11 Aug 2022

H1 2022 Results

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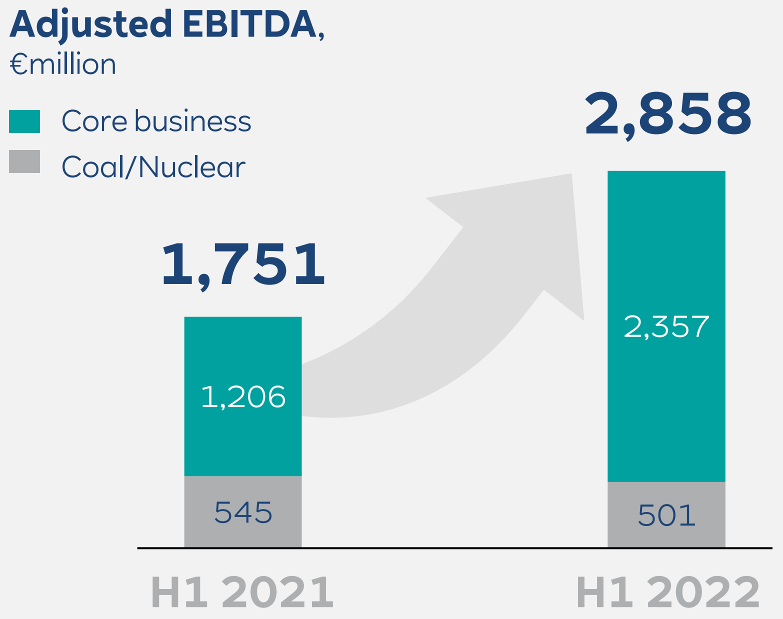
Disclaimer

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.

Great strides made on delivery of Growing Green strategy while navigating the European energy crisis

- **Continued robustness demonstrated** despite war in Ukraine. A **strong operational performance in H1 2022** leading to an **EBITDA** in the **core business of €2.4bn** and **€2.9bn for RWE Group**
- **Financial exposure to Russian counterparties fully removed. Financial impact** from the exposure of hard coal and gas contracts **fully covered in H1 2022**
- **Actively enhancing energy security** with existing generation portfolio and by diversifying gas supply to Europe
- **Green growth right on track** with expansion of development pipeline, 1.2 GW of new capacity commissioned in H1 2022 and further 4.8 GW under construction
- **Increased outlook for FY 2022:** core EBITDA of €4.3bn – €4.8bn and EBITDA RWE Group of €5.0bn – €5.5bn. Higher deployment of international generation portfolio, higher earnings contribution of Supply&Trading expected

Earnings increase in entire core business of RWE Group



- **Substantial investments** and steady **green capacity expansion**
- **Higher capacity utilisation and strong operational performance** across all generation units of our core business
- **Outstanding trading performance** in volatile market environment

Financial exposure to Russian counterparties entirely removed and reflected in H1 earnings

Gas supply contracts actively managed to mitigate risk

- **Financial exposure** to Russian counterparties fully removed
- **No further financial downside** from exposure to Russian counterparties as financial impact fully covered in H1 results
- German gas levy: no intention to claim losses from shortfall of Russian gas supply

UK & EU sanctions prevent Russian coal deliveries

- **Sanctions lead to write-off of market value of 12m tonnes** hard coal contract
- After final settlement in Q2 **total write-off is €750m** included in non-operating result (previously reported write-off of €850m in Q1)
- **No further risk** from hard coal contracts with Russian counterparties

Hedging approach adjusted to manage uncertainty in commodity markets

- **Risk-averse hedge path** to avoid delivery obligations from German gas plants
- Additional **buffer to cover for unplanned outages** of power plants

Counterparty risks continuously managed

- Strict monitoring and **credit limit management**

Strong partner for enhancing energy security

Increase in power generation

- **Higher utilisation** of existing generation portfolio
- **Germany: 0.9 GW from lignite security reserve** to operate in **wholesale market as of Oct 2022** at request of the German Government
- **Netherlands: 1.6 GW Eemshaven** biomass co-firing plant **going back to 100%.** Restrictions relating to Urgenda ruling were lifted

