

RWE

GROWING GREEN



Capital Market Day 2021

15 Nov 2021

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.

A photograph of several wind turbines in a green field under a blue sky with some clouds. The turbines are white with three blades each. The field is green and appears to be a mix of crops. The sky is a clear blue with some light clouds on the left side.

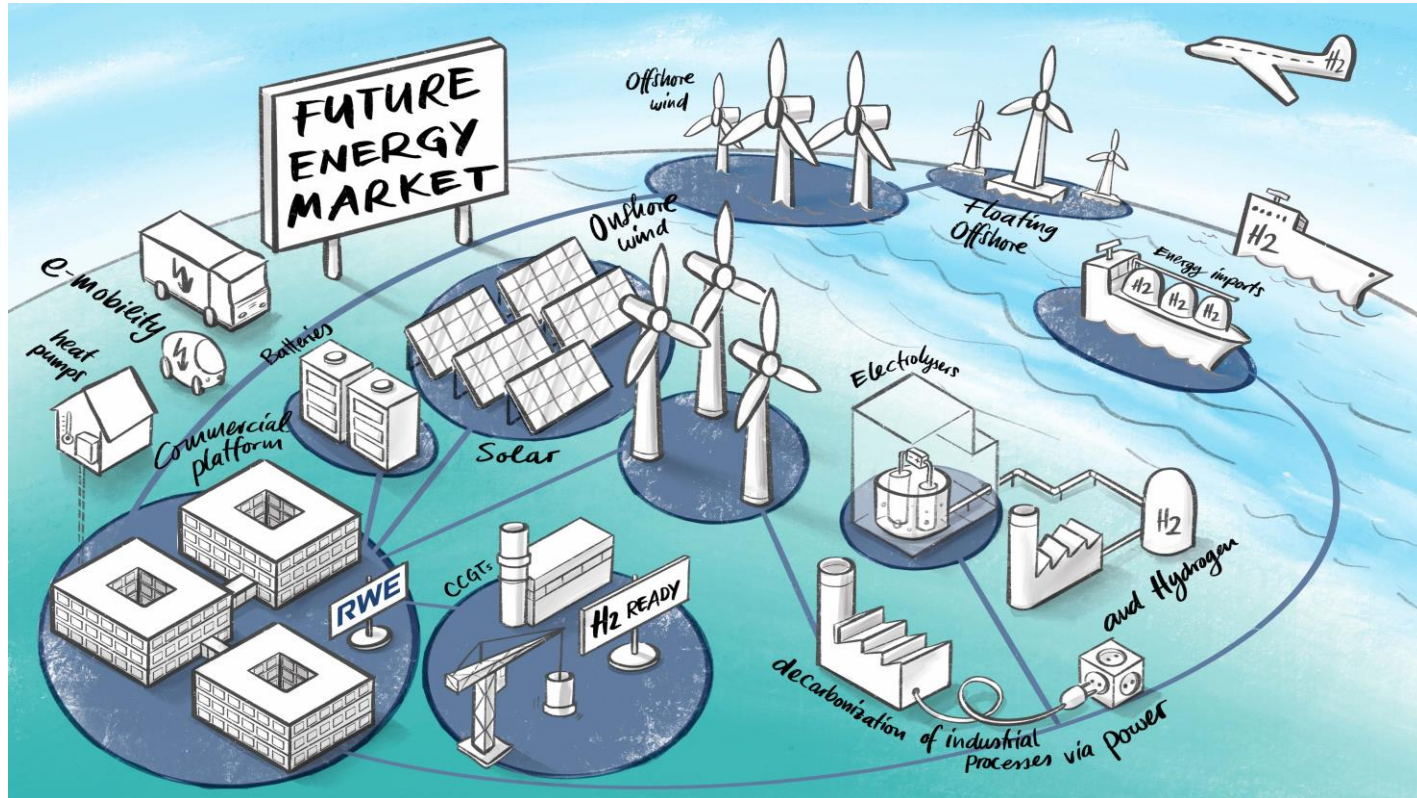
Leading the way to a green energy world

Markus Krebber
Chief Executive Officer, RWE AG

Growing Green: Leading the way to a green energy world

- **RWE is perfectly positioned:** vast experience in green technologies, strong market presence in industrial growth markets, operating a leading commercial platform
- We **significantly accelerate our green growth programme:** €50bn gross / €30bn net cash investments until 2030, leading to 35 GW gross / 25 GW net capacity additions
- Our investment plans are driven by **excellent teams** – our **development pipeline** stands at **more than 55GW across all relevant technologies**
- **Our portfolio in 2030 is powerful and green:** 50 GW net installed capacity across wind, solar, batteries, flexible generation and hydrogen offering tailor-made energy supply solutions
- **Attractive investment returns** result in **earnings growth** in our core business **of on average 9% annually** and **Group EBITDA ambition of €5bn in 2030**
- Investment programme fully funded by **strong operating cash flow and utilisation of our financial headroom** – in line with our **commitment to a strong investment grade rating**
- **Sustainability is at the heart of our strategy:** Our ambition is to reduce carbon emissions in line with a 1.5°C compliant pathway and to become net zero by 2040

The future energy market is powered by green technologies



Our core business is leading the way to a green energy world



Offshore Wind

Strongest growth in Europe, significant potential in global markets



Onshore Wind/Solar

Biden Plan and European Green Deal accelerate growth momentum in US and Europe



Batteries & Flexible Generation

RWE's European core markets require new, low-carbon flexible capacities



Hydrogen

Hydrogen is quickly gaining traction with Europe at the forefront



Commercial Solutions

Decarbonisation of industry drives demand for tailored solutions

Perfectly positioned to succeed



**Long-term
experience**
in relevant
technologies
at **scale**



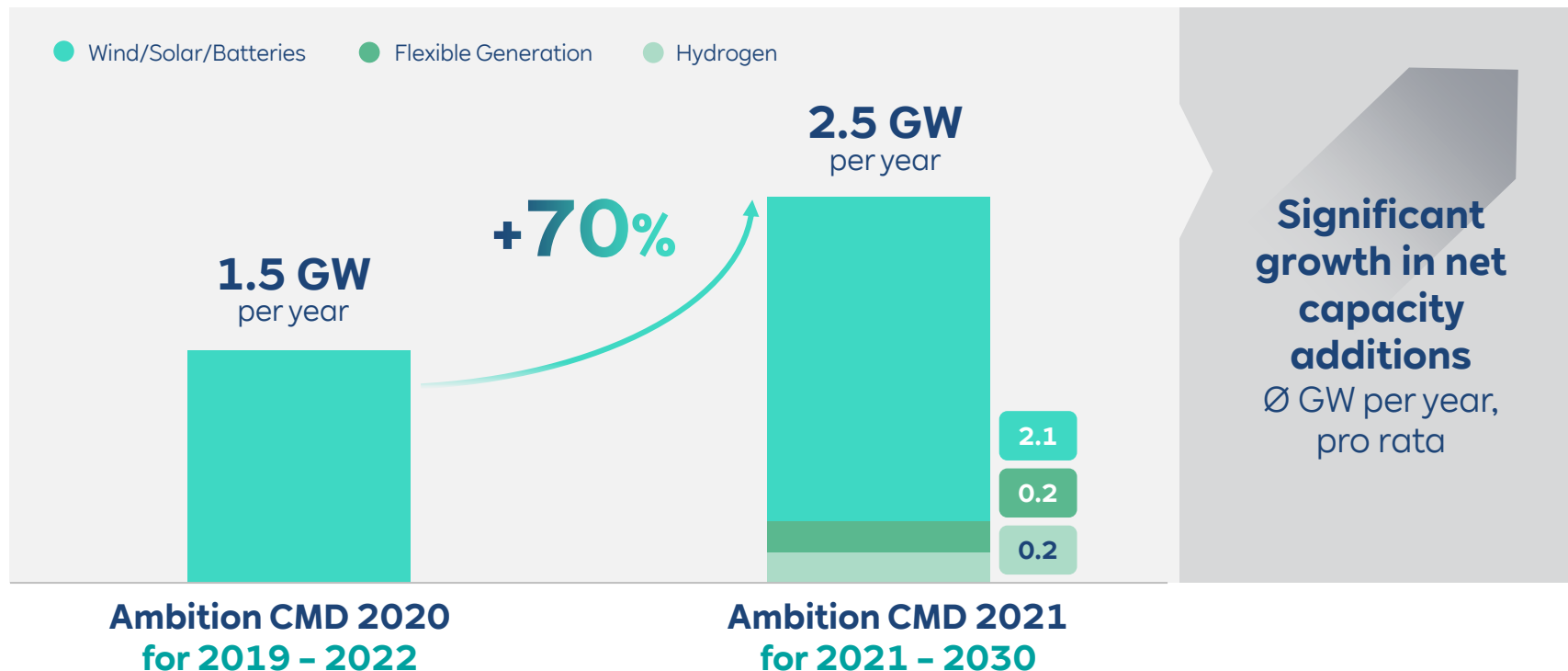
**Strong market
presence** in
industrial
countries with
**high growth
potential**



