

Interim report on the first quarter of 2022
Telephone press conference
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Check against delivery

Ladies and Gentlemen,

Welcome to our press conference on the first quarter of 2022.

Since 24 February, Russia has been waging war against Ukraine – that's 11 weeks now. There is no peace on the horizon.

This is dreadful, especially for the 44 million Ukrainians who are experiencing endless suffering and fear for the lives of their families and friends.

It is shocking. And it's very difficult to bear.

This makes it all the more important to take action. And to help wherever possible. That's what the Western community of nations is doing. And it's what we as RWE are doing, too.

We provide humanitarian support, by housing refugees in apartments in the Rhenish mining area, by donating money to aid organisations, and by giving employees leave to help out. And we are offering jobs to Ukrainian refugees.

Above all, we are supporting the German government in becoming independent of fuels from Russia and strengthening security of supply in Germany in the short term.

We are helping, for example, to build up LNG capacities as quickly as possible. We have chartered two special ships on behalf of and in the name of the Federal government. These can be used to import liquefied natural gas and feed it straight into the German gas grid. As soon as the land-based infrastructure is in place, it can get started. The ships are ready.

The construction of an LNG terminal in Brunsbüttel near Hamburg, in which RWE is participating, is also to get underway as soon as possible. At the same time, we are working on new supply contracts for liquefied gas – mainly from the US and Qatar.

We will build an import terminal for green ammonia right next to the plant in Brunsbüttel. This is another element of vital importance showing that diversifying energy imports and protecting the climate are closely linked. Investments signed off on now are accelerating the transition towards a green energy world. It is planned to import as much as approximately 300,000 tonnes of ammonia annually from 2026. In subsequent years, this amount is to increase to two million tonnes per year.

The recent cut-off of Russian gas supplies to Poland and Bulgaria has clearly shown that Europe – and in particular Germany – must do everything in their power to become independent of Russian gas as quickly as possible. The speed with which the German government has been acting over recent weeks is necessary, and impressive.

We need more of this.

The German government is optimistic that Germany could become largely independent of Russian gas by summer 2024. For hard coal and crude oil this is already on course to be achieved by autumn and the end of this year, respectively.

With regard to hard coal imports from Russia, the EU has imposed an embargo starting in August. The UK government already imposed sanctions against Russian Railways in March. As a company that's active in the UK, this means that we have not been accepting any coal from Russia since March.

As a consequence we had to write off our long-term supply contract for Russian coal. The resulting loss amounts to around EUR 850 million. We include effects arising from regulatory interventions such as sanctions in the non-operating result. Thus, the write-off does not affect our outlook for the year as a whole.

In view of a possible gas embargo, we have made provisions for our Russian supply contracts. At the start of the war, we had contracted a total of 15 terawatt hours until 2023. We have now reduced our financial exposure to less than 4 terawatt hours.

RWE is aware of its responsibility for security of supply.

Should the government decide to keep coal-fired power stations in reserve for longer or to shut down plants at a later date, we will implement this if it is technically feasible. However, the decision will be made solely by the government. This changes nothing in terms of our strategy.

RWE has been committed to the coal phase-out and will implement it. We are focusing on expanding our green capacities. We will be climate-neutral by 2040. The situation on the energy markets continues to be very dynamic. This is placing big demands on our employees, too. They are doing a terrific job – despite the difficult conditions.

A look at the operational performance confirms this. This was very good in the first three months of the year. RWE is growing, and it's doing it exclusively in its green core business.

By the end of March, we had achieved adjusted EBITDA of around EUR 1.5 billion compared to EUR 883 million for the same period in 2021.

Adjusted EBIT for the RWE Group was around EUR 1.1 billion. It thus almost doubled compared to the same quarter last year.

Adjusted net income improved even more significantly, from EUR 340 million to EUR 735 million.

This means that our outlook remains unchanged:

- We expect adjusted EBITDA of between EUR 3.6 billion and EUR 4 billion in 2022.
- Our target for adjusted EBIT is between EUR 2 billion and EUR 2.4 billion.
- And for adjusted net income, our target is between EUR 1.3 billion and EUR 1.7 billion.

The Executive Board aims to pay out 90 euro cents per share in dividends.

Let's now look at the various segments in detail:

In the Offshore Wind segment, we achieved adjusted EBITDA of EUR 420 million. This is an increase of over 40 percent compared to the previous year. This is mainly thanks to significantly increased wind speeds. Our new wind farm Triton Knoll also played an important role here; most of its turbines were already operational during the first quarter of 2022.

In the Onshore Wind/Solar segment adjusted EBITDA reached EUR 318 million. In the same quarter of last year the result was negative due to the losses caused by the extreme weather in Texas.

Here, too, more favourable wind conditions and the commissioning of new generation capacity contributed to the encouraging earnings trend.

In the Hydro/Biomass/Gas segment adjusted EBITDA grew to EUR 263 million, partially driven by income from the short-term optimisation of our power plant dispatch.

At EUR 297 million, adjusted EBITDA in the Supply & Trading segment exceeded the high figure registered in the same period last year.

As announced, adjusted EBITDA in the Coal/Nuclear segment declined to EUR 207 million. The main reason was power plant closures as part of the German coal and nuclear phaseouts. At the end of 2021, we took the Gundremmingen C nuclear power station as well as three lignite-fired units offline.

