25 March 2021

Annual Press Conference Presentation

– Check against delivery –

[Chart 1]

Dr. Frank Mastiaux

Ladies and Gentlemen,

Good morning from me, too, and a warm welcome to this year's Annual Press Conference.

2020 was an exceptional year – a year we will probably remember most as the year of the corona pandemic. Nevertheless, there were also other things to keep us occupied. That is what we are going to talk about today. Given the virtual format, we will also keep our review of the year relatively short.

[Chart 2]

Ladies and Gentlemen,

Our review of the 2020 financial year covers three different perspectives:

1. First, our financial results: how did we compare in 2020 with 2019 and with our guidance?

2. Second, how did we deal with the challenges of corona?

3. Third, 2020 was the target year for our EnBW 2020 Strategy, which we adopted back in 2013. How did we do on that?

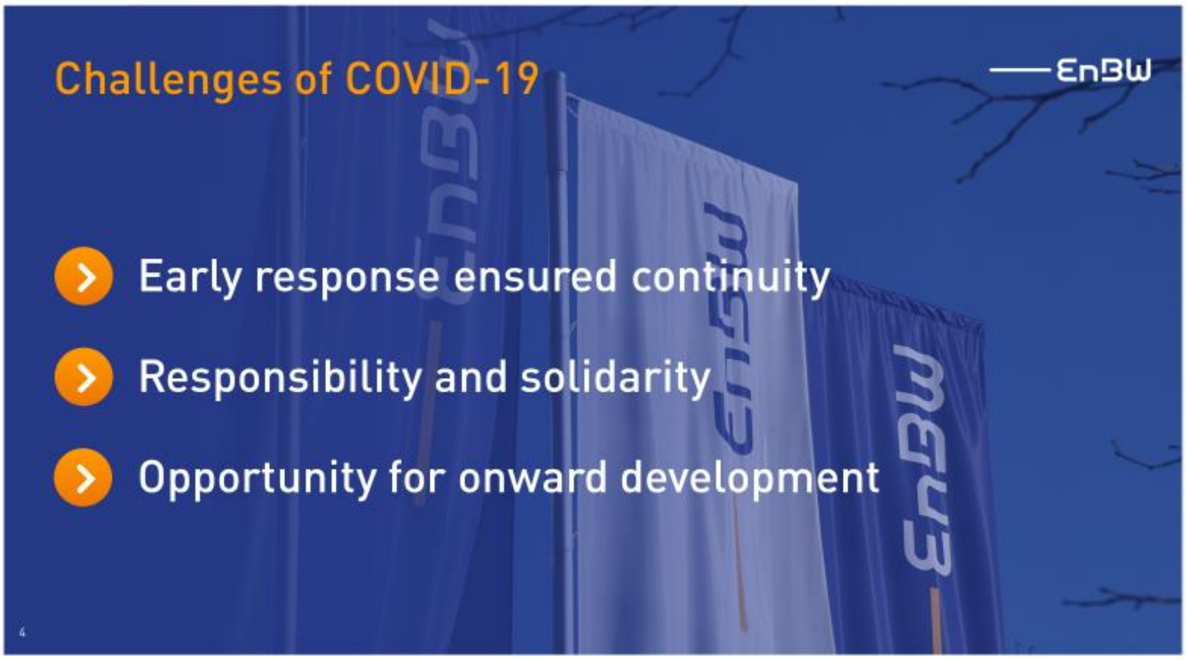
[Chart 3]

So let’s take a look at the past year.

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

The other main earnings driver alongside grids and gas consisted of our two new offshore wind farms, EnBW Hohe See and Albatros. Thomas Kusterer will give you more detail on that in a moment.

At the same time, we also laid the groundwork for further growth: both in our established businesses – as with the expansion of renewables and photovoltaics projects – and in new infrastructure businesses such as electric mobility and telecommunication.



[Chart 4]

Ladies and Gentlemen,

As a provider of critical infrastructure, we owe a big responsibility – especially at times of crisis. Because of this, we always plan for every conceivable eventuality.

