

5 May 2021

EnBW Annual General Meeting Speech by CEO Frank Mastiaux

– Check against delivery –



Dr. Frank Mastiaux

Ladies and Gentlemen,
EnBW shareholders,

On behalf of the entire Board of Management, I would like to welcome you to this year's Annual General Meeting of EnBW.

In July 2020, in response to the corona pandemic, we held our Annual General Meeting as a virtual meeting for the first time. Back then, we hoped we would not need the virtual format again this time – because personal contact with you, our shareholders, is very important to us.

Unfortunately, the ongoing pandemic made us change our plans. I am all the more pleased that you have joined us live on your screens today.

In these testing times, it is vital to be able to rely on the company's state-of-the-art communication infrastructure. We built this up over a period of years, long before the pandemic. At EnBW City, we have a professional studio with our own media equipment, operated by our grids subsidiary, Netze BW. Many thanks go to our colleagues at this point for their vital support at this and many similar events.

As usual, I mainly want to inform you today about the past financial year. It is a year that will surely stand out in our memories, and not just in operating and business terms.

For one thing, the corona pandemic has now been part of our lives for over a year.

For another – for us at EnBW – 2020 was the target year for the EnBW 2020 Strategy. Under that strategy, starting in 2013, we systematically and very fundamentally realigned our company around the opportunities of the energy transition.

This is why I would now like to report to you on the extraordinary year that was 2020 from three different perspectives.

2020: An extraordinary year

— EnBW

- > Business results, operational milestones
- > Challenge of corona
- > EnBW 2020 Strategy: Review and looking ahead

2

First of all, we will look at our business results compared to the previous year and compared to our targets.

Second, I would like to show how our company dealt with the challenges of corona.

Third, we end with a brief review of 2020 as the target year of our EnBW 2020 Strategy, combined with a look ahead.

The 2020 financial year

— EnBW

- > Business target achieved
- > Further increase in Group earnings
- > Basis laid for new growth

