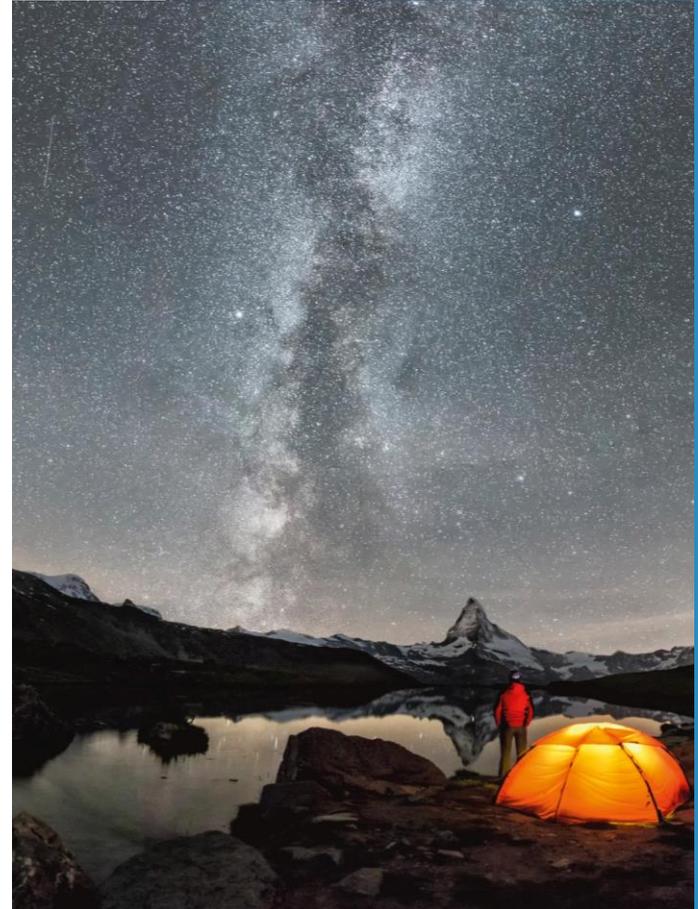


Delivering long-term value through sustainable management

As of August 2018



Powering. Reliable. Future.

RWE

Disclaimer

This document contains forward-looking statements. These statements are based on the current views, expectations, assumptions and information of the management, and are based on information currently available to the management. Forward-looking statements shall not be construed as a promise for the materialisation of future results and developments and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those described in such statements due to, among other things, changes in the general economic and competitive environment, risks associated with capital markets, currency exchange rate fluctuations, changes in international and national laws and regulations, in particular with respect to tax laws and regulations, affecting the Company, and other factors. Neither the Company nor any of its affiliates assumes any obligations to update any forward-looking statements.

All figures regarding the renewables business are based on pro forma combined innogy and E.ON publicly available data. The implementation of the transaction is still subject to conditions, including merger control clearances.

AGENDA

1

Company overview
and strategic outlook

2

ESG performance

Environmental <> Social <> Governance

3

Contribution to the UN Sustainable
Development Goals & Rankings

Powering. Reliable. Future.

RWE

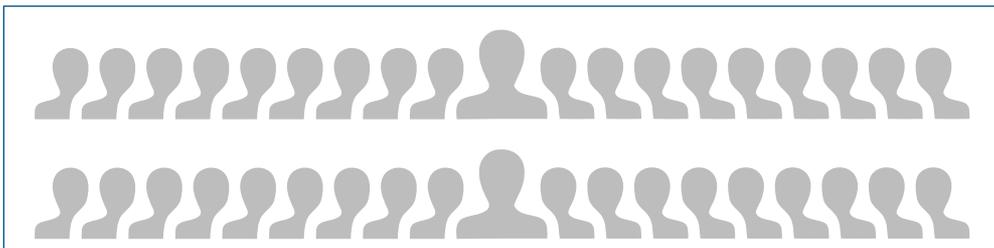
1 Company overview & strategic outlook

Security of
energy supply &
sensible environmental
management
at the heart of RWE

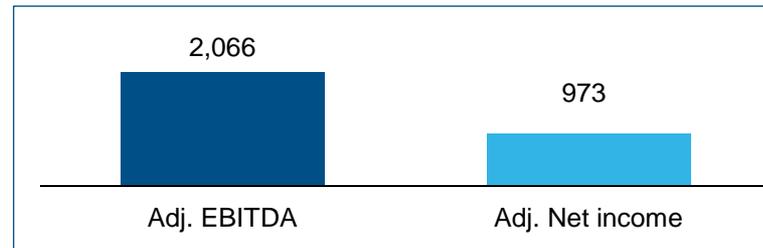
POWERING. RELIABLE. FUTURE.

RWE at a glance

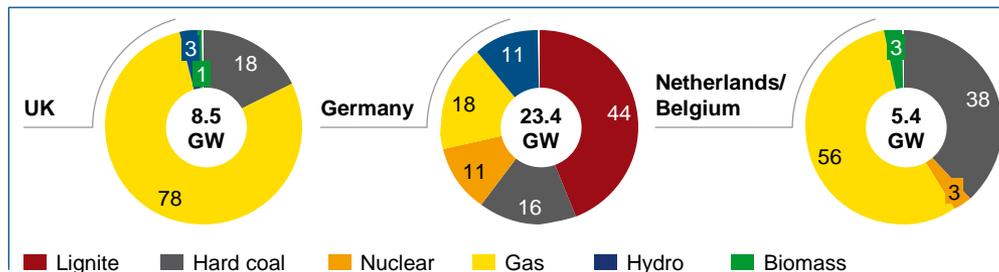
17,154 employees¹ form RWE's powerful workforce



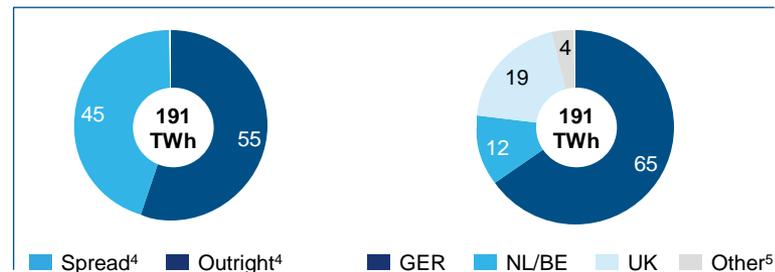
Financial highlights RWE stand-alone 2017 (in € million)



RWE's net capacity² (%) in core generation markets



RWE's production volumes³ (%): 191 TWh



- Highly relevant position in all core markets
- Efficient and flexible portfolio across technologies
- Sophisticated commercial management of operations

¹ Converted to full-time positions. Workforce at 2017 year-end excl. innogy. | ² 2017 net capacity. Excluding Mátra in Hungary (0.8 GW) and Denizli in Turkey (0.8 GW). |

³ 2017 production volumes. Including Mátra and Denizli. | ⁴ Spread: Hard coal, gas, hydro, biomass. Outright: Lignite, nuclear. | ⁵ Including Mátra and Denizli.

