

Quarterly Statement

January to March 2019



Performance indicators of the EnBW Group

Financial and strategic performance indicators

| in € million | 01/01– 31/03/2019 | 01/01– 31/03/2018 | Change in % | 01/01– 31/12/2018 |
|---|----------------------|----------------------|----------------|----------------------|
| External revenue ¹ | 6,671.3 | 5,934.2 | 12.4 | 20,617.5 |
| Adjusted EBITDA | 722.9 | 686.6 | 5.3 | 2,157.5 |
| Share of adjusted EBITDA accounted for by Sales in € million/in % ¹ | 58.4/8.1 | 87.9/12.8 | -33.6/- | 268.4/12.4 |
| Share of adjusted EBITDA accounted for by Grids in € million/in % | 418.5/57.9 | 359.5/52.4 | 16.4/- | 1,176.9/54.5 |
| Share of adjusted EBITDA accounted for by Renewable Energies in € million/in % | 118.6/16.4 | 95.4/13.9 | 24.3/- | 297.7/13.8 |
| Share of adjusted EBITDA accounted for by Generation and Trading in € million/in % ¹ | 136.4/18.9 | 146.9/21.4 | -7.1/- | 430.8/20.0 |
| Share of adjusted EBITDA accounted for by Other/Consolidation in € million/in % | -9.0/-1.3 | -3.1/-0.5 | -/- | -16.3/-0.7 |
| EBITDA | 707.9 | 687.8 | 2.9 | 2,089.6 |
| Adjusted EBIT | 375.9 | 392.1 | -4.1 | 957.5 |
| EBIT | 360.7 | 393.3 | -8.3 | 875.8 |
| Adjusted Group net profit ² | 323.9 | 135.9 | 138.3 | 438.3 |
| Group net profit ² | 273.8 | 137.5 | 99.1 | 334.2 |
| Earnings per share from Group net profit ² in € | 1.01 | 0.51 | 99.1 | 1.23 |
| Retained cash flow | 536.2 | 511.9 | 4.7 | 999.1 |
| Total investments | 329.9 | 234.9 | 40.4 | 1,769.9 |

Employees ^{3, 4}

| | 31/03/2019 | 31/03/2018 | Change in % | 31/12/2018 |
|-----------------------|------------|------------|----------------|------------|
| Employees | 21,773 | 21,425 | 1.6 | 21,775 |
| Full-time equivalents | 20,382 | 20,025 | 1.8 | 20,379 |

¹ The figures for the previous year have been restated.

² In relation to the profit/loss attributable to the shareholders of EnBWAG.

³ Number of employees excluding apprentices/trainees and inactive employees.

⁴ The number of employees for the ITOs (ONTRAS Gastransport GmbH, terranets bw GmbH and TransnetBW GmbH) is only updated at the end of the year; for intervals of less than a year, the number of employees from 31/12/2018 is carried forward.

Q1 2019 at a glance

- Adjusted EBITDA of the EnBW Group increases by 5.3% to €722.9 million
- Growth in earnings due to the Grids and Renewable Energies segments
- Group net profit doubles to €273.8 million supported by an improved financial result
- Significant increase in investment in growth projects, primarily in the expansion of the grids and the EnBW Hohe See and EnBW Albatros offshore wind farms
- Earnings forecast for the whole 2019 financial year of between €2,350 million and €2,500 million confirmed

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Important notes

Financial calendar

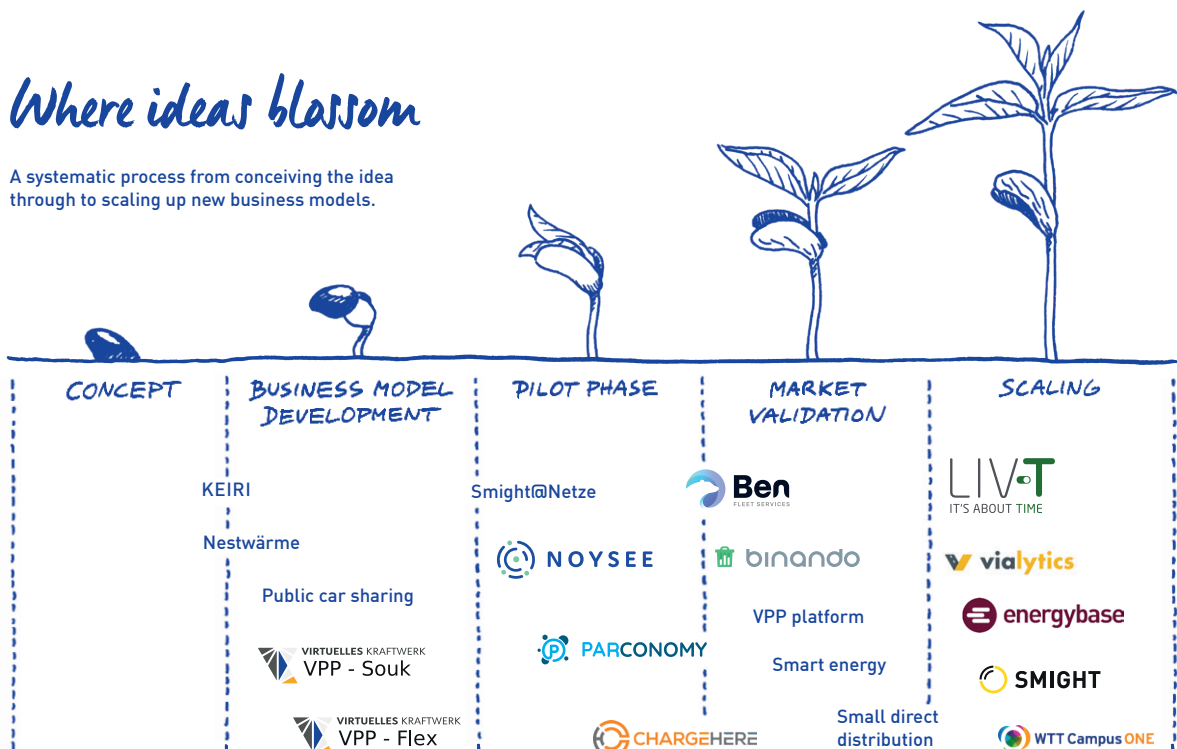
Shaping the future with start-up creativity

EnBW is transforming itself from an energy company to a modern infrastructure partner. One pillar of this strategy is the EnBW Innovation sector. At the Innovation Campus, the company's own employees develop new business models and test their market readiness.

