

## HALF-YEAR REPORT

DATE 7 August 2019

### Corbion first half 2019 results

Corbion reported H1 2019 sales of € 471.9 million, an increase of 7.4% compared to H1 2018, mostly because of positive currency effects. Organic sales growth was 0.9%. Adjusted EBITDA in H1 2019 decreased by 0.1% to € 71.4 million due to 0.6% organic growth, positive currency effects, more than offset by a negative impact of the consolidation of the acquired Algae Ingredients plant in Brazil.

“In the first half I was pleased to see a continued acceleration in the organic sales growth rates for our important Food business segment. Ingredient Solutions showed a mixed performance and ended below the targeted sales growth bandwidth as the Biochemicals business segment was facing significant headwinds in Electronics and Agrochemicals. Our EBITDA margins remained at a healthy level in both Food and Biochemicals. In Innovation Platforms we continued on our growth trajectory in the first half. The Total Corbion PLA joint venture saw a very strong performance in H1 2019, supported by positive market developments.

I would like to thank everybody for their support in the past 5 years. It has been my privilege to have served as Corbion's CEO. As I step down, I will be handing over to Olivier Rigaud. I would like to wish Olivier and all Corbion colleagues all the best in taking the business forward”, said Tjerk de Ruiter, CEO.

#### Key financial highlights first half of 2019\*

- Net sales organic growth was 0.9%; volume growth was 1.8%
- Adjusted EBITDA was € 71.4 million (H1 2018: € 71.5 million), an organic increase of 0.6% (including 5.3% positive effect from IFRS 16 implementation)
- Adjusted EBITDA margin was 15.1% (H1 2018: 16.3%)
- Adjustments at EBITDA level of € +3.4 million
- Operating result was € 46.4 million (H1 2018: 50.2 million)
- Free cash flow was € -29.3 million (H1 2018: €-16.3 million); the decline is mostly due to the acquisition of Granotec do Brazil (25 April 2019)
- Net debt/EBITDA at half-year end was 2.1x (year-end 2018: 1.8x)

€ million	YTD 2019	YTD 2018	Total growth	Organic growth
Net sales	471.9	439.2	7.4%	0.9%
Adjusted EBITDA	71.4	71.5	-0.1%	0.6%
Adjusted EBITDA margin	15.1%	16.3%		
Operating result	46.4	50.2	-7.6%	0.8%
ROCE	10.0%	14.9%		

\* For non-GAAP definitions see page 21

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### Management review H1 2019

#### Net sales

Net sales in H1 2019 increased by 7.4% to € 471.9 million (H1 2018: € 439.2 million) due to currency effects (5.0%), positive organic growth (0.9%) and a positive impact from acquisitions (1.5%). The acquisition impact is related to the acquisitions of the remaining 49.9% in the SB Renewable Oils joint venture and Granotec do Brazil.

Organic sales growth of 0.4% in H1 2019 in the Ingredient Solutions business unit was mostly driven by price/mix improvements in the Food and Biochemicals business segments. In the Food business segment, sales (organically) increased by 2.0% versus H1 2018. Organic sales growth for the Biochemicals business segment was negative at -3.9%, in which price/mix improvements were more than offset by volume decline. The increase in Innovation Platforms sales mostly reflects higher lactic acid volumes sold to the Total Corbion PLA joint venture. The growth from acquisitions stems from the purchase of the remaining 49.9% interest in the SB Renewable Oils joint venture from Bunge (fully consolidated as per June 2018) and the acquisition of Granotec do Brazil (consolidated as per 25 April 2019).

Net Sales	Total growth	Currency	Total growth at constant currency	Acquisitions/ (Divestments)	Organic	Price/Mix	Volume
<b>YTD 2019 vs 2018</b>							
<b>Ingredient Solutions</b>	<b>6.3%</b>	<b>4.9%</b>	<b>1.4%</b>	<b>1.0%</b>	<b>0.4%</b>	<b>1.3%</b>	<b>-0.9%</b>
- Food	8.6%	5.3%	3.3%	1.3%	2.0%	1.7%	0.3%
- Biochemicals	-0.2%	3.7%	-3.9%	0.0%	-3.9%	1.2%	-5.1%
<b>Innovation Platforms</b>	<b>30.4%</b>	<b>7.2%</b>	<b>23.2%</b>	<b>12.0%</b>	<b>11.2%</b>	<b>-14.3%</b>	<b>29.4%</b>
<b>Total</b>	<b>7.4%</b>	<b>5.0%</b>	<b>2.4%</b>	<b>1.5%</b>	<b>0.9%</b>	<b>-0.9%</b>	<b>1.8%</b>
<b>Q2 2019 vs Q2 2018</b>							
<b>Ingredient Solutions</b>	<b>7.7%</b>	<b>4.5%</b>	<b>3.2%</b>	<b>1.9%</b>	<b>1.3%</b>	<b>2.1%</b>	<b>-0.8%</b>
- Food	9.8%	4.9%	4.9%	2.6%	2.3%	1.9%	0.4%
- Biochemicals	1.7%	3.5%	-1.8%	0.0%	-1.8%	3.1%	-4.9%
<b>Innovation Platforms</b>	<b>3.3%</b>	<b>5.0%</b>	<b>-1.7%</b>	<b>9.8%</b>	<b>-11.5%</b>	<b>7.4%</b>	<b>-17.7%</b>
<b>Total</b>	<b>7.4%</b>	<b>4.6%</b>	<b>2.8%</b>	<b>2.4%</b>	<b>0.4%</b>	<b>2.6%</b>	<b>-2.2%</b>

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### EBITDA

Adjusted EBITDA decreased by 0.1% to € 71.4 million in H1 2019. A positive currency effect and positive organic growth of 0.6% were offset by a negative acquisition effect. Ingredient Solutions saw its Adjusted EBITDA increase by 7.1% as a result of a positive currency effect (4.0%) and positive organic growth (2.4%). The EBITDA loss in Innovation Platforms increased to € -19.4 million (H1 2018: € -13.3 million) mostly due to the consolidation impact of the acquisition of the remaining 49.9% interest in SB Renewable Oils as per June 2018.