RWE is reshaping its portfolio, transforming into a leading integrated renewable & conventional power generator

Strategic outlook

- > On 12 March 2018 RWE and E.ON agreed to an extensive swap of assets and participations involving RWE's stake in innogy
- > Formation of leading power producer in Europe with highly complementary combination of renewable and conventional generation
- > Attractive contribution of E.ON and Kelag stakes to RWE's financial portfolio



RWE

Operational business

Lignite & Nuclear 

E.ON stakes in nuclear power stations Gundremmingen (25%) and Emsland (12.5%)

European Power Generation 

Supply & Trading 

innogy's gas storage business

Renewable Energy 

Respective business areas from E.ON and innogy

Financial portfolio

Stake in Amprion (25.1%)

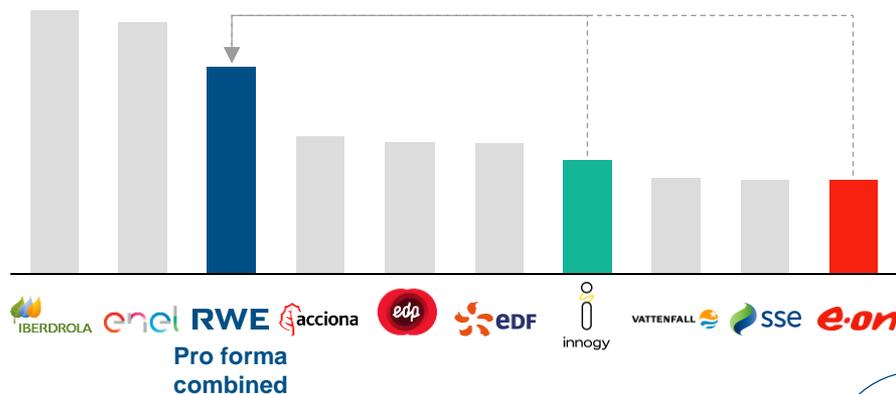
Stake in E.ON (16.7%)

Stake in Kelag (37.9%)

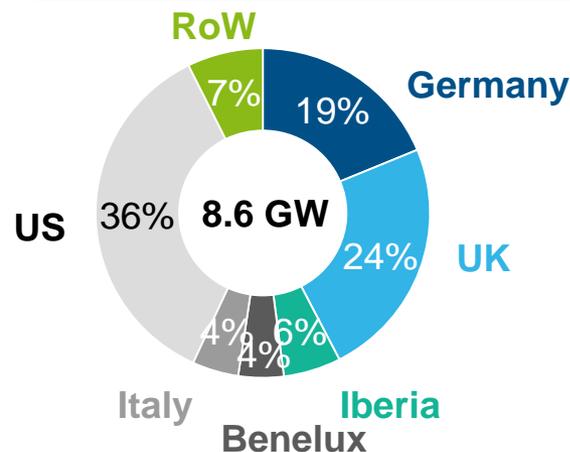
■ Additions to RWE portfolio from transaction (closing of complete transaction expected end of 2019).

RWE's prospering strategic outlook determined by transforming into Europe's #3 renewables player

Installed renewable capacity in Europe¹



Pro forma combined renewables capacity²

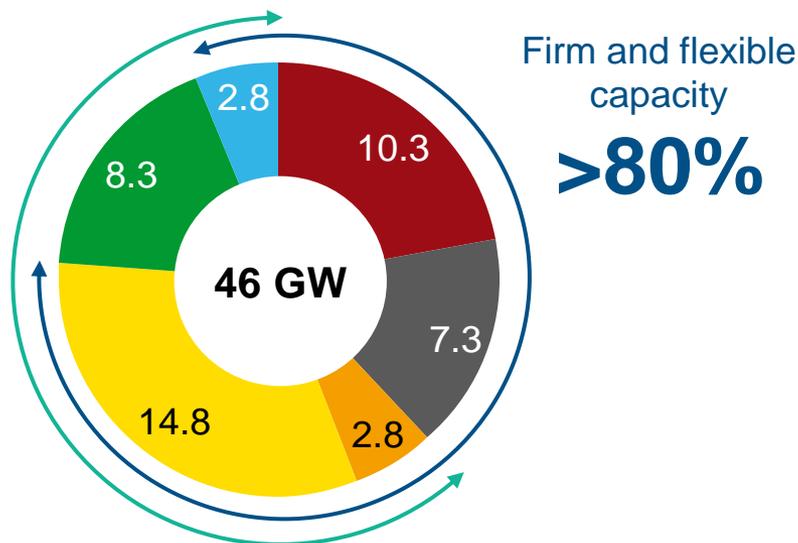


- > No. 3 renewables player in Europe with well-balanced portfolio and strong position in US onshore wind market
- > No. 2 offshore wind operator globally with 2.2 GW² in operation and 0.8 GW² in construction and advanced development
- > Excellent solar EPC & operations capability and innovative battery solutions provider
- > Strong development pipeline in attractive growth markets and scope for efficiencies

¹ Bloomberg New Energy Finance, March 2018. | ² As at 30 June 2018. Pro rata view. Excludes RWE's own renewable capacity. Excluding renewable portfolio of E.DIS and 20% in Rampion. Does not include 88 MW capacity of Galloper as Commercial Operation Date (COD) of full capacity is expected for August 2018. Note: Closing of complete transaction expected for end 2019.

Highly complementary renewable & conventional generation portfolio are cornerstone for secure energy supply

Pro forma combined electricity generation capacity¹
(as at 31 December 2017)



Low CO₂ generation capacity
>60%

Firm and flexible capacity
>80%

■ Lignite ■ Hard coal ■ Nuclear ■ Gas ■ Renewables ■ Other

¹ RWE stand-alone (excluding Mátra) plus E.ON's and innogy's renewables businesses.

