

## Press release

# ČEPS buys RWE's gas storage business in the Czech Republic

Essen, 24 August 2023

The state-owned operator of the electric power transmission system ČEPS, a.s., has agreed with German energy company RWE on the sale of its subsidiary RWE Gas Storage CZ, s.r.o.. The purchase was approved by the Government of the Czech Republic on Wednesday, and the purchase contract was signed today.

RWE Gas Storage CZ, s.r.o. is the largest operator of gas storage facilities in the Czech Republic with six underground gas storage facilities with a total operating volume of more than 2.7 billion m<sup>3</sup>. The subject of the sale is the company including the entire workforce, consisting of 250 employees. The agreed purchase price (equity value) is €360 million.

As gas storage activities are not part of RWE's core business, the company has decided to divest its Czech business while retaining its gas storage business in Germany. RWE's storage facilities in Germany are salt caverns which, due to their geological characteristics, are ready to be used for storing hydrogen.

**Markus Krebber, CEO of RWE AG:** “We are delighted to have found a competent and experienced buyer in ČEPS, for whom our Czech gas storage business is of key strategic significance. This provides certainty for the workforce and the opportunity to continue to evolve both the company and its business. RWE Gas Storage CZ is a profitable and established company that plays an important role in security of supply in the Czech Republic.”

“ČEPS, a.s. will finance the purchase in the short term from the surplus of its own resources which results of a significant drop in the costs of ancillary services and the drop in prices of electricity purchased to cover losses in the transmission system. The company will also use proceeds from cross-border capacity auctions,” says **Martin Durčák, chairman of the board of ČEPS, a.s.**

“ČEPS is the sole national transmission system operator, responsible for the transmission of electricity and the proper operation of the electricity system, and thus also for the safety and reliability of electricity supply in the Czech Republic. The company is wholly owned by the state, with 100% of the ownership rights exercised through the Ministry of Industry and Trade. The purchase of the gas storage facilities by ČEPS is therefore a logical step in government activities to further strengthen the Czech Republic’s security of supply,” says **Josef Síkela, Minister of Industry and Trade.**

The transaction is subject to regulatory approval and is expected to be closed in 2023.

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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 more than €50 billion gross for this purpose in this decade. The portfolio is based on offshore and onshore wind, solar, hydropower, 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 wants to phase out coal by 2030. 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.

## ČEPS, a. s.

ČEPS, a. s., operates on the territory of the Czech Republic as the sole operator of its transmission system (400 kV and 220 kV power lines) under an electricity transmission license granted by the Energy Regulatory Office in accordance with the Energy Act. It maintains, renovates and upgrades 44 substations with 79 transformers, some of which serve to transfer electric power from the transmission system to a distribution system, 3,940 km of 400 kV power lines and 1,824 km of 220 kV power lines. ČEPS, a. s. provides transmission services and services relating to real-time electricity generation and electricity consumption balancing (system services) within the Czech Republic’s electricity system. ČEPS is a member of European structures. It provides cross-border transmission capacities for electricity exports, imports and transit. In addition, ČEPS, a. s. has long taken an active part in forming a liberalised electricity market in both the Czech Republic and Europe. For more information, visit [www.ceps.cz](http://www.ceps.cz)

## 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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