Our top priority in the pandemic has been at all times to do all we can to protect the health of the entire workforce and our business partners. Our Group-wide task force launched a comprehensive action package straight away in February 2020. Some 10,000 employees started working from home from as early as March and continue to do so today. With the measures taken, we limited the health impacts and also the impacts on our business. Most of all, we maintained business continuity in the supply of electricity, gas, water and district heat.

Remote working actually brought the EnBW team even closer together. I was able to see this with my own eyes in a wide-ranging CEO tour of EnBW – starting with on-site visits in February 2020 and then from March onwards in virtual form, with over 70 video conferences just to check in with our teams.

One initiative that I found really moving was a special show of team spirit: People donated their leftover vacation leave to parents on the EnBW team who faced challenges because of home schooling. This freed up 4,500 days of leave, which were simply shared out among those who needed them.

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.

But we also made use of opportunities during the pandemic to develop as an organisation. In just a few days, established routines were translated into digital formats and everyone switched to virtual working. The workplace-level agreements needed for this were quickly adopted in trusting partnership with employee representatives.

[Chart 5]

Ladies and Gentlemen,

You have seen this slide every year for the last eight years. It shows, in just a few figures, the radical portfolio transformation that we launched in 2013.

Back then, we set these targets for 2020 – with seven years to achieve them:

- Double the share of earnings from Sales
- Significantly expand Grids
- More than triple the Renewables share
- Plus, we assumed that the share of earnings from our conventional Generation and Trading, EnBW's traditional core business, would shrink to a quarter of the original figure.

In the years that followed, we completely transformed the company, implementing many different measures across three dimensions to achieve those targets:

First of all, the **portfolio transformation** itself:

- Since 2012, we have submitted applications for the decommissioning of nine conventional power plant units and reduced our portfolio by about 2,700 megawatts of carbon-intensive generating capacity. That is about 40 percent of our starting total.
- At the same time, we increased our share of wind power almost ninefold since 2012 to around 1,900 megawatts today, and we are now in a position to develop the first wind and solar farms without subsidies.
- We have also built ourselves a leading position in new business areas. For example, we are the German market leader in fast charging infrastructure for electric vehicles.
- Another 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 with a view to the hydrogen agenda. More on that later.
- In total over the entire timeframe, we invested over 17 billion euros in the transformation, and over 12 billion of that was for activities relating to the energy transition.

We accompanied that transformation with a **systematic efficiency agenda**:

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

From the outset, our transformation was not only about what we do, but how we do things. So in parallel, we worked at a basic level at our **corporate culture** – the way we lead and work.

- We have fully updated our leadership principles. Our communication approach is also different from before. Besides the rollout of various communication platforms and being seen in social media, this also relates to communication between senior executives, the Board of Management and the team.

- Our new culture was also shaped by the introduction of an innovation management system and our digital office.

The bottom line is that after these years of transformation, EnBW has a completely new line-up and is a different company.

We are far better prepared for the expected and unexpected challenges that the energy transition and the major transformational changes in our society will bring in the years ahead – whether we are talking about rapid technological development and digitalisation or about competitive and regulatory issues.

Ladies and Gentlemen,

In figures, the final outcome of the transformation looks like this:

[Chart 5, click 1]:

[Chart 5, click 2]:

We achieved our 2020 target – Group earnings of 2.4 billion euros – one year early. In the target year itself, we actually exceeded it.

Setting an earnings target back then broken down to operating segment level and over such a long time-scale might have seemed a tall order – not least since we were hit by many unhelpful changes on the way, like the direction taken by electricity prices and deregulation.

But it turned out to be the right call to make, because it gave clarity and direction for the entire EnBW team.

And it is thanks to them that we actually achieved those ambitious targets. The EnBW team delivered and we are proud to say so. That is why my thanks – our thanks – go to everyone in our company.

