

PRESS RELEASE

DEUTZ puts hydrogen-powered generator sets into operation in China

- First series application for DEUTZ hydrogen combustion engine
- Joint Venture established for further sales in China
- Power generator business is becoming increasingly important for Cologne-based company

Cologne, September 11, 2024 – Today, DEUTZ put into operation the first power generators in Beijing that generate electricity using the hydrogen combustion engine developed by DEUTZ. At the same time, contracts were signed for a joint venture between DEUTZ and the Zhongguancun Summit Enviro-Protection State Innovation Zone (ZGC), which will drive the further distribution of hydrogen-powered generators (H2 gensets). The ceremony in Beijing was attended by DEUTZ CEO Dr. Sebastian C. Schulte, the Lord Mayor of Cologne, Henriette Reker, and the Beijing municipal committee member and Vice Mayor of Beijing, Jin Wei.

“The commissioning of the first of around 100 hydrogen-powered generators that we will supply to China demonstrates the potential of combining hydrogen and combustion engines,” explained Schulte. “In Germany, we would do well not to give up on this technology, but to continue developing it in a climate-friendly way and to use it wherever it has significant advantages over electric drives and fuel cells.”

DEUTZ is one of the first engine manufacturers in the world to start series production of a hydrogen combustion engine. The basis for this is the delivery of 100 hydrogen-powered generators based on the TCG 7.8 H2 engine to the Chinese State Innovation Zone ZGC. The zone in Beijing is known as the “Silicon Valley of China” due to its science and technology center.

The 100 H2 gensets are to be used in China in the immediate vicinity of coking plants, among others. The waste gases produced there are currently all burned off. Hydrogen accounts for around a quarter of them and going forward this hydrogen will be separated and used to generate electricity on site with the gensets supplied by DEUTZ – with no additional carbon emissions. This means that the hydrogen engines will still reduce emissions, even without green hydrogen. By using grey hydrogen as a by-product of coking plants, each H2 genset can already save up

to 800 tons of CO₂ per year. Yet, the H₂ gensets can be operated climate-neutrally with green hydrogen at a later stage.

The hydrogen engine concept is based on conventional combustion technology. Instead of fossil fuels, this engine is fueled with hydrogen. The combustion of hydrogen does not produce CO₂, but water (H₂O). Another advantage is the flexible scaling of the generators on site.

The business with gensets, regardless of the fuel used, is becoming increasingly important for DEUTZ. With the recent acquisition of the US manufacturer Blue Star Power Systems, DEUTZ is focusing on the increasingly important decentralized energy supply, in which power generators play a relevant role. DEUTZ expects the acquisition to generate additional profitable revenue of more than USD 100 million to more than USD 150 million per year in the medium term. Building on this, revenue in the energy sector is expected to grow to around €500 million by 2030 through organic and inorganic growth.



Caption: At the inauguration of the hydrogen-powered generators, DEUTZ signed contracts for a joint venture to drive the further distribution of hydrogen-powered generators (H₂ gensets).

(2.f.l. DEUTZ-CEO, Dr. Sebastian C. Schulte; center: Lord Mayor of Cologne, Henriette Reker; 5.f.l. Vice Mayor of Beijing, Jin Wei.)



Caption: Today, DEUTZ put into operation the first power generators in Beijing that generate electricity using the hydrogen combustion engine developed by DEUTZ.

(center: DEUTZ-CEO, Dr. Sebastian C. Schulte, with Lord Mayor of Cologne, Henriette Reker; r.: Jin Wei, Vice Mayor of Beijing)

Credit (both): DEUTZ AG

The engine company.



For further information on this press release, please contact:

Mark Schneider

Head of Investor Relations, Communications & Marketing

Tel: +49 (0)221 822 3600

Email: Mark.Schneider@deutz.com

About DEUTZ AG

DEUTZ AG, a publicly traded company headquartered in Cologne, Germany, is one of the world's leading manufacturers of innovative drive systems. Its core competencies are the development, production, distribution, and servicing of drive solutions in the power range up to 620 kW for off-highway applications. The current portfolio extends from diesel, gas, and hydrogen engines to all-electric drives. DEUTZ drives are used in a wide range of applications including construction equipment, agricultural machinery, material handling equipment such as forklift trucks and lifting platforms, stationary equipment such as generator sets (gensets) as well as commercial and rail vehicles. With over 5,000 employees worldwide and around 1,000 sales and service partners in more than 120 countries, DEUTZ generated revenue of around €2.1 billion in the 2023 financial year. Further information is available at www.deutz.com.