The mission is to quickly develop new product ideas and disruptive business models outside of our core business and launch them on the market. Vialytics, a start-up that was launched in early 2018 by EnBW together with the three founders Achim Hoth, Patrick Glaser and Danilo Jovicic and Pioniergeist GmbH, is a good example of this strategy. The idea is that a smartphone mounted on the windscreen of a local authority vehicle takes photos of the condition of the road. The images are analysed using artificial intelligence, any damage such as cracks is marked on the images and given a classification and then the images are transferred to the local authority together with geopositioning data. On this basis, local authorities can respond more quickly when damage occurs and save costs.

Where ideas blossom

A systematic process from conceiving the idea through to scaling up new business models.



There are currently 19 corporate start-ups at EnBW.



The founders of Vialytics: Achim Hoth, Patrick Glaser and Danilo Jovicic (from left to right).

250

images per kilometre.

500,000

images analysed in total.

2,240

km of roads scanned in total.

This solution, which is already being used by 25 local authorities, has been dubbed "street prophylactics" by Uli Huener, Head of Innovation at EnBW. Vialytics is thus helping local authorities to reduce the costs of maintaining and resurfacing local roads by up to a fifth in some cases in comparison with before.

Awards for EnBW start-up partners

Vialytics has earned recognition across Germany for its innovative technology: The motoring magazine "auto, motor und sport" awarded Vialytics its "ams mobility&safety Award 2019" in March, while Bitkom presented Vialytics with its "Innovation prize for young companies offering outstanding solutions for the public sector" back in November 2018.

"With EnBW at our side, we have been able to speak to the right people at civil engineering offices and municipal utilities and present our idea really quickly."

Danilo Jovicic, a founder of Vialytics

"Our core expertise lies in the automated analysis of the data," says Patrick Glaser, one of the three founders of Vialytics. "We can classify damage precisely and reliably and the results are thus highly objective. The level of detail we can achieve has not yet been matched by any other available system."

"The fact that EnBW supported the company right from its launch and currently has a 20% shareholding has significantly speeded up the development of the business," says Danilo Jovicic. "We haven't just benefited from their methodological expertise. As a young start-up, it is often necessary to knock on a lot of doors before one opens. With

EnBW at our side, we have been able to speak to the right people at civil engineering offices and municipal utilities and present our idea really quickly." In addition, the team headed by Uli Huener has helped Vialytics make contacts within the Group. Patrick Glaser: "Founding your own company is a challenge in itself. If you need legal advice, for example, to check a contract, it is fantastic that we are able to call on the assistance of experienced lawyers at EnBW. In the early stages, this saved us the cost of hiring an expensive law firm."

The best of both worlds: EnBW experience and start-up creativity

EnBW already decided in 2013 to undergo a fundamental transformation, set out in its "EnBW 2020" strategy. A systematic incubation process makes it possible to quickly develop a business model from the pilot phase through to market launch, so that ideas can be rapidly tested on the market. Based on the motto "inside out", innovation management is utilising the expertise held by the around 21,000 employees of EnBW and founding internal corporate start-ups. 19 companies have been founded so far. Partnerships with external start-ups are formed according to the motto "outside in": Via its own venture capital company, EnBW secures minority shareholdings in entrepreneurial teams whose solutions are making the world a little bit smarter – such as Vialytics.

The EnBW Group

Results of operations

Material developments in the income statement

The increase in revenues of €737.1 million in comparison to the figure in the previous year to €6,671.3 million was primarily attributable to higher trading activity. The balance from other operating income and other operating expenses in the reporting period reduced from €-44.4 million in the previous year to €-34.2 million in the reporting period. The cost of materials was €702.0 million higher than the figure in the previous year, which was mainly due to higher trading activity. The figures for revenues and cost of materials in the previous year have been restated because, in comparison to the interim reporting in 2018, the application of IFRS 15 meant that further aspects were reported net at the end of the year. The investment result in the reporting period stood at €43.7 million, which was €28.6 million higher than the figure of €15.1 million in the previous year. The financial result increased in the reporting period in comparison to the same period of the previous year by €143.8 million to €9.8 million (previous year: €-134.0 million). The main reason for this development was a better result from the market valuation of securities. This was offset by the fall in the discount rate for nuclear provisions from 0.6% to 0.4%. Overall, earnings

before tax (EBT) totalled €414.2 million in the first three months of the 2019 financial year, compared with €274.4 million in the previous year.

Earnings

The Group net profit/loss attributable to the shareholders of EnBW AG increased from €137.5 million in the comparative period by €136.3 million to €273.8 million in the reporting period. Earnings per share amounted to €1.01 in the reporting period compared to €0.51 in the previous year.

Adjusted earnings and non-operating result

The sum of the adjusted earnings figures and non-operating figures gives the figure on the income sheet. The non-operating result includes effects that either cannot be predicted or cannot be directly influenced by EnBW and as such are not relevant to the ongoing management of the company. The effects are presented in the section "Non-operating EBITDA". The business activities relevant to the ongoing management of the company are of particular importance for internal management and for the external communication of the current and future earnings potential of EnBW. We use the adjusted EBITDA – earnings before the investment and financial results, income taxes and amortisation, adjusted for non-operating effects – as the key reporting indicator for disclosing this information.

