

Getting the energy transition done

Iqony brings growth divisions together

Essen. With the launch of Iqony at the start of January, the division of the STEAG Group into two parts has now been successfully completed. Based on preliminary figures, the various growth divisions of the Essen-based energy company generated sales of just under 1.3 billion euros and operating earnings (EBITDA) of more than 240 million euros in 2022 with around 2,300 employees. In the future, the growth divisions of the STEAG Group will operate jointly and independently as Iqony. This grouping generates synergies and facilitates market entry.

The whole is greater than the sum of its parts – an insight that also applies to Iqony: “The anticipated contribution to earnings from the growth business in the year just ended shows that our expertise and services are in demand and will continue to be so in the future,” says Dr. Andreas Reichel, CEO of Iqony.

The new, independently operating company combines the photovoltaic and wind energy sectors, hydrogen activities, energy solutions for the decarbonization of industry and municipalities, climate-friendly district heating supply, energy storage for electricity and heat, and activities in the field of digitalization. As a result, Iqony can now offer its joint services in an even more focused manner, which will additionally promote the positive development of these business areas in the coming years.

Hand in hand for decarbonization, decentralization and digitalization

Oriented to the defining economic and social megatrends of decarbonization, decentralization and digitalization, Iqony can provide holistic energy solutions for customers and partners based on the complementary competencies of the individual business units. “The services of Iqony’s individual business units interlock like pieces of a jigsaw puzzle and enable us to offer precisely tailored and individual solutions along the entire value chain of the energy industry,” says Dr. Ralf Schiele, COO of Iqony, explaining the business model.

The fact that decarbonization, decentralization and digitalization will continue to be key drivers of the energy industry in the future ensures a favorable growth and earnings future for Iqony. Specifically, the new company, which specializes in complex energy solutions, is calculating for the coming years with consistently double-digit growth rates in sales and an increase in EBITDA of around 45 percent

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by 2027 to what is then expected to be more than 350 million euros. “Our goals are ambitious, but we not only have the necessary expertise, but also have precisely tailored, innovative answers to the challenges of the times – and ultimately the right team to implement all this successfully,” Ralf Schiele concludes.

Growing with sun, wind and expert engineering

One of the most important growth areas within the newly structured company is in particular the photovoltaics division in the form of Iqony Solar Energy Solutions GmbH (SENS). In the future, the solar energy experts from Würzburg will expand their already extensive range of services for industrial and commercial customers and for large-scale plants in the multi-megawatt range.

In addition to project development, EPC services, i.e. the engineering, procurement and construction of photovoltaic plants, and their technical and commercial operational management including maintenance services, SENS will also invest in its own photovoltaic plants in the future. “SENS has grown strongly and sustainably in all business areas over the past four years. We will strengthen this growth in the future and accelerate it even further by investing in PV assets” says André Kremer, Managing Director of SENS. The company is thus continuing to develop into an Independent Power Producer (IPP) with international operations. Growth in this new business area is also to be driven forward rapidly. For example, SENS aims to reach a total capacity of more than 300 megawatts (MW) as early as 2023. “The first projects in Italy and Spain are already under construction,” André Kremer continues.

The situation is similar in another renewables sector: wind energy; here, Iqony is currently in the process of developing further wind farm projects in France. It is expected that the first new turbines can be erected from the end of 2024, and by the end of the decade Iqony’s wind business will more than double with an increase in capacity of around 270 megawatts (MW).

Facilitating the energy transition at the local level

The distributed generation business is also clearly on course for growth, particularly in the area of heat supply. “With our decentralized, customer-oriented plants, which generally generate electricity and heat on the basis of the climate-friendly principle of cogeneration, we are making an immediate, direct contribution to the success of the energy transition in many places in Germany by helping to avoid significant amounts of CO₂ emissions in the future,” says Anke Langner, who, as managing director of Saarbrücken-based Iqony Energies GmbH, is responsible for the distributed generation business.

Ongoing talks with several dozen potential new partners show that this area of business will continue to gain in importance in the future, particularly in view of the major task of successfully implementing the heating transition in Germany. There is especial demand for contracting solutions for municipal or regional partners, in which Iqony takes on the operation of the plants after designing and

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constructing them: Customers get a tailor-made solution for their individual needs from a single source.

Technical service expertise

This shows: “The greater the technical and commercial effort required to integrate generation plants of any size into the grid and into the market, the greater the need for the corresponding know-how: and that is precisely where Iqony comes in,” says Bernd Schmitt, Managing Director of Iqony Technischer Service GmbH.

At the same time, beyond managing the technical processes and if desired, Iqony also takes on the marketing of the energy generated under its direction. Iqony’s trading division is increasingly focusing on business with green power purchase agreements (Green PPAs). “The more demanding the regulatory framework becomes and the more complex the situation on the energy markets, the greater is the need for energy industry expertise in order to put the energy that is generated on the market in the best possible way or to cover one’s own energy requirements via the market in a precisely tailored manner,” explains Dr. Tobias Pffingsten, co-head of Iqony’s trading division.