[Chart 6]

Ladies and Gentlemen,

A quick look at the operating highlights by segment in 2020:

In Sales, the rollout of our fast charging network proceeded at a rapid pace: 250 new high-power 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 leading position here in a comparison test by Connect magazine, which once again named EnBW "Germany's best e-mobility provider".

Our Leipzig subsidiary SENEC is now one of Germany's three leading suppliers for home solar battery storage. SENEC's products connect the solar panels on the roof with a stationary battery in the basement. With SENEC.Cloud to go, customers can even charge their car with their own solar power when they are out and about. Surplus energy from their home solar system is simply uploaded to the cloud.

The corona pandemic really rammed home just how important it is to have functioning communication infrastructure. Through our subsidiaries NetCom BW and Plusnet, which we acquired in 2019, we provide fast broadband and telecommunication services for home users and businesses. In 2020, NetCom and Plusnet together laid more than 45,000 kilometres of new broadband and secured tenders worth 55 million euros.

[Chart 7]

Last May, our two cooling towers in Philippsburg were safely demolished by controlled explosion following years of planning. This was a very visible example of good project management in our efficient and rapid nuclear decommissioning programme. Both power plant units at the site have been shut down and are being dismantled. We now have one remaining plant in operation in Neckarwestheim, and that will shut down at the end of next year.

We will implement the planned coal phaseout in the next fifteen years with an individual proposal for each site. In each case, we will see if we can switch to more climate-friendly natural gas as a first step and then to zero-carbon gases in the long term. We will already be consulting local stakeholders and the public at various locations where we have coal plants in the next few weeks to present and discuss specific proposals for a fuel switch. As a result, people in Baden-Württemberg can now see that the coal phaseout is reality.

The natural gas business currently accounts for about 15 percent of our earnings and contributes to diversification as a transitional technology. We further strengthened this business with the acquisition of Gas-Union in July 2020 by our Leipzig subsidiary VNG.

[Chart 8]

Ladies and Gentlemen,

Let’s turn to the Grids business: Municipal communities need a high-performance distribution grid and a reliable partner. Through our municipal investment entity, EnBW vernetzt, 132 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. Incidentally, it is being built on the site left free by demolition of the Philippsburg cooling towers.

Alongside the nationwide rollout of charging infrastructure, we are also pushing ahead with grid integration for electric mobility. As a follow-up to the first “E-Mobility Avenue”, Netze BW is now testing, in a 45-home housing development, how to prevent local power grid overload with smart charging management. The findings from this “E-Mobility Carrée” go directly into the grid expansion planning process.

[Chart 9]

Hardly any other segment is marked by the profound transformation of our company as clearly as 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 currently at the key stage for the EnBW He Dreiht offshore wind farm with around 900 megawatts in the German North Sea. Beyond that, however, new growth opportunities in Germany are limited. No new areas have been awarded since 2018. EnBW therefore also targets selected markets elsewhere, and we secured an auction success just weeks ago in the UK. Together with our partner 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 two further solar farms in Brandenburg – Gottesgabe and Alttrebbin. Together, the three installations will have a total output of some 500 megawatts and be implemented completely without subsidies.

Our growth in onshore wind power was mostly inorganic in 2020. The 2019 acquisition of French wind and solar project developer Valeco helped us move forward here. 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.

That’s all from me for now. For the business results, I’ll hand over to my colleague Thomas Kusterer.

[Chart 10]

Thank you, Frank.

Ladies and Gentlemen, I too would like to welcome you to our Annual Press Conference.

I look forward now to taking you through EnBW's financial performance in the 2020 financial year.

Let's start with a look at our company's performance in terms of operating earnings.