Leading European generator with diversified and balanced generation technologies

De-risking of portfolio with >60% of low CO₂ generation capacity

Leading provider of reliable and flexible generation capacity to balance intermittent production of renewables

Opportunity to extract value from enlarged portfolio through leading commercial asset optimisation platform

RWE stand-alone – Outlook for 2018

FY
2017

FY
2018e

€2.1 bn **Adj. EBITDA**

€1.4 bn –
€1.7 bn

-€0.6 bn Adj. depreciation



Stable development expected

-€0.4 bn Adj. net financial result



Significant improvement after redemption and buy back of hybrids in 2017 and impact from settlement of nuclear energy fund in July 2017

-€0.1 bn Adj. taxes



Stable development expected

-€0.1 bn Adj. minorities & hybrid



Stable development expected

€1.0 bn **Adj. Net Income**

€0.5 bn –
€0.8 bn

Dividend (per share)

€0.50
+ €1.00
- Ordinary dividend
- Special dividend

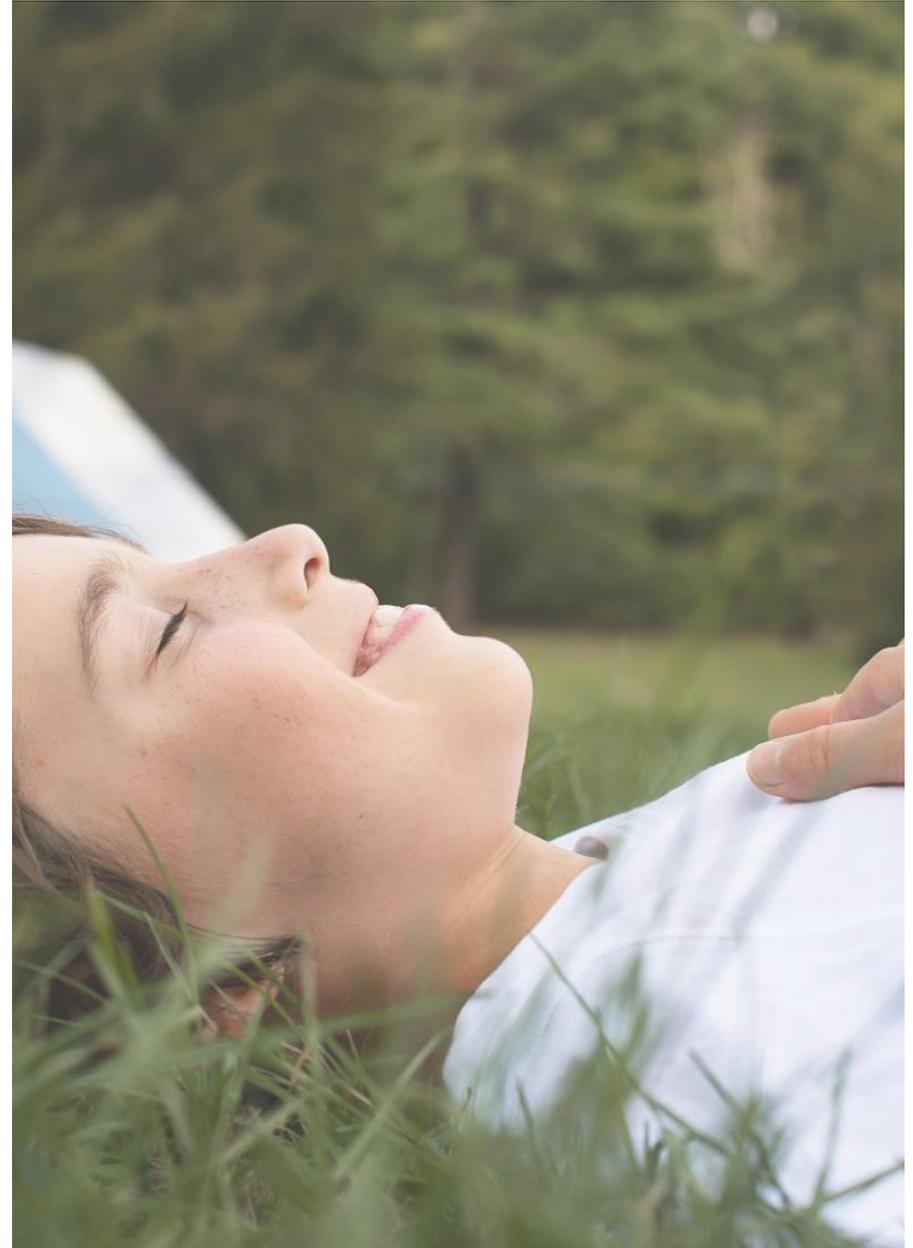
€0.70

Management target

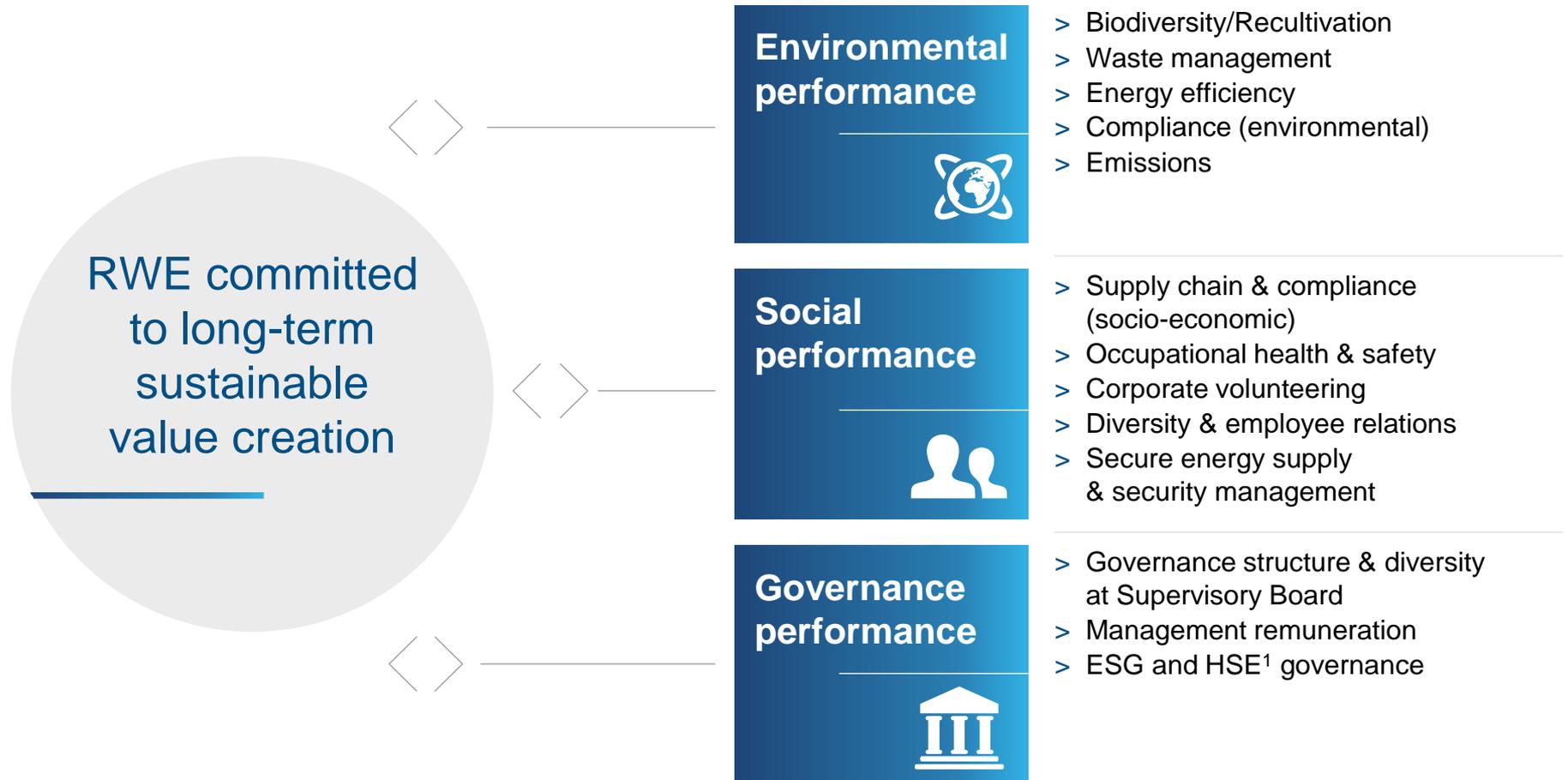
2

ESG performance

RWE committed
to long-term
sustainable
value creation

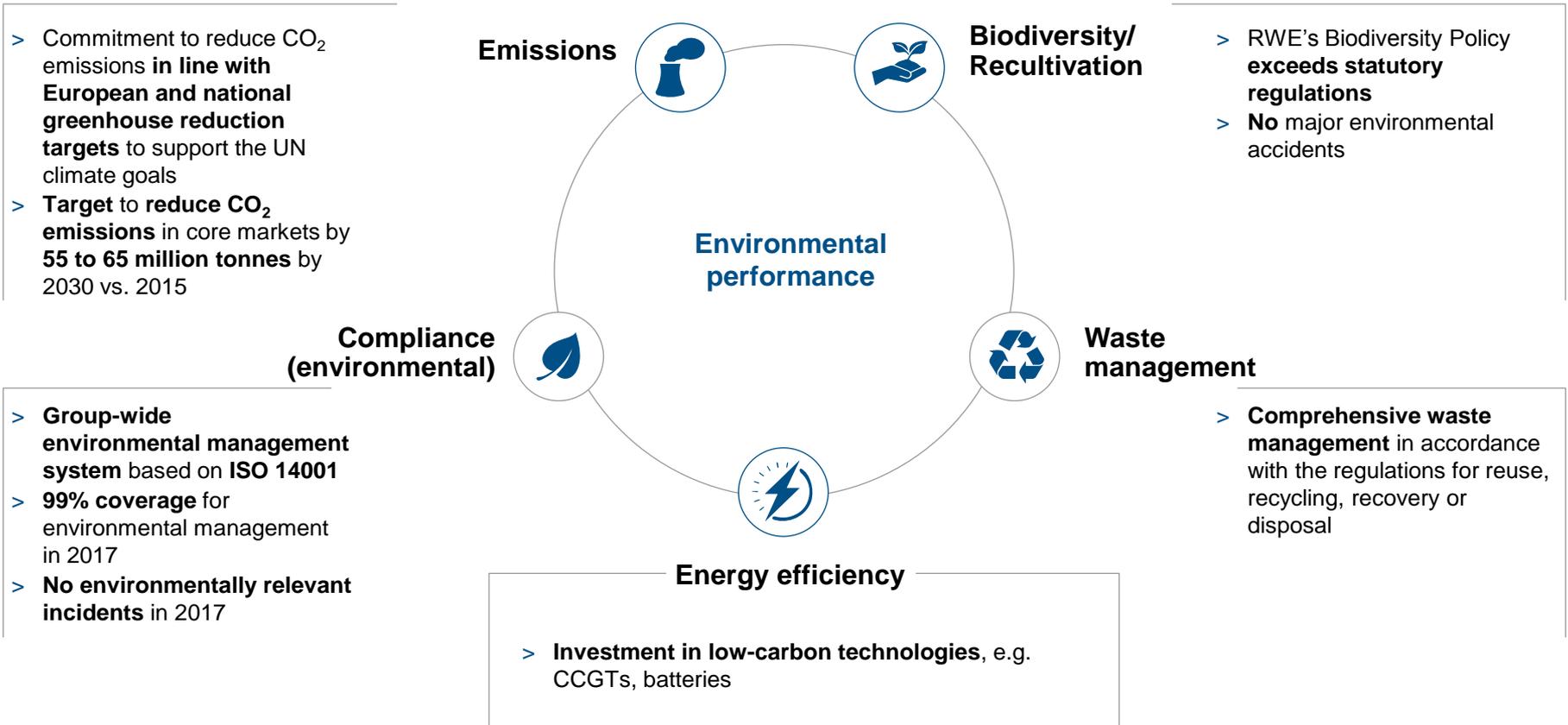


Sustainable management is integral for long-term value creation



¹ HSE: Health, Safety and Environment.