Adjusted EBITDA of the EnBW Group by segment

| in € million ¹ | 01/01– 31/03/2019 | 01/01– 31/03/2018 | Change in % | 01/01– 31/12/2018 |
|---------------------------|----------------------|----------------------|----------------|----------------------|
| Sales | 58.4 | 87.9 | -33.6 | 268.4 |
| Grids | 418.5 | 359.5 | 16.4 | 1,176.9 |
| Renewable Energies | 118.6 | 95.4 | 24.3 | 297.7 |
| Generation and Trading | 136.4 | 146.9 | -7.1 | 430.8 |
| Other/Consolidation | -9.0 | -3.1 | - | -16.3 |
| Total | 722.9 | 686.6 | 5.3 | 2,157.5 |

¹ The figures for the previous year have been restated.

Share of adjusted EBITDA for the EnBW Group accounted for by the segments

| in % ¹ | 01/01– 31/03/2019 | 01/01– 31/03/2018 | 01/01– 31/12/2018 |
|------------------------|----------------------|----------------------|----------------------|
| Sales | 8.1 | 12.8 | 12.4 |
| Grids | 57.9 | 52.4 | 54.5 |
| Renewable Energies | 16.4 | 13.9 | 13.8 |
| Generation and Trading | 18.9 | 21.4 | 20.0 |
| Other/Consolidation | -1.3 | -0.5 | -0.7 |
| Total | 100.0 | 100.0 | 100.0 |

¹ The figures for the previous year have been restated.

The adjusted EBITDA of the EnBW Group increased in the first three months of 2019 in comparison to the same period of the previous year by 5.3%. Adjusted for the effects of changes in the consolidated companies, the adjusted EBITDA of the EnBW Group would have increased by 6.0%. Due to the changed classification of three companies, there was a slight shift in the figures for the previous year for the Sales and Generation and Trading segments.

Sales: The adjusted EBITDA in the Sales segment decreased in the first three months of 2019 by 33.6% in comparison to the same period of the previous year. Adjusted for the effects of changes in the consolidated companies, the decrease was 33.1%. The main reason for this fall in earnings was higher procurement costs.

Grids: The adjusted EBITDA in the Grids segment increased in the first three months of 2019 by 16.4% in comparison to the same period of the previous year. Adjusted for the effects of changes in the consolidated companies, the increase was 16.9%. The main reason for the increase in earnings was higher earnings from the use of the grids.

Renewable Energies: The adjusted EBITDA in the Renewable Energies segment for the first three months of 2019 was 24.3% higher than the value achieved in the same period of the previous year. Adjusted for the effects of changes in the consolidated companies, the increase in earnings was 18.1%. This development was due, on the one hand, to better wind conditions in the onshore and offshore sectors and, on the other hand, to acquisitions of onshore wind farms.

Generation and Trading segment: In the Generation and Trading segment, the adjusted EBITDA fell in the first three months of 2019 by 7.1% compared to the same period of the previous year. Adjusted for the effects of changes in the consolidated companies, the decrease was 2.1%. The sale of VNG Norge AS and its subsidiary VNG Danmark ApS in the previous year, and the associated loss of the earnings contributions made by these companies, had a negative impact on earnings. Higher volumes of gas in the storage facilities combined with lower prices resulted in a negative impact on earnings on the reporting date in comparison to the same period of the previous year due to the application of IFRS 9.

Non-operating EBITDA of the EnBW Group

| in € million | 01/01– 31/03/2019 | 01/01– 31/03/2018 | Change in % |
|---|----------------------|----------------------|----------------|
| Income/expenses relating to nuclear power | -7.1 | 2.9 | - |
| Result from disposals | 1.7 | 9.2 | -81.5 |
| Restructuring | -6.1 | -7.9 | 22.8 |
| Other non-operating result | -3.5 | -3.0 | 16.7 |
| Non-operating EBITDA | -15.0 | 1.2 | - |

Group net profit of the EnBW Group

| in € million | 01/01– 31/03/2019 | | | 01/01– 31/03/2018 | | |
|---|----------------------|---------------|--------------|----------------------|---------------|--------------|
| | Total | Non-operating | Adjusted | Total | Non-operating | Adjusted |
| EBITDA | 707.9 | -15.0 | 722.9 | 687.8 | 1.2 | 686.6 |
| Amortisation and depreciation | -347.2 | -0.2 | -347.0 | -294.5 | 0.0 | -294.5 |
| EBIT | 360.7 | -15.2 | 375.9 | 393.3 | 1.2 | 392.1 |
| Investment result | 43.7 | 0.5 | 43.2 | 15.1 | -8.2 | 23.3 |
| Financial result | 9.8 | -57.3 | 67.1 | -134.0 | 10.2 | -144.2 |
| EBT | 414.2 | -72.0 | 486.2 | 274.4 | 3.2 | 271.2 |
| Income tax | -96.4 | 21.3 | -117.7 | -87.4 | -3.3 | -84.1 |
| Group net profit | 317.8 | -50.7 | 368.5 | 187.0 | -0.1 | 187.1 |
| of which profit/loss shares attributable to non-controlling interests | [44.0] | [-0.6] | [44.6] | [49.5] | [-1.7] | [51.2] |
| of which profit/loss shares attributable to the shareholders of EnBW AG | [273.8] | [-50.1] | [323.9] | [137.5] | [1.6] | [135.9] |

The increase in Group net profit in the reporting period compared to the same period of the previous year was primarily attributable to an improved financial result due to a better

result from the market valuation of securities. This was offset by the fall in the discount rate for nuclear provisions from 0.6% to 0.4%.

Financial position

Financing

In addition to the Group's internal financing capability and its own funds, the EnBW Group has the following instruments at its disposal to cover its overall financing needs (as of 31 March 2019):

- › Debt Issuance Programme, via which bonds are issued: €2.7 billion of €7.0 billion has been drawn. In January, EnBW made a private placement with a volume of €75.0 million and a term of 22 years.
- › Hybrid bonds: €2.0 billion
- › Commercial paper (CP) programme: €150.0 million of €2.0 billion has been drawn
- › Syndicated credit line: €1.5 billion undrawn with a term until 2021
- › Bilateral free credit lines: €941.1 million
- › Project financing and low-interest loans from the European Investment Bank (EIB)

Established issuer on the debt capital market

EnBW has sufficient and flexible access to the capital market at all times. The EnBW bonds continue to have a well-balanced maturity profile. As part of its financing strategy, EnBW constantly assesses capital market trends with regard to the current interest rate environment and to any potentially favourable refinancing costs.

