapest). Today the Company markets renewable molecules from its own production – and in small volumes from third parties – in the form of biodiesel and bioethanol in Europe and North America, biomethane in Europe, the USA and India for use as fuel and to generate heat and electricity, and pharmaceutical glycerine and sterols worldwide.

Verbio also sees further future applications for its core bioethanol, rapeseed oil methyl ester and biomethane products as a result of the increasing trend towards decarbonisation and defossilisation in other sectors such as, for example, the chemicals, steel and cement industries, as well as in air and shipping transport sectors.

The technologies used have been developed internally by Verbio. The Group's plant and processes are subject to ongoing development and improvements in order to optimise existing production, and at the same time to improve added value by driving forward the manufacturing of new high-value biogene products from the raw materials used in the production processes. These projects include, for example, the establishment of production and sales of protein products for use in the animal food and foodstuff industries, and investment in the construction of an ethenolysis plant to manufacture biobased speciality chemicals. This also includes XiMo, a high-tech company in the organic chemistry sector with a particular focus on the development and marketing of metathesis catalysts.

Our business model



1.1.1 Segments and product portfolio

The business activities of Verbio are grouped into three segments: Biodiesel, Bioethanol/Biomethane, and Other. All the products of the Verbio Group are manufactured in accordance with the closed loop concept, by which the majority of raw materials are procured regionally and processed in the Group's own biorefineries, making use of the material in full where possible. Any resulting by-products are transformed into high-quality inputs for the food and pharmaceutical industries, as well as animal feed and fertilisers (see Table "Verbio product portfolio"). As a result, through its production Verbio not only offers alternatives to fossil fuels and conventional animal feed or fertilisers, but also supports regional agriculture by sourcing local raw materials and supplying sustainable liquid fertilisers.

Biodiesel				Bioethanol/Biomethane				Other
verbiodiesel	**verbioglycerin**	**Sterocellent™**	**Olefin metathesis catalysts (XiMo)**	**verbioethanol**	**verbiogas**	**Animal feed such as Verbio Proti Flow, Verbio Grain Pro**	**Fertiliser from renewable sources**	**Logistics**
Product: Biodiesel Raw materials used: mainly domestic rapeseed oil and waste materials CO_2 efficiency: savings of at least 70 percent compared to fossil diesel Waste in production: almost none Application: fuels, industry Plus: high-quality by-products (pharmaceutical glycerine and sterols) are produced during the production process	Product: glycerine Raw material used: domestic rapeseed oil Waste in production: glycerine itself is a by-product of biodiesel production Application: ingredient used for cosmetics, food, and medicines, among others Plus: 99.7 percent purity; kosher and halal tested; Hazard Analysis and Critical Control Points (HACCP) and ISO 22000 certified	Product: phytosterols Raw material used: domestic rapeseed oil Waste in production: almost none; Sterocellent™ itself is a by-product Application: ingredient used for food, cosmetics and pharmaceuticals Plus: 100 percent non-GMO, vegan, kosher, halal; food safety according to HACCP	Product: various olefin metathesis catalysts for use in sectors such as renewable chemicals, aromas and fragrances, plastics, agrochemicals, pharmaceutical applications and others Raw material: ruthenium, tungsten and molybdenum Waste in production: recyclable solvents	Product: Bioethanol Raw material used: mainly domestic grain CO_2 efficiency: approx. 80 percent savings compared to fossil gasoline Waste in production: the stillage produced as a residue serves as a raw material for biomethane production (verbiogas), as humus fertiliser and animal feed Application: fuels Plus: biomethane and high-quality protein-rich animal feed are produced during the production process	Product: Biomethane Raw material used: stillage – a residue of bioethanol production – and straw CO_2 efficiency approx. 90 percent compared to diesel and gasoline Waste in production: almost none Application: fuel, power generation, heat generation Plus: liquid and humus fertilisers are produced as by-products during fermentation	Product: protein-containing feed in liquid form Raw material used: stillage Waste in production: almost none; the feed itself is a by-product Application: agriculture Plus: EU positive list for feed, and certified according to the QS GmbH/PDV guidelines for the feed industry	Product: liquid fertiliser (ammonium sulphate solution and ammonium sulphate-urea solution) Raw material used: straw, stillage Waste in production: the liquid fertilisers themselves are a by-product of fermentation in both biorefineries Application: agriculture Plus: among other things, can be used as a single fertiliser or mixed with other liquid fertilisers	Services: execution of transport and logistics tasks for Verbio Group companies and third parties outside the Group Plus: GMP+ B4 certification since 2004 – food and animal feed safety system; vehicles largely run on climate-friendly fuels (biomethane or bio-liquefied natural gas)

Verbio product portfolio

Further information is available in the "Products" section of the Company's website www.verbio.de.

1.2 Group structure at June 30, 2024

(GRI 2-1, 2-9)
Verbio SE has a dual management and control structure consisting of a Management Board and a Supervisory Board. Verbio is governed in accordance with the requirements of Council Regulation (EC) No 2157/2001 of October 8, 2001 on the statute for a European Company (SE) (SE Regulation), the German Stock Corporation Act as well as the German Corporate Governance Code (Deutscher Corporate Governance Kodex – GCGC) in their respective current versions. The Management and Supervisory Boards of Verbio are both equipped with independent competences; they work together to manage and supervise our business, and their working relationship is a close and trusting one. Their common objective is to create a sustained increase in the value of the Company for shareholders.

As at June 30, 2024 the Management Board of Verbio SE consisted of six members, carrying joint responsibility for managing the business of the Company with the objective of generating sustainable value creation. The Management Board does this under its own responsibility and in the interest of the Company. The Supervisory Board has provided the Management Board with rules of procedure that, in addition to a catalogue of transactions requiring approval, also define the areas of responsibility that are assigned to individual members of the Management Board.

The departmental responsibilities are described in the "Executive bodies of the Company" section of this annual report. Further information about the corporate bodies, their working methods, the process for nominating and selecting members and their remuneration is, among other things, available in the Verbio SE articles of association, the rules of procedure of the Supervisory Board, the statement on corporate governance, and the remuneration report, as well as on the Company's website in the section "Group" under "Management & Supervisory Board" (see also the reference list on page 69).

Verbio SE's legal headquarters in Zörbig is responsible for contract administration, invoicing, and incoming invoice control for raw materials. Verbio SE is the parent company of the Verbio Group. Part of the Group's administration is based in Leipzig, where, in addition to indirect central functions such as accounting, controlling and treasury, parts of trading, project development and plant construction are also located.

1.2.1 Scope of consolidation

(GRI 2-2)
In addition to Verbio SE itself, the significant entities in Verbio Group at the balance sheet date were as follows:

- VERBIO Bitterfeld GmbH, Bitterfeld-Wolfen/OT Greppin, hereinafter referred to as "VEB"
- VERBIO Zörbig GmbH, Zörbig, hereinafter referred to as "VEZ"
- VERBIO Schwedt GmbH, Schwedt/Oder, hereinafter referred to as "VES", "VES (D)" (Biodiesel segment) or "VES (E)" (Bioethanol segment)
- VERBIO Agrar GmbH, Zörbig, hereinafter referred to as "VAgrar"
- VERBIO Logistik GmbH, Zörbig, hereinafter referred to as "VLogistik"
- VERBIO Polska Sp. z o.o., Stettin (Poland), hereinafter referred to as "VPL"
- VERBIO Pinnow GmbH, Pinnow, hereinafter referred to as "VEP"
- VERBIO India Private Limited, Chandigarh (India), hereinafter referred to as "VEI"
- VERBIO North America LLC, Stamford, Connecticut (USA), hereinafter referred to as "VNA"
- VERBIO Nevada LLC, Nevada, Iowa (USA), hereinafter referred to as "VEN"
- VERBIO Diesel Canada Corporation, Welland, Ontario (Canada), hereinafter referred to as "VDC"
- XiMo Kft., Budapest (Hungary), hereinafter referred to as "XiMo"
- South Bend Ethanol LLC, South Bend, Indiana (USA), hereinafter referred to as "SBE"
- Verbio International AG, Carouge, GE (Switzerland), hereinafter referred to as "VInternational"

Verbio SE also has further shareholdings in other companies. A detailed listing of the subsidiaries included in the consolidated financial statements and the sustainability report can be found in note 2.2 to the consolidated financial statements "Scope of consolidation".

1.3 Vision and strategy

Verbio is following a long-term plan which is aimed at generating sustainable success. To do this we focus on responsible behaviour, innovative solutions and a coherent strategy that will enable us to retain our stable and successful positioning in the future. We combine global growth with commercial success, social responsibility and supply security.

Our identity as a strategic pioneer. Our common values are firmly anchored in our daily activities and are a decisive factor of our culture. These include, in particular:

- Curiosity
- Flexibility
- Determination
- A down-to-earth attitude
- Enthusiasm
- Agility
- Cost leadership
- Sustainability

A targeted strategy for growth and internationalisation. Our strategic orientation is based on experience, and on comprehensive analyses of our markets, the competitive environment, as well as the commercial, ecological and social conditions. We observe trends and short term developments on an ongoing basis in order to anticipate the associated opportunities and risks.

Backed by social and political pressure, the conditions are being created for a broader-based decarbonisation and defossilisation of our industrial society. We are addressing this by expanding and internationalising the production and marketing of renewable molecules, having been able to prove the scalability of our technologies and our business model over recent years. Cost leadership and economies of scale are important criteria used in making investment decisions.

In the financial year 2023/2024 we have expanded the structures needed to enable the expansion of the business and increased our production capacity both in Germany and abroad. We have also reached an important milestone; the plant in Nevada, USA commenced operations and proves that the successful combination of bioethanol and biomethane production can also be effective in the USA. In addition, construction began on the world's first large-scale ethenolysis plant. With our speciality chemicals we open up the third largest industrial sector as a market.

At the same time, by making new investments we are strengthening our position along the value-added chain. Today we are primarily a manufacturer of renewable molecules, combining this with excellent marketing capabilities (regulatory know-how and market knowledge). We are simultaneously making use of and further building on our expertise by expanding our trading business.
In addition, in Germany we are making investments in expanding our value-added chain and constructing our own CNG/LNG filling station infrastructure, which has in the past been a bottleneck in the value chain. With our expansion into further sales channels we strengthen our flexibility, robustness and independence from local influences.

Competitive position built on technology leadership. Today we benefit from flexible manufacturing plant structures, the closed-loop system concept, efficient processes and a high level of flexibility regarding the use of raw materials. It is our objective to invest in the further optimisation of existing plant and equipment and production processes in order to make our production even more resource-efficient, and to make further improvements in the greenhouse gas (GHG) footprint of our products. By establishing new technology concepts to make use of more by-products, we are able to increase our competitiveness by developing new, climate-friendly products and entering new sales markets.

We are expanding the portfolio of our products derived from biomass and are generating additional value from our biomass, for example with the production of speciality chemicals and proteins: in the financial year 2023/2024 a protein demonstration plant to expand the value added from bioethanol production was commissioned, and work continued on developing technologies to manufacture basic and speciality chemicals from starch-based raw materials. We also worked on process development for the refining of tocopherols based on the rapeseed oil used in biodiesel production.

Human resources development increases competitiveness. Recruitment and development are critical success factors for the implementation of our strategy and in the pursuit of our long-term growth objectives. We aim to maintain and build on our role as a green-tech pioneer with appropriately qualified staff. Accordingly, Verbio places a high value on encouraging entrepreneurial thinking and activity. At Verbio we give our employees business responsibility at an early stage – which is both a promise and an obligation.

Greenhouse gas savings for our customers. We focus on the use of internally-developed innovative process and production technologies, high quality, and maximising the CO_2 efficiency of the products we manufacture. The basis for all of our business activities and investments is meeting strict sustainability criteria in the production of biofuels throughout the entire value-added chain, from the procurement of raw materials, through production and up to the sale of biofuels and by-products. Management has the objective of generating 8 million tonnes of CO_2 savings for our customers in the financial year 2026/2027. In order to offer convincing low carbon dioxide solutions for others, we need to demonstrate significant advances in reducing our own emissions. We want to achieve climate-neutrality (Scope 1 + Scope 2) by 2035. Among other things, we are also increasingly making use of CNG/LNG powertrains for long-distance goods transport purposes, and we are currently in the process of successively converting our entire fleet of heavy goods vehicles to low-carbon powertrains. At the end of the 2023/2024 financial year, 81 percent of Verbio's fleet of heavy goods vehicles were already fuelled almost exclusively by Bio-LNG/CNG.

Detailed information on our strategy and objectives in the area of sustainability are provided from page 61 in our non-financial Group statement.

1.4 Management system and performance indicators

Verbio's business dealings are aimed at generating profitable growth as well as technology and cost leadership in the biofuels manufacturing sector and in the manufacturing of renewable molecules for applications in industry. This forms the basis on which the significant key performance indicators are determined.

The key performance indicator that we use to monitor earnings at Group level is the operating result before interest, income taxes, depreciation, amortisation and impairment reversals (EBITDA). In addition, analyses of gross margins (revenue, changes in inventories less cost of materials and energy), EBIT (operating result for the period before interest and income taxes) and production-specific key data, such as production quantities and the associated capacity utilisation, are also used. Segment-specific targets are set for all the key figures described above.

The effective and efficient management of capital is a key component of our Group's integrated controlling system. This primarily comprises the management of liquidity, equity and borrowed capital, as well as currency and interest rate management. The significant key performance indicator used for this purpose is the measurement of net financial assets/net debt (cash and cash equivalents, less borrowings). Another significant success factor is the strict control of investments. At Verbio, this means making an assessment of each individual project, taking into consideration the respective amortisation period and its strategic importance.

The Group's corporate-wide management and generation of reports using planning, expected and actual data is based on a reliable and meaningful financial and controlling information system.

Increasing the value of the business is a key performance indicator, and accordingly this is also anchored in the system of remuneration for the Management Board. For example, this rewards an increase in the share price, and therefore provides an incentive for success-based sustainable management of the Company in the interests of all shareholders.

1.5 Research and development

Verbio's research and development (R&D) departments make an important contribution to increasing our competitiveness and to the expansion of our business by developing innovative production technologies and transferring them to large-scale use, and by providing continuous further development and optimisation of existing production processes and plants.

For this reason, targeted research and development activities have been driven forward over recent financial years. Existing processes were further developed and optimised with short- to medium-term time horizons. At the centre of this is improving the greenhouse gas balance, i.e. reducing CO_2 emissions, and resource efficiency. In addition, we are initiating new research projects on an ongoing basis in order to enable us to maintain our success in new market segments, for example in chemicals and agriculture. Our participation in joint projects with public and private research institutes and universities also plays an integral role in our research and development work. Prof. Dr. Oliver Lüdtke, a member of our Management Board, has been an active lecturer at the Hamburg University of Technology since 2019.

In addition, in the financial year 2022/2023 our Operational Excellence department was established in order to continue to further develop and optimise our production facilities internationally and to identify and implement best practices worldwide.

Our Operational Excellence teams consist of experts in process technologies, automation, construction, biotechnology, maintenance and chemistry. They monitor efficiency data such as yield, consumption, product quality and maintenance costs at operating plants on an ongoing basis, and where there are divergences from targets they investigate short-term issues and solutions in cooperation with R&D and the production teams. They provide support to the plant construction teams during plant launches and in investigating problems. In addition, these teams also plan, construct and initiate optimisation projects worldwide which, when successful, are then implemented globally.

The knowledge and flexibility of our Operational Excellence and R&D teams, together with the respective production teams, ensure the rapid implementation of best practice solutions in our plants worldwide, as well as the timely implementation of innovations.

In total, the Group spent EUR 5.7 million (2022/2023: EUR 4.7 million) on research and development in the past financial year. Group-wide, an average of 42 people (2022/2023: 35) were employed in R&D departments. An average of 36 were employed in the Operational Excellence team (2022/2023: 32).

1.5.1 Research and development in the Biodiesel segment

The processes used in the Biodiesel segment are subject to an ongoing process of optimisation. Our R&D department in the segment works very closely with the production department in order to maintain and, where possible, extend our competitive lead in the production of biodiesel.

In the financial year 2023/2024 we completed work on the development of an innovative production process for the manufacturing of basic chemicals for the chemicals industry, based on rapeseed oil methyl ester (biodiesel). The knowledge gained has been used in the design of the production plant currently under construction in Bitterfeld. The ground-breaking ceremony for the new plant was held on May 14, 2024.

In addition Verbio has continued work on developing a process to manufacture tocopherols, which are present in small quantities in the vegetable oils processed by Verbio. Tocopherols are, among other things, E vitamins that are used in the foodstuff industry.

XiMo, a Group subsidiary company, is performing basic research into new applications for metathesis catalysts, as well as basic process research into how these metathesis catalysts can be manufactured on an industrial scale. The results of this development work are being incorporated in the design of a new plant to manufacture catalysts on an industrial scale. Construction is planned to start in the fourth quarter of the calendar year 2024.

1.5.2 Research and development in the Bioethanol/Biomethane segment

One area in the focus of our R&D work, in cooperation with the Operational Excellence teams, is to make continuous improvements in the production processes used in our biorefineries. With this, our biorefineries concentrate on making the most efficient possible use of the input raw materials. The high levels of integration of the individual elements throughout our entire biorefineries place heavy demands on the stability of the processes.

In the financial year 2023/2024 our R&D teams have driven forward development work in our biorefineries, focussing on raw material efficiency, and have worked on developing technologies to manufacture basic and speciality chemicals. In addition the demonstration plant for protein isolates commenced production, and initial product volumes were manufactured for the animal feed market. Work has continued on commercialisation for the food market.

1.6 Employees

As of June 30, 2024 the Verbio Group employed 1,395 employees (June 30, 2023: 1,180), of whom 640 were staff (June 30, 2023: 547), 712 were production employees (June 30, 2023: 602), 20 were apprentices (June 30, 2023: 21), 17 were part-time employees in "mini-job" arrangements (June 30, 2023: 3) and 6 were employees on short-term contracts (June 30, 2023: 7).

As of June 30, 2024 Verbio SE employed a total of 232 employees, including 6 members of the Management Board (June 30, 2023: 204 employees, including 6 members of the Management Board). The average annual number of employees was 226 and 6 members of the Management Board (annual average 2022/2023: 177 employees and 6 members of the Management Board).

Detailed information on the employee numbers and statistics is provided from page 84 in the section "Social information – Own workforce" in our non-financial Group statement.

2. Economic report

2.1 Overall macroeconomic and sector-specific environment

As was the case in the financial year 2022/2023, the macroeconomic trends in the reporting year 2023/2024 were regionally very different. In the USA, strong consumption and fiscal stimulus, for example the Inflation Reduction Act, led to robust growth. In contrast, Europe battled with the ongoing consequences of the 2022 energy price shock as well as restrictive financing conditions which led to a stagnation in the eurozone in 2023. Overall, however, the indicators suggest that the low point at the turn of the year has largely passed. In the first and second quarters gross domestic product in the EU and eurozone grew by 0.3 percent compared to the previous quarter. World trade recovered despite logistical challenges, such as the disruptions to traffic in the Suez Canal. Overall the economic outlook has improved, with both the OECD and the IMF making upward revisions to their forecasts for 2024. However, the economic crisis in Germany is still ongoing.

The weakness of the economy is also reflected in the mileage of heavy goods vehicles, resulting in an observable overall decline in demand for diesel fuel in Germany in the reporting period. The demand for gasoline, mainly driven by passenger car traffic, remained stable. This was accompanied by an expansion of the share of biodiesel and bioethanol in the fuel mix. As a result of the implementation of the Renewable Energy Directive II (RED II), EU countries have specific objectives and targets for the use of biofuels in the transport sector, so that tax incentives and binding blending obligations and the greenhouse gas emissions quota (GHG quota) contributed to supporting the market for biofuels. In Germany, one of the largest markets for biofuels in Europe, the GHG quota was increased by 1.35 percentage point to 9.35 percent in January 2024. The oil industry is under an obligation to reduce greenhouse gas emissions – based on the annual total volume of petrol and diesel fuels sold – with biofuels, electricity in electro mobility, electricity-based fuels and biogene liquid gas. In North America the demand for renewable fuels is determined by the Renewable Fuel Standard (RFS) together with the Renewable Volume Obligations (RVOs) determined annually by the EPA. The volume obligations were announced on June 14, 2023 with retroactive effect for 2023, as well as for 2024 and 2025.

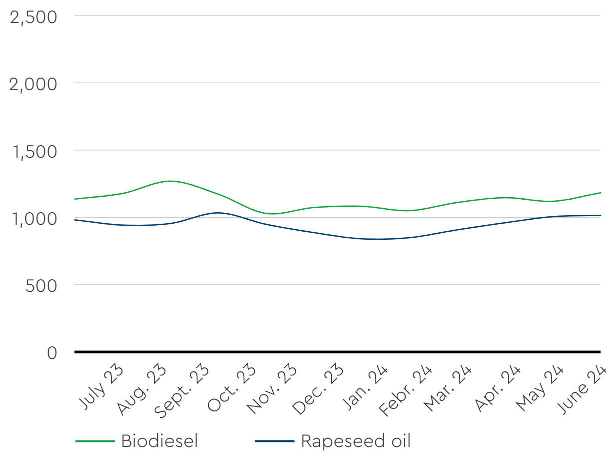
The different systems for the obligatory use of biofuels in Europe and worldwide result in uneven patterns of demand and supply, and accordingly in the potential for arbitrage, which is important for the development of local biofuels production. We examine the economics of biofuels production in detail below. As Verbio biomethane is largely manufactured from residual materials from the production of bioethanol, the Group reports biodiesel separately and bioethanol and biomethane on a combined basis. A summary presentation of price trends is presented in tabular format at the end of this section.

Biodiesel market The biodiesel market was characterised by a sharp price decline in the second half of 2023 compared to the previous year. This was not only driven by lower raw material costs; it was also driven by imports of presumably misdeclared biodiesel and hydrotreated vegetable oil (HVO), primarily from China. There was a turnaround in the trend in the first half of 2024, with the result that the prices paid for biodiesel in the second quarter of 2024 were higher than in the previous year. The background to the firming up of price levels were the higher prices of raw materials as well as declines in the volumes of imports from China for certain periods. Beyond this, there is continued demand for biodiesel based on rapeseed oil, in particular because the quality of the product from China, in the absence of rapeseed oil methyl ester, is not high enough to be used in the European fuels market for blending purposes.

In the USA, driven by the increased production volumes of HVO, the low prices for so-called D4 Renewable Identification Numbers (RINs) – the "currency" used fulfil the RVOs – weighed on biodiesel margins in the reporting period. At the same time, the fall in raw material prices offered a slight opportunity for improvements in margins at times.

Bioethanol market: Bioethanol prices and margins fell again from October 2023 after the European bioethanol market had initially recovered in the first half of 2023 due to declining imports from Brazil, production stops at European bioethanol plants and support for production margins from lower energy and raw material prices. From December higher volumes of imports compared to expected

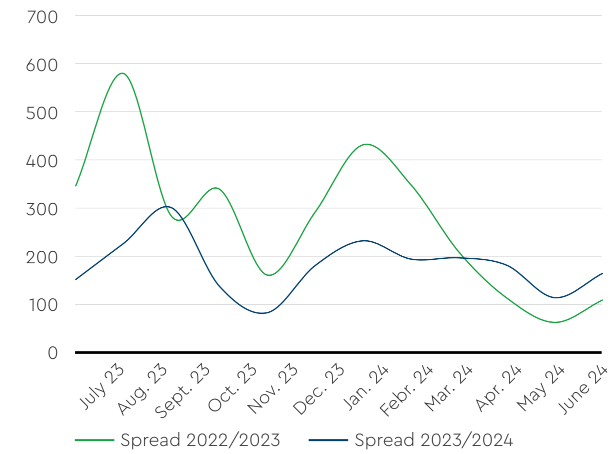
Price development of biodiesel in Europe (July 2023 to June 2024)



*= metric tonne

Biodiesel – Price in EUR/tonne Rapeseed oil – Price in EUR/tonne

Spread development year-on-year in Europe



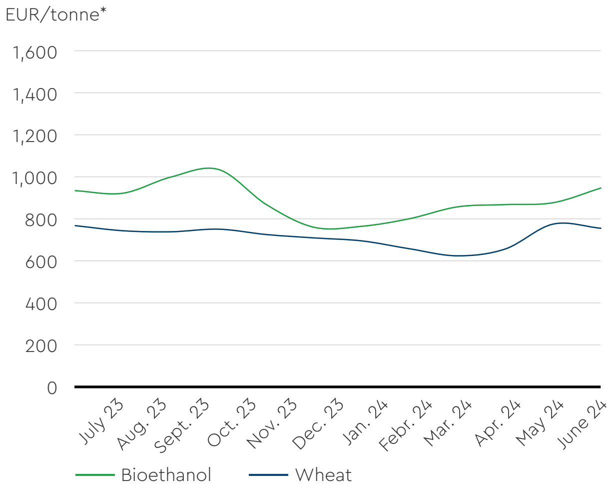
*= metric tonne

Spread = biodiesel price vs. rapeseed oil price per tonne of biodiesel levels were noted again, in particular from Brazil. These imports led to a significant increase in inventory levels in Rotterdam, which in turn caused prices to fall by around 30 percent. With the decline in imports in the first quarter of 2024, primarily from Brazil, there was a fall in the volume of inventories of ethanol in Rotterdam with a resulting continuing recovery in prices in the second half of the reporting year, also thanks to increasing demand. There was a lively demand for spot orders as a result of increasing blending orders and the introduction of E10 in Poland, among other places. Ethanol remains a cheap blending component and the driving season continues to support demand. In doing so the ongoing backwardation is slowing down ethanol imports.

In the USA, prices paid for corn reached historic highs in 2023, which lasted until the harvest of new corn in the USA in September/October. During this period the price of bioethanol followed the fluctuations in corn prices, so that the margins for bioethanol remained at a historically high level. The production of ethanol increased in December 2023 as a result of higher margins. Bioethanol margins were negative in January 2024 as January is traditionally the month with lowest demand. Demand increased in the final months of the reporting year, which led to improved margins for the production plants.

Biomethane market: In the reporting period 2023/2024 the estimated consumption of biomethane in the transport sector in Germany increased from approximately 1,060 GWh to approximately 1,250 GWh. The share of biomethane used in the CNG market in the reporting period was 95 percent. There were two reasons for this: (i) operators of filling stations benefited from cheap alternatives offered by manufacturers of biomethane; and (ii) the demand for biomethane increased as logistics companies, as the most important end consumers in the biomethane market, must reduce their Scope-2 emissions to meet customer requirements.

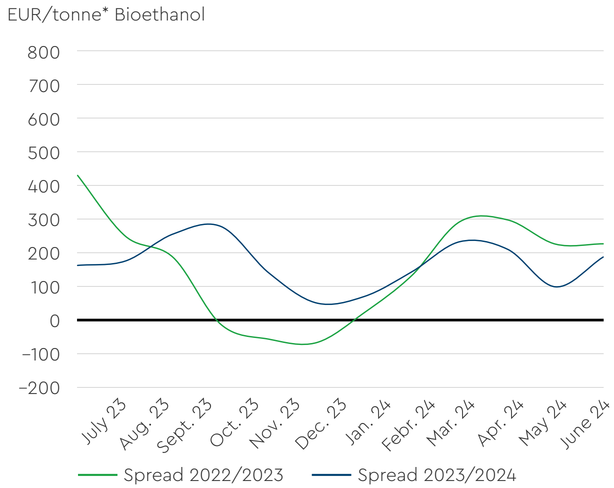
Price development of bioethanol in Europe (July 2023 to June 2024)



*= metric tonne

Bioethanol – price in EUR/tonne Wheat – price in EUR/tonne

Spread development year-on-year in Europe



*= metric tonne

Spread = bioethanol price vs. wheat price per tonne of bioethanol

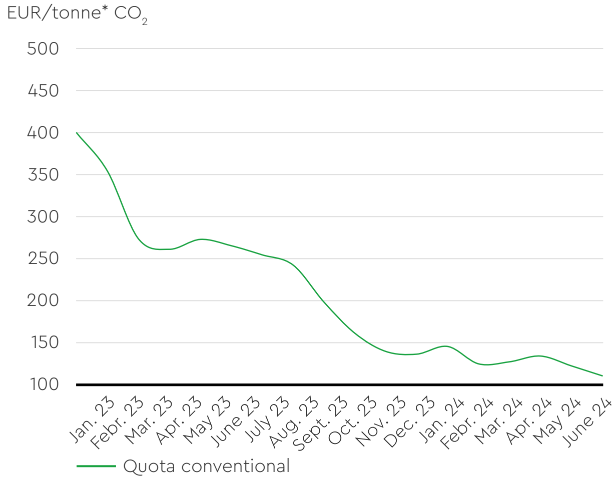
This is in addition to the first volumes of BioLNG which were offered at filling stations from the end of 2023. It can be expected that the entire German market for LNG as a fuel will convert to BioLNG. We estimate that the conversion rate is 70 percent, so that with a total market volume of approximately 1,100 GWh in the first half of 2024, approximately 700–900 GWh biomethane in the form of BioLNG will have been sold at filling stations from January to June 2024.

In the USA, approximately two thirds of the biomethane volumes are currently used in the transport sector, with the support of the RFS and the Low Carbon Fuel Standard (LCFS) in California. In addition, there continues to be increased interest in biomethane from outside the transport sector, in the so-called "voluntary markets".

GHG quota: With fuel consumption approximately stable, the increase in the GHG quota is creating growth in demand for CO_2 savings in Germany. As the oil companies often procure their needs early, the demand exceeds the statutory required volumes. However, imports of what is presumably misdeclared biodiesel from China, and the associated availability of supposedly cheap CO_2 savings, led to an excessive increase in quota obligation surpluses to approximately 6 million tonnes of CO_2 for the quota year 2023, or approximately 30 percent of the quota obligation for 2024. In addition, upstream emission reduction (UER) volumes, some of which have since been confirmed to be fraudulent, also contributed to this surplus. The GHG quota surplus led to a sharp fall in prices: The GHG quota price, which according to market information was still at EUR 255/tonne of CO_2 savings in mid-2023, was most recently down to approximately EUR 100/tonne.

There has, however, been a reaction at the political level. While the Federal Environment Minister was still in favour of extending the UERs until 2028 in the last draft bill, the end of the UERs has now already been set for 2025. No more new projects in this sector will be certified in 2024. At the beginning of September the Federal Ministry for the Environment announced that an initial eight UER projects in 2023 will also not be issued with certificates. In addition, the EU announced on July 22, 2024 that preliminary import tariffs of between 12.8 percent and 36.4 percent will be imposed on all Chinese biodiesel and HVO exporters from mid-August. European market participants expect that this measure will restrict the imports of biodiesel and HVO from China into the EU at low prices. Verbio anticipates that there will only be a structural obstacle to presumably fraudulent import volumes of biodiesel when effective controls and sanctions are introduced, and is calling for this to be done in connection with the implementation of RED III in Germany.

GHG quota development (July 2023 to June 2024)



*= metric tonne

Source: Verbio

Price development year-on-year (FY 2022/2023 – FY 2023/2024)

Prices of selected raw materials and products	Q1 2022/2023	Q2 2022/2023	Q3 2022/2023	Q4 2022/2023	2022/2023	Q1 2023/2024	Q2 2023/2024	Q3 2023/2024	Q4 2023/2024	2023/2024
Crude oil (Brent; USD/barrel)	98	89	82	77	87	86	83	82	85	84
Diesel fuel FOB Rotterdam (EUR/tonne)	1,041	969	785	649	864	808	774	752	718	763
Biodiesel (FAME-10 RED; EUR/tonne)	2,057	1,570	1,376	964	1,500	1,197	1,105	1,096	1,155	1,139
Rapeseed oil (EUR/tonne)	1,618	1,292	1,034	871	1,209	966	966	876	998	951
Petrol fuel FOB Rotterdam (EUR/tonne)	914	755	753	744	793	819	698	752	801	768
Ethanol USA (CBOT; EUR/cbm)	567	560	532	524	546	525	531	526	530	528
Bioethanol (T2 German Specs; EUR/cbm)	1,078	791	831	797	876	749	705	638	707	700
Wheat (MATIF; EUR/tonne)	336	328	281	237	296	235	228	206	228	224
Corn (CBOT; EUR/tonne)	258	258	242	226	246	180	174	158	162	169
Natural Gas TTF Day 1 (EUR/MWh)	201	95	53	35	97	33	41	27	32	33
Natural Gas Henry Hub Day 1 (EUR/MWh)	29	21	17	7	18	9	9	7	7	8

2.2 Business report and the Group's position

2.2.1 Results of operations

(GRI 201)
In view of the difficult market conditions due to the volumes of questionable CO_2 savings in the marketplace, Verbio has been able to generate a good result in the financial year 2023/2024. At EUR 121.6 million, EBITDA was at the lower end of the earnings range of EUR 120 million to EUR 150 million, in line with the most recent EBITDA forecast. The forecast was adjusted from the original EUR 200 million to EUR 250 million range on January 15, 2024 due to the unexpectedly sustained pressure on ethanol and GHG quota prices, particularly as a result of the massive, questionable imports of advanced biodiesel from Asia in 2023.

Verbio produced a record 1,158.7 thousand tonnes of biodiesel and bioethanol in the financial year 2023/2024, compared with 928.1 thousand tonnes in the previous financial year 2022/2023. The increase in the production capacity of 508.0 thousand tonnes to 1,510 thousand tonnes represents a capacity utilisation rate of 76.7 percent (2022/2023: 92.6 percent). In addition, 1,100.2 GWh of biomethane was produced in the financial year 2023/2024 (2022/2023: 1,078.1 GWh). With a production capacity of 1,980.0 GWh (2022/2023: 1,300.0 GWh), the plant capacity utilisation was 55.6 percent compared to 82.9 percent in the financial year 2022/2023. The lower capacity utilisation for both bioethanol and biomethane was primarily due to the plant in Nevada, USA, whose capacities were already fully planned despite the plant still being in the planned ramp-up phase. In addition, the start of the ramp-up phase was delayed until the end of the financial year.

The Group's revenues for 2023/2024 totalled EUR 1,658.0 million (2022/2023: EUR 1,968.3 million), significantly lower than the revenues generated in the previous year. The decline in revenue is mainly due to lower sales prices for the core products and to the structure of the purchase and sales contracts for the production volumes of biodiesel in North America since December 2023, which are to be treated as processing contracts for commercial purposes. Increased production volumes, in particular as a result of the acquisition of the South Bend Ethanol plant in May 2023 and its inclusion in the Group's full-year reporting for the first time, were not sufficient to wholly offset the lower sales. We refer to the information on the individual segments for further information.

EBITDA fell to EUR 121.6 million (2022/2023: EUR 240.3 million). Among other things, the decline is due to the lower prices for GHG quotas. There was an equally notable effect from the ramp-up costs of Verbio's growth projects in the USA, which have not yet generated significant corresponding income.

The Group operating result (EBIT) totalled EUR 69.6 million, also significantly lower than in the comparative period in the previous year (2022/2023: EUR 198.7 million). Higher depreciation was recorded, primarily on the acquired SBE plant as well as on the newly commissioned VEN plant equipment. The net result after current and deferred taxes of EUR 40.1 million (2022/2023: EUR 67.1 million) amounted to EUR 20.1 million (2022/2023: EUR 132.2 million). Based on the result for the period, earnings per share (basic and diluted) were EUR 0.31 and EUR 0.31 respectively (2022/2023: EUR 2.08 and EUR 2.08 respectively).

The reporting on the business and earnings development of the individual segments is found in the section "Segment reporting".

2.2.2 Trends in individual income and expense categories

Other operating income amounted to EUR 11.2 million (2022/2023: EUR 13.8 million) and primarily includes electricity and energy tax rebates of EUR 3.2 million (2022/2023: EUR 3.3 million), the release to income of provisions (EUR 2.0 million; 2022/2023: EUR 3.0 million) as well as grants and the release to income of deferred investment grants and subsidies of EUR 1.1 million (2022/2023: EUR 0.8 million).

The cost of materials totalled EUR 1,315.4 million. Taking account of changes in inventory of unfinished and finished goods, there was a decrease in gross margin which amounted to EUR 317.3 million (2022/2023: EUR 372.9 million).

Employee benefit expenses in the financial year 2023/2024 amounted to EUR 107.5 million, approximately 33 percent higher than in the previous year (2022/2023: EUR 81.1 million). The increase is primarily due to an increase in the number of employees as a result of the Group's further international expansion. There was an increase of approximately 12 percent of the average personnel cost per employee. The employee benefit expense ratio (as a proportion of revenue, change in inventories and own work capitalised) was 6.6 percent, higher than in the previous year (2022/2023: 3.9 percent).

Other operating expenses amounted to EUR 108.9 million in the reporting period (2022/2023: EUR 77.6 million) and primarily included the costs of repair and maintenance, outgoing freight costs and other selling costs, the cost of insurances and contributions, legal and consultancy costs and motor vehicle costs. Within this total, increases in expenses were recorded primarily for repairs and maintenance costs, insurance and contributions as well as for outgoing freight and other selling expenses, while other expenses included in this total are largely unchanged compared to the previous year.

The changes in value of financial assets and liabilities (EUR 1.6 million; 2022/2023: EUR −7.1 million) almost wholly consist of exchange rate differences.

Depreciation and amortisation in the financial year 2023/2024 (EUR 52.0 million; 2022/2023: EUR 41.6 million) included scheduled amortisation of right-of-use assets under leasing arrangements of EUR 8.7 million (2022/2023: EUR 6.9 million). Systematic depreciation of property, plant and equipment increased from EUR 34.1 million to EUR 42.9 million compared to the previous year. While some of the older plant and equipment is already fully depreciated, investments made over the last three years are now successively being commissioned and the additional resulting depreciation now exceeds the depreciation no longer required for older equipment by a significant amount.

The financial result presented amounted to EUR −9.3 million (2022/2023: EUR 0.5 million) and included finance income of EUR 1.3 million (2022/2023: EUR 2.4 million), offset by finance costs of EUR 10.6 million (2022/2023: EUR 1.9 million). The financial result includes interest expenses for lease liabilities of EUR 1.0 million (2022/2023: EUR 0.6 million) The significant increase in finance costs is, however, primarily attributable to the increase in the average level of loans and borrowings in the financial year 2023/2024.

The lower income tax expense of EUR 40.1 million (2022/2023: EUR 67.1 million) corresponds to the lower profit before tax. The effective tax rate was 66.6 percent (2022/2023: 33.7 percent) in the financial year 2023/2024, which is above the expected rate. This is due to the uneven spread of the taxable results among the various tax jurisdictions. For further information on the income taxes, please refer to the information provided in the notes to the consolidated financial statements under 6.11 “Income tax expense”.

2.3 Net assets and financial position

The balance sheet total amounted to EUR 1,377.8 thousand at June 30, 2024 (June 30, 2023: EUR 1,297.2 million). The increase in the balance sheet total was, on the assets side of the balance sheet, primarily due to the increase in property, plant and equipment, while there was an overall decrease in current assets. On the equity and liabilities side of the balance sheet the increase is primarily in non-current liabilities, which include the investment grants received under the US Inflation Reduction Act (IRA); here the grants are potentially attributable to equity.

2.3.1 Non-current assets

Non-current assets increased by EUR 123.5 million and amounted to EUR 794.0 million at the balance sheet date (June 30, 2023: EUR 670.4 million). The change was primarily due to additions to property, plant and equipment (EUR 179.5 million), offset in particular by increased scheduled depreciation of EUR 42.9 million (2022/2023: EUR 34.2 million) and disposals of assets at their remaining book values of EUR 7.7 million. The increase in property, plant and equipment is primarily attributable to the investments made at the Group's VEN and SBE locations in the USA as well as to the ongoing capacity expansion, for example for advanced biodiesel, filling station infrastructure, and product diversification with the use of proteins and ethenolysis in Germany. Non-current right-of-use assets held under leasing arrangements increased by EUR 0.4 million to EUR 27.8 million compared to the previous year (2022/2023: EUR 27.4 million).

2.3.2 Current assets

Current assets amounted to EUR 583.8 million at June 30, 2024 (June 30, 2023: EUR 626.8 million), a decrease of EUR 43.0 million compared to the previous year.

There was a slight decrease in the level of inventories compared to the previous year (June 30, 2024: EUR 244.9 million; June 30, 2023: EUR 260.3 million). The decrease in inventories compared to June 30, 2023 was primarily a result of lower quantities of finished goods (June 30, 2024: EUR 179.6 million; June 30, 2023: EUR 201.1 million). In finished goods the inventories of biomethane GHG quotas fell as a result of the recording of additional impairment allowances (June 30, 2024: EUR 32.0 million, June 30, 2023: EUR 1.5 million) and lower manufacturing costs, while the volume increased significantly. Offsetting this were increases in raw materials, consumables and supplies (June 30, 2024: EUR 54.0 million; June 30, 2023: EUR 45.5 million), which were primarily due to increased inventories as a result of the start-up of the VEN production plant and increases in merchandise

(June 30, 2024: EUR 8.1 million; June 30, 2023: EUR 4.5 million) which for the first time includes inventories held by VInternational's trading division.

Trade receivables increased again compared to the previous year (June 30, 2024: EUR 119.0 million; June 30, 2023: EUR 89.8 million), primarily due to the higher level of prices for biodiesel and bioethanol compared to the end of the previous financial year.

Derivatives also increased to EUR 21.3 million at June 30, 2024 (June 30, 2023: EUR 8.8 million). On the one hand, the increase was attributable to the higher value of derivatives used to fix the purchase price of vegetable oils (EUR 10.0 million; June 30, 2023: EUR 7.5 million). The changes in value of these derivatives were recorded in equity until June 30, 2024 as they are accounted for as cash flow hedging arrangements; on the other hand the derivatives include, in particular, free-standing derivatives for sales contracts in the trading and non-trading division (EUR 11.3 million; June 30, 2023: EUR 1.3 million), whereby the amounts reflect the significantly higher nominal transaction volumes, in particular in the trading division. In the trading division, derivatives on the assets side of the balance sheet are offset by derivatives on the liabilities side in a similar order of magnitude.

Offsetting this, other current financial assets were significantly lower (EUR 17.9 million; June 30, 2023: EUR 66.7 million). Here it was possible to make a significant reduction in cash and cash equivalents held in segregated accounts (EUR 9.4 million; June 30, 2023: EUR 49.1 million).

Despite the increase in operating cash flows, cash funds fell significantly at the end of the financial year from EUR 170.3 million to EUR 123.2 million as a result of investments made for growth purposes. Further information on changes in cash funds is provided in the explanatory notes to the statement of cash flows.

2.3.3 Equity

Equity at the balance sheet date was EUR 928.2 million (June 30, 2023: EUR 911.8 million). The equity ratio amounted to 67.4 percent, lower than at the previous year's balance sheet date (June 30, 2023: 70.3 percent).

2.3.4 Non-current liabilities

Non-current liabilities increased by EUR 91.6 million, from EUR 142.9 million at June 30, 2023 to EUR 234.5 million at June 30, 2024. The significant change was attributable to an increase in drawdowns of long-term loans of EUR 114.5 million to EUR 152.1 million, and, in addition, to the investment grant of EUR 33.3 million received under the IRA in the USA for Verbio's biomethane project in Nevada, which is presented as deferred income within non-current investment grants. In addition, the other current financial liabilities (EUR 19.6 million; June 30, 2023: EUR 0.2 million) have also increased as a result of the volume of repurchase transactions. For further information on the repurchase agreements please refer to the information provided in the notes to the consolidated financial statements under 7.4.5 "Other non-current financial liabilities".

2.3.5 Current liabilities

Current liabilities fell compared to the end of the previous financial year (June 30, 2024: EUR 215.1 million; June 30, 2023: EUR 242.5 million), primarily due to the reduction in current borrowings (EUR 13.4 million; June 30, 2023: EUR 47.5 million). This was offset, in particular, by an increase in the trade payables balance (EUR 126.4 million; June 30 2023: EUR 106.5 million).

2.3.6 Cash flows

The cash flow from operating activities for the reporting period totalled EUR 116.8 million, significantly higher than in the previous year (2022/2023: EUR 26.1 million). The increase, although the profit for the period was significantly lower, was primarily driven by the decrease in inventories of EUR 15.4 million (2022/2023: an increase in inventories of EUR 80.1 million) as well as in other assets and other current financial assets of EUR 46.7 million (2022/2023: an increase of EUR 34.8 million). There was a further effect as a result of the lower income taxes paid for the current year (EUR 54.0 million; 2022/2023: EUR 162.0 million). However, the EUR 18.1 million increase in trade receivables had the effect of reducing cash and cash equivalents (2022/2023: decrease of EUR 31.1 million).

Cash outflows from investment activities in the reporting period 2023/2024 totalled EUR 144.9 million as a result of investments made (2022/2023: EUR 266.4 million). These primarily consisted of payments made for investments in property, plant and equipment (EUR 170.4 million;

2022/2023: EUR 202.9 million), in particular for the construction of the plants in the USA as well as for making expansions to plants in Germany and investments in the vertical and horizontal diversification, offset by receipts of investment grants amounting to EUR 24.7 million. In addition, cash outflows in the previous financial year included payments of EUR 64.0 million for the acquisition of SBE.

The cash flows from financing activities amounted to EUR –19.5 million (2022/2023: EUR 112.2 million). This was due to the drawdown of financial liabilities of EUR 219.9 million (2022/2023: EUR 227.0 million), whereby these have largely been subsequently repaid (EUR 217.3 million). The dividend payments (EUR 12.7 million; 2022/2023: EUR 12.7 million) are also included in this total. In addition, the cash flows from financing activities in the financial year 2023/2024 were affected by cash outflows for payments of lease liabilities of EUR 9.5 million (2022/2023: EUR 7.1 million).

As a result, cash funds fell by EUR 47.1 million in the period from July 1, 2023 to June 30, 2024. The cash funds reported in the balance sheet at June 30, 2024 totalled EUR 123.2 million, after EUR 170.3 million at the end of the previous financial year.

2.3.7 Net debt

Bank and other loans of EUR 165.5 million (June 30, 2023: EUR 162.0 million) were offset by cash balances of EUR 123.2 million (June 30, 2023: EUR 170.3 million) and other cash balances held in segregated accounts totalling EUR 9.4 million (June 30, 2023: EUR 49.1 million), with the result that the Group has net debt of EUR 32.9 million at the balance sheet date (June 30, 2023: net cash of EUR 57.4 million).

2.3.8 Investments

Investments totalling EUR 180.2 million were made in the financial year 2023/2024 (2022/2023: EUR 251.5 million), which almost entirely comprised payments for property, plant and equipment (EUR 179.5 million; 2022/2023: EUR 251.2 million). The significant investments in property, plant and equipment concerned a total of EUR 74.5 million invested in new US plants including SBE, as well as EUR 89.5 million of investments in expansion and diversification in Germany, including the liquefaction plant for biomethane, the expansion of capacities for advanced biodiesel and the filling station infrastructure.

The focus of the investment activities in the individual segments are described in the segment reporting on the individual Biodiesel and Bioethanol/Biomethane segments.

2.3.9 Segment reporting – Biodiesel

Biodiesel	1. HY 2023/2024	2. HY 2023/2024	2023/2024	1. HY 2022/2023	2. HY 2022/2023	2022/2023
Production capacity (tonnes)			710,000			660,000
Production (tonnes)	321,844	315,439	637,283	303,093	307,416	610,509
Utilisation (%)	90.7	95.6	89.8	91.8	93.2	92.5
Number of employees	221	240	240	211	215	215

Once again it was possible to increase the volume of biodiesel produced in the financial year 2023/2024, with the achievement of a new record production total of 637.3 thousand tonnes (2022/2023: 610.5 thousand tonnes), primarily due to the record capacity utilisation of the biodiesel plant in North America. The capacity utilisation overall was 89.8 percent, and the sales volume, including traded volumes, reached 736.4 thousand tonnes sold, a new record level following 725.9 thousand tonnes in the previous year.

Revenues in the Biodiesel segment in the financial year 2023/2024 totalled EUR 987.5 million, following EUR 1,367.4 million in the financial year 2022/2023. The decline in revenues is partly due to lower average sales prices, particularly for biodiesel and glycerine, while sales volumes for biodiesel remained stable. The GHG premiums earned in addition to these were also lower on average than in the previous year. In addition, the changes to the manner in which purchase and sales contracts for the production volumes in Canada have been structured since December 2023 means that they are seen, in economic terms, as processing contracts, with the result that there has been a reduction in revenues and the corresponding costs compared to the previous year.

The cost of raw material and consumables used totalled EUR 783.0 million after EUR 1,184.0 million in the previous year, reflecting in particular the lower prices of rapeseed oil and lower energy costs as well as the change in the contractual arrangements in Canada. Despite this, taking the change in inventories into account, the gross margin has fallen slightly by 9 percent compared to the previous year from EUR 206.2 million to EUR 187.9 million, primarily due to the valuation approach used for the GHG quotas.

Personnel expenses in the financial year 2023/2024 amounted to EUR 31.2 million (2022/2023: EUR 27.0 million). The increase is largely due to the higher average remuneration of employees across the entire Biodiesel segment.

Other operating expenses amounted to EUR 33.4 million (2022/2023: EUR 32.0 million). The EBITDA for the Biodiesel segment totalled EUR 114.1 million (2022/2023: EUR 152.7 million), which was primarily due to the lower gross margin and to expenses for commodity forward contracts for hedging arrangements for the fourth quarter. The expense recorded for commodity forward contracts amounted to EUR 13.3 million (2022/2023: income of EUR 0.4 million).

Investments in property, plant and equipment in the Biodiesel segment in the financial year 2023/2024 totalled EUR 25.5 million (2022/2023: EUR 18.9 million), primarily representing the expansion of production capacity for advanced biodiesel.

2.3.10 Segment reporting – Bioethanol/Biomethane

Bioethanol	1. HY 2023/2024	2. HY 2023/2024	2023/2024	1. HY 2022/2023	2. HY 2022/2023	2022/2023
Production capacity (tonnes)			800,000			342,000
Production (tonnes)	248,857	272,550	521,407	142,683	174,930	317,613
Utilisation bioethanol (%)	62.2	68.1	65.2	109.8	102.3	92.9

Biomethane	1. HY 2023/2024	2. HY 2023/2024	2023/2024	1. HY 2022/2023	2. HY 2022/2023	2022/2023
Production capacity (MWh)			1,980,000			1,300,000
Production (MWh)	519,132	581,052	1,100,184	522,128	555,925	1,078,053
Utilisation biomethane (%)	52.4	58.7	55.6	80.3	85.5	82.9
Number of employees	**700**	**669**	**669**	**559**	**632**	**632**

In the financial year from July 1, 2023 to June 30, 2024 production of bioethanol totalled 521.4 thousand tonnes (2022/2023: 317.6 thousand tonnes), a new record level, thanks to additional capacity following the acquisition of SBE in May 2023 and to expansion measures in Germany. The production of biomethane was also at a new record level in the financial year 2023/2024, totalling 1,100 GWh (2022/2023: 1,078 GWh).

