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Federal government purchases 24.95% stake in TransnetBW from EnBW

- **Following investment in transmission system operator by Südwest Konsortium, KfW has signed for second minority stake available for sale on behalf of the federal government**
- **This completes the entire transaction successfully**
- **Final closing on both stakes expected before end of November**

Karlsruhe/Stuttgart. EnBW Energie Baden-Württemberg AG has successfully completed the process of selling a minority stake in its grid subsidiary TransnetBW: Following the entry of the Südwest Consortium led by SV SparkassenVersicherung insurance group at the end of May, the federal government has now acquired a further minority stake of 24.95%. The federal government commissioned KfW to acquire the stake in TransnetBW.

KfW had an option to acquire a second minority stake of the same size (24.95 percent), which it has now exercised on the market terms established by EnBW in the sale process. TransnetBW is one of the four electricity transmission system operators in Germany.

EnBW CFO Thomas Kusterer: "We are delighted to welcome two long-term oriented and reliable co-investors on board at TransnetBW. At the same time, this provides EnBW with additional funding for growth investments to accelerate the implementation of the energy transition in Germany."

With the transaction now also signed with KfW, EnBW has completed the process leading to the partial sale of TransnetBW announced in February 2022. EnBW remains the majority shareholder in the transmission system operator.

Dirk Güsewell, COO System Critical Infrastructure at EnBW and Supervisory Board Chairman at TransnetBW: "EnBW has fully embraced its 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. TransnetBW is of outstanding importance for security of supply in Germany."

Dr. Werner Götz, Chairman of the Executive Board, TransnetBW: "Expanding and upgrading transmission networks is a key success factor for the energy transition. Just recently, we made progress on two of our most important grid expansion projects: we held the groundbreaking ceremony for the SuedLink converter in Leingarten and we gained planning approval for ULTRANET."

The closing of the transaction is subject to the approval of the relevant antitrust authorities, which is expected in November. The parties have agreed not to disclose financial details.

Growing investment needs for transmission grid expansion

Expanding and upgrading the electricity grids is one of the largest investment items in the energy transition. According to various studies, implementing the energy transition will require around €600 billion in investment to achieve the German government's climate targets by 2030. Based on the results of a progress report on the energy transition* published in mid-February, some €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. As of today, the Grid Development Plan 2035 (published in 2021) identifies around €10 billion in investment needed for TransnetBW alone, primarily for the major SuedLink and ULTRANET projects. The future shareholders will meet TransnetBW's financing needs in proportion to their holdings.

*[EY Fortschrittsmonitor 2022 \(bdew.de\)](https://www.bdew.de/fortschrittmonitor)

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.

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.

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