RWE

Interim statement on the first quarter of 2024

RWE confirms forecast for 2024 // Adjusted EBITDA of €1.7 billion for Q1 reflects earnings normalisation // Significant earnings growth in Offshore Wind and Onshore Wind / Solar segments // Acquisition of three large offshore wind projects off the east coast of England completed

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At a glance

RWE Group – key figures[1]		Jan – Mar 2024	Jan – Mar 2023	+ / –	Jan – Dec 2023
Power generation	GWh	33,780	37,179	- 3,399	129,701
External revenue (excl. natural gas tax / electricity tax)	€ million	6,629	9,340	- 2,711	28,566
Adjusted EBITDA	€ million	1,709	2,312	- 603	7,749
Adjusted EBIT	€ million	1,220	1,858	- 638	5,802
Income before tax	€ million	2,451	1,915	536	4,006
Net income / income attributable to RWE AG shareholders	€ million	1,922	1,598	324	1,450
Adjusted net income	€ million	801	1,315	- 514	4,098
Cash flows from operating activities	€ million	- 2,143	886	- 3,029	4,235
Capital expenditure	€ million	2,861	5,432	- 2,571	9,979
Property, plant and equipment and intangible assets	€ million	1,723	874	849	5,146
Acquisitions and financial assets	€ million	1,138	4,558	- 3,420	4,833
Proportion of taxonomy-aligned investments[2]	%	96	90	6	89
Free cash flow	€ million	- 4,915	- 4,468	- 447	- 4,582
Number of shares outstanding (average)	thousands	743,841	743,841	–	743,841
Earnings per share	€	2.58	2.15	0.43	1.95
Adjusted net income per share	€	1.08	1.77	- 0.69	5.51
		31 Mar 2024			31 Dec 2023
Net debt	€ million	- 11,222			- 6,587
Workforce[3]		20,542			20,135

1 Some prior-year figures restated; see commentary on page 5 et seq.
2 Taxonomy-alignment is when an activity meets the applicable requirements under the EU Taxonomy Regulation.
3 Converted to full-time equivalents.

Major events

RWE acquires three large-scale UK offshore wind projects from Vattenfall. In March 2024, we took over three offshore wind projects off the coast of Norfolk in the east of England from Swedish energy company Vattenfall. The purchase price corresponds to a portfolio value of £963 million. The majority of the payment covers Vattenfall's historical development expenditure. The projects – Norfolk Vanguard West, Norfolk Vanguard East and Norfolk Boreas – each have a planned capacity of up to 1.4 GW. After 13 years of development, all the relevant permits have been obtained. Norfolk Vanguard West and Norfolk Vanguard East are the most advanced projects. Our next step is to secure Contracts for Difference (CfDs) for them, which would entitle us to a state-backed price guarantee for all power generated. All three offshore wind farms in the Norfolk pipeline are expected to become operational over the course of the current decade.

RWE and Masdar join forces to further develop Dogger Bank South wind power projects. We have formed a partnership with Abu Dhabi-based clean energy firm Masdar to realise two offshore wind projects, which are planned for the southern section of Dogger Bank in the British North Sea. The agreement became effective at the end of February 2024. Masdar now holds a 49 % stake in both projects and has contributed to the already incurred project costs accordingly. RWE owns 51 % and is responsible for building and running the assets. Dogger Bank is a significant expanse of shallow sandbank off the north-east coast of England. The two wind farm projects could each have an installed capacity of up to 1.5 GW. We expect to complete them by late 2031.

Contract not finalised for wind project in the New York Bight. An offtake agreement for offshore wind power, which we had been awarded by the state of New York for our Community Offshore Wind project in October 2023, will not be finalised. The decision was taken by the New York State Energy, Research and Development Authority (NYSERDA), the contracting entity, in mutual agreement with us. Under the contract, we would have been entitled to sell the electricity generated by turbines with a capacity of 1.3 GW, which we are planning to build off the east coast of the USA, to the state of New York at fixed conditions for 25 years (see Annual Report 2023, page 36). Negotiations were concluded with no final awards being made as the wind turbine manufacturer announced that the class of wind turbine originally envisaged for the project was no longer available. Using a different model would have raised the development costs, making the offtake agreement non-viable. We now plan to participate in one of the future tenders in 2024 and 2025 to secure a new contract with conditions reflecting the change.

Success at British capacity market auction. In a British capacity market auction in February 2024 for the period from 1 October 2027 to 30 September 2028, we secured capacity payments for all participating RWE power plants. These stations, most of which are gas-fired, have a combined secured capacity of 6,353 MW. The auction cleared at £65 per kilowatt plus inflation adjustment. We will receive the payments for making our assets available during the above period and thus contributing to security of supply.

Gersteinwerk once again selected for German capacity reserve. Our natural gas combined-cycle units F, G and K 1 at the Gersteinwerk site in Werne (Westphalia) will participate in the German capacity reserve for the period from 1 October 2024 to 30 September 2026. The decision was taken in February 2024 as part of a tender process organised by the Federal Network Agency. Altogether, the plants will provide a total of 820 MW of reserve capacity, which can be used to ensure grid stability as required. We will receive a capacity payment of €99.99 per kilowatt and year. Units F and G had already submitted winning bids at the first two tenders of this kind. As reserve power stations, they have not operated on the regular electricity market since 1 October 2020, and can only be fired up when required to do so by the transmission system operator. By contrast, unit K 1 participated in the capacity reserve tender for the first time.