In total, the Bioethanol/Biomethane segment generated revenues of EUR 656.5 million in 2023/2024, 11 percent higher than in the previous year (2022/2023: EUR 590.5 million). The increase in revenues in the Bioethanol/Biomethane segment is due to the higher sales volumes, with falling sales prices for ethanol and lower GHG quota prices. In particular the new capacity at SBE, with production of 223.0 thousand tonnes, has made a contribution to this increase. The volume of trading activities in the non-trading division remained at a relatively low level compared to total segment revenues, as in the previous year (2023/2024: EUR 75.5 million; 2022/2023: EUR 55.2 million).

The cost of materials increased compared to the previous year more than proportionately to the change in revenues, increasing to EUR 525.9 million (2022/2023: EUR 493.3 million), with the consequence that after taking the change in inventories into account, segment gross margin fell to EUR 122.1 million after EUR 160.4 million in the previous year, despite the higher volume of sales. The lower GHG quota yields and the disproportionately high cost of materials at VEN, which resulted from the increased demand during the plant's ramp-up phase, were particularly noticeable here.

Other operating income in this segment in the reporting period changed only slightly in the reporting period to EUR 8.7 million (2022/2023: EUR 8.2 million) represent the largest item.

Employee benefit expenses amounted to EUR 67.1 million (2022/2023: EUR 46.2 million). The increase is primarily due to the higher number of employees as a result of the expansion of the bioethanol and biomethane business at the Nevada/Iowa location, and to the fact that the employees at the South Bend, Indiana plant have been included in the total for the entire year.

Other operating expenses totalled EUR 82.1 million, compared to EUR 50.5 million in the financial year 2022/2023. These primarily include outgoing freight costs and maintenance costs, whereby these as well as other amounts included in other operating expenses have increased compared to the previous year. The largest contribution to the increase in other operating expenses in the segment were maintenance expenses at SBE at approximately EUR 11.0 million.

The segment EBITDA for the financial year 2023/2024 fell to EUR 2.5 million, in comparison with EUR 84.3 million in the financial year 2022/2023, largely due to the ramp up costs in the USA and the lower gross margin.

In total, EUR 148.8 million (2022/2023: EUR 222.8 million) was invested in property, plant and equipment in this segment. This primarily consists of investments in connection with the construction of the biomethane and bioethanol plants in the USA, as well as with the expansion and optimisation of the existing plants in Schwedt/Oder, Zörbig and Pinnow.

2.3.11 Other

In the financial year 2023/2024 the Other segment generated revenues – primarily from transport and logistics services – totalling EUR 31.6 million (2022/2023: EUR 26.6 million). The segment EBITDA amounted to EUR 5.1 million (2022/2023: EUR 0.3 million).

2.4 Verbio SE disclosures

In Germany, sales of the Verbio products and the procurement of the necessary raw materials for their production are carried out by Verbio SE. The products are manufactured by the Group's subsidiaries at the Group's German locations in Zörbig, Bitterfeld, Schwedt/Oder and Pinnow.

Pursuant to Art. 61 of Council Regulation (EC) No 2157/2001 of October 8, 2001 on the Statute for a European company (SE Regulation), Verbio SE prepares annual financial statements in accordance with the provisions applicable to public limited companies in its country of domicile in accordance with the provisions of the third book of the German Commercial Code (Handelsgesetzbuch – HGB) applicable to large corporations within the meaning of § 267 HGB and the supplementary provisions of the German Stock Corporation Act (Aktiengesetz – AktG).

2.4.1 Verbio SE results of operations

Verbio SE statement of profit or loss prepared in accordance with HGB (condensed)

In EUR million	2023/2024	2022/2023
Revenue	1,356.3	1,624.9
Changes in inventories of finished goods and work in progress	24.9	141.2
Other operating income	9.4	25.0
Raw material and consumables used	–1,206.6	–1,458.5
Employee benefit expense	–28.9	–22.7
Amortisation and depreciation of intangible assets and property, plant and equipment	–1.5	–1.3
Other operating expenses	–77.7	–61.2
Operating result	**75.9**	**247.4**
Finance and investment result	**41.3**	**–28.8**
Income taxes	–36.6	–64.4
Profit for the year	**80.6**	**154.2**

Verbio SE reports a profit of EUR 80.6 million for the financial year 2023/2024 (2022/2023: EUR 154.2 million). In comparison with the previous year, for operating items this trend is primarily due to significantly lower gross margins for both biodiesel and bioethanol.

The revenues of EUR 1,356.3 million (2022/2023: EUR 1,624.9 million) were primarily generated from sales to third parties. With production of biodiesel and bioethanol totalling 800.9 thousand tonnes, production volumes in the German plants exceeded the production levels of the previous year (2022/2023: 769.1 thousand tonnes). For biomethane, production matched the record level of production achieved in the previous year with 967 GWh (2022/2023: 968 GWh). The decline in revenues from the Company's own biofuels is due to the fall in the average prices of both biodiesel and bioethanol and the lower GHG premiums over the course of the financial year. Income generated from third parties includes income from trading transactions with biogene fuels in the non-trading division of EUR 136.2 million, compared with EUR 137.1 million in the financial year 2022/2023.

Other operating income amounted to EUR 9.4 million (2022/2023: EUR 25.0 million) and primarily included income from currency exchange differences of EUR 0.6 million (2022/2023: EUR 9.0 million) as well as realised gains on derivatives of EUR 6.6 million (2022/2023: EUR 12.8 million).

The cost of materials totalled EUR 1,206.6 million (2022/2023: EUR 1,458.5 million). In both segments – Biodiesel and Bioethanol/Biomethane – there has been a notable decrease in the average prices of raw materials. Overall, due to the negative trend for sales prices in both segments and taking account of change in inventories, the gross margin fell to EUR 174.6 million (2022/2023: EUR 307.5 million).

The employee benefit expense amounted to EUR 28.9 million (2022/2023: EUR 22.7 million, which was due to both the higher number of employees as well as to a further significant increase in the expense per employee. The provisions for variable compensation payable also increased in the financial year 2023/2024 as a result of the increase in the number of employees.

Other operating expenses amounted to EUR 77.7 million (2022/2023: EUR 61.2 million) and primarily consisted of outgoing freight expenses of EUR 25.9 million (2022/2023: EUR 24.2 million), expenses from realised derivatives of EUR 23.7 million (2022/2023: EUR 4.1 million), as well as expenses for recharges to affiliated companies of EUR 9.8 million (2022/2023: EUR 5.3 million).

The finance and investment result (EUR 41.3 million; 2022/2023: EUR 28.8 million) includes, among other items, the result of the subsidiaries transferred to the Company of EUR 35.7 million (2022/2023: EUR −38.5 million). In addition, it also includes other interest and similar income amounting to EUR 11.9 million (2022/2023: EUR 10.3 million) and interest and similar expenses (EUR 6.2 million; 2022/2023: EUR 0.7 million), primarily representing income and expenses for Group internal financing.

2.4.2 Verbio SE net asset position

Verbio SE balance sheet prepared in accordance with HGB (condensed)

In EUR million	2023/2024	2022/2023
Assets		
Intangible assets	1.0	1.5
Property, plant and equipment	2.1	2.1
Financial assets	765.6	657.2
Fixed assets	**768.7**	**660.8**
Inventories	333.5	300.1
Trade receivables	89.4	73.0
Receivables from affiliated companies	236.4	228.0
Other assets	44.0	80.5
Cash-in-hand and balances at banks	54.9	112.2
Current assets	**758.3**	**793.8**
Prepaid expenses	**0.5**	**0.2**
Total assets	**1,527.5**	**1,454.8**

Equity and liabilities		
Equity	**1,159.4**	**1,088.9**
Provisions	**42.4**	**56.8**
Liabilities to banks	115.4	132.0
Payments received on account of orders	0.0	9.2
Trade payables	67.1	41.3
Liabilities to affiliated companies	96.3	103.7
Other liabilities	47.0	22.9
Liabilities	**325.8**	**309.2**
Total equity and liabilities	**1,527.5**	**1,454.8**

2.4.2.1 Fixed assets

Verbio SE fixed assets at the balance sheet date totalled EUR 768.7 million (June 30, 2023: EUR 660.8 million) which are covered in full by equity. Financial assets of EUR 765.6 million (June 30, 2023: EUR 657.2 million) represent the largest item. Further, fixed assets includes intangible fixed assets in the form of patents, licences and software totalling EUR 1.0 million (June 30, 2023: EUR 1.5 million) and property, plant and equipment of EUR 2.1 million (June 30, 2023: EUR 2.1 million). The change in financial assets is primarily due to additions in connection with the financing of the North American business activities through loans granted by VERBIO Finance.

2.4.2.2 Current assets

Current assets fell by EUR 35.5 million from EUR 793.8 million to EUR 758.3 million. The most significant falls were recorded in other assets (EUR 44.0 million; June 30, 2023: EUR 80.5 million) and cash funds (EUR 54.9 million; June 30, 2023; EUR 112.2 million). The fall in other assets is primarily attributable to the lower amount of funds held in segregated accounts (security deposits). Further information on changes to cash funds is provided in the disclosures on the financial position. In contrast, there has been an increase in trade receivables (EUR 89.4 million; June 30, 2023: EUR 73.0 million) compared to the balance sheet date at the end of the previous financial year.

2.4.2.3 Equity
Equity at the balance sheet date was EUR 1,159.4 million (June 30, 2023: EUR 1,088.9 million). As a result of the profit for the financial year 2023/2024 of EUR 80.6 million (2022/2023: EUR 154.2 million), the retained earnings of EUR 847.5 million from the previous year and the dividend paid (EUR 12.7 million), the Company reports retained earnings of EUR 915.4 million at June 30, 2024.

The equity ratio of 76.0 percent remains at a high level (June 30, 2023: 74.8 percent).

2.4.2.4 Provisions
Provisions amounted to EUR 42.4 million (June 30, 2023: EUR 56.8 million), representing a fall of EUR 14.4 million compared to the previous year which was primarily due to lower other provisions (EUR 41.3 million; June 30, 2023: EUR 55.5 million). The decrease is particularly due to the recognition of provisions of EUR 1.9 million for onerous contracts for commodity forward contracts (June 30, 2023: EUR 27.9 million).

2.4.2.5 Liabilities
The liabilities reported (June 30, 2024 EUR 325.8 million; June 30, 2023: EUR 309.2 million) have increased slightly compared to the previous year. The increase in liabilities is largely due to the increase in trade payables due to timing effects around the year end (EUR 67.1 million; June 30, 2023: EUR 41.3 million).

2.4.3 Verbio SE financial position

Verbio SE statement of cash flows prepared in accordance with HGB (condensed)

In EUR million	2023/2024	2022/2023
Cash funds at the beginning of the period	**112.2**	**273.8**
Cash flows from operating activities	63.0	–42.2
Cash flows from investing activities	–90.0	–208.8
Cash flows from financing activities	–30.2	89.3
Cash funds at the end of the period	**54.9**	**112.2**

The cash funds available for short-term use decreased from EUR 112.2 million to EUR 54.9 million in the financial year 2023/2024. There was a significant increase in cash flows from operating activities (EUR 63.0 million; 2022/2023: EUR –42.2 million). This increase in spite of the lower result for the period was due to the significantly lower increase in inventories (2023/2024: EUR 33.4 million; 2022/2023: EUR 133.1 million) and the fall in other assets (2023/2024: EUR 36.5 million; 2022/2023: an increase of EUR 62.0 million).

The cash flows from investing activities (EUR –90.0 million; 2022/2023: EUR –208.8 million) reflects a continued high level of investing activities within the Group in the financial year, although the volume of investments was lower than in the previous year. The reductions in financial liabilities of EUR 18.0 million and the dividend payment of EUR 12.7 million in particular contributed to a negative cash flow from financing activities of EUR –30.2 million (2022/2023: a positive cash flow of EUR 89.3 million).

2.4.4 Overall statement on the net assets, financial position and results of operations of Verbio SE and comparison of actual and forecast business developments

The earnings situation can be assessed as good overall considering that import volumes of Asian biodiesel continued for longer than expected and the pressure on the biofuels market in the financial year 2023/2024. At EUR 121.6 million, Group EBITDA was below the original planning prepared for the financial year 2023/2024. Despite this, the development of the net debt position of EUR 32.9 million was also lower than in the original planning. The forecast published in September 2023 indicated an EBITDA within a range of around EUR 200 million to EUR 250 million. The Company expected a net debt position at the end of the financial year 2023/2024 in a range of between around EUR 110 million to EUR 150 million. The original forecast for EBITDA and net debt at the end of the financial year was adjusted in an announcement made on January 15, 2024 as a result of the unexpectedly prolonged pressure on ethanol and GHG quota prices, with amended forecasts of an EBITDA in a range from EUR 120 million to EUR 150 million and a net debt balance in a range of EUR 145 million to EUR 175 million. With the publication of the results for the first nine months of the financial year the Management Board firmed up its guidance to indicate that EBITDA was likely to be at the lower end of the range indicated.

The net assets and financial position continue to be very stable, and are appropriate to finance the future activities of Verbio SE and the Verbio Group.

The Management Board and the Supervisory Board of Verbio SE will recommend the payment of a dividend of EUR 0.20 per qualifying share at the annual general meeting to be held on December 6, 2024, and that the remaining profit for the period shall be carried forward.

3. Forecast, risk, and opportunities report

3.1 Forecast report

The following outlook report applies equally to Verbio SE and to the Verbio Group.

The following report provides the outlook of the Verbio Management Board regarding the future course of the business, and describes the expected development of significant economic and industry-specific conditions. It represents the knowledge of the Management Board at the time of its preparation, acknowledging that actual developments may differ significantly either positively or negatively from this outlook, due to the occurrence of risks and opportunities described in the risk and opportunity report.

Although the mood in the economy has improved further and the global prospects for 2024 and 2025 have improved over the course of 2024, global growth forecasts – and those for Germany in particular – are for growth below the historical annual average growth rates. This reflects the ongoing economic challenges and uncertainties. More frequent and more intense extreme weather events due to climate change also contribute to the challenges and underline the need to reduce GHG emissions with products derived from biomass. Instruments such as, for example, the GHG quota in Germany or the RVOs in the USA are ensuring that demand in the transport sector will grow year by year, in particular for advanced biofuels.

Higher prices for fossil fuels make it easier for individual economies to raise their targets for the use of biofuels. The short- and medium-term crude oil price trend continues to be significantly dependent on the political stability of oil-extracting countries and their readiness to maintain or increase the quantities of oil produced, as well as the global economic trend with its associated demand and the geopolitical situation. Inventories of crude oil and oil products have been at historically low levels for more than a year, with the result that there are hardly any reserves and prices could rise sharply in the event of widespread supply bottlenecks as a result of geopolitical disruptions. As demand for fossil fuels increases, so does the competitiveness of biofuels.

3.1.1 Market developments

Biodiesel market There is currently a shortage of vegetable oils from soft seeds (rapeseed and sunflower) in Europe, which makes Europe more dependent on imports. However, unfavourable weather conditions for the new harvest in Canada put these imports at risk and could result in the need for higher prices in order to open up possibilities for arbitrage. Vegetable oils are now heavily dependent on regulations for use in biofuels. The potential introduction of a higher biodiesel mandate in Indonesia would tighten the oil market (mainly palm oil), while stricter requirements in Europe further should support demand for higher-quality oils such as rapeseed oil. Overall, the market environment is expected to remain volatile.

In the USA, the introduction of the production tax credit and the announcement of new volume mandates from 2026 are decisive factors for the future development of the biodiesel industry. Investment freezes and the mothballing of capacities, particularly for HVO, are likely to support the market.

Bioethanol market: Increased blending mandates and the introduction of E10 in Poland and elsewhere are expected to lead to rising demand in Europe. Ethanol remains a cheap blending component. Imports from Brazil are not to be expected at the anticipated price level. The gap in the market is likely to be largely covered by imports from the USA, which can also export to Europe due to lower corn prices. In the grain market, the season began with concerns about unfavourable weather conditions in Europe: it was too dry and too hot in parts of Eastern Europe and Russia, which damaged harvests, while wet conditions in the West, particularly in France, increased the risk of poor grain quality. However, the current figures towards the end of the season show that there is sufficient supply available on the market with better than expected yields inside and outside Europe, so that the overall supply-demand situation for grain is balanced. We expect the area under cultivation to be large enough next year to maintain a solid supply. In view of already low prices, there is not much room for downward movement, but prices are likely to remain subdued in the absence of a significant unforeseen event, meaning that stable margins can be expected on the market overall in the reporting period.

Corn prices in North America are likely to remain at a low level thanks to greater inventories of corn and stable demand for ethanol. Nevertheless, the usual seasonality in margins can be expected in the USA.

Biomethane market: Sales of biomethane as a fuel are expected to increase further in 2024. One important factor in this is the gradual conversion of all LNG filling stations in Germany to 100 percent BioLNG, which could create a sales market of around 3 TWh for biomethane as a fuel. The development of the GHG quota in particular remains decisive for economic efficiency.

Today in the USA, approximately two thirds of the biomethane volumes are used in the transport sector, with the support of the RFS and the Low Carbon Fuel Standard (LCFS) in California. In addition there continues to be increased interest in biomethane from outside the transport sector, in the so-called "voluntary markets". Verbio expects biomethane prices in the North American market to remain favourable due to the attractive requirements for cellulosic RINs (D3) under the volume obligations (RVO) and the growing interest in the voluntary markets.

GHG quota: Supply-side bottlenecks and rising demand will lead to a recovery of the GHG quota market in Germany in the short to medium term. The increase in the GHG quota from an average of 8.6 percent in the 2023/2024 reporting period to 9.9 percent in the financial year 2024/2025 and the elimination of UERs as a compliance option alone correspond to the need for around 3.8 million tonnes of additional CO_2 reductions. Overall, the CO_2 savings needed in 2024/2025 total approximately 18.8 million tonnes. In addition to the restriction of GHG reduction opportunities, biodiesel imports from China have also fallen sharply due to the announcement of tariffs, which have now been imposed. In addition, the supply of CO_2 savings on the German market is decreasing due to investment freezes and insolvencies, which should contribute to a further stabilisation of prices.

3.1.2 Future development of the Verbio Group

In view of the decarbonisation and defossilisation targets in transport and the newly-created markets in industry, a significant growth in the market for low CO_2 raw materials and products can be expected. Verbio will actively address this market growth with its international expansion and by optimising its existing production capacity, as well as with the construction of new capacity for manufacturing various different renewable molecules in the form of green- and brownfield investments.

In addition to expanding its biofuels production capacity, Verbio is investing in the development of processes to manufacture speciality chemicals for use in the chemical industry using vegetable oils and rapeseed oil methyl ester as raw materials. In the Bioethanol segment, too, Verbio is working on promising projects to increase its value added, as well as on new applications for chemical processes. These products will increase the diversity of Verbio's product portfolio and end markets, thereby helping to secure the sustainable profitability of the Group. The expansion of the Group's trading activities will also contribute to this.

The commissioning of the bioethanol/biomethane plant in Nevada, USA, at the end of the 2023/2024 financial year represents a significant milestone for Verbio. Production is to be fully ramped up in the 2024/2025 financial year so that full capacity utilisation is achieved in the fourth quarter. Measures were implemented at SBE in the financial year 2023/2024 that led to an increase in production availability. The process of converting the plant to a combined ethanol and biomethane production plant has begun. In the medium term this will not only result in an increase in production capacity, but will also make it possible to achieve synergy effects and efficiency gains.

In Germany, Verbio will make ongoing improvements to the efficiency and flexibility of the existing plants. Verbio is also investing more in the downstream sector in order to promote the availability and distribution of sustainable fuels.

These targeted investments, expansions and diversification measures put Verbio in an optimal position to profit from changing markets and global decarbonisation targets.

3.1.3 Overall assessment of the expected development

Despite the ongoing uncertainties in the financial year 2024/2025, the Management Board once again expects a positive result in the context of the industry. Verbio has already proved that it can generate attractive earnings even in challenging times as a result of its competitive business model and its innovative technologies.

Earnings in the USA, which are expected to make a positive contribution to EBITDA for the first time since entering the market, will have a decisive effect on the Group's earnings in the financial year 2024/2025. In Europe, the development of GHG quota prices in particular play a role, together with the development of prices of products and raw materials. In the first half of the financial year 2023/2024 Verbio was still able to benefit from contractually fixed, attractive prices, meaning that the starting point for comparison is at a relatively high level.

In the Bioethanol/Biomethane segment the ramp-up of the plant in Nevada, Iowa and the increased production in South Bend, Indiana will have a positive effect on earnings compared to the previous year in view of the attractive margin situation in North America. In Europe increasing plant capacity utilisation accompanied by stable margins for ethanol are expected. Biomethane production is also expected to increase further, so that the 1 TWh mark will be exceeded in Europe for the first time. A recovery can be expected in GHG quota prices, whereby there is uncertainty concerning the timing of events and the political consequences of the fraud with CO_2 certificates from China. For biodiesel in Europe the Management Board expects capacity utilisation to remain high in the 2024/2025 financial year which has already begun. Average margins are expected to fall compared to the previous year due to the tense vegetable oil situation. Contracts guaranteeing a good margin are in place for the Canadian biodiesel production for the calendar year 2024.

The level of the Group's revenue is not only dependent on the production and sales volumes; it is also very much dependent on the market prices of raw materials and biofuels and on the volume of trading transactions for biogene fuels entered into on a case-by-case basis. Based on expected prices for sales of our products, raw material and energy price levels, the planned production capacity usage as well as the prevailing current uncertainties, the Management Board expects to achieve an EBITDA for the financial year 2024/2025 in the range of EUR 120 million to EUR 160 million. Net debt is expected to increase to a maximum of EUR 190 million at the end of the financial year as a result of the investments planned in expanding production capacities in Europe and North America as well as in Verbio Chem, the Group's future growth business.

3.2 Risk report

3.2.1 Risk strategy and policies

Verbio's commercial success is affected, among other things, by the smooth and continuous ramp-up, operation and expansion of its production facilities, optimal raw material procurement logistics and sales, and the quality of the products it manufactures, including the greenhouse gas savings achieved. Additional critical factors affecting the success of its business operations are the trends in raw material and sales prices and associated achievable production margins, as well as the conditions in the economy as a whole, and the statutory quota, regulatory and energy tax policy environment. All of these processes and influencing factors are subject to opportunities and risks that are capable of affecting Verbio's existence, growth and corporate success.

Verbio recognises that entrepreneurial activity aimed at economic success is inevitably associated with risks. Verbio is also aware that risks are an integral part of any business activity, and that taking risks often goes hand in hand with opportunities for earnings and growth. Nevertheless, the Company adheres to the principle that no action or decision should create a foreseeable risk to the Company's ability to continue as a going concern. Ensuring the stability of the business and its continuity is of the highest priority.

In accordance with § 91 (2) AktG the Management Board has created and implemented a Group-wide early risk warning system in order to ensure that risks that could affect the ability of the Company to continue as a going concern are identified on a timely basis. The risk early warning system set up in accordance with these requirements is both appropriate and functional for this purpose.

Verbio SE, as the parent of the Verbio Group, is, for all significant purposes, subject to the same opportunities and risks as the Verbio Group.

3.2.2 Organisation of the risk management

The newly established Global Risk Consolidation department is responsible for the organisation of the risk management process. It is responsible for ensuring that the process is implemented on an ongoing basis, for its coordination, and for making continuous improvements to the process. It achieves the latter by re-examining the risk management system methodology at least once annually. The objective is that the risk management framework should take account of current legislation, standards and internal business demands, and that identified improvements are taken into account.

To ensure comprehensive risk coverage, Verbio has appointed at least one risk owner in the central areas of the Group and in the operating subsidiaries in Germany and in foreign countries. These persons are responsible for the recording and monitoring of risks. Materiality thresholds for risk reporting are defined by the Management Board and approved by the Supervisory Board. These thresholds can be adjusted over time in the event of changes in the reference values, taking account of changes to net assets, financial position and results of operations.

The risk owner reports to the Global Risk Consolidation department at least once every half-year on the dates determined, making use of a standardised risk register. At the end of the second half-year of a Verbio financial year, a risk inventory is performed between the Global Risk Consolidation department and the respective risk owner to analyse and measure new risks as well as risks already previously identified in a structured manner. This ensures Group-wide risk identification, assessment, management and communication. This also includes sustainability aspects resulting from environmental, social and corporate governance (ESG) issues.

Further, Verbio uses other instruments to identify and manage risks. These include, among other things, a unified and process-orientated quality management system (QMS), a compliance management system, the systematic implementation of work safety practices, and systematic complaints management.

The Management and Supervisory Boards are informed about new or changed risks on a quarterly basis. The reports are based on the risk reports from the risk registers of the central units within the Group and the operationally active subsidiaries in Germany and in foreign countries.

In addition to periodic risk reporting, there is an ad hoc reporting process to enable suitable countermeasures to be initiated on a timely basis. An immediate, informal report must be made to the Management Board and/or Global Risk Consolidation in the event that risks that exceed the defined thresholds of the risk early warning system arise suddenly. This rule applies independently of the periodic risk reporting and the formal reporting structures.

3.2.3 Risk identification

Verbio identifies risks in a systematic and consistent manner using a standardised risk register. Based on the recommendations of the Accounting Standards Committee of Germany regarding the reporting of risks set out in the German Accounting Standard No. 20, Verbio has performed a categorisation into subareas as follows: Market and sales, procurement, environment, taxes and commercial law, production and technology, financing and treasury, legal rules and regulations, IT and human resources.

In addition to identifying the risks, the risk register should also describe countermeasures that have already been implemented and/or that are planned to mitigate the underlying risk. For planned risk mitigation measures, the expected date of implementation must be recorded and a person responsible for implementation must be named.

3.2.4 Risk evaluation

The probability of occurrence and the potential range of financial loss should be assessed for all risks on a consistent basis. Measures already implemented to limit risks are taken account of based on a net measurement approach.

The probability of occurrence indicates how likely it is that a certain risk event will occur within the next 12 months. This also takes into account whether the risk can occur on multiple occasions within this period. The following categorisation is applied:

Probability of occurrence	Description
x ≤ 5%	Very unlikely
5% < x ≤ 25%	Rather unlikely
25% < x ≤ 50%	Rather likely
x > 50%	Very likely

The possible loss range indicates the extent of loss to be expected if the risk materialises within the next 12 months. The measurement should be based on the deviation from the planned cash position and/or the result for the period. This is therefore a measurement of net risks affecting liquidity or earnings.

As a rule, it is not possible to precisely forecast the financial loss when a risk occurs. Accordingly, the risk owner must therefore specify a range of possible scenarios in the risk register: the minimum loss (best case), the most probable loss (realistic case), and the maximum loss (worst case).

A modification factor is applied to take account of the uncertainty associated with the estimate of each risk. If a risk is assessed as very reliable, the loss distribution is closer to the most probable scenario. In the case of high uncertainty, the maximum loss scenario is attributed a heavier weighting.

Based on this the potential loss is simulated by statistical means. The following categorisation is applied:

Potential extent of damage	Description
Low	x ≤ EUR 1 million
Medium	EUR 1 million < x ≤ EUR 5 million
High	EUR 5 million < x ≤ EUR 15 million
Very high	x > EUR 15 million

3.2.5 Risk aggregation

The primary objective of the risk aggregation, in addition to determining the relative significance of the individual risks is to determine Verbio's total risk position. For this purpose Verbio has developed a Monte Carlo simulation model using a software application. Based on 100,000 simulation runs, an overall scope of risk is determined using the net risks identified and compared with the planned cash position and earnings for the period.

Based on the results of the simulation, there are no recognisable risks that threaten the ability of Verbio and its subsidiaries to continue as a going concern as of the balance sheet date. No new findings have arisen as at the date the consolidated financial statements were prepared.

3.2.6 Individual risks

The most significant and other selected individual risks for the Verbio Group that could affect the net assets, financial position and results of operations from today's perspective are presented and described below. If changes have occurred compared to the previous year, these are noted in brackets.

The "Other risks" category presented in the previous year is no longer presented. The spread of the coronavirus is currently not assessed to be a significant risk. The risk of acts of war can lead to considerable price fluctuations in the raw material and product markets relevant to Verbio, and accordingly it is taken into account in the market, sales and procurement categories. In order to increase the transparency of Verbio's risk landscape, a description of compliance risks has been added compared to the previous year. The risk profile in this area has, however, not changed.

Corporate risk	Probability of occurrence	Potential extent of damage
Market and sales		
Sales-side risks	Very likely	Very high
Biofuel Sustainability Regulation and the Federal Emissions Protection Act	Rather unlikely	Medium
Procurement		
Risks of raw material purchasing	Rather likely	High
Environment		
Risks due to contaminated sites and other building, land and environmental risks	Very unlikely	Low
Extreme weather conditions	Rather unlikely	Medium
Tax and commercial law		
Risks of non-compliance with ongoing tax obligations	Rather unlikely (previous year: very unlikely)	Low
Transfer price risks	Rather unlikely	Medium
Risks from tax audits	Rather likely	Low
Production and technology		
Production and technology risks	Rather likely	Very high
Financing and treasury		
Financial and liquidity risks	Very unlikely	Medium
Interest and exchange rate risks	Rather unlikely (previous year: rather likely)	Medium
Risks from derivatives	Rather unlikely	Medium
Credit and default risks	Rather unlikely (previous year: very unlikely)	Medium
Risks from impairment of assets	Rather unlikely	Low
Legal rules and regulations		
Regulatory risks	Rather likely	High
Risks from legal disputes	Rather unlikely	Low
Compliance risks	Very unlikely	Low
IT		
Failure of IT applications	Rather likely	High
Human resources		
Risks from human resources management	Rather likely	Low

3.2.6.1 Market and sales

3.2.6.1.1 Sales-side risks

A considerable sales and margin risk for Verbio results from potential imports of biodiesel, bioethanol, and waste and residual products such as UCOs (used cooking oils) that are offered to the market at dumping prices, and which could lead to a massive distortion of competition and competitive disadvantages.

In addition, for the German market there is a high level of motivation for fraudulent claims when determining GHG savings made by biofuels, with an associated risk to sales in Germany. This motivation will be increased further with the increase of the GHG quota to up to 25 percent in 2030.

Since the fourth quarter of the calendar year 2022 Verbio has seen massive imports of advanced biofuels, in particular of biodiesel from Asia. Since then these import volumes have established themselves as a continuous inflow, further displacing domestic production. At the current time there is an excess supply of acceptance opportunities for quota obligations (so-called GHG quota tickets) in the German market. Accordingly, the scale of the potential loss is assessed as very high.

The EU Commission initiated anti-dumping proceedings against biodiesel imports from China in December 2023. Verbio welcomes the decision taken by the EU in July 2024 that preliminary tariffs of between 12.8 percent and 36.4 percent will be imposed on all Chinese biodiesel and HVO exporters from mid-August 2024. The measures demonstrate the political determination to combat unfair trade practices in the biofuels industry. Accordingly, Verbio remains optimistic that we will see a return to fair market conditions.

In the USA and Canada, should there be no annual amendment to the volume obligations (RVOs) the resulting oversupply would have a negative effect on biodiesel sale volumes and a general effect on the margins of biofuels used as a substitute for diesel.

3.2.6.1.2 Sales risks associated with the Biofuel Sustainability Regulation and the Federal Emissions Protection Act

Since 2015, the Federal Emissions Protection Act (Bundes-Immissionsschutzgesetz – BImSchG) no longer requires the bringing to market of defined quantities of biofuels by use of an energetic-based quota, but instead requires the reduction of greenhouse gas emissions – in 2024 by 9.35 percent – through the use of biofuels or other greenhouse gas reduction measures (greenhouse gas reduction quota or GHG quota).

Biofuels can only count towards the biofuels GHG quota provided they have been produced and brought to market in accordance with the provisions of the Biofuel Sustainability Regulation (Biokraftstoff-Nachhaltigkeitsverordnung – Biokraft-NachV). Verbio matches raw material and sales quantities on an ongoing basis and maintains control over the balance of volumes at all times as part of its regular contract controlling procedures. In addition, this is examined by the certification authority in annual audits performed under the Biofuel Sustainability Regulation.

In addition to using biofuels, there are other ways of fulfilling the GHG quota. Accordingly, there is a risk on the sales side that the oil industry will be able to partially achieve its greenhouse gas reduction obligations by other methods, which can result in a reduction in demand for conventional biofuels. These include the possibility of crediting the use of electricity-based mobility (since 2018; amendment to the 38th BImSchG implementing regulation, December 8, 2024), the use of co-processed biogenic oils in oil refineries (since 2024; amendment to the 37th BImSchG implementing regulation, March 14, 2024), as well as the use of upstream emissions reductions (Regulation on the Inclusion of Upstream Emission Reductions in the Greenhouse Gas Quota (Verordnung zur Anrechnung von Upstream-Emissionsminderungen auf die Treibhausgasquote – UERV, January 22, 2018). However, following the discovery of numerous cases of fraud in UER projects in foreign countries these projects have been phased out as a fulfilment option for the GHG quota by amendment to the 36th BImSchG implementing regulation of May 22, 2024. Eligibility for these credits ends with the year 2024. In 2025, only UER projects that have already been applied for by a specified deadline may be credited for this purpose.

In principle, Verbio is countering the sales risks arising from the Biofuel Sustainability Regulation and the Federal Emissions Protection Act by investing more heavily in the USA, thereby diversifying sales channels and serving other national markets. In addition, Verbio is investing in expanding the value-added chain so that conventional biofuel molecules can contribute to GHG savings in other ways and in other industries.

3.2.6.2 Procurement

3.2.6.2.1 Risks of raw material purchasing

Verbio's results of operations are extremely dependent on the availability and prices of the raw materials used. For biodiesel this is predominantly vegetable oil; for bioethanol it is grain.

Generally, the raw materials needed for production purposes are purchased on an ongoing basis as and when sales contracts are entered into. This reduces the risk of price changes and the associated volume for which hedging is required.

Procuring raw materials according to short-term contracts carries the risk of being exposed to potential physical supply limitations.

Verbio carefully observes current market trends. Notable changes are reported without delay, and appropriate risk limitation measures taken. Possible financial consequences are currently assessed as high in view of the volatility of the market prices for commodities.

3.2.6.3 Environment

3.2.6.3.1 Risks due to contaminated sites and other building, land and environmental risks

Verbio is exposed to the risk that the land and buildings it owns could be affected by pollution, soil contamination or other harmful substances. Currently there are no decontamination or monitoring obligations.

3.2.6.3.2 Extreme weather conditions

(GRI 201-2)

Climate change and associated extreme weather conditions affect the quality, availability and supply chains for raw materials from agricultural sources. In particular, droughts or heatwaves could result in damage to growth in agricultural raw materials. In addition, extreme weather events could lead to delays in the delivery of products should rail networks be damaged by flooding or storms or should shipping lanes be restricted due to flooding or strong currents.

Verbio is taking various countermeasures to mitigate these risks. The observation of the market plays a central role in this, in that planning alternative supply routes and adapting the procurement strategy in good time in response to weather events enable bottlenecks to be avoided. Another important countermeasure is the diversification of distribution channels. By using a variety of transportation methods, such as road, rail and waterways, Verbio can respond more flexibly to weather events and utilise alternative routes if particular supply channels are affected. In addition, the Group aims to ensure that it has adequate inventories of raw materials, consumables and finished goods, taking account of current market environment conditions The use of proactive planning and adapting to changing environmental conditions is aimed at strengthening the resilience of supply chains in the face of climate-related risks.

3.2.6.4 Taxes and commercial law

3.2.6.4.1 Risks of non-compliance with ongoing tax obligations

Verbio is exposed to the risks that it fails to fulfil tax legislation in full or fails to fulfil obligations in compliance with the respective legislation, particularly with respect to energy taxes, sales taxes and income taxes, due to the multiple layers and complexity of the tax regulations. Risks arise in this connection with transactions with foreign companies and our own operations abroad in view of the higher complexity involved. Accordingly, the likelihood of occurrence of such a risk is therefore assessed as rather unlikely instead of very unlikely as it was in the previous year.

Verbio counters this risk by monitoring developments in tax legislation on an ongoing basis, with the use of internal tax compliance measures, and by taking external advice in particularly complex situations and in special cases relating to issues concerning foreign countries.

3.2.6.4.2 Transfer price risks

Legal demands on tax compliance and the international nature of Verbio's business activities result in an increased risk associated with determining and documenting transfer prices between Verbio's Group companies. The significant risks include the provision of loan facilities to Group companies (in particular the interest rates charged thereon), industrial franchise agreements, as well as the sale of raw materials from the USA to Europe.

Verbio has established an appropriate and uniform system of transfer price documentation in order to meet the requirements. The international tax department has been expanded in order to strengthen the Group's internal expertise and enable it to manage transfer price risks effectively. Advice is obtained from external consultants in particularly complex situations to ensure that up-to-date rules are taken into account and tried-and-tested approaches are in place.

3.2.6.4.3 Risks from tax audits

Verbio is exposed to the risk that it may be required to make additional tax payments on a retroactive basis if external tax audits result in an upward recalculation of tax liabilities. In view of Verbio's rapid growth, the probability of such an event is currently assessed to be rather likely. Currently, beyond the amounts already recognised as liabilities or provisions in the consolidated financial statements, there are no known issues that could result in significant demands for retrospective tax payments.

3.2.6.5 Production and technology

3.2.6.5.1 Production and technology risks

The continued success of the Verbio Group is driven by the Group's highly competitive technologies. On the basis of the technology standards already achieved for large-scale production of biofuels (biodiesel, bioethanol and biomethane) the Verbio Group is positioned well, and also has the process know-how to implement further ongoing and coherent programmes for the further development and optimisation of the current production processes. The production of biofuels is exposed to the risk that entirely different and more efficient production and process technologies could arise suddenly, and that the operation of existing plants could, as a result, no longer be possible in such a way that their operating costs may be covered. The continual expansion and optimisation of co-production manufacturing is one of the significant drivers of Verbio's competitiveness, but at the current time these co-products cannot yet guarantee that we will be able to operate our plants profitably should there no longer be sales channels for the biofuel products.

The production plants are state of the art or are currently in the process of being modernised, as is the case for example in South Bend, USA. In addition, the plants are maintained on an ongoing basis. Accordingly, from the viewpoint of the Company's management, environmental risks are minimised to the greatest extent possible. Nevertheless, potential environmental damage is insured through environmental liability insurance. All plants are insured against natural disasters by property and business interruption insurance loss cover (including cover for ongoing costs). There is also third party liability insurance to cover losses incurred by third parties arising from Verbio SE's ongoing operations. Plant construction is exposed to supplier risks, which can affect both quality and timing. These include the risks of low-quality materials, production errors and delivery delays. These risks can be reduced by careful selection of suppliers, effective contract management and the performance of regular quality controls.

3.2.6.6 Financing and treasury

3.2.6.6.1 Financing and liquidity risks

Verbio holds a liquidity reserve in the form of cash reserves of EUR 123.2 million and available credit lines to ensure that the Group's ability to meet its payment obligations and its financial flexibility are maintained at all times.

There are currently no identifiable financing risks. Covenants entered into in connection with financing arrangements are monitored on an ongoing basis.

3.2.6.6.2 Interest and exchange rate risks

Verbio is exposed to risks associated with a possible change in interest rates and exchange rates and their effect on the Group's assets, receivables and payables. There is an exposure to risks associated with changes in interest rates, in particular increases in EURIBOR and the €STR in connection with the variable rate loans. In view of the current interest rate environment and declining inflation in the eurozone, the likelihood of occurrence has been downgraded from rather likely to rather unlikely compared to the previous year. Possible consequences for the statement of profit or loss are considered medium overall.

General interest and currency risks are managed using a risk management system and, when required, hedged through the use of derivatives and non-derivative financial instruments.

3.2.6.6.3 Risks from derivatives

The risks from derivatives depend on the risk structure of the individual derivatives. The derivatives used by the Verbio Group belong to different risk groups and are used to hedge both raw material purchases and sales contracts, as well as to hedge interest rate and currency risks. For this purpose, hedging transactions are concluded for individual underlying transactions and specifically assigned to those transactions. There is exposure to the underlying risk of hedging and underlying transactions, and, in connection with certain price developments, there is a risk that resulting payment obligations cannot be fulfilled in spite of available cash reserves and trading facilities.

The price change risks on the procurement and sales side in the Biodiesel and Bioethanol/Biomethane segments are hedged based on market estimates made by the Management Board and within ranges defined by the Management Board, using effective and ineffective derivatives on relevant exchanges such as NYMEX, ICE, CBOT, and Euronext.

Through the use of derivative contracts, a production margin in the respective segment is fixed on a forward basis to the extent possible. Nevertheless, it cannot be excluded that in spite of the use of hedging instruments, undesirable market developments may lead to negative effects on results. The timing and chronological order in which the underlying transactions and the hedging transactions are entered into may also lead to deviations.

The Group-wide risk management procedures implemented are aimed at minimising these risks. For further details we refer to note 10, "Disclosures on financial instruments" in the notes to the consolidated financial statements.

3.2.6.6.4 Credit and default risks

Credit and default risks are primarily associated with a deterioration in the economic situation of suppliers, customers or other contracting parties of the Company. As a result, there is a risk of partial or complete loss of contractually agreed payments or services, and additionally of impairment losses due to a deterioration of creditworthiness.

In view of the current macroeconomic indicators and the geopolitical tensions, the likelihood of occurrence has been reclassified from very unlikely to rather unlikely compared to the previous year.

In order to minimise the risk of default the payment behaviour of debtors is monitored on a continuous basis, and additionally customer-specific credit insurance is obtained and internal creditworthiness assessments are carried out. The risk management procedures implemented are aimed at minimising these risks.

3.2.6.6.5 Risks from impairment of assets

The carrying amounts of individual non-current assets are subject to changes in market and business conditions and thereby also to changes in their values in use. Individual impairment tests are performed in accordance with IAS 36 if there are indications of an impairment of property, plant and equipment.

In particular, when the assumptions underlying the planning prove to be inappropriate, it cannot be ruled out that write-downs with profit or loss effect may be made in future against the carrying value of non-current assets by amounts which may be up to their entire carrying amount, with an effect on Verbio's net assets, financial position and results of operations. However, the additional financial effects of such write-downs are assessed to be minor.

3.2.6.7 Legal rules and regulations

3.2.6.7.1 Regulatory risks

Verbio is subject to multiple political and regulatory framework conditions at the national, European and international levels, changes in which can have direct effects on the Company's results of operations.

In addition, changes in political or economic environments, in particular in larger EU countries and in countries with major agricultural production volumes such as the USA, Canada, China, India, Brazil, Malaysia or Indonesia, could have a direct impact on Verbio's activities. In particular, the elections in the USA in November 2024 could have an effect on price stability.

In addition, with effect from December 31, 2024 there will be a shift in the allocation of tax credits, with credits being issued to producers (Producer's Tax Credit) instead of blenders (Blender's Tax Credit). As a rule, the Producer' s Tax Credit is considered to be advantageous for producers of biodiesel in the USA. However, depending on competitive factors such as location, infrastructure and the use of raw materials, there may also be opportunities for producers from outside the USA. The consequences for the market are currently not clear as, among other things, the final criteria have not yet been finalised.

Regulatory risks are countered by Verbio through memberships in various industry associations that represent the interests of the biofuel industry at the national and also at the European and international levels. In addition, the Company's regular, intensive and direct dialogue with political decision-making bodies and decision makers represents the core element of Verbio's political activities.

The reform of the Renewable Energy Directive (RED III), which affects the German GHG quota, officially came into force in October 2023. The directive must be implemented into national law in the member states by May 2025, and will also lead to an amendment to the legal provision on German GHG arrangements. The current targets in force in Germany are in part already more ambitious than those foreseen in the RED III. This applies in particular to the GHG reduction target. Verbio expects that any amendments will be in force from mid-2025 at the earliest.

Verbio will accompany this process in a constructive manner, both as a Company and in our role as a member of the interested organisations in which we participate.

3.2.6.7.2 Risks from legal disputes

Verbio aims to minimise potential risks from legal disputes by, among other things, ensuring in advance that contracts are carefully examined and precisely worded. There are no significant risks arising from legal disputes at the current time.

3.2.6.7.3 Compliance risks
Violations of laws and regulations to which Verbio is subject as a global company can lead to penalties and fines and cause considerable reputational damage. Our compliance management system (CMS) supports us in complying with legal regulations and implementing the internal company guidelines and ethical standards to which we are committed.

The Verbio Code of Conduct forms the basis of business conduct for all our employees. This includes not only providing instruction on its contents, for example as a fixed component of onboarding for new employees, but also the ongoing instruction of specialist departments on topics that concern compliance matters.

We are also committed to respecting and upholding human rights and fighting corruption outside our Company, among other things. Verbio is a member of the UN Global Compact and has committed itself to upholding the principles contained therein.

3.2.6.8 IT

3.2.6.8.1 Failure of IT applications
IT risks can affect the results of business operations if there are restrictions in the availability and confidentiality of data and the integrity of information systems.

Verbio has taken appropriate measures to minimise the consequences of such IT risks on the results of operations. Primarily these measures include ensuring regular data back-ups, the availability of redundant IT infrastructure, the use of systems to monitor and give early warning of cyber-attacks, vulnerability audits performed by third parties, ensuring employee awareness, and regular audits of security guidelines and processes.

Despite the relevant mitigation measures, the financial consequences of a failure of IT applications essential for the operational and strategic management of the Company are assessed as high. This is due to the fact that cyber criminals are continuously becoming more effective and professional, among other things due to the use of artificial intelligence. Accordingly, also the likelihood of such an event is assessed as rather likely.

3.2.6.9 Human resources

3.2.6.9.1 Risks from human resources management
There is a risk of an increase in employee turnover and positions not being filled with qualified personnel for extended periods of time. This could lead to loss of performance, delays in completing projects, as well as increased costs of recruitment.

Verbio has developed strategies to promote employee loyalty and alternative recruiting approaches. This should address the risk in an appropriate manner and should reduce the consequences for the results of business operations.

3.3 Report on opportunities

3.3.1 Opportunities of raw material purchasing

Verbio follows a "multi-feedstock strategy", which means that it is possible to produce biodiesel and bioethanol using various different raw materials, dependent on what is being offered at the most advantageous purchasing conditions on the agricultural markets. This can result in price advantages and therefore competitive advantages. Verbio is in a position to convert plant and equipment to use different raw materials at short notice. Expanding the use of side streams of vegetable oil production increases the use of alternative raw materials and thus reduces dependence on pure vegetable oil.

Agricultural raw materials are traded internationally and are generally available in sufficient quantities at all times.

3.3.2 Sales-side opportunities

An increased demand for biofuels is expected not only in Germany but also in particular in the Netherlands, France and Great Britain.

It can be observed that ever more countries are introducing E10 as a standard fuel for use in petrol-based engines as part of the process of implementing RED II, and that they are replacing or complementing the energetic-based biofuels quotas with greenhouse gas quotas. This increases the demand for ethanol and for low emission fuels.

With the implementation of RED III separate quotas for advanced biofuels will be introduced in all EU member states, which will lead to a boost in demand for this new biofuels category. Verbio can make use of market opportunities quickly, in particular through the use of the advanced biofuel biomethane, either by constructing further Verbio-owned BioCNG and BioLNG filling stations or by supplying existing filling stations in the infrastructure network.

In addition, inventories of crude oil and oil products have been at historically low levels for more than a year, with the result that there are hardly any reserves and prices could rise sharply in the event of widespread supply bottlenecks as a result of geopolitical disruptions. As demand for fossil fuels increases, so does the competitiveness of biofuels.

3.3.3 Regional and regulatory opportunities

The increase in the GHG quota as well as the inclusion of further potential sales markets such as the maritime sector and the aerospace industry in the scope of RED III implementation will lead to increased demand for biofuels.

The reform of the RED III provides for an unchanged limit of 7 percent for the use of cultivated biomass. Within this limit, in each EU member state the maximum use of cultivated biomass for conventional first generation biofuels is limited to the sales level in 2020, plus an additional 1 percent allowance for flexibility purposes. In particular for Verbio, as a technology leader, these requirements should provide further market opportunities. Since RED II there has been an obligatory minimum quota for advanced second generation biofuels, and this has been increased and widened in scope under RED III. This generates additional market opportunities for Verbio as a leading manufacturer of biomethane based on straw and stillage waste.

For Verbio as a leading producer of biomethane in the USA, there is potential in the US market for making use of straw and stillage waste streams. With the Inflation Reduction Act (IRA) coming into force in June 2022, significant amounts of investment tax credits and other financing instruments have been made available for future investments, resulting in an improved investment climate.

In the Notice of Proposed Rulemaking for investment tax credits issued under Section 48 (ITC) published by the US Department of the Treasury on November 17, 2023, it was initially stated that equipment used to clean and upgrade raw biogas to biomethane would not qualify for the investment tax credit. These concerns were addressed in a correcting communication dated February 16, 2024, clarifying that biogas upgrading equipment necessary to use biogas in a wide range of applications qualifies for the tax credit. This makes it possible to obtain attractive financing conditions.

The Clean Economy Tax Credits proposed in Canada are still being examined by the government, which is calling for public comment. The proposed legislation was originally brought before parliament on November 30, 2023. As of March 2024 industry sources remain optimistic that the budget for autumn 2024 will be able to make 10–15 billion Canadian dollars available. The introduction of the clean technology manufacturing investment tax credit includes one of five new refundable investment tax credits. These are intended to provide subsidies for new capital investment to offset the competitive advantages that US producers have gained since the introduction of the IRA in August 2022.

In India, the development of the BioCNG sector is heavily dependent on political developments at both the central and federal government levels. Thanks to the ongoing political stability the sector is starting to make progress. The initial investment cycle in 2018/2019 was set in motion by pioneers such as Verbio. Subsequently, the second investment round was dominated by state-owned Indian oil and gas companies as well as private Indian companies such as the Reliance Group.

The following advances should be noted to illustrate the improvements made in the political framework conditions:

1. The creation of the Direct Pipeline Injection (DPI) policy, under which the government provides financial support for the construction of pipelines to connect BioCNG plants to the grid.

