

# RWE

## Interim report on the first half of 2022

H1 adjusted net income rises to €1.6 billion // Nearly 30% more electricity from wind // Heavy burdens from halt to Russian coal deliveries // Full-year earnings forecast raised // RWE expects adjusted net income of €2.1 billion to €2.6 billion for 2022

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## At a glance

<b>RWE Group – key figures</b>		Jan – Jun 2022	Jan – Jun 2021	+/-	Jan – Dec 2021
Power generation <sup>1</sup>	GWh	77,752	78,404	-652	160,753
External revenue (excluding natural gas tax/ electricity tax)	€ million	16,188	8,448	7,740	24,526
Adjusted EBITDA	€ million	2,858	1,751	1,107	3,650
Adjusted EBIT	€ million	2,104	1,042	1,062	2,185
Income before tax	€ million	2,577	1,522	1,055	1,522
Net income / income attributable to RWE AG shareholders	€ million	2,083	1,432	651	721
Adjusted net income	€ million	1,566	870	696	1,569
Cash flows from operating activities	€ million	2,905	5,012	-2,107	7,274
Capital expenditure	€ million	2,154	2,004	150	3,769
Property, plant and equipment and intangible assets	€ million	1,293	2,012	-719	3,689
Financial assets	€ million	861	-8	869	80
Proportion of taxonomy-eligible investments <sup>2</sup>	%	88	-	-	88
Free cash flow	€ million	792	3,405	-2,613	4,562
Number of shares outstanding	thousands	676,220	676,220	-	676,220
Earnings per share	€	3.08	2.12	0.96	1.07
Adjusted net income per share	€	2.32	1.29	1.03	2.32
		30 Jun 2022			31 Dec 2021
Net assets (+) / net debt (-)	€ million	1,892	-	-	360
Workforce <sup>3</sup>		18,201	-	-	18,246

1 Prior-year figures adjusted (see page 16).

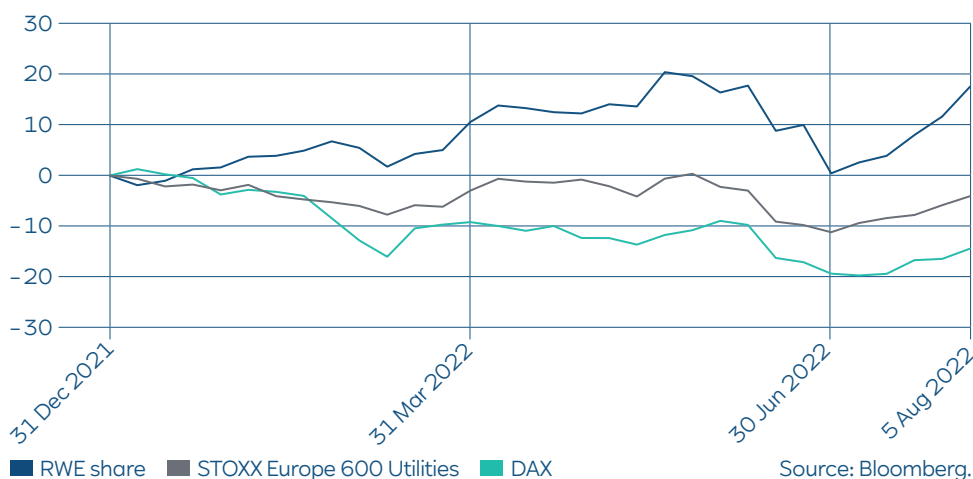
2 Taxonomy-eligible economic activity consists of operations which are subject to criteria under the EU Taxonomy Regulation – irrespective of whether the criteria are met; see commentary on pages 34 et seq. of the 2021 Annual Report.

3 Converted to full-time positions.

## RWE on the capital market

### Total return of the RWE share compared with the DAX and STOXX Europe 600 Utilities

% (average weekly figures)



**War in Ukraine and increased interest rates dampen sentiment on stock markets.** In 2022, the DAX experienced its weakest first half since the financial crisis in 2008. In the first six months of the year, Germany's blue-chip index plummeted by more than 3,100 points to 12,784 points, losing a fifth of its value in the process. The main reason for this weak performance was Russia's invasion of Ukraine. The conflict plunged Germany and various other European states into a deep energy crisis as the sharp decline in fuel imports from Russia pushed up the already high commodity prices, triggering fears over security of supply. Inflation, driven by the energy shortage, further dampened stock market sentiment, leading to concerns that the European Central Bank (ECB) might abandon its loose

monetary policy, which had largely contributed to the buoyant stock markets in recent years. Expectations were confirmed when ECB president Christine Lagarde announced a base rate rise in early June, which took effect in July. Leading economic research institutes have made significant downward adjustments to their initially optimistic economic forecasts for 2022.

**RWE share defies challenging market conditions.** In the first half of 2022, the RWE share was one of the strongest stocks in the DAX portfolio. At the end of June, it was quoted at €35.08 which was only slightly below the closing share price of 2021 (€35.72). Taking May's dividend payment of €0.90 into account, the overall share performance was even slightly positive, with the result that our share succeeded in distancing itself from the STOXX Europe 600 Utilities (- 11%). Financial analysts confirmed RWE's good earnings prospects despite the difficult environment. This is helped by the fact that countries such as Germany and the UK intend to move up a gear in their expansion of renewable energy – not least to rapidly reduce their reliance on fossil fuels. This leaves analysts even more confident that we can achieve our ambitious growth targets in our green core business. Improved realised generation margins also had a positive impact. However, concerns that Russia could stop gas supplies weighed heavily on the share's performance. This was particularly notable in the middle of the year, when gas flows through the Nord Stream 1 pipeline occasionally dropped to zero during maintenance work.

## Business environment

### Regulatory framework

**Europe plans to become more independent of Russian energy – EU Commission presents REPowerEU.** Since February 2022, the political and economic developments on energy markets have been dominated by the Ukraine crisis. Declining commodity supplies from Russia have caused prices to leap to record highs and prompted various European countries to introduce measures to secure energy supplies. The EU, too, responded quickly to the new political situation. In May, the EU Commission presented its REPowerEU package, fleshing out its strategy for delivering an environmentally friendly energy supply which is independent of Russia. The package is centred around driving the expansion of renewables, which shall now be increased to cover 45% of primary energy consumption in the EU by 2030; the target is currently still set at 32%. With regard to photovoltaics, the EU is aiming for a total capacity of more than 320 GW by 2025, before increasing it again to 600 GW by 2030. The EU also wants to step up the build-out of the hydrogen economy, especially in transport and industry. By 2030, annual production of green hydrogen within the EU should hit 10 million metric tons with imports matching this figure, too. According to the Commission's plans, Europe's future gas supply will increasingly draw on overseas imports of liquefied natural gas (LNG). The Commission has also proposed that the EU's recovery package, which was devised during the Corona crisis, be bolstered by around €20 billion. The earmarked funds are to be raised by selling emission allowances from the market stability reserve. European heads of state pledged their support at the end of May. Next, the Commission will develop the necessary legislative proposals, which will then have to be approved by the European Parliament and Council.

**Saving gas out of solidarity in the EU.** In late July, the EU member states reached a political agreement to reduce gas consumption by 15% in the period between 1 August 2022 and 31 March 2023 versus the average of the last five years. The reductions will help prevent gas shortages in member states that are reliant on Russian gas, in particular. Precisely how this reduced consumption will be implemented is left to the individual member states. Where possible, households and important critical infrastructure facilities should remain exempt. The reduction targets can be made legally binding, subject to certain criteria. This would need to be approved by the Council of Ministers. Countries such as Spain and Portugal that aren't connected to the European gas grid can apply for exemptions from the cuts.

**German government activates emergency gas plan.** The German government, too, has adjusted its energy strategy. One of the first measures in March 2022, following the invasion of Ukraine, was activating the 'Emergency Plan for Gas', which is based on an EU regulation and has been around since 2019. The plan has three phases: the first was invoked on 30 March, followed by the second on 23 June. Phase 1 (the Early Warning Level) is activated when a significant drop in gas supply is possible. The country enters phase 2 (Alert Level) when gas supply is disrupted. To enter the third phase (Emergency Level), which has not yet been activated, there has to be a significant drop in gas deliveries, which the market is not able to withstand. The German government would then be authorised, at its discretion, to intervene and initiate gas rationing, if necessary.

**German Energy Security Act reform.** Germany's Upper and Lower Houses of Parliament passed a reform of the Energy Security Act (EnSiG) in May and July. The law has been in force since 1975, and its amendment will give the government additional crisis management tools. The changes allow the state to place energy companies under trusteeship or even expropriate them, if they do not perform their duties as part of the critical infrastructure, and therefore present a risk to security of supply. Companies that run into financial difficulties can now be supported by the government. Section 24 of the Act also gives the Federal Network Agency the authority to introduce a statutory price adjustment right, allowing companies to pass the additional cost of procuring replacement volumes to bridge gas shortfalls down the entire supply chain to the end consumer. Customers faced with the resulting price hikes are entitled to terminate their contracts extraordinarily. An alternative measure, provided for by Section 26 of the Act, gives the German government the option to introduce a netted price adjustment. This mechanism passes the importer's increased procurement costs directly on to the end customer by way of a levy. In this case, customers have no right to extraordinary termination. In early August, the Federal Cabinet decided to temporarily introduce the levy provided for in Section 26 of the Act, which will be charged from 1 October 2022.

**Federal government reintroduces coal and oil-fired plants to the market to save gas.**

In July, the Substitute Power Stations Act entered into force in Germany. It provides for additional coal and oil-fired power stations to be called upon to cut down on gas-fired power generation. The law expires in March 2024. With a capacity of around 10 GW, the gas replacement fleet is to be used on the wholesale market. These include essential hard coal-fired power stations (2.6 GW) which were due to be closed in 2022 and 2023 in line with the Coal Phaseout Act, as well as stations in the existing grid reserve which run on hard coal (4.3 GW) or oil (1.6 GW). The gas replacement fleet is rounded off by lignite-fired power plants (1.9 GW), which are currently on legally mandated security standby, including three RWE units with a total capacity of 0.9 GW. The operators have been ordered to take the necessary preparatory steps to ensure that the stations are ready for service. The reserve

plants are activated by legal ordinance, such as the regulation introduced for hard coal-fired power plants in July, stipulating that they may be used until 30 April 2023. According to an announcement made by the German economics minister, they will be followed by the lignite power stations, which will be activated on 1 October. The law also provides for mechanisms that allow the government to take measures that limit or end gas-fired power generation in the event of an emergency. Cogeneration units are exempt. Interventions of this nature are limited to a period of six months.

**New law establishes minimum fill levels for German gas storage facilities.** At the end of March, the German Lower House passed the Gas Storage Act. The policy ensures that enough gas is put away for the winter months. Subsequent to the approval of the Upper House, the law entered into force on 30 April. It sets minimum fill levels for German gas storage units: 65 % as of 1 August, 80% as of 1 October, 90% as of 1 November and 40% as of 1 February. In July, the Federal government issued a decree to raise the limits for 1 October and 1 November to 85 % and 95 % respectively. Gas storage operators are responsible for monitoring compliance with these requirements. If the lessees do not fill booked capacities sufficiently, they are at risk of losing them, after which the capacities can be handed over to the entity responsible for their market zone, which then ensures the right fill level. The law will expire in April 2025.

**German parliament passes LNG Acceleration Act.** To diversify Germany's gas supply and become independent of Russian gas as quickly as possible, the country's Lower House of Parliament passed the LNG Acceleration Act in May. Temporarily renouncing environmental impact assessments will help ensure the timely completion of terminals for accepting and regasifying LNG deliveries and the necessary pipeline infrastructure. The new Act also states that claims submitted against LNG projects shall have no suspensive effect, and legal recourse is limited to one-instance proceedings. Terminal operation permits will expire no later than 2043. From then on, usage will be limited to climate-neutral gases, e.g. green hydrogen.

**Germany lays foundation for accelerated expansion of renewables.** As soon as the coalition between Germany's Social Democrats, Greens and Free Democrats came to power at the end of 2021, they made the accelerated expansion of renewable energy a top priority. They laid out their plans in the so-called Easter Package on 6 April 2022, which proceeded to be enshrined in law three months later by way of various legislative amendments. These stipulate that renewable power generation should account for 80% of gross electricity consumption by 2030. The previous target had been set at 65%. The total capacity of German offshore wind farms shall increase to 30 GW over the current decade. This figure is expected to rise again to 70 GW by 2045. The law also introduces new targets for onshore wind and photovoltaic capacities, which shall increase to 115 GW and 215 GW respectively by 2030. By the middle of the decade, the Federal government wants to achieve annual build-out rates for these two technologies of 10 GW and 22 GW, respectively. To this end, the principle was enshrined in law that renewable energy usage is a matter of significant public interest and contributes to public security. It therefore takes priority over other protected interests, ensuring that existing investment barriers are removed and planning and approval processes are accelerated. Every state is obligated to dedicate 2% of its land for onshore wind systems. This target needs to be met by 2032. Nationwide, a total of 0.8% of the surface area is currently earmarked for wind energy. The reform also overhauls the subsidy system for offshore wind and a two-track system was introduced. In addition to auctions for sites that have been pre-investigated by the Federal Maritime and Hydrographic Agency, wind power developers can now also bid for sites that have not yet been investigated. The two tracks are subject to different auction criteria. Pre-examined sites have to satisfy qualitative criteria as well as financial bidding considerations. The sites that have not yet been surveyed will only be subject to monetary bidding considerations. The law reform also brings relief for consumers: subsidies for renewables will no longer be accounted for by a levy included in the price of electricity, but will instead be financed via the federal budget.

