



CropEnergies segment

At a glance

€ **793** million
Revenues

€ **37** million
Operating result

€ **507** million
Capital employed

7.3 %
ROCE

Strategy

Fuels with higher ethanol blends (E10 to E85) can help reduce greenhouse gas (GHG) emissions. The use of these fuels offers significant sales potential for CropEnergies, especially for ethanol with high specific GHG savings. Growth opportunities are also arising from the broadening of the raw material base to include residual and waste materials, which are becoming even more important thanks to ambitious targets set out in the Renewable Energy Directive. Furthermore, biofuels from residual and waste materials are expected to play a significant role in the defossilization of air and maritime transport in the EU, thus opening new market segments for CropEnergies.

There is an increasing demand for biobased, non-fossil solutions outside the energy and fuel markets, for instance, in the chemical sector. This is driven by economic, social, and increasingly regulatory developments aimed at reducing the use of fossil-based carbon in products and defossilizing products with carbon from renewable sources (e. g., biomass, recycling, CCU).

CropEnergies strives to increase the value generation of existing material flows in the current facilities. This includes protein-rich food and feed, as well as the use of biogenic CO₂ from alcoholic fermentation.





CropEnergies segment

At a glance

Strategy

- Expand ethanol, neutral alcohol and protein-rich food and animal feed business activities; develop new businesses such as bio-based chemicals by drawing on the group's R&D expertise in processes and raw materials.
- Work with stakeholders along the value chain (e.g., suppliers, customers, technology partners, other partners, and networks) to identify new cooperation opportunities
- Focusing on Europe, leverage regional raw materials and supply chains and explore opportunities for geographic expansion



Production

Germany (2)*, Belgium (1), France (1), UK (1)*



Raw materials

Grain, sugar syrup, raw alcohol, waste and residues



Products

Fuel-grade ethanol, neutral alcoholrectified spirits, protein-based food and animal feed, liquid CO₂



Markets

Europe



Customers

Oil companies and traders, food and animal feed producers, beverage and cosmetics producers, industrial and pharmaceutical companies

* A production facility in Germany and the production facility in the UK have been temporarily shut down.

Market environment

Ethanol market

Global ethanol production rose to 144 (139) million m³ in 2025; of which, 125 (120) million m³ – approximately 87 % – accounted for fuel ethanol. In 2026, the production of fuel ethanol is expected to further increase to 130 million m³. The remaining alcohol volume is used as rectified spirit in beverages, cosmetics and pharmaceutical and industrial applications.

EU Ethanol volume balance

million m ³	2023	2024	2025	2026e
Opening balance	1.0	0.9	0.8	0.7
Production	7.7	8.0	7.8	7.8
of which fuel ethanol	5.8	6.2	6.1	6.0
Consumption	-10.6	-10.9	-11.2	-11.4
of which fuel ethanol	-8.1	-8.4	-8.8	-9.0
Net imports	2.7	2.9	3.2	3.8
Closing balance	0.9	0.8	0.7	0.8

Source: S&P Global Commodity Insights, March 2026; including UK.

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The EU and the UK produced 7.8 (8.0) million m³ of ethanol in 2025, slightly below the previous year's level. At the same time, ethanol consumption rose to 11.2 (10.9) million m³. This was attributable to an increase in fuel ethanol consumption to 8.8 (8.4) million m³. Consumption of neutral alcohol remained relatively stable at 2.4 (2.5) million m³. In 2025, net imports to the EU and the UK amounted to 3.2 (2.9) million m³, once again exceeding the previous year's level.

Fuel ethanol consumption is expected to rise further to 9.0 (8.8) million m³ in 2026.

In Europe, ethanol prices rose slightly from around € 675/m³ at the beginning of March 2025 to around € 685/m³ at the end of the financial year 2025/26; on average, however, ethanol prices at about 650 (680) €/m³ were below the previous year's level. Price trends were again characterized by higher volatility compared to last year.