€ million	YTD 2019	YTD 2018	Q2 2019	Q2 2018	Growth YTD
<b>Net sales</b>					
<b>Ingredient Solutions</b>	<b>443.6</b>	<b>417.5</b>	<b>227.2</b>	<b>210.9</b>	<b>6.3%</b>
- Food	330.8	304.5	172.7	157.3	8.6%
- Biochemicals	112.8	113.0	54.5	53.6	-0.2%
<b>Innovation Platforms</b>	<b>28.3</b>	<b>21.7</b>	<b>15.8</b>	<b>15.3</b>	<b>30.4%</b>
<b>Total net sales</b>	<b>471.9</b>	<b>439.2</b>	<b>243.0</b>	<b>226.2</b>	<b>7.4%</b>
<b>Adjusted EBITDA</b>					
<b>Ingredient Solutions</b>	<b>90.8</b>	<b>84.8</b>	<b>45.5</b>	<b>41.5</b>	<b>7.1%</b>
- Food	59.5	54.7	30.6	27.9	8.8%
- Biochemicals	31.3	30.1	14.9	13.6	4.0%
<b>Innovation Platforms</b>	<b>(19.4)</b>	<b>(13.3)</b>	<b>(9.0)</b>	<b>(8.6)</b>	<b>45.6%</b>
<b>Total Adjusted EBITDA</b>	<b>71.4</b>	<b>71.5</b>	<b>36.5</b>	<b>32.9</b>	<b>-0.1%</b>
Adjustments	3.4	(1.8)	4.3	(2.5)	
<b>Total EBITDA</b>	<b>74.8</b>	<b>69.7</b>	<b>40.8</b>	<b>30.4</b>	<b>7.3%</b>
Depreciation/amortization/ (reversal of) impairment (in)tangibles	(28.4)	(19.5)	(14.5)	(10.2)	45.6%
<b>Total Operating Result</b>	<b>46.4</b>	<b>50.2</b>	<b>26.3</b>	<b>20.2</b>	<b>-7.6%</b>
<b>Adjusted EBITDA margin</b>					
<b>Ingredient Solutions</b>	<b>20.5%</b>	<b>20.3%</b>	<b>20.0%</b>	<b>19.7%</b>	
- Food	18.0%	18.0%	17.7%	17.7%	
- Biochemicals	27.7%	26.6%	27.3%	25.4%	
<b>Innovation Platforms</b>	<b>-68.6%</b>	<b>-61.3%</b>	<b>-57.0%</b>	<b>-56.2%</b>	
<b>Total Adjusted EBITDA margin</b>	<b>15.1%</b>	<b>16.3%</b>	<b>15.0%</b>	<b>14.5%</b>	
<b>Total Adjusted EBITDA excluding acquisitions/divestments, at constant currencies</b>	<b>71.9</b>	<b>71.5</b>	<b>35.9</b>	<b>32.9</b>	<b>0.6%</b>

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### Depreciation, amortization, and impairment

Depreciation, amortization, and impairment of fixed assets amounted to € 28.4 million compared to € 19.5 million in H1 2018.

### Operating result

Operating result decreased by 7.6% to € 46.4 million in H1 2019 (H1 2018: € 50.2 million).

### Adjustments

In H1 2019, a total of € 4.6 million in adjustments was recorded, consisting of the following components:

- Gain of € 8.0 million as a result of a past-service gain due to a change in indexation for the CSM UK pension scheme
- Loss of € 2.5 million related to restructuring costs
- Loss of € 1.0 million related to one-off bonuses
- Loss of € 0.7 million as a result of acquisition costs of Granotec do Brazil
- Loss of € 0.4 million related to legal costs
- Tax effects on the above of € 1.2 million.

### Financial income and charges

Net financial charges increased by € 1.6 million to € 6.3 million, mainly caused by increased interest expenses.

### Taxes

The tax charge on our operations in H1 2019 amounted to € 11.2 million compared to a charge of € 11.4 million in H1 2018. In H1 2019, the effective tax rate (30.1%) was above the expected effective tax rates based on statutory tax rates mainly due to the tax losses in Brazil that were not valued as a deferred tax asset. For 2019 we expect a tax rate of approximately 30%.

### Balance sheet

Capital employed increased, compared to year-end 2018, by € 109.3 million to € 859.7 million. The movements were:

€ million	
<b>Movements related to the acquisition of Granotec do Brazil</b>	40.6
<b>Transition impact IFRS 16 (leases)</b>	28.4
<b>Capital expenditure on (in)tangible fixed assets</b>	27.6
<b>Depreciation / amortization / impairment of (in)tangible fixed assets</b>	-28.4
<b>Change in operating working capital</b>	19.5
<b>Change in provisions, other working capital and financial assets/ accruals</b>	23.2
<b>Movements related to joint ventures</b>	-1.8
<b>Taxes</b>	-8.4
<b>Exchange rate differences</b>	7.9
<b>Other</b>	0.7

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Major capital expenditure projects in 2019 are investments related to lactic acid capacity expansion in Thailand, investments in our Algae Ingredients factory in Orindiúva, and our new SAP-based ERP platform.

Operating working capital (excluding movements related to the acquisition of Granotec do Brazil) increased by € 21.0 million. This increase is the balance of an operational increase of € 19.5 million and currency effects of € 1.5 million.

Shareholders' equity decreased by € 6.3 million to € 526.5 million. The movements were:

- The positive result after taxes of € 26.2 million;
- A decrease of € 32.9 million related to the dividend for financial year 2018;
- Positive exchange rate differences of € 8.7 million due to the translation of equity denominated in currencies other than the euro;
- Positive movement of € 3.5 million in the hedge reserve;
- Net share-based remuneration movement of € 1.5 million;
- Negative tax effects € 0.7 million.

At half-year end 2019 the ratio between balance sheet total and equity was 1:0.5 (year-end 2018: 1:0.5).

### Cash flow/Financing

Cash flow from operating activities increased compared to H1 2018 by € 5.0 million to € 35.9 million. This is the balance of lower operational cash flow before movements in working capital of € 1.3 million, offset by a positive impact of the movement in working capital and provisions of € 4.9 million, and lower taxes and interest paid of € 1.4 million.

The cash flow required for investment activities increased compared to 2018 by € 18.0 million to € 65.2 million. Capital expenditures (€ 29.7 million) and the acquisition of Granotec do Brazil (€ 28.5 million) accounted for most of this cash outflow. Other main driver is the loans granted to our joint ventures.

The net debt position at the half-year end 2019 was € 296.2 million, an increase of € 92.9 million compared to year end 2018, mainly due to dividend payment, capital expenditures, the Granotec do Brazil acquisition and the increase in working capital, partly compensated by the positive cash flow from operating activities before working capital and provisions.

At half year end 2019, the ratio of net debt to EBITDA was 2.1x (end of 2018: 1.8x). The interest cover for H1 2019 was 23.0x (end of 2018: 27.8x). We continue to stay well within the limits of our financing covenants.

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### Financial guidance 2018-2021\*

Our Creating Sustainable Growth-strategy aims to deliver organic net sales growth of between 3 and 6 percent annually.

- **Ingredient Solutions:** Organic net sales growth of 2-4% annually (1-3% in Food, 3-10% in Biochemicals), while maintaining EBITDA margin >19% and ROCE > 20% annually throughout the period. Recurring capex is expected to be on average € 40 million annually
- **Innovation Platforms:** Organic net sales growth of >20% annually. EBITDA approaching breakeven in 2021. 2019 EBITDA loss not expected to exceed € -35 million. Recurring capex of € 20-30 million annually
- **Net debt:** Corbion targets a net debt/EBITDA ratio of 1.5x over the investment cycle

\* Capital Markets Day, November 2017; adjusted after acquisition of remaining 49.9% interest in the SB Renewable Oils joint venture (June 2018).