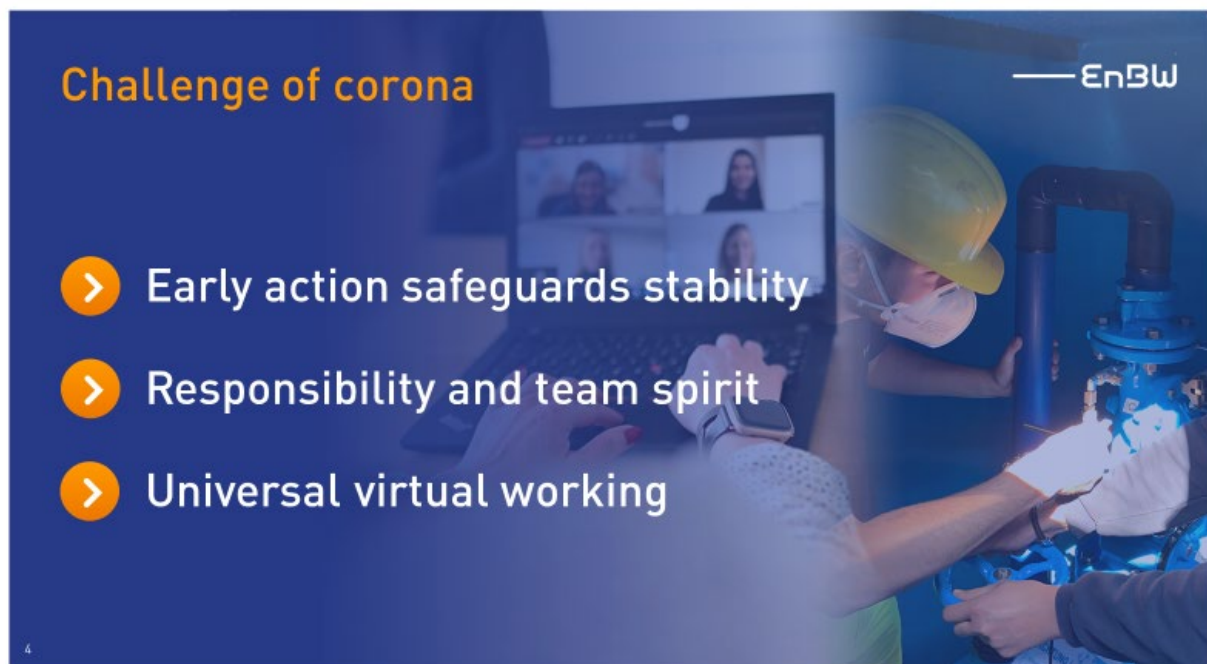
3

First then, a look at our financial results.

With adjusted EBITDA of €2.8 billion, we increased our operating result for the fourth year in a row and met our financial target.

In addition to grids and gas, we have a major new earnings driver in the form of our two new offshore wind farms, EnBW Hohe See and Albatros. These started supplying the grid in October 2019 and January 2020, and contributed to green electricity generation in Germany and to EnBW's corporate earnings with reliable operation throughout the year.

At the same time, we also laid the groundwork for further growth, both in renewables with big photovoltaics projects and in new infrastructure businesses – most of all, electric mobility and telecommunication.



Challenge of corona

- > Early action safeguards stability
- > Responsibility and team spirit
- > Universal virtual working

EnBW

4

Ladies and Gentlemen,

As a critical infrastructure provider, we have to stand rock solid at all times – and particularly in times of crisis. Because of this, we always plan for every conceivable eventuality.

Our utmost priority in the pandemic has been to do everything we can at all times to protect the health of the entire workforce and our business partners. Right back in February 2020, our Group-wide task force launched a comprehensive programme in response to corona. They work hand in hand with our occupational medicine service, who at the beginning of April started providing self-tests for personal use to anyone who has to work on site. The team is also at the ready to vaccinate the workforce as soon as vaccine doses are allocated by the government. For this purpose, the medical coordinators are planning vaccination lines at all major EnBW sites.

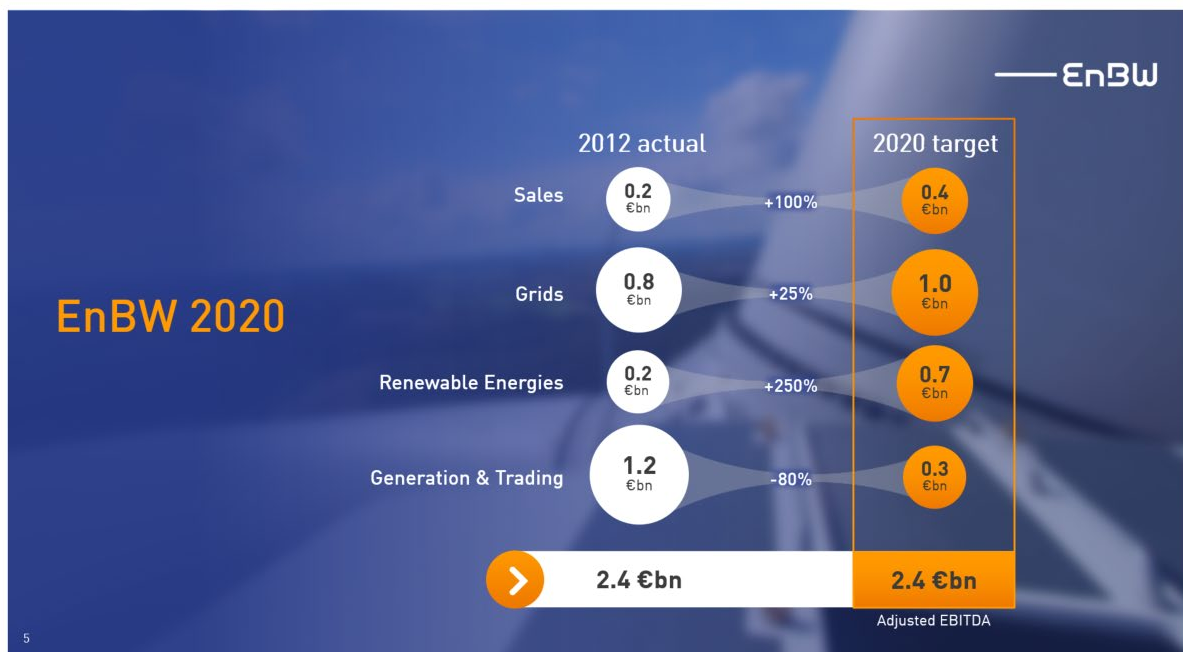
Since last March, around 10,000 employees whose jobs allow it have been working from home. Employees in grid control centres, power stations and field service continue to reliably perform their tasks under strict hygiene rules.