The generally low price level in Europe, evident until just before the fiscal year ended, can partly be attributed to higher imports, especially from the USA.

The price development over the course of the fiscal year was also influenced by the conclusion of various trade agreements and political uncertainties. The implementation of RED III into national law and the associated regulatory changes had a positive impact on achievable ethanol prices in the final months of the fiscal year.

Protein market

Price trends on the markets for protein food and animal feed products are based primarily on international soybean prices and European rapeseed meal prices. According to the International Grains Council (IGC), the global soybean harvest in 2025/26 is expected to be roughly in line with last year's level at 426 (429) million tonnes. Demand is expected to grow to 430 (419) million tonnes, while inventories are set to fall to 78 (82) million tonnes. Conversely, the EU rapeseed yield is projected to increase to about 20 (17) million tonnes during the 2025/26 financial year. Soybean prices rose during the fiscal year 2025/26 from around 10 USD/bushel in early March 2025 to around 11.5 USD/bushel by the end of February 2026. In contrast, the prices for European rapeseed meal initially experienced a sharp decline from around 290 €/t in early March 2025 to around 165 €/t in October 2025. Later, prices rose again and stood at around 235 €/t at the end of February 2026.

Raw material markets

Global grain production (excluding rice) is likely to reach a new record level of 2,470 (2,326) million tonnes in the 2025/26 grain marketing year (GM; 1 July to 30 June). With global grain consumption of 2,423 (2,350) million tonnes, slightly higher inventories of 632 (585) million tonnes are expected.

According to the EU Commission, grain production in the EU is also expected to rise significantly to around 287 (254) million tonnes in the 2025/26 grain marketing year. Consumption is anticipated to be slightly above last year's level at around 260 (259) million tonnes, with over 60 % of the grain still being used for animal feed. For the production of fuel ethanol, however, only the starch content of 12 million tonnes of grain, and thus around 4 % of the EU harvest, is to be used. The remaining components of the grain are primarily refined into protein-rich food and feed products that help close Europe's supply gap in plant-based proteins and thus make full use of the grain.

European wheat prices on Euronext in Paris started the 2025/26 fiscal year at around 215 €/t and quoted to 195 €/t by the end of February 2026. Wheat prices averaged about 200 (220) €/t. The weaker price trend reflects positive harvest expectations and anticipated growth in inventories.

Legal and political environment

European Green Deal

The EU aims to create a resource-efficient and competitive economy with the European Green Deal, that emits no net greenhouse gases by 2050 at the latest. The European Climate Law sets a target of reducing greenhouse gas emissions by 55 % by 2030 compared to 1990 levels.

The Fit for 55 package is a set of proposals adopted by the European Parliament and Council to revise existing EU climate and energy laws. In July 2025, as part of the journey to climate neutrality, the EU Commission suggested setting a new climate goal for 2040. In December 2025, the European Parliament and the Council agreed to aim for a 90 % reduction in net greenhouse gas emissions by 2040 compared to 1990.

Additionally, the EU Commission introduced the Clean Industrial Deal in February 2025. In light of high energy costs and intense international competition, the initiative outlines measures to achieve the desired climate neutrality without harming the industrial base. The plan includes lowering energy prices and promoting investments in renewable energy and clean technology. The Clean Industrial Deal also aims to increase demand for clean products.

Renewable Energy Directive

The amendment of the Renewable Energy Directive (RED III) to further promote the use of renewable energies was a crucial element of the Fit for 55 package. The directive came into force on 20 November 2023 and should be transposed into national law by 21 May 2025. Yet, this deadline was not adhered to by the majority of EU member states. In the European biofuel market, the delay and uneven implementation result in regulatory uncertainty.

According to RED III, the energy share of renewable energies in the transport sector is set to rise to at least 29 % (up from 14 %). Alternatively, the member states can also establish a GHG reduction target of at least 14.5 %. The share of renewable fuels from arable crops in the member states is to remain unchanged at up to one percentage point above the level achieved in 2020, up to a maximum of 7 %. The agreement also sets a binding sub-target of 5.5 % for renewable biofuels from waste and residues as well as synthetic fuels in 2030. Synthetic fuels are to account for at least one percentage point.

