

PAYMENT REPORT

2019

Report of the RWE Group on payments made to public authorities pursuant to Section 341 q-y of the German Commercial Code

RWE Aktiengesellschaft
RWE Platz 1
45141 Essen
Germany

RWE

2019 PAYMENT REPORT

Basis of the report

Headquartered at RWE Platz 1 in 45141 Essen, Germany, RWE AG is a stock corporation as defined by Section 341q of the German Commercial Code. As a parent company as defined by Section 290 of the German Commercial Code, pursuant to Section 341v, Paragraph 1 of the German Commercial Code, RWE AG is obligated to prepare an annual consolidated payment report as at least one of its subsidiaries is active in the mineral extraction industry. Pursuant to Section 341s, Paragraph 2 of the German Commercial Code, stock corporations included in the consolidated payment report are exempt from the obligation to prepare their own payment report.

Reportable payments are those made to public authorities if at least €100,000 in payments are made to a single public authority (Section 341t, Paragraph 4 of the German Commercial Code) and one of the reasons for the payments is in accordance with Section 341r, Item 3 of the German Commercial Code. Disclosure on such payments must be made by country, broken down by receiving public entity, reason of payment and project.

Companies included in the report with activities in the mineral extraction industry

Pursuant to Section 341q of the German Commercial Code, large stock corporations and large commercial partnerships with domestic headquarters that are active in the mineral extraction industry or logging in primary forests are obligated to prepare an annual payment report. None of the RWE Group companies is currently active in the logging business in primary forests. If RWE Group companies conduct logging in primary forests in the future, the criteria applicable to their reporting duties will have to be defined.

Activities in the mineral extraction industry as defined by Section 341r, Item 1 of the German Commercial Code are necessary in the RWE Group due to the opencast mines used for electricity generation from lignite (NACE Code A0520 pursuant to EU Regulation No. 1893/2006). The term 'activity' as defined by Section 341r, Paragraph 1 of the German Commercial Code is interpreted by the RWE Group within the meaning of the infection theory for the reporting duty. Therefore, it must be determined which fully consolidated Group companies are active in the mineral extraction industry as of 31 December of every year. Companies with a reporting duty within the RWE Group in fiscal 2019 were RWE Power AG ("RWE"), Cologne and Essen, due to its opencast mining operations, and Rheinische Baustoffwerke GmbH ("RBS"), Bergheim, the business activities of which consist of gravel and sand extraction. Both of these companies are domiciled in Germany.

RWE Power AG, Cologne and Essen

The fields of business of RWE Power AG, a subsidiary wholly owned by RWE AG, are the commercial operation and maintenance of its power stations consisting of lignite-fired and hydroelectric power plants as well as of the opencast mines in Germany.

RWE Power AG is among Germany's leading energy recovery and generation companies. RWE Power AG has a large commodity base at its disposal thanks to its opencast lignite mines at Hambach, Garzweiler and Inden. This puts the company in a position to act flexibly and successfully and to manage the goals of climate protection, security of supply and profitability over the long term in a tough competitive environment. In addition, synergies are leveraged, which strengthen the company's competitive position.

For the preparation of the payment reports, the opencast mines are considered projects.

Rheinische Baustoffwerke GmbH, Bergheim

Rheinische Baustoffwerke GmbH is a subsidiary wholly owned by RWE Power AG, which operates plants for the extraction of gravel and sand. The main market is largely in the greater Cologne-Düsseldorf-Krefeld-Aachen area where RBS ranks among the largest gravel and sand companies. Furthermore, RBS operates receiving points for uncontaminated excavated earth and rubble and trades in purchased building materials (gravel and sand as well as solid rocks such as basalt and lava).

The gravelworks are jointly presented as a single project.