### Outlook 2019

We expect organic net sales growth for Corbion to be near the low end of the target 3-6% growth guidance range. (was: within 3-6% growth guidance range).

**Ingredient Solutions:** We expect organic net sales growth to be in the 1-2% range. For Food we expect organic net sales growth to accelerate into the second half of 2019 (H1 2019: 2.0%). We expect a full-year Biochemicals sales decline, but expect Biochemicals H2 organic sales growth performance to improve vs H1 (-3.9%). We expect the EBITDA margin for Ingredient Solutions to improve versus 2018, reconfirming our guidance of >19%.

**Innovation Platforms:** For 2019 we reconfirm our expectations of >20% organic net sales growth. We expect a higher net sales level in H2 versus H1, driven by both our PLA-related lactic acid sales and the Algae Ingredients sales. For 2019, the EBITDA loss is expected to be around € -35 million (was: not expected to exceed € -35 million in the year).

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### Segment information

#### Ingredient Solutions

€ million	YTD 2019	YTD 2018		Q2 2019	Q2 2018
Net sales	443.6	417.5		227.2	210.9
Organic growth	0.4%	1.6%		1.3%	1.1%
EBITDA	95.2	84.1		50.9	40.1
Adjusted EBITDA	90.8	84.8		45.5	41.5
Adjusted EBITDA margin	20.5%	20.3%		20.0%	19.7%
ROCE	24.2%	26.1%		23.3%	24.9%
Average Capital Employed	563.9	509.8		584.6	516.8

Net sales in Ingredient Solutions, which encompasses Food and Biochemicals, increased organically by 0.4% in H1 2019, driven by growth in the Food business segment, while the Biochemicals business segment declined versus H1 2018 on an organic basis. Organic net sales growth in Q2 was 1.3%. The EBITDA margin excluding adjustments in H1 2019 increased slightly to 20.5%.

#### Business segment Food

€ million	YTD 2019	YTD 2018		Q2 2019	Q2 2018
Net sales	330.8	304.5		172.7	157.3
Organic growth	2.0%	0.1%		2.3%	0.6%
EBITDA	62.5	54.3		34.5	26.8
Adjusted EBITDA	59.5	54.7		30.6	27.9
Adjusted EBITDA margin	18.0%	18.0%		17.7%	17.7%

Net sales in business segment Food in H1 2019 increased organically by 2.0%. In H1 2019 we saw Bakery sales return to growth after the 2017/2018 challenges. Even though we still faced top-line price pressure from a key enzyme from one of our suppliers coming off-patent, this was more than compensated by growth in our UltraFresh & Pristine product lines and new product solutions based on lactic acid such as natural mold inhibitors. Integration of the Granotec do Brazil acquisition is progressing well.

The performance of Meat in H1 2019 continued to be strong. In the US, the portfolio mix shift towards natural preservation solutions continues to drive top-line growth and margin improvements. Meat sales growth outside the US was mainly driven by new contracts in Asia and Latin America.

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In other markets (Beverages, Confectionery, Dairy), overall sales increased slightly.

The Adjusted EBITDA margin in H1 2019 was stable at 18.0%

### Business segment Biochemicals

€ million	YTD 2019	YTD 2018		Q2 2019	Q2 2018
Net sales	112.8	113.0		54.5	53.6
Organic growth	-3.9%	6.2%		-1.8%	2.5%
EBITDA	32.7	29.8		16.4	13.3
Adjusted EBITDA	31.3	30.1		14.9	13.6
Adjusted EBITDA margin	27.7%	26.6%		27.3%	25.4%

Net sales in the Biochemicals business segment decreased organically by 3.9% in H1 2019. All markets declined with the exception of a strong performance in our high margin Pharma/Medical business. Sales were particularly weak in Electronics and Agrochemicals. In Electronics, the continued deterioration of sentiment in Asia has impacted our business unexpectedly fast. The strained US-China relations led to destocking at semiconductor memory producers. In Agrochemicals, in anticipation of a regulatory phase out of a category of actives in 2020, some of our customers are reducing orders for some of our biobased solvents. Given our bio-friendly positioning we are being considered for inclusion in several new formulations. However, we do not expect those solutions to positively impact our sales until next year.

The Biochemicals Adjusted EBITDA margin for H1 2019 increased from 26.6% to 27.7%.

### Innovation Platforms

€ million	YTD 2019	YTD 2018		Q2 2019	Q2 2018
Net sales	28.3	21.7		15.8	15.3
Organic growth	11.2%	56.1%		-11.5%	71.9%
EBITDA	(20.4)	(14.4)		(10.1)	(9.7)
Adjusted EBITDA	(19.4)	(13.3)		(9.0)	(8.6)
Adjusted EBITDA margin	-68.6%	-61.3%		-57.0%	-56.2%
Average Capital Employed	242.5	162.0		249.2	180.1

Organic sales growth in H1 was 11.2%, with very different growth dynamics in Q2 versus Q1. The organic sales decline in Q2 (-11.5%) was caused by a temporary planned shutdown of our Rayong



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production site to facilitate the lactic acid capacity expansion, which is scheduled to become operational in 2020. Also, Q2 2018 was last year's highest lactic acid-volume quarter in anticipation of the startup of the PLA production facility. The start-up of the PLA joint venture plant has been very successful, and the joint venture is now supplying >200 customers.

In Algae Ingredients the sales ramp-up of our AlgaPrime DHA (omega-3) product developed slower in H1 2019 than anticipated. We continue to develop the aquaculture market by creating pull through food retailers and co-develop the market with a multitude of feed suppliers. We have also expanded into shrimp feed and are making first inroads into pet food applications. We do expect to see significantly higher sales in H2 2019 vs H1 2019, in line with seasonal patterns in the salmon market.

The higher Adjusted EBITDA loss is due to the acquisition of the remaining 49.9% interest in the SB Renewable Oils joint venture (Orindiúva, Brazil) in June 2018. As a consequence, the associated sales and EBITDA loss of this plant have now been included in Innovation Platforms for the whole H1 2019 as opposed to for only 1 month in H1 2018.

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### General

#### **Auditor's involvement**

The figures in this half-year report have not been audited or reviewed by an external auditor.

#### **Events after balance sheet date**

There are no material events after the balance sheet date.

