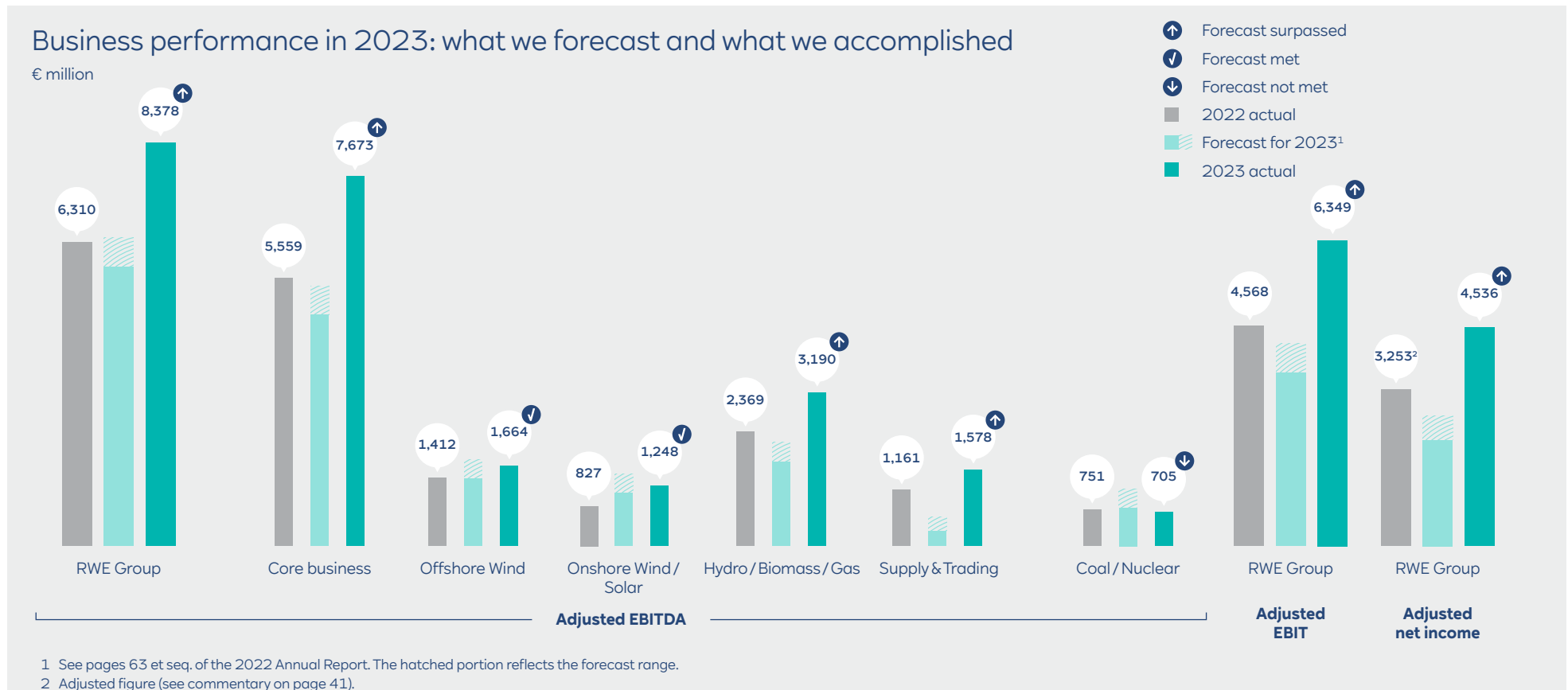


## 2.6 Business performance

Last year, our operating activities were so successful that we clearly exceeded the earnings forecast we had published at the beginning of 2023. Adjusted EBITDA totalled €8.4 billion, which was substantially higher than the expected range of €5.8 billion to €6.4 billion. This was due to our continued very strong trading performance and

significant income from the commercial optimisation of our power plant dispatch. We also easily surpassed the year-earlier figure. The commissioning of new wind and solar farms as well as our acquisition of Con Edison Clean Energy Businesses had a positive impact.



