RWE

Powering towards a green tomorrow.

Annual Report 2023

Our energy for a sustainable life.

Last year, RWE celebrated its 125th anniversary. We can look back on an eventful journey shaped by rapid social and technological change. But one part of our story has always remained the same: our product, electricity. The only difference now is how we generate that electricity. We produced our very first megawatt hour from hard coal. Later, lignite and nuclear were our main energy sources. Today, they have been replaced with wind, sun, water and natural gas. Tomorrow, we will make a full transition to zero-carbon energy sources. Because our objective is to be carbon neutral. And we want to accomplish this by 2040.

Green energy is the lifeblood of a sustainable economy. And demand for it is also rising outside of the energy sector. Be it in industry, transport or buildings, fossil fuels such as oil and natural gas must be replaced by zero-carbon energy sources everywhere. And where it is not possible to switch to carbon-neutral electricity directly, for example when producing steel, hydrogen is a suitable alternative – hydrogen produced using electricity from renewables. This, too, presents us with significant opportunities.

We are driving the energy transition – with growth investments that add social and economic value. Despite the increasingly challenging environment, our investment programme is progressing faster than anticipated. At the end of 2023, we set new ambitious targets: between 2024 and 2030, we want to invest around €55 billion in new wind and solar farms, battery storage solutions, flexible back-up capacity and electrolysers for hydrogen production. In doing so, we want to expand our generation capacity in our green core business from 35.5 GW today to more than 65 GW. At the same time, we will be making a socially acceptable exit from coal-fired generation by 2030.

Our 20,000+ strong workforce is wholeheartedly dedicated to harnessing the benefits of a secure, affordable and increasingly climate-friendly electricity supply for businesses and society as a whole. This commitment is expressed in our purpose: Our energy for a sustainable life. It is what sets RWE apart. And we will remain true to this conviction as we continue our journey down this road. Just as we have done with our product, electricity.

At a glance

RWE Group – key figures[1]		2023	2022	+ / –
Power generation	GWh	129,701	156,794	– 27,093
External revenue (excluding natural gas tax / electricity tax)	€ million	28,566	38,415	– 9,849
Adjusted EBITDA	€ million	8,378	6,310	2,068
Adjusted EBIT	€ million	6,349	4,568	1,781
Income before tax	€ million	4,006	715	3,291
Net income / income attributable to RWE AG shareholders	€ million	1,450	2,717	– 1,267
Adjusted net income	€ million	4,536	3,253	1,283
Cash flows from operating activities	€ million	4,235	2,406	1,829
Capital expenditure	€ million	9,979	4,484	5,495
Property, plant and equipment and intangible assets	€ million	5,146	3,303	1,843
Acquisitions and financial assets	€ million	4,833	1,181	3,652
Proportion of taxonomy-aligned investments[2]	%	89	83	6
Free cash flow	€ million	– 4,582	– 1,968	– 2,614
Number of shares outstanding (annual average)	thousands	743,841	691,247[3]	52,594
Earnings per share	€	1.95	3.93	– 1.98
Adjusted net income per share	€	6.10	4.71	1.39
Dividend per share	€	1.00[4]	0.90	0.10
		31 Dec 2023	31 Dec 2022	
Net debt (–) / net cash (+)	€ million	– 6,587	1,630	– 8,217
Workforce[5]		20,135	18,310	1,825

1 Some prior-year figures restated; see commentary on page 41.
2 Taxonomy-alignment is when an activity meets the applicable requirements under the EU Taxonomy Regulation.
3 The new shares from the conversion of the mandatory convertible bond issued to Qatar Holding on 10 October 2022 have been prorated.
4 Dividend proposal for fiscal 2023, subject to the passing of a resolution by the 3 May 2024 Annual General Meeting.
5 Converted to full-time equivalent.

Contents

In accordance with Section 162 of the German Stock Corporation Act, we published the **Remuneration Report** for fiscal 2023 as a separate report. It has also been included in the invitation to the virtual Annual General Meeting, scheduled for 3 May 2024. The publications are available at www.rwe.com/remuneration and www.rwe.com/agm.

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To our investors

1.1 Letter from the CEO

Dr. Markus Krebber, Chief Executive Officer of RWE AG

Dear shareholders,

Ladies and Gentlemen,

2023 was sadly a year of continued geopolitical tensions due to the ongoing war in Ukraine and the escalation of conflict in the Middle East. The suffering of those affected continues to move us all, and our thoughts and support are with those forced to endure these horrors. I deeply hope that 2024 provides the much-needed breakthroughs, so peace may return to the afflicted regions and bring about an end to the misery.

In contrast, the situation on the energy markets notably relaxed in 2023. Europe's energy supply has become more resilient to crises and security of supply was ensured in the winter months.

2023 was our company's 125th anniversary year and it was very successful one at that. We exceeded our profit targets by a significant margin. All segments with the exception of Coal / Nuclear earned more than in 2022. At €8.4 billion, adjusted EBITDA in our core business was around €2 billion above both the forecast range and the previous year's figure. High earnings from energy trading and the commercial optimisation of our power plant dispatch played a big part. The successful execution of our growth strategy was another major contributing factor. I would like to single out our acquisition of Con Edison Clean Energy Businesses for special mention – it was a move which propelled us to the rank of major renewables player in the USA. And, on top of that, we commissioned a number of new wind and solar farms, which buoyed earnings further.

The fact that renewables already made up one third of the electricity we produced in 2023 shows just how committed RWE is to sustainable power. This was the first time in our history that we generated more power from renewables than from coal. In fact, lignite-fired generation dropped significantly, along with carbon emissions, which even recorded a 27 % reduction – in one single year. This underscores the progress we made. And by 'we', I mean our 20,000 employees who give their all each and every day to help RWE become an increasingly climate-friendly company and remain a reliable energy generator. People make organisations and RWE is no different. I would like to express my heartfelt thanks for everything our employees have achieved this year.

And we will stay our course, despite the challenges. We want to be climate neutral by 2040. Our 'Growing Green' strategy, which we introduced in 2021, guides our efforts in this arena. In fact, we have already made such good progress that we were able to significantly raise our investment targets for the current decade. We announced our new targets at a Capital Markets Day in November 2023. Solar and storage technologies are key areas in which we want to grow more quickly. Geographically, we will continue to focus on Europe and the USA as well as selected countries in the Pacific region, such as Japan, where we recently entered the market thanks to a winning bid for an offshore wind project that we will be realising with Japanese partners.

But 'Growing Green' means so much more than simply building additional capacity. We also want to build on our earnings. When we first announced our strategy in late 2021, we were working towards adjusted EBITDA of around €5 billion by 2030. Now, we have set our sights on more than €9 billion. The majority of the funds we earn operationally will be reinvested. But we also want to include you, our shareholders, in our economic success by continually raising our dividend – which we're aiming to increase by 5 % to 10 % every year until 2030.

As successful as this last year was for us, there's no denying that the future harbours challenges. High inflation and interest rates, a weak global economy and the uncertain geopolitical situation continue to weigh on growth and demand for energy. Fuels such as gas and hard coal have therefore become significantly cheaper, while emissions allowance prices also dropped considerably. These developments weighed heavily on power prices, which has been reflected in the performance of our share since the beginning of the year.

Despite the drop in electricity prices, we can confirm the profit forecast announced at our Capital Markets Day, which puts adjusted EBITDA at €5.2 billion to €5.8 billion this year – although we now expect the figure to be at the lower end of the range.

Our investment programme will provide a broader foundation to safeguard our future earnings: the profits of most of our wind and solar farms are stable – as they are either secured by government-backed purchase prices or are subject to long-term agreements with key accounts. Regional diversification also makes us more resilient. The best example here is our strong positioning in the USA, where electricity prices have recently proven to be less volatile than in our European core markets.

We need stability and planning certainty above all in terms of regulation. 2024 could prove to be a year of political repositioning due to the upcoming European parliament elections, the general election in the UK and the US presidential and congress elections. No matter the outcome of these political contests, one thing remains certain. Climate protection cannot be reduced to a single item on the political agenda – it is a challenge of intergenerational magnitude. All political factions agree that we need to create a climate-neutral energy supply and economy. To this end, we need a reliable long-term regulatory framework. Only then can we invest billions in clean technologies and create thousands of jobs along the way.

At the turn of the decade, our company set out to epitomise the change we wanted to see in the industry by becoming a more sustainable and climate-friendly energy business. This journey is not only a marathon, it is also associated with certain challenges. Here at RWE, we look forward to taking them on – powered by the experience, expertise and motivation of our entire team. This is why I remain confident that RWE will stay its course – and that the performance of our share, which has a strong long-term track record, will continue to reflect our success.

With best wishes,

1.2 Executive Board of RWE AG

Markus Krebber has been a member of the RWE AG Executive Board since 2016, becoming Chief Executive Officer in May 2021. Upon joining the RWE Group in 2012, he initially sat on the Board of Directors of RWE Supply & Trading GmbH. From 2015 to 2017, he then steered this company as CEO. Prior to moving to RWE, Markus Krebber held various management positions at Commerzbank. Between 2000 and 2005 he was a business consultant at McKinsey & Company. Markus Krebber was born in 1973 in Kleve. He initially trained as a banker before studying economics. He completed his doctorate at the Humboldt University of Berlin in 2007.

Michael Müller has been a member of the RWE AG Executive Board since November 2020 and was named Chief Financial Officer in May 2021. He has worked for the Group since 2005 and has held various management positions including Head of Group Controlling at RWE Power AG, RWE Generation SE and RWE AG. In 2016, Michael Müller became a member of the Management Board and Chief Financial Officer of RWE Supply & Trading GmbH. He worked in business consultancy for McKinsey & Company in the five years before joining the RWE Group. Michael Müller was born in 1971 in Cologne. He first studied business and mechanical engineering before graduating with a doctorate in mechanical engineering.

Katja von Doren has been a member of the RWE Executive Board since August 2023. Prior to being appointed as Chief Human Resources Officer and Labour Director, she held the position of Chief Financial Officer of RWE Generation SE from 2018. Katja van Doren started working for RWE in 1999 and has held management roles in the areas of finance, accounting and tax. In 2014, she took on the role of Group Division Manager Accounting & Tax, working on the stock market flotation of RWE's former subsidiary innogy SE. Katja van Doren was born in Hilden in 1966. After graduating with a degree in business administration, she started her career in 1991 at KPMG, where she worked as an auditor and tax consultant.

1.3 Supervisory Board report

Dr. Werner Brandt, Chairman of the Supervisory Board of RWE AG

Dear Shareholders,
Ladies and Gentlemen,

When I last spoke to you about the Supervisory Board's work about a year ago, we were all grappling with Russia's war against Ukraine and the resulting humanitarian crisis. So far, despite all hope, peace has not returned. Quite to the contrary, with the Israel Gaza war we are seeing another terrible conflict unfold. Despite this global turmoil, energy markets normalised after the turbulent times in 2022. This also holds true for companies like RWE, which back in 2022 put in a huge effort to help avert a gas and power supply crisis. And there has barely been time to catch one's breath ever since. RWE is charting an ambitious course for growth and seeks to accomplish a great deal in the current decade. I am, of course, referring to our 'Growing Green' investment programme. By building renewable plants, battery storage systems, hydrogen-capable gas-fired power stations and electrolysers, RWE will play a pivotal role in fostering a sustainable and environmentally friendly energy supply. The programme was launched back in 2021. And after only two years, management already raised its ambitious targets, which it announced at a Capital Markets Day in November 2023. It now aims to almost double RWE's green generation capacities to over 65 GW by 2030. Adjusted EBITDA is expected to exceed €9 billion, surpassing the previous target which was set at €5 billion. The company wants to grow and be profitable. It has already proven that it is capable of doing just that – not least in light of the high operating result for the past financial year, to which new solar and wind farms made a notable contribution. I would like to single out the acquisition of Con Edison Clean Energy Businesses, which was completed as of 1 March 2023 and turned RWE into one of the largest green electricity producers in the USA. We fully support the Executive Board's roadmap and have repeatedly passed the necessary resolutions – with 2023 proving to be no exception, as illustrated in the following.

Supervisory Board activity in the past year. As you have come to expect from us, we conscientiously fulfilled our duties in the fiscal year that just ended. The main function of the Supervisory Board is to advise the Executive Board on running the company and monitor its actions, which we did with great care. We were involved in all fundamental decision-making. Management informed us verbally and in writing of all material developments pertaining to the Group's business performance, financial position, net worth, strategy as well as risks and management thereof. These updates were regular, comprehensive and timely. We passed all the necessary resolutions as required by German law and the Articles of Incorporation based on detailed reports and draft resolutions provided by the Executive Board. Some decisions were taken by circular. The Executive Board kept us abreast of projects and processes of particular importance or urgency e.g. during extraordinary meetings and outside our sessions. I was regularly in touch with the Chief Executive Officer, allowing us to resolve urgent matters without delay. The Chair of the Audit Committee – initially Erhard Schipporeit who was succeeded by Monika Kircher in mid-March – also collaborated closely with the Chief Financial Officer.

In 2023, I again conversed with investors and proxy advisors ahead of the Annual General Meeting in my role as the Chairman of the Supervisory Board. We touched on matters such as the Supervisory Board's involvement in discussions relating to RWE's strategic alignment. The Audit Committee's activities as well as RWE's financial and sustainability reporting, which the Audit Committee oversees, were also debated. Other topics of conversation included the agenda and the online format of the 2023 Annual General Meeting and the expedited lignite phaseout in the Rhenish region. Furthermore, we considered the succession planning for the Supervisory Board at length. As I will go on to explain in detail, we are expecting a number of new appointments to the Board in 2024. The topic therefore also played an important part in my conversations with investors this year.

Main points of debate of the Supervisory Board meetings. Last year, the Supervisory Board convened for nine meetings, including five ordinary and four extraordinary sessions. At times, it met without the Executive Board, particularly to discuss matters that concerned Executive Board members. The shareholder and employee representatives met separately before the Supervisory Board meetings, in order to consult on matters in a smaller circle and establish joint positions where necessary. Our sessions mainly focused on developments on commodity markets as well as geopolitical crises and their potential impact on European energy supply. We also held discussions on the growth strategy and current investment projects.

I will now elaborate on the main points of each meeting:

- Our first meeting last year took place on **27 February**. This was an extraordinary meeting on the Executive Board's planned acquisition of British project developer JBM Solar.
- In our meeting on **15 March**, we discussed RWE AG's 2022 financial statements, the combined review of operations, the proposal for profit distribution, the combined non-financial statement, the Supervisory Board report and the Remuneration Report. The independent auditors were present during the session. We approved the financial statements and endorsed the Supervisory Board report and Remuneration Report. We also approved the Agenda for RWE's Annual General Meeting, which was held on 4 May 2023. Following the advice of the Audit Committee, we decided to enlist the services of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) for the audit of the financial statements for fiscal 2023.
- Our second ordinary session took place on **4 May**. It served as preparation for the Annual General Meeting, which was held online that same day.
- On **20 June**, we met for an ordinary session in Maidstone to the south-east of London, where we concerned ourselves with financing matters and RWE's planned growth investments as well as our regular review of the CEO's remuneration. After the meeting, we visited the London Array North Sea wind farm in the North Sea and were given a comprehensive update on the offshore wind business.
- At an extraordinary session on **11 August** we discussed the impending sale of the Czech gas storage business to local grid operator ČEPS.
- Our next ordinary session took place on **12 September**, when the Executive Board informed us of the results of German offshore wind site auctions. It also presented its schedule of responsibilities, which had been amended since Katja van Doren had joined the Board. Following the advice of the Audit Committee, we decided to enlist the services of PwC for the audit of the combined non-financial statement and the Remuneration Report for fiscal 2023.

- On **20 November**, we convened for an extraordinary session. The conversation largely centred on plans for a collaboration with Abu Dhabi-based company Masdar on two offshore wind power projects planned for the southern section of Dogger Bank in the British North Sea. We endorsed the proposal and, shortly thereafter, Masdar acquired a 49 % share of the project.

- At an ordinary session on **12 December**, we reviewed and approved the business plan for fiscal 2024, the outlook on fiscal 2025 and 2026 as well as the risk report. Moreover, we fulfilled our corporate governance reporting duties: together with the Executive Board, we approved both the statement of compliance in accordance with Section 161 of the German Stock Corporation Act and the parts of the Corporate Governance Declaration relating to the Supervisory Board pursuant to Section 289a of the German Commercial Code. The documents are available at www.rwe.com/corporate-governance-declaration. Furthermore, we discussed RWE's sustainability strategy in great detail, paying particular attention to the company's ambitious emission reduction plans. We are confident that RWE rightly claims to be acting in accordance with the 1.5-degree target of the Paris climate protection agreement. The meeting agenda also touched on German energy policy. We dealt with the necessary regulatory requirements for the urgent new construction of hydrogen-capable gas-fired power plants and advised on various other matters of strategic importance to RWE. We also determined the Executive Board remuneration targets for 2024.

- Just a few days later, on **21 December**, we met for another extraordinary session, occasioned by the planned purchase of three British offshore wind power projects from Swedish energy group Vattenfall. The three initiatives Norfolk Vanguard West, Norfolk Vanguard East and Norfolk Boreas could create generation capacities of up to 4.2 GW. Soon after we approved the move, RWE and Vattenfall agreed on the transaction which is expected to be completed in spring 2024.

Work of the Supervisory Board committees. The Supervisory Board has six committees, the members of which are listed on page 298 of this Annual Report. The committees are charged with preparing topics discussed by the Supervisory Board in order to establish a basis for the corporate body to pass resolutions. In certain cases, they themselves exercise decision-making powers if they have been conferred on them by the Supervisory Board. You can find more information on the work and composition of the committees in the Corporate Governance Declaration and the Rules of Procedure for the Supervisory Board. These documents are available at www.rwe.com/corporate-governance-declaration and www.rwe.com/en/investor-relations/corporate-governance/articles-of-association. The Supervisory Board is informed of the work of the committees by their chairs at every ordinary meeting. In the year under review, a total of 17 committee meetings were held, on which I would like to report in more detail.

- The **Executive Committee** held one ordinary meeting. As usual, it dedicated itself to the company's planning for fiscal 2024 together with the outlook on the two subsequent years and recommended both be approved.

- The **Audit Committee** met five times, including one extraordinary session. PwC, the auditor, was present during four meetings and was in contact with the Chairman of the Audit Committee outside the sessions. Experts from the Group were invited to the meetings as needed. Deloitte, which has been tasked with auditing the Annual Report as of 2024, took part in two sessions for the purposes of onboarding. When appropriate, the Committee liaised without input from the Executive Board or the auditor. It carefully reviewed the financial statements of RWE AG and the Group, the combined review of operations, the report on the first half of the year, the quarterly statements, and the combined non-financial statement. It discussed the financial statements with the Executive Board before they were published and received reports on the outcome of the audits and audit-like reviews from the independent auditors.

Furthermore, the Audit Committee submitted a recommendation to the Supervisory Board regarding the election of the independent auditors for fiscal 2023, prepared the grant of the audit award to the independent auditors including the fee agreement and set the priorities of the audit. It also verified the independence of the auditors along with the quality of the audit. The Committee also concerned itself with the appointment of an external auditor for the 2023 Remuneration Report and the 2023 combined non-financial statement. At its meetings, it dealt with a number of other topics, such as RWE's risk situation, liquidity management, protecting IT systems against cyber-attacks, making arrangements for the internal audit and subsequent findings, and legal and fiscal issues. The Audit Committee also verified the efficacy of the accounting-related internal control system (ICS), the compliance management system, the risk management system and the internal audit system. Related party transactions were also on the agenda. Transactions were analysed to assess whether they were carried out in the ordinary course of business and subject to normal market conditions, as required by the law for implementing the second Shareholders' Rights Directive (ARUG II).

- The **Personnel Affairs Committee** held four ordinary meetings. Executive Board remuneration matters and long-term succession planning for the Executive Board were key items on the agenda.

- The **Nomination Committee** convened two ordinary and three extraordinary sessions, at which it discussed the succession planning of the Supervisory Board as Ute Gerbaulet, Hans-Peter Keitel, Erhard Schipporeit and Ullrich Sierau will come to the end of their term after the Annual General Meeting on 3 May 2024. The Committee chose candidates based on the expertise needing to be replaced. The Supervisory Board's skills matrix, which determines the goals regarding the Board's composition, was used as a reference. The recommendations of the German Corporate Governance Code were also taken into account. At the meetings, the Committee members fed back on their discussions with potential successor candidates. After careful consideration, they made a recommendation on the Supervisory Board's proposed candidates for the 2024 Annual General Meeting.

- The **Strategy and Sustainability Committee** held one ordinary and two extraordinary meetings. Issues discussed included the new growth targets that management presented to the public in November 2023, as well as energy policy developments and their impact on the Group. Furthermore, it discussed the Executive Board's plans to solidify RWE's position in the USA, which the acquisition of Con Edison Clean Energy Businesses significantly contributed to. The Committee also extensively debated the sustainability strategy. It was informed by the Executive Board of the company's new ambitious climate protection targets, corporate social responsibility at RWE sites and the Group-wide implementation of the German Whistleblower Protection Act and the Supply Chain Due Diligence Act. It also presented the sustainability agenda for 2024, a key element of which is the creation of a biodiversity strategy.

- The **Mediation Committee** did not convene in the 2023 reporting year.

Attendance and meeting formats. The table on the following page shows the attendance at each Supervisory Board and committee meeting. As the Mediation Committee did not convene in 2023, it has not been listed in the summary. The dual figures are to be interpreted as follows: If the table states '7 / 9', then the respective individual attended seven out of nine meetings. The numbers show that absences were the absolute exception. The participation rate was 98.5 %.

The table on page 14 shows the individual format of each Supervisory Board and committee meeting. Ordinary meetings were generally attended in person, although at times some participants dialled into the sessions via a video feed. Most extraordinary meetings were held as purely virtual events.

Attendance at meetings in fiscal 2023 by Supervisory Board member	Supervisory Board	Executive Committee	Audit Committee	Personnel Affairs Committee	Nomination Committee	Strategy and Sustainability Committee
Dr. Werner Brandt, Chairman	9/9	1/1	5/5[1]	4/4	5/5	2/2
Ralf Sikorski, Deputy Chairman	9/9	1/1		4/4		2/2
Michael Bochinsky	9/9		5/5			2/2
Sandra Bossemeyer	9/9			4/4		
Dr. Hans Friedrich Bünting	9/9			4/4		2/2
Matthias Dürbaum	9/9		5/5			
Ute Gerbaulet	9/9	1/1				
Prof. Dr.-Ing. Dr.-Ing. h.c. Hans-Peter Keitel	9/9	1/1			5/5	2/2
Mag. Dr. h.c. Monika Kircher	9/9		5/5			
Thomas Kufen	7/9					
Reiner van Limbeck	9/9	1/1				
Harald Louis	9/9			4/4		2/2
Dagmar Paasch	9/9		5/5			2/2
Dr. Erhard Schipporeit	9/9		5/5			
Dirk Schumacher	9/9	1/1				
Ullrich Sierau	9/9		5/5			
Hauke Stars	7/9			4/4	5/5	
Helle Valentin	9/9					2/2
Dr. Andreas Wagner	9/9					
Marion Weckes	9/9					

1 Werner Brandt attended meetings of the Audit Committee as a guest.

Meeting formats in fiscal 2023	Supervisory Board	Executive Committee	Audit Committee	Personnel Affairs Committee	Nomination Committee	Strategy and Sustainability Committee
On-site meeting	4	1	2			
On-site meeting with video participation (hybrid)	1		3	1	1	2
Virtual meeting	4			3	4	

Parent company and consolidated financial statements for 2023. The 2023 financial statements of RWE AG, the financial statements of the Group, as well as the combined review of operations for RWE AG and the Group have been audited and issued an unqualified auditor's opinion by PwC in consideration of the accounts. Markus Dittmann and Aissata Touré were responsible for the audit. In addition, PwC subjected the combined non-financial statement in the combined review of operations to a limited assurance audit. Reasonable assurance checks were even carried out on individual indicators and information pertaining to EU taxonomy. It found that the Executive Board had established an appropriate early risk detection system. PwC had been elected as the independent auditor by the 2023 Annual General Meeting. Thereafter, the Supervisory Board had commissioned them to audit the aforementioned financial statements and reports.

The Executive Board commented on the documents supporting the parent company financial statements, the Annual Report and the audit reports at the Supervisory Board's balance-sheet meeting on 13 March 2024. The documents were made available to the members of the Supervisory Board in good time. During the session, the independent auditors reported on the material findings of the audit and were available to furnish supplementary information. The Audit Committee had concerned itself in depth with the financial statements of RWE AG, the consolidated financial statements and the audit reports with the auditors present the day before. The Committee recommended that the Supervisory Board approve the financial statements and endorse the appropriation of distributable profit proposed by the Executive Board.

The financial statements of RWE AG, the consolidated financial statements, the combined review of operations, the Executive Board's proposal regarding the appropriation of distributable profit, and the combined non-financial statement were reviewed by the Supervisory Board. We did not raise any objections as a result of this review. As recommended by the Audit Committee, the Supervisory Board endorsed the findings of the audits of the financial statements of RWE AG and the consolidated financial statements and approved both financial statements. The 2023 annual financial statements are therefore adopted. The Supervisory Board concurs with the Executive Board's proposal regarding the appropriation of profits, which envisages paying a dividend of €1.00 per share.

Training programme for Supervisory Board members. One of our duties as members of the Supervisory Board is to take responsibility for the training and professional development necessary for our work. We do so, and are supported by RWE AG in these efforts, e. g. by organising information forums. As mentioned above, we visited the British offshore wind farm London Array in June 2023 within the context of such an event. On site, the company gave us a comprehensive overview of the economic, technical and environmental considerations of offshore wind power and updated us as to its current construction projects. At another information forum in September 2023, we gained insights into technology scouting at RWE, i. e. the ways in which new technologies are analysed and evaluated. Managing opportunities and risks was also explained in detail. RWE bears the cost of this training.

Changes in personnel on the Executive and Supervisory Boards. As explained on page 39, Katja van Doren took office as a member of the Executive Board and Labour Director of RWE AG on 1 August 2023. She succeeds Zvezdana Seeger, who left the Executive Board for personal reasons at the end of July 2023. The Supervisory Board also saw a change in personnel: after seven dedicated years in office, Erhard Schipporeit passed the baton of Chair of the Audit Committee to Monika Kircher in the middle of March. On behalf of the Supervisory Board, I would like to thank Zvezdana Seeger and Erhard Schipporeit for their hard work and commitment to our company.

Thanks to our employees. Having delved into the work of the Supervisory Board, I would now like to turn to RWE's employees. It is thanks to their dedication that our company can once again look back on a successful financial year. And I am by no means only referring to the excellent operating result. What has impressed me more than anything is how the Group has managed to expedite its growth trajectory, despite the challenging environment. This will pay off both in economic and ecological terms. To the Executive Board and all employees, that give their all to keeping RWE on track, despite the recent headwinds, I extend my heartfelt thanks on behalf of the Supervisory Board.

Werner Brandt

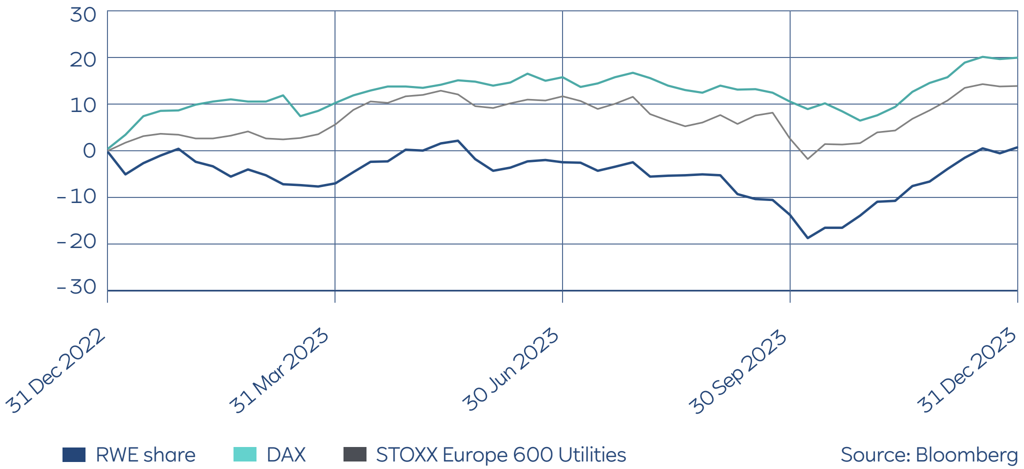
Chairman of the Supervisory Board

Essen, 13 March 2024

1.4 RWE on the capital market

Despite ongoing geopolitical tensions and rising interest rates, 2023 proved to be a good year for shareholders. Germany's leading index, the DAX, gained 20 % as fears of a gas supply crisis triggered by the war in Ukraine dissipated. Towards the end of the year, markets were buoyed by hopes of looser monetary policies. The RWE share performed below average, in part due to a drop in wholesale electricity prices. Our investors also became unsettled as some of our competitors' renewables projects came under pressure from rising costs. At the end of November, we announced our revised growth targets to the public, giving our investors renewed confidence in the value of our green investments.

