RWE

9M 2021 Results

11 November 2021

Michael Müller, CFO

Thomas Denny, Head of Investor Relations

Disclaimer

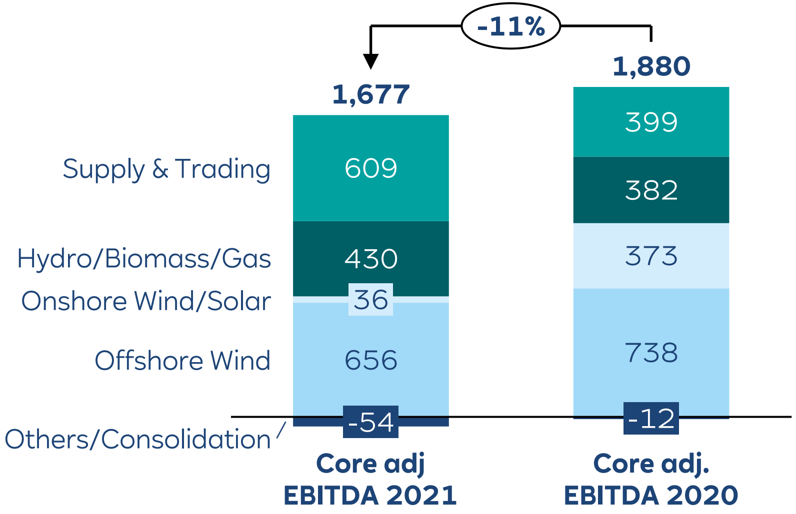
This document contains forward-looking statements. These statements are based on the current views, expectations, assumptions and information of the management, and are based on information currently available to the management. Forward-looking statements shall not be construed as a promise for the materialisation of future results and developments and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those described in such statements due to, among other things, changes in the general economic and competitive environment, risks associated with capital markets, currency exchange rate fluctuations, changes in international and national laws and regulations, in particular with respect to tax laws and regulations, affecting the Company, and other factors. Neither the Company nor any of its affiliates assumes any obligations to update any forward-looking statements.

Good performance and strong progress towards 13GW Wind/Solar target in 2022

- **Good 9M results** with **core adj. EBITDA of €1.7bn**. **Adj. EBITDA of RWE Group** at **€2.4bn**
- **FY2021 outlook reiterated** after guidance raised in July due to an outstanding trading performance
- **Net debt at €2.9bn** at the end of September driven by reduced pension provisions, good adj. operating cash flow and timing effects
- **Capex eligible under current EU taxonomy** is **~90% for 9M 2021**
- **Strong progress in construction: All projects lined up to reach Wind/Solar target** of more than 13GW by 2022. **All turbines at Triton Knoll installed**
- **Successful extension of Wind/Solar pipeline: 0.4 GW pro rata secured in German offshore wind auction** in September. JV agreed with PPC for **expanding our market reach to Greece**
- **Gaining traction in Hydrogen: MoU signed with Shell** to partner in hydrogen projects across Germany, the Netherlands and the UK