RWE is enhancing energy security

Diversification of gas supply

- **>40 LNG cargoes in H1 2022: 4x higher LNG supply to Europe** vs H1 2021
- **Floating LNG terminal:**
  - **FSRU Brunsbüttel** to commence operations by end 2022
  - **Active engagement in further ongoing LNG activities** in the Baltic Sea in Germany
- **Land based LNG terminal: COD for Bruns-büttel, GER terminal** expected in **2027.** Optio-nality for import of green molecules in the long-term
- **LNG import: MoU signed with Sempra** for delivery of 3 bcm p.a. from US from **2027 onwards**

Execution of Growing Green strategy fully on track

Offshore Wind

- Commissioning of 506 MW offshore wind capacity
- Entry into US offshore wind market
- First power at 342 MW Kaskasi wind farm

Onshore Wind/Solar

- Commissioning of >600 MW in Onshore Wind/Solar

Batteries & Flexible Generation

- Commissioning of 100 MW batteries
- Acquisition of hydrogen-ready 1.4 GW Magnum gas plant in NL

Hydrogen

- Start of construction of 14 MW pilot electrolyser at Lingen
- Further step in EU innovation fund award taken at project FUREC and Nordsee Two

4.8 GW of green capacity currently under construction

Note: capacity commissioned refers to H1 2022. | Capacities mentioned in pro rata.

RWE ambition: leading the way to a green energy world

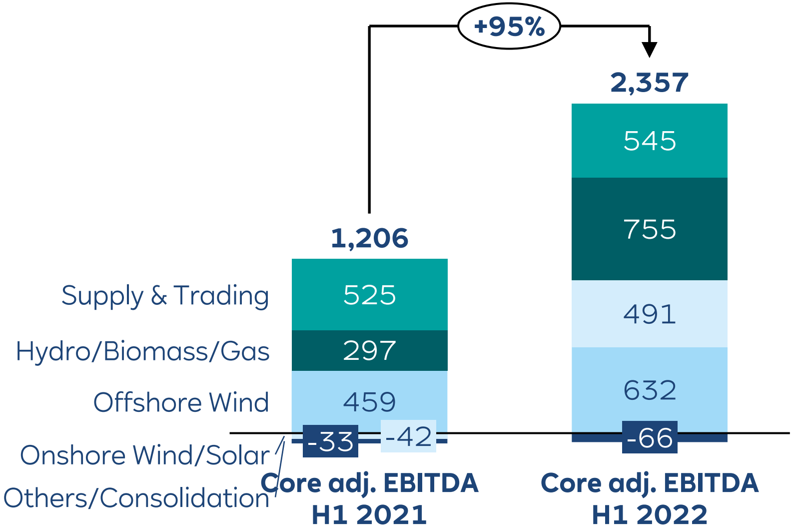
Proving robustness of company profile	Significantly contributing to energy security	Successfully executing Growing Green strategy	Strong financial foundation enabling continued investments into green growth
Diversified business portfolio. Financial exposure to Russian counterparties eliminated	Providing security of supply by own **generation portfolio, diversification of gas supply** and **green investments**	**>€5bn of gross cash investments** in green growth planned **in FY 2022**	EBITDA H1 2022 €2.4bn **EBITDA FY 2022e €5.0bn – €5.5bn**

Our energy for a sustainable life.

H1 2022 – Financial highlights
Michael Müller, CFO

Striking operational performance in H1 2022 while 2021 was marked by a negative one-off

Core adj. EBITDA H1 2022 vs. H1 2021, € million



- **Offshore Wind** earnings up on the back of capacity additions including Rampion consolidation effect, favourable wind conditions and higher power prices
- **Onshore Wind/Solar** earnings marked by the absence of one-off effects (Texas cold snap, book gains), higher power prices, capacity additions and better wind conditions
- **Hydro/Biomass/Gas** earnings driven by strong short-term asset optimisation and higher generation margins
- **Supply & Trading** delivered a very strong trading result above even last year's very strong H1

Adj. EBITDA for RWE Group, incl. Coal/Nuclear amounts to **€2,858 million (+63% vs prev. year)**

Strong adj. net income on the strength of the successful operational performance

Adj. net income, € million

H1 2021	H1 2022	
1,751	**Adj. EBITDA H1 2022**	**2,858**
-709	Adj. depreciation	-754
1,042	**Adj. EBIT**	**2,104**
-34	Adj. financial result	-132
-151	Adj. tax	-297
13	Adj. minority interest	-109
870	**Adj. net income H1 2022**	**1,566**