Total return of the RWE share and the DAX and STOXX Europe 600 Utilities indices
% (average weekly figures)



Source: Bloomberg

An unexpectedly strong year for the markets in 2023: DAX up 20 %. After a weak 2022, impacted by interest rises and the war in Ukraine, the surprising stock market rally in 2023 caught many off guard. On 14 December, the DAX exceeded 17,000 points for the first time ever. It closed the year at 16,752, which corresponds to a total annual return of 20 %. The surge was largely triggered by cyclical and tech shares, which had plummeted in 2022. Sentiments were further buoyed as the feared gas supply crisis anticipated for winter 2022 / 2023 failed to materialise, and energy prices fell significantly following record highs the year prior. Although markets were briefly rattled by the escalation of the conflict in the Middle East, the new-found sense of optimism soon returned. Hopes of a peak in interest rates and looser monetary policies in 2024 spurred markets to end the year with one final push.

RWE share records below average performance of 1 %. The RWE share could not keep up with the DAX, closing the year at €41.18 – not far off its 2022 closing price of €41.59. Including the dividend of €0.90 paid in May, our share was up 1 % over the year, which was significantly below the STOXX Europe 600 Utilities (+ 14 %). This disappointing stock market performance was in part attributable to the fact that prices on electricity wholesale markets have dropped. Financial analysts and investors therefore revised their forecasts for our future generation margins downward. In addition, a number of our competitors' wind power projects came under pressure from rising interest rates and the increased cost of materials. This gave our shareholders cause for concern. In late November, we announced our new ambitious growth targets for our green core business at our Capital Markets Day. In doing so, we strengthened our investors' trust in the value of our renewables projects, which was reflected in a positive response from the stock market.

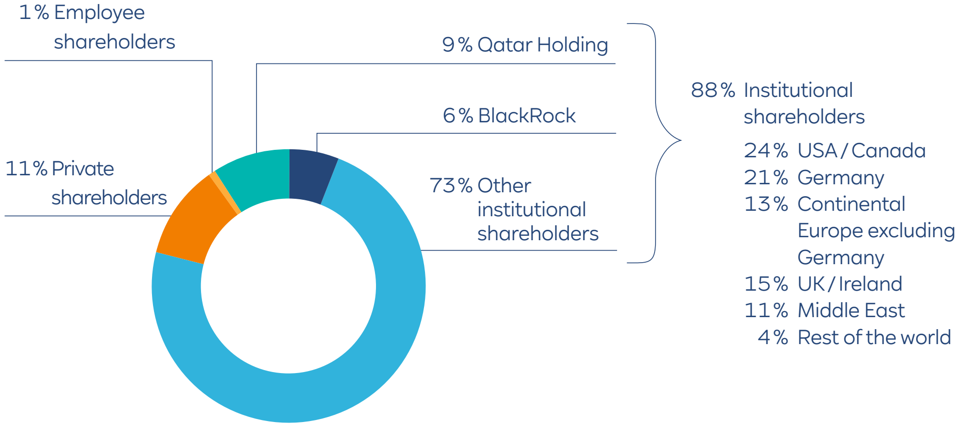
RWE share indicators[1]		2023	2022	2021	2020	2019
Earnings per share	€	1.95	3.93	1.07	1.65	13.82
Adjusted net income per share	€	6.10	4.71	2.30	1.97	–
Cash flows from operating activities per share	€	5.69	3.48	10.76	6.47	-1.59
Dividend per share	€	1.00[2]	0.90	0.90	0.85	0.80
Dividend payment	€ million	744	670	609	575	492
Share price						
End of fiscal year	€	41.18	41.59	35.72	34.57	27.35
Highest closing price	€	42.75	43.72	38.65	35.02	28.69
Lowest closing price	€	32.73	34.34	28.64	21.00	18.97
Share dividend yield[3]	%	2.4	2.2	2.5	2.5	2.9
Number of shares outstanding (annual average)	thousands	743,841	691,247[4]	676,220	637,286	614,745
Market capitalisation at the end of the year	€ billion	30.6	28.1	24.2	23.4	16.8

1 The comparability of some of the figures for various fiscal years is limited due to changes in reporting.
2 Dividend proposal for RWE AG's 2023 fiscal year, subject to the passing of a resolution by the 3 May 2024 Annual General Meeting.
3 Ratio of the dividend per share to the share price at the end of the respective fiscal year.
4 The new shares from the conversion of the mandatory convertible bond issued to Qatar Holding on 10 October 2022 have been prorated.

Dividend proposal for past fiscal year: €1.00 per share. In view of the Group's good earnings, the Executive Board and the Supervisory Board of RWE AG will propose a dividend of €1.00 per share for fiscal 2023 to the Annual General Meeting on 3 May 2024. Thereafter, we will look to raise the dividend 5 % to 10 % annually. The Executive Board envisages that the dividend payment for 2024 will likely be €1.10 per share, which represents an increase of 10 %.

Broad international shareholder base. Based on our latest survey, at the end of last year, an estimated 88 % of the total of 743.8 million RWE shares were held by institutional investors, with 12 % owned by individuals (including employees). At the last count, institutional investors from Germany owned 21 % of our capital stock. This investor group accounted for 13 % in the rest of Continental Europe, 15 % in the United Kingdom / Ireland, 24 % in North America and 11 % in the Middle East. At the end of 2023, our single-largest shareholder was Qatar Holding, with a stake of 9.1 %, followed by US asset management company BlackRock with 6.3 %.

Shareholder structure of RWE AG[1]



1 As of the end of 2023; percentages reflect shares in subscribed capital. Sources: RWE data and notifications from shareholders in accordance with the German Securities Trading Act.

Profit participation through employee shares. About 1 % of our stock is owned by our current and former staff members. In Germany and the UK, we offer our employees the opportunity to take shares in RWE on preferential terms. Last year, 7,684 people, representing 46 % of all qualifying staff members, made use of these offers and bought a total of 463,000 shares. The preferential terms and the administration of the employee share schemes led to an expense of €4.9 million.

Ticker symbols and identification numbers of the RWE share

Reuters: Xetra	RWEG.DE
Bloomberg: Xetra	RWE GY
German Securities Identification Number	703712
International Securities Identification Number (ISIN)	DE0007037129
ADR CUSIP Number	74975E303

RWE represented on numerous stock markets. RWE shares are traded on the Frankfurt Stock Exchange and other stock exchanges in Germany, as well as via electronic platforms such as Xetra. They are also available on stock markets in the rest of Europe. In the USA, RWE is represented via a Level 1 ADR programme, under which American Depositary Receipts – or ADRs for short – are traded in place of our shares. ADRs are share certificates issued by US depositary banks, representing a certain number of a foreign company's deposited shares. Under RWE's programme, one ADR represents one share.

New placements trigger RWE bond volume rise to €7.2 billion. At the end of February 2024, RWE bonds with a nominal value of around €7.2 billion were outstanding. This is €1.5 billion more than at the end of 2022. To improve our financial headroom for growth investments, we issued three new bonds – two in February 2023 followed by another in January 2024. All three are green bonds with a volume of €500 million each. The two papers issued in February have tenors of 6 years and 12 years and coupons of 3.625 % and 4.125 %, respectively. The debt security issued in January 2024 will mature after eight years and has a coupon of 3.625 %. We have included a summary of our bonds on the next page. For more information on this subject please see www.rwe.com/bonds.

RWE bonds outstanding

Type of bond	Volume / Currency	Issue date	Maturity date	Coupon	German Securities Code	ISIN Code
Conventional bond	1,250 million €	24 Aug 2022	24 Aug 2025	2.500 %	A30VMU	XS2523390271
Green bond	1,000 million €	24 May 2022	24 May 2026	2.125 %	A30VJE	XS2482936247
Green bond	750 million €	26 Nov 2021	26 Nov 2028	0.500 %	A3MP70	XS2412044567
Green bond	500 million €	13 Feb 2023	13 Feb 2029	3.625 %	A30V83	XS2584685031
Green bond	1,000 million €	24 May 2022	24 May 2030	2.750 %	A30VJF	XS2482887879
Green bond	500 million €	11 Jun 2021	11 Jun 2031	0.625 %	A3E5VA	XS2351092478
Green bond	500 million €	10 Jan 2024	10 Jan 2032	3.625 %	A3826L	XS2743711298
Green bond	600 million €	26 Nov 2021	26 Nov 2033	1.000 %	A3MP71	XS2412044641
Green bond	500 million €	13 Feb 2023	13 Feb 2035	4.125 %	A30V84	XS2584685387
Conventional bond	12 million €	26 Oct 2012	26 Oct 2037	3.500 %	A1PGV8	XS0826313990
Hybrid bond	282 million €	21 Apr 2015	21 Apr 2075[1]	3.500 %	A14KAB	XS1219499032
Hybrid bond	317 million US$	30 Jul 2015	30 Mar 2076[2]	6.625 %	A13SHX	XS1254119750

1 First call date: 21 April 2025.
2 First call date: 30 March 2026.

Solid investment grade credit rating. The level of our borrowing costs largely depends on how independent rating agencies assess of our creditworthiness. Moody's and Fitch make such evaluations at our request. They both assign an investment grade credit rating to us. Moody's gives our long-term creditworthiness a rating of 'Baa2', and Fitch has graded us one rating higher at 'BBB+'. The outlook on our rating is 'stable' for both agencies. They reconfirmed their assessment of RWE's creditworthiness recently, Moody's in October 2023 and Fitch in February 2024.

Credit rating of RWE AG (as of February 2024)	Moody's	Fitch
Long-term debt		
Senior debt	Baa2	BBB+
Subordinated debt (hybrid bonds)	Ba1	BBB–
Short-term debt	P-2	F1
Outlook	Stable	Stable

2

Combined review of operations

2.1 Strategy

The energy supply of tomorrow needs to not only be environmentally friendly but also reliable and affordable – a challenge which our 'Growing Green' strategy was designed to address. By building and operating renewable assets, battery storage facilities, hydrogen-ready gas assets and electrolysers, we are helping to deliver an energy system that lives up to society's high expectations. We announced our strategy in November 2021, and now two years later, we have already been able to significantly raise our growth targets. Between 2024 and 2030, we plan to invest €55 billion net and expand our generation capacity to over 65 GW. This will not only help us become greener, but also more profitable: we're aiming for adjusted EBITDA of more than €9 billion in 2030. This would be almost double our previous target.

Who we are and what we do. RWE is a leading international energy company headquartered in Essen, Germany, with a focus on electricity generation. Renewable energy sources such as wind and solar and climate-friendly power stations are an increasingly important part of our business. Our core activities also include gas and electricity storage, energy trading, the hydrogen business and innovative energy solutions for industrial customers. We generated revenues of €28.6 billion in fiscal 2023. Our key markets are Germany, the United Kingdom, the Netherlands and the USA. In the field of renewables, our activities stretch far beyond these countries to include numerous European states such as Poland, Spain, Italy, France, Denmark and Greece as well as markets in the Pacific region such as Australia and Japan.

Balancing climate protection, security and affordability. All countries where we do business have made their energy policies contingent on ambitious climate protection targets. They want to reduce their greenhouse gas emissions from fossil fuels to net zero over the long term. Another key focus is ensuring their energy supply remains both reliable and affordable. RWE wants to be a major player in the push to make this possible. We believe we can best support in the following areas:

- **Decarbonising electricity generation.** A core component of the energy transition is moving away from electricity generation using fossil fuels and embracing renewables. Coal and natural gas are finite resources, which when combusted lead to the emission of greenhouse gases. Wind, sun and water, on the other hand, are available in abundance, and do not emit carbon when harnessed. Another advantage is that these energy sources can also help our European markets become independent of fuel imports and limit the impact of commodity prices on the cost of electricity, heat and transportation.

- **Providing storage and climate-friendly backup plants.** As energy supplies rely increasingly on wind and solar farms, energy storage systems are becoming ever more important for stabilising the power grids. In addition, we require environmentally friendly, flexible generation assets, which can reliably produce electricity when there is no wind and no sunshine. Modern gas-fired power stations are well-placed to address this need if they are retrofitted to run on carbon-neutral fuels such as hydrogen (H_2). During combustion, this gas does not emit greenhouse gases and producing H_2 can also be carbon-free e.g. if it is made by electrolysis using renewable energy (green hydrogen).

- **Electrification.** Action also needs to be taken in the manufacturing, heat and transportation sectors. At present, oil, coal and gas cover around 70 % of energy consumption in the EU. Switching from fossil fuels to electricity produced using carbon-neutral methods would also enable cross-sector CO_2 emissions to be reduced. Electrification is therefore indispensable to achieving climate goals. To cover the additional electricity needed, green generation capacities must be rapidly expanded.

- **Ramping up the hydrogen economy.** The economy can only be completely decarbonised if solutions are also found for applications which are not suitable for direct electrification. This includes the production of steel and fertilisers, for example. In these scenarios, hydrogen produced using climate-neutral methods would be a viable solution. The importance of H_2 therefore extends far beyond its use within power generation – all the more reason to ramp up the hydrogen economy to facilitate the energy transition.

The driving force behind the energy transition. RWE is playing its part in transforming the energy sector and the broader economy in all of the areas discussed above. We do this by investing billions of euros in wind power, photovoltaics, battery storage and the hydrogen economy, phasing out coal-based generation, building sustainable backup capacities and helping industrial customers to optimise energy consumption. In parallel, we are working with policymakers to ensure security of supply. For instance, we are organising imports of liquefied natural gas (LNG) to Germany and helping to develop the necessary LNG infrastructure. We are aiming to be carbon neutral by 2040 at the latest, ten years earlier than the EU. Not only does this apply to our own greenhouse gas emissions (Scope 1), it also covers the upstream and downstream value chain (Scope 2 and 3). By 2030, we want to have reduced our Scope 1 and 2 emissions by around 68 % and our Scope 3 emissions by 42 % compared to 2022. At the Paris Climate Conference in 2015, the international community set its sights on limiting the increase in average global temperatures to ideally no more than 1.5 degrees Celsius compared to pre-industrial levels. Our targets are in line with this commitment. When this report was published, the independent Science Based Targets initiative was yet to confirm this assessment.

Sustainability – at the heart of our corporate culture. Our mission statement 'Our energy for a sustainable life' expresses our purpose as a company and reaffirms our commitment to sustainability as a guiding principle of our actions. But although cutting greenhouse gas emissions is important to us, it is by no means our only priority. Sustainability is measured in a myriad of ways. The expression is generally used within the context of environment, social and governance (ESG). Working together with internal and external experts, we defined which ESG issues pose the greatest challenges to RWE and determined how we want to address them. You can find more information on our ESG goals and to what extent we have met these targets on page 75 et seqq. of this report.

Growing Green – our strategic road map to 2030. In 2021, we developed our Growing Green strategy and presented it to the public. As the name suggests, it is centred on working towards profitable growth in our green core business. Our initial goal for the period between 2021 and 2030 was to invest approximately €30 billion net – i. e. after deducting cash flows from divestments – in new wind farms, solar assets, battery storage facilities, hydrogen-capable gas-fired power plants and electrolysers. The aim was to double the installed capacity in our core business to 50 GW. This figure has been prorated, meaning it reflects capacity based on our shareholding ratios. Our progress in delivering our Growing Green strategy has been faster than expected: in the first three years alone (2021 to 2023) our net investments totalled €17.9 billion and we were able to add 9.9 GW of installed capacity to our portfolio. We have since significantly raised our targets, which we announced at our Capital Markets Day in November 2023. In the seven years between 2024 and 2030, we are planning around €55 billion in net investments, which are mostly earmarked for Europe and the USA. This will allow us to increase our current green installed capacity by 35.5 GW (pro rata – as at the end of 2023) to over 65 GW by 2030. To this end, we have access to a project pipeline which has the potential to deliver projects totalling more than 100 GW. We want to increase adjusted EBITDA in our core business to over €9 billion by 2030. By comparison, when we first launched the Growing Green programme back in 2021, our original target was to have an EBITDA of around €5 billion by 2030.

Turning to the individual components of our growth programme:

- **Offshore Wind.** At the end of 2023, our offshore wind portfolio had a total installed capacity of approximately 3.3 GW (pro rata). Another 2.5 GW was under construction, namely our two wind farms in the North Sea: Sofia (1.4 GW) located off the east coast of England and Thor (1.1 GW) to the west of Denmark. We have set our sights on upping our offshore wind capacity to 6 GW by the end of 2027 and then to 10 GW by the end of 2030. Geographically, these efforts will focus on North-West Europe and the USA. Certain countries in the Pacific could also prove relevant, such as Japan, where we entered the market in 2023: a consortium comprising RWE, Mitsui and Osaka Gas was selected to deliver an offshore wind farm off the west coast of the country (see page 36).

- **Onshore Wind.** Land-based turbines are currently our most important renewable energy source. In late 2023, these assets contributed 8.7 GW (pro rata) to our generation capacity. We are in the process of building wind turbines totalling 1.2 GW, and plan to expand our onshore wind portfolio to 12 GW by 2027 and again to 14 GW by 2030. The new assets are expected to be largely sited in North America and Europe. We are also planning a number of projects in Australia.

- **Solar.** In our solar segment, we took a big step forward in 2023 with our acquisition of Con Edison Clean Energy Businesses. At the end of the year, we operated 4.2 GW of photovoltaic assets (pro rata), 3.3 GW of which stemmed from the aforementioned takeover. A further 3.1 GW were under construction. Our growth target for solar power is ambitious: we want to increase our portfolio to 12 GW by 2027 and to 16 GW by 2030. We are looking to deliver these projects in North America, Europe and Australia.

- **Battery storage.** The increased dependence on more volatile energy sources such as wind and solar calls for more battery storage systems. RWE has been looking into developing, constructing and operating large-scale batteries for many years now. Our operational battery storage capacity in late 2023 amounted to 0.7 GW (pro rata) with assets totalling 1.1 GW under construction. We are expecting to up this figure to 4 GW by 2027 and again to 6 GW by 2030. During 2023, we completed a key battery project in Fresno County, California, taking a 137 MW battery storage facility online – our biggest to date. It is connected to a 150 MW solar farm. This synergy allows us to optimise electricity feed-ins to the local grid, thereby improving the yield of the solar farm. We also develop battery storage to provide grid services. Examples include our two batteries at our German power generation sites Hamm and Neurath, boasting capacities of 140 MW and 80 MW respectively.

- **Flexible gas-fired power stations.** Coal-fired power stations continue to make a significant contribution to the security of supply in our domestic market Germany in particular. The planned exit from this technology cannot be covered by new renewable assets and battery storage solutions alone. Instead, we need flexible, climate-friendly generation capacities that can bridge fluctuations in solar and wind energy feed-ins. Gas-fired power plants play a key role in this regard. At the end of 2023, our generation portfolio included 15.7 GW (pro rata) of gas-fired capacity. We see a particular need for investments in Germany, where we expect to have built hydrogen-capable gas-fired power stations with a total capacity of 3 GW by the end of the decade. The plants will largely be constructed on sites which have until now been utilised for coal-fired generation. That said, we will only make these investments if the government provides the necessary economic incentives. Furthermore, conditions must be in place for us to operate our gas-fired power stations using green hydrogen over the longer term. We are planning the necessary retrofits throughout Europe for existing assets and have already finalised the overall concepts. In addition to adapting stations to run on green hydrogen, another option would be carbon capture and storage. Using this method, carbon dioxide is separated from the flue gases and stored underground. We have already explored this option in great detail through a range of research and development initiatives.

- **Hydrogen.** The hydrogen economy is a crucial part of the energy transition and aligns seamlessly with our business model. We want to be active along the entire value chain, from green electricity generation to electrolysis-based hydrogen production, hydrogen trading and hydrogen storage right through to the conclusion of individual supply agreements with major industrial customers. We have set our sights on building 2 GW (pro rata) of electrolyser capacity by the end of 2030. Our regional focus for these activities is on Germany, the Netherlands and the United Kingdom. In recent years, we have forged numerous partnerships with businesses and research institutes seeking to work closely with us to develop a comprehensive hydrogen infrastructure. One example is the German GET H2 initiative, as part of which we expect to deliver 300 MW of electrolyser capacity at our Lingen site by 2027. One lighthouse project that we launched independently is OranjeWind in the Netherlands, where we plan to build an offshore wind farm which is complemented by extensive infrastructure to allow for demand-oriented feed-ins into the public grid. Electrolysers play a key part in this regard as they can be used to turn some of the electricity into hydrogen. More information on our hydrogen strategy and other major projects can be found at www.rwe.com/hydrogen.

- **Energy trading and customer solutions.** Trading electricity, fuel and other energy-related commodities form part of our core competencies. These activities are managed by RWE Supply & Trading, our interface to the international energy markets. The company's activities extend far beyond proprietary trading. For example, they sell power generated by the Group and procure the fuel and emission allowances required to produce said electricity. The objective here first and foremost is to limit price risks. On top of that, RWE Supply & Trading is in charge of the commercial optimisation of our power generation dispatch, with associated earnings going to the individual operating companies. Businesses outside of the RWE Group can also benefit from the expertise of our trading subsidiary through a wide range of products and services, ranging from traditional energy supply contracts and energy management solutions to sophisticated risk management concepts.

  RWE Supply & Trading also oversees our business with pipeline gas and LNG. The company enters into long-term supply agreements with producers, organises gas transportation by booking pipelines, LNG tankers and regasification terminals as well as using storage facilities to time deliveries. True to the principle: the greater the size and diversification of the procurement and supply portfolios, the better the chances to commercially optimise them. The gas business also opens up opportunities for hydrogen activities. For example, in Brunsbüttel (near Hamburg), we are planning to build a second terminal next to the LNG terminal which we are already co-developing with our partners. The plan here is to be able to import green ammonia, which could then be converted into hydrogen.

Socially acceptable phaseout of coal-fired generation. Our growth programme is flanked by an accelerated coal exit. Our use of hard coal is limited to our Dutch stations Amer and Eemshaven, where it is co-fired with biomass. By 2025 and 2030, respectively, we will either have retrofitted these plants to only run on biomass or we will have shut them down. Conversely, the phaseout of lignite, which we produce and use to generate electricity in the Rhenish region to the west of Cologne, is significantly more complex. We agreed with the German government and the state of North Rhine-Westphalia to stop producing electricity from lignite by 2030. We will do our utmost to protect our employees from any resulting social hardship. Comprehensive compensatory measures will be taken for the affected individuals, such as a statutory adjustment allowance.

Our responsibility to the people in the Rhenish region does not end at the gates of our plants: we are helping ensure that the region remains structurally resilient and integrated within the energy sector despite the coal phaseout, e. g. through the expansion of renewable energy. We intend to build no less than 500 MW of wind and solar capacity in the Rhenish region by 2030, where parts of the recultivated land are ideally suited for this purpose. We also want to repurpose our power station sites. A noteworthy example here is the mega battery that we are currently constructing in Neurath. Another option would be to build new, hydrogen-capable gas-fired power stations at the sites. The Niederaussem Innovation Centre, where we are exploring Power-to-Gas technologies among other things, also plays an important part in our plans.

Nuclear power – our focus is on safe and efficient dismantling. Germany's last three nuclear power stations were shut down on 15 April 2023, including RWE's Emsland reactor in Lingen. Aside from our 30 % stake in the Dutch nuclear power station Borssele, this also marked the end of RWE's involvement in nuclear technology. We are now focused on ensuring all assets that have been shut down are safely and efficiently dismantled. Launching new energy-industry-related undertakings on the former nuclear power sites is also a key concern. One example of this is our gas-fired power plant in Biblis, which was commissioned in early 2023 and is used to stabilise grid frequency, thereby helping to ensure security of supply.

RWE AG's management system. Our management system is geared towards sustainable growth that creates value and is based on RWE's strategic guidelines. To develop these guidelines, we analyse the market environment and competitiveness of our segment activities, identify growth potential and weigh up the opportunities and risks involved. Which projects are ultimately realised is at the discretion of the management of the operating company concerned. Larger investments are approved by the Executive Board of RWE AG. It also determines the allocation of capital, the long-term portfolio development and the type of financing.

To operationally manage the Group's activities, RWE deploys a groupwide planning and controlling system, which allows for timely, detailed insights into the current and prospective development of the company's financial position, assets and earnings. Based on the targets set by the Executive Board and management's expectations regarding the development of the business, once a year we deliver our medium-term and long-term plans, in which we forecast the development of key financial indicators. The medium-term plan contains the budget figures for the following fiscal year and planned figures for the two years thereafter. The Executive Board submits the plan to the Supervisory Board, which reviews and approves it. We compile an internal forecast for each fiscal year, which is updated every quarter. Members of the Executive Board of RWE AG and the main operating companies meet regularly to analyse the company's assets, financial position and earnings and revise the forecast. In the event that the forecast figures deviate significantly from the budget figures during a fiscal year, we analyse the underlying reasons and take necessary countermeasures. We also immediately notify the capital market if published forecasts need to be modified.

Key earnings indicators. Among other things, we use key earnings indicators such as EBITDA, EBIT and net income to manage our business; however, we adjust these indicators by removing special items. EBITDA is defined as earnings before interest, taxes, depreciation and amortisation. In order to improve its explanatory power in relation to ordinary business development, we carry out adjustments: non-operating or non-recurring effects are removed and presented in the non-operating result. This applies to capital gains or losses, temporary effects from the fair valuation of derivatives, goodwill impairments, other relevant special items and – from 2024 onwards – total earnings from our phaseout technologies coal and nuclear. Subtracting operating depreciation and amortisation from adjusted EBITDA yields adjusted EBIT. Adjusted net income is another key operating indicator for us. We calculate it by correcting net income to exclude the non-operating result. Instead of the actual tax rate, which contains one-off effects, we apply the budgeted rate of 20 %, which we have derived in consideration of the (expected) taxable earnings in our core markets and the tax rates applicable there.

Expected minimum return on investments. We primarily use the internal rate of return (IRR) to evaluate the attractiveness of investment projects and only pursue projects if – at the time of the investment decision – the expected IRR stays above a defined minimum threshold. We determine this key figure using the weighted average cost of capital (WACC), i. e. the average cost of capital weighted according to debt and equity financing. The expected minimum returns are calculated by taking the WACC plus project-specific risk premiums, which usually range from 100 to 300 basis points, depending on the technology or region. Using this approach, we derived minimum IRR thresholds that vary between 7 % and 11 % for offshore wind. We require rates no lower than 6 % to 10 % for our onshore wind, solar and battery projects. The thresholds for new gas-fired power stations and hydrogen activities are between 8 % and 12 %.

Safeguarding our financial strength and creditworthiness. The RWE Group's financial position is analysed using cash flows from operating activities, amongst other things. We also attach special importance to the development of free cash flow, which is derived by deducting capital expenditure from cash flows from operating activities and adding proceeds from divestments and asset disposals. We also determine adjusted cash flow for the technologies which we are phasing out (lignite and nuclear), which serves as a key performance indicator for these activities. Net cash / net debt is another indicator of RWE's financial strength. It is calculated by deducting provisions for pensions and similar obligations for the dismantling of renewable assets and for nuclear waste management from RWE's net financial position. Conversely, mining provisions and financial assets that we assign to these obligations are disregarded. The latter includes our 15 % stake in E.ON and our claim for compensation for the German lignite phaseout less the payments already made by the state.

In managing our indebtedness, we orientate ourselves towards the leverage factor, i. e. the ratio of net debt to adjusted EBITDA in our core business. As of 31 December 2023, the leverage factor was 0.9. In future, we expect net debt to increase, as we will partially finance our growth investments by raising debt capital. However, for the time being we have set our leverage factor cap at 3.0. The aim here is to stay financially flexible whilst maintaining our solid investment grade rating. For the period after 2025 we believe that an upper limit of 3.5 is acceptable, as the expansion of renewables will further enhance our financial stability.

2.2 Innovation

How can wind farms be operated in deep waters? Can solar power be produced on the high seas? Photovoltaics and agriculture sharing the same space – is that possible? The transformation of the energy sector presents us with many such questions. And we want to provide answers. Last year, RWE and partners from industry and science launched and drove forward around 200 innovation projects. Most of the ventures had the same mission: to develop solutions to the technical challenges of the energy transition.

Solutions for a sustainable energy system. Our contribution to the energy transition is not simply defined by the volume of our investments, but also by how innovative we are. RWE is constantly seeking new ways to make the energy transition more efficient and cost-effective. We initiate research projects, provide the necessary funding, infrastructure and expertise and are often the first to put novel ideas into practice. Our activities in this area focus on developing solutions that help us advance the utilisation of renewable energy, expand energy storage and drive the ramp-up of large-scale hydrogen production. Our 1,366 patents and patent filings based on 226 inventions (as of the end of 2023) demonstrate how active we are when it comes to research and development (R&D). Last year, we drove forward around 200 R&D projects, with around 350 RWE employees working full or part time on these endeavours. In so doing, we often work with other companies or research institutions, which allows us to benefit from their valuable insights. This approach is also financially advantageous, as the costs are then shouldered by many stakeholders. Last year, our R&D spending therefore amounted to a moderate €17 million (previous year: €20 million).

On the following pages, we present a small selection of our current innovation projects. They illustrate the breadth and depth of the challenges we face in light of the energy transition and demonstrate the creativity with which we are tackling them.