Leading
**commercial
platform** to
**maximise
value**

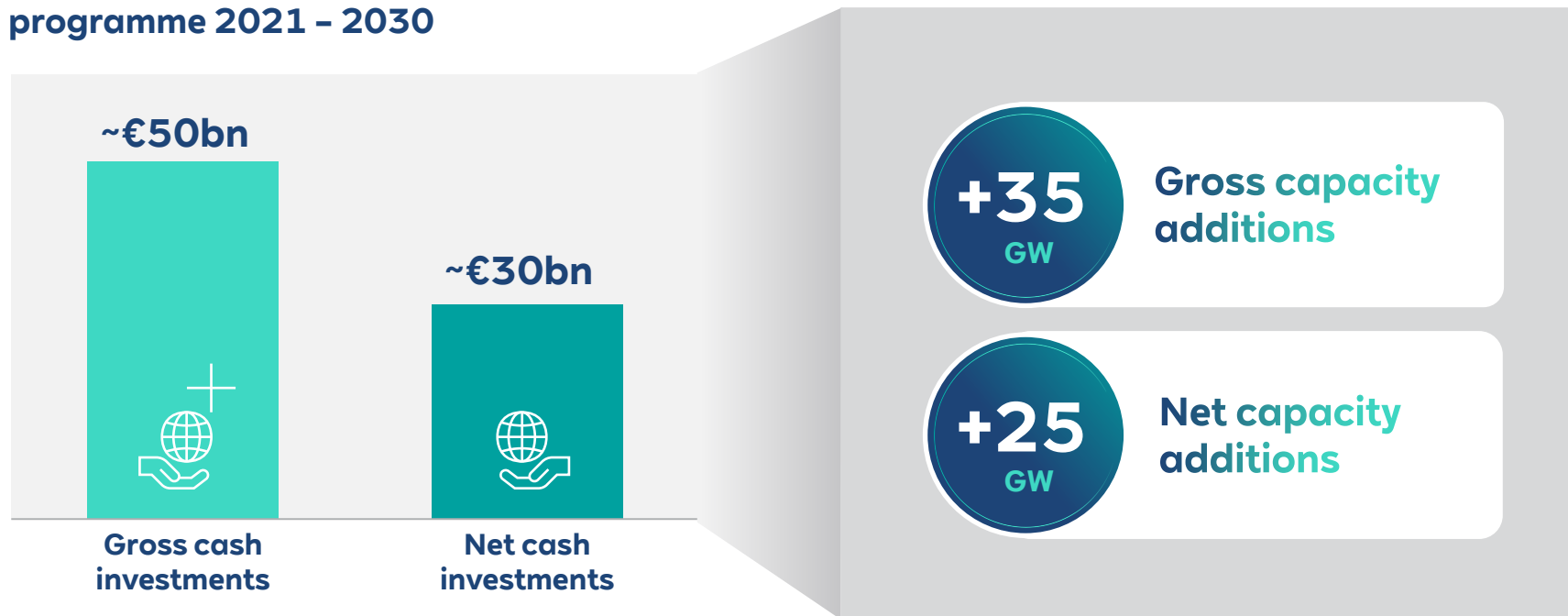


Raising the bar to accelerate the energy transition



€50bn gross investment programme to drive green growth

Green investment programme 2021 – 2030



Powerful & green in 2030: Leading green energy company

50 GW

Green installed
net capacity in
2030

>95%

EBITDA from
core business
as of 2023



9%

**Annual average
EBITDA growth
in core business
2021 - 2030**



€5bn

**EBITDA
Ambition
2030**

Sustainability is at the heart of our strategy

What
we have
achieved
so far

Reduction of carbon emissions

More than **60%** compared to 2012 by closing down **12 GW** of coal-fired power generation capacity, RWE targets in line with Paris climate agreement confirmed by SBTi

Enhancement of biodiversity

Recultivated over **23,000ha** in the Rhenish mining area. With over 1,500 plants and 3,100 animal species identified, **biodiversity** matches high value reference habitat

Increased diversity on board level

30% of our Executive Board members across our businesses are female

Taking responsibility for our employees affected by the energy transition

Collective bargain agreement for coal phase out to facilitate a socially responsible and fair transition

Right incentive system

Aligned management remuneration with sustainability: Long-term incentive of Executive Board linked to carbon intensity reduction path. Over **90%** approval rate for new executive board remuneration system at 2021 AGM

Paris aligned investment strategy & capital allocation

Already in 2020, over **80%** of our investments allocated to sustainable projects according to EU taxonomy

Stepping up our ambition in sustainability

Our ambitions

Environmental



Climate Change

We will be **climate neutral by 2040**.
On the way there, our ambition is to reduce
our emissions in line with a **1.5°C
compliant pathway**

Biodiversity & Recultivation

Because we care about the **biodiversity impact**
of our business, we commit to the **highest
standards in recultivation** for decommissioned
sites. For new assets, we aim for a **net-positive
contribution** to biodiversity by 2030

Social



Social Responsibility

We make a positive **contribution to the
communities** in which we operate. In the sense of
a Just Transition, **we stand by our employees**
who are impacted by the energy transition and
find **socially responsible solutions**

Diversity, Equity & Inclusion

We create an **equitable** and **inclusive** working
environment which **promotes diversity**. We will
strengthen the share of **women in all management
positions**, aiming for **30%** in our core business by
2030

Governance



Sustainable Investment

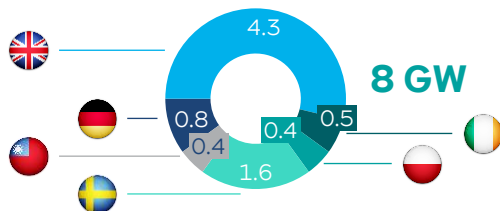
Our **growth is sustainable**. **>90%** of our
investments until 2030 will flow into
sustainable projects according to the **EU
taxonomy**

Circular Economy

We implement the **principles of circular economy**
in our way of working. We reduce the consumption
of **natural resources**, minimise **waste** and design
our assets so that we maximise the **reuse** and
recycling of materials

Strong growth platform across all technologies

Secured offshore rights



Additional offshore pipeline from central tenders/lease auctions



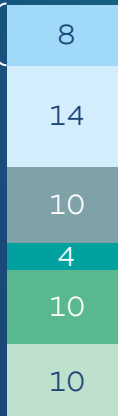
Expected submissions
until end of 2022
of **9 GW**

Rounding differences may occur.