Power generation	Renewables		Pumped storage, batteries		Gas		Lignite		Hard coal		Nuclear		Total <sup>1</sup>	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
GWh														
Offshore Wind	10,963	10,203	-	-	-	-	-	-	-	-	-	-	10,963	10,203
Onshore Wind / Solar	28,460	19,011	-	-	-	-	-	-	-	-	-	-	28,460	19,011
Hydro / Biomass / Gas	5,789	6,269	158	52	42,061	51,507	-	-	4,212	7,241	-	-	52,418	65,264
of which:														
Germany	1,719	1,450	158	52	5,340	5,708	-	-	-	-	-	-	7,415	7,405
United Kingdom	582	519	-	-	27,829	38,464	-	-	-	-	-	-	28,411	38,983
Netherlands	3,488	4,300	-	-	6,033	4,821	-	-	4,212	7,241	-	-	13,733	16,362
Türkiye	-	-	-	-	2,859	2,514	-	-	-	-	-	-	2,859	2,514
Coal / Nuclear	29	16	-	-	99	186	34,285	50,019	-	-	3,207	11,883	37,860	62,316
<b>RWE Group</b>	<b>45,241</b>	<b>35,499</b>	<b>158</b>	<b>52</b>	<b>42,160</b>	<b>51,693</b>	<b>34,285</b>	<b>50,019</b>	<b>4,212</b>	<b>7,241</b>	<b>3,207</b>	<b>11,883</b>	<b>129,701</b>	<b>156,794</b>

1 Including production volumes not attributable to any of the energy sources mentioned (e.g. electricity from waste-to-energy plants).

**More electricity from renewables than coal for the first time.** Last year, RWE generated 129,701 GWh of electricity. Renewable energy sources contributed 35% of this total, surpassing coal (30%) for the first time in our corporate history. Generation volumes were 17% down on 2022. Production from our lignite-fired power stations decreased significantly. Unfavourable market conditions were a major factor. In addition, there were prolonged, unplanned outages for maintenance. Further volume shortfalls resulted from the German nuclear phaseout. As set out on page 39, we shut down Emsland, our last German nuclear power plant, on 15 April 2023.

Utilisation of our two Dutch hard coal and biomass-fired power stations in Amer and Eemshaven was also down on 2022 due to worsening market conditions for these assets and limited availability due to repair work. Electricity generation from natural gas varied by region. Volume reductions in the United Kingdom and Germany were contrasted by increases in the Netherlands and Türkiye. This development is due in part to local market conditions. Other factors included prolonged outages for maintenance in the UK and the first-time consideration of production volumes from our newly acquired Dutch power station, Magnum, which joined our fleet on 31 January 2023.

Power generation from renewables	Offshore Wind		Onshore Wind		Solar		Hydro		Biomass		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
GWh												
Germany	1,968	2,202	1,316	1,081	49	8	1,719	1,450	-	-	5,052	4,741
United Kingdom	8,799	7,813	1,799	1,866	-	-	185	158	398	360	11,181	10,197
Netherlands	-	-	990	892	26	26	20	15	3,467	4,285	4,503	5,218
Poland	-	-	1,255	1,153	29	2	-	-	-	-	1,284	1,155
France	-	-	321	111	-	-	-	-	-	-	321	111
Spain	-	-	963	880	254	81	-	6	-	-	1,217	967
Italy	-	-	1,022	973	-	-	-	-	-	-	1,022	973
Sweden	196	188	290	305	-	-	-	-	-	-	486	493
USA	-	-	11,423	10,330	8,118	742	-	-	-	-	19,541	11,072
Australia	-	-	-	-	476	468	-	-	-	-	476	468
Rest of the world	-	-	28	26	130	78	-	-	-	-	158	104
<b>RWE Group</b>	<b>10,963</b>	<b>10,203</b>	<b>19,407</b>	<b>17,617</b>	<b>9,082</b>	<b>1,405</b>	<b>1,924</b>	<b>1,629</b>	<b>3,865</b>	<b>4,645</b>	<b>45,241</b>	<b>35,499</b>

Our electricity generation from renewables rose by 27%. The single-largest gain came from solar. This was thanks to our acquisition of US energy firm Con Edison Clean Energy Businesses as of 1 March 2023, which we have included in our reporting since then. More detailed information on this transaction can be found on page 35. In the wind business, we registered 9% growth, which was primarily driven by more favourable weather conditions and the continued expansion of our generation capacities. 2023 was the first year our two North Sea wind farms Triton Knoll (857 MW) off the east coast of England and Kaskasi (342 MW) near Heligoland, Germany, had all their turbines online. Conversely, German offshore wind energy feed-ins had to be curtailed multiple times due to grid congestion.

