

Press release

CropEnergies acquires stake in biotech startup LXP

Access to innovative technology for the utilization of waste and residues for the production of 2nd generation biofuels

Mannheim, 9 June 2022 - CropEnergies AG, Mannheim, has acquired a stake in LXP Group GmbH, Teltow (Germany), at the end of May 2022. For approx. EUR 2 million, CropEnergies secured just under 20 percent of the Brandenburg-based biotech startup as part of a capital increase.

LXP Group GmbH has developed a patented, energy-efficient process that enables mild digestion of lignocellular biomass, in particular residual and waste materials such as cuttings, as well as wood residues such as sawdust or straw. Advanced biofuels and biobased chemicals can then be produced from the cellulose and hemicellulose contained. In addition, the LXP process produces a high-purity, natural lignin that can be used to manufacture numerous products such as 3D printer ink, carbon fibers or phenolic resins.

For CropEnergies, the investment in LXP is a further step in implementing the company's strategic realignment launched in 2021. Up to now, CropEnergies has primarily produced renewable ethanol from agricultural raw materials as a climate-friendly, domestic fuel substitute, as well as food and animal feed products. For some years now, ethanol has also been produced from residual materials. This branch of the business is to be further expanded. Dr Stephan Meeder, CEO of CropEnergies AG: "The investment in LXP with a patented, state-of-the-art process opens up further opportunities for CropEnergies to expand its raw material base for the production of 2nd generation biofuels." Of particular interest to CropEnergies is that the LXP technology can also be integrated into existing biorefineries for the production of renewable ethanol. "The production of 1st and 2nd generation biofuels are not contradictory. On the contrary, they go hand in hand. The new technologies benefit from the existing infrastructure of production plants and the already existing expertise," Meeder added. The investment also opens up new opportunities for the new biobased chemicals division planned at CropEnergies. In January 2022, CropEnergies had reported plans to build a plant for renewable ethyl acetate.

"In 2022/2023, LXP Group GmbH plans to build a pilot plant using 15,000 tonnes of biomass and start producing cellulose and high-purity lignin. The strategic reinforcement by CropEnergies enables us to expand our technology much faster" Dr Volker Bauer, Managing Director of LXP Group GmbH, is pleased to announce.

"We are very pleased to gain CropEnergies, a highly experienced market player, as a co-investor in order to now transfer the process developed by LXP into concrete industrial plants and thus come one step closer to our goal of economical and sustainable production of raw materials for the manufacture of biofuels and biochemicals," commented Jürgen Kosch, CEO of MIG Capital AG.

Press release

LXP Group GmbH is venture capital financed. In addition to CropEnergies, investors currently include several funds of MIG Capital AG in Munich as well as the KfW banking group and several business angels.

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% 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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