With the measures taken, we have been able to limit the health impacts and also the impacts on our business to this day. This has ensured a secure supply of electricity, gas, water and district heat for our customers at all times.

Remote working has actually brought the EnBW team even closer together, with a great show of solidarity and team spirit. People spontaneously donated their leftover vacation leave to those who faced challenges because of home schooling or caring for a relative. This exemplary initiative freed up 4,500 days of leave to be shared out. And I would like to thank everyone who contributed.

As part of our social responsibility, we maintained electricity and gas service for customers whose energy supply would normally have been disconnected. And we provided financial support for the arts and for social causes in addition to our regular sponsorship programmes.

Despite all the challenges, we also made use of opportunities during the crisis to develop as an organisation. Well before the pandemic, EnBW already had the IT infrastructure to enable remote working throughout the Group. This meant we could switch to virtual working in just a few days. Workflows established over the years were successfully transferred to virtual formats. The necessary workplace-level agreements were quickly negotiated, as ever in good partnership with employee representatives. They, too, have my sincere thanks.



Ladies and Gentlemen,

We have shown this slide every year for the last eight years. It illustrates – in just a few key figures – the radical portfolio transformation that we launched in 2013 for 2020.

That transformation involved:

- Doubling the share of earnings from Sales
- Significantly expanding Grids
- More than tripling the Renewable Energies share

- All this based on the assumption that the share of earnings from conventional Generation and Trading, EnBW's traditional core business, would shrink to a quarter of the original figure.

We have systematically implemented that transformation since 2013.

Firstly, with regard to our **portfolio**:

- Since 2012, we have applied to decommission nine conventional power plant units and reduced our portfolio by about 2,700 megawatts of carbon-intensive generating capacity. That is about 40% of our starting total.
- At the same time, since 2012, we have increased our share of wind power almost ninefold to around 1,900 megawatts today.
- We have built ourselves a leading position in new business areas – for example as German market leader in fast charging infrastructure for electric vehicles.
- A key item was rapid growth of the gas business, most of all by acquiring a majority stake in VNG in 2016. Gas is already an important earnings driver for us, and it will become even more important going forward.
- In total over the entire timeframe, we invested over €17 billion in the transformation. Over €12 billion of that was for activities relating to the energy transition.

The second side of the transformation was a **rigorous efficiency agenda**.

- Since 2012, we have cut costs by some €1.4 billion. That's about one-third of all controllable costs.
- At the same time, we turned a complex holding structure – with six core entities, many subsidiaries and over 30 boards – into ONE EnBW.
- To start with, the efficiency agenda also meant cutting jobs. Today, however, we employ around 4,000 more people than before our transformation – most of them in growth areas.

And finally, in parallel, we fundamentally transformed our **corporate culture** and the way we lead and work.