Powerful development pipeline of green generation technologies

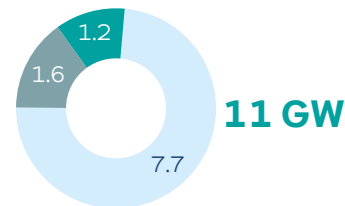


>55 GW

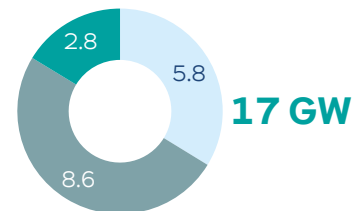


■ Offshore wind
 ■ Solar
 ■ Flexible generation
■ Onshore wind
 ■ Batteries
 ■ Hydrogen

Europe



Americas



● Onshore wind
 ● Solar
 ● Batteries

We are #2 offshore player globally with vast experience in the business

Very well positioned ...

... in a market with enormous investment opportunities



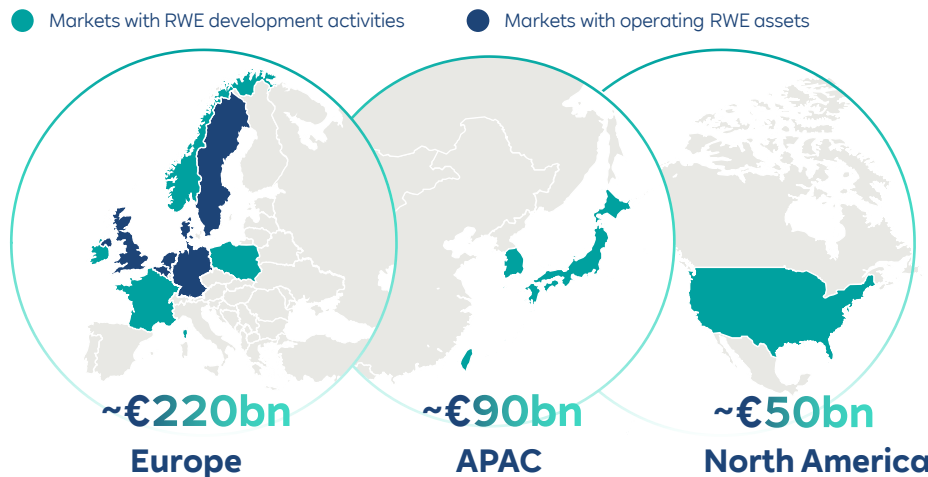
Almost 20 years in the offshore business



5 GW gross offshore wind portfolio across Europe



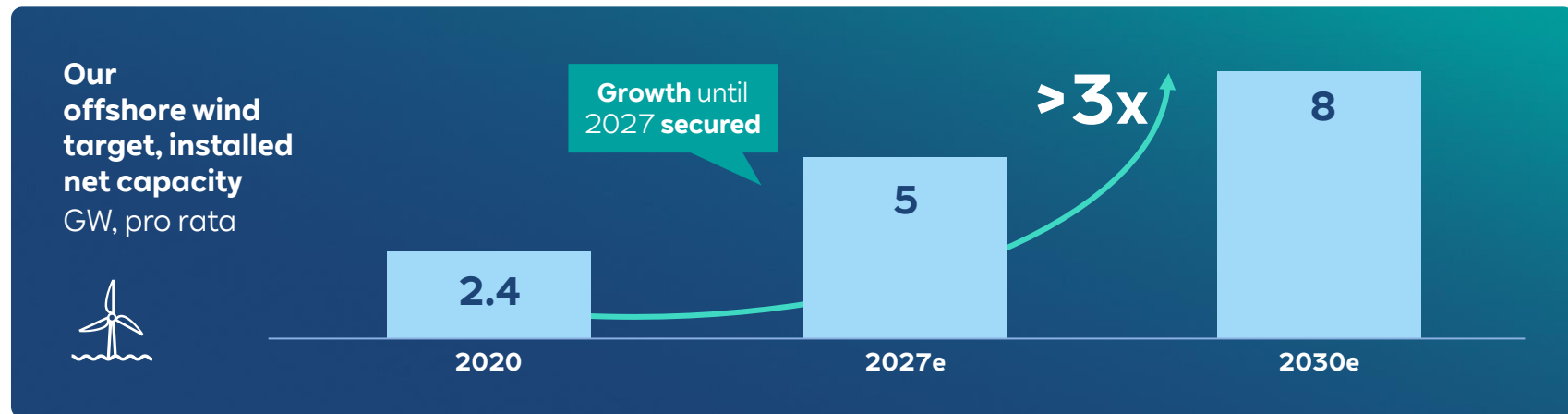
High-class partnerships in new markets



**Market growth
forecasted investments 2021 - 2030**

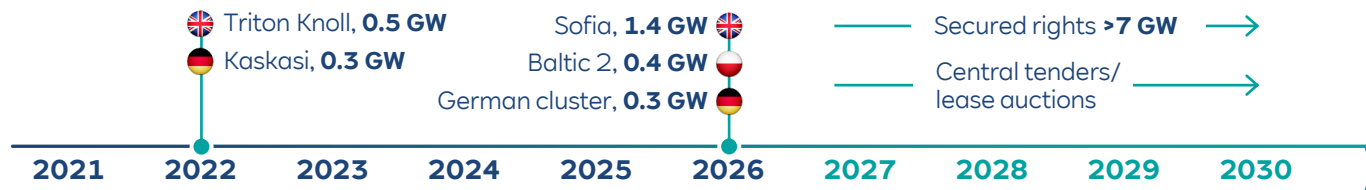
Source: Bloomberg NEF, APAC excl. China.

Our offshore installed net capacity will triple by 2030



Good visibility on capacity additions

GW, pro rata



At the forefront of innovation in offshore wind

Our offshore innovation projects support our sustainability strategy ...

... and go beyond conventional applications

Recyclable blades

We are testing the **world's first recyclable wind turbine blade** from Siemens Gamesa



Vibratory pile driving

We are investigating new installation techniques for offshore foundations to **reduce noise emissions**



Offshore hydrogen

We are part of the Aqua project family driving the production of hydrogen on offshore wind farms in the North Sea



Floating offshore – we aim to become a leader in floating wind and have 1 GW under construction by 2030

To gain **early experience**, RWE is participating in high-profile floating demo projects

	TetraSpar demonstrator	DemoSATH	New England Aqua Ventus
Capacity	3.6 MW	2 MW	11 MW
COD	Q4/2021	2022	2024

Picture sources: Siemens Gamesa, AquaVentus.