Very good 9M performance apart from shortfall in Wind/Solar business

Core adj. EBITDA 9M 2021 vs. 9M 2020, € million



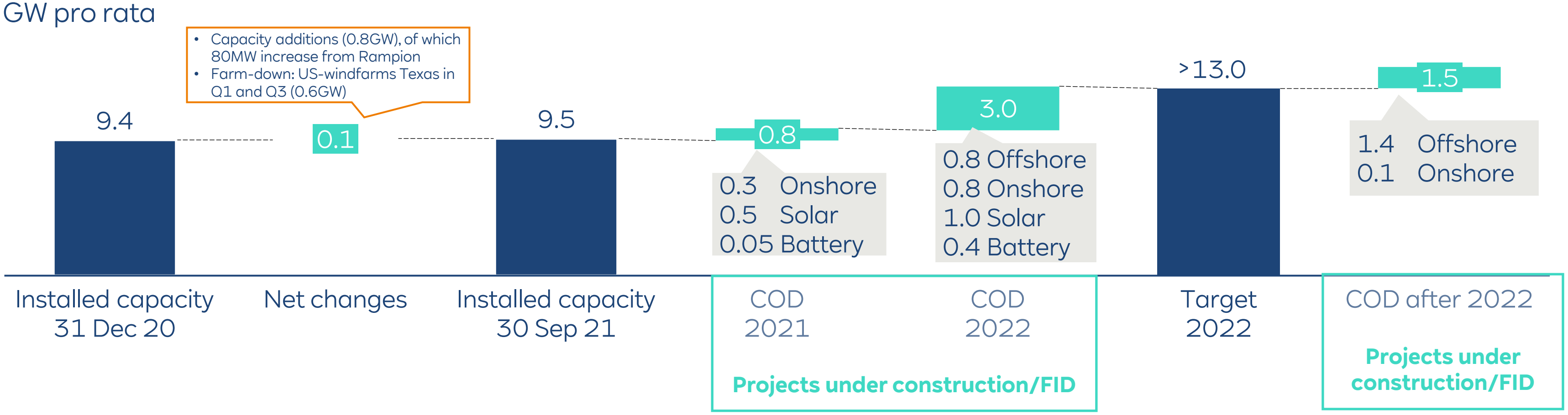
- **Offshore Wind** earnings down because of below normal wind conditions this year and a very strong previous year
- **Onshore Wind/Solar** earnings decreased significantly on the back of the negative one-off from the unprecedented Texas cold snap in Feb 2021
- Higher earnings at **Hydro/Biomass/Gas** due to strong day-to-day optimisation of our power plant dispatch and a higher income from the British capacity market
- Exceptionally high earnings at **Supply & Trading** - significantly above very strong previous year

Adj. EBITDA for RWE Group, incl. Coal/Nuclear amounts to **€2,397 million (+6%) at 9M 2021**

Note: restated adj. EBITDA for 2020 according to change in the accounting for tax benefits as of 1 Jan 2021.

Wind/Solar buildout well on track to reach 13GW target

Capacity development Wind/Solar, as of 30 Sep 2021



- Commissioning of 800 megawatts in Wind/Solar in the first three quarters and further 800 megawatts expected by year end
- In Q3, FIDs for 500MW of capacity additions in 2022 and beyond taken, mainly onshore and solar projects in the US and Europe

Note: All information pro rata. As of 30 Sep 2021. | Rounding differences may occur.

Offshore Wind: Lower earnings due to unfavourable wind speeds partly compensated by Rampion full consolidation

Key financials 9M - Offshore Wind

€ million	9M 2021	9M 2020	change
Adj. EBITDA	**656**	**738**	**-82**
t/o non-recurring items	-	-	-
Depreciation	-331	-277	-54
Adj. EBIT	**325**	**461**	**-136**
t/o non-recurring items	-	-	-
Gross cash investments[1]	**-1,460**	**-521**	**-939**
Gross cash divestments[1]	**+28**	**+82**	**-54**

Adj. EBITDA 9M 2021 vs. 9M 2020

- − Below normal wind speeds in 9M 2021
- − Very high wind speeds in Q1 2020
- + Higher earnings contribution from Rampion due to consolidation effect
- + Pre-commissioning income from Triton Knoll

Adj. EBITDA Outlook 2021 vs. FY 2020

Outlook 2021
€1,050 – 1,250m

- + Income from Triton Knoll commissioning phase
- + Consolidation effect from 20% increase of Rampion shareholding to 50.1%, closing as of 1 Apr 2021
- − Normalised weather conditions for the rest of the year assumed
- − Increased development expenses for mid- to long-term growth

[1] Gross cash (di-)investments: Sum of (di-)investments in (in-)tangible and financial assets, loans to non-consolidated affiliates and capital measures.

