

RWE

**GROWING
GREEN**



May 2023 – Update after Q1 2023 reporting

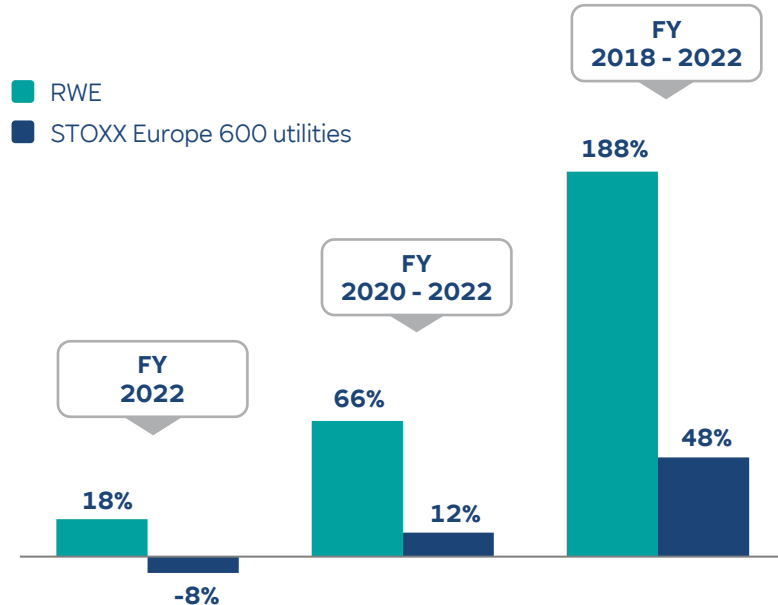
Disclaimer

This document contains forward-looking statements. These statements are based on the current views, expectations, assumptions and information of the management, and are based on information currently available to the management. Forward-looking statements shall not be construed as a promise for the materialisation of future results and developments and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those described in such statements due to, among other things, changes in the general economic and competitive environment, risks associated with capital markets, currency exchange rate fluctuations, changes in international and national laws and regulations, in particular with respect to tax laws and regulations, affecting the Company, and other factors. Neither the Company nor any of its affiliates assumes any obligations to update any forward-looking statements.

Executing Growing Green in 2023

Strong operating performance while weathering the energy crisis and delivering on green growth

Total Shareholder Return

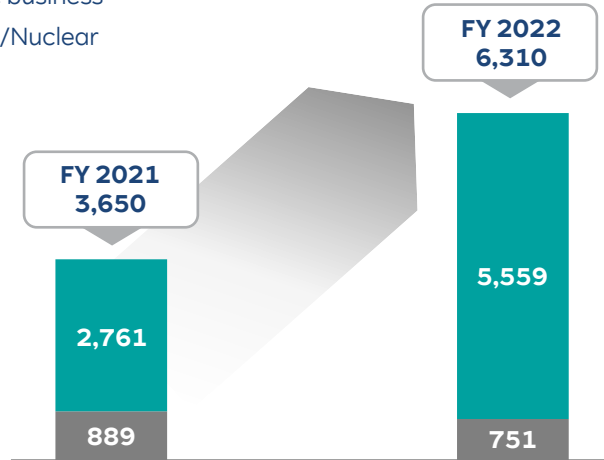


- **Financial targets exceeded in FY 2022** with adj. EBITDA of €6.3bn and adj. net income of €3.2bn
- **Continuous delivery of projects** with commissioning of 2.4 GW of green capacity in 2022 and further 6.8 GW under construction (as of Q1 2023)
- **Successful in offshore auctions** in the US (3.9 GW) and the Netherlands (0.8 GW)
- **Broadening strategic footprint** with attractive acquisitions, adding 4.5 GW in operation and increasing pipeline by more than 16 GW
- **Accelerated coal phaseout by 2030** creates the base for emissions reduction in line with 1.5°C compliant pathway

Strong earnings across entire core business

Group EBITDA in EUR m

- Core business
- Coal/Nuclear



- **Renewable earnings up** on the back of green capacity additions, better wind conditions and favourable market prices
- **Exceptional result from flexible generation portfolio** driven by higher earnings from short-term power plant deployment and higher generation margins
- **Flexible generation** perfectly complemented wind and solar business, especially in Q4
- **Outstanding trading result** in dynamic market environment

Significant green growth through delivery of projects, strategic acquisitions and pipeline additions

Successful delivery of projects in 2022

- 2.4 GW of **green capacity commissioned**
- **Successful completion of more than 30 projects** in 11 countries, e. g.
 - **Offshore wind:** Triton Knoll (UK) and Kaskasi (GER)
 - **Onshore wind:** Nysäter (SWE) and Blackjack Creek (USA)
 - **Solar & Batteries:** Hickory Park (USA) and Lisdrumdoagh (IRE)

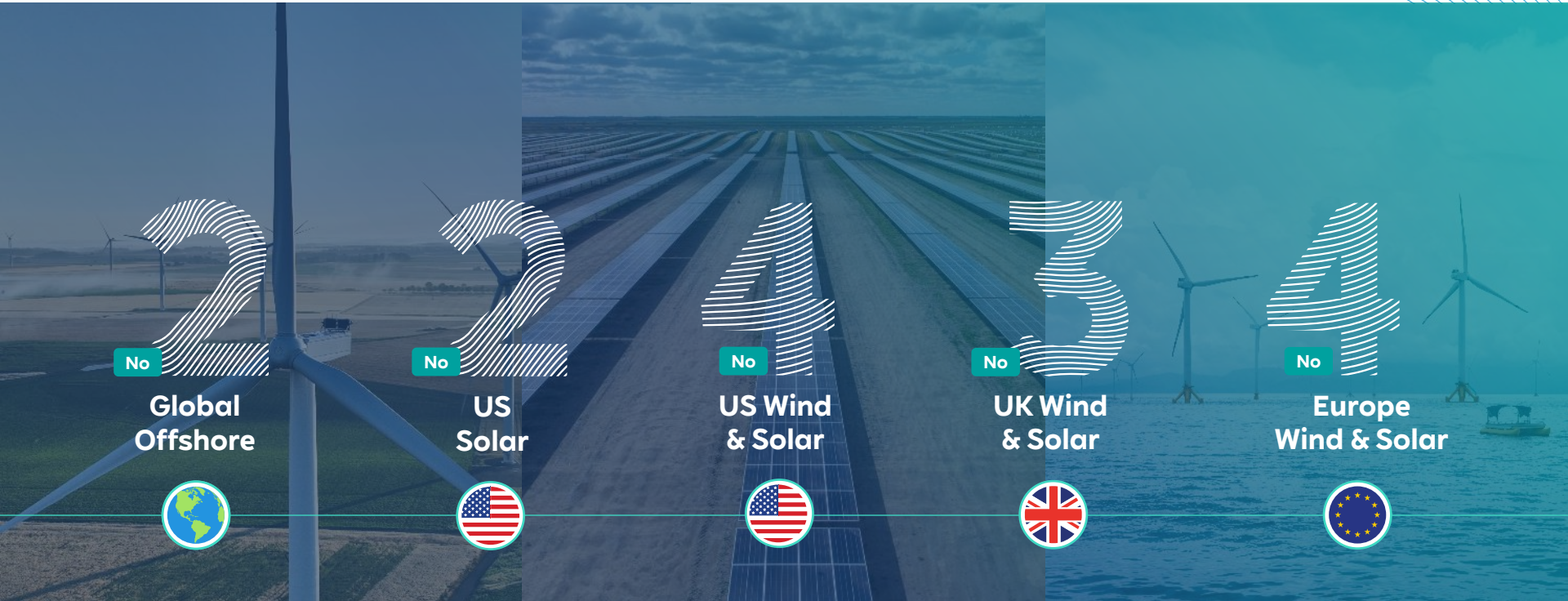
Existing projects complemented with strategic acquisition