The wake effect: a challenge for wind farm planning. Whenever we plan new wind farms, we calculate a whole host of parameters that affect both output and yield. One of these factors is the wake effect. This is the phenomenon caused by wind slowing and swirling once it hits a turbine. Wind turbines located in the 'shadow' of the first wind turbine experience a reduced yield. The effect must therefore be factored into planning offshore wind farms so it can be minimised. To date, we have calculated it using conventional computer models with which we are able to map a large number of scenarios in a short period of time. However, increasingly densely positioned wind farms, a development anticipated in the North Sea for instance, call for highly precise calculations, meaning that our models will need to be refined. RWE initiates and supports research ventures that will help us make progress in this area. One example is our contribution to the X-Wakes project supported by the German Ministry for Economic Affairs and Climate Action (BMWK). We provided the researchers with extensive data from our wind farms and enabled them to carry out wind measurements using sensors mounted to buoys in the vicinity of our wind turbines. This project was completed in 2023 and will allow for changes in wind conditions resulting from the planned large-scale expansion of wind farms in the North Sea to be predicted with greater accuracy. A second undertaking, named OWA-GloBE, which we carried out with partners from the wind industry and which was also concluded in 2023, related to a phenomenon known as the 'blockage effect'. This describes a drop in wind speed just before the wind hits the turbine, which has an impact on the wind farm's yield. Only if the global blockage effect is calculated accurately can the wake effect be simulated precisely. Data obtained through OWA-GloBE is now being used to optimise computer models deployed throughout the industry. Last year, we initiated a further project called 'C^2-Wakes', which we are planning to deliver together with research partners at three adjacent RWE offshore wind sites in the North Sea. This project – which is also supported by the BMWK – will also help us to gain a better understanding of the effects of offshore wind generation on wind patterns.

Floating wind turbine in the Bay of Biscay starts operating. Almost all offshore wind turbines have one thing in common: they are built on the seabed. This is why they can currently only be constructed in shallow waters. But the tide is turning – thanks to the development of floating turbines, which are mounted on buoyant platforms made of steel or concrete and secured to the seabed using mooring systems. These units unlock the possibility of generating power in deeper, hitherto uncharted waters. RWE has taken a leading role in developing this new potential. We are currently involved in two projects, TetraSpar and DemoSATH, which are researching the pros and cons of the various floating foundations: the first project commissioned a floating wind turbine off the Norwegian coast back in 2021, while the floating wind turbine that was developed as part of the second project has been generating electricity since August 2023. Before the DemoSATH turbine was commissioned, the catamaran-like buoyant structure was launched in the Port of Bilbao and towed to its final location in the Bay of Biscay. Now we would like to find out how it copes with the Bay's rough weather conditions and analyse its impact on marine life.

Ocean sites – a promising option for solar farms. Our goal of tapping into new areas to produce renewable energy is not restricted to wind power. In the middle of 2022, we commissioned our first floating solar farm on a lake in the Netherlands. Now we want to demonstrate that solar power can be produced under challenging conditions at sea. Besides opening up new areas, we can create synergies through joint operations with offshore wind farms. RWE has teamed up with technology partners to conduct pilot projects involving offshore photovoltaics. For example, we are participating in the EU-SCORES research project supported by the European Union. This undertaking consists of testing a 2.6 MW offshore PV system produced by Oceans of Energy. The solar panels form a carpet over the water. Although forgoing a substructure offers cost advantages, the solar cells are exposed to higher strain as they are in direct contact with seawater. A more expensive alternative which offers the advantage of putting less stress on the modules is being tested within the scope of the Merganser project, a collaboration between RWE and Dutch-Norwegian startup SolarDuck. Our partner is building a 0.5 MW pilot plant off the Dutch coast, consisting of solar panels installed on floating platforms several metres above the surface of the sea. This keeps them drier and cleaner, which is expected to reduce maintenance costs and increase service life. We hope that these pilot projects provide us with valuable insights which help us to commercialise offshore photovoltaics.

Photovoltaics and agriculture – from competing for space to synergy. Competition for available land is often a challenge when expanding renewable energy, above all in densely populated regions. Wind turbines in the vicinity of residential areas are good examples of this. Ground-mounted solar PV systems take up a lot of space which could be used in other ways, e. g. to cultivate crops. But are photovoltaics and agriculture really mutually exclusive? Could this land not be used for both purposes simultaneously and, if so, how could that possibly work? We are seeking to answer these questions by launching a demonstration project backed by the Julich Research Centre and the Fraunhofer Institute for Solar Energy Systems. In late 2023, we commissioned an agri-PV system with an output of 3.2 MW on seven hectares at the Garzweiler opencast mine. Its solar panels were mounted in three different ways, each of which enables the land to also be used for agriculture. The project aims to explore the pros and cons of the individual system designs. The first variant features perpendicular modules that allow tractors to move between them. The second design involves movable modules connected to a tracker system that automatically turns them to face the sun. This flexibility enables the modules to be temporarily positioned in a way that makes room for agricultural machines. The third setup consists of panels forming a pergola-like structure two to three metres above the ground. This allows crops that thrive in the shade such as raspberries and blueberries to grow beneath. Moreover, shared land usage is actually beneficial to the plants as the panels protect them from excessive sunshine, wind and hail. Our demonstrator project in the Rhenish lignite-mining region is supported by the state of North Rhine-Westphalia via the progres.nrw programme and is expected to deliver initial findings in 2024.

Hydrogen – the energy source of the future. Hydrogen is an all-rounder when it comes to the energy transition. It can be produced climate-neutrally, for example using electrolysis with power from renewable sources, and it can also be re-electrified if necessary. This makes it an ideal storage medium for wind and solar power. Moreover, hydrogen is a sustainable fuel that can be used in the transportation sector or in order to decarbonise industrial processes that cannot run on green electricity. Together with partners, RWE is currently working on around 30 hydrogen projects centred on Germany, the Netherlands and the UK. The objective is to produce hydrogen on a large scale and build an expansive hydrogen network. We report on our most important projects at www.rwe.com/hydrogen.

First steps towards large-scale hydrogen production. One of the first cross-sector hydrogen initiatives in Germany is GET H2, in which we work with numerous companies and research institutes. The project spans the entire hydrogen value chain, from production and transport to usage, with the long-term objective of building a nationwide hydrogen infrastructure in Germany. As part of the initiative, in 2020 we joined forces with partners in the vicinity of our Lingen power station to launch the GET H2 Nukleus project and apply for the necessary state subsidies. By 2027, three electrolysers are set to be built on the site, each with a capacity of 100 MW. We ordered the first two from Linde Engineering in early 2023 and expect to start producing hydrogen on a large scale as early as 2025. A 14 MW pilot plant was also commissioned in early 2024 that deploys electrolysis technology from Linde and Sunfire in order to explore the pros and cons of various production methods. The trial is currently scheduled to last three to four years and the state of Lower Saxony will cover €8 million of the costs.

GET H2 TransHyDE: small-scale hydrogen economy. Powerful, reliable transport and storage infrastructure is necessary to ramp up the hydrogen economy. The GET H2 TransHyDE project that we started in 2021 with a number of partners aims to determine the ideal design. The initiative seeks to analyse unanswered questions in quasi-real life conditions. For this purpose, we built a test environment including a pipeline at the Emsland gas-fired power station in Lingen. The infrastructure model comprises a 250 kW Sunfire electrolyser. We produced the very first batch of hydrogen at the Lingen site with this plant in September 2023.

The reliability and stability of hydrogen infrastructure greatly depend on the materials used to build it. This is why, as part of the GET H2 TransHyDE initiative, we are looking into the behaviour of various materials under real-life operating conditions. We set up a laboratory at our innovation centre in Niederaussem designed to verify and assess their suitability for use in a pure hydrogen environment. We are exploring the reactions of materials to elevated temperatures that occur when innovative methods are used to produce hydrogen and the effects of changes in surface structure caused by corrosion. Our investigations cover both new components as well as parts that have already been subjected to the stresses of operational deployment. Furthermore, we are looking into improving the methods used to test materials.

Widespread support for the H_2ercules infrastructure project. Another major project driving the development of the German hydrogen economy is H_2ercules, which we launched in the spring of 2022 with gas network operator OGE. By 2030, the initiative aims to build a network spanning approximately 1,500 kilometres that will connect electrolysers, storage facilities, and import terminals in the north with industrial customers in the west and south of Germany. H_2ercules is therefore contributing to the creation of the core hydrogen grid, which the German government plans as the basic framework for the German hydrogen infrastructure. The roles in the delivery of the project are clearly assigned: RWE contributes green hydrogen, while OGE transports it to customers. The plan is to construct electrolysers with a total capacity of 1 GW along the pipelines and also import large volumes of hydrogen by the end of the decade. We also intend to connect at least 2 GW of hydrogen-capable gas-fired power stations to the network. As the initiative is something of a herculean task, we searched for project partners early on. These efforts were successful as nearly 30 companies are involved in H_2ercules, including thyssenkrupp, Evonik and Uniper.

2.3 Business environment

The regulatory framework conditions for investments in renewables continued to improve in 2023. The European Union issued a directive outlining ambitious expansion targets, designed to help member states expedite approval procedures. The EU also agreed on an electricity market reform to incentivise investment in climate-friendly generation technologies. For now, it will not restore the special levy on electricity producers' revenues. The decision was taken in light of calmer commodity markets and lower electricity prices compared to the record highs seen in 2022.

Regulatory environment

Agreement on EU electricity market reform. At the end of 2023, the European Parliament and the Council of Ministers reached an agreement on an electricity market reform in a trilogue with the European Commission. It still needs to be formally approved before it is enshrined in law. The reform was triggered by Russia's war on Ukraine and the resulting disruptions in the energy sector. By introducing the measures, the EU wants to reduce the electricity market's dependence on fuel imports and optimise it for the expansion of renewable energy. The EU states decided to refrain from changing the way in which prices are formed, i. e. based on supply and demand. They are, however, looking to rely increasingly on contracts for difference (CfD) to bolster planning security for investments in renewables and nuclear assets. These contracts guarantee asset operators a fixed remuneration: if the price the plant operators realise on the market is below a contractually guaranteed level, they can claim the difference from the state. If it exceeds the strike price, they must pay back the difference. The Parliament and Council of Ministers also endorse the use of CfDs to extend the lifetimes of existing power stations.

Capacity payments as a second compensation component alongside revenues from electricity sales are also expected to play a more pivotal role moving forward. They are paid to operators of firm generation capacities for participating in the market, and thus contributing to security of supply. This is due to the fact that conventional power plants (e. g. gas-fired power stations) will operate increasingly less frequently due to the expansion of renewables, which will weigh on electricity revenues. However, the plants are still needed to bridge phases of fluctuating wind and solar feed-ins. The reform package does not include a regulation that would have allowed countries to reintroduce future temporary special levies on electricity producers' revenues. EU member states had previously briefly been granted the right to do so in response to the extreme electricity and fuel price rises due to Russia's attack on Ukraine.

EU directive to accelerate renewable energy expansion. The European Parliament and the Council of Ministers passed a reform of the Renewable Energy Directive on 18 October 2023. The now third version of the Renewable Energy Directive (RED III) entered into force on 20 November and must be translated into national law within 18 months. The amendment was made to account for the increase in the EU's greenhouse gas reduction target for 2030 from 40 % to 55 % compared to 1990. Accordingly, RED III defines a more ambitious goal in relation to expanding renewable energy. The new target envisages green sources accounting for 42.5 % of energy consumption as early as 2030, as opposed to the 32 % previously aimed for. It is the first time objectives have been introduced for individual sectors: the portion of renewable energy consumed by the manufacturing industry, for example, is required to increase by 1.6 % annually. The directive is designed to help member states overcome legal hurdles to expand renewable energy and to accelerate approval processes. From now on, green electricity projects will permanently be given legal priority. This had already been granted by a temporary EU emergency directive in 2022. These projects are now treated as being of 'overriding public interest'. Areas suitable for expanding renewables can now be designated as priority areas for such projects.

EU aligns Emissions Trading System with new climate goals. In its quest to hit its ambitious climate targets, the EU also reformed the European Emissions Trading System (EU ETS). The amendment became effective on 5 June 2023. It obliges the sectors covered by the EU ETS (energy, industry, and internal European aviation) to reduce their total greenhouse gas emissions by 62 % by 2030 compared to 2005. This replaces the former goal of 43 %. To accelerate decarbonisation, the EU will reduce the number of certificates placed on the market by an annual 4.3 % (from 2024) and 4.4 % (from 2028). Until recently, the reduction factor had been 2.2 %. Another measure is designed to target the excess emission allowances in circulation: over the course of the current decade, 24 % of the surplus will continue to be retained annually and transferred to the market stability reserve. According to the former legislation, the quota would have been lowered to 12 % in 2024. The reform also envisages a separate emissions trading scheme (EU ETS 2) for the transportation and building sectors, which should be set up by 2028.

EU establishes criteria for 'green' hydrogen. In July 2023, an EU directive entered into force defining the criteria that electrolysed hydrogen must meet to be classed as 'green'. Green hydrogen is likely to be eligible for state support, as it is produced with electricity that was generated using renewables. Following the EU directive, hydrogen can be classed as green even in cases where the electrolysers used for its production are not directly connected to a renewable energy facility but instead rely on electricity from the public grid. Companies producing hydrogen in countries where the power supply does not predominantly come from zero-carbon energy sources must satisfy certain conditions: they are required to conclude power purchase agreements with additional, non-subsidised renewables plants located in the same market. In addition, the directive stipulates that timing of the hydrogen production must coincide with the electricity being fed into the grid. The EU has included a transitional clause to allow for the fact that these new renewable energy facilities are yet to be built, which could delay the ramp up of the hydrogen economy: electrolysers that come into operation by the end of 2027 may conclude power purchase agreements until 2038 with existing renewable energy assets in receipt of state support.

Extraordinary levy on electricity revenues expires. On 30 June 2023, Germany's special levy on power producers' revenues expired as planned. It had been introduced on 1 December 2022 in response to the soaring energy prices and was established to help finance relief packages for electricity customers among other things. The federal government had the option of extending the levy period to 30 April 2024, which it did not take advantage of. The EU had enshrined the cornerstones for national electricity revenue levies in European law in September 2022. Mid-2023 was the recommended expiry deadline, however, it was exceeded by a number of countries. Poland, for example, applied the levy until the end of 2023. Conversely, the Dutch government set the same levy period as Germany (1 December 2022 to 30 June 2023).

German government formalises funding plans for new power stations. In February 2024, the German government presented the cornerstones of its power station strategy. The approach comprises two stages: tendering processes for new low-carbon power stations and the introduction of a capacity mechanism. The state is looking to utilise these measures to ensure that, despite the planned coal exit, there is sufficient back-up capacity to bridge phases with low wind or solar feed-ins. Incentives are needed to ensure these backup assets remain economically viable as they are expected to only be deployed for a relatively short amount of time. The German government is looking to start the tendering processes for the construction of gas-fired power stations with a total capacity of up to 10 GW as quickly as possible. The plants must be retrofitted to run exclusively on hydrogen instead of natural gas by 2035 to 2040. A decision as to the exact deadline is expected by 2032. The incentives will be financed by the German government's flagship Climate and Transformation Fund. The second stage of the strategy is dedicated to the introduction of a technology-neutral capacity mechanism, which is expected to be up and running by no later than 2028. Operators of reliably available generation assets receive the capacity payments as a secondary compensation component in addition to electricity revenue (see page 30).

As a next step, the German government will liaise with the EU Commission on the tender processes. There is expected to be a public consultation and the governing parties will also need to agree on the capacity mechanism design.

Details of additional US support for renewable energy published. The USA's national tax authority (Internal Revenue Service) has specified the criteria which companies must meet in order for investments in green technologies to become eligible for additional funding beyond conventional tax incentives. The Inflation Reduction Act, a legislative package approved in 2022 to finance social measures and climate protection, provides the legal basis for these criteria. New wind and solar farms as well as other green projects can now apply for additional funding if large parts of their value chain are carried out in the USA. The government expects the measure to bolster the local supply chain. An additional incentive is also targeting investments in regions with certain disadvantages (e.g. pollution) or that are particularly impacted by changes within the energy industry. The aim here is to create new local job opportunities. Projects can receive multiple incentives at once if they meet the necessary criteria. The bonuses are granted on top of traditional production tax credits and investment tax credits, which can be used to offset tax liabilities. The value of these credits depends on the volume of electricity generated or – alternatively – the investment costs.

Market environment

Weak economic growth in Europe. Based on current data, global economic output in 2023 was some 3 % higher year on year. Growth figures in Europe were much lower. Germany's economic performance was particularly disappointing: it shrank by 0.3 %. Conversely, the UK and the Netherlands grew by around 0.5 %. The ongoing war in Ukraine, rising interest rates and energy costs continued to weigh on growth. Although electricity and commodity prices dropped below the record highs seen in 2022, they remained high compared to the long-term average. The US economy experienced a comparatively solid development: according to preliminary estimates, the country's economy grew by 2.5 %.

Power consumption down in RWE's core markets. Provisional surveys carried out by the German Association of Energy and Water Industries (BDEW) indicate that electricity consumption in Germany dropped by 3 % compared to 2022. Experts believe that this was primarily due to weak industrial production and energy savings in response to high prices. In the UK, power consumption decreased by 2 %, whereas in the Netherlands, it dropped only slightly below the previous year's level. Estimates for the USA have power consumption declining by around 1 %.

Wind speeds rise in Europe and fall in the USA. Utilisation of renewable assets is largely weather-dependent. Wind velocities are particularly important for our business. In 2023, they matched or exceeded the long-term average at most RWE sites in Central Europe, whereas they were mostly below it in South and North-West Europe as well as North America. Wind speeds at our wind farms in Europe tended to be more favourable than in 2022, whereas they were poorer in the USA. Utilisation of our run-of-river power plants strongly depends on precipitation and meltwater volumes. In Germany, our main hydropower region, these volumes were roughly in line with the long-term average and were significantly higher compared to 2022.

Average RWE wind farm utilisation	Onshore		Offshore	
%	2023	2022	2023	2022
Germany	21	19	24[1]	37
United Kingdom	26	27	40	39
Netherlands	30	28	–	–
Poland	28	28	–	–
France	29	20		
Spain	22	22	–	–
Italy	24	22	–	–
Sweden	28	30	47	45
USA	29	33	–	–

1 Volume losses due to grid operator curtailments.

Fuel prices drop significantly from 2022 record highs. The utilisation and earnings of our conventional power plants are dependent on how electricity, fuel and emission allowance prices develop. Commodity markets eased at the beginning of 2023, after the extreme price spikes in the previous year due to the war in Ukraine. Quotations declined significantly especially in gas trading, which had been surrounded by particular uncertainty due to disruptions in supply from Russia. Averaged for the year, spot prices at the Dutch Title Transfer Facility (TTF), the reference market for Continental Europe, amounted to €41 / MWh in 2023, i. e. just a third of the prior-year level (€124 / MWh). This was due to the easing of the gas supply situation despite the continued war in Ukraine. Low consumption as a result of the mild winter of 2022 / 2023 and the weak economy as well as increased LNG imports ensured healthy gas storage levels. The more favourable supply situation was also reflected in gas forward trading prices. The TTF forward for 2024 averaged €52 / MWh last year. By way of comparison, in 2022, the 2023 TTF forward traded at €114 / MWh.

Prices for hard coal used in power plants (steam coal) also rose steeply in the year under review. Deliveries to ARA ports (ARA = Amsterdam, Rotterdam, Antwerp) including freight and insurance were settled on the spot market for an average of US$129 / metric ton in 2023. The prior-year figure stood at US$290 / metric ton). Global supply chains were reconfigured following the disruption triggered by the war in Ukraine. Russian coal deliveries to Europe, which had dominated the market until the start of 2022, were replaced by supplies from Colombia, South Africa and the USA. A weaker Chinese economy and comparatively low utilisation of European coal-fired power stations had a dampening effect. Forward trading prices also declined significantly. In 2023, the 2024 forward (API 2 Index) traded for an average of US$127 / metric ton. This is US$95 less than had been quoted for the 2023 forward the year prior.

CO_2 emission allowance prices: record highs followed by downward trend. The cost of procuring CO_2 emission allowances is an important factor for fossil fuel-fired power stations. A European Union Allowance (EUA), entitling the holder to emit one metric ton of carbon dioxide, traded at an average of €89 in 2023 – compared to €84 the year prior. This figure is based on forward contracts that mature in December of the following year. In the first quarter, EUAs traded for up to €105, after which they became cheaper, intermittently dropping below the €70 mark in late 2023. The record prices early in the year were in part caused by the EU establishing the regulatory framework for a faster reduction of the number of available emission allowances, with a view to achieving its new greenhouse gas emission target for 2030 (see page 31). However, there were also factors which drove down demand for emission allowances and thus had a dampening effect on prices: these included the decline in industrial production and lower utilisation of coal-fired power plants. In addition, the EU started putting further emission allowances on the market in the second half of the year. The proceeds are being used to finance the REPowerEU package of measures, with which the European Union seeks to accelerate the green transition and put an end to its dependence on Russian fuel.

In the UK, which has its own CO_2 emissions trading system, the price of certificates dropped. During 2023, UK Allowances (UKAs) traded at an average of £59 compared to £83 last year. This trend is due in part to a drop in industrial production, which reduced the need for certificates. The United Kingdom introduced stricter rules to its emission trading system, in order to align it with the country's ambitious net-zero target. However, the British government also decided to place additional certificates on the market from 2024 to 2027, in order to facilitate the transition for market participants. The announcement of this measure made a major contribution to the decline in price.

Electricity prices fall as fuel markets relax. Wholesale electricity prices also dropped considerably, but remained elevated, mirroring the development of the commodity markets. In the fiscal year that just ended, base-load power traded for an average of €95 / MWh on the German spot market, compared to €235 / MWh in 2022. Spot prices declined from £206 / MWh to £94 / MWh in the United Kingdom and from €243 / MWh to € 96 / MWh in the Netherlands. Electricity forward trading painted the following picture: in Germany, the 2024 base-load forward cost an average of €137 / MWh, whereas companies paid €298 / MWh for the 2023 forward the year prior. The price of the one-year forward declined from £265 / MWh to £125 / MWh in the United Kingdom and from €263 / MWh to €128 / MWh in the Netherlands.

The North American electricity market is subdivided into different regions, which are managed by independent grid companies. Currently, the most important market for us is Texas, where the power grid is operated by the Electric Reliability Council of Texas (ERCOT). This is the grid most of our US wind farms are connected to. Here, the electricity spot price averaged US$55 / MWh in 2023 compared to US$66 / MWh in the prior year. The one-year forward dropped from US$57 / MWh to US$46 / MWh. One reason was that natural gas has also become cheaper in the USA. This lowered the generation costs of gas-fired power plants, which are often the price-setters on the North American electricity market.

Improved margins on electricity forward sales. In order to mitigate risks associated with earnings, we sell most of our power generation forward and hedge the prices for the necessary fuel and emission allowances using forward transactions with a lead time of up to three years. The margins realised in the past fiscal year were thus greatly defined by the conditions of the 2023 forward contracts, which were concluded in previous years. We achieved better margins with these forward sales for most of our power stations than we did in 2022. Margins realised for spot trading were markedly down on the previous year's level, reflecting the decline in power prices. Energy markets continued to be volatile in 2023, which once again enabled us to achieve high earnings from the short-term optimisation of our power plant dispatch.

Supply chain pressures in the energy industry. Beyond the regulatory framework and energy prices, our business can also be shaped by events in the supply chain. Companies such as RWE that have set themselves ambitious renewables expansion targets source a large portion of their plant components and logistics services from international suppliers. In recent years, procurement has become increasingly challenging. Bottlenecks can often only be avoided by placing orders early on and sourcing products from a broad range of suppliers. Rising inflation and resulting cost increases also created problems for the industry, while geopolitical tensions posed challenges when planning investments. This affected the procurement of solar modules from Asia, among other things. Potential trade embargoes or import duties could disrupt supply chains and force companies to source expensive substitutes in other markets.

2.4 Major events

We look back on an eventful year, which saw us reach key milestones in the delivery of our growth strategy. Our acquisition of Con Edison Clean Energy Businesses positioned us as one of the biggest solar power producers in the United States. We paved the way for offshore wind projects in Germany, Ireland and Japan by successfully participating in the respective auctions and also secured an offtake contract for a wind farm we are planning in the New York Bight. Furthermore, we reached an agreement to take over three large-scale projects from Vattenfall which will now play an important part in our wind expansion plans for the British North Sea. In this chapter, we present the major events that occurred in the period between January 2023 and February 2024. We will focus on developments which have not been discussed in more detail elsewhere in the review of operations.

RWE acquires Con Edison's renewable energy business. On 1 March 2023, we purchased Con Edison Clean Energy Businesses, a former subsidiary of US-based firm Con Edison specialising in renewables. We have gained power generation assets totalling 3.1 GW, approximately 90 % of which are solar systems. We also received a development pipeline for plants with a total installed capacity of more than 7 GW. Following the transaction, we are now positioned as one of the largest renewables players in the USA. The purchase price for Con Edison Clean Energy Businesses was US$4.1 billion. Including assumed net debt this results in an enterprise value of US$6.8 billion. The move was financed in part with the issuance of a mandatory convertible bond to Qatar Holding, a subsidiary of the Qatar Investment Authority. The €2,428-million bond was issued on 10 October 2022 and converted into 67,621,169 new RWE shares on 15 March 2023. The total number of our shares now amounts to 743,841,217. The shares held by Qatar Holding represent 9.1 % of the increased capital stock.

As soon as the acquisition of Con Edison Clean Energy Businesses had been completed, we consolidated our American onshore wind, photovoltaic and storage activities to form the new company RWE Clean Energy. The firm had more than 1,600 employees at the end of 2023 and renewable assets totalling 9.2 GW.

RWE acquires three UK offshore wind projects from Vattenfall. We will be taking over three large-scale offshore wind power projects off the coast of Norfolk in the east of England from Swedish energy company Vattenfall. The transaction was agreed in December 2023 and is expected to be completed in the spring of 2024 once all the necessary approvals have been granted. The purchase price corresponds to a portfolio value of £963 million. The majority of the funds covers Vattenfall's historical development expenditure. The three 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 and grid connections have been granted. Norfolk Vanguard West and Norfolk Vanguard East are the most advanced and come with preliminary contracts for the procurement of key components. Next in the development of these projects, they will need to be granted Contracts for Difference (CfD) at an upcoming auction, guaranteeing a set price for any power generated. Vattenfall had put the third project, Norfolk Boreas, on hold. However, we plan to continue developing it. All the 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 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 was reached in late 2023 with the joint venture becoming effective at the end of February 2024, once all the necessary regulatory approvals had been received. Masdar now holds a 49 % stake in both Dogger Bank South 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 are expected to each have an installed capacity of up to 1.5 GW and be completed by late 2031. We are currently also building our 1.4 GW wind farm Sofia on Dogger Bank, which is set to take all turbines online in 2026. This project is being delivered by the RWE Group alone.

New York to purchase power from RWE offshore wind farm. We hit a key milestone in the delivery of our offshore wind project located off the coast of New York. In October 2023, the state of New York agreed to purchase the electricity from turbines with a total capacity of 1.3 GW at our tendered conditions. This followed an auction process in which a total of three projects were successful. The weighted average strike price for the three projects came to US$145.07 / MWh over 25 years. The agreed price for RWE's project has not yet been announced. Until the construction and operation plan has been approved, it will be indexed based on a number of factors – certain price indices, for example. A joint venture, in which we hold a 73 % stake and National Grid Ventures has a 27 % holding, is responsible for the offshore wind project near New York, known as 'Community Offshore Wind'. In early 2022, this venture had secured a lease to a site which could accommodate turbines with a total installed capacity of more than 3 GW. If the project progresses according to plan, we will commission the first Community Offshore Wind turbines by the end of the decade.

Auction success for RWE's first Irish offshore wind farm. We are one step closer to realising our first offshore wind farm project in Ireland. In an auction run by the Irish Grid operator EirGrid, we secured a two-sided contract for difference for Dublin Array, our 824 MW wind farm project. The contract has a term of 20 years. It guarantees us an attractive power price, which is confidential. The weighted average strike price of all successful bids at the auction was €86.05 / MWh. Dublin Array will be located approximately 10 kilometres off the coastline of counties Dublin and Wicklow. RWE is developing the project together with Irish wind developer Saorgus Energy. The partners each hold a 50 % stake. We expect to complete the wind farm in 2028.

RWE enters the Japanese market with a winning bid for offshore wind project. In late 2023, we celebrated a breakthrough in the development of our first offshore wind power project in the Asia-Pacific region. In a tender process, the government of Japan selected a consortium comprising RWE, Mitsui and Osaka Gas to deliver an offshore wind project off the coast of the island nation. The project will be realised in Niigata Prefecture, where the partners plan to build and operate a wind farm with a total installed capacity of 684 MW. They will be able to market the electricity freely, and the state has guaranteed a minimum strike price of JP¥ 3,000 / MWh (€20). The wind farm is expected to comprise over 38 turbines, which are scheduled to go online in 2029 provided the project progresses as planned.