In addition to our in-house generation, we procure electricity from suppliers outside of the Group. In 2023, these purchases amounted to 36,499 GWh (previous year: 43,168 GWh).

**Significantly more renewable generation capacity.** As of 31 December 2023, we had an installed power generation capacity of 44.4 GW, compared to 39.3 GW in the previous year. The increase was predominantly driven by our Growing Green strategy. We made significant progress thanks to the acquisition of Con Edison Clean Energy Businesses. This transaction added solar and wind farms with a total capacity of 2,726 MW and 341 MW to our portfolio, making us one of the leading renewables companies in the USA. In addition, we completed several solar and wind projects last year. Our conventional generation capacity also rose, albeit marginally. This was mainly due to the acquisition of the Dutch 1,386 MW gas-fired power station Magnum and the commissioning of the 300 MW grid stabilisation facility in Biblis. Conversely, we lost 1,336 MW in generation capacity due to the shutdown of our Emsland nuclear power plant.

By the end of 2023, renewables accounted for the largest share of our generation capacity (39%), with gas coming in second (36%). Our biggest source of renewable energy is wind (11.9 GW), followed by solar (4.2 GW), biomass (0.8 GW) and hydro (0.5 GW).

The geographic focus of our generation business is Germany, where 34 % of our installed capacity is located, followed by the United Kingdom in second place at 24 %. As a result of the acquisition of Con Edison Clean Energy Businesses, the USA advanced to third (20%). Taking renewable energy capacity alone, the United States takes the lead, with 47 %.

Installed capacity <sup>1</sup>	Renewables		Pumped storage, batteries		Gas		Lignite		Hard coal		Nuclear		Total <sup>2</sup>	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
As of 31 December, MW														
Offshore Wind	3,515	3,517	-	-	-	-	-	-	-	-	-	-	3,515	3,517
Onshore Wind / Solar	12,574	8,247	580	128	-	-	-	-	-	-	-	-	13,154	8,375
Hydro / Biomass / Gas	1,268	1,263	291	291 <sup>3</sup>	15,572	13,866 <sup>3</sup>	-	-	1,469	1,469	-	-	18,906	17,192 <sup>3</sup>
of which:														
Germany	377	377	291	291 <sup>3</sup>	4,127	3,827 <sup>3</sup>	-	-	-	-	-	-	4,848	4,545 <sup>3</sup>
United Kingdom	133	133	-	-	6,949	6,929	-	-	-	-	-	-	7,335	7,315
Netherlands	759	753	-	-	3,709	2,323	-	-	1,469	1,469	-	-	5,937	4,545
Türkiye	-	-	-	-	787	787	-	-	-	-	-	-	787	787
Coal / Nuclear	12	12	-	-	400	400	8,250	8,250	-	-	146	1,482	8,835	10,171
<b>RWE Group<sup>4</sup></b>	<b>17,370</b>	<b>13,039</b>	<b>878</b>	<b>426</b>	<b>15,975</b>	<b>14,269</b>	<b>8,250</b>	<b>8,250</b>	<b>1,469</b>	<b>1,469</b>	<b>146</b>	<b>1,482</b>	<b>44,420</b>	<b>39,265</b>

1 Figures reported in accordance with IFRS accounting, i.e. fully consolidated activities are recognised in full, whereas activities in which we own minority shareholdings are generally not recognised.

2 Including production capacity not attributable to any of the energy sources mentioned (e.g. electricity from waste-to-energy plants).

3 Adjusted figure; generation capacities of the Hydro / Biomass / Gas segment have been reassigned to the Supply & Trading segment.