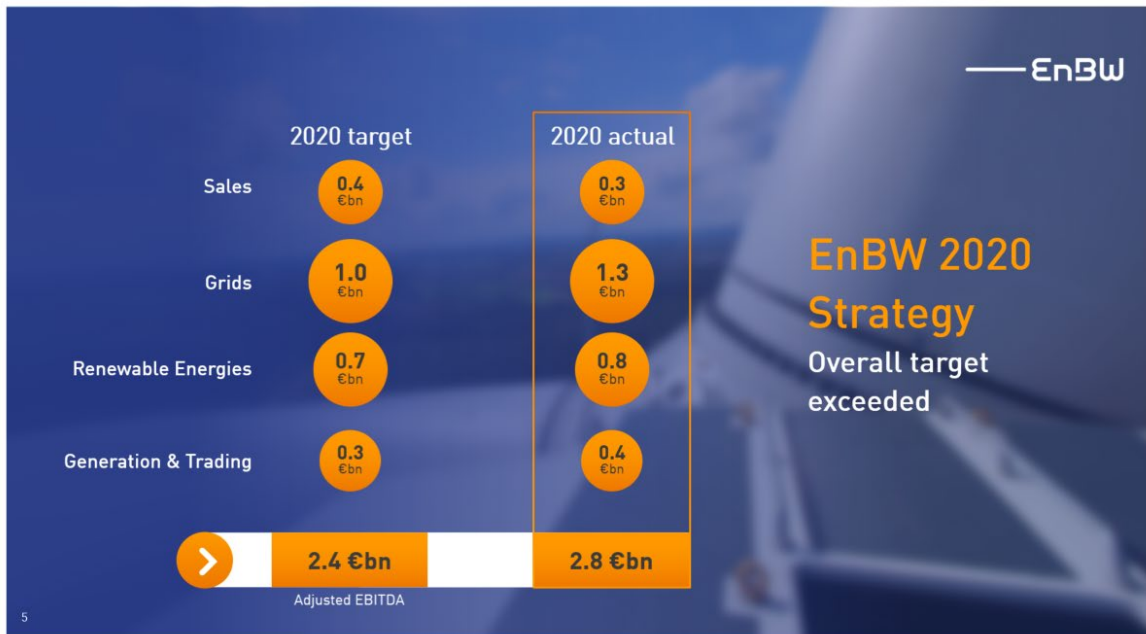
- We fully updated our leadership principles and revamped our communication strategy. That includes diverse new communication platforms, being seen in social media, and ongoing, close liaison between senior executives, the Board of Management and the team.
- Our new culture has also been shaped by our new innovation management system and digital office.

The bottom line is that seven years on, EnBW has a completely new line-up and is a different company. We are now far better prepared for what lies ahead with the energy transition and the major transformational changes in our society.

Ladies and Gentlemen,

In figures, the picture after the transformation looks like this:





As you can see, we achieved our 2020 target – Group operating earnings of €2.4 billion – one year early. In the target year itself, we actually significantly exceeded it.



Now to the figures for the 2020 financial year in detail.

External revenue was some €19.69 billion last year, marking an increase of 1.3% on the previous year.

We already mentioned our operating result (adjusted EBITDA). We were able to increase that by over 14% for a total of €2.8 billion.

Adjusted Group net profit was down about 13% year on year to €683 million.

Ladies and Gentlemen,

We achieved these results despite a difficult operating environment and despite the corona crisis. This shows how stable and robust our business model has now become.

I would now like to briefly report on how each of the segments contributed.



Sales

- > Market leader in fast charging
- > Solar home storage product among Top 3
- > €55m broadband tenders

7

In Sales, the rollout of our fast charging network continued at a rapid pace: 250 new ultra-fast charging points and ten new charging stations, including Germany's first urban fast charging station. This means we built about half of all fast charging sites in Germany and now operate the biggest network. We also held our position here in a comparison test by Connect magazine, which once again named EnBW "Germany's best e-mobility provider". Our EnBW mobility+ app earned us even more top scores. This shows that we now lead in this area, in terms of both infrastructure and digital solutions.

Our Leipzig subsidiary SENEK is now one of Germany's three leading suppliers for home solar battery storage. SENEK's products connect solar panels on a house roof with a stationary battery in the basement and combine them with a smart digital interface.

In communication infrastructure, we provide fast broadband and telecommunication services for home users and businesses through our subsidiaries NetCom BW and Plusnet, which we acquired in 2019. NetCom and Plusnet have now laid over 45,000 kilometres of new broadband cable and, last year alone, won tenders worth €55 million.