2. Financial support is offered by the government for the acquisition of machinery to collect agricultural residues, such as straw balers; Verbio is one of the first beneficiaries.

3. Plans to make further amendments to Indian regulations (Fertilizer Control Order, FCO) providing specifications for humus. For the first time, these are intended to take account of the CO_2 content. To date, only nutrient-based financial support has been provided in India.

3.3.4 Production and technology opportunities

Verbio's technology activities are organised in a highly efficient manner. All plant construction activities are combined in the Engineering, Procurement and Construction (EPC) department, and the competences needed to optimise production plants are concentrated in the Operational Excellence (OE) department. This organisation enables efficient and cost-optimised implementation of investment projects, ensuring that the latest findings from the optimisation of our production processes are also taken into account in the planning of new construction projects.

Verbio's production plants are primarily designed using the Group's own process expertise and are technically state-of-the-art or are in the process of being transformed into state-of-the-art plants, as is the case at South Bend. The optimisation of the plants by the OE division is intended to ensure that the systems continue to be at the forefront of technology in the future.

The production plants are positioned well with respect to their energy balance. All plants and production processes are optimised further on an ongoing basis, which leads on the one hand to a significant reduction in energy usage, and on the other hand to higher or optimised yields.

In addition to the optimisation of existing plants, Verbio sees market opportunities in the development of production processes which enable high-value by-products to be manufactured making use of the raw materials used for manufacturing its biofuels. Examples of such by-products include glycerine and sterols, which are already being produced and which will in future be complemented with speciality chemicals for the chemical industry and with high-value proteins for the animal feed and foodstuff industries.

Further, Verbio makes use of the know-how that it has accumulated in previous years to contribute to new projects such as the straw biomethane plants and the biorefinery plants in South Bend and Nevada (both in the USA).

3.3.5 Financial opportunities

Verbio's stock exchange listing gives the Company access to the capital market, enabling it to generate financial resources to reduce indebtedness or to finance growth.

3.4 Overall assessment of the risks and opportunities by the Company's management

Verbio consolidates and aggregates all risks reported by the Group's various divisions and functions in accordance with its risk management guidelines.

The results of the overall measurement of all of the risks described give no indication that current risks, considering the likelihood of their occurrence and their effects, could, either individually or in the aggregate, endanger the Company's ability to continue as a going concern. The cash currently on hand, together with available credit facilities, is also a source of risk minimisation.

The Company's management is convinced that Verbio's earnings power forms a solid basis for its future business development, in particular with its entry into new markets by means of the expansion strategy already implemented, and that it provides the necessary resources needed in the 2024/2025 financial year and thereafter to pursue the opportunities offered to the Group and successfully confront the challenges from the risks described.

4. Other reporting obligations

4.1 Internal control system

Verbio's internal control system defines Group-wide minimum standards for the design of internal controls in business processes both centrally and at the Group's subsidiary companies. For this purpose a Group-wide model was developed which provides clear guidelines on the scope and implementation of controlling activities and their measurement. A risk control matrix has been implemented to provide a comprehensive documentation and management of the internal control system.

The objective of the internal control system is, among other things, to identify and mitigate process risks which could be an obstacle to the preparation of annual and consolidated financial statements and the (Group) management report in accordance with the relevant frameworks. The implementation of these controls should ensure that reliable annual and consolidated financial statements are prepared.

The central organisation, the extensive standardisation of the IT programmes used, in particular the planning and consolidation tools and the continuously improved business intelligence interface ensure the clear assignment of responsibilities in accounting, Group financing and controlling, and appropriate controls are designed to ensure or facilitate risk management, control and compliance. Also, all tasks associated with the preparation of the consolidated financial statements, such as consolidation measures, the reconciliation of intercompany balances and the reporting requirements are clearly assigned, and the processes in the internal control system are clearly defined.

4.2 Supervision of the effectiveness of the risk management and internal control systems

The Management Board has implemented internal monitoring systems to supervise the appropriateness and effectiveness of the risk management and internal control systems. An important component of this is the performance of independent supervisory tasks and audits by the Internal Audit department. Any weaknesses and improvement recommendations are noted and addressed to those responsible for the respective processes for resolution. In doing so there is a targeted tracking of results to ensure that recommended measures have been implemented effectively.

The risk management and internal control system implemented by the Group are integrated in many of Verbio SE's processes and optimised on an ongoing basis. On the basis of this reporting and taking account of the reports issued by Internal Audit the Management Board has no indications that the risk management system and the internal control system in their respective entirety are not appropriate and not effectively aligned with Verbio SE's risk situation.

Here it should be noted that even a very carefully designed risk management and internal control system cannot provide absolute assurance that all relevant risks are identified on a timely basis and can be mitigated by appropriate measures and internal controls.

4.3 Statement on corporate governance

The statement on corporate governance, issued in accordance with § 315d HGB in connection with § 289f HGB, is published in the Investor Relations section of the Verbio SE website (https://www.verbio.de/investor-relations/corporate-governance/erklaerung-zur-unternehmensfuehrung/).

In addition to providing a description of the Management and Supervisory Boards' working methods, the statement includes the corporate governance report, the declaration of conformity in accordance with § 161 AktG, and relevant disclosures regarding significant corporate governance practices.

4.4 Closing remarks of the report issued by the Management Board on relationships with affiliated companies

Verbio SE, and its subsidiaries as dependent companies have prepared a dependence report in accordance with § 312 AktG. Under the circumstances known to the Management Board at the time of undertaking the transactions, Verbio SE and its subsidiaries received appropriate consideration for every transaction listed in the dependence report on its relationships with affiliated companies. No measures were undertaken or omitted in the interests of, or at the instigation of, the controlling company or one of its affiliated companies.

4.5 Takeover disclosures in accordance with § 315a HGB

The following information relates to the corporate legal structure and other legal relationships. It should allow a better overview of the Company and any obstacles to a takeover.

Following a capital increase registered at the commercial register on April 16, 2024, the subscribed capital (share capital) of Verbio SE consists of 63,638,198 no-par bearer shares. Each share grants the holder the same rights and grants one vote in the general shareholders' meeting. All shares entitle the holder to dividend payments in full; dividend payments are made in euros.

Restrictions on voting rights of shares could result from provisions of the German Stock Companies Act. Thus, under certain circumstances shareholders are subject to a voting prohibition (§ 136 AktG). Furthermore, the Company has no voting rights on its treasury shares (§ 71b AktG). The old/founder shareholders have entered into a voting trust agreement, requiring their voting rights to be exercised on a pooled basis. In the meantime the pool has been extended to include further shareholders. There are no further restrictions of voting rights or share transfer restrictions. Special rights or control authority are not connected to the pooling relationship. A new pooling contract was agreed in the financial year 2023/2024. The shareholders who have joined as members of the new voting rights pool are also subject to requirements to exercise their voting rights on a pooled basis. The pooling contract most recently agreed in the financial year 2023/2024 cannot be cancelled earlier than July 5, 2025, and extends automatically in each case by six months if it is not cancelled with a three-month notice period before the conclusion of its term. In addition, a sub-pool contract has been in existence since April 5, 2019 between the Sauter siblings who are members of the pool, under which an agreement has been made to exercise their voting rights within the pool in a uniform manner. The sub-pool contract was last amended on February 27, 2023. As at the June 30, 2024 balance sheet date the arrangements under the pool voting agreement bind the votes of 70.76 percent of the total voting capital.

Claus Sauter and Bernd Sauter, both members of the Management Board, have direct holdings in Verbio SE in excess of 10 percent. By means of either direct or indirect entities, they hold a total of 34.77 percent of the outstanding shares.

The provisions regarding the appointment and dismissal of members of the Management Board, as well as for making changes to the articles of association, are in accordance with the statutory requirements (§ 84, § 179 AktG) in conjunction with § 7, § 14 and § 20 of the articles of association.

Under a shareholders' resolution approved at the annual general meeting of shareholders held on February 4, 2022 the Management Board is authorised, subject to the approval of the Supervisory Board, to increase the share capital by means of issuing additional no-par bearer shares in exchange for cash or non-cash contributions on one or more occasions until February 3, 2027. Following partial use of this authorisation the approved capital currently totals EUR 31,137,250.00 (authorised capital 2022).

The Management Board is empowered, subject to the approval of the Supervisory Board, to exclude existing shareholders' subscription rights for shares issued in exchange for contributions in kind of up to an amount of EUR 12,636,726.00, which represents 20 percent of the share capital at the date of the resolution. This also applies to the use of the authorised capital to fulfil purchase obligations or purchase rights for the Company's shares based on agreements made or to be made with members of the Company's Management Board under Management Board remuneration agreements. This type of share issue is dependent on a prior election being made by the Supervisory Board to exercise its option under the current remuneration rules that the share-based remuneration shall not be settled in cash but shall be fulfilled by the issue of shares, or on it having created a new form of share-based remuneration.

The general shareholders' meeting on February 2, 2024 authorised the Management Board until February 1, 2029 to purchase treasury shares of up to 10 percent of the capital shares at that time, on one or more occasions. The shares may be purchased with the use of derivatives. The authorisation is not to be used for the purpose of trading in treasury shares.

The powers of the Management Board to issue or repurchase shares are comprehensively described and governed in the respective authorisations resolved by the general shareholders' meeting.

In the event of an early termination of Management Board activity resulting from a change in control, members of the Management Board have a one-off special right of termination, and, on exercising this right, a claim for a termination payment that is calculated by capitalisation of the expected total remuneration for the remaining contract term. This amount may not, however, exceed the amount of three years' remuneration, two years in the case of the Chief Financial Officer, consisting of the fixed and variable contractual components. The Company does not have any compensation agreements with employees.

5. Non-financial Group statement

5.1 General information

GRI 2-2 to 2-5

This non-financial Group statement provides a summary of all the significant developments relating to sustainability at Verbio SE, as the parent company of the Verbio Group, in the financial year 2023/2024. In addition to information on environmental, economic and social issues, it also deals with ethical aspects such as the observance of human rights, corruption and competitive behaviour.

With the entry into force of the CSR Directive Implementation Act (CSR-Richtlinie-Umsetzungsgesetz – CSR-RUG) and the associated reporting obligations, Verbio SE, as the parent company of the Verbio Group, is required to prepare a non-financial Group statement in accordance with Sections 315b, 315c in conjunction with Sections 289c to 289e German Commercial Law (Handelsgesetzbuch – HGB).

The reporting period is from July 1 2023 to June 30, 2024. The report contents and data for the non-financial key figures are updated annually. The reference date for all data and facts was June 30, 2024. Figures have been rounded in accordance with normal commercial practice; rounding differences may occur.

The scope of consolidation for sustainability reporting corresponds to that of financial reporting (see 2.2 Notes to the consolidated financial statements in the Annual Report 2023/2024). For the first time, all units are also included in the environmental indicators in preparation for the introduction of the Corporate Sustainability Reporting Directive (CSRD). Any exceptions are explained in the relevant data.

The non-financial Group statement is prepared with reference to the Global Reporting Initiative (GRI) guidelines for sustainability reporting.

The selection of content to be reported is based on the results of the materiality analysis 2022/2023, which is carried out in accordance with the double materiality approach. The contents are examined to ensure they are up to date and amended where necessary. Details on the results of this quantitative methodology can be found in the section "Our materiality analysis".

The auditing firm Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Leipzig has subjected this non-financial Group statement for the financial year from July 1, 2023, to June 30, 2024 to a limited assurance review. Representatives of the Verbio SE Supervisory Board have reviewed and approved the report in advance.

5.1.1 ESG management at Verbio

GRI 2-12 to 2-14, 2-16 to 2-18, 2-25

The Supervisory Board has the necessary expertise in the area of ESG to monitor the measures taken by the Management Board and provide it with advice. The Management Board ensures that strategic decisions are taken in agreement with the Supervisory Board. It sets out the Company's ongoing focus on sustainability by defining the Company's mission and vision as part of Verbio's core corporate philosophy and providing the strategic framework, guidelines and objectives that reflect Verbio's commitment to sustainable action. In addition, the Management Board monitors the due diligence processes used to determine and manage the Company's impact on the economy, environment and society. This proactive approach is also designed to ensure that the Company meets its responsibilities to its stakeholders and society as a whole.

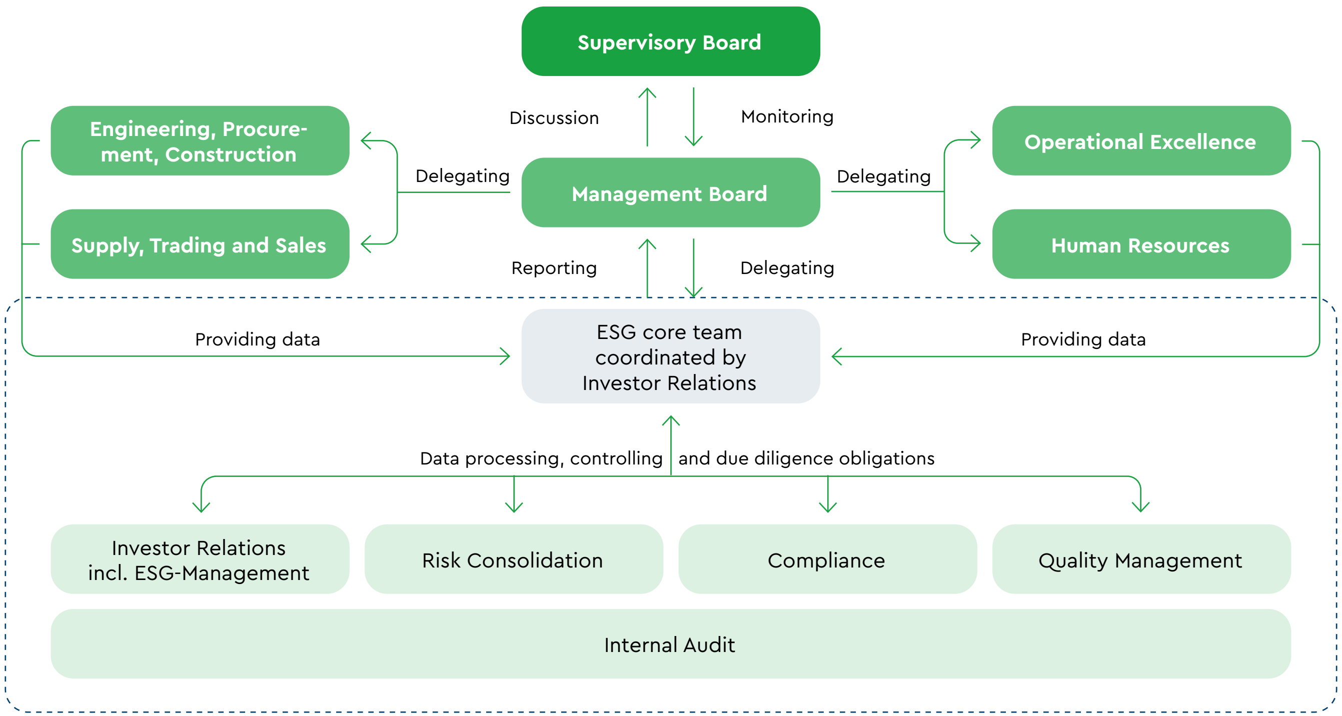
The Vice Chairman of the Supervisory Board, the Chief Executive Officer and the Chief Financial Officer (CFO) are responsible for introducing and promoting sustainability issues at meetings of the Supervisory Board. The regular self-evaluations performed by the Supervisory Board as well as the ongoing examinations of the competence requirements ensure that this board, taken as a whole, has the necessary qualifications and knowledge to exercise supervision over sustainability issues.

For organisational purposes, ESG activities are the responsibility of the IR department, which is responsible for coordinating ESG management processes globally. Regular and ad hoc reports are submitted to both the Management Board and the Supervisory Board to ensure the implementation of applicable ESG regulations. In addition, the department makes recommendations on suitable strategies for managing impacts on environmental, social and governance matters and communicates the Company's sustainability efforts to the public. The Management and Supervisory Boards also monitor the analytical framework and the ESG insights to ensure that adjustments are in line with current business needs.

ESG activities at Verbio follow a decentralised approach in which all administrative departments involved in the control and due diligence processes, which also form the Corporate Governance Working Group, coordinate their activities and use synergies to assess the Company's impacts, risks and opportunities. The CFO is also informed directly about the organisational, strategic and substantive work of this Corporate Governance Working Group at regular information and reporting meetings. On occasions when this results in information and reporting obligations for the entire Management Board or the Supervisory Board, the entire Management Board and Supervisory Board are also informed accordingly. A further series of planned and ad hoc meetings convened during the course of the financial year enable close cooperation between the departments and the Company's management, and thus faster and more efficient processing of the tasks to be performed. Established control mechanisms are shaped and formulated in particular by the recurring risk inventory, the ESG materiality analysis, the design of the internal control system and internal audit, compliance work, and also by reporting to the Management and Supervisory Boards. The purpose and aim of all these control mechanisms is to identify critical issues in order to counteract them promptly and comprehensively, both preventively as well as by repressive actions. Management carefully reviews the cumulative results of the control and due diligence teams in order to formulate appropriate measures, guidelines or targets where necessary.

In addition to the specialist departments which are the focus of Verbio's sustainability activities shown in the chart on the next page, other departments, including Marketing, Controlling and Accounting, also support ESG activities and ESG reporting in particular. In principle, ESG is a collaborative task in which the various areas contribute to a common goal with the involvement of external stakeholders.

Collaboration of the Company's departments for the purposes of ESG activities



The Supervisory Board and the Management Board are responsible for the examination and the approval of the information included in the non-financial Group statement. This includes content that has been identified using the control mechanisms and which is considered material to the Company's business and its stakeholders.

The governance processes covering sustainability are being formalised on an ongoing basis and integrated into the business planning.

5.1.2 Strategy

5.1.2.1 Statement on sustainable development strategy

GRI 2-22

As a provider of environmentally friendly solutions and a technology leader for biofuels, sustainability is a fundamental component of Verbio's business model. Verbio's forward-looking business model is characterised by flexibility and enables the Company to react as quickly as possible to changes and their impact on the environment and society.

Starting with the production process, management places a high value on optimised resource utilisation, exemplified by recycling in production and the promotion of the circular economy. By making investments in the further optimisation of existing plant and equipment as well as production processes, Verbio is aiming to make its production even more resource-efficient and improve the greenhouse gas (GHG) footprint of the Group's products further. Verbio is increasing its competitiveness by implementing innovative technology concepts for the use of additional co-products. This is done by developing environmentally friendly products and tapping into new market segments, as already explained in more detail in the "Research and development" section.

Sustainability takes precedence in the procurement of raw materials, Verbio's biofuels are a testament to this commitment, as they reduce CO_2 emissions by more than 90 percent in some cases compared to conventional fossil fuels. An overview of Verbio's product portfolio and the CO_2-savings potential offered by its respective products is provided in the "Segments and product portfolio" section. The Company's goal is to save at least 8 million tonnes of CO_2 for its customers in 2026. Furthermore, Verbio plans to achieve climate neutrality in its direct operations (Scope 1 and 2) by 2035.

The findings from the materiality and risk analysis, the compliance management system and the employee surveys serve as a basis for ensuring that the Company keeps up to date with its social impact and with changing requirements (see further information in the "Materiality analysis" and "Forecast, risk and opportunity report" sections). For example, the hybrid working guidelines introduced in 2023 are a result of this, and demonstrate the ongoing development of internal guidelines. A diverse workforce enriches the corporate culture, promotes progress and opens up a large number of perspectives (see the section "Own workforce" for an overview of the diversity of employees). The Company is particularly committed to the community around its own locations by supporting initiatives such as donations, grants and sponsorship projects with a long-term impact, and it is striving to expand this commitment further.

5.1.2.2 Declaration of commitment to principles and practices

GRI 2-23 to 2-24

Our standards of responsible corporate governance are derived from our corporate values, the relevant laws and the international guidelines to which we are committed. We take account of these standards in our Corporate Commitment Policies and in our internal rules. This includes principles that apply throughout the Company as well as specific standards and processes applicable to individual departments or locations.

We commit ourselves and our suppliers to comply with internationally recognised labour and social standards. Our voluntary commitment includes labour standards as set out in the United Nations (UN) Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the International Labour Organization (ILO). In addition, we have been a member of the United Nations Global Compact since 2022, and we are committed to complying with the principles set out therein.

The Group-wide Code of conduct adopted by the Management Board is binding for all employees, Management Board members and managing directors, and provides clear rules of conduct in the areas of corruption, fair competition, the ban on insider trading, money laundering, respect for human rights, but also on topics such as data protection and information security. The Supplier Code of Conduct sets out what we expect from our suppliers in terms of human rights, health and safety, business integrity and environmental protection. As part of the Statement on Respect for Human Rights, which was adopted by the Management Board in the reporting year and has been in force since July 1, 2024, Verbio is publicly committed to respecting internationally recognised human rights and the ILO core labour standards. Taken together, the Code of Conduct, the Supplier Code of Conduct and the Statement on Respect for Human Rights complete the Group's Corporate Commitment Policies. The Corporate Commitment Policies are available for inspection at any time both internally and publicly on the Verbio website, and are available in various languages.

Further internal standards are defined in a range of guidelines, procedures and work instructions. We inform and train our employees on all important rules that affect them. The contents of Verbio's internal standards are made accessible via, for example, links on the intranet, the eLearning training portal, at the start of employment, and upon request at any time. Managers are responsible for their implementation and compliance in their respective areas of responsibility.

If necessary, we review our internal guidelines and procedural instructions and adapt them to any changes in the legal requirements. We monitor regulatory developments carefully – for example, the EU Directive on due diligence obligations in respect of human rights.

In addition, our Procedure for the Whistleblower System has been in place since December 2023. This affirms our intention to maintain and strengthen a corporate culture in which employees feel empowered to report any incidents and contraventions of compliance requirements. The procedure describes the process of how we investigate reported misconduct while maintaining confidentiality and protecting whistleblowers.

In March 2024 we held a Group-wide compliance training course for the Management Board and managers for the first time. The topics covered included among other things the Code of Conduct, the issue of corruption and the whistleblower system.

5.1.2.3 Stakeholder dialogue

GRI 2-29

The management of Verbio engages in open and constructive exchange with its regional, national and global stakeholders. This includes all key influence groups that are directly or indirectly affected by Verbio's activities and have (legitimate) interests or expectations in the outcomes of the Group's economic, social or sustainability-related actions.

By making its decisions and actions transparent to stakeholders, management enhances acceptance of its business activities, better perceives social trends and developments, and is able to consider different interests and needs appropriately. Additionally, the ESG team also analyses the expectations of key stakeholders in order to identify significant sustainability aspects through a "materiality analysis". The "materiality analysis" serves as an important tool through which stakeholders can directly engage in the (further) development of the sustainability strategy by means of a survey (see "Our materiality analysis").

Verbio has established the following formats for regular exchange with its internal and external stakeholders:

Overview of the most important formats used by Verbio

Stakeholder groups	Formats
Employees	• Intranet • Employee events • Employee meetings with information on business figures and corporate development • Employee/goal agreement meetings • Employee surveys • Corporate website and social media channels (LinkedIn, Facebook, Instagram, YouTube, Xing)
Business partners	• News on the verbio.de websites • Social media channels LinkedIn, Facebook, Instagram, YouTube, Xing • Trade fairs and conferences • Interviews and articles in the regional, business and technical press • #strohklug podcast and blog by CEO Claus Sauter • ESG reporting on rating agencies' platforms such as EcoVadis and CDP (at customer request)
Shareholders and investors	• News, ad hoc announcements, the Company's articles of association, rules of procedure for the Supervisory Board, annual reports, half-yearly financial reports and quarterly statements, and corporate presentations in the "Investor Relations" section of the website. • Investor conferences • Earnings calls • One-on-one meetings with analysts and investors • Annual general meeting • Investor calls • Announcements in the financial calendar • Publications in the Federal Gazette • Social media channel LinkedIn for company news • #strohklug – podcast and blog by CEO Claus Sauter
Media	• Press releases • News on the verbio.de websites • Social media channels LinkedIn, Facebook, Instagram, YouTube, Xing • #strohklug podcast and blog by CEO Claus Sauter • Annual financial statements press conference • Direct exchange • Interviews • Visits to the factories
Local communities	**Municipal authorities:** • Exchange on construction projects • Information to local residents • Support in the form of donations • News on the verbio.de websites **Community involvement:** • Engagements in the form of sponsorship, for example Verbio's sponsorship of Martin Schulz, Olympic paratriathlete.
Civil society organisations	• Public networking events • Trade associations and committee meetings • Guest posts and comments

5.1.3 Our materiality analysis

GRI 3, 2-13

Verbio carried out a comprehensive materiality analysis based on the principle of double materiality in the financial year 2022/2023. This approach involved a dual assessment of sustainability issues, from the perspective of impact materiality (inside-out perspective), which measures Verbio's impact on the economy, the environment and society, and the perspective of financial materiality (outside-in perspective), which takes into account the financial impact on the Company.

In a first step, a list of various sustainability topics was drawn up, encompassing ecological, social and economic aspects and based on the GRI topic standards, industry-relevant sustainability considerations and insights from Verbio's analysis from the previous year. The second step consisted of two analyses – a cross-company impact analysis, and a materiality survey among stakeholders.

The impact analysis (inside-out and outside-in perspective) was carried out in order to understand the impacts and dependencies of the previously identified sustainability topics on and in connection with Verbio. Both positive and negative impacts were assessed on the basis of double materiality.

Actual or potential impacts were also identified along the entire value chain. The impacts were determined on the basis of their severity (scale, scope and remediable character of the negative impact), their likelihood of occurrence, and their financial materiality. Subsequently, prioritisation was carried out at an aggregated level, based on impact materiality and financial significance for Verbio.

With the help of a survey addressed to the most important stakeholder groups, the findings and expectations of the respondents with regard to of Verbio's ecological, social and economic performance were recorded. The response rate among the external stakeholders surveyed (including banks, investors, industry associations, suppliers and customers) was around 42 percent, and among Verbio employees the response rate was 32 percent within the groups surveyed. In a third step, potential gaps in the findings of the impact analysis and the stakeholder expectations were discussed by the ESG officer and representatives of the Management Board.

During the reporting period, the results of the 2022/2023 materiality analysis were reviewed in collaboration with the Management Board at the highest level. Issues that were not previously considered material were reassessed to determine whether their relevance to the Company had changed.

The cumulative findings of the impact analysis, the materiality survey and the gap analysis were used as inputs to the materiality matrix. Any topic that was deemed to be of "high" or "very high" priority in terms of financial materiality and/or impact materiality was considered material to Verbio. There were no changes to the results from the previous year.

Materiality matrix

Outside-in perspective: Impact of sustainability aspects on business activities	Medium	High	Very high
Very high		• 205 Anti-corruption • 301 Input materials • 408 Child labour • 409 Forced or compulsory labour • 418 Protection of customer data	• 201 Economic performance • 302 Energy • 305 Emissions • 417 Marketing and labelling
High	• 207 Taxes • 407 Freedom of association and collective bargaining • 416 Customer health and safety	• 206 Anti-competitive behaviour • 403 Occupational safety and health	• 202 Market presence • 303 Water and sewerage • 306 Waste • 308 Environmental assessment of suppliers • 401 Employment • 402 Employee-employer relationship • 404 Education and training
Medium	• 411 Rights of indigenous peoples • 410 Security practices • 415 Political contributions	• 304 Biodiversity • 406 Non-discrimination • 413 Local communities • 414 Social assessment of suppliers	• 203 Indirect economic impact • 204 Procurement practices • 405 Diversity and equal opportunities

Inside-out perspective: Impact of business activities on sustainability aspects

GRI 201-2

Management proactively addresses climate-related risks and opportunities with regard to Verbio's economic performance. In particular, in view of the fact that Verbio is specialised in reducing greenhouse gas emissions, the Group's business model is characterised by a preponderance of opportunities over climate-related risks.

The potential opportunities include:

- New and tightened legal regulations to reduce CO_2 emissions. Verbio already generates most of its revenue from products that reduce CO_2 emissions.
- New legal obligations to reduce air pollution in the agricultural sector. For example, the Bioethanol/Biomethane segment develops and constructs straw biomethane plants that generate above-average CO_2 savings and that can help to reduce or entirely avoid the burning of agricultural waste products.
- Increasing energy taxes, energy prices and the increasing cost of CO_2 certificates will increase the opportunities and demand for biofuels, in particular for second-generation biofuels.

Potential environmental risks affecting Verbio (including those arising from business relationships) include:

- New and rapidly changing regulations regarding the blending of biofuels or alternative mobility concepts as a measure against global warming, which could lead to reduced significance of liquid and gaseous biofuels.
- Climate change and associated extreme weather conditions could have an effect on the quality and availability of agricultural commodities or restrict supply and distribution routes (road, rail and water).

Verbio is taking various countermeasures to mitigate these risks. As part of its procurement activities Verbio also assesses the performance of its suppliers and logistics partners on an ongoing basis. On the basis of the risk impact analysis and in the assessment of the management of Verbio there are no reportable non-financial risks which, under application of the net method taking account of risk mitigation measures meet the materiality criteria in accordance with § 289c no. 3 and 4 HGB.

Information incorporated by reference

The following sustainability-related information has been included by reference to other parts of this management report, the current consolidated financial statements or the notes to the consolidated financial statements or to other specified documents:

Reference overview

Global Reporting Initiative (GRI)	Description	Reference to	Page/Section
GRI 2-1	Organisational profile	Annual report 2023/2024, combined Group management report	Introduction 1.2 Group structure at June 30, 2024
GRI 2-2	Entities included in the organisation's sustainability reporting	Annual report 2023/2024, combined Group management report, annual report 2023/2024, notes to the consolidated financial statements	1.2.1 Scope of consolidation 2.2 Scope of consolidation
GRI 2-6	Activities, value chain and other business relationships	Annual report 2023/2024, combined Group management report	1.1 Business model
GRI 2-9	Governance structure and composition	Statement on corporate governance for the financial year 2023/2024 Annual report 2023/2024, combined Group management report	p. 2 (para. 1–7) p. 3 (para. 1–7), p. 4 (para. 2–9), p. 5 (para. 1–6), p. 6 (para. 1–3), p. 7 (para. 2), p. 8 (table), p. 9 (para. 7), p. 10 (para. 1–2, 5–8), p. 11 (para. 2–5), p. 12 (para. 1) 1.2 Group structure at June 30, 2024
GRI 2-10	Nomination and selection of the highest governance body	Statement on corporate governance for the financial year 2023/2024	p. 2 (para. 1), p. 3 (para. 1–3, 7), p. 4 (para. 2–9), p. 5 (para. 1–6), p. 6 (para. 1–6), p. 7 (para. 1–7), p. 8 (paragraph 1–2), p. 9 (para. 7), p. 10 (para. 1–2, 5–8), p. 11 (para. 2–5), p. 12 (para. 1)
GRI 2-11	Chair of the highest governance body	Statement on corporate governance for the financial year 2023/2024 Annual report 2023/2024, Other information	p. 11 (para. 1–5) p. 12 (para. 1) Executive bodies of the Company
GRI 2-15	Conflicts of interest	Statement on corporate governance for the financial year 2023/2024	p. 11 (para. 1–3), p. 12 (para. 1), p. 7 (para. 2), p. 4 (para. 2)
GRI 2-18	Evaluation of the performance of the highest governance body	Statement on corporate governance for the financial year 2023/2024	p. 10 (para. 3–4)
GRI 2-19	Remuneration policies	Remuneration report 2023/2024 Statement on corporate governance for the financial year 2023/2024	p. 3 (section 1.2 Basic principles of the Verbio SE system of remuneration for members of the Management Board) p. 17 (section 1.2 Basic principles of the Verbio SE system of remuneration for members of the Supervisory Board) p. 15 (para. 1–3)
GRI 2-25	Procedures for eliminating negative effects	Statement on corporate governance for the financial year 2023/2024	p. 16 (para. 4–7), p. 17 (para. 1–3)
GRI 2-26	Mechanisms for seeking advice and forraising concerns	Statement on corporate governance for the financial year 2023/2024	p. 17 (para. 2–3)
GRI 2-27	Compliance with laws and regulations	Statement on corporate governance for the financial year 2023/2024	p. 16 (para. 4–5)
GRI 201-1	Economic output (direct economic value generated and distributed)	Annual report 2023/2024, combined Group management report	2.2.1 Results of operations
GRI 201-2	Environmental risks Extreme weather conditions	Annual report 2023/2024, combined Group management report	3.2.6.3.2 Extreme weather conditions

Reference overview – all documents are available, among other places, on the Company's website (www.verbio.de).

5.2 Environmental information

5.2.1 EU taxonomy regulatory disclosures

The EU Taxonomy Regulation is part of the 2019 European Green Deal and is intended to fulfil several functions. It aims to increase investment in sustainability, provide certainty to investors, protect private investors from greenwashing, and support companies in becoming greener by promoting a uniform understanding of sustainable activities. In accordance with the EU Taxonomy Regulation and the delegated acts adopted in connection therewith, Verbio reports on taxonomy-eligible economic activities and on the taxonomy alignment of its economic activities (hereinafter referred to as "economic activities" or "activities") for the financial year 2023/2024 just ended.

5.2.1.1 Determination of EU taxonomy eligibility

The impact analysis used to identify economic activities within the Verbio Group that are eligible for taxonomy purposes involved a multi-stage screening approach. First, Verbio's main economic activities were recorded and then assigned to taxonomy-eligible activities using the descriptions of activities in the Delegated Regulations (EU) 2021/2139, (EU) 2023/2485, (EU) 2023/2486 and (EU) 2022/1214. Following the adoption of new delegated regulations (EU), economic activities that make a significant contribution to the sustainable use of water or marine resources, the transition to a circular economy, the prevention or control of pollution and/or the protection and restoration of biodiversity and ecosystems were examined for the first time in the impact analysis. The first step was subjected to a validation process using a detailed bottom-up approach in which the Group's capital expenditure, operating expenses and revenue were analysed and allocated to the identified taxonomy-eligible economic activities. The economic activities 4.13 "Manufacture of biogas and biofuels for use in transport and of biofuels" of Verbio and 6.6 "Freight transport services by road" of VERBIO Logistik GmbH and 7.7 "Acquisition and ownership of buildings" were classified as taxonomy-eligible in accordance with the EU Taxonomy Regulation. Based on the economic activity descriptions set out in the EU Directive 2021/2139, Verbio's relevant economic activities clearly contribute to the climate protection environmental objective. Other economic activities, for example the manufacturing of high-value ingredients for the animal feed and foodstuff industries and sustainable products for the chemicals industry are, based on our current assessment, not included in the EU Taxonomy Regulation and are therefore not taxonomy-eligible.

5.2.1.2 Determination of EU taxonomy alignment

In addition to preparing an impact analysis, from 2022 companies covered by the reporting obligations are also required to determine the taxonomy alignment of identified taxonomy-eligible economic activities. In doing so, an examination is performed to determine whether an economic activity makes a significant contribution to at least one of the six environmental objectives, does not do damage to any of the environmental objectives "Do no significant harm" ("DNSH"), and complies with minimum social standards. The project team has analysed the technical screening criteria set out in Annexes 1 and 2 of the delegated act on climate protection and climate change adaptation supplementing Regulation (EU) 2020/852, and compared them to the identified activities described above.

At Verbio the production of biofuels is carried out in accordance with the criteria set out in Article 29 (2) to (7) of Directive (EU) 2018/2001. Both low-quality grains and oils (first-generation biofuels) and waste and residues (second-generation biofuels) are used for production. The technical screening criteria exclude low-quality grains and oils from taxonomy alignment (No. 1 of the substantial contribution to climate change mitigation of the economic activity 4.13) despite the fact that these raw materials are certified as sustainable under RED II. Therefore, only second-generation biofuels are potentially taxonomy-aligned. At Verbio this primarily includes the entire biomethane production volume, as well as the biodiesel volumes that are manufactured from waste materials. Nevertheless, to date the taxonomy alignment of the economic activities under 4.13, 6.6 and 7.7 cannot be confirmed as the further documentation of a climate risk and vulnerability analysis is still required.

5.2.1.3 Reporting on revenue, capital expenditures and operating expenditure in accordance with the EU taxonomy

Reporting shall be carried out in accordance with the requirements of Article 8 of Regulation (EU) 2020/852 for the three key performance indicators (KPIs): revenue, capital expenditure (CapEx), and operating expenditure (OpEx). It has been prepared in accordance with the EU Taxonomy Regulation from July 6, 2021 (EU) 2021/2178 (taking into account the amendments to Regulation (EU) 2021/2178 in the Taxonomy Regulation of June 27, 2023 (EU) 2023/2486). In the course of analysing our economic activities, Verbio identified 7.7 "Acquisition and ownership of buildings" as a further taxonomy-eligible economic activity and integrated it into the reporting. In order to ensure that the figures are comparable with those reported for the current financial year, the KPIs for the previous year presented in the tables below have been adjusted.

Taxonomy-eligible revenue (the numerator) corresponds to the share of revenues from products or services in total Group revenues after deduction of energy taxes (the denominator). The numerator primarily includes the revenues generated from the sale of bioethanol/biomethane totalling EUR 639.2 million and revenue from biodiesel of EUR 928.8 million. The numerator also includes revenue from the transportation of goods (EUR 15.0 million) and from the ownership of buildings (EUR 0.1 million). The total Group revenues in the denominator amount to EUR 1,658.0 million. A detailed analysis is presented in the notes to the consolidated financial statements (note 9, "Segment reporting"). The increase in the proportionate share of taxonomy non-eligible revenue is a result of a larger than proportionate fall in sales of co-products, which are not classified for taxonomy purposes.

The share of taxonomy-eligible capital expenditures (the numerator) represents the proportionate share of additions to property, plant and equipment (EUR 150.6 million for biofuels, EUR 4.9 million for freight transport), leasing expenses and right-of-use assets (EUR 10.7 million for biofuels, associated with taxonomy-eligible economic activities. The denominator consists of the total sum of all capital expenditures, consisting of EUR 179.5 million for additions to property, plant and equipment, leasing arrangements and right-of-use assets (EUR 10.9 million) and additions to acquired intangible assets (EUR 0.7 million). There are no internally generated intangible assets. The decline in taxonomy-eligible capital expenditure compared to the previous year is primarily due to a lower level of investments in property, plant and equipment and in leasing expenses. The increase in the proportion of taxonomy non-eligible capital expenditure is due to investments in property, plant and equipment for the manufacturing of speciality chemicals.

Due to interpretation uncertainties the numerator for taxonomy-eligible operating expenditure is defined as follows: the share of the direct, non-capitalised costs of research and development (EUR 0.6 million – biofuels), repair and maintenance of property, plant, and equipment (EUR 31.7 million – biofuels; EUR 0.7 million – freight transport), training and further education costs (EUR 0.5 million – biofuels) and non-capitalised leasing expenses (EUR 1.7 million – biofuels) as a proportion of the total amounts incurred for this operating expenditure. The total amounts of expenditure for research and development, maintenance and repair of plant and equipment, training and further education costs and leasing expenses (denominator) were EUR 5.2 million (research and development costs), EUR 32.6 million (maintenance and repair of plant and equipment), EUR 0.8 million (training and further education costs) and EUR 2.2 million (leasing expenses). For the first time, in accordance with the EU taxonomy requirement, a share of training and development and research and development costs were included in the reporting period in accordance with the FAQs.
In the previous year these were still included in full. As a result, the previous year's figures have been adjusted to ensure that the amounts are comparable.

The relative change in the breakdown of operating expenses into taxonomy-eligible and taxonomy non-eligible operating expenses compared to the same period of the previous year is primarily attributable to maintenance and repair expenses for property, plant and equipment.

Double-counting in the key figures is avoided by basing the figures on the Group's accounting, financial controlling and Group accounting systems and by an unambiguous allocation of taxonomy-eligible and taxonomy-aligned turnover, capital expenditure and operating expenditure to one taxonomy-eligible or taxonomy-aligned economic activity, respectively.

For the reasons described above, there is no taxonomy-aligned revenue, capital expenditure or operating expenditure.

EU taxonomy indicators: 2023/2024 Revenue

	FY 2023–2024			Criteria for a substantial contribution						DNSH [1] criteria									
Economic activities	**Code**	**Revenue**	**Revenue share, FY 2023–2024**	**Climate protection**	**Adaptation to climate change**	**Water and marine resources**	**Circular economy**	**Environmental pollution**	**Biodiversity and ecosystems**	**Climate protection**	**Adaptation to climate change**	**Water and marine resources**	**Circular economy**	**Environmental pollution**	**Biodiversity and ecosystems**	**Minimum level of protection**	**Taxonomy-eligible share of revenue 2022–2023 [2]**	**Category (enabling activities)**	**Category (transitional activities)**
		In EUR million	**%**	**Y;N; N/EL**	**Y;N; N/EL**	**Y;N; N/EL**	**Y;N; N/EL**	**Y;N; N/EL**	**Y;N; N/EL**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
A. Taxonomy-eligible activities																			
A.1 Taxonomy-aligned																			
Taxonomy-aligned revenue (A.1)		**0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**		
of which enabling activities		0	0.0	–	–	–	–	–	–	–	–	–	–	–	–	_	0.0	E	
of which transitional activities		0	0.0	–						–	–	–	–	–	–	_	0.0		T
A.2 Taxonomy-eligible but non-aligned activities																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Production of biofuels	**CCM 4.13./** CCA 4.13.	1,568.1	94.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL								85.3		
Freight transport	**CCM 6.6./** CCA 6.6.	15.0	0.9	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.8		
Acquisition and ownership of buildings	**CCM 7.7./** CCA 7.7	0.1	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL										

Continued on next page

FY 2023–2024				Criteria for a substantial contribution						DNSH [1] criteria									
Economic activities	Code	Revenue	Revenue share, FY 2023–2024	Climate protection	Adaptation to climate change	Water and marine resources	Circular economy	Environmental pollution	Biodiversity and ecosystems	Climate protection	Adaptation to climate change	Water and marine resources	Circular economy	Environmental pollution	Biodiversity and ecosystems	Minimum level of protection	Taxonomy-eligible share of revenue 2022–2023 [2]	Category (enabling activities)	Category (transitional activities)
		In EUR million	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Revenue taxonomy-eligible, but non-aligned activities (A.2) [3]		1,583.2	95.5	100.0	0.0	0.0	0.0	0.0	0.0								86.1		
Total (A.1+A.2)		1,583.2	95.5	100.0	0.0	0.0	0.0	0.0	0.0										
B. Taxonomy non-eligible activities																			
Revenue taxonomy non-eligible activities		74.8	4.5																
Total (A+B)		1,658.0	100.0																

Y = Yes, taxonomy-eligible activity and taxonomy-aligned with the relevant environmental objective; N = No, taxonomy-eligible activity but not taxonomy-aligned with the relevant environmental objective; N/EL = "Not Eligible", activity not taxonomy-eligible for the relevant environmental objective; EL = "Eligible", taxonomy-eligible activity for the relevant objective (also applies to the following tables)

[1] Do no significant harm.
[2] Figures for the previous year have been adjusted.
[3] Reference source: 9 Segment reporting.

EU taxonomy indicators: 2023/2024 Capex

Economic activities	Code	Absolute capital expenditure	CapEx – Share	Climate protection	Adaptation to climate change	Water and marine resources	Circular economy	Environmental pollution	Biodiversity and ecosystems	Climate protection	Adaptation to climate change	Water and marine resources	Circular economy	Environmental pollution	Biodiversity and ecosystems	Minimum level of protection	Taxonomy-eligible CapEx share 2022/2023 2)	Category (enabling activities)	Category (transitional activities)
	FY 2023–2024			Criteria for a substantial contribution						DNSH 1) criteria									
		In EUR million	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Taxonomy-aligned																			
Taxonomy-aligned CapEx (A.1)		**0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**		
of which enabling activities		0	0.0	–	–	–	–	–	–	–	–	–	–	–	–	_	0.0	E	
of which transitional activities		0	0.0	–						–	–	–	–	–	–	_	0.0		T
A.2 Taxonomy-eligible but non-aligned activities																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Production of biofuels	**CCM 4.13./** CCA 4.13.	161.3	84.5	EL	N/EL	N/EL	N/EL	N/EL	N/EL								87.8		
Freight transport	**CCM 6.6./** CCA 6.6.	4.9	2.5	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.2		
Acquisition and ownership of buildings	**CCM 7.7./** CCA 7.7	0.0	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL										

Continued on next page

	FY 2023–2024			Criteria for a substantial contribution						DNSH [1] criteria									
Economic activities	Code	Absolute capital expenditure	CapEx – Share	Climate protection	Adaptation to climate change	Water and marine resources	Circular economy	Environmental pollution	Biodiversity and ecosystems	Climate protection	Adaptation to climate change	Water and marine resources	Circular economy	Environmental pollution	Biodiversity and ecosystems	Minimum level of protection	Taxonomy-eligible CapEx share 2022/2023 [2]	Category (enabling activities)	Category (transitional activities)
		In EUR million	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
CapEx taxonomy-eligible but non-aligned activities (A.2) [3]		166.2	87.0	100.0	0.0	0.0	0.0	0.0	0.0								91.0		
Total (A.1+A.2)		166.2	87.0	100.0	0.0	0.0	0.0	0.0	0.0										
B. Taxonomy non-eligible activities																			
CapEx taxonomy non-eligible activities		24.8	13.0																
Total (A+B)		191.0	100.0																

[1] Do no significant harm.
[2] Figures for the previous year have been adjusted.
[3] Reference source: Notes to the consolidated financial statements: 7.1.1 Intangible assets, 7.1.2 Property, plant and equipment, 7.1.3 Right-of-use assets under leasing arrangements.

EU taxonomy indicators: 2023/2024 operating expenditure

		FY 2023–2024		Criteria for a substantial contribution						DNSH [1] criteria									
Economic activities	**Code**	**Absolute operating expenditures**	**Taxonomy-eligible OpEx – share**	**Climate protection**	**Adaptation to climate change**	**Water and marine resources**	**Circular economy**	**Environmental pollution**	**Biodiversity and ecosystems**	**Climate protection**	**Adaptation to climate change**	**Water and marine resources**	**Circular economy**	**Environmental pollution**	**Biodiversity and ecosystems**	**Minimum level of protection**	**Taxonomy-eligible OpEx – share FY 2022/2023 [2]**	**Category (enabling activities)**	**Category (transitional activities)**
		In EUR million	**%**	**Y;N; N/EL**	**Y;N; N/EL**	**Y;N; N/EL**	**Y;N; N/EL**	**Y;N; N/EL**	**Y;N; N/EL**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
A. Taxonomy-eligible activities																			
A.1 Taxonomy-aligned																			
Taxonomy-aligned OpEx (A.1)		**0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**		
of which enabling activities		0	0.0	–	–	–	–	–	–	–	–	–	–	–	–	_	0.0	E	
of which transitional activities		0	0.0	–						–	–	–	–	–	–	_	0.0		T
A.2 Taxonomy-eligible but non-aligned activities																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Production of biofuels	**CCM 4.13./** CCA 4.13.	34.5	84.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL								81.7		
Freight transport	**CCM 6.6./** CCA 6.6.	0.7	1.8	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.7		
Acquisition and ownership of buildings	**CCM 7.7./** CCA 7.7	0.0	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL										

Continued on next page

		FY 2023–2024		Criteria for a substantial contribution						DNSH[1] criteria									
Economic activities	Code	Absolute operating expenditures	Taxonomy-eligible OpEx – share	Climate protection	Adaptation to climate change	Water and marine resources	Circular economy	Environmental pollution	Biodiversity and ecosystems	Climate protection	Adaptation to climate change	Water and marine resources	Circular economy	Environmental pollution	Biodiversity and ecosystems	Minimum level of protection	Taxonomy-eligible OpEx – share FY 2022/2023[2]	Category (enabling activities)	Category (transitional activities)
		In EUR million	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Operating expenditure on taxonomy-eligible, but non-aligned activities (A.2)[3]		35.2	86.4	100.0	0.0	0.0	0.0	0.0	0.0								82.5		
Total (A.1+A.2)		35.2	86.4	100.0	0.0	0.0	0.0	0.0	0.0										
B. Taxonomy non-eligible activities																			
Operating expenditure on taxonomy non-eligible activities		5.5	13.6																
Total (A+B)		40.8	100.0																

[1] Do no significant harm.
[2] Figures for the previous year have been adjusted.
[3] Reference source: Notes to the consolidated financial statements 7.1.1 Intangible assets (research and development), 6.7 Other operating expenses.

Revenue share/total revenue

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0	95.5
CCA	0	95.5
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

CapEx-share/total CapEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0	87.0
CCA	0	87.0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

OpEx-share/total OpEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0	86.4
CCA	0	86.4
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

5.2.2 Use of resources and circular economy

GRI 301 to 306

Verbio's resource management, which is geared towards resource efficiency and the circular economy, primarily uses sustainable and renewable raw materials, including a significant proportion of residual materials. This approach is validated by rigorous audits to obtain REDcert and ISCC certifications. The following sections describe Verbio's approach to resource management in more detail.

5.2.2.1 Energy

GRI 302

The volume of energy consumed by Verbio is primarily dependent on the quantities of biofuels produced, and on the utilisation of its production facilities. Energy efficiency and the associated reduction in CO_2 emissions are an established and significant part of our business model. A distinction between renewable and non-renewable energy sources has not been made, but will be sought in the future.

The specific energy consumption at Verbio's production locations increased sharply in the reporting year. This is attributable to the inclusion of the SBE plant for the first time since its acquisition in May 2023, and the significantly higher energy requirements of the plant in Nevada, which is currently in the ramp-up phase and has only generated a low volume of output until now. Until it is converted into a biorefinery in which bioethanol and biomethane are produced in a co-production process, the energy consumption at SBE will be significantly higher than in Verbio's biorefineries that use the Group's internally generated process know-how. Currently, SBE produces dried distiller grains with solubles (DDGS) using a process which is significantly more energy-intensive. A retrospective amendment has been made based on new information available to include a portion of the energy consumption that was not included in the previous year (total energy consumption 2022/2023 as reported in the previous year: 906,889 MWh; total energy consumption 2022/2023 as restated in 2023/2024: 976,351 MWh).