Rating and rating trends

EnBW currently has the following ratings:

- › Moody's: A3/stable
- › Standard & Poor's (S&P): A-/stable
- › Fitch: A/stable

EnBW aims to maintain a solid investment-grade rating. By limiting the cash-relevant net investment to the adjusted retained cash flow, measured by the internal financing capability, EnBW manages the level of net financial debt. The company thus maintains its high level of financial discipline, irrespective of the interest rate-related volatility of the pension and nuclear provisions. EnBW ensures the timely coverage of the pension and nuclear obligations using its asset liability management model.

Investment analysis

Net cash investment of the EnBW Group

| in € million ¹ | 01/01– 31/03/2019 | 01/01– 31/03/2018 | Change in % | 01/01– 31/12/2018 |
|---|----------------------|----------------------|----------------|----------------------|
| Investments in growth projects ² | 251.7 | 178.8 | 40.8 | 1,323.9 |
| Investments in existing projects | 78.2 | 56.1 | 39.4 | 446.0 |
| Total investments | 329.9 | 234.9 | 40.4 | 1,769.9 |
| Divestitures ³ | -3.4 | -4.6 | -26.1 | -371.3 |
| Participation models | -21.8 | -0.4 | – | 51.9 |
| Other disposals and subsidiaries | -33.8 | -36.1 | -6.4 | -163.4 |
| Total divestitures | -59.0 | -41.1 | 43.6 | -482.8 |
| Net (cash) investment | 270.9 | 193.8 | 39.8 | 1,287.1 |

¹ Excluding investments held as financial assets.

² Does not include cash and cash equivalents acquired with the acquisition of fully consolidated companies. These amounted to €0.0 million in the reporting period (01/01/2018 – 31/03/2018: €0.0 million, 01/01/2018 – 31/12/2018: €0.4 million).

³ Does not include cash and cash equivalents relinquished with the sale of fully consolidated companies. These amounted to €37.7 million in the reporting period (01/01/2018 – 31/03/2018: €0.0 million, 01/01/2018 – 31/12/2018: €61.5 million).

Investment by the EnBW Group in the 2019 financial year to date was higher than the level in the previous year. This increase was mainly due to financial investment in the Renewable Energies segment. Around 76.3% of overall gross investment was attributable to growth projects; the proportion of investment in existing facilities stood at 23.7%.

Investment in the **Sales** segment of €28.4 million was at around the same level as in the previous year (€29.9 million).

Investment in the **Grids** segment stood at €173.0 million, compared to €102.1 million in the previous year. It was primarily used for the expansion of the electricity grids in both years. The increase in the first quarter of 2019 in comparison to the same period of the previous year was mainly due to the construction of the EUGAL gas pipeline and investment in the areas of electromobility and smart grids and relating to the renewal strategy.

Investment in the **Renewable Energies** segment of €107.1 million was higher than in the previous year (€56.2 million). The main reason for this was the EnBW Hohe See and EnBW Albatros construction projects.

Investment in the **Generation and Trading** segment fell significantly in the first quarter of 2019 in comparison to the same period of the previous year to €15.1 million. In the same period of the previous year, investment stood at €31.0 million and was mainly attributable to the exploration and production business of VNG and the modernisation of the combined heat and power plant in Stuttgart-Gaisburg.

Other investments of €6.3 million were below the level in the previous year (€15.7 million).

Divestitures increased compared to the same period of the previous year; this increase was primarily due to divestitures

from participation models. Shares were sold in the Buchholz III and Aalen-Waldhausen wind farms.

Liquidity analysis

Retained cash flow of the EnBW Group

| in € million | 01/01– 31/03/2019 | 01/01– 31/03/2018 | Change in % | 01/01– 31/12/2018 |
|---|----------------------|----------------------|----------------|----------------------|
| EBITDA | 707.9 | 687.8 | 2.9 | 2,089.6 |
| Changes in provisions | -100.8 | -156.2 | -35.5 | -394.6 |
| Non-cash-relevant expenses/income | 72.5 | -2.5 | – | -116.0 |
| Income tax paid | -170.1 | -50.9 | – | -270.7 |
| Interest and dividends received | 68.7 | 60.2 | 14.1 | 284.6 |
| Interest paid for financing activities | -27.0 | -33.9 | -20.4 | -247.0 |
| Dedicated financial assets contribution | -8.2 | 25.9 | – | -34.0 |
| Funds from operations (FFO) | 543.0 | 530.4 | 2.4 | 1,311.9 |
| Dividends paid | -6.8 | -18.5 | -63.2 | -312.8 |
| Retained cash flow | 536.2 | 511.9 | 4.7 | 999.1 |

Funds from operations (FFO) increased slightly in the first quarter of 2019 in comparison to the same period of the previous year. This was due to the higher cash-relevant EBITDA, increased interest and dividends received and lower interest payments. This was offset to some extent by higher income tax payments in the reporting period. The increased FFO and lower dividend payments in the first quarter of 2019 thus led to a slight increase in the retained cash flow.

The retained cash flow reflects the internal financing capability of EnBW after all stakeholder needs have been settled. It is available to the company for investment without the need to raise additional debt.

Free cash flow of the EnBW Group

| in € million | 01/01– 31/03/2019 | 01/01– 31/03/2018 | Change in % | 01/01– 31/12/2018 |
|--|----------------------|----------------------|----------------|----------------------|
| Funds from operations (FFO) | 543.0 | 530.4 | 2.4 | 1,311.9 |
| Change in assets and liabilities from operating activities | -421.6 | -12.3 | – | -480.7 |
| Capital expenditure on intangible assets and property, plant and equipment | -222.0 | -181.1 | 22.6 | -1,369.5 |
| Disposals of intangible assets and property, plant and equipment | 13.6 | 24.6 | -44.7 | 77.3 |
| Cash received from subsidies for construction costs and investments, and tax refunds from recognised exploration expenditure | 20.2 | 11.5 | 75.7 | 86.1 |
| Free cash flow | -66.8 | 373.1 | – | -374.9 |

Free cash flow fell significantly in comparison to the previous year by €439.9 million despite the slight increase in the FFO. This strong decrease was primarily due to the increase in the negative net balance of assets and liabilities from operating

activities, which was mainly attributable to increased purchases of CO₂ allowances in comparison to the same period of the previous year.