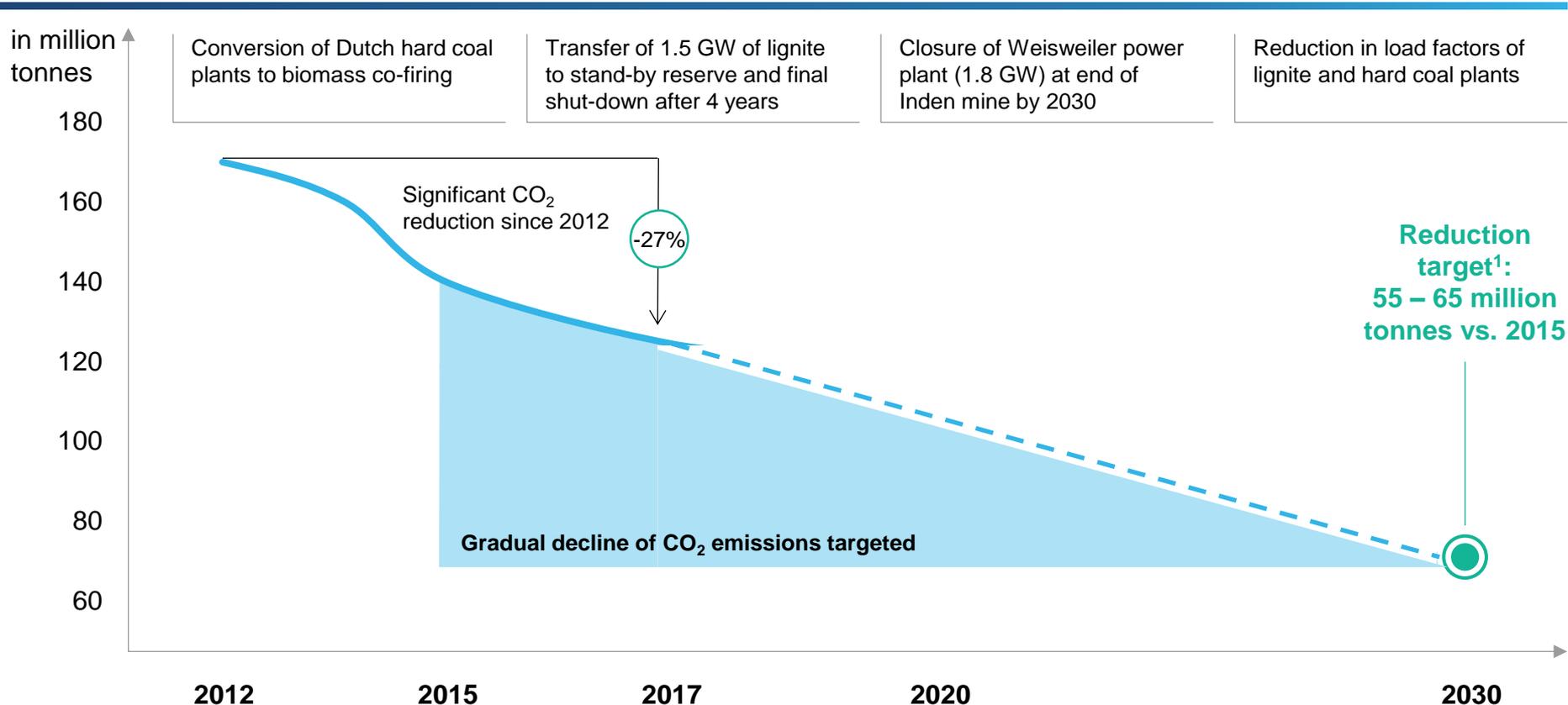
Continuous emission reduction and responsible waste management



RWE's significant CO₂ reductions aligned with European and national climate goals



RWE's reduction path of CO₂ emissions in core markets¹



¹ Referring to RWE stand-alone portfolio, excluding Mátra in Hungary and Denizli in Turkey.

Various low carbon projects in the pipeline. Pilot projects focus on new technologies



Biomass

- > Conversion to biomass co-firing of Amer 9 (80%) and Eemshaven (15%)
- > Total subsidies of €2.6 bn for capex and higher procurement costs for biomass
- > Total CO₂ reduction of approx. 4 million tonnes per annum with full targeted co-firing capacity



Open-cycle gas turbine

- > Development of open-cycle gas turbine plant for grid stabilisation reserve
- > Use of nuclear power plant site with existing grid connection and infrastructure
- > Binding offers expected in December 2018, TSOs' decision about awarded bidders until April 2019



Battery storage systems

- > Pilot and research projects to test suitability of battery storage systems for security of supply
- > 6 MW lithium-ion battery in Herdecke
 - Integration of battery management into RWE's commercial asset optimisation
 - Primarily operated for the provision of primary reserve power



Sector coupling

- > Assessment of power-to-heat technology
 - Potential for temporary fuel replacement in heat and steam generation for district heating or industrial processes
- > Assessment of application project at Lingen CCGT
 - Installation of 40 MWth electric boiler might debottleneck grid in tight situations



Biodiversity footprint for recultivation shows big increase in ecology



Responsible recultivation with the objective of reinstating the development potential of the landscape while taking account of the typical conditions of the surrounding environment



Major building blocks are reforestation, creating agricultural land, structuring new habitats for nature conservation and protecting species



More than 22,000 ha so far recultivated in the Rhenish lignite mining area, thereof more than 7,700 ha of woods, forests and green belts



RWE's quality of recultivation proven by conservation success: five landscape protection areas located in recultivated areas have been designated under legislation



Recultivated areas have an equivalent diversity of species to those in high-value reference habitats in North Rhine-Westphalia – surveys of wildlife and fauna in the recultivated areas showed more than 700 plant and 2,200 animal species with some 430 species on the endangered list



Awareness of macro-economic responsibility to society to provide secure & compliant energy supply