Thanks to our solid financial situation we can continue to make considerable investments going forward. Our gross capital expenditure during the first quarter of 2022 was EUR 568 million. Approximately 90% of our total capex was in line with the criteria of the EU Taxonomy for sustainable investments.

By the end of March we had commissioned most of the turbines at our Triton Knoll wind farm off the British coast. The wind farm has been officially connected to the grid since April. New onshore wind farms in Texas, France and Germany were also commissioned. We are currently investing heavily in the construction of the Kaskasi and Sofia offshore wind farms. Other main capex areas include wind, solar and battery projects in the US and Europe. For the year as a whole, we want to invest significantly more in our core business than last year. In 2021, capex was at EUR 3.7 billion.

Currently, facilities with a total capacity of 5.6 gigawatts are under construction. This includes solar projects in the US with a capacity of around 1.1 gigawatts. Their

completion is being delayed as the US Department of Commerce is currently investigating to what extent photovoltaic modules made in Southeast Asia are subject to anti-dumping duties imposed on China, which have been in place since 2011. The import and shipment of PV modules from Southeast Asia has therefore been largely halted at present.

Our success in the New York offshore wind auction marks our entry into the US offshore market. Together with our partner National Grid Ventures, we were able to secure an area large enough to implement a gross capacity of around 3 gigawatts. That's enough to supply 1.1 million US households with electricity. Provided the project progresses as planned, the wind farm will be commissioned before the end of this decade. We are continuing to make progress in Germany, too: In a new joint venture with the Canadian company Northland Power, we will develop three offshore wind farms north of the island of Juist, with a capacity of up to 1.3 gigawatts.

This concludes the section on our operating performance.

The global transition of energy supply has been picking up speed for some years now. "Growing Green" is the right strategy here. We are investing EUR 50 billion gross in our core business by 2030. This will make RWE greener, bigger and more valuable.

In addition to expanding renewables, our strategy also covers green hydrogen.

With the state government of Lower Saxony confirming funding last week, we have moved one step closer to the construction of an electrolyser facility for producing green hydrogen at our Lingen power plant site.

There, we want to invest EUR 30 million to create 14 megawatts of electrolyser capacity. The planning application has been submitted. Subject to approval by the authorities, building work is set to start in June.

We are also working with great urgency towards constructing a hydrogen storage facility. Germany's first commercial hydrogen cavern storage facility is to be built in Gronau. In order to meet the ambitious schedule, we have now initiated the approval process – even though we are still awaiting confirmation on public funding for the project.

In its "Easter package", the German government stepped up the expansion targets for wind power and solar plants considerably; it promises faster grid expansion and a higher regard in society for renewables.

We welcome all of this.

However, there is still a significant need for optimisation, in particular with regard to the planned Offshore Wind Act.

- With the current proposals, a maximum of half of the green electricity would be available for industry – even though this is where it is needed most urgently. The design of the tender process should thus be adjusted in such a way that industry receives as much green electricity as possible.

- The proposed tender design for sites that have not been pre-assessed contains a negative bidding component as a selection criterion. This will result in extra costs being passed on to consumers. Electricity tariffs for industry would thus increase unnecessarily, by up to EUR 20 per megawatt hour according to a recent analysis.
- The proposed maximum values for bids on pre-assessed sites are too low. Especially in the current situation with rising commodity costs this creates a risk of projects not being implemented in Germany for financial reasons.
- And the inflation rate is being ignored completely. Other countries have successfully used an index-based pricing system.

There is also some room for improvement in terms of the proposals for expanding ground-mounted photovoltaics facilities. It should be easier, for example, to utilise low-yield agricultural land. Even a small proportion would help with adding capacity.

Another useful measure would be to utilise the potential for adding green energy capacity along motorways and railway lines far more consistently.

The Easter package is now going through the legislative process. This presents a good opportunity to discuss some of its individual parts in more detail, in order to achieve the objective of a green and more independent energy supply as quickly as possible.

We are happy to contribute to these discussions.

While this is still ongoing, the “summer package” is also being discussed already. It will focus on finalising the framework for expanding renewables.

In this context, two aspects are particularly important:

- Expanding renewables requires sites as well as faster approval processes.
- And the ramping up of the hydrogen economy needs additional stimuli so that the full potential of hydrogen can be harnessed for decarbonising industry.

Ladies and Gentlemen,

We are fully committed at both the German and EU levels to making energy supply firstly more secure, and secondly more sustainable and greener.

In operational terms, RWE was on track in the first three months of the year, and we have a solid financial basis. With our well-filled project pipeline we are driving the expansion of our green portfolio swiftly forward and continue to invest billions of euros in sustainable projects.

And I now look forward to taking your questions.

Forward-looking statements

This speech contains forward-looking statements. The statements reflect the current assessments, expectations and assumptions of the management and are based on the information available to the management at the current time. Forward-looking statements provide no assurance that future events or developments will occur and are subject to known and unknown risks and uncertainties. As a result of various factors, actual future events and developments may differ materially from the expectations and assumptions expressed in this publication. In particular, these factors include changes in the general economic environment and the competitive situation. Above and beyond this, developments on the financial markets, fluctuations in exchange rates, changes to national and international law, especially with regard to tax regulations, and other factors can influence the future results and performance of the Company. Neither the Company nor any of its associated companies undertake to update the statements contained in this speech.