4 Including insignificant capacity at RWE Supply & Trading.

Installed capacity based on renewables <sup>1</sup>	Offshore Wind		Onshore Wind		Solar		Hydro		Biomass		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
As of 31 December, MW												
Germany	940	940	750	689	45	19	376	376	1	1	2,111	2,024
United Kingdom	2,527	2,529	802	803	-	-	78	78	55	55	3,462	3,466
Netherlands	-	-	383	383	27	21	11	11	742	742	1,163	1,157
Poland	-	-	557	497	34	17	-	-	-	-	591	514
France	-	-	150	82	-	-	-	-	-	-	150	82
Spain	-	-	496	488	143	89	-	-	-	-	639	577
Italy	-	-	473	514	-	-	-	-	-	-	473	514
Sweden	48	48	124	116	-	-	-	-	-	-	172	164
USA	-	-	4,667	3,874	3,550	321	-	-	-	-	8,217	4,195
Australia	-	-	-	-	249	249	-	-	-	-	249	249
Rest of the world	-	-	10	10	134	88	-	-	-	-	144	98
<b>RWE Group</b>	<b>3,515</b>	<b>3,517</b>	<b>8,411</b>	<b>7,455</b>	<b>4,181</b>	<b>804</b>	<b>465</b>	<b>465</b>	<b>798</b>	<b>798</b>	<b>17,370</b>	<b>13,039</b>

1. Figures reported in accordance with IFRS accounting, i.e. fully consolidated activities are recognised in full, whereas activities in which we own minority shareholdings are generally not recognised. Commercial rounding can result in inaccurate sum totals.

**Carbon dioxide emissions down 27%.** Carbon dioxide emissions from power generation declined by 27% to 60.6 million metric tons compared to 2022. The main reason for this was that utilisation of our coal and gas power stations was down considerably on the previous year. Specific emissions, i.e. the amount of carbon dioxide emitted per megawatt hour of electricity generated, decreased from 0.53 metric tons to 0.46 metric tons. In addition to lower generation volumes from coal, the increased usage of climate-friendly generation technologies, i.e. wind and solar, came to bear here. In contrast, the shutdown of our last German nuclear power station Emsland eliminated some of our zero-carbon generation.

CO <sub>2</sub> emissions of our power stations	2023	2022	+/-
Million metric tons			
Hydro / Biomass / Gas	18.9	24.2	-5.3
of which:			
Germany	2.2	2.4	-0.2
United Kingdom	10.2	13.9	-3.7
Netherlands	5.5	7.0	-1.5
Türkiye	1.0	0.9	0.1
Coal / Nuclear	41.7	58.8	-17.1
<b>RWE Group</b>	<b>60.6</b>	<b>83.0</b>	<b>-22.4</b>

**48.2 million metric tons of lignite produced.** We procure most of the fuel we need to generate electricity on international trading markets. However, lignite is sourced from proprietary opencast mines. In our Rhenish mining area west of Cologne, we produced 48.2 million metric tons of lignite last year. This was 17.1 million metric tons less than in 2022, owing to the marked decline in electricity generated by our lignite-fired power stations. We used the lion's share, or 40.5 million metric tons, of the mined lignite to generate electricity. The remainder went towards manufacturing refined products (e.g. lignite powder and hearth furnace coke) and, to a limited extent, to generating process steam and district heat.

**Electricity sales down 18% year on year.** In fiscal 2023, we sold 159,679 GWh of electricity and 42,391 GWh of gas. These volumes are largely attributable to the company RWE Supply & Trading, which markets most of the electricity generated by our power stations externally and is responsible for the gas business. We sold 18% less of our main product, electricity, than in 2022, which reflected the decline in generation volumes. Deliveries in the gas business rose by 7%. This was due in part to the acquisition of renewable energy company Con Edison Clean Energy Businesses, which sells gas via a subsidiary to a limited extent. The rise was countered by a fall in demand from some of the key accounts we supply due to persistently high energy prices.

**Electricity and gas revenue clearly down.** Our external revenue (excluding natural gas tax / electricity tax) was down 26%, amounting to €28,566 million. Electricity revenue dropped by 19% to €25,082 million – largely due to a decrease in sales. Gas revenue declined by 62% to €1,750 million, predominantly as a result of lower prices.

At 20%, the share of our coal-related revenues was slightly higher than the previous year, although we produced much less electricity from coal, and carbon dioxide emissions decreased accordingly. This was because we realised higher prices above all from forward sales of electricity produced by our coal-fired power stations, which offset the volume effect.

