

26 May 2023

Joint Press Release >

Südwest Konsortium purchases 24.95% stake in transmission system operator TransnetBW from EnBW

- EnBW reaffirms its commitment to the transmission grid
- Südwest Konsortium emphasizes regional focus and long-term financial partnership to support energy transition
- TransnetBW: “Jointly transforming the energy system to be climate-neutral”

Karlsruhe/Stuttgart. EnBW Energie Baden-Württemberg AG is selling a 24.95 percent minority stake in its subsidiary, the transmission system operator TransnetBW, to Südwest Konsortium Holding GmbH. The consortium is led by SV SparkassenVersicherung and consists of more than 30 banks, insurance companies and corporations from Baden-Württemberg.

The sale was conducted in a multi-stage bidding process with clearly defined criteria in compliance with state aid law. In addition to the economic value of the purchase price and the volume of the financing commitment, the reliability of the future partner was a key factor for EnBW. Closing of the transaction is subject to the approval of the relevant antitrust authorities, which is expected during the third quarter. The parties have agreed not to disclose financial details.

With the transaction now signed, EnBW has completed a major part of the partial sale process announced in February 2022. KfW has an option to acquire a second minority stake, likewise of 24.95 percent, which it can exercise in the coming weeks on the market terms established in the sale process. In any event, EnBW will remain the majority shareholder of TransnetBW.

Growing investment needs for transmission grid expansion

According to a study by EY and BDEW, one of the largest investments in the energy transition is grid expansion. To achieve the German government’s climate targets by 2030, implementing the energy transition will require around €600 billion in investment. According to the results of a progress report on the energy transition published in mid-February, €126 billion of this will be accounted for by new power lines and power line modernization alone. Considerable investment is already being made in the expansion of Germany’s transmission grids. The Grid Development Plan 2035 (2021) identifies around €10 billion in investment needed for TransnetBW alone, primarily for the major projects SuedLink and Ultratnet. The future shareholders will meet TransnetBW’s financing needs in proportion to their holding.

Statements by the parties:

EnBW CFO Thomas Kusterer: “We are delighted to have found in Südwest Konsortium a reliable partner for TransnetBW with a long-term focus whose offer fully meets all of our predefined criteria. At the same time, this provides EnBW with additional funds for growth

26 May 2023

investments to accelerate the implementation of the energy transition and to further expand our overall portfolio.”

Dirk Güsewell, COO System Critical Infrastructure at EnBW and Supervisory Board Chairman at TransnetBW: “TransnetBW’s network is of outstanding importance for security of supply and the success of the energy transition in the southwest of Germany. EnBW has taken responsibility for the transmission grid from the very beginning of the sale process. This is part of our basic philosophy as a reliable and sustainable infrastructure partner for the state, municipalities and our customers.”

Peter Schneider, President of the Savings Bank Association of Baden-Württemberg, for Südwest Konsortium: “I see this as a historic decision on the part of EnBW. The Russian war of aggression against Ukraine has brought home to all of us the importance of secure energy supplies. A key part of this is the electricity transmission grid. The Baden-Württemberg investor consortium led by SV SparkassenVersicherung enables us to make the necessary investment from within the region. For the allied savings banks forming Sparkassen-Finanzgruppe Baden-Württemberg, this is part of our public mandate. As the region’s largest banking institution serving more than half of the Baden-Württemberg population, we are committed to the partnership with EnBW for the long term.”

Dr. Andreas Jahn, CEO, SV SparkassenVersicherung, for Südwest Konsortium: “We are delighted to have submitted the winning offer. All members of our investor group regard themselves as long-term financial partners of TransnetBW who aim through their investment to make a significant contribution to the improvement of Germany’s energy infrastructure and the success of the energy transition. As a sustainability-focused investment, the acquisition of the stake in TransnetBW is a perfect fit with the investment strategy of Südwest Konsortium’s member institutions.”

Dr. Werner Götz, Chairman of the Executive Board, TransnetBW: “As the transmission system operator, we secure the electricity supply for millions of people in Baden-Württemberg. And we are creating the infrastructure for a successful energy transition, in particular by expanding the electricity grids. I look forward to a trusting partnership with Südwest Konsortium, working together on the climate-neutral transformation of the energy system and on securing the future of our common home region.”

About EnBW Energie Baden-Württemberg AG

With a workforce of some 27,000 employees, EnBW is one of the largest energy supply companies in Germany and Europe. It supplies electricity, gas and water together with infrastructure and energy-related products and services to around 5.5 million customers. In the company’s transformation from a traditional energy provider to a sustainable infrastructure group, the expansion of renewable energy sources and of the distribution and transportation grids for electricity and gas are cornerstones of EnBW’s growth strategy and the focus of its investment spending. Between 2023, and 2025, EnBW plans gross investment totaling €14 billion, largely in accelerating the implementation of the energy transition. EnBW aims for renewables to account for over half of its generation portfolio by as early as the end of 2025 and to phase out coal by the end of 2028. These are key milestones on the way to the company being carbon-neutral by 2035. www.enbw.com

About Südwest Konsortium

Südwest Konsortium, the consortium of financial institutions, insurers and corporations investing in TransnetBW, consists of many Baden-Württemberg savings banks together with L-Bank, BGV Badische Versicherungen, Württembergische Gemeinde-Versicherung, Stuttgarter Lebensversicherung, SV SparkassenVersicherung and

26 May 2023

Evangelische Landeskirche Württemberg. All members of our investor group regard themselves as long-term financial partners of TransnetBW who aim through their investment to make a significant contribution to the improvement of Germany's energy infrastructure and the success of the energy transition. The consortium is led by the SV SparkassenVersicherung insurance group with the support of LBBW Corporate Finance as financial advisor. The investment held by the Südwest Konsortium members is managed by derigo GmbH & Co. KG, an investment management company with longstanding experience in the infrastructure sector.

Amount TransnetBW

As the transmission system operator, TransnetBW secures the electricity supply for around eleven million people in the German state of Baden-Württemberg. TransnetBW is building the infrastructure for the energy transition by maintaining, optimizing and expanding the electricity grid to meet future needs. The grid serves an area of 34,600 square kilometers. All players in the electricity market are able to use it without discrimination and on market terms. In this way, TransnetBW provides the energy for everyone in Baden-Württemberg.

www.transnetbw.de/en

Press contacts

EnBW Energie Baden-Württemberg AG
Hans-Jörg Groscurth, Martina Evers
Phone +49 721 63255550
Email: unternehmenskommunikation@enbw.com

Südwest Konsortium, c/o SV SparkassenVersicherung
Christoph Jag
Phone: +49 711898-48221
Email: christoph.jag@sparkassenversicherung.de

TransnetBW GmbH
Alexander Schilling
Phone: +49 711 21858-3449
Email: pressestelle@transnetbw.de