

Report to the Annual General Meeting of RWE Aktiengesellschaft on the partial exercise in October 2022 of the authorisation granted by the Ordinary General Meeting on 28 April 2021 to issue convertible and/or option bonds and to exclude shareholder subscription rights

I.

Per a resolution passed by the Annual General Meeting of RWE Aktiengesellschaft (the "**Company**") on 28 April 2021, the Executive Board was authorised until 27 April 2026, subject to Supervisory Board approval, to issue bearer or registered convertible and/or option bonds or a combination of these instruments (jointly referred to as "**Bonds**" hereinafter) with a total nominal amount of up to EUR 5,000,000,000 with or without a limited maturity and to grant the creditors or holders of such Bonds (jointly referred to as "**Holder**s" hereinafter) convertible and/or option rights to bearer shares in the Company ("**RWE Shares**") in sum accounting for a prorated share of the capital stock of up to EUR 173,112,330.24 in accordance with the conversion or option bond conditions (referred to as "**Bond Conditions**" hereinafter). The Bonds may be issued in exchange for consideration in cash and/or in kind. The Bonds may be issued once or several times, all together or in portions or in several concurrent tranches.

The Bonds may be issued by companies affiliated with the Company within the meaning of Sections 15 et seqq. of the German Stock Corporation Act, in which the Company directly or indirectly holds a stake of at least 90%. In such a case, the authorisation includes the possibility, subject to the approval of the Supervisory Board, to assume the required guarantees for the issuing company and to grant the Holders of such Bonds RWE Shares as well as to make further necessary statements and take further necessary action necessary to issue the Bonds successfully. The Bond Conditions may also envisage a conversion or option obligation at the end of the maturity or at another point in time.

The conversion/option price that is to be established for an RWE Share – even given a variable exchange ratio and taking account of rounding and additional payments – must equal at least 80% of the average closing quotation of the RWE Share. The relevant average closing quotation is the one established in Xetra trading (or a system replacing the Xetra system with comparable functionality) on the ten trading days on the Frankfurt Stock Exchange leading to the day on which the Executive Board passes a resolution on the issuance of the Bonds. If the shareholders are entitled to subscribe the Bond, the relevant price may be the average closing quotation during the trading days on which the subscription rights are traded on the Frankfurt

Stock Exchange, with the exception of the last two exchange trading days of subscription right trading.

The conversion/option price of Bonds with a conversion/option obligation or a right of exchange of the issuing company or the Company may at least equal the aforementioned minimum price (80%) or the volume-weighted average price of the RWE Share on at least three trading days on the Frankfurt Stock Exchange in Xetra trading (or a system replacing the Xetra system with comparable functionality) immediately before determining the conversion/option price in accordance with the Bond Conditions, even if this average price is below the aforementioned minimum price (80%). This shall not prejudice Section 9, Paragraph 1 or Section 199, Paragraph 2 of the German Stock Corporation Act.

The shareholders are entitled to the statutory subscription right when the Bonds are issued. However, subject to Supervisory Board approval, the Executive Board shall be authorised to waive shareholders' subscription rights in certain cases, for example when Bonds with conversion or option rights or obligations are issued in exchange for cash if, after due consideration, the Executive Board reaches the conclusion that the issue price of the Bonds is not significantly below their theoretical market value calculated applying generally accepted, in particular financial, principles. However, this authorisation to waive subscription rights shall only apply to Bonds issued with a conversion and/or option right or obligation regarding RWE Shares accounting for a prorated amount of the capital stock which in sum may not exceed 10% of the capital stock when the resolution is passed or – if this figure is lower – when the authorisation is exercised.

II.

As published in the German Federal Gazette on 6 October 2022, the Executive Board of the Company passed a resolution with the approval of the Supervisory Board on 1 October 2022 to exercise the authorisation granted on 28 April 2021 by the Annual General Meeting to issue Bonds and to issue a mandatory convertible bond with a total nominal amount of EUR 2,427,600,000 (the "**Mandatory Convertible Bond**"). The issuance was effected indirectly via an indirect subsidiary wholly owned by the Company, i.e. RWE Renewables International Participations B.V. The Mandatory Convertible Bond bears an annual interest rate of 2.63%.

The Bond Conditions stipulate a mandatory conversion by no later than the end of the one-year maturity. The number of shares to which the Mandatory Convertible Bond must be converted is determined by dividing the nominal amount by the conversion price. The conversion price is set at EUR 35.90 and is subject to adjustment mechanisms customary on the market. Based

on an initial conversion price of EUR 35.90, a conversion results in 67,621,169 RWE Shares, corresponding to just under 10% of the capital stock when the resolution was passed and when the authorisation was exercised.