- Further **6.8 GW of green capacity** currently **under construction** (as of Q1 2023)
- **Strategic acquisition of CEB:**
 - **Operating US solar portfolio** of > 3 GW delivers c. USD 600m EBITDA p.a.
 - **~500 experts** with impressive track record in development, construction and operations
 - **Leading position** in highly attractive US renewables market achieved

Significant step up of pipeline for future growth

- **Successful in offshore auctions:** NY Bight (~2.3 GW), California Lease (up to 1.6 GW) and Hollandse Kust West (0.8 GW)
- **Acquisition** of East Celtic offshore project (900 MW) **in Ireland**
- **Scaling up US growth ambitions** through acquired pipeline of CEB with > 7 GW to deliver 500+ MW p.a.
- **Strengthening our EU and UK solar & battery platform** by acquiring JBM Solar (UK) (6.1 GWac) and AlphaSolar (PL) (~ 3 GWac)

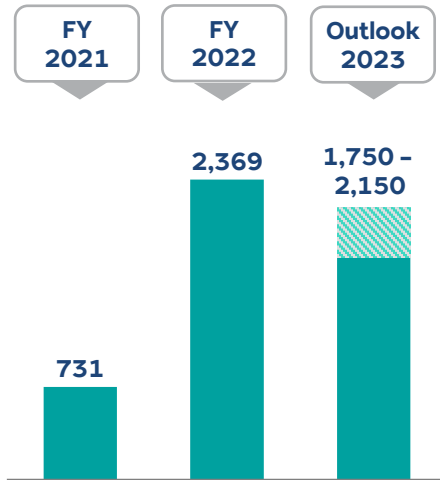
RWE now with leading positions in all core markets



Note: Offshore market excluding China.

Flexible generation portfolio perfectly complements wind and solar business

Hydro/Biomass/Gas EBITDA in EUR m



Growth of flexible generation and H₂ portfolio

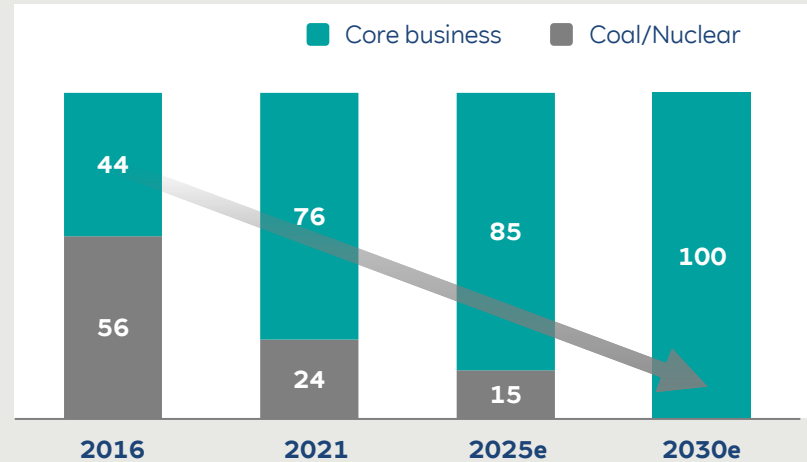
- **Portfolio growth in 2023** through acquisition of Magnum gas power station in NL (1.4 GW) and commissioning of Biblis gas power plant in GER (300 MW)
- **Further steps to decarbonise existing portfolio with full conversion of Amer power plant in NL to 100 % biomass**
- **Preparing for future new build opportunities in Germany** with development of flexible generation capacities (up to 3 GW). Usage of blue H₂ explored in MoU with Equinor
- **Driving development of green hydrogen economy** by ordering two 100 MW electrolysers for GET H2 initiative
- **Full system integration** of offshore wind with electrolyser capacity **for green hydrogen production** and other flexible demand solutions like **e-boilers and battery storage** as part of Hollandse Kust West project

RWE accelerates its decarbonisation path by exiting coal in 2030

Accelerated coal phaseout path by 8 years capacity development



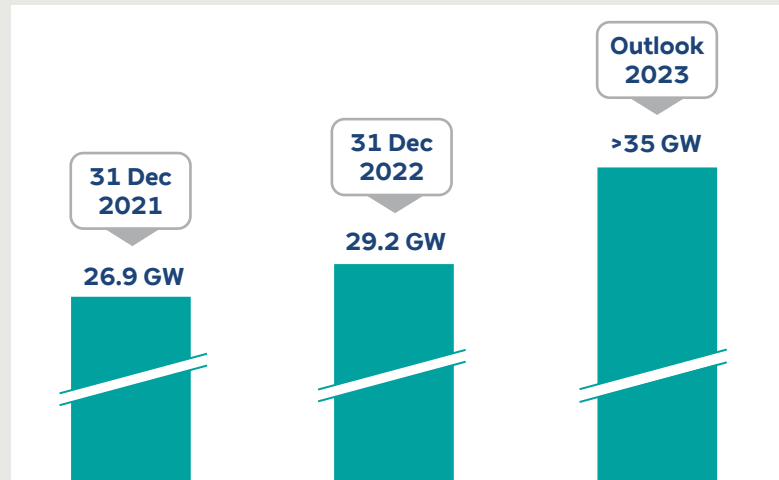
Coal/Nuclear share in EBITDA relative share (%)



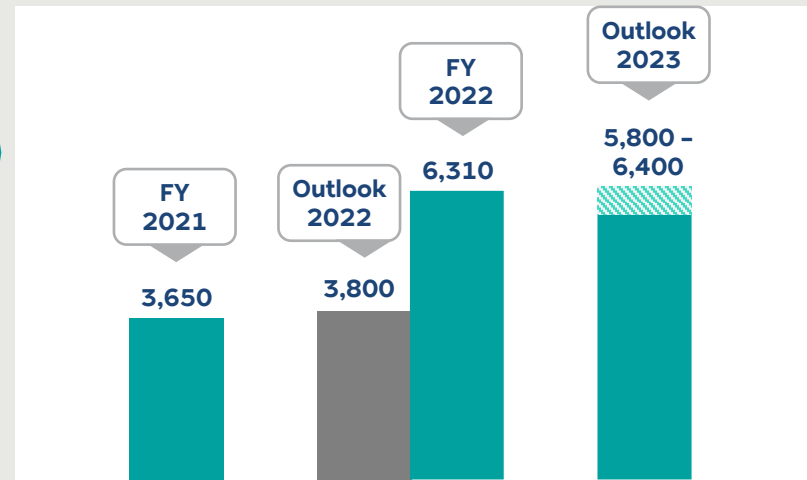
▶ Accelerated coal phaseout is the basis for 1.5°C compliant pathway.