Lignite phaseout: RWE shuts down five power plant units in the Rhenish region. In late March 2024, we decommissioned five power plant units in the Rhenish coal-mining region with a total capacity of 2.1 GW. The units in question, Niederaussem E and F (295 MW each), as well as Neurath C (292 MW), D (607 MW) and E (604 MW) are being shut down as part of Germany's coal exit. The federal government had temporarily extended their service lives to help reduce the amount of gas used in power generation. The decision was taken in response to the sharp decline in Russian gas exports to Germany due to the war in Ukraine. However, the gas supply situation has since stabilised. Now that these lignite units have been decommissioned, our CO_2 emissions from power generation, which were already down 27 % in 2023, will experience another significant decline. Since late 2020, we have closed 12 of our 20 lignite units. In addition, we stopped producing briquettes in 2022. We plan to fully exit from lignite-fired power generation by the end of March 2030.

RWE enters the US green bond market. In April 2024, we placed our first green US dollar bond. We issued two tranches of US$1 billion, one with a 10-year tenor and a coupon of 5.875 % and the other with a 30-year tenor and a coupon of 6.250 %. The offering attracted strong investor interest: the order book was several times oversubscribed at US$7.6 billion. The funds raised will be used to finance renewables projects in the USA. These were the second issuances of the year: we had already placed a €500 million green eurobond on the market in January with an 8-year term and a coupon of 3.625 %.

RWE increases headroom for issuing senior bonds. In order to raise the necessary funds to finance our growth investments, we have upped our debt issuance programme (DIP) from €10 billion to €15 billion. The DIP is a prospectus that enables us to place bonds. It does not include our US bonds or the two outstanding hybrid bonds. As at early May 2024, we had used €6.6 billion of the financial headroom afforded by the DIP.

Dividend of €1.00 per share paid. The Annual General Meeting of RWE AG held on 3 May 2024 approved the dividend proposed by the Executive Board and the Supervisory Board for the past fiscal year by a substantial majority. We therefore paid a dividend of €1.00 per share on 8 May. This represents an increase of €0.10 versus last year. We plan to raise the dividend annually by 5 % to 10 % until 2030. The Executive Board envisages that the dividend payment for 2024 will be €1.10 per share, which represents an increase of 10 %.

Commentary on reporting

Group structure features five segments. When reporting on our operational business, we distinguish between five segments, four of which constitute our core business. We recently made several adjustments to reporting, which became effective in January 2024. The Hydro / Biomass / Gas segment and the Coal / Nuclear segment have been renamed 'Flexible Generation' and 'Phaseout Technologies'. Our shareholdings in Dutch nuclear power plant operator EPZ (30 %) and Germany-based URANIT (50 %), which were previously assigned to Coal / Nuclear, have been allocated to Flexible Generation (EPZ) and Other, consolidation (URANIT). We have restated the previous year's figures to ensure they are comparable.

The segments are now defined as follows:

1. **Offshore Wind:** We present our offshore wind business here. It is 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. Depending on the continent, responsibility for these activities is assumed by either RWE Renewables Europe & Australia or RWE Clean Energy, which is active in America.

3. **Flexible Generation (previously: Hydro / Biomass / Gas):** This segment encompasses our run-of-river, pumped storage, biomass and gas power stations. It also comprises the hard coal and biomass-fired Dutch Amer 9 and Eemshaven power plants as well as stand-alone battery storage systems. The project management and engineering consulting company RWE Technology International as well as our stakes in Austrian energy utility KELAG (37.9 %) and EPZ (30 %) are also part of this segment. All of these activities are overseen by the management company RWE Generation, which is also responsible for designing and implementing our hydrogen strategy.

4. **Supply & Trading:** Trading of electricity, pipeline gas, LNG and other energy-related commodities is at the core of this segment. It is managed by RWE Supply & Trading. The company oversees a broad range of activities, including key account sales, the gas storage business, and the development of LNG infrastructure. It also supports the Group's power generation companies e. g. by marketing their output to third parties and optimising power plant dispatch in the short term. Income from these activities is assigned to the respective generation companies.

5. **Phaseout Technologies (previously: Coal / Nuclear):** This is where we report our non-core business, which primarily consists of our lignite mining and refining operations as well as electricity generation from lignite in the Rhenish region and our remaining nuclear activities in Germany, which are largely focused on safely decommissioning the facilities. RWE Power is responsible for the aforementioned activities.

Companies with cross-segment tasks such as the corporate headquarters RWE AG, as well as balance sheet effects from the consolidation of Group activities are reported as part of the core business under Other, consolidation. This line item also includes our 25.1 % stake in German transmission system operator Amprion and our 15 % stake in E.ON. However, the dividends we receive from E.ON are recognised in the financial result. As already explained, the Other, consolidation line item also includes our 50 % shareholding in URANIT, which holds a 33 % stake in uranium enrichment consortium Urenco.