Onshore Wind/Solar: Earnings setback mainly based on one-off from Texas cold snap in Q1 2021

Key financials 9M - Onshore Wind/Solar

€ million	9M 2021	9M 2020	change
Adj. EBITDA	**36**	**373**	**-337**
t/o non-recurring items	-274	-	-274
Depreciation	-294	-286	-8
Adj. EBIT	**-258**	**87**	**-345**
t/o non-recurring items	-274	-	-274
Gross cash investments[1]	**-1,049**	**-876**	**-173**
Gross cash divestments[1]	**+495**	**+22**	**+473**

Adj. EBITDA 9M 2021 vs. 9M 2020

- − Below normal wind speeds in 9M 2021
- − Very high wind speeds in Q1 2020
- + Increased capacity partly offset by Texas farm-down

Adj. EBITDA significantly impacted by non-recurring items:

- − Negative one-off from Texas cold snap of ~-€400 million
- + Book gain from 75% farm-down of wind farms in Texas portfolio[2]

Adj. EBITDA Outlook 2021 vs. FY 2020

Outlook 2021
€50 – 250m

- − One-off from Texas cold snap in Feb 2021
- − Increased development expenses for mid-to long-term growth
- + Increased capacity in Onshore Wind/Solar in the US and Europe
- + Book gain from 75% farm-down at Texas onshore portfolio

[1] Gross cash (di-)investments: Sum of (di-)investments in (in-)tangible and financial assets, loans to non-consolidated affiliates and capital measures. | [2] Book gain for four wind farms; Cranell, Stella, East Raymond, West Raymond. | Note: restated figures for 2020 due to change in the accounting for tax benefits as of 1 Jan 2021.

Hydro/Biomass/Gas: Good 9M performance due to higher earnings from day-to-day optimisation and British capacity payments

Key financials 9M - Hydro/Biomass/Gas

€ million	9M 2021	9M 2020	change
Adj. EBITDA	**430**	**382**	**48**
t/o non-recurring items	-	-	-
Depreciation	-228	-248	20
Adj. EBIT	**202**	**134**	**68**
t/o non-recurring items	-	-	-
Gross cash investments[1]	**-143**	**-210**	**67**

Adj. EBITDA 9M 2021 vs. 9M 2020

- (+) Higher earnings from the day-to-day optimisation of our power plant dispatch
- (+) Higher income from GB capacity payments
- (−) Lower earnings from biomass operations due to timing effect which will revert in Q4 2021
- (−) Absence of income from Georgia Biomass due to disposal in H1 2020

Adj. EBITDA Outlook 2021 vs. FY 2020

Outlook 2021
€500 – 600m

- (−) Absence of income from Georgia Biomass due to disposal in H1 2020
- (+) Recovery from fire in Eemshaven

[1] Gross cash investments: Sum of investments in (in-)tangible and financial assets, loans to non-consolidated affiliates and capital measures. | Note: including 37.9% stake in Kelag.

Supply & Trading: Outstanding trading performance in the first nine months

Key financials 9M - Supply & Trading

€ million	9M 2021	9M 2020	change
Adj. EBITDA	**609**	**399**	**210**
t/o non-recurring items	-	-	-
Depreciation	-35	-32	-3
Adj. EBIT	**574**	**367**	**207**
t/o non-recurring items	-	-	-
Gross cash investments[1]	**-48**	**-56**	**8**

Adj. EBITDA 9M 2021 vs. 9M 2020

+ Outstanding trading performance and higher contribution from Gas & LNG business

Adj. EBITDA Outlook 2021 vs. FY 2020

Outlook 2021[2]
Significantly above €350m

+ Outstanding trading performance

- Long-term average earnings of ~€250 million

[1] Gross cash investments: Sum of investments in (in-)tangible and financial assets, loans to non-consolidated affiliates and capital measures. | [2] Update on outlook Jul 2021. Previously €150m – 350m.