Condensed cash flow statement of the EnBW Group

| in € million | 01/01– 31/03/2019 | 01/01– 31/03/2018 | Change in % | 01/01– 31/12/2018 |
|--|----------------------|----------------------|----------------|----------------------|
| Cash flow from operating activities | 87.9 | 465.9 | -81.1 | 827.6 |
| Cash flow from investing activities | -115.5 | 45.7 | – | -895.8 |
| Cash flow from financing activities | 238.5 | -121.7 | – | -907.3 |
| Net change in cash and cash equivalents | 210.9 | 389.9 | 45.9 | -975.5 |
| Change in cash and cash equivalents due to changes in the consolidated companies | -3.3 | 0.1 | – | 6.6 |
| Net foreign exchange difference | 1.2 | 0.8 | 50.0 | 5.5 |
| Change in cash and cash equivalents due to risk provisions | 0.0 | 0.0 | – | 0.2 |
| Change in cash and cash equivalents | 208.8 | 390.8 | -46.6 | -963.2 |

The substantial reduction in cash flow from operating activities in comparison to the previous year was mainly due to the increase in the negative net balance of assets and liabilities from operating activities. In the first quarter of 2019, cash flow from investing activities returned an outflow of cash, while there was an inflow of cash in the previous year. This inflow of cash in the previous year was due primarily to higher sales of securities and lower capital expenditure on property, plant and equipment.

The cash inflow from financing activities in the reporting period was due to the issuing of a bond as part of the Debt Issuance Programme and short-term loans, while there was an outflow of cash in the previous year.

Net assets

Condensed balance sheet of the EnBW Group

| in € million | 31/03/2019 | 31/12/2018 | Change in % |
|---|-----------------|-----------------|----------------|
| Non-current assets | 27,568.1 | 26,746.0 | 3.1 |
| Current assets | 12,608.9 | 12,520.7 | 0.7 |
| Assets held for sale | 293.1 | 342.3 | -14.4 |
| Assets | 40,470.1 | 39,609.0 | 2.2 |
| Equity | 6,418.1 | 6,273.3 | 2.3 |
| Non-current liabilities | 22,793.9 | 22,036.9 | 3.4 |
| Current liabilities | 11,258.1 | 11,277.6 | -0.2 |
| Liabilities directly associated with assets classified as held for sale | 0.0 | 21.2 | -100.0 |
| Equity and liabilities | 40,470.1 | 39,609.0 | 2.2 |

As of 31 March 2019, the total assets held by the EnBW Group were 2.2% higher than the level at the end of the previous year. The reason for this slight rise was the increase in non-current assets. The increase in property, plant and equipment is due to the first-time application of the leasing standard IFRS 16 in the 2019 financial year. The increase in financial assets was due to the securities. Current assets only changed marginally. The decrease in assets held for sale was primarily the result of the contractually agreed sale of shares in Stuttgart Netze Betrieb GmbH, which resulted in a loss of control of the company.

The equity held by the EnBW Group increased by €144.8 million as of the reporting date of 31 March 2019. This was due mainly to the increase in revenue reserves as a result of the Group net profit. The equity ratio increased slightly from 15.8% at the end of 2018 to 15.9% on the reporting date. Non-current liabilities increased by €757.0 million. Other liabilities and subsidies increased due to the first-time application of IFRS 16 in the 2019 financial year. Current liabilities only changed marginally. The decrease in liabilities directly associated with assets held for sale was mainly the result of the sale of shares in Stuttgart Netze Betrieb GmbH.

Net debt

Net debt of the EnBW Group

| in € million | 31/03/2019 | 31/12/2018 | Change in % |
|---|-----------------|-----------------|-------------|
| Cash and cash equivalents available to the operating business | -2,057.5 | -1,954.0 | 5.3 |
| Current financial assets available to the operating business | -132.8 | -200.6 | -33.8 |
| Bonds | 4,847.0 | 4,869.4 | -0.5 |
| Liabilities to banks | 1,822.8 | 1,482.8 | 22.9 |
| Other financial liabilities | 502.4 | 644.0 | -22.0 |
| Liabilities from leasing | 584.1 | 0.0 | – |
| Valuation effects from interest-induced hedging transactions | -78.8 | -88.8 | -11.3 |
| Restatement of 50% of the nominal amount of the hybrid bonds ¹ | -996.3 | -996.3 | 0.0 |
| Other | -14.3 | -18.1 | -21.0 |
| Net financial debt | 4,476.6 | 3,738.4 | 19.7 |
| Provisions for pensions and similar obligations ² | 6,834.5 | 6,550.9 | 4.3 |
| Provisions relating to nuclear power | 5,911.8 | 5,848.2 | 1.1 |
| Liabilities relating to nuclear power | 63.3 | 63.3 | 0.0 |
| Receivables relating to nuclear obligations | -332.3 | -334.4 | -0.6 |
| Net pension and nuclear obligations | 12,477.3 | 12,128.0 | 2.9 |
| Long-term securities and loans to cover the pension and nuclear obligations ³ | -5,146.2 | -4,864.4 | 5.8 |
| Cash and cash equivalents to cover the pension and nuclear obligations | -400.7 | -295.4 | 35.6 |
| Current financial assets to cover the pension and nuclear obligations | -350.3 | -569.1 | -38.4 |
| Surplus cover from benefit entitlements | -176.5 | -208.8 | -15.5 |
| Long-term securities to cover the pension and nuclear obligations directly associated with assets classified as held for sale | -291.9 | -298.9 | -2.3 |
| Other | -22.1 | -43.2 | -48.8 |
| Dedicated financial assets | -6,387.7 | -6,279.8 | 1.7 |
| Net debt relating to pension and nuclear obligations | 6,089.6 | 5,848.2 | 4.1 |
| Net debt | 10,566.2 | 9,586.6 | 10.2 |

1 The structural characteristics of our hybrid bonds meet the criteria for half of the bond to be classified as equity, and half as debt, by the rating agencies Moody's and Standard & Poor's.