[Chart 11]

External sales in 2020 were slightly higher than in the prior year, at 19.7 billion euros. As Frank Mastiaux has already explained, we achieved a further increase in our operating result:

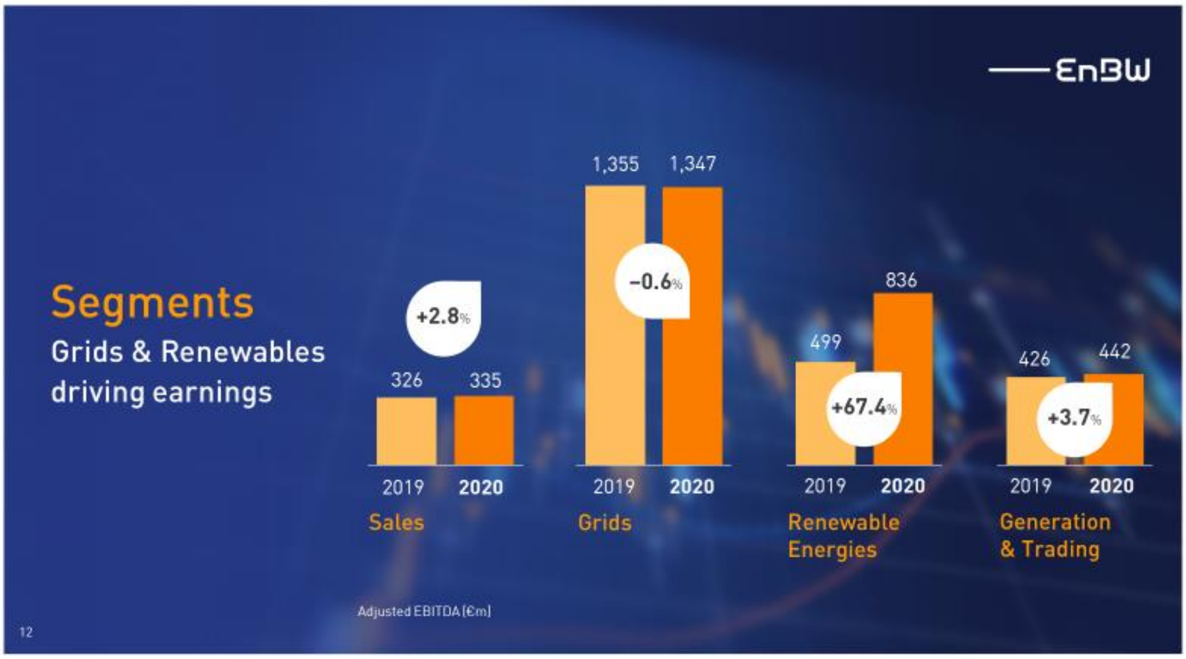
Adjusted EBITDA increased by a good 14 percent compared with 2019 to two billion 781 million euros. Our operating result is therefore inside our guidance range of 2.75 to 2.9 billion euros.

And that despite difficult conditions, not least because of the corona pandemic.This performance also underscores our stable and robust business model. Three of our four segments generated earnings inside their guidance range in 2020.

In the Sales segment, we are pleased to state that we exceeded the guidance that had been revised downwards in the third quarter. So in this segment, too, we were able to generate earnings inside our original guidance range.

Adjusted net profit was 683 million euros in 2020, about 13 percent below the prior-year figure. This is mainly due to a lower financial result compared with the previous year.

That in turn is mostly because of the more positive market valuation of securities in 2019 relative to 2020.



[Chart 12]

A look at our four operating segments shows that our broad line-up pays off, especially in a difficult market environment.

As I just indicated, adjusted EBITDA in the **Sales** segment increased by 3 percent to 335 million euros. A key reason for this is the fact that Plusnet contributed to earnings for the full year, after being acquired in the third quarter of 2019.

On the other hand, excluding the effect of Plusnet, we see a 7 percent shortfall in earnings. This is mainly due to lower consumption by our business customers as a result of corona.

Because of this, we sold less electricity than originally planned and had to sell advance purchases back to the market.

This was offset by positive adjustments to our energy-related provisions, with the result that our segment earnings were ultimately inside the original forecast range.