Green growth translates into earnings and dividend growth

Green capacity growth in GW



Group EBITDA growth in EUR m



▶ RWE increases its dividend proposal for 2023 to €1.00, setting floor for future years.

Outlook confirmed for full year 2023

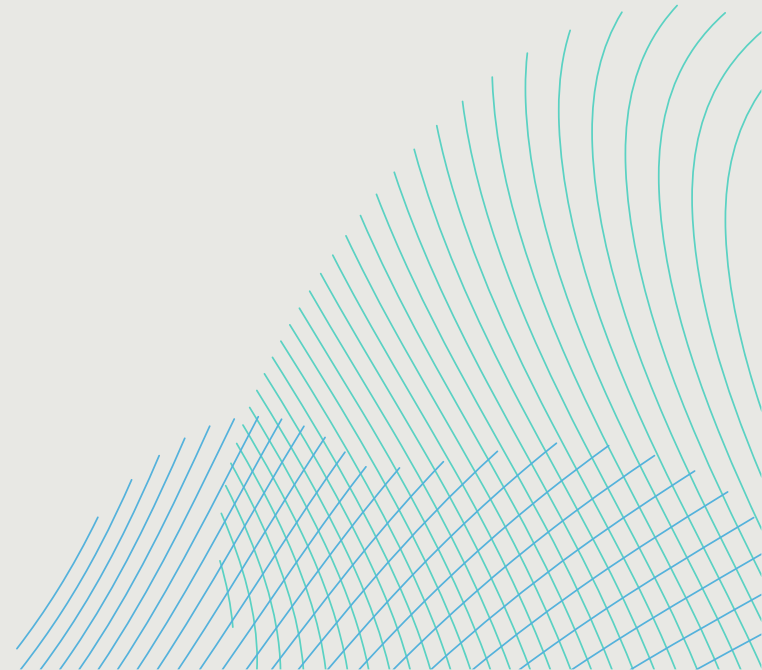
Group outlook FY 2023 in EUR m

	Outlook
Core adj. EBITDA	4,800 – 5,400
Adj. EBITDA RWE Group	5,800 – 6,400
Adj. depreciation	-2,200
Adj. EBIT	3,600 – 4,200
Adj. financial result	-550
Adj. tax	20%
Adj. minorities	-250
Adj. net income	2,200 – 2,700
Dividend target (€/Share)	1.00

Divisional outlook FY 2023 (adj. EBITDA) in EUR m

	Outlook
Offshore Wind	1,400 – 1,800
Onshore Wind/Solar	1,100 – 1,500
Hydro/Biomass/Gas	1,750 – 2,150
Supply & Trading	300 – 600
Other/Consolidation	~ -200
Coal/Nuclear	800 – 1,200

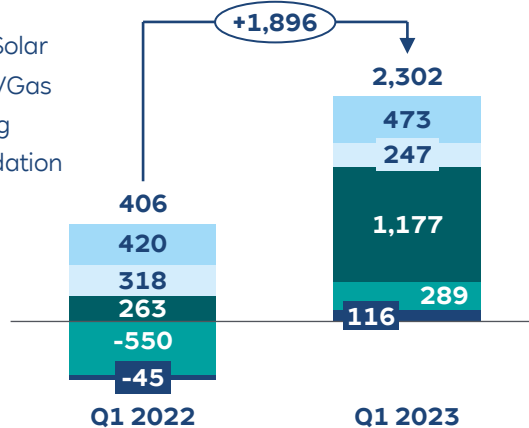
Q1 2023 results



Strong earnings driven by flexible generation performance and green capacity additions; negative one-off in 2022

Core adj. EBITDA Q1 2023 vs. Q1 2022 in EUR m

- Offshore Wind
- Onshore Wind/Solar
- Hydro/Biomass/Gas
- Supply & Trading
- Others/Consolidation



- **Offshore Wind** earnings up on the back of capacity additions (Triton Knoll & Kaskasi)
- **Onshore Wind/Solar** decreased due to lower realised electricity prices, regulatory intervention and lower wind resource in Europe, partly offset by portfolio additions and CEB consolidation
- **Hydro/Biomass/Gas** earnings driven by strong short term asset optimisation and hedges at attractive price levels
- **Supply & Trading** result up due to strong performance in Q1 '23 and restated one-off in prior year

► **Adj. EBITDA for RWE Group, incl. Coal/Nuclear amounts to €2,798 million**

Adjusted net income reflects strong operational performance

Adj. net income in EUR m

Q1 2022		Q1 2023
613	Adj. EBITDA Q1 2023	2,798
-362	Adj. depreciation	-495
251	Adj. EBIT	2,303
-145	Adj. financial result	-150
-16	Adj. tax	-431
-88	Adj. minority interest	-51
2	Adj. net income Q1 2023	1,671

- **Adj. EBITDA** driven by strong operational performance
- **Adj. depreciation** increased in line with growth investments
- **Adj. financial result** stable due to offsetting interest rate effects
- **Adj. tax** applying general tax rate of 20% for the RWE Group
- **Adj. minority interest** reflects lower earnings contribution from minority partners