Coal/Nuclear: Solid earnings on back of higher realised hedged generation margins

Key financials 9M - Coal/Nuclear

€ million	9M 2021	9M 2020	change
Adj. EBITDA	**720**	**381**	**339**
t/o non-recurring items	-	-	-
Depreciation	-171	-235	64
Adj. EBIT	**549**	**146**	**403**
t/o non-recurring items	-	-	-
Gross cash investments[1]	**-135**	**-119**	**-16**

Adj. EBITDA 9M 2021 vs. 9M 2020

- \+ Higher realised hedged generation margins
- − Costs associated with the German coal phaseout
- − Damage related to flooding in Germany, July 2021

Adj. EBITDA Outlook 2021 vs. FY 2020

Outlook 2021
€800 – 900m

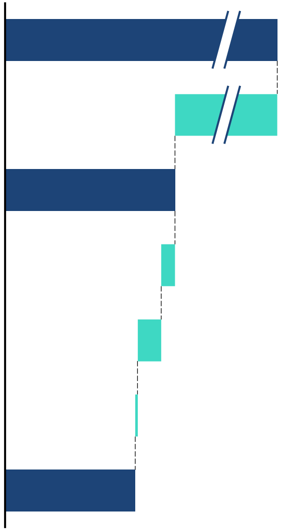
- \+ Higher realised hedged generation margins
- − Costs associated with the German coal phaseout
- − Damage related to flooding in Germany, July 2021

[1] Gross cash investments: Sum of investments in (in-)tangible and financial assets, loans to non-consolidated affiliates and capital measures.

Adj. net income in line with the good development of adj. EBITDA

Adj. net income, € million

9M 2020	9M 2021	
2,261	**Adj. EBITDA 9M 2021**	**2,397**
-1,079	Adj. depreciation	-1,058
1,182	**Adj. EBIT**	**1,339**
-231	Adj. financial result	-109
-142	Adj. tax	-185
-15	Adj. minority interest	-19
794	**Adj. net income 9M 2021**	**1,026**

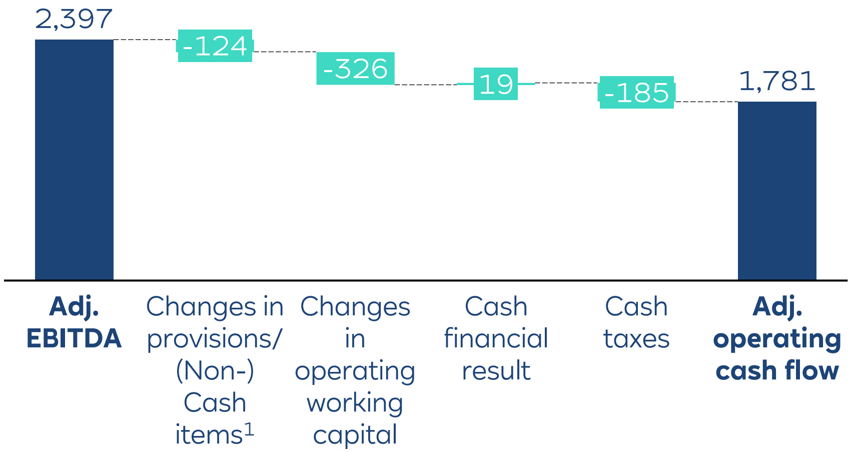


- **Adj. EBITDA** excludes non-operating result
- **Adj. financial result** includes payment of E.ON dividend of €186 million. It is mainly adjusted for discount rates of mining provisions as well as tax interests from tax refunds unrelated to the accounting period, among other things
- **Adjustments of tax** refer to a general tax rate of 15% at RWE Group[1]
- **Adj. minority interest** relates mainly to fully consolidated wind/solar projects

[1] General tax rate of 15% for the planning horizon is based on a blended calculation of local tax rates, the use of loss carry forwards and low taxed dividend income, e.g. from E.ON and Amprion.