External revenue <sup>1</sup> € million	2023	2022	+ / -
Offshore Wind	1,202	1,449	- 247
Onshore Wind / Solar	2,295	2,233	62
Hydro / Biomass / Gas	1,280	1,830	- 550
Supply & Trading	22,989	31,959	- 8,970
Other, consolidation	-	-	-
<b>Core business</b>	<b>27,766</b>	<b>37,471</b>	<b>- 9,705</b>
Coal / Nuclear	800	944	- 144
<b>RWE Group</b>	<b>28,566</b>	<b>38,415</b>	<b>- 9,849</b>
of which:			
Electricity revenue	25,082	31,076	- 5,994
Gas revenue	1,750	4,633	- 2,883

1. Excluding natural gas tax / electricity tax. Some prior-year figures restated; see commentary on page 41.

Adjusted EBITDA € million	2023	2022	+/-
Offshore Wind	1,664	1,412	252
Onshore Wind / Solar	1,248	827	421
Hydro / Biomass / Gas	3,190	2,369	821
Supply & Trading	1,578	1,161	417
Other, consolidation	-7	-210	203
<b>Core business</b>	<b>7,673</b>	<b>5,559</b>	<b>2,114</b>
Coal / Nuclear	705	751	-46
<b>RWE Group</b>	<b>8,378</b>	<b>6,310</b>	<b>2,068</b>

**At €8.4 billion, adjusted EBITDA clearly exceeds expectations.** Our adjusted earnings before interest, taxes, depreciation and amortisation (adjusted EBITDA) amounted to €8,378 million. This is more than we had forecast. The outlook which was drawn up in March 2023 and published on pages 63 et seq. of the 2022 Annual Report envisaged a range of €5.8 billion to €6.4 billion. We raised this forecast in July 2023 to between €7.1 billion and €7.7 billion. This new range was, again, exceeded. The fact that we performed much better than planned is due to the strong income from energy trading and commercial optimisation of power plant dispatch. Adjusted EBITDA posted by our core business amounted to €7,673 million. Our forecast in March envisaged this figure being between €4.8 billion and €5.4 billion. In the Coal / Nuclear segment, which does not form part of our core business, we recorded €705 million. We had forecast €0.8 billion to €1.2 billion.

Compared to the preceding year, our adjusted EBITDA improved by 33%, driven in part by the aforementioned factors. What also came to bear was the impairment that we had to recognise for coal purchasing agreements with Russian producers which had weighed on 2022 earnings (see page 38 of the 2022 Annual Report). In addition, we benefited from the

first-time recognition of Con Edison Clean Energy Businesses, acquired on 1 March 2023, as well as the commissioning of new wind and solar farms. Earnings contributed by German transmission system operator Amprion (RWE stake: 25.1%) reported in 'other, consolidation' were exceptionally high due to a federal subsidy. The state funds are to cover additional expenses for system-related services, some of which have not been incurred yet.

The following developments were observed in the segments:

- **Offshore Wind:** At €1,664 million, adjusted EBITDA was within the forecast range of €1.4 billion to €1.8 billion and recorded an 18% gain compared to 2022 (€1,412 million). Wind levels were more favourable than in the prior year, especially at our UK offshore sites. In addition, electricity volumes which are not subject to guaranteed remuneration agreements and which we traded on the forward market, sold well. Our Kaskasi wind farm (342 MW) in the North Sea increased its contribution to earnings, as this was the first full year all its turbines were online. Increased operating and development costs weighed on earnings.
- **Onshore Wind / Solar:** In this segment, adjusted EBITDA totalled €1,248 million, confirming our outlook which envisaged a range of €1.1 billion to €1.5 billion. The year-earlier figure (€827 million) was exceeded by 51%. This was mainly due to the takeover of Con Edison Clean Energy Businesses: the company's business activities, acquired on 1 March 2023, contributed €420 million to adjusted EBITDA. Capital gains from the sale of equity holdings in Italy among other things, as well as the commissioning of new wind and solar farms had a positive effect. However, realised electricity prices failed to match 2022 levels. Furthermore, operating and development costs increased.