Economic net debt

Net assets/net debt in EUR m

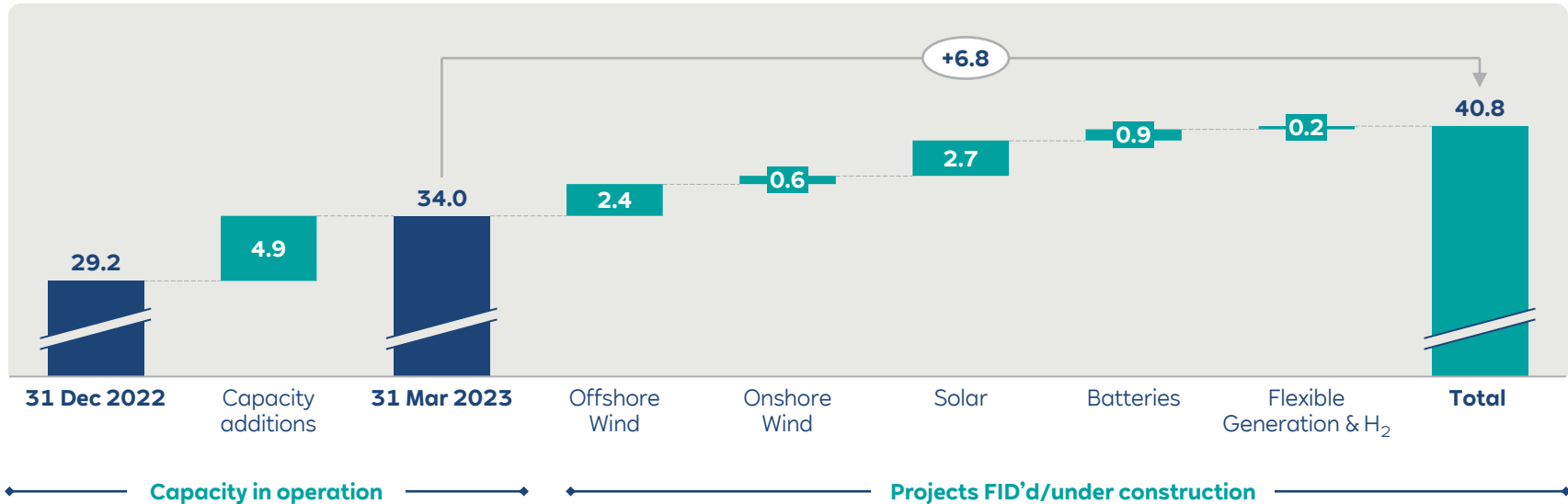
	31 Mar 2023	31 Dec 2022	+/-
Cash and cash equivalents	6,795	6,988	-193
Marketable securities	9,131	13,730	-4,599
Other financial assets	5,692	8,543	-2,851
Financial assets	21,618	29,261	-7,643
Bonds, other notes payable, bank debt, commercial paper	-14,913	-15,621	708
Hedging of bond currency risk	2	8	-6
Other financial liabilities	-5,596	-5,382	-214
Financial liabilities	-20,507	-20,995	488
Plus 50% of the hybrid capital stated as debt	290	299	-9
Net financial assets (including correction of hybrid capital)	1,401	8,565	-7,164
Provisions for pensions and similar obligations	-953	-900	-53
Surplus of plan assets over benefit obligations	679	680	-1
Provisions for nuclear waste management	-5,673	-5,704	31
Provisions for dismantling wind and solar farms	-1,161	-1,011	-150
Net assets (+)/net debt (-)	-5,707	1,630	-7,337

Net debt definition

- Net debt does not contain mining provisions, which essentially cover our obligations to recultivate opencast mining areas
- Financial assets we currently use to cover these provisions are also not part of the net debt, i.e.
 - €2.6bn claim against the state for damages arising from the lignite phaseout
 - 15 % stake in E.ON

Strong 4.9 GW growth of installed green capacity, mainly driven by the closing of CEB and the Magnum acquisition

Development of our green generation portfolio GW pro rata



Note: Rounding differences may occur.