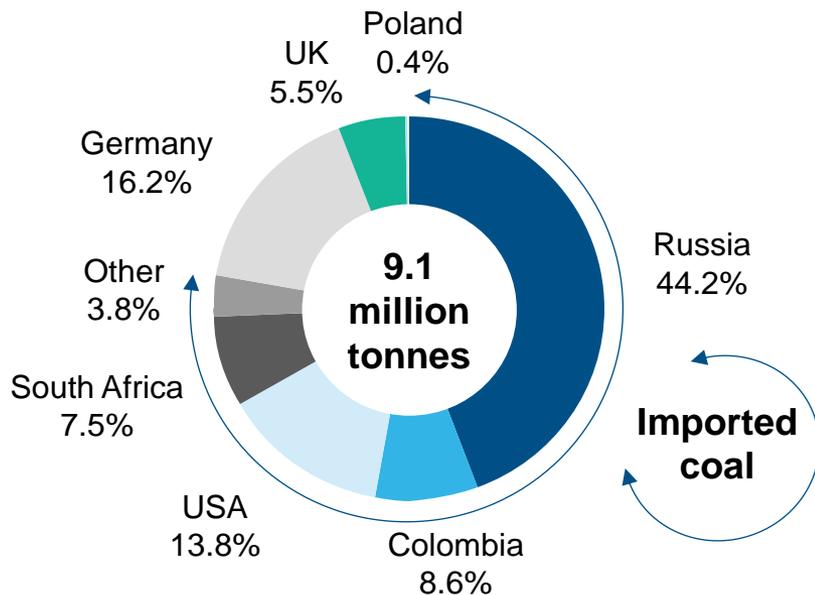
Promotion of hard coal supply chain standards



Overview of countries supplying hard coal

- Procurement of majority of hard coal via international wholesale markets

Hard coal supply countries (2017)



Drive for responsible hard coal procurement

- > Founding member of Bettercoal to improve in producer countries environmental conservation, mining and working conditions
- > In 2017 further five self-assessed mines and four on-site assessments; additional mine visits by Bettercoal delegation in South Africa and Colombia
- > Target to have the three largest Colombian producers audited by 2018:
 - Drummond audited
 - Cerrejón, site-assessment, mid 2018
 - Prodeco, self-assessment, August 2018
- > Additional site visits to local mines by RWE representatives, e.g. visit of Bettercoal delegation in Columbia incl. mine of La Jagua
- > All members established a process with defined procedures, roles and responsibilities to assess and screen direct suppliers in relation to their environmental, social and ethical performance

Ambitious targets and programmes to support equal opportunities and diversity



Group-wide initiatives and networks to enhance the focus on diversity topics (gender, age, cross-culture)

- > Engagement in ENEI¹ network increases outward orientation & provides input on best practice diversity standards
- > 'Total Equality' certificate received by RWE in 2017
- > Regular Diversity Week at several RWE locations to increase awareness



Gender

- Increase women in **1st and 2nd** management level to **30%** and **20%**, respectively (2017: 29% and 17%) **by 2022²**
- > Ensure female talent is found and developed, e.g. Female Talent Programmes
 - > Enable development into executive positions, e.g. Executive Mentoring Programme and FidAR – 'Women on Supervisory Boards'
 - > Encourage women in technical careers, e.g. 'Girls Days' with more than 400 participants, MINT³ initiative & mentoring



Age

- Maintain a balanced age structure and age-appropriate employment
- > Training and apprenticeship programmes for young and senior employees
 - > Participation and support of young professional networks, e.g. 'Young Energy Professional Forum'



Cross-culture & Internationality

- Enhance diversity with regards to ethnic origin and nationality
- > International internal job-market ensures cross-border placement opportunities
 - > Close alignment of Diversity Office with HR Marketing to ensure diversity friendly recruiting processes

¹ ENEI: the Employers Network for Equality & Inclusion. | ² Targets for RWE AG (excluding subsidiaries). | ³ MINT: Mathematics, Informatics, Natural Sciences and Technology.

Companius supports & promotes social engagement of employees



Customised opportunities

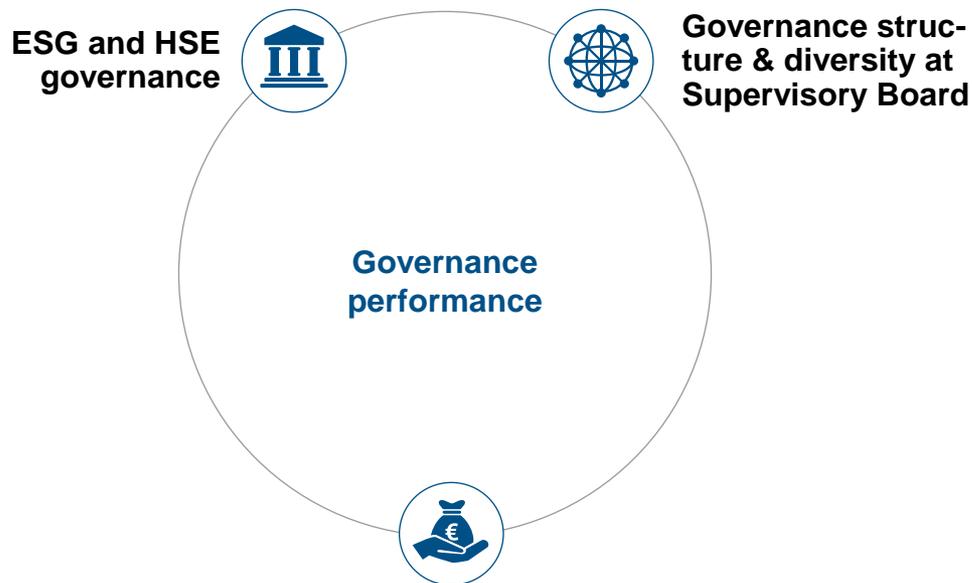
- > Within the scope of HR development measures
- > To support team building and broaden employee skills
- > Related to socially relevant matters, e.g. support for refugees
- > To increase presence in our regions



Strategic goals

- > Promotion of social responsibility through employee commitment
- > Development of employees' skills through volunteering
- > Improvement of employee loyalty and motivation, strengthening the employer brand
- > Support of local municipalities

Highlights of our governance performance



ESG and HSE governance

- > Covered by the Corporate Responsibility and HSE department, directly reporting to RWE AG Executive Board
- > Regular **training mandatory** for all employees to sharpen awareness of Health, Safety and Environment

Governance structure & diversity at Supervisory Board

- > **Two tier governance structure**
- > Diverse & experienced Supervisory Board
- > **Target quota for female members of Supervisory Board fulfilled**
- > **No conflicts of interests**