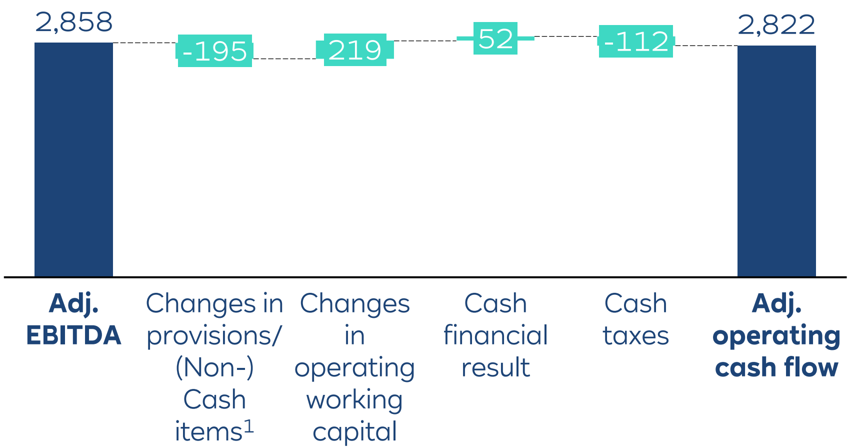
- **Adj. EBITDA** driven by strong operational performance
- **Adj. depreciation** increases in line with growth investments
- **Adj. financial result** lower mainly due to lower interest result from higher liquidity requirements in volatile commodity markets
- **Adj. tax** applying general tax rate of 15% for the RWE Group[1]
- **Adj. minority interest** up based on strong operational performance and higher capacity. H1 2021 included an extraordinary effect related to deferred taxes in the UK

[1] General tax rate of 15% for the planning horizon is based on a blended calculation of local tax rates, the use of loss carry forwards and low taxed dividend income, e.g. from E.ON and Amprion.

Adj. operating cash flow derived from very good H1 earnings

Reconciliation to adj. operating cash flow for H1 2022

€ million

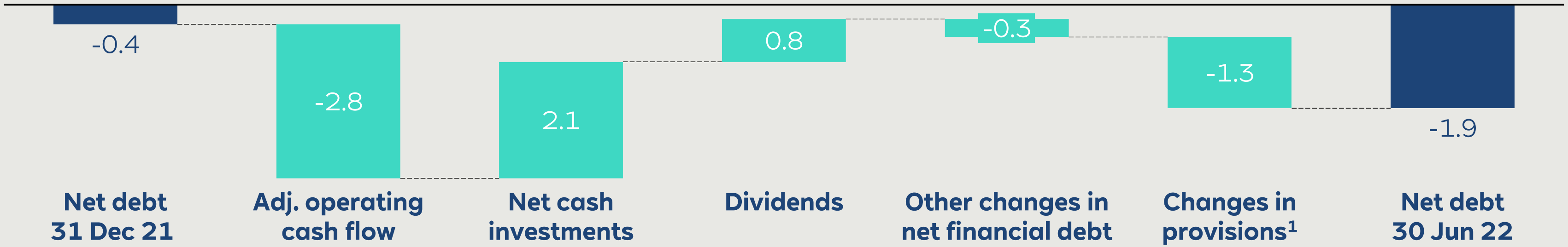


- **Changes in provisions/(Non-) Cash items** mainly driven by legacy and restructuring provisions
- **Positive effects in changes in operating working capital:** mainly from decrease in accounts receivables for power and LNG. Conversely, there is an increase in working capital due to injections of gas, which however, is temporarily offset by an increase in accounts payable from the purchase of gas
- **Cash financial result** includes receipt of E.ON dividend while interest payments were partly compensating

[1] Excludes nuclear provisions since utilisation is not net debt effective and will be refinanced via financial debt.

Increase of net assets due to strong operating cash flow as well as higher interest rates for pension provisions

Development of net debt in H1 2022, € billion
(+ net debt / - net assets)



- **Net cash investments** into green growth include seabed lease payment for 3 GW gross from NY Bight auction
- **Other changes in net financial debt** include mainly timing effects such as variation margins from hedging and trading activities
- **Changes in provisions** driven by decrease of pension provisions due to higher discount rates albeit a partly compensating effect from a negative performance of plan assets

[1] Includes pension and wind/solar provisions but excludes nuclear provisions as they are not part of adj. operating cash flow. | Note: Rounding differences may occur.