Strategy & Long-term financial outlook

Extract from Capital Market Day – Nov 2021

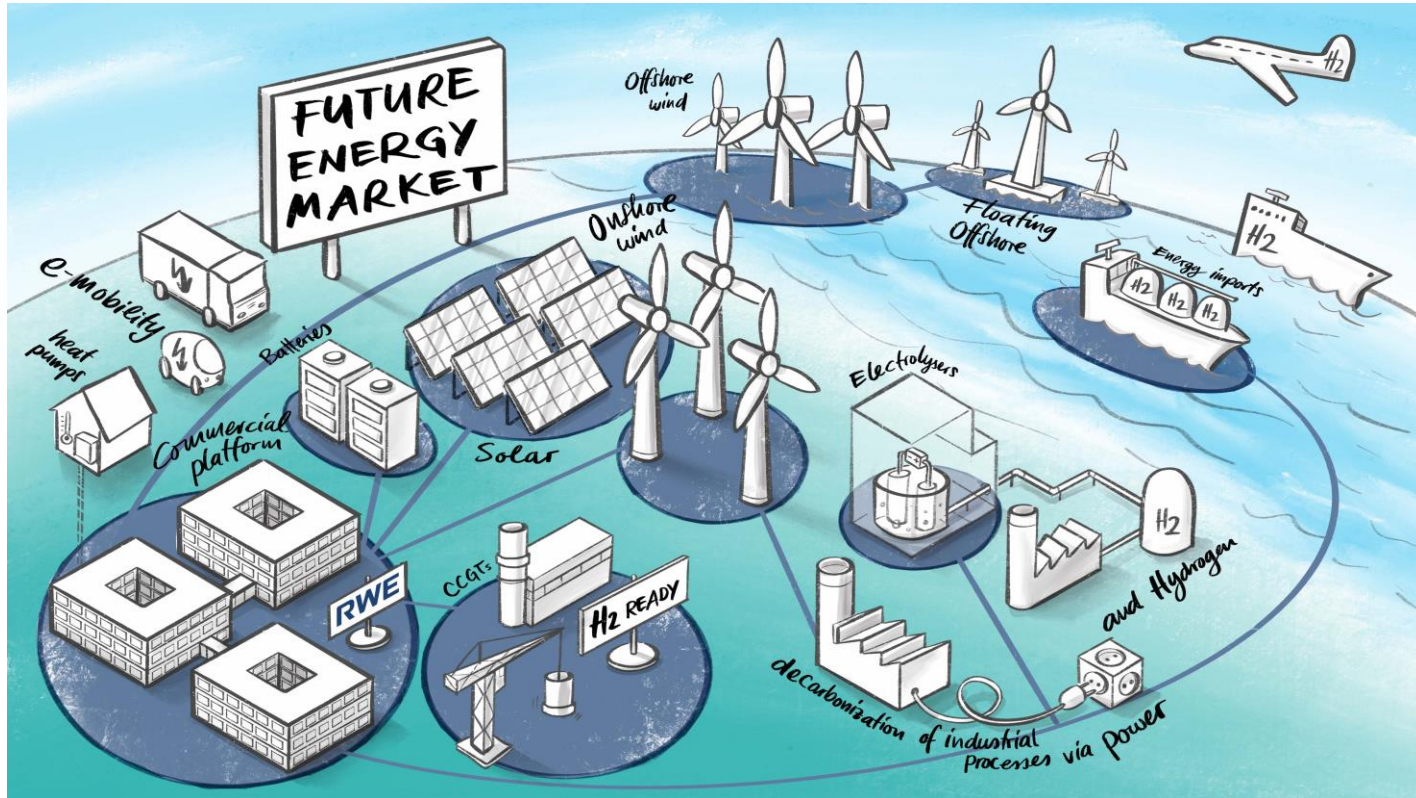


Leading the way to a green energy world

Growing Green: Leading the way to a green energy world

- **RWE is perfectly positioned:** vast experience in green technologies, strong market presence in industrial growth markets, operating a leading commercial platform
- We **significantly accelerate our green growth programme:** €50bn gross / €30bn net cash investments until 2030, leading to 35 GW gross / 25 GW net capacity additions
- Our investment plans are driven by **excellent teams** – our **development pipeline** stands at **more than 55GW across all relevant technologies**
- **Our portfolio in 2030 is powerful and green:** 50 GW net installed capacity across wind, solar, batteries, flexible generation and hydrogen offering tailor-made energy supply solutions
- **Attractive investment returns** result in **earnings growth** in our core business **of on average 9% annually** and **Group EBITDA ambition of €5bn in 2030**
- Investment programme fully funded by **strong operating cash flow and utilisation of our financial headroom** – in line with our **commitment to a strong investment grade rating**
- **Sustainability is at the heart of our strategy:** Our ambition is to reduce carbon emissions in line with a 1.5°C compliant pathway and to become net zero by 2040

The future energy market is powered by green technologies



Our core business is leading the way to a green energy world



Offshore Wind

Strongest growth in Europe, significant potential in global markets



Onshore Wind/Solar

IRA and European Green Deal accelerate growth momentum in US and Europe



Batteries & Flexible Generation

RWE's European core markets require new, low-carbon flexible capacities



Hydrogen

Hydrogen is quickly gaining traction with Europe at the forefront



Commercial Solutions

Decarbonisation of industry drives demand for tailored solutions

Perfectly positioned to succeed



**Long-term
experience
in relevant
technologies
at scale**



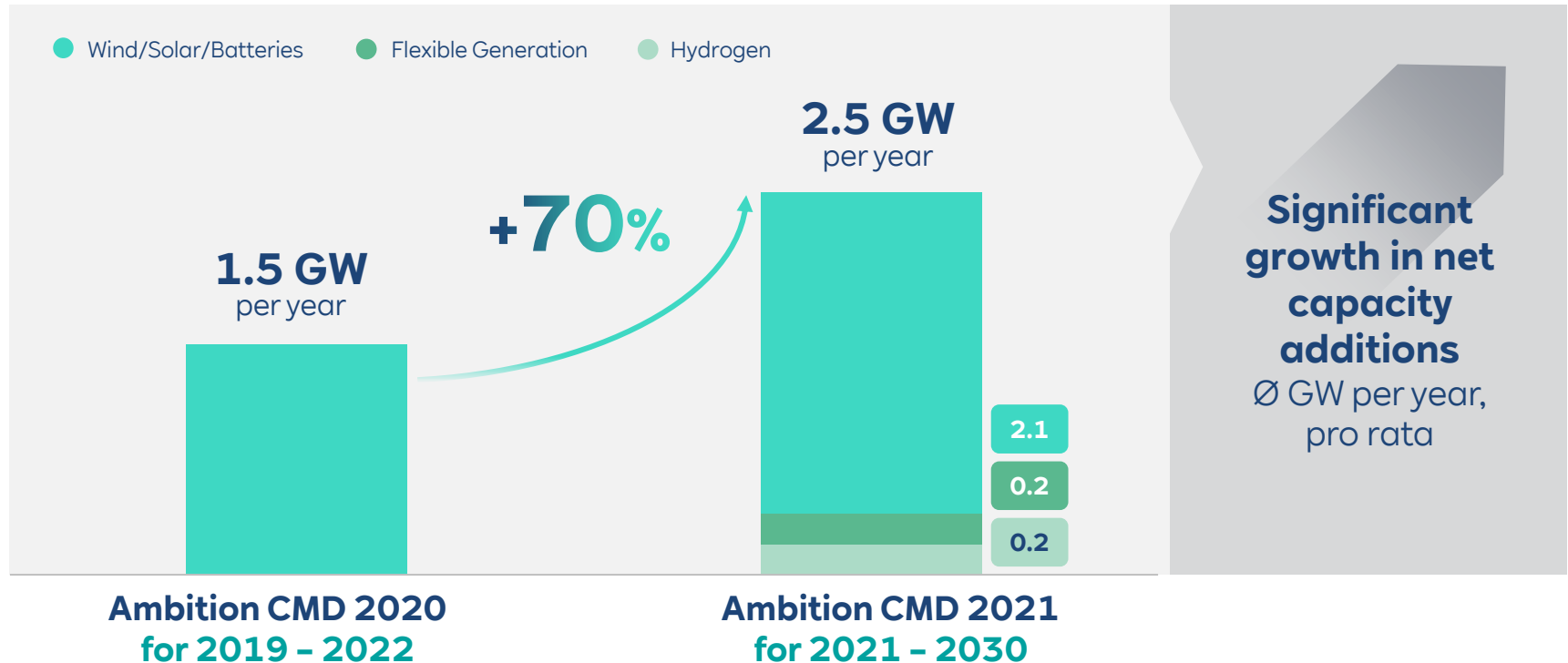
**Strong market
presence in
industrial
countries with
high growth
potential**



**Leading
commercial
platform to
maximise
value**



Raising the bar to accelerate the energy transition



€50bn gross investment programme to drive green growth

Green investment programme 2021 – 2030



Powerful & green in 2030: Leading green energy company

50 GW

Green installed
net capacity in
2030

>95%

EBITDA from
core business
as of 2023



9%

Annual average
EBITDA growth
in core business
2021 - 2030



€5bn

EBITDA
Ambition
2030

Sustainability is at the heart of our strategy

What
we have
achieved
so far

Reduction of carbon emissions

More than **60%** compared to 2012 by closing down **12 GW** of coal-fired power generation capacity, RWE targets in line with Paris climate agreement confirmed by SBTi

Enhancement of biodiversity

Recultivated over **23,000ha** in the Rhenish mining area. With over 1,500 plants and 3,100 animal species identified, **biodiversity** matches high value reference habitat

Increased diversity on board level

30% of our Executive Board members across our businesses are female

Taking responsibility for our employees affected by the energy transition

Collective bargain agreement for coal phase out to facilitate a socially responsible and fair transition

Right incentive system

Aligned management remuneration with sustainability: Long-term incentive of Executive Board linked to carbon intensity reduction path. Over **90%** approval rate for new executive board remuneration system at 2021 AGM

Paris aligned investment strategy & capital allocation

Already in 2020, over **80%** of our investments allocated to sustainable projects according to EU taxonomy