#### **Related party transactions**

Corbion has entered into arrangements with a number of its subsidiaries and joint ventures in the course of its business. These arrangements relate to service transactions and financing agreements. Furthermore, Corbion considers transactions with key management personnel to be related party transactions. As of the balance sheet date, there have been no significant changes in the related party transactions from those described in Corbion's Annual Report 2018-

#### **Risks and uncertainties**

Corbion has a risk management system in place. The Annual Report 2018 provides a detailed description of this system and outlines Corbion's main risks and mitigation activities at the time of close of the 2018 financial year. In Corbion's view, the nature and potential impact of these risks have not materially changed in the first half of 2019-

There may also be risks Corbion is not aware of or currently deems immaterial but which could, at a later stage, have a material impact on Corbion's business. Corbion's risk management systems are focused on timely discovery of such risks.

#### **Responsibility Statement**

With reference to Section 25d Subsection 2 sub c of Chapter 5 of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht), the Board of Management states that to the best of its knowledge:

- the condensed interim financial statements for the six-month period ended 30 June 2019, which have been prepared in accordance with IAS 34 (Interim Financial Reporting) as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position, and earnings of Corbion and its group companies included in the condensed interim financial statements; and
- the management report for the six-month period ended 30 June 2019 gives a true and fair review of the information required pursuant to Section 5:25d Subsections 8 and 9 of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

*Amsterdam, the Netherlands, 7 August 2019*

#### **Board of Management**

Tjerk de Ruiter, Chief Executive Officer

Eddy van Rhede van der Kloot, Chief Financial Officer

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### Consolidated Income Statement

<i>millions of euros</i>	1st Half-year	
	2019	2018
Net sales	471.9	439.2
Costs of raw materials and consumables	-230.7	-212.2
Production costs	-79.2	-68.4
Warehousing and distribution costs	-29.9	-26.8
<b>Gross profit</b>	<b>132.1</b>	<b>131.8</b>
Selling expenses	-33.3	-29.2
Research and development costs	-21.6	-17.8
General and administrative expenses	-38.8	-35.2
Other proceeds	8.0	0.6
<b>Operating result</b>	<b>46.4</b>	<b>50.2</b>
Financial income	1.7	1.9
Financial charges	-8.0	-6.6
Results from joint ventures and associates	-2.7	-1.9
<b>Result before taxes</b>	<b>37.4</b>	<b>43.6</b>
Taxes	-11.2	-11.4
<b>Result after taxes</b>	<b>26.2</b>	<b>32.2</b>
<b>Per common share in euros</b>		
Basic earnings	0.45	0.55
Diluted earnings	0.44	0.54

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### Consolidated statement of comprehensive income

<i>millions of euros</i>	1st Half-year	
	2019	2018
<b>Result after taxes</b>	<b>26.2</b>	<b>32.2</b>
<b>Other comprehensive results to be recycled:</b>		
Translation reserve	8.7	4.2
Hedge reserve	3.5	-5.7
Taxes relating to other comprehensive results to be recycled	-0.7	1.2
<b>Total other comprehensive results to be recycled</b>	<b>11.5</b>	<b>-0.3</b>
<b>Total comprehensive result after taxes</b>	<b>37.7</b>	<b>31.9</b>

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### Consolidated statement of financial position

<i>before profit appropriation, millions of euros</i>	<b>As at 30-06-2019</b>	<b>As at 31-12-2018</b>
<b>Assets</b>		
Property, plant, and equipment	380.3	368.9
Right-of-use assets	25.4	
Intangible fixed assets	174.5	139.2
Investments in joint ventures and associates	17.0	18.7
Long term employee benefits	14.2	4.5
Other non-current financial assets	64.2	62.3
Deferred tax assets	15.9	22.6
<b>Total non-current assets</b>	<b>691.5</b>	<b>616.2</b>
Inventories	169.6	152.7
Trade receivables	126.9	119.6
Other receivables	30.3	20.9
Income tax receivables	8.0	9.3
Cash and cash equivalents	36.5	47.1
<b>Total current assets</b>	<b>371.3</b>	<b>349.6</b>
<b>Total assets</b>	<b>1,062.8</b>	<b>965.8</b>
<b>Equity and liabilities</b>		
<b>Equity</b>	<b>526.5</b>	<b>520.2</b>
Borrowings	129.1	133.0
Lease liabilities	17.8	1.1
Long term employee benefits	7.8	7.6
Deferred tax liabilities	20.3	17.0
Other non-current liabilities	37.0	26.9
<b>Total non-current liabilities</b>	<b>212.0</b>	<b>185.6</b>
Borrowings	177.6	116.2
Lease liabilities	8.2	0.1
Provisions	3.5	3.5
Income tax payables	3.0	3.2
Trade payables	86.8	87.8
Other current liabilities	45.2	49.2
<b>Total current liabilities</b>	<b>324.3</b>	<b>260.0</b>
<b>Total equity and liabilities</b>	<b>1,062.8</b>	<b>965.8</b>

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### Consolidated statement of changes in equity

<i>before profit appropriation, millions of euros</i>	Share capital	Share premium reserve	Other reserves	Retained earnings	Total
<b>As at 1 January 2018</b>	<b>14.8</b>	<b>55.2</b>	<b>64.3</b>	<b>355.0</b>	<b>489.3</b>
Result after taxes				32.2	32.2
Other comprehensive result after tax			-0.3		-0.3
Transfers to/from Other reserves			0.1	-0.1	
<b>Total comprehensive result after tax</b>			<b>-0.2</b>	<b>32.1</b>	<b>31.9</b>
Cash dividend				-32.9	-32.9
Share-based remuneration transfers			-3.8	1.9	-1.9
Share-based remuneration charged to result			1.5		1.5
<b>Total transactions with shareholders</b>			<b>-2.3</b>	<b>-31.0</b>	<b>-33.3</b>
<b>As at 30 June 2018</b>	<b>14.8</b>	<b>55.2</b>	<b>61.8</b>	<b>356.1</b>	<b>487.9</b>
<b>As at 1 January 2019</b>	<b>14.8</b>	<b>55.2</b>	<b>71.0</b>	<b>379.2</b>	<b>520.2</b>
Result after taxes				26.2	26.2
Other comprehensive result after tax			11.5		11.5
Transfers to/from Other reserves			-0.4	0.4	
<b>Total comprehensive result after tax</b>			<b>11.1</b>	<b>26.6</b>	<b>37.7</b>
Cash dividend				-32.9	-32.9
Share-based remuneration transfers			-1.8	0.9	-0.9
Share-based remuneration charged to result			2.4		2.4
<b>Total transactions with shareholders</b>			<b>0.6</b>	<b>-32.0</b>	<b>-31.4</b>
<b>As at 30 June 2019</b>	<b>14.8</b>	<b>55.2</b>	<b>82.7</b>	<b>373.8</b>	<b>526.5</b>

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### Consolidated statement of cash flows