Overview of energy consumption within the organisation

	Units	2023/2024	2022/2023	+/− % 2022/2023–2023/2024	2021/2022
Total energy consumption	MWh	1,849,912	976,351	+89.5	878,220
Quantity of biofuels produced (bioethanol, biodiesel, biomethane)	MWh	11,569,487	9,434,022	+22.6	8,765,477
Specific energy consumption per unit of biofuel manufactured	MWh/MWh	0.160	0.103	+54.5	0.100

Verbio consistently pursues the goal of continuously reducing specific energy consumption in all areas. Energy teams in all business units analyse energy consumption and develop action plans for the efficient use of available energy sources. The basis for targeted efficiency measures is the energy management system according to DIN EN ISO 50001 and DIN 16247-1, which has been established in all business areas in Germany for several years. Beyond compliance with statutory, approval-related, and other requirements, Verbio strives to implement economic energy efficiency measures in all business units. These measures are identified and assessed in production processes, office complexes, the vehicle fleet, workshops and warehouses on an ongoing basis. They include energy efficiency upgrades made during general maintenance work as well as process optimisation. The annual energy reports of the holding and production plants summarise the measures taken to reduce energy consumption and are independently evaluated in Germany through the annual DIN EN ISO 50001 audit in a multisite procedure.

A significant contribution to CO_2-neutral freight transport is the gradual conversion of the VERBIO Logistik GmbH fleet to vehicles powered by CNG and LNG. These heavy goods vehicles are primarily fuelled with biomethane (BioCNG and BioLNG) from Verbio's in-house production facility. In addition to a 90 percent reduction in CO_2 emissions, particulate matter and nitrogen oxide emissions are also significantly reduced compared to diesel heavy goods vehicles. At the end of the financial year 2023/2024, 81 percent of Verbio's vehicle fleet consisted of vehicles powered by low-carbon alternatives. This marks a significant increase compared to the 72 percent in the previous reporting period. To enable the refuelling of trucks and CNG pool vehicles in the passenger car sector with Verbio's own BioCNG ("verbiogas"), Verbio has its own CNG and LNG filling stations at its Schwedt and Zörbig locations, among others. Verbio leverages its experience with CNG- and LNG-powered vehicles to engage with other transport companies interested in nearly carbon-free logistics systems. In addition, Verbio makes use of an optimised and sustainable rail transport network to avoid the transport of empty wagons and to reduce the use of heavy goods vehicles further.

5.2.2.2 Water resources

GRI 303

Verbio strives for low water consumption, especially in all production processes but also in all other business areas. The supply of drinking and industrial water comes from public networks, wells and private water supplies. The data provided below is primarily based on measurements using water meters.

Specific water consumption increased sharply, among other things due to the inclusion of SBE. Calculated on a comparable basis, specific water consumption increased by around 9.4 percent as a result of the ramp-up phase of the second stage of the Nevada plant expansion. Accordingly, the total water abstraction increased by 14.8 percent compared to the same period of the previous year on a comparable basis.

Wastewater from all production plants is not discharged directly into open water but rather directed to appropriate treatment plants and treated in accordance with legal requirements. The total volume of wastewater has more than doubled, primarily due to SBE.

Overview of water consumption

Water consumption	Units	2023/2024	2022/2023	+/− % 2022/2023–2023/2024	2021/2022
Water consumption (abstraction – discharge), total	m^3	1,844,993	1,327,093	+38.9	919,972
Specific water consumption per unit of biofuels manufactured	Litres/MWh	159.5	140.7	+13.4	105.0

Overview of water abstraction

Water abstraction	Units	2023/2024	2022/2023	+/− % 2022/2023–2023/2024	2021/2022
Groundwater	m^3	923,484	67,607	+1,266.0	56,156
Third-party water	m^3	1,811,963	1,602,153	+13.1	1,124,988
Total water abstraction	m^3	2,735.447	1,669,760	+63.8	1,181,144
Quantity of biofuel produced (bioethanol, biodiesel, biomethane)	MWh	11,569,487	9,434,022	+22.6	8,765,477
Specific water abstraction per quantity of biofuel produced	Litres/MWh	236.4	177.0	+33.6	134.7

Overview of wastewater discharges

Wastewater discharge	Units	2023/2024	2022/2023	+/− % 2022/2023–2023/2024	2021/2022
Directly discharged water	m^3	5,306	0	n/a	0
Indirectly discharged water	m^3	885,147	342,667	+158.3	261,172
Total volume of wastewater discharged	m^3	890,453	342,667	+159.9	261,172
Specific discharged wastewater per unit of biofuel manufactured	Litres/MWh	77.0	36.3	+111.9	29.8

In South Bend, more water is extracted and fed into the rainwater system in addition to the plant's own requirements in order to ensure that the groundwater remains below the ground surface at all times to prevent flooding of nearby residential areas (see p. 92). Including its own needs, SBE withdraws 5,935,145 m^3 and returns 5,615,030 m^3. The adjusted figures in the table on abstraction and discharge are based on estimates. In addition, the data collection methodology for water consumption was updated. The figures for the previous year have been amended retrospectively (total water consumption as reported in the previous year: 951,858 m^3; total water consumption following restatement in the 2023/2024 report: 1,327,093 m^3; total water abstraction as reported in the previous year: 1,293,632 m^3; total water abstraction following restatement in the 2023/2024 report: 1,669,760 m^3; total water discharge as reported in the previous year: 341,774 m^3; total water discharge following restatement in the 2023/2024 report: 342,667 m^3).

5.2.2.3 Biological diversity and ecological systems

GRI 304

Verbio's products are certified in accordance with international standards such as REDcert in Germany and ISCC in Nevada (biomethane generated from straw), which are among the highest standards for sustainable sourcing. Verbio's production facilities are not located in or near protected areas or areas of high biodiversity value, but are primarily situated on industrial and commercial land. Verbio does not occupy protected or renatured habitats. The products and facilities do not impact species on the Red List or protected species on national lists. In accordance with the German Federal Emissions Protection Act (Bundes-Immissionsschutzgesetz – BImSchG) Verbio conducts an environmental impact assessment with the support of external service providers when the Company wishes to expand an existing operating unit or establish a new one. Whether such an expansion is approved depends on the results of the assessment by the relevant authority. In addition, environmental impact assessments are performed at all international Verbio locations in accordance with national and regional requirements. Due to the nature of Verbio's product portfolio and production facilities, there are no impacts on forest loss or forest damage.

5.2.2.4 Emissions

GRI 305

Verbio reports on direct (Scope 1) and indirect (Scope 2) CO_2 emissions following the standards of the GHG Protocol. Scope 1 emissions significantly due to the inclusion of SBE for the first time and to the ramp-up of the plant in Nevada. At the same time, the specific emissions per quantity of biofuel produced increased significantly due to the higher energy intensity of SBE's current production process. Due to the adjustments made to the figures for energy consumption for the financial year 2022/2023 there was also a corresponding amendment to the figure for emissions (direct CO_2 emissions 2022/2023 as reported in the previous year: 84,900 tonnes CO_2; direct CO_2 emissions 2022/2023 following restatement of 2022/2023 figures in the 2023/2024 report: 98,147 tonnes CO_2). Verbio is continuing the process already initiated of defining factors for GHG emissions that occur beyond its own site boundaries along the value chain (Scope 3) and examining their materiality. The aim is to record these greenhouse gas emissions in the future. The emissions of raw material suppliers are already defined today due to the legal framework (RED II; Biokraft-NachV) and are included in Verbio's CO_2 handprint.

The carbon handprint includes the Group's own emissions generated in production processes in addition to the emissions generated by suppliers of raw materials. Accordingly it is an indicator of the sustainability impact of Verbio's products. It quantifies the reduction in CO_2 emissions resulting from the use of Verbio's biofuels instead of fossil fuels in the activities of other market participants. The Company strives to save as much CO_2 as possible through its business activities in order to offset CO_2 emissions caused by the economic activities of other market participants (see Table on page 82: Overview of direct and indirect CO_2 emissions and Table Page 82: Reduction in emissions compared to the previous year).

In doing so the Company expresses its direct contribution to climate protection, which it achieves through its products. Verbio's biofuels achieve CO_2 savings of more than 70 percent compared to petrol or diesel. With the volume of biofuels it has produced in the reporting period 2023/2024 together with the traded biofuels in the period, the Company saves approximately 4.4 million tonnes of CO_2 for its customers and thereby makes a significant contribution to the decarbonisation of fuels in the transport sector. This represents a further increase of over 30 percent compared to the previous year's figure.

Overview of direct and indirect CO_2 emissions

	Units	2023/2024	2022/2023	+/– % 2022/2023–2023/2024	2020/2021
Direct CO_2 emissions – Scope 1	t CO_2	294,723	98,147	+200.3	91,255
Indirect CO_2 emissions – Scope 2	t CO_2	95,453	67,697	+41.0	59,850
Total emissions – Scope 1 and 2	t CO_2	390,176	165,844	+135.3	151,105
Specific emissions per quantity of biofuel produced	t CO_2/GWh	33.7	17.6	+91.8	17.2

Reduction in emissions compared to the previous year

CO_2 Handprint [1]	Units	2023/2024	2022/2023	+/– %
Emissions reduction	t CO_2	–4,437,243	–3,401,285	–30.5

Verbio does not produce, import or export any ozone-depleting substances in tonnes of CFC-11 equivalent (chlorofluorocarbons). The Company complies with all required limits in accordance with the permits issued to it. These include nitrogen oxides, sulphur oxides, persistent organic pollutants (POPs), volatile organic compounds (VOCs), hazardous air pollutants (HAPs) and particulate matter (PM).

5.2.2.5 Waste

GRI 306

As a matter of principle, Verbio strives for a "zero waste policy". The growth in production activities at its new facilities has led to increased waste generation in recent years. However, Verbio uses insights from previous plant start-ups to optimise its waste management. In addition, the Company's IT department is proactively involved in digitalising and automating paper-based procedures to reduce the consumption of paper and printing materials. Responsible recycling of hardware at the end of its life cycle is ensured through partnerships with competent service providers. Unavoidable waste is properly recycled and disposed of.

With the Verbio circular model based on self-developed technologies, the Company, and to a limited extent third parties, recycles the majority of non-hazardous waste. This "waste" primarily consists of stillage, a residual material from bioethanol production and feedstock for biomethane production, as well as stillage and fatty acids for biodiesel production.

In the reporting year the recycling rate was 99.3 percent (previous year: 99.6 percent). Consequently, the goal of a closed loop production cycle was once again achieved in the financial year 2023/2024. For waste that must be disposed of, Verbio collaborates with reliable companies and specialist firms.

[1] The negative figures stand for the reduction of CO_2.

Overview of waste recycling

Water consumption	Units	2023/2024	2022/2023	+/– % 2022/2023–2023/2024	2020/2021
Total waste	(tonnes)	1,309,573	1,324,426	–1.1	1,333,494
Waste recycled by Verbio/third parties	(tonnes)	1,299,952	1,318,610	–1.4	1,327,924
Forwarded for disposal	(tonnes)	9,620	5,816	+65.4	5,570
Recycling quota	%	99.3	99.6	–0.3	99.6

The total volume of waste generated by the German and international locations and the vehicle fleet in the financial year 2023/2024 amounted to 1,310 thousand tonnes. The Group's administrative units are not yet included in the reported data, as a data basis for estimating the values has yet to be defined. The majority of this waste (1,300 thousand tonnes) was used as a direct material for the production of biomethane and biodiesel. The method for collecting waste data has been updated. The figures for the previous year have been amended retrospectively (total volume of waste as reported in the previous year: 1,319.4 thousand tonnes; total volume waste following restatement in the 2023/2024 report: 1,324.4 thousand tonnes; total volume of waste recycled by third parties or by Verbio as reported in the previous year: 1,313.7 thousand tonnes; total volume waste recycled by third parties or by Verbio following restatement in the 2023/2024 report: 1,318.6 thousand tonnes).

Disposal of waste and waste diverted from disposal

Waste disposal	Units	2023/2024	2022/2023	+/– % 2022/2023–2023/2024	2020/2021
Hazardous waste	(tonnes)	55	119	–53.6	26
Non-hazardous waste	(tonnes)	9,565	5,697	+67.9	5,544
Total waste	(tonnes)	9,620	5,816	+65.5	5,570
Specific waste recycling per quantity of biofuel produced	Kg/tonne	7.8	6.1	+28.8	6.2

Waste diverted from disposal	Units	2023/2024	2022/2023	+/– % 2022/2023–2023/2024	2020/2021
Waste recycled by Verbio or by third parties	(tonnes)	1,299,952	1,318,610	–1.4	1,327,924
Hazardous waste for recycling at Verbio	(tonnes)	20	38	–45.9	18
Non-hazardous waste for recycling	(tonnes)	1,299,932	1,318,573	–1.4	1,327,906
Specific waste recycling per quantity of biofuels produced	Kg/tonne	1,053.0	1,372.6	–23.2	1,479.1

5.3 Social information

5.3.1 Own workforce

The management of Verbio promotes an open working culture and a positive environment in order to attract, develop and retain the best talent over the long term. These framework conditions enable our employees to unleash their full potential and at the same time strengthen the entire Group. In the course of Verbio's internationalisation, diversity issues are playing an increasingly important role; they are being recorded, among other things, by the HR department in feedback meetings, identified as potential areas for improvement and successively translated into action plans. For the purposes of transparency and continuity, we have only included employee groups subject to social security contributions and full-time employees in the definition of employees. This means that the following employee groups are excluded for this purpose: interns, trainees, pensioners, expats, employees in "mini-job" arrangements.

5.3.1.1 Employment

GRI 2-7 to 2-8, 2-19 to 2-21, 401 to 402

Within the Verbio Group, a total of 397 jobs were filled or created in the financial year 2023/2024. A total of 211 employees left the Company during or between the reporting periods (including 5 persons who retired). The turnover rate of the German Verbio companies (Verbio SE, VERBIO Schwedt GmbH, VERBIO Zörbig GmbH, VERBIO Bitterfeld GmbH, VERBIO Pinnow GmbH, VERBIO Agrar GmbH, VERBIO Logistik GmbH, VERBIO Protein GmbH, VERBIO Retail GmbH and VERBIO Chem GmbH) was 7.9 percent (2022/2023: 14.3 percent), and approximately 15.4 percent for Verbio and worldwide. Verbio aligns its compensation structure with customary and market-based compensation structures in the respective regions in which it operates. These are determined based on regional collective agreements and external market analyses, and are embedded in a fair and performance-oriented system of remuneration with fixed salary levels determined by qualifications and roles for lower hierarchy levels, and market-based salaries for middle and upper hierarchies. The ratio of the highest annual basic salary to the median salary of all employees of the Group's German companies (employees in an employment relationship; for part-time employees, a full-time equivalent was used) is as follows:

- the highest salary (including members of the Management Board): 11.7-fold,
- the highest salary (excluding members of the Management Board): 7.36-fold.

No harvest workers were included in new hires or departures as they were only employed temporarily for a few months.

Overview of the main employment figures – regional statistics

Appointments	2023/2024	2022/2023	%
Germany	175	184	–4.9
Rest of Europe [1]	15	6	150.0
North America	180	88	104.5
India	27	51	–47.1
Total	397	329	20.7
Leavers			
Germany	74	120	–38.3
Rest of Europe [1]	3	3	0.0
North America	117	65	80.0
India	17	26	–34.6
Total	211	214	–1.4

[1] The "Rest of Europe" in the table above refers to the locations in Poland, Hungary, and Switzerland.

Overview of the main employment figures – age statistics (Germany)

New hires by age	2023/2024 (in %)	2022/2023 (in %)	%
Under 30	18.9	28.8	–34.5
30–50	64.0	56	14.3
Over 50	17.1	15.2	12.8
Leavers by age			
Under 30	20.3	20	1.4
30–50	51.4	54.2	–5.3
Over 50	28.4	25.8	10.0

Overview of the main employment figures – gender statistics (Germany)

New hires by gender	2023/2024 (in %)	2022/2023 (in %)	%
Male	84.0	77.2	8.8
Female	16.0	22.8	–29.8
Leavers by gender			
Male	86.5	80.8	7.0
Female	13.5	19.2	–29.6

The entry-level salaries across all companies and positions in Germany are above the applicable minimum wage of EUR 12.00 per hour (from January 1, 2023) and EUR 12.41 per hour (from January 1, 2024). Entry-level salaries for all positions are also above the local minimum wage in the Group's foreign subsidiaries. The principle of equal pay is observed both in foreign and German branches by additive validation of influencing factors such as local markets and shortage of specialist skilled workers and their examination as part of a job-levelling project.

In addition to their fixed base salary, Verbio employees receive variable compensation. This consists of a success-based component and a component tied to the employee's personal performance. Depending on the bonus group/job level, the payout is made monthly (for blue-collar and administrative employees) or once per year (for specialists and managers). The total amount of variable compensation components paid monthly across the entire Group was approximately EUR 1.1 million in the financial year 2023/2024 (2022/2023: approximately EUR 1.1 million). The total amount of the one-off payments for the financial year 2023/2024, which will be paid in October 2024, is expected to be approximately EUR 7.2 million (financial year 2022/2023: approximately EUR 5.9 million).

Company pension schemes are a part of the overall compensation package for Verbio employees. These are offered at all German as well as most foreign locations (with the exceptions of Poland and India). The Company makes an annual employer-funded contribution to a retirement savings system. For part-time employees, the contribution is made proportionally. Additionally, employees have the option to make their own contributions to occupational pension schemes through salary conversion, which is supplemented by a 15 percent contribution by Verbio. Verbio paid a total of EUR 549,000 into occupational pension schemes in the financial year 2023/2024.

In accordance with the legal requirements, severely disabled employees in Germany receive five days of special leave per year. Verbio employs a total of 11 severely disabled employees in Germany (2022/2023: 8). Parental leave can be taken by both mothers and fathers. In Germany, during the reporting period 18 fathers and 7 mothers took parental leave. All employees who returned from parental leave in the financial year 2022/2023 were still employed by Verbio during the reporting period. In the foreign companies, two fathers were on parental leave during the reporting period. In North America, Hungary and India, employees receive additional private health insurance to ensure that healthcare is covered when government systems are inadequate.

To support employees with small children, in Germany and Poland Verbio contributes to childcare fees. The subsidy paid totalled approximately EUR 116,177 in the reporting period (2022/2023: approximately EUR 85,800). Additionally, at German locations Verbio contributes to the cost of a "job travel ticket" to encourage the use of public transportation for commuting, thus making an active contribution to environmental protection. In the reporting period, 174 employees took advantage of this offer.

Verbio promotes the health of its employees. Since April 2021 every employee has been able to lease a "Job bike" (German: "Jobrad") – a bicycle of their choice with a value of up to EUR 5,000. This offer is available to all employees on permanent contracts who have been employed by Verbio for at least one year. Currently, 111 employees are using this programme. This policy is in line with Verbio's corporate philosophy of reducing CO_2 emissions. Additionally, Verbio covers the basic membership fee or contributes to extended membership options for a fitness studio (Urban Sports Club for the Leipzig, Bitterfeld and Zörbig locations, FitINN in Schwedt) for interested employees. This offer is currently being utilised by 143 employees.

The employee referral programme supports recruiting efforts. Under this programme, employees receive a bonus when they refer a future employee to Verbio, if this results in a successful hire. In the reporting period, approximately EUR 26,900 was paid out for 22 new hires. In 2023 Verbio introduced a hybrid work model that allows for flexible working hours and locations, promoting a better work-life balance. Verbio also adheres to applicable rules regarding minimum notice periods for operational changes at the local level. In addition, there are regular staff meetings, information on the intranet and an elected staff committee to inform employees about developments that affect them.

5.3.1.2 Occupational health and safety in the workplace

GRI 403

Verbio attaches great importance to protecting the health of all our employees. Our objective is to ensure a safe and healthy working environment at our sites and for employees working on foreign assignments through an effective occupational health and safety organisation and preventive healthcare in all Verbio subsidiaries.

The managing directors at the respective plants are responsible for occupational health and safety as well as environmental protection in close cooperation with the occupational safety specialists. The Human Resources department is kept up to date on occupational health and safety statistics and measures. Managers fulfil their duties and responsibilities with regard to occupational safety towards their employees, and receive active support from the respective officer functions in order to improve the safety culture and comply with legal requirements.

Numerous occupational safety guidelines, procedures and work instructions are in force at our sites, which contain requirements that apply to our employees. These managed documents are administered in the Company's intranet and are re-examined on a regular basis. The interaction between the IT solution provided by "umwelt-online" and our inventory register of permits for domestic production sites is used to check applicable laws and ancillary provisions. Our qualified operating officers monitor ongoing compliance in day-to-day business.

In subsidiaries with more than twenty employees, quarterly meetings are held by the occupational health and safety committee, which is made up of the occupational doctor, the occupational safety specialist (internal or external), the safety officers and the responsible members of management. Other representatives from other departments (e.g. Human Resources) take part as required. One of the core tasks of the health and safety committee is to analyse the accident situation in the respective location. This forms the basis for deriving suitable measures after incidents and making continuous improvements to the safety level.

Hazard identification, risk assessment and investigation of incidents are carried out at all Verbio sites. As part of our commitment to safety and to the health of our employees, we have implemented a comprehensive and systematic approach to hazard identification, risk assessment and incident investigation. This approach is a central component of our occupational health and safety work and is based on the principles of continuous improvement, prevention and proactive risk avoidance. The format may vary depending on whether the subsidiary is an administrative unit or an operational unit to ensure that it meets the specific requirements of the respective unit.

5.3.1.2.1 Hazard identification

Hazard identification is the first step in our occupational safety process. We follow a multi-stage approach for the production units and the larger administrative offices:

Regular hazard assessments: We carry out regular hazard assessments in our operating areas. These assessments are performed by internal safety teams and external experts (e.g. with support from the relevant occupational doctors) to ensure an objective analysis. The assessments take into account all relevant aspects, including physical, chemical, biological and ergonomic risks.

Employee participation: We actively encourage our employees to participate in hazard identification. Our internal reporting system enables employees to report potential hazards or unsafe working conditions on an anonymous basis. We also hold regular training courses and workshops to raise awareness of occupational safety and encourage employees to actively contribute to hazard identification. New employees are provided with training on relevant occupational health and safety topics relating to the Company and their individual workplace from the start of their employment. The respective training courses are designed by our qualified occupational safety specialists in cooperation with the supervisors of the departments. In Germany this also takes place via our eLearning platform, and other formats are used for international subsidiaries, such as training courses with external companies tasked with supporting occupational health and safety management. Temporary employees are instructed on safety-relevant topics and informed about new developments in occupational health and safety before starting work. The objective is to ensure that employees are adequately suited to their work and equipped with the necessary personal protective equipment. External company employees are instructed before starting work on our plant premises. Our communication channels are designed to promote an open and transparent culture of dialogue. We use various media, such as the intranet, emails and team meetings, to share information and ensure that all employees are informed about issues that are relevant for day-to-day business purposes. Through these measures, we raise awareness of health and safety and promote a proactive attitude among our employees, which ultimately leads to a safer and healthier working environment.

Site visits and audits: In addition to performing risk assessments, we carry out regular safety inspections and audits to examine compliance with safety standards and identify potential hazards on site. These inspections are carried out both by our occupational safety specialists and by external experts. Employees in the departments, safety officers and managers are actively involved in this process.

5.3.1.2.2 Risk assessment

Risk assessment is a decisive step in quantifying the identified hazards and developing appropriate risk mitigation measures. Our approach includes the following steps for production and larger administrative units:

Risk categorisation: The risks identified are divided into different categories based on the likelihood of occurrence and the potential impact. We use a risk matrix that enables a clear visualisation of the risks for this purpose.

Prioritisation of risks: The identified risks are prioritised using the risk categorisation. High-risk situations are addressed immediately, while lower risks are dealt with in a longer-term risk mitigation plan.

Development of measures: We develop specific risk mitigation measures for the risks identified. These measures can be of a technical nature, such as the introduction of safety devices or the improvement of technical work processes. In addition, training and awareness-raising measures (for example in our eLearning system) are offered to employees in order to increase safety awareness and promote safety-conscious behaviour.

5.3.1.2.3 Investigation of incidents

The investigation of incidents is an essential part of our approach to continuous improvement in occupational safety. We follow a structured process for production and larger administrative units as described below. In smaller units, incidents are reported directly to superiors.

Reporting of incidents: All accidents at work and safety-related incidents must be reported immediately. Our employees are required to document incidents without delay in order to ensure prompt investigation. This is done via a managed document in order to simplify the accident reporting process and obtain the relevant information as quickly as possible.

Cause analysis: Following an incident, we carry out a detailed root cause analysis, which also includes consideration of human, technical and organisational factors. For example, we use the fishbone diagram technique to identify the causes.

Documentation and reporting: The results of the investigation are documented. This documentation includes not only the causes, but also the measures taken to prevent similar incidents in the future.

Feedback loop: The findings from the incident investigations are incorporated into our continuous improvement processes. We use this information to revise our security procedures and adapt training courses. In addition, all employees are regularly informed of the results of incident investigations in order to raise safety awareness throughout the Company.

5.3.1.2.4 Occupational health care at Verbio

As part of our commitment to the health and well-being of our employees, we have established occupational health services tailored to the specific needs of our workforce. They provide medical advice to both employer and employees on all health protection issues. Advice from external occupational doctors or health facilities is an important component in the holistic approach to work-related health risks. Their work is dedicated to the interface between profession and work on the one hand, and people and their individual state of health on the other. These services include regular occupational health check-ups, preventive measures to promote well-being (e.g. flu vaccinations) and advice on ergonomics in the workplace.

These measures are aimed at ensuring that our employees work in a safe and healthy working environment, which not only improves their individual quality of life but also promotes productivity and satisfaction within the Company. As part of mandatory, optional and desired preventive examinations, work-related health risks can be avoided or identified at an early stage and, if necessary, their consequences treated in order to maintain the long-term employability of our employees.

We evaluate the effectiveness of our occupational health check-ups on an ongoing basis, and adapt them to the changing demands of our employees' activities.

Regular health campaigns, such as vaccinations offered by the occupational doctors and the promotion of sports programmes (e.g. Urban Sports Club) aim to create a supportive working environment in which our employees receive the resources and support they need to stay healthy and productive.

Reportable accidents are accidents that lead to at least one day of work lost following the date of the accident. Accidents occurring during the commute to work and back are not included in the number of reportable accidents.

Occupational accidents

	2023/2024	2022/2023
Accidents	23	22
Fatalities	0	0
LTIF [1]	2.0	2.7

[1] Frequency of reportable occupational accidents/200,000 working hours.

5.3.1.3 Education and training

GRI 404

At June 30, 2024 a total of 24 apprentices (June 30, 2023: 21) were employed as chemistry technicians, laboratory chemists, electronic automation engineers, industrial mechanics, vehicle mechatronics technicians, office management assistants and heavy goods vehicle drivers. During the reporting period a total of 5 chemistry technicians, 2 industrial mechanics, 1 electronic automation engineer, 1 laboratory chemist and 1 office management assistant successfully completed their apprenticeships. All of the 10 apprentices who completed their training were offered positions after their apprenticeship, and all 10 accepted these offers. To ensure a high level of quality, Verbio collaborates with vocational training centres in the respective regions. These disclosures relate to the German locations. There were no apprentices in the foreign subsidiaries in the reporting period.

Verbio places a high value on the development of its employees by providing further education and training measures. In the reporting period, a total of 337 training sessions were conducted in Germany. This figure relates exclusively to external specialist seminars, training and further education. In addition, Verbio offers a large number of annually recurring specialist training courses, such as training in internal transport, first-aid training and fire safety training (including these training courses, Verbio has held over 1,000 training courses in the reporting year). Human resources development measures such as coaching and training are also offered as required (for example, new managers at the German locations took part in a junior management training course to improve their leadership skills).

This offering is complemented by an extensive e-learning programme, primarily used for training in occupational safety, compliance and the code of conduct. These training courses are integrated as standard in the onboarding process for every new employee. In addition, Verbio supports part-time degree programmes. During the reporting period, 8 employees (2022/2023: 3) were in part-time training programmes supported by Verbio. In Europe 25 employees participated in English language courses to acquire or improve the language skills required for their respective positions. Employee development measures are still in the process of being established at our foreign locations. In the USA an e-learning tool is already being used for compliance training.

Competent employees are essential to the Company's innovation and competitiveness. Therefore, we support employees in their professional and personal development as needed and in accordance with their circumstances by organising training sessions and seminars.

Annual employee discussions provide feedback to both employees and managers. All employees receive a performance assessment during these discussions. In the period from August to October 2023 employee appraisal meetings were held with a total of 575 employees (68.5 percent of the 840 employees employed in Germany as of September 30, 2023) at the Group's German locations, and 342 meetings were held with employees at international locations (84.7 percent of the 404 employees at that date). The goal is to have a feedback discussion with every employee annually and derive measures from these meetings to promote their further personal and professional development. The relatively low percentage and, as a result, non-achievement of a target rate of 100 percent was, as in the previous year, due to the large number of new appointments made over the past 12 months, as for these employees appraisal meetings are not held during their employee probationary period. A global employee survey was conducted at all locations in spring 2023 in order to better establish the feedback culture within the Company. All employees were given the opportunity to provide their feedback in a standardised process in their local language. A total of 686 of 1,375 employees participated in this process, representing a participation rate of approximately 50 percent globally.

Performance assessments apply to both employees eligible for bonus awards and employees with monthly bonuses. At these assessments, further personal and professional development is discussed, and evaluations are performed of the results of measures implemented. For new employees who are not yet eligible for bonuses an orientation discussion is conducted, during which a professional onboarding plan is created.

5.3.1.4 Diversity and equal opportunities

GRI 405

At Verbio all employees have equal rights, regardless of their ethnic background, age, gender, sexual identity, religion, political beliefs, national or social origin, or other factors. As part of its human resources management Verbio focusses on promoting a diverse workforce. At the same time, the Company ensures that all employees have equal opportunities, including equal compensation. Among the 911 employees in Germany, 204 employees (22.4 percent) come from other nations (174 from Europe, 17 from India, 3 each from Egypt and Syria and 1 each from Indonesia, China, Brazil, Colombia, Pakistan, Palestine and Vietnam). The integration of international employees is supported, particularly through participation in German language courses. If necessary for work purposes, employees have the opportunity to take business English courses during working hours A total of 21 employees completed a total of 1,472 units of German language training in the reporting period.

The proportion of women among all the employees in the entire group is currently 19.58 percent, while in Germany it is 19.85 percent. The average age of Verbio's employees worldwide is 41.02 years (June 30, 2023: 40.73). Pay equality is a given at Verbio. Compensation levels are solely based on an employee's qualifications and their contribution to the Company. For lower-level employees the amounts are determined based on wage bands which are derived from qualification groups, and in specialist and management positions salaries are determined based on external benchmarks. Standard entry-level salaries for employees in manufacturing in Germany are approximately 33.4 percent above the statutory minimum wage. Similarly, entry-level salaries in foreign subsidiaries are also higher than the locally prescribed minimum wage.

The age structure as of June 30, 2024 was as follows:

Diversity among Verbio employees

	Age	Male	in %	Female	in %	Total
Germany	Under 30	88	74.5	30	25.4	118
	30–50	424	79.5	109	20.5	553
	Over 50	218	83.8	42	16.2	260
		730	80.1	181	19.9	911
USA	Under 30	41	85.7	7	14.6	48
	30–50	103	76.3	32	23.7	135
	Over 50	45	77.6	13	22.4	58
		189	78.4	52	21.6	241
India	Under 30	36	100.0	0	0.0	36
	30–50	90	93.8	6	6.3	96
	Over 50	0	0.0	0	0.0	0
		126	95.5	6	4.5	132
Rest of Europe[1]	Under 30	3	50.0	3	50.0	6
	30–50	23	59.0	16	41.0	39
	Over 50	5	55.6	4	44.4	9
		31	57.4	23	42.6	54

[1] The "Rest of Europe" in the table above refers to the locations in Poland, Hungary, and Switzerland.

Verbio implements the law for the equal participation of women and men, which has been in effect since May 1, 2015, as follows.

Supervisory Board: At its meeting on May 6, 2022 the Supervisory Board of Verbio SE renewed the resolution passed in May 2017 for a 33 percent proportion of women on the Supervisory Board, and set an implementation deadline of June 30, 2027. Since the Supervisory Board consists of one female and two male members, this goal has been achieved.

Management Board: The members of the Management Board and their responsibilities are determined by the Supervisory Board. The Management Board currently consists of six male members. The Supervisory Board is responsible for ensuring diversity in the appointment of the Management Board, and for setting a target for the proportion of women. The Supervisory Board is of the opinion that Verbio's success reflects that the current management team has proved its competence. The current Management Board is appointed until June 30, 2025 (Stefan Schreiber until June 30, 2027). The members of the Management Board are convinced that diverse perspectives and backgrounds enrich the work of the Verbio Management Board. However, diversity, according to the Charter of Diversity, is expressed in multiple dimensions, of which gender and gender identity are just one level. The Supervisory Board is encouraged to actively seek and consider female applicants in its deliberations when selecting new Management Board members. The average age of the members of the Management Board is 56.3 years at June 30, 2024.

First management level: The Management Board pays attention to diversity when filling leadership positions, taking into account the Company's positioning and industry structure. On July 1, 2022 the Management Board set a target of 25 percent for the proportion of women in the management level below the Management Board by June 30, 2027; the achievement rate was 27.3 percent by the reporting date of June 30, 2024 (for this purpose, only positions at Verbio with personnel responsibility as at June 30, 2024 were included). Setting a female quota for a second management level is not required, as Verbio is organised as a group holding entity with a flat leadership structure with only one relevant level of management (with personnel and management authority) below the Management Board. The average age in this level is 44.0 years.

5.3.1.5 Non-discrimination

GRI 406

Unequal treatment or disparagement on the basis of gender, ethnic origin, religion or belief, disability, sexual orientation or age are not tolerated at Verbio. These principles apply across the entire business. Employees who experience possible incidents of discrimination can report them to their supervisor, the compliance department (through various reporting channels, such as the whistleblower system) or the Human Resources department. The complaint is reviewed for its content, and the complainant is informed of the outcome. If necessary, appropriate consequences may be imposed, including actions under employment law. There is no register for recording discrimination cases. All managers have been trained in the requirements of the General Equal Treatment Act (Gleichbehandlungsgesetz – AGG) using e-learning techniques and have communicated the most important aspects to their employees.

5.3.1.6 Associations and collective bargaining

GRI 407, 2-30

In accordance with our Code of Conduct and Supplier Code of Conduct, we respect the rights of our own employees and those of our suppliers and business partners to join or form an employee organisation of their choice.

No restrictions on the rights of employees in exercising freedom of association or engaging in collective bargaining were identified in the reporting period. Verbio clearly communicates in its Supplier Code of Conduct that freedom of association is an important part of its business dealings.

5.3.1.7 Child, forced or compulsory labour

GRI 408 to 409

Verbio is committed to fair working conditions that respect human rights. The Company has made it clear in its Code of Conduct and Supplier Code of Conduct that it does not tolerate any form of child, forced or compulsory labour. The Handbook of HR Compliance Guidelines of VERBIO India states that, in accordance with legal regulations, no underage person (under 18 years of age) or forced or compulsory labourers may be employed at the production site in India. These guidelines are publicly available, communicated unambiguously to all employees, and subject to monthly random checks by the Human Resources department and site security staff on location. If, despite these measures, employees notice any violations, they are required to inform the Human Resources department for appropriate action. During the reporting period no violations of child labour, forced labour or compulsory labour were reported at Verbio or partners of Verbio. It is already envisaged that besides the requirements of the Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz –

LkSG) the Company will also take into account the other additional circumstances of these human rights due diligence obligations.

5.3.2 Local communities and value added chain

5.3.2.1 Local communities

GRI 202 to 204, 413, 2-28

Verbio addresses the direct and indirect impacts of its business activities on its stakeholder groups and on the environment. The investments being made, and the consistent expansion of the operating units and research and development efforts support the transition to a post-fossil economy. Furthermore, the Company contributes to social well-being by promoting local livelihoods and addressing regional environmental problems. In the various regions, Verbio strikes a balance between local and international recruitment, thus promoting both regional livelihoods and the integration of global talent. In Germany, where 13 new managers were hired, 38.5 percent were already resident in the respective region, demonstrating Verbio's local commitment. In the United States, 17 new managers were hired or promoted, of whom 58.8 percent were from the local region.

As the value of Verbio's products depends heavily on their sustainability and CO_2 efficiency, the Company seeks to use sustainable raw materials that are sourced locally wherever possible. In Europe Verbio sources all chemical raw materials, production aids and additives from manufacturers or suppliers who are certified in accordance with REACH. This procurement strategy empowers local communities and fosters social cohesion and integration. It also helps to build relationships and trust between the Company and the community. Manufacturing processes are designed to maximise efficiency and minimise the consumption of energy and consumables. Verbio places great emphasis on considering the impact on local communities, such as noise and odour emissions from production facilities. To mitigate any adverse effects stemming from noise emissions, specific zones within the plants are designated for noise-producing processes and sound dampening structures are erected. Additionally, VERBIO Zörbig has made significant strides in reducing odour pollution by integrating regenerative thermal oxidation systems in its operations.

In Northern India, Verbio has played a pivotal role in addressing a pressing issue: twice each year, farmers there burn straw from rice or wheat as there is no alternative way of disposing of the material. This practice results in environmental damage, and is a cause of health problems. Verbio's innovative solution is to purchase the straw from the farmers and use it to manufacture biomethane, as a sustainable alternative fuel, and biofertiliser. Consequently, this not only reduces smog and health hazards but also creates additional sources of income for the local population while increasing tax revenues, thereby benefiting society as a whole.

In South Bend, Indiana Verbio is taking precautions to prevent groundwater from coming to the surface and flooding the nearby residential area. The city insists that the water pumps are in operation at all times to keep the groundwater level under control and thus keep the cellars dry.

Verbio's regional and international cooperation with a large number of organisations, associations and networks contributes to advancing progress towards the post-fossil age. These are as follows.

At the national level in Germany:

- Pro Brandenburg e. V.
- VEA – Bundesverband der Energie-Abnehmer e. V. (Federal Association of Energy Consumers)
- Bundesgütegemeinschaft Kompost e. V. (Federal Compost Association)
- Bund der Steuerzahler Sachsen-Anhalt e. V. (German Taxpayers Association, Saxony-Anhalt)
- Arbeitsgemeinschaft Qualitätsmanagement Biodiesel e. V. (Biodiesel Quality Management Association)
- Unternehmervereinigung Uckermark e. V. (Entrepeneurs' Association of Uckermark)
- Innovation Campus Metropolregion Berlin Stettin e. V.
- Maritime Plattform e. V. (Maritime Platform Association)
- Verband für Alternative Proteinquellen e. V. (Association for Alternative Protein Sources)
- BNW – Bundesverband Nachhaltige Wirtschaft e. V. (Federal Association for Sustainable Economy)
- OAOEV – Ost-Ausschuss – Osteuropaverein der Deutschen Wirtschaft e. V. (East Committee – Eastern European Association of German Business)
- Ost-Ausschuss der Deutschen Wirtschaft e. V. (Committee on Eastern European Economic Relation)
- CNG-Club e. V.

- Bildungszentrum Wolfen-Bitterfeld e. V. (Training Centre Wolfen-Bitterfeld)
- MPB Mitteldeutsche Produktenbörse e. V. (MPB Central Germany Product Exchange)
- DLG e. V. (German Agricultural Society)
- AFM+E Außenhandelsverband für Mineralöl und Energie e. V. (Foreign Trade Association for Petroleum and Energy in Germany)
- Uniti Bundesverband mittelständiger Mineralölunternehmen e. V. (Federal Association of Medium-sized Mineral Oil Companies)
- EBB – European Biodiesel Board
- ePURE – European Renewable Ethanol
- Farm Europe
- Renewable Carbon Initiative
- UN Global Compact

In North America:

- American Biogas Council
- Ames Chamber of Commerce
- Ames Economic Development Commission
- Iowa Cattlemen's Association
- Iowa Corn Growers Association
- Iowa Pork Producers
- Iowa Soybean Association
- Iowa Renewable Fuels Association
- RNG Coalition
- South Bend Regional Chamber
- National Grain and Feed Association
- American Fats and Oils Association

Verbio's commitment to local communities goes beyond its core activities and includes initiatives such as donations, grants and sponsorship projects. In general, Verbio supports sustainable projects with a long-term impact. During the reporting period, support was provided to schools, day-care centres, clubs/associations and volunteer fire brigades, among others.

5.3.2.2 Value added chain

GRI 308, 414

We have a new Supplier Code of Conduct since December 2023. The code sets out what we expect from our suppliers in terms of human rights, health and safety, business integrity and environmental protection. The Supplier Code of Conduct is based on the UN Guiding Principles on Business and Human Rights. It is part of the central compliance framework (Corporate Commitment Policies) and defines the requirements for our business dealings. These requirements cover a wide range of human rights topics, including occupational health and safety, equal opportunities, fair remuneration, freedom of association and collective bargaining as well as the exclusion of child and forced labour. Any violation of the principles and requirements of the Supplier Code of Conduct is considered a breach of contract by the supplier. In the event of a breach, Verbio will take appropriate and proportionate measures appropriate to the seriousness of the breach and the remedies available. We reserve the right to review compliance with the Supplier Code of Conduct through internal and external audits and to terminate individual or all contractual relationships without notice.

Otherwise, supplier selection is based on established quality management processes, including regular assessments and audits following the DIN ISO 9001 standard. Environmental aspects are integrated into internal supplier audits, which also help to maintain product quality and, if necessary, allow conscientious and transparent adjustments to be made.

No contraventions of the social and environmental standards set out in the Supplier Code of Conduct were reported or became known to the Company in the reporting period.

5.3.2.3 Customer health and safety

GRI 416

Verbio accepts full responsibility that its products – provided they are correctly used – are not a risk for humans, animals or the environment. To continuously ensure product quality and safety, Verbio has implemented an integrated quality management system throughout the entire value chain. All products undergo regular inspections and assessments to provide Verbio's customers with a high level of safety and reinforce their trust in the products.

The foundation for this is compliance with statutory requirements and with internal standards over and above these standards. For the German entities, Verbio's high quality standards are certified annually by an external company in accordance with DIN EN ISO 9001:2015. Customer and supplier audits, as well as regular internal audits in various company areas, also help to monitor product quality and allow it to be adjusted conscientiously and transparently as needed.

Particular quality management attention is given to by-products of biodiesel and bioethanol production, which are sold to customers as food additives or animal feed. Continuous risk analyses are part of Verbio's quality assurance, as is continuous product sampling. Product and safety data sheets, as well as customer information, are available for all products. Customers are informed about the correct use and potential risks of our products. Incoming customer complaints and claims are promptly evaluated and used for the continuous improvement of product quality and safety. During the reporting period, no violations related to the health and safety impacts of products and services were reported.

5.3.2.4 Marketing and labelling

GRI 417

All Verbio products are labelled in accordance with legal requirements. Sales specifications, product and safety data sheets, as well as various manufacturer declarations, provide information on ingredients and handling. Products traded as animal feed are labelled regarding their origin, composition and use. Products that are supplied for use in the food industry are additionally identified as vegan, free of genetically modified material, kosher and halal, i.e. as being suitable for consumption by people of the Jewish or Muslim faiths respectively. The relevant third-party certification has been obtained for this purpose. The products also provide information on their proper disposal. Verbio has not become aware of any contraventions concerning product and service information, labelling, marketing or communication during the reporting period.

5.3.2.5 Protection of customer data

GRI 418

Verbio's business operations depend on functioning and secure processes for processing the data of customers, employees, suppliers, other interest groups and the Company's own data in accordance with the legal requirements for data protection and information security. The Group's ongoing efforts to strengthen information security are based on international security standards. The protective measures strategy ensures the confidentiality, availability and integrity of the data and includes technical and organisational protective measures. The Plan-Do-Check-Act (PDCA) cycle forms the backbone of the continuous monitoring and improvement systems for these protective measures. By applying the PDCA cycle consistently, Verbio ensures that information security measures are not only effectively implemented, but also monitored and improved on an ongoing basis. This enables us to react flexibly to new threats and constantly raise security standards at Verbio. During the reporting period, no complaints related to the breach of the protection or loss of customer data were reported. In the financial year 2023/2024, no other data protection violations were identified.

5.4 Governance information

GRI 205 to 207

As a global business, we have recognised that we must set very strict requirements for our compliance management system. Accordingly, we are working on adapting our compliance management system to international challenges and implementing it throughout the Group on an ongoing basis. The Global Compliance department is therefore responsible for drawing up the relevant compliance guidelines and, in particular, the Corporate Commitment Policies. Other compliance-related topics such as data protection, including the respective internal guidelines, are the responsibility of the relevant departments.

5.4.1 Corruption

GRI 205

As a responsible group of companies Verbio is committed to addressing corruption through prevention. This includes all measures that enable compliance with internal requirements and contribute to the clarification of any suspicions. The Code of Conduct for employees addresses the handling of corruption and conveys the fundamental values for conducting business at Verbio. The policy on the acceptance and granting of benefits also addresses the issue of corruption and its prevention. In addition, we expect all our suppliers to comply with our Supplier Code of Conduct, which prohibits all forms of corruption and bribery. No incidents of corruption were reported or known in the reporting period.

5.4.2 Anti-competitive practice

GRI 206

During the reporting period there were no legal proceedings pending for anti-competitive conduct or the formation of cartels and monopolies.

5.4.3 Tax concept

GRI 207

Verbio pursues the principle of paying the taxes due in each country on the basis of the legal regulations applicable in the respective countries. The Company has an interest in paying appropriate taxes in the countries in which it operates. This is essential to make public funding available for necessary investments in education, infrastructure and social standards, as well as funding to promote innovation. Verbio complies with all the relevant tax regulations and requirements of the respective countries concerning tax submission, documentation, disclosure and examination.

Internal policies determine the responsibilities and authorities for tax-related matters. The central tax department of Verbio SE (Global Accounting and Tax), which reports to the Management Board member responsible for the Group's finances (CFO), is responsible for all tax-related issues.

The internal guidelines, systematic internal controls and documentation requirements ensure that Verbio complies with its tax obligations in each country in which it operates. Tax professionals employed by Verbio must possess relevant knowledge and receive ongoing training to meet compliance requirements. Tax risks are reported and monitored within the framework of the risk management system to enable adequate assessment and control. External advisors are also engaged to assist in decision-making processes for complex matters.

Verbio does not engage in artificial tax arrangements without business substance. Tax evasion and tax fraud are unacceptable and not to be tolerated. The subsidiaries in the respective countries are necessary for business activities in these countries. Tax optimisation aligns with business needs, and taxation is in line with the respective value chains.

The Company places great importance on trustworthy and transparent communication with the tax authorities, as this foundation can help to reduce tax risks or avoid tax disputes.

Verbio's tax expenses amounted to EUR 40.1 million in the 2023/2024 financial year. Of this amount, EUR 37.8 million was attributable to current taxes, and EUR 2.3 million to deferred taxes. The taxes for the financial year 2023/2024 of EUR 40.1 million were distributed among the following countries as follows:

- Germany (EUR 38.7 million);
- Poland (EUR 0.5 million)
- USA (EUR 0.0 million);
- Canada (EUR 1.4 million);
- India (EUR −0.7 million);
- Hungary (EUR 0.0 million);
- Switzerland EUR 0.2 million)

Verbio's Group tax rate was 29.8 percent in the 2023/2024 financial year. In countries outside Germany, lower tax rates apply for the most part. The effective tax rate for the Group in the 2023/2024 financial year was 66.6 percent, which is higher than the Group tax rate. The main reason for this is the non-capitalisation of deferred taxes on tax losses incurred, as the requirements for the recognition of deferred tax assets were not met under IFRS.

For the financial year 2022/2023, Verbio SE has submitted country-by-country reporting to the relevant tax authorities in Germany in accordance with legal requirements.

