

The EU Commission approves the acquisition of the sole ownership of SEFE by the German Federal government and further capital measures

[Berlin, 21.12.2022] On 20 December 2022, the EU Commission approved further capital measures that enable SEFE Securing Energy for Europe (“SEFE”) to operate as an integrated gas midstream company and continue to ensure security of supply for Germany and Europe. On Friday, the EU Commission had approved the acquisition of the sole ownership of SEFE by the German Federal government in the context of merger antitrust proceedings. The trusteeship of the Bundesnetzagentur over the company, which was established in April, thus ended. The decisions by the EU Commission allow banks and business partners to resume and develop their collaboration with SEFE. The measures confirm the reorientation of the company and are an essential step forward to the future of SEFE.

The EU Commission approved a capital measure of 6.3 billion Euro, by which the KfW loan is partially converted into equity. The debt-to-equity swap covers replacement costs and ensures sufficient equity to conduct business as planned. Although the decision entails commitments for SEFE Group, among others on the sales business in Eastern Europe, these are not expected to have a significant impact SEFE’s core business. For the execution of the debt-to-equity swap, the German Federal government will acquire KfW’s receivables against SEFE under the loan and subsequently contribute them into SEFE’s capital reserve.

Earlier this year, SEFE was subject to an attempt to liquidate the company by SEFE’s former owner and targeted sanctions by Russia. The subsequent suspension of deliveries by Gazprom Export resulted in high replacement costs for SEFE to fulfil its contractual agreements with customers. After intense review, in November 2022, the German Federal government took full ownership over SEFE after already having established a trusteeship for SEFE in April. Now that the legally required period of filing a lawsuit over the new ownership is officially over and the decision has not been legally challenged, the change of ownership has become final. The EU Commission has evaluated SEFE’s role in the market in-depth and announced their approval of a recapitalization of the state-owned SEFE.

The Managing Director of SEFE Dr. Egbert Laege comments on the EU Commission’s decision: “We are very pleased with the decision. We now have clarity on our future and the capital needed in order to shape it. We will continue to be a reliable partner for our suppliers, customers and trade partners in ensuring energy supply in Europe. Our teams have been working hard towards this day and I am very grateful for their tremendous efforts throughout the whole year.”

About SEFE

Securing Energy for Europe GmbH (SEFE), formerly known as Gazprom Germania GmbH (GPG), is an integrated energy company that is active in various steps along the value chain. Headquartered in Berlin, Germany, the state-owned company with more than 1,500 employees across Europe has its strongest footprint in Germany and serves industry customers and municipalities. SEFE is a midstream player focusing on Trading & Portfolio Management, Sales, Storage and Pipeline Infrastructure. SEFE plays a pivotal role in providing energy supply stability for Germany and Europe, which is why the German Federal government decided to stabilize SEFE when it was subject to Russian sanctions in mid-2022.



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