RWE secures wind power sites in the North Sea and the Gulf of Mexico. In Germany and the USA we successfully participated in a number of auctions for the rights to develop offshore wind sites. In August 2023, the Federal Network Agency announced that we had been awarded two sites in the North Sea, N-3.5 and N-3.6 (Nordseecluster B), where we want to build wind farms with 900 MW of total installed capacity. We were awarded the development rights at no cost, but the electricity we generate will not be eligible for a guaranteed price. Both sites are located around 50 kilometres north of the island of Juist. We had already secured two neighbouring sites, N-3.7 and N-3.8 (Nordseecluster A), at an auction in 2021. The sites could accommodate a total potential capacity of 660 MW. We are the sole owner of the Nordseecluster projects. Our previous partner, Canadian power producer Northland Power sold us their 49 % stake for €34 million in May 2023. If the project progresses according to plan, the offshore wind farms in Nordseecluster A and Nordseecluster B are expected to become operational in 2027 and 2028, respectively.

Our success streak continued in August when our winning bid of US$5.6 million secured a lease area in the Gulf of Mexico which one day could be home to 2 GW of installed offshore wind capacity. The site is located around 70 kilometres off the coast of the US state of Louisiana and is noted for having shallow waters. If the project progresses as planned, the wind farm will be commissioned in 2035.

Kaskasi wind farm in the North Sea inaugurated. In March 2023, we inaugurated Kaskasi our new German offshore wind farm in the presence of Robert Habeck, Federal Minister for Economic Affairs and Climate Action. The 342 MW facility is located 35 kilometres to the north of Heligoland. All 38 of its turbines have been online since late 2022. The ceremony marked Kaskasi's move into regular operations, following a test period during which it was already producing electricity. We are the sole owner of the wind farm and have invested around €850 million in the project. Three turbines have been fitted with recyclable rotor blades from Siemens Gamesa, which were manufactured using a novel resin. This allows for the composite materials to be separated after use. Kaskasi is the first wind farm in the world to use these environmentally friendly blades.

RWE now a leading solar developer the UK. By acquiring London-based project developer JBM Solar in March 2023, we laid the foundation for the rapid expansion of our British photovoltaics business. The purchase price amounted to £318 million. At the time of the acquisition, JBM Solar had a 6.1 GW development pipeline comprising 3.8 GW of photovoltaic assets and 2.3 GW of battery storage. The transaction has placed RWE among the top three solar developers in the UK. Most of JBM Solar's projects are being developed in the Midlands and the South of England. We expect the first assets in the pipeline to become operational in late 2024.

RWE's largest battery completed. Midway through the year, we took our largest battery storage system to date online in Fresno County, California. The plant has the ability to discharge 137 MW into the grid over a four-hour period, giving it a storage capacity of 548 MWh. The battery forms part of the Fifth Standard project, which also comprises a 150 MW solar farm, completed in September 2023. The system comprises 370,000 solar panels spanning 1,600 hectares. With the help of solar trackers, the modules follow the position of the sun, which improves energy output. In addition, the storage system is able to optimise the timings of feed-ins to the local grid.

Czech Republic: Grid operator ČEPS buys gas storage business from RWE. In September 2023, we sold our Group company RWE Gas Storage CZ to the Czech state-owned transmission system operator ČEPS for €372 million, resulting in a book gain of €128 million. RWE Gas Storage CZ is the Czech Republic's market leader and operates six underground gas storage facilities with an operating volume of 2.7 billion cubic metres. The company was no longer considered to be part of our core activities. We will, however, be retaining our German gas storage facilities. They are located in salt caverns, which are particularly well-suited for storing hydrogen due to their geological composition.

Dutch gas-fired power station Magnum now owned by RWE. On 31 January 2023, we acquired the Magnum gas-fired power plant in the Netherlands from Vattenfall. The facility has been in operation since 2013, and has a net capacity of 1.4 GW. It is considered to be one of the most modern power stations in the Netherlands. We paid €430 million for the plant. The transaction includes a neighbouring solar farm with a capacity of 5.6 MW. Magnum is located a stone's throw away from our Eemshaven power station. The joint use of the local infrastructure will allow us to leverage considerable synergies. Magnum would only need minor technical retrofits to run on 30% hydrogen. There is also the option to transition to 100% hydrogen in the long term. This will allow the power station to be part of the future hydrogen infrastructure which we are looking to build together with local energy and manufacturing partners in the province of Groningen.

RWE and Equinor agree strategic partnership. In January 2023, RWE and Norwegian energy company Equinor entered into a strategic partnership to drive the ramp-up of the hydrogen economy and the expansion of renewables. The two companies want to harness Norwegian hydrogen to help decarbonise the German energy industry through a number of large-scale projects. The plan is for Equinor to create up to 2 GW of capacity for producing blue hydrogen in its domestic market of Norway by 2030. Blue hydrogen is derived from natural gas and the resulting carbon dioxide is stored underground. The hydrogen would be transported via a North Sea pipeline to Germany, where it could be used e. g. for power generation. In addition, RWE and Equinor are considering building offshore wind farms and electrolysers near the North Sea pipeline, so green hydrogen, which is expected to slowly replace blue hydrogen, can be fed into the grid. Furthermore, there are plans to potentially collaborate with Equinor on building hydrogen capable gas-fired power stations at German sites. Wind energy projects in Norway and Germany that are exclusively focused on power generation are also on the cards. The realisation of these major joint ventures is largely contingent on the completion of the aforementioned North Sea pipeline. Furthermore, Germany would need to have a suitable regulatory framework for investments in new gas-fired power plants as well as sufficient hydrogen infrastructure.

Grid stability reserve plant commissioned in Biblis. Our new 300 MW gas-fired power station in Biblis, South Hesse, Germany, went online in March 2023. It took about two years to build. The facility will not be used to generate power for the electricity market, but will instead only fire up when prompted by the transmission system operator. Its sole purpose is to help stabilise grid frequency, thus contributing to security of supply.

RWE proves successful at British capacity market auctions. We secured capacity payments for all RWE power plants participating in two British capacity market auctions in February 2023 and 2024. The first auction related to the period from 1 October 2026 to 30 September 2027 and RWE power stations with a combined secured capacity of 6,638 MW were successful. Almost all of the assets in question are gas-fired. The auction cleared at £63 / kW (plus inflation adjustment). We will receive this amount for making our assets available during the above period and thus contributing to power supply. The second auction was dedicated to the period between 1 October 2027 and 30 September 2028, where RWE capacity totalling 6,353 MW was successful. We will receive a capacity payment of £65 / kW (plus inflation adjustment).

Three RWE lignite units temporarily back online. In early autumn 2023, our lignite-fired units Niederaussem E and F as well as Neurath C returned to the grid in order to allow for natural gas savings in electricity production, if necessary. The German government had passed the necessary ordinance in early October. The motion was rooted in the German Substitute Power Stations Act, which had been enacted in 2022 against the backdrop of the war in Ukraine and the sharp reduction in Russian gas supplies. In doing so, the Federal government allowed for numerous coal-fired power stations and one oil-fired power plant to go back online in order to bridge potential shortages. Our three lignite-fired units initially returned to the market until June 2023. Operations will draw to a close at the end of March 2024. We will then shut them down for good.

EU approves compensation for lignite exit. At the end of 2023, the European Commission greenlit the €2.6 billion in compensation payments agreed in 2020 for the early phaseout of lignite-fired power generation in the Rhenish coal-mining region. The compensation was rooted in the Coal Phaseout Act as well as a public-law contract between the German government and RWE, but was still subject to EU state aid approval. It will be paid in annual instalments until 2030. At the end of last year, the state transferred all instalments for the period between 2020 and 2023 totalling €692 million. The payment will have no impact on our earnings. It reduces compensation claims against the state, which were already accounted for. We have met our obligations under the Coal Phaseout Act according to the prescribed timeline. Since late 2020, we have shut down five lignite-fired units and halted our briquette production operations in Frechen, which has weighed significantly on earnings. In addition, we have shouldered considerable costs from the premature closing of our Hambach opencast mine and socially acceptable redundancy schemes. Since then, we have taken the decision to go further than required by the 2020 legislation. In 2022, we reached an agreement with the Federal government and the state of North Rhine-Westphalia to bring our lignite exit forward to 2030 – eight years earlier than originally envisaged. The Coal Phaseout Act has been amended accordingly. We will not be receiving any additional compensation for expediting the exit.

Netherlands: RWE to be compensated for limited coal usage in 2022. The Dutch government has resolved to pay us €332 million in compensation for restricting coal-fired generation in the first half of 2022. The cap was imposed as part of an amendment to coal phaseout legislation enacted in 2021, which stipulated that between 2022 and 2024, annual CO_2 emissions from coal-fired power generation should not exceed 35 % of the individual power plant's theoretical capacity. The operators have been granted compensation. Motivated by the war in Ukraine and the strained energy supply situation, the Dutch government lifted the cap on coal-fired generation in June 2022. The agreed compensation is subject to approval by the EU Commission under state aid law. It has been included in the 2023 consolidated financial statements as a contingent asset with no effect on profit or loss.

Gersteinwerk proves successful at German capacity reserve auction. Our natural gas combined-cycle units F, G and K 1 at the Gersteinwerk site in Werne (Westphalia) have all been accepted into the German capacity reserve for the period between 1 October 2024 and 30 September 2026. The decision was made in February 2024 as part of a tender process by the Federal Network Agency. Altogether, the sites 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. This was the first time unit K 1 participated in the capacity reserve tender.

Emsland nuclear plant taken off the grid. On 15 April 2023, our last German nuclear power station went offline. The Emsland plant in Lingen had a net capacity of 1,336 MW and had securely produced zero-carbon electricity since 1988. It was one of three German nuclear power plants that were still online last year. Originally, the assets should have been decommissioned at the end of 2022 due to the German nuclear phaseout. However, the German government delayed regulatory decommissioning by three-and-a-half months to mid-April to ensure security of supply in the 2022 / 2023 winter.

Katja van Doren assumes role of Chief Human Resources Officer at RWE AG. On 1 August 2023, Katja van Doren took office as Chief Human Resources Officer and Labour Director of RWE AG. Her Executive Board mandate also includes responsibility for IT, Internal Audit & Safety and Corporate Transformation. She succeeds Zvezdana Seeger, whose Executive Board contract was not extended at her own request. Katja van Doren studied business management, before working for KPMG as an auditor and tax consultant. She then moved to RWE in 1999 and joined the Board of RWE Generation at the beginning of 2018, where she was responsible for Finance and HR.

2.5 Commentary on reporting

In our financial reporting, the RWE Group is broken down into five segments, which we present in detail in this chapter. Our activities relating to renewable energy, gas-fired power plants, energy storage, hydrogen and energy trading are distributed among the first four segments. They make up our core business, which we intend to grow. The fifth segment covers our lignite and nuclear operations, which are of no strategic significance to us due to legally mandated phaseout roadmaps.

Group structure with five segments. This report is based on a Group structure comprising five segments. Operating responsibility for the activities they encompass is borne by subsidiaries of RWE AG. The segments, the first four of which represent our core business, are divided as follows:

1. **Offshore Wind:** We present our business relating to offshore wind here. It is overseen by RWE Offshore Wind.
2. **Onshore Wind / Solar:** This is the segment in which we pool our onshore wind and solar business as well as parts of our battery storage activities. Depending on the continent, they are managed by RWE Renewables Europe & Australia or RWE Clean Energy, which operates in America.
3. **Hydro / Biomass / Gas:** Our run-of-river, pumped storage, biomass and gas-fired power stations are pooled here. The segment also includes the Dutch Amer and Eemshaven power plants, which run on biomass and hard coal, as well as individual battery storage systems. The project management and engineering consulting company RWE Technology International and our 37.9 % stake in Austrian energy utility KELAG are also allocated to this segment. The activities are overseen by RWE Generation, which is also responsible for designing and implementing our hydrogen strategy.
4. **Supply & Trading:** Proprietary trading of electricity and other energy commodities is at the core of this segment. It is managed by RWE Supply & Trading. The company oversees a broad range of activities. It focuses on natural gas and LNG trading and supplies key accounts with energy among other things. It also supports the Group's generation companies e. g. by commercially optimising power plant dispatch, marketing our power production to third parties and procuring the fuel and emissions allowances required for electricity generation. Our LNG infrastructure development activities along with our gas storage facilities also form part of this segment.
5. **Coal / Nuclear:** This is where we report on the activities which are not part of our core business. First and foremost, these consist of lignite mining and processing as well as electricity generation from this energy source. Added to this are our remaining nuclear activities including RWE's investments in Dutch nuclear power plant operator EPZ (30 %) and Germany-based URANIT (50 %), which holds a 33 % stake in uranium enrichment specialist Urenco. Operating responsibility in this segment is borne by RWE Power. We have assigned the shareholdings in EPZ and URANIT to other segments as of 1 January 2024. The remaining activities have been renamed 'phaseout technologies'. From 2024 onwards, we no longer state adjusted EBITDA for them because we manage them based on an adjusted cash flow. Further details can be found on page 60.

Companies with cross-segment tasks, such as the Group holding company RWE AG, and accounting effects of the consolidation of Group activities are stated as part of the core business under the 'other, consolidation' line item. This also includes our stakes of 25.1 % in German transmission system operator Amprion and 15 % in E.ON. However, we recognise dividends from E.ON in the financial result.

Restatement of prior-year figures. We adopted a different accounting policy for changes in quotations of money market funds at the beginning of fiscal 2023. These used to be assigned to the non-operating result. For reasons of consistency, we now recognise them in the adjusted financial result, where we also record income streams from these funds. To ensure the comparability of current and prior-year figures, we restated the latter.

We also changed the recognition of compensation received for redispatch measures. These are requests by transmission system operators for generation assets to adjust power feed-ins, aiming to protect grids from overloads. In the past, compensation received for production losses caused by redispatch measures were stated under other operating income. Now we recognise them in revenue. This adjustment was made with effect from 1 January 2023 and is reflected retrospectively in fiscal 2022 figures.

Forward-looking statements. This Annual Report 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 expectations, for instance, if underlying assumptions do not materialise or unforeseen risks arise. Therefore, we cannot assume responsibility for the correctness of forward-looking statements.

2.6 Business performance

Last year, our operating activities were so successful that we clearly exceeded the earnings forecast we had published at the beginning of 2023. Adjusted EBITDA totalled €8.4 billion, which was substantially higher than the expected range of €5.8 billion to €6.4 billion. This was due to our continued very strong trading performance and significant income from the commercial optimisation of our power plant dispatch. We also easily surpassed the year-earlier figure. The commissioning of new wind and solar farms as well as our acquisition of Con Edison Clean Energy Businesses had a positive impact.

Business performance in 2023: what we forecast and what we accomplished

1 See pages 63 et seq. of the 2022 Annual Report. The hatched portion reflects the forecast range.
2 Adjusted figure (see commentary on page 41).

Power generation	Renewables		Pumped storage, batteries		Gas		Lignite		Hard coal		Nuclear		Total[1]	
GWh	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Offshore Wind	10,963	10,203	–	–	–	–	–	–	–	–	–	–	10,963	10,203
Onshore Wind / Solar	28,460	19,011	–	–	–	–	–	–	–	–	–	–	28,460	19,011
Hydro / Biomass / Gas	5,789	6,269	158	52	42,061	51,507	–	–	4,212	7,241	–	–	52,418	65,264
of which:														
Germany	1,719	1,450	158	52	5,340	5,708	–	–	–	–	–	–	7,415	7,405
United Kingdom	582	519	–	–	27,829	38,464	–	–	–	–	–	–	28,411	38,983
Netherlands	3,488	4,300	–	–	6,033	4,821	–	–	4,212	7,241	–	–	13,733	16,362
Türkiye	–	–	–	–	2,859	2,514	–	–	–	–	–	–	2,859	2,514
Coal / Nuclear	29	16	–	–	99	186	34,285	50,019	–	–	3,207	11,883	37,860	62,316
RWE Group	**45,241**	**35,499**	**158**	**52**	**42,160**	**51,693**	**34,285**	**50,019**	**4,212**	**7,241**	**3,207**	**11,883**	**129,701**	**156,794**

1 Including production volumes not attributable to any of the energy sources mentioned (e.g. electricity from waste-to-energy plants).

More electricity from renewables than coal for the first time. Last year, RWE generated 129,701 GWh of electricity. Renewable energy sources contributed 35 % of this total, surpassing coal (30 %) for the first time in our corporate history. Generation volumes were 17 % down on 2022. Production from our lignite-fired power stations decreased significantly. Unfavourable market conditions were a major factor. In addition, there were prolonged, unplanned outages for maintenance. Further volume shortfalls resulted from the German nuclear phaseout. As set out on page 39, we shut down Emsland, our last German nuclear power plant, on 15 April 2023.

Utilisation of our two Dutch hard coal and biomass-fired power stations in Amer and Eemshaven was also down on 2022 due to worsening market conditions for these assets and limited availability due to repair work. Electricity generation from natural gas varied by region. Volume reductions in the United Kingdom and Germany were contrasted by increases in the Netherlands and Türkiye. This development is due in part to local market conditions. Other factors included prolonged outages for maintenance in the UK and the first-time consideration of production volumes from our newly acquired Dutch power station, Magnum, which joined our fleet on 31 January 2023.

Power generation from renewables	Offshore Wind		Onshore Wind		Solar		Hydro		Biomass		Total	
GWh	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Germany	1,968	2,202	1,316	1,081	49	8	1,719	1,450	–	–	5,052	4,741
United Kingdom	8,799	7,813	1,799	1,866	–	–	185	158	398	360	11,181	10,197
Netherlands	–	–	990	892	26	26	20	15	3,467	4,285	4,503	5,218
Poland	–	–	1,255	1,153	29	2	–	–	–	–	1,284	1,155
France	–	–	321	111	–	–	–	–	–	–	321	111
Spain	–	–	963	880	254	81	–	6	–	–	1,217	967
Italy	–	–	1,022	973	–	–	–	–	–	–	1,022	973
Sweden	196	188	290	305	–	–	–	–	–	–	486	493
USA	–	–	11,423	10,330	8,118	742	–	–	–	–	19,541	11,072
Australia	–	–	–	–	476	468	–	–	–	–	476	468
Rest of the world	–	–	28	26	130	78	–	–	–	–	158	104
RWE Group	**10,963**	**10,203**	**19,407**	**17,617**	**9,082**	**1,405**	**1,924**	**1,629**	**3,865**	**4,645**	**45,241**	**35,499**

Our electricity generation from renewables rose by 27 %. The single-largest gain came from solar. This was thanks to our acquisition of US energy firm Con Edison Clean Energy Businesses as of 1 March 2023, which we have included in our reporting since then. More detailed information on this transaction can be found on page 35. In the wind business, we registered 9 % growth, which was primarily driven by more favourable weather conditions and the continued expansion of our generation capacities. 2023 was the first year our two North Sea wind farms Triton Knoll (857 MW) off the east coast of England and Kaskasi (342 MW) near Heligoland, Germany, had all their turbines online. Conversely, German offshore wind energy feed-ins had to be curtailed multiple times due to grid congestion.

In addition to our in-house generation, we procure electricity from suppliers outside of the Group. In 2023, these purchases amounted to 36,499 GWh (previous year: 43,168 GWh).

Significantly more renewable generation capacity. As of 31 December 2023, we had an installed power generation capacity of 44.4 GW, compared to 39.3 GW in the previous year. The increase was predominantly driven by our Growing Green strategy. We made significant progress thanks to the acquisition of Con Edison Clean Energy Businesses. This transaction added solar and wind farms with a total capacity of 2,726 MW and 341 MW to our portfolio, making us one of the leading renewables companies in the USA. In addition, we completed several solar and wind projects last year. Our conventional generation capacity also rose, albeit marginally. This was mainly due to the acquisition of the Dutch 1,386 MW gas-fired power station Magnum and the commissioning of the 300 MW grid stabilisation facility in Biblis. Conversely, we lost 1,336 MW in generation capacity due to the shutdown of our Emsland nuclear power plant.

By the end of 2023, renewables accounted for the largest share of our generation capacity (39 %), with gas coming in second (36 %). Our biggest source of renewable energy is wind (11.9 GW), followed by solar (4.2 GW), biomass (0.8 GW) and hydro (0.5 GW).

The geographic focus of our generation business is Germany, where 34 % of our installed capacity is located, followed by the United Kingdom in second place at 24 %. As a result of the acquisition of Con Edison Clean Energy Businesses, the USA advanced to third (20 %). Taking renewable energy capacity alone, the United States takes the lead, with 47 %.

Installed capacity[1]	Renewables		Pumped storage, batteries		Gas		Lignite		Hard coal		Nuclear		Total[2]	
As of 31 December, MW	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Offshore Wind	3,515	3,517	–	–	–	–	–	–	–	–	–	–	3,515	3,517
Onshore Wind / Solar	12,574	8,247	580	128	–	–	–	–	–	–	–	–	13,154	8,375
Hydro / Biomass / Gas	1,268	1,263	291	291[3]	15,572	13,866[3]	–	–	1,469	1,469	–	–	18,906	17,192[3]
of which:														
Germany	377	377	291	291[3]	4,127	3,827[3]	–	–	–	–	–	–	4,848	4,545[3]
United Kingdom	133	133	–	–	6,949	6,929	–	–	–	–	–	–	7,335	7,315
Netherlands	759	753	–	–	3,709	2,323	–	–	1,469	1,469	–	–	5,937	4,545
Türkiye	–	–	–	–	787	787	–	–	–	–	–	–	787	787
Coal / Nuclear	12	12	–	–	400	400	8,250	8,250	–	–	146	1,482	8,835	10,171
RWE Group[4]	**17,370**	**13,039**	**878**	**426**	**15,975**	**14,269**	**8,250**	**8,250**	**1,469**	**1,469**	**146**	**1,482**	**44,420**	**39,265**

1 Figures reported in accordance with IFRS accounting, i. e. fully consolidated activities are recognised in full, whereas activities in which we own minority shareholdings are generally not recognised.
2 Including production capacity not attributable to any of the energy sources mentioned (e. g. electricity from waste-to-energy plants).
3 Adjusted figure; generation capacities of the Hydro / Biomass / Gas segment have been reassigned to the Supply & Trading segment.
4 Including insignificant capacity at RWE Supply & Trading.

Installed capacity based on renewables[1]	Offshore Wind		Onshore Wind		Solar		Hydro		Biomass		Total	
As of 31 December, MW	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Germany	940	940	750	689	45	19	376	376	1	1	2,111	2,024
United Kingdom	2,527	2,529	802	803	–	–	78	78	55	55	3,462	3,466
Netherlands	–	–	383	383	27	21	11	11	742	742	1,163	1,157
Poland	–	–	557	497	34	17	–	–	–	–	591	514
France	–		150	82	–	–	–		–	–	150	82
Spain	–	–	496	488	143	89	–	–	–	–	639	577
Italy	–	–	473	514	–	–	–	–	–	–	473	514
Sweden	48	48	124	116	–	–	–	–	–	–	172	164
USA	–	–	4,667	3,874	3,550	321	–	–	–	–	8,217	4,195
Australia	–	–	–	–	249	249	–	–	–	–	249	249
Rest of the world	–	–	10	10	134	88	–	–	–	–	144	98
RWE Group	**3,515**	**3,517**	**8,411**	**7,455**	**4,181**	**804**	**465**	**465**	**798**	**798**	**17,370**	**13,039**

1 Figures reported in accordance with IFRS accounting, i. e. fully consolidated activities are recognised in full, whereas activities in which we own minority shareholdings are generally not recognised. Commercial rounding can result in inaccurate sum totals.

Carbon dioxide emissions down 27 %. Carbon dioxide emissions from power generation declined by 27 % to 60.6 million metric tons compared to 2022. The main reason for this was that utilisation of our coal and gas power stations was down considerably on the previous year. Specific emissions, i. e. the amount of carbon dioxide emitted per megawatt hour of electricity generated, decreased from 0.53 metric tons to 0.46 metric tons. In addition to lower generation volumes from coal, the increased usage of climate-friendly generation technologies, i. e. wind and solar, came to bear here. In contrast, the shutdown of our last German nuclear power station Emsland eliminated some of our zero-carbon generation.

CO_2 emissions of our power stations Million metric tons	2023	2022	+/–
Hydro / Biomass / Gas	18.9	24.2	-5.3
of which:			
Germany	2.2	2.4	-0.2
United Kingdom	10.2	13.9	-3.7
Netherlands	5.5	7.0	-1.5
Türkiye	1.0	0.9	0.1
Coal / Nuclear	41.7	58.8	-17.1
RWE Group	**60.6**	**83.0**	**-22.4**

48.2 million metric tons of lignite produced. We procure most of the fuel we need to generate electricity on international trading markets. However, lignite is sourced from proprietary opencast mines. In our Rhenish mining area west of Cologne, we produced 48.2 million metric tons of lignite last year. This was 17.1 million metric tons less than in 2022, owing to the marked decline in electricity generated by our lignite-fired power stations. We used the lion's share, or 40.5 million metric tons, of the mined lignite to generate electricity. The remainder went towards manufacturing refined products (e.g. lignite powder and hearth furnace coke) and, to a limited extent, to generating process steam and district heat.

Electricity sales down 18 % year on year. In fiscal 2023, we sold 159,679 GWh of electricity and 42,391 GWh of gas. These volumes are largely attributable to the company RWE Supply & Trading, which markets most of the electricity generated by our power stations externally and is responsible for the gas business. We sold 18 % less of our main product, electricity, than in 2022, which reflected the decline in generation volumes. Deliveries in the gas business rose by 7 %. This was due in part to the acquisition of renewable energy company Con Edison Clean Energy Businesses, which sells gas via a subsidiary to a limited extent. The rise was countered by a fall in demand from some of the key accounts we supply due to persistently high energy prices.

Electricity and gas revenue clearly down. Our external revenue (excluding natural gas tax / electricity tax) was down 26 %, amounting to €28,566 million. Electricity revenue dropped by 19 % to €25,082 million – largely due to a decrease in sales. Gas revenue declined by 62 % to €1,750 million, predominantly as a result of lower prices.

At 20 %, the share of our coal-related revenues was slightly higher than the previous year, although we produced much less electricity from coal, and carbon dioxide emissions decreased accordingly. This was because we realised higher prices above all from forward sales of electricity produced by our coal-fired power stations, which offset the volume effect.

External revenue[1] € million	2023	2022	+ / –
Offshore Wind	1,202	1,449	– 247
Onshore Wind / Solar	2,295	2,233	62
Hydro / Biomass / Gas	1,280	1,830	– 550
Supply & Trading	22,989	31,959	– 8,970
Other, consolidation	–	–	–
Core business	**27,766**	**37,471**	**– 9,705**
Coal / Nuclear	800	944	– 144
RWE Group	**28,566**	**38,415**	**– 9,849**
of which:			
Electricity revenue	25,082	31,076	– 5,994
Gas revenue	1,750	4,633	– 2,883

1 Excluding natural gas tax / electricity tax. Some prior-year figures restated; see commentary on page 41.

Adjusted EBITDA € million	2023	2022	+/–
Offshore Wind	1,664	1,412	252
Onshore Wind / Solar	1,248	827	421
Hydro / Biomass / Gas	3,190	2,369	821
Supply & Trading	1,578	1,161	417
Other, consolidation	–7	–210	203
Core business	**7,673**	**5,559**	**2,114**
Coal / Nuclear	705	751	–46
RWE Group	**8,378**	**6,310**	**2,068**

At €8.4 billion, adjusted EBITDA clearly exceeds expectations. Our adjusted earnings before interest, taxes, depreciation and amortisation (adjusted EBITDA) amounted to €8,378 million. This is more than we had forecast. The outlook which was drawn up in March 2023 and published on pages 63 et seq. of the 2022 Annual Report envisaged a range of €5.8 billion to €6.4 billion. We raised this forecast in July 2023 to between €7.1 billion and €7.7 billion. This new range was, again, exceeded. The fact that we performed much better than planned is due to the strong income from energy trading and commercial optimisation of power plant dispatch. Adjusted EBITDA posted by our core business amounted to €7,673 million. Our forecast in March envisaged this figure being between €4.8 billion and €5.4 billion. In the Coal / Nuclear segment, which does not form part of our core business, we recorded €705 million. We had forecast €0.8 billion to €1.2 billion.

Compared to the preceding year, our adjusted EBITDA improved by 33 %, driven in part by the aforementioned factors. What also came to bear was the impairment that we had to recognise for coal purchasing agreements with Russian producers which had weighed on 2022 earnings (see page 38 of the 2022 Annual Report). In addition, we benefited from the first-time recognition of Con Edison Clean Energy Businesses, acquired on 1 March 2023, as well as the commissioning of new wind and solar farms. Earnings contributed by German transmission system operator Amprion (RWE stake: 25.1 %) reported in 'other, consolidation' were exceptionally high due to a federal subsidy. The state funds are to cover additional expenses for system-related services, some of which have not been incurred yet.

The following developments were observed in the segments:

- **Offshore Wind:** At €1,664 million, adjusted EBITDA was within the forecast range of €1.4 billion to €1.8 billion and recorded an 18 % gain compared to 2022 (€1,412 million). Wind levels were more favourable than in the prior year, especially at our UK offshore sites. In addition, electricity volumes which are not subject to guaranteed remuneration agreements and which we traded on the forward market, sold well. Our Kaskasi wind farm (342 MW) in the North Sea increased its contribution to earnings, as this was the first full year all its turbines were online. Increased operating and development costs weighed on earnings.

- **Onshore Wind / Solar:** In this segment, adjusted EBITDA totalled €1,248 million, confirming our outlook which envisaged a range of €1.1 billion to €1.5 billion. The year-earlier figure (€827 million) was exceeded by 51 %. This was mainly due to the takeover of Con Edison Clean Energy Businesses: the company's business activities, acquired on 1 March 2023, contributed €420 million to adjusted EBITDA. Capital gains from the sale of equity holdings in Italy among other things, as well as the commissioning of new wind and solar farms had a positive effect. However, realised electricity prices failed to match 2022 levels. Furthermore, operating and development costs increased.