Germany – Implementation of the revised Renewable Energy Directive (RED III)

Effective 1 January 2026, the GHG reduction quota went up from 10.6 to 12.1 %. The sub-quota for advanced biofuels increased from 0.7 to 1.0 %. On 10 December 2025, the German federal government passed the draft of a second law to further develop the GHG reduction quota. The legislation serves the purpose of national implementation of RED III in the transport sector. Accordingly, the GHG reduction target is to rise to almost 25 % by 2030. For the period thereafter, the GHG reduction quota is to be extended until the year 2040 and gradually increased to 59 %. The current option to double count advanced biofuels derived from waste and residues toward the GHG reduction quota is planned to be removed. In return, the minimum share of these advanced biofuels is to be doubled to 2 % in 2026, and then gradually increased further to 3.5 % in 2030 and 9 % in 2040. Contrary to the original draft proposal, which provided for a reduction, the current cap on biofuels from cultivated biomass of 4.4 % is to remain unchanged. With regard to market-distorting multiple counting, the triple counting of renewable electricity in road traffic and Renewable Fuels of Non-Biogenic Origin (RFNBO) is to be phased out by 2035 and 2040, respectively. As of the report's

drafting, the deliberations in the Bundestag were not yet concluded. The legislative process is anticipated to be finished by the first half of 2026.

US tariff policy

On 2 April 2025, U.S. President Donald Trump announced sweeping tariffs on imports into the United States. In response, on 24 July 2025, the EU published a list of additional tariffs on various U.S. goods, including a 30 % tariff on ethanol. Following a political agreement between the U.S. and the EU to resolve the tariff dispute, the additional tariffs were suspended until further notice. The agreement between the USA and the EU does not propose any tariff relief for US ethanol imports to Europe. On 26 March 2026, the European Parliament agreed to the implementation under certain provisions. Approval from both the European Council and the European Parliament is still needed for the final implementation of the agreement.

Conversely, the trade agreement signed on 8 May 2025 between the UK and the USA stipulates a duty-free tariff quota (TRQ) of 1.4 million m³ of US ethanol annually. After entering into force on 30 June 2025, almost 700,000 m³ of US ethanol was imported duty-free by the end of 2025. Due to the fact that profitable operation is not achievable under the current circumstances, CropEnergies subsidiary Ensus UK Ltd., Wilton, UK, has shut down the production facility in September 2025 until further notice.

EU-Mercosur agreement

General information on the EU-Mercosur agreement is provided in the → Sugar segment chapter. The announced provisional application of the preliminary trade agreement starting 1 May 2026 would also include tariff reductions for ethanol imports into the EU. The agreement stipulates the gradual introduction of import quotas of

up to 650,000 tonnes (equivalent to about 820,000 m³) of ethanol annually, of which 450,000 tonnes (equivalent to about 570,000 m³) will be duty-free for chemical purposes and 200,000 tonnes (equivalent to about 250,000 m³) will be subject to a tariff rate reduced by two-thirds, regardless of the intended use. An average of approximately 2.1 million m³ of ethanol was imported into the EU annually over the past three years, with approximately 350,000 m³ originating in Brazil.

Business performance

Revenues and operating result

CropEnergies segment revenues fell significantly to € 793 (959) million. Revenues dropped, on the one hand, because of significantly lower sales volumes, particularly after scheduled and unscheduled maintenance work due to technical issues, and on the other hand, because of the temporary closure at the British Wilton location. Moreover, despite the recent increase in prices for renewable ethanol, overall sales prices were lower than the year before.

Due to positive developments in the fourth quarter, operating result for the reporting period was significantly above the previous year at € 37 (22) million. Especially when compared to the previous year, lower net raw material costs and much lower energy costs have had a positive effect.