Outlook for FY 2022 as of July 2022

Group outlook FY 2022, € million

Core adj. EBITDA	**4,300 – 4,800**
Adj. EBITDA RWE Group	**5,000 – 5,500**
Depreciation	~-1,600
Adj. EBIT	**3,400 – 3,900**
Adj. Financial result	~-450
Adj. Tax	15%
Adj. Minorities	~-350
Adj. Net income	**2,100 – 2,600**
Dividend target	**€0.90 per share**

Divisional outlook FY 2022– adj. EBITDA, € million

Offshore Wind	**1,350 – 1,600**
Onshore Wind/Solar	**900 – 1,100**
Hydro/Biomass/Gas	**1,400 – 1,700**
Supply & Trading	**Significantly >350**
Other/Consolidation	**~-150**
Coal/Nuclear	**650 – 750**

Strengthening financial foundation to enable continued investments into green growth

Green business model

88%
of capex eligible under EU taxonomy in H1 2022

Stringent investment criteria

Project IRR typically exceeding base WACC by 100 to 300 bps

Strict balance sheet management

Strong investment grade rating

Dividend target FY2022

€0.90
per share

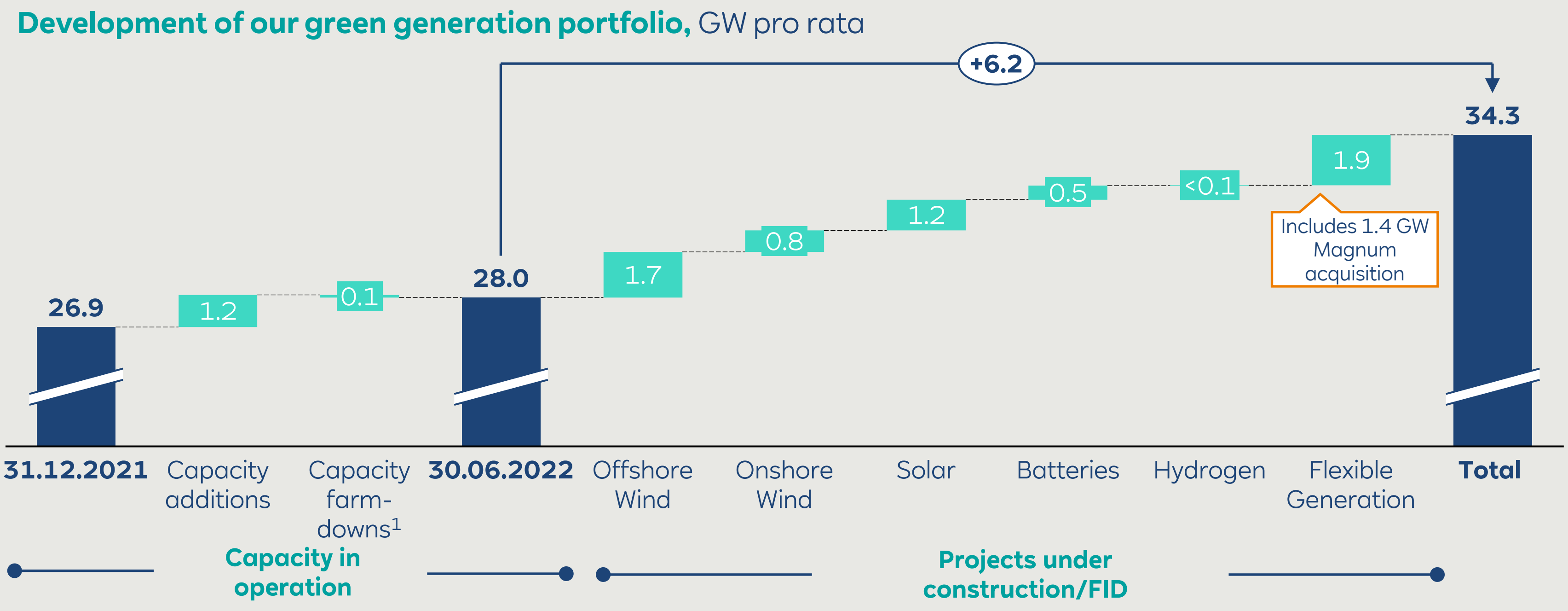
Appendix

Key sensitivities to our planning assumptions for FY2022

Driver	Segment	Type	Sensitivity	Group impact[1]
Wind levels	Offshore Wind	P&L	+/- 10% production	+/- €200 million
	Onshore Wind/Solar	P&L	+/- 10% production	+/- €150 million
Main f/x (USD & GBP)	RWE Group	P&L	+/- 10%	+/- €180 million
CO_2 prices	RWE Group	P&L	+/- €1/t	Hedged until 2030
Pension provisions	RWE Group Germany	B/S	+/- 0.1%	-€145/+€165 million[3]
	RWE Group abroad	B/S	+/- 0.1%	-€95/+€105 million[3]
Nuclear provisions	RWE Group	B/S	+/- 0.1%[2]	-/+ €40 million
Mining provisions	RWE Group	B/S	+ 0.1%[2] - 0.1%[2]	- €130 million + €140 million