**The Netherlands suspends output limits for coal power plants.** In June, the Dutch government repealed a law limiting the use of hard coal for power generation. The law only came into force in early 2022, stipulating that annual carbon dioxide emissions from coal should not exceed 35% of the individual power plant's theoretical coal-fired capacity. It is possible that plant operators may be compensated. The government's U-turn, which is yet to be approved by parliament following their summer recess, was triggered by the current energy crisis and plant operators have been instructed to up their coal-fired generation as quickly as possible to reduce power production from gas. Negotiations as to the extent of compensation that will be granted for limiting power generation in the first half of the year are underway. The compensation also needs to be approved under state aid law by the European Commission.

**Great Britain seeks to reduce dependency on commodity imports – more ambitious goals for offshore wind and hydrogen.** In early July, the UK government introduced a bill to Parliament on the improvement of security of energy supply. The objective is to make the country less dependent on commodity imports and spur the use of domestic energy sources. The law encompasses a series of measures relating to electricity production, grid infrastructure and energy efficiency. An accelerated expansion of renewable energy has also been planned. The country aims to increase its offshore wind capacity to 50 GW by 2030. This is 10 GW more than originally envisaged. Floating wind farms are expected to account for a total capacity of 5 GW by the same point in time. The government is also upping the ante in the expansion of the hydrogen economy. Its ambition to grow production capacity to 10 GW by 2030 doubles the previous goal. Nuclear energy also plays a major role in the government's concept, with generation capacity set to rise to 24 GW by 2050. This would account for a quarter of projected demand for electricity.

**Special levies for energy companies in Italy, UK and Spain.** In response to high gas and electricity prices, several European nations have announced temporary special levies on the earnings of energy companies. The resulting proceeds are earmarked for low-income households. In Italy, the relevant regulatory measures were already implemented in May, when the government brought in a 25% charge on additional earnings between October 2021 and April 2022 compared to the year-earlier period. In addition, Italy has capped the power price that renewables can achieve this year. In the UK, profits from oil and gas production will be subject to a temporary additional 25% tax from the end of May to 31 December 2025. In return, the companies receive tax relief on investments. Measures of this nature are currently not envisaged for British power generators. In late July, the Spanish government presented a draft law, stipulating that energy companies and banks be charged an additional levy on revenue over the next two years. The energy sector will be subject to a tax rate of 1.2%. However, it will only affect companies that reported revenues of more than €1 billion in 2019. Our Spanish subsidiaries are well below this threshold.

**European Commission working on legal framework for green hydrogen.** On 20 May, the European Commission presented a draft delegated act establishing the criteria that must be met to classify hydrogen as green. One important requirement, which must be observed from 2027 onwards, is that any electricity used during H<sub>2</sub> production must be sourced from newly built and unsubsidised renewable energy assets. The same goes for the EU's hydrogen imports. By proposing these strict regulations, the European Commission wants to ensure that enough green power is on hand to ramp up the hydrogen economy. Upon publication of the draft delegated act, the European Commission initiated a four-week public consultation. Now, the Commission must submit the final text. Once this has happened, the European Council and European Parliament are not permitted to amend the details of the draft delegated act: they can only veto it, which would oppose the legal act in its entirety. A decision is expected by the end of 2022.

**Taxonomy criteria for gas and nuclear power plants approved.** From the mid-year point gas-fired and nuclear power plants can be classified as sustainable under the European Taxonomy Regulation, subject to certain criteria. In February, the European Commission had passed a delegated act specifying these conditions. The European Parliament and the Council of Ministers indirectly ratified the legal act, given that their right to veto the regulation went unused and finally expired on 11 July. The Commission's criteria will therefore be applicable from 1 January 2023. RWE will be affected by the regulations concerning gas-fired power plants, which can be classified as sustainable transitional operations provided they are approved by 2030. One of the prerequisites for this is that they replace more emission-intensive assets and run entirely on climate-friendly gases such as hydrogen by no later than 2036. Furthermore, their carbon dioxide-equivalent emissions must remain below a predefined cap. The legal act mentions two upper limits, of which one must be complied with: 270 g CO<sub>2</sub>/kWh or 550 kg CO<sub>2</sub>/kW of direct annual emissions averaged over a period of 20 years.

**US administration guarantees temporary duty-free imports of solar modules from southeast Asia.** In June, US President Joe Biden took an executive action to establish that no duties be imposed on solar modules from Cambodia, Malaysia, Thailand or Vietnam until mid-2024. The reason for this move is that modules from the aforementioned countries are currently the subject of a probe conducted by the US Department of Commerce. The agency is exploring whether a sufficient portion of production is being carried out in the four countries, or whether Chinese parts are simply being assembled to circumvent existing tariffs on Chinese modules. Should the department find the latter scenario to be true, punitive tariffs may be imposed. The announcement of the probe in March was cause for major uncertainty in the US solar industry and triggered a sudden halt to imports of southeast Asian modules. This resulted in project delays, which have also affected RWE. The executive action aims to ensure that solar projects can be spurred again in the USA by avoiding massive increases in the cost of modules.

**US Democrats agree on long-term renewables spending.** Negotiations on a US subsidy package for social spending and climate protection that were on the brink of failure due to disagreements within the party have now given way to a bill that is capable of achieving a majority. The proposal will extend the renewable subsidy regime by ten years, meaning new power plants shall continue to receive Production Tax Credits or Investment Tax Credits. Hydrogen and battery projects will also join wind farms and solar systems on the list of eligible generation plants. The Senate approved the bill on 7 August, meaning it now needs to be greenlit by the House of Representatives. The government had already tried to agree on the spending package for more climate protection in 2021. However, the proposal was put on hold due to party infighting.

## Market environment

**Ukraine crisis dampens economic recovery in RWE core markets.** Although the global economy had begun to put the Corona crisis behind it, gaining considerable ground in the process, significant economic risks have since come to bear - not least due to the war in Ukraine. In the first six months of the year, growth was still comparatively strong. Experts have estimated that world economic output in this period rose by 3% year on year. In Germany, GDP is also likely to have risen by 3%, in the United Kingdom it was 6% and in the Netherlands 5%. Pent-up demand, caused by the pandemic, has slowly lessened, filling order books in the process. However, growth has dwindled in recent months. Limited supplies of major commodities have exacerbated the already markedly increased rates of inflation and supply chain bottlenecks. In addition, political uncertainty is making companies hesitant about reaching investment decisions. The recovery also slowed in the USA, our largest onshore wind market. US economic output was estimated to be up 3% in the first half of the year.

**German power consumption slightly down year on year.** Whereas the economic recovery boosted industrial demand for electricity, many companies were forced to conserve energy due to extremely high energy prices. Based on estimates by the German Association of Energy and Water Industries (BDEW), German demand for electricity was slightly lower in the first six months of 2022 than last year. Experts believe the United Kingdom and the Netherlands recorded declines of 2% and 5%, respectively. By contrast, electricity usage in the USA may well have risen by 3%.

**Wind conditions more favourable than in 2021.** The utilisation and profitability of renewable energy assets greatly depend on weather conditions, with wind speeds playing a central role. In the first half of the year, they were higher than the long-term average for most of our European and North American generation sites. They were only lower in Southern Europe. Overall, wind conditions have improved compared to 2021. Utilisation of run-of-river power stations strongly depends on precipitation and melt water volumes. In Germany, where most of our run-of-river power plants are located, these volumes remained below the long-term average. They were also lower than last year.

Average RWE wind farm utilisation January - June	Onshore		Offshore	
	2022	2021	2022	2021
%				
Germany	22	17	36	35
United Kingdom	29	28	42	35
Netherlands	32	32	-	-
Poland	30	29	-	-
Spain	24	26	-	-
Italy	27	24	-	-
Sweden	33	29	47	45
USA	38	36	-	-



### Natural gas, hard coal and emissions certificate prices hit unprecedented levels.

The dispatch times and margins of conventional power stations strongly depend on the development of prices of electricity, fuel and emission allowances. In the period under review they reached record highs. Natural gas, in particular, has become much more expensive. In the first six months of 2022, spot prices at the Dutch Title Transfer Facility (TTF) – the main gas trading hub in Continental Europe – averaged €99 / MWh. This compares to €22 / MWh a year earlier. The significant price increase can in part be traced back to the rise in demand for energy driven by the economy and to the decline in gas imports from Russia. Due to the general uncertainty surrounding Europe's future supply situation, gas forward prices were also at a record level. The TTF forward contract for 2023 cost an average of €70 / MWh in the period being reviewed. By comparison, the 2022 TTF forward traded for €19 / MWh in the first half of 2021.

Prices paid for hard coal used in power plants (steam coal) also rose considerably. In the first six months of 2022, deliveries to the ARA ports (ARA = Amsterdam, Rotterdam and Antwerp) including freight and insurance were settled for an average of US\$285 / metric ton on the spot market. Last year, this figure was US\$79 / metric ton. Gas trading told a similar story, where the Ukraine conflict and the economic recovery following the corona crisis were also the main price drivers. The disruption of Russian coal imports and increased replacement of gas with hard coal to generate electricity have driven up European demand for deliveries from overseas countries. Due to the general expectation that the tense situation will persist for quite a while, hard coal forward prices have also skyrocketed. In the first half of the year, the 2023 forward (API 2 Index) traded for an average of US\$188 / metric ton. This was US\$114 more than what was paid for the 2022 forward in the same period last year.

A price factor of mounting importance for fossil fuel-fired power plants is the procurement of emission allowances. An EU Allowance (EUA), entitling the holder to emit one metric ton of carbon dioxide, was traded at an average of €85 in the first half of 2022, versus €44 in the same period in 2021. This figure is based on a contract for delivery that matures in December of the following year. The price increase can primarily be traced back to the fact that last year the EU raised its greenhouse gas reduction goal for 2030 from 40 % to 55 %

compared to 1990. The EU will therefore have to significantly reduce the number of emission allowances available to companies. This was anticipated by many market participants, who made early purchases of EUAs. Another factor driving prices is that certain EU member states like Germany are making increased use of coal to produce electricity in light of the danger of gas shortages. This increases carbon dioxide emissions from electricity generation and raises demand for emission allowances commensurately.

Great Britain introduced its own CO<sub>2</sub> emissions trading system after exiting the EU. UK Allowances (UKAs) have been traded on the secondary market since the first auction in May 2021. In the first half of 2022, they were quoted at an average of £84.

**Fuel and emission allowance boom mirrored in electricity prices.** Prices on European wholesale electricity markets also hit record highs. In the first half of 2022, base-load power traded for an average of €187 / MWh on the German spot market, compared to €55 / MWh in the same period last year. Spot prices advanced from £69 / MWh to £177 / MWh in the United Kingdom and from €57 / MWh to €203 / MWh in the Netherlands. The situation on electricity forward markets was as follows: in Germany, the 2023 base-load forward cost an average of €185 / MWh, as opposed to €58 / MWh for the 2022 forward in the first half of 2021. The price of the one-year forward rose from £59 / MWh to £164 / MWh in the United Kingdom and from €56 / MWh to €167 / MWh in the Netherlands.

**Rise in electricity prices in Texas much more moderate than in Europe.** The North American electricity market is divided into several sub-markets which are controlled by independent grid companies. The most important market region for us is Texas, where most of our US wind farms are connected to the power grid which is operated by the Electric Reliability Council of Texas (ERCOT). There, the one-year forward was settled for an average of US\$51 / MWh in the first six months, up US\$21 on 2021, due to the rising gas prices. Increased exports of LNG from the USA to Europe in reaction to the Ukraine crisis came to bear here.

## Major events

**Significant financial burden from end of coal imports from Russia.** Our company is among those affected by the economic impact of Russia's war against Ukraine, despite the fact that we do not have any business activities in either country. Before the war, RWE had concluded forward contracts for commodity deliveries from Russia. The agreed prices are significantly below the current market level. We must compensate for lost volumes by making purchases from third parties at much less favourable conditions to meet existing supply obligations. When the war broke out at the end of February, we had contracts for deliveries of Russian hard coal totalling 12 million metric tons (through to 2025). These deliveries have already come to an end. Sanctions imposed by the UK and the EU prohibit such purchases going forward. We estimate that the related financial loss will total €748 million. It is reported in the non-operating result for the first half of 2022. At the end of February, our contractual gas procurement volumes from Russian producers totalled 15 TWh (through to the end of 2023). In recent months, we have reduced the associated risk to zero by concluding hedges. The cost of these measures has been recognised in adjusted EBITDA.