<i>millions of euros</i>	1st Half-year	
	2019	2018
<b>Cash flow from operating activities</b>		
Result after taxes	26.2	32.2
Adjusted for:		
• Depreciation/amortization of fixed assets	28.4	19.5
• Result from divestments of fixed assets	0.1	-0.6
• Result from past service gain due to change in indexation CSM UK pension scheme	-8.0	
• Share-based remuneration	2.4	1.5
• Interest income	-1.7	-0.7
• Interest expense	4.0	2.5
• Exchange rate differences	1.5	1.2
• Fluctuations in fair value of derivatives	0.4	1.2
• Other financial income and charges	2.1	0.5
• Results from joint ventures and associates	2.7	1.9
• Taxes	11.2	11.4
<b>Cash flow from operating activities before movements in working capital and provisions</b>	<b>69.3</b>	<b>70.6</b>
Movement in provisions	-1.7	-2.1
Movements in working capital:		
• Trade receivables	-6.4	-14.2
• Inventories	-11.0	-4.9
• Trade payables	-2.1	-5.7
Movement in other working capital	-4.3	-3.5
<b>Cash flow from business operations</b>	<b>43.8</b>	<b>40.2</b>
Interest received	0.5	0.3
Interest paid	-4.7	-4.3
Tax paid on profit	-3.7	-5.3
<b>Cash flow from operating activities</b>	<b>35.9</b>	<b>30.9</b>
<b>Cash flow from investment activities</b>		
Acquisition of group companies	-28.5	0.5
Investment joint ventures and associates	-0.9	
Investment other financial assets	-6.1	-23.3
Capital expenditure on (in)tangible fixed assets	-29.7	-25.1
Divestment of (in)tangible fixed assets		0.7
<b>Cash flow from investment activities</b>	<b>-65.2</b>	<b>-47.2</b>
<b>Cash flow from financing activities</b>		
Proceeds from interest-bearing debts	61.0	40.9
Repayment of interest-bearing debts	-4.7	-8.1
Repayment of lease liabilities	-4.5	
Paid-out dividend	-32.9	-32.9
<b>Cash flow from financing activities</b>	<b>18.9</b>	<b>-0.1</b>
<b>Net cash flow</b>	<b>-10.4</b>	<b>-16.4</b>
Effects of exchange rate differences on cash and cash equivalents	-0.2	-0.6
<b>Increase/decrease cash and cash equivalents</b>	<b>-10.6</b>	<b>-17.0</b>
Cash and cash equivalents at start of financial year	47.1	38.1
Cash and cash equivalents at close of financial year	36.5	21.1

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### Accounting information

#### General

Corbion is the global market leader in lactic acid and lactic acid derivatives, and a leading company in emulsifiers, functional enzyme blends, minerals, vitamins, and algae ingredients. The company delivers high-performance sustainable ingredient solutions made from renewable resources and applied in global markets such as food, home & personal care, animal nutrition, pharmaceuticals, medical devices, and bioplastics. Its products add differentiating functionality to a wide variety of consumer products worldwide.

The figures in this half-year report have not been audited or reviewed by an external auditor.

#### Principles for the valuation of assets and liabilities and determination of the result

This condensed interim financial information for the half-year ended 30 June 2019 complies with IFRS and has been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim condensed financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2018. In preparing these condensed interim financial statements the main estimates and judgements made by the Board of Management when applying Corbion's accounting policies, were similar to those applied to the annual financial statements for the year ended 31 December 2018 except for the adoption of new and amended standards as set out below. Some comparative balance sheet figures were reclassified to improve insight of the Alternative Performance Measure used to the most directly comparable IFRS measure.

#### New and amended standards adopted by the group

A number of new or amended standards became applicable for the current reporting period, and the group had to change its accounting policies as a result of adopting IFRS 16 Leases.

The impact of the adoption of the leasing standard and the new accounting policies are disclosed in the section below. The other standards did not have any impact on the group's accounting policies.

#### Changes in accounting policies

##### *Adjustments recognized on adoption of IFRS 16*

IFRS 16, published in January 2016, establishes a revised framework for determining whether a lease is recognized on the (consolidated) statement of financial position. It replaces existing guidance on leases, including IAS 17. IFRS 16 is effective from 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation, and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17.

From a lessee perspective, at the commencement date of a lease, a lessee will recognize a liability to make lease payments ("lease liability") and an asset representing the right to use the underlying asset during the lease term ("right-of-use asset"). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events (such as a change in the lease term or lease payments). The amount of the remeasurement of the lease liability is recognized as an adjustment to the right-of-use asset.

Corbion applies IFRS 16 as of 1 January 2019 using the modified retrospective transition approach. As a result, IFRS does not require restated comparative figures to be presented.

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3.7%.

Minimum lease payments under operating leases as of December 31, 2018	31.9
Relief options:	
for leases of low-value assets	- 0.4
for short-term leases	- 0.6
Operating lease obligations as of 1/1/2019 (undiscounted)	<u>30.9</u>
Operating lease obligations as of 1/1/2019 (discounted)	28.4
Liabilities from finance leases as of December 31, 2018	<u>1.2</u>
Lease liabilities recognized as at 1 January 2019	<u><u>29.6</u></u>

The recognized right-of-use assets relate to the following type of assets

Land	0.2
Buildings	22.8
Machinery and equipment	1.4
Other assets	<u>5.2</u>
	<u><u>29.6</u></u>

#### Events after balance sheet date

There has been no subsequent event from 30 June 2019 to the date of issue that affect the Half year condensed Financial statements Q2 2019.



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### Consolidated income statement adjustments

The consolidated income statement for financial years first half-year 2019 and first half-year 2018 before adjustments (non-IFRS financial measures) can be presented as follows.

	1st Half-year					
	2019			2018		
	Adjusted figures	Adjustments	IFRS figures	Adjusted figures	Adjustments	IFRS figures
Net sales	471.9		471.9	439.2		439.2
Costs of raw materials and consumables	-230.7		-230.7	-211.0	-1.2	-212.2
Production costs	-78.9	-0.3	-79.2	-68.4		-68.4
Warehousing and distribution costs	-29.9		-29.9	-26.8		-26.8
<b>Gross profit</b>	<b>132.4</b>	<b>-0.3</b>	<b>132.1</b>	<b>133.0</b>	<b>-1.2</b>	<b>131.8</b>
Selling expenses	-32.7	-0.6	-33.3	-29.2		-29.2
Research and development costs	-20.2	-1.4	-21.6	-17.8		-17.8
General and administrative expenses	-36.5	-2.3	-38.8	-34.0	-1.2	-35.2
Other proceeds		8.0	8.0		0.6	0.6
<b>Operating result</b>	<b>43.0</b>	<b>3.4</b>	<b>46.4</b>	<b>52.0</b>	<b>-1.8</b>	<b>50.2</b>
Less: depreciation/amortization/impairment (in)tangible fixed assets	28.4		28.4	19.5		19.5
<b>EBITDA</b>	<b>71.4</b>	<b>3.4</b>	<b>74.8</b>	<b>71.5</b>	<b>-1.8</b>	<b>69.7</b>
Depreciation/amortization/impairment (in)tangible fixed assets	-28.4		-28.4	-19.5		-19.5
<b>Operating result</b>	<b>43.0</b>	<b>3.4</b>	<b>46.4</b>	<b>52.0</b>	<b>-1.8</b>	<b>50.2</b>
Financial income	1.7		1.7	1.9		1.9
Financial charges	-8.0		-8.0	-6.6		-6.6
Results from joint ventures and associates	-2.7		-2.7	-8.5	6.6	-1.9
<b>Result before taxes</b>	<b>34.0</b>	<b>3.4</b>	<b>37.4</b>	<b>38.8</b>	<b>4.8</b>	<b>43.6</b>
Taxes	-12.4	1.2	-11.2	-11.6	0.2	-11.4
<b>Result after taxes</b>	<b>21.6</b>	<b>4.6</b>	<b>26.2</b>	<b>27.2</b>	<b>5.0</b>	<b>32.2</b>