[1] All figures are rounded numbers. P&L figures refer to adjusted EBITDA. | [2] Change in real discount rate (net effect from change in nominal discount rate and escalation rate). | [3] Gross effect of changes in present value of defined benefit obligations. No offsetting effect from development of plan assets included. | Note: as of end of Dec 2021.

Significant green portfolio growth with 6.2 GW underway



[1] Includes capacity closures, changes after repowering etc..

Core

Offshore Wind: Earnings increase due to capacity additions, as well as favourable wind and market conditions

Key financials
H1 2022 – Offshore Wind

€ million	H1 2022	H1 2021	change
Adj. EBITDA	**632**	**459**	**173**
t/o non-recurring items	-	-	-
Depreciation	-298	-212	-86
Adj. EBIT	**334**	**247**	**87**
t/o non-recurring items	-	-	-
Gross cash investments[1]	**-1,144**	**-1,143**	**-1**
Gross cash divestments[1]	**+43**	**+393**	**-350**

Adj. EBITDA H1 2022 vs. H1 2021

- Higher earnings from capacity additions to portfolio, including Rampion full consolidation[2]
- Higher earnings as a result of better wind resource
- Higher power prices for unhedged volumes

Outlook 2022
€1,350m – €1,600m

Adj. EBITDA Outlook 2022 vs. FY 2021

- Higher earnings due to portfolio additions Triton Knoll, Kaskasi (under construction)
- Consolidation effect from Rampion for a full year
- Higher power prices, partly offset by lower ROC recycle value
- Higher earnings from return to normalised weather conditions

[1] Gross cash (di-)investments: Sum of (di-)investments in (in-)tangible and financial assets, loans to non-consolidated affiliates and capital measures. | [2] RWE stake increased by 20% to 50.1% as of 1 Apr 2021.

Onshore Wind/Solar: Solid performance and lack of negative one-offs

Key financials
H1 2022 – Onshore Wind/Solar

€ million	H1 2022	H1 2021	change
Adj. EBITDA	**491**	**-42**	**533**
t/o non-recurring items	-	-296	296
Depreciation	-224	-193	-31
Adj. EBIT	**267**	**-235**	**502**
t/o non-recurring items	-	-296	296
Gross cash investments[1]	**-766**	**-665**	**-100**
Gross cash divestments[1]	**+6**	**+335**	**-329**

Adj. EBITDA H1 2022 vs. H1 2021

- (+) No one-off effects (- Texas cold snap | + book gains farm-down)
- (+) Higher power prices for unhedged volumes
- (+) Increase in earnings from capacity additions
- (+) Higher earnings as a result of better wind resource

Adj. EBITDA Outlook 2022 vs. FY 2021

Outlook 2022
€900m – €1,100m

- (+) No one-offs assumed
- (+) Higher power prices for unhedged volumes
- (+) Increase in earnings from capacity additions
- (+) Higher earnings from return to normalised weather conditions
- (−) Increased development expenses for mid-to-long-term growth

[1] Gross cash (di-)investments: Sum of (di-)investments in (in-)tangible and financial assets, loans to non-consolidated affiliates and capital measures.

Core

Hydro/Biomass/Gas: Strong earnings development in volatile markets

Key financials
H1 2022 – Hydro/Biomass/Gas

€ million	H1 2022	H1 2021	change
Adj. EBITDA	**755**	**297**	**458**
t/o non-recurring items	-	-	-
Depreciation	-160	-151	-9
Adj. EBIT	**595**	**146**	**449**
t/o non-recurring items	-	-	-
Gross cash investments[1]	**-162**	**-74**	**-88**

Adj. EBITDA H1 2022 vs. H1 2021

- + Higher earnings from strong short-term asset optimisation
- + Higher generation margins, despite lower income from GB capacity payments
- − Lower earnings due to unplanned outage at Claus C (Jan – mid Apr 22)