Stepping up our ambition in sustainability

Our ambitions

Environmental



Climate Change

We will be **climate neutral by 2040**.
On the way there, our ambition is to reduce
our emissions in line with a **1.5°C
compliant pathway**

Biodiversity & Recultivation

Because we care about the **biodiversity impact**
of our business, we commit to the **highest
standards in recultivation** for decommissioned
sites. For new assets, we aim for a **net-positive
contribution** to biodiversity by 2030

Social



Social Responsibility

We make a positive **contribution to the
communities** in which we operate. In the sense of
a Just Transition, **we stand by our employees**
who are impacted by the energy transition and
find **socially responsible solutions**

Diversity, Equity & Inclusion

We create an **equitable and inclusive** working
environment which **promotes diversity**. We will
strengthen the share of **women in all management
positions**, aiming for **30%** in our core business by
2030

Governance



Sustainable Investment

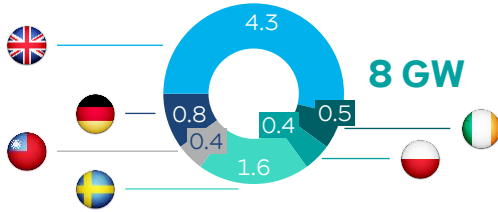
Our **growth is sustainable**. **>90%** of our
investments until 2030 will flow into
sustainable projects according to the **EU
taxonomy**

Circular Economy

We implement the **principles of circular economy**
in our way of working. We reduce the consumption
of **natural resources**, minimise **waste** and design
our assets so that we maximise the **reuse** and
recycling of materials

Strong growth platform across all technologies

Secured offshore rights



Additional offshore pipeline from central tenders/lease auctions



Expected submissions until end of 2022 of **9 GW**

Rounding differences may occur.

Powerful development pipeline of green generation technologies



>55 GW

8

14

10

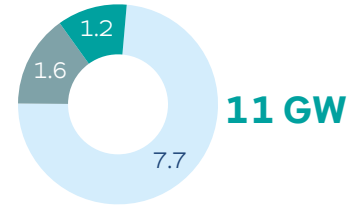
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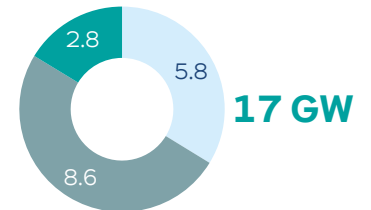
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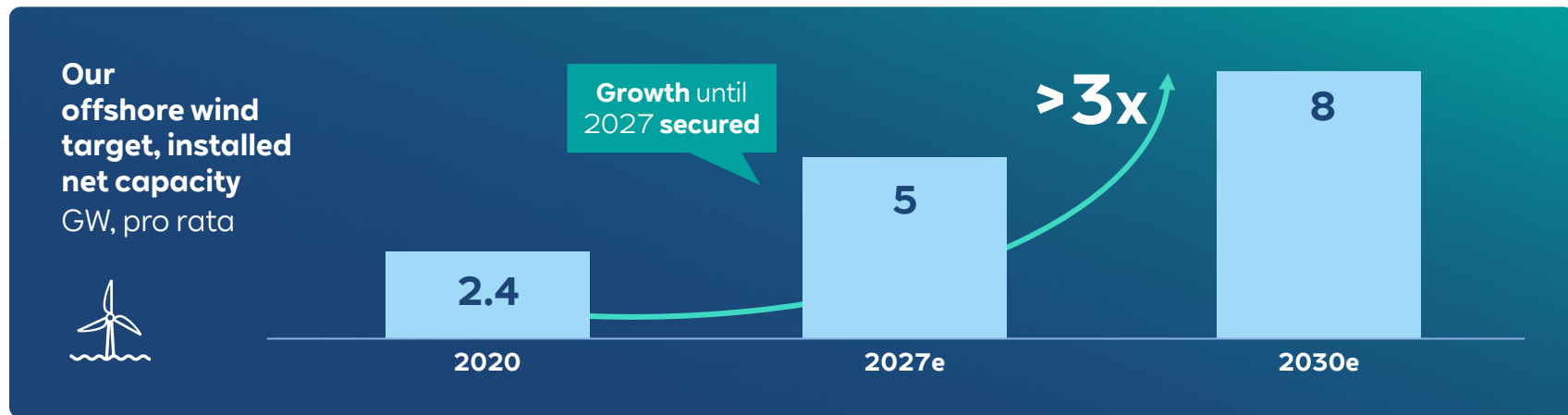
Europe