**RWE enters US offshore wind market.** We have continued our course for growth in renewable energy with determination. In February 2022, we were successful in an auction of seabed leases for offshore wind sites in the New York Bight. A joint venture between RWE and National Grid Ventures secured an area for US\$1.1 billion, on which about 3 GW of generation capacity can be built. The auction included six lease sites, with bidders only allowed to secure one each. Every successful bid conferred the right to develop a site and participate in upcoming offtake auctions. If the project progresses as planned, our wind farm in the New York Bight will be commissioned during this decade.

**Wind energy joint venture launched with Northland Power.** In January, RWE and Northland Power agreed to co-develop three wind energy projects in the German North Sea, north of the island of Juist. They will create over 1.3 GW in generation capacity and are being delivered by a joint venture, of which RWE owns 51% of the shares and our Canadian partner holds 49%. In August, the companies also agreed to co-develop another wind farm, which will have a capacity of 225 MW and is also set to be built north of the island of Juist. RWE was previously the sole developer of this project. Northland Power will now acquire a 49% stake. This transaction is pending formal closing. Two of the four joint venture projects have already been successful in auctions. Invitations to tender for the other two projects have been scheduled for 2023.

**Three large wind farms completed in the USA, Sweden and the UK North Sea.** In the first half of 2022, we were able to successfully complete three large-scale wind farm projects. In March, our onshore wind farm El Algodon Alto in the US state of Texas was the first to begin commercial operation. Altogether, the farm's 91 turbines have a generation capacity of 200 MW. We invested around €280 million in the project.

One month later, the Triton Knoll offshore wind farm officially went online. It is located off the east coast of the UK. With 90 turbines and a total capacity of 857 MW, it is one of the largest wind farms in the world. RWE holds a majority stake of 59% in Triton Knoll and is also responsible for its operation. The other shares are held by the Japanese energy utilities J-Power (25%) and Kansai Electric Power (16%). The investment volume amounted to around £2.4 billion. This figure includes the expenses for the grid connection, which we will sell to an independent third party to comply with regulatory requirements.

We opened the Nysäter onshore wind farm in northern Sweden in early June. The site's 114 turbines have a total generation capacity of 474 MW. RWE holds a 20% share in Nysäter and Swiss infrastructure firm Energy Infrastructure Partners is the majority shareholder with a stake of 80%. Around €575 million has been invested in the wind farm.

**Hickory Park in the USA starts generating solar power.** Our new ground-mounted PV plant, Hickory Park, which we built in Mitchell County in the State of Georgia, has been operational since June. With around 650,000 solar panels, it has a total capacity of 196 MW. The plant is enhanced by a battery storage unit with a system size of 80 MWh. The battery means that feed-in timings for the local grid can be optimised, thus increasing the output of the solar farm. We have spent about €250 million on Hickory Park and have entered into a 30-year power purchase agreement with the public utility Georgia Power.

**RWE commissions battery storage in Ireland.** In early June, we took one of the largest battery storage facilities in Ireland online. The plant in County Monaghan can store 30 MWh. We have invested €25 million in the facility. This is now the second battery storage facility we have commissioned in Ireland. The first – with a storage capacity of 8.5 MWh – has been in operation in County Dublin since April 2021. Ireland has set its sights on sourcing 80% of its electricity from renewables by 2030. Battery storage facilities help limit the impact of wind and solar power feed-in fluctuations.

**Agreement with Vattenfall: RWE acquires Dutch gas-fired power station Magnum.** In early June it was agreed that RWE will be taking over the Magnum gas-fired power plant from Vattenfall. The transaction still needs to be approved by the competition authorities. Magnum is located in Eemshaven in the Dutch province of Groningen and is considered to be one of the most state-of-the-art power stations in the country. The facility has been in operation since 2013 and has a net capacity of 1.4 GW. The agreed price is equivalent to an enterprise value of €500 million. The transaction also includes a neighbouring solar farm

with a capacity of 5.6 MW. Magnum is located a stone's throw away from our Eemshaven power station, which runs on hard coal and biomass. We expect to leverage considerable synergies from the joint use of the infrastructure on site. What sets the Magnum power plant apart, is that following basic technical modifications, it can be operated with 30% hydrogen. In the long term, there is even the option to transition to 100% hydrogen. This would allow Magnum to be part of the future hydrogen infrastructure in the province of Groningen, which we are looking to build together with local partners from the energy industry.

**KfW, Gasunie and RWE want to build LNG terminal in Brunsbüttel.** To reduce dependency on Russian gas, Germany's government announced the construction of terminals for direct imports of LNG to Germany. One such project, in which RWE is involved, is now taking shape. On 4 March, we signed a letter of intent with German development bank Kreditanstalt für Wiederaufbau (KfW) and Dutch gas network operator Gasunie for the joint construction of an LNG terminal in Brunsbüttel. It is envisaged that, after regasification, local gas imports reach a volume of up to 8 billion cubic metres per year. RWE plans to build another terminal for imports of carbon-neutral ammonia at the same location. The ammonia could be converted to hydrogen on site and used to supply industry with green energy. Plans for the longer term call for the LNG terminal to be repurposed to import green molecules.

**On behalf of the government: RWE charters two floating LNG terminals.** Acting as an agent of the German government, RWE has chartered two special ships to transport and regasify LNG. These Floating Storage and Regasification Units (FSRUs) provide a quick interim solution for landing LNG in Germany. The ships are scheduled to be used in Wilhelmshaven and Brunsbüttel as early as the coming winter. In Germany, the government is responsible for the framework conditions for the procurement of liquefied natural gas on the world market. The two 300-metre-long FSRUs will have the capacity to make more than 10 billion cubic metres of natural gas available to the German market every year.

**RWE arranges LNG deliveries from the USA.** In May, we signed a memorandum of understanding with US energy firm Sempra Infrastructure regarding the future supply of LNG to RWE from the Port Arthur project in Texas. The agreement provides for the conclusion of a supply and purchase agreement with a term of 15 years and a delivery volume of 2.25 million metric tons of LNG annually. The exact conditions still have to be set in stone. We could ship the gas anywhere in the world – e.g. to the planned LNG terminals in Germany. Our collaboration with Sempra Infrastructure therefore marks an important step towards the diversification of European gas procurement.

**Successful participation in British capacity market auction.** At the British capacity market auction held on 22 February, all of the participating RWE power stations, including two small new-builds, secured a capacity payment. Almost all of these are gas-fired power stations. In total, these assets have a secured capacity of 6,647 MW. The bidding process related to the period from 1 October 2025 to 30 September 2026. A total of 42.4 GW in generation capacity qualified for a capacity payment at the auction. During the delivery period, the power plants will receive remuneration for being online and contributing to electricity supply. The capacity payment is £30.59 / kW (plus inflation adjustment).

**Gersteinwerk wins bid for German capacity reserve.** Our F and G combined cycle gas units at Gersteinwerk in Werne (Westphalia) qualified for inclusion in the German capacity reserve once again. This decision was reached by the Federal Network Agency in a tender process at the end of February. The stations will keep a total capacity of 710 MW in reserve from 1 October 2022 to 30 September 2024, which can be used to safeguard grid stability whenever necessary. In return, we will receive an annual payment of €62.94 / kW. We placed a successful bid for the two units in the first auction of this kind two years ago. Given that they are standby stations, they stopped participating in the wholesale electricity market on 1 October 2020 and may only be ramped up by order of the transmission system operator.

**Neurath A lignite-fired unit ends generation.** On 1 April, Unit A of the Neurath lignite-fired power station was taken offline. With a net capacity of 294 MW, this facility began operating in 1972. It was shut down in accordance with the schedule for Germany's coal phaseout. The unit will not be dismantled for the time being in light of the current debate on reducing gas use for electricity generation. We are therefore keeping the door open for this unit to be restarted, if the German government or the Federal Network Agency deems this necessary on the basis of security of supply considerations.

**Dividend of €0.90 per share paid.** The Annual General Meeting of RWE AG held on 28 April approved the dividend proposed by the Executive Board and the Supervisory Board for fiscal 2021 by a substantial majority. Accordingly, on 3 May we paid a dividend of €0.90 per share, €0.05 more than last year.

**RWE issues two green bonds totalling €2 billion.** To improve our financial headroom for growth investments, we issued two green bonds with a nominal volume of €1 billion each in May: one with a four-year tenor and a 2.125% coupon and another with an eight-year tenor and a 2.750% coupon. In all, RWE has now issued five green bonds with a nominal volume of €3.85 billion. Capital raised by the issuance of green bonds must be spent on projects that contribute to protecting the environment and climate. RWE's green bond policy, established in 2020, stipulates that proceeds on issuances be spent exclusively on wind and solar farms. RWE's rules also comply with the generally accepted Green Bond Principles of the International Capital Market Association (ICMA).

**RWE increases credit line volume to €8 billion.** In the spring, we secured two new lines of credit to ensure our liquidity. Consequently, we now have recourse to three syndicated lines of credit with a total volume of €8 billion, granted to us by a consortium of 27 international banks. We already secured the first, €3 billion credit line, which runs until April 2026, back in April 2019. The second line has a volume of €2 billion and replaces one which expired in April 2022; it is also available until April 2026. In light of the recent volatility in energy prices and the related rise in liquidity requirements to hedge forward contracts, we secured a third credit line, which increases our financing headroom by another €3 billion. The term is set to one year. However, we have been granted two optional six-month extensions. At our request, the conditions of all three of these credit lines are linked to sustainability criteria. Among other things, the conditions depend on the development of the following three indicators: the share of renewables in RWE's generation portfolio, the CO<sub>2</sub> intensity of our plants and the percentage of our capex that is classified as sustainable in accordance with the EU taxonomy regulation. We have set goals for all three of these criteria. If we do not achieve these targets, we will have to pay higher interest and commitment fees. Half of these additional funds would be passed on to non-profit organisations.

## Commentary on reporting

**Group structure features five segments.** We distinguish between five segments when reporting our business performance. These are described in more detail below. In June, we restructured the organisation of our renewables business. Operating responsibility for these activities is no longer centrally attributed to RWE Renewables, but now lies with three organisational units: RWE Offshore Wind, RWE Renewables Europe & Australia and RWE Renewables Americas. This change will not affect our reporting segments, which are defined as follows:

- 1. Offshore Wind:** We present our offshore wind business here. It is now overseen by RWE Offshore Wind.
- 2. Onshore Wind / Solar:** This is the segment in which we report on our onshore wind and solar business as well as parts of our battery storage operations. Responsibility for these activities is assumed by either RWE Renewables Europe & Australia or RWE Renewables Americas, depending on the continent.
- 3. Hydro / Biomass / Gas:** This segment encompasses our run-of-river, pumped storage, biomass and gas power stations. It also includes the hard coal and biomass-fired Dutch Amer 9 and Eemshaven power plants as well as some battery storage systems. Furthermore, the project management and engineering consulting company RWE Technology International and our 37.9% stake in Austrian energy utility KELAG are assigned to this segment. All of these activities are overseen by the management company RWE Generation, which is also responsible for the design and implementation of our hydrogen strategy.

**4. Supply & Trading:** The main business in this segment is proprietary trading of energy commodities. This activity is overseen by the Group company RWE Supply & Trading, which also acts as an intermediary for gas, supplies key accounts with energy, and undertakes a number of additional trading-related activities. Our German and Czech gas storage facilities also form part of this segment.

**5. Coal / Nuclear:** This is where we report our non-core business. This primarily consists of our German electricity generation from coal and nuclear fuel as well as our lignite production in the Rhenish mining region to the west of Cologne. Our stakes in Dutch nuclear power plant operator EPZ (30%) and Germany-based URANIT (50%), which holds a 33% share in uranium enrichment specialist Urenco, are also subsumed in this segment. The aforementioned activities and investments are mainly overseen by RWE Power.

Group companies with cross-segment tasks such as the corporate headquarters RWE AG are stated as part of the core business under 'other, consolidation'. This also applies to our stakes of 25.1% in German transmission system operator Amprion and 15% in E.ON. However, the dividends we receive from E.ON are recognised in the financial result. Furthermore, 'other, consolidation' contains consolidation effects.

**Transition to 'adjusted financial result'.** Effective from the current fiscal year, we have adjusted the methodology for the presentation of the financial result. In the past, this indicator only contained unadjusted components. As a result, however, the financial result was affected by special items, which hindered the assessment of business developments. One example of this is one-off effects from the adjustment of discount rates, which we use to determine nuclear or mining provisions. These effects are now assigned to the non-operating result instead of the financial result, corresponding to the methodology applied to (adjusted) EBIT. We will use the term 'adjusted financial result' to express this in the future. In the table presenting the non-operating result, we now include the item 'Adjustments to the financial result'. To enable comparability, we also present prior-year figures using the new methodology.