RWE



Video

Sven Utermöhlen

CEO Wind Offshore, RWE Renewables

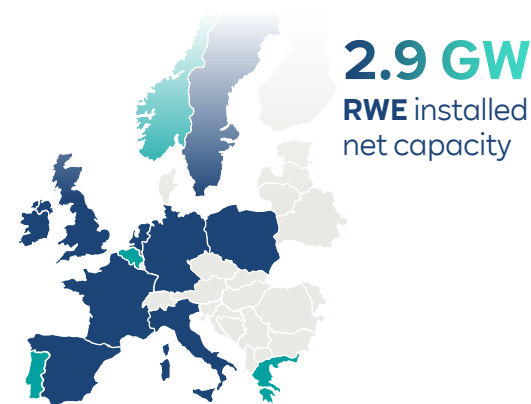
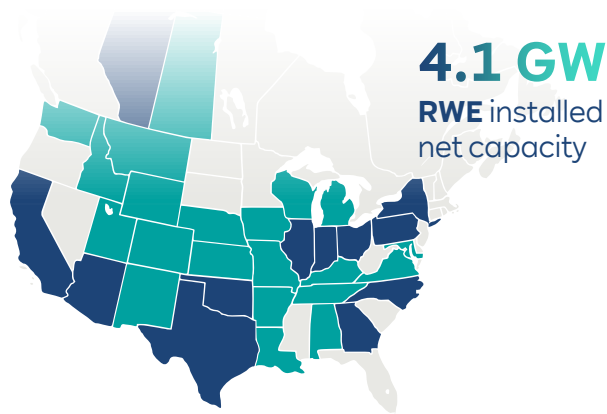
Strong presence in the fast-growing onshore wind and solar markets in North America & Europe



More than 20 years
in the Onshore wind and
solar business



**Powerful origination and
development team with
more than 270 developers**



€170
bn

Market growth in onshore wind
and solar, forecasted investments
2021 – 2030

€320
bn

● Markets with RWE development activities ● Markets with operating RWE assets

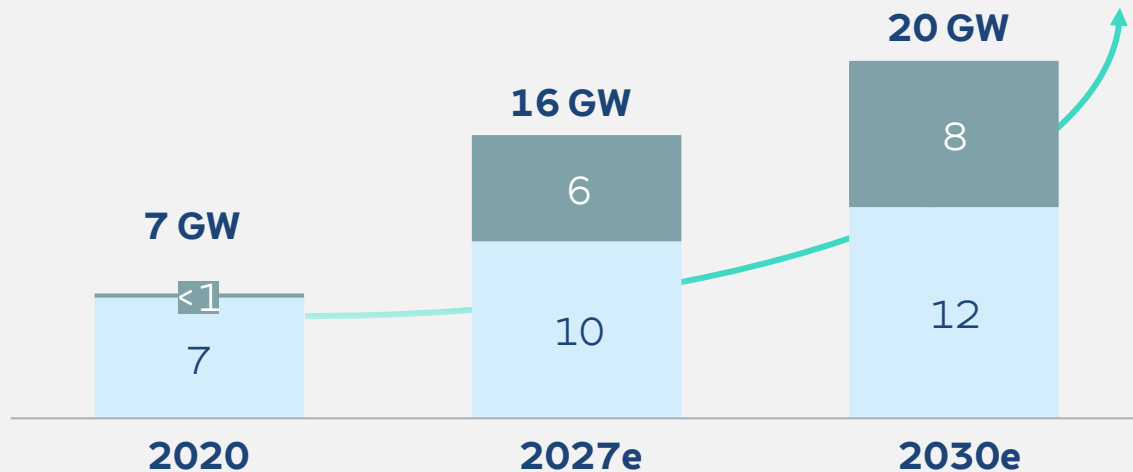
Note: Installed capacity as of 31 Dec 2020. | Source: BloombergNEF.

Ambitious onshore wind targets and steep solar growth

Our onshore wind and solar target, installed net capacity

GW, pro rata

● Solar ● Onshore wind



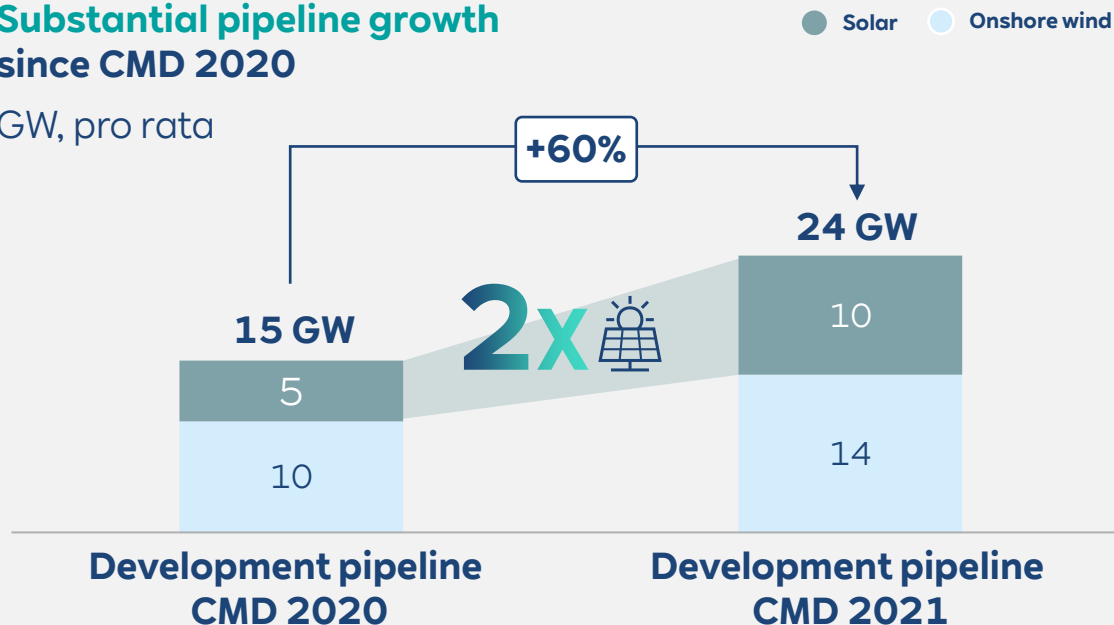
3x
Capacity growth in onshore wind and solar



Powerful onshore wind and solar development platform

Substantial pipeline growth since CMD 2020

GW, pro rata



- **Strong origination** from own development teams
- Complemented by **partnerships and pipeline enhancements**

Strong RWE footprint in markets with demand for batteries and flexible generation

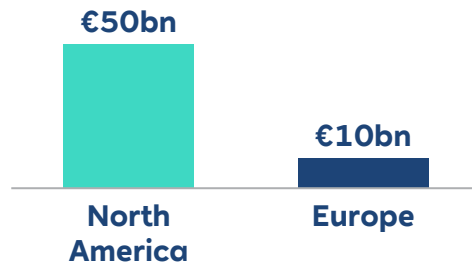
We are a
leading
provider
of flexibility

- **#2 gas fleet** in Europe
- **>10 battery projects** with in total **600 MW** in operation or under construction
- **2.1 GW of hydro and pump storage** capacity

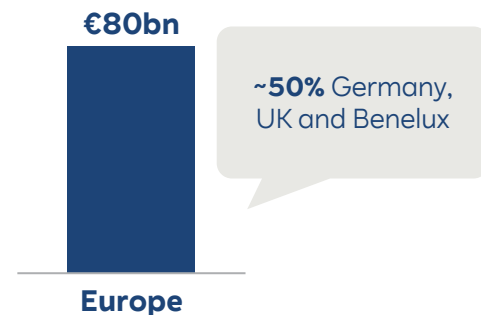
Market growth batteries and flexible generation, forecasted investments 2021 – 2030