Zörbig, September 19, 2024

Claus Sauter
Chairman of the Management Board

Prof. Dr. Oliver Lüdtke
Deputy Chairman of the Management Board

Theodor Niesmann
Management Board

Bernd Sauter
Management Board

Stefan Schreiber
Management Board

Olaf Tröber
Management Board

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Consolidated statement of comprehensive income

for the period from July 1, 2023 to June 30, 2024

EUR (thousands)		01.07.2023–30.06.2024	01.07.2022–30.06.2023	Notes
1.	Revenue	1,658,034	1,968,281	3.15/6.1
2.	Changes in inventories of finished goods and work in progress	–25,255	86,199	
3.	Own work capitalised	7,173	9,048	6.2
4.	Other operating income	11,234	13,779	6.3
5.	Raw material and consumables used	–1,315,422	–1,681,615	6.4
6.	Employee benefit expense	–107,461	–81,081	6.5
7.	Other operating expenses	–108,932	–77,611	6.7
8.	Changes in the value of financial assets and liabilities	1,636	–7,068	6.8/10.4.3
9.	Result from commodity forward contracts	616	10,387	6.9
10.	**EBITDA**	**121,623**	**240,319**	
11.	Depreciation and amortisation	–52,031	–41,570	3.2/3.3/3.4/6.6/7.1.1/7.1.2/7.1.3
12.	**Operating result (EBIT)**	**69,592**	**198,749**	
13.	Finance income	1,300	2,360	3.17/6.10/10.4
14.	Finance costs	–10,622	–1,866	3.17/6.10/10.4
15.	**Finance result**	**–9,322**	**494**	**3.17/6.10/10.4**
16.	**Result before tax**	**60,270**	**199,243**	

Continued on next page

EUR (thousands)	01.07.2023–30.06.2024	01.07.2022–30.06.2023	Notes
17. Income tax expense	–40,125	–67,087	2.3/3.6/6.11
18. Net result for the period	**20,145**	**132,156**	
Result attributable to shareholders of the parent company	19,960	132,024	7.3.3
Result attributable to non-controlling interests	185	132	7.3.7
Income and expenses recognised directly in equity:			
Items that may be reclassified subsequently to profit and loss:			
Translation of foreign operations	3,047	–13,340	7.3.5
Fair value remeasurement of cash flow hedges	5,338	–24,031	7.3.4
Deferred taxes recognised directly in equity	–1,501	9,001	
19. Income and expenses recognised directly in equity	**6,884**	**–28,370**	
20. Total comprehensive result	**27,029**	**103,786**	
Total comprehensive result attributable to shareholders of the parent company	26,844	103,654	
Result attributable to non-controlling interests	185	132	7.3.7
Basic earnings per share (EUR)	**0.31**	**2.08**	**3.18/7.3.6**
Diluted earnings per share (EUR)	**0.31**	**2.08**	**3.18/7.3.6**

Consolidated balance sheet

at June 30, 2024

EUR (thousands)		30.06.2024	30.06.2023	Notes
Assets				
A.	**Non-current assets**			
I.	Intangible assets	1,302	940	3.2/3.5/7.1.1
II.	Property, plant and equipment	728,193	594,982	3.3/3.5/7.1.2
III.	Right-of-use assets under leasing arrangements	27,802	27,350	3.4/7.1.3
IV.	Financial assets	1,540	1,920	3.8/7.1.4/10.2
V.	Other non-current assets	34,120	42,029	3.8/7.1.5
VI.	Deferred tax assets	1,009	3,212	3.6/6.12
Total non-current assets		**793,966**	**670,433**	
B.	**Current assets**			
I.	Inventories	244,872	260,278	3.7/7.2.1
II.	Trade receivables	119,014	89,763	3.8/7.2.2/10.2
III.	Derivatives	21,341	8,839	3.9/7.2.3/10.3
IV.	Other current financial assets	17,912	66,706	3.8/7.2.4/10.2
V.	Current tax receivables	26,089	9,494	3.6
VI.	Other current assets	31,375	21,368	3.8/7.2.5
VII.	Cash and cash equivalents	123,186	170,306	3.11/7.2.6
Total current assets		**583,789**	**626,754**	
Total assets		**1,377,755**	**1,297,187**	

Continued on next page

EUR (thousands)	30.06.2024	30.06.2023	Notes
Equity and liabilities			
A. Equity			
I. Share capital	63,638	63,517	7.3.1
II. Capital reserve	503,482	501,540	7.3.2
III. Retained earnings	347,862	340,605	7.3.3
IV. Reserve for cash flow hedges	2,245	−1,592	7.3.4
V. Translation reserve	8,448	5,401	7.3.5
Equity attributable to owners of the parent	**925,675**	**909,471**	
VI. Non-controlling interests	2,541	2,356	7.3.7
Total equity	**928,216**	**911,827**	
B. Non-current liabilities			
I. Borrowings	152,080	114,500	3.14/7.4.1/10.2
II. Lease liabilities	20,667	20,923	3.4/7.4.2
III. Non-current provisions	187	167	3.13/7.4.3
IV. Investment grants	33,745	619	3.12/7.4.4
V. Other non-current financial liabilities	19,645	224	3.14/7.4.5/10.2
VI. Deferred tax liabilities	8,142	6,453	3.6/6.12/7.4.6
Total non-current liabilities	**234,466**	**142,886**	

Continued on next page

EUR (thousands)	30.06.2024	30.06.2023	Notes
C. Current liabilities			
I. Borrowings	13,437	47,518	3.14/7.4.1/10.2
II. Lease liabilities	8,012	7,028	3.4/7.5.1
III. Trade payables	126,394	106,538	3.14/7.5.2/10.2
IV. Derivatives	9,517	12,731	3.9/7.5.3/10.3
V. Other current financial liabilities	43,216	42,718	3.14/7.5.4/10.2
VI. Current tax payable	2,796	1,983	3.6/7.5.5
VII. Current provisions	293	2,329	3.13/7.5.6
VIII. Investment grants	2,454	734	3.12/7.4.4
IX. Other current liabilities	8,954	20,895	3.14/7.5.7
Total current liabilities	**215,073**	**242,474**	
Total equity and liabilities	**1,377,755**	**1,297,187**	

Consolidated statement of cash flows

for the period from July 1, 2023 to June 30, 2024

EUR (thousands)	01.07.2023–30.06.2024	01.07.2022–30.06.2023	Notes
Net result for the period	**20,145**	**132,156**	
Income tax expense	40,125	67,087	6.11
Finance result	9,322	–494	6.10/10.4
Depreciation and amortisation	52,031	41,570	6.6/7.1.1/7.1.2/7.1.3
Non-cash expenses for share-based remuneration	1,613	1,666	7.3
Other non-cash income and expenses	6,078	3,355	
Gain on disposal of property, plant and equipment	277	–129	
Release of investment grants	–1,073	–826	6.3/7.4.4
Non-cash changes in derivative financial instruments	–10,377	4,968	7.2.3/7.5.3/10.3
Decrease (previous year: increase) in inventories	15,406	–80,129	3.7/7.2.1
Increase (previous year: decrease) in trade receivables	–18,072	31,112	3.8/7.2.2
Decrease (previous year: increase) in other assets and other current financial assets	46,704	–34,811	7.2.4/7.2.5
Decrease in provisions	–2,014	–1,290	7.4.3/7.5.6
Increase in trade payables	9,689	5,558	7.5.2
Increase in other financial and non-financial liabilities	8,319	17,205	7.4.5/7.5.4/7.5.5/7.5.7
Interest paid	–8,680	–1,262	
Interest received	1,300	2,360	
Income taxes paid	–54,018	–162,002	
Cash flows from operating activities	**116,775**	**26,094**	
Acquisition of intangible assets	–796	–360	
Acquisition of plant, property and equipment	–170,359	–202,855	

Continued on next page

EUR (thousands)	01.07.2023–30.06.2024	01.07.2022–30.06.2023	Notes
Proceeds from sale of property, plant and equipment	1,131	1,089	
Proceeds from investment grants	24,744	0	
Cash outflows for other investments	0	–671	
Cash outflows arising on acquisition of subsidiaries, less cash and cash equivalents acquired	0	–64,011	
Proceeds from the repayment of loans	380	380	
Cash flows from investing activities	**–144,900**	**–266,428**	
Dividends paid	–12,703	–12,680	7.3.3
Repayment of borrowings	–217,251	–95,000	
Proceeds from borrowings	219,880	227,000	
Repayment of lease liabilities	–9,455	–7,106	7.4.2
Cash flows from financing activities	**–19,529**	**112,214**	
Net change in cash funds	–47,654	–128,120	
Effects of exchange rate changes on changes in cash funds	534	–1,186	
Cash funds at the beginning of the period	170,306	299,612	
Cash funds at the end of the period	**123,186**	**170,306**	**7.2.6**

Consolidated statement of changes in equity

for the period from July 1, 2023 to June 30, 2024

EUR (thousands)	**Notes**	**Share capital**	**Capital reserve**	**Retained earnings**	**Reserve for cash flow hedges (other comprehensive income)**	**Reserve for currency translation adjustments (other comprehensive income)**	**Total equity attributable to owners of the parent**	**Non-controlling interests**	**Total equity**
July 1, 2022		**63,398**	**499,393**	**221,261**	**13,438**	**18,741**	**816,231**	**2,224**	**818,455**
Currency translation adjustments	2.4/7.3.5	0	0	0	0	–13,340	–13,340	0	–13,340
Fair value remeasurement of cash flow hedges	7.3.4/10.3.3	0	0	0	–24,031	0	–24,031	0	–24,031
Deferred tax on cash flow hedges	10.3.3	0	0	0	9,001	0	9,001	0	9,001
Income and expenses recognised directly in equity		**0**	**0**	**0**	**–15,030**	**–13,340**	**–28,370**	**0**	**–28,370**
Net profit for the period		0	0	132,024	0	0	132,024	132	132,156
Comprehensive result for the period		**0**	**0**	**132,024**	**–15,030**	**–13,340**	**103,654**	**132**	**103,786**
Dividend payments	7.3.3	0	0	–12,680	0	0	–12,680	0	–12,680
Capital increase from contribution in kind	7.3.1/7.3.2	119	2,147	0	0	0	2,266	0	2,266
June 30, 2023		**63,517**	**501,540**	**340,605**	**–1,592**	**5,401**	**909,471**	**2,356**	**911,827**

Continued on next page

EUR (thousands)	Notes	Share capital	Capital reserve	Retained earnings	Reserve for cash flow hedges (other comprehensive income)	Reserve for currency translation adjustments (other comprehensive income)	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
July 1, 2023		**63,517**	**501,540**	**340,605**	**−1,592**	**5,401**	**909,471**	**2,356**	**911,827**
Currency translation adjustments	2.4/7.3.5	0	0	0	0	3,047	3,047	0	3,047
Fair value remeasurement of cash flow hedges	7.3.4/10.3.3	0	0	0	5,338	0	5,338	0	5,338
Deferred tax on cash flow hedges	10.3.3	0	0	0	−1,501	0	−1,501	0	−1,501
Income and expenses recognised directly in equity		**0**	**0**	**0**	**3,837**	**3,047**	**6,884**	**0**	**6,884**
Net profit for the period		0	0	19,960	0	0	19,960	185	20,145
Comprehensive result for the period		**0**	**0**	**19,960**	**3,837**	**3,047**	**26,844**	**185**	**27,029**
Dividend payments	7.3.3	0		−12,703	0	0	−12,703	0	−12,703
Capital increase from contribution in kind	7.3.1/7.3.2	121	1,942	0	0	0	2,063	0	2,063
June 30, 2024		**63,638**	**503,482**	**347,862**	**2,245**	**8,448**	**925,675**	**2,541**	**928,216**

Notes to the consolidated financial statements

for the financial year from July 1, 2023 to June 30, 2024

1 Information about the Company

Verbio SE (hereinafter also "Verbio" or "the Company"; until November 30, 2023: VERBIO Vereinigte BioEnergie AG) is a public stock exchange listed company. The Verbio Group (hereinafter also "Verbio" or "the Verbio Group"), consisting of Verbio SE (the parent) and its consolidated subsidiaries (see note 2.2, "Scope of consolidation"), is engaged in the production and distribution of fuels and finished products manufactured using organic raw materials.

Verbio SE is registered in the commercial register of the district court in Stendal under the number HRB 33567. The Company's registered office is at 06780 Zörbig, Thura Mark 18. The Company maintains business facilities at 04109 Leipzig, Ritterstraße 23 (Oelßner's Hof). These consolidated financial statements, which provide an exemption in accordance with § 315e HGB, are published in the German Federal Gazette (Bundesanzeiger) and on the Company's Website (verbio.de).

The extraordinary general shareholders' meeting held on August 25, 2023 approved a resolution to convert VERBIO Vereinigte BioEnergie AG into a European Company (Societas Europaea, SE). The change of name to Verbio SE was registered on November 30, 2023.

2 Consolidated financial statements

2.1 Basis of preparation of the consolidated financial statements

The consolidated financial statements were prepared in compliance with the International Financial Reporting Standards issued by the International Accounting Standards Board (IFRS/IAS), as well as with the Interpretations of the International Financial Reporting Interpretations Committee/Standing Interpretations Committee (IFRIC/SIC), as adopted with mandatory effect in the European Union (EU) as of the balance sheet date. The consolidated financial statements are presented in euros (EUR). All amounts are presented in thousands of euros (EUR thousand) unless otherwise stated. Figures have been rounded in accordance with commercial practice; rounding differences may occur.

In accordance with IAS 1, the statement of comprehensive income has been prepared using the total cost method and the balance sheet is presented based on maturities. In order to improve the clarity of the presentation of the financial statements, certain items in the statement of comprehensive income and in the balance sheet have been combined; these are explained in the notes.

The consolidated financial statements were prepared on the basis of amortised acquisition and manufacturing/construction costs or net realisable value, where appropriate, with the exception of derivative financial instruments which are measured at fair value.

The consolidated financial statements have been prepared under the assumption that the business is a going concern.

Knowledge and events in the financial year 2023/2024 and thereafter through to September 19, 2024 were taken into account in the preparation of the consolidated financial statements. These also include, in particular, macroeconomic trends and the impacts of climate change.

The last two financial years have been characterised, among other things by a significantly higher rate of inflation and, as a result, higher levels of interest rates. In addition, at times there was massive volatility in currency exchange rates. These did not have a major effect on earnings in the current period as a large majority of Verbio deliveries are invoiced in the local national currencies and in currencies which are subject to low levels of volatility. Significant currency translation effects affect the net investments in foreign operations, which are recorded directly in equity. As Verbio continued to be financed from its own equity resources to a comparatively large extent in the financial year, the increase in interest rates had a very limited effect on earnings. A new promissory note loan was taken out at the end of the previous financial year. The interest expenses incurred on the note have already had the effect of reducing the current annual result. Further necessary growth financing could have an additional negative impact on future annual results as a result of persistently high rates of interest.

One notable effect of the Russian war of aggression was the significant increase in grain prices in the financial year 2022/2023, which had partial but direct consequences for the raw materials used by Verbio, and accordingly for Verbio's procurement costs. The cost increases were reflected in higher material costs. Grain prices have fallen back again markedly over the course of the financial year 2023/2024. The effects of the cost increases and volatility on the derivatives held continue to be considered to be comparatively low. This is due to the fact that the derivatives held by Verbio have comparatively short maturity periods. Energy costs, which have risen massively in the last two years, have also stabilised at a lower level, although this level is nevertheless higher than it was prior to 2022. This situation continues to be reflected in the significantly higher cost of materials compared to financial years prior to 2022/2023. Another major impact of Russia's ongoing war of aggression is the imposition of sanctions against Russia, as a result of which imports of raw materials from Russia to Germany have now ceased almost completely. This had significant consequences for the supplies available to an important Verbio customer at the Schwedt/Oder location. The customer was able to make use of other procurement sources and use other production technologies as a result of which it was possible to reduce the effects on Verbio's operations to a minimum. Accordingly the issue has had no further consequences for the current financial statements. However, a deterioration in earnings and the associated risks of impairment write-downs in future periods cannot be wholly ruled out.

Verbio has performed an analysis of the possible impact of climate change on the consolidated financial statements. Verbio's business model is based on manufacturing climate-friendly fuels which generate high levels of CO_2 savings. In doing so Verbio makes an important contribution to avoiding the use of fuels that have a damaging effect on the climate, and to addressing the need for the economy and society to modify their behaviour. Nevertheless, climate change also presents Verbio with challenges, such as increased risks associated with extreme weather events that could have a damaging effect on our property, plant and equipment and on our procurement sources.

2.2 Scope of consolidation

(GRI 2-2)

In addition to Verbio SE, the parent Company of the Group, the following companies which represent Verbio SE's material shareholdings at June 30, 2024 were included in the consolidated financial statements:

Name of company	Location	Shareholding	Consolidation method
VERBIO Bitterfeld GmbH (VEB)	Bitterfeld-Wolfen/OT Greppin	100.00%	Fully consolidated
VERBIO Zörbig GmbH (VEZ)	Zörbig	100.00%	Fully consolidated
VERBIO Schwedt GmbH (VES)	Schwedt/Oder	100.00%	Fully consolidated
VERBIO Protein GmbH (VProt)	Zörbig	100.00%	Fully consolidated
VERBIO India GmbH	Zörbig	100.00%	Fully consolidated
VERBIO Finance GmbH (VFinance)	Zörbig	100.00%	Fully consolidated
Lüneburger Lager- und Agrarhandelsgesellschaft mbH [1]	Lüneburg	94.67%	Fully consolidated
VERBIO Agrar GmbH (VAgrar)	Zörbig	89.35%	Fully consolidated
VERBIO Logistik GmbH [2] (VLogistik)	Zörbig	89.35%	Fully consolidated
VERBIO Polska Sp. z o.o. (VPL)	Stettin, Poland	100.00%	Fully consolidated
VERBIO Hungary Trading Kft.	Budapest, Hungary	100.00%	Fully consolidated
VERBIO India Private Limited (VEI)	Chandigarh, India	100.00%	Fully consolidated
VERBIO Pinnow GmbH (VEP)	Pinnow	100.00%	Fully consolidated
VERBIO Renewables GmbH (VRenew)	Zörbig	100.00%	Fully consolidated
VERBIO Poland GmbH (formerly VERBIO Leuna GmbH)	Zörbig	100.00%	Fully consolidated
XIMO Kft. (XiMo)	Budapest, Hungary	100.00%	Fully consolidated
VERBIO Nevada LLC (VEN)	Nevada, Iowa, USA	100.00%	Fully consolidated
VERBIO North America Holdings Corp. (VNAH)	Stamford, Connecticut, USA	100.00%	Fully consolidated
VERBIO North America LLC (VNA) (formerly: VERBIO North America Corp.)	Stamford, Connecticut, USA	100.00%	Fully consolidated
VERBIO Diesel Canada Corp. (VDC)	Toronto, Ontario, Canada	100.00%	Fully consolidated
VERBIO Agriculture LLC (VEA) (formerly: VERBIO Farm Services LLC)	Nevada, Iowa, USA	100.00%	Fully consolidated
VERBIO Retail GmbH (VRetail)	Zörbig	100.00%	Fully consolidated
VERBIO Brazil GmbH (VBrazil)	Zörbig	100.00%	Fully consolidated
VERBIO Baltic Sp. z o.o. (VBaltic)	Stettin, Poland	100.00%	Fully consolidated
VERBIO 1 GmbH	Zörbig	100.00%	Fully consolidated
VERBIO Chem GmbH	Zörbig	100.00%	Fully consolidated
VERBIO Werbkowice Sp. z o.o.	Stettin, Poland	100.00%	Fully consolidated
South Bend Ethanol LLC (SBE)	South Bend, Indiana, USA	100.00%	Fully consolidated
Verbio International AG	Carouge (GE), Switzerland	100.00%	Fully consolidated

[1] Thereof 44.67% held indirectly via VERBIO Agrar GmbH.
[2] Held indirectly via VERBIO Agrar GmbH. Shareholdings from the perspective of Verbio SE.

The following new companies were formed as wholly-owned subsidiaries of Verbio SE in the financial year 2023/2024:

- Verbio International AG
- VERBIO Werbkowice Sp. z o.o. (held indirectly via VERBIO Poland GmbH)

VERBIO Schkopau GmbH was renamed VERBIO Chem GmbH in the financial year 2023/2024.

There have been no other changes to the scope of consolidation and to shareholdings. VERBIO Brazil GmbH, VERBIO 1 GmbH, VERBIO Baltic Sp. z o.o. as well as and VERBIO Werbkowice Sp. z o.o. have have no active business operations; these companies are shelf companies or companies in a start-up phase. Two further wholly-owned group companies that were not included in the consolidated financial statements on materiality grounds were liquidated by June 30, 2024 (June 30, 2023: two further immaterial companies excluded from the consolidated financial statements).

All companies included in the consolidated financial statements are hereinafter referred to as "Verbio" or "the Verbio Group".

2.3 Consolidation principles

The financial statements of the domestic and foreign subsidiaries included in the consolidated financial statements are prepared using uniform accounting and measurement policies. The capital consolidation is performed using the acquisition method, under which the acquisition costs at the time of purchase of the investment are compared to the fair value of the (proportionally) acquired assets, liabilities and contingent liabilities. Expenses and income, as well as receivables and payables between consolidated companies, are eliminated. Gains and losses on intercompany transactions are eliminated on consolidation. Deferred taxes are determined in accordance with the balance-sheet-oriented approach in accordance with IAS 12.

Investments in associated companies are accounted for under the equity method. These investments are initially recorded at their acquisition cost, including the associated transaction costs. Subsequent to initial recognition an amount representing the Group's share of the total comprehensive income of the investee is included in the consolidated financial statements in accordance with the equity method.

2.4 Foreign currency translation

The consolidated financial statements are presented in euro (EUR), the functional currency of Verbio SE.

Transactions denominated in foreign currencies are translated into the functional currency of the respective entity at the spot rate applicable on the date of initial recognition. Monetary assets and liabilities denominated in foreign currencies are remeasured into the functional currency of the respective company at the spot rate applicable at each balance sheet date. All differences arising from the translation of monetary items are recognised in profit or loss.

The assets and liabilities of companies with a functional currency other than the euro are translated into euros for consolidation purposes at the rate applicable at the balance sheet date. Equity transactions are converted at the historical exchange rate at the date of the transaction. Income and expenses are converted at average rates for the period. Income and expenses resulting from translation differences arising on consolidation are recognised directly in equity in the reserve for translation adjustments.

The following currency exchange rates have been used in the preparation of these consolidated financial statements:

1 EUR	Closing rate		Average rate	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
USD	0.9341	0.9203	0.9244	0.9550
PLN	0.2321	0.2253	0.2279	0.2136
INR	0.0112	0.0112	0.0111	0.0117
HUF	0.0025	0.0027	0.0026	0.0025

3 Summary of accounting policies

3.1 Changes in accounting policies

The accounting policies applied are consistent with those applied in the previous year, with the exception of the changes described below.

The following new and amended standards and interpretations were required to be applied by the Group for the first time with effect from July 1, 2023:

- IFRS 17 "Insurance contracts"
- Amendments to IFRS 9 "Financial instruments" – Comparative Information
- Amendments to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2 – Disclosure of Accounting Policies
- Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" – Definition of Accounting Estimates
- Amendments to IAS 12 "Income Taxes" – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 "Income Taxes" – International Tax Reform – Pillar Two Model Rules

The implementation of new standards and interpretations and amendments to existing accounting standards and interpretations applicable to the Group for the first time from July 1, 2023 have had no effect on Verbio's financial statements. The Group had no transactions at June 30, 2023 or June 30, 2024 in which the reference base rate of interest was replaced by an alternative base rate.

3.2 Intangible assets

Intangible assets purchased by the Verbio Group are measured at acquisition cost less accumulated scheduled amortisation and any accumulated impairment losses.

Scheduled amortisation is recorded in the income statement under the heading "Depreciation and amortisation" on a straight-line basis over the expected useful lives of the respective assets. The expected useful lives for other intangible assets range from three to five years.

3.3 Property, plant and equipment

Property, plant and equipment are measured at acquisition or construction costs less accumulated scheduled depreciation and, where applicable, accumulated impairment losses. Capitalised production costs for internally generated property, plant and equipment include all costs directly attributable to the construction process, as well as an appropriate portion of production-related overheads. Production-related overheads include manufacturing-related depreciation and an appropriate portion of administrative expenses. In addition, acquisition or construction costs include the expected cost for the retirement of those assets for which there is an asset retirement obligation.

In accordance with IAS 23, borrowing costs have not been included in determining acquisition and construction costs as there were no borrowing costs that were directly attributable to the production of a qualifying asset.

Scheduled depreciation is recorded in the income statement on a straight-line basis over expected useful lives. The expected useful lives were as follows.

Useful lives of property, plant and equipment	As at 30.06.2024
Buildings	33 to 50 years
Technical equipment and machinery	8 to 18 years
Office furniture and equipment	3 to 12 years

Newly constructed plants reach their full capacity utilisation only after a prolonged ramp-up phase. However, scheduled depreciation is recorded on a straight-line basis immediately from the date on which saleable products are manufactured.

In addition, certain spare parts are recorded within property, plant and equipment. No depreciation is recorded on these spare parts until they are placed into service. The spare parts are recorded as other operating expenses at the date on which the parts are installed, unless they represent separate components of the respective assets.

3.4 Leasing arrangements

On initial implementation of IFRS 16 Verbio applied the modified retrospective approach and, accordingly, continued the previous accounting for lease contracts entered into prior to July 1, 2019. The carrying values of the right-of-use assets are amortised over the periods up until the end of the respective lease contracts; the lease liability is measured at amortised cost in accordance with the effective interest method.

At the date when a contract is entered into an assessment is made of whether the contract is, or contains, a leasing arrangement. This is the case when the contract includes the right to control the use of an identified asset for a specific period of time in exchange for payment. In assessing whether a contract contains the right to control an identified asset, Verbio applies the definition of a leasing arrangement set out in IFRS 16. At the beginning of the leasing arrangement an assessment is made of whether any purchase, extension or termination options included in the arrangement will be exercised.

Verbio is exclusively a lessee, with the exception of the lease of one plot of land in Zörbig in which it is a lessor. At the commencement of the lease Verbio records an asset for the right-of-use asset and a lease liability. The right-of-use asset is initially recognised at acquisition cost, which is identical to the initial measurement of the lease liability. Subsequently the right-of-use asset is amortised on a straight-line basis from the commencement of the lease until the end of the lease term. In addition, the right-of-use asset is subject to impairment allowances, if necessary, and to adjustments in some specific circumstances on recognition of re-evaluations of the lease liability.

The lease liability is recognised at the present value of the agreed lease payments, discounted at the rate implicit in the lease arrangement, or, if the implicit rate cannot be determined readily, using Verbio's incremental borrowing rate of interest. In most cases Verbio uses this incremental borrowing rate of interest for discounting purposes. To determine its incremental borrowing rate of interest Verbio obtains interest rates from various external sources of financing, and adjusts these for certain factors to reflect the terms of the lease, the specific payment terms for the lease asset, and the nature of the leased asset.

The lease liability is measured at amortised cost in accordance with the effective interest method. It is remeasured when future lease payments change by reference to an index or as a result of a change in (interest) rates, when Verbio changes its estimates of future payments under a residual value guarantee, or when Verbio changes its assumptions concerning the exercise of a purchase, extension or termination option. An adjustment to the carrying value of the right-of-use asset is made to reflect the change in the lease liability on remeasurement.

Verbio has elected not to record right-of-use assets and lease liabilities for leasing arrangements for low value assets (below EUR 10 thousand) or for short-term (less than one year) leasing arrangements. Verbio recognises the lease payments under these leasing arrangements as an expense on a straight-line basis over the lifetime of the respective lease arrangements.

3.5 Impairment of non-current assets

Non-current intangible assets, as well as property, plant and equipment, are tested for impairment if there are external or internal indications that the assets may be impaired, such as significant deviations from business planning or significant under-utilisation of plant and equipment.

An impairment loss is recorded if the carrying value of an asset or a cash-generating unit is higher than the recoverable amount at the balance sheet date. The recoverable amount for this purpose is the higher of the fair value less costs to sell and the value in use, whereby the value in use represents the present value of the future cash flows expected to be derived from the asset or cash-generating unit.

If there are indications that impairment write-downs of assets recognised in prior periods are no longer required or the impairment has decreased in amount, an appropriate write-up is recognised.

3.6 Income taxes

The income tax expense includes current and deferred taxes. Current and deferred taxes are recognised in the income statement, with the exception of the tax effects recognised on items recorded directly in equity.

Current tax receivables and payables for the current period are measured at the amount in which a refund from the tax authority or a payment to the tax authority is expected. The calculation of the amount is based on the tax rates and tax law that are in effect at the balance sheet date or which will be applicable shortly thereafter.

Deferred taxes are determined on the basis of the balance-sheet-oriented approach. Under this method, deferred taxes are calculated on temporary differences which arise between the IFRS carrying values of assets and liabilities and their tax values. In addition, deferred tax assets are recognised on tax losses carried forward. Deferred taxes are measured at the tax rate that is applicable at the time the temporary differences are expected to reverse and the tax losses are expected to be used, respectively. For this purpose, the tax rates used are those in effect or announced at the balance sheet date.

Deferred tax assets are only recorded to the extent that offsetting deferred tax liabilities are available or it is probable that future taxable income will be available against which the deferred tax asset can be offset.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to set off current tax assets against income tax liabilities and the deferred taxes relate to taxes of the same taxable entity with the same taxation authority.

If there is uncertainty regarding the treatment of income tax matters, assumptions are made for the purposes of recognising and measuring the tax item – for example whether an assessment shall be made separately for the issue or in combination with the assessment of other uncertainties, whether a probable or an expected value shall be used for the uncertainty, and whether there has been a change compared to the previous period. The risk of whether the uncertain position will be discovered is not relevant for accounting purposes. The accounting treatment followed is based on the assumption that the tax authorities will examine the issue in question, and that they will be in possession of all information relevant to the matter.

3.7 Inventories

Inventories are measured at the lower of acquisition or production costs and net realisable value. This also applies to GHG quotas. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. In the case of impairment of inventories a write-down to the net realisable value is made, and the lower net realisable value is recorded.

Acquisition costs represent the purchase price, less purchase price deductions, plus costs incurred in order to bring the inventories to their present location and condition. Acquisition costs are determined by the weighted average method. Production costs comprise direct costs of materials and direct production costs, as well as overheads that are incurred in order to bring the inventories to their present location and condition. Idle capacity costs are eliminated in determining production costs. In the event that more than one product is created from a single production process, the allocation of the production costs to the individual products is carried out according to an allocation formula based on the relationship between the sales prices of the respective end products. For intermediate products, the allocation is based on appropriate technical parameters.

3.8 Financial assets and other assets

Financial assets are held within a business model whose objective is achieved by holding those assets to collect the contractual cash flows associated with the assets. The contractual terms of these financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding payable on specified dates.

Financial assets and other assets are initially recognised at fair value. Subsequent to initial recognition they are recognised at amortised cost using the effective interest method. The amortised costs are reduced by impairment allowances. Interest income, currency gains and losses, impairments and reversals of impairments are recognised in profit or loss. Allowances are recognised on individual balances or for groups of receivables with comparable default risk profiles. Where there is concrete information that indicates that a balance is non-collectable, a write-off of the related receivables and assets is made.

3.9 Derivatives

The Verbio Group uses derivative financial instruments such as exchange-traded futures, options, SWAPs and OTC contracts to hedge against raw material price risks, interest rate risks and currency risks. In addition, purely trading transactions in futures entered into by the Trading division using separate trading books without reference to production are classified as financial derivatives. These trading transactions are forward delivery contracts that can, in principle, also be fulfilled by physical delivery of the goods. The contracts are entered into to achieve trading margins or for speculative reasons, and are generally fulfilled by corresponding offsetting contracts or net settlement in cash.

The derivative financial instruments are recognised at fair value at the time a contract is entered into and are remeasured at fair value in subsequent periods. Derivative financial instruments are recognised as financial assets if their fair value is positive, and as financial liabilities if their fair value is negative. Expenses and income are recognised in the position "Result from commodity forward contracts" on a uniform basis.

We have provided detailed explanations of the derivatives, in particular of the accounting and measurement policies applied, in note 10, "Disclosures on financial instruments".

Verbio has forward fixed-price supply contracts for the purchase of raw materials for use in production which meet the definition of derivatives (IFRS 9, Appendix A) and which are accounted for in accordance with the "own use exemption" (IFRS 9.2.4 and 9.2.5). These contracts are not within the scope of IFRS 9, but rather are handled as pending procurement contracts. Information on hedging transactions and hedging relationships is also provided in note 10, "Disclosures on financial instruments".

For financial instruments held in trust by Verbio, where the contractual arrangements provide for all risks and rewards to be transferred in full to the trustor, the financial instruments are not attributable to Verbio and are, accordingly, not recognised in the balance sheet. We refer to note 12.1.2 for information about current risks.

3.10 Term deposits

Term deposits are not available for use on a daily basis. They are held until their respective maturity dates. These deposits have an original maturity period (term to maturity when the deposits are made) exceeding three months. The term deposits are measured at their amortised acquisition cost.

3.11 Cash and cash equivalents

Cash and cash equivalents comprise cash holdings and cash at banks, and are measured at nominal value. Included in cash and cash equivalents are cash holdings and cash at banks that have an original term of three months or less. Currency balances which are restricted as collateral for utilised guaranteed credit lines and for bank loans granted are also shown under cash and cash equivalents. However, cash and cash equivalents which are held in segregated accounts as collateral security for the initial and variation margin are reported within other financial assets.

3.12 Investment grants

In accordance with the accounting option available under IAS 20, investment grants are deferred on the liability side of the balance sheet and are released to income over the average useful lives of the assets for which the grants and subsidies have been received. Investment grants are recognised in the balance sheet if there is reasonable assurance that the relevant group company will fulfil the conditions related to the grant award, and that the grants will be received.

3.13 Provisions

Provisions are recognised if there is a present obligation to a third party resulting from a past event which is expected to result in a future outflow of economic resources from the entity and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the amount required to fulfil the obligation. Provisions for obligations that will not result in an outflow of resources within the next twelve months are recognised as of the balance sheet date at the discounted settlement amount, taking into account the effect of expected cost increases. The settlement amount is discounted using rates that reflect market rates of interest for liabilities carrying equivalent risk.

3.14 Financial liabilities and other liabilities

Financial liabilities are initially recognised at fair value. The financial liabilities of the Verbio Group comprise trade payables and other liabilities, overdrafts, loans and derivative financial instruments.

With the exception of derivative financial assets, subsequent to initial recognition financial liabilities are carried at amortised acquisition cost. Further information on derivative financial instruments is provided in note 3.9. The amortised acquisition cost of non-current financial liabilities is determined using the effective interest rate method.

3.15 Revenue

The Verbio Group recognises revenue from the sale of goods as soon as a customer obtains control of the goods in accordance with IFRS 15. The customer obtains control over the goods as soon as the goods are delivered to the location as agreed in the specific sales contract and have been accepted there by the customer, or, as applicable, at the time the customer has collected the goods ex works. For sales of biomethane or GHG quotas, control is transferred to the customer at the time the risk is transferred in accordance with the agreement with the customer or with the legal transfer of the respective GHG quotas. At that date invoices are raised, the majority of which are payable within 30 days. If, in individual cases, payment in advance is agreed, the goods are transferred shortly after receipt of payment; in this case the invoice is also issued at the time the customer collects the goods. The sale of biomethane as a fuel is subject to separate marketing systems for the sale of the physical product and the sale of the greenhouse gas savings associated with the biomethane respectively. Here, contracts are entered into with different customers for each of the two components, with the agreed prices for each component recognised as revenue.

Revenues are reported net of sales reductions where applicable. For standard products, however, no discounts are applied to the contractually agreed prices, and no bonus points or customer loyalty programmes are offered.

For contracts in which the purchase of raw materials and the sale of the goods produced from them are linked, an examination is performed to determine whether revenue is generated from the sale of the goods or from contract processing. In the case of a contract processing service arrangement, revenue is only recognised for the contract processing service provided.

Revenue for services is recognised in the period in which the services are rendered. Services primarily concern transport services and contract processing arrangements. Transport services represent individual transport services which are invoiced as separate transactions. Accordingly an allocation of the consideration received is not required.

3.16 Employee benefits

Obligations for short-term benefits payable to employees are recognised as an expense at the time the associated employee service is provided. A liability is recorded for the expected amount payable when the Group has a current legal or de facto obligation on the basis of work performed by an employee and the obligation can be estimated reliably.

Share-based remuneration payable to members of the Management Board and other employees is recognised at the fair value of the award on the grant date as an expense, with a corresponding increase in equity, over the period of time in which the members of the Management Board acquire a vested right to the shares.

Obligations for contributions to defined contribution plans are recognised as an expense at the time the associated work is performed under the employment contract.

3.17 Finance result

Finance income and finance expenses are recorded in the appropriate period in accordance with the effective interest method. In addition to interest income and finance expenses, the financial result also includes write-downs recorded against non-current financial assets and gains on the disposal of such assets.

3.18 Earnings per share

Earnings per share is calculated in accordance with IAS 33. The basic earnings per share is calculated by dividing the earnings for the period attributable to the shareholders of the parent company by the weighted average number of shares outstanding. The diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding for the dilution effect of the potential ordinary shares.

3.19 Standards that have been issued but which are not yet mandatory

As of the date of publication of the consolidated financial statements, additional IFRSs and IFRICs have been issued by the IASB, some of which have not yet been endorsed by the EU and are not required to be adopted until a date subsequent to the balance sheet date. We present below only those standards/interpretations that can reasonably be expected to be applicable to Verbio in future periods. Verbio intends to apply these standards when their application becomes mandatory. Unless otherwise stated, the application of these standards is mandatory for financial years commencing on or after January 1, 2024.

- IFRS 18 "Presentation and Disclosure in Financial Statements"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments – Disclosures": Amendments to the Classification and Measurement of Financial Instruments
- Amendments to IAS 1 "Presentation of Financial Statements" – Classification of Liabilities with Covenants as Current or Non-current and Non-current Liabilities with Covenants
- Amendments to IFRS 16 "Leasing" – Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" – Supplier Finance Arrangements
- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" – Lack of Exchangeability
- Annual Improvements to IFRS standards – Band 11

It is not yet possible to make a precise assessment of the effects of the changes that will result from the implementation of IFRS 18. However, based on preliminary estimates the changes will not have an effect on the significant key figures used by Verbio for management purposes.

The other new standards and interpretations noted above are not expected to lead to any significant changes to the Verbio financial statements. There may be changes made to the disclosure notes as a result of the implementation of some of the new standards and interpretations listed above.

4 Significant judgemental decisions, estimates and assumptions

The preparation of the consolidated financial statements in accordance with IFRS requires the use of judgement and assumptions and the making of estimates. These affect the carrying amounts of assets and liabilities, the disclosure of contingent liabilities and other commitments as of the balance sheet date, and the presentation of expenses and income.

Estimates and assumptions

The most important assumptions made concerning future events as well as other main sources of estimation uncertainty as of the balance sheet date for which there is a heightened risk that a significant adjustment of the carrying amounts of assets and liabilities will be required in the next financial year, are explained below.

Identifying impairments and impairment reversals of non-current assets

If there are indications that an impairment may have occurred, we perform an impairment test in accordance with IAS 36. We refer to note 3.5. If there are indications that impairment write-downs of assets recognised in prior periods are no longer required or the impairment has decreased in amount, an appropriate write-up is recognised. The assumptions and estimates made are based on the cash flow forecasts in the Company's business plans. These take account of the circumstances existing at the time of the preparation of the consolidated financial statements and developments in the industry-specific environment as they affect the future business development of the cash generating unit.

Net realisable value of inventories

Impairment write-downs have been made against the calculated manufacturing cost of inventories of finished goods in inventories with effect on profit and loss totalling EUR 19,876 thousand to adjust the carrying values to their estimated recoverable amounts. The estimates and assumptions made which affect finished goods inventories primarily relate to the expected revenue to be earned from biodiesel, bioethanol and biomethane as well as from the sale of GHG quotas. The latter in turn affects the measurement of inventory of biomethane and biomethane quotas (June 30, 2024: EUR 140,095 thousand). Measurements at the balance sheet date were based on current estimates of market prices at June 30, 2024. Due to the fact that contracts for the GHG quotas for the calendar year 2024 will typically, and largely, not be entered into until the first half of 2025, and in view of the fact that their prices have proved to be very volatile, actual future revenue received may differ from the amounts estimated.

Estimation matters with less significant effects were as follows:

Derivatives and hedging relationships

There are risks associated with Verbio's operating business resulting from changes in prices of raw materials which will be purchased under future procurement transactions, as well as a price change risk in connection with sales transactions, as these are subject to significant market price fluctuations. These risks are in part managed by the use of derivatives. For accounting purposes, Verbio differentiates between stand-alone derivatives and derivatives which are matched in hedging relationships. Derivatives allocated to a hedging relationship are held for current and future procurement transactions.

All derivative financial instruments held at the balance sheet date are measured at their respective fair values. Stand-alone derivatives are always classified as "at fair value through profit and loss". Changes in the fair values of derivatives which are designated as hedge transactions are recorded in equity without affecting profit or loss for the period of the hedging relationship. The assessment and documentation of the hedging relationship requires the application of estimates and assumptions and, accordingly, has a significant influence on the financial statements.

Default risks of trade receivables and payments on account

The default risk of trade receivables and payments on account is primarily affected by the individual characteristics of the respective customers and suppliers. The respective creditworthiness was monitored.

Taxes

The assumptions and estimates made relate to the realisation of future tax relief. The amount of recognised deferred taxes on deductible tax losses carried forward is based on estimates that are highly dependent on future levels of income. The estimates made may therefore differ from the actual amounts that will be realised in later periods. The effects of necessary changes in assumptions and estimates are recognised at the time they become known. The estimates are based on circumstances existing at the time of the preparation of the consolidated financial statements and the expected future development of the industry-specific environment as it affects the future business development of the Verbio Group.

Deferred tax assets on deductible temporary differences and tax losses carried forward are only recognised to the extent that deferred tax liabilities are available against which they can be offset, or where it is probable that future taxable income will be available against which the deferred tax assets can be offset.

5 Acquisition of subsidiary companies

5.1 Acquisition of South Bend Ethanol LLC

A. Transaction structure

Under an acquisition agreement dated May 1, 2023 VERBIO North America Holdings Corporation acquired the entire share capital of South Bend Ethanol LLC (SBE). The purchase price totalled USD 69,903 thousand.

The acquisition date was identified as May 1, 2023 in accordance with the acquisition agreement. The results of South Bend Ethanol LLC were included in the consolidated financial statements of the Verbio Group from May 1, 2023 to June 30, 2023. In the financial year 2023/2024 the results were included in the consolidated financial statements for the period from July 1, 2023 until June 30, 2024.

South Bend Ethanol LLC contributed USD 42,602 thousand to Group revenue and USD 2,975 thousand to the Group's result before tax in the financial year 2022/2023 from the acquisition date. Had the business combination been effected as of the beginning of the financial year 2022/2023, the Group's revenues would have been USD 231,813 thousand higher and the result before tax would have been USD 5,754 thousand lower.

No contingent consideration was agreed under the acquisition agreement.

The Group incurred costs in connection with the acquisition for legal advice and for due diligence totalling USD 338 thousand in the financial year 2022/2023. These costs were recognised within other operating expenses.

In the financial year 2023/2024 SBE has contributed USD 183,831 thousand to Group revenue and USD −5,788 thousand to the Group's result before tax. In addition to the increased cost of materials – corresponding to the sales – resulting from the inclusion of SBE in the consolidated financial statements for the full financial year the inclusion of SBE had an impact, in particular, on employee benefit expenses and, within other operating expenses, on expenses for repairs and maintenance.

6 Notes to the individual items in the consolidated statement of comprehensive income

6.1 Revenue

Revenue wholly comprises revenue from contracts with customers (EUR 1,658,034 thousand; 2022/2023: EUR 1,968,281 thousand). Revenues are presented net of energy taxes of EUR 9,570 thousand (2022/2023: EUR 4,169 thousand).

We refer to the segment reporting (see note 9, "Segment reporting") for an analysis of revenue by category.

As permitted under IFRS 15, no disclosures are made of any remaining outstanding performance obligations at June 30, 2024 or June 30, 2023 since these have an expected maturity of one year or less.

6.2 Own work capitalised

Own work capitalised amounted to EUR 7,173 thousand (2022/2023: EUR 9,048 thousand) and represents the production costs of technical plant and equipment manufactured internally. See note 3.3, "Property, plant and equipment" for information on the scope of these costs.

6.3 Other operating income

Other operating income comprises the following items:

EUR (thousands)	2023/2024	2022/2023
Reimbursements of electricity and energy tax	3,217	3,258
Release of provisions and other liabilities	2,027	3,046
Out-of-period income	2,002	1,692
Investment grants released to income	1,073	826
Income from rentals and leases	431	176
Gains on the disposal of property, plant and equipment	298	365
Miscellaneous other operating income	2,186	4,416
Other operating income	**11,234**	**13,779**

6.4 Raw material and consumables used

The cost of materials was as follows:

EUR (thousands)	2023/2024	2022/2023
Raw material and merchandise biodiesel	642,825	1,099,959
Raw material and merchandise bioethanol and biomethane	379,832	352,974
Consumables	40,746	34,864
Addition to provision for pending loss contracts	166	558
Use of provision for pending loss contracts	−558	−1,184
Other	144,698	85,865
Total raw material, consumables and supplies and purchased goods	**1,207,709**	**1,573,036**
Energy costs	67,524	94,348
Transport services	5,133	3,140
Other	35,056	11,091
Expenses for purchased services	**107,713**	**108,579**
Raw material and consumables used	**1,315,422**	**1,681,615**

6.5 Employee benefit expense

EUR (thousands)	2023/2024	2022/2023
Wages and salaries	79,948	59,930
Variable remuneration and employee bonuses	14,354	9,734
IFRS 2 – bonuses for members of the Management Board and other employees	1,543	1,666
Wages and salaries	**95,845**	**71,330**
Compulsory social security	9,548	7,873
Pension expense	1,670	1,420
Employee accident insurance association	398	458
Total social security expenses	**11,616**	**9,751**
Employee benefit expense	**107,461**	**81,081**

Statutory social security costs include the employer's share of statutory pension scheme contributions totalling EUR 4,355 thousand (2022/2023: EUR 3,747 thousand). In addition, Group companies have made contributions of EUR 1,670 thousand (2022/2023: EUR 1,420 thousand) to defined contribution schemes, including, among other things, contributions to pension funds.

As of June 30, 2024 the Group employed 1,395 employees (June 30, 2023: 1,180), of whom 640 were staff (June 30, 2023: 547), 712 were production employees (June 30, 2023: 602), 20 were apprentices (June 30, 2023: 21), 17 were employees in "mini-job" arrangements (June 30, 2023: 3) and 6 were employees on short-term contracts (June 30, 2023: 7).

In the financial year 2023/2024 the Group had an average of 1,369 employees (2022/2023: 1,125), of whom 619 were salaried employees (2022/2023: 497), 708 were production employees (2022/2023: 575), 25 were apprentices (2022/2023: 24), 11 were mini-job employees (2022/2023: 3) and 6 were employees on short-term contracts (2022/2023: 26).

6.6 Depreciation and amortisation

Depreciation, amortisation and impairment of non-current assets consists of amortisation of intangible assets of EUR 391 thousand (2022/2023: EUR 211 thousand), depreciation of property, plant and equipment of EUR 42,923 thousand (2022/2023: EUR 34,191 thousand) and amortisation of assets under leasing arrangements of EUR 8,717 thousand (2022/2023: EUR 6,973 thousand).

We provide further information on depreciation, amortisation and impairment of non-current assets in note 7.1.1, "Intangible assets", note 7.1.2, "Property, plant and equipment", and note 7.1.3, "Right of use assets under leasing arrangements".

6.7 Other operating expenses

Other operating expenses comprises the following items:

EUR (thousands)	2023/2024	2022/2023
Repairs and maintenance	32,078	19,894
Outgoing freight and other selling expenses	23,720	19,251
Insurances and dues	10,429	5,844
Legal and consultancy costs	4,858	4,824
Motor vehicle costs	3,988	4,390
IT costs	3,809	2,106
Other personnel costs	3,487	2,570
Travel costs	2,794	2,250
Rents and leases	2,226	1,721
Other administrative costs	1,867	1,604
Miscellaneous other operating expenses	19,677	13,157
Other operating expenses	**108,932**	**77,611**

6.8 Changes in value of financial assets and liabilities

This item primarily includes gains resulting from changes in value of financial instruments of EUR 1,636 thousand (2022/2023: primarily losses of EUR 7,068 thousand). These largely result from the effects of changes in currency exchange rates for receivables in US dollars between the date of initial recognition and the date of their realisation, as well as the foreign currency measurement of financial instruments measured at acquisition cost.

A detailed analysis of impairment losses on financial assets is presented in note 10.4.3, "Disclosure of impairment losses on financial assets".

6.9 Result from commodity forward contracts

The result from the valuation and from the closing-out of forward contracts for which hedge accounting could not be applied totalled EUR 615 thousand (2022/2023: EUR 10,387 thousand). In contrast, where hedge accounting is applied, the gains and losses on the forward contracts are initially recognised in equity and subsequently reclassified to revenues or cost of materials, as appropriate, on the final realisation of the underlying hedged transactions.

6.10 Finance result

EUR (thousands)	2023/2024	2022/2023
Interest income	1,300	2,360
Interest expense	–10,622	–1,866
Finance result	**–9,322**	**494**

Further information on the composition of finance income and finance costs is provided in note 10.4, "Other disclosures required by IFRS".

Finance expenses include an amount of EUR 1,032 thousand from the interest accrued on lease liabilities recognised in accordance with IFRS 16 (2022/2023: EUR 608 thousand).

6.11 Income tax expense

The income tax expense comprises the following:

EUR (thousands)	2023/2024	2022/2023
Current tax expense	–37,729	–66,179
Deferred tax expense	–2,397	–908
Income tax expense	**–40,126**	**–67,087**

Income tax expenses include tax expenses of EUR 1,136 thousand (2022/2023: income of EUR 583 thousand) which relate to earlier periods. For the calculation of domestic deferred taxes a corporation tax rate of 15.0 percent (2022/2023: 15.0 percent) plus the solidarity surcharge of 5.5 percent (2022/2023: 5.5 percent) and the trade tax rate of 13.93 percent applicable to the parent Company (2022/2023: 13.34 percent) was applied. After considering the solidarity surcharge and the effective trade tax rate, the applicable tax rate is 29.76 percent (2022/2023: 29.16 percent). The trade tax rate relevant for domestic companies ranged from 11.2 percent to 16.1 percent. The tax rates applicable to foreign companies ranged from 9.00 to 27.82 percent.

The material differences between the expected and effective income tax expense for the reporting period and for the comparative period are explained below.

EUR (thousands)	2023/2024	2022/2023
Result before taxes	60,270	199,243
Income tax rate	29.76%	29.16%
Expected income tax	**–17,936**	**–58,099**

The difference between the expected and reported income tax expense was due to the following effects:

EUR (thousands)	2023/2024	2022/2023
Expected income tax	**–17,936**	**–58,099**
Change in unrecognised deferred taxes	–20,035	–6,244
Difference in tax rates	–2,744	–844
Tax free income and non-deductible expenses	1,921	–2,981
Effects relating to prior periods	–603	583
Other differences	–729	498
Reported income tax	**–40,126**	**–67,087**

The change in unrecognised deferred taxes is primarily due to non-recognition of deferred tax assets on tax losses generated in the financial year 2023/2024 in the USA and India.

The deferred tax assets and liabilities in the consolidated balance sheet result from tax losses carried forward, and from temporary differences between the carrying values reported in the IFRS consolidated financial statements and the tax carrying values of the following assets and liabilities.

EUR (thousands)	Deferred tax assets		Deferred tax liabilities		Total	
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023
Intangible assets	33	232	0	0	33	232
Property, plant and equipment	1,281	1,312	4,708	4,989	−3,427	−3,677
Leasing	9,088	6,796	11,172	9,539	−2,084	−2,743
Inventories	0	0	2,736	4,192	−2,736	−4,192
Receivables	73	71	172	88	−99	−17
Derivatives	2,613	3,641	5,476	2,766	−2,863	875
Other provisions	98	377	0	273	98	104
Liabilities	81	36	2	260	79	−224
Loss carryforwards	3,865	6,401	0	0	3,865	6,401
	17,132	**18,866**	**24,266**	**22,107**	**−7,134**	**−3,241**
Netted	−16,117	−15,654	−16,117	−15,654	0	0
Net deferred taxes	**1,015**	**3,212**	**8,149**	**6,453**	**−7,134**	**−3,241**

The change in the recognised deferred tax balances results from changes affecting profit or loss totalling EUR −2,393 thousand (2022/2023: EUR −905 thousand) and changes recognised directly in equity of EUR −1,501 thousand (2022/2023: EUR 8,771 thousand). The changes recognised directly in equity result from changes in the value of derivatives which are recognised only in equity. A deferred tax expense of EUR 144 thousand (2022/2023: EUR 4,107 thousand) resulted from the creation and reversal of temporary differences.

As of June 30, 2024 there were unrecognised deferred tax liabilities totalling EUR 290 thousand (2022/2023: EUR 215 thousand) on temporary timing differences of EUR 995 thousand (2022/2023: EUR 738 thousand) in connection with shareholdings in subsidiary companies; these were not recognised because Verbio SE can control their reversal and their reversal will not take place in the foreseeable future.