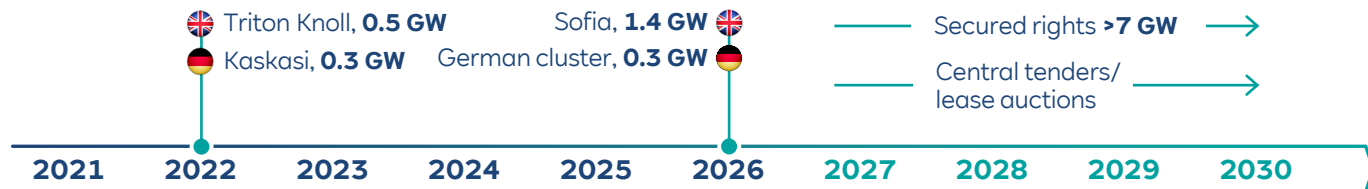
Americas



Our offshore installed net capacity will triple by 2030



Good visibility on capacity additions
GW, pro rata

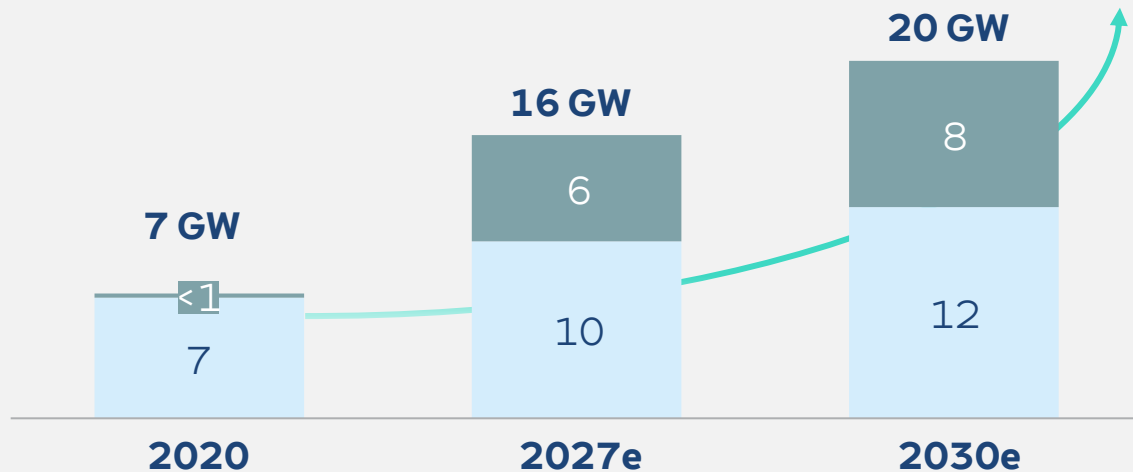


Ambitious onshore wind targets and steep solar growth

Our onshore wind and solar target, installed net capacity

GW, pro rata

● Solar ● Onshore wind

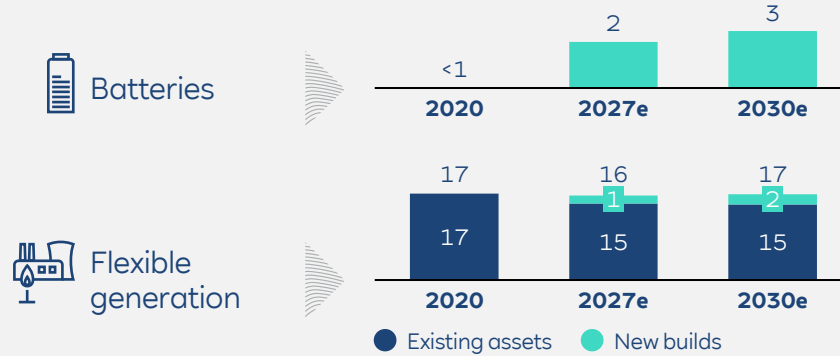


3x
Capacity growth in onshore wind and solar

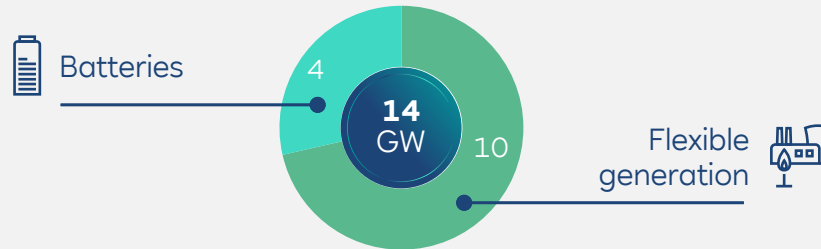


Balancing the system is a growth opportunity

Our battery & flexible generation capacity, installed net capacity
GW, pro rata



Sizeable development pipeline
GW



- Growth focus in batteries is on **co-location with wind and solar sites**
- **Excellent position** to build new gas plants on own existing sites
- New gas plants will be build under the prerequisite of a clear **net zero decarbonisation path** and **capacity remuneration**
- We are pushing solutions to **decarbonise** our existing gas fleet

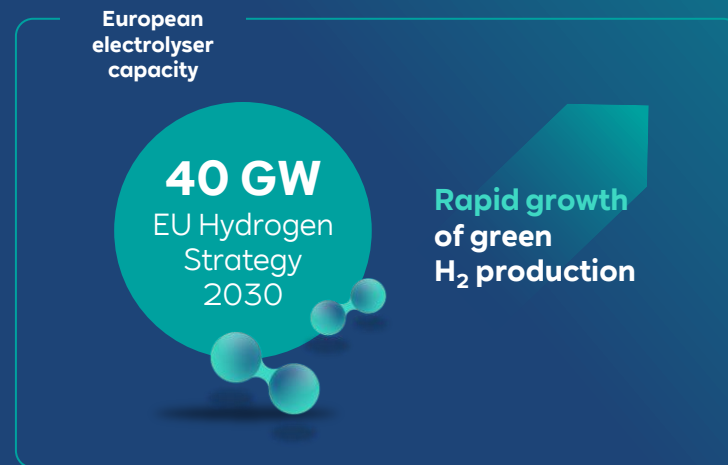
Ideally positioned for the hydrogen economy

Strong expertise along the value chain



Hydrogen market growth

- Strongest global growth momentum in **Europe**
- **Industrial demand centres** located in RWE's European core markets



Growth target backed by strong project pipeline

RWE with market leading growth target in electrolyser capacity

+2 GW
RWE by 2030

Requirements for electrolyser investments

- Regulatory and political framework
- Support and funding schemes
- Reliable offtake agreements

RWE's hydrogen development pipeline

10 GW
pro rata

Mostly early-stage development projects

Selected hydrogen development projects:

 Get H ₂	IPCEI	 Eemshydrogen
 Aqua Primus 2	IPCEI	 NorthH ₂
 Aqua Ventus/Ductus	IPCEI	 FUREC
 HyTech Hafen Rostock	IPCEI	 SW Industrial Cluster

A wide-angle photograph of an offshore wind farm. Numerous white wind turbines with three blades are spaced out across a vast, blue-grey sea. The sky is filled with heavy, grey clouds, creating a dramatic and somewhat somber atmosphere. The water's surface shows gentle ripples and a slight reflection of the sky. The perspective is from a low angle, looking across the water towards the horizon where the turbines eventually disappear into the distance.

Delivering growth and value

We accelerate our growth investments to €3bn net annually

Green investment programme 2021 - 2030
€bn

Share of gross cash investments:

45% Offshore wind



+

45% Onshore wind, solar and batteries

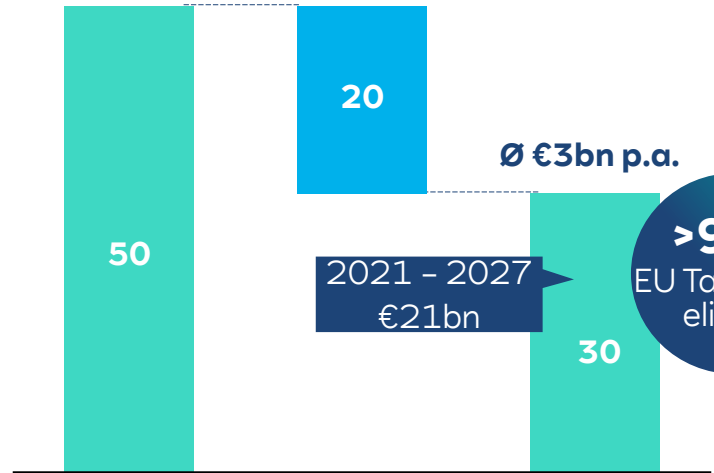


+

10% Flexible generation & hydrogen



Ø €5bn p.a.