2 Less the market value of the plan assets of €1,005.2 million (31/12/2018: €987.8 million).

3 Includes equity investments held as financial assets.

As of 31 March 2019, net debt increased significantly by €979.6 million compared to the figure posted at the end of 2018. This increase was mainly due to the first-time application of the leasing standard IFRS 16 in the 2019 financial year. The transition effect was €503.1 million and was reflected in the non-

current liabilities. In addition, the decrease in the interest rate for pension provisions from 1.8% as of 31 December 2018 to 1.6% as of 31 March 2019, and the interest rate for nuclear provisions from 0.6% as of 31 December 2018 to 0.4% as of 31 March 2019, led to an increase in net debt.

Forecast

In the following forecast, we take a look at the expected development of EnBW in the current financial year. It should be noted

that the present conditions increase the level of uncertainty with which predictions about the future development of the company can be made, as the assumptions upon which they are based can quickly become outdated.

Adjusted EBITDA and the share of the adjusted EBITDA accounted for by the segments

Development in 2019 (adjusted EBITDA and the share of adjusted EBITDA accounted for by the segments) compared to the previous year ¹

| | Earnings performance (adjusted EBITDA) compared to the previous year | | Development of the share of adjusted EBITDA for the EnBW Group accounted for by the segments | |
|-------------------------------|--|-------------------------|--|---------------|
| | 2019 | 2018 | 2019 | 2018 |
| Sales | €225 to €300 million | €268.4 million | 5% to 15% | 12.4% |
| Grids | €1,300 to €1,400 million | €1,176.9 million | 50% to 60% | 54.5% |
| Renewable Energies | €425 to €500 million | €297.7 million | 15% to 25% | 13.8% |
| Generation and Trading | €350 to €425 million | €430.8 million | 10% to 20% | 20.0% |
| Other/Consolidation | | €-16.3 million | | -0.7% |
| Adjusted EBITDA, Group | €2,350 to €2,500 million | €2,157.5 million | | 100.0% |

¹ The figures for the previous year have been restated.

The earnings forecast for the entire Group and the individual segments for the whole of the 2019 financial year remains unchanged from that given in the 2018 Group management report.

In the **Sales** segment, we expect earnings in 2019 at the same level as in the previous year. Therefore, we expect a stable share of the adjusted EBITDA for the Group accounted for by this segment.

The adjusted EBITDA for the **Grids** segment will increase further in 2019. It will thus continue to be the segment with the highest earnings. In comparison to the previous year, we expect higher revenue from the use of the grids as we start to see returns on the increased investment activity in projects that are included in the Network Development Plan Electricity and Network Development Plan Gas. The share of the adjusted EBITDA for the Group accounted for by this segment should remain stable.

The adjusted EBITDA for the **Renewable Energies** segment will increase significantly in 2019. In the offshore wind sector, this will be due to the planned commissioning of our offshore wind farms EnBW Hohe See and EnBW Albatros. In addition, the expansion and acquisition of onshore wind farms in 2018 and those planned in 2019, including in Sweden, will make a positive contribution to earnings. The forecast for the volume of electricity generated by the run-of-river power plants is based on the long-term average water levels. The wind-yield forecasts are also based on the long-term average. As 2018 was negatively influenced by poor wind conditions and low water levels, we

expect a significantly higher result in 2019 in comparison to the previous year. The first quarter confirmed these expectations. We expect an increase in the share of the adjusted EBITDA for the Group accounted for by this segment.

The adjusted EBITDA for the **Generation and Trading** segment in 2019 is not expected to exceed the figure achieved in the previous year. In comparison to the previous year, we anticipate lower out-of-period earnings which will mainly be attributable to the clarification of open issues relating to electricity procurement agreements that were recognised through profit or loss in 2018. The loss of the earnings contribution made by VNG Norge AS and its subsidiary VNG Danmark ApS due to their sale in 2018 will also result in a fall in earnings. In contrast, the unscheduled extension to the inspection of Block 2 of the Neckarwestheim nuclear power plant (GKN II) in the previous year had a negative impact on earnings. We expect a slight decrease in the share of the adjusted EBITDA for the Group accounted for by this segment.

The **adjusted EBITDA** for the EnBW Group in 2019 will increase further and be between €2,350 million and €2,500 million. This will be due primarily to the areas of growth in the Grids and Renewable Energies segments. In addition, we anticipate that the early achievement of our efficiency target in 2019 will have an effect to the amount of €650 million.

Opportunities and risks

In comparison to the report issued at the end of 2018, the risks faced by the EnBW Group remained largely unchanged in the first three months of 2019. No risks currently exist that might jeopardise the EnBW Group as a going concern. Using the report on risks in the 2018 Group management report as a basis, only the material opportunities or risks which have changed, arisen or ceased to exist in the reporting period are described in this Quarterly Statement for January to March 2019.

Cross-segment opportunities and risks

Discount rate applied to pension provisions: There is a general opportunity and risk due to a potential change in the discount rate applied to the pension provisions because the present value of the pension provisions falls when the discount rate increases and increases when the discount rate falls. As of the reporting date of 31 March 2019, the discount rate was 1.6%, which was down 0.2 percentage points on the rate at the end of 2018 (1.8%). The future development of interest rates could have a negative

impact in the high double-digit to low four-digit million euro range on net debt in 2019. Against the background of the expected development of interest rates in the near future, we currently identify an increased level of risk.

