1.1 Letter from the CEO

Dr. Markus Krebber,
Chief Executive Officer of RWE AG

Dear Shareholders, Ladies and Gentlemen,

The past year was eventful – and also very successful for RWE. In challenging conditions, we continued to invest in the expansion of our portfolio, reduced CO_2 emissions and delivered on our financial targets. These accomplishments were achieved despite significant shifts in the political and economic landscape. When the new US administration first took office, it was unclear what impact its changes in energy policy would have. On top of this, new tariffs were introduced, weighing on international supply chains, and the geopolitical situation escalated, remaining volatile to this day.

But even in a world with different rules, the structural drivers of our business remain intact. Electricity will play an increasingly important role in shaping the society of tomorrow. Experts forecast demand to increase exponentially – driven by the electrification of heating and transport, by digitalisation and, last but not least, by the AI boom. Power generation is a growth market that offers many opportunities for us to also grow.

We are seizing these opportunities by investing billions in new generation capacities every year. Since launching our growth programme in 2021, we have expanded our generation portfolio, comprising renewables, battery storage facilities and climate-friendly backup capacity, from 25 GW to 40 GW. This approach is bearing fruit.

We comfortably achieved the financial goals we had set for 2025, in part thanks to the 2.8 GW of generation capacity that we commissioned over the past year. RWE's adjusted EBITDA totalled €5.1 billion, placing us at the top of our forecast range. Adjusted net income slightly exceeded expectations, reaching €2.48 per share, bolstered by the successful sale of a development project for a data centre at a former UK power plant site. The transaction illustrates how artificial intelligence strengthens our business model in two ways: it increases electricity demand and opens up new, attractive opportunities for repurposing former power station sites.

Although the overall investment environment has become more challenging, we are committed to continuing to invest despite increased uncertainty – provided risks remain manageable and returns predictable. Where necessary, we will adapt our plans.

The US is a good example of how we are navigating changing market conditions. We responded quickly to the shift in energy policy by purchasing components early, enabling us to secure important state funding for new wind and solar projects. At the same time, we diversified our supply chains and now increasingly source from domestic suppliers. As a result, the US remains an attractive growth market for us.

We also limit revenue risks for new wind and solar farms by signing long-term power purchase agreements with industrial customers. Last year, we secured 1.4 GW of capacity through such contracts, with US technology companies among our most important accounts. In Europe, we hedge electricity price risks by obtaining government-backed contracts for difference. The most recent tender round in the UK was an impressive example of RWE's success in this area. No fewer than five large offshore wind power projects qualified for contracts with attractive terms, providing a reliable planning framework for these initiatives.

Partnerships with international investors also help us limit investment risks and increase our financial flexibility. These alliances are particularly important during turbulent times. We are therefore delighted to welcome Norway's sovereign wealth fund and US financial investor KKR as co-investors in our major North Sea wind power projects. In addition, another partnership, which we forged with infrastructure investor Apollo, enabled us to co-finance the grid expansion programme at Amprion.

Between 2026 and 2031, we intend to invest a net €35 billion in renewables, battery storage facilities and gas-fired power stations. This will increase our climate-friendly generation capacity by 25 GW, taking it to 65 GW in total. The funds will centre on the most attractive projects in our pipeline. On average, we expect our investment portfolio to yield returns of over 8.5%, thereby supporting the long-term profitability of our business.

Adjusted net income per share is forecast to rise from €2.48 today to about €4.40 by 2031. We also want to deliver a higher dividend increase than previously planned, and aim to increase the dividend by 10% annually. The envisaged dividend for fiscal 2026 is therefore €1.32 per share.

The USA remains our most important growth market not least due to the rapidly growing demand for electricity. Almost half of our planned investments are allocated to this region. We are further strengthening our position with the addition of flexible gas-fired power plants, which complement our renewable energy portfolio and ensure a reliable electricity supply around the clock – a decisive factor, particularly for industrial companies and data centres. We also plan to build gas-fired power plants in Germany, where the government intends to tender 12 GW of dispatchable capacity. We are ready to deliver 3 GW. The necessary components have already been secured through preliminary agreements, and approval procedures are underway. Should we succeed in the auctions, we can begin construction immediately. All our proposed sites have existing grid infrastructure.

All of this demonstrates that RWE is well positioned to harness the opportunities of a dynamic growth market. We will do so with financial discipline and foresight, supported by strong partners and, above all, by an experienced and highly committed workforce that once again delivered on our ambitious goals in 2025. I extend my heartfelt thanks to our more than 20,000 employees for their outstanding efforts.

And we would like to express our special thanks to you, our shareholders, for your trust. Your investment is the foundation of our business.

With best wishes,
Markus Krebber