Our largest segment, **Grids**, continues to account for about half of our operating result. Adjusted EBITDA here was on a par with the prior year at 1 billion 347 million euros.

We see a slight volume-related decline in earnings from our distribution grid due to the corona pandemic, but we almost completely offset this with higher revenue from the use of electricity and gas transmission grids.

The reason for this was increased investment in grid supply security and reliability.

Overall, the Corona pandemic can be said to have had only a moderate impact on earnings from our distribution and transmission grids in the past business year.

Let’s turn to the **Renewable Energies** segment:

Here, we significantly increased adjusted EBITDA by around two thirds.

This is mainly due to our offshore wind farms going to operation: Hohe See in the fourth quarter of 2019 and Albatros in the first quarter of 2020.

Valeco, the French subsidiary we acquired in mid-2019, also contributed to earnings for a full year for the first time last year.

Two additional factors had a positive effect compared with the previous year:

Better wind conditions at our onshore wind farms and higher forward prices for electricity from our run-of-river power plants.

Last but not least, adjusted EBITDA in the **Generation and Trading** segment increased by 3.7 percent year-on-year. Here, too, we benefited from being able to sell our electricity at higher wholesale market prices.

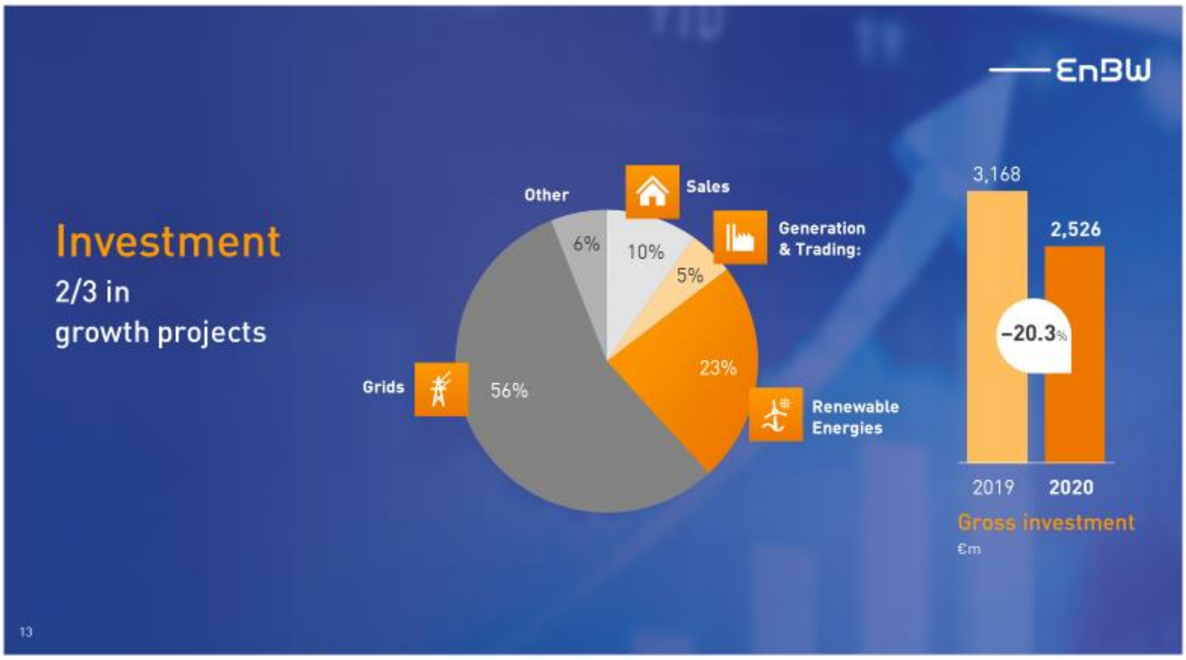
Our trading activities were also able to exploit the greater wholesale market volatility to positive effect.

This enabled us to make up for the Philippsburg nuclear power plant Block 2 shutdown at the end of 2019.