- **Hydro / Biomass / Gas:** Here, we registered adjusted EBITDA of €3,190 million, clearly exceeding the projected range of €1.75 billion to €2.15 billion. Due to the volatility of the energy markets, we achieved unusually high earnings from the commercial optimisation of our power plant dispatch. This was one of the reasons why adjusted EBITDA was also up on the previous year (€2,369 million). Higher margins on electricity forward sales were another contributing factor. Moreover, we realised capital gains on the sale of former plant premises.
- **Supply & Trading:** Our energy trading performance clearly exceeded expectations yet again. Adjusted EBITDA recorded by this segment totalled €1,578 million, easily surpassing the forecast range of €0.3 billion to €0.6 billion. We also registered a substantial gain compared to the previous year (€1,161 million). One particular factor reflected here is that the previous year's figure was curtailed by the aforementioned impairment of €748 million recognised for contracts relating to hard coal purchases from Russia.
- **Coal / Nuclear:** At €705 million, adjusted EBITDA was below the forecast range of €0.8 billion to €1.2 billion. During the year under review, our lignite-fired power stations were faced with less favourable market conditions than anticipated. We were therefore forced to accept a significant decline in earnings for the portion of generated power that had not been hedged in advance. This was also one of the reasons we closed fiscal 2023 down on the previous year's figure (€751 million). Prolonged planned and unplanned outages for maintenance work also came to bear. In addition, the Emsland nuclear power station only contributed to earnings until it was shut down on 15 April 2023. The fact that we sell most of our electricity forward at an early stage had a positive impact as these margins proved to be higher than in the previous year.

Adjusted EBIT € million	2023	2022	+/-
Offshore Wind	1,010	836	174
Onshore Wind / Solar	535	370	165
Hydro / Biomass / Gas	2,678	2,005	673
Supply & Trading	1,520	1,111	409
Other, consolidation	-8	-210	202
<b>Core business</b>	<b>5,735</b>	<b>4,112</b>	<b>1,623</b>
Coal / Nuclear	614	456	158
<b>RWE Group</b>	<b>6,349</b>	<b>4,568</b>	<b>1,781</b>

**Adjusted EBIT 39% up year on year.** The RWE Group's adjusted EBIT advanced by €1,781 million, or 39%, to €6,349 million. We had forecast a figure between €3.6 billion and €4.2 billion in March 2023. This substantial improvement was driven by the same factors as adjusted EBITDA. The difference between these two key figures is that operating depreciation and amortisation, which totalled €2,029 million (previous year: €1,742 million), is included in adjusted EBIT, but not in adjusted EBITDA.



Reconciliation to net income € million	2023	2022	+/-
<b>Adjusted EBIT</b>	<b>6,349</b>	<b>4,568</b>	<b>1,781</b>
Adjusted financial result	-495	-417 <sup>1</sup>	-78
Non-operating result	-1,848	-3,436 <sup>1</sup>	1,588
<b>Income before tax</b>	<b>4,006</b>	<b>715</b>	<b>3,291</b>
Taxes on income	-2,409	2,277	-4,686
<b>Income</b>	<b>1,597</b>	<b>2,992</b>	<b>-1,395</b>
of which:			
Non-controlling interests	147	275	-128
<b>Net income / income attributable to RWE AG shareholders</b>	<b>1,450</b>	<b>2,717</b>	<b>-1,267</b>

1 Adjusted figure; see commentary on page 41.

**Reconciliation to net income dominated by negative exceptional effects.** The reconciliation from adjusted EBIT to net income was characterised by a notable increase in the non-operating result, which had been weighed down by significant temporary losses from the valuation of derivatives the year prior. We present the development of the reconciliation items below.

The adjusted financial result declined by €78 million to -€495 million. The rise in market interest rates triggered a number of developments, which largely netted each other out. The components of the financial result changed as follows:

- Net interest declined by €78 million. In part this was because we had to redeem more RWE bonds than in the preceding year due to new issuances. We were also faced with elevated short-term financing costs. However, we also achieved higher income on bank deposits.

Adjusted financial result € million	2023	2022	+/-
Interest income	695	356	339
Interest expenses	-998	-581	-417
<b>Net interest</b>	<b>-303</b>	<b>-225</b>	<b>-78</b>
Interest accretion to non-current provisions	-465	-149	-316
Other financial result	273	-43 <sup>1</sup>	316
<b>Adjusted financial result</b>	<b>-495</b>	<b>-417<sup>1</sup></b>	<b>-78</b>

1 Adjusted figure; see commentary on page 41.

- Burdens on earnings from the interest accretion to non-current provisions rose by €316 million. In addition to higher interest rates, the larger volume of provisions compared to the previous year also came to bear.
- The other financial result improved by €316 million. In the year under review, we no longer had to pay negative interest rates for our bank deposits. Furthermore, the return on our investments in money market funds increased.