By successfully bringing together suppliers and consumers thanks to its many years of experience, Iqony also ensures better market integration, especially of renewables; this is also an important contribution to the success of the energy transition.

Decarbonizing industry and municipalities

Providing decarbonization solutions for industry and municipalities is also an important growth business for Iqony – and at the same time another essential contribution to the success of the energy transition in Germany. “Many of our customers are facing the challenge of decarbonizing their production and energy supply. With our expertise and our experience with a wide range of technologies, we can support them in this endeavor: from the energy concept study to planning and implementation,” says Ulrich Sigel, Managing Director of Iqony Solutions GmbH.

In this way, Iqony helps companies and municipal utilities to conserve resources year after year, thereby protecting the climate and their own budgets in equal measure. In view of the urgent need to comply with politically agreed climate targets, demand for such services is noticeably growing. Iqony is currently negotiating the specific contract details for numerous projects; in even more cases, talks are underway with potential customers about possible projects.

Iqony has also already set out to permanently reduce CO₂ emissions in the operation of its own plants; for example, in the area of district heating supply in the Ruhr and Saar regions: “We are focusing – as most recently with the Velsen waste-to-energy plant in the Saarland – on the one hand on tapping waste heat potential from industrial processes, and on the other hand on resource-conserving generation with the new and highly efficient combined-cycle gas turbine power plant in

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Herne,” says Dr. Peter Weiss, who heads asset management at Iqony. “In this way,” Peter Weiss continues, “we are continually reducing the energy requirements and CO₂ emissions of our district heating supply, which is already climate-friendly today.” By 2045 at the latest, Iqony will be operating on a completely climate-neutral basis.

Sound financial basis

In addition to the existing technical and energy expertise, the clear financial stabilization of the STEAG Group in the past two years was an important prerequisite for the successful bundling of the growth divisions in Iqony and the joint market entry that enabled. “This opens up new scope for us to act. In the future, Iqony will not only be convincing in the area of project development and technical services for third parties, but will also be able to invest even more itself,” says Ralf Schiele.

In the important area of the heating transition, for example, Iqony is currently investing in new district heating storage facilities; further storage projects in connection with the market integration of renewable energy sources are in the pipeline. In addition, Iqony can also envisage larger investments in bridging technologies, especially at STEAG’s existing power plant sites: “On the way to the energy transition, Germany needs a secure, base-load-capable energy supply in order to survive those phases in which the sun does not shine and the wind does not blow sufficiently,” says Andreas Reichel.

On the way to a hydrogen economy

Modern gas-fired power plants, which are already capable of being fueled to a certain extent with hydrogen, represent an important bridging technology on the way to a prospectively emission-free energy future. With the construction of another such plant, Iqony can make a relevant contribution to ensuring security of supply in the long term and at the same time drastically reducing CO₂ emissions step by step.

Furthermore, it is a strategic fit that Iqony is currently pushing ahead with large-scale projects for the production of green hydrogen, i.e. hydrogen produced using electricity from renewable energy sources, both in the Saar and Ruhr regions. “We are in the process of developing both projects to the point where they are ready for licensing in the near future,” says Ralf Schiele. “However, in addition to the European Union’s decision on the recognition of our Saarland project as an Important Project of Common European Interest, a clear and binding regulatory framework is urgently needed so that the ramp-up of the hydrogen economy desired by politicians, industry and the energy sector can succeed.”

Iqony: Special position in the energy market

In order to tackle this ramp-up and support industrial customers and municipal partners in decarbonizing and successfully shaping the energy transition, Iqony has around 2,300 employees with the broadest range of technical and energy industry expertise imaginable. “Whatever our

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customers and partners need to decarbonize their production processes, make their energy supply more independent and climate-friendly, or make it more efficient by means of digital solutions – Iqony can offer all of this from a single source, from planning and construction to operation and maintenance,” says Andreas Reichel. Few competitors can match the breadth and depth of technical and energy expertise on the German and European markets in this respect.

Ready to take off as an enabler of the energy transition

Iqony aims to score points with this lead in holistic energy solutions and in doing so become a key enabler of the energy transition: “We make green energy and the energy transition simple and feasible,” is how Andreas Reichel sums up the new company’s mission.

About Iqony

Iqony makes green energy feasible. With 85 years of experience in the planning, construction and operation of energy facilities, the company provides holistic solutions for the decarbonization, decentralization and digitalization of the energy supply. Iqony focuses on renewable energies and bridging technologies that can be used in a climate-neutral way now and in the future. In addition to solar, wind and geothermal energy, the portfolio includes hydrogen solutions, storage technologies, engineering services and gas-fired power plants. Around 2,300 employees worldwide implement projects for major industrial companies, utilities, cities and municipalities in numerous countries across the globe. Specializing in tailor-made solutions for complex challenges, Iqony draws on its broad and in-depth knowledge of the energy industry across the full range of technologies and services.

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