Ladies and Gentlemen,

I would like to mention at this point that Renewable Energies now contribute 30 percent and Grids almost 50 percent of our operating result. This means low-risk, regulated earnings account for 80 percent of the total.

The resulting stable cash inflows enable us to make further strategic investments going forward.



[Chart 13]

Let’s now take a look at investment in the 2020 financial year:

In the reporting year, over two-thirds of our total investment was on growth projects.

Last year saw us bring our corporate strategy even more closely into line with sustainability criteria. Accordingly, we will now only invest in projects that take environmental, social and governance (or ESG) criteria into account.

Total growth and portfolio investment last year came to 2 billion 526 million euros. That means investment was 20 percent down on the previous year.

But we have to note here that investment in 2019 was above average because of the Valeco and Plusnet acquisitions.

In the 2020 financial year, we made more than half of all investment in the Grids segment. In particular, this enabled us to push ahead with the expansion of our electricity and gas transmission grids at our Group companies Transnet BW, terranets bw and Ontras.

Further investment went into the expansion and upgrading of the distribution grid and into electric vehicle charging infrastructure.

We committed almost a quarter of our investment spending to the Renewable Energies segment. Renewables continue to be a major strategic focus of our investment activities.

As the Hohe See and Albatros projects already came into operation in autumn 2019 and early 2020 respectively, we had lower investment in offshore wind power than in the previous year and significantly more investment in photovoltaics – primarily our Weesow-Willmersdorf solar farm.

We spent 10 percent of investment on the Sales business to expand our e-mobility activities and further the development of smart energy solutions. Frank Mastiaux has already reported on our strategic positioning in these business activities.

We incurred 5 percent of total investment spending in the Generation and Trading segment, among other things to build a grid stability plant at Marbach.

Other investment in the reporting year amounted to 6 percent of the total as a result of the acquisition of Gas-Union by VNG in Leipzig.

[Chart 14]

Ladies and Gentlemen,

EnBW is a pioneer in integrated financial reporting and, as I have already mentioned, further aligned its strategy to sustainability criteria in 2020.

In keeping with this, we obtain finance wherever possible using climate-friendly, green financing products – so far for wind and solar projects and for electric mobility.

This makes our financing consistent with our sustainability-based corporate strategy.

We already issued green bonds for a total of 1.5 billion euros in 2018 and 2019, and last year we placed a 500 million euro subordinated green bond on the capital market.

The proceeds were used in their entirety to refinance Valeco, the French wind and solar power company.

We report on the use of the funds from our Green Bonds and their environmental contribution in detail each year in the EnBW Green Bond Impact Report, the 2020 edition of which you will find on our website from today onwards.

Also in 2020, we tied the latest iteration of our syndicated credit line for the first time to EnBW's sustainability performance.

This means that the borrowing costs fall or rise according to target achievement on selected non-financial indicators.

For this purpose, we selected three sustainability indicators reflecting both environmental and social criteria.

- CO_2 intensity and the percentage of generating capacity accounted for by Renewable Energies have been selected as the environmental indicators.
- For the social dimension, we selected an indicator that tracks electricity grid supply reliability.

I just mentioned our pioneering role in integrated financial reporting. We also built on that role in a further context in the 2020 financial year.

The EU taxonomy, which is a classification for environmentally sustainable business activities, is a central component of the EU Green Deal.

To provide even more transparent and comprehensive information in line with our sustainable corporate strategy, we have already launched a project to meet the taxonomy requirements for the EU environmental objective of climate protection – even though the requirements are not yet mandatory for everyone.

In a first step, for 2020, we focused on the two segments Renewable Energies and Grids, and report in our Integrated Annual Report 2020 on the proportion of those activities that is environmentally sustainable.

We have additionally released all outcomes of our project, together with further information on the EU taxonomy, today in a detailed publication that we compiled jointly with Deloitte.

You will also find this publication on our website.

[Chart 15]

Let us now turn to the dividend for financial year 2020.

