

Press release

RWE acquires 1.4-gigawatt power plant from Vattenfall and develops Eemshaven site into a leading energy and hydrogen hub in Northwest Europe

- State-of-the-art gas-fired power station Magnum to support the transformation of power generation in the Netherlands through conversion to hydrogen
- Site offers potential for further expansion of electrolyser capacities
- In combination with CCS, Magnum and Eemshaven could become a cluster for negative CO₂ emissions
- Transaction amongst others subject to the advice of Vattenfall's works council
- Agreed purchase price corresponds to an enterprise value of EUR 500 million

Essen, 2 June 2022

Roger Miesen, CEO of RWE Generation SE: "With the Magnum transaction, we are acquiring a state-of-the-art and already hydrogen-ready plant. Its use in combination with our existing power plant in Eemshaven, enables RWE to develop Eemshaven into one of the leading energy and hydrogen hubs in Northwest Europe. Supplemented by an offshore wind farm Hollandse Kust West, which also provides for 600 megawatts of electrolyser capacity and for which RWE has submitted a bid, we want to actively support the decarbonisation of industry in the Netherlands and thus contribute to achieving the Dutch climate targets."

RWE will acquire the gas-fired power plant 'Magnum' at Eemshaven, the Netherlands, in the province of Groningen from Vattenfall. The two companies have signed an agreement to this effect. The plant, which has been in operation since 2013, is one of the most modern power plants of its kind and has an installed capacity of 1.4 gigawatts.

Magnum is located in the immediate vicinity of RWE's existing power plant in Eemshaven, a hard coal-and biomass-fired power plant of 1,560 megawatts capacity. Thereby RWE expects comprehensive benefits from sharing local infrastructure.

Already hydrogen-ready gas-fired power station

Thanks to its construction design, Magnum is already 'hydrogen-ready' today: the plant can be made technically suitable to co-fire hydrogen by up to 30 per cent. Moreover, there may also be the possibility of converting Magnum to rely on hydrogen as its sole fuel by the end of the decade. Magnum not only supports the decarbonisation of the Dutch energy sector, but also the local expansion of the hydrogen infrastructure in the province of Groningen, in which RWE is already actively involved through the 'Eemshydrogen' project cluster.



Sopna Sury, COO Hydrogen of RWE Generation SE: “With the acquisition of the power plant in Eemshaven, we are strengthening our Eemshydrogen project cluster. At this site, we want to drive forward the production of low-cost hydrogen at large scale. Green hydrogen is the key element for decarbonising the industry and thus an important pillar for the success of the energy transition.”

Since 2020, RWE has been developing Eemshydrogen, an innovative project for the environmentally friendly production of hydrogen in Eemshaven. As part of the tender for the Hollandse Kust West VII offshore wind farm, RWE also plans to build electrolyzers with a total capacity of 600 megawatts. This would sustainably develop the province of Groningen into one of the focal points of the Dutch hydrogen economy.

Eemshaven site could be CO₂ negative

The close vicinity to the Dutch North Sea and the surrounding former natural gas fields also make it possible for Magnum and RWE’s Eemshaven power plant to use carbon capture storage (CCS) technologies in the future. This would allow the Eemshaven site to be operated as not just CO₂ neutral, but with a negative CO₂ output. RWE hopes to get the required government support to make this technically, politically and economically feasible.

At Groningen province’s Eemshaven port, in the immediate vicinity of Magnum, Gasunie is developing LNG (liquefied natural gas) terminals, which can be additionally supported, for example, by heat supplied from RWE power plants.

A holistic use of the Eemshaven site thus enables RWE to create one of the leading energy and hydrogen hubs in Northwest Europe.

Closing of the transaction by the end of September 2022

Closing of the transaction is expected by the end of September 2022. The agreed purchase price corresponds to an enterprise value of EUR 500 million. Another component of the transaction is a solar plant with a capacity of 5.6 megawatts located on the site. RWE will take over Magnum’s entire workforce from Vattenfall. The transaction is amongst others subject to the advice of Vattenfall’s works council.

For many years, RWE has been supporting the Dutch government in driving forward the energy transition. The Netherlands is one of the key markets where RWE wants to further expand its renewable energy portfolio. Here, RWE currently operates seven onshore wind farms with a total installed capacity of more than 330 MW (RWE’s pro-rata share) with further projects under development and construction. Furthermore, RWE operates and develops solar farms including the floating solar project at Amer. In addition to Eemshydrogen, RWE is also working on the development of onshore and offshore hydrogen projects, such as H2opZee, NorthH2 and FUREC, which all contribute to decarbonising the industry.





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RWE

RWE is leading the way to a green energy world. With an extensive investment and growth strategy, the company will expand its powerful, green generation capacity to 50 gigawatts internationally by 2030. RWE is investing €50 billion gross for this purpose in this decade. The portfolio is based on offshore and onshore wind, solar, hydrogen, batteries, biomass and gas. RWE Supply & Trading provides tailored energy solutions for large customers. RWE has locations in the attractive markets of Europe, North America and the Asia-Pacific region. The company is responsibly phasing out nuclear energy and coal. Government-mandated phaseout roadmaps have been defined for both of these energy sources. RWE employs around 19,000 people worldwide and has a clear target: to get to net zero by 2040. On its way there, the company has set itself ambitious targets for all activities that cause greenhouse gas emissions. The Science Based Targets initiative has confirmed that these emission reduction targets are in line with the Paris Agreement. Very much in the spirit of the company's purpose: Our energy for a sustainable life.

Forward-looking statements

This press release contains forward-looking statements. These statements reflect the current views, expectations and assumptions of management, and are based on information currently available to management. Forward-looking statements do not guarantee the occurrence of future results and developments and are subject to known and unknown risks and uncertainties. Actual future results and developments may deviate materially from the expectations and assumptions expressed in this document due to various factors. These factors primarily include changes in the general economic and competitive environment. Furthermore, developments on financial markets and changes in currency exchange rates as well as changes in national and international laws, in particular in respect of fiscal regulation, and other factors influence the company's future results and developments. Neither the company nor any of its affiliates undertakes to update the statements contained in this press release.

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