Generation and Trading segment

Dismantling of nuclear power plants (previously operation and dismantling of nuclear power plants): For long-term major projects such as the remaining operation and dismantling of a nuclear power plant, there is a general risk that delays and additional costs may arise over the course of time due to changed framework conditions. In addition, there is also an opportunity of lasting cost savings due to synergies over the course of time and due to learning effects for subsequent dismantling activities. Opportunities and risks are identified during the project planning stage that could result in reduced or additional costs or adjustments to the term of the project. There could be opportunities and risks that have an effect on net debt in the mid double-digit million euro range in 2019. We currently identify a balanced level of opportunity and risk in this area.

Income statement

| in € million ¹ | 01/01– 31/03/2019 | 01/01– 31/03/2018 | Change in % |
|--|----------------------|----------------------|----------------|
| Revenue including electricity and energy taxes | 6,817.7 | 6,109.1 | 11.6 |
| Electricity and energy taxes | -146.4 | -174.9 | -16.3 |
| Revenue | 6,671.3 | 5,934.2 | 12.4 |
| Changes in inventories | 25.4 | 20.5 | 23.9 |
| Other own work capitalised | 22.0 | 18.1 | 21.5 |
| Other operating income | 314.9 | 186.3 | 69.0 |
| Cost of materials | -5,509.0 | -4,807.0 | 14.6 |
| Personnel expenses | -449.6 | -428.9 | 4.8 |
| Impairment losses | -18.0 | -4.7 | – |
| Other operating expenses | -349.1 | -230.7 | 51.3 |
| EBITDA | 707.9 | 687.8 | 2.9 |
| Amortisation and depreciation | -347.2 | -294.5 | 17.9 |
| Earnings before interest and taxes (EBIT) | 360.7 | 393.3 | -8.3 |
| Investment result | 43.7 | 15.1 | – |
| of which net profit/loss from entities accounted for using the equity method | [16.4] | [6.8] | (141.2) |
| of which other profit/loss from investments | [27.3] | [8.3] | – |
| Financial result | 9.8 | -134.0 | – |
| of which finance income | [185.4] | [74.7] | (148.2) |
| of which finance costs | [-175.6] | [-208.7] | (-15.9) |
| Earnings before tax (EBT) | 414.2 | 274.4 | 50.9 |
| Income tax | -96.4 | -87.4 | 10.3 |
| Group net profit | 317.8 | 187.0 | 69.9 |
| of which profit/loss shares attributable to non-controlling interests | [44.0] | [49.5] | (-11.1) |
| of which profit/loss shares attributable to the shareholders of EnBW AG | [273.8] | [137.5] | (99.1) |
| EnBW AG shares outstanding (million), weighted average | 270.855 | 270.855 | 0.0 |
| Earnings per share from Group net profit (€)² | 1.01 | 0.51 | 99.1 |

1 The figures for the previous year have been restated.

2 Diluted and basic; in relation to profit/loss attributable to the shareholders of EnBW AG.

Statement of comprehensive income

| in € million | 01/01– 31/03/2019 | 01/01– 31/03/2018 | Change in % |
|---|----------------------|----------------------|----------------|
| Group net profit | 317.8 | 187.0 | 69.9 |
| Revaluation of pensions and similar obligations | -360.3 | 123.2 | – |
| Entities accounted for using the equity method | -0.2 | 0.0 | – |
| Income taxes on other comprehensive income | 106.2 | -36.0 | – |
| Total of other comprehensive income and expenses without future reclassifications impacting earnings | -254.3 | 87.2 | – |
| Currency translation differences | -2.8 | 9.9 | – |
| Cash flow hedge | 84.4 | -9.9 | – |
| Financial assets at fair value in equity | 20.2 | -1.4 | – |
| Income taxes on other comprehensive income | -32.4 | 8.6 | – |
| Total of other comprehensive income and expenses with future reclassifications impacting earnings | 69.4 | 7.2 | – |
| Total other comprehensive income | -184.9 | 94.4 | – |
| Total comprehensive income | 132.9 | 281.4 | -52.8 |
| of which profit/loss shares attributable to non-controlling interests | (45.5) | (52.5) | -13.3 |
| of which profit/loss shares attributable to the shareholders of EnBW AG | (87.4) | (228.9) | -61.8 |

Balance sheet

| in € million | 31/03/2019 | 31/12/2018 |
|--|-----------------|-----------------|
| Assets | | |
| Non-current assets | | |
| Intangible assets | 1,728.6 | 1,748.7 |
| Property, plant and equipment | 16,347.0 | 15,867.5 |
| Entities accounted for using the equity method | 1,710.5 | 1,600.2 |
| Other financial assets | 5,726.5 | 5,426.5 |
| Trade receivables | 300.1 | 302.0 |
| Other non-current assets | 674.9 | 741.8 |
| Deferred taxes | 1,080.5 | 1,059.3 |
| | 27,568.1 | 26,746.0 |
| Current assets | | |
| Inventories | 1,157.8 | 1,192.0 |
| Financial assets | 491.1 | 774.7 |
| Trade receivables | 5,062.0 | 4,515.7 |
| Other current assets | 3,439.8 | 3,788.9 |
| Cash and cash equivalents | 2,458.2 | 2,249.4 |
| | 12,608.9 | 12,520.7 |
| Assets held for sale | 293.1 | 342.3 |
| | 12,902.0 | 12,863.0 |
| | 40,470.1 | 39,609.0 |
| Equity and liabilities | | |
| Equity | | |
| Shares of the shareholders of EnBW AG | | |
| Subscribed capital | 708.1 | 708.1 |
| Capital reserve | 774.2 | 774.2 |
| Revenue reserves | 4,950.2 | 4,676.4 |
| Treasury shares | -204.1 | -204.1 |
| Other comprehensive income | -2,163.1 | -1,976.7 |
| | 4,065.3 | 3,977.9 |
| Non-controlling interests | 2,352.8 | 2,295.4 |
| | 6,418.1 | 6,273.3 |
| Non-current liabilities | | |
| Provisions | 13,582.4 | 13,246.0 |
| Deferred taxes | 773.4 | 774.8 |
| Financial liabilities | 6,294.1 | 6,341.4 |
| Other liabilities and subsidies | 2,144.0 | 1,674.7 |
| | 22,793.9 | 22,036.9 |
| Current liabilities | | |
| Provisions | 1,495.1 | 1,549.9 |
| Financial liabilities | 878.1 | 654.8 |
| Trade payables | 5,141.6 | 5,039.8 |
| Other liabilities and subsidies | 3,743.3 | 4,033.1 |
| | 11,258.1 | 11,277.6 |
| Liabilities directly associated with assets classified as held for sale | 0.0 | 21.2 |
| | 11,258.1 | 11,298.8 |
| | 40,470.1 | 39,609.0 |