Adjustments relate to material items in the income statement of such size, nature or incidence that in view of management require disclosure. These items include amongst others write-down of inventories to net realizable value, reversals of write-downs, impairments, reversals of impairments, additions to and releases from provisions for restructuring and reorganization, results on assets sold, gains on the sale of subsidiaries, joint ventures and associates, and any other provision being formed or released. The company only adjust for items when the aggregate amount of the events per line item of the income statement exceeds a threshold of € 0.5 million.

In the first half-year 2019, a total of € 4.6 million adjustments were recorded, consisting of the following components:

1. Gain of € 8.0 million as a result of a past service gain due to change in indexation CSM UK pension scheme.
2. Loss of € 2.5 million related to restructuring costs.
3. Loss of € 1.0 million related to one-off bonuses.
4. Loss of € 0.7 million as a result of acquisition costs of Granotec do Brazil.
5. Loss of € 0.4 million related to legal costs.
6. Tax effects on the above of € 1.2 million.

In the first half-year 2018, a total of € 5.0 million adjustments were recorded, consisting of the following components:

1. Gain of € 9.3 million as a result of measuring at fair value the 50.1% equity interest in SB Renewable Oils held before
2. Loss of € 2.7 million related to write-down of inventory in the SB Renewable Oils joint venture.
3. Loss of € 1.2 million related to write-down of inventory due to an incident in a third-party warehouse
4. Loss of € 0.9 million as a result of acquisition costs of SB Renewable Oils.
5. Gain of € 0.6 million related to the sale of an unused piece of land in Italy
6. Loss of € 0.3 million related to a remeasurement of the expected contingent sales price of the subsidiary Total Corbion PLA (Thailand) Limited to the joint venture Total Corbion PLA bv.
7. Tax effects on the above of € 0.2 million.

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### Segment information

For its strategic decision-making process Corbion distinguishes between Ingredient Solutions and Innovation Platforms. For IFRS segmentation purposes Ingredient Solutions has been segmented into two further businesses, Food and Biochemicals.

In the Food segment, we are a global supplier of food ingredient solutions for leading food manufacturers. We strive to be the leader in keeping food tasty, fresh, and safe from date of production to day of consumption.

With our proven food solutions, we enable our customers to make conscious choices to grow their business and create affordable foods (in the meat, beverage, bakery, confectionery, and dairy markets).

In the Biochemicals segment, the inherent safety, sustainability, and performance of our products is what sets us apart, supported by our continuous drive to find better solutions and new opportunities for our customers. Our continuous focus on sustainable practices, our use of renewable feedstocks, and our rich heritage in lactic acid form the foundation for our biochemical applications in everything from (agro)chemicals to resin adhesives, electronic components, pharmaceuticals, home & personal care products, and animal health & nutrition.

Our Innovation Platforms business unit creates new business platforms, applying disruptive technologies built on decades of experience in fermentation and industrial-scale manufacturing – to deliver long-term value. Collaborating with like-minded partners we empower our customers to make conscious choices, so they can create better, more sustainable products, based on renewable resources. Total Corbion PLA bv, our 50/50 joint venture with Total for the production and marketing of poly lactic acid (PLA) polymers and lactide for bioplastic solutions, is functionally part of Innovation Platforms. The business unit also comprises our Algae Ingredients business and the succinic acid joint venture with BASF (Succinity). Also included in this business unit are our longer-term development programs such as FDCA, a biobased building block with unique properties in (bio-)polymers and a potential replacement for purified terephthalic acid (PTA), our gypsum-free lactic acid process, and use of alternative feedstocks (lignocellulosic biomass, agricultural residues, waste) to make lactic acid.

#### Segment information by business area

1st Half-year millions of euros	Food		Biochemicals		Ingredient Solutions <sup>1)</sup>		Innovation Platforms		Corbion	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Income statement information</b>										
Net sales	330.8	304.5	112.8	113.0	443.6	417.5	28.3	21.7	471.9	439.2
Adjusted operating result	42.8	42.0	25.3	24.5	68.1	66.5	-25.1	-14.5	43.0	52.0
Adjustments to operating result	3.0	-0.4	1.4	-0.3	4.4	-0.7	-1.0	-1.1	3.4	-1.8
Operating result	45.8	41.6	26.7	24.2	72.5	65.8	-26.1	-15.6	46.4	50.2
<b>Alternative non-IFRS performance</b>										
Adjusted EBITDA	59.5	54.7	31.3	30.1	90.8	84.8	-19.4	-13.3	71.4	71.5
Adjustments to EBITDA	3.0	-0.4	1.4	-0.3	4.4	-0.7	-1.0	-1.1	3.4	-1.8
EBITDA	62.5	54.3	32.7	29.8	95.2	84.1	-20.4	-14.4	74.8	69.7
<b>Ratios alternative non-IFRS performance measures</b>										
EBITDA margin %	18.9	17.8	29.0	26.4	21.5	20.1	-72.1	-66.4	15.9	15.9
Adjusted EBITDA margin %	18.0	18.0	27.7	26.6	20.5	20.3	-68.6	-61.3	15.1	16.3

1) Includes Food and Biochemicals

Corbion generates almost all of its revenues from the sale of goods.

#### Information on the use of alternative non-IFRS performance measures

Management is of the opinion that these so-called alternative performance measures might be useful for the readers of these financial statements. Corbion management uses these performance measures to make financial, operational, and strategic decisions and evaluate performance of the segments. The alternative performance measures can be calculated as follows:

- EBITDA is the operating result before depreciation, amortization, and impairment of (in)tangible fixed assets
- EBITDA margin is EBITDA divided by net sales x 100

## HALF-YEAR REPORT

### Financial instruments

#### Valuation of financial instruments

Corbion measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements based on inputs other than level 1 quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements based on valuation techniques that include inputs for the asset or liability that are based on observable market data (unobservable inputs).