Adj. operating cash flow driven by good operational result

Reconciliation to adj. operating cash flow, € million
9M 2021

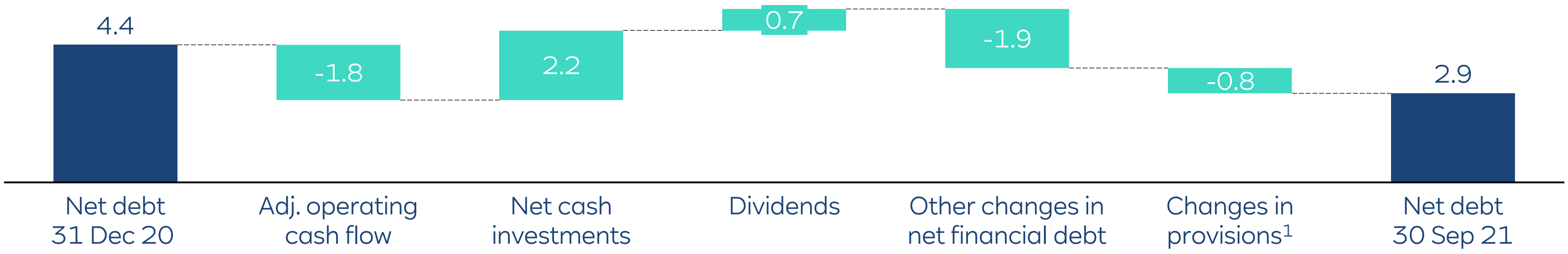


- **Changes in provisions/(Non-) Cash items** mainly driven by legacy and restructuring provisions as well as book gains from the farm-down of Texas wind farms. This is partly offset by the payment from the German hard coal auction in Q3
- **Negative effects in operating working capital** due to seasonal increase in gas storage levels
- **Cash financial result** mainly impacted by interest payments which is overcompensated by E.ON dividend payment in Q2
- **Cash taxes** driven by income taxes in the UK

[1] Excludes nuclear provisions since utilisation is not net debt effective and will be refinanced via financial debt.

Net debt decreased thanks to a very good adj. operating cash flow and timing effects

Development of net debt, € billion
9M 2021



- 'Other changes in net financial debt' include timing effects, amongst others variation margins from hedging and trading activities
- 'Changes in provisions' driven by decrease of pension provisions due to higher discount rates and good performance of plan assets

[1] Includes pension and wind provisions but excludes nuclear provisions as they are not part of adj. operating cash flow. Furthermore, CTA allocation of €1.1bn has no effect on net debt. Payment is offset by the decrease in pension provisions. | Note: Rounding differences may occur.

Outlook for fiscal year 2021 confirmed

Group outlook FY2021, € million

	Outlook (July 2021)	Outlook (March 2021)
Core adj. EBITDA	**2,150 – 2,550**	1,800 – 2,200
Adj. EBITDA RWE Group	**3,000 – 3,400**	2,650 – 3,050
Depreciation	~-1,500	~-1,500
Adj. EBIT	**1,500 – 1,900**	1,150 – 1,550
Adj. Financial result	~-150	~-150
Adj. Tax	15%	15%
Adj. Minorities	~-100	~-100
Adj. Net income	**1,050 – 1,400**	750 – 1,100
Dividend target	**0.90€/share**	0.90€/share

Divisional outlook FY2021– adj. EBITDA, € million

	Outlook (July 2021)	Outlook (March 2021)
Offshore Wind	**1,050 – 1,250**	1,050 – 1,250
Onshore Wind/Solar	**50 – 250**	50 – 250
Hydro/Biomass/Gas	**500 – 600**	500 – 600
Supply & Trading	**Significantly above 350**	150 – 350
Other/Consolidation	**~-100**	~-100
Coal/Nuclear	**800 – 900**	800 – 900

Appendix

Reconciliation to adj. net income

(€ million)	9M 2021 Reported	9M 2021 Adjustments	9M 2021 Adjusted
Adjusted EBITDA	**2,397**	**-**	**2,397**
Depreciation	-1,058	-	-1,058
Adjusted EBIT	**1,339**	**-**	**1,339**
Non-operating result	2,050	-2,050	-
Financial result	70	-179	-109
Taxes on income	-632	447	-185
Income	**2,827**	**-1782**	**1,045**
of which, Minority interest	19	-	19
Net income[1]	**2,808**	**-1,782**	**1,026**

[1] Income attributable to RWE AG shareholders. | Note: Rounding differences may occur.