Non-operating result € million	2023	2022	+/-
<b>Adjustments to EBIT</b>	<b>-1,867</b>	<b>-4,680</b>	<b>2,813</b>
of which:			
Disposal result	121	-	121
Effects on income from the valuation of derivatives	1,386	-4,195	5,581
Other	-3,374	-485	-2,889
<b>Adjustments to financial result</b>	<b>19</b>	<b>1,244<sup>1</sup></b>	<b>-1,225</b>
<b>Non-operating result</b>	<b>-1,848</b>	<b>-3,436<sup>1</sup></b>	<b>1,588</b>

1 Adjusted figure; see commentary on page 41.

The non-operating result, in which we recognise material factors which are not related to operations or the period being reviewed, amounted to –€1,848 million (previous year: –€3,436 million). Its main items developed as follows:

- The adjustments made to EBIT curtailed earnings by €1,867 million. In the prior year, we recorded a much more significant loss (–€4,680 million), which could primarily be traced back to timing effects on earnings from the valuation of derivatives. In the year under review, such effects led to income of €1,386 million. The result reported in the ‘other’ line item dropped to –€3,374 million. Impairments recognised for lignite units and opencast mines (–€1.1 billion) as well as for our Dutch power plants (–€0.6 billion) played a major role. They were necessary because the market conditions for these activities deteriorated. We reversed the write-backs that we had recognised last year when earnings prospects looked brighter. Increased provisions for impending losses for long-term power purchase agreements weighed on earnings. Unlike in 2022, we recorded capital gains in the non-operating result (€121 million). This was due to the sale of RWE Gas Storage CZ, on which we report on page 37.

- At €19 million, adjustments to the financial result had little impact. The previous year’s figure was significantly higher due to one-off effects (€1,244 million): an increase in discount rates used to calculate mining and nuclear provisions reduced the present value of obligations, which had a positive effect on earnings.

Income before tax amounted to €4,006 million (previous year: €715 million). Taxes on income resulted in a charge of €2,409 million after the tax gain of €2,277 million in 2022. The effective tax rate for 2023 was thus 60%. This figure is significantly higher than the budgeted rate of 20% which we established, having taken account of projected income in our markets, local tax rates, and the use of loss carryforwards. The discrepancy is due to the fact that we wrote off deferred tax assets. These are claims for future tax relief resulting from differences in the recognition and / or valuation of assets and liabilities between the tax and IFRS balance sheets. Recognising them is subject to the prerequisite that taxable profits arise in future fiscal periods which allow the tax reduction to be used. This is currently not foreseeable for RWE AG’s tax group. The write-downs reversed the write-backs from the previous year, when we had expected to be able to utilise the deferred taxes.

Non-controlling interests declined by €128 million to €147 million, driven mainly by reduced after-tax earnings from UK offshore wind farms in which third parties own minority shareholdings.

Our net income, which reflects income attributable to RWE shareholders, amounted to €1,450 million, which was markedly down on the previous year (€2,717 million).

Reconciliation to adjusted net income <sup>1</sup> € million	2023	2022	+/-
Income before financial result and taxes	4,482	-112	4,594
Adjustments to EBIT	1,867	4,680	-2,813
<b>Adjusted EBIT</b>	<b>6,349</b>	<b>4,568</b>	<b>1,781</b>
Financial result	-476	827	-1,303
Adjustments to financial result	-19	-1,244	1,225
Taxes on income	-2,409	2,277	-4,686
Adjustments to taxes on income to a tax rate of 20% (2023) or 15% (2022)	1,238	-2,900	4,138
Non-controlling interests	-147	-275	128
<b>Adjusted net income</b>	<b>4,536</b>	<b>3,253</b>	<b>1,283</b>

1. Some prior-year figures restated; see commentary on page 41.

**Adjusted net income higher than expected.** Adjusted net income came to €4,536 million. Due to the unexpectedly positive earnings of our operating activities, it was far above the guided range of €2.2 billion to €2.7 billion. The prior-year figure of €3,253 million was also exceeded. To calculate adjusted net income, first we deducted the non-operating result from the reconciliation statement. Then, instead of applying the actual tax rate we used the aforementioned budgeted rate of 20%.

Adjusted net income per share totalled €6.10, based on 743.8 million shares. The previous year's figure (€4.71) was calculated based on 691.2 million shares as the new shares from the conversion of the mandatory convertible bond issued to Qatar Holding on 10 October 2022 were taken into account on a prorated basis as per IFRS.

