Report to the Annual General Meeting of RWE Aktiengesellschaft on the utilisation of Authorised Capital under exclusion of shareholder subscription rights in August 2020

Per a resolution passed by the Annual General Meeting on 26 April 2018, the Executive Board was authorised to increase the Company's capital stock by up to EUR 314,749,693.44 until 25 April 2023 through the issuance of up to 122,949,099 bearer shares in return for contributions in cash and/or in kind (Authorised Capital). The Authorised Capital was entered in the Company's Commercial Register on 14 May 2018. It includes the authorisation to exclude shareholder subscription rights with Supervisory Board approval when capital is increased in exchange for cash contributions if the prorated share of the capital stock attributable to the new shares for which subscription rights are being excluded does not exceed 10% when the resolution is passed or when the authorisation is exercised and the issue price of the new shares is not significantly lower than the price of the listed common shares with the same features within the meaning of Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act.

On 18 August 2020, the Executive Board passed a resolution with the approval of the Supervisory Board to exercise the authorisation and to increase the Company's capital stock under exclusion of shareholder subscription rights by EUR 157,374,845.44 from EUR 1,573,748,477.44 to EUR 1,731,123,322.88 in exchange for contributions in cash through the issuance of 61,474,549 new bearer shares each accounting for a prorated amount of EUR 2.56 of the capital stock and bearing dividend entitlements from fiscal 2020 onwards, i.e. from 1 January 2020 onwards. This corresponds to an increase of just under 10% of the capital stock when the resolution was passed and when the authorisation was exercised. The prescribed limit on volume for capital increases in exchange for cash contributions under exclusion of subscription rights was thus complied with. The Company did not take any other measures that would count towards the volume limit. The capital increase from Authorised Capital became effective on 19 August 2020 on its entry into the Company's Commercial Register. On 20 August 2020, the new shares were admitted to trading without a prospectus in the segment of the regulated market with further subsequent admission obligations (Prime Standard) of the Frankfurt Stock Exchange and in the regulated market of the Düsseldorf Stock Exchange.

The shares issued within the scope of the capital increase were successfully placed with institutional investors by way of accelerated bookbuilding. The placement price established for all shares was EUR 32.55. The gross issue proceeds from the capital increase totalled approximately EUR 2 billion before commissions and costs.

This gives the Company financial headroom to make investments in the additional expansion of its renewable energy portfolio at short notice, in the continued development of the project pipeline, and in further growth opportunities arising in the medium and long term. Parts of the proceeds served to finance the acquisition of the 2.7 GW project pipeline from Nordex, which has since been completed, and to implement it.

Pricing took account of the price rules set forth in Section 203, Paragraph 2 and Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act, which must be adhered to under the terms of the Authorised Capital. These rules stipulate that the issue price of the new shares may not be significantly lower than the listed price. These requirements are generally deemed to be fulfilled if the issue price is no more than 5% below the listed price of the shares that are already traded on the stock exchange. The reference price used was the quotation forming the basis for establishing the price in accelerated bookbuilding, i.e. the closing quotation in XETRA trading on the Frankfurt Securities Exchange immediately prior to the passage of the resolution (EUR 34.24). The established placement price of EUR 32.55 included a discount of 4.9% on this reference price, in compliance with Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act. In addition, there was no reason not to deem this reference price decisive due to substantial price fluctuations or other reasons.

Under the described volume and price conditions, shareholder subscription rights could be excluded in accordance with Section 203 and Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act. Such an exclusion of subscription rights was necessary in order to implement the measure at short notice and flexibly while maximising proceeds.

As the selected procedure does not involve fixed deadlines and lengthy preparation, management was able to react rapidly and flexibly to a favourable market window in August 2020, and the shares could be placed with institutional investors within just a few hours. By contrast, the minimum subscription time limit of two weeks applicable when granting subscription rights would have made it impossible to react to the favourable market conditions at short notice.

In addition, the structure enabled proceeds to be optimised as the price could be set close to the current stock market quotation. Granting subscription rights would have increased the market and share price risk due to the extended period between price establishment and implementation of the capital increase and to the volatility of the stock markets. In such a case, the shares could only have been placed at a relatively high safety discount on the stock exchange quotation.

In light of the described advantages, it was in the Company's interests to exclude subscription rights. Setting the price close to the stock market quotation and limiting the shares issued under exclusion of subscription rights to 10% of the former capital stock also safeguarded the interests of the shareholders in an appropriate manner. In principle, shareholders had the option of maintaining their relative stake in the Company by purchasing additional shares on the stock market at similar conditions. Issuing the new shares at a price close to the stock exchange quotation also ensured that the capital increase did not result in a notable financial dilution of the shareholders' shareholdings. These were also the main reasons why the legislator allowed the exclusion of subscription rights in this constellation.

In sum, due to the aforementioned considerations, the exclusion of subscription rights within the scope of the exercise of Authorised Capital was objectively justified.

Essen, March 2021

RWE Aktiengesellschaft

The Executive Board

(Dr. Rolf Martin Schmitz) (Dr. Markus Krebber)

(Dr. Michael Müller) (Zvezdana Seeger)