

Check against delivery

**Michael Müller:**

Ladies and Gentlemen,

Welcome to our press conference on the first quarter of 2023.

RWE has made a good start to the year. You will already have seen that from our preliminary earnings published two weeks ago. In the first quarter of 2023 we achieved adjusted EBITDA of around EUR 2.8 billion. Our earnings are thus significantly higher year-on-year. That also applies to our adjusted net income, which amounted to EUR 1.7 billion.

Two factors in particular played a key role in this earnings trend:

- First: Increased earnings from international power generation in the Hydro/Biomass/Gas segment.
- Second: A one-off effect in the Supply & Trading segment did not recur.

We are also constantly commissioning new wind and solar plants. And that's paying off. Our acquisitions have also had a positive impact, especially our purchase in the US, which has been contributing to earnings since the beginning of March.

Overall, thanks to organic growth and acquisitions, we expanded our green portfolio by 7 gigawatts compared to the first quarter of 2022, 4.9 gigawatts of which were added between January and March this year:

- 3.1 gigawatts thanks to the acquisition of Con Edison Clean Energy Businesses,
- 1.4 gigawatts due to the purchase of the Magnum gas-fired power station in the Netherlands – a state-of-the-art hydrogen-ready plant,
- 300 megawatts at the grid stability plant in Biblis,
- and we also commissioned a number of smaller wind and solar facilities.

The growth in our core business is also reflected in our electricity production. In the first three months of 2023, we generated 14% more electricity from renewables than in the same quarter last year. On the basis of our good performance, we confirm our outlook for 2023 as a whole. Our target dividend of 1 euro per share for the current fiscal year also remains unchanged. Compared to the dividend just paid out for 2022, that's an increase of 10 cents per share.

Our business performance shows that, despite the challenges posed by the energy crisis, which we are helping combat with a number of measures, we are continuing to focus successfully on rigorously implementing our Growing Green strategy.

Now let's come to the segments:

In the **Offshore Wind** segment, we achieved adjusted EBITDA of EUR 473 million in the first quarter. The year-on-year increase can be attributed mainly to the commissioning of new capacities – our German offshore wind farm Kaskasi and the British offshore wind farm Triton Knoll.

In the **Onshore Wind/Solar** segment, adjusted EBITDA was EUR 247 million, which is down on the previous year. The main reason for this are lower realised electricity prices. Electricity prices have fallen on the spot market in 2023 compared to 2022. By contrast, the contribution to earnings from our business activities in the US, which have been fully consolidated since 1 March 2023, as well as the newly commissioned wind and solar plants, had a positive effect.

In the **Hydro/Biomass/Gas** segment, on the other hand, adjusted EBITDA grew strongly to about EUR 1.2 billion, which was mainly the result of higher earnings from short-term optimisation of the dispatch of our international generation portfolio and higher generation margins.

There were also other positive factors:

- In the Netherlands, the 1.4-gigawatt Magnum gas-fired power station has been part of our power plant portfolio since 1 February.
- Claus C, our second large-scale gas-fired power plant in the Netherlands, generated electricity throughout the first quarter. During the same period last year, the plant was largely out of service because of turbine damage.
- In addition, we made profits from the sale of two former power station sites in the United Kingdom.

In the **Supply & Trading** segment, we achieved adjusted EBITDA of EUR 289 million. Earnings in the same period last year were negative, since sanctions on coal deliveries from Russia led to an impairment of about EUR 850 million.

In the first quarter of 2023, the **Coal/Nuclear** segment achieved adjusted EBITDA of EUR 496 million, which represents an increase year-on-year. This can be attributed mainly to improved margins. Electricity production was sold forward, at higher prices than last year.

Ladies and Gentlemen,

We are forging ahead at a high pace on implementing our Growing Green strategy. This is also reflected in our investments. In the first quarter of 2023, we already invested EUR 8 billion. This is EUR 7.4 billion more than in the same period last year.

What is the reason for this leap in investments?

A large portion of our investments, EUR 6.3 billion, went into the purchase of Con Edison Clean Energy Businesses in the US. In addition, there were the acquisitions of British solar developer JBM Solar and the Magnum gas-fired power station in the Netherlands. We spent about EUR 600 million net on building new wind power and solar facilities. The largest individual project is our British "Sofia" offshore wind farm.