No deferred tax assets are recognised on trade tax losses carried forward of EUR 8,362 thousand (2022/2023: EUR 11,219 thousand) and corporation tax losses of EUR 12,827 thousand (2022/2023: EUR 15,606 thousand) (both in Germany) as their realisation is currently not sufficiently assured. In addition, no deferred tax assets are recognised on tax losses carried forward of EUR 168,789 thousand (2022/2023: EUR 74,257 thousand) in other countries as it is not sufficiently certain that they will be utilised. The deferred tax losses carried forward on which deferred tax assets are not recognised can be carried forward indefinitely.

The recognition of tax losses carried forward which were unrecognised in previous periods resulted in a reduction of deferred tax expenses of EUR 282 thousand.

No expense for current tax was incurred for the financial year arising from German or foreign minimum tax laws for the financial year.

The German legislation on the OECD model rules for global minimum taxation ("Pillar 2") has been adopted and is applicable for financial years beginning on or after December 31, 2023. Verbio does not expect the application of the global minimum tax legislation to have a material impact on income taxes in the coming years, as Verbio can make use of the safe harbour regulations in most jurisdictions.

6.12 Other comprehensive income

The deferred tax recorded in other comprehensive income concerns the tax effects of cash flow hedges.

7 Notes to the individual items in the consolidated balance sheet

7.1 Non-current assets

7.1.1 Intangible assets

The intangible assets primarily include acquired software.

The movements in intangible assets in the financial year 2023/2024 included additions of EUR 709 thousand (2022/2023: EUR 318 thousand), the effects of changes in currency exchange rates of EUR 4 thousand (2022/2023: EUR −12 thousand) and amortisation of EUR 391 thousand (2022/2023: EUR 211 thousand), resulting in a balance of EUR 1,302 thousand at June 30, 2024 (June 30, 2023: EUR 940 thousand). The acquisition cost of other intangible assets at June 30, 2024 amounted to EUR 4,748 thousand (June 30, 2023: EUR 3,991 thousand); their carrying values are reported after deduction of accumulated amortisation totalling EUR 3,446 thousand (June 30, 2023: EUR 3,049 thousand).

Research and development
The statement of comprehensive income includes expenses for research and development costs of EUR 5,660 thousand (2022/2023: EUR 4,701 thousand). The costs of internal development projects are treated as if they were wholly incurred in the research phase and are recorded as expenses due to the fact that the research phase cannot be separated from the development phase during the development of intangible assets.

7.1.2 Property, plant and equipment

Property, plant and equipment include properties, property rights, buildings, technical equipment and machinery, other equipment, office furniture and fixtures, and construction in progress.

The changes in property, plant and equipment in the period from July 1, 2023 to June 30, 2024 were as follows:

EUR (thousands)	Land, land rights and buildings	Technical equipment and machinery	Other equipment, factory and office equipment	Construction in progress	Total
Acquisition costs as of July 1, 2023	61,480	608,510	46,610	257,449	974,050
Additions	4,346	3,409	6,692	165,006	179,453
Reclassifications	8,168	190,451	2,886	–201,550	–44
Disposals	6	4,249	649	3,608	8,511
Currency effects	117	3,863	54	722	4,757
Acquisition costs as of June 30, 2024	**74,105**	**801,985**	**55,593**	**218,021**	**1,149,704**
Accumulated depreciation as of July 1, 2023	25,862	328,846	24,180	179	379,067
Additions	1,956	33,040	7,926	0	42,922
Disposals	6	351	446	0	803
Currency effects	–8	–297	–21	0	–326
Accumulated depreciation as of June 30, 2024	**27,820**	**361,832**	**31,679**	**179**	**421,510**
Carrying amount as of July 1, 2023	35,618	279,664	22,430	257,270	594,982
Carrying amount as of June 30, 2024	**46,285**	**440,153**	**23,914**	**217,842**	**728,193**

Construction in progress includes EUR 144,243 thousand attributable to internal plant construction projects for the construction of plants in Germany, including the liquefaction plant for biomethane and the expansion of capacities for advanced biodiesel. A further EUR 22,665 thousand is attributable to the expansion of the filling station network in Germany.

The changes in property, plant and equipment in the period from July 1, 2022 to June 30, 2023 were as follows:

EUR (thousands)	Land, land rights and buildings	Technical equipment and machinery	Other equipment, factory and office equipment	Construction in progress	Total
Acquisition costs as of July 1, 2022	79,123	507,525	33,074	118,407	738,129
Additions	1,237	4,884	10,419	185,465	202,005
Changes to the consolidated Group	2,064	41,236	10	5,902	49,212
Reclassifications	−19,441	60,884	4,846	−46,289	0
Disposals	113	1,502	1,398	1,110	4,123
Currency effects	−1,390	−4,516	−340	−4,928	−11,174
Acquisition costs as of June 30, 2023	**61,480**	**608,510**	**46,610**	**257,449**	**974,049**
Accumulated depreciation as of July 1, 2022	24,700	303,724	18,003	179	346,606
Additions	2,900	24,943	6,448	0	34,191
Reclassifications	−1,557	882	675	0	0
Disposals	69	209	842	0	1,120
Currency effects	12	494	104	0	610
Accumulated depreciation as of June 30, 2023	**25,862**	**328,846**	**24,180**	**179**	**379,067**
Carrying amount as of July 1, 2022	54,423	203,801	15,071	118,228	391,523
Carrying amount as of June 30, 2023	**35,618**	**279,665**	**22,431**	**257,268**	**594,982**

There were indicators of a possible impairment of property, plant and equipment in the financial year 2023/2024, and accordingly a more detailed impairment test has been performed. On the other hand, there were no indicators that impairment write-downs recorded in previous periods are no longer required or that such impairments have decreased.

Review of property, plant and equipment at the cash-generating unit Bioethanol Germany
Verbio performed an impairment test on the property, plant and equipment of the Bioethanol cash-generating unit in Germany in the financial year 2023/2024 due to the fact that planned results were not achieved and because framework conditions have not developed in line with the original assumptions made.

The impairment test for the cash generating unit Bioethanol Germany was prepared based on a calculation of the recoverable amount, whereby the recoverable amount was determined on the basis of the value in use of the affected assets.

The cash flow forecasts are based on the business plans for 2024/2025 prepared and approved by the Management and Supervisory Boards, together with the business plans approved by the Management Board for the two subsequent financial years 2025/2026 and 2026/2027. For the financial years thereafter the planning is rolled forward, based on assumptions made concerning the trend for significant inputs to the business planning through to the financial year 2039/2040 (updated estimates concerning the use of the plants). Following an increase in the gross margin in the first six years, a decline in the gross margin is expected. The average EBITDA for the years 2026/2027 to 2029/2030 amounts to approximately EUR 93 million and is significantly affected by an increase in GHG quota prices. For the purpose of the impairment testing no account was taken of earnings contributions from second generation biofuels (advanced biofuels in the sense of the EU regulation) beyond the period covered by the business planning. While these currently already make a significant value added contribution, their inclusion would only result in a higher result, and accordingly they are not relevant for the purposes of the impairment testing. Based on developments in the German bioethanol sector, no significant reinvestments were assumed from the fourth year onwards. The existing plant was assumed to have a remaining useful life which ends at the end of the financial year 2039/2040. It was assumed that at the end of the remaining useful life net current assets would be sold, only insignificant residual values would be generated from property, plant and equipment, and certain winding-up costs would be incurred.

The cash flows were estimated net of taxes and interest and discounted using an interest rate that reflects an after-tax risk-adjusted cost of capital. The after-tax interest rate for discounting purposes at June 30, 2024 was 10.38 percent. The underlying assumptions made in determining the interest rate used for discounting purposes were based on many years of experience, taking account of sector-specific comparative figures.

No impairment write-downs were recognised for the Bioethanol Germany cash-generating unit as a result of this examination.

If the increase in quota prices would be reduced to approximately half of the expected value in the long term, this would lead to an average 32 percent lower EBITDA in the years 2026/2027 to 2029/2030 and an impairment of around EUR 31 million. Were EBITDA 25 percent lower on average in the years 2026/2027 to 2029/2030 the carrying values and value in use of the property, plant and equipment would be approximately equal. An increase in the interest rate of 2 percentage-points would not result in an impairment write down.

Review of property, plant and equipment at the cash-generating unit Bioethanol North America VEN
In addition, Verbio carried out a review of the property, plant and equipment of the cash-generating unit Bioethanol North America VEN in the financial year 2023/2024 due to the delay in the commissioning of the plant, the higher than expected investment costs, and the low current capacity utilisation.

Impairment tests on the Bioethanol cash generating unit Bioethanol North America VEN were prepared based on a calculation of the recoverable amounts, whereby the recoverable amounts were determined on the basis of the value in use of the affected assets.

The cash flow forecasts were based on the business plans for 2024/2025 approved by the Management and Supervisory Boards, together with the business plans approved by the Management Board for the subsequent financial years 2025/2026 through to 2028/2029. For the financial years thereafter the planning was rolled forward based on certain assumptions made concerning the trends for significant inputs to the business planning through to the financial year 2039/2040, the final year considered for this purpose. Following the ramp-up phase of the plant until the financial year 2028/2029, an average EBITDA of approximately USD 46 million is expected in the subsequent financial years, which is significantly influenced by a full capacity utilisation of the plant. It was assumed that at the end of their respective expected remaining useful lives only insignificant residual values would be generated from property, plant and equipment, that net current assets would be sold generating proceeds of approximately USD 1.3 million, and that certain insignificant winding-up costs would be incurred.

The cash flows were estimated net of taxes and interest and discounted using an interest rate that reflects an after-tax risk-adjusted cost of capital. The after-tax interest rate for discounting purposes at June 30, 2024 was 10.47 percent. The underlying assumptions made in determining the interest rate used for discounting purposes were based on many years of experience, taking account of sector-specific comparative figures.

No impairment write-downs were recognised for the North America VEN cash-generating unit as a result of this examination.

If, in the long term, full capacity utilisation of the plants is not achieved and capacity utilisation is reduced to approximately 80 percent of the planned values, this would lead to an average EBITDA 27 percent lower in the years 2029/2030 to 2033/2034 and an impairment write-down of around EUR 55 million. Were EBITDA 9 percent lower in the years 2026/2027 to 2029/2030 the carrying values and value in use of the property, plant and equipment would be approximately equal. An increase in the interest rate of 2 percentage-points would lead to an impairment write down of approximately EUR 7 million.

Review of property, plant and equipment at the cash-generating unit Biomethane VERBIO India
Verbio performed further examinations of the property, plant and equipment of the cash-generating unit Biomethane VERBIO India in the financial year 2023/2024 due to the current lower than planned capacity utilisation, the current sales situation, and the current negative earnings contributions after interest and taxes which are expected to continue in the short term.

The impairment test on the cash generating unit Biomethane VERBIO India was prepared based on a calculation of the recoverable amounts, whereby the recoverable amounts were determined on the basis of the value in use of the affected assets.

The cash flow forecasts were based on the business plans for 2024/2025 approved by the Management and Supervisory Boards, together with the business plans approved by the Management Board for the two subsequent financial years 2025/2026 and 2026/2027. For the financial years thereafter the planning was rolled forward based on certain assumptions made concerning the trends for significant inputs to the business planning through to the financial year 2038/2039, the final year considered for this purpose. It was assumed that at the end of their respective expected remaining useful lives only insignificant residual values would be generated from property, plant and equipment, that net current assets would be sold generating proceeds of approximately EUR 2.5 million, and that certain insignificant winding-up costs would be incurred.

Here, too, no impairment write-downs were recognised for the VERBIO India cash-generating unit as a result of this examination.

If, in the long term, full capacity utilisation of the plants is not achieved and capacity utilisation is reduced to approximately 80 percent of the planned values, this would lead to an average EBITDA 27 percent lower in the years 2027/2028 to 2031/2032 and an impairment write-down of around EUR 5 million. Were EBITDA 7 percent lower in the years 2027/2028 to 2031/2032 the carrying values and value in use of the property, plant and equipment would be approximately equal. An increase in the interest rate of 2 percentage-points would lead to an impairment write down of approximately EUR 1 million.

7.1.3 Right of use assets under leasing arrangements

Verbio holds assets under leases. These primarily consist of land, storage facilities, offices (presented as "Right-of-use assets for land, land rights and buildings") and tank wagons and motor vehicles (presented as "Right-of-use assets for other equipment, factory and office equipment").

Expenses of EUR 2,226 thousand have been recorded for short-term lease arrangements and for lease arrangements for low-value assets (2022/2023: EUR 1,721 thousand). Thereof EUR 1,738 thousand (2022/2023: EUR 1,295 thousand) were attributable to short-term leases and EUR 488 thousand (2022/2023: EUR 426 thousand) to low-value leasing arrangements.

The movements on right-of-use assets held under leasing arrangements were as follows in the period from July 1, 2023 to June 30, 2024:

EUR (thousands)	Right-of-use assets for land, land rights and buildings	Right-of-use assets for other equipment, factory and office equipment	Total
Acquisition costs as of July 1, 2023	21,207	18,457	39,664
Additions	1,344	9,515	10,858
Disposals	705	4,064	4,769
Reclassifications	–79	79	0
Currency effects	–98	118	20
Acquisition costs as of June 30, 2024	**21,668**	**24,104**	**45,773**
Accumulated depreciation as of July 1, 2023	3,363	8,951	12,314
Additions	2,641	6,077	8,717
Disposals	383	2,713	3,096
Reclassifications	5	–5	0
Currency effects	–15	50	35
Accumulated depreciation as of June 30, 2024	**5,611**	**12,360**	**17,971**
Carrying amount as of July 1, 2023	17,844	9,506	27,350
Carrying amount as of June 30, 2024	**16,058**	**11,745**	**27,802**

The movements on right-of-use assets held under leasing arrangements were as follows in the period from July 1, 2022 to June 30, 2023:

EUR (thousands)	Right-of-use assets for land, land rights and buildings	Right-of-use assets for other equipment, factory and office equipment	Total
Acquisition costs as of July 1, 2022	11,436	19,218	30,654
Additions	10,406	5,782	16,188
Changes to the consolidated Group	0	964	964
Disposals	681	7,316	7,997
Currency effects	46	–191	–145
Acquisition costs as of June 30, 2023	**21,207**	**18,457**	**39,664**
Accumulated depreciation as of July 1, 2022	1,689	10,016	11,705
Additions	1,879	5,094	6,973
Disposals	207	6,060	6,267
Currency effects	2	–99	–97
Accumulated depreciation as of June 30, 2023	**3,363**	**8,951**	**12,314**
Carrying amount as of July 1, 2022	9,747	9,202	18,949
Carrying amount as of June 30, 2023	**17,844**	**9,506**	**27,350**

7.1.4 Non-current financial assets

The non-current financial assets (EUR 1,540 thousand; June 30, 2023: EUR 1,920 thousand) primarily consist of the non-current portion of a loan (EUR 1,540 thousand; June 30, 2023: EUR 1,920 thousand). We refer to the information provided in note 10.2, "Categories of financial assets and financial liabilities" for information on measurement.

7.1.5 Other assets

Other non-current assets include payments on account for supplies of raw materials. Payments on account totalling USD 47.4 million have been made by Verbio in connection with a long-term supply agreement for raw materials (June 30, 2023: USD 56.5 million).

7.2 Current assets

7.2.1 Inventories

EUR (thousands)	30.06.2024	30.06.2023
Raw materials, consumables and supplies, gross	53,994	47,330
Allowances	0	–1,822
Raw materials, consumables and supplies	**53,994**	**45,508**
Work in progress, gross	3,161	9,439
Allowances	0	–319
Work in progress	**3,161**	**9,120**
Finished goods, gross	214,304	215,935
Allowances	–34,674	–14,798
Finished goods	**179,630**	**201,137**
Merchandise	**8,087**	**4,513**
Inventories	**244,872**	**260,278**

Inventories with a carrying value of EUR 185,999 thousand (June 30, 2023: EUR 85,854 thousand) are carried at their acquisition and production cost. Further inventories with a carrying value of EUR 58,873 thousand (June 30, 2023: EUR 174,424 thousand) are carried at their lower net realisable value.

Finished goods largely consist of biomethane and GHG quotas. Finished goods with carrying values of EUR 85,728 thousand are transferred to third parties in civil law and are, accordingly, subject to restrictions concerning their use.

The impairment tests performed on the carrying values of inventories resulted in impairment write-downs totalling EUR 34,674 thousand (June 30, 2023: EUR 16,939 thousand) recorded to write down inventories to lower market or net realisable values. The expense to record the allowances against finished and unfinished goods is reported in the statement of comprehensive income within "Change of finished and unfinished goods", and amounts to EUR 19,557 thousand (2022/2023: EUR 15,117 thousand); write-downs of raw materials, consumables and supplies are reported within "Raw material and consumables used" and result in a reduction of the cost of materials of EUR 1,822 thousand (2022/2023: an increase in "Raw material and consumables used" of EUR 1,822 thousand).

Contractually agreed delivery obligations for GHG quotas for the second half of the calendar year 2024 were used to determine the net realisable value amounts. In addition, use was also made of observable sales prices for methane futures contracts, current market prices and other quotations.

7.2.2 Trade receivables

Trade receivables amounted to EUR 119,014 thousand at the balance sheet date (June 30, 2023: EUR 89,763 thousand) and are presented net of impairment allowances of EUR 1,268 thousand (June 30, 2023: EUR 1,250 thousand).

Allowances of EUR 0 thousand were recognised in the financial year (2022/2023: EUR 12 thousand); the expense is included in "Impairment losses on financial assets". Allowances of EUR 15 thousand were utilised (2022/2023: EUR 19 thousand).

All the receivables have a remaining term of up to one year.

7.2.3 Derivatives

Information on the Group's derivative financial assets with a carrying value of EUR 21,341 thousand at June 30, 2024 (June 30, 2023: EUR 8,839 thousand) is provided in Section 10.3, "Derivatives".

7.2.4 Other current financial assets

Other current financial assets comprise the following:

EUR (thousands)	30.06.2024	30.06.2023
Cash held in segregated accounts	9,424	49,099
Collateral security and security deposits	3,750	1,427
Deferral of realised and unrealised results on forward contracts	490	1,875
Loans to other companies	480	480
Creditor accounts with debit balances	250	384
Miscellaneous other financial assets	3,517	13,441
Other financial assets	**17,912**	**66,706**

7.2.5 Other assets

Other non-financial assets comprise the following:

EUR (thousands)	30.06.2024	30.06.2023
Payments on account	12,132	47
Value added tax and other receivables from tax authorities	9,662	10,106
Reimbursements of electricity and energy tax	5,649	4,948
Deferred expenses	3,250	6,193
Grants and investment allowances	175	0
Miscellaneous other assets	507	74
Other non-financial assets	**31,375**	**21,368**

7.2.6 Cash and cash equivalents

Cash and cash equivalents include unrestricted cash and cash equivalents of EUR 123,186 thousand (June 30, 2023: EUR 170,306 thousand).

The unrestricted cash and cash equivalents primarily include balances at banks of EUR 123,182 thousand (June 30, 2023: EUR 169,531 thousand).

7.3 Equity

7.3.1 Share capital

The movements in equity in the period are presented in the statement of changes in equity.

The Company's share capital is EUR 63,638,198.00 at the June 30, 2024 balance sheet date (June 30, 2023: EUR 63,517,206.00) and is divided into 63,638,198 no-par shares registered in the name of the holders. Ownership of the shares entitles the holders to exercise voting rights at the general shareholders' meeting and the right to participate in dividend distributions, provided that a distribution is approved.

Under a shareholders' resolution approved at the annual general meeting of shareholders held on February 4, 2022, the Management Board is authorised, subject to the approval of the Supervisory Board, to increase the share capital by the issue of new shares in exchange for cash and/or non-cash contributions on one or more occasions until January 30, 2027 by a total of EUR 31,592 thousand (authorised capital). The previous authorised capital was cancelled under the same resolution.

The Management Board is empowered, subject to the approval of the Supervisory Board, to exclude existing shareholders' subscription rights for shares issued in exchange for contributions in kind of up to an amount of EUR 12,637 thousand. This also applies to the use of the authorised capital to fulfil purchase obligations or purchase rights for the Company's shares based on agreements made or to be made with members of the Company's Management Board under Management Board remuneration agreements. Existing shareholders are entitled to subscription rights when shares are issued in exchange for cash contributions. However, the Management Board is authorised, subject to the consent of the Supervisory Board, to exclude shareholders' subscription rights if the issue price is not significantly below the stock market price of shares in the Company of the same class.

The Management Board is also authorised, subject to the approval of the Supervisory Board, to exclude the subscription rights of the shareholders in order to issue new shares of up to a proportional amount of EUR 500,000.00 to employees of Verbio SE or its affiliated companies.

The Management Board is empowered, subject to the approval of the Supervisory Board, to exclude existing shareholders' rights for fractional share amounts.

In addition, subject to the approval of the Supervisory Board, the Management Board may make further specifications concerning share rights and conditions for the issuance of shares.

The Supervisory Board is authorised to revise the wording of Article 4 of the articles of association consistent with the utilisation of the authorised capital, and, in the event that the authorised capital is not or is not completely utilised by January 30, 2027, to make amendments subsequent to its expiry.

The above was registered at the commercial register of the Company on February 15, 2022.

The general shareholders' meeting on February 2, 2024 authorised the Management Board until January 31, 2029 to purchase treasury shares of up to 10 percent of the capital shares at that time, on one or more occasions. The authorisation is not to be used for the purpose of trading in treasury shares. The powers of the Management Board to issue or repurchase shares are comprehensively described and governed in the authorisation resolved by the general shareholders' meeting.

The issue of a total of 517,206 new shares in the financial year 2020/2021 and 120,992 new shares in the financial year 2023/2024 was primarily in connection with the payment of long-term bonus awards to the Management Board for which the Supervisory Board had decided that the payment would be made by the issue of shares instead of by cash settlement. The capital increase 2024 was registered at the commercial register on April 16, 2024.

7.3.2 Capital reserve

The capital reserve primarily resulted from the creation of the Verbio Group under the 2006 business combination to the extent that acquisition costs were not recorded in share capital. Of this, an amount of EUR 177,803 thousand is subject to restricted use under German company law. It was reduced in 2006 by EUR 49,900 thousand as a result of a share capital increase from the Company's own resources. The excess of the proceeds of the initial public offering over the nominal amount of the capital increase in 2006 was added to the paid-in capital (EUR 175,500 thousand). Set off against this was the cost of the initial public offering, which was recorded as a reduction of paid-in capital in accordance with IAS 32.37.

In 2010 a further EUR 4,021 thousand was added to paid-in capital. The amount represents the difference between the book value and the fair value of own shares, which were a component of the purchase price paid for the shareholding in VERBIO Agrar in 2010.

An additional amount of EUR 8,012 thousand was added to the capital reserve in the financial year 2020/2021. This represented the excess of the value of the shares allocated, insofar as it exceeded the nominal amounts of the share capital of the shares issued, at the date of the resolution by the Supervisory Board to replace the long-term bonus cash award with the issue of shares.

The capital reserve was increased by EUR 3,701 thousand in the financial year 2021/2022, by EUR 2,652 thousand in the financial year 2022/2023, and by EUR 1,942 thousand in the financial year 2023/2024. These increases represent the value of the shares allocated in the financial year 2021/2022, 2022/2023 and in the financial year 2023/2024 to the extent that they exceeded the nominal share capital amounts of the respective shares.

7.3.3 Retained earnings and appropriation of profit

Distributions to the shareholders of Verbio SE are resolved based on the annual financial statements of Verbio SE, which are prepared under German commercial law requirements. The Management Board and the Supervisory Board of Verbio SE will recommend the payment of a dividend of EUR 0.20 per qualifying share at the annual general meeting to be held on December 6, 2024, and that the remaining profit for the period shall be carried forward.

The retained earnings in the consolidated financial statements in the financial year 2023/2024 increased as a result of the positive Group result attributable to owners of the parent Company (EUR 19,960 thousand) less the dividend paid for the previous year (EUR 12,703 thousand, EUR 0.20 per qualifying share). No potential income tax consequences arise from the dividends paid to shareholders. Following all changes in the financial year, retained earnings total EUR 347,862 thousand at June 30, 2024.

7.3.4 Reserve for cash flow hedge

The other reserves include the effective portion of the cumulative change in fair value measurements of forward commodity contracts that qualify as cash flow hedges, to the extent that these transactions had not yet been realised by June 30, 2024.

7.3.5 Reserve for translation adjustments

We refer to the explanations provided in note 2.4, "Foreign currency translation".

7.3.6 Earnings per share

Verbio SE has 63,638,198 no-par shares with an arithmetic nominal value of EUR 1 each. The Group result attributable to the shareholders of the parent company for the financial year 2023/2024 amounts to EUR 19,960 thousand (2022/2023: EUR 132,024 thousand).

The number of shares at the end of the financial year 2023/2024 totalled 63,638,198 (June 30, 2023: 63,517,206). Following the capital increase the weighted average number of shares outstanding during the reporting period was 63,542,067. The basic result per share amounts to EUR 0.31 (2022/2023: EUR 2.08).

The expected issue of new shares as a component of the remuneration of the Management Board gives rise to potential ordinary shares, with the result that the basic earnings per share differs from the diluted earnings per share. With 176,115 potentially diluting ordinary shares, the diluted earnings per share amounts to EUR 0.31 per share.

	2023/2024	2022/2023
Outstanding shares on June 30, 2024 and 2023	63,638,198	63,517,206
Average number of shares outstanding as at the balance sheet date	63,542,067	63,430,269
Number of potential shares on June 30, 2024 and June 30, 2023	176,115	174,070
Result attributable to shareholders of the parent company (in EUR thousands)	19,960	132,024
Basic earnings per share in EUR	**0.31**	**2.08**
Diluted earnings per share in EUR	**0.31**	**2.08**

7.3.7 Non-controlling interests

Non-controlling interests represent interests in VAgrar and its subsidiaries. The following table provides information on non-controlling interests (before eliminations arising on consolidation).

EUR (thousands)	2023/2024	2022/2023
Revenue (without group eliminations)	39,069	33,332
Net result for the period	1,733	1,240
Result attributable to non-controlling interests	**185**	**132**

EUR (thousands)	2023/2024	2022/2023
Current assets	15,188	12,982
Non-current assets	22,274	28,318
Current liabilities	13,917	13,654
Non-current liabilities	154	702
Equity	23,391	26,944
Non-controlling interests	**2,543**	**2,358**

EUR (thousands)	2023/2024	2022/2023
Cash flows from operating activities	5,814	1,635
Cash flows from investing activities	–5,820	–3,388
Cash flows from financing activities	0	0
Net change in cash funds	**–6**	**–1,753**

7.4 Non-current liabilities

7.4.1 Borrowings

Bank loans and other loans totalled EUR 165,517 thousand as of the June 30, 2024 balance sheet date (June 30, 2023: EUR 162,018 thousand). These are classified as follows (current and non-current portions):

EUR (thousands)	30.06.2024	Within one year	Non-current	Maturity	Interest rate p. a. in %	Payment modality
Promissory note	12,500	12,500	0	03.07.2024	0.9	Due on maturity
Promissory note	17,500	0	17,500	29.04.2030	4.75	Due on maturity
Promissory note	12,000	0	12,000	27.04.2028	4.63	Due on maturity
Promissory note	72,500	0	72,500	27.04.2028	Euribor +1.40	Due on maturity
Bank loan	50,000	0	50,000	30.06.2028	4.90	Deferred quarterly
Other loans	108	28	80	30.06.2025	n/a	n/a
Interest accrued on loans	909	909	0	n/a	n/a	n/a
Total	**165,517**	**13,437**	**152,080**			

The bank loans and other loans as of June 30, 2023 are presented below in their current and non-current components:

EUR (thousands)	30.06.2023	Within one year	Non-current	Maturity	Interest rate p.a. in %	Payment modality
Promissory note	17,500	17,500	0	03.07.2023	Euribor +0.90	Due on maturity
Promissory note	12,500	0	12,500	03.07.2024	0.90	Due on maturity
Promissory note	17,500	0	17,500	27.04.2030	4.75	Due on maturity
Promissory note	12,000	0	12,000	27.04.2028	4.63	Due on maturity
Promissory note	72,500	0	72,500	27.04.2028	Euribor +1.40	Due on maturity
Other loans	30,000	30,000	0	20.07.2023	Euribor +0.95	Due on maturity
Other loans	18	18	0	30.06.2024	n/a	n/a
Total	**162,018**	**47,518**	**114,500**			

Details of the risks from changes in interest rates are presented in note 11.2.3, "Market risks".

7.4.2 Lease liabilities

The movements on the long- and short-term lease liabilities in the financial year 2023/2024 and 2022/2023 were as follows:

EUR (thousands)	Lease liabilities for land, land rights and buildings	Lease liabilities for other equipment, factory and office equipment	Total
Present value as at July 1, 2023	18,296	9,655	27,951
Additions	1,311	9,509	10,820
Disposals	334	1,379	1,713
Lease payments	2,938	6,517	9,455
Interest accrued on lease liabilities	450	581	1,031
Currency effects	–88	132	45
Present value as at June 30, 2024	**16,698**	**11,981**	**28,679**

EUR (thousands)	Lease liabilities for land, land rights and buildings	Lease liabilities for other equipment, factory and office equipment	Total
Present value as at July 1, 2022	10,015	9,371	19,386
Additions	10,406	5,781	16,187
Additions to the scope of consolidation	0	964	964
Disposals	491	1,390	1,881
Lease payments	2,041	5,116	7,157
Interest accrued on lease liabilities	422	186	608
Currency effects	–15	–141	–156
Present value as at June 30, 2023	**18,296**	**9,655**	**27,951**

The lease liabilities mature as follows:

	Remaining contractual payments			
EUR (thousands)	**Within one year**	**1–5 years**	**After 5 years**	**Total**
Lease liability at June 30, 2024	7,814	12,763	8,102	28,679

	Remaining contractual payments			
EUR (thousands)	**Within one year**	**1–5 years**	**After 5 years**	**Total**
Lease liability at June 30, 2023	7,028	11,920	9,003	27,951

7.4.3 Non-current provisions

Non-current provisions of EUR 187 thousand at June 30, 2024 (June 30, 2023: EUR 167 thousand) wholly represent provisions for archiving costs.

7.4.4 Investment grants

The movements on the deferred investment grants reserve in the period July 1, 2023 to June 30, 2024 were as follows:

EUR (thousands)	Investment allowances	Tax credit	Total
July 1, 2023	1,353	0	1,353
Additions	0	35,922	35,922
Release in current period	–702	–374	–1,076
June 30, 2024	**651**	**35,548**	**36,199**
Thereof current:	209	2,245	2,454
Thereof non-current:	442	33,303	33,745

Verbio receives tax credits for the investment made in the VEN biomethane plant in the USA under Sec. 48 of the Inflation Reduction Act (IRA). In doing so Verbio takes the opportunity to sell the tax credit to a third party. Verbio has taken the decision to classify the tax credit as an investment grant from the start. Accordingly, Verbio has recorded investment grants totalling EUR 35.9 million in the financial year 2023/2024 as deferred assets.

The movements on the deferred investment grants and subsidies reserve in the period July 1, 2022 to June 30, 2023 were as follows:

EUR (thousands)	Investment allowances
July 1, 2022	2,178
Additions	0
Release in current period	–825
Disposals	0
June 30, 2023	**1,353**
Thereof current:	734
Thereof non-current:	619

The release of the deferred investment grants and subsidies is made through the income statement. Details are provided in Section 6.3, "Other operating income".

7.4.5 Other non-current financial liabilities

Other non-current financial liabilities (EUR 19,645 thousand; June 30, 2023: EUR 224 thousand) include amount of EUR 19,421 thousand relating to repurchase agreements.

The repurchase agreements represent payments received from sales transactions under civil law. As (future) purchase agreements for the same quantities of end products were concluded at the same time as the sales transactions, the economic ownership of the goods effectively remains with Verbio and accordingly the goods sold continue to be recognised within Verbio's inventories. The difference between the purchase and sales contracts is regarded as interest and storage costs, and is recognised as an expense on a pro rata basis over the term of the contract.

7.4.6 Deferred tax liabilities

Information on deferred taxes is provided in note 6.11, "Income tax expense".

7.5 Current liabilities

7.5.1 Lease liabilities

Lease liabilities included within current liabilities amounting to EUR 8,012 thousand (June 30, 2023: EUR 7,028 thousand) represent the short-term components of the total amounts due under lease liabilities described in note 8.4.2. in the disclosures on non-current liabilities.

7.5.2 Trade payables

Trade payables at the balance sheet date amount to EUR 126,394 thousand (June 30, 2023: EUR 106,538 thousand). All of the trade payables are payable within one year.

7.5.3 Derivatives

Information on the Group's derivative financial liabilities with a carrying value of EUR 9,517 thousand at June 30, 2024 (June 30, 2023: EUR 12,731 thousand) is provided in Section 10.3, "Derivatives".

7.5.4 Other current financial liabilities

Other current financial liabilities primarily include current liabilities for amounts payable to employees, account balances with customers with a credit balance, and liabilities arising on forward contracts.

EUR (thousands)	30.06.2024	30.06.2023
Repurchase agreements	14,800	14,800
Non-recurring payments to employees	11,295	6,926
Wages and salaries	3,906	3,549
Deferral of realised losses on forward contracts	3,794	4,073
Holiday pay accruals	2,646	1,823
Receivable accounts with credit balance	489	5,419
Outstanding invoices	191	3,058
Miscellaneous current liabilities	6,095	3,070
Other current liabilities	**43,216**	**42,718**

Information on the repurchase agreements is provided in the explanations on other non-current financial liabilities in note 7.4.5.

7.5.5 Income tax liabilities

The movements on tax liabilities in the financial years 2023/2024 and 2022/2023 were as follows:

EUR (thousands)	01.07.2023	Utilisation	Release	Addition	Reclassification	30.06.2024
Trade tax	706	125	0	1,214	379	2,174
Corporation tax	1,277	95	197	16	–379	622
Current tax payable	**1,983**	**220**	**197**	**1,230**	**0**	**2,796**

EUR (thousands)	01.07.2022	Utilisation	Release	Addition	30.06.2023
Trade tax	40,737	40,568	19	556	706
Corporation tax	48,419	47,904	23	785	1,277
Current tax payable	**89,156**	**88,472**	**42**	**1,341**	**1,983**

7.5.6 Current provisions

Current provisions at June 30, 2024 and June 30, 2023 included the following:

EUR (thousands)	01.07.2023	Utilisation	Release	Addition	Currency effects	30.06.2024
Expected losses on pending sales and purchase contracts	558	558	0	166	0	166
Repayment obligations from energy and electricity price cap arrangements	1,500	0	1,500	0	0	0
Other provisions	272	165	0	23	–2	127
Provisions	**2,330**	**723**	**1,500**	**189**	**–2**	**293**

EUR (thousands)	01.07.2022	Utilisation	Release	Addition	Currency effects	30.06.2023
Expected losses on pending sales and purchase contracts	1,184	1,184	0	558	0	558
Interest	2,214	0	2,197	0	17	0
Repayment obligations from energy and electricity price cap arrangements	0	0	0	1,500	0	1,500
Other provisions	257	102	0	117	0	272
Provisions	**3,655**	**1,286**	**2,197**	**2,175**	**17**	**2,330**

7.5.7 Other current liabilities

Other current liabilities comprise the following:

EUR (thousands)	30.06.2024	30.06.2023
Value added tax	4,110	7,970
Wage and church tax	2,286	967
Energy tax	1,260	874
Social security contributions	440	502
Payments received on account	14	9,217
Miscellaneous current liabilities	845	1,365
Other current liabilities	**8,954**	**20,895**

8 Notes to the consolidated statement of cash flows

Cash funds as reported in the balance sheet include cash and cash equivalents of EUR 123,186 thousand (2022/2023: EUR 170,306 thousand), whereby these balances do not include any amounts subject to restrictions concerning their use.

The cash flows from operating activities for the reporting period totalled EUR 116,775 thousand, significantly higher than in the previous year (2022/2023: EUR 26,094 thousand). This was due to the decrease in other assets and other current financial assets (EUR 46,704 thousand; 2022/2023: an increase of EUR 34,811 thousand) and the lower amounts of income taxes paid of EUR 54,018 thousand (2022/2023: EUR 162,006 thousand). There were offsetting effects on the cash flows from operating activities, in particular as a result of the increase in trade receivables of EUR 18,072 thousand (2022/2023: a decrease of EUR 31,112 thousand) and the increase in amortisation and depreciation of EUR 52,031 thousand (2022/2023: EUR 41,570 thousand).

The cash flow from investing activities of EUR −144,900 thousand (2022/2023: EUR −266,428 thousand) is primarily driven by payments made for investments in property, plant and equipment of EUR 170,359 thousand (2022/2023: EUR 202,855 thousand). Cash outflows in the previous financial year included payments for the acquisition of SBE totalling EUR 64,011 thousand.

The cash flows from financing activities were significantly lower than in the previous year and amounted to EUR −19,529 thousand 2022/2023: EUR 112,214 thousand). In addition to payments for lease liabilities of EUR 9,455 thousand (2022/2023: EUR 7,106 thousand) and dividend payments, cash flows from financing activities primarily consisted of drawdowns and repayments of financial liabilities for approximately similar amounts. A dividend payment of EUR 0.20 per share was approved for the financial year 2022/2023 at the annual general meeting held on February 2, 2024 (financial year 2021/2022: EUR 0.20 per share). The payment of the dividend resulted in a cash outflow from financing activities of EUR 12,703 thousand (2022/2023: EUR 12,680 thousand), with a corresponding reduction in the retained earnings reported in the balance sheet. The higher levels of cash inflows from the drawdowns of financial liabilities in the previous year primarily consisted of the financing raised under the new promissory note (EUR 102,000 thousand).

The cash flows of liabilities for financing activities in the financial year 2023/2024 and in the previous year were as follows:

			Non-cash changes		
EUR (thousands)	**01.07.2023**	**Cash flows**	**Additions/ disposals**	**Accrued interest**	**30.06.2024**
Non-current financial liabilities	114,500	44,926	−12,500	5,154	152,080
Current financial liabilities	47,518	−47,490	12,500	909	13,437
Lease liabilities	27,950	−9,454	9,152	1,031	28,679
	189,968	**−12,018**	**9,152**	**7,094**	**194,196**

			Non-cash changes		
EUR (thousands)	**01.07.2022**	**Cash flows**	**Additions/ disposals**	**Accrued interest**	**30.06.2023**
Non-current financial liabilities	30,000	83,968	0	532	114,500
Current financial liabilities	0	47,518	0	0	47,518
Lease liabilities	19,383	−7,106	15,065	608	27,950
	49,383	**124,380**	**15,065**	**1,140**	**189,968**

9 Segment reporting

The risks and returns of the Group are primarily those of the Group's business segments. The Verbio Group consists of the segments Biodiesel, Bioethanol/Biomethane and Other, in line with the Group's internal organisation and management structure. The Other segment is a collective segment that includes the Group's transport and logistics activities.

Segmentation on a geographical basis is not reported as this is not used for the Verbio Group's internal management purposes.

9.1 Segments according to internal corporate management

For internal management purposes, sales revenue is presented net of energy taxes of EUR 9,570 thousand (2022/2023: EUR 4,169 thousand). The Biodiesel and Bioethanol/Biomethane segments generate sales revenue from the sale of goods. In addition, the Bioethanol segment also includes the Group's trading business. In the Other segment, revenue is generated through the rendering of transport services. The accounting principles used in the preparation of the segment reporting and for the purposes of reporting transactions between reportable segments are identical to those used by the Group as a whole in preparing its consolidated financial statements.

Of the total investments in property, plant and equipment amounting to EUR 179,453 thousand in the financial year 2023/2024, a total of EUR 77,706 thousand were made in foreign production locations.

The acquisition costs of segment assets that are expected to be utilised for more than one reporting period amounted to EUR 179,453 thousand in the financial year 2023/2024 (2022/2023: EUR 251,536 thousand).

The Verbio Group generated revenue from deliveries of goods and services to foreign countries (primarily Europe and North America) of EUR 723,145 thousand in the reporting period (2022/2023: EUR 788,864 thousand).

Revenue of EUR 313,921 thousand (2022/2023: EUR 361,575 thousand) was generated in North America. Here account should be taken the fact that there was a sharp decline in revenues for biodiesel North America as a result of a change to the structure of the purchase and sales contracts for the production volumes of biodiesel North America since December 2023, which are to be treated as a processing contracts for commercial purposes. A significant proportion of property, plant and equipment (June 30, 2024: EUR 319,323 thousand; June 30, 2023: EUR 251,487 thousand) is located in North America.

Revenue with two (2022/2023: two) external customers amounted to more than 10 percent of total revenue in the reporting period; the revenue with these customers totalled EUR 381,420 thousand (2022/2023: two customers totalling EUR 652,863 thousand). Of this total, revenue of EUR 277,866 thousand (2022/2023: EUR 438,300 thousand) is attributable to the Biodiesel segment and revenue of EUR 103,554 thousand (2022/2023: EUR 197,990 thousand) is attributable to the Bioethanol/Biomethane segment.

Segment reporting for the period from July 1, 2023 to June 30, 2024

Segment revenues and results

EUR (thousands)	Biodiesel		Bioethanol/Biomethane		Other	
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023
External revenues	987,472	1,367,354	655,563	585,370	14,999	15,557
Revenues with other segments	0	25	951	5,141	16,623	11,087
Changes in inventories of finished goods and work in progress	–16,597	22,866	–8,658	63,217	0	0
Own work capitalised	2,187	1,226	4,864	7,713	123	109
Other operating income	2,507	5,429	8,677	8,207	562	450
Raw material and consumables used	–782,953	–1,184,000	–525,863	–493,295	–13,674	–12,275
Employee benefit expense	–31,247	–26,965	–67,123	–46,172	–9,091	–7,944
Other operating expenses	–33,383	–31,948	–82,140	–50,459	–4,426	–3,695
Changes in the value of financial assets and liabilities	–653	–1,677	2,289	–5,375	0	–16
Result from commodity forward contracts	–13,278	411	13,893	9,976	0	0
Segment EBITDA	**114,056**	**152,721**	**2,454**	**84,323**	**5,114**	**3,273**
Depreciation and amortisation	–11,259	–10,640	–36,178	–27,907	–4,595	–3,023
Segment EBIT	**102,797**	**142,081**	**–33,724**	**56,416**	**520**	**250**
Finance income	743	1,124	557	1,236	0	0
Finance costs	–4,160	–905	–6,462	–960	0	–1
Result before tax	**99,380**	**142,300**	**–39,629**	**56,692**	**520**	**249**

Reconciliation of segment revenues and results

EUR (thousands)	Total all segments		Inter-segment revenues, expenses and other adjustments		Group	
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023
External revenues	1,658,034	1,968,281	0	0	1,658,034	1,968,281
Revenues with other segments	17,574	16,253	–17,574	–16,253	0	0
Changes in inventories of finished goods and work in progress	–25,255	86,083	0	0	–25,255	86,083
Own work capitalised	7,173	9,048	0	0	7,173	9,048
Other operating income	11,746	14,086	–512	–307	11,234	13,779
Raw material and consumables used	–1,322,490	–1,689,570	7,068	8,071	–1,315,422	–1,681,499
Employee benefit expense	–107,461	–81,081	0	0	–107,461	–81,081
Other operating expenses	–119,950	–86,102	11,018	8,491	–108,932	–77,611
Changes in the value of financial assets and liabilities	1,636	–7,068	0	0	1,636	–7,068
Result from commodity forward contracts	616	10,387	0	0	616	10,387
Segment EBITDA	**121,624**	**240,317**	**0**	**2**	**121,624**	**240,319**
Depreciation and amortisation	–52,031	–41,570	0	0	–52,031	–41,570
Segment EBIT	**69,592**	**198,747**	**0**	**2**	**69,592**	**198,749**
Finance income	1,300	2,360	0	0	1,300	2,360
Finance costs	–10,622	–1,866	0	0	–10,622	–1,866
Result before tax	**60,270**	**199,241**	**0**	**2**	**60,270**	**199,243**

Segment assets

EUR (thousands)	Biodiesel		Bioethanol/Biomethane		Other		Group	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Intangible assets	549	428	753	511	0	1	1,302	940
Right-of-use assets under leasing arrangements	10,221	11,884	17,581	15,443	0	23	27,802	27,350
Property, plant and equipment	95,251	78,376	619,417	503,115	13,525	13,491	728,193	594,982
Inventories	53,751	69,256	190,868	190,766	253	256	244,872	260,278
Trade receivables	60,550	50,636	56,800	38,028	1,665	1,099	119,014	89,763
Other assets and other financial assets	14,903	59,759	69,673	72,068	371	196	84,947	132,023
Derivatives	10,764	7,501	10,576	1,338	0	0	21,341	8,839
Segment assets	**245,988**	**277,840**	**965,670**	**821,269**	**15,813**	**15,066**	**1,227,471**	**1,114,175**

Segment liabilities

EUR (thousands)	Biodiesel		Bioethanol/Biomethane		Other		Group	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Lease liabilities	10,535	12,136	18,144	15,789	0	26	28,679	27,951
Investment grants	144	174	35,968	1,089	87	90	36,199	1,353
Non-current provisions	46	46	136	116	5	5	187	167
Trade payables and other current provisions	49,531	47,903	75,586	59,617	1,571	1,347	126,687	108,867
Other non-current and current financial liabilities and other current liabilities	11,188	22,894	56,980	39,593	3,424	1,126	71,591	63,613
Derivatives	8,477	9,462	1,040	3,269	0	0	9,517	12,731
Segment liabilities	**79,922**	**92,615**	**187,852**	**119,473**	**5,087**	**2,594**	**272,860**	**214,682**

Reconciliation of segment assets and liabilities

EUR (thousands)	Group	
	30.06.2024	30.06.2023
Segment assets	1,227,471	1,114,175
Deferred taxes	1,009	3,212
Current tax receivable	26,089	9,494
Cash and cash equivalents	123,186	170,306
Total assets	**1,377,755**	**1,297,187**
Segment liabilities	272,860	214,682
Bank loans and other loans	165,517	162,018
Other tax liabilities	2,796	1,983
Other non-current financial liabilities	224	224
Deferred taxes	8,142	6,453
Total liabilities	**449,539**	**385,360**

Investments

EUR (thousands)	Biodiesel		Bioethanol/Biomethane		Other		Group	
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023
Investments (excluding leasing)	**25,538**	**18,932**	**148,752**	**222,779**	**5,873**	**9,825**	**180,162**	**251,536**

10 Disclosures on financial instruments

10.1 General information

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or an equity instrument of another entity. The financial instruments of the Group can be differentiated between financial instruments originated by the Group and derivative financial instruments.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit and loss (FVTPL). The classification of financial assets under IFRS 9 is based on the business model of the Company used to manage financial assets and on the contractual cash flow characteristics of the instruments.

Financial instruments originated by the Group that are classified as assets are primarily trade receivables, other financial assets, and cash and cash equivalents, and are classified as "at amortised cost". The so-called "simplified approach" (IFRS 9.5.5.15) is used to measure trade receivables. Other financial assets are measured using what is known as the "general approach" (IFRS 9.5.5.1).

Instruments originated by the Group classified as liabilities are primarily the reported amounts of financial liabilities, trade payables and other financial liabilities. The financial instruments on the equity and liabilities side of the balance sheet are also classified as "at amortised cost".

Included in derivative financial instruments are instruments used to hedge price risks relating to procurement and sales transactions. Derivative financial instruments are recognised and measured at their fair value upon acquisition on the trading date. Subsequent to initial recognition they are remeasured to fair value. Financial instruments in the form of forward commodity contracts used to hedge purchasing prices on the procurement market (see note 10.3.1 A) and to hedge inventories already purchased (see note 10.3.1 B) qualify as cash flow or fair value hedges, and accordingly they have been classified as "Derivatives within hedging relationships".

The subsequent remeasurement of derivatives within a hedging relationship used to hedge cash flows (cash flow hedges) are recorded at "fair value through other comprehensive income" directly in equity (within other reserves). This reserve is released with profit and loss effect as soon as the hedged raw material purchases are recorded in the income statement or, if applicable, when the cash flows of the underlying transaction are no longer highly probable.

Derivatives which are not or were not used for hedging relationship purposes (see notes 10.3.2 C. and D.) are stand-alone derivatives, and as a result are always classified as at "fair value through profit or loss". Accordingly, gains or losses resulting from their subsequent remeasurement will be, or have been, respectively, recognised with profit or loss effect in the consolidated statement of comprehensive income under the heading "Result from commodity forward contracts".

10.2 Categories of financial assets and financial liabilities

The fair values and carrying amounts of financial instruments are presented below by class of financial instruments as defined by IFRS 7. The carrying amounts represent their fair values.

Assets

Valuation	At amortised cost		At fair value				Total	
Measurement category			**FVTPL**		**FVOCI**			
EUR (thousands)	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Trade receivables	119,014	119,014	0	0	0	0	119,014	119,014
Other non-current and current assets	19,452	19,452	0	0	0	0	19,452	19,452
Derivatives [1]	0	0	11,375	11,375	9,966	9,966	21,341	21,341
Cash and cash equivalents, term deposits	123,186	123,186	0	0	0	0	123,186	123,186
Total at June 30, 2024	**261,652**	**261,652**	**11,375**	**11,375**	**9,966**	**9,966**	**282,993**	**282,993**
Trade receivables	89,763	89,763	0	0	0	0	89,763	89,763
Other non-current and current assets	68,626	68,626	0	0	0	0	68,626	68,626
Derivatives [1]	0	0	1,338	1,338	7,501	7,501	8,839	8,839
Cash and cash equivalents, term deposits	170,306	170,306	0	0	0	0	170,306	170,306
Total at June 30, 2023	**328,695**	**328,695**	**1,338**	**1,338**	**7,501**	**7,501**	**337,534**	**337,534**

[1] Derivative financial instruments used in hedge accounting are recognised directly in equity but do not represent a separate category of financial assets and liabilities.