New methodology for reporting earnings from Phaseout Technologies. As of fiscal 2024, we no longer report adjusted EBITDA / EBIT for our German lignite and nuclear activities. We now recognise their operating gains and losses as part of the non-operating result. To ensure the previous year's figures are comparable, we have adjusted them accordingly. The change in reporting reflects the way in which Phaseout Technologies are managed, where we largely focus on operating cash flows less net capital expenditure. In future, we will therefore use adjusted cash flow to portray the commercial development of Phaseout Technologies.

Changes relating to external revenue. We also introduced retroactive reporting changes concerning external revenue in the first quarter of 2023. These adjustments are explained below:

- We changed the way in which we recognise compensation received for redispatch measures. These are requests issued by the transmission system operators to generation assets to adjust the power feed-ins in order to avoid grid overloads. In the interim statement on the first quarter of 2023, compensation received for production losses caused by redispatch measures was stated under other operating income. We started recognising it in revenue in the interim report on the first half of 2023.

- In the first quarter of 2023, transmission system operator Amprion took over commercial ownership of our new grid stabilisation plant in Biblis. Proceeds from the sale were initially reported as revenue, but we now recognise them as other operating income. This adjustment was made in the interim report on the first half of 2023.

Reclassifications in the cash flow statement. Credit rating agencies place great importance on funds from operations. To make this indicator more conclusive, they remove factors that cause temporary liquidity fluctuations, e. g. variation margins. These are payments made or received, triggered by changes in the price of futures. As of 2024, we have therefore decided to no longer include variation margins in funds from operations, and instead only recognise them in 'Increase in / decrease of working capital', which included some variation margins in the past. Prior-year figures will be restated accordingly.

Forward-looking statements. This interim statement 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 our forecasts, 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[1] January – March	Renewables		Pumped storage, batteries		Gas		Lignite		Hard coal		Nuclear		Total[2]	
GWh	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Offshore Wind	3,532	3,312	–	–	–	–	–	–	–	–	–	–	3,532	3,312
Onshore Wind / Solar	8,671	6,821	–	–	–	–	–	–	–	–	–	–	8,671	6,821
Flexible Generation	1,827	1,701	32	32	9,835	10,417	–	–	1,032	1,889	310	305	13,038	14,375
of which:														
Germany	591	509	32	32	1,457	1,510	–	–	–	–	–	–	2,082	2,082
United Kingdom	184	144	–	–	6,355	7,238	–	–	–	–	–	–	6,539	7,382
Netherlands	1,052	1,048	–	–	1,456	1,185	–	–	1,032	1,889	310	305	3,850	4,427
Türkiye	–	–	–	–	567	484	–	–	–	–	–	–	567	484
Phaseout Technologies	–	–	–	–	33	41	8,462	10,839	–	–	–	1,758	8,539	12,671
RWE Group	**14,030**	**11,834**	**32**	**32**	**9,868**	**10,458**	**8,462**	**10,839**	**1,032**	**1,889**	**310**	**2,063**	**33,780**	**37,179**

1 Some prior-year figures restated; see commentary on page 5.
2 Including production volumes not attributable to any of the energy sources mentioned (e.g. electricity from waste-to-energy plants).

Electricity production down – significant boost from renewables. RWE generated 33,780 GWh of electricity in the first quarter of 2024. Of this, 42 % was from renewables, clearly exceeding the share accounted for by coal (28 %). Our power production declined by 9 % compared to the first quarter of 2023. Generation from our German lignite-fired power stations decreased significantly, principally due to unfavourable market conditions. We produced much less electricity from hard coal in the Netherlands for the same reason.

Further volume shortfalls resulted from the German nuclear phaseout. Emsland, our last German nuclear power station, was decommissioned as of 15 April 2023. Electricity generation from natural gas presented a mixed picture: lower volumes in the United Kingdom and Germany were contrasted by growth in the Netherlands and Türkiye. This development can in part be traced back to country-specific market conditions. The increased output of our gas-fired power station in Denizli, Türkiye, is attributable to a prolonged outage for maintenance in 2023.

Power generation from renewables January – March	Offshore Wind		Onshore Wind		Solar		Hydro		Biomass		Total	
GWh	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Germany	687	615	449	406	10	3	590	508	–	–	1,736	1,532
United Kingdom	2,785	2,639	623	589	–	–	64	60	121	84	3,593	3,372
Netherlands	–	–	324	308	3	3	7	11	1,036	1,032	1,370	1,354
Poland	–	–	441	400	6	1	–	–	–	–	447	401
France	–	–	115	100	–	–	–	–	–	–	115	100
Spain	–	–	316	272	54	39	–	–	–	–	370	311
Italy	–	–	329	316	–	–	–	–	–	–	329	316
Sweden	60	58	95	93	–	–	–	–	–	–	155	151
USA	–	–	3,737	3,401	1,962	718	–	–	–	–	5,699	4,119
Australia	–	–	–	–	171	152	–	–	–	–	171	152
Rest of the world	–	–	9	8	36	18	–	–	–	–	45	26
RWE Group	**3,532**	**3,312**	**6,438**	**5,893**	**2,242**	**934**	**661**	**579**	**1,157**	**1,116**	**14,030**	**11,834**

Our electricity generation from renewables was 19 % higher than in the same quarter of the previous year. We posted gains above all from photovoltaics. This was mainly thanks to our acquisition of US energy firm Con Edison Clean Energy Businesses as of 1 March 2023 (see page 35 of the Annual Report 2023). As part of the transaction, we received a large solar portfolio, which is contributing to the Group's power production on a full twelve-month basis for the first time this year. In the wind business, we registered an 8 % increase, which was primarily driven by more favourable weather conditions and the continued expansion of our generation capacities.

