

Press release September 25, 2023

# STEAG heads for strong growth

Together with the future owner Asterion, investments in the green business of the future are to increase significantly – in particular in climate-neutral gas-fired power plants and decarbonization solutions in the medium term.

Essen. At the full works council and delegates' conference of the Essen-based STEAG Group, Dr. Andreas Reichel, Chairman of the Management Board and Labor Director, made it clear that the forthcoming sale of the Essen-based energy group to the Spanish infrastructure investor Asterion Industrial Partners means more scope for STEAG in shaping the energy and heat transition.

Speaking to the participants at the full works council and delegates' conference at the Zollverein industrial heritage site in Essen, Reichel explained the future direction of the Essen-based energy group: "The sale of STEAG GmbH together with its two subsidiaries Iqony and STEAG Power to Asterion, which is expected to be finally closed in December 2023, is a very good signal for the around 5,300 employees and for the energy sector in Germany as a whole. Together with our future owner, we now have the potential to invest significantly in expanding our holistic solutions for decarbonization, decentralization and digitalization of the energy supply."

## STEAG calls for politicians to set the course quickly

At the end of August, Asterion had announced its intention to invest around one billion euros in the STEAG Group's green growth business, which is bundled under the umbrella of the new subsidiary Iqony, once the takeover has been completed. "Our lighthouse projects include, for example, the 'HydrOxy Hub' project at the Duisburg-Walsum power plant site, where we intend to produce large quantities of green hydrogen in an electrolyzer with a capacity of up to 520 megawatts," says Andreas Reichel.

Likewise, projects for the construction of several new gas-fired power plants with hydrogen capability are among the future investment priorities. "For that, however, we will need an appropriate political framework, faster approval procedures and firm legislation as rapidly as possible," Reichel appealed. This applies all the more, he said, as the German government itself has set a target of building new gas-fired power plants with a generation capacity of up to 25 gigawatts by 2030. "If we want to achieve this in that short time, we must have clarity quickly," Andreas Reichel added.

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Gerhard Grabmeier, Chairman of STEAG's General Works Council, made it clear in his speech that a new growth phase would begin for STEAG with Asterion as the owner: "Asterion wants to invest more in the green technologies of the future. This will ensure good and reliable employment prospects in the company and increase the attractiveness of the Group as an employer. The team at Iqony has what it takes to play a key role in shaping the energy transition in Germany and Europe."

### Security of supply ensured by large power plants

In addition to growth in sustainable future fields, STEAG also stands for security of supply as provided by the large power plants of the Group subsidiary STEAG Power. "The past winter in particular, when no more Russian gas flowed through the pipelines to Western Europe, has shown that you can rely on the people at STEAG!" commends Michael Vassiliadis, Chairman of the Mining, Chemical and Energy Industrial Union (IGBCE) and member of the Supervisory Board of STEAG GmbH.

STEAG Power returned 2.5 gigawatts of generation capacity to the market last November, making a decisive contribution to significantly reducing natural gas consumption in power generation. "What is needed now for the future is reliability from politicians. We need more planning certainty and a reliable power plant strategy from the German government. There needs to be security for the electricity market and a new market design in which power plant operators also receive money for keeping power generation capacities permanently available – even when they are not currently connected to the grid," Michael Vassiliadis demands. However, STEAG remains committed to its goal of phasing out coal-fired power generation in Germany by mid-2026.

## About STEAG

For more than 85 years, STEAG has stood for efficient and safe power generation both in Germany and abroad. At the beginning of 2023, the company strategically repositioned itself: In the future, the traditional power plant business will be continued in STEAG Power GmbH, while the Group's various activities in the field of energy from renewable sources, hydrogen and energy storage projects, decarbonization solutions for industry and municipalities, digital tools for optimized plant operation and energy balancing, and district heating supply have been combined under the umbrella of the newly founded Iqony GmbH. With this new enterprise, the long-established Essen-based company is turning the page on a new chapter in its corporate history.

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