**Forward-looking statements.** This interim report contains forward-looking statements regarding the future development of the RWE Group and its companies as well as economic and political developments. These statements are assessments that we have made based on information available to us at the time this document was prepared. Despite this, actual developments can deviate from the prognoses, for instance if underlying assumptions do not materialise or unforeseen risks arise. Therefore, we cannot assume responsibility for the correctness of forward-looking statements.

## Business performance

Power generation <sup>1</sup> January – June	Renewables		Pumped storage, batteries		Gas		Lignite		Hard coal		Nuclear		Total <sup>2</sup>	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
GWh														
Offshore Wind	4,837	3,224	-	-	-	-	-	-	-	-	-	-	4,837	3,224
Onshore Wind / Solar	10,682	8,556	-	-	-	-	-	-	-	-	-	-	10,682	8,556
Hydro / Biomass / Gas	3,125	3,832	8	36	26,244	26,957	-	-	2,598	2,679	-	-	32,071	33,572
of which:														
Germany	841	884	8	36	2,858	3,521	-	-	-	-	-	-	3,803	4,509
United Kingdom	275	285	-	-	20,205	18,062	-	-	-	-	-	-	20,480	18,347
Netherlands	2,009	2,627	-	-	1,972	3,561	-	-	2,598	2,679	-	-	6,579	8,867
Turkey	-	-	-	-	1,209	1,813	-	-	-	-	-	-	1,209	1,813
Coal / Nuclear	8	10	-	-	72	93	24,420	21,468	-	187	5,555	11,202	30,162	33,052
<b>RWE Group</b>	<b>18,652</b>	<b>15,622</b>	<b>8</b>	<b>36</b>	<b>26,316</b>	<b>27,050</b>	<b>24,420</b>	<b>21,468</b>	<b>2,598</b>	<b>2,866</b>	<b>5,555</b>	<b>11,202</b>	<b>77,752</b>	<b>78,404</b>

1 Figures no longer include purchases from generation assets in which RWE does not own the majority, even if we have long-term usage rights to them. Prior-year figures including such purchases have been adjusted accordingly.

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

### Electricity generation marginally down on previous year – renewables register

**significant gain.** In the first six months of 2022, RWE produced 77,752 GWh of electricity, nearly as much as in the same period last year. We recorded a significant decline in nuclear power because we shut down the Gundremmingen C unit at the end of 2021 in line with the German nuclear phaseout. Utilisation of our gas-fired power stations experienced a market-driven year-on-year drop in Germany and the Netherlands, whereas it rose in the UK. From 3 January to 19 April 2022, an outage due to steam turbine damage at Claus C, which is located near the Dutch city of Roermond, had a negative impact. In-house production from hard coal was slightly down on 2021 despite attractive market conditions. A statutory regulation in the Netherlands which limited hard coal usage to 35 % of the theoretically

possible level but which was repealed at the mid-year point came to bear (see page 6). The share of renewables in our electricity generation posted substantial growth. Wind power recorded a gain of 29%, benefiting from the commissioning of new generation capacity and improved weather conditions compared to the low wind speeds last year. Another driving factor was that we increased our stake in the Rampion offshore wind farm in the UK (400 MW) from 30.1% to 50.1% as of 1 April 2021 and have fully consolidated Rampion since then. We also registered a substantial rise in lignite-fired generation – despite power plant closures in line with the German coal phaseout. The backdrop to this was a recent, significant improvement in market conditions for this generation technology.



Power generation from renewables <sup>1</sup> January – June	Offshore Wind		Onshore Wind		Solar		Hydro		Biomass		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
GWh												
Germany	945	903	610	483	1	1	841	884	-	-	2,397	2,271
United Kingdom	3,793	2,228	1,002	860	-	-	77	84	198	201	5,070	3,373
Netherlands	-	-	494	372	12	7	14	11	1,995	2,616	2,515	3,006
Poland	-	-	654	485	-	1	-	-	-	-	654	486
Spain	-	-	468	508	47	47	5	19	-	-	520	574
Italy	-	-	565	506	-	-	-	-	-	-	565	506
Sweden	99	93	166	146	-	-	-	-	-	-	265	239
USA	-	-	5,816	4,786	398	160	-	-	-	-	6,214	4,946
Australia	-	-	-	-	346	96	-	-	-	-	346	96
Rest of the world	-	-	65	12	41	44	-	69	-	-	106	125
<b>RWE Group</b>	<b>4,837</b>	<b>3,224</b>	<b>9,840</b>	<b>8,158</b>	<b>845</b>	<b>356</b>	<b>937</b>	<b>1,067</b>	<b>2,193</b>	<b>2,817</b>	<b>18,652</b>	<b>15,622</b>

1. Figures no longer include purchases from generation assets in which RWE does not own the majority, even if we have long-term usage rights to them. Prior-year figures including such purchases have been adjusted accordingly.

In addition to our in-house generation, we procure electricity from external suppliers. In the period being reviewed, these purchases totalled 18,867 GWh (previous year: 24,012 GWh). In-house production and power purchases combined for 96,619 GWh (previous year: 102,416 GWh).

**Electricity and gas sales 6% and 12% lower year on year.** RWE sold 93,047 GWh of electricity and 22,183 GWh of gas in the first half of this year. These transactions were largely carried out by the Supply & Trading segment, because we market generation from our power stations via RWE Supply & Trading and this Group company is responsible for our business with key accounts. We sold 6% less of our main product, electricity, in part due to the slight drop in production volume. In addition, demand from some of the companies we supply decreased. For this reason, our gas deliveries also declined, falling by 12%.

External revenue € million	Jan – Jun 2022	Jan – Jun 2021	+ / -	Jan – Dec 2021
Offshore Wind	531	220	311	688
Onshore Wind / Solar	1,100	1,271	-171	2,324
Hydro / Biomass / Gas	876	633	243	1,315
Supply & Trading	13,212	5,873	7,339	19,296
Other	-	4	-4	4
<b>Core business</b>	<b>15,719</b>	<b>8,001</b>	<b>7,718</b>	<b>23,627</b>
Coal / Nuclear	469	447	22	899
<b>RWE Group (excluding natural gas tax / electricity tax)</b>	<b>16,188</b>	<b>8,448</b>	<b>7,740</b>	<b>24,526</b>
Natural gas tax / electricity tax	112	127	-15	235
<b>RWE Group</b>	<b>16,300</b>	<b>8,575</b>	<b>7,725</b>	<b>24,761</b>

**External revenue reflects substantial rise in energy prices.** Our revenue from customers outside the RWE Group amounted to €16,188 million (excluding natural gas tax and electricity tax). This was nearly more than double the figure recorded in 2021. Revenue from our main product electricity jumped by 82% to €13,037 million despite virtually unchanged production volumes. This was due to the significant increase in the price of electricity. Price hikes were also the main reason why our gas revenue rose to €2,230 million, roughly four times last year's figure.

Sustainable investors in particular attach increasing importance to the share of coal-fired generation and other coal products in revenue. In the first half of 2022, this share was 18% (previous year: 21%).

External revenue by product € million	Jan – Jun 2022	Jan – Jun 2021	+ / -	Jan – Dec 2021
<b>Electricity revenue</b>	<b>13,037</b>	<b>7,148</b>	<b>5,889</b>	<b>20,476</b>
of which:				
Offshore Wind	530	220	310	688
Onshore Wind / Solar	1,081	1,176	-95	2,107
Hydro / Biomass / Gas	610	445	165	877
Supply & Trading	10,707	5,158	5,549	16,540
<b>Core business</b>	<b>12,928</b>	<b>6,999</b>	<b>5,929</b>	<b>20,212</b>
Coal / Nuclear	109	149	-40	264
<b>Gas revenue</b>	<b>2,230</b>	<b>577</b>	<b>1,653</b>	<b>2,142</b>
<b>Other revenue</b>	<b>921</b>	<b>723</b>	<b>198</b>	<b>1,908</b>
<b>RWE Group (excluding natural gas tax / electricity tax)</b>	<b>16,188</b>	<b>8,448</b>	<b>7,740</b>	<b>24,526</b>

Internal revenue € million	Jan – Jun 2022	Jan – Jun 2021	+ / -	Jan – Dec 2021
Offshore Wind	361	394	-33	808
Onshore Wind / Solar	290	141	149	361
Hydro / Biomass / Gas	4,114	1,869	2,245	5,361
Supply & Trading	4,678	2,326	2,352	5,214
Other, consolidation	-8,241	-4,116	-4,125	-10,986
<b>Core business</b>	<b>1,202</b>	<b>614</b>	<b>588</b>	<b>758</b>
Coal / Nuclear	2,237	1,953	284	4,116

Adjusted EBITDA € million	Jan – Jun 2022	Jan – Jun 2021	+/-	Jan – Dec 2021
Offshore Wind	632	459	173	1,110
Onshore Wind / Solar	491	-42	533	258
Hydro / Biomass / Gas	755	297	458	731
Supply & Trading	545	525	20	769
Other, consolidation	-66	-33	-33	-107
<b>Core business</b>	<b>2,357</b>	<b>1,206</b>	<b>1,151</b>	<b>2,761</b>
Coal / Nuclear	501	545	-44	889
<b>RWE Group</b>	<b>2,858</b>	<b>1,751</b>	<b>1,107</b>	<b>3,650</b>

**Adjusted EBITDA much higher than last year.** In the first six months of 2022, we registered adjusted earnings before interest, taxes, depreciation and amortisation (adjusted EBITDA) of €2,858 million. This represents a €1,107 million, or 63 %, increase when compared with the same period last year. In the core business, adjusted EBITDA nearly doubled, advancing to €2,357 million. The rise was partially due to the substantial hit to last year's result caused by the extreme cold snap in Texas (see page 8 of the interim report on the first half of 2021). In addition, the following factors had a positive impact during the period being reviewed: the commissioning of new wind farms, more favourable weather conditions, higher generation margins, and additional income from the short-term optimisation of power plant dispatch. We even slightly exceeded last year's strong result in energy trading. Outside of the core business, adjusted EBITDA in the Coal / Nuclear segment dropped to €501 million (previous year: €545 million). This can be traced back to the decrease in generation capacity, in particular the closure of the Gundremmingen C nuclear power station as of 31 December 2021.

In view of the unexpectedly strong earnings in the core business, we have raised our earnings forecast for the 2022 fiscal year. More detailed information on this can be found on page 28.

The following developments were observed in the segments:

- **Offshore Wind:** We achieved adjusted EBITDA of €632 million here. This was a big gain on the figure for the first half of last year (€459 million), in part thanks to higher wind levels, improved generation margins, and additional capacity. A further positive effect was felt from an increase in our stake in the Rampion offshore wind farm in the UK to a majority interest as of 1 April 2021 and its full consolidation since then.
- **Onshore Wind / Solar:** Adjusted EBITDA in this segment totalled €491 million. This clearly exceeded the negative figure recorded in the same period last year (-€42 million), which reflected the aforementioned exceptional burdens in Texas. The commissioning of new assets, higher generation margins, and more favourable wind conditions also contributed to the encouraging earnings trend. A counteracting effect came from the prior-year figure containing capital gains on the sale of majority interests in the Stella, Cranell and East Raymond wind farms in Texas. There were no comparable sale proceeds in the first half of 2022.
- **Hydro / Biomass / Gas:** A considerable increase in adjusted EBITDA was recorded in this segment, as this figure jumped from €297 million to €755 million. This growth was largely driven by a rise in electricity margins and an improvement in income from the short-term optimisation of our power plant dispatch. Burdens resulted from the Dutch Claus C gas-fired power station being out of service for several months due to steam turbine damage. Furthermore, we received lower payments from the British capacity market.
- **Supply & Trading:** At €545 million, adjusted EBITDA in this segment slightly exceeded the high figure registered in the same period last year (€525 million) on the back of another very strong trading result. In the gas business, we closed the period roughly on a par with 2021.

- **Coal/Nuclear:** This segment's adjusted EBITDA fell to €501 million (previous year: €545 million). This was mainly due to power plant closures as part of the German coal and nuclear phaseouts. Our Gundremmingen C nuclear power station (1,288 MW) went offline at the end of 2021. Furthermore, we shut down the following lignite-fired units: Neurath A (294 MW) as of 1 April 2022, Neurath B (294 MW), Niederaussem C (295 MW) and Weisweiler E (321 MW) at the end of 2021 as well as Frimmersdorf P (284 MW) and Q (278 MW) as of 30 September 2021. We cushioned the drop in earnings with cost-cutting measures.