In addition to our in-house generation, we procure electricity from suppliers outside of the Group. In the period being reviewed, these purchases totalled 14,560 GWh (previous year: 6,937 GWh).

External revenue[1] € million	Jan – Mar 2024	Jan – Mar 2023	+ / –	Jan – Dec 2023
Offshore Wind	385	492	-107	1,202
Onshore Wind / Solar	539	440	99	2,295
Flexible Generation	264	399	-135	1,280
Supply & Trading	5,268	7,824	-2,556	22,989
Other, consolidation	1	–	1	–
Core business	**6,457**	**9,155**	**-2,698**	**27,766**
Phaseout Technologies	172	185	-13	800
RWE Group	**6,629**	**9,340**	**-2,711**	**28,566**
of which:				
Electricity revenue	5,856	8,343	-2,487	25,082
Gas revenue	416	639	-223	1,750

1 Excluding natural gas tax / electricity tax. Some prior-year figures restated; see commentary on page 5 et seq.

Internal revenue[1] € million	Jan – Mar 2024	Jan – Mar 2023	+ / –	Jan – Dec 2023
Offshore Wind	333	189	144	1,201
Onshore Wind / Solar	375	191	184	984
Flexible Generation	2,565	3,476	-911	10,423
Supply & Trading	2,524	2,115	409	8,532
Other, consolidation	-5,732	-5,879	147	-18,938
Core business	**65**	**92**	**-27**	**2,202**
Phaseout Technologies	1,289	1,786	-497	4,464

1 Some prior-year figures restated; see commentary on page 5 et seq.

External revenue down 29 %. Our revenue from customers outside the Group amounted to €6,629 million (excluding natural gas tax and electricity tax). This was 29 % less than in the first quarter of last year (€9,340 million). Revenue dropped by 30 % to €5,856 million from our main product, electricity, and by 35 % to €416 million from gas. In both cases, this was predominantly due to lower prices.

One key performance indicator that is of particular interest to sustainability investors is the portion of our revenue accounted for by coal-fired generation and other coal products. In the first quarter of 2024, this share was 15 % (previous year: 22 %).

Adjusted EBITDA[1] € million	Jan – Mar 2024	Jan – Mar 2023	+ / –	Jan – Dec 2023
Offshore Wind	548	473	75	1,664
Onshore Wind / Solar	341	247	94	1,248
Flexible Generation	552	1,181	-629	3,217
Supply & Trading	251	289	-38	1,578
Other, consolidation	17	122	-105	42
Core business	**1,709**	**2,312**	**-603**	**7,749**

1 Some prior-year figures restated; see commentary on page 5 et seq.

Adjusted EBITDA of €1.7 billion markedly down on high prior-year level. In the first quarter of 2024, our adjusted earnings before interest, taxes, depreciation and amortisation (adjusted EBITDA) amounted to €1,709 million. As set out on page 6, this figure solely relates to the core business, as we no longer disclose adjusted EBITDA for the phaseout technologies lignite and nuclear. Compared to last year's first quarter, adjusted EBITDA decreased by 26 %. This is primarily attributable to the Flexible Generation segment, where margins from electricity forward sales and income from the short-term optimisation of power plant dispatch fell far short of the high level recorded in the previous year. Income stated in the Other, consolidation line item also declined significantly, having benefited from a federal subsidy paid to German transmission system operator Amprion (RWE stake: 25.1 %) in the same quarter of the previous year. Positive effects were felt from the commissioning of new wind and solar farms as well as improved wind conditions. In addition, US-based Con Edison Clean Energy Businesses, which we acquired with effect from 1 March 2023, contributed to adjusted EBITDA over the entire period for the first time.

Earnings by segment developed as follows:

- **Offshore Wind:** Here, we recorded €548 million in adjusted EBITDA. This represents a gain of €75 million relative to 2023. The main reason for this was an increase in generation volumes driven by improved wind conditions.
- **Onshore Wind / Solar:** Adjusted EBITDA posted by this segment rose by €94 million to €341 million, partially due to the recognition of Con Edison Clean Energy Businesses for the full three months and the commissioning of new wind and solar farms. Higher prices realised in the UK due to early forward sales also had a positive impact.
- **Flexible Generation:** Here, adjusted EBITDA decreased by €629 million to €552 million. Margins on electricity forward sales and income from the short-term optimisation of power plant dispatch fell short of the high level recorded in 2023. Furthermore, we booked capital gains on the sale of former business premises last year.
- **Supply & Trading:** Adjusted EBITDA registered by this segment totalled €251 million, down €38 million year on year, but maintaining its high level. This was due to a good performance in proprietary trading. Despite the strong first quarter, we confirm our forecast for fiscal 2024, which puts EBITDA for the full year between €100 million and €500 million. In doing so, we are taking account of the potential volatility of trading results during the year.