Utility-scale
batteries



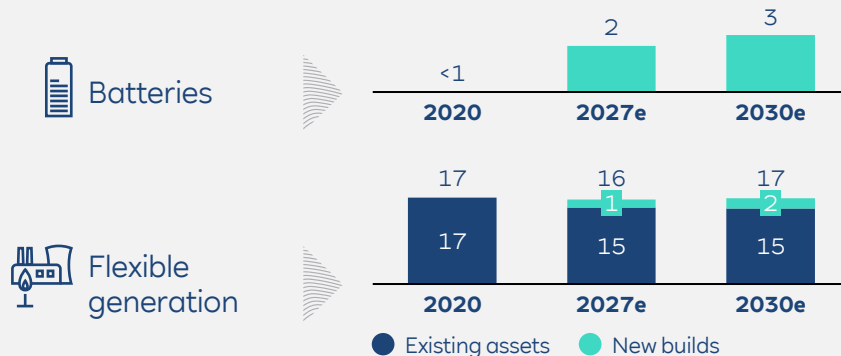
Flexible
generation



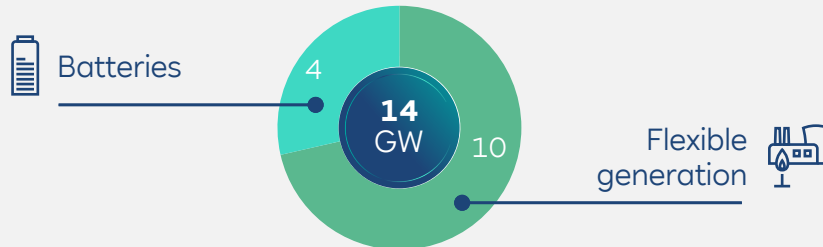
Renewables penetration drives investments
into batteries and flexible generation

Balancing the system is a growth opportunity

Our battery & flexible generation capacity, installed net capacity
GW, pro rata



Sizeable development pipeline
GW



- Growth focus in batteries is on **co-location with wind and solar sites**
- **Excellent position** to build new gas plants on own existing sites
- New gas plants will be build under the prerequisite of a clear **net zero decarbonisation path** and **capacity remuneration**
- We are pushing solutions to **decarbonise** our existing gas fleet

Ideally positioned for the hydrogen economy

Strong expertise along the value chain



Hydrogen market growth

- Strongest global growth momentum in **Europe**
- **Industrial demand centres** located in RWE's European core markets

European electrolyser capacity

40 GW
EU Hydrogen Strategy 2030

Rapid growth of green H₂ production

Growth target backed by strong project pipeline

RWE with market leading growth target in electrolyser capacity

+2 GW
RWE by 2030

Requirements for electrolyser investments

- Regulatory and political framework
- Support and funding schemes
- Reliable offtake agreements

RWE's hydrogen development pipeline

10 GW
pro rata

Mostly early-stage development projects

Selected hydrogen development projects:

 Get H ₂	IPCEI	 Eemshydrogen
 Aqua Primus 2	IPCEI	 NorthH ₂
 Aqua Ventus/Ductus	IPCEI	 FUREC
 HyTech Hafen Rostock	IPCEI	 SW Industrial Cluster

RWE



Video Sopna Sury

COO Hydrogen, RWE Generation



Our leading commercial platform provides customer solutions and optimises our own asset portfolio



Industrial Partnerships

We develop partnerships to support the decarbonisation of industrial customers



Customer Solutions

We provide our customers tailored solutions for green energy supply



Portfolio Management

We optimise our own asset portfolio and offer 3rd party solutions



Green commodities

We explore new business opportunities in green energy import, transport and storage



RWE's commercial platform | Understanding global energy markets

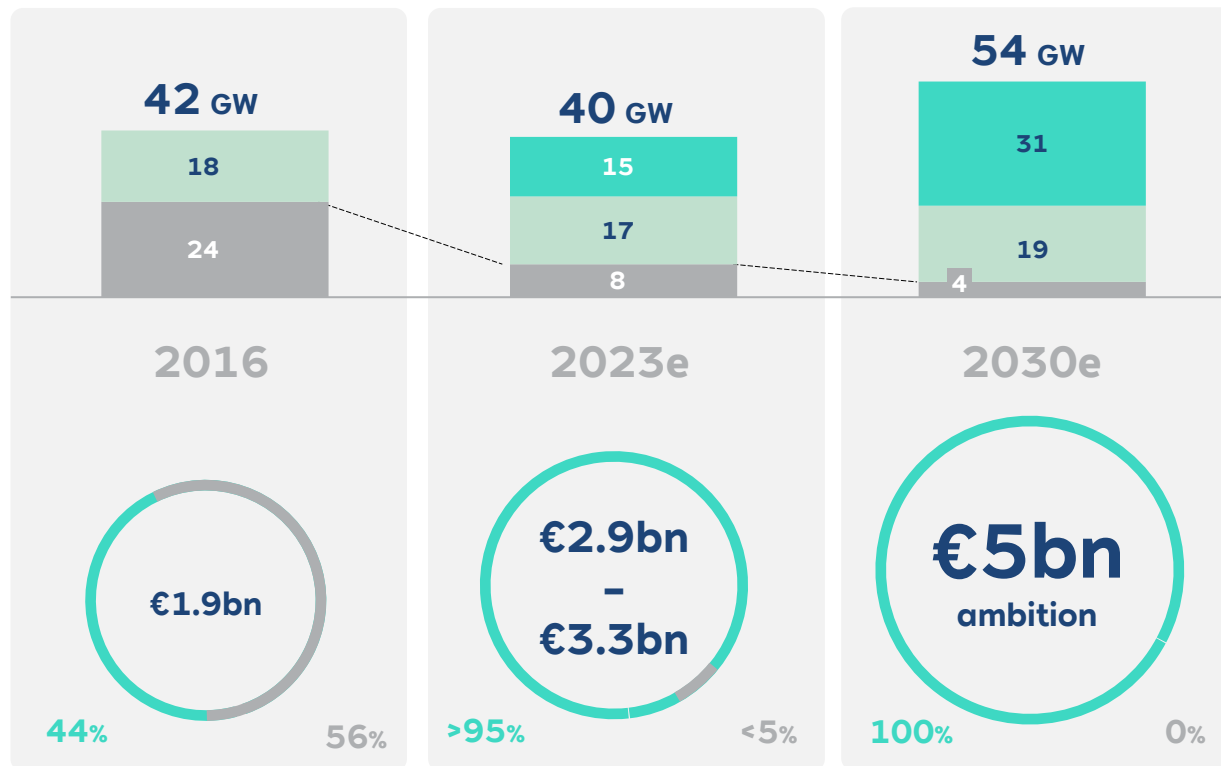


We transform rapidly into a green energy company

Installed net capacity

GW, pro rata

- Wind/Solar/Batteries
- Flexible generation/Hydrogen
- Coal/Nuclear



Adj. EBITDA

- Core business
- Coal/Nuclear





Delivering growth and value

Michael Müller
Chief Financial Officer, RWE AG

CFO priorities



Target attractive returns



Ensure access to capital



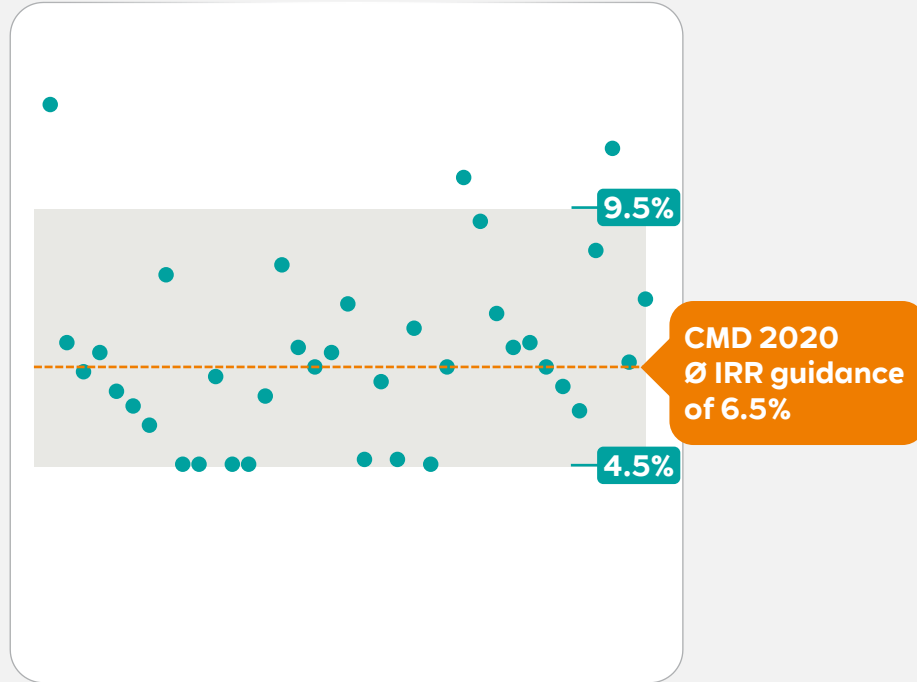
Strict risk management



Create shareholder value

We delivered on our promises: Value creation from investment decisions

**IRR of
investment
decisions
since
CMD 2020**
incl.
development
costs



- IRR targets met ✓
- On track to deliver capacity target ✓
- Earnings guidance exceeded/confirmed ✓

