

RWE to divest a stake of 51% in four onshore wind farms in Texas to Algonquin

- Sell down in four RWE onshore wind facilities in Texas of a stake equivalent to a total capacity of 439 megawatts
- Agreed purchase price corresponds to an enterprise value for the stake of around USD 600 million
- RWE will remain operator of all onshore wind farms

Essen, 14 December 2020

RWE, one of the world's leading renewable energy companies, has signed an agreement with a subsidiary of Algonquin Power & Utilities Corp to sell a 51% stake in four RWE onshore wind facilities in Texas, accounting for a total pro-rata installed capacity of 439 megawatts (MW). The total consideration corresponds to an enterprise value of around USD 600 million (for the 51% stake), which translates to an implied enterprise value multiple of USD 1.4 million/MW. Two projects are in operation and two under construction. The disposal is part of RWE's capital rotation program and the proceeds will be used to finance further growth in the renewable energy business.

Algonquin is a diversified Canadian utility with assets across the U.S. and Canada with a market capitalisation of approximately USD 10 billion. The transaction with Algonquin demonstrates the attractiveness of RWE's portfolio in North America. The U.S. play 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 energy storage projects in the U.S. RWE has significant experience in the U.S. with 25 onshore wind farms in operation. In addition, the company has now almost 1 GW of onshore wind farms under construction in the U.S. and is building the Hickory Park solar project with co-located storage.

The four onshore wind farms for which the parties agreed to enter a partnership are Stella, Cranell as well as East and West Raymond. With a total installed capacity of 861 MW, they are located in the coastal region of south Texas. Stella Wind Farm (201 MW) was commissioned in December 2018 and Cranell Wind Farm (220 MW) in September this year. Raymond East (200 MW) and West (240 MW) wind farms are currently under construction. They are expected to be commissioned by the end of this year and in the first quarter of 2021 respectively. Following the closing of the transaction, RWE will continue to operate all four wind farms.



The announcement of this transaction with Algonquin does not change RWE's financial guidance or its ambitions for investment and growth in the renewable energy business: By the end of 2022, RWE aims to expand its renewables portfolio to more than 13 gigawatts capacity by investing €5 billion net. Together with partners, the gross investment volume can amount to up to €9 billion. To achieve its growth targets, RWE has an attractive project development pipeline of more than 22 gigawatts, across all of the company's strategic core regions.

The transaction is expected to close in the first quarter of 2021 and is subject to the commissioning of the projects under construction.

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RWE AG

RWE is one of the world's leading companies for renewable energies. The company has a capacity of about 10 gigawatts based on renewables including hydropower and biomass as well as an efficient gas fleet and an internationally active energy trading business. RWE wants to expand its position by investing in onshore and offshore wind power, photovoltaics and storage technologies. As a driver of the energy transition, the company is also focusing on innovative projects such as floating offshore and the production and use of hydrogen. In addition to its core business, the company generates electricity from nuclear energy and coal; state-defined exit paths have been set for both energy sources. In total, the company owns a portfolio of around 44 gigawatts of generating capacity and employs around 20,000 people worldwide. RWE has a clear target: carbon neutrality by 2040.

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.

German General Data Protection Regulation (GDPR)

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