Adjusted EBIT € million	Jan – Jun 2022	Jan – Jun 2021	+/-	Jan – Dec 2021
Offshore Wind	334	247	87	636
Onshore Wind/Solar	267	-235	502	-145
Hydro/Biomass/Gas	595	146	449	418
Supply & Trading	526	502	24	721
Other, consolidation	-65	-33	-32	-106
<b>Core business</b>	<b>1,657</b>	<b>627</b>	<b>1,030</b>	<b>1,524</b>
Coal/Nuclear	447	415	32	661
<b>RWE Group</b>	<b>2,104</b>	<b>1,042</b>	<b>1,062</b>	<b>2,185</b>

**Adjusted EBIT more than twice as high as in 2021.** The Group's adjusted EBIT rose by €1,062 million to €2,104 million. This figure differs from adjusted EBITDA in that it includes operating depreciation and amortisation, which amounted to €754 million in the period being reviewed (previous year: €709 million).

Reconciliation to net income € million	Jan – Jun 2022	Jan – Jun 2021	+/-	Jan – Dec 2021
<b>Adjusted EBIT</b>	<b>2,104</b>	<b>1,042</b>	<b>1,062</b>	<b>2,185</b>
Adjusted financial result	-132	-34	-98	-209
Non-operating result <sup>1</sup>	605	514	91	-454
<b>Income before tax</b>	<b>2,577</b>	<b>1,522</b>	<b>1,055</b>	<b>1,522</b>
Taxes on income	-385	-103	-282	-690
<b>Income</b>	<b>2,192</b>	<b>1,419</b>	<b>773</b>	<b>832</b>
of which:				
Non-controlling interests	109	-13	122	111
<b>Net income / income attributable to RWE AG shareholders</b>	<b>2,083</b>	<b>1,432</b>	<b>651</b>	<b>721</b>

1 New definition and correspondingly adjusted prior-year figures; see commentary on page 15.

**Reconciliation to net income: Significant exceptional income from the valuation of derivatives.** The reconciliation from adjusted EBIT to net income was characterised by special items which are recognised in the non-operating result and had a positive net impact. We have presented the reconciliation to net income in the following passages.

<b>Adjusted financial result<sup>1</sup></b> € million	Jan – Jun 2022	Jan – Jun 2021	+/-	Jan – Dec 2021
Interest income	232	218	14	260
Interest expenses	-221	-138	-83	-317
<b>Net interest</b>	<b>11</b>	<b>80</b>	<b>-69</b>	<b>-57</b>
Interest accretion to non-current provisions	-65	-67	2	-131
Other financial result	-78	-47	-31	-21
<b>Adjusted financial result</b>	<b>-132</b>	<b>-34</b>	<b>-98</b>	<b>-209</b>

1 Except for prior-year interest income, table items have been adjusted; see commentary on page 15.

Our adjusted financial result decreased by €98 million to –€132 million. This was mainly attributable to the following items:

- Adjusted net interest (–€69 million vs. 2021): Additional expenses incurred to take out new lines of credit, the rise in bond volume and greater project financing needs came to bear here. Furthermore, there was an increase in costs incurred to provide sureties in energy trading. The €194 million dividend on our 15% stake in E.ON included in net interest was slightly higher than in 2021 (€186 million).
- Adjusted other financial result (–€31 million vs. 2021): Negative effects were felt from the valuation of financial derivatives. Moreover, the accounting treatment of high inflation in Turkey resulted in losses (see page 38 in the Notes).

<b>Non-operating result<sup>1</sup></b> € million	Jan – Jun 2022	Jan – Jun 2021	+/-	Jan – Dec 2021
<b>Adjustments to EBIT</b>	<b>132</b>	<b>331</b>	<b>-199</b>	<b>-650</b>
of which:				
Disposal result	-1	11	-12	21
Effects on income from the valuation of derivatives	1,062	219	843	-503
Other	-929	101	-1,030	-168
<b>Adjustments to the financial result</b>	<b>473</b>	<b>183</b>	<b>290</b>	<b>196</b>
<b>Non-operating result</b>	<b>605</b>	<b>514</b>	<b>91</b>	<b>-454</b>

1 New definition – therefore, some prior-year figures have been adjusted; see commentary on page 15.

The non-operating result, in which we recognise certain items which are not related to operations or the period being reviewed, amounted to €605 million (previous year: €514 million). Major changes were recorded in the following items:

- Effects on income from the valuation of derivatives (+€843 million vs. 2021): This is the item in which we recognise temporary gains and losses because, pursuant to IFRS, financial instruments used to hedge price risks are accounted for at fair value at the corresponding balance-sheet date, whereas the hedged underlying transactions are only recognised as a profit or loss when they are realised. In the period under review, this asymmetry led to a substantial gain.
- Other (–€1,030 million vs. 2021): This item contains a €748 million impairment recognised for contracts for procuring hard coal from Russia (see page 10). Further charges were triggered by the recent sharp rise in inflation. The resulting cost increases, which have already happened, caused us to make adjustments to our nuclear and mining provisions. A positive impact came from write-ups on lignite-fired power plants and opencast mines, which reflected the improved market conditions for power generation.

- Adjustments to the financial result (+€290 million vs. 2021): Here, the main positive factor was that we raised the discount rates used to calculate our nuclear and mining provisions. The resulting decrease in the present value of the obligations was recognised with an effect on profit or loss. Inflation-driven cost hikes and the increase in discount rates thus had an opposing influence on the level of provisions. These items netted each other out to a great extent.

Income before tax amounted to €2,577 million (previous year: €1,522 million). Taxes on income totalled €385 million, corresponding to an effective tax rate of 15%. This is on par with the rate we established for 2022 taking account of projected income in our markets, local tax rates, and the use of loss carryforwards.

At €109 million, non-controlling interests were much higher than last year (–€13 million), driven in part by increased earnings from offshore wind farms in which third parties own minority shareholdings. This mainly related to Rampion (400 MW), Humber Gateway (219 MW) and Rhyll Flats (90 MW) in the United Kingdom. On top of that, we started fully consolidating Rampion on 1 April of last year. 2022 is therefore the first time that we have stated the 49.9% share of income for the co-owners for the full reporting period.

Due to the aforementioned developments, we posted a strong rise in net income to €2,083 million compared to last year (€1,432 million). Based on the 676.2 million RWE shares outstanding, this corresponds to earnings per share of €3.08 (previous year: €2.12).

Reconciliation to adjusted net income € million	Jan – Jun 2022	Jan – Jun 2021	+ / –	Jan – Dec 2021
Income before financial result and taxes	2,236	1,373	863	1,535
Adjustments to EBIT	-132	-331	199	650
<b>Adjusted EBIT</b>	<b>2,104</b>	<b>1,042</b>	<b>1,062</b>	<b>2,185</b>
Financial result	341	149	192	-13
Adjustments to the financial result	-473	-183	-290	-196
Taxes on income	-385	-103	-282	-690
Adjustments to taxes on income to a tax rate of 15%	88	-48	136	394
Non-controlling interests	-109	13	-122	-111
<b>Adjusted net income</b>	<b>1,566</b>	<b>870</b>	<b>696</b>	<b>1,569</b>

**Adjusted net income grows to €1,566 million.** Adjusted net income amounted to €1,566 million (previous year: €870 million). To calculate adjusted net income, we eliminated the non-operating result from the reconciliation statement and made adjustments to taxes on income in order to maintain a tax rate of 15%. The significant improvement relative to 2021 was due to the good business performance.

Capital expenditure on property, plant and equipment and on intangible assets <sup>1</sup> € million	Jan – Jun 2022	Jan – Jun 2021	+/-	Jan – Dec 2021
Offshore Wind	380	1,181	-801	1,683
Onshore Wind / Solar	659	630	29	1,404
Hydro / Biomass / Gas	151	68	83	294
Supply & Trading	17	20	-3	47
Other, consolidation	-	-1	1	2
<b>Core business</b>	<b>1,207</b>	<b>1,898</b>	<b>-691</b>	<b>3,430</b>
Coal / Nuclear	86	114	-28	259
<b>RWE Group</b>	<b>1,293</b>	<b>2,012</b>	<b>-719</b>	<b>3,689</b>

1 Table only shows cash investments.

Capital expenditure on financial assets <sup>1</sup> € million	Jan – Jun 2022	Jan – Jun 2021	+/-	Jan – Dec 2021
Offshore Wind	754	-39	793	27
Onshore Wind / Solar	97	13	84	27
Hydro / Biomass / Gas	7	6	1	6
Supply & Trading	3	12	-9	20
Other, consolidation	-	-	-	-
<b>Core business</b>	<b>861</b>	<b>-8</b>	<b>869</b>	<b>80</b>
Coal / Nuclear	-	-	-	-
<b>RWE Group</b>	<b>861</b>	<b>-8</b>	<b>869</b>	<b>80</b>

1 Table only shows cash investments.

**Investing activities: Focus on renewable energy expansion.** In the first six months of 2022, our capital expenditure totalled €2,154 million (previous year: €2,004 million). We invested €1,293 million in property, plant and equipment and intangible assets. This was much less than the €2,012 million recorded in the same period last year, which included substantial expenditure on the construction of the Triton Knoll wind farm. Further funds were dedicated to this project in 2022. In addition, we invested in the offshore wind farms Kaskasi near Heligoland, Germany, and Sofia in the UK North Sea, which are currently being built. Further focal points of investment were wind and solar projects in the USA as well as the construction of a gas-fired power station at Biblis, which will help stabilise the German power grid from October 2022 onwards.

We spent €861 million on financial assets (previous year: –€8 million). The single-largest item was a capital contribution of €740 million made to our US joint venture with National Grid Ventures. We used these funds to pay the one-time lease of US\$1.1 billion for a site in the New York Bight, on which we intend to build offshore wind turbines (see page 10).

Of our capital expenditure in the first half of 2022, 88% was 'taxonomy-eligible'. This means that we used the funds for activities which are subject to sustainability criteria under the new EU Taxonomy Regulation. The quota was calculated based on total capital expenditure of €1,648 million. The deviation from the aforementioned figure (€2,154 million) is due to the fact that non-cash transactions are also taxonomy-relevant, whereas capital expenditure on financial assets is disregarded.

<b>Cash flow statement</b> € million	Jan – Jun 2022	Jan – Jun 2021	+/-	Jan – Dec 2021
Funds from operations	5,439	3,329	2,110	7,103
Change in working capital	-2,534	1,683	-4,217	171
<b>Cash flows from operating activities</b>	<b>2,905</b>	<b>5,012</b>	<b>-2,107</b>	<b>7,274</b>
<b>Cash flows from investing activities</b>	<b>-2,105</b>	<b>-2,330</b>	<b>225</b>	<b>-7,738</b>
<b>Cash flows from financing activities</b>	<b>-2,009</b>	<b>-458</b>	<b>-1,551</b>	<b>1,457</b>
Effects of changes in foreign exchange rates and other changes in value on cash and cash equivalents	-1	45	-46	58
<b>Total net changes in cash and cash equivalents</b>	<b>-1,210</b>	<b>2,269</b>	<b>-3,479</b>	<b>1,051</b>
Cash flows from operating activities	2,905	5,012	-2,107	7,274
Minus capital expenditure	-2,154	-2,004	-150	-3,769
Plus proceeds from divestitures / asset disposals	41	397	-356	1,057
<b>Free cash flow</b>	<b>792</b>	<b>3,405</b>	<b>-2,613</b>	<b>4,562</b>

**Operating cash flow significantly down to €2.9 billion.** Despite our improved earnings, cash flows from operating activities clearly fell short of the previous year's figure (€5,012 million), amounting to €2,905 million. One of the main reasons for this was cash outflows to purchase CO<sub>2</sub> emission allowances. Most of our forward contracts for procuring certificates needed in 2021 matured at the beginning of 2022. The marked rise in CO<sub>2</sub> prices came to bear here. Furthermore, higher emissions led to an additional need for certificates. A positive effect was felt from receiving substantial variation margins. These are sureties for exchange-traded commodity forward contracts pledged during the term of the contracts. We recognise the resulting change in liquidity in operating cash flow. Other sureties such as initial margins and collateral are recorded in cash flows from financing activities.

Investing activities resulted in cash outflows of €2,105 million (previous year: €2,330 million). This was primarily attributable to our capital expenditure on property, plant and equipment as well as on financial assets.

Financing activities also led to a cash outflow, totalling €2,009 million (previous year: €458 million). In the period under review, we had to make substantial payments for initial margins and collateral. Initial margins are sureties that are pledged once on conclusion of exchange-traded contracts, whereas collateral serves as a surety for over-the-counter contracts. Further cash outflows (€784 million) resulted from our dividend payments to shareholders of RWE AG and minority shareholders. These were contrasted by €1,985 million in proceeds from the issuance of two green bonds (see page 12).

Due to the presented cash flows from operating, investing and financing activities, our cash and cash equivalents decreased by €1,210 million.

Deducting capital expenditure from cash flows from operating activities and adding to it proceeds on divestitures and asset disposals results in free cash flow. At €792 million, this figure was far below last year's level (€3,405 million).