Cash flow statement

| in € million | 01/01– 31/03/2019 | 01/01– 31/03/2018 |
|--|----------------------|----------------------|
| 1. Operating activities | | |
| EBITDA | 707.9 | 687.8 |
| Changes in provisions | -100.8 | -156.2 |
| Result from disposals | -1.7 | -9.2 |
| Other non-cash-relevant expenses/income | 74.2 | 6.7 |
| Change in assets and liabilities from operating activities | -421.6 | -12.3 |
| Inventories | (-70.5) | (275.7) |
| Net balance of trade receivables and payables | (-449.7) | (-206.7) |
| Net balance of other assets and liabilities | (98.6) | (-81.3) |
| Income tax paid | -170.1 | -50.9 |
| Cash flow from operating activities | 87.9 | 465.9 |
| 2. Investing activities | | |
| Capital expenditure on intangible assets and property, plant and equipment | -222.0 | -181.1 |
| Disposals of intangible assets and property, plant and equipment | 13.6 | 24.6 |
| Cash received from subsidies for construction costs and investments, and tax refunds from recognised exploration expenditure | 20.2 | 11.5 |
| Acquisition/sale of subsidiaries, entities accounted for using the equity method and interests in joint operations | -131.0 | -19.5 |
| Change in securities and financial investments | 135.0 | 150.0 |
| Interest received | 41.6 | 42.8 |
| Dividends received | 27.1 | 17.4 |
| Cash flow from investing activities | -115.5 | 45.7 |
| 3. Financing activities | | |
| Interest paid for financing activities | -27.0 | -33.9 |
| Dividends paid | -6.8 | -18.5 |
| Cash received for changes in ownership interest without loss of control | 21.6 | 0.0 |
| Increase in financial liabilities | 568.8 | 27.1 |
| Repayment of financial liabilities | -294.7 | -96.2 |
| Repayment and interest portion of the leasing liability | -23.4 | - |
| Payments from alterations of capital in non-controlling interests | 0.0 | -0.2 |
| Cash flow from financing activities | 238.5 | -121.7 |
| Net change in cash and cash equivalents | 210.9 | 389.9 |
| Change in cash and cash equivalents due to changes in the consolidated companies | -3.3 | 0.1 |
| Net foreign exchange difference | 1.2 | 0.8 |
| Change in cash and cash equivalents | 208.8 | 390.8 |
| Cash and cash equivalents at the beginning of the period | 2,249.4 | 3,213.3 |
| Cash and cash equivalents at the end of the period | 2,458.2 | 3,604.1 |

Statement of changes in equity

| in € million ¹ | Other comprehensive income | | | | | | | | | | Total |
|----------------------------|--|------------------|------------------|---|----------------------------------|-----------------|--|--|--|---------------------------|---------|
| | Subscribed capital and capital reserve | Revenue reserves | Treas-ury shares | Revaluation of pensions and similar obligations | Currency translation differences | Cash flow hedge | Financial assets at fair value in equity | Entities accounted for using the equity method | Shares of the share-holders of EnBW AG | Non-controlling interests | |
| As of 01/01/2018 | 1,482.3 | 4,479.3 | -204.1 | -1,716.9 | -12.0 | -109.2 | 10.9 | 0.3 | 3,930.6 | 2,327.2 | 6,257.8 |
| Other comprehensive income | | | | 86.9 | 6.6 | -0.9 | -1.2 | | 91.4 | 3.0 | 94.4 |
| Group net profit | | 137.5 | | | | | | | 137.5 | 49.5 | 187.0 |
| Total comprehensive income | 0.0 | 137.5 | 0.0 | 86.9 | 6.6 | -0.9 | -1.2 | 0.0 | 228.9 | 52.5 | 281.4 |
| Dividends | | | | | | | | | 0.0 | -18.5 | -18.5 |
| As of 31/03/2018 | 1,482.3 | 4,616.8 | -204.1 | -1,630.0 | -5.4 | -110.1 | 9.7 | 0.3 | 4,159.5 | 2,361.2 | 6,520.7 |
| As of 01/01/2019 | 1,482.3 | 4,676.4 | -204.1 | -1,791.5 | -8.8 | -177.4 | -0.3 | 1.3 | 3,977.9 | 2,295.4 | 6,273.3 |
| Other comprehensive income | | | | -255.4 | -1.4 | 56.3 | 14.3 | -0.2 | -186.4 | 1.5 | -184.9 |
| Group net profit | | 273.8 | | | | | | | 273.8 | 44.0 | 317.8 |
| Total comprehensive income | 0.0 | 273.8 | 0.0 | -255.4 | -1.4 | 56.3 | 14.3 | -0.2 | 87.4 | 45.5 | 132.9 |
| Dividends | | | | | | | | | 0.0 | -6.8 | -6.8 |
| Other changes ² | | | | | | | | | 0.0 | 18.7 | 18.7 |
| As of 31/03/2019 | 1,482.3 | 4,950.2 | -204.1 | -2,046.9 | -10.2 | -121.1 | 14.0 | 1.1 | 4,065.3 | 2,352.8 | 6,418.1 |

¹ The figures for the previous year have been restated.

² Of which changes in revenue reserves due to changes in ownership interest in subsidiaries without loss of control of 0.0 million. Of which changes in non-controlling interests due to changes in ownership interest in subsidiaries without loss of control of €23.3 million.

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Financial calendar

10 May 2019

Publication of the Quarterly Statement
January to March 2019

25 July 2019

Publication of the Six-Monthly Financial Report
January to June 2019

8 November 2019

Publication of the Quarterly Statement
January to September 2019