Our dividend policy is for a payout ratio of between 40 and 60 percent of adjusted net profit.

As we have already seen, this was 683 million euros in financial year 2020, which is 13 percent below the prior-year figure.

The decrease reflects the lower market valuation of our securities compared with the previous year, which reduced the financial result.

Due to the unusually high market valuation of securities in financial year 2019, this same effect was adjusted out of adjusted net profit when setting the dividend for 2019.

Our dividend proposal for 2020 is one euro, marking a 30 euro cent increase on the previous year’s dividend.

The total distribution amounts to 271 million euros and corresponds to 40 percent payout ratio.

The successful portfolio transformation under our 2020 Strategy is reflected among other things in our earnings and hence also in our dividend performance over the last several years.

Following a challenging realignment phase, our company now has solid internal financing capacity and very good access to the capital market.

This is also a very sound starting point for implementation of our Strategy 2025, which will see us grow and further improve profitability.

We are pleased that our shareholders can have a part in this success with a substantial dividend increase.

As usual, this year’s Annual General Meeting will decide on the dividend payment on the 5th of May.

In view of the ongoing corona pandemic, we will once again hold our Annual General Meeting this year in virtual form.

[Chart 16]

Ladies and Gentlemen,

I would now like to take a look with you at the current financial year.

From the beginning of 2021 onwards, we present our business portfolio in three strategic segments, which Frank Mastiaux will go into in greater detail shortly.

In this, we continue to apply our diversification-based portfolio approach:

- In the first segment, Smart Infrastructure for Customers, we aim to generate 300 to 375 million euros in the current financial year. So against the backdrop of a challenging market environment and the ongoing pandemic, we expect earnings at their prior-year level.

- We likewise forecast earnings on a level with the prior year in System-critical Infrastructure. Here, we expect adjusted EBITDA to be between 1.3 billion and 1.4 billion euros and, despite the pandemic, a slight increase in grid usage revenue. This is due to returns from increased investment in projects in the electricity and gas grid development plans.

- In the third segment, Sustainable Generation Infrastructure, we anticipate growth of 8 to 15 percent and accordingly expect adjusted EBITDA for 2021 of between 1,375 and 1,475 billion euros. The largest share of this, at about 900 million euros, will be accounted for by renewables.

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

Ladies and Gentlemen,

That’s it from me for now.

Frank Mastiaux will now go on to explain how we plan to achieve our ambitious goals in 2021 and the years beyond.

[Chart 17]

Thank you, Thomas.

Ladies and Gentlemen,

Back in 2017, at the halfway point of our EnBW 2020 Strategy, we already 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 future areas of the future.

That will enable us to exploit additional growth opportunities beyond the energy sector while retaining consistent focus on 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.

[Chart 18]

For this reason, under the EnBW 2025 Strategy, we are grouping our activities from now on in three strategic segments that share “infrastructure” as a unifying element, and are aiming for a total increase in earnings to over three billion euros.

Accordingly, I would like to give you a quick look at what we are planning in each of the three infrastructure segments:

- In Smart Infrastructure for Customers, we transfer our core competencies to new, in many cases digital business models. We will focus investment here in the coming years on electric mobility, telecommunications, broadband and stationary solar battery storage.

- 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.

- Sustainable Generation Infrastructure is dominated by our activities to expand 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 euros in the years ahead, about 80 percent of which will be on growth projects. Along the way, we will take a close look at what opportunities we want to make use of as EnBW and how best to allocate our resources and investment capital.