Net assets / net debt <sup>1</sup> € 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
<b>Financial assets</b>	<b>27,869</b>	<b>26,575</b>	<b>1,294</b>
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
<b>Financial liabilities</b>	<b>- 19,003</b>	<b>- 17,803</b>	<b>- 1,200</b>
Plus 50% of the hybrid capital stated as debt	296	290	6
<b>Net financial assets (including correction of hybrid capital)</b>	<b>9,162</b>	<b>9,062</b>	<b>100</b>
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
<b>Net assets (+) / net debt (-)</b>	<b>1,892</b>	<b>360</b>	<b>1,532</b>

1 Mining provisions are not included in net debt. The same holds true for the assets which we attribute to them. At present, these include our 15% stake in E.ON and our claim for state compensation for the German lignite phaseout in the nominal amount of €2.6 billion.

**Net assets rise to €1.9 billion.** We had €1,892 million in net assets on our books as of 30 June 2022, which was significantly more than on 31 December 2021 (€360 million). The positive free cash flow was one reason for this development. Furthermore, provisions for pensions declined by €857 million. This was largely due to the fact that the discount rates we use to calculate the present value of pension obligations had risen owing to market developments. The interest rates used in the half-year financial statements were 3.2% for Germany and 3.9% for the United Kingdom compared to 1.1% and 1.8% at the end of last year. The market-induced decline in the plan assets we use to cover the lion's share of our pension obligations had a counteracting effect on the level of provisions for pensions.

**Equity drops to €9.5 billion.** The balance-sheet total for the half-year financial statements is €189.6 billion, compared to €142.3 billion at the end of 2021. The main reasons for the significant increase were the soaring commodity prices and the corresponding changes in the value of forward transactions concluded by us. However, such effects are temporary and are largely reversed once the contracts are realised. They caused our commodity derivative

positions to advance by €40.3 billion on the assets side of the balance sheet and by as much as €54.2 billion on the equity and liabilities side. This asymmetry was instrumental to the decrease in our equity by €7.5 billion to €9.5 billion. The share of equity in the balance-sheet total (equity ratio) dropped by 6.9 percentage points to 5.0%.

Group balance sheet structure	30 Jun 2022		31 Dec 2021			30 Jun 2022		31 Dec 2021	
	€ million	%	€ million	%		€ million	%	€ million	%
<b>Assets</b>					<b>Equity and liabilities</b>				
Non-current assets	40,013	21.1	38,863	27.3	Equity	9,470	5.0	16,996	11.9
of which:					Non-current liabilities	28,624	15.1	28,306	19.9
Intangible assets	5,731	3.0	5,884	4.1	of which:				
Property, plant and equipment	21,502	11.3	19,984	14.0	Provisions	15,301	8.1	16,943	11.9
Current assets	149,596	78.9	103,446	72.7	Financial liabilities	9,142	4.8	6,798	4.8
of which:					Current liabilities	151,515	79.9	97,007	68.2
Trade accounts receivable	5,855	3.1	6,470	4.5	of which:				
Receivables and other assets	122,435	64.6	79,626	56.0	Provisions	4,117	2.2	4,268	3.0
Marketable securities	8,010	4.2	8,040	5.6	Financial liabilities	9,878	5.2	10,996	7.7
Assets held for sale	639	0.3	657	0.5	Trade accounts payable	5,688	3.0	4,428	3.1
<b>Total</b>	<b>189,609</b>	<b>100.0</b>	<b>142,309</b>	<b>100.0</b>	Other liabilities	131,832	69.5	77,315	54.4
					Liabilities held for sale	-	-	-	-
					<b>Total</b>	<b>189,609</b>	<b>100.0</b>	<b>142,309</b>	<b>100.0</b>

<b>Workforce<sup>1</sup></b>	30 Jun 2022	31 Dec 2021	+/-
Offshore Wind	1,469	1,277	192
Onshore Wind / Solar	2,175	2,146	29
Hydro / Biomass / Gas	2,648	2,606	42
Supply & Trading	1,896	1,804	92
Other <sup>2</sup>	487	467	20
<b>Core business</b>	<b>8,675</b>	<b>8,300</b>	<b>375</b>
Coal / Nuclear	9,526	9,946	-420
<b>RWE Group</b>	<b>18,201</b>	<b>18,246</b>	<b>-45</b>

1 Converted to full-time positions.

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

**Headcount slightly down on previous year.** As of 30 June 2022, the RWE Group had 18,201 people on its payroll, of which 13,330 were employed in Germany and 4,871 worked at locations abroad. Part-time positions were considered in these figures on a pro-rata basis. Personnel numbers were marginally down compared to the end of 2021 (-45). We recorded a significant decline in the Coal / Nuclear segment, where headcount decreased by 420, to a certain extent due to partial retirement programmes in relation to the German nuclear phaseout. Conversely, 375 additional jobs were created in our core business, for which we have set ourselves ambitious growth goals. New large-scale projects in the Offshore Wind segment played an important role.

## Outlook for 2022

Forecast 2022 € million	Updated forecast	Previous forecast <sup>1</sup>	2021 actual
Adjusted EBITDA	5,000 – 5,500	3,600 – 4,000	3,650
of which:			
Core business	4,300 – 4,800	2,900 – 3,300	2,761
of which:			
Offshore Wind	1,350 – 1,600	1,350 – 1,600	1,110
Onshore Wind / Solar	900 – 1,100	650 – 800	258
Hydro / Biomass / Gas	1,400 – 1,700	700 – 900	731
Supply & Trading	Significantly above 350	150 – 350	769
Coal / Nuclear	650 – 750	650 – 750	889
Adjusted EBIT	3,400 – 3,900	2,000 – 2,400	2,185
Adjusted net income	2,100 – 2,600	1,300 – 1,700	1,569

1 See pages 67 et seq. of the 2021 Annual Report.

**RWE raises earnings forecast for 2022.** Our earnings this year will very probably exceed our outlook on pages 67 et seq. of the 2021 Annual Report. We now expect adjusted EBITDA of €5.0 billion to €5.5 billion (previously €3.6 billion to €4.0 billion) for the Group and of €4.3 billion to €4.8 billion (previously €2.9 billion to €3.3 billion) for the core business. A very good energy trading performance and improved market conditions for power generation during the period under review were important factors in this regard. In the Netherlands, we stand to benefit from the removal of statutory coal-fired generation caps and the fact that another gas-fired power plant, Magnum, will have joined our fleet. The aforementioned factors have also led us to raise our forecasts for the Onshore Wind / Solar, Hydro / Biomass / Gas and Supply & Trading segments (see table above).

With operating depreciation and amortisation projected to total around €1.6 billion, the Group's adjusted EBIT should be in a range of €3.4 billion to €3.9 billion (previously €2.0 billion to €2.4 billion). We have lifted the outlook for adjusted net income to between €2.1 billion and €2.6 billion (previously €1.3 billion to €1.7 billion). The change in the forecast for this figure is more moderate, in part because we expect the financial result to be affected by additional charges. We estimate this key figure to be around –€450 million (previously about –€250 million), owing to the rising amount of debt capital and the higher cost of securing liquidity, among other things. In addition, we also anticipate higher non-controlling interests. We currently expect that they will be in the order of €350 million (previously €200 million). This is due to the substantial improvement in operating income.

**Capital expenditure on property, plant and equipment up on 2021.** We confirm our forecast in relation to capital spending. Investment in property, plant and equipment and intangible assets is forecast to be much higher than in 2021 (€3,689 million), despite declining in the first half of the year. The reason for this is that a number of our wind power projects aren't scheduled to receive the majority of this year's investments until the latter half of 2022.

**Leverage factor will remain below 3.0 cap.** One of our key management parameters is the ratio of net debt to the adjusted EBITDA of the core business, also referred to as the leverage factor. We have set the upper limit for the leverage factor at 3.0. In fiscal 2021, this indicator was below zero. Despite the high volume of planned investments, we expect the leverage factor to remain well below 3.0 at the end of 2022.

**Stable dividend planned.** The Executive Board of RWE AG envisages paying €0.90 of the company's profit per share for the 2022 financial year. This corresponds to the dividend for 2021.

## Current assessment of risk exposure

**Greater risks due to war in Ukraine and inflation.** Information on the structure and processes of our risk management, the responsible organisational units, the major risks and opportunities as well as our measures to control and monitor risks is presented on pages 70 et seqq. of our 2021 Annual Report. It reflects the knowledge we had as of February 2022. We break down our risks by cause into the seven following classes: (1) market risks, (2) regulatory and political risks, (3) legal risks, (4) operational risks, (5) financial risks, (6) creditworthiness of business partners, and (7) other risks. We assess the risks in each of these classes, based on the highest individual risk. The categories are 'low', 'medium' and 'high'. We assess risks twice a year, using a bottom-up analysis. The most recent assessment in the spring of 2022 led us to increase the classification of financial risks from 'medium' to 'high' (see commentary below). There were no changes to the remaining the risk classes.

Our risks associated with the war in Ukraine and energy price hikes, as described in the 2021 Annual Report, partially materialised. As explained on page 10, the forfeit of contractually agreed hard coal deliveries from Russia has led to significant financial losses for RWE. We have completely eliminated the risks associated with gas purchase agreements by concluding hedges. However, a gas supply emergency and far-reaching government intervention in European markets may yet have a negative impact. There are also regulatory risks associated with skyrocketing electricity and commodity prices. Countries such as Italy and Spain have already introduced windfall taxes on energy company's additional earnings due to current market conditions. The British government is even considering changing its market design. Interventions such as this could also have a negative impact on RWE.

Inflation has been fuelled by goods shortages and logistics problems since the coronavirus pandemic subsided. The war in Ukraine has further aggravated the situation. Accelerated currency devaluation and associated rising costs can force us to raise provisions even more than we already have this year. Price increases are particularly detrimental when they are above average in sectors from which we procure products and services for nuclear waste disposal and recultivating opencast mine areas. However, rising inflation generally goes hand in hand with rising nominal interest rates. The higher the discount rate, the lower the present value of future obligations - which also applies to the provisions we account for. Price hikes and rising interest rates therefore have a counteractive effect. Nevertheless, we have adjusted our financial risks to 'high' due to inflation.

Liquidity risks associated with securing forward transactions have also heightened due to rising prices and volatility on the energy markets. The amount of surety provided depends on the extent to which the contractually agreed prices deviate from market quotations as of the respective cut-off date. If differences are substantial, then they may weigh heavily on our liquidity. Thanks to our robust financial position, we are confident that we will always be able to provide the required sureties. To ensure this is possible even during more extreme scenarios, we increased the headroom for our lines of credit to €8 billion this spring (see page 13).

Despite the uncertainties touched on above, we do not foresee any risks that would undermine the viability of RWE AG or the RWE Group.

**Risk indicators in the first half of 2022.** We manage and monitor commodity price and financial market risks using indicators such as the Value at Risk, Cash Flow at Risk and sensitivities.

The risk exposure of the trading operations of RWE Supply & Trading is measured using the Value at Risk (VaR). It specifies the maximum loss from a risk position not exceeded with a given probability over a certain period of time. The VaR figures within the RWE Group are generally calculated using a confidence interval of 95% – with an observation period of one day. This means that, with a probability of 95%, the maximum daily loss does not exceed the VaR. The VaR for the price risks associated with commodity positions in the trading business is subject to a limit, which was increased from €60 million to €80 million in the period under review. In the first half of the year, actual daily figures usually remained significantly below the limit, averaging €44 million.

The management of our gas portfolio and LNG business is pooled in a dedicated organisational unit at RWE Supply & Trading. These activities are also subject to a daily VaR ceiling. The upper limit was adjusted during the period under review and is currently set at €65 million. The average VaR for the first half of the year was €34 million.

The development of market interest rates is a major financial risk, because rising interest rates drive up our finance costs. We measure this risk using the Cash Flow at Risk (CFaR). In doing so, we apply a confidence level of 95% and a holding period of one year. In the first half of 2022, the average CFaR was €2 million.

If interest rates rise, we can suffer exchange rate losses on the securities on our books. This primarily relates to fixed-interest bonds. We measure the securities price risk using a sensitivity analysis. This led to the following results as of the balance-sheet date: if market interest rates had increased by 100 basis points, the value of the bonds on our books would have dropped by €21 million.

We also quantify risks associated with our financial positions held in foreign currencies via sensitivities. In doing so, we calculate the extent to which a 10% change in foreign exchange rates would affect the value of the positions. As of 30 June, this sensitivity was €0.8 million.

## Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for half-year financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim Group review of operations includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Essen, 8 August 2022

The Executive Board



Krebber



Müller



Seeger

## Interim consolidated financial statements (condensed)

### Income statement

€ million	Apr - Jun 2022 <sup>1</sup>	Apr - Jun 2021 <sup>1</sup>	Jan - Jun 2022	Jan - Jun 2021
<b>Revenue (including natural gas tax / electricity tax)</b>	<b>8,298</b>	<b>3,792</b>	<b>16,300</b>	<b>8,575</b>
Natural gas tax / electricity tax	-53	-51	-112	-127
<b>Revenue<sup>2</sup></b>	<b>8,245</b>	<b>3,741</b>	<b>16,188</b>	<b>8,448</b>
Cost of materials	-8,224	-2,768	-15,739	-6,330
Staff costs	-634	-636	-1,325	-1,216
Depreciation, amortisation and impairment losses	-403	-1,154	-785	-1,510
Other operating result	306	1,422	3,810	1,653
Income from investments accounted for using the equity method	68	54	140	140
Other income from investments	-12	183	-53	188
<b>Income before financial result and tax</b>	<b>-654</b>	<b>842</b>	<b>2,236</b>	<b>1,373</b>
Financial income	958	421	1,440	1,147
Finance costs	-456	-368	-1,099	-998
<b>Income before tax</b>	<b>-152</b>	<b>895</b>	<b>2,577</b>	<b>1,522</b>
Taxes on income	90	-386	-385	-103
<b>Income</b>	<b>-62</b>	<b>509</b>	<b>2,192</b>	<b>1,419</b>
of which: non-controlling interests	21	-28	109	-13
<b>of which: net income / income attributable to RWE AG shareholders</b>	<b>-83</b>	<b>537</b>	<b>2,083</b>	<b>1,432</b>
<b>Basic and diluted earnings per share in €</b>	<b>-0.12</b>	<b>0.80</b>	<b>3.08</b>	<b>2.12</b>

1 Voluntary reporting of the quarterly figures for the period 1 April to 30 June 2022 and the prior-year quarter are not part of the audit review as of 30 June 2022.

2 A presentation of revenue by product and segment can be found on page 18.



## Statement of comprehensive income

Figures stated after taxes – € million	Apr – Jun 2022 <sup>1</sup>	Apr – Jun 2021 <sup>1</sup>	Jan – Jun 2022	Jan – Jun 2021
<b>Income</b>	<b>-62</b>	<b>509</b>	<b>2,192</b>	<b>1,419</b>
Actuarial gains and losses of defined benefit pension plans and similar obligations	381	158	1,175	805
Income and expenses of investments accounted for using the equity method (pro-rata)	4	-2	2	-2
Fair valuation of equity instruments	-984	-36	-1,606	300
<b>Income and expenses recognised in equity, not to be reclassified through profit or loss</b>	<b>-599</b>	<b>120</b>	<b>-429</b>	<b>1,103</b>
Currency translation adjustment	-44	28	-98	101
Fair valuation of debt instruments	-5	8	-12	-12
Fair valuation of financial instruments used for hedging purposes	-472	-163	-5,901	1,084
Income and expenses of investments accounted for using the equity method (pro-rata)	10	1	20	11
<b>Income and expenses recognised in equity, to be reclassified through profit or loss in the future</b>	<b>-511</b>	<b>-126</b>	<b>-5,991</b>	<b>1,184</b>
<b>Other comprehensive income</b>	<b>-1,110</b>	<b>-6</b>	<b>-6,420</b>	<b>2,287</b>
<b>Total comprehensive income</b>	<b>-1,172</b>	<b>503</b>	<b>-4,228</b>	<b>3,706</b>
of which: attributable to RWE AG shareholders	-1,191	531	-4,351	3,657
of which: attributable to non-controlling interests	19	-28	123	49

1 Voluntary reporting of the quarterly figures for the period 1 April to 30 June 2022 and the prior-year quarter are not part of the audit review as of 30 June 2022.

## Balance sheet

<b>Assets</b>	30 Jun 2022	31 Dec 2021
€ million		
<b>Non-current assets</b>		
Intangible assets	5,731	5,884
Property, plant and equipment	21,502	19,984
Investments accounted for using the equity method	3,852	3,021
Other non-current financial assets	3,804	5,477
Receivables and other assets	4,209	3,834
Deferred taxes	915	663
	<b>40,013</b>	<b>38,863</b>
<b>Current assets</b>		
Inventories	8,042	2,828
Trade accounts receivable	5,855	6,470
Receivables and other assets	122,435	79,626
Marketable securities	8,010	8,040
Cash and cash equivalents	4,615	5,825
Assets held for sale	639	657
	<b>149,596</b>	<b>103,446</b>
	<b>189,609</b>	<b>142,309</b>

<b>Equity and liabilities</b>	30 Jun 2022	31 Dec 2021
€ million		
<b>Equity</b>		
RWE AG shareholders' interest	7,772	15,254
Non-controlling interests	1,698	1,742
	<b>9,470</b>	<b>16,996</b>
<b>Non-current liabilities</b>		
Provisions	15,301	16,943
Financial liabilities	9,142	6,798
Other liabilities	2,679	2,617
Deferred taxes	1,502	1,948
	<b>28,624</b>	<b>28,306</b>
<b>Current liabilities</b>		
Provisions	4,117	4,268
Financial liabilities	9,878	10,996
Trade accounts payable	5,688	4,428
Other liabilities	131,832	77,315
	<b>151,515</b>	<b>97,007</b>
	<b>189,609</b>	<b>142,309</b>

## Cash flow statement

€ million	Jan - Jun 2022	Jan - Jun 2021
Income	2,192	1,419
Depreciation, amortisation and impairment losses / write-backs	196	1,351
Changes in provisions	-623	-529
Deferred taxes / non-cash income and expenses / income from disposal of non-current assets and marketable securities	3,674	1,088
Changes in working capital	-2,534	1,683
<b>Cash flows from operating activities</b>	<b>2,905</b>	<b>5,012</b>
<b>Cash flows from investing activities<sup>1</sup></b>	<b>-2,105</b>	<b>-2,330</b>
<b>Cash flows from financing activities</b>	<b>-2,009</b>	<b>-458</b>
Net cash change in cash and cash equivalents	-1,209	2,224
Effects of changes in foreign exchange rates and other changes in value on cash and cash equivalents	-1	45
<b>Net change in cash and cash equivalents</b>	<b>-1,210</b>	<b>2,269</b>
Cash and cash equivalents at beginning of reporting period	5,825	4,774
<b>Cash and cash equivalents at end of reporting period</b>	<b>4,615</b>	<b>7,043</b>

1 After the initial / subsequent transfer to plan assets in the amount of €0 million (prior-year period: €1,091 million).

## Statement of changes in equity

€ million	Subscribed capital and additional paid-in capital of RWE AG	Retained earnings and distributable profit	Accumulated other comprehensive income	RWE AG shareholders' interest	Non-controlling interests	Total
<b>Balance at 1 Jan 2022</b>	<b>5,959</b>	<b>8,301</b>	<b>2,656</b>	<b>16,916</b>	<b>790</b>	<b>17,706</b>
Capital paid out					-6	-6
Dividends paid		-575		-575	-72	-647
Income		1,432		1,432	-13	1,419
Other comprehensive income		1,104	1,121	2,225	62	2,287
Total comprehensive income		2,536	1,121	3,657	49	3,706
Other changes		-23	-601	-624	1,076	452
<b>Balance at 30 Jun 2022</b>	<b>5,959</b>	<b>10,239</b>	<b>3,176</b>	<b>19,374</b>	<b>1,837</b>	<b>21,211</b>
<b>Balance at 31 Dec 2021</b>	<b>5,959</b>	<b>10,706</b>	<b>-1,411</b>	<b>15,254</b>	<b>1,742</b>	<b>16,996</b>
First-time application of IAS 29		18	-4	14	6	20
<b>Balance at 1 Jan 2022</b>	<b>5,959</b>	<b>10,724</b>	<b>-1,415</b>	<b>15,268</b>	<b>1,748</b>	<b>17,016</b>
Capital paid out					-5	-5
Dividends paid		-609		-609	-175	-784
Income		2,083		2,083	109	2,192
Other comprehensive income		-430	-6,004	-6,434	14	-6,420
Total comprehensive income		1,653	-6,004	-4,351	123	-4,228
Other changes		24	-2,560	-2,536	7	-2,529
<b>Balance at 30 Jun 2022</b>	<b>5,959</b>	<b>11,792</b>	<b>-9,979</b>	<b>7,772</b>	<b>1,698</b>	<b>9,470</b>

## Notes

### Accounting policies

RWE AG, headquartered in Essen, Germany, is the parent company of the RWE Group ('RWE' or 'Group').

The interim consolidated financial statements as of 30 June 2022, including the additional information in the interim Group review of operations, have been prepared in accordance with the International Financial Reporting Standards (IFRSs) applicable in the European Union (EU). The statements were authorised for issue on 8 August 2022.

In line with IAS 34, the scope of reporting for the presentation of the interim consolidated financial statements for the period ended 30 June 2022 was condensed compared with the scope applied to the consolidated financial statements as of 31 December 2021. With the exception of the changes and new rules described below, these interim consolidated financial statements were prepared using the accounting policies applied in the consolidated financial statements for the period ended 31 December 2021. For further information, please see the Group's 2021 Annual Report, which provides the basis for this half-year financial report.

The average discount rate applied to provisions for nuclear waste management is 1.3% (31 December 2021: 0.0%), and 2.9% (31 December 2021: 2.1%) for mining-related provisions. Provisions for pensions and similar obligations are discounted at an interest rate of 3.2% in Germany and 3.9% abroad (31 December 2021: 1.1% and 1.8%, respectively).

Turkey has been classified as a hyperinflationary economy according to IAS 29 since 30 June 2022. In these consolidated financial statements as of 30 June 2022, RWE is thus applying IAS 29 for the first time in respect of the financial statements of Turkish subsidiaries. As of 1 January 2022, the effect from retroactive first-time application of IAS 29 amounted to €20 million, which was recognised in equity. In the first half of 2022, IAS 29 application led to a loss of €15 million from the net positions of the monetary items, which

was reported in depreciation, amortisation and impairment losses as well as in the financial result. In this regard, the consumer price index of the Turkish Statistical Institute was used to adjust purchasing power effects. As of 1 January 2022, this amounted to 687 basis points, which increased to 978 basis points during the first half of 2022. In accordance with IAS 21, the prior-year figures were not adjusted.

The following effects were registered for the cash flow statement for the first half of 2022:

Item	<b>Adjustment effects from IAS 29 application in H1 2022, million €</b>
Income	- 15
Depreciation, amortisation and impairment losses / write-backs	4
Changes in provisions	0
Deferred taxes/non-cash income and expenses / income from disposal of non-current assets and marketable securities	15
Change in working capital	- 4
<b>Cash flows from operating activities</b>	<b>0</b>

The inflation effect on the initial balance of cash in Turkey, which was not recognised in the cash flow statement, amounted to €19 million as of 30 June 2022.

## Changes in accounting regulations

The International Accounting Standards Board (IASB) has approved several amendments to existing IFRSs, which are effective for the RWE Group as of fiscal 2022, due to EU endorsement:

- Amendments to IFRS 3 Business Combinations (2020),
- Amendments to IAS 16 Property, Plant and Equipment (2020),
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (2020),
- Annual Improvements to IFRS Standards 2018-2020 (2020).

These new policies do not have any material effects on the RWE Group's consolidated financial statements.

## New accounting policies

The IASB issued further standards and amendments to standards, which are not yet mandatory in the EU in fiscal 2022. These standards and amendments to standards are listed below and are not expected to have any material effects on RWE's consolidated financial statements:

- IFRS 17 Insurance Contracts (2017),
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (2020) and Presentation of Financial Statements: Classification of Liabilities as Current or Non-current – Deferral of Effective Date (2020),
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (2021),
- Amendments to IAS 1 Presentation of Financial Statements (2021),
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (2021),
- Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (2021).

## Scope of consolidation

In addition to RWE AG, the consolidated financial statements contain all material German and foreign companies which RWE AG controls directly or indirectly. Principal associates are accounted for using the equity method (joint ventures), and principal joint arrangements are accounted for using the equity method or as joint operations.

The changes in the number of fully consolidated companies as well as of associates and joint ventures accounted for using the equity method are presented below:

Number of fully consolidated companies	Germany	Abroad	Total
<b>Balance at 1 Jan 2022</b>	<b>55</b>	<b>205</b>	<b>260</b>
First-time consolidation	3	9	12
Deconsolidation	-1	-4	-5
Mergers		-2	-2
<b>Balance at 30 Jun 2022</b>	<b>57</b>	<b>208</b>	<b>265</b>

Number of companies accounted for using the equity method	Germany	Abroad	Total
<b>Balance at 1 Jan 2022</b>	<b>11</b>	<b>20</b>	<b>31</b>
Disposals		-1	-1
Other changes		3	3
<b>Balance at 30 Jun 2022</b>	<b>11</b>	<b>22</b>	<b>33</b>

Furthermore, two companies are presented as joint operations (31 December 2021: two companies).