Equity and liabilities

Valuation	At amortised cost		At fair value				Total	
Measurement category			FVTPL		FVOCI			
EUR (thousands)	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Borrowings	165,517	165,347	0	0	0	0	165,517	165,347
Trade payables	126,394	126,394	0	0	0	0	126,394	126,394
Other financial liabilities	62,861	62,861	0	0	0	0	62,861	62,861
Derivatives [1]	0	0	2,745	2,745	6,772	6,772	9,517	9,517
Total at June 30, 2024	**354,772**	**354,602**	**2,745**	**2,745**	**6,772**	**6,772**	**364,289**	**364,119**
Borrowings	162,018	162,018	0	0	0	0	162,018	162,018
Trade payables	106,538	106,538	0	0	0	0	106,538	106,538
Other financial liabilities	42,942	42,942	0	0	0	0	42,942	42,942
Derivatives [1]	0	0	3,196	3,196	9,535	9,535	12,731	12,731
Total at June 30, 2023	**311,498**	**311,498**	**3,196**	**3,196**	**9,535**	**9,535**	**324,229**	**324,229**

[1] Derivative financial instruments used in hedge accounting are recognised directly in equity but do not represent a separate category of financial assets and liabilities.

10.2.1 Measurement in the individual measurement categories

a. The fair values of derivatives in the measurement categories "Held for trading financial instruments" and "Derivatives within hedging relationships" were determined using the mark-to-market method based on prices quoted on an exchange or market prices.

b. The fair values of the "loans and receivables" and "other financial liabilities" measured at amortised acquisition cost are as follows:

ba. The fair values of trade receivables and other current and non-current financial assets are equal to the respective nominal values of the assets after deduction of any necessary allowances; these balances include no non-interest-bearing or low-interest loans or receivables with a remaining term of more than one year.

bb. The fair value of cash and cash equivalents is equal to their nominal values.

bc. The fair value of the fixed interest borrowings is determined using a valuation model, making use of the original interest rate spread and the current risk-free rate of interest.

bd. The fair values of all other liabilities included in the measurement category "other financial liabilities" are equal to their repayment amounts; these balances include no non-interest-bearing or low-interest liabilities with a remaining term of more than one year.

10.2.2 Reconciliation to balance sheet headings

The categories of financial instruments as defined in IFRS 7 are consistent with the headings reported in the consolidated balance sheet.

10.3 Derivatives

The derivative assets and liabilities presented at their respective fair values and their underlying nominal volumes were as follows at the June 30, 2024 and June 30, 2023 balance sheet dates:

EUR (thousands)	Nominal volume	Derivative assets = derivatives with positive market values	Derivative assets = derivatives with negative market values
Stand-alone derivatives			
Non-trading derivatives			
Purchase transactions	38,483 tonnes	482	0
Sale transactions	44,741 tonnes	7,410	2,152
Trading derivatives			
Purchase and sales transactions	114,246 tonnes	3,214	593
Derivatives in hedging relationships			
Cash flow hedge			
Commodity forward contracts for vegetable oil	45,600 tonnes	9,966	6,772
Fair value hedge			
Commodity forward contracts for grain	15,749 tonnes	269	0
Derivatives as at June 30, 2024		**21,341**	**9,517**

EUR (thousands)		Derivative assets = derivatives with positive market values	Derivative assets = derivatives with negative market values
Stand-alone derivatives (non-trading)			
Purchase transactions	19,077 tonnes	475	322
Sale transactions	4,632 tonnes	863	2,874
Derivatives in hedging relationships			
Cash flow hedge			
Commodity forward contracts for vegetable oil	26,371 tonnes	7,501	9,535
Derivatives as at June 30, 2023		**8,839**	**12,731**

The fair values of the derivatives are based on the mark-to-market method. The fair values of the Group's derivative financial assets (EUR 21,341 thousand; June 30, 2023: EUR 8,839 thousand) and derivative financial liabilities (EUR 9,517 thousand (June 30, 2023: EUR 12,731 thousand) are classified as Level 2 measurements in the fair value hierarchy at June 30, 2024 and June 30, 2023.

- Level 1: Quoted prices on an active market (not adjusted) for identical assets or liabilities
- Level 2: Directly observable (as price) or indirect (derived from price) inputs for the asset or liability, other than quoted Level 1 price inputs
- Level 3: Inputs applied to the asset or liability that are not based on observable market data (non-observable input data)

As in the previous year, there were no reclassifications between the individual hierarchy levels used to classify fair value measurements in the financial year 2023/2024. Should a fair value measurement require reclassification, the reclassification would be effected at the end of the financial year.

10.3.1 Description of significant derivatives held and used as hedging instruments at the balance sheet date

A. Forward contracts for vegetable oil (assets: EUR 9,966 thousand, liabilities: EUR 6,772 thousand).

Under the responsibility of risk management personnel, derivatives in the form of purchased forward contracts (forwards) are used to hedge the price of rapeseed oil, a raw material. The underlying hedged transactions are the purchases and, respectively, highly probable purchases of vegetable oil; the hedging instrument is the purchase of forward contracts; and the risk being hedged is the risk of price increases that could result in a negative effect on the profit margin. The objective is to hedge the price of at least 75 percent of the vegetable oil purchases needed for production purposes approximately three months prior to delivery. For production in North America, prices of vegetable oil are fixed for certain periods and for up to 100 percent of the volumes required. The effectiveness of the cash flow hedges for vegetable oils using forward contracts is measured prospectively using the critical term match method. A 100 percent effectiveness can be assumed as the hedging instrument and the underlying transactions are entered into with identical parameters. Accordingly, with the exception of a default risk premium, no ineffectiveness is expected, and there are no amounts which need to be recognised immediately in profit or loss to reflect hedging ineffectiveness.

In the month of purchase, which is the scheduled or unscheduled occurrence of the underlying transaction, the results of the hedging transaction recognised in equity are recognised initially as a basis adjustment in inventories and thereafter offset within cost of materials on consumption. The amount transferred from equity to profit or loss in connection with cash flow hedge accounting in the reporting period amounted to EUR 5,136 thousand (2022/2023: EUR 7,579 thousand) and is shown in the statement of comprehensive income under "Raw material and consumables used". There were no ineffective portions requiring recognition at the balance sheet date.

B. Commodity forward contracts for grain

Derivatives in the form of commodity forward contracts were concluded on a futures exchange to hedge inventories of grain. The positive market values of these derivatives amount to EUR 269 thousand (June 30, 2023: EUR 0 thousand). The inventory hedged here is a quantity of grain that has already been purchased; its value is hedged against fluctuations in prices using the commodity forward sales contracts as hedging instruments. The measurement of the underlying transactions are recorded in profit or loss within cost of materials.

10.3.2 Description of the Group's significant stand-alone derivatives

C. Stand-alone derivatives from procurement and sales transactions (non-trading)

In addition to the derivatives designated as hedging instruments, use is made of derivatives to hedge revenue from sales contracts that are linked to the quoted market price of bioethanol (Ethanol Futures). At the June 30, 2024 balance sheet date the Group had derivatives with a positive market value of EUR 8,533 thousand and derivatives with a negative market value of EUR 1,133 thousand (June 30, 2023: derivatives with a positive market value of EUR 863 thousand and derivatives with a negative market value of EUR 2,874 thousand).

In addition, at the June 30, 2023 balance sheet date the Group held derivatives (biodiesel swaps) to hedge income from sales contracts linked to quoted market prices of biodiesel with positive market values of EUR 628 thousand and negative market values totalling EUR 1,600 thousand.

At the June 30, 2024 balance sheet date the Group had derivatives for hedging raw material purchases with a positive market value of EUR 482 thousand and derivatives with a negative market value of EUR 0 thousand (June 30, 2023: derivatives with a positive market value of EUR 475 thousand and derivatives with a negative market value of EUR 322 thousand).

D. Stand-alone derivatives from procurement and sales transactions (trading)

As at the balance sheet date, there were also future bioethanol purchase and sale trading transactions entered into that are classified as derivatives valued at EUR 1,434 thousand (June 30, 2023: EUR 0 thousand). The trading transactions were entered into to generate margins in different markets or for speculation purposes.

10.3.3 Change in equity

The effects on equity of the hedging transactions entered into in the financial year 2023/2024 and the previous year are presented below:

EUR (thousands)	Commodity forward contracts for vegetable oil	Other swaps	Total
July 1, 2023	**–2,143**	**0**	**–2,143**
Recognition in profit and loss (cost of materials)	5,134	0	5,134
Amounts according to IFRS 9.6.5.12a	0	0	0
Change in fair value measurement	204	0	204
Balance at June 30, 2024	**3,195**	**0**	**3,195**
Add: deferred taxes			–950
			2,245

EUR (thousands)	Commodity forward contracts for vegetable oil	Other swaps	Total
July 1, 2022	**21,888**	**0**	**21,888**
Recognition in profit and loss (cost of materials)	7,579	0	7,579
Amounts according to IFRS 9.6.5.12a	–110	0	–110
Change in fair value measurement	–31,500	0	–31,500
Balance at June 30, 2023	**–2,143**	**0**	**–2,143**
Add: deferred taxes			550
			–1,593

In the financial year 2023/2024, in analogy to the previous year, the reclassification to cost of materials of hedge transactions to hedge the purchase of vegetable oils was preceded by the recording of a basis adjustment to inventories as recycling of gains and losses initially recognised in other comprehensive income (OCI).

10.3.4 Realisation of the underlying and hedging transactions

The following table shows when the cash flow hedges will affect cash flows and when they are expected to impact profit or loss.

EUR (thousands)	Carrying amount	Expected cash flows	Up to 6 months	6 to 12 months
June 30, 2024				
Realisation of the underlying and hedging transactions				
Commodity forward contracts				
Cash outflows for vegetable oil purchases		141,503	117,726	23,777
Effect on profit or loss				
Commodity forward contracts				
Asset vegetable oil purchases	6,772	6,772	6,742	30
Liabilities vegetable oil purchases	9,966	9,966	9,337	629

EUR (thousands)	Carrying amount	Expected cash flows	Up to 6 months	6 to 12 months
June 30, 2023				
Realisation of the underlying and hedging transactions				
Commodity forward contracts				
Cash outflows for vegetable oil purchases		112,841	86,369	26,472
Effect on profit or loss				
Commodity forward contracts				
Asset	7,501	7,501	5,324	2,177
Liability	9,535	9,535	9,177	358

10.4 Other disclosures required by IFRS 7

10.4.1 Information on income and expense positions

The following table shows the net result of financial assets and financial liabilities summarised by measurement category:

	Interest result		Subsequent measurement				
EUR (thousands)	**Interest income**	**Interest expense**	**Impairment reversals (changes in the value of financial assets and liabilities)**	**Impairment write-downs (changes in the value of financial assets and liabilities)**	**Currency gains and losses (changes in the value of financial assets and liabilities)**	**Use of derivatives (result from forward contracts)**	**Total**
2023/2024							
Financial assets measured at amortised cost	1,300	0	214	–810	1,636	0	2,340
Financial assets measured at fair value:							
Financial instruments held for trading purposes	0	0	0	0	0	53,095	53,095
Financial liabilities measured at fair value:							
Financial instruments held for trading purposes	0	0	0	0	0	–52,479	–52,479
Other non-current and current liabilities	0	–10,622	0	0	0	0	–10,622
Interest swaps	0	0	0	0	0	0	0
Total	**1,300**	**–10,622**	**214**	**–810**	**1,636**	**616**	**–7,666**

	Interest result		Subsequent measurement				
EUR (thousands)	**Interest income**	**Interest expense**	**Impairment reversals (changes in the value of financial assets and liabilities)**	**Impairment write-downs (changes in the value of financial assets and liabilities)**	**Currency gains and losses (changes in the value of financial assets and liabilities)**	**Use of derivatives (result from forward contracts)**	**Total**
2022/2023							
Financial assets measured at amortised cost	2,360	0	213	–30	–7,068	0	–4,525
Financial assets measured at fair value:							
Financial instruments held for trading purposes	0	0	0	0	0	37,079	37,079
Financial liabilities measured at fair value:							
Financial instruments held for trading purposes	0	0	0	0	0	–26,692	–26,692
Other non-current and current liabilities	0	–1,866	0	0	0	0	–1,866
Interest swaps	0	0	0	0	0	0	0
Total	**2,360**	**–1,866**	**213**	**–30**	**–7,068**	**10,387**	**3,996**

The reversal of write-downs of loans and receivables of EUR 214 thousand (June 30, 2023: EUR 213 thousand) primarily consisted of the release of specific allowances recorded against other financial assets.

Allowances against and impairment write-downs of loans and receivables totalling EUR 810 thousand (June 30, 2023: EUR 30 thousand) primarily relate to write-downs made to reflect non-collectable trade receivables.

10.4.2 Information on collateral

The other financial assets include cash and cash equivalents held in segregated accounts with a carrying value of EUR 9,424 thousand (June 30, 2023: EUR 49,099 thousand) which are committed for initial and variation margins for forward derivative contracts entered into by the Group.

10.4.3 Information regarding allowances for credit losses on financial assets

Verbio generally measures the impairment allowances recorded against trade receivables in accordance with IFRS 9 at an amount equal to the lifetime expected credit losses. The so-called "simplified approach" (IFRS 9.5.5.15) is applied. Verbio uses this approach in order to measure the default risks, and calculates the expected credit loss (ECL) as the total amount of all possible default events over the expected lifetime of the receivables.

For the purposes of measuring trade receivables the Group calculates, as a first step, an impairment matrix at each balance sheet date, which is based on the historical default rate and calculates the future probability of default (so-called "stage 2"). In doing so, account is taken of expected differences between various different Verbio customer groups.

The following table shows the actual credit losses over time in relation to the total amount of trade receivables:

EUR (thousands)	Historical loss rate	Gross carrying amount, 30.06.2024	Limited creditworthiness
Oil companies	0.00	60,710	No
Processing and trading companies	0.00	34,438	No
Energy utilities	0.00	5,805	No
Farmers	0.00	223	No
Transport businesses	0.08	1,388	No
Other	0.00	16,450	No
		119,014	

In cases where there are objective indications of a potential impairment, an examination is performed to determine whether an impairment has occurred (so-called "stage 3"). An impairment allowance is recorded to reduce the net book value of a trade receivable when the Group does not have a justified expectation that the receivable will be collected in full or in part. In doing so, the classification of a receivable as overdue does not necessarily mean that an impairment allowance will be recorded.

The allowances made relate to the risk of credit losses on trade receivables and other current assets. The movements on the allowances in the financial year 2023/2024 were as follows:

EUR (thousands)	01.07.2023	Addition	Release	Utilisation	Currency effect	30.06.2024
Allowances						
Trade receivables	1,250	0	0	15	33	1,268
Other current financial assets	1,595	0	200	0	0	1,395
Allowances	**2,845**	**0**	**200**	**15**	**33**	**2,663**

EUR (thousands)	01.07.2022	Addition	Release	Utilisation	Currency effect	30.06.2023
Allowances						
Trade receivables	1,078	12	0	19	179	1,250
Other current financial assets	1,795	0	200	0	0	1,595
Allowances	**2,873**	**12**	**200**	**19**	**179**	**2,845**

Receivables are derecognised at the time that the probability of their collection is unlikely.

11 Financial risks and risk management, capital management

11.1 Organisation

In addition to its operating risks, the Verbio Group sees itself exposed to credit risks, liquidity risks and market risks that arise from the use of financial instruments within the course of its normal operating activities. The Company has established a clear functional organisation for the risk control process.

Accordingly, as part of a risk-oriented and future-directed management approach, Verbio SE has developed and installed a risk management system for the Group. The implementation of a functional risk management system is seen as part of the general responsibility of the Company's management. Individual risks defined in advance are monitored on a continuous basis using early warning indicators, and are included in half-yearly reporting to the risk manager by management of the subsidiaries. In accordance with the Company's two-year cycle, a comprehensive inventory of risks was performed in the financial year 2022/2023. No changes were made to the risk evaluations compared to the previous year. A detailed risk handbook is available.

Responsibilities are clearly assigned to the organisational units that form part of the risk management process as follows:

Management Board

The risk management process starts with the Management Board, which, in the course of overall management based on risk-bearing capacity, provides a clear definition of the strategy, the types of transactions and the acceptable and unacceptable risks, as well as the allowable total risk.

Risk management

Risk management is responsible for the active management and supervision of risks. Risk is reduced via risk limitation measures and is controlled by compliance with limits.

Risk controlling

Through risk controlling, the Group-wide identification, measurement and evaluation of all risks is carried out in a uniform manner. Risk controlling monitors the compliance of internal limits by measuring the risks and the utilisation of limits.

Supervisory Board

The Supervisory Board carries out a control function relating to all measures dealing with risk limitation and risk management within the Company.

For further information on the Group-wide risk management system, please refer to the information provided in the Group management report under "Opportunity and risk report".

11.2 Risk groups

In addition to operating risks, in conducting its business operations the Verbio Group is subject to a number of financial risks such as credit risks, liquidity risks and market risks, which are described below.

11.2.1 Credit risk

Credit risk results from the deterioration of the economic situation of customers or other contracting parties of the Company. As a result, there is a risk of partial or complete loss of contractually agreed payments or services, and additionally a decrease in the value of financial instruments due to a deterioration of creditworthiness.

There are default risks associated with all financial instruments recorded as assets; the carrying amount of the financial assets represents the maximum risk of default.

Allowances are recorded to the extent that there are indications of individual risks on individual financial instruments. There is no potential for offsetting of derivatives.

Maximum risk of default

The maximum risk of default associated with financial assets, without considering possible collateral security held or other credit enhancements (e.g. netting agreements), is as follows:

EUR (thousands)	30.06.2024	30.06.2023
Trade receivables	119,014	89,763
Other non-current and current assets	19,452	68,626
Derivatives	21,341	8,839
Cash and cash equivalents, term deposits	123,186	170,306
	282,993	**337,534**

In order to reduce credit and default risks, credit risk assessments are made and individual internal ratings are made for new and existing customers at the beginning of the business relationship and at regular intervals thereafter. Credit risk assessments, internal ratings and forward-looking information are used to determine credit limits for supplies to individual customers; these may only be exceeded for good reason and provided that the excess is approved.

In order to minimise the risk of non-collection of trade receivables further, certain receivables are insured using trade credit insurance. At the balance sheet date the Group had trade credit insurance policies whereby the insurer guarantees a maximum sum of at least EUR 15.0 million (June 30, 2023: EUR 10.5 million) for all damages in each insurance year. Large customers are excluded from this agreement.

Trade receivables amounting to EUR 26,063 thousand (June 30, 2023: EUR 33,241 thousand) were insured under these policies at June 30, 2023.

In addition, the General Terms and Conditions include reservation-of-title clauses for all products sold.

Concentration of credit risks

Credit risks relating to trade receivables are primarily attributable to the following customer groups and regions (the respective carrying amounts represent the respective credit risk):

Concentration by customer groups

EUR (thousands)	30.06.2024	30.06.2023
Oil companies	60,710	36,094
Processing industries (in particular oil mills and pharmaceutical companies) and trading companies	34,438	41,246
Energy utilities	5,805	1,141
Farmers	223	654
Transport businesses	1,388	501
LNG-/CNG filling – stations/retail	2,721	1,963
Other	11,503	8,164
	116,788	**89,763**

Concentration by regions

EUR (thousands)	30.06.2024	30.06.2023
Inland	52,580	23,827
Europe	34,500	51,724
North America	20,944	11,885
Other foreign	10,990	2,327
	119,014	**89,763**

Receivables in Europe amounting to EUR 23,497 thousand are primarily in the Netherlands, Poland, Denmark, the Czech Republic, France and Switzerland.

The Company monitors its concentration of credit risk by industry sectors as well as by region.

Ageing analysis

The following table provides an overview of the age structure of unimpaired assets measured at amortised cost as of the June 30, 2024 and June 30, 2023 balance sheet dates based on their maturity dates:

EUR (thousands)	Carrying amount	Thereof at the balance sheet date						
		Not impaired and not overdue	Not impaired and not overdue in the following age categories (in days)					
			Less than 30	31 to 60	61 to 90	91 to 180	181 to 360	More than 360
June 30, 2024								
Trade receivables	119,014	101,803	15,507	627	722	70	33	252
Other non-current and current financial assets	19,452	19,452	0	0	0	0	0	0
	138,466	**121,255**	**15,507**	**627**	**722**	**70**	**33**	**252**
June 30, 2023								
Trade receivables	89,763	84,110	4,341	380	32	13	312	575
Other non-current and current financial assets	68,626	68,626	0	0	0	0	0	0
	158,389	**152,736**	**4,341**	**380**	**32**	**13**	**312**	**575**

Based on the many years of experience with the Group's customers, the credit-worthiness examinations performed on a rotating cycle, and taking into account the trade credit insurance cover, the default risk associated with balances which are in excess of 30 days overdue is not assumed to be significantly heightened.

11.2.2 Liquidity risks

Liquidity risk, in a narrow sense, is the risk that the Company could find itself in a position where it does not have adequate funds to settle its ongoing payment obligations. Payment obligations result primarily from investment activities, trade payables for goods and services, interest payments and loan repayments, margin calls in connection with futures contracts, and tax liabilities.

The Group's liquidity is managed by use of weekly, monthly and medium-term planning forecasts generated to ensure that adequate funds are available at any time to settle its liabilities as they fall due, and to ensure that potential risks are identified as early as possible.

The central treasury department (three employees) has primary responsibility for the management of liquidity.

The aim of liquidity management is to ensure that the Verbio Group has the ability to meet its liabilities at all times and to optimise interest income.

The central treasury department receives the required information from subsidiaries via the weekly reporting procedure, enabling it to generate a liquidity profile. All financial assets, financial liabilities and expected cash flows from planned transactions are included.

The Company uses the yearly and weekly liquidity planning as well as sensitivity analyses to manage its liquidity risk.

A large portion of the liquidity required by the business is ensured by working capital management.

The available instruments ensure the liquidity of the business at all times and are suitable to fulfil additional future liquidity needs, taking account of the requirements identified in the business plan.

The following table presents an analysis of the remaining maturities of all contractually agreed financial liabilities as of June 30, 2023 and June 30, 2024:

EUR (thousands)	Carrying amount	Up to 30 days	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years
June 30, 2024						
Non-derivative financial liabilities [1]						
Borrowings	165,517	13,437	0	0	134,580	17,500
Trade payables	126,394	124,752	107	1,535	0	0
Lease liabilities	28,679	651	1,302	5,861	12,763	8,102
Other financial liabilities	62,861	28,640	0	14,800	19,421	0
	383,451	**167,480**	**1,409**	**22,196**	**166,764**	**25,602**
Derivative financial liabilities						
Derivatives in hedging relationships	6,772	3,712	1,980	1,080	0	0
Derivatives without hedging relationships	2,745	933	1,327	485	0	0
	9,517	**4,645**	**3,307**	**1,565**	**0**	**0**
Financial liabilities	**392,968**	**172,125**	**4,716**	**23,761**	**166,764**	**25,602**

[1] Incl. future interest payments.

EUR (thousands)	Carrying amount	Up to 30 days	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years
June 30, 2023						
Non-derivative financial liabilities [1]						
Borrowings	162,018	47,518	0	0	97,000	17,500
Trade payables	106,538	101,958	4,448	132	0	0
Lease liabilities	27,951	588	1,176	5,264	11,920	9,003
Other financial liabilities	42,942	42,942	0	0	0	0
	339,449	**193,006**	**5,624**	**5,396**	**108,920**	**26,503**
Derivative financial liabilities						
Derivatives in hedging relationships	9,535	4,562	3,076	1,897	0	0
Derivatives without hedging relationships	3,196	439	933	1,824	0	0
	12,731	**5,001**	**4,009**	**3,721**	**0**	**0**
Financial liabilities	**352,180**	**198,007**	**9,633**	**9,117**	**108,920**	**26,503**

[1] Incl. future interest payments.

Information on financial liability ratios
There are no indications of any matters that would indicate a payment delay or contract violation in respect of the financial liabilities totalling EUR 392,968 thousand at June 30, 2024 (June 30, 2023: EUR 352,180 thousand). Interest and loan repayment obligations on all non-derivative financial liabilities totalling EUR 383,451 thousand (June 30, 2023: EUR 339,449 thousand) have been serviced according to schedule.

11.2.3 Market risks

Market risks arise from potential changes in risk factors that lead to a lowering of the market value of transactions containing these risk factors. General risk factors relevant for the Company are currency risks, interest rate risks and commodity price risks.

Currency risks
The Verbio Group is exposed to currency risks associated with procurement and price hedging for its purchasing and sales. The currency risk is minimised with the help of an ongoing review of exchange rate expectations and the use of appropriate financial instruments. In the financial year under report this was primarily achieved by netting of foreign currency receipts and disbursements.

The Verbio Group is primarily exposed to currency risks in US dollars (USD), Indian rupees (INR), Polish zloty (PLN), and, to a smaller extent, in Hungarian Forint (HUF). Given the long-term nature of the investments made in the USA, Canada and India, the currency risks associated with those investments are not considered relevant at the current time. The currency risks in the Polish Zloty are regarded as not significant for operating activities.

In the financial year 2023/2024 sales invoices denominated in foreign currencies (in USD, HUF and CNY) were issued in the Eurozone with an amount equivalent to EUR 141,562 thousand (2022/2023: EUR 115,606 thousand). Payments against these invoices are made into accounts denominated in the respective foreign currency. Trade receivables denominated in foreign currencies (in USD, HUF and CNY) in the Eurozone totalled EUR 15,586 thousand at June 30, 2024 (June 30, 2023: EUR 19,322 thousand).

Interest rate risks
The Company is primarily financed by equity. Both fixed and variable interest rate agreements are in place for external loans. Interest rate risks result only from instruments with variable interest rates. On the assets side of the balance sheet these concern bank balances, while on the liabilities side these consist of variable rate interest bearing promissory notes and revolving credit lines. No derivative financial instruments were entered into to hedge against the risk of changes to interest rates. However, Verbio regularly monitors interest rate developments and enters into hedging measures if necessary.

There were no loans denominated in foreign currencies as of the balance sheet date.

Commodity price risks
Derivatives are entered into to manage price risks in procurement and sales and to hedge/optimise margins in the biofuels production business.

Risks of price changes arise primarily through the procurement of raw materials and the sale of end products. Price risks are hedged using appropriate financial instruments based on reviews of market price expectations performed on a continuous basis. In the reporting year, futures and swaps were utilised as hedging instruments.

The sensitivity of the valuations of derivatives is discussed below.

- Sensitivity of the value of the derivatives in hedging relationships to changes in the price of rapeseed oil
  A decrease (increase) in the market price of EUR 25/tonne at the June 30, 2024 balance sheet date would result in an improvement (deterioration) of the equity total of EUR 1,140 thousand. This analysis has been performed using a consistent approach to that used in the previous year. The sensitivity represents the effect on equity on the assumption that all other conditions remain unchanged.

- Sensitivity of the value of derivatives not used in hedging relationships to changes in the price of ethanol
  A decrease (increase) in the market price of EUR 25/tonne at the June 30, 2024 balance sheet date would result in an improvement (deterioration) of both the result for the period and equity amounting to EUR 2,310 thousand.

- Sensitivity of the value of derivatives which are not used in hedging relationships to changes in the price of corn
  A decrease (increase) in the market price of EUR 25/tonne at the June 30, 2024 balance sheet date would result in an improvement (deterioration) of both the result for the period and equity amounting to EUR 962 thousand.

- Sensitivity of the value of derivatives used in trading transactions not used in hedging relationships to changes in the price of ethanol
  A decrease (increase) in the market price of EUR 25/tonne at the June 30, 2024 balance sheet date would result in an improvement (deterioration) of both the result for the period and equity amounting to EUR 1,939 thousand.

11.2.4 Other risks

The Verbio Group has safeguards against the usual types of hazards.

In addition, in considering the overall presentation of risks, the regulatory and political environment should be noted. A change in the existing climate protection goals of the EU and the Federal Government as well as the underlying regulatory implementation, especially the Biomass Sustainability Regulation (BioNachV), could have a significant effect on Verbio's results.

11.3 Capital management

Verbio's capital management is primarily aimed at ensuring the sustained financial flexibility of the Group. Verbio SE develops guidelines for effective capital management based on the strategic objectives of the business. The focus is on a long-term increase in the value of the business in the interests of investors, customers and employees.

The objective is to increase the profitability of the Verbio Group through efficiency increases in production and procurement, as well as on the sales side. In order to achieve this, management focusses on the operating and financial risks and also on the Group's financial flexibility. This also applies to cash flow generation.

A further goal for the Verbio Group is to maintain a strong capital base, in order to finance future growth when the political environment regarding biofuels allows competitive growth. Verbio's equity (which equals managed capital in the sense of IAS 1.135) as of June 30, 2024 amounts to EUR 928,216 thousand (June 30, 2023: EUR 911,827 thousand), which represents an equity ratio of 67.4 percent (June 30, 2023: 70.3 percent). Debt capital amounted to EUR 449,539 thousand (June 30, 2023: EUR 385,360 thousand).

Verbio SE is not subject to any minimum capital requirements.

Verbio SE is not subject to any capital requirements under its articles of association.

12 Other disclosures

12.1 Contingent liabilities and future payment obligations

12.1.1 Government grants and subsidies

In the financial year 2023/2024 Verbio recognised investment grants in the USA totalling EUR 35.9 million resulting from the sale of tax credits awarded under Sec. 48 of the Inflation Reduction Act (IRA). Repayment obligations and further payment obligations amounting to a maximum of EUR 46.7 million (USD 50.0 million) could arise should Verbio fail to comply with the terms of the tax credits and of the agreement to sell the tax credits.

12.1.2 Other contingent liabilities

There are contingent liabilities in connection with a trust agreement with Sauter Verpachtung concerning derivatives managed under the trustee arrangements at June 30, 2024 totalling EUR 138 thousand (June 30, 2023: EUR 24,811 thousand). Verbio generated income of EUR 122 thousand from the management of the assets held under trust in the financial year 2023/2024 (2022/2023: EUR 354 thousand). No provisions are recorded in view of the creditworthiness and the collateral security provided.

12.1.3 Guarantee credits and other collateral arrangements

Verbio entered into (and subsequently amended) a security deposit insurance contract dated May 11, 2015 with an insurance company in Germany. Under this agreement a EUR 25,000 thousand guarantee credit line for customs duties was made available to Verbio. An amount of EUR 19,145 thousand has been drawn down under this guarantee credit line as of June 30, 2024 (June 30, 2023: EUR 23,873 thousand).

In addition, a further contract to enter into guarantee agreements has been in place with BNP since April 10, 2024. The line is for an amount of EUR 2,000 thousand, of which EUR 7.5 thousand has been utilised as at the balance sheet date.

VEI entered into a guarantee line of credit dated May 2, 2019 with an Indian bank. The facility, available for general guarantee purposes, was reduced from INR 75,000 thousand (EUR 915 thousand) to INR 25,000 thousand (EUR 305 thousand) on October 29, 2021. An amount of INR 3,000 thousand (EUR 34 thousand) has been drawn down under this facility as of June 30, 2024.

12.1.4 Litigation

There are no open litigation issues that present a significant risk to Verbio at June 30, 2024.

12.1.5 Purchase commitments

Commitments under open purchase orders are those typical for normal operations.

12.1.6 Purchase commitments for investments in property, plant and equipment

The Verbio Group has commitments under open purchase orders for investments in property, plant and equipment totalling EUR 48,500 thousand at June 30, 2024 (June 30, 2023: EUR 48,242 thousand).

12.2 Disclosures concerning related persons and entities

12.2.1 Overview of related persons and entities

The following persons, groups of persons and entities are related parties of Verbio in the reporting period:

a. Shareholders of Verbio SE who are members of a shareholders' sub-pool based on contractual agreements (ultimate controlling party within the definition of IAS 24.13). In addition to Claus and Bernd Sauter, who are members of the Management Board, Daniela Sauter is also a member of the sub-pool arrangement.

b. Persons holding key management positions:

- Claus Sauter (member of the Management Board of Verbio SE)
- Bernd Sauter (member of the Management Board of Verbio SE)
- Prof. Dr. Oliver Lüdtke (member of the Management Board of Verbio SE)
- Theodor Niesmann (member of the Management Board of Verbio SE)
- Stefan Schreiber (member of the Management Board of Verbio SE)
- Olaf Tröber (member of the Management Board of Verbio SE)
- Alexander von Witzleben (member of the Supervisory Board of Verbio SE)
- Ulrike Krämer (member of the Supervisory Board of Verbio SE)
- Dr. Klaus Niemann (member of the Supervisory Board of Verbio SE)

c. Related companies:

Related companies are companies which can be controlled by natural persons who are members of the share sub-pool arrangement or by persons holding key management positions.

12.2.2 Presentation of the relationships with key management personnel

The members of the Management Board received remuneration from Verbio SE totalling EUR 5,759 thousand in the financial year 2023/2024 (2022/2023: EUR 5,869 thousand). This included fixed remuneration of EUR 3,568 thousand (2022/2023: EUR 3,568 thousand), variable remuneration of EUR 2,127 thousand (2022/2023: EUR 2,245 thousand) and other remuneration of EUR 67 thousand (2022/2023: EUR 56 thousand). Of the total remuneration, EUR 3,616 thousand (2022/2023: EUR 3,608 thousand) represents short-term payable remuneration and EUR 2,143 thousand is in the form of share-based remuneration (2022/2023: EUR 2,268 thousand).

The members of the Supervisory Board received ongoing remuneration of EUR 202.5 thousand for their Supervisory Board activities in the financial year 2023/2024 (2022/2023: EUR 202.5 thousand; rounded: EUR 203 thousand), as well as compensation for expenses of EUR 6.0 thousand (2022/2023: EUR 6.1 thousand). This wholly consists of short-term payable remuneration.

12.2.3 Presentation of relationships with companies in which pool members and key management members have a participating interest

Rental contracts

A rental agreement for commercial property was entered into between Verbio SE and Oelßner's Hof GmbH & Co. KG with effect from November 1, 2014. Under this agreement, together with the five amendments thereto, Verbio SE has rented office space from Oelßner's Hof GmbH & Co. KG. The rental agreement ends on November 30, 2024 and continues for a further year at the end of the fixed rental period unless cancelled by either party with a notice period of six months prior to expiry. A rental charge of EUR 23 thousand was agreed until October 2021. Following further contract amendments, among other things for an increase in the rented floorspace, the monthly amounts payable were EUR 28 thousand for the period November 2021 to April 2022 and EUR 30 thousand from May 2022, with additional amounts payable for overhead and heating costs. The rental expenses (excluding operating expenses) incurred by Verbio SE under this arrangement in the financial year 2023/2024 totalled EUR 360 thousand (2022/2023: EUR 360 thousand).

Service contracts

Contract for the administration of hedging arrangements (trust agreement) with Sauter Verpachtung GmbH

On May 5, 2015 Sauter Verpachtungsgesellschaft mbH and Verbio SE entered into a contract for the administration of forward contracts on commodity exchanges. For this purpose, Verbio SE acts as trustee and is obliged to enter into and administer hedging transactions for the raw material inventories and raw material purchases and sales on behalf of Sauter Verpachtungsgesellschaft.

It was agreed that Sauter Verpachtungsgesellschaft shall recompense Verbio SE for all internal and external costs resulting from its activities as trustee. The internal costs are based on the trading volume by transaction, and are charged at EUR 0.10 per tonne.

The contract commenced on September 1, 2014 and was extended until December 31, 2024 in the course of a series of subsequent contract amendments. The management remuneration, including bonuses, accruing to Claus Sauter due to his work as member of the Management Board is provided as security for all Verbio SE's costs arising under this contract.

12.2.4 Summary of business relationships with related-party companies

The following table summarises revenues and expenses from transactions with related-party companies of the Verbio Group:

EUR (thousands)		Revenue/Income		Expense (transaction volume)	
Contract partner	**Transaction**	**2023/2024**	**2022/2023**	**2023/2024**	**2022/2023**
Alois Sauter Landesproduktengroßhandlung GmbH & Co. KG	Other deliveries and services	0	0	2	5
Sauter Verpachtungsgesellschaft mbH	Grain sales/purchase	0	0	3,993	4,626
	Transport services	93	0	2,365	2,323
	Other deliveries and services	701	1,541	124	27
Landwirtschaftsgesellschaft mbH "Neukammer"	Other deliveries and services	2	27	0	0
Farma Redlo Sp. z o.o.	Grain sales/purchase	0	0	62,997	69,342
	Other deliveries and services	0	63	0	0
Oelßner's Hof GmbH & Co.KG	Office rental	0	0	443	444
	Other deliveries and services	0	0	20	0
Farma Serwis Sp. z o.o.	Other deliveries and services	805	1,240	19	7
Umwelt und Energie GmbH	Other deliveries and services	0	0	213	0
Farma Polska	Grain sales/purchase	0	0	234	460
Farma Baltyk	Grain sales/purchase	0	0	0	501
Farma Kantreck	Grain sales/purchase	0	0	204	27
Farma Smolecin	Grain sales/purchase	0	0	0	781
Farma Grzezno	Grain sales/purchase	0	0	212	166
Farma Poblocie	Grain sales/purchase	0	0	840	87
Farma Konarzewo	Grain sales/purchase	0	0	0	518
Agrowid	Grain sales/purchase	0	0	1,497	0
Agrorol	Grain sales/purchase	0	0	38	0
FG	Grain sales/purchase	0	0	889	0
Tuczrol	Grain sales/purchase	0	0	212	0
Spelta Duo	Grain sales/purchase	0	0	497	718
Spelta Unos	Grain sales/purchase	0	0	474	580

12.2.5 Summary presentation of receivables and payables of all Verbio companies with companies in which sub-pool members or key management members hold shares

The following table shows the receivables and payables balances recorded by Group companies resulting from transactions with related-party companies as of June 30, 2024 and June 30, 2023:

	Farma Serwis Sp. z o.o.		Landwirtschafts-gesellschaft mbH "Neukammer"		Sauter Verpach-tungsgesellschaft mbH		Farma Redlo Sp. z o.o.		Farma Charnowo		Agrorol Sp. z o.o.		Farma Polska		Farma Poblocie Sp. z o.o.		Oelßner's Hof GmbH	
EUR (thousands)	**30.06.24**	**30.06.23**	**30.06.24**	**30.06.23**	**30.06.24**	**30.06.23**	**30.06.24**	**30.06.23**	**30.06.24**	**30.06.23**	**30.06.24**	**30.06.23**	**30.06.24**	**30.06.23**	**30.06.24**	**30.06.23**	**30.06.24**	**30.06.23**
VAG																		
Receivables	29	0	0	0	54	4,042	0	0	0	0	0	0	0	0	0	0	0	0
Liabilities	0	0	0	0	1,186	214	0	0	0	0	0	0	0	0	0	0	2	0
VES																		
Receivables	0	0	0	0	5	5	0	0	0	0	0	0	0	0	0	0	0	0
Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VEZ																		
Receivables	0	0	0	0	3	3	0	0	0	0	0	0	0	0	0	0	0	0
Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VLogistik																		
Receivables	19	21	0	0	22	0	0	5	0	0	0	0	0	0	0	0	0	0
Liabilities	0	0	0	0		1	0	0	0	0	0	0	0	0	0	0	0	0
VAgrar																		
Receivables	0	0		5	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VPL																		
Receivables	0	0	0	0	0	0	0	0	0	350	0	350	0	0	8	0	0	0
Liabilities	12	0	0	0	0	0	1,662	1,973	0	0	0	0	5	0	0	0	0	0
Total																		
Receivables	**48**	**21**	**0**	**5**	**84**	**4,050**	**0**	**5**	**0**	**350**	**0**	**350**	**0**	**0**	**8**	**0**	**0**	**0**
Liabilities	**12**	**0**	**0**	**0**	**1,186**	**215**	**1,662**	**1,973**	**0**	**0**	**0**	**0**	**5**	**0**	**0**	**0**	**2**	**0**

12.3 Audit fees

The audit fees that will be charged by Grant Thornton AG, Wirtschaftsprüfungsgesellschaft, as auditor of the consolidated financial statements in the financial year 2023/2024 (2022/2023: Grant Thornton AG Wirtschaftsprüfungsgesellschaft), are expected to total EUR 423 thousand (2022/2023: EUR 426 thousand) with fees for other attestation services amounting to EUR 41 thousand (2022/2023: EUR 50 thousand); these amounts have been charged to expenses.

The audit services provided primarily consist of audit work to perform the audit of the annual and consolidated financial statements of Verbio SE. In addition, other audit services amounting to EUR 49 thousand (2022/2023: EUR 18 thousand) and services provided in connection with voluntary audits amounting to EUR 54 thousand (2022/2023: EUR 54 thousand) representing non-statutory non-audit services are included.

The other attestation services include the provision of attestations in connection with capital increases, attestations required in connection with statutory energy requirements, audits in accordance with § 162 (3) AktG, and attestations in connection with the German Professional Drivers' Qualification Regulation for Heavy Goods Transport (Berufszugangsverordnung für den Güterkraftverkehr – GBZuGV), and accordingly represent statutory non-audit services. Also included are the audit fees for the (limited assurance) audit of the non-financial Group statement, which is part of the integrated management report (EUR 33 thousand; 2022/2023: EUR 33 thousand), which represents a non-statutory non-audit service.

12.4 Members of the Company's executive bodies

Disclosures of the remuneration paid to the members of the Management and Supervisory Boards and a description of the remuneration system are presented in a remuneration report which is published as a separate document in accordance with § 162 AktG.

Members of the Management Board of Verbio SE in the financial year 2023/2024 were:

- Claus Sauter, Chairman of the Management Board, CEO, Leipzig
- Prof. Dr. Oliver Lüdtke, CTO Bioethanol/Biomethane, Deputy Chairman of the Management Board, Markkleeberg
- Bernd Sauter, COO Europe, Leipzig
- Theodor Niesmann, CTO Biodiesel, Plant Construction and Human Resources, Leipzig
- Stefan Schreiber, COO North America, Mühltal-Trautheim
- Olaf Tröber, CFO, Leipzig

Members of the Supervisory Board of Verbio SE in the financial year 2023/2024 were:

- Alexander von Witzleben, Dipl.-Kaufmann, Erlenbach, ZH, Switzerland (Chairman of the Supervisory Board),
    - Executive President of the Board of Directors, Arbonia AG, Arbon, Switzerland
    - President of the Board of Directors, Feintool International Holding AG, Lyss, Switzerland
    - Member of the Board of Directors, Artemis Holding AG (until May 22, 2024), Hergiswil, Switzerland
    - Member of the Supervisory Board, Siegwerk Druckfarben AG & Co. KGaA, Siegburg
    - Chairman of the Supervisory Board, PVA TePla AG (until August 30, 2024), Wettenberg
    - Member of the Board of Directors, KAEFER Management SE, Bremen
    - Member of the Board of Directors, Innoviz Technologies Ltd., Nitzba, Israel
- Ulrike Krämer, Certified Auditor and Certified Tax Advisor, Ludwigsburg (Vice Chairman of the Supervisory Board, Chair of the Supervisory Board's audit committee)
- Dr. rer. nat. Klaus Niemann, Dipl.-Chemiker, Obenhausen (member of the Supervisory Board)

12.5 Disclosures in accordance with IFRS 2 on share-based remuneration

The variable remuneration for members of the Management Board partially concerns long-term bonus awards which generally consist of cash-settled bonus payments based on fictional shares. However, the Supervisory Board may, for each year, decide to replace monetary payments and instead issue shares to the members of the Management Board corresponding to the monetary payment (share-based remuneration with a fulfilment option for the Company). For the first time, in September 2020 the Supervisory Board decided that the long-term bonus 2015/2016 and 2016/2017 (fictional shares FY 2015/2016 and 2016/2017) would be settled by issuing shares. 183,632 new shares were issued in the financial year 2020/2021. Based on decisions made by the Supervisory Board to issue new shares financial year 2021/2022 and 2022/2023 to meet obligations under the long-term bonus arrangements (fictional shares FY 2017/2018 and 2018/2019), 159,309 new shares were issued in the financial year 2021/2021, 119,293 new shares were issued in the financial year 2022/2023, and 120,992 shares were issued in the financial year 2023/2024. In all four financial years a corresponding increase in capital was recorded.

Due to the awards being settled in the form of a share issue instead of by making cash payment, the long-term bonus has been classified as a so-called "equity-settled plan" from the date of the initial decision to make the payment in the form of shares. The fictional shares FY 2019/2020 to 2022/2023 have been measured using a Black-Scholes option price model, and the resulting expense has been recognised directly in equity. An expense of EUR 943 thousand for the fictional shares FY 2023/2024 which relate to the financial year 2023/2024 (2022/2023: fictional shares FY 2022/2023: EUR 1,068 thousand) has been recognised directly in equity. In addition, further amounts of EUR 389 thousand were recognised in equity representing short- and long-term bonus entitlements payable to other employees which have been or will be fulfilled in shares. A total of 8,000 new shares were already issued in the financial year 2023/2024 for this purpose.

The valuation inputs used to measure the long-term bonus for members of the Management Board are shown in the table below:

Shareholding in Verbio SE in %	Fictional shares FY 2020/2021 07/2020–06/2024	Fictional shares FY 2021/2022 07/2021–06/2025	Fictional shares FY 2022/2023 07/2022–06/2026	Fictional shares FY 2023/2024 07/2023–06/2027
Average share price in EUR on award date	40.08	59.81	36.56	17.44
Number of potential shares	24,551	16,453	32,383	58,845
Volatility	50.16%	61.43%	58.70%	58.37%
Interest rate	–0.400	1.538	3.596	3.031
Fair value of fictional shares on recognition in equity (in EUR)	40.42	39.50 to 44.22	28.54 to 33.57	14.25 to 16.29
Share issue date	October 15, 2024	October 15, 2025	October 15, 2026	October 15, 2027

The fair values of the financial instruments were determined using level 2 measurements. This was based on the historical volatility of the Verbio share. No account was taken of dividends as, based on past experience, these do not have a significant influence on the measurements. However, contractually agreed upper-limits for the amounts of cash awards were taken into account.

In addition, a loyalty bonus was awarded to "old" members of the Management Board totalling EUR 1,200 thousand in the financial year 2023/2024. Half of the loyalty bonus will be paid in the form of shares. The expense for this half of the loyalty bonus, amounting to EUR 600 thousand, was recognised in equity. For the other half of the loyalty bonus the "old" members of the Management Board have a fulfilment option (share-based remuneration with fulfilment option for the counterparty). For this share of the bonus payment a liability has been assumed for the nominal amount of the award. Accordingly the expense of EUR 600 thousand is presented within other current financial liabilities at June 30, 2024. An actuarial process is not applied in measuring the fair value of this remuneration programme in view of its short-term nature. 28,721 new shares were issued in the financial year 2023/2024 in respect of the share-based component of the loyalty bonus for the previous year.

The share-based remuneration for members of the Management Board recognised with profit or loss effect as an expense in comprehensive income (personnel expense) in the financial year amounted to EUR 1,543 thousand (2022/2023: EUR 1,666 thousand).

12.6 Shareholdings in Verbio SE reportable under § 33 (1) of the Securities Trading Act (WpHG)

Verbio SE has received two reports of changes to significant holdings in the Company during the reporting period. These concerned the transfer of shares from Pollert Holding GmbH & Co. KG to RMP Holding GmbH & Co. KG and GaPo Holding GmbH & Co. KG. Furthermore, voting right notifications were made by way of legal succession within the Sauter families. Here, too, the voting rights remain in the pooling arrangement.

12.7 Declaration of conformity in accordance with § 161 of the German Stock Corporation Act (AktG)

The declaration on the German Corporate Governance Code as required by § 161 AktG is published annually in September on the Company's website (verbio.de), making it accessible on a permanent basis.

12.8 Events subsequent to the balance sheet date

There were no reportable events subsequent to the balance sheet date.

12.9 Use of exemptions available under § 264 (3) HGB and § 264b HGB

The following subsidiaries have taken advantage of an option under § 264 (3) and § 264b of the German Commercial Code (Handelsgesetzbuch – HGB) providing for an exemption from the statutory requirement for corporations to prepare, and to have audited and published, annual financial statements and a management report:

- VERBIO Bitterfeld GmbH, Bitterfeld-Wolfen/OT Greppin,
- VERBIO Zörbig GmbH, Zörbig
- VERBIO Schwedt GmbH, Schwedt/Oder
- VERBIO Finance GmbH, Zörbig
- VERBIO Pinnow GmbH, Pinnow
- VERBIO Renewables GmbH, Zörbig
- VERBIO Protein GmbH, Zörbig,
- VERBIO India GmbH, Zörbig,
- VERBIO Chem GmbH, Zörbig,
- VERBIO Retail GmbH, Zörbig,
- VERBIO Brazil GmbH, Zörbig,
- VERBIO 1 GmbH, Zörbig,
- VERBIO Poland GmbH, Zörbig,

12.10 Approval for publication

The Management Board of Verbio SE approved these IFRS consolidated financial statements to be submitted to the Supervisory Board on September 19, 2024. The Supervisory Board has the responsibility to examine the consolidated financial statements and state whether they are approved by them.

Zörbig, September 19, 2024

Claus Sauter
Chief Executive Officer

Prof. Dr. Oliver Lüdtke
Deputy Chief Executive Officer

Theodor Niesmann
Management Board

Bernd Sauter
Management Board

Stefan Schreiber
Management Board

Olaf Tröber
Management Board

Affirmation of the legal representatives

We affirm that to the best of our knowledge, and in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and that the Group management report includes a fair presentation 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.

Zörbig, September 19, 2024

Claus Sauter
Chief Executive Officer

Prof. Dr. Oliver Lüdtke
Deputy Chief Executive Officer

Theodor Niesmann
Management Board

Bernd Sauter
Management Board

Stefan Schreiber
Management Board

Olaf Tröber
Management Board

Reproduction of the independent auditor's report

< Convenience translation >

Independent auditor's report

To Verbio SE, Zörbig

Report on the audit of the consolidated financial statements and of the combined Group management report

Audit opinions

We have audited the consolidated financial statements of Verbio SE (formerly: VERBIO Vereinigte BioEnergie AG), Zörbig and its subsidiaries (the Group), which comprise the consolidated balance sheet as at June 30, 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from July 1, 2023 to June 30, 2024, and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined Group management report of Verbio SE, Zörbig, for the financial year from July 1, 2023 to June 30, 2024. In accordance with German legal requirements we have not audited the content of those components of the combined Group management report specified in the "Other information" section of our audit report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to section 315e paragraph 1 of the German Commercial Code (Handelsgesetzbuch – HGB) and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at June 30, 2024 and of its financial performance for the financial year from July 1, 2023 to June 30, 2024, and

- the accompanying combined Group management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined Group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined Group management report does not cover the parts of the combined Group management report listed in the "Other information" section of our audit report.

Pursuant to section 322 paragraph 3 sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined Group management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and of the combined Group management report in accordance with section 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer – IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the combined Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit

Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined Group management report.

Key audit matters in the audit of the consolidated financial statements for the financial year from July 1, 2023 to June 30, 2024

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from July 1, 2023 to June 30, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, we do not provide a separate audit opinion on these matters.