Result from restructuring and special items

The result from restructuring and special items of € –11 (–105) million in fiscal 2025/26 included not only preliminary costs for the ethyl acetate production facility at the Zeitz location but also expenses associated with the plant for the production of renewable ethanol in Wilton, UK, in addition to the pilot plant for renewable ethanol from residual and waste materials in the food industry in Weselberg, Germany.

Business performance – CropEnergies segment

		2025/26	2024/25	+/- in %
Revenues	€ million	793	959	-17.3
Operating EBITDA	€ million	71	65	9.2
Operating EBITDA margin	%	9.0	6.8	
Depreciation	€ million	-34	-43	-20.9
Operating result	€ million	37	22	68.2
Operating margin	%	4.7	2.3	
Result from restructuring and special items	€ million	-11	-105	-89.5
Result from companies consolidated at equity	€ million	0	0	-
Result from operations	€ million	26	-83	-
Investments in fixed assets and intangible assets	€ million	82	84	-2.4
Investments in financial assets and acquisitions	€ million	1	5	-80.0
Total investments	€ million	83	89	-6.7
Shares in companies consolidated at equity	€ million	0	0	-
Working capital	€ million	99	113	-12.4
Capital employed	€ million	507	479	5.8
Return on capital employed	%	7.3	4.6	
Employees (FTE; 28 February)		523	537	-2.6

TABLE 020

The facility in Wilton was shut down temporarily in September 2025. All resulting effects on results are recorded in the special result. The incurred expenses are offset by revenues from received government grants to partially compensate for the expenses incurred during the period of temporary shutdown.

Production in Weselberg was suspended for economic reasons, primarily because of a significant drop in prices for advanced biofuels (-50 % compared to the 2023 calendar year), caused, in

part by incorrectly labeled imports. Furthermore, the regulatory implementation of RED III, which was supposed to lead to increased demand for advanced biofuels, has been delayed. This led to an impairment loss on fixed assets of about € 6 million in the reporting period. All options for the location are currently being examined.

Last year, the result from restructuring and special items was mainly attributable to the expense incurred from halting the

construction of a plant for the production of protein feed at the Wilton production site in the UK. In addition, due to the reduced earnings expectations for this location, an unscheduled impairment loss had to be recognized on the existing fixed assets.

Capital employed and return on capital employed (ROCE)

At € 507 (479) million, capital employed was moderately above the previous year. On the back of a significantly higher operating result of € 37 (22) million, ROCE increased to 7.3 (4.6) %.

Investments in fixed assets and intangible assets

Investments in fixed assets totaled € 82 (84) million. The main projects included:

- Construction of a production plant for renewable ethyl acetate at the Zeitz location in Germany. Due to delays in the approval process, required planning adjustments and delivery delays, the start-up is postponed to the fourth quarter of fiscal 2026/27.
- Construction of an additional power generation plant in preparation for the medium-term switch from coal to gas as the primary energy source at the Zeitz location in Germany.

Investments in financial assets and acquisitions

Investments in financial assets and acquisitions totaled € 1 (5) million. Investments in financial assets the year prior related to the acquisition of the business activities of EthaTec GmbH, Weselberg, Germany, by CE Advanced Bioenergies GmbH, Weselberg, Germany.

Raw materials and production

The plants in Zeitz, Germany, Wanze, Belgium and Wilton, UK will continue to process exclusively agricultural raw materials of European origin. CropEnergies prioritizes sustainable and local sourcing of raw materials whenever possible. Certification according to at least one certification system approved by the EU Commission fully documents the sustainable ethanol production in all CropEnergies biorefineries and independently audits the significant greenhouse gas savings of the ethanol produced compared to fossil gasoline.

In fiscal 2025/26, ethanol production was below the previous year's level at around 0.8 (1.0) million m³. Consequently, there was a reduction in the production of food and feed. Production capacity utilization in the course of the financial year was monitored in line with market conditions and in order to carry out regular maintenance work.