#### Breakdown valuation of financial instruments

30 June 2019	Level 1	Level 2	Level 3	Total
<b>Derivatives</b>				
• Foreign exchange contracts		-0.4		-0.4
• Commodity swaps/collars		0.6		0.6
<b>Total</b>		<b>0.2</b>		<b>0.2</b>

#### Breakdown fair values financial instruments

	30 June 2019		30 June 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial fixed assets</b>				
• Loans, receivables, and other	64.2	64.2	49.1	49.1
<b>Receivables</b>				
• Trade receivables	126.9	126.9	125.1	125.1
• Other receivables	21.8	21.8	46.8	46.8
• Prepayments and deferred income	7.9	7.9	9.0	9.0
<b>Cash</b>				
• Cash other	36.5	36.5	21.1	21.1
<b>Interest-bearing liabilities</b>				
• Private placement (net investment hedge)	-129.1	-126.1	-119.8	-116.2
• Owed to credit institutions	-177.6	-177.6	-106.9	-106.9
• (Financial) lease commitments	-26.0	-26.0	-1.4	-1.4
• Other debts	-37.0	-37.0	-40.4	-40.4
<b>Non-interest-bearing liabilities</b>				
• Trade payables	-86.8	-86.8	-71.1	-71.1
• Other payables	-44.8	-44.8	-55.8	-55.8
<b>Derivatives</b>				
• Foreign exchange contracts	-0.4	-0.4	1.2	1.2
• Commodity swaps/collars	0.6	0.6	-2.2	-2.2
<b>Total</b>	<b>-243.8</b>	<b>-240.8</b>	<b>-145.3</b>	<b>-141.7</b>

#### Fair values are determined as follows

- The fair value of financial fixed assets does not significantly deviate from the book value.
- The fair value of receivables equals the book value because of their short-term character.
- Cash and cash equivalents are measured at nominal value which, given the short-term and risk-free character, corresponds to the market quotations.
- Market quotations are used to determine the fair value of debt owed to private parties, credit institutions and other debts. As there are no market quotations for most of the loans the fair value of short- and long-term loans is determined by discounting the future cash flows at the yield curve applicable as at the reporting date.
- Financial lease commitments: the fair value is estimated at the present value of the future cash flows, discounted at the interest rate for similar contracts which is applicable as at the reporting date. This fair value equals the book value.
- Given the short-term character, the fair value of non-interest-bearing liabilities equals the book value.
- Currency and interest derivatives are measured on the basis of the present value of future cash flows over the remaining term of the contracts, using the bank interest rate (such as Euribor) as at the reporting date for the remaining term of the contracts. The present value in foreign currencies is converted using the exchange rate applicable as at the reporting date.
- Commodity derivatives are measured on the basis of the present value of future cash flows, using market quotations or own variable market price estimations of the involved commodity as at the reporting date.

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### Business combinations

On 25 April 2019, Corbion acquired Granotec do Brazil, a leading specialist in functional blends for the Brazilian bakery industry. The company is headquartered in Curitiba, Paraná State, Brazil, employs around 120 staff and operates a production facility and a development center.

Details of the purchase consideration, net assets acquired are as follows:

*Preliminary acquisition figures*

	<b>Granotec do Brazil</b>
Property, plant, and equipment	7.7
Intangible fixed assets	8.3
Inventories	4.2
Receivables	4.7
Cash	1.4
Borrowings	-3.3
Deferred tax liabilities	-2.8
Trade creditors	-3.0
Other liabilities	-0.1
<b>Identifiable assets minus liabilities</b>	<b>17.1</b>
Cash	29.9
Holdback amounts	8.8
<b>Total consideration</b>	<b>38.7</b>
<b>Goodwill arising on acquisition</b>	<b>21.6</b>

Goodwill arose in the acquisition of Granotec do Brazil as the consideration paid effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. The goodwill is expected to be (partly) deductible for tax purposes.

*The table below shows the pro-forma result of Corbion if the acquisition had been made as at 1 January 2019*

	<b>Corbion</b>	<b>Pro forma adjustment half-year effect</b>	<b>Pro forma Corbion</b>
Net sales	471.9	6.5	478.4
Result after taxes	26.2	-0.1	26.1

The pro-forma adjustment half-year effect loss after taxes of € 0.1 million contains legal and divestment costs of € 0.7 million.

For the two-month period ended 30 June 2019, the acquisition contributed € 4.0 million in revenue and € 0.4 million in profit to Corbion's results.

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### Key figures

millions of euros	1st Half-year	
	2019	2018
Net sales	471.9	439.2
Operating result	46.4	50.2
Adjusted EBITDA <sup>1</sup>	71.4	71.5
Result after taxes	26.2	32.2
Earnings per share in euros <sup>2</sup>	0.45	0.55
Diluted earnings per share in euros <sup>2</sup>	0.44	0.54
<b>Key data per ordinary share</b>		
Number of issued ordinary shares	59,242,792	59,242,792
Number of ordinary shares with dividend rights	58,819,590	58,764,635
Weighted average number of outstanding ordinary shares	58,778,374	58,632,570
Price as at 30 June	28.64	27.30
Highest price in calendar year	28.76	27.72
Lowest price in calendar year	24.26	23.64
Market capitalization as at 30 June <sup>3</sup>	1,685	1,604
<b>Other key data</b>		
Cash flow from operating activities	35.9	30.9
Cash flow from operating activities per ordinary share, in euros <sup>2</sup>	0.61	0.53
Free cash flow <sup>4</sup>	-29.3	-16.3
Depreciation/amortization fixed assets	28.4	19.5
Capital expenditure on (in)tangible fixed assets	27.6	22.5
Equity per share in euros <sup>5</sup>	8.95	8.30
Number of employees at closing date (FTE)	2,046	2,002
<b>Ratios</b>		
ROCE % <sup>6</sup>	10.8	21.4
Adjusted EBITDA margin % <sup>7</sup>	15.1	16.3
Result after taxes/net sales %	5.6	7.3
Net debt position/Covenant EBITDA <sup>8</sup>	2.1	1.8
Interest cover <sup>9</sup>	23.0	27.8
<b>Balance sheet figures as per 30/06/2019 and 31/12/2018</b>		
Non-current assets	691.5	616.2
Current assets excluding cash and cash equivalents	334.8	302.5
Non-interest-bearing current liabilities	135.0	140.2
Net debt position <sup>10</sup>	296.2	203.3
Other non-current liabilities	37.0	26.9
Provisions	31.6	28.1
Equity	526.5	520.2
Capital employed <sup>11</sup>	859.7	750.4
Average capital employed <sup>11</sup>	806.4	709.8
Balance sheet total : equity	1.0.5	1.0.5
Net debt position : equity	1.1.8	1.2.6
Current assets : current liabilities	1.0.9	1.0.7

1 Adjusted EBITDA is the operating result before depreciation, amortization, impairment of (in)tangible fixed assets and after adjustments.