Capital expenditure on property, plant and equipment and on intangible assets <sup>1</sup> € million	2023	2022	+/-
Offshore Wind	1,349	1,029	320
Onshore Wind / Solar	2,709	1,580	1,129
Hydro / Biomass / Gas	610	424	186
Supply & Trading	151	42	109
Other, consolidation	-	-	-
<b>Core business</b>	<b>4,819</b>	<b>3,075</b>	<b>1,744</b>
Coal / Nuclear	327	228	99
<b>RWE Group</b>	<b>5,146</b>	<b>3,303</b>	<b>1,843</b>

1. Table only shows cash investments.

Capital expenditure on financial assets and acquisitions <sup>1</sup> € million	2023	2022	+/-
Offshore Wind	133	847	-714
Onshore Wind / Solar	4,173	256	3,917
Hydro / Biomass / Gas	431	68	363
Supply & Trading	95	9	86
Other, consolidation	-	1	-1
<b>Core business</b>	<b>4,832</b>	<b>1,181</b>	<b>3,651</b>
Coal / Nuclear	1	-	1
<b>RWE Group</b>	<b>4,833</b>	<b>1,181</b>	<b>3,652</b>

1. Table only shows cash investments.

**Marked increase in capital expenditure on renewable energy.** In the past fiscal year, our capital spending totalled €9,979 million, which is more than twice as much as in 2022 (€4,484 million). 69% of the funds were used for our Onshore Wind / Solar segment, 15% went to Offshore Wind and 10% was allocated to Hydro / Biomass / Gas.

We spent €5,146 million on property, plant and equipment and intangible assets (previous year: €3,303 million). Wind and solar projects in Europe and the USA received the bulk of these funds. The single-largest expenditure item was the construction of the Sofia offshore wind farm in the British North Sea. We also invested in the establishment of LNG and hydrogen infrastructure in Germany.

Our capex on acquisitions and financial assets was exceptionally high, totalling €4,833 million (previous year: €1,181 million). We used the lion's share of this sum to acquire Con Edison Clean Energy Businesses. Additional funds were dedicated to financing the acquisition of UK solar developer JBM Solar and Dutch gas-fired power plant Magnum. We have provided information on these transactions on page 35 et seq.

In the year under review, 89% of our capital expenditure was taxonomy-aligned, meaning that these funds were spent on projects classified as sustainable according to the EU Taxonomy Regulation. This proportion was higher than in 2022 (83%), which was attributable to the acquisition of Con Edison Clean Energy Businesses. This percentage is based on total capital expenditure of €11,997 million. The amount differs from the above figure (€9,979 million) because non-cash transactions are also taxonomy-relevant and we consider the resulting additions to assets rather than associated acquisition expenditure.

Workforce <sup>1</sup>	31 Dec 2023	31 Dec 2022	+/-
Offshore Wind	2,388	1,663	725
Onshore Wind / Solar	3,392	2,509	883
Hydro / Biomass / Gas	3,196	2,691	505
Supply & Trading	1,971	1,965	6
Other <sup>2</sup>	544	499	45
<b>Core business</b>	<b>11,491</b>	<b>9,327</b>	<b>2,164</b>
Coal / Nuclear	8,644	8,983	- 339
<b>RWE Group</b>	<b>20,135</b>	<b>18,310</b>	<b>1,825</b>

1 Converted to full-time equivalents.

2 This item exclusively comprises employees of the holding company RWE AG.

**Headcount significantly higher thanks to green growth.** As of 31 December 2023, the RWE Group had 20,135 people on its payroll, of which 13,385 were employed in Germany and 6,750 worked abroad. These figures are full-time equivalents, meaning that part-time positions are considered on a pro-rata basis. Headcount grew significantly compared to the end of 2022, rising by 1,825 full-time equivalents at the Group level and by as many as 2,164 in the core business. The acquisition of Con Edison Clean Energy Businesses (+ 471) played a major role. Furthermore, our growth projects created new jobs, above all in the renewable energy and hydrogen business. The sale of the Czech gas storage business had a counteracting effect (- 261). The increase in personnel in the core business was contrasted by a decline in the Coal / Nuclear segment (- 339) where our employees accepted partial and early retirement offers, many doing so as part of the German coal phaseout.

Personnel figures do not include apprentices. At the end of 2023, 707 young people were learning a profession at RWE, compared to 742 in the previous year.