Plusnet also made its first full-year contribution in 2020 to Sales segment earnings, which totalled €335 million.

Generation and Trading

- > Nuclear decommissioning going well
- > Climate-friendly coal plant conversion
- > Systematically expanding gas business

Ladies and Gentlemen,

Last May, our two cooling towers in Philippsburg were safely demolished by controlled explosion following years of planning. This is emblematic of the top-class project management in EnBW's efficient and rapid nuclear decommissioning programme. We now have one remaining nuclear plant in operation, in Neckarwestheim, and that will shut down at the end of next year.

Over the next fifteen years, we will implement the planned coal phaseout with a range of different solutions tailored to each site. In each case, we look to see if we can switch first to more climate-friendly natural gas and then to zero-carbon gases in the long term. Our Stuttgart-Münster site is a good example. We publicly presented our plans for a climate-friendly conversion there in April – with about 60% lower carbon emissions than a comparable plant and far less local air pollution. We also want to use the conversion to gas-fired turbines for a nationwide pilot project for a large-scale heat pump. All this makes the coal phaseout a tangible reality in the Baden-Württemberg region.

The natural gas business currently accounts for about 15% of our earnings and contributes to diversification as a transition technology on the way to hydrogen. We further strengthened this business when our Leipzig subsidiary VNG acquired Gas-Union in July 2020.

With these activities, the Generation and Trading segment contributed about €442 million to earnings in the 2020 financial year.



Ladies and Gentlemen,

Let's turn to the Grids business: Through our municipal investment entity, EnBW vernetzt, 176 municipalities have now invested in our distribution grid subsidiary Netze BW and are actively shaping the future of the electricity and gas grids.

In the Ultranet project, at our transmission system operator TransnetBW, September saw the laying of the foundation stone for a power converter. This is the end-point of a direct current link that carries green power from North to South with minimum transmission losses. The converter links up to the existing ultra-high voltage grid in the region.

The success of the switch to electric mobility depends on charging infrastructure being widely available and integrated into the electricity grid. In a first pilot project, "E-Mobility Avenue", in a street in Ostfildern near Stuttgart, Netze BW tested what effect it had on the local power grid if multiple electric cars were charged at the same time. A follow-up project, "E-Mobility Carré", in Tamm north of Stuttgart, takes in an entire 45-home housing development and looks at how smart charging

management can prevent local grid overload. We have learned an enormous amount in both projects and the findings are fed directly into grid expansion planning.

Earnings from the Grids segment are also stable: At around €1.3 billion in 2020, they almost matched the previous year.

Finally, let's turn to a segment in which we once again generated significant earnings growth and which stands, almost more than any other, for our company's radical transformation: Renewable Energies.



The two offshore wind farms EnBW Hohe See and Albatros are our biggest offshore wind power project yet, with an installed capacity of 640 megawatts. They are operating reliably and generated a substantial full-year contribution to earnings for the first time in 2020.

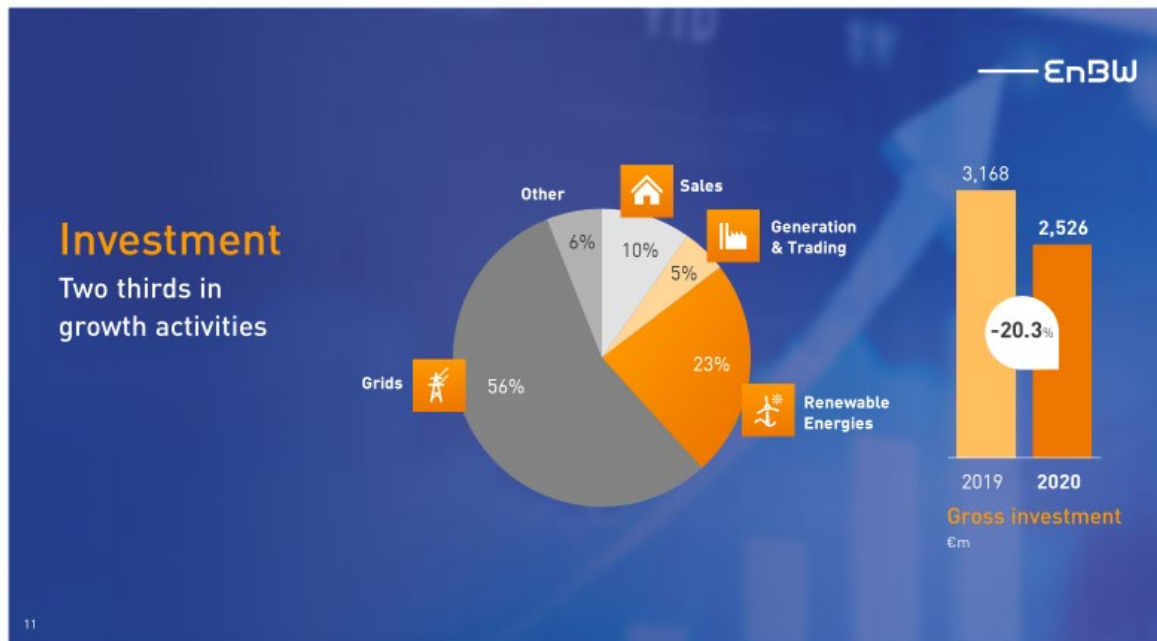
Project planning is rapidly progressing for the EnBW He Dreiht offshore wind farm with around 900 megawatts in the German North Sea. EnBW is also targeting selected markets elsewhere, and we secured an auction success just weeks ago in Great Britain. In partnership with BP, we are going to develop two wind farms with a total of three gigawatts in the Irish Sea. That's a 1.5 gigawatt share for the EnBW portfolio.

In photovoltaics, we made the decision in 2019 to build the largest solar farm in Germany without government subsidies. Just ten months later, the Weesow solar farm fed its first kilowatt-hour into the grid.

Construction has already begun on the two Gottesgabe and Alttrebbin solar farms in Brandenburg. Together, the three installations will have a total output of some 500 megawatts, and we are building them completely without subsidies.

In the expansion of onshore wind power, we made a leap forward with the 2019 acquisition of the French wind and solar project developer Valeco. Our French subsidiary is now among the top 10 players in the country's wind and solar sector. By the year end, it had over 500 megawatts of installed capacity in onshore wind and solar, plus a well-filled project pipeline for another 2,300 megawatts.

In view of this heavy investment in expanding renewables, 2020 saw us significantly increase earnings in the segment to well over €830 million. This corresponds to strong earnings growth of nearly 70% compared with the previous year.



Ladies and Gentlemen,

After years of successful transformation effort, we are now on a clear growth path. Consistent with this, over two-thirds of our total investment was on growth activities.

Total growth and portfolio investment last year came to over €2.5 billion.



You, our shareholders, should of course share in EnBW's operating and financial success.

We are therefore pleased to propose a dividend of €1 per share at today's Annual General Meeting. This is €0.30 higher than the dividend for 2019 and, with a dividend ratio of 40% of adjusted net profit, makes for a total distribution of €271 million.

Our workforce also deserves to share in the sustained positive development of our company and our earnings performance. At the end of April, we paid out a profit-sharing bonus to the workforce in the amount of one month's salary. As in the two previous years, this means we have once again waived the 2016 agreement to suspend profit sharing.

On behalf of the entire Management Board, I would like to take this opportunity to thank all employees once again for their great commitment to the company and their team spirit. They are the real drivers of EnBW's successful transformation in recent years and of our earnings growth despite the difficult conditions in 2020.



Let's turn now to the current year.

At Group level, we expect the operating result to increase by a total of between 2% and 7% in 2021, which means an operating result in a range between €2.825 billion and €2.975 billion.

Commencing in 2021, we report our business portfolio's earnings in three strategic segments.

Specifically, for each of the segments:

- In the Smart Infrastructure for Customers segment, we aim this year to generate €300 million to €375 million. So against the backdrop of a challenging market environment and the ongoing pandemic, we expect earnings at their prior-year level.
- Our expectation for the System-critical Infrastructure segment is likewise level with the previous year, with earnings between €1.3 billion and €1.4 billion. Within this, despite corona, we expect a slight increase in grid usage revenue.
- In the third segment, Sustainable Generation Infrastructure, we anticipate growth of 8% to 15% and accordingly expect an earnings

contribution for 2021 of between €1.375 billion and €1.475 billion. The largest share of this, at about €900 million, will be accounted for by renewables.

Ladies and Gentlemen,

As you can see, the shared feature across the three strategic segments is the term “infrastructure”.



Back in 2017, just past the halfway point of our EnBW 2020 Strategy, we extended our strategic horizon to 2025. Based on our mission of providing and shaping tomorrow's infrastructure landscape, we aim to combine growth in our established focal areas – most of all renewables and grids – with growth in new areas of the future.

This means additional growth opportunities beyond the energy sector, but always firmly rooted in our core competencies. This is because the capabilities involved in safely and reliably building, operating and managing critical infrastructure in the energy sector can also be transferred to other infrastructure sectors.



- In Smart Infrastructure for Customers, we are transferring our core competencies to new, in many cases digital business models. The focus here will be on electric mobility, telecommunications, broadband and stationary solar battery storage in conjunction with PV solar.
- In System-critical Infrastructure, we will upgrade the transmission grids and the distribution grid, in particular for the requirements of long-distance transmission, the expansion of renewables and the growth of electric mobility.
- The focus in Sustainable Generation Infrastructure continues to be on the expansion of renewables. By 2025, we plan to increase our wind farm generating capacity to up to four gigawatts and our portfolio of photovoltaic projects to over one gigawatt. In addition, we will further consolidate our strong position in the gas business and pursue a clear phaseout path for coal-based generation towards 2035.

To achieve these goals, EnBW intends to invest a total of over €12 billion in the years ahead, about 80% of which will be on growth projects. Along the way, we will take a close look at what opportunities we want EnBW to

make use of and how best to allocate our resources and investment capital.

With this growth path under our 2025 Strategy, we are targeting an overall increase in earnings by a further €400 million to a total of around €3.2 billion. The foundations for this growth are already laid, with tangible initial results in several areas:



- With high-capacity charging infrastructure and smart digital solutions, we have now secured a leading position in the electric mobility market.
- We also aim for a strong position in the closely related telecommunications and broadband business. To this end, we are substantially expanding our infrastructure while adding to our product range. Where we have so far mostly served the municipal sector, EnBW recently also started offering high-speed DSL broadband for private households.

- State-of-the-art infrastructure capabilities are also needed in urban district development. Here, we combine decentralised energy generation with products such as broadband and electric mobility. In our current “New Stöckach” project in Stuttgart, we are actively involving both citizens and the city in the development of a future-focused residential neighbourhood with high quality of life.
- High living quality also means safe and secure public spaces. We are able to make a major contribution here with combined sensor, surveillance and barrier technology. Using optical and acoustic sensors, our systems detect suspicious and hazardous situations in public places or on business premises with the help of artificial intelligence and in full compliance with data protection law.



Ladies and Gentlemen,

Drawing to a close:

I am proud to report to you today that we, the EnBW team, have succeeded in our corporate transformation. And that we achieved and in some cases even exceeded the targets we set ourselves eight years ago. I think that is quite an accomplishment.

With the EnBW 2025 strategy, we are on the growth path and are now preparing for the next leap to earnings of over €3 billion. And with today's line-up and this excellent team, I have no doubt that we will achieve this target.

We will therefore systematically continue our corporate and team development. The focus here remains on modern leadership culture and strongly team-focused, agile working.

However much we change, one thing will stay the same: As ever, we will continue to measure our progress against quantified targets.

The readiness to embrace change that is so fundamental to all of this is something we have developed over our years of transformation. This will stand us in good stead in future, and with that I look forward to what EnBW will achieve in the years ahead in this rapidly changing world.

Thank you for listening. All the best, and stay safe and healthy!