Economic net debt

Net debt (€ million)	30 Sep 2021	31 Dec 2020	+/-
Cash and cash equivalents	**3,576**	**4,774**	**-1,198**
Marketable securities	3,799	4,517	-718
Other financial assets	10,453	2,507	7,946
Financial assets	**17,828**	**11,798**	**6,030**
Bonds, other notes payable, bank debt, commercial paper	4,300	2,160	2,140
Hedging of bond currency risk	15	31	-16
Other financial liabilities	7,621	3,038	4,583
Financial liabilities	**11,936**	**5,229**	**6,707**
Minus 50% of the hybrid capital recognised as debt	-283	-278	-5
Net financial assets (including correction of hybrid capital)	**6,175**	**6,847**	**-672**
Provisions for pensions and similar obligations	2,131	3,864	-1,733
Surplus of plan assets over benefit obligations	-348	-172	-176
Provisions for nuclear waste management	6,119	6,451	-332
Provisions for dismantling wind farms	1,139	1,136	3
Net debt	**2,866**	**4,432**	**-1,566**

Net debt definition

- Net debt does not contain mining provisions, which essentially cover our obligations to recultivate opencast mining areas
- Financial assets we currently use to cover these provisions are also not part of the net debt, i.e.
  - €2.6bn claim against the state for damages arising from the lignite phaseout
  - E.ON stake of 15%

Key sensitivities to our planning assumptions for FY2021

Driver	Segment	Type	Sensitivity	Group impact[1]
Wind levels	Offshore Wind	P&L	+/- 10% production	+/- €160 million
	Onshore Wind/Solar	P&L	+/- 10% production	+/- €100 million
Power prices	Offshore Wind and Onshore Wind/Solar	P&L	+/- 10%	+/- €70 million[2]
Main f/x (USD & GBP)	RWE Group	P&L	+/- 10%	+/- €130 million
CO_2 prices	RWE Group	P&L	+/- €1/t	Hedged until 2030
Pension provisions	RWE Group Germany	B/S	+/- 0.1%[3]	-€160/+€180 million[4]
	RWE Group abroad	B/S	+/- 0.1%[3]	-€100/+€110 million[4]
Nuclear provisions	RWE Group	B/S	+/- 0.1%[3]	-/+ €45 million
Mining provisions	RWE Group	B/S	+/- 0.1%[3]	-/+ €140 million

[1] All figures are rounded numbers. P&L figures refer to adjusted EBITDA. | [2] Earnings impact on merchant position before hedging. For 2021 we have already hedged a significant amount of our merchant production volumes. | [3] Change in real discount rate (net effect from change in nominal discount rate and escalation rate). | [4] Gross effect of changes in present value of defined benefit obligations. No offsetting effect from development of plan assets included. | Note: as of end of Dec 2020.

Your contacts in Investor Relations

Important Links

- Annual and interim reports & statements
- Investor and analyst conferences
- IR presentations & factbooks
- IR videos
- Consensus of analysts' estimates

ADR programme available

Further information on our homepage
RWE shares/ADR

Contact for ADR-holders at BNY Mellon
shrrelations@cpushareownerservices.com
+1 201 680-6255 (from outside the US)
1-888-269-2377 (within the US)

Financial Calendar

- **15 November 2021**
  Capital Market Day
- **15 March 2022**
  Annual Report for fiscal 2021
- **28 April 2022**
  Annual General Meeting
- **12 May 2022**
  Interim statement on the first quarter of 2022
- **11 August 2022**
  Interim report on the first half of 2022

Contacts for Institutional Investors & Analysts

- **Thomas Denny** (Head of IR)
  Tel. +49 201 5179-5647
  thomas.denny@rwe.com

- **Susanne Lange**
  Tel.: +49 201 5179-5630
  susanne.lange@rwe.com

- **Dr. Burkhard Pahnke**
  Tel.: +49 201 5179-5625
  burkhard.pahnke@rwe.com

- **Jérôme Hördemann**
  Tel. +49 201 5179-5621
  jerome.hoerdemann@rwe.com

- **Lenka Zikmundova**
  Tel. +49 201 5179-5623
  lenka.zikmundova@rwe.com

Contact for Private Shareholders

- **Charline Heßling**
  Tel. +49 201 5179-5619
  charline.hessling@rwe.com