Phaseout Technologies: adjusted cash flow of €232 million. As set out on page 6, we manage our German lignite and nuclear activities based on an adjusted cash flow. This figure is the result of deducting net capital expenditure from operating cash flows. In the first quarter of 2024, we recorded an adjusted cash flow of €232 million from Phaseout Technologies compared to €391 million in the same period last year. The main reason for this development was that the Emsland nuclear power station was shut down as of 15 April 2023, and therefore no longer contributed to electricity generation.

Adjusted EBIT[1] € million	Jan – Mar 2024	Jan – Mar 2023	+ / –	Jan – Dec 2023
Offshore Wind	386	326	60	1,010
Onshore Wind / Solar	155	99	56	535
Flexible Generation	418	1,032	- 614	2,695
Supply & Trading	245	278	- 33	1,520
Other, consolidation	16	123	- 107	42
Core business	**1,220**	**1,858**	**- 638**	**5,802**

1 Some prior-year figures restated; see commentary on page 5 et seq.

Adjusted EBIT drops to €1.2 billion. Our adjusted EBIT came to €1,220 million, which was clearly below last year's corresponding figure (€1,858 million). This figure differs from adjusted EBITDA in that it includes operating depreciation and amortisation, which amounted to €489 million in the period under review (previous year: €454 million).

Reconciliation to net income[1] € million	Jan – Mar 2024	Jan – Mar 2023	+ / –	Jan – Dec 2023
Adjusted EBIT	**1,220**	**1,858**	**- 638**	**5,802**
Adjusted financial result	- 166	- 150	- 16	- 495
Non-operating result	1,397	207	1,190	- 1,301
Income before tax	**2,451**	**1,915**	**536**	**4,006**
Taxes on income	- 487	- 266	- 221	- 2,409
Income	**1,964**	**1,649**	**315**	**1,597**
of which:				
Non-controlling interests	42	51	- 9	147
Net income / income attributable to RWE AG shareholders	**1,922**	**1,598**	**324**	**1,450**

1 Some prior-year figures restated; see commentary on page 5 et seq.

Reconciliation to net income: significant temporary income from the valuation of derivatives. The reconciliation from adjusted EBIT to net income was characterised by special items not relating to operations, which had a positive impact in net terms. The most significant of these items was income from the valuation of derivatives, which is temporary. We present the development of the reconciliation items hereinafter.

Adjusted financial result € million	Jan – Mar 2024	Jan – Mar 2023	+ / –	Jan – Dec 2023
Interest income	90	113	- 23	695
Interest expenses	- 219	- 225	6	- 998
Net interest	**- 129**	**- 112**	**- 17**	**- 303**
Interest accretion to non-current provisions	- 112	- 104	- 8	- 465
Other financial result	75	66	9	273
Adjusted financial result	**- 166**	**- 150**	**- 16**	**- 495**

At – €166 million, our adjusted financial result was slightly lower than the previous year's figure (– €150 million). This was in part due to reduced bank deposits earning less interest. Although our long-term debt increased due to the issue of new bonds, our interest expenses remained essentially unchanged. The reason for this is that we reduced short-term financing.

Non-operating result[1] € million	Jan – Mar 2024	Jan – Mar 2023	+ / –	Jan – Dec 2023
Adjustments to EBIT	**1,293**	**444**	**849**	**- 1,320**
of which:				
Disposal result	1	- 1	2	121
Effects on income from the valuation of derivatives	1,148	9	1,139	1,395
EBIT from Phaseout Technologies	157	278	- 121	- 2,422
Other	- 13	158	- 171	- 414
Adjustments to the financial result	**104**	**- 237**	**341**	**19**
Non-operating result	**1,397**	**207**	**1,190**	**- 1,301**

1 Some prior-year figures restated; see commentary on page 5 et seq.

The non-operating result, in which we recognise material items which are not related to operations or the period being reviewed, amounted to €1,397 million (previous year: €207 million). Its main items developed as follows:

- Adjustments made to EBIT contributed €1,293 million in earnings compared to €444 million in the first quarter of last year. The main reason for this development was temporary income from the valuation of derivatives. In last year's corresponding period, gains and losses from the valuation of derivatives nearly netted each other out. A counteracting effect was felt from the decline in earnings from Phaseout Technologies (see page 10).

- Adjustments to the financial result came to €104 million. A key positive factor was that the interest rates used to calculate provisions increased and that the resulting reduction in the net present value of the obligations was recognised as a profit. In the first quarter of 2023, a decrease in interest rates (– €237 million) produced an opposite effect.

Income before tax amounted to €2,451 million (previous year: €1,915 million). Taxes on income totalled €487 million, which corresponds to an effective tax rate of 20 %. This figure aligns with the budgeted rate for 2024, which we established taking account of projected income in our markets, local tax rates, and the use of loss carryforwards.

Non-controlling interests fell by €9 million to €42 million. This was primarily due to a decline in income from our gas-fired power station in the Turkish town of Denizli, in which energy company Turcas holds a 30 % stake. Plant availability improved but the realised generation margins lagged significantly behind the previous year's level.

Our net income, which reflects income attributable to RWE shareholders, amounted to €1,922 million. The previous year's figure was €1,598 million.