Strict investment criteria ensure attractive returns

IRR requirements for future investments



Offshore wind

Global | 5.0%  9.0%



Onshore wind, solar and batteries

Europe and US | 4.0%  7.0%



Flexible generation and hydrogen

Europe | 6.0%  11.0%

Note: IRRs post tax, unlevered, nominal.

- Investment decisions based on **strict hurdle rate approach** with project IRR typically exceeding base WACC by 100 to 300 bps
- Hurdle rates include **risk premia** depending on project risk profile
- **Regular post completion reviews** to monitor investment performance and derive learnings for future decisions

RWE



Video Roger Miesen

CEO, RWE Generation

We accelerate our growth investments to €3bn net annually

Green investment programme 2021 - 2030

€bn

Share of gross cash investments:

45% Offshore wind



+

45% Onshore wind, solar and batteries

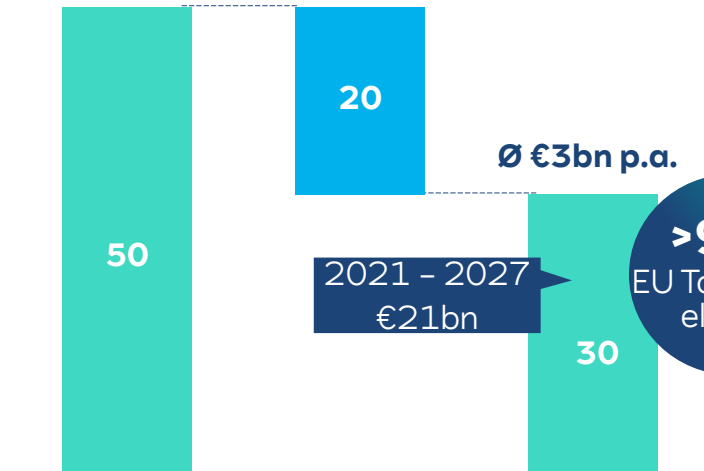


+

10% Flexible generation & hydrogen



Ø €5bn p.a.



Gross cash investments
2021 - 2030

Asset
rotation

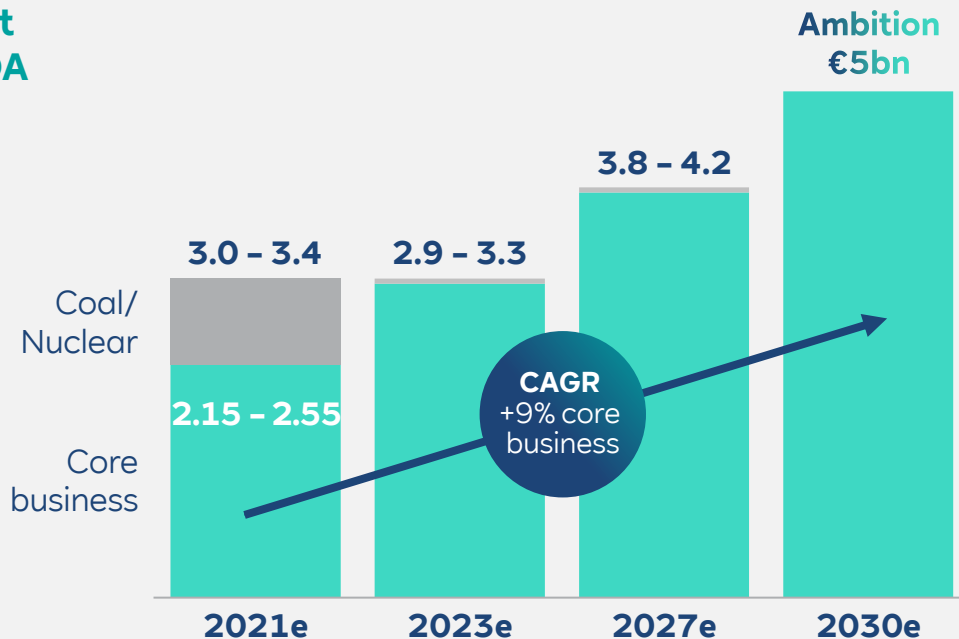
Net cash
investments
2021 - 2030

2021 - 2027
€21bn

>90%
EU Taxonomy
eligible

Strong annual EBITDA increase of 9% on average in core business

Development of adj. EBITDA RWE Group €bn



From 2023 onwards

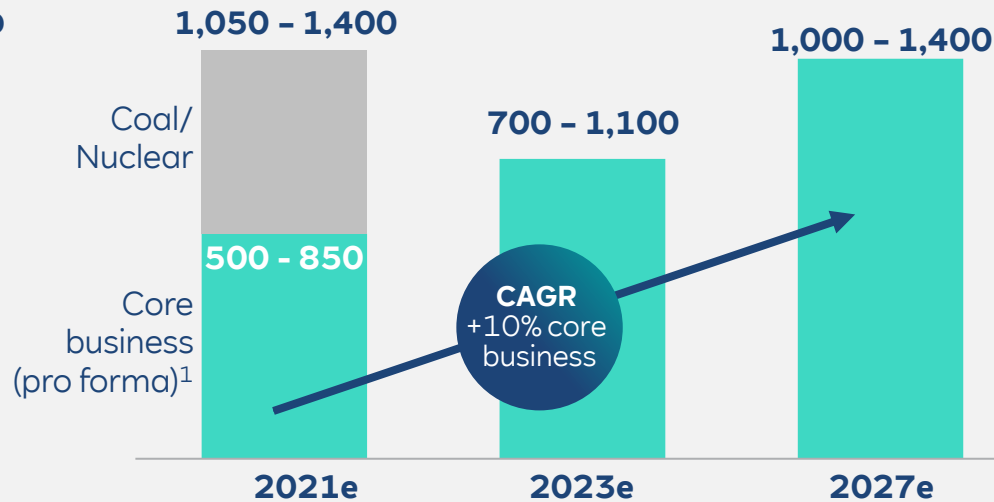
- >95% of adj. EBITDA RWE Group generated in core business
- No book gains considered

Thriving bottom-line growth

Development of adj. net income RWE Group €m

¹ Core ANI =
Group ANI – EBIT
Coal/Nuclear
x (1 – Tax)

Note: Detailed
overview in
backup.



