

Press release

RWE agrees to acquire Con Edison Clean Energy Businesses, Inc. and to become one of the top leading renewable energy companies in the United States

- **Transaction almost doubles RWE's renewables portfolio in the U.S. to more than 7 GW of operating assets**
- **Significant boost of RWE's U.S. project pipeline to more than 24 GW in onshore wind, solar and batteries**
- **Combined team of about 1,400 employees with vast experience in renewables will step up RWE's growth and investment plans in the U.S.**
- **Purchase price based on enterprise value of USD 6.8 billion; earnings accretive acquisition increasing EBITDA by around USD 600 million from year one on**
- **Acquisition and additional green growth funded through an equity capital measure of just under 10% of RWE AG's share capital via issuance of a mandatory convertible bond to QIA**

Essen, 1 October 2022

Markus Krebber, CEO of RWE AG: "The acquisition of Con Edison Clean Energy Businesses is a major boost for RWE's green expansion in the United States, one of the most attractive and fastest growing markets for renewable energy. The unique combination of complementary portfolios in onshore wind, solar and batteries creates one of the leading renewable companies in the U.S. market. The combined development pipeline, one of the largest in the U.S., provides tremendous opportunities for sustainable and value accretive growth, backed by a strong financial position. I am very pleased to welcome about 500 new colleagues. Together, we will form a powerful RWE team, strongly committed to contribute to the global energy transition."

RWE AG, one of the world's leading renewable energy companies, signed a purchase agreement with Con Edison, Inc. to acquire all shares in Con Edison Clean Energy Businesses, Inc. (Con Edison CEB). Headquartered in Valhalla, New York, Con Edison CEB is a leading operator and developer of renewable energy plants in the United States, with about 3 gigawatts (GW) of operating capacity, thereof 90% in solar energy, and a strong development pipeline of more than 7 GW.

RWE

The transaction marks a milestone in RWE's growth ambitions in the United States. Once completed, this will make RWE the number 4 renewable energy company and the second largest solar operator in the United States, one of the largest and fastest growing markets for renewable energy globally. The Inflation Reduction Act sets a stable and reliable 10-year framework for investments in clean energy.

Combined activities create strong basis for additional growth in the United States

Combining RWE's and Con Edison CEB's highly complementary portfolios almost doubles RWE's operating asset base in the U.S. to 7.2 GW. At the same time, RWE's U.S. presence becomes more widely spread across the vast majority of U.S. states. The unique combination of both businesses also leads to a perfectly balanced portfolio across onshore wind, solar and batteries.

A combined project pipeline of more than 24 GW in onshore wind, solar and batteries provides one of the largest development platforms for renewable energy in the U.S. In addition, RWE is also forging ahead with the expansion of its global offshore wind activities in the United States. Growth from the acquisition will come on top of RWE's existing growth plans for the United States. RWE had already earmarked up to EUR 15 billion gross for investment in the U.S. as part of its Growing Green strategy, which envisages global investments of EUR 50 billion gross by 2030.

Con Edison CEB has a strong team of about 500 experts with a long and outstanding track record in developing, constructing and operating renewable energy projects. About 1,400 employees from both companies will form a high-performing team, fully committed to the green energy transition and stepping up RWE's growth plans in the U.S. in the years to come.

Closing of the transaction is subject to customary regulatory approvals and is expected to take place in the first half of 2023.

Funding of acquisition and additional growth

RWE and Con Edison have agreed on a purchase price based on an enterprise value of USD 6.8 billion. At a multiple Enterprise Value/EBITDA of 11x, this represents an attractive price. Furthermore, with EBITDA of around USD 600 million from year one on, the acquisition is earnings accretive.

Financing of the acquisition and the additional growth are funded through debt instruments and an equity capital measure undertaken by RWE AG. Equity will be raised via issuance of a mandatory convertible bond to a subsidiary of QIA (Qatar Investment Authority). The mandatory convertible bond will have an aggregate principal amount of EUR 2,427.6 million and will be converted into new ordinary bearer shares, expected to represent just under 10% of RWE AG's existing share capital (approximately 9.09% post conversion). RWE maintains its plan to pay a dividend of EUR 0.90 per share for fiscal 2022.

RWE

Markus Krebber, CEO of RWE AG: “Our equity capital measure is the basis for financing the acquisition of Con Edison CEB and of the additional green growth in the years to come. I am delighted that QIA is supporting RWE’s accelerated growth ambitions with their capital commitment. This underlines our strategy to be one of leading drivers of the global energy transition.”

The United States – one of RWE’s key strategic markets for further growth

The U.S. plays a key role in RWE’s strategy to grow its renewables business and to become carbon neutral by 2040. RWE constructs, owns and operates some of the highest performing wind, solar and battery storage projects in the U.S. As a leading renewable energy player, the company has more than 30 projects in operation in the U.S., with a total installed generation capacity of 4.1 GW in onshore wind, solar and batteries. Prior to the transaction with Con Edison, the geographical footprint of RWE’s operating base includes much of Texas, with projects also in the states of New York, Pennsylvania, North Carolina, Georgia, Ohio, Indiana, Illinois, Oklahoma and Arizona.

In addition to onshore wind, solar and batteries, RWE is also developing offshore wind in the United States. The company, together with its joint venture partner National Grid Ventures, secured area OCS-A 0539 in the New York Bight offshore lease auction in the U.S. with the potential to host 3 GW of capacity, enough to power 1.1 million U.S. homes. In addition, RWE has entered into a joint venture, New England Aqua Ventus, focused on floating offshore wind in the state of Maine.

For further enquiries: Stephanie Schunck
RWE AG
Director of Group Corporate
Communications & Public Affairs
T +49 (0) 201 5179-5177
M +49 (0) 162 26 555 88
stephanie.schunck@rwe.com

Vera Buecker
RWE AG
Head of Media Relations
International & Finance
T +49 (0) 201 5179-5112
M +49 (0) 162 25 173 29
vera.buecker@rwe.com

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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