As I reported at the beginning, we have already laid the foundations for all of this, with tangible initial results in several areas:

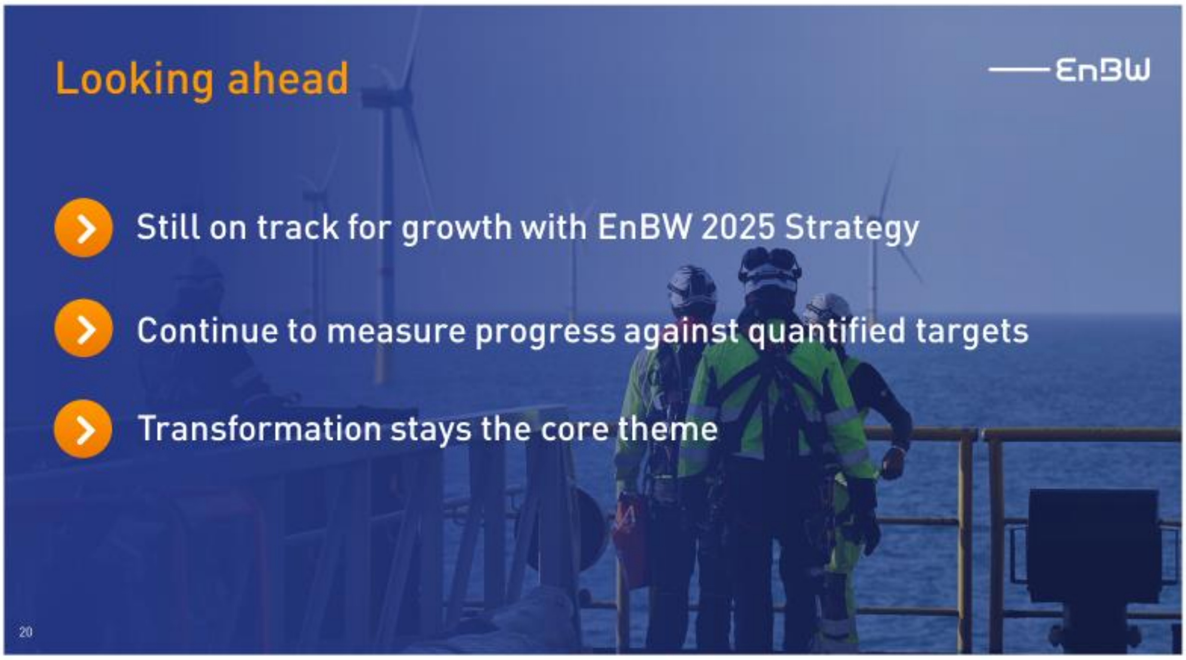
[Chart 19]

- First of all, our activities in fast charging infrastructure for electric vehicles, which I reported on earlier.

- Secondly, in the telecommunication and broadband business, where we are significantly expanding our infrastructure, adding to our service portfolio and aspiring to a strong position in the German market.

- In urban district development, we combine decentralised energy generation with products such as broadband and electric mobility. A case in point is the “New Stöckach” project in Stuttgart. This is a modern, energy-efficient housing development with high quality of life shaped with the involvement of local residents and the city.

- In security infrastructure, we contribute to community, urban and individual security with combined sensor, surveillance and barrier technology. Using optical and acoustic sensors, our systems detect and analyse suspicious and hazardous situations in public places or on company premises with the help of artificial intelligence and in full compliance with data protection law.



[Chart 20]

Ladies and Gentlemen,

This strategic framework clearly maps out our way forward. And our way forward is a path to growth.

In all of this, we keep a major focus on systematic onward development of the organisation and the workforce. An effective leadership culture and agile working methods are ongoing priorities – as is the question of how we want to organise team working and the business opportunities we see post-corona. These discussions are already in full swing within our organisation.

In one respect, however, we will stay the same: As we deliver EnBW 2025, in exactly the same way as we implemented our EnBW 2020 Strategy, we will continue to measure our performance against set targets and also continue to develop our strategic positioning consistently, with forward focus – and if necessary dynamically.

The change-readiness that is so fundamental to all of this is something we have developed over our years-long transformation. That will be of great benefit to us in the future.

From the position we have now achieved, we can look positively to the opportunities of a rapidly changing world in which EnBW occupies a space that we have now clearly defined.

Thank you very much. We will now be available in the chat for questions.