- **Hydro / Biomass / Gas:** Here, we registered adjusted EBITDA of €3,190 million, clearly exceeding the projected range of €1.75 billion to €2.15 billion. Due to the volatility of the energy markets, we achieved unusually high earnings from the commercial optimisation of our power plant dispatch. This was one of the reasons why adjusted EBITDA was also up on the previous year (€2,369 million). Higher margins on electricity forward sales were another contributing factor. Moreover, we realised capital gains on the sale of former plant premises.

- **Supply & Trading:** Our energy trading performance clearly exceeded expectations yet again. Adjusted EBITDA recorded by this segment totalled €1,578 million, easily surpassing the forecast range of €0.3 billion to €0.6 billion. We also registered a substantial gain compared to the previous year (€1,161 million). One particular factor reflected here is that the previous year's figure was curtailed by the aforementioned impairment of €748 million recognised for contracts relating to hard coal purchases from Russia.

- **Coal / Nuclear:** At €705 million, adjusted EBITDA was below the forecast range of €0.8 billion to €1.2 billion. During the year under review, our lignite-fired power stations were faced with less favourable market conditions than anticipated. We were therefore forced to accept a significant decline in earnings for the portion of generated power that had not been hedged in advance. This was also one of the reasons we closed fiscal 2023 down on the previous year's figure (€751 million). Prolonged planned and unplanned outages for maintenance work also came to bear. In addition, the Emsland nuclear power station only contributed to earnings until it was shut down on 15 April 2023. The fact that we sell most of our electricity forward at an early stage had a positive impact as these margins proved to be higher than in the previous year.

Adjusted EBIT € million	2023	2022	+/–
Offshore Wind	1,010	836	174
Onshore Wind / Solar	535	370	165
Hydro / Biomass / Gas	2,678	2,005	673
Supply & Trading	1,520	1,111	409
Other, consolidation	-8	-210	202
Core business	**5,735**	**4,112**	**1,623**
Coal / Nuclear	614	456	158
RWE Group	**6,349**	**4,568**	**1,781**

Adjusted EBIT 39 % up year on year. The RWE Group's adjusted EBIT advanced by €1,781 million, or 39 %, to €6,349 million. We had forecast a figure between €3.6 billion and €4.2 billion in March 2023. This substantial improvement was driven by the same factors as adjusted EBITDA. The difference between these two key figures is that operating depreciation and amortisation, which totalled €2,029 million (previous year: €1,742 million), is included in adjusted EBIT, but not in adjusted EBITDA.

Reconciliation to net income € million	2023	2022	+ / –
Adjusted EBIT	**6,349**	**4,568**	**1,781**
Adjusted financial result	– 495	– 417[1]	– 78
Non-operating result	– 1,848	– 3,436[1]	1,588
Income before tax	**4,006**	**715**	**3,291**
Taxes on income	– 2,409	2,277	– 4,686
Income	**1,597**	**2,992**	**– 1,395**
of which:			
Non-controlling interests	147	275	– 128
Net income / income attributable to RWE AG shareholders	**1,450**	**2,717**	**– 1,267**

1 Adjusted figure; see commentary on page 41.

Reconciliation to net income dominated by negative exceptional effects. The reconciliation from adjusted EBIT to net income was characterised by a notable increase in the non-operating result, which had been weighed down by significant temporary losses from the valuation of derivatives the year prior. We present the development of the reconciliation items below.

The adjusted financial result declined by €78 million to – €495 million. The rise in market interest rates triggered a number of developments, which largely netted each other out. The components of the financial result changed as follows:

- Net interest declined by €78 million. In part this was because we had to redeem more RWE bonds than in the preceding year due to new issuances. We were also faced with elevated short-term financing costs. However, we also achieved higher income on bank deposits.

Adjusted financial result € million	2023	2022	+ / –
Interest income	695	356	339
Interest expenses	– 998	– 581	– 417
Net interest	**– 303**	**– 225**	**– 78**
Interest accretion to non-current provisions	– 465	– 149	– 316
Other financial result	273	– 43[1]	316
Adjusted financial result	**– 495**	**– 417[1]**	**– 78**

1 Adjusted figure; see commentary on page 41.

- Burdens on earnings from the interest accretion to non-current provisions rose by €316 million. In addition to higher interest rates, the larger volume of provisions compared to the previous year also came to bear.

- The other financial result improved by €316 million. In the year under review, we no longer had to pay negative interest rates for our bank deposits. Furthermore, the return on our investments in money market funds increased.

Non-operating result € million	2023	2022	+/-
Adjustments to EBIT	**-1,867**	**-4,680**	**2,813**
of which:			
Disposal result	121	-	121
Effects on income from the valuation of derivatives	1,386	-4,195	5,581
Other	-3,374	-485	-2,889
Adjustments to financial result	**19**	**1,244[1]**	**-1,225**
Non-operating result	**-1,848**	**-3,436[1]**	**1,588**

1 Adjusted figure; see commentary on page 41.

The non-operating result, in which we recognise material factors which are not related to operations or the period being reviewed, amounted to -€1,848 million (previous year: -€3,436 million). Its main items developed as follows:

- The adjustments made to EBIT curtailed earnings by €1,867 million. In the prior year, we recorded a much more significant loss (-€4,680 million), which could primarily be traced back to timing effects on earnings from the valuation of derivatives. In the year under review, such effects led to income of €1,386 million. The result reported in the 'other' line item dropped to -€3,374 million. Impairments recognised for lignite units and opencast mines (-€1.1 billion) as well as for our Dutch power plants (-€0.6 billion) played a major role. They were necessary because the market conditions for these activities deteriorated. We reversed the write-backs that we had recognised last year when earnings prospects looked brighter. Increased provisions for impending losses for long-term power purchase agreements weighed on earnings. Unlike in 2022, we recorded capital gains in the non-operating result (€121 million). This was due to the sale of RWE Gas Storage CZ, on which we report on page 37.
- At €19 million, adjustments to the financial result had little impact. The previous year's figure was significantly higher due to one-off effects (€1,244 million): an increase in discount rates used to calculate mining and nuclear provisions reduced the present value of obligations, which had a positive effect on earnings.

Income before tax amounted to €4,006 million (previous year: €715 million). Taxes on income resulted in a charge of €2,409 million after the tax gain of €2,277 million in 2022. The effective tax rate for 2023 was thus 60%. This figure is significantly higher than the budgeted rate of 20% which we established, having taken account of projected income in our markets, local tax rates, and the use of loss carryforwards. The discrepancy is due to the fact that we wrote off deferred tax assets. These are claims for future tax relief resulting from differences in the recognition and/or valuation of assets and liabilities between the tax and IFRS balance sheets. Recognising them is subject to the prerequisite that taxable profits arise in future fiscal periods which allow the tax reduction to be used. This is currently not foreseeable for RWE AG's tax group. The write-downs reversed the write-backs from the previous year, when we had expected to be able to utilise the deferred taxes.

Non-controlling interests declined by €128 million to €147 million, driven mainly by reduced after-tax earnings from UK offshore wind farms in which third parties own minority shareholdings.

Our net income, which reflects income attributable to RWE shareholders, amounted to €1,450 million, which was markedly down on the previous year (€2,717 million).

Reconciliation to adjusted net income[1] € million	2023	2022	+/–
Income before financial result and taxes	4,482	–112	4,594
Adjustments to EBIT	1,867	4,680	–2,813
Adjusted EBIT	**6,349**	**4,568**	**1,781**
Financial result	–476	827	–1,303
Adjustments to financial result	–19	–1,244	1,225
Taxes on income	–2,409	2,277	–4,686
Adjustments to taxes on income to a tax rate of 20% (2023) or 15% (2022)	1,238	–2,900	4,138
Non-controlling interests	–147	–275	128
Adjusted net income	**4,536**	**3,253**	**1,283**

1 Some prior-year figures restated; see commentary on page 41.

Adjusted net income higher than expected. Adjusted net income came to €4,536 million. Due to the unexpectedly positive earnings of our operating activities, it was far above the guided range of €2.2 billion to €2.7 billion. The prior-year figure of €3,253 million was also exceeded. To calculate adjusted net income, first we deducted the non-operating result from the reconciliation statement. Then, instead of applying the actual tax rate we used the aforementioned budgeted rate of 20%.

Adjusted net income per share totalled €6.10, based on 743.8 million shares. The previous year's figure (€4.71) was calculated based on 691.2 million shares as the new shares from the conversion of the mandatory convertible bond issued to Qatar Holding on 10 October 2022 were taken into account on a prorated basis as per IFRS.

Capital expenditure on property, plant and equipment and on intangible assets[1] € million	2023	2022	+/–
Offshore Wind	1,349	1,029	320
Onshore Wind / Solar	2,709	1,580	1,129
Hydro / Biomass / Gas	610	424	186
Supply & Trading	151	42	109
Other, consolidation	–	–	–
Core business	**4,819**	**3,075**	**1,744**
Coal / Nuclear	327	228	99
RWE Group	**5,146**	**3,303**	**1,843**

1 Table only shows cash investments.

Capital expenditure on financial assets and acquisitions[1] € million	2023	2022	+/–
Offshore Wind	133	847	–714
Onshore Wind / Solar	4,173	256	3,917
Hydro / Biomass / Gas	431	68	363
Supply & Trading	95	9	86
Other, consolidation	–	1	–1
Core business	**4,832**	**1,181**	**3,651**
Coal / Nuclear	1	–	1
RWE Group	**4,833**	**1,181**	**3,652**

1 Table only shows cash investments.

Marked increase in capital expenditure on renewable energy. In the past fiscal year, our capital spending totalled €9,979 million, which is more than twice as much as in 2022 (€4,484 million). 69 % of the funds were used for our Onshore Wind / Solar segment, 15 % went to Offshore Wind and 10 % was allocated to Hydro / Biomass / Gas.

We spent €5,146 million on property, plant and equipment and intangible assets (previous year: €3,303 million). Wind and solar projects in Europe and the USA received the bulk of these funds. The single-largest expenditure item was the construction of the Sofia offshore wind farm in the British North Sea. We also invested in the establishment of LNG and hydrogen infrastructure in Germany.

Our capex on acquisitions and financial assets was exceptionally high, totalling €4,833 million (previous year: €1,181 million). We used the lion's share of this sum to acquire Con Edison Clean Energy Businesses. Additional funds were dedicated to financing the acquisition of UK solar developer JBM Solar and Dutch gas-fired power plant Magnum. We have provided information on these transactions on page 35 et seqq.

In the year under review, 89 % of our capital expenditure was taxonomy-aligned, meaning that these funds were spent on projects classified as sustainable according to the EU Taxonomy Regulation. This proportion was higher than in 2022 (83 %), which was attributable to the acquisition of Con Edison Clean Energy Businesses. This percentage is based on total capital expenditure of €11,997 million. The amount differs from the above figure (€9,979 million) because non-cash transactions are also taxonomy-relevant and we consider the resulting additions to assets rather than associated acquisition expenditure.

Workforce[1]	31 Dec 2023	31 Dec 2022	+ / –
Offshore Wind	2,388	1,663	725
Onshore Wind / Solar	3,392	2,509	883
Hydro / Biomass / Gas	3,196	2,691	505
Supply & Trading	1,971	1,965	6
Other[2]	544	499	45
Core business	**11,491**	**9,327**	**2,164**
Coal / Nuclear	8,644	8,983	– 339
RWE Group	**20,135**	**18.310**	**1,825**

1 Converted to full-time equivalents.
2 This item exclusively comprises employees of the holding company RWE AG.

Headcount significantly higher thanks to green growth. As of 31 December 2023, the RWE Group had 20,135 people on its payroll, of which 13,385 were employed in Germany and 6,750 worked abroad. These figures are full-time equivalents, meaning that part-time positions are considered on a pro-rata basis. Headcount grew significantly compared to the end of 2022, rising by 1,825 full-time equivalents at the Group level and by as many as 2,164 in the core business. The acquisition of Con Edison Clean Energy Businesses (+ 471) played a major role. Furthermore, our growth projects created new jobs, above all in the renewable energy and hydrogen business. The sale of the Czech gas storage business had a counteracting effect (– 261). The increase in personnel in the core business was contrasted by a decline in the Coal / Nuclear segment (– 339) where our employees accepted partial and early retirement offers, many doing so as part of the German coal phaseout.

Personnel figures do not include apprentices. At the end of 2023, 707 young people were learning a profession at RWE, compared to 742 in the previous year.

2.7 Financial position and net worth

Companies with ambitious growth targets are particularly reliant on solid financial positioning. RWE has this base covered. Our financial needs are largely covered using cash flow from operating activities, which totalled €4.2 billion in 2023. This was notably higher than last year's level – in part due to our strong earnings. These cash flows ensure net debt remains at a moderate level, despite significant investment. Our leverage factor, i. e. the ratio of net debt to adjusted EBITDA in our core business, reached 0.9 in the year under review. It remained well below 3.0, which is the upper threshold we have set for this key figure.

How we procure funds. Our ambitious growth strategy means that we require significant financial resources to be available long term. However at times, we also need substantial liquidity at short notice, for example as collateral for commodity futures. RWE's most important source of financing is our cash flows from operating activities. We are also financed by debt capital and rely on the following tools to this end:

- Our Debt Issuance Programme (DIP) gives us latitude in raising debt capital for the long term. It currently allows us to issue senior bonds with a total face value of up to €10 billion. In 2023 and early 2024, we issued bonds totalling €1.5 billion within the framework of our DIP. By late February 2024, we had used €6.6 billion of our debt issuance headroom. Our two hybrid bonds are not part of the programme. We plan to bolster our DIP to ensure long-term access to the necessary debt capital to fund our growth investments.

- We utilise two commercial paper programmes for our short-term financing: one is European (ECP) and the other is American (USCP). We have used our US Commercial Paper Programme since February 2023. Our ECP allows us to raise up to €5 billion in funds on the European money market. The USCP enables us to source up to US$3 billion from investors in the USA. During the year under review, the volume of commercial paper still outstanding intermittently reached up to €2.7 billion (ECP) and US$1.4 billion (USCP).

- To secure our liquidity, we can also access three syndicated credit lines totalling €10 billion, which are extended by a consortium of 35 international banks. The first two credit lines, one of €3 billion and one of €2 billion, were secured in 2019 and 2022, respectively. They are due to expire in April 2026. The third line of credit was granted in July 2023 to give us more financial leeway when securing commodity forward transactions. It has a volume of €5 billion and is due to expire after a year. However, we reserve the right to extend its term twice by six months per extension. At our request, the conditions of all three credit lines are linked to sustainability criteria. Among other things, the conditions depend on the development of the following three indicators: the share of renewables in RWE's generation portfolio, the CO_2 intensity of our plants and the percentage of our capex that is classified as sustainable in accordance with the EU Taxonomy Regulation. We have set goals for all three of these criteria. If we do not achieve them, we would be required to pay higher interest and commitment fees. Half of the additional expenses would be directed to non-profit organisations.

Cash flow statement € million	2023	2022	+ / –
Funds from operations	4,257	5,306	– 1,049
Change in working capital	– 22	– 2,900	2,878
Cash flows from operating activities	**4,235**	**2,406**	**1,829**
Cash flows from investing activities	**– 2,810**	**– 9,892**	**7,082**
Cash flows from financing activities	**– 1,557**	**8,615**	**– 10,172**
Effects of changes in foreign exchange rates and other changes in value on cash and cash equivalents	61	34	27
Total net changes in cash and cash equivalents	**– 71**	**1,163**	**– 1,234**
Cash flows from operating activities	4,235	2,406	1,829
Minus capital expenditure	– 9,979	– 4,484	– 5,495
Plus proceeds from divestitures / asset disposals	1,162	110	1,052
Free cash flow	**– 4,582**	**– 1,968**	**– 2,614**

At €4.2 billion, operating cash flow significantly higher than last year. Cash flows from operating activities are the RWE Group's most important source of finance. This item amounted to €4,235 million in 2023, which was significantly higher than last year (€2,406 million). The increase was partly attributable to improved operational earnings. In addition, we paid much lower variation margins for commodity derivatives compared to 2022. These margins are sureties for exchange-traded futures contracts pledged during the term of the contracts. Challenges that had weighed on liquidity in our gas business in 2022 did not reoccur in the year under review: due to the gas supply uncertainties triggered by the outbreak of the war in Ukraine, we had injected more gas into storage than we extracted from it, and at times paid extremely high prices for these gas purchases. Cash flow also increased in December 2023 when the German government paid the first instalments of our compensation for the lignite phaseout. However, we saw significant counteractive effects from the rising cost of CO_2 emissions certificates.

Investing activities resulted in cash outflows of €2,810 million (previous year: €9,892 million). This was largely due to significant spending on property, plant, equipment, financial assets and acquisitions. Proceeds from sales of securities, however, helped partially offset these sums.

Our financing activities also gave rise to liquidity outflows, namely in the amount of €1,557 million (previous year: inflows of €8,615 billion), partially due to our decision to settle a large portion of our short-term bank debt and commercial paper. Dividend payments to RWE shareholders and minority shareholders came to €943 million (previous year: €913 million). Conversely, we saw significant inflows from initial margins and collaterals. Unlike variation margins, these sureties are reported in cash flows from financing activities. The two €0.5 billion green bonds we issued in February 2023 also improved cash flow.

On balance, the aforementioned cash flows from operating, investing and financing activities decreased our cash and cash equivalents by €71 million.

Cash flows from operating activities, less capital expenditure, plus proceeds from divestments and asset disposals, results in free cash flow. This indicator dropped by €2,614 million to – €4,582 million.

Net debt / net cash[1] € million	31 Dec 2023	31 Dec 2022	+/-
Cash and cash equivalents	6,917	6,988	-71
Marketable securities	8,114	13,730	-5,616
Other financial assets	2,529	8,543	-6,014
Financial assets	**17,560**	**29,261**	**-11,701**
Bonds, other notes payable, bank debt, commercial paper	-11,749	-15,621	3,872
Hedging of bond currency risk	-2	8	-10
Other financial liabilities	-5,278	-5,382	104
Minus 50% of the hybrid capital stated as debt	294	299	-5
Financial liabilities	**-16,735**	**-20,696**	**3,961**
Net financial assets	**825**	**8,565**	**-7,740**
Provisions from pensions and similar obligations	-1,324	-900	-424
Surplus of plan assets over benefit obligations	509	680	-171
Provisions for nuclear waste management	-5,384	-5,704	320
Provisions for dismantling wind and solar farms	-1,213	-1,011	-202
Net debt (–) / net cash (+)	**-6,587**	**1,630**	**-8,217**

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 which has not yet been settled.

Net debt amounts to €6.6 billion. In the consolidated financial statements as at 31 December 2023, we report net debt of €6,587 million, having recorded net cash in the amount of €1,630 million at the end of 2022. This change is largely attributable to the acquisition of Con Edison Clean Energy Businesses. In all, investments in property, plant and equipment (€5.1 billion) and dividend payments (€0.9 billion) were higher than operating cash inflows, which had a debt-increasing effect. Pension provisions also increased.

Leverage factor of 0.9 significantly below our set cap. One of our key management parameters is the ratio of net debt to the adjusted EBITDA of the core business, also referred to as the leverage factor. We set the upper limit for the leverage factor at 3.0 in order to secure our financial flexibility. On the balance-sheet date, this indicator stood at 0.9, i.e. significantly below this upper threshold. However, in future our debt ratio is likely to be higher, above all due to growth investments in our green core business, which we will finance using debt capital.

Notably reduced off-balance-sheet obligations from fuel purchases. Net debt does not include our off-balance-sheet obligations, which largely stem from long-term purchase agreements for commodities. As of the balance-sheet date, our payment obligations from key fuel procurement contracts amounted to €3.9 billion (previous year: €4.5 billion). In relation to electricity procurement, they totalled €5.6 billion (previous year: €7.2 billion). The figures are based on assumptions regarding the prospective development of commodity prices. Our contractual commitments for the acquisition of property, plant and equipment amounted to €8.1 billion compared to €5.7 billion last year. Further off-balance-sheet obligations result, inter alia, from liabilities for pension commitments that employees of our former subsidiary innogy had earned up to its IPO in 2016.

Group balance sheet structure	31 Dec 2023		31 Dec 2022	
	€ million	%	€ million	%
Assets				
Non-current assets	52,502	49.3	42,286	30.5
of which:				
Intangible assets	9,787	9.2	5,668	4.1
Property, plant and equipment	28,809	27.1	23,749	17.1
Current assets	53,992	50.7	96,262	69.5
of which:				
Trade accounts receivable	7,607	7.1	9,946	7.2
Derivatives, other receivables and other assets	29,474	27.7	61,035	44.1
Marketable securities	7,724	7.3	13,468	9.7
Assets held for sale	–	–	619	0.4
Total	**106,494**	**100.0**	**138,548**	**100.0**

	31 Dec 2023		31 Dec 2022	
	€ million	%	€ million	%
Equity and liabilities				
Equity	33,140	31.1	29,279	21.1
Non-current liabilities	39,085	36.7	29,584	21.4
of which:				
Provisions	17,431	16.4	15,595	11.3
Financial liabilities	14,064	13.2	9,789	7.1
Current liabilities	34,269	32.2	79,685	57.5
of which:				
Provisions	6,815	6.4	6,489	4.7
Financial liabilities	2,964	2.8	11,214	8.1
Trade accounts payable	5,114	4.8	7,464	5.4
Derivatives and other liabilities	19,376	18.2	54,518	39.3
Liabilities held for sale	–	–	–	–
Total	**106,494**	**100.0**	**138,548**	**100.0**

Equity ratio improves significantly to 31 %. In the 2023 consolidated financial statements, we reported total assets of €106.5 billion compared to €138.5 billion in last year's financial statements. This change was largely driven by the decline in the value of commodity derivatives: they fell by €25.3 billion to €23.3 billion on the assets side of the balance sheet and by €35.2 billion to €17.1 billion on the equity and liabilities side. In addition, our marketable securities portfolio decreased by €5.7 billion. Intangible assets and property, plant and equipment conversely grew by €9.2 billion, which was in part due to the acquisition of Con Edison Clean Energy Businesses. Equity increased by €3.9 billion to €33.1 billion. Its share in the balance sheet total (equity ratio) was 31.1 % and thus 10.0 percentage points higher than at the end of the previous year.

2.8 Notes to the financial statements of RWE AG (holding company)

At €1.3 billion, RWE AG's net profit for the past year remained largely unchanged compared to 2022. Profit transfers by the subsidiaries increased significantly. However, a write-back we reported last year did not recur, which had a dampening effect. Distributable profit amounted to €744 million, which corresponds to the intended distribution to RWE shareholders: we plan to propose a dividend of €1.00 per share to the Annual General Meeting taking place in May 2024.

Balance sheet of RWE AG (abridged) € million	31 Dec 2023	31 Dec 2022	+/-
Assets			
Financial assets	19,239	19,174	65
Accounts receivable from affiliated companies	32,143	24,052	8,091
Other accounts receivable and other assets	526	306	220
Marketable securities and cash and cash equivalents	11,918	15,713	-3,795
Total assets	**63,826**	**59,245**	**4,581**
Equity and liabilities			
Equity	12,133	9,091	3,042
Provisions	2,608	3,067	-459
Accounts payable to affiliated companies	40,589	35,857	4,732
Other liabilities	8,496	11,230	-2,734
Total equity and liabilities	**63,826**	**59,245**	**4,581**

Income statement of RWE AG (abridged) € million	2023	2022	+/-
Income from financial assets	1,392	1,202	190
Net interest	-356	-803	447
Other income and expenses	-3	818	-821
Taxes on income	252	118	134
Net profit	**1,285**	**1,335**	**-50**
Transfer to other retained earnings	-541	-665	124
Distributable profit	**744**	**670**	**74**

Financial statements in accordance with German commercial law. RWE AG prepares its financial statements in compliance with the rules set out in the German Commercial Code and the German Stock Corporation Act. The financial statements are submitted to Bundesanzeiger Verlag GmbH, located in Cologne, Germany, which publishes them in the Company Register. They can also be downloaded from www.rwe.com/financial-reports.

Net worth. RWE's annual financial statements dated 31 December 2023 record €63.8 billion in total assets (previous year: €59.2 billion). The increase is largely attributable to the rise registered by accounts receivable and payable to affiliated companies. However, there were also factors that weighed on total assets: on the assets side of the balance sheet, marketable securities and cash and cash equivalents dropped, as did commercial paper and accounts payable to credit institutes on the equity and liabilities side. RWE AG's equity amounted to €12.1 billion, registering a rise of €3.0 billion over the previous year's figure. Its share of total assets rose by 3.7 percent to 19.0%. This was largely due to the increase in capital due to the issuance of the mandatory convertible bond to Qatar Holding in 2022. The bond had already been reported with an equity-raising effect in the IFRS consolidated financial statements upon issue. However, in accordance with German commercial law, this was only possible for the financial statements once the bond had been converted into RWE shares in 2023.

Financial position. RWE AG has a solid economic position with high levels of cash and cash equivalents and a number of financing tools at its disposal that it can use flexibly. Our long-term credit ratings from Moody's (Baa2) and Fitch (BBB+) are classified as investment grade. Last year, both these rating agencies reaffirmed their positive assessments. Detailed information on RWE's financial situation is available on page 54 et seqq.

Earnings position. RWE AG's earnings position remains largely unchanged compared to 2022. The individual items on the income statement developed as follows:

- Income from financial assets rose by €190 million to €1,392 million. The main contributing factor here was the exceptional performance of RWE Supply & Trading. RWE Nuclear also contributed to earnings following a weak 2022. Conversely, RWE Power and RWE Generation closed the year with a loss. Earnings were also impacted by the fact that the positive effect of significant write-backs we recognised in 2022 for RWE Power did not recur in 2023.

- Net interest improved by €447 million to – €356 million. This was in part due to a rise in capital gains from the management of fund assets used to cover our pension obligations.

- Other income and expenses amounted to – €3 million, falling significantly short of last year's figure (€818 million) which had been exceptionally high due to write-backs recognised for receivables against a subsidiary.

- The presented earnings figures and tax income of €252 million (previous year: €118 million) result in a net profit of €1,285 million. This is €50 million less than in 2022.

- Distributable profit came to €744 million. This figure corresponds to the intended payment of a dividend of €1.00 per share to our shareholders.

Outlook for 2024. RWE AG's earnings position in the current fiscal year will largely depend on the business performance of its subsidiaries. Our current assessment makes us confident that net profit in 2024 will provide the necessary headroom for the intended dividend of €1.10 per share.

Corporate governance declaration in accordance with Sections 289f and 315d of the German Commercial Code. On 15 February 2024, the Executive Board and the Supervisory Board of RWE AG issued its Corporate Governance Declaration in accordance with Sections 289f and 315d of the German Commercial Code. The declaration contains the Corporate Governance Report and has been published at www.rwe.com/corporate-governance-declaration.

2.9 Outlook

In the current fiscal year, we do not expect to match the very good earnings achieved in 2023. We communicated our guidance at a Capital Markets Day last November. This forecast remains unchanged. It envisages adjusted EBITDA of the core business within a range of €5.2 billion to €5.8 billion. Due to the recent significant drop in prices on the wholesale electricity market, we currently expect a figure at the lower end of the range. The same applies to adjusted net income of the core business, which we anticipate will amount to between €1.9 billion and €2.4 billion. Income from energy trading and the commercial optimisation of power plant dispatch is likely to come in clearly below the high level recorded in 2023. Conversely, we anticipate positive stimulus from the commissioning of new wind and solar farms.

Subdued economic prospects in RWE's core markets. Economic developments in our markets remain overshadowed by geopolitical uncertainty. Moreover, high rates of inflation limit latitude to loosen monetary policy. The German Council of Economic Experts (GCEE) forecasts global growth of some 2 % for the year underway (source: Annual Report 2023 / 2024 of the GCEE). Based on this assessment, Germany's gross domestic product will rise by a mere 0.7 %. The Council expects the UK economy to expand by about 0.5 %, with the Netherlands registering about 1 % growth. The outlook for the United States of America is slightly more favourable, as the Council predicts the country posting a gain of 1.5 %.

Electricity demand expected to recover. Our expectations regarding this year's electricity consumption are based on the economic outlook set out above among other things. Demand for electricity in our core markets Germany, the United Kingdom, the Netherlands and the USA should trend back upward slightly after the declines witnessed last year.

Adjustment in reporting on phaseout technologies. We changed the way we report on our coal and nuclear business with effect from 1 January 2024. Moving forward, we will no longer assign earnings from these activities to adjusted EBITDA, but to the non-operating result. The Coal / Nuclear segment, in which these activities are pooled, has been renamed 'Phaseout Technologies'. It no longer includes RWE's stakes in URANIT (50 %) and Dutch nuclear power plant operator EPZ (30 %). We have allocated the former to 'Other, consolidation' and the latter to the Hydro / Biomass / Gas segment, which has been renamed 'Flexible Generation'. The change in reporting reflects the way in which we manage the phaseout technologies, which is largely based on operational cash flows less capital expenditure. We will present the financial development of these technologies based on adjusted cash flow going forward. To ensure comparability, we will also apply the new method to figures from the previous year in our 2024 financial reporting.