The Mandatory Convertible Bond is backed by the 2021 Conditional Capital pursuant to Article 4, Paragraph 2 of the Company's Articles of Incorporation.

It was fully subscribed by and issued to a subsidiary of the Qatar Investment Authority. The right of the Company's shareholders to subscribe the Mandatory Convertible Bond was excluded with the approval of the Supervisory Board.

On 15 March 2023, the Mandatory Convertible Bond was converted, for which 67,621,169 new RWE Shares were subscribed from Conditional Capital.

III.

The Executive Board and the Supervisory Board are of the opinion that the issuance of the Mandatory Convertible Bond to a subsidiary of the Qatar Investment Authority and the exclusion of shareholders' subscription rights was legally permissible and in the interests of the Company.

Before the Mandatory Convertible Bond was issued, the Executive Board discussed the prerequisites and conditions as well as the appropriateness and expediency of the issuance of the Mandatory Convertible Bond. Based on these considerations, the Executive Board reached the conclusion that the issuance of the Mandatory Convertible Bond at the predefined conditions while excluding shareholders' subscription rights is in the interests of the Company and in line with the situation on the market. Based on the assessment of the Executive Board, there were no alternative sources of financing available to the Company that were more advantageous while offering transaction security and a rapid inflow of funds.

The Executive Board and the Supervisory Board found that the prerequisites for excluding shareholders' subscription rights were met when the Mandatory Convertible Bond was issued. The established conversion price is in line with the requirements of the authorisation and in fact clearly exceeds the 80% lower limit stipulated by the authorisation. Furthermore, based on its business judgment, the Executive Board found that the issue price of the Mandatory Convertible Bond was appropriate (also from the perspective of the Company and its shareholders). In particular, after a thorough evaluation and a market comparison, the Executive Board found that the issue price of the Bond was not significantly below its theoretical market value calculated using generally accepted methods. This ensures that excluding shareholders' subscription rights will not result in the value of the shares being diluted notably,

in order to protect the interest of the shareholders in safeguarding their assets appropriately. The upper limit of 10% of the capital stock applicable to the exclusion of subscription rights envisaged by the authorisation was also complied with.

The issuance of the Mandatory Convertible Bond without subscription rights enabled the Company to secure and rapidly effect an inflow of equity for the acquisition financing of the acquisition of the US-based renewable energy company Con Edison Clean Energy Businesses. With this acquisition, the Company is expanding its global portfolio in the renewable energy business as a whole, while diversifying it in technological terms and bolstering its US operations.

The financing of the purchase price for this transaction was initially secured via bridge financing. Thanks to the inflow of the proceeds on the issuance of the Mandatory Convertible Bond, the bridge financing was partially replaced with equity soon after the conclusion of the purchase agreement.

This financing certainty was achieved at conditions that were both flexible and attractive to the Company. It is unusual to obtain such favourable conditions when conducting a rights issue. As the issue price must be set no later than three days prior to the expiry of the legal subscription period, a market risk arises, which leads to significant safety margins. Placing shares on the market while excluding subscription rights from Authorised Capital would also have been less favourable to the Company, as this would not have been possible until after the announcement of the US acquisition. This would have further increased the share price risk, causing the realisable proceeds on the issuance to be subjected to additional uncertainty.

Moreover, by issuing the Mandatory Convertible Bond to a subsidiary of the Qatar Investment Authority, we were able to win a stable anchor shareholder for the Company. The Qatar Investment Authority endorses the Growing Green strategy as well as the Company's growth ambitions. In addition, the capital increase provides the Company with equity to finance growth investments and the implementation of the Growing Green strategy in direct relation to the conclusion of the purchase agreement without this raising of equity capital being exposed to further share price risks.

In view of these advantages, excluding shareholders' subscription rights was in the interests of the Company. The limit on the issuance of shares without subscription rights of 10% of the capital stock to date and the pricing in line with the market also protected the interests of the shareholders appropriately.

For the aforementioned reasons, the issuance of the Mandatory Convertible Bond and the exclusion of subscription rights were justified in substantive terms.

Essen, March 2023

RWE Aktiengesellschaft

The Executive Board

(Dr. Markus Krebber)

(Dr. Michael Müller)

(Zvezdana Seeger)