Along with our portfolio, Team RWE has also grown strongly. Since the end of March 2022, we have welcomed about 1,900 new colleagues worldwide to our core business, most of them in the renewables segments. This shows how attractive RWE is as an employer. About 600 employees joined RWE within the context of the acquisitions I just mentioned. Our team is doing excellent work and is continuing to drive forward the expansion of our green portfolio. All in all, we currently have new plants with an installed capacity of 6.8 gigawatts under construction.

We are making good progress on our two offshore projects in the UK and Denmark.

- Sofia is our largest project under construction at present. This wind farm in the UK North Sea has a capacity of 1.4 gigawatts and is expected to be commissioned in 2026. The offshore installation work will begin before the end of this year. Having equipped three turbines at Kaskasi with the world's first recyclable rotor blades, we are now going a step further at Sofia. We fit a total of 44 out of 100 turbines with recyclable rotor blades. That's the maximum possible number in view of the current market capacities for the novel special resin used. This resin enables the rotor blades to later be separated into their individual components and the composite materials to be reused after the end of the lifecycle. We are forging ahead with new technologies since we don't just want to grow profitably – we also want to set new standards in innovation and sustainability.
- Ground was broken on the land-side activities for our Danish Thor offshore wind farm last week. First, we will build the onshore substation. Offshore work will then start in 2025. We already selected the supplier for all main components at the end of April. Here, too, sustainability is one of our top priorities. RWE is the first project developer worldwide to install Siemens Gamesa's Greener Towers. The steel panels in these towers are made of more environmentally friendly steel, with carbon emissions during the production process being reduced by at least 63% compared to conventional steel. Thor will have a capacity of 1 gigawatt and is Denmark's largest offshore project to date.

When it goes into operation, by the end of 2027 at the latest, the wind farm will be able to supply the equivalent of more than a million, or one in three, Danish households.

In the area of onshore wind, we are currently constructing 17 projects in Germany, France, the United Kingdom, Italy, Poland, Spain, Sweden, and the US with a total capacity of over 600 megawatts. These include our 200-megawatt project Montgomery Range in Texas and Enoch Hill in the UK with 70 megawatts.

We recently signed a framework agreement with Siemens Gamesa for the majority of the onshore wind projects in our European pipeline. The contract has a total volume of one gigawatt – that’s more than 160 powerful turbines in a period of five years from 2024.

This means we are securing the turbines now, and at costs we can budget for. Considering the difficulties in the supply chains, that’s an advantage we should not underestimate, as it gives us a guarantee that we can deliver on our expansion targets. What’s more, pre-selecting the turbines speeds up the development process. That’s an important factor in a market characterised by many small-scale projects.

At 2.7 gigawatts of total capacity, solar energy is currently at the centre of our new-build activities. The primary focus here is on the US, where we are constructing 2.3 gigawatts at large-scale ground-mounted systems of up to 300 megawatts.

In Europe too, we are significantly expanding our solar portfolio. The projects here are naturally smaller. Over 20 solar projects with a total of 400 megawatts are currently under construction.

We also want to significantly expand our global battery storage portfolio, to 3 gigawatts by 2030. At present, we have a total of 900 megawatts in the US, Germany, and the Netherlands under construction.

In an auction at the beginning of May, we secured a 14-year energy supply contract in Australia for our Limondale battery storage facility. The facility is to be built in close proximity to our existing large solar farm. The battery storage system will be able to feed 50 megawatts per hour into the grid over an eight-hour period.

Ladies and Gentlemen,

RWE has made a good start to the year, with strong earnings in the first quarter.

Our investments in new green generation plants are paying off. With our acquisitions in the US, the United Kingdom, and the Netherlands, we completed three major transactions in the first three months of the year. We will also be investing additional billions in our organic growth.

All of this is solidly financed.

Our project pipeline is well filled, enabling us to build additional solar and wind power facilities in our core markets. As the year progresses, we will participate with our projects in numerous auctions. This opens up additional opportunities for further growth.

I now look forward to taking your questions.

**Forward-looking statements**

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