November 2023 earnings forecast will probably just be met. Over the current fiscal year, our operating result will most likely remain far below the high level recorded in 2023. We forecast €5.2 billion to €5.8 billion for adjusted EBITDA in the core business on the Capital Markets Day on 28 November 2023. We confirm this. However, we expect this figure to close the year at the lower end of the guidance. This is because power prices have dropped considerably in the last few months. In 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 decline in earnings compared to 2023 is based on the expectation that the trading performance, generation margins and income from the commercial optimisation of power plant dispatch will fall short of the high levels achieved last year. We expect positive effects from the commissioning of new wind farms, solar parks and battery storage solutions.

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[2]	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 Figures partially restated; see explanation on page 60.
2 Segment renamed; previously: Hydro / Biomass / Gas.

Our outlook broken down by segment is as follows:

- **Offshore Wind:** Our guided range for adjusted EBITDA in Offshore Wind is from €1.45 billion to €1.85 billion. We believe a figure in the lower half is highly likely, owing to the recent development of electricity prices. This would represent a decline year on year. The main contributing factors are lower realised prices for volumes that were sold on the electricity forward market.

- **Onshore Wind / Solar:** We expect adjusted EBITDA in this segment to close the year between €1.5 billion and €1.9 billion. As some of our generation in this segment will also be impacted by the subdued market prices, we believe a figure in the lower half of the range is highly likely. Nevertheless, this would represent a substantial gain year on year. We expect positive effects from the commissioning of new generation assets. In addition, the activities of Con Edison Clean Energy Businesses, which we acquired as of 1 March 2023, will contribute a full twelve months of earnings for the first time.

- **Flexible Generation:** We expect the renamed segment, which encompasses the Hydro / Biomass / Gas activities and the 30 % shareholding in EPZ, to post adjusted EBITDA at the lower end of the forecast range of €1.8 billion to €2.2 billion. This would represent a significant decline in earnings compared to 2023. The main reasons for this are lower realised margins on electricity forward sales and reduced income from the commercial optimisation of power plant dispatch. However, we will receive slightly higher payments under the British capacity market scheme.

- **Supply & Trading:** Assuming a normal business trend, adjusted EBITDA should total between €0.1 billion and €0.5 billion, falling far short of last year's very high level.

Phaseout Technologies: As set out on page 60, we manage our coal and nuclear activities based on adjusted cash flow. This figure is calculated by deducting net capital expenditure from operating cash flows. We expect Phaseout Technologies to achieve adjusted cash flow of between €0.3 billion and €0.6 billion in 2024. The pro-forma figure for the previous year was €117 million.

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). Our main areas of investment are wind, solar and battery projects in Europe and the USA. Substantial funds have been earmarked for the construction of the Sofia (United Kingdom) and Thor (Denmark) wind farms in the North Sea.

Leverage factor likely to be well below the 3.0 cap. 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 factor is likely to increase in 2024 due to our significant growth investments. However, it is expected to remain well below the aforementioned cap.

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 proposed for 2023.

2.10 Development of risks and opportunities

The risk situation of RWE is largely defined by potential changes to the regulatory context. The future development of energy prices is also of great importance to our business, particularly the recent sharp drop in wholesale market prices. Companies such as RWE need to recognise their various risks and prepare for them. We do so with the help of a professional control and risk management system, which we will elaborate on in the following chapter.

RWE's control and risk management system. Our internal control and risk management system provides a solid methodological basis for the early detection, assessment and management of business-related risks. It also helps us identify and leverage opportunities. Our analyses and actions primarily relate to events that impact the success of our business, while also taking sustainability matters of material relevance to us into consideration. To ensure our financial reporting is accurate and reliable, we use an accounting-related internal control system (see pages 70 et seq.). We also rely on a compliance management system (CMS), designed to ensure compliance with the regulations and standards applicable to RWE (see page 71).

Internal Audit regularly verifies the quality and functionality of our control and risk management system. Such assessments were again carried out in 2023 and gave no cause to doubt the appropriateness and effectiveness of our control and risk management system. The Executive Board of RWE AG confirmed the Group's risk bearing capacity by way of a resolution dated 24 November 2023.

Distribution of risk management tasks. Responsibility for risk and opportunity management within the Group lies with the parent company RWE AG. Its Executive Board monitors and manages the Group's overall risk. In addition, it determines the general risk appetite of RWE and defines upper limits for single risk positions. At the level below the Executive Board, the Controlling & Risk Management department has the task of applying and constantly refining the risk management system. It derives detailed limits for the individual business fields and operating units from the risk thresholds set by the Executive Board. Its tasks also include checking that the risks have been identified in full and are plausible before aggregating them. In so doing, it receives support from the Risk Management Committee, which is composed of the heads of the following five RWE AG departments: (1) Controlling & Risk Management (Chair), (2) Finance & Credit Risk, (3) Accounting, (4) Legal, Compliance & Insurance, and (5) Strategy & Sustainability. The Controlling & Risk Management department provides the Executive Board and the Supervisory Board of RWE AG with regular reports on the company's risk exposure.

A number of additional organisational units and committees have been entrusted with risk management tasks:

- The Group's financial and credit risks are managed by the Finance & Credit Risk department of RWE AG.

- Accounting ensures that financial reporting is free of material misstatements. It uses the aforementioned accounting-related internal control system for this purpose. A committee consisting of officers from Accounting and other departments relevant to accounting assists in securing the quality of our financial reporting.

- To prevent violations of laws and other norms, we have established a compliance management system, overseen by the Chief Compliance Officer. We also employ Group compliance officers, who dedicate their time to ensuring Group-wide rules and regulations are implemented uniformly.

- Risks from changes in commodity prices are monitored by RWE Supply & Trading. This company not only manages these risks in relation to energy trading but also with regard to electricity generation and our gas business.

- The Commodity Strategy Group is responsible for the strategic management of the commodity positions we take in relation to our power generation activities. RWE AG is represented by the Chief Executive Officer, the Chief Financial Officer and the Head of Controlling & Risk Management. The managing directors of RWE Supply & Trading are also represented in the committee.

- The Commodity Management Committee is responsible for implementing the risk management strategies developed by the aforementioned committee. This expert panel consists of the Chief Financial Officer of RWE AG, the managing directors of RWE Supply & Trading and a representative of the Controlling & Risk Management department.

- Risks relating to data confidentiality, integrity and availability (information security) and the security of IT systems are overseen by the Group Cyber Security department of RWE AG. It analyses risk exposure and sees to it that our Group companies implement necessary safeguards.

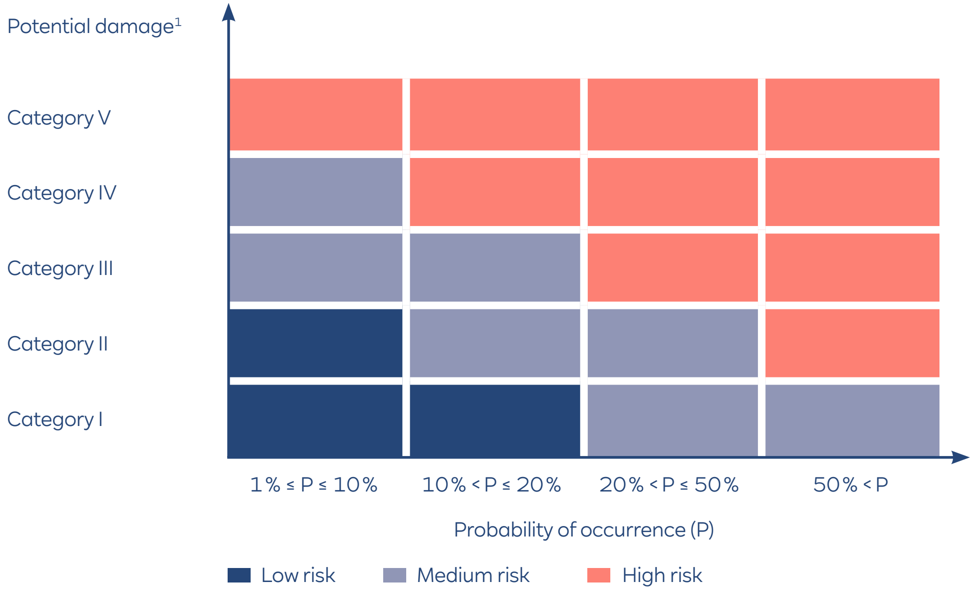
Under the expert management of the aforementioned organisational units, RWE AG and its subsidiaries are responsible for identifying risks early, assessing them correctly and managing them in accordance with corporate standards.

Risk identification and assessment. Risks and opportunities are defined as negative or positive deviations from expected figures. Their management is an integral and continuous part of our operating processes. We assess risks every six months, using a bottom-up analysis. We also monitor risk exposure between the regular survey dates. The Executive Board of RWE AG is immediately notified of any material changes. The executive and supervisory bodies are updated on the Group's risks once a quarter.

Our risk analysis normally covers the three-year horizon of our medium-term plan, but can extend beyond that in individual cases. We measure the potential damage based on the possible effects on net income, liquidity, net debt and equity. The key indicator which is most impacted determines the risk classification, taking hedges into account.

We display the material risks using a matrix (see next page). They are categorised by potential damage and probability of occurrence. Where possible, we aggregate risks that share the same cause to one single risk. To clearly assign them to the matrix fields, we have established damage potential thresholds, which are oriented towards the RWE Group's ability to bear risks. They are presented in the table below the matrix. Depending on their position in the matrix, we distinguish between low, medium and high risks. Through this systematic risk identification, we determine whether there is a need for action and – if so – initiate measures to mitigate the risks.

RWE risk matrix



Potential damage[1] € million	**Earnings risks** Potential impact on net income (X)	**Indebtedness / equity risks** Potential impact on liquidity, net debt and / or equity (Y)
Category V	8,000 ≤ X	8,000 ≤ Y
Category IV	1,500 ≤ X < 8,000	4,000 ≤ Y < 8,000
Category III	600 ≤ X < 1,500	2,000 ≤ Y < 4,000
Category II	300 ≤ X < 600	1,000 ≤ Y < 2,000
Category I	X < 300	Y < 1,000

1 Aggregated over the planning horizon.

Risk classes	Classification of the highest single risk	
	February 2024	March 2023
Market risks	High	High
Regulatory and political risks	High	High
Legal risks	Low	Low
Operational risks	Medium	Medium
Financial risks	Medium	Medium
Creditworthiness of business partners	Medium	Medium
Other risks	Low	Low

Main risks for the RWE Group. Depending on their causes, our risks can be divided into seven classes, which are shown in the table above. The highest individual risk determines the classification of the risk of the entire risk class. Our classification reflects the situation in February 2024. The assessment has remained unchanged since March last year, as presented in the 2022 Annual Report on page 67 et seqq.

Market risks along with regulatory and political risks continue to be the only classes which we have classified as 'high'. We currently see ourselves particularly exposed to political uncertainties resulting from the upcoming elections in Europe and the USA. Depending on the outcome, both regions could yet review their energy and climate policies. This would have an impact on our business and our investment plans, in particular. Our most apparent market risks pertain to the development of wholesale electricity prices. Most recently, wholesale quotations were in significant decline. We have therefore had to carry out downward revaluations on the margin forecasts of a portion our generation portfolio. If prices continue to stagnate, we expect this to further weigh on the business.

In this section, we provide commentary on the main risks and opportunities we have identified for the current fiscal year and the following two years. We will also explain the measures we take to counter the threat of negative developments.

- **Market risks.** In most of the countries in which we are active, the energy sector is characterised by the free formation of prices. This gives rise to opportunities as well as risks. The supply situation in Europe has relaxed despite the considerable reduction in Russian fuel imports. Quotations on our most important European electricity markets have therefore fallen significantly short of the record highs seen in 2022. Weak economic growth caused energy prices to drop further than we had anticipated. Margins realised for a portion of our generation portfolio in 2024 have therefore been lower than anticipated. If electricity prices stagnate at a low level, this would further dampen our earnings prospects, particularly for the coming years. This would not only affect power stations, but would also impact renewable assets which generate electricity that is then sold at market conditions. However, there is also a chance that the economy will recover, pushing electricity prices up.

  We assess the price risks to which we are exposed on the markets taking account of current forward prices and expected volatility. For our power plants and parts of our renewable energy portfolio, we limit the earnings risks by hedging a significant portion of the electricity. We also secure the prices of fuel and CO_2 emission allowances needed to produce power. However, by selling electricity forward, we run the risk of having to make expensive purchases on the market to fulfil supply commitments in the event of production outages or non-delivery of fuel. In addition, collateralising forward contracts can lead to significant temporary cash outflows. We address this risk when deciding how much power to hedge.

RWE Supply & Trading plays a central role when it comes to managing commodity price risks. It functions as the Group's interface to the global wholesale markets for electricity and energy commodities. On behalf of our power generation companies, RWE Supply & Trading markets large portions of our electricity output and purchases the necessary fuels and CO_2 certificates. In compliance with risk thresholds, the company also takes commodity positions to achieve a profit.

Our risk management system for energy trading is aligned with the best practice standards as applied to the trading businesses of banks. As part of this, we only conclude transactions if the associated risks are within approved limits. Our commodity positions are constantly monitored. Risks from trades conducted by RWE Supply & Trading for its own account are monitored daily.

The Value at Risk (VaR) is of central importance for risk measurement in trading. It specifies the maximum loss from a risk position not exceeded with a given probability over a certain planning horizon. In the Group we generally base our VaR figures on a confidence interval of 95 % – with a holding period of one day. This means that, with a probability of 95 %, the daily loss will not exceed the VaR. The VaR for the price risks of commodity positions in the trading business must adhere to a €60 million ceiling. In the year under review, the actual daily figures were usually significantly lower. They averaged €16 million.

In addition, limits derived from the VaR thresholds have been set for each individual trading desk. Furthermore, we develop extreme scenarios and factor them into stress tests, determine their consequences for earnings and take countermeasures if we deem the risks to be too high.

The management of our gas portfolio and LNG business is pooled in a dedicated organisational unit at RWE Supply & Trading. These activities are also subject to a daily VaR cap, which is set at €40 million. The actual average VaR for 2023 was €13 million.

We also use financial instruments to hedge our commodity positions. In the consolidated financial statements, we present these instruments, inter alia, through the statement of on-balance-sheet hedges. We take the same approach to financial instruments serving the purpose of limiting interest rate and currency risks. More detailed information on this can be found on pages 139 and 192 et seqq. in the Notes.

- **Regulatory and political risks.** Most countries in which we are active have set their sights on ambitious climate protection goals. Having designed our business model around the energy transition, our company is now able to leverage a range of opportunities for growth. We are cutting our CO_2 emissions whilst contributing to security of supply. By doing so, we ensure that regulatory intervention to improve climate protection does not disrupt our business.

Despite the growing proportion of carbon-free and low-carbon technologies in our generation portfolio, we see ourselves exposed to a range of regulatory and political risks. These result, not least, from our ambitious growth plans. Projects we are planning to invest in could become less attractive if the regulatory framework were to deteriorate. We would then possibly have to put these projects on hold and write off any investments already made. The upcoming elections in the EU, the UK and the USA could trigger a redesign of energy and climate policy in these regions. It is possible that the framework for the delivery of our growth strategy could worsen. However, there is also a chance that politicians continue to expand on the regulatory framework for green investments, making it more attractive. One example is the planned European electricity market reform, which is designed to drive renewables expansion and help the EU become independent of Russian fuel imports (see page 30). One focal point of the reform is to promote the use of contracts for difference or capacity payments, which make the earnings for environmentally friendly generation technologies more predictable.

The fact that Brussels' electricity market reform leaves no room for a reintroduction of the extraordinary levy on electricity generators' revenues and will not change the market design is encouraging. Fears that the EU could curtail or revoke the price formation mechanism on the electricity market have proven to be unfounded. This has reduced our risk exposure.

One significant barrier to the creation of a green energy infrastructure can prove to be political limitations on international supply chains. Examples include the USA's anti-dumping levies and bans, which complicate or block solar module imports from Asia. We therefore take particular care when selecting our suppliers and are focusing on identifying local sources.

Our 2022 agreement with the Federal government and the state of North Rhine-Westphalia to bring our exit from lignite forward to 2030 has given us planning security for the future in this part of our business. As set out on page 39, the European Commission approved €2.6 billion in compensation in December 2023 which we are legally and contractually entitled to for the coal phaseout. The only outstanding risks relate to possible claims being filed, which in our view would be factually unfounded. We are also entitled to compensation in the Netherlands. In September 2023 it was set at €332 million by the government, but is still pending the green light from the EU. It will be paid to us for a statutory limitation on electricity generation from hard coal in the first half of 2022, which was abolished early due to the Ukraine crisis (see page 39).

In energy trading, there is risk of stricter regulatory hurdles that limit the scope for transactions or give rise to additional costs. Economic sanctions, similar to those in place against Russia, can also restrict trade. Major losses can result from our failure to honour contracts. Furthermore, we have to be prepared for our contractual parties making claims for damages and our becoming involved in litigation.

Dismantling decommissioned power stations is also associated with regulatory risks, particularly in relation to nuclear energy. Stricter legal or regulatory requirements can lead to unexpectedly high expenditure. There is also potential to make better progress than expected and to achieve cost savings.

The present regulatory environment also exposes us to risks, for instance, in relation to approvals for constructing and operating production facilities. This particularly affects our opencast mines, power stations and wind and solar farms. The danger here is that approvals are granted late or not at all and that granted approvals are withdrawn temporarily or permanently. Furthermore, delays in the transfer of land that has been assigned to us for lignite mining are also possible.

- **Legal risks.** Individual RWE Group companies are involved in litigation and arbitration proceedings due to their operations or M&A transactions. Out-of-court claims are sometimes filed against some of them. Furthermore, Group companies are directly involved in various procedures with public authorities or are at least affected by their outcomes. To the extent necessary, we have accrued provisions for possible losses resulting from pending proceedings before ordinary courts and arbitration courts.

  We classify our legal risks as low. This assessment did not change compared to the previous year.

- **Operational risks.** RWE operates technologically complex, interconnected generation assets. Despite all the precautions taken, damage and outages cannot be entirely excluded. Unplanned downtime can result in significant earnings losses. Conversely, there is also potential for additional earnings, if plant availability is better than expected. To mitigate risks, we ensure that our power supply commitments are not too high, as we may be forced to buy electricity at a high cost to meet these obligations in the case of production outages. Furthermore, we regularly maintain our facilities and take out insurance policies if economically viable.

  Utilisation of our wind and solar farms primarily depends on weather conditions. Longer periods of low wind, cloud coverage or darkness can cause generation volumes and revenue in individual years to remain below estimates. We minimise the impact of weather conditions on Group earnings by dispersing our green assets geographically. This helps us to at least partially compensate for less favourable meteorological conditions at one location with more favourable weather at another. We also benefit from operating our flexible power plants, as market conditions for these assets tend to be more favourable during periods when wind and solar power feed-ins are low.

  When production facilities are built and modernised, delays can occur, for example due to time-consuming approval processes, logistical bottlenecks, delayed or inadequate performance by suppliers, and supply chain disruptions due to global trade conflicts. Project costs can then be higher than anticipated. With the help of circumspect planning and diligent project management, we do everything within our power to deliver projects within the expected time frames.

RWE has ambitious growth targets. When making investment decisions, we take care to ensure that our return requirements are satisfied. However, there is a chance that actual project earnings deviate from our forecasts. These risks and opportunities also play a part in acquisitions, where the purchase price can prove to have been too high or too low. We prepare our investment decisions diligently. In doing so, we lean on comprehensive analyses, which portray the financial and strategic impact of these projects as realistically as possible. RWE also has differentiated responsibility regulations and approval channels, which are to be observed when preparing and actioning investment decisions.

Our business processes are supported by secure data processing systems. However, cyber attacks are always possible. If these attacks prove successful, they could severely impact the functioning of our systems and jeopardise confidentiality, integrity and availability of RWE data. We limit this risk with high security standards and group-wide cyber security training programmes. In addition, we regularly invest in hardware and software upgrades as well as the optimisation of our processes.

As in the previous year, we classify our operational risks as 'medium'.

- **Financial risks.** Interest rates, foreign exchange rates, securities prices and rates of inflation are subject to fluctuations, which can be difficult to predict and can have a major impact on our net worth and earnings.

  Changes in interest rates give rise to risks and opportunities in several respects. Market interest rates, for example, can impact our provisions, as they are the point of reference for the discount rates used for determining the net present values of obligations. This means that, all other things being equal, provisions decrease when market interest rates rise and increase when market interest rates fall. On page 178 et seqq. of the Notes, we present the effects of changes in interest rates on the net present values of our pension obligations and on nuclear and mining provisions.

  Financing costs rise and fall in line with interest rates. We measure the possible impact using the Cash Flow at Risk (CFaR), applying a confidence level of 95 % and a holding period of one year. The average CFaR at RWE AG in 2023 was €95 million.

  Rises in market interest rates can lead to reductions in the prices of the securities we hold and vice versa. This primarily relates to fixed-interest bonds. We measure this relationship using sensitivity analyses. As of the balance-sheet date, an increase in market interest rates of 100 basis points would have lowered the value of the bonds on our books by €22 million.

  We are also exposed to price risks in relation to our 15 % stake in E.ON, which had a fair value of €4.8 billion at the end of 2023.

  Security price fluctuations not only have an impact on RWE's financial assets but also on pension funds. In the case of unfavourable capital market developments, we might have to increase our pension provisions in order to compensate for our fund assets losing value. Conversely, favourable developments would allow us to reduce these provisions.

  We control risks and opportunities from changes in the price of securities with a professional fund management system. Range of action, responsibilities and controls are set out in internal guidelines which the Group companies are obliged to adhere to when concluding financial transactions. All financial transactions are recorded using special software and are monitored by RWE AG.

  Foreign exchange risks are also centrally managed by RWE AG. We aggregate foreign currency payments made and received across all Group companies to net financial positions for each currency and hedge the latter almost in full using currency derivatives.

General price fluctuations also pose risks. Investment projects can become more expensive during times of high inflation. If income streams do not rise in tandem, this impacts the returns yield. Rising costs in industries which supply products and render services for the disposal of nuclear waste and for the recultivation of opencast mines, could prompt us to consider upping provisions for future obligations. However, inflation rates are already comparatively elevated. The likelihood of them falling again is therefore relatively high.

Cash collateral pledged for forward transactions also harbours a risk. The amount of the payments depends on the extent to which the contractually agreed prices deviate from market quotations as of the respective cut-off date. Substantial differences in collateral may weigh heavily on our liquidity. Thanks to our robust financial position and use of financing instruments at our disposal, we have always been able to provide the required funds so far.

Failure of or delays to firmly planned divestments expose us to another financial risk. Our growth strategy envisages capital expenditure being partly financed through the proceeds from divestments, which we raise, for example, by selling stakes in projects. Without the necessary funding, we may have to forego attractive projects due to financial restrictions.

The conditions at which we finance our debt capital are in part reliant on the credit ratings we receive from independent rating agencies. Moody's and Fitch classify our creditworthiness in the investment grade category. If our rating deteriorates, we may incur additional costs if we have to raise debt capital. The liquidity requirement when pledging collateral for forward transactions would also likely increase.

The assessment of our creditworthiness by rating agencies, banks and capital investors depends in part on the level of our leverage factor, i. e. the ratio of net debt to the adjusted EBITDA of our core business. We have determined a cap for this key indicator, which is currently set at 3.0, and is expected to be raised to 3.5 after 2025. We are optimistic that we will be able to adhere to this limit, but cannot rule out the possibility that we may temporarily exceed it, for example if significant collateral is needed for commodity forward contracts.

We continue to classify our financial risks as 'medium'.

- **Creditworthiness of business partners.** Our business relations with key accounts, suppliers, trading partners and financial institutions expose us to credit risks. Therefore, we track the creditworthiness of our partners closely and assess their credit standing based on internal and external ratings, both before and during the business relationship. We determine credit limits prior to concluding transactions above a certain size and all trading transactions. These thresholds are adjusted if necessary, for instance in the event of a change in the business partner's creditworthiness. At times, we request cash collateral or bank guarantees.

In the trading and financing business, credit risks and the utilisation of the limits are measured daily. We agree on collateral when concluding most over-the-counter trading transactions. Furthermore, we enter into framework agreements, e. g. those of the European Federation of Energy Traders. For financial derivatives, we make use of the German Master Agreement for forward financial transactions or the Master Agreement of the International Swaps and Derivatives Association.

As in the previous year, our risks stemming from the creditworthiness of our business partners do not exceed the 'medium' category.

- **Other risks.** This risk class includes the potential effects of damage to our reputation, compliance infringements and criminal acts. We continue to classify our other risks as 'low'.

RWE's risks and opportunities – general assessment by management. The risk situation has remained largely unchanged since March 2023. We still consider changes to the regulatory framework and market conditions to harbour our greatest risks and opportunities. Energy and climate policy changes following elections in the EU, the UK and the USA could significantly impact the economic viability of green investments. A protracted period of weak economic growth combined with low electricity prices continues to be our greatest market risk. This would weigh on the margins of a portion of our generation portfolio. However, the economy could also recover and push wholesale electricity prices up.

Geopolitical uncertainties also continue to expose us to risks, in particular due to the substantial importance of functioning international supply chains for our investment programme. One potential consequence of political tensions could be bans on purchasing commodities or components from certain regions. If this happens, we may have to abandon projects and adjust our growth strategy.

Despite the aforementioned unknowns, there are no identifiable developments that jeopardise the continued operation of RWE AG or the RWE Group. Thanks to the measures we take to safeguard our financial and earning power over the long term and our comprehensive controlling and risk management system, we are confident that we can manage all emerging risks. At the same time, we are establishing the prerequisites for ensuring this remains the case in the future.

Accounting-related internal control system – statements in accordance with Sec. 289, Para. 4, and Sec. 315, Para. 4 of the German Commercial Code. Our financial reporting is exposed to the risk of misrepresentations that could have a significant influence on the decisions made by their addressees. This may cause capital investors to invest in a company based on incorrect assumptions. Capital market law regulations and RWE's Code of Conduct require that we inform the public of our business performance and important company-specific events completely, objectively, accurately, clearly and in a timely manner. We use a series of tools to meet this ambition. Examples of this are our IFRS accounting regulation and the high minimum standards to which we subject the IT systems used to record and process accounting-related data. Furthermore, we use an accounting-related Internal Control System (ICS) for quality assurance purposes. The ICS aims to prevent potential errors and misrepresentations that result from non-compliance with accounting standards.

The Accounting department of RWE AG is responsible for designing the ICS and reviewing its effectiveness. In doing so, it applies groupwide rules. In addition, it receives assistance from the ICS Committee, which ensures that the ICS is applied throughout the Group following uniform principles and meets high ambitions in terms of correctness and transparency. The Committee consists of representatives from the Accounting, Controlling & Risk Management and Internal Audit & Security Departments, along with officers from functions which are closely related to accounting: human resources, procurement, trading, finance, tax and IT.

We subject the ICS to a comprehensive review every year. First, we examine whether the risk situation is presented appropriately and whether suitable controls are in place for the identified risks. Then, we test the effectiveness of the controls. ICS reviews that pertain to accounting-related processes, for example to the preparation of financial statements or to consolidation matters, are conducted by the Accounting department. When it comes to processes handled by service centres on our behalf, for example invoice processing, an auditor certifies the appropriateness and effectiveness of the controls. The representatives of the finance, human resources, procurement, trading and IT functions document whether the agreed ICS quality standards are adhered to by their respective areas. Our Internal Audit & Security department provides assistance for the ICS reviews. The results of the reviews are documented in a report to the Executive Board of RWE AG. The review conducted in 2023 once again demonstrated that the ICS is effective.

Within the scope of external reporting, the members of the Executive Board of RWE AG take an oath for the first-half-year and full-year balance-sheet, confirming that the prescribed accounting standards have been adhered to and that the financial statements give a true and fair view of the net worth, financial position and earnings. When in session, the Supervisory Board's Audit Committee regularly concerns itself with the effectiveness of the ICS. Once a year, the Executive Board of RWE AG submits a report on this to the Committee.

Notes on the compliance management system. The RWE Group operates a compliance management system (CMS), which is designed to ensure observance of legal provisions and compliance with company-specific guidelines and requirements. The purpose of the CMS is to enshrine compliance as a core value, solidifying it in the thoughts and actions of our staff and thereby avoiding potential misconduct. We pay particular attention to identifying and avoiding the risk of corruption. Our catalogue of measures comprises consultations on individual cases and training courses. We regularly carry out compliance-related risk analyses. Our employees can also use a whistleblower system – where they can choose to remain anonymous – to notify compliance officers if they witness violations or activity that could damage the business. More information on the CMS is available on page 88 et seqq.

2.11 Disclosure relating to German takeover law

The following disclosures are in accordance with sections 315a and 289a of the German Commercial Code as well as with Section 176, Paragraph 1, Sentence 1 of the German Stock Corporation Act. They relate to company-specific regulations, for example regarding adjustments to the capital structure by the Executive Board or a change of control of the company. At RWE, these provisions are in line with the standards of German listed companies.

Subscribed capital. RWE AG's capital stock amounts to €1,904,233,515.52. It is divided among 743,841,217 no-par-value bearer shares. This includes 67,621,169 new shares that were issued in March 2023 following the conversion of a mandatory convertible bond provided to Qatar Holding in October 2022.