2021 - 2027
€21bn

>90%
EU Taxonomy eligible

Gross cash investments 2021 - 2030

Asset rotation

Net cash investments 2021 - 2030

Stable and sustainable earnings profile

Gross margin 2021 – 2023

12
years

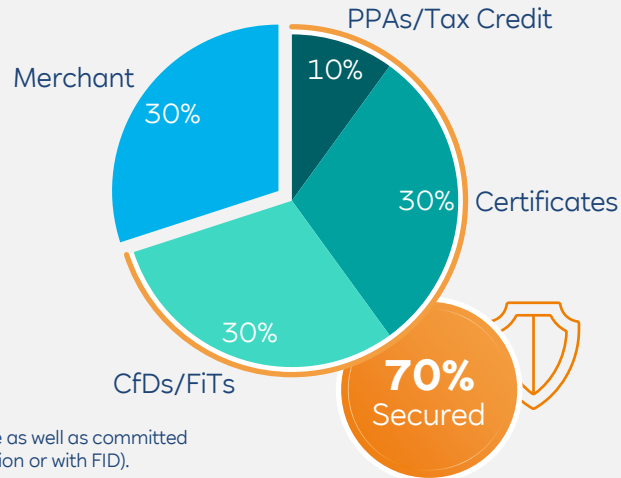
Weighted average
remaining support
tenor¹ **Wind/Solar**

¹ Considers the current operating asset base as well as committed projects with COD by 2023 (under construction or with FID).

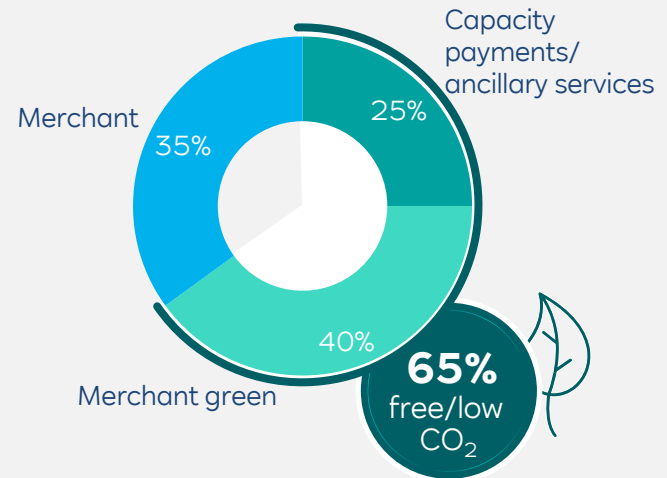
Note: Merchant includes volumes to be hedged.



Gross margin split Wind/Solar

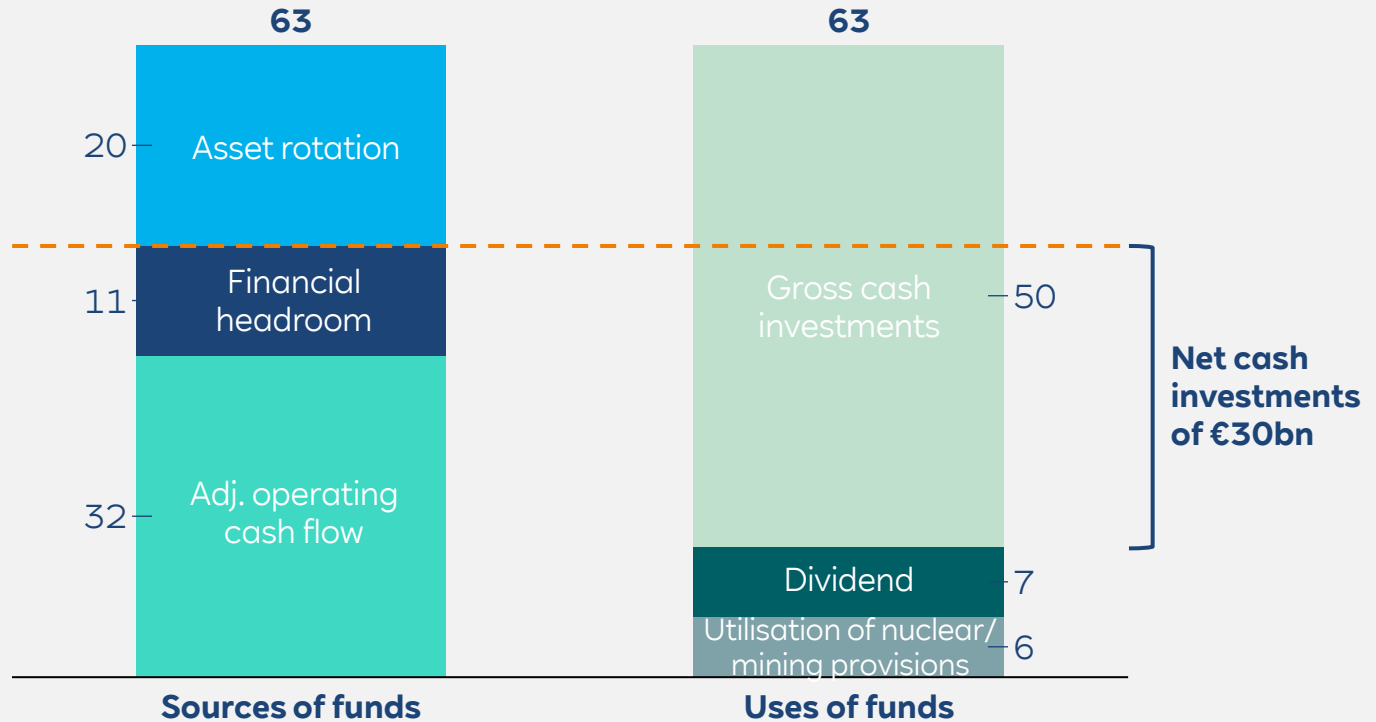


Gross margin split Flexible generation



Investment programme funded by strong cash flow and balance sheet

Funding composition
2021 - 2030
€bn



Committed to strong capital structure and investment grade rating

Strong investment grade rating

Current & Target rating:

Baa2

BBB+

→ Today

≤ 3x

Target leverage factor of net debt/core adj. EBITDA

→ Post 2025

≤ 3.5x

Target leverage factor of net debt/adj. EBITDA

Sustainable financing provides liquidity and financing at competitive rates



Successfully issued Green Bond in Q2 2021

- Green bond multiple times oversubscribed
- Ten-year bond at highly attractive rates
- Proceeds from green bond used to finance wind and solar growth



Green Bonds are preferred financing tool for future growth



Syndicated credit facility with sustainability-linked KPIs

- Renewable energy (%) in generation portfolio
- Carbon intensity of assets
- Sustainable Capex (%) under EU taxonomy



RWE has set the bar for sustainable financing

Your contacts in Investor Relations

Important Links



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- [Investor and analyst conferences](#)
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- [Consensus of analysts' estimates](#)



ADR programme available

Further information on our homepage
[RWE shares/ADR](#)

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1-888-269-2377 (within the US)

Financial Calendar

- **11 May 2023**
Interim statement on the first quarter of 2023
- **10 August 2023**
Interim report on the first half of 2023
- **14 November 2023**
Interim statement on the first three quarters of 2023

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