We discuss the audit matters that we consider to be of particular importance below.

1. Measurement of property, plant and equipment
2. Measurement of GHG quotas and biomethane reported within inventories

We have structured our presentation of these matters of particular importance as follows:

1. The financial statement risk
2. Audit approach
3. Reference to applicable disclosures

1. Measurement of property, plant and equipment

1. The financial statement risk
In its consolidated financial statements Verbio SE reports property, plant and equipment at June 30, 2024 amounting to EUR 728 million (previous year: EUR 595 million). The carrying amounts of property, plant and equipment represent 53 percent of the balance sheet total (previous year: 46 percent). Accordingly, the carrying amounts recorded for this position are of significant importance to the Company's asset position.

The Company performs an examination annually to determine whether impairment write-downs or reversals of write-downs made in previous periods are necessary, based on a two-step process. In the first step, an examination is performed to determine whether there are any indicators that an impairment write-down is required for the individual cash generating units. In the second step, when required, the recoverable amounts of the cash-generating units for which impairment indicators have been identified are determined and compared with the carrying amounts currently recorded for the respective assets. The recoverable amount is the higher of the fair value less costs to sell and the value in use of the cash-generating unit. If the carrying amount is above the recoverable amount, an impairment write down is required.

The impairment testing of the cash-generating units is complex and based on a series of assumptions that have a significant influence on the determination of whether an impairment write-down is required. On the one hand, the determination of internal and external sources of information used in the first step requires the use of judgement. On the other hand, the assumptions to be made for the second step regarding the forecast of future cash flows in the detailed planning period, the growth rate assumed for the subsequent periods and the cost of capital depend on the use of significant judgemental decisions. As a result, the process is subject to significant estimation uncertainty, and there is a risk for the consolidated financial statements that necessary impairment write-downs are not recognised as at the reporting date. For this reason this matter was of particular importance to our audit.

2. Audit approach
As part of our audit we first obtained an understanding of the impairment testing process implemented at Verbio SE and performed an analysis to determine potential risks of error. Following this, we obtained an understanding of the controls relevant to the process and made an assessment of their design and implementation.

We satisfied ourselves of the appropriateness of the methodology used and the internal and external sources of information used to identify indications of impairment. For cash-generating units which were consciously selected under consideration of their risk, we examined the sources of information used, assessing their relevance and reliability.

Our audit also covered the determination of the recoverable amounts of cash-generating units selected under consideration of their risk. For this purpose we examined whether the measurement methodology was based on the relevant measurement principles and whether the arithmetical accuracy of the calculation is ensured. Further, during our audit we made an assessment of the extent to which the measurement could be influenced by subjectivity, complexity or other inherent risk factors. In addition, we examined the forecasts of cash flows in the detailed planning period to determine whether the expected development is consistent with the preliminary planning for 2024/2025 approved by the Supervisory Board and the updated planning for 2024/2025 derived from this and approved by management, and whether it is based on appropriate and reasonable assumptions, and assessed the quality of the planning by comparing selected past planning with the actual annual results.

We made an assessment of the derivation of the costs of capital together with their components and the assumed growth rate, in particular by examining the appropriateness of the peer group, by comparing selected market data used, determined under consideration of the respective risk, with external evidence and by verifying the arithmetical accuracy of the model. Valuation experts were included in the audit team to provide support for this purpose.

Our audit procedures did not lead to any reservations concerning the measurement of property, plant and equipment.

3. Reference to applicable disclosures
The statutory disclosures on the measurement of property, plant and equipment and on impairments are presented in note 3.3 "Property, plant and equipment", note 3.5 "Impairment of non-current assets" and note 7.1.2 "Property, plant and equipment" to the consolidated financial statements.

2. Measurement of GHG quotas and biomethane reported within inventories

1. The financial statement risk
In its consolidated financial statements Verbio SE reports inventories at the balance sheet date of which EUR 163 million (previous year: EUR 179 million) are attributable to the inventories of GHG quotas and biomethane. The GHG quotas represent the reductions of greenhouse gases harmful to the climate that will be achieved as a result of the products being manufactured by Verbio SE compared to the use of fossil fuels. The GHG quotas which can be marketed by the Company arise as an independent right if the distributor, within the meaning of section 37a et seq. of the Federal Emissions Protection Act (Bundes-Immissionsschutzgesetz – BImSchG) and the Biofuel Sustainability Regulation, records the GHG quotas contained in the biomass it procures in Nabisy, the national recording system maintained by the Federal Office for Agriculture and Food (Bundesanstalt für Landwirtschaft und Ernährung – BLE). The carrying amounts of finished goods represent 13 percent (previous year: 15 percent) of the balance sheet total, of which 12 percent are attributable to the inventories of GHG quotas and biomethane. Accordingly, the inventories of GHG quotas and biomethane are of significant importance to the Company's asset position and to its results of operations.

Despite the ongoing increases in quota obligations for distributors of fuels (in particular mineral oil companies) initiated by the legislator, a sharp fall in prices of around 50 percent compared to the previous year's level was observed during the course of the financial year due to excess supply.

A significant amount of judgement must necessarily be exercised when performing tests to determine the net realisable value of the inventories, since the market prices of the inventories of GHG quotas included in the biomethane manufactured by the Group and of biomethane at the balance sheet date cannot be measured by reference to directly observable data, but must be derived from comparable observable information.

In view of the economic significance of the inventories of GHG quotas and biomethane for the Group and the estimation uncertainties associated with the measurement and tests performed on the realisable value of the inventories, there is a risk for the consolidated financial statements that the carrying amounts of inventories of GHG quotas and biomethane exceeded their recoverable amounts. For this reason this matter was of particular importance to our audit.

2. Audit approach
As part of our audit we obtained an understanding of the process used by the Company to determine the net realisable values of inventories of GHG quotas and biomethane, and performed an analysis to determine potential risks of error. Following this, we obtained an understanding of the controls relevant to the process and made an assessment of their design and implementation.

We examined the calculation of the net realisable value of inventories of GHG quotas and biomethane and made an assessment of the plausibility of the assumptions made. We satisfied ourselves of the appropriateness of the observable information used to determine the net realisable value using internally generated observable market data and a representative selection of sales contracts for GHG quotas concluded close to the balance sheet date, and determined our own expected value. In addition, we made an assessment of whether the inventories of GHG quotas reported at the balance sheet can be sold within a reasonable period of time based on business activities to date and expected business activities. We have verified the arithmetical calculations and the methodology used as well as the accounting presentation of the tests performed on the realisable value of the inventories in the consolidated financial statements.

Our audit procedures did not lead to any reservations concerning the measurement of the inventories of GHG quotas and biomethane reported within finished goods.

3. Reference to applicable disclosures
The statutory disclosures on the determination of the net realisable value and impairment write-downs of inventories of GHG quotas and of biomethane are presented in note 3.7 "Inventories", note 4 "Significant judgements, estimates and assumptions" and in note 7.2.1 "Inventories" in the notes to the consolidated financial statements.

Other information

The Management Board, as the Company's executive directors, and the Supervisory Board respectively, are responsible for the other information. The other information comprises:

- the information in the combined Group management report which is marked as not subject to the audit,
- the statement on corporate governance pursuant to section 289f and section 315d HGB referred to in the combined Group management report,
- the section on "Supervision of the effectiveness of the risk management and internal control systems" contained in the combined Group management report,
- the non-financial Group statement pursuant to section 315b HGB contained in the combined Group management report, and
- the remaining parts of the annual report 2023/2024,
- but not the consolidated financial statements, not the combined Group management report information audited for content, and not our audit opinion thereon.

The Management Board and the Supervisory Board are responsible for the declaration pursuant to section 161 of the German Stock Corporation Act (Aktiengesetz – AktG) on the German Corporate Governance Code (Deutscher Corporate Governance Kodex – GCGC), which forms part of the statement on corporate governance included in the "Other reporting obligations" section of the combined Group management report. Otherwise the Management Board is responsible for the other information.

Our audit opinions on the consolidated financial statements and on the combined Group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in so doing, to consider whether the other information:

- is materially inconsistent with the consolidated financial statements, with the Group combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Supervisory Boards for the consolidated financial statements and the combined Group management report

The Management Board is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e paragraph 1 HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the Management Board is responsible for such internal control as it has determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern. It is also responsible for disclosing, as applicable, matters related to going concern. In addition, it is responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the Management Board is responsible for the preparation of the combined Group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Management Board is responsible for such arrangements and measures (systems) as it considers necessary to enable the preparation of a combined Group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined Group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and the combined Group management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the combined Group management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined Group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the combined Group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined Group management report.

We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined Group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined Group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the Management Board and the reasonableness of estimates made by the Management Board and related disclosures.

- Conclude on the appropriateness of the Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined Group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e paragraph 1 HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the combined Group management report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the combined Group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by management in the combined Group management report. On the basis of sufficient appropriate audit evidence, we evaluate in particular the significant assumptions used by the Management Board as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate threats to our independence.

From the matters discussed with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the assurance of the electronic rendering of the consolidated financial statements and the combined Group management report prepared for publication purposes in accordance with section 317 paragraph 3a HGB

Assurance opinion

We have performed assurance work in accordance with section 317 paragraph 3a HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined Group management report (hereinafter the "ESEF documents") contained in the electronic file KA_529900W51PINCFFALS96-2024-06-30-de.zip with the hash value 54e978a618ea0b11ea20973d-71deed-6b20f65a6982d23d6fcd9736da9daf409d, and prepared for publication purposes complies in all material respects with the requirements of section 328 paragraph 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the combined Group management report into the ESEF format, and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined Group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of section 328 paragraph 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying combined Group management report for the financial year from July 1, 2023 to June 30, 2024 contained in the "Report on the audit of the consolidated financial statements and of the combined Group management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the assurance opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the combined Group management report, contained in the file identified above, in accordance with section 317 paragraph 3a HGB and the IDW Assurance Standard "Assurance on the Electronic Rendering of Financial Statements and Group Management Reports, Prepared for Publication Purposes in Accordance with Section 317 Paragraph 3a HGB" (IDW AsS 410) (06.2022). Our responsibility in accordance therewith is further described in the "Auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applies the IDW Standard on Quality Management 1 issued by the Institute of Public Auditors in Germany (IDW): Requirements for quality management in the audit firm (IDW QMS 1 (09.2022)).

Responsibilities of the Management Board and the Supervisory Board for the ESEF documents

The Company's Management Board is responsible for the preparation of the ESEF documents, including the electronic rendering of the consolidated financial statements and the combined Group management report, in accordance with section 328 paragraph 1 sentence 4 item 1 HGB, and for the tagging of the consolidated financial statements in accordance with section 328 paragraph 1 sentence 4 item 2 HGB.

In addition, the Management Board of the Company is responsible for such internal control as it has considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of section 328 paragraph 1 HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of section 328 paragraph 1 HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of section 328 paragraph 1 HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the financial statements, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited combined Group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL), in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as Group auditor by the annual general meeting on August 25, 2023. We were engaged by the Supervisory Board on February 19, 2024. We have been the Group auditor of Verbio SE, Zörbig without interruption since the financial year 2021/2022.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other matter – use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined Group management report as well as the audited ESEF documents. The consolidated financial statements and the combined Group management report converted to the ESEF format – including the versions to be published in the German company register – are merely electronic renderings of the audited consolidated financial statements and the audited combined Group management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German public auditor responsible for the engagement

The German public auditor responsible for the engagement is Ludwig Hinze.

Leipzig, September 19, 2024

Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Niclas Rauscher Wirtschaftsprüfer [German Public Auditor]	Ludwig Hinze Wirtschaftsprüfer [German Public Auditor]

< Convenience translation >

Reproduction of the independent assurance practitioner's report on the non-financial Group statement

Independent assurance practitioner's report on a limited assurance engagement on the non-financial Group statement for the financial year 2023/2024

To Verbio SE, Zörbig

We have performed a limited assurance engagement on the consolidated non-financial statement of Verbio SE, Zörbig (hereafter: the Company) in the sense of § 315c HGB which comprises section 5 of the combined Group management report "Non-financial Group statement" together with the following sections which form a constitutive part of the statement by reference*:

- Sections "Introduction", 1.1 Business model, 1.2 Group structure at June 30, 2024, 1.2.1 Scope of consolidation, 2.2.1 Results of operations and 3.2.6.3.2 Extreme weather conditions of the combined Group management report
- Note 2.2 Scope of consolidation to the notes to the consolidated financial statements
- Sections 1.2 Basic principles of the Verbio SE system of remuneration for members of the Management Board and 1.2 Basic principles of the Verbio SE system of remuneration for members of the Supervisory Board of the remuneration report 2023/2024
- Statement on corporate governance for the financial year 2023/2024 (page 2 para. 1–7, page 3 para. 1–7, page 4 para. 2–9, page 5 para. 1–7, page 6 para. 1–6 page 7 para. 1, page 8 Table "The Supervisory Board competence matrix", page 9 para. 5–8, page 10 para. 1–6, page 11 para. 1–5, page 14 para. 5, page 15 para. 1–2 and 7 and page 16 para. 1–6)
- "Executive bodies of the Company" section of the annual report 2023/2024

for the period from July 1, 2023 to June 30, 2024 (hereafter: "the non-financial Group statement".

Not subject to our assurance engagement are the external sources of documentation or expert opinions mentioned in the non-financial Group statement.

* The references refer to the original German documents subject to the auditor's limited assurance procedures.

Responsibility of the executive directors

The executive directors of the Company are responsible for the preparation of the non-financial Group statement in accordance with § 315b, § 315c in conjunction with § 289c to § 289e HGB [Handelsgesetzbuch: German Commercial Code] and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (hereafter: the EU Taxonomy Regulation) and the delegated acts adopted thereunder, as well as in accordance with their own interpretation of the wording and terms of the EU Taxonomy Regulation and the delegated acts adopted thereunder disclosed in the section of the non-financial Group statement entitled "5.2.1 EU taxonomy regulatory disclosures".

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as they consider necessary to enable the preparation of a non-financial Group statement that is free from material misstatement, whether due to fraud (i.e., manipulation of the non-financial report) or error.

The EU Taxonomy Regulation and the delegated acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the delegated acts adopted thereunder in the section of the non-financial Group statement entitled "5.2.1 EU taxonomy regulatory disclosures". They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

The Supervisory Board is responsible for overseeing the process for the preparation of the non-financial Group statement.

Independence and quality assurance of the assurance practitioner's firm

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our assurance practitioner's firm applies the requirements of the IDW Quality Assurance Standard issued by the Institute of Public Auditors in Germany (IDW): Requirements for quality management in the audit firm (IDW QMS 1 (9.2022)). We have complied with the professional responsibilities according to the Public Accountant Act [Wirtschaftsprüferordnung] and the German Professional Charter for Public Auditors/Sworn Auditors [Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer] including independence requirements.

Auditor's responsibilities

Our responsibility is to express a conclusion with limited assurance on the non-financial Group statement based on our assurance engagement.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB.

This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's non-financial Group statement, other than the external sources of documentation or expert opinions mentioned in the non-financial Group statement, are not prepared, in all material respects, in accordance with § 315b, § 315c in conjunction with § 289c to § 289e HGB and the EU Taxonomy Regulation and the delegated acts issued thereunder as well as the interpretation by the executive directors disclosed in the non-financial Group statement.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgement of the assurance practitioner.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- Gain an understanding of the structure of the Group's sustainability organisation
- Inquiries of selected employees involved in the collection of data for and preparation of the non-financial Group statement about the preparation process and about disclosures in the non-financial Group statement
- Evaluation of the processes for determining, processing and monitoring the disclosures, including the consolidation of the data
- Identification of likely risks of material misstatement in the non-financial Group statement
- Inspection and examination of selected documents (assurance evidence) confirming the disclosures made in the non-financial Group statement

- Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and the consolidated Group management report
- Evaluation of the presentation of the disclosures made in the non-financial Group statement
- Evaluation of the process to identify the taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the non-financial Group statement

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance opinion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Verbio SE, Zörbig non-financial Group statement for the period from July 1 2023 to June 30, 2024 is not prepared, in all material respects, in accordance with § 315b, § 315c in conjunction with § 289c to § 289e HGB and the EU Taxonomy Regulation and the delegated acts issued thereunder as well as the interpretation by the executive directors as disclosed in the section of the non-financial Group statement entitled "5.2.1 EU taxonomy regulatory disclosures".

We do not express an assurance opinion on the external sources of documentation or expert opinions mentioned in the non-financial Group statement.

Restriction of use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is solely to the Company.

General engagement terms and limitation of liability

We issue this report on the basis of the engagement agreed with the Company which is subject to the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as of January 1, 2024, also vis-à-vis third parties.

Claims against us for compensation for damages caused by negligence, with the exception of damages resulting from injury to life, limb and health, as well as damages that give rise to obligations of a manufacturer to pay compensation in accordance with § 1 of the Act on Liability for Defective Products (Produkthaftungsgesetz – ProdHaftG), are limited to EUR 4 million in accordance with Section 9 (2) of the General Engagement Terms for German Public Auditors and Public Audit Firms dated January 1, 2024. This applies both to claims by our client and to claims asserted against us by third parties arising from or in connection with the contractual relationship. All claimants are joint and several creditors within the meaning of § 428 of the German Civil Code (Bürgerliches Gesetzbuch – BGB), and the maximum liability amount of EUR 4 million per claim is available to all claimants together only once. The distribution of the liability amount is to be determined exclusively by the claimants.

We shall only be liable to third parties who are included in the scope of protection of our contractual relationship. We do not accept any liability, responsibility or other obligations to other third parties.

By taking note of the information contained in our report, each recipient confirms that they have taken note of the above limitation on further transmission/limitation of liability and acknowledges its validity in relation to us. § 334 BGB, under which objections arising from a contract can also be asserted against third parties, is also not waived for this purpose.

Leipzig, September 19, 2024

Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Hans-Georg Welz
Wirtschaftsprüfer
[German Public Auditor]

Niclas Rauscher
Wirtschaftsprüfer
[German Public Auditor]

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Executive bodies of the Company

(GRI 2-11)

Management Board

Claus Sauter
Chief Executive Officer (CEO)

Responsible for Global Business Development, Mergers & Acquisitions, Post-Merger Integration, Global Human Resources, Global Trading, Global Risk Management, Global Marketing and Global Communications, as well as ESG and the Special Products business unit

Prof. Dr. Oliver Lüdtke
Chief Technology Officer (CTO), Deputy CEO

Responsible for Technical Planning, Procurement and Construction, Research and development as well as Operational Excellence focussing on bioethanol and biomethane

Theodor Niesmann
Chief Technical Officer (CTO)

Responsible for Technical Planning, Procurement and Construction, Research and Development as well as Operations Excellence with a focus on biodiesel

Bernd Sauter
Chief Operating Officer (COO) Europe

Responsible for Marketing & Communication Europe, Agrarmanagement Europe, Procurement, Trading and Sales, VERBIO Logistics, Finance Europe, Governmental and Regulatory Affairs Europe, Quality Management Europe, Human Relations Europe, and Head of Production Europe

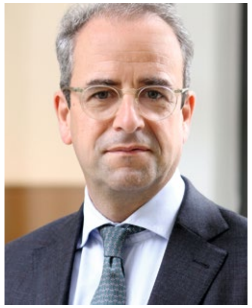
Stefan Schreiber
Chief Operating Officer (COO) North America

Responsible for development of synthetic fuels, Governmental & Regulatory Affairs (North America), Human Resources (NA), VERBIO Nevada, VERBIO Canada, Agrarmanagement (VEA) and VERBIO North America (VNA)

Olaf Tröber
Chief Financial Officer (CFO)

Responsible for the Global Finance Departments Accounting and Taxes, Controlling, Treasury, Enterprise Risk Consolidation as well as worldwide IT, Internal Audit, Insurance, Legal, Investor Relations and Compliance

Supervisory Board



Alexander von Witzleben
Chairman of the Supervisory Board

- President of the Board of Directors, Feintool International Holding AG, Lyss, Switzerland
- Executive President of the Board of Directors, Arbonia AG, Arbon, Switzerland
- Member of the Board of Directors, Artemis Holding AG (until May 22, 2024), Hergiswil, Switzerland
- Chairman of the Supervisory Board, PVA TePla AG (until August 30, 2024), Wettenberg
- Member of the Supervisory Board, Siegwerk Druckfarben AG & Co. KGaA, Siegburg
- Member of the Administrative Board Kaefer SE & Co. KG, Bremen
- Member of the Board of Directors, Innoviz Technologies Ltd., Nitzba, Israel

Ulrike Krämer
Vice Chairman of the Supervisory Board

German Certified Public Auditor and German Certified Tax Advisor, Ludwigsburg

Dr. Klaus Niemann
Member of the Supervisory Board

- Chemist, Oberhausen
- Shareholder and Managing Director, Reftec consult, Oberhausen

Technical glossary

A

Advanced biofuels

> Second generation biofuels

Arbitrage

Arbitrage describes the strategy of making use of price differences for raw materials, intermediate products or end products in various markets or regions in order to reduce costs or maximise profits. This can be done by simultaneously buying in a cheaper market and selling or using in a more expensive market, or by relocating production to lower-cost regions to take advantage of price disparities. Arbitrage helps to stabilise prices on efficient markets by balancing out differences in supply and demand conditions.

B

B100

> Biodiesel

Backwardation

Backwardation (or "Inverse market") describes a specific price situation on forward markets. This occurs when the immediate purchase price of an underlying asset (e.g. a commodity) is higher than its future price.

Biodiesel

Biodiesel is a biosynthetic fuel used in a manner similar to mineral diesel fuels. In Europe, it is usually created by the transesterification of rapeseed oil with methanol (rapeseed methyl ester). Biodiesel can be used as a mix with mineral diesel oil, or in modified engines in its pure form, known as B100.

Bioethanol

In chemical terms bioethanol is an alcohol which is manufactured in a fermentation process from plants rich in starch and sucrose. Ethanol-based fuels are now used throughout the world as a source of biogenic energy for internal combustion engines. In Germany, filling stations offer E10 (with up to 10 percent bioethanol) and Super E5 (with 5 percent bioethanol).

Biofuel quota

From the start of 2015 the energetic quota has been replaced by the net greenhouse gas reduction (GHG) quota.

> Greenhouse gas reduction quota

Biofuels

Liquid or gaseous fuels produced from biomass are known as "biofuels" – for example, bioethanol, biodiesel, biomethane and vegetable oil. They are primarily used for combustion engines in mobile and stationary applications.

BioLNG

> LNG

Biomass

Biomass refers to stored solar energy in the form of energy crops, wood or residues such as straw, biowaste or manure. Electricity, heat and fuel can be obtained from solid, liquid and gaseous biomass.

Biomethane

The term biomethane refers to biogas processed to the standard of natural gas. As part of the natural gas processing the raw gases, produced by fermentation and saturated with steam, are largely purified from water, CO_2 and hydrogen sulphide before being conditioned and compressed and fed into the natural gas network. The chemical structure of biomethane is identical to natural gas, and in addition to being used to generate electricity and heat it can also be used as a biofuel (CNG) for natural gas-powered vehicles or used in the chemical industry.

Biokraft-NachV (Biofuel Sustainability Regulation)

The German Biofuel Sustainability Regulation (Biokraft-Nachhaltigkeitsverordnung – Biokraft-NachV) and the German Biomass Electricity Sustainability Regulation (Biomassestrom-Nachhaltigkeitsverordnung – BioSt-NachV) together transpose the EU Renewable Energy Directive 2009/28/EC and the EU directive 2018/2001 into German law.

Biorefinery

The biorefinery concept developed by Verbio is based on the closed loop circuits system and the use of whole plants in the biofuel production process. Combining biomethane, bioethanol, animal foodstuff and manure production enables 40 percent higher energy yield from raw materials used compared to existing bioethanol plants, with energy consumption approximately 40 percent lower in these integrated production plants. Additionally, the biofuels manufactured generate CO_2 savings of up to 90 percent compared to petrol over the entire value-added chain.

BImSchV

The Regulations on the Implementation of the Federal Emissions Protection Act (Verordnungen zur Durchführung des Bundes-Immissionsschutzgesetzes – BImSchV) are legal instruments in the Federal Republic of Germany used primarily to provide protection against environmental damage from air pollution and excessive noise. They are issued on the basis of the Federal Emissions Protection Act by the Federal Ministry for the Environment.

BLE (The German Federal Agency for Agriculture and Food)

The German Federal Agency for Agriculture and Food (Bundesanstalt für Landwirtschaft und Ernährung – BLE) is a German Federal authority. The BLE is responsible for implementing national policies, it is supervised by the Federal Ministry of Food and Agriculture (Bundesministerium für Ernährung und Landwirtschaft – BMEL).

Brownfield/greenfield investments

A brownfield investment is when existing production facilities are purchased or leased. In contrast to brownfield investments, a greenfield investment involves the construction of new property, plant and equipment on previously undeveloped land – a "greenfield site", so to speak.

By-products

By-products are products that can be marketed and sold but are in fact manufactured as a technical side-effect of a different, primary production process, or which result from the use of intelligent technologies to enable better use of raw materials. At Verbio, by-products include feedstock, fertiliser, phytosterols and pharmaceutical glycerine which are generated during the manufacturing of biodiesel and bioethanol/biomethane.

C

Carbon dioxide (CO_2)

CO_2 is produced by the combustion of carbon-based material. It serves as a starter material for the creation of plant biomass using photosynthesis. The combustion of biomass only releases as much CO_2 as was previously captured during the growth cycle. Carbon dioxide is the most significant greenhouse gas.

CBOT

The Chicago Board of Trade (CBOT), founded in 1848, is the oldest futures exchange in the world and part of the CME Group.

Cellulosic RINs

According to the definitions provided in the Clean Air Act, a "cellulosic biofuel" is a renewable fuel derived from any cellulosic, hemicellulose, or lignin that is derived from renewable biomass and that has lifecycle greenhouse gas emissions that are at least 60 percent less than the base-line lifecycle greenhouse gas emissions. RINs (Renewable Identification Numbers) are credits that are used to fulfil the RVO requirements and which serve as the "currency" for the RFS programme. D3-RINs, also known as cellulosic RINs, are used as credits for "cellulosic biofuels". These include, for example, biomethane manufactured from straw.

CFC-11 equivalent

CFC-11 (trichlorofluoromethane), is one of the most common chlorofluorocarbon compounds that endanger the ozone layer and are considered greenhouse gases. The ozone depletion potential is measured as the equivalent of the ozone-depleting gas CFC-11; the reference unit is therefore in kilos of CFC-11 equivalent.

CNG (Compressed Natural Gas)

Natural gas as a fuel, in gas form, is injected into natural gas vehicles under high pressure in special pressure tanks. In comparison with petrol and diesel, natural gas has the advantage of burning more cleanly, a higher octane rating and a higher energy content. The combustion of CNG is almost free of fine particulate matter and nitrogen oxide. In Germany CNG fuel benefits from tax incentives.

CO_2

> Carbon dioxide

Commodities

The term for raw materials or goods traded on a commodities exchange. These include non-metallic commodities such as cocoa, sugar, grain etc. as well as metallic commodities that are traded on a corresponding exchange.

CSRD

The CSRD (Corporate Sustainability Reporting Directive) is the European Commission's directive which requires enterprises to publish information on the sustainability of their business activities and subject this information to an external audit (verification).

D

DCGK (The German Corporate Governance Code)

The German Corporate Governance Code (Deutscher Corporate Governance Kodex – DCGK) presents essential statutory regulations concerning the management and supervision of German listed companies, and contains internationally and nationally recognised standards of good and responsible corporate governance in the form of recommendations and suggestions.

DDGS (Dried Distiller Grain with Solubles)

Dried distiller grain with solubles is a starch-based grain product which results from the operation of a bioethanol production plant. It is created after drying stillage, a by-product created during the production process. The dried stillage can be pelleted after the drying process. The storable feed produced in this way is known as DDGS.

Decarbonisation/defossilisation

Decarbonisation refers to shifts in the economy, particularly in relation to energy use, which have the goal of further reducing fossil CO_2 emissions. To achieve this, actions and processes which emit CO_2 are replaced with processes that minimise or compensate for these emissions. Decarbonisation is a key tool for climate protection and a main pillar of the transition to sustainable energy. The long-term goal is a carbon-neutral economy.

Decarbonisation quota

> Greenhouse gas reduction quota

DRSC (The German Accounting Standards Committee e.V.)

The German Accounting Standards Committee (Deutsches Rechnungslegungs Standards Committee e. V. – DRSC) was founded as a standards developing organisation in 1998 and has since functioned as the supporting organisation for expert committees. The core tasks of the DRSC are the development of recommendations for the implementation of consolidated accounting standards, advisory activities related to planned changes to accounting legislation at the national and EU levels, preparing interpretations of international accounting standards in accordance with § 315a (1) of the German Commercial Code (Handelsgesetzbuch – HGB), and improving the quality of accounting.

Due diligence

Sustainability due diligence is the process by which a company identifies and prevents actual and potential impacts of its activities on the environment and people, and explains how it deals with such impacts. Due diligence is an ongoing practice that responds to or can initiate change. The result of the sustainability audit is incorporated into the assessment of a company's material impacts, risks and opportunities.

E

E10

E10 is a petrol fuel which contains 10 percent (by volume) bioethanol and 90 percent (by volume) petrol. This fuel has been available at filling stations in Germany since January 1, 2011.

ECOWAS (The Economic Community of West African States)

ECOWAS is an international organisation of (currently) 15 national states in West Africa, and one of the 8 regional economic communities in Africa.

Emissions

The term "emission" can cover any type of discharge of solid, fluid or gaseous material as well as noise, smells, rays or vibrations into the environment. Mostly this term is used to refer to pollutants (exhaust gases, exhaust fumes, wastewater, solid or fluid waste, electro-smog, radioactivity etc.) produced by industrial activity.

ESG

ESG is an abbreviation for environment, social and governance. These areas are described as pillars in ESG frameworks and represent the three main topics on which companies are required to report. The objective of ESG is to recognise all non-financial risks and opportunities associated with the daily activities of an enterprise.

ESRS

The European Sustainability Reporting Standards (ESRS) regulate the details of sustainability reporting by companies in the European Union. The European Financial Reporting Advisory Group (EFRAG) was commissioned by the European Commission to develop the ESRS.

Ethanol

Ethanol, also called ethyl alcohol, belongs to the alcohol family and is in a narrow sense a synonym for alcohol. Ethanol is the main product of alcoholic fermentation and the primary component of spirits and potable alcohol. It is used as a fuel additive (bioethanol) and on its own as a fuel, as well as in the chemical and pharmaceutical industries.

Ethenolysis

Ethenolysis is a chemical process in which terminal olefins are degraded. In chemical terms, it is a cross metathesis.

EURIBOR

The Euro Interbank Offered Rate (EURIBOR) is a reference interest rate for time deposits in euros in the interbank business, which has been calculated on bank working days since January 1, 1999 for terms of one, two and three weeks and twelve monthly terms of one month to twelve months.

Euronext

Euronext is an international stock exchange which combines the Amsterdam, Brussels, Dublin, Lisbon, Milan, Oslo and Paris stock markets. It has its headquarters in Amsterdam. The shares of the operating company Euronext N.V. are traded on all of the stock markets that it operates.

F

FAME (Fatty Acid Methyl Ester)

Fatty acid methyl ester (FAME) is manufactured by transesterification of fats or oils (triglyceride) with methanol. Today, fatty acid methyl ester is primarily used to manufacture biodiesel and can be used in its pure form as fuel, or combined in any quantity with conventional diesel fuels. The most common fatty acid methyls used in biodiesel production are soya oil methyl esters (SME, primarily used in North and South America and imported into Europe), rapeseed methyl ester (RME; primarily used in central Europe), palm oil methyl ester (PME) and methyl ester obtained from animal fats (FME).

First generation biofuels

First generation biofuels are all fuels produced from either oil-yielding crops or plants containing starch and sucrose. Oil-yielding crops are processed by pressing and subsequent esterication to create diesel fuels. A typical example is biodiesel. Bioethanol is produced by fermentation of plants containing starch and sucrose, such as grain, sugar beet or sugar cane.

Fossil fuels

Fossil energy is obtained from fuels which were created from waste products from dead plants and animals in geological prehistoric times. These materials include brown coal, black coal, peat, natural gas and crude oil. Fossil fuels include natural gas/CNG as well as diesel and petrol, which are manufactured from crude oil.

G

Greenfield investments

> Brownfield/greenfield investments

Greenhouse gases

In addition to methane, nitrogen dioxide and CFCs, carbon dioxide is the most important anthropogenic greenhouse gas. The rise in the concentration of greenhouse gases in the atmosphere is responsible for climate change. The main cause of CO_2 emissions is industry, followed by the property sector (space heating, electric appliances etc.) and the transport sector.

Greenhouse Gas Protocol (GHG Protocol)

The Greenhouse Gas Protocol is a private, transnational set of standards for accounting and reporting on greenhouse gas emissions for use by companies and increasingly for the public sector (carbon accounting).

Greenhouse Gas Reduction Quota (GHG quota)

Since January 1, 2015 Germany has been the first country in the world to institute a so-called GHG quota for biofuels. Fulfilment of the quota is based exclusively on a maximum level of CO_2 savings.

Since January 2024 the GHG quota to be met in Germany has been 9.35 percent, and is set to rise to 25 percent by 2030. In order to reach this goal, the oil industry must use biofuels.

Greenwashing

Greenwashing refers to attempts by organisations to achieve a "green image" through communication, marketing and individual measures without having systematically anchored corresponding measures in their operational business.

GRI

The Global Reporting Initiative (GRI) is a recognised provider of guidelines for the preparation of sustainability reports by large companies, small and medium-sized enterprises (SMEs), governments and non-governmental organisations. The GRI guidelines are intended to support sustainable development worldwide and at the same time provide companies, governments, investors, employees and the interested public with comparable decision-making and orientation aids.

H

Hydrogenated Vegetable Oil (HVO)

The term hydrogenated or hydrotreated vegetable oil (HVO) describes vegetable oils which are converted to hydrocarbons by means of a catalytic reaction with hydrogen (hydrogenation). In this process the properties of vegetable oils are processed to create fossil fuels (in particular diesel fuels), enabling them to be used as additives or as substitutes for fossil fuels.

I

ICE

The Intercontinental Currency Exchange (ICE), or Intercontinental Exchange for short, is an exchange operator based in Atlanta, USA, which specialises in the electronic trading of options and futures in electricity, energy and agricultural commodities as well as in emissions.

IRA (Inflation Reduction Act)

The Inflation Reduction Act (IRA) is a USD 738 billion investment programme in the USA, which, in addition to enacting measures to combat climate change and realign US business towards the use of renewable energies, also provides for comprehensive changes to tax regulations.

ISCC

The abbreviation ISCC stands for the International Sustainability & Carbon Certification. It is a globally recognised system for the certification of sustainability and greenhouse gas emissions. The certification takes into account ecological and social aspects of biomass production.

L

LFCS (Low Carbon Fuel Standard)

The Low Carbon Fuel Standard (LCFS) is a guideline aimed at increasing the proportion of fuels with lower carbon intensity in transportation and reducing carbon dioxide emissions. In California, the LCFS is an important measure for meeting greenhouse gas emission reduction targets.

LNG (Liquefied Natural Gas)

LNG, like CNG, is made from fossil natural gas and can be used to fuel passenger vehicles, heavy goods vehicles, buses and ships using combustion engines designed for CNG technology. For shipping purposes, natural gas is converted to liquid form under high pressure and cold temperatures. LNG can be used as a fuel in particular for shipping and heavy goods vehicles transportation over long distances as converting it into liquid form increases the volume which can be held in tanks, which extends the fuel range significantly compared to CNG.

LTIF

Lost Time Injury Frequency (LTIF) describes the accident frequency rate (accidents per 1 million working hours) during the reporting period.

M

MATIF (The French International Financial Futures Exchange)

The French International Financial Futures Exchange (Marché à Terme International de France – MATIF) is a European futures exchange founded in Paris in 1986. Since then the MATIF has become a part of NYSE Euronext. Futures for wheat, maize and rapeseed are traded on the MATIF, among other commodities. Rapeseed meal, rapeseed oil and urea and ammonium nitrate solution (UAN), a liquid fertiliser, can also be traded. The MATIF is the most important leading exchange and the reference trading platform for German and European farmers.

Metathesis

Metathesis is one of the most important reactions in organic chemistry. With the help of specific catalysts, it makes it possible to synthesise new molecule combinations and, as a result, create new chemical raw materials and active ingredients. The scientists Yves Chauvin, Richard Schrock and Robert Grubbs were awarded a Nobel Prize in Chemistry for groundbreaking discoveries in this subject.

Monte Carlo simulation

The Monte Carlo simulation (also known as the MC simulation or Monte Carlo method) is a process used in stochastic and probability theory that uses repeated random sampling experiments to obtain a numerical distribution.

Multi-feedstock

The term multi-feedstock describes a production facility which can be used with a range of raw materials. Verbio plants operated on the basis of raw materials used to create bioethanol and biodiesel are multi-feedstock capable, using the best priced materials available in the market at the time.

Multiple compression

Multiple compression refers to a situation in which a company's profits rise without a corresponding rise in its share price, or in which a company's profits fall but the share price falls disproportionately, leading to a reduction in valuation multiples such as the price/earnings ratio.

Multisite procedure

The multisite procedure is a sampling procedure that allows a representative picture to be obtained from a small number of selected audit sites.

N

NACE code

The NACE code is the classification of economic activities in the European Union (EU).

Net zero

Net zero is a climate target for companies with the objective of achieving net zero greenhouse gas emissions by a specific date. It is similar to a climate neutrality target, but in some aspects it is more ambitious. Net zero means achieving a balance between the volume of emissions created and the volume of emissions withdrawn from the atmosphere in order to reduce global warming.

NYMEX (New York Mercantile Exchange)

The New York Mercantile Exchange (NYMEX) is the world's largest futures commodities exchange.

O

Olefin

Olefin is a generic term used in particular in the petrochemical industry for all acyclic and cyclic hydrocarbons with one or more carbon-carbon double bond, with the exception of aromatic compounds.

Over the counter (OTC)

Also known as off-market trading, this refers to transactions between market participants conducted outside of stock or other markets.

P

Pharmaceutical glycerine

Pharmaceutical glycerine refers to a product synthesised by the purification and distillation of raw glycerine. It is used in the chemical and pharmaceutical industries. Glycerine is a by-product of biodiesel production.

Protein isolate

Protein isolate is an isolated protein which is obtained by separating the protein from protein concentrate.

R

Rapeseed methyl ester

Rapeseed methyl ester (also referred to as rapeseed oil methyl ester) is a mixture of methyl esters consisting of saturated and unsaturated fatty acids with 16 to 18 carbon atoms. Through the chemical reaction of refined rapeseed oil with methanol, rapeseed methyl ester is obtained as a clear, low-viscosity, flammable liquid that is insoluble in water.

REACH

The REACH Regulation is an EU chemicals regulation that came into force on June 1, 2007. REACH is the abbreviation for Registration, Evaluation, Authorisation and Restriction of Chemicals.

Refining

Refining is a technical process for cleaning, processing, separating and/or concentrating raw materials, foodstuffs and technical products.

Renewable Energy Directive (RED)

The EU Renewable Energy Directive (Directive 2009/28/EC) is part of the political European climate and energy package agreed upon by the European Council in December 2008 following a year of negotiations. EU member states must prepare a national energy action plan for renewable energy based on an agreed format.

The EU Renewable Energy Directive sets ambitious, obligatory targets for the entire European Union. This directive introduces an overall European regulation in all areas of renewables (electricity, heating/cooling and transport) for the first time.

The most recent amendment to the Renewable Energy Directive, made in April 2015, provided that first generation biofuels shall be limited to 7.0 percent, and for the introduction of a non-binding 0.5 percent minimum quota for second generation alternative fuels known as "advanced biofuels" (biofuels that are created from surplus and waste). Member states were required to transpose these rules into national law by 2017.

In July 2018 the new version of the Renewable Energy Directive (RED II) was approved covering the period from 2021 to 2030, following a long trilogue procedure between the European Council, the European Parliament and the European Commission. This sets out binding targets for the use of renewable energy for member states in all sectors.

The Renewable Energy Directive (RED III) officially entered into force in October 2023 on its publication in the official Journal of the European Union. The directive must be transposed into national law in the member states by May 2025.

REDcert

REDcert provides certification systems for sustainable biomass, biofuels and liquid biofuels (REDcert-EU).

RED, RED II, RED III (Renewable Energy Directive)

> Renewable Energy Directive

Renewable energies

Renewable energies such as solar power, wind energy or hydroelectric power are – in contrast to fossil fuels – available in unlimited amounts. The renewable energy available for use is classified into heat, electricity and fuel.

Renewable Fuel Standard

The Renewable Fuel Standard (RFS) is a US American Federal programme in which fuels used for transport purposes sold in the USA must contain a minimum volume of fuels from renewable sources.

Renewable Identification Numbers (RIN)

Renewable Identification Numbers are credits that certify compliance with the Renewable Fuel Standard (RFS) in the United States. They are assigned to batches of biofuels to track their production, use and trade.

Renewable Volume Obligation (RVO)

The RVOs are the volume obligations for producers of renewable fuels.

Repurchase agreements

Repurchase agreements are contracts in which a lender transfers assets belonging to it to a borrower in return for payment of an amount, and in which it is simultaneously agreed that the assets must (or can) be transferred back to the lender at a later date in return for payment of the amount received or another amount agreed in advance.

RFS

> Renewable Fuel Standard

RINs

> Renewable Identification Numbers

RVO

> Renewable Volume Obligation

S

Scope 1

Scope 1 emissions are emissions from sources which are directly under the responsibility of an enterprise or controlled by it. These include emissions from energy sources at the premises of the enterprise, such as natural gas, fuels, coolants, as well as emissions from the use of heating boilers and ovens. They are under the responsibility of an enterprise or controlled by it. Scope 1 emissions also include emissions from an enterprise's vehicle fleet (e.g. passenger vehicles, delivery vehicles, heavy goods vehicles, helicopters for hospitals).

Scope 2

Scope 2 emissions are indirect greenhouse gas emissions from energy that is procured by an enterprise – for example, electricity, steam, district heating and cooling which are generated outside the enterprise but are consumed by it. For example, if electricity purchased by a utility is generated by a third-party entity, the resulting emissions are considered indirect emissions.

Scope 3

Scope 3 emissions are all other indirect emissions that occur in the value-added chain of the reporting company.

SDG (Sustainable Development Goals)

The 17 Sustainable Development Goals (SDGs) are political objectives of the United Nations (UN) that are intended to ensure worldwide sustainable development at an economic, social and ecological level.

Second generation biofuels

Second generation biofuels use surplus or waste plants that are not used for food production and are not created by intensive agricultural production. In contrast to conventional biofuels, these have the added advantage that no additional agricultural land is required, greenhouse gas emissions are significantly lower compared to conventional biofuels, and they do not compete with the production of foodstuffs.

Segregated accounts

Cash and cash equivalents held in segregated accounts are cash balances that are subject to restrictions or that are deposited as collateral security, for example for derivatives.

Sterols

Sterols (also Phytosterols or Phytosterines) is the name given to a group of chemical compounds that are part of the sterol category and which are found in plants. Phytosterols are fat-accompanying substances that, among other things, are used as dietary supplements and have the effect of reducing cholesterol levels in humans.

Sustainability

The concept of sustainability describes the use of a regenerative system in such a way that the main properties of the system are preserved, and in which stocks are replenished in a natural manner.

Sustainability criteria

Biofuels which are used to achieve the objectives of the Renewable Energy Directive and biofuels benefiting from national support schemes must fulfil certain criteria in order to prove their ecological sustainability. These criteria are referred to as sustainability criteria. Examples of sustainability criteria are the minimum reduction targets set for greenhouse gases and the protection of areas with high biological diversity. The criteria are catalogued in the Biofuel Sustainability Regulations.

T

Tocopherols

Tocopherols are fat-soluble vitamins (vitamin E and vitamin E-like substances) consisting of a chroman ring and an isoprenoid side chain. Tocopherols are used in the foodstuff industry, among other things.

U

UER (Upstream Emission Reduction)

UER describes the reduction of all emissions generated along the fuel production value chain in the raw material extraction, transportation and processing production stages. In January 2018 the German government issued the UER Regulation (Upstream-Emissionsminderungs-Verordnung – UERV) which enables upstream emission reductions to be counted from the 2020 commitment year. This means that the reduction of these emissions can be credited as greenhouse gas savings on fossil fuels brought to market in Germany, even if they are produced in a completely different geographical location in the world and a reduction has an impact on the climate at that location. UERs will no longer be accepted from 2025.

UNGC (UN Global Compact)

The UN Global Compact (United Nations Global Compact) is a worldwide agreement between companies and the UNO to provide a framework to make globalisation more social and environmentally friendly. For this purpose the United Nations Global Compact (UNGC) issued ten principles for the social and environmentally friendly shaping of globalisation.

V

Voluntary markets

Voluntary markets refers to the market for biomethane that is not based on direct compulsory requirements.

GRI-standard index

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7–9			201-2 Financial implications and other risks and opportunities for the organisation due to climate change		68–69
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UNGC	GRI Standard	Specification	Publication	Reference	Folio
			201-4 Financial support from public authorities	This information is regarded as not significant for disclosure purposes.	
6	GRI 202	Market presence	202-1 Ratio of the standard starting salary broken down by gender to the local statutory minimum wage		86
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8	GRI 204	Procurement practices	204-1 Share of expenditure on local suppliers	The report describes Verbio's general procurement strategy. The share of expenditures for local suppliers was considered not material for publication purposes.	63–64, 92–93
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7, 8			303-2 Dealing with the effects of water recirculation		79–81
8			303-3 Water abstraction		79–81
8			303-4 Water recirculation		79–81
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8, 9	GRI 304	Biodiversity	304-1 Owned, leased and managed business sites located in or adjacent to protected areas and areas of high biodiversity value outside protected areas		81
8			304-2 Significant impacts of activities, products and services on biodiversity		81
			304-3 Protected or renatured habitats		81
			304-4 Species on the International Union for Conservation of Nature (IUCN) Red List and on national lists of protected species that have their habitat in areas affected by business activities		81
7, 8	GRI 305	Emissions	305-1 Direct GHG emissions (Scope 1)		81–82
7, 8			305-2 Indirect energy-related GHG emissions (Scope 2)		81–82
			305-3 Other indirect GHG emissions (Scope 3)		81–82
8			305-4 Intensity of greenhouse gas emissions		81–82
7–9			305-5 Reduction of greenhouse gas emissions		81–82
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8, 9	GRI 306	Wastewater and waste	306-1 Waste generation and significant waste-related impacts		82–83
8, 9			306-2 Management of significant waste-related impacts		82–83
8, 9			306-3 Waste generated		82–83
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UNGC	GRI Standard	Specification	Publication	Reference	Folio
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8	GRI 308	Suppliers' environmental assessment	308-1 New suppliers screened against environmental criteria		93
8			308-2 Negative environmental impacts in the supply chain and measures taken		93
6	GRI 401	Employment	401-1 New hires and employee turnover		84–85
6			401-2 Occupational benefits offered only to full-time employees and not to temporary or part-time employees		84–86
6			401-3 Parental leave		86
3	GRI 402	Employee-employer relationship	402-1 Minimum notice period for operational changes		65, 84
	GRI 403	Occupational safety and health	403-1 Occupational safety and health management system		86–87
			403-2 Hazard identification, risk assessment and incident investigation		87–88
			403-3 Occupational health services		87–88
			403-4 Employee involvement, consultation and communication on occupational safety and health		87
			403-5 Employee training on occupational safety and health		87
			403-6 Promoting the health of employees		86–89
			403-7 Prevention and mitigation of occupational safety and health impacts directly related to business relationships		86–89
			403-8 Employees covered by an occupational safety and health management system		86–89
			403-9 Work-related injuries		89
			403-10 Work-related illnesses		89
	GRI 404	Education and training	404-1 Average number of hours spent on education and training per year per employee	The exact statistics were not reported as they are classified as not material. Currently it is being examined whether it is appropriate to publish these statistics in next year's report.	89
			404-2 Employee skills improvement programmes and transitional assistance		89–90

UNGC	GRI Standard	Specification	Publication	Reference	Folio
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6	GRI 406	Non-discrimination	406-1 Incidents of discrimination and remedies taken		91
2, 3	GRI 407	Freedom of association and collective bargaining	407-1 Operations and suppliers where the right to freedom of association and collective bargaining may be threatened		91
2, 5	GRI 408	Child labour	408-1 Operations and suppliers at significant risk of incidents of child labour		91–92
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1, 8	GRI 413	Local communities	413-1 Operations with local community involvement, impact assessments and support programmes		65, 92–93
1, 9			413-2 Business activities with significant and potential negative impacts on local communities		92–93
1–6, 10	GRI 414	Social evaluation of suppliers	414-1 New suppliers screened on the basis of social criteria		93
1–6, 10			414-2 Negative social impacts in the supply chain and measures taken		93
7, 8	GRI 416	Customer health and safety	416-1 Assessment of the health and safety impacts of different categories of products and services		93–94
			416-2 Violations related to the impact of products and services on health and safety		93–94
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			417-2 Violations related to product and service information and labelling		94
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Financial calendar

September 26, 2024	Annual report 2023/2024 for the year ended June 30, 2024 (FY 2023/2024) Financial statement press and analysts' conference
November 12, 2024	Quarterly statement for the period ended September 30, 2024 (Q1 2024/2025)
December 6, 2024	Annual general meeting 2024
February 12, 2025	Half-year interim report for the period ended December 31, 2024 (H1 2024/2025)
May 13, 2025	Quarterly statement for the period ended March 31, 2025 (Q3 2024/2025)
September 25, 2025	Annual report 2024/2025 for the year ended June 30, 2025 (FY 2024/2025) Financial statement press and analysts' conference

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Forward-looking statements

The annual report includes various statements concerning forecasts, expectations and information that relate to the future development of the Verbio Group and Verbio SE. These statements are based on assumptions and estimates and may be associated with known and unknown risks and uncertainties. Actual developments and results, as well as the financial and asset position, may therefore differ significantly from the expressed expectations and assumptions. Such differences may be due, among other things, to market fluctuations, changes in worldwide market prices for raw materials as well as financial markets and exchange rates, changes in national and international laws and directives, or fundamental changes in the economic and political climate. Verbio does not intend to and does not undertake an obligation to update or revise any forward-looking statements to adapt them to events or developments after the publication of this Annual Report.

This annual report is published in German (original version) and in English (non-binding translation). It is available for download at https://www.verbio.de in both languages.

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