Limitation of voting rights or share transfers and employee share schemes. One share grants one vote at the Annual General Meeting and determines the proportion of the company's profit to which the shareholder is entitled. This does not apply to RWE AG's treasury stock which does not confer any rights to the company. Voting rights are excluded by law in cases where Section 136 of the German Stock Corporation Act applies.

Shares that the company issues within the scope of an employee share plan are generally subject to a restriction on disposal. Usually, the shares may only be sold after a set period. RWE shares that are acquired by Executive Board members as part of their contractual investment obligation are also subject to minimum holding periods.

Shares in capital accounting for more than 10 % of voting rights and special rights with control powers. As of 31 December 2023, no holding in RWE AG exceeded 10 % of the voting rights. There are no RWE shares with special rights that confer control powers.

Appointment and dismissal of Executive Board members / amendments to the Articles of Incorporation. Executive Board members are appointed and dismissed in accordance with Section 84 et seq. of the German Stock Corporation Act in conjunction with Section 31 of the German Co-Determination Act. Amendments to the Articles of incorporation are made pursuant to Section 179 et seqq. of the German Stock Corporation Act in conjunction with Article 16 Paragraph 5 of the Articles of Incorporation of RWE AG. According to the aforementioned provision in the Articles of Incorporation, unless otherwise required by law or the Articles of Incorporation, the Annual General Meeting shall adopt all resolutions by a simple majority of the votes cast or – if a capital majority is required – by the simple majority of the capital stock represented when the resolution is passed. Pursuant to Article 10, Paragraph 9 of the Articles of Incorporation, the Supervisory Board is authorised to pass resolutions in favour of amendments to the Articles of Incorporation that only concern formal matters, without having a material impact on the content.

Executive Board authorisation to implement issuances and buybacks of RWE shares. The mandatory convertible bond issued to Qatar Holding was supported by an authorisation passed by the Annual General Meeting on 28 April 2021 concerning the issuance of bearer convertible and / or option bonds. This authorisation was largely exhausted with the issuance of the mandatory convertible bond. The Annual General Meeting on 4 May 2023 cancelled the remaining authorisation. It simultaneously authorised the Executive Board, with Supervisory Board approval, to issue bearer or registered convertible and / or option bonds with a total nominal amount of up to €5,500,000,000 with or without a limited maturity and to grant the creditors or holders of such bonds convertible or option rights to shares in the company until 3 May 2028. The Annual General Meeting conditionally increased the capital stock by up to €190,423,349.76 (conditional capital), divided into up to 74,384,121 bearer shares, in order for the holders of convertible or option rights to be issued shares in the company.

The issuance of the mandatory convertible bond to Qatar Holding also used nearly all the ability to issue shares without subscription rights from authorised capital. On 4 May 2023, the Annual General Meeting therefore renewed this authorisation granted by the Annual General Meeting on 28 April 2021. The new authorisation enables the Executive Board to increase the company's capital stock, subject to the approval of the Supervisory Board, by up to €380,846,702.08 through the issuance of up to 148,768,243 shares (authorised capital). The authorisation shall remain effective until 3 May 2028.

New shares from authorised capital and the aforementioned bonds may be issued in exchange for contributions in cash or in kind. These shares must generally be tendered to the shareholders for subscription. However, the Executive Board is authorised, subject to Supervisory Board approval, to waive subscription rights in the following cases:

- to avoid fractions of shares resulting from the subscription rate;
- if the issuance of shares is conducted in exchange for contributions in kind;
- to provide protection from dilution in connection with convertible and / or option bonds that have already been issued;
- if the issue price of the new shares or bonds is not significantly below their quotation or their theoretical fair value calculated by generally accepted methods of quantitative finance and if waived subscription rights are limited to no more than 10 % of the capital stock.

In sum, shares issued with a waiver of subscription rights from authorised capital or in connection with convertible or option bonds may not exceed 10 % of the capital stock. The aforementioned upper limit is defined by the amount of capital stock at the time the resolution providing the authorisation was adopted or when the authorisation is exercised, if the capital stock is lower at that time. Other measures taken waiving subscription rights count towards the upper limit.

The Annual General Meeting of 4 May 2023 also authorised the Executive Board of RWE AG, subject to Supervisory Board approval, to purchase shares in the company accounting for up to 10 % of the capital stock when the resolution was passed or when the authorisation is exercised, if the latter is lower at that time, by 3 May 2025. At the Executive Board's discretion, the purchase can be made on the stock exchange or via a public offer. Shares acquired in this manner may be used for all purposes described in the authorisation. Shareholder subscription rights may be waived depending on the purpose for which the shares are used.

Effects of a change of control on financing instruments. Our debt financing instruments often contain clauses that take effect in the event of a change of control. Such provisions are in place e. g. in respect of our €10 billion in syndicated credit lines, requiring drawings to be suspended until further notice. The lenders shall enter into negotiations with us on a continuation of the respective credit line. The time limit for doing this is 30 days from the notification of the change of control. On expiry of the time limit, lenders who are not satisfied with the outcome of the negotiations may revoke their loan commitment or cancel the loan if it has already been paid out, and request immediate repayment.

The RWE bonds that we have placed publicly since 2021 are also subject to change-of-control clauses. In the event that a change of control is announced or implemented, investors may request that their bonds be redeemed by a certain deadline, if RWE's long-term credit rating falls below investment grade due to the change of control or if the rating agencies stop issuing us a credit rating. A similar rule applies to the senior bond that matures in 2037, a small portion of which remains on our books as it could not be fully transferred to innogy, an RWE subsidiary we have since sold, in 2016.

In the event of a change of control, we can redeem our two subordinated hybrid bonds with volumes of €282 million and US$317 million within the determined change-of-control period. If they are not redeemed and our long-term credit rating falls below investment grade or credit ratings are no longer issued, their annual yield rises by 500 basis points.

Compensation agreement with the Executive Board and employees in the event of a takeover offer. The current version of the German Corporate Governance Code dated 28 April 2022 recommends that no commitments to additional benefits be made in the event that Executive Board members terminate their employment contract early due to a change of control. We fully adhere to this principle, meaning that we have not included clauses envisaging a special right of termination or rights to severance subject to a change of control in any of the current employment contracts of the members of the Executive Board of RWE AG.

Share-based compensation for Executive Board members and executives is subject to the following provisions: in the event of a change of control, RWE will pay out all the performance shares that have been finally granted, but have not been paid out yet on expiry of the holding period. Performance shares granted on a preliminary basis on the date of a change of control are valued based on the degree to which the targets have been achieved up to that point in time. Performance shares granted on a preliminary basis in the year of the change of control lapse. They are replaced by a new plan of equal value for the Executive Board members and executives for the fiscal year in which the change of control occurs and the following years.

2.12 Combined non-financial statement

For RWE, green growth and responsible action go hand in hand. We have been reporting on approaches, goals and progress in the field of corporate responsibility for over 20 years and are committed to operating sustainably along our entire value chain. By building renewable assets, battery storage facilities, hydrogen-capable gas-fired power plants and electrolysers, we are making a decisive contribution to the creation of a climate-friendly, reliable and efficient energy system. The necessary structural changes require us to take responsibility from a social and ecological perspective. We advocate for our employees as well as the communities we operate alongside and are engaged to protect the environment. We have set targets to bring greenhouse gas emissions in line with the global 1.5-degree climate benchmark as part of our commitment. Moreover, we are committed to the Sustainable Development Goals (SDGs), the ten principles of the United Nations Global Compact, and the objectives of the Paris Climate Agreement.

Non-financial statement compliant with clear targets and standards. In accordance with Section 315c in conjunction with Sections 289c to 289e of the German Commercial Code, this statement for the RWE Group and RWE AG, sets out our approach and progress in relation to the sustainability issues which are considered to be material to our business. The concepts and management approaches discussed in this statement apply in equal measure to RWE AG, which is now also required to report independently. We determine whether an issue is material and describe concepts based on our years-long reporting and on the standards of the Global Reporting Initiative (GRI). In addition, by making this statement, we are complying with the reporting requirements for ecologically sustainable economic activities pursuant to Regulation (EU) 2020 / 852 of the European Parliament and Council dated 18 June 2020 governing the creation of a framework for simplifying sustainable investments and the amendment to Regulation (EU) 2019 / 2088 (referred to as the 'EU taxonomy' hereinafter). Our non-financial reporting covers all fully consolidated companies, in line with the consolidated financial statements. Period-related disclosure pertains to the period from 1 January 2023 to 31 December 2023. Information per the cut-off date is reported as at 31 December 2023, in line with the scope of consolidation. The non-financial statement has been reviewed and approved by the Supervisory Board of RWE AG. The external audit was conducted by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, which subjected key figures in this statement to various audit depths. Key figures, which have been audited with reasonable assurance, can be found in chapter 4.11 Report from the independent auditor.

From fiscal year 2024, RWE is required to adhere to the reporting obligations under the Corporate Sustainability Reporting Directive (CSRD) of the European Parliament and of the Council dated 14 December 2022 (Directive (EU) 2022 / 2464). We will therefore be basing RWE's future sustainability reporting on this regulatory requirement.

Our road to a sustainable business model. RWE ranks among the world's leading energy companies. We want to shape the green energy world and have aligned our business model to our 'Growing Green' growth and investment strategy. Our operating activities focus on energy production, with an emphasis on wind and solar. At the end of 2023, 37.6 % of our total generation capacity (pro rata) was dedicated to renewables. Our core activities also include electricity and gas storage, the hydrogen business, trading in energy commodities and offering innovative energy solutions to industrial customers. Power generation from coal and nuclear fuel as well as lignite mining in the Rhenish region west of Cologne no longer form part of our core business.

Our key markets are Germany, the United Kingdom, the Netherlands and the USA. Our renewable energy business is also active in a number of other countries such as Poland, Spain, Italy, France, Denmark and Greece as well as markets in the Pacific region such as Australia and Japan. More information on our business model can be found in chapter 2.1 Strategy.

Identifying risks and seizing opportunities. Our internal risk and control management system offers a solid methodical foundation for early detection, assessment and management of corporate risks. It also helps us identify and leverage opportunities. This includes opportunities and risks arising from sustainability matters that exceed the notification thresholds of our early risk detection system established in the German Corporate Control and Transparency Act. More information can be found in chapter 2.10 Development of risks and opportunities. In the year under review, we additionally designed a systematic concept for introducing an internal control system (ICS) for sustainability KPIs, which we began setting up. We also started implementing the necessary processes and risk control matrices for relevant KPIs.

Adressing sustainability-related issues can prove challenging given the variety of potential influencing factors, each with varying probabilities of occurrence, and the fact that many changes can occur over a longer time horizon. When identifying sustainability topics which could prove relevant to our own business activities or which may arise from business relationships, we analysed possible non-financial risks in preparation for our materiality analysis. Possible implications for the company as well as its business environment and stakeholders were analysed in consideration of financial significance and material impact. Attempting to quantify the aforementioned criteria proved particularly challenging. We chose one approach for assessing the financial significance, taking both the probability of occurrence and the potential financial impact into account, and another for assessing the material impact, by also considering the reversibility and potential for rectification of possible outcomes as well as geographic factors. The possible non-financial risks identified taking this approach have been outlined in this statement and listed in the following table. They served as a basis for our materiality test, among other things.

Aspect in accordance with the German Commercial Code	Potential non-financial risk
Environmental matters	Change of climate goals
Environmental matters	Disruption of ecosystems
Employee matters	Fatal occupational accidents
Employee matters	Demographic change and lack of skilled labour
Social matters	Failure to fulfil social responsibilities
Respect for human rights	Human rights violations in the supply chain

Sustainability strategy with a broad focus. Our mission statement 'Our energy for a sustainable life' expresses our purpose as a company and reaffirms our commitment to sustainability as a guiding principle of our actions. Although cutting greenhouse gas emissions is very important for us, it is not our only priority. Sustainability can take many forms and this chapter is dedicated to the most significant sustainability topics. More information on our business model can be found in chapter 2.1 Strategy.

We want to be a trailblazer in transforming a conventional business model to a sustainable one. The nine major topics of our sustainability strategy underpin our ambition to grow worldwide while adhering to environmental, social and ethical corporate principles and aspirations. In partnership with our employees and taking external assessments – for example from industry representatives, investors and representatives of civil society – into consideration, we identified the topics most relevant to our business. This provided the basis for developing our sustainability strategy, which was then adopted by the Executive Board of RWE AG. The Executive Board discussed the sustainability strategy with the Supervisory Board, which fully supports the strategic positioning of the Executive Board.

The nine priority topics cover aspects from across the environmental, social and governance spectrum. We have summarised them in three categories:

- We Grow – we grow in green business and foster long-term values with sustainable investments and innovation.
- We Act – we preserve the environment for future generations based on scientific facts and methods. In doing so, we dedicate ourselves to addressing climate protection, biodiversity and recultivation as well as the circular economy.
- We Care – we honour the interests of our stakeholders and act responsibly wherever we operate. Our focus in this area lies primarily on social and societal responsibility, diversity, compliance as well as occupational health and safety.

Group-wide organisation for sustainability processes. Our company's strategic orientation is determined by the Executive Board of RWE AG, which is responsible for establishing and achieving the Group's objectives. Non-financial aspects are factored into the Executive Board remuneration using the following KPIs: average carbon intensity of the Group's power plant portfolio (page 81), environmental management coverage, severe environmental incidents (page 83), Lost Time Injury Frequency (LTIF), fatal work-related accidents (page 86), engagement index (page 86), fuel trade partners audited by the Know Your Customer process, contracts with suppliers of which the Code of Conduct is an element (page 89). The Supervisory Board is directly involved in the corporate and sustainability strategy and in making decisions of fundamental importance to the company and does so, to some extent via the Strategy and Sustainability Committee, in dialogue with the Executive Board. A breakdown of accountabilities by Executive Board member can be found in the schedule of responsibilities. Each Executive Board member is responsible for their own area, which is why responsibility for our main topics is distributed with a joint responsibility. The Strategy & Sustainability department is assigned to the portfolio of the CEO and is in charge of developing the Group's sustainability strategy, reporting, and implementing initiatives of strategic relevance. The department supports the Executive Board as a whole in this regard. This work covers topics such as climate protection, biodiversity and the circular economy as well as other strategic topics that pertain to overarching issues. This happens in close coordination with the relevant departments and Group companies, which may have their own sustainability officers. The Strategy & Sustainability department provides the Executive Board with quarterly updates on progress made on the variety of sustainability activities within the Group. The Legal, Compliance & Insurance department is also overseen by the CEO. Personnel matters are within the Chief Human Resources Officer's remit. This includes responsibility for the Employee Relations and People Management & Talent Attraction departments. The Chief HR Officer is also responsible for Group-wide coordination and assessment of occupational health and safety.

The degree to which sustainability targets are achieved determines both the short-term and long-term remuneration of the members of the Executive Board of RWE AG. More information can be found in the Remuneration Report, which we publish separately. This document can be viewed and downloaded at www.rwe.com/remuneration.

Our Executive Board and employees are guided by RWE's corporate values. These values form part of our culture and demonstrate how we want to be perceived by customers, partners and society. They are: passion, trust and performance. In the year under review, we associated our corporate values with essential behaviours. These desired behaviours are intended to foster qualities such as collaboration and courage, and contribute to the continued success of RWE. Moreover, our Code of Conduct establishes Group-wide behavioural rules and obliges our employees to demonstrate responsibility, honesty, loyalty and respect to both people and the environment. The values and principles are set out in further documents and policies on specific topics.

Topics covered by the report are embedded in our strategy. We observed legal requirements and the results of our materiality analysis when identifying topics for the non-financial statement. Selected topics are based on a comprehensive analysis conducted in 2021 and updates from 2022 and 2023, evaluating the effects the topics have on RWE as a company as well as the impact RWE has on sustainability topics. A list of potential topics based on discussions with stakeholders was compiled in consideration of relevant sustainability rankings and standards. The survey on the assessment of the topics was conducted in 2021 via an online questionnaire for external stakeholders, such as business partners, investors, politicians as well as community groups and associations. The Strategy & Sustainability department of RWE AG assessed and evaluated the responses with assistance from decision makers within the Group. The 2022 and 2023 updates again made use of an online questionnaire which was sent to a random selection of employees across the Group. In 2023, the topics were also validated during interviews with investors. For the purposes of this statement, we have assigned the identified topics to the five aspects set out in the German Commercial Code.

Section of the non-financial statement	Material topic in RWE's sustainability strategy	Section	Aspect according to the German Commercial Code
Environment	Climate change	Clear pledge to protect the climate	Environmental matters
	Innovation	Technologies driving sustainable development	Environmental matters
	Biodiversity and recultivation	Growth in harmony with biodiversity	Environmental matters
	Circular economy	Driving the circular economy	Environmental matters
Social	Diversity, equity and inclusion	Promoting diversity and inclusion within the company	Employee matters
	Occupational health and safety	Staying safe and healthy at RWE	Employee matters
	Social responsibility	Driving fair change together	Social matters
Governance	Compliance and ethics	Integrity and legal compliance as pillars of our action	Anti-corruption and combatting bribery; Respect for human rights
	Sustainable investments	EU Taxonomy	

Environment

Environmental topics play a prominent role for power producers. We have an impact on the climate, on nature and on the environment through our conventional and renewable assets. In the following sections, we report on our major strategic topics: climate change, innovation, biodiversity and the circular economy. We also comment on our environmental management system as well as how we record environmental events.

Clear pledge to protect the climate. We are committed to the goals of the Paris Climate Agreement, which seeks to limit global warming to a maximum of 1.5 degrees Celsius above pre-industrial levels. Decarbonisation of the electricity sector is a major factor in this regard. We emit greenhouse gases above all from our conventional power stations. At the same time, however, our investments in renewable energy are driving the transition to climate-friendly electricity production. Our business activities also cause emissions beyond our own operations, which are referred to as Scope 2 and Scope 3 emissions, e.g. from the production of goods and services which we purchase or from sales of gas and lignite products to end customers.

We are aiming to reach net-zero by no later than 2040. Not only does this apply to our own greenhouse gas emissions (Scope 1), it also covers emissions in the upstream and downstream value chain (Scope 2 and 3). We remain focused on our medium-term climate targets as we move towards climate neutrality. During the year under review, we raised our targets for 2030, setting our sights on reducing total Scope 1 and 2 emissions by 67.6 % and our Scope 3 emissions by 42 %. Our base year for these assessments is 2022. Our targets are designed to bring greenhouse gas emissions in line with the 1.5-degree climate benchmark. We are currently working to become certified in accordance with the standards of the Science Based Targets initiative (SBTi), which focuses on reducing rather than neutralising emissions in the energy sector. Our strategy is geared towards helping decarbonise the electricity system through the rapid expansion of renewables. A core component of the energy transition is moving away from electricity generation from fossil fuels and embracing renewables.

By 2030, we plan to phase out lignite-fired power generation entirely and have agreed this with the Federal government and the state of North Rhine-Westphalia. The supply gap caused by the coal phaseout cannot be closed with additional renewable assets and battery storage solutions alone. RWE wants to build flexible backup capacities to help bridge generation fluctuations from solar and wind. This is why we are planning to build our new hydrogen-capable gas-fired assets largely in Germany, which will then be used to generate carbon-free electricity. We have also developed road maps that outline how our existing gas-fired power stations can sustainably generate electricity, e. g. with climate-friendly hydrogen. Our Dutch power stations are currently fired with hard coal and biomass. We will be retrofitting them to run exclusively on biomass by late 2024 (Amer 9) and late 2029 (Eemshaven) respectively or will shut them down. This will allow us to wind down our hard coal-fired power generation by 2030.

In the year under review, we updated our 'Growing Green' strategy and announced more ambitious growth targets. We are now aiming to build 65 GW of global capacity by 2030 to decarbonise our portfolio, with plans to invest €55 billion in renewables, storage technologies, flexible generation and hydrogen projects. Other measures are designed to reduce emissions from our supply chain, e. g. from procuring wind farm components. We continued to formalise new partnerships in our renewables business to gradually scale back our emissions from the production of key input materials such as steel. For example, we have signed an agreement to use Siemens Gamesa's GreenerTowers at Thor, an offshore project we are in the process of building. Manufacturing the steel plates for these towers emits at least 63 % less CO_2 compared to conventional steel. RWE is also a partner of the Carbon Trust's Offshore Wind Sustainability Joint Industry Programme, which was launched in January 2023 to develop an industry-backed methodology and guidance on how to measure and address offshore wind farms' carbon emissions throughout their life cycle.

As a company, we engage in the political and social discourse on climate and energy-related topics. In this regard, we expect the industrial associations of which we are members to be aligned with our key positions on climate matters – this means supporting the Paris Climate Agreement and committing to the expansion of renewables among other things. We regularly evaluate the positioning of associations we are affiliated with. The most recent assessment took place in in the spring of 2023, which involved examining and evaluating the public statements of some 34 renewables associations. No deviations from RWE's core positioning were identified during these evaluations. We are looking to re-examine associations that are aligned with conventional generation in 2024.

In preparation for the long-term effects of climate change, we conducted our first climate risk analysis in 2022. Based on this analysis of over 250 RWE locations worldwide, we continued our climate-risk assessments in 2023, with a focus on new assets. In doing so, we prioritised technology-specific risks pertaining to the major expansion of our Offshore and Onshore Wind segments. Most assets in our pipeline were considered for the period ending 2039 using the most recent data, e. g. the sixth Intergovernmental Panel on Climate Change (IPCC) report. In addition to technology-specific risks, we also included a technology-independent analysis for new locations based on the modelled probabilities of extreme weather events due to precipitation, wind speeds and temperatures. The aim here is to identify relevant risks of significant damage to infrastructure. To date, we have noted no foreseeable risks, which could have a material impact on our activities, see the section on EU taxonomy.

Last year, our power stations emitted around 62 million metric tons of carbon dioxide equivalent, i. e. 23 million metric tons less that the year prior. This was attributable to lower emissions from conventional power generation, in particular. We were able to improve the database for Scope 2 emissions compared to the previous year. Our indirect Scope 3 emissions dropped notably in 2023. Fuel- and energy-related emissions (category 3.3) and the utilisation of sold products (category 3.11) contributed significantly to this reduction. Carbon intensity – i. e. Scope 1 and 2 emissions per unit of electricity generated – therefore dropped to 0.48 CO_2e / MWh.

In order to develop and enhance our data acquisition and evaluation methods we made a number of changes in 2023 to improve accuracy. Comparative information from previous years has been restated accordingly.

Greenhouse gas emissions (according to the Greenhouse Gas Protocol)[1] million mt CO_2e	2023	2022	+/–
Direct greenhouse gas emissions – Scope 1[2]	**61.9**	**85.4**	**–23.4**
Indirect energy-related greenhouse gas emissions – Scope 2 (location based)[3]	**0.2**	**0.1**	**+0.1**
Indirect upstream and downstream greenhouse gas emissions as the sum of the following categories – Scope 3	**21.6**	**23.8**	**–2.2**
Category 1: Purchased goods and services[4]	2.1	1.5	+0.6
Category 2: Capital goods[4]	2.8	1.2	+1.6
Category 3: Combustion fuel and energy-related emissions[2]	3.1	4.5	–1.3
Category 4: Upstream transmission and distribution[5]	< 0.1	< 0.1	0
Category 5: Waste[6]	0.2	0.2	0
Category 6: Business travel[7]	< 0.1	< 0.1	0
Category 7: Commuting by employees	< 0.1	< 0.1	0
Category 9: Downstream transmission and distribution	< 0.1	< 0.1	0
Category 10: Processing of sold products	< 0.1	0.1	-
Category 11: Use of sold products[8]	10.8	12.8	–2.0
Category 15: Investments[9]	2.4	3.5	–1.1
Biogenic emissions[2]	**4.0**	**–**	**+4.0**

1 Our emissions reporting for the categories shown is carried out in accordance with the Greenhouse Gas Protocol. Further information can be found at www.rwe.com/emissions.
2 Electricity generation from our own power stations amounted to 129,701 GWh in the year under review. In 2022, our portfolio generated 156,794 GWh. Prior year figures have been restated due to a change in the calculation method applied. Emissions from power supply contracts have therefore been reported under category 3.3 since 2022 rather than Scope 1, provided RWE controls the deployment of the power plants. Before 2022, our Scope 1 emissions contained biogenic emissions, which are reported separately as of 2023.
3 Indirect energy-related emissions (Scope 2) are calculated using the location based method, i.e. location-specific emission factors are applied. Prior year figures have been restated due to a change in the calculation method applied. Since 2022, Scope 2 figures have been retroactively recorded for each location individually, making them more precise.
4 We continue to calculate our greenhouse gas emissions based on our procurement volume. In the year under review, we updated the way in which we calculate certain renewables product groups, i.e. capital goods, by taking a material / usage based approach and applied the relevant emissions factors. The calculation process for all other product groups has not changed compared to 2022.
5 Includes adjusted figures since 2023 to avoid double counting with category 3.3. This change has been retroactively implemented for fiscal 2022.
6 As of 2023, we now also include emissions from waste for third-party processing in addition to third-party disposal. This change has been retroactively implemented for fiscal 2022.
7 Emissions factors applied do not take radiative forcing into account.
8 Includes emissions from the sale of lignite refining products and gas to end customers.
9 Retroactively included in reporting since 2022. Category 3.15 subsumes relevant financial holdings of the RWE Group that were not fully consolidated in accordance with our accounting policies and are therefore not already included in Scope 1 or 2. We base our selection on our prorated equity and the emissions intensity of the business.

Carbon intensity (Scope 1 and 2)[1] mt CO_2e / MWh	2023	2022	+/–
RWE Group	0.48	0.55	–0.07

1 Prior year figure restated due to a change in calculation method.

The long-term remuneration of the Executive Board members is in part determined by the average carbon intensity of our power plant fleet expressed in metric tons of carbon dioxide per megawatt of installed capacity for every full-load hour. This key figure allows for carbon dioxide emissions to be measured independently of load fluctuations caused by the weather and the market. In 2023, this figure dropped to less than 0.35 metric tons of CO_2 per MW for every full-load hour, which reflects our transition to more environmentally friendly power generation. More detailed information can be found in the Remuneration Report, which is published separately.

Average carbon intensity of the Group's power plant portfolio[1, 2] mt CO_2 / MWh per full-load hour	2023	2022	+/−
RWE Group	0.341	0.354	−0.013

1 This key indicator forms part of the Executive Board's remuneration and by definition differs from other intensity indicators: the average CO_2 intensity is expressed in metric tons of CO_2 per MW of installed capacity for every full-load hour of our power plant fleet. The capacity figures are prorated.
2 Figure adjusted to exclude exogenous effects that cannot be controlled by RWE. These relate to exceptional circumstances, e.g. mandatory lifetimes of our Emsland nuclear power station and of our lignite-fired power plants.

CO_2 emissions of our power stations million mt CO_2	2023	2022	+/−
RWE Group	60.6	83.0	−22.4

Technologies driving sustainable development. The transformation of the energy industry presents us with many challenges, which we at RWE are looking to tackle head-on. We want to find solutions by collaborating with our partners in industry and sciences and have launched or further progressed innovation projects for this purpose, e.g. to develop new renewable generation technologies, storage solutions or large-scale hydrogen applications. A core building block for future joint hydrogen solutions, the Lingen-based consortium project GET H2 TransHyDE, reached a key milestone in September: a high-temperature solid oxide electrolyser (SOEC) from Sunfire was used to produce hydrogen for the first time on the site of the RWE gas-fired power plant in Emsland. During the period under review, we also succeeded in gaining the necessary permits for our GET H2 Nukleus project in just seven months. The planned 2 x 100 MW electrolyser in Lingen is the first of its size. In total, the project will have a capacity of 300 MW. We intend to use it to help decarbonise industry. More information on our activities is set out in chapter 2.2 Innovation.

Growth in harmony with biodiversity. Worldwide biodiversity loss and damage caused to ecosystems pose a risk to our planet. Current findings indicate that climate change will exacerbate these trends. Both the use of renewable energy and the preservation of biological diversity are crucial to ensuring the planet remains habitable. However, construction work and producing electricity from renewable energy also have an impact on nature. Our lignite mining activities consume natural resources and affect ecosystems, too.

We want all new assets to have a positive net effect on biodiversity from no later than 2030. Special consideration should be given to the local flora and fauna when developing and operating energy systems and projects along with the necessary infrastructure – no two projects or plants are the same, each has their own, unique natural environment. At present, there are no standardised methods for measuring these influences, but we are helping to develop them in initiatives such as the Science Based Targets for Nature (SBTN).

Environmental legislation and approval conditions, which are often strict, set the framework for our operating activities in the regions in which we operate. The operating units are responsible for fulfilling our legal obligations related to planning, building, operating and decommissioning our assets. We have experts in every area for this purpose. We try to avoid, reduce or, as a last resort, offset negative effects. These principles are rooted in our biodiversity policy. Since 2015, RWE has had a set of rules that establishes measures to protect and promote biodiversity in the Rhenish lignite mining region. We apply the highest standards in restoring biodiversity when recultivating land used for mining. In our growth business, we implement a variety of audits and measure to meet permit conditions, which can be extensive. By taking early and continuous measures such as environmental compatibility audits and monitoring, we gain insights which allow us to ensure that our activities have the least possible impact on existing ecosystems and the flora and fauna they include.