2 Per ordinary share in euros after deduction of dividend on financing preference shares.

3 Market capitalization is calculated as number of ordinary shares with dividend rights x share price at closing date.

4 Free cash flow comprises cash flow from operating activities and cash flow from investment activities.

5 Equity per share is equity divided by the number of shares with dividend rights.

6 Return on capital employed (ROCE) is defined by Corbion as adjusted operating result, including results from joint ventures and associates, divided by the average capital employed x 100.

7 EBITDA margin % is Adjusted EBITDA as defined in note 1 divided by net sales x 100.

8 Covenant EBITDA is Adjusted EBITDA as defined in note 1, increased by cash dividend of joint ventures received and annualization effect of newly acquired subsidiaries.

9 Interest cover is Covenant EBITDA as defined in Note 8 divided by net interest income and charges.

10 Net debt position comprises borrowings and lease liabilities less cash and cash equivalents, including third-party guarantees which are required to be included under the debt covenants.

11 Capital employed and average capital employed are based on balance sheet book values.

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### Alternative performance measures (APM)

Within this report, Corbion has included certain non-IFRS financial information. This information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. Corbion uses these measures to assess the performance of the business and believes that the information is useful to users of the financial information. The non-IFRS financial measures do not have a standardised meaning prescribed by the IASB, therefore may not be comparable to similar measures presented by other issuers.

The table below gives an overview of the alternative performance measures used and their definitions.

APM	Definition
<b>EBITDA</b>	The operating result before depreciation, amortization, and impairment of (in)tangible fixed assets.
<b>Adjusted EBITDA</b>	EBITDA as defined above after applying Adjustments.
<b>Adjusted EBITDA margin %</b>	Adjusted EBITDA as defined above divided by net sales x 100.
<b>Adjusted EBITDA excluding acquisitions and divestments, at constant currencies</b>	Adjusted EBITDA as defined above excluding the impact of acquisitions and divestments, based on prior year currency rates.
<b>Covenant EBITDA</b>	Adjusted EBITDA as defined above increased by cash dividend of joint ventures received and annualization effect of newly acquired subsidiaries.
<b>Organic EBITDA growth</b>	Adjusted EBITDA as defined above versus prior year excluding impact of acquisitions and divestments and excluding currency impact.
<b>Organic sales growth</b>	Sales versus prior year excluding impact of acquisitions and divestments and excluding currency impact.
<b>Adjusted operating result</b>	Operating result after adjustments.
<b>Interest cover</b>	Covenant EBITDA as defined above divided by net interest income and charges.
<b>Net debt position</b>	Interest-bearing debts and lease liabilities less cash and cash equivalents, including third-party guarantees which are required to be included under the debt covenants.
<b>Capital employed</b>	The sum of equity, non-current liabilities, interest-bearing current liabilities and lease liabilities minus cash and cash equivalents.
<b>Average capital employed</b>	Average of the quarterly average capital employed in the reporting period.
<b>Market capitalization</b>	Number of ordinary shares with dividend rights multiplied by the share price at period end.
<b>Free cash flow</b>	Cash flow from operating activities plus cash flow from investment activities.
<b>Return on capital employed (ROCE)</b>	Adjusted operating result as defined above, including results from joint ventures and associates, divided by the average capital employed x 100.
<b>Adjustments</b>	Adjustments relate to material items in the income statement of such size, nature or incidence that in view of management require disclosure. These items include amongst others write-down of inventories to net realizable value, reversals of write-downs, impairments, reversals of impairments, additions to and releases from provisions for restructuring and reorganization, results on assets sold, gains on the sale of subsidiaries, joint ventures and associates, and any other provision being formed or released. The company only adjusts for items when the aggregate amount of the events per line item of the income statement exceeds a threshold of € 0.5 million.

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The table below gives a selection of the APMs used to the most directly comparable IFRS measure.

€ million	Q2 2019	Q2 2018
Operating result	46.4	50.2
Depreciation, amortization and impairments	28.4	19.5
<b>EBITDA</b>	<b>74.8</b>	<b>69.7</b>
<i>Adjustments to EBITDA</i>		
- Past service gain due to change in indexation CSM UK pension scheme	-8.0	
- Restructuring costs	2.5	
- Acquisition costs	0.7	1.0
- One-off bonuses	1.0	
- Legal fees	0.4	
- Write down inventory due to incident in a third party warehouse		1.1
- Profit on sale of land		-0.6
- Remeasurment contingent sales price Total Corbion PLA		0.3
Total adjustments to EBITDA	-3.4	1.8
<b>Adjusted EBITDA</b>	<b>71.4</b>	<b>71.5</b>
Operating result	46.4	50.2
<i>Adjustments to operating result</i>		
- Adjustments to EBITDA	-3.4	1.8
Total adjustments to operating result	-3.4	1.8
<b>Adjusted operating result</b>	<b>43.0</b>	<b>52.0</b>
Cash flow from operating activities	35.9	30.9
Cash flow from investment activities	-65.2	-47.2
<b>Free cash flow</b>	<b>-29.3</b>	<b>-16.3</b>
€ million	Q2 2019	Q4 2018
Equity	526.5	520.2
Borrowings	306.7	249.2
Lease liabilities	26.0	1.2
Other non-current liabilities	37.0	26.9
-/- Cash and cash equivalents	-36.5	-47.1
<b>Capital employed</b>	<b>859.7</b>	<b>750.4</b>
Borrowings	306.7	249.2
Lease liabilities	26.0	1.2
-/- Cash and cash equivalents	-36.5	-47.1
<b>Net debt position</b>	<b>296.2</b>	<b>203.3</b>

For a reconciliation of organic sales growth, reference is made to page 2 of this press release.

For a reconciliation of organic EBITDA growth, reference is made to page 3 of this press release.

## HALF-YEAR REPORT

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*This press release contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.*

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**Background information:**

Corbion is the global market leader in lactic acid, lactic acid derivatives, and a leading company in emulsifiers, functional enzyme blends, minerals, vitamins and algae ingredients. We develop sustainable ingredient solutions to improve the quality of life for people today and for future generations. For over 100 years, we have been uncompromising in our commitment to safety, quality, innovation and performance. Drawing on our deep application and product knowledge, we work side-by-side with customers to make our cutting edge technologies work for them. Our solutions help differentiate products in markets such as food, home & personal care, animal nutrition, pharmaceuticals, medical devices, and bioplastics. In 2018, Corbion generated annual sales of € 897.2 million and had a workforce of 2,040 FTE. Corbion is listed on Euronext Amsterdam. For more information: [www.corbion.com](http://www.corbion.com)