Reconciliation to adjusted net income[1] € million	Jan – Mar 2024	Jan – Mar 2023	+ / –	Jan – Dec 2023
Income before financial result and taxes	2,513	2,302	211	4,482
Adjustments to EBIT	- 1,293	- 444	- 849	1,320
Adjusted EBIT	**1,220**	**1,858**	**- 638**	**5,802**
Financial result	- 62	- 387	325	- 476
Adjustments to the financial result	- 104	237	- 341	- 19
Taxes on income	- 487	- 266	- 221	- 2,409
Adjustments to taxes on income to a tax rate of 20 %	276	- 76	352	1,347
Non-controlling interests	- 42	- 51	9	- 147
Adjusted net income	**801**	**1,315**	**- 514**	**4,098**

1 Some prior-year figures restated; see commentary on page 5 et seq.

Adjusted net income of €0.8 billion. Adjusted net income declined by €514 million to €801 million. This was predominantly due to the reduction in operating income. To calculate adjusted net income, we deducted the non-operating result on the reconciliation statement and adjusted the tax rate, which therefore – still – matches the aforementioned budgeted rate of 20 %. Adjusted net income per share totalled €1.08 compared to €1.77 in the same quarter last year. These figures are based on 743.8 million shares.

Capital expenditure on property, plant and equipment and on intangible assets[1] € million	Jan – Mar 2024	Jan – Mar 2023	+ / –	Jan – Dec 2023
Offshore Wind	734	265	469	1,349
Onshore Wind / Solar	833	342	491	2,709
Flexible Generation	69	91	- 22	617
Supply & Trading	21	117	- 96	151
Other, consolidation	–	–	–	–
Core business	**1,657**	**815**	**842**	**4,826**
Phaseout Technologies	66	59	7	320
RWE Group	**1,723**	**874**	**849**	**5,146**

1 Table only shows cash investments. Some prior-year figures restated; see commentary on page 5 et seq.

Capital expenditure on financial assets and acquisitions[1] € million	Jan – Mar 2024	Jan – Mar 2023	+ / –	Jan – Dec 2023
Offshore Wind	1,102	20	1,082	133
Onshore Wind / Solar	20	4,086	- 4,066	4,173
Flexible Generation	–	444	- 444	431
Supply & Trading	6	8	- 2	95
Other, consolidation	10	–	10	–
Core business	**1,138**	**4,558**	**- 3,420**	**4,832**
Phaseout Technologies	–	–	–	1
RWE Group	**1,138**	**4,558**	**- 3,420**	**4,833**

1 Table only shows cash investments.

Investments focus on renewable energy expansion. In the first three months of 2024, capital expenditure amounted to €2,861 million (previous year: €5,432 million). The lion's share of the funds was dedicated to the Offshore Wind (64 %) and Onshore Wind / Solar (30 %) segments.

We spent €1,723 million on property, plant and equipment and intangible assets, roughly twice as much as in last year's corresponding quarter (€874 million). Wind and solar projects in Europe and the USA took centre stage. The single-largest items were the construction of the Sofia offshore wind farm in the UK and option fees for offshore sites in the southern section of Dogger Bank in the British North Sea, which we will have to pay to The Crown Estate until the final investment decision is reached.

At €1,138 million, our acquisitions and capital expenditure on financial assets lagged significantly behind last year's corresponding figure (€4,558 million), which was unusually high due to the acquisition of Con Edison Clean Energy Businesses. The biggest transaction in the period under review was the acquisition of three offshore wind projects in the United Kingdom, which we took over from Vattenfall (see page 3).

In the first quarter of 2024, 96 % of our capital expenditure was taxonomy-aligned (previous year: 90 %), meaning that these funds were spent on projects classified as sustainable according to the EU Taxonomy Regulation. This percentage is based on a total capital expenditure of €3,164 million. The amount differs from the above figure (€2,861 million) because non-cash transactions are also taxonomy-relevant and we consider the resulting additions to assets rather than associated acquisition expenditure.

Cash flow statement € million	Jan – Mar 2024	Jan – Mar 2023	+ / –	Jan – Dec 2023
Funds from operations[1]	647	1,966	-1,319	7,903
Increase in (–) / decrease of (+) working capital[1]	-2,790	-1,080	-1,710	-3,668
Cash flows from operating activities	**-2,143**	**886**	**-3,029**	**4,235**
Cash flows from investing activities	**-1,592**	**-749**	**-843**	**-2,810**
Cash flows from financing activities	**652**	**-395**	**1,047**	**-1,557**
Effects of changes in foreign exchange rates and other changes in value on cash and cash equivalents	51	65	-14	61
Total net changes in cash and cash equivalents	**-3,032**	**-193**	**-2,839**	**-71**
Cash flows from operating activities	-2,143	886	-3,029	4,235
Minus capital expenditure	-2,861	-5,432	2,571	-9,979
Plus proceeds from divestitures / asset disposals	89	78	11	1,162
Free cash flow	**-4,915**	**-4,468**	**-447**	**-4,582**

1 Prior-year figures restated; see commentary on page 6.

Operating cash flows curtailed by variation margin payments. Our cash flows from operating activities totalled -€2,143 million. Substantial expenses incurred to procure CO_2 emission allowances were a major contributing factor. We generally purchase most of the certificates needed for a fiscal year in the first quarter of the following year, which results in a seasonal distortion of cash flow. However, even when compared to 2023 (€886 million), cash flows from operating activities were low. One reason for this was that our payments for variation margins on commodity derivatives exceeded proceeds in the period being reviewed after achieving a net gain in last year's corresponding quarter. Furthermore, we recorded lower proceeds from the sale of stored gas, largely due to price effects. The decline in the operating result also came to bear.