Management remuneration

- > Executive Management **remuneration with fixed and variable components**
- > Short-term bonus linked among others to **ESG targets**
- > Total compensation **capped at ~164%**

Two tier governance structure



Executive Board

- > Responsible for managing and steering the company
- > Represents company in dealings with third parties

Consists of two members:

- > Rolf Martin Schmitz, CEO and Labour Director
- > Markus Krebber, CFO

Appointed for five years (Schmitz) and three years (Krebber)

- > Rolf Martin Schmitz (30 June 2021)
- > Markus Krebber (30 September 2019)

Tasks



Structure



Length of term



Supervisory Board

- > Oversees the company's Executive Board and appoints its members
- > Provides approval for major strategic decisions

Composition in line with German Co-Determination Act and consists of

- > 10 shareholder representatives elected by the AGM
- > 10 employee representatives elected by the employees of RWE AG & its group companies

- > Appointed for a period of five years (in accordance with German law)
- > Next regular elections at AGM in 2021

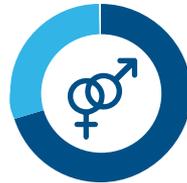
Diverse and experienced Supervisory Board fully fulfils competence requirements



Diversity at Supervisory Board

Gender

Target of 6 female Supervisory Board members achieved



■ Male
■ Female

Independency

Target of 12 independent Supervisory Board members exceeded¹



■ Independent

Length of membership

Target of maximum membership of 15 years exceeded by one Supervisory Board member



■ <3 years
■ 3 – 6 years
■ 7 – 9 years
■ >9 years

Experience of Supervisory Board members

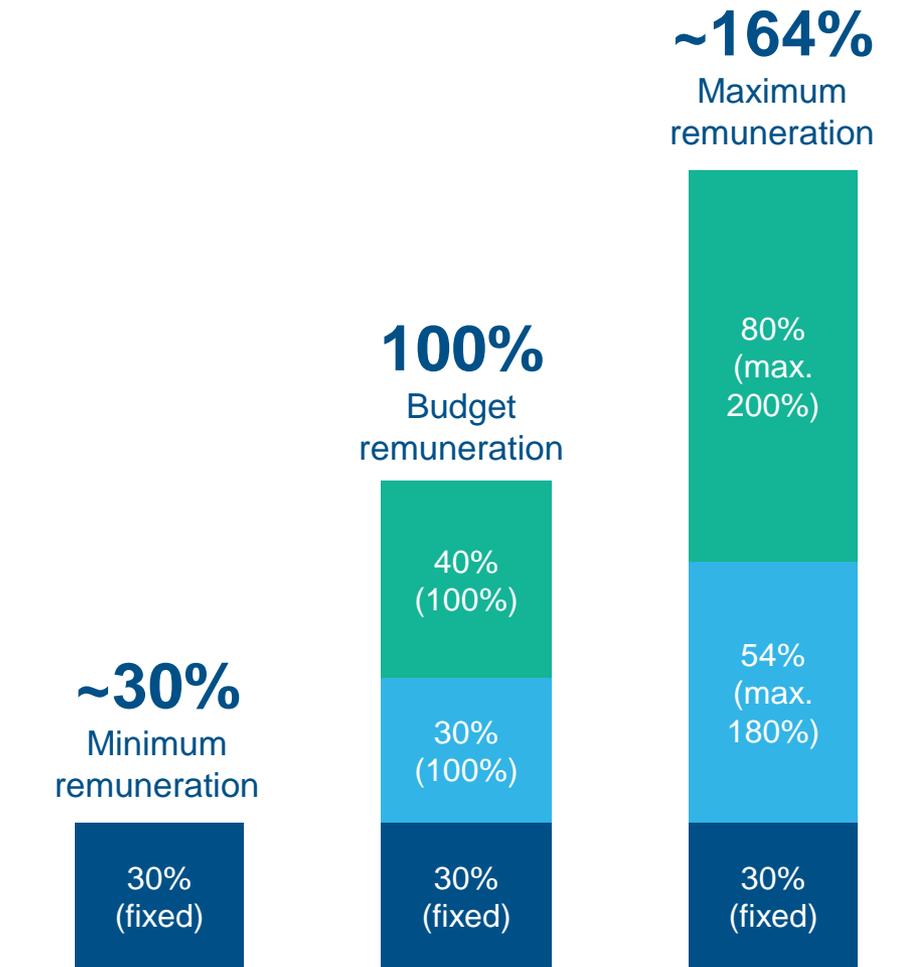
Experience profile of the Supervisory Board members covers all target areas as defined in the competence profile for the composition of the Supervisory Board

Competence Profile	
Public Sector	<input checked="" type="checkbox"/>
Managerial experience	<input checked="" type="checkbox"/>
Co-determination	<input checked="" type="checkbox"/>
Utility sector	<input checked="" type="checkbox"/>
Accounting	<input checked="" type="checkbox"/>
Financial audit*	<input checked="" type="checkbox"/>
International utility sector	<input checked="" type="checkbox"/>

* Incl. financial expert serving as chair of audit committee

¹ In line with German Corporate Governance Code, only those employee representatives are defined as dependent who have an additional relationship with RWE AG, exceeding the employment contract between the employee representatives and an RWE Group company. Due to minor shareholding (~5.7% combined) municipal shareholders are considered independent under the German Corporate Governance Code.

Remuneration system consists of three components



Strategic Performance Plan

- > Long-term, share-based compensation scheme
- > Conditional on achievement of earnings indicator
- > Linked to performance of RWE shares
- > Personal investment obligation

Bonus

- > Based on economic performance of company and individually achieved goals
- > Paid after end of fiscal year; no retention

Annual salary¹

¹ Fixed compensation may also include non-cash and other remuneration, e.g. use of company car.

