

KSBG

MEDIA RELEASE

STEAG's future secured: Asterion takes over company as a whole

- Company to be sold with both units STEAG Power and Iqony
- Approval by antitrust authorities expected by the end of the year

Essen, August 25, 2023 - Kommunale Beteiligungsgesellschaft mbH & Co. KG (KSBG) has sold its stake in the Essen-based energy company STEAG GmbH to the Spanish infrastructure investor Asterion Industrial Partners. The boards of the owners have given their mutual consent to this and the contract has been signed and notarized accordingly (signing).

The transaction volume is around 2.6 billion euros. This amount corresponds to the enterprise value for 100 percent of the shares in STEAG. After deduction of liabilities, the consortium will still receive a substantial amount. The net inflow to the former owners is also still dependent on STEAG's 2023 annual results. The sale process (closing) is expected to be completed by December 2023.

STEAG comprises the two business units STEAG Power GmbH and Iqony GmbH. STEAG Power operates hard-coal-fired power plants at six locations in Germany. Their share of total electricity generation in Germany is about five percent. Iqony offers solutions for decarbonization, decentralization and digitalization of energy supply. Iqony focuses on renewable energies and bridging technologies that can also be used in a climate-neutral way in the future. In addition to solar, wind, and geothermal energy, the portfolio also includes hydrogen solutions, storage technologies, engineering services, and modern gas-fired power plants that will be climate-neutral in the future through the use of hydrogen.

The municipal utility consortium KSBG initially took over 51 percent of STEAG in 2011 and the remaining shares in 2014. At that time, the company was facing major economic challenges. After a successful restructuring and realignment of STEAG, however, the owners would have faced a considerable need for further investment. In view of this development, the owners had decided to sell the company in 2022. In a bidding process lasting several months, Asterion now prevailed with the economically best offer. In addition, the declared aim is to preserve STEAG as a whole. In coal-fired power generation, STEAG's power plants continue to make a major contribution to ensuring security of supply in Germany and Europe. Further growth is expected for the future technologies bundled in Iqony.

Heike Heim, CEO of Dortmunder Stadtwerke (DSW21) and Chairman of the Supervisory Board of KSBG said: "With Asterion, the best possible solution has been found for the existing shareholders and the company so that both divisions of the STEAG Group can continue to develop positively. We wholeheartedly wish the STEAG Power and Iqony teams all the best and much success on their way forward. The fact that the STEAG Group is transforming itself and is well equipped for the energy markets of the future is shown not least by the current very stable economic results."

"With the successful conclusion of the sales process, the commitment of the municipal shareholders has come to a conciliatory end," said Dietmar Spohn, spokesman for the management of Stadtwerke Bochum and spokesman for Konsorten: "The municipal utilities of the Ruhr region have entered under different energy policy conditions and have assumed responsibility for STEAG and its employees. The restructuring was a success, and against this background we are pleased that we can hand over the company with its employees to Asterion as a well-positioned house."

Ralf Schmitz, who as Chief Transformation Officer (CTO) on the management board of STEAG and as a member of the management board of KSBG was responsible first for the restructuring and then for the sale process, states: "I am grateful to the managers and all the employees for their tremendous commitment during the challenging restructuring and then in the process of the actual sale. Only in this way was it possible for STEAG to develop a perspective for the future and become an attractive purchase target for potential investors. We are very proud of what we have achieved."

Dr. Andreas Reichel, Chairman of the Management Board of STEAG GmbH and Labor Director, said: "I expressly welcome the sale decision that has now been taken and consider it to be groundbreaking for the future of the Group and its two divisions. After all, this decision provides greater economic room for maneuver for upcoming investments in the future and, in this respect, also helps to secure existing jobs in the long term. The best possible solution has thus been found for all concerned, including our employees."

"Our firm is fully committed to the energy and heat transition. STEAG is very well positioned to be a very relevant player in Germany and Europe in this process towards cleaner, more competitive and reliable energy sources such as solar and wind power, while offering an interesting energy mix that is also supported by coal and gas to guarantee the viability of this transition", Jesús Olmos, CEO Asterion Industrial Partners, commented. "It also has a team of experienced management and skilled employees with technical expertise in wind, solar, and district heating. Its energy sites have excellent infrastructure and are optimally connected to the German energy grid", said Olmos. "With the experience of Asterion's team in managing companies in green transformation, we are excited to work together to deliver on STEAG's decarbonization plans and create new, green jobs."

The transaction was accompanied by the investment bank Morgan Stanley and the law firms GleissLutz, Goerg, Freshfields and CMS. The effectiveness of the sale of the STEAG shares would also mark the successful conclusion of the work of the trustees Dr. Jan Markus Plathner and Dr. Christoph Morgen of the law firm Brinkmann und Partner, who were appointed in the restructuring process at the time.

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