Cash outflows from investing activities totalled €1,592 million as opposed to €749 million in the first quarter of the previous year. Although capital expenditure was down on 2023, which was characterised by the acquisition of US-based Con Edison Clean Energy Businesses, our sales of short-term cash investments were also markedly lower.

Cash flows from financing activities amounted to €652 million (prior year: – €395 million). Cash inflows stemmed from the sale of a 49 % stake in the Dogger Bank South offshore wind project to Abu Dhabi-based energy firm Masdar, amongst other things. We received further funds from the €500 million green bond issued in January. A counteracting effect was felt from the settlement of bank debt and commercial paper.

The presented cash flows from operating, investing and financing activities reduced our liquidity by €3,032 million.

Cash flows from operating activities, less capital expenditure, plus proceeds from divestments and asset disposals, results in free cash flow, which amounted to – €4,915 million in the period under review (previous year: – €4,468 million).

Net debt of €11.2 billion. As of 31 March 2024, our net debt totalled €11,222 million. It rose by €4,635 million compared to its level at 31 December 2023. Significant investments and partly temporary burdens on operating cash flow played a central role.

Net debt[1] € million	31 Mar 2024	31 Dec 2023	+ / –
Cash and cash equivalents	3,885	6,917	– 3,032
Marketable securities	7,008	8,114	– 1,106
Other financial assets	2,146	2,529	– 383
Financial assets	**13,039**	**17,560**	**– 4,521**
Bonds, other notes payable, bank debt, commercial paper	– 12,056	– 11,749	– 307
Hedging of bond currency risk	4	– 2	6
Other financial liabilities	– 5,232	– 5,278	46
Minus 50 % of the hybrid capital stated as debt	301	294	7
Financial liabilities	**– 16,983**	**– 16,735**	**– 248**
Net financial assets	**– 3,944**	**825**	**– 4,769**
Provisions for pensions and similar obligations	– 1,259	– 1,324	65
Surplus of plan assets over benefit obligations	513	509	4
Provisions for nuclear waste management	– 5,326	– 5,384	58
Provisions for dismantling wind and solar farms	– 1,206	– 1,213	7
Net debt	**– 11,222**	**– 6,587**	**– 4,635**

1 Mining provisions are not included in net debt. The same holds true for the assets which we attribute to them. At present, this includes our 15 % stake in E.ON and the portion of our claim for state compensation for the German lignite phaseout that has not yet been settled.

Outlook for 2024

RWE Group confirms earnings forecast. Our current earnings outlook for the financial year underway has not changed since March 2024 (see Annual Report 2023, page 60 et seq.). RWE's operating result will most likely remain far below the high level recorded in 2023. At the Capital Markets Day held on 28 November 2023, we forecast €5.2 billion to €5.8 billion for adjusted EBITDA in the core business. We confirm this, however we expect this figure to come in at the lower end of the guidance. This is because power prices have dropped considerably since November 2023. We envisaged adjusted EBIT in our core business to come in between €3.2 billion and €3.8 billion. Here, too, we anticipate a figure at the lower end of the range. The same applies to adjusted net income. Here the range is €1.9 billion to €2.4 billion. The forecast decline in earnings is based on the assumption that our trading performance, generation margins and income from the short-term optimisation of power plant dispatch will fall short of the high level achieved in 2023. We expect positive effects from the commissioning of new wind farms, solar parks and battery storage facilities.

Phaseout Technologies. We forecast adjusted cash flow from our German lignite and nuclear activities to be between €0.3 billion and €0.6 billion (previous year: €117 million). More information on this key performance indicator is available on page 6.

Capital expenditure on property, plant and equipment much higher year on year. We intend to increase our capital expenditure on property, plant and equipment and intangible assets significantly compared to 2023 (€5,146 million). The funds will be mainly used for wind, solar and battery projects in Europe and the USA. One area on which we are currently focusing our investment activities is expanding wind power in the North Sea.

Forecast € million	2023 actual[1]	Outlook for 2024
Adjusted EBITDA	7,749	5,200 – 5,800
of which:		
Offshore Wind	1,664	1,450 – 1,850
Onshore Wind / Solar	1,248	1,500 – 1,900
Flexible Generation	3,217	1,800 – 2,200
Supply & Trading	1,578	100 – 500
Adjusted EBIT	5,802	3,200 – 3,800
Adjusted net income	4,098	1,900 – 2,400

1 Some figures restated; see commentary on page 5 et seq.

Leverage factor likely to be well below the upper limit of 3.0. The ratio of net debt to adjusted EBITDA of the core business (leverage factor) was 0.9 in 2023, clearly below the ceiling of 3.0 which we established for this key performance indicator. The leverage factor is likely to increase over the current fiscal year due to our significant growth investments. However, it is expected to remain well below the aforementioned upper limit.