- In 2021 adj. net income RWE Group includes significant earnings contribution from Coal/Nuclear
- Coal/Nuclear earnings replaced by strong growth in our core business by 2027

Stable and sustainable earnings profile

Gross margin 2021 – 2023

12
years

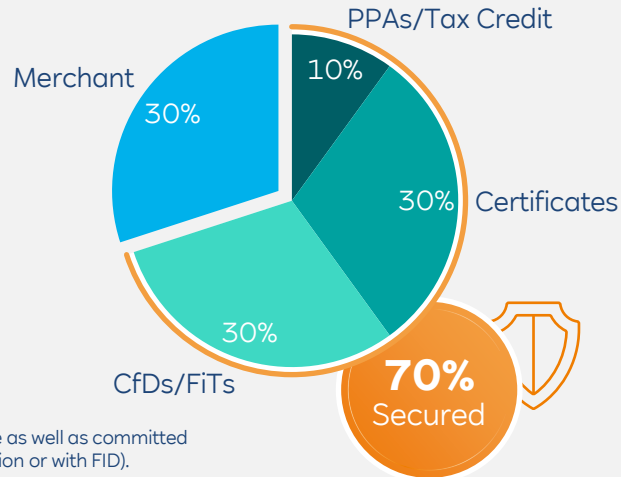
Weighted average
remaining support
tenor¹ **Wind/Solar**

¹ Considers the current operating asset base as well as committed projects with COD by 2023 (under construction or with FID).

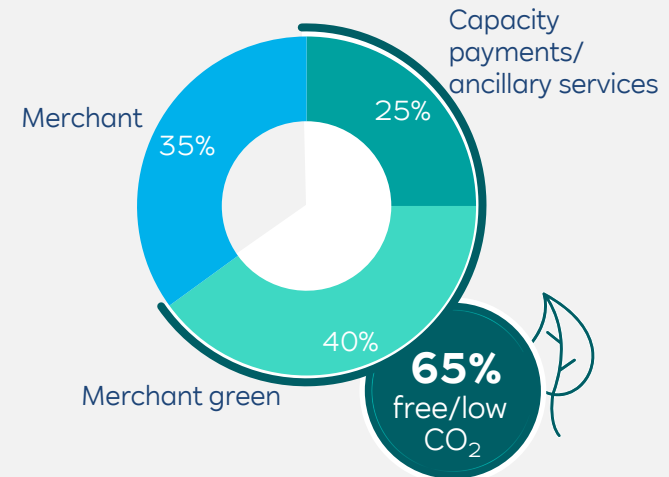
Note: Merchant includes volumes to be hedged.



Gross margin split Wind/Solar



Gross margin split Flexible generation



Commercial approach maximises value of wind and solar assets

Route to market for new projects

- Contract for Differences (CfDs)
- Corporate PPAs
- Green hydrogen PPAs
- Hedging in wholesale markets

Hedging in wholesale markets

Hedging of long-term merchant position

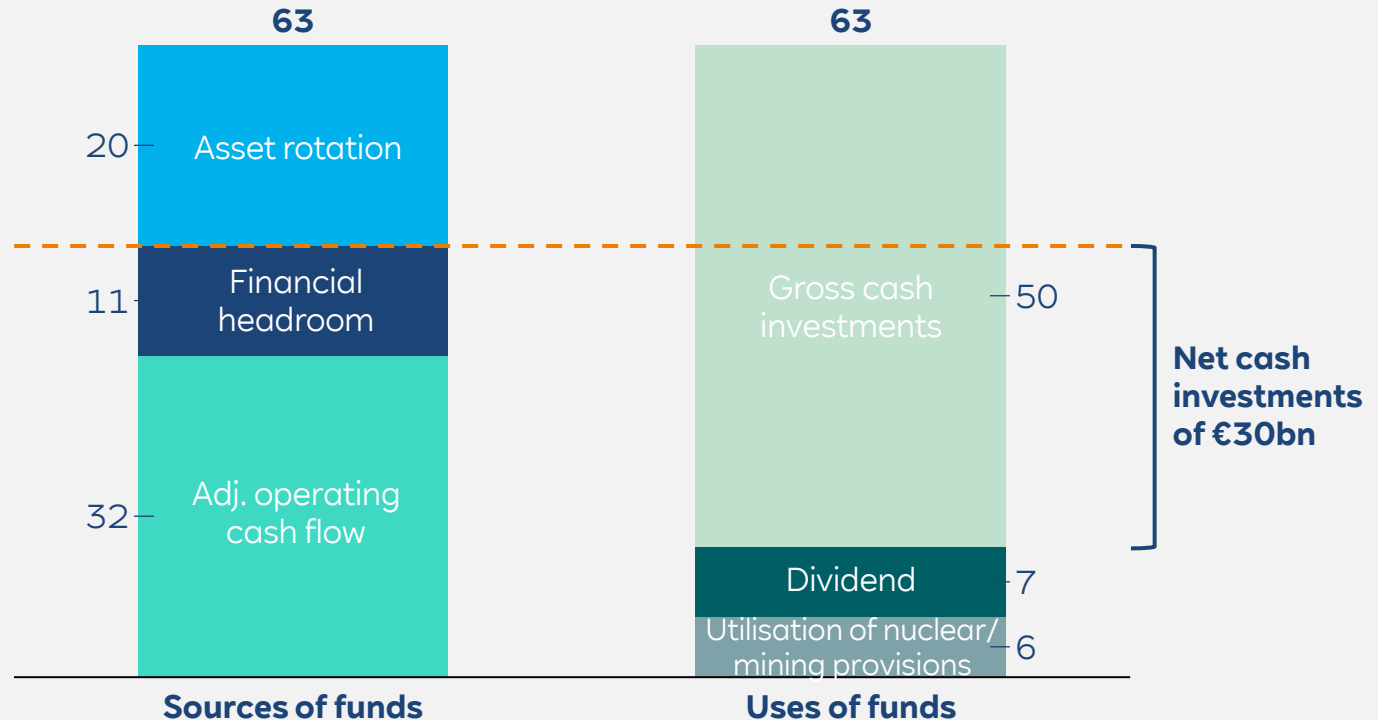
- Focus on management of power price risk
- Typically, 50% of open positions hedged 18 months before delivery

Short-term position management

- Focus on short-term commercial optimisation
- Minimise risk from delivery obligations (e.g. weather risks)

Investment programme funded by strong cash flow and balance sheet

**Funding
composition
2021 - 2030**
€bn



RWE

 Video
Silvia Ortín

CEO Wind Onshore & PV, RWE Renewables

Asset rotation strategy allows for portfolio optimisation and creates additional value



Committed to strong capital structure and investment grade rating

Strong investment grade rating

Current & Target rating:

Baa2

BBB+

→ Today

≤ 3x

Target leverage factor of net debt/core adj. EBITDA

→ Post 2025

≤ 3.5x

Target leverage factor of net debt/adj. EBITDA

Sustainable financing provides liquidity and financing at competitive rates



Successfully issued Green Bond in Q2 2021

- Green bond multiple times oversubscribed
- Ten-year bond at highly attractive rates
- Proceeds from green bond used to finance wind and solar growth



Green Bonds are **preferred financing tool** for future growth



Syndicated credit facility with sustainability-linked KPIs

- Renewable energy (%) in generation portfolio
- Carbon intensity of assets
- Sustainable Capex (%) under EU taxonomy