## Assets held for sale

**Sale of the grid connection for the Triton Knoll offshore wind farm.** In order to comply with competition law requirements, RWE must sell the grid connection for the Triton Knoll offshore wind farm. Consequently, the book value of the grid connection, which consists exclusively of property, plant and equipment, is reported as 'held for sale' in the balance sheet as of 30 June 2022, in the amount of €639 million. This asset held for sale is assigned to the Offshore Wind segment. A sale is expected to be completed within the next twelve months.



## Share-based payment

The consolidated financial statements for the period ended 31 December 2021 presented the share-based payment system for executives of RWE AG and subordinate affiliates. As part of the Long-Term Incentive Plan for executives entitled 'Strategic Performance Plan' (SPP), RWE AG issued another tranche for fiscal 2022.

## Reversal of impairments

In the segment Coal/Nuclear, with regard to the cash-generating units (CGUs) Hambach and Inden, which had been written down in previous periods in accordance with IAS 36, write-backs up to the historical carrying amount of the CGUs in the amount of €517 million and €137 million were recorded (recoverable amount: €1.3 billion and €1.1 billion, respectively). Of this, €515 million and €137 million, respectively, was applied to property, plant and equipment, and €2 million and €0 million, respectively, to intangible assets. These write-backs were recognised in the item 'Other operating income'. The CGUs Hambach and Inden consist of the respective opencast mines and power plant units.

The write-back was essentially motivated by the large increase in market prices for electricity, in conjunction with a smaller intense increase in market prices of CO<sub>2</sub> allowances. As electricity production in the coming years is mostly hedged against market price fluctuations using derivatives, the write-backs are contrasted by declines in the fair value of financial instruments used to hedge price risks, which are recognised in other comprehensive income (OCI).

The recoverable amounts, as the fair value less costs to sell, were determined using the same valuation models and parameters as in fiscal 2021. Among other things, an updated after-tax discount rate of 4.5% (previous year: 2.75%) was applied in both cases. Based on the use of internal planning assumptions, the fair value is assigned to Level 3 of the fair value hierarchy.

## Dividend distribution

RWE AG's Annual General Meeting, held on 28 April 2022, decided to pay a dividend of €0.90 per dividend-bearing RWE share for fiscal 2021. The dividend payment for fiscal 2021 occurred on 3 May 2022 and totalled €609 million (previous year: €575 million).

## Financing measures

In May 2022, RWE issued two more green bonds, each with a volume of €1 billion (total volume: €2 billion). For the first bond with maturity in 2026, the yield-to-maturity amounts to 2.217% p.a., based on a coupon of 2.125% p.a. and an issue price of 99.652%. For the second bond with maturity in 2030, the yield-to-maturity amounts to 2.851% p.a., based on a coupon of 2.750% p.a. and an issue price of 99.287%.

In accordance with RWE's guidelines for green bonds, the RWE Green Bond Framework, the proceeds from the issue may only be used for the financing or refinancing of wind and solar projects.

In April 2022, Tranche B of the €2 billion syndicated credit line agreed in 2019 expired. It was replaced with a new credit line of the same size that runs until April 2026. Tranche A of the 2019 syndicated credit line with a volume of €3 billion still runs until April 2026. Additionally, a new €3 billion syndicated credit line with a term of twelve months was agreed in March 2022, which can be extended twice by six months each time.

## Earnings per share

		Jan - Jun 2022	Jan - Jun 2021
Net income / income attributable to RWE AG shareholders	€ million	2,083	1,432
Number of shares outstanding	thousands	676,220	676,220
Basic and diluted earnings per share	€	3.08	2.12

## Contingent receivables

On 20 June 2022, the Dutch government announced that the CO<sub>2</sub> cap for coal-fired power plants will be cancelled, in light of the current gas shortages. This means that the law on the temporary restriction of coal-fired power stations (see RWE Annual Report 2021, page 173) is immediately repealed as of 20 June 2022. Accordingly, starting from 20 June 2022 the Dutch coal-fired power plants have no restrictions in terms of annual allowed CO<sub>2</sub> emissions and this applies for 2022 as well. Furthermore, the Dutch Ministry of Economic Affairs and Climate stated this measure will not be activated again in the period 2022-2024. Furthermore, the Dutch government stated that the affected companies will be compensated for the damages suffered from the CO<sub>2</sub> cap in 2022 according to the provisions in the law and the Compensation Decree governing damage compensation. Cancellation of the law by the Dutch Parliament must still occur following the summer recess. Due to the described changes in the regulatory environment, RWE no longer expects compensation in the upper triple-digit million euro range, as the temporary restriction on coal-fired power stations for the years 2022 to 2024 was cancelled as of 20 June 2022. However, RWE expects possible compensation for 2022 in the lower triple-digit million euro range.

## Related party disclosures

The RWE Group classifies associated companies and joint ventures as related parties. In the first half of 2022, transactions concluded with material related parties generated €387 million in income (first half of 2021: €377 million). Furthermore, transactions concluded with material related parties led to expenses of €457 million (first half of 2021: €145 million). As of 30 June 2022, accounts receivable amounted to €256 million (31 December 2021: €226 million) and accounts payable totalled €498 million (31 December 2021: €312 million). All business transactions were concluded at arm's length conditions and on principle do not differ from transactions involving the supply of goods and services concluded with other companies. Other obligations from executory contracts amounted to €114 million (31 December 2021: €114 million).

Above and beyond this, the RWE Group did not execute any material transactions with related companies or persons.

## Reporting on financial instruments

Financial instruments are divided into non-derivative and derivative. Non-derivative financial assets essentially include other financial assets, accounts receivable, marketable securities and cash and cash equivalents. Financial instruments are recognised at amortised cost or fair value, depending on their classification. Financial instruments are assigned to the following categories for accounting purposes:

- Debt instruments measured at amortised cost: The contractual cash flows solely consist of interest and principle on the outstanding capital and the financial instrument is intended to be held to final maturity.
- Debt instruments measured at fair value through other comprehensive income: The contractual cash flows solely consist of interest and principle on the outstanding capital and the financial instrument is intended to be held and sold.
- Equity instruments measured at fair value through other comprehensive income: The option to recognise changes in fair value in other comprehensive income is exercised.

- Financial assets measured at fair value through profit or loss: The contractual cash flows of debt instruments do not solely consist of interest and principle on the outstanding capital or the option to recognise changes in the fair value of the equity instruments in other comprehensive income is not exercised.

On the liabilities side, non-derivative financial instruments principally include liabilities recorded at amortised cost.

The fair value of financial instruments is established based on the published exchange price, insofar as the financial instruments are traded on an active market. On principle, the fair value of non-quoted debt and equity instruments is determined on the basis of discounted expected cash flows, taking into consideration macroeconomic developments and corporate planning data. Current market interest rates corresponding to the remaining maturity are used for discounting.

Derivative financial instruments are recognised at fair value as of the balance-sheet date, insofar as they fall under the scope of IFRS 9. Exchange-traded products are measured using the published closing prices of the relevant exchange. Non-exchange traded products are measured on the basis of publicly available broker quotations or, if such quotations are not available, on generally accepted valuation methods. In doing so, we draw on prices on active markets as much as possible. If such are not available either, company-specific planning estimates are used in the measurement process. These estimates encompass all of the market factors which other market participants would take into account in the course of price determination. Assumptions pertaining to the energy sector and the economy are the result of a comprehensive process with the involvement of both in-house and external experts.

Measurement of the fair value of a group of financial assets and financial liabilities is conducted on the basis of the net risk exposure per business partner.

As a rule, the carrying amounts of financial assets and liabilities subject to IFRS 7 are identical with their fair values. There are deviations only in relation to financial liabilities. Their carrying amounts totalled €17,477 million (31 December 2021: €16,385 million) and their fair values totalled €17,323 million (31 December 2021: €16,419 million).

The following overview presents the classifications of financial instruments measured at fair value in the fair value hierarchy prescribed by IFRS 13. In accordance with IFRS 13, the individual levels of the fair value hierarchy are defined as follows:

- Level 1: Measurement using (unadjusted) prices of identical financial instruments formed on active markets,
- Level 2: Measurement on the basis of input parameters which are not the prices from Level 1, but which can be observed for the financial instrument either directly (i.e. as price) or indirectly (i.e. derived from prices),
- Level 3: Measurement using factors which cannot be observed on the basis of market data.

<b>Fair value hierarchy</b> € million	Total 30 Jun 2022	Level 1	Level 2	Level 3	Total 31 Dec 2021	Level 1	Level 2	Level 3
Other non-current financial assets	3,804	3,260	217	327	5,477	4,960	235	282
Derivatives (assets)	105,905		99,223	6,682	65,160		61,281	3,879
of which: used for hedging purposes	7,965		7,965		6,768		6,768	
Marketable securities <sup>1</sup>	6,905	18	6,887		7,069	107	6,962	
Derivatives (liabilities)	131,416		129,630	1,786	76,992		75,760	1,232
of which: used for hedging purposes	22,883		22,883		14,609		14,609	

<sup>1</sup> Some prior-year figures restated.

During the reporting period, impairments in the amount of €748 million were recognised in other operating income in relation to contracts for hard coal deliveries from Russia which were reported as derivatives at fair value. These impairments were necessary due to the sanctions against Russia imposed by the EU and the United Kingdom as a result of the Ukraine war.

The development of the fair values of Level 3 financial instruments is presented in the following table:

Level 3 financial instruments: Development in 2022	Balance at 1 Jan 2022	Changes in the scope of consolidation, currency adjustments and other	Changes			Balance at 30 Jun 2022
			Recognised in profit or loss	Recognised in OCI	With a cash effect	
€ million						
Other non-current financial assets	282	- 11	- 2		58	327
Derivatives (assets)	3,879	- 2	4,641		- 1,836	6,682
Derivatives (liabilities)	1,232	4	1,345		- 795	1,786

Level 3 financial instruments: Development in 2021	Balance at 1 Jan 2021	Changes in the scope of consolidation, currency adjustments and other	Changes			Balance at 30 Jun 2021
			Recognised in profit or loss	Recognised in OCI	With a cash effect	
€ million						
Other non-current financial assets	364	- 81	1		35	319
Derivatives (assets)	699		579			1,278
Derivatives (liabilities)	256	1	- 33			224
Liabilities held for sale		1	34			35

Amounts recognised in profit or loss generated through Level 3 financial instruments relate to the following line items on the income statement:

<b>Level 3 financial instruments: Amounts recognised in profit or loss</b>	Total Jan – Jun 2022	Of which: attributable to financial instruments held at the balance-sheet date	Total Jan – Jun 2021	Of which: attributable to financial instruments held at the balance-sheet date
€ million				
Other operating income / expenses	3,297	3,297	577	577
Income from investments	-3	-3	2	-3
	<b>3,294</b>	<b>3,294</b>	<b>579</b>	<b>574</b>

Level 3 derivative financial instruments essentially consist of energy purchase and commodity agreements, which relate to trading periods for which there are no active markets yet. The valuation of such depends on the development of electricity, oil and gas prices in particular. All other things being equal, rising market prices cause the fair values to increase, whereas declining market prices cause them to drop. A change in pricing by +/- 10% would cause the market value to rise by €45 million (previous year: €102 million) or decline by €45 million (previous year: €102 million).

Translation - the German text is authoritative

## Review report

### To RWE Aktiengesellschaft, Essen

We have reviewed the condensed consolidated interim financial statements – comprising the condensed income statement, condensed statement of comprehensive income, condensed statement of financial position, condensed statement of cash flows, condensed statement of changes in equity and selected explanatory notes – and the interim group management report of RWE Aktiengesellschaft, Essen, for the period from 1 January 2022 to 30 June 2022 which are part of the half-year financial report pursuant to § (Article) 115 WpHG (“Wertpapierhandelsgesetz”: German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company’s Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standard on Review Engagements “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group

management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Essen, 8 August 2022

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

(sign. Markus Dittmann)  
Wirtschaftsprüfer  
(German Public Auditor)

(sign. Aissata Touré)  
Wirtschaftsprüferin  
(German Public Auditor)

# Financial calendar 2022 / 2023

<b>10 November 2022</b>	Interim statement on the first three quarters of 2022
<b>21 March 2023</b>	Annual report for fiscal 2022
<b>04 May 2023</b>	Annual General Meeting
<b>05 May 2023</b>	Ex-dividend date
<b>09 May 2023</b>	Dividend payment
<b>11 May 2023</b>	Interim statement on the first quarter of 2023
<b>10 August 2023</b>	Interim report on the first half of 2023
<b>14 November 2023</b>	Interim statement on the first three quarters of 2023

This document was published on 11 August 2022. It is a translation of the German interim report on the first half of 2022. In case of divergence the German version shall prevail. All events concerning the publication of our financial reports and the Annual General Meeting are broadcast live on the internet. We will keep recordings on our website for at least twelve months.

## **RWE Aktiengesellschaft**

RWE Platz 1  
45141 Essen  
Germany

[www.rwe.com](http://www.rwe.com)