Dividend for fiscal 2024. The Executive Board of RWE AG envisages a dividend of €1.10 per share for fiscal 2024. This represents an increase of €0.10 compared to the dividend for 2023.

Interim consolidated financial statements (condensed)

Income statement

€ million	Jan – Mar 2024	Jan – Mar 2023
Revenue (including natural gas tax / electricity tax)[1,2]	**6,682**	**9,384**
Natural gas tax / electricity tax	-53	-44
Revenue[1,2]	**6,629**	**9,340**
Cost of materials[3]	-5,702	-9,242
Staff costs	-659	-660
Depreciation, amortisation and impairment losses	-499	-494
Other operating result[2]	2,607	3,120
Income from investments accounted for using the equity method	142	247
Other income from investments	-5	-9
Income before financial result and tax	**2,513**	**2,302**
Financial income	557	520
Finance costs	-619	-907
Income before tax	**2,451**	**1,915**
Taxes on income	-487	-266
Income	**1,964**	**1,649**
of which: non-controlling interests	42	51
of which: net income / income attributable to RWE AG shareholders	**1,922**	**1,598**
Basic and diluted earnings per share in €	**2.58**	**2.15**

1 A presentation of revenue by product and segment can be found on page 9.
2 Prior-year figures restated; see page 6.
3 Prior-year figures restated.

Statement of comprehensive income

Figures stated after taxes – € million	Jan – Mar 2024	Jan – Mar 2023
Income	**1,964**	**1,649**
Actuarial gains and losses of defined benefit pension plans and similar obligations	32	- 53
Income and expenses of investments accounted for using the equity method (pro-rata)	2	0
Fair valuation of equity instruments	309	863
Income and expenses recognised in equity, not to be reclassified through profit or loss	**343**	**810**
Currency translation adjustment[1]	105	22
Fair valuation of debt instruments	3	1
Fair valuation of financial instruments used for hedging purposes[1]	- 1,929	4,128
Income and expenses of investments accounted for using the equity method (pro-rata)	7	1
Income and expenses recognised in equity, to be reclassified through profit or loss in the future	**- 1,814**	**4,152**
Other comprehensive income	**- 1,471**	**4,962**
Total comprehensive income	**493**	**6,611**
of which: attributable to RWE AG shareholders	423	6,555
of which: attributable to non-controlling interests	70	56

1 Prior-year figures restated.

Balance sheet

Assets € million	31 Mar 2024	31 Dec 2023
Non-current assets		
Intangible assets	10,370	9,787
Property, plant and equipment	31,341	28,809
Investments accounted for using the equity method	4,254	4,066
Other non-current financial assets	5,840	5,573
Derivatives, receivables and other assets	3,582	3,625
Deferred taxes	633	642
	56,020	**52,502**
Current assets		
Inventories	1,988	2,270
Trade accounts receivable	6,388	7,607
Derivatives, receivables and other assets	28,361	29,474
Marketable securities	6,620	7,724
Cash and cash equivalents	3,885	6,917
	47,242	**53,992**
	103,262	**106,494**

Equity and liabilities € million	31 Mar 2024	31 Dec 2023
Equity		
RWE AG shareholders' interest	32,148	31,569
Non-controlling interests	1,930	1,571
	34,078	**33,140**
Non-current liabilities		
Provisions	17,224	17,431
Financial liabilities	14,627	14,064
Derivatives and other liabilities	2,122	2,200
Deferred taxes	4,949	5,390
	38,922	**39,085**
Current liabilities		
Provisions	6,494	6,815
Financial liabilities	2,661	2,964
Trade accounts payable	4,628	5,114
Derivatives and other liabilities	16,479	19,376
	30,262	**34,269**
	103,262	**106,494**

Cash flow statement

€ million	Jan – Mar 2024	Jan – Mar 2023
Income	1,964	1,649
Depreciation, amortisation and impairment losses / write-backs	504	502
Changes in provisions	–414	226
Deferred taxes / non-cash income and expenses / income from disposal of non-current assets and marketable securities[1]	–1,407	–411
Changes in working capital[1]	–2,790	–1,080
Cash flows from operating activities	**–2,143**	**886**
Cash flows from investing activities	**–1,592**	**–749**
Cash flows from financing activities	**652**	**–395**
Net cash change in cash and cash equivalents	–3,083	–258
Effect of changes in foreign exchange rates and other changes in value on cash and cash equivalents	51	65
Net change in cash and cash equivalents	**–3,032**	**–193**
Cash and cash equivalents at beginning of reporting period	6,917	6,988
Cash and cash equivalents at end of reporting period	**3,885**	**6,795**

1 Prior-year figures restated; see page 6.

Financial calendar 2024 / 2025

14 August 2024	Interim report on the first half of 2024
13 November 2024	Interim statement on the first three quarters of 2024
20 March 2025	Annual report for fiscal 2024
30 April 2025	Annual General Meeting
02 May 2025	Ex-dividend date
06 May 2025	Dividend payment
15 May 2025	Interim statement on the first quarter of 2025
14 August 2025	Interim report on the first half of 2025
12 November 2025	Interim statement on the first three quarters of 2025

This document was published on 15 May 2024. It is a translation of the German interim statement on the first quarter of 2024. 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 online and recorded. We will keep recordings on our website for at least twelve months.

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