Bonus rewards annual economic performance as well as individual, collective and sustainability goals



Bonus dependent on company as well as individual performance

Company performance



- > Measured by degree of achievement of targeted adjusted EBIT
- > Target figure set by Supervisory Board
- > Target achievement between 0% (achieved adj. EBIT below 80% of target figure) and 150% (achieved adj. EBIT above 120% of target figure)

Individual performance



- > Performance factor can range between 0.8 and 1.2
- > Dependent on degree to which Executive Board achieves goals established by Supervisory Board
- > Performance factor equally (one third each) based on individual targets, collective performance of the Executive Board and targets in the areas of corporate responsibility and employee motivation

Bonus payment capped at 180% of the bonus budget

Strategic Performance Plan oriented to the long-term success of the company



Grant of performance shares:

- > Conditional allocation of performance shares based on contractually agreed budget
- > Final number determined by adjusted net income achieved by company in relation to target figure set by Supervisory Board
- > Allocation range between 0% and 150%



Vesting period of 4 years



Pay-out dependent on RWE share price performance and cumulated dividends paid during vesting period:

- > Payment limited to 200% of individual allocation value

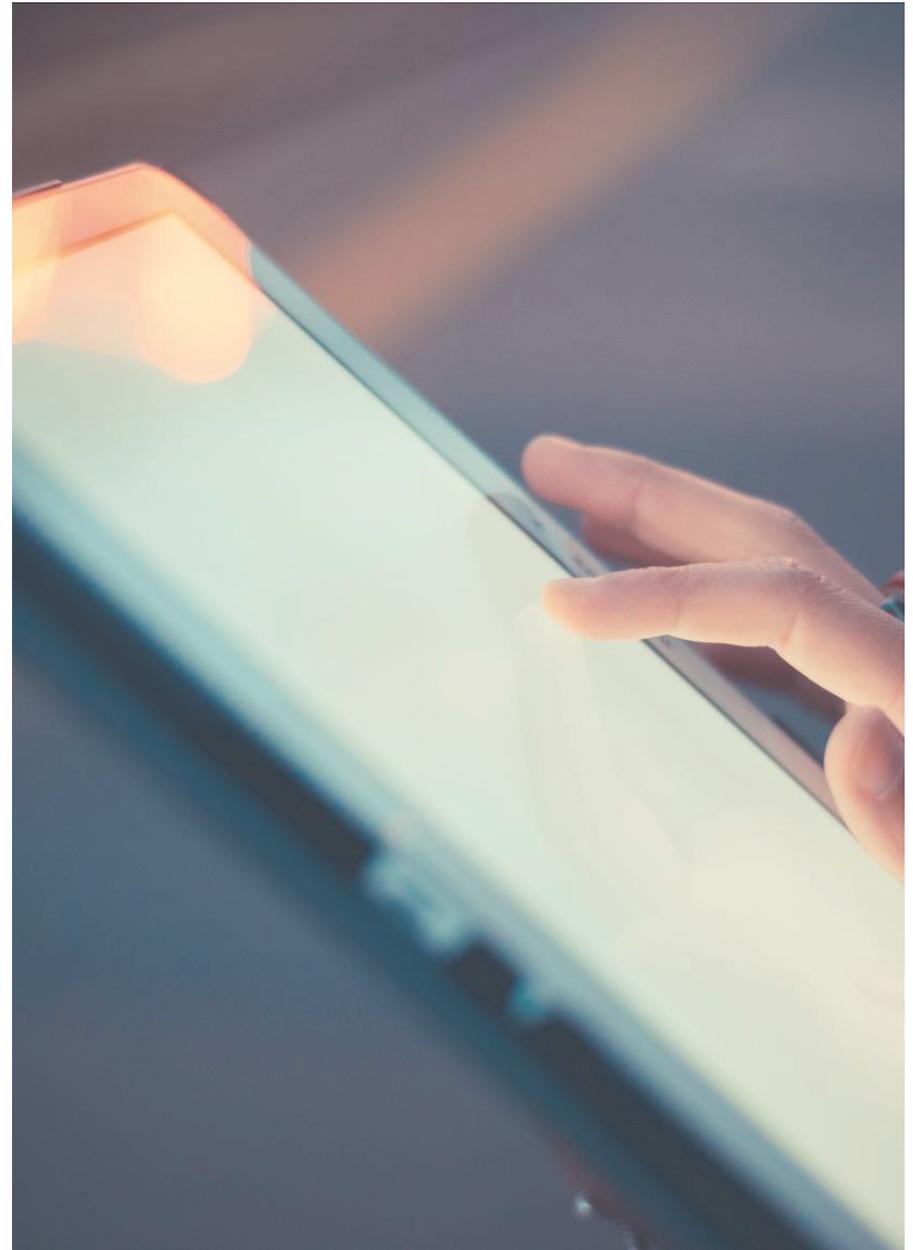


Personal investment obligation for Executive Board of 25% of net pay-out sum, which must be held for another three years

It takes a total of seven years for Executive Board members to obtain the full amount of their remuneration.

Contribution to SDGs and Rankings

RWE - member
of the
UN Global Compact
and committed to
its principles



RWE contributes to the achievement of the UN Sustainable Development Goals



Committed to transparency and accountability



RWE participates and receives recognition in leading sustainability ratings



RWE's ISS Environmental & Social Quality Score¹ 2017:

- > Environmental Score: 4
- > Social Score: 2



Overall 2017 rating: 58/100

- > Environment: 60
(Benchmark: 30 – 80)
- > Labour: 60
(Benchmark: 30 – 80)
- > Fair business practices: 50
(Benchmark: 30 – 70)
- > Sustainable procurement: 60
(Benchmark: 20 – 60)



- > 2017 Climate Change score: B
- > 2017 Water score: B-



Inclusion in Eurozone 120 Index

- > Composed of the highest-ranking listed companies as evaluated by the Vigeo Eiris agency in terms of their performance in corporate responsibility

¹ ISS scale: 1 is low risk, 10 is high risk.

Sustainability along the value chain

120 years

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RWE

Suppliers

We source responsibly



RWE

We produce safely for people and the environment



Customer

We provide a secure energy supply



Your contacts @RWE Investor Relations

Important Links

- > Annual and Interim Reports & Statements
<http://www.rwe.com/ir/reports>
- > Investor and Analyst Conferences
<http://www.rwe.com/ir/investor-and-analyst-conferences>
- > IR presentations & further factbooks
<http://www.rwe.com/ir/presentations>
- > IR videos
<http://www.rwe.com/ir/videos>
- > Consensus of analysts' estimates
<http://www.rwe.com/ir/consensus-estimates>



Financial Calendar

- > **14 November 2018**
Interim statement on the first three quarters of 2018
- > **14 March 2019**
Annual report 2018
- > **3 May 2019**
Annual General Meeting
- > **15 May 2019**
Interim statement on the first quarter of 2019



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