

RWE
Aktiengesellschaft
Essen, Germany

Statement in response to the countermotion filed by ENKRAFT CAPITAL GmbH regarding Item 9 on the Agenda of the Annual General Meeting

Under Item 9 on the Agenda, we propose to the Annual General Meeting that a new authorisation be granted to issue convertible and option bonds with the possibility of waiving subscription rights and that new conditional capital be formed. In its countermotion, ENKRAFT CAPITAL GmbH ("ENKRAFT") criticises the possibilities of waiving subscription rights included in this authorisation and requests that a different resolution be passed.

We have set out the rationale for the new authorisation we have proposed in our report [here](#). We have also reported in detail on the convertible bond that we issued to a subsidiary of the Qatar Investment Authority under the current authorisation in October 2022 [in this document](#).

The main considerations can be summarised as follows:

A complete toolkit for raising equity forms the main basis for a successful market presence and for RWE's growth ambitions within the scope of the Growing Green strategy. This includes the type of authorisation that is customary on the market to issue convertible and option bonds, for which new RWE shares accounting for up to 10% of the company's current capital stock can be issued.

The possibility of waiving subscription rights, which is also in line with market practices, is in the interests of both the company and its shareholders. A subscription rights issue is subject to rigid legal deadlines. This can limit the company's ability to react to favourable market conditions at short notice and always requires safety discounts to account for the market risk caused by the subscription deadline. Conversely, a bond without subscription rights can be placed flexibly and rapidly at conditions that are attractive to the company and consistent with the market. At the same time, it can be ensured that the economic value of the shareholdings of existing shareholders is not diluted significantly and that their asset interests are safeguarded appropriately. Furthermore, *in sum*, all capital measures waiving subscription rights, irrespective under which authorisation, are limited to the issuance of shares accounting for 10% of the capital stock, which provides additional protection from dilution.

The company was able to seize these advantages when it issued the mandatory convertible bond in October 2022. This enabled the company to secure acquisition financing for the acquisition of Con Edison Clean Energy Businesses, Inc. Thanks to this acquisition, which made RWE a leading

renewable energy company in the USA, the company's value and earnings were increased sustainably.

Therefore, the authorisation we have proposed is a key element that helps to ensure that we can react flexibly to future financing needs. This will enable us to guarantee green growth, which is a part of RWE's green transformation as is the accelerated coal phaseout by March 2030, on which we agreed with the German government and the State of North Rhine-Westphalia.

We uphold the proposal we published to grant a new authorisation to issue convertible and option bonds with the possibility of waiving subscription rights and to form new conditional capital without reservation.

Essen, March 2023

RWE Aktiengesellschaft

The Executive Board