Payment report of the RWE Group

for fiscal 2019

€	Usage fees	Payments for infrastructure improvements	SUM
Düsseldorf District Administration			
Garzeiler opencast mine		800.000	800.000
Sum		800.000	800.000
Cologne District Administration			
Garzeiler opencast mine		260.508	260.508
Sum		260.508	260.508
Entwicklungsgesellschaft Indeland mbH			
Inden opencast mine		883.707	883.707
Sum		883.707	883.707
Erft Water Authority			
Gravelworks		10.033	10.033
Across all projects		4.159.280	4.159.280
Sum		4.169.313	4.169.313
Bergheim Tax Authority			
Hambach opencast mine		2.122.724	2.122.724
Sum		2.122.724	2.122.724
Brühl Tax Authority			
Gravelworks		370.835	
Across all projects		182.482	182.482
Sum		553.317	553.317
Düren Tax Authority			
Hambach opencast mine		434.112	434.112
Sum		434.112	434.112
Grevenbroich Tax Authority			
Garzeiler opencast mine		205.628	205.628
Sum		205.628	205.628
Erkelenz Tax Authority			
Gravelworks		63.114	63.114
Garzeiler opencast mine		6.393.894	6.393.894
Sum		6.457.008	6.457.008
Jülich Tax Authority			
Hambach opencast mine		388.518	388.518
Sum		388.518	388.518
Municipality of Inden			
Inden opencast mine		347.014	347.014
Sum		347.014	347.014
Municipality of Langerwehe			
Inden opencast mine		550.615	550.615
Sum		550.615	550.615
Merzenich Municipal Treasury			
Hambach opencast mine		671.271	671.271
Sum		671.271	671.271
District of Düren			
Garzeiler opencast mine		106.348	106.348
Sum		106.348	106.348
Kreiswerke Grevenbroich GmbH			
Garzeiler opencast mine		111.850	111.850
Sum		111.850	111.850
Heinsberg District Waterworks			
Garzeiler opencast mine		257.578	257.578
Sum		257.578	257.578
IRR Innovationsregion Rheinisches Revier			
Garzeiler opencast mine		139.277	139.277
Sum		139.277	139.277
SUBTOTAL	0	18.458.788	18.458.788

€	Usage fees	Payments for infrastructure improvements	SUM
CARRYFORWARD	0	18.458.788	18.458.788
NRW Nature, Environment and Consumer Protection Agency			
Gravelworks	104.947		104.947
Garzeiler opencast mine	1.304.515		1.304.515
Hambach opencast mine	8.847.014		8.847.014
Inden opencast mine	2.651.852		2.651.852
Sum	12.908.328		12.908.328
NRW Geological Services Agency			
Across all projects		121.168	121.168
Sum		121.168	121.168
NRW Roadworks Agency			
Inden opencast mine		581.215	581.215
Sum		581.215	581.215
NEW Netz GmbH			
Garzeiler opencast mine		278.914	278.914
Sum		278.914	278.914
Rhine District of Neuss			
Across all projects		250.000	250.000
Sum		250.000	250.000
City of Erkelenz			
Garzeiler opencast mine		367.190	367.190
Sum		367.190	367.190
Kerpen Municipal Treasury			
Hambach opencast mine		2.840.391	2.840.391
Gravelworks	172.632		172.632
Sum	172.632	2.840.391	3.013.023
Stadtwerke Düren GmbH			
Hambach opencast mine		552.092	552.092
Sum		552.092	552.092
Stadtwerke Jülich GmbH			
Hambach opencast mine		190.756	190.756
Sum		190.756	190.756
Verbandswasserwerk Aldenhoven GmbH			
Hambach opencast mine		156.326	156.326
Sum		156.326	156.326
Eifel-Ruhr Water Association			
Across all projects		434.840	434.840
Sum		434.840	434.840
Joint Cologne Peripheral Channel Association			
Across all projects		672.000	672.000
Sum		672.000	672.000
Garzeiler Opencast Mine Consequence(s) Association			
Across all projects		229.781	229.781
Sum		229.781	229.781
SUM TOTAL	13.080.960	25.133.461	38.214.421

Commentary on the payment report for Germany

1. RWEP's opencast mine development work normally involves swapping assets – in particular land – with the municipalities located within the opencast mining area and with other state entities. If the value of the assets relinquished is below the value of the assets received, compensatory payments are made by RWEP to the corresponding state entities. These compensatory payments are included in the balance of payment report (surplus amount), (cf. IDW comments 1/2017, note 84).
2. The usage fees paid to the Nature, Environment and Consumer Protection Agency of the State of North-Rhine Westphalia are water withdrawal fees paid by RWEP and RBS. Credits in the period under review relating to water withdrawal fees paid in earlier years were not deducted (cf. IDW comments 1/2017, note 73).

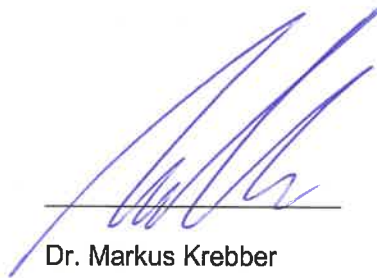
3. Reported payments to the Garzweiler Opencast Mine Consequence(s) Association include €152,000 in payments in kind primarily resulting from transfers of use. All of the payments made to the Municipality of Langerwehe were payments in kind. Payments in kind were valued on the basis of the costs incurred by RWEP to provide them.
4. RWEP and RBS are controlled companies that belong to the tax group of RWE AG. The corporate and trade tax payments made by RWE AG as controlling company are not reported as the activities of RWEP and RBS in the mineral extraction industry are not the focal point of the activities of the RWE Group. In accordance with the IDW comments 1/2017, note 109, the tax payments are not categorised.

Essen, 10 June 2020

The Executive Board



Dr. Rolf Martin Schmitz



Dr. Markus Krebber