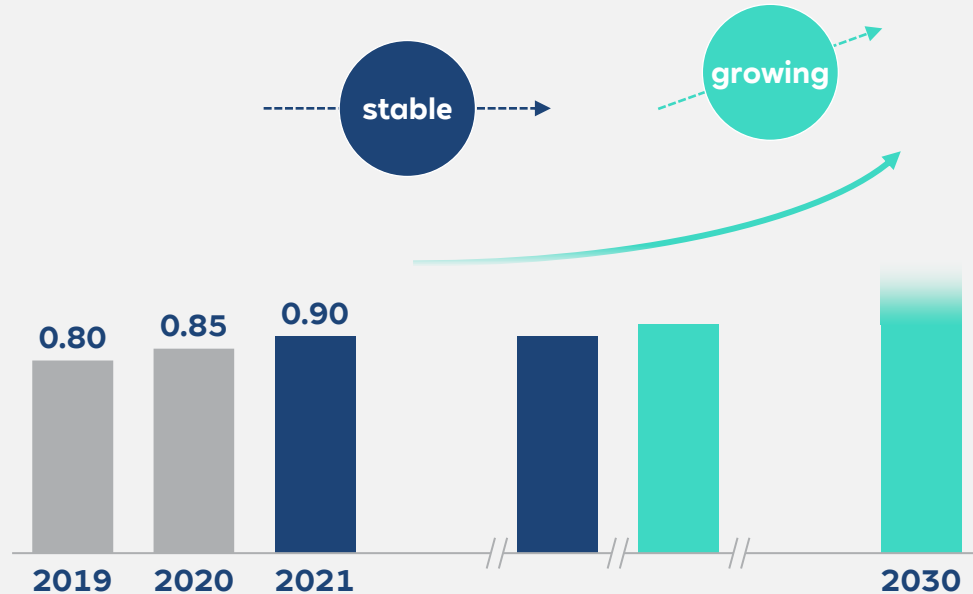


RWE has **set the bar for sustainable financing**

Attractive and stable dividend throughout the green energy transition

Dividend policy

€/share



- Dividend floor of €0.90 per share
- Long-term average pay-out ratio of 50 – 60% based on adj. net income

Delivering growth and value



Green investments

2021 - 2030

€30bn

Net cash investments

>90%

EU Taxonomy eligible



Earnings Growth

2021 - 2030

9%

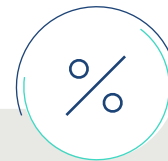
EBITDA CAGR
core business



Strict balance sheet management

Strong investment
grade rating

Long-term target
leverage factor
of **≤3.5x**



Dividend commitment

Floor of **€0.90**
per share

Long-term
payout ratio of
50 - 60%



Leading the way to a green energy world

Markus Krebber
Chief Executive Officer, RWE AG

Leading the way to a green energy world



Society

We deliver the energy transition and will become **net zero by 2040**



Customers

We **supply green energy solutions** and **support the decarbonisation** of industries



Employees

We offer a **highly attractive & international working environment** with significant **growth in green technologies**. We also **stand by our employees** impacted by the energy transition



Shareholders

We **create shareholder value** by delivering profitable green growth

Our energy for a sustainable life.

Appendix

Disclosure summary

Strategic and financial outline			Additional disclosure		
Installed net capacity core business 2030, pro rata	50 GW		Gross cash investments core business 2021 – 2030		€50bn
			• Offshore Wind		45%
Gross capacity additions 2021 – 2030	35 GW		• Onshore Wind/Solar/Batteries		45%
Net capacity additions, pro rata 2021 – 2030	25 GW		• Flexible Generation & Hydrogen		10%
Net zero	2040		Net cash investments core business		
			• 2021 – 2030		€30bn
EBITDA CAGR core business 2021 – 2030	9%		• 2021 – 2027		€21bn
Details on earnings see the following pages	p. 49 – 51		Development pipeline		>55 GW
Ambition for EBITDA 2030	€5bn		• Offshore Wind		8 GW
			• Onshore Wind		14 GW
ANI pro forma CAGR core business 2021 – 2027	10%		• Solar		10 GW
Share of secured gross margin from Wind/Solar	70%		• Batteries		4 GW
			• Flexible Generation		10 GW
Average remaining support tenor Wind/Solar	12 years		• Hydrogen		10 GW
Capex eligible under EU taxonomy 2021 – 2030	>90%		Average net capacity additions per year for 2021 – 2030, pro rata		
			• Wind/Solar		2.1 GW
Leverage factor			• Flexible Generation		0.2 GW
• As of today	≤3× Net debt/core adj. EBITDA		• Hydrogen		0.2 GW
• Post 2025	≤3.5× Net debt/adj. EBITDA		Installed net capacity core business, pro rata	2020	2030
Dividend policy	Long-term payout ratio of 50% – 60%		• Total core business	27 GW	50 GW
	Dividend floor at 0.90€ per share		• Offshore Wind	2.4 GW	8 GW
			• Onshore Wind	7 GW	12 GW
			• Solar	<1 GW	8 GW
			• Batteries	<1 GW	3 GW
			• Flexible Generation	17 GW	17 GW
			• Hydrogen	0 GW	2 GW
			IRR targets		
			• Offshore Wind		5 – 9%
			• Onshore Wind/Solar/Batteries		4 – 7%
			• Flexible Generation/Hydrogen		6 – 11%

Overview Guidance FY2021 and FY2022

€ million

	2021	2022
Offshore Wind	1,050 – 1,250	1,350 – 1,550
Onshore Wind/Solar	50 – 250	650 – 750
Hydro/Biomass/Gas	500 – 600	550 – 650
S&T	>350	150 – 350
Others/Consolidation	Ca. -100	Ca. -150
Core adj. EBITDA	2,150 – 2,550	2,750 – 3,050
Coal/Nuclear	800 – 900	550 – 650
Group adj. EBITDA	3,000 – 3,400	3,300 – 3,600
Depreciation	Ca. -1,500	Ca. -1,600
Adj. EBIT	1,500 – 1,900	1,700 – 2,000
Adj. financial result	Ca. -150	Ca. -200
Adj. tax	15%	15%
Adj. minorities	Ca. -150	Ca. -200
Core adj. net income	500 – 850	650 – 950
Adj. net income	1,050 – 1,400	1,100 – 1,400

Key changes vs. previous guidance 2022

- Offshore: Higher power prices
- HBG: Higher commodity prices
- Others/Cons.: upgrade IT infrastructure & regulatory timing effects Amprion
- Financial result: higher interest expense from accelerated growth
- Minorities: higher offshore EBITDA

Guidance FY2023

€ million

2023

Offshore Wind	1,350 – 1,550
Onshore Wind/Solar	750 – 900
Flexible Generation/Supply	750 – 950
Others/Consolidation	Ca. -150
Core adj. EBITDA	2,800 – 3,200
Coal/Nuclear	0 – 200
Group adj. EBITDA	2,900 – 3,300
Depreciation	Ca. -1,600
Adj. EBIT	1,300 – 1,700
Adj. financial result	Ca. -200
Adj. tax	20%
Adj. minorities	Ca. -200
Adj. net income	700 – 1,100

Key value driver FY2023 vs FY 2022

- Offshore: Full year contribution Triton Knoll & Kaskasi offshore wind offset by impact German compression model
- Onshore/Solar: commissioning of new assets
- Flexible Generation/Supply: full year contribution Biblis offset by margin effects
- Coal/Nuclear: Phase out nuclear, lower lignite capacity

Financial preview FY2027

€ million

2027

Offshore Wind	1,350 – 1,650
Onshore Wind/Solar	1,250 – 1,450
Flexible Generation/Supply	1,000 – 1,300
Others/Consolidation	Ca. -150
Core adj. EBITDA	3,700 – 4,100
Coal/Nuclear	0 – 200
Group adj. EBITDA	3,800 – 4,200
Depreciation	Ca. -2,100
Adj. EBIT	1,700 – 2,100
Adj. financial result	Ca. -200
Adj. tax	20%
Adj. minorities	Ca. -200
Adj. net income	1,000 – 1,400

Key value driver FY2027 vs FY 2023

- Offshore: commissioning of new assets (Sofia, Baltic 2, German cluster). Additional negative impact from German compression model (NSO, Amrumbank, Arkona)
- Onshore/Solar: commissioning of new assets
- Flexible Generation/Supply: New gas and hydrogen assets as well as margin effects

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](#)

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+1 201 680-6255 (from outside the US)
1-888-269-2377 (within the US)

Financial Calendar

- **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



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