In the year under review, we contributed to the development of cross-industry standards by trialling applications and providing feedback on them. We carried out an environmental impact assessment according to the preliminary SBTN guidelines, for example, and shared learnings made while determining freshwater targets with the initiative. We are currently helping SBTN ensure their guidelines are applicable to the energy industry. Our commitment to protecting biodiversity is also reflected in the fact that we were one of the first companies to join the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). Operationally, we have progressed and launched pilot schemes, one example being our onshore wind farm in Nysäter (Sweden), where we are examining how best to encourage biodiversity in a forest setting. An environmental impact assessment encouraged us to build a 'creotope' to develop habitats for ecologically important plants and animals, e. g. by transforming meadows with deadwood and sand piles. Redesigning these areas is expected to improve biodiversity. These pilot projects help us identify which measures can be best implemented in a forest environment. We will continually monitor the impact these changes have on biodiversity over the lifetime of the wind farm and apply learnings to other projects. RWE is also part of the Dutch Black Blade study: seven RWE wind turbines in Eemshaven have each been fitted with one black and two white rotor blades. One of the goals is to find out whether painting rotor blades black can help birds fly between the turbines more safely. The study is based on the assumption that the black blade provides more contrast and therefore improves the visibility of the turbine. The study is still ongoing, but here too we expect to apply any insights gained to other projects.

Adhering to high standards and applying internal environmental processes is of key importance to us. Each RWE company nominates an environmental officer, who sits on its management board. These officers work within the environmental management system to ensure that environmental protection is reliably actioned in accordance with applicable operator duties and our sustainability principles. Above and beyond this, environmental management officers and central environmental coordinators regularly review, evaluate and improve the relevant environmental management systems. Within the framework of integrated compliance reporting, the Chief Compliance Officer also reports environmental protection matters as well as severe environmental events to the Executive Board and Audit Committee of RWE AG. In certain cases, the responsible departments also report directly to the Executive Board. The goals and processes we have in place to protect the environment are set out in Group-wide rules. For example, the Group's environmental directive determines uniform principles for environmental protection in line with ISO 14001:2015. The policy applies to all affiliated companies reported in the consolidated financial statements which have operations involving personnel and / or assets.

Our environmental management system and established reporting on potential environmental events are important mainstays of our endeavours to protect the environment. RWE uses the degree of coverage of its environmental management system as a key performance indicator. We aim to reach a full coverage by environmental management systems, either through external certifications or internal audits. The coverage is determined by the share of the workforce covered by the environmental management system and the degree of coverage. In 2023, we achieved a coverage rate of 99.1 %. The slight deviation from our target is due to follow-up measures from some monitoring audits not being fully implemented. In addition, we aim to avoid severe environmental incidents. We define these as having serious ramifications that are of substantial public interest and can only be controlled or managed with external support. They also include permit infractions caused by or associated with our activities. In the year under review, there were, once again, no incidents to report.

Environmental management coverage[1] %	2023	2022[2]	+/-
RWE Group	99.1	100	-0.9

Severe environmental incidents[1] Number	2023	2022	+/-
RWE Group	0	0	0

1 These key figures are part of the Executive Board remuneration.
2 Excluding our US operations due to a reorganisation process that had not yet been completed in 2022.

Driving the circular economy. At present, consumption of natural resources clearly outweighs replenishment and regeneration. To be able to deliver our growth strategy successfully, we depend on a steady supply of raw materials and the components or products manufactured using these resources. Some of them have been identified as critical commodities by the European Union and other countries. Gradually increasing circular quotas enables us to reduce our dependency on primary materials while adding value through more efficient use of resources. This can keep growth from being curtailed by scarcity. Furthermore, we expect stakeholders and legislation in the EU, in particular, to call for increasingly high standards in the circular economy.

We aim to maximise our circularity by 2050. This involves reducing the use of natural resources as well as designing plants and processes that enable materials to be reused or recycled and waste to be minimised when working with our vendors and service providers. When it comes to recycling our material outflows, we have set ourselves a target: to achieve a recycling rate of over 90 % in our core business by 2030. This figure reflects the share of materials and components no longer needed and waste, that is not disposed of in landfill sites or incineration plants but is instead put through a recovery, extraction or recycling process to ready it for reuse. This quota does not consider ash from our lignite-fired power generation that is used for example to recultivate land in line with applicable permits.

In addition to RWE's Code of Conduct, which contains general goals regarding the protection of the environment and the use of resources, we have also set out our efforts to help build the circular economy in a Group directive. The Group companies are responsible for drafting a plan of measures for the period until 2030 and setting targets. Implementation is up to the management board members in charge of sustainability and the environment. They are supported by the sustainability teams and environmental management officers. The renewables Group companies, in particular, have already specified additional steps and targets and have begun to implement them. Our Offshore segment, for example, is planning to transition to using completely recyclable blades wherever possible by 2030 and increase the portion of recycled steel in any new procurements to 40 % by 2030. In 2023, after successful tests at our German offshore wind farm Kaskasi, we opted to fit 44 of the 100 turbines in our largest construction project Sofia off the coast of Great Britain with recyclable blades. The new rotor blades feature composite materials, which can be debonded at the end of their service life and recycled for new applications. They, thus, help pave the way for fully recyclable wind turbines.

Social

RWE seeks to maintain good relationships with and be a reliable partner to its stakeholders. In this chapter, we report on some of these stakeholders, e.g. in relation to our approach to diversity, health and social responsibility. To us, social responsibility extends beyond how we treat our employees, to encompass how we engage with local communities and municipalities near our sites.

Promoting diversity and inclusion within the company. Every day, more than 20,000 employees give their all to ensure our company's success. Their unique experiences, backgrounds and skills have made our company the business it is today. Here at RWE, we see this diversity as one of our strengths, that helps the company grow and be more successful. We want to create an inclusive working environment for our employees with a zero-tolerance policy on discrimination and where any barriers to continous development are removed.

RWE has introduced a target on the proportion of women in management positions: by 2030, 30 % of managerial positions throughout the Group in the core business have to be held by women (not including the Coal / Nuclear segment). This objective only applies to our core business as setting a goal for the Coal / Nuclear segment is not deemed practical given the reduction in personnel necessary in this part of our business.

Information on targets imposed on supervisory boards and management by law in Germany can be found in the Corporate Governance Declaration, which has been published separately at www.rwe.com/corporate-governance-declaration.

It is important to us to create a working environment that enables all our employees to reach their full potential and feel supported according to their particular needs. Diversity, inclusion and anti-discrimination are enshrined throughout the Group in our Code of Conduct and we explicitly expect our business partners to adhere these guidelines. We oppose all forms of discrimination and reaffirmed this commitment in our RWE anti-discrimination policy and an RWE statement on diversity, equity and inclusion, which was published during the year under review. In addition to the Corporate Diversity & Inclusion team, which prepares Group-wide objectives and measures, companies within the Group are also accountable for driving activities going above and beyond this. These measures address the specific requirements of the respective companies and sites. Diversity champions help roll out these measures within the Group companies. Many employee-led groups and networks are active at RWE, including the Representative Body for Severely Disabled Employees, the Women's Network, the LGBT*IQ & Friends Network, Diversity Ambassadors and the Empower Network for Disability, Neurodiversity and Mental Health. Our networks continue to grow across borders. The LGBT*IQ & Friends Network has around 450 international members and our Women's Network has over 1,200 members worldwide. Both networks host their own online and offline events. Many employees that are not affiliated with a network also actively help action measures to foster a lived, inclusive corporate culture.

In 2023, RWE once again hosted a Diversity Week inspired by this year's theme 'Energising our inclusive culture'. Around the world, RWE employees participated in online seminars with interesting keynote speakers and attended exciting, innovative on-site sessions. Events such as these help us nurture and share our inclusive culture.

Digital accessibility was also spurred Group-wide in 2023. Over 280 apps were reviewed and improvements for employees with disabilities were initiated and implemented. For the first time, external stakeholders also requested accessible PDF documents.

In the year under review, we increased the proportion of women in leadership positions to 23.1 % in part by filling vacancies. To continue meeting our targets, we always require a woman to be shortlisted for all leadership and management vacancies. We also regularly review our talent programmes to support representative participation and use demand-oriented operational levers, including round tables, to eliminate systemic bias. To emphasise our commitment to gender equality, RWE signed the United Nations' Women's Empowerment Principles.

Women in leadership positions %	2022	2021	+/–
RWE Group (core business)[1]	23.1	20.8	+2.3

1 The Coal / Nuclear segment is not part of our core business.

At the end of 2023, RWE AG's 20-member Supervisory Board included seven women, four of whom are shareholder representatives. The share of women on the Executive Board of RWE AG was 33.3 %.

Staying safe and healthy at RWE. The health, safety and wellbeing of our employees are particularly important to us as an employer. To keep an eye on all matters related to the variety of workplaces in which we operate, we have therefore implemented occupational health and safety (H & S) as a firm fixture in our corporate policy.

We aim to optimise the safety of every employee's workplace, be it at a wind farm, in an opencast mine, at one of our power stations or in an office. The guiding principle 'All accidents are avoidable – we give priority to occupational health and safety' reflects our commitment in this area. The objective of our health management work is to offer staff members measures tailored to their needs through which they can maintain and promote their physical, mental and social health and wellbeing. Occupational safety is of central importance to the RWE Group and is thus linked to Executive Board remuneration. The key performance indicator established for occupational safety is the number of work-related accidents among in-house and contract staff resulting in at least one day of absence for every 1 million work hours (lost time incident frequency – LTIF). The RWE Group's target LTIF is 1.9. We continue to strive to prevent any fatal work-related accidents among our staff or the employees of our partner companies.

We have defined the necessary responsibilities at RWE to firmly embed occupational safety across the Group. The Chief Human Resources Officer and Labour Director, who sits on the Executive Board of RWE AG, is responsible for the Group-wide coordination and assessment of occupational H & S. She is informed, advised and assisted by the Health and Safety team of RWE Power AG which, in addition to providing occupational H & S services to RWE AG, also pools expertise throughout the Group and acts centrally in addressing general topics. Group companies have their own units dedicated to H & S. The Group Policy defines principles and standards for occupational H & S that are applied across the Group. To ensure compliance, each Group company appoints at least one responsible member of its executive or management board to take responsibility of H & S. We have established occupational safety management systems in our Group companies to facilitate achieving the company's H & S goals. The systems establish structures, goals and procedures. Corresponding guidelines and processes are monitored systematically and improved continually in accordance with the plan-do-check-act cycle. Furthermore, Group companies are advised to obtain external certification for their occupational safety management systems (e. g. ISO 45001). The role of the health management system satisfies the legal requirements in the respective country. In Germany, it primarily comprises services rendered by company physicians and emergency medical technicians, the continued development of measures to promote health and prevent illness and injury, ergonomic workplace design and counselling. The International Health Standard (IHS) of the RWE Group specifies the minimum standard of health products and services that must be offered to every RWE employee worldwide. These include counselling to work through professional and personal challenges, referrals to specialised physicians and emergency care on business trips, for example. In order to convey the main elements of occupational H & S in the context of managing employees, the Group companies have implemented prevention programmes aiming to ensure responsible behaviour among executives.

In the year under review, the LTIF remained constant at the previous year's level of 1.5. The LTIF for RWE personnel was 1.1 and also remained stable compared to the preceding year. In the year under review, there were no fatal accidents.

Lost Time Injury Frequency (LTIF)[1]	2023	2022	+/–
RWE Group	1.1	1.1	0
RWE Group including contract workers	1.5	1.5	0

Fatal work-related accidents[1] Number	2023	2022	+/–
RWE Group	0	0	0
RWE Group including contract workers	0	1	-1

1 These key figures are part of the Executive Board remuneration.

Driving fair change together. Transitioning to new ways of working along with the challenging demographics and shortage of skilled labour it brings will change the way in which people work. As plants are decommissioned, sites that have often been operated for years will have to be closed down. This will affect our staff. At the same time, developing and expanding new ways to generate electricity presents us with various opportunities and harbours potential not just for our own employees, but also for the communities in which we operate. As a company, we want to ensure this transition is socially acceptable and considers input from affected stakeholders.

The fact that we advocate for our employees and strive to find socially acceptable solutions for necessary transitions is part of who we are as a company. For us, 'just transition' is synonymous with treating our employees fairly and responsibly. We therefore stand by those employees whose jobs are affected by the energy transition, and seek socially acceptable solutions and prospects for them, particularly whenever difficult decisions are unavoidable. We strive to be a good employer, no matter where our employees work. We want to offer a working environment that attracts new talent, promotes existing potential and provides fair, performance-based pay.

Our engagement index is an important indicator when it comes to measuring success in this area. Once a year, we seek to establish how motivated our workforce is and document the results in a Group-wide survey. Four of the 24 questions in our 2023 survey expressly related to the engagement index. The indices and figures are determined by calculating the percentage of people responding to questions with one of the first two options ('I agree entirely' and 'I agree').

In the year under review, our engagement index was again up by 4 % on the previous year, coming in at 88 %. This exceeded our target value of 80 %, meaning all key indicators have improved based on a Group-wide participation rate of 78 % (compared to 74 % in 2022). This was in part attributable to targeted communication in the run-up to and during the survey.

Engagement index[1] %	2023	2022	+/–
RWE Group	88	84	+4

1 This key figure is part of the Executive Board remuneration.

The company's transformation has impacted HR in a variety of ways. Whereas our growth business is focused on recruiting new staff, we are already confronted with necessary decommissioning activities in the Coal / Nuclear segment. Due to our exit from nuclear and coal-fired generation, we will need to cut 9,000 jobs over the short and long term. The announced accelerated phaseout will have significant ramifications for many employees. As before, RWE plans to carry out the personnel adjustment to the new decommissioning roadmap in a socially acceptable manner. For older employees, we are able to offer an adjustment allowance (APG) provided by the Federal government or our partial retirement scheme (ATZ). We plan to provide younger employees, who cannot take early retirement, with opportunities within the company or with other employers. Extensive qualification and retraining programmes support employees in taking on new roles. RWE will help job seekers identify new opportunities. The Group is strategically navigating the delicate balancing act of phasing out conventional assets and expanding its renewables business: the existing level of cross-segment collaboration is expected to intensify. We are training lignite and opencast mining apprentices in our conventional generation division with a view to potentially deploying them in our renewables business. RWE Power is also taking on the maintenance of wind and PV assets in the Rhenish region.

For RWE, it is important to cement our position as an employer of choice so that we can continue to attract new talent and retain skilled employees. Throughout fiscal 2023, we continued to drive our employer branding, established last year under the strapline “Our energy has impact”, as well as our employer value proposition across the Group. HR guidelines and tool kits designed specifically for recruiters ensure our employer brand remains consistent. We are increasingly focusing on modern ways of working. In the year under review, we expanded the availability of flexible working hours within the Group to optimise work-life balance, for example. In 2023, we rolled out our hybrid office concept as the Group-wide standard for all new office spaces. This mainly involves redesigning team rooms and offices in order to create a more comfortable and modern working environment and strike a balance between individual workstations and breakout spaces, where colleagues can collaborate more effectively. Our power stations are the exception in this regard. The offices at our power plants have to meet fundamentally different requirements, which are centred around operations. We are working with the individual teams at each site to cater to these requirements. Here too, we are implementing our hybrid office scheme. In line with our sustainability goals, we are using large office spaces efficiently and also fostering an agile working environment.

We want to make a positive contribution to the communities in which we operate. In 2023, we took a significant step forward in terms of community engagement. We published a policy statement and also introduced a central complaints process to ensure we receive all feedback from communities. RWE values the importance of open dialogue, so we interact with a large number of stakeholders on a daily basis. We take their interests into account to ensure that their views are considered in our goals and plans, from project planning and execution to operation. Operating functions manage their own contacts with local municipalities and communities, paying due regard to national regulations and local requirements. This enables us to cater to local needs and expectations. There is no general indicator that would enable progress in local engagement to be measured.

We also ensure that we involve the people who live in the areas adjacent to and surrounding our facilities early on and – if possible – share the value added by our plants with them. In the UK and Ireland, we continue to utilise community funds at the locations where RWE operates wind farms. In the reporting year, more than £5 million flowed to local communities from these funds. Thanks to the Renewable Energy Act, we were also able to initiate a similar scheme in Germany, where we decided to give all communities with an RWE wind farm or ground-mounted solar system a share of the profit. This ‘RWE Climate Bonus’, which has applied to existing facilities since 1 January 2023 and will future RWE assets upon commissioning, will pay €1 million to the municipalities and relevant partners for the 2023 period.

In 2023, we created the RWE Foundation, which aims to promote equal opportunities and social participation for children and young people. To support charitable projects, we gave the Foundation €125 million in starting capital in honour of the Group’s 125th anniversary. Earnings generated will be used to fund the Foundation’s projects. More information on the RWE Foundation is available at www.rwe-foundation.com/en.

Governance

Entrepreneurial action in accordance with applicable laws and values is important to us. Good company management is indispensable if we want to meet our growth targets and create value for our stakeholders. In this chapter, we set out our approach and progress made in the areas of compliance and ethics.

Integrity and legal compliance are at the heart of everything we do. We seek to grow in accordance with applicable laws while staying true to our own values and principles. To us, compliance and ethics therefore translate to preventing corruption and bribery while being guided by our values when working with our vendors and partners. They must meet the standards we impose on ourselves.

All our business activities and decisions meet pre-established compliance requirements. We do not tolerate compliance infractions of any kind. To prevent bribery and corruption, we set up a Compliance Management System (CMS) for the RWE Group, which was last reviewed in accordance with the IDW 980 Audit Standard of the Institute of Public Auditors in Germany in 2021. The system is overseen by the Chief Compliance Officer. Group companies in Germany and abroad have designated compliance officers, who work to ensure uniform implementation of Group-wide compliance policies. The compliance officers report to the Chief Compliance Officer, who keeps the RWE AG's Executive Board and Supervisory Board's Audit Committee abreast of relevant compliance issues such as legislative developments, CMS updates and leads on potential compliance violations.

The main objective of the CMS is to permanently ingrain compliant behaviour in the mindset and actions of all staff members and strengthen the compliance culture within the Group in a sustainable manner. In our Code of Conduct, which is binding for all employees, we have also listed overarching targets and principles on integrity and observing the law. A regular compliance risk analysis is an integral component of the CMS. Departments and operating units are involved in the risk assessment conducted by the Compliance Department, which starts by identifying and assessing the key compliance risk fields and ends by deriving from the analysis any necessary measures. Our employees attend training sessions to learn about specific behaviours and measures, in particular to avoid corruption and the appearance thereof. They take part in annual mandatory compliance courses via an online training platform with changing subjects. Furthermore, employees attend in-person training sessions depending on the risks to which their work is exposed. Executive boards and management boards also participate in mandatory online courses and in-person training.

It is important to us to have a strong compliance culture throughout the Group. All managers are obliged to report on the implementation of the Code of Conduct within their sphere of responsibility. This is referred to as 'executives' compliance reporting', and is conducted once a year, in order to create transparency with respect to adherence to the Code of Conduct and to provide an overview of compliance awareness at RWE. The feedback rate of this executives' compliance reporting serves as an indicator of attention to compliance. We aim to achieve a feedback rate of 100 %. We met this target again in 2023.

Feedback rate of the executives' compliance survey %	2023	2022	+/–
RWE Group	100	100	0

In our efforts to avoid corruption, we concentrated on sensitising our workforce in 2023 once again. During the year under review, the annual mandatory online compliance training was dedicated to whistleblowing. In addition, our employees are regularly informed via in-house media of further compliance matters such as breaking developments, existing and new Group policies, the requirements of compliant behaviour, and potential risks arising from infractions.

We empower our employees to share leads concerning potential violations of our Code of Conduct or concerning other non-compliant behaviours. For example, employees can utilise the Group-wide online whistleblower system, where they can choose to remain anonymous. Employees and third parties such as suppliers and other business partners all have the option to involve an independent external liaison.

We investigate all relevant leads in good time and in a proportionate manner. In doing so, we ensure the greatest possible protection for whistleblowers. Those filing the report in good conscience or those who help resolve issues suffer no negative repercussions due to their involvement. Work-related actions or inactions in response to a report or disclosure and which cause or may cause an unjustified disadvantage to the whistleblower will not be tolerated. We also ensure strict confidentiality is observed when investigating leads, which is why we protect the identity of the whistleblower. When following leads, we also protect the justified interests of individuals affected by a report. Incoming leads are checked by the Group functions in charge of the investigation. Thereafter, if necessary, remedial action is initiated as part of a systematic follow-up process. We take the necessary and appropriate steps in response to all confirmed compliance violations committed by employees and / or business partners.

We seek to minimise the risk of bad business practices by our partners and vendors and to ensure ethical and responsible action. We aim to contractually commit all suppliers and partners that are overseen by Group purchasing to our Code of Conduct. When procuring fuels, we also aim for all our business partners to be covered by our Code of Conduct through our KYC process. In the Group, different purchasing teams are responsible for the individual buying processes. Our Group Procurement Policy provides the common basis for purchasing activities and establishes uniform, Group-wide principles of procurement. The Code of Conduct is a binding element of Group contracts with suppliers. By committing to our Code of Conduct, service providers and suppliers pledge to observe our or other materially equivalent ethical and environmental principles and to action them within their supply chains. A limited number of purchasing activities are not overseen by Group purchasing.

We regularly review our relationships with our business partners. If it becomes public knowledge that they have violated the principles of the UN Global Compact or other legal requirements, we take what we determine to be the requisite and appropriate steps. We also have standards for purchasing fuel from energy companies on trading markets to minimise sustainability-related risks. All potential trading partners are reviewed before we engage in business relations on the wholesale market and purchase coal, gas or biomass for use as fuel from them. The review adheres to a standardised, multi-stage process – i. e. the Know Your Customer process – conducted by RWE Supply & Trading's Compliance team. We use different information systems, channels and international databases as part of this process to check for signs of possible misconduct on the part of our trading partners. The scope of the procurement contract with the respective trading partner is irrelevant in this instance.

Our aim is to cover all our purchases from suppliers and partners that are overseen by Group purchasing using contracts that contain our Code of Conduct. When procuring fuels, we also aim for all our business partners to be covered by our Code of Conduct through our KYC process. We recorded another year of full coverage for both key figures in 2023.

Contracts with suppliers of which the Code of Conduct is an element[1] %	2023[2]	2022	+/–
RWE Group	100	100	0

Fuel trade partners audited using the Know Your Customer process[1] %	2023	2022	+/–
RWE Group	100	100	0

1 These figures are part of the Executive Board remuneration.
2 Not including historical contracts of RWE Clean Energy, which were concluded ahead of being integrated within the RWE Group.

We established demand-driven processes in the entire RWE Group in line with the German Supply Chain Due Diligence Act to ensure our human rights due diligence obligations are observed appropriately. Since 2023, this law has obliged certain companies to observe due diligence obligations relating to human rights and environmental matters in a reasonable manner. We have introduced a risk management system for all material and relevant business activities. The system allows us to identify potential human rights and environmental risks, avoid or at least minimise these risks and initiate remedial action as part of a systematic follow-up process if concrete violations are discovered. We recorded and published our approach to respecting human rights in a policy statement adopted by the Executive Board. We appointed the Head of Strategy & Sustainability as the RWE Group's Chief Human Rights Officer, a position which oversees RWE's human rights-related risk management and reports to the Executive Board of RWE AG once a year. He is supported by a team of experts which collaborates closely and liaises with other stakeholders within the RWE Group including legal and procurement professionals.

We recently also carried out a risk analysis as part of our human rights risk management activities. An ad-hoc risk analysis was also carried out in light of the Con Edison Clean Energy Businesses acquisition in the USA. Both analyses identified no significant risks within our own business operations. However, a number of relevant risks were discovered in our direct supply chain. As a result, we assessed the prospective and current business partners in greater detail to gain a deeper understanding of measures taken to safeguard their human rights commitments. These audits can either be initiated due to an identified risk or an indication of potential human rights violations. Appropriate measures were taken on the basis of the findings, usually with the aim of improving local conditions. In serious cases, we do not enter into contractual relationships or reserve the right to end them.

EU Taxonomy

Economic activities are changing and becoming more sustainable. This calls for investment in sustainable technologies. Taxonomy is a classification system in the European Union used to identify current and future sustainable economic activities. In the following, RWE will report on its activities under EU taxonomy.

The European Commission introduced the European Green Deal to create a modern, resource-efficient and competitive economy in order to enable zero net greenhouse gas emissions by 2050 and decouple economic growth from resource consumption. A key element of the European Green Deal is EU Taxonomy, which is a classification system to establish clear definitions of what constitutes an environmentally sustainable economic activity. To achieve this, the extent to which economic activities contribute to six defined environmental objectives is analysed. These objectives are climate change mitigation (CCM), climate change adaptation (CCA), sustainable use and protection of water and marine resources (WTR), transition to a circular economy (CE), pollution prevention and control (PPC), and protection and restoration of biodiversity and ecosystems (BIO). In the year under review, we examined the EU's new additions to the list of economic activities substantially contributing to the first two environmental objectives and also reviewed the economic activities that were newly added to the remaining four environmental objectives. As before, all RWE activities contribute exclusively to the first environmental objective, namely 'climate change mitigation'. Our main economic activities as an energy company continue to be renewable energy production and renewable energy storage. These activities reduce energy generation from fossil fuels, which in turn cuts CO_2 emissions and therefore makes a substantial contribution to the environmental objective of climate change mitigation. Previously, the target was to achieve 90 % taxonomy-aligned CapEx by 2030. This target was raised to 95 % in 2023.

We apply the regulations pursuant to Delegated Regulation (EU) 2022 / 1214 of the European Parliament and of the Council dated 9 March 2022 in relation to economic activities in certain energy sectors and pursuant to Delegated Regulation (EU) 2021 / 2178 in relation to special disclosure duties for these economic activities. This is an amendment to the EU Taxonomy Climate Act to include activities relating to nuclear energy and natural gas.

We introduced evaluation procedures and reviewed whether our activities are fundamentally covered by EU taxonomy (taxonomy eligibility) and whether they comply with the criteria set out under EU taxonomy (taxonomy alignment). The requirements for taxonomy alignment are met if all the following criteria are fulfilled:

a) the economic activity makes a substantial contribution to at least one environmental objective;
b) it does not significantly harm ('DNSH') any of the other environmental objectives;
c) it complies with minimum safeguards.

Our main taxonomy-aligned economic activities are electricity generation from wind, photovoltaics and hydropower. We also report electricity storage, driving hydrogen production and storage as well as bioenergy-fired power generation among our taxonomy-aligned activities.

Currently, our natural-gas-fired power generation activities do not yet comply with the criteria set out under EU taxonomy. The threshold of 550 kg CO_2e / KW over an operating period of 20 years can only be met by new gas-fired systems that are converted to run on hydrogen or a low-carbon gas after a few years. We therefore report them as taxonomy-eligible, but not taxonomy-aligned under activities CCM 4.29 and CCM 4.30. The majority of our bioenergy activities also do not yet comply with all criteria. We therefore currently do not report them as taxonomy-aligned (CCM 4.20 and CCM 4.8). At present, individual offshore wind farms are awaiting evidence for or clarification of supplementary measures, which means they are not currently reported as being taxonomy-aligned but are, however, taxonomy-eligible (CCM 4.3).

Our economic activities that are not taxonomy-eligible include electricity generation from coal and nuclear energy. We continue to report the latter as not taxonomy-eligible, as we are no longer investing in the expansion of this technology and therefore do not fully comply with the requirements of activity 4.28 of the Complementary Delegated Act for gas and nuclear energy.

We have assessed taxonomy-alignment in a multi-stage process. First, we divided our asset portfolio by economic activity in accordance with EU taxonomy and by region, e. g. the USA and the European Union. Differentiating by region allows screening criteria to be considered appropriately through similarities in regional legislation. Next, we assessed the substantial contribution of the economic activity to climate change mitigation, as this is the EU taxonomy objective that all our taxonomy-eligible activities contribute to. For most of our activities, no additional technical screening criteria have been defined to prove that they make a significant contribution to climate change mitigation. The delegated legal acts only define specific screening criteria with definitive thresholds for hydrogen production, as well as electricity generation from hydropower, gaseous fossil fuels and bioenergy. With the exception of our natural gas activities and the majority of our power generation from bioenergy, we comply with these technical screening criteria. The aforementioned activities do not meet the criteria for alignment. After considering the technical screening criteria for determining whether an economic activity contributes substantially to climate change mitigation (1), we analysed whether any of the other five environmental objectives were significantly harmed and whether the minimum safeguards were complied with.

Since 2022, we have taken a systematic approach at Group level to criteria under objective 2 'climate change adaptation' that apply to all our activities. In 2023, we expanded our cross-portfolio climate risk analysis for our taxonomy-compliant economic activities by taking steps to anchor the criteria in our operational processes. The analysis focused on climate projection scenarios that align best with the lifetimes of our newest assets. We also considered long-term scenarios and all established and evaluable climate risks referenced in the delegated legal act. The climate models do not include projection data relating to climate risks due to solid matter or certain serious events such as hailstorms. Projected changes to climate variables were identified based on a group of global climate models. Different sources of uncertainty were mitigated by considering various driver scenarios among other things. Nevertheless, the analysis continues to be most relevant to planned assets, assets under construