

PAYMENT REPORT

2017

Report of the RWE Group on payments made to public authorities pursuant to Section 341q-y of the German Commercial Code

RWE Aktiengesellschaft
Altenessener Straße 35
45141 Essen
Germany

The RWE logo consists of the letters 'RWE' in a bold, blue, sans-serif font.

2017 PAYMENT REPORT

Basis of the report

Headquartered at Altenessener Straße 35 in 45141 Essen, Germany, RWE AG is a stock corporation as defined by Section 341q of the German Commercial Code. As a parent company as defined by Section 290 of the German Commercial Code, pursuant to Section 341v, Paragraph 1 of the German Commercial Code, RWE AG is obligated to prepare an annual consolidated payment report as at least one of its subsidiaries is active in the mineral extraction industry. Pursuant to Section 341s, Paragraph 2 of the German Commercial Code, stock corporations included in the consolidated payment report are exempt from the obligation to prepare their own payment report.

Reportable payments are those made to public authorities if at least €100,000 in payments are made to a single public authority (Section 341t, Paragraph 4 of the German Commercial Code) and one of the reasons for the payments is in accordance with Section 341r, Item 3 of the German Commercial Code. Disclosure on such payments must be made by country, broken down by receiving public entity, reason of payment and project.

Companies included in the report with activities in the mineral extraction industry

Pursuant to Section 341q of the German Commercial Code, large stock corporations and large commercial partnerships with domestic headquarters that are active in the mineral extraction industry or logging in primary forests are obligated to prepare an annual payment report. None of the RWE Group companies is currently active in the logging business in primary forests. If RWE Group companies conduct logging in primary forests in the future, the criteria applicable to their reporting duties will have to be defined.

Activities in the mineral extraction industry as defined by Section 341r, Item 1 of the German Commercial Code are necessary in the RWE Group due to the opencast mines used for electricity generation from lignite (NACE Code A0520 pursuant to EU Regulation No. 1893/2006). The term 'activity' as defined by Section 341r, Paragraph 1 of the German Commercial Code is interpreted by the RWE Group within the meaning of the infection theory for the reporting duty. Companies with a reporting duty within the RWE Group are RWE Power AG ("RWE"), Cologne and Essen, and Mátrai Erömü Zártkörűen Működő Részvénytársaság ("Mátrai"), Visonta (Hungary), due to their opencast mines and Rheinischen Baustoffwerke GmbH ("RBS"), Bergheim, the business activities of which result from the opencast mines. Therefore, as of 31 December of each year, it must be determined which of the fully consolidated Group companies is active in the mineral extraction industry.

In the middle of December 2017, RWE Power AG sold Hungary-based Mátrai to a consortium consisting of Czech-based EP Holding and Hungarian investor Lőrinc Mészáros. The transaction closed in March 2018. The company was deconsolidated as of 31 March 2018. This report thus contains all of the relevant payments made by Mátrai for the entire 2017 financial year.

Germany

RWE Power AG, Cologne and Essen

The fields of business of RWE Power AG, a subsidiary wholly owned by RWE AG, are the commercial operation and maintenance of its power stations consisting of lignite-fired, nuclear and hydroelectric power plants as well as of the opencast mines in Germany.

RWE Power AG is among Germany's leading energy recovery and generation companies. RWE Power AG has a large commodity base at its disposal thanks to its opencast lignite mines at Hambach, Garzweiler and Inden. This puts the company in a position to act flexibly and successfully and to manage the goals of climate protection, security of supply and profitability over the long term in a tough competitive environment. In addition, synergies are leveraged, which strengthen the company's competitive position.

For the preparation of the payment reports, the opencast mines are considered projects.

Rheinische Baustoffwerke GmbH, Bergheim

Rheinische Baustoffwerke GmbH is a subsidiary wholly owned by RWE Power AG, which operates plants for the production of gravel and sand located in the opencast lignite mines and in the areas bordering the opencast mines. The main market is largely in the greater Cologne-Düsseldorf-Krefeld-Aachen area where Rheinische Baustoffwerke GmbH ranks among the largest gravel and sand companies. Furthermore, Rheinische Baustoffwerke GmbH operates receiving points for uncontaminated excavated earth and rubble and trades in purchased building materials (gravel and sand as well as solid rocks such as basalt and lava). The gravel works are jointly presented as a single project.

Hungary

Mátrai Erőmű Zártkörűen Működő Részvénytársaság, Visonta

In the year under review, Mátrai was a 51% subsidiary of RWE Power AG. The power station operated by Mátrai is primarily fuelled by lignite sourced from the company's opencast mines in Visonta and Bükkábrány. Moreover, the company generates electricity from renewables by firing biomass and operating a solar power station. Additional business fields are the sale of lignite, ash and gypsum as by-products of flue gas desulphurisation.

Consolidated payment report of the RWE Group

in EUR	Production payment claims	Taxes on income, production or profits of stock corporations	Network usage fees	License, rental and access fees as well as other compensation for licenses and concessions	Payments for the improvement of infrastructure	SUM
Germany			16.285.529		21.868.307	38.153.836
Hungary	2.261.867	3.821.157	2.068.060	670.982		8.822.066
SUM TOTAL	2.261.867	3.821.157	18.353.589	670.982	21.868.307	46.975.902

Payment report for Germany

in EUR	Usage fees	Payments for the improvement of infrastructure	SUM
Entwicklungsgesellschaft Indeland mbH			
Inden opencast mine		865.000	865.000
Sum		865.000	865.000
Erfst Water Authority			
Across all projects		4.003.890	4.003.890
Sum		4.003.890	4.003.890
Bergheim Tax Authority			
Gravel works		26.926	26.926
Hambach opencast mine		1.551.538	1.551.538
Sum		1.578.464	1.578.464
Brühl Tax Authority			
Hambach opencast mine		170.780	170.780
Sum		170.780	170.780
Düren Tax Authority			
Hambach opencast mine		1.674.178	1.674.178
Sum		1.674.178	1.674.178
Grevenbroich Tax Authority			
Garzweiler opencast mine		219.020	219.020
Sum		219.020	219.020
Erkelenz Tax Authority			
Garzweiler opencast mine		3.421.309	3.421.309
Sum		3.421.309	3.421.309
Jülich Tax Authority			
Hambach opencast mine		425.571	425.571
Sum		425.571	425.571
Merzenich Municipal Treasury			
Hambach opencast mine		2.576.405	2.576.405
Sum		2.576.405	2.576.405
Heinsberg District Administration			
Garzweiler opencast mine		108.748	108.748
Sum		108.748	108.748
Heinsberg District Waterworks			
Garzweiler opencast mine		231.436	231.436
Sum		231.436	231.436
NRW Nature, Environment and Consumer Protection Agency			
Gravel works	92.340		92.340
Garzweiler opencast mine	1.603.287		1.603.287
Hambach opencast mine	12.025.484		12.025.484
Inden opencast mine	2.477.150		2.477.150
Sum	16.198.241		16.198.241
NRW Geological Services Agency			
Across all projects		168.721	168.721
Sum		168.721	168.721
NRW Roadworks Agency			
Garzweiler opencast mine		94.553	94.553
Hambach opencast mine		2.320.882	2.320.882
Sum		2.415.435	2.415.435
NEW Niederrhein Energie und Wasser			
Garzweiler opencast mine		673.202	673.202
Sum		673.202	673.202
Rhine District of Neuss			
Across all projects		250.000	250.000
Sum		250.000	250.000
City of Erkelenz			
Garzweiler opencast mine		1.592.572	1.592.572
Sum		1.592.572	1.592.572
Kerpen Municipal Treasury			
Hambach opencast mine		60.634	60.634
Gravel works	87.288		87.288
Sum	87.288	60.634	147.922
Jülich Municipal Utility			
Hambach opencast mine		136.136	136.136
Sum		136.136	136.136
Technical University of Munich			
Garzweiler opencast mine		100.161	100.161
Sum		100.161	100.161
Aldenhoven Waterworks			
Hambach opencast mine		110.391	110.391
Sum		110.391	110.391
Eifel-Ruhr Water Association			
Inden opencast mine		100.000	100.000
Across all projects		413.610	413.610
Sum		513.610	513.610
Joint Cologne Peripheral Channel Association			
Across all projects		572.644	572.644
Sum		572.644	572.644
SUM TOTAL	16.285.529	21.868.307	38.153.836

Commentary on the payment report for Germany:

1. RWEP's opencast mine development work normally involves swapping assets – in particular land – with the municipalities located within the opencast mining area or with other state entities. If the value of the assets relinquished is below the value of the assets received, compensatory payments are made by RWEP to the corresponding state entities. These payments are included in the payment report, but the value of the relinquished assets is not, as they can be netted against the value of the assets received (cf. IDW comments 1/2017, note 84).
2. The usage fees paid to Landesamt für Natur, Umwelt und Verbraucherschutz Nordrhein Westfalen are water withdrawal fees paid by RWEP and RBS. Credits in the period under review relating to water withdrawal fees paid in earlier years were not deducted (cf. IDW comments 1/2017, note 73).
3. RWEP and RBS are controlled companies that belong to the tax group of RWE AG. The corporate and trade tax payments made by RWE AG as controlling company are not reported as the activities of RWEP and RBS in the mineral extraction industry are not the focal point of the activities of the RWE Group. In accordance with the IDW comments 1/2017, note 109, the tax payments are not categorised.

Payment report for Hungary

in EUR					
Payments made in Hungarian forints converted to € at the average exchange rate for the year (HUF 309.31/€)	Production payment claims	Taxes on income, production or profits of stock corporations	Network usage fees	License, rental and access fees as well as other compensation for licenses and concessions	SUM
Magyar Bányászati Hivatal (Hungarian mining authority)					
Visonta opencast mine	1.076.031		255.798		1.331.829
Bükkábrány opencast mine	1.185.836		259.662		1.445.498
Sum	2.261.867		616.460		2.777.327
Baz Megyei Katasztfővédelemi (Baz District Disaster Control Agency)					
Visonta opencast mine			956.510		956.510
Bükkábrány opencast mine			596.090		596.090
Sum			1.552.600		1.552.600
Füzesabony Járási Földhivatal (Füzesabony Land Registry Office)					
Visonta opencast mine				118.092	118.092
Sum				118.092	118.092
Gyöngyös Járási Földhivatal (Gyöngyös Land Registry Office)					
Visonta opencast mine				226.323	226.323
Sum				226.323	226.323
Mezőkövesd Járási Földhivatal (Mezőkövesd Land Registry Office)					
Bükkábrány opencast mine				326.567	326.567
Sum				326.567	326.567
Visonta Önkormányzat (Municipality of Visonta)					
Across all projects		494.905			494.905
Sum		494.905			494.905
Halmajugra Önkormányzat (Municipality of Halmajugra)					
Across all projects		1.084.174			1.084.174
Sum		1.084.174			1.084.174
Detk Önkormányzat (Municipality of Detk)					
Across all projects		568.932			568.932
Sum		568.932			568.932
Vatta Önkormányzat (Municipality of Vatta)					
Across all projects		377.391			377.391
Sum		377.391			377.391
Bükkábrány Önkormányzat (Municipality of Bükkábrány)					
Across all projects		462.124			462.124
Sum		462.124			462.124
Markaz Önkormányzat (Municipality of Markaz)					
Across all projects		236.120			236.120
Sum		236.120			236.120
Karácsond Önkormányzat (Municipality of Karácsond)					
Across all projects		133.224			133.224
Sum		133.224			133.224
Ludas Önkormányzat (Municipality of Ludas)					
Across all projects		104.325			104.325
Sum		104.325			104.325
Aldebrő Önkormányzat (Municipality of Aldebrő)					
Across all projects		359.962			359.962
Sum		359.962			359.962
SUM TOTAL	2.261.867	3.821.167	2.068.060	670.882	8.822.066

Commentary on the payment report for Hungary:

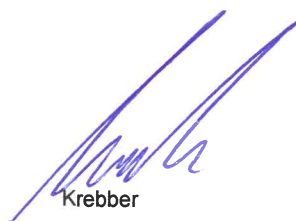
The usage fees are water withdrawal fees. Credits in the period under review relating to water withdrawal fees paid in earlier years were not deducted (cf. IDW comments 1/2017, note 73).

Essen, 12 June 2018

The Executive Board



Schmitz



Krebber