

Press release

CropEnergies acquires stake in renewable energy startup East Energy

Mannheim, 1 September 2022 – CropEnergies AG, Mannheim, has acquired a stake in the German renewable energy startup East Energy GmbH, Rostock, Germany. As of 1 September 2022, CropEnergies acquires 25 percent of the company's share capital and will provide cash contributions and additionally shareholder loans. In total, CropEnergies plans to invest up to EUR 8 million for start-up financing in this first step. This amount can grow considerably in the course of further project developments.

The East Energy Group plans to build and operate subsidy-free ground-mounted photovoltaic systems in north-eastern Germany under the brand name "Sun2Grid". The green electricity generated makes it possible to produce green hydrogen, renewable fuels and heat at suitable locations with power plants under the brand "Sun2Gas". Using waste heat from methanolisation is also of interest for municipal heat supply at the sites. This domestic energy production increases independence from fossil raw materials and energy imports and decouples energy prices from the volatile developments on the world market.

For CropEnergies, the investment in East Energy is a further step in the implementation of the company's strategic realignment launched in 2021. So far, CropEnergies has mainly produced renewable ethanol as a climate-friendly, domestic fuel substitute as well as food and animal feed products. As part of the diversification strategy, the focus in future will be on the defossilisation of other sectors of the economy in addition to the megatrend of extensive defossilisation of mobility. Dr Stephan Meeder, CEO of CropEnergies AG: "Access to climate-neutral energy is of great strategic importance for CropEnergies. With East Energy we have found a partner who has many years of experience in the photovoltaic sector. The comprehensive expertise and know-how is a decisive advantage, especially for the rapid implementation and construction of several large photovoltaic parks. With the joint construction of photovoltaic and methanol capacities, we can contribute significantly to the independence of the energy supply in Germany".

East Energy has set itself the goal of building photovoltaic plants with a total capacity of one gigawatt until the end of 2024. This corresponds to just under two percent of the photovoltaic capacity currently installed in Germany.

Dirk Petschick, managing director of East Energy: "In CropEnergies we have found a strong partner who shares our holistic corporate approach from the generation of green electricity to the production of green hydrogen and green methanol as well as green heat supply and who brings the necessary long-term expertise in the construction and operation of large industrial plants. As Europe's largest producer of renewable ethanol, CropEnergies also has the financial strength to help realize our ambitious investment projects. We look forward to working with an agile, progressive partner with a highly experienced and collaborative team."



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CropEnergies plans to increase its shareholding in East Energy step by step and depending on the project. In addition to planning and setting up photovoltaic parks, East Energy is already working on concepts for the economic production of green hydrogen from self-generated electricity and the subsequent refinement into synthetic fuels (efuels), e. g. methanol, for example as fuel for ships and aviation. For the photovoltaic parks currently planned by East Energy with an output of one gigawatt, an investment volume of at least EUR 600 million is planned.

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CropEnergies AG

Sustainable, renewable products made from biomass – that is what CropEnergies stands for. Our products contribute to a climate-friendly world and ensure that fossil carbons remain in the ground permanently and do not continue to drive climate change.

Founded in Mannheim in 2006, the member of the Südzucker Group is the leading European producer of renewable ethanol. With a production capacity of 1.3 million m³ of ethanol per year, CropEnergies produces neutral alcohol as well as technical alcohol (ethanol) for a wide range of applications at locations in Germany, Belgium, the UK, and France: Sustainably produced ethanol as a petrol substitute is an answer to the future challenges of climate-friendly energy supply in the transport sector. Thanks to highly efficient production plants, our ethanol reduces CO₂ emissions by an average of more than 70 percent across the entire value chain compared to fossil fuel. Our high-quality alcohol is also used in beverage production, cosmetics, pharmaceutical applications, for example as a basis for disinfectants, or as a raw material for innovative biochemicals.

Equally important are the resulting protein food and animal feed products as a sustainable regional alternative to emission-intensive protein imports from overseas, as well as biogenic carbon dioxide. It is used in beverage production, among other things, and will be a valuable raw material for a wide range of applications in transport and industry in the future. Thus, all raw material components are utilised in our circular economy.

CropEnergies AG (ISIN DE000A0LAUP1) is listed on the regulated market (Prime Standard) of the Frankfurt Stock Exchange.

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East Energy GmbH

Rostock-based East Energy GmbH plans to build and operate subsidy-free ground-mounted photovoltaic plants in north-eastern Germany under the "Sun2Grid" brand. The green electricity generated will make it possible to produce green hydrogen, renewable fuels and heat at suitable locations with power plants under the "Sun2Gas" brand. Furthermore, the use of waste heat from methanolisation is also planned for municipal heat supply at various locations. This domestic energy production increases independence from fossil raw materials and energy imports and decouples energy prices from the volatile developments on the world market.

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