Adj. EBITDA Outlook 2022 vs. FY 2021

Outlook 2022
€1,400m – €1,700m

- + Higher generation margins including positive effect at Eemshaven power plant from lifting Urgenda restrictions. Partly compensating is lower income from GB capacity payments
- + Higher earnings contribution from short-term asset optimisation despite already high level in previous year
- + Earnings from Magnum acquisition (CCGT) in NL as of Q4 2022
- + One-off from sale of land at former GB generation asset
- − Lower earnings due to unplanned outage at Claus C

[1] Gross cash investments: Sum of investments in (in-)tangible and financial assets, loans to non-consolidated affiliates and capital measures. | Note: including 37.9% stake in Kelag.

Core

Supply & Trading: Outstanding trading performance in H1 set the stage for higher full year results

Key financials
H1 2022 – Supply & Trading

€ million	H1 2022	H1 2021	change
Adj. EBITDA	**545**	**525**	**20**
t/o non-recurring items	-	-	-
Depreciation	-19	-23	-44
Adj. EBIT	**526**	**502**	**24**
t/o non-recurring items	-	-	-
Gross cash investments[1]	**-20**	**-31**	**12**

Adj. EBITDA H1 2022 vs. H1 2021

+ Outstanding results from trading business

Adj. EBITDA Outlook 2022 vs. FY 2021

Outlook 2022
Significantly >€350m

– Outstanding result from trading business, but below extraordinary FY2021

- Long-term average earnings of ~€250 million

[1] Gross cash investments: Sum of investments in (in-)tangible and financial assets, loans to non-consolidated affiliates and capital measures.

Coal/Nuclear: Lower generation margins related to capacity closures

Key financials
H1 2022 – Coal/Nuclear

€ million	H1 2022	H1 2021	change
Adj. EBITDA	**501**	**545**	**-44**
t/o non-recurring items	-	-	-
Depreciation	-54	-130	76
Adj. EBIT	**447**	**415**	**32**
t/o non-recurring items	-	-	-
Gross cash investments[1]	**-86**	**-113**	**28**

Adj. EBITDA H1 2022 vs. H1 2021

- Lower generation margins mainly due to capacity closures partly compensated by related cost savings and short-term asset optimisation

Outlook 2022
€650m – €750m

Adj. EBITDA Outlook 2022 vs. FY 2021

- Lower generation margins due to capacity closures in nuclear and lignite partly compensated by related cost savings and higher generation volumes

[1] Gross cash investments: Sum of investments in (in-)tangible and financial assets, loans to non-consolidated affiliates and capital measures.

Economic net debt

Net assets / net debt (€ million)	30 Jun 2022	31 Dec 2021	+/-
Cash and cash equivalents	4,615	5,825	-1,210
Marketable securities	8,299	8,347	-48
Other financial assets	14,955	12,403	2,552
Financial assets	**27,869**	**26,575**	**1,294**
Bonds, other notes payable, bank debt, commercial paper	-12,907	-10,704	-2,203
Hedging of bond currency risk	16	-9	25
Other financial liabilities	-6,112	-7,090	978
Financial liabilities	**-19,003**	**-17.803**	**-1,200**
Plus 50% of the hybrid capital stated as debt	296	290	6
Net financial assets (including correction of hybrid capital)	**9,162**	**9,062**	**100**
Provisions for pensions and similar obligations	-1,077	-1,934	857
Surplus of plan assets over benefit obligations	838	459	379
Provisions for nuclear waste management	-5,899	-6,029	130
Provisions for dismantling wind and solar farms	-1,132	-1,198	66
Net assets (+) / net debt (–)	**1,892**	**360**	**1,532**

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
  - E.ON stake of 15%

Your contacts in Investor Relations

Important Links

- Annual and interim reports & statements
- Investor and analyst conferences
- IR presentations & factbooks
- IR videos
- Consensus of analysts' estimates

ADR programme available

Further information on our homepage
RWE shares/ADR

Contact for ADR-holders at BNY Mellon
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+1 201 680-6255 (from outside the US)
1-888-269-2377 (within the US)

Financial Calendar

- **10 November 2022**
  Interim statement on the first three quarters of 2022
- **21 March 2023**
  Annual report for fiscal 2022
- **04 May 2023**
  Annual General Meeting
- **11 May 2023**
  Interim statement on the first quarter of 2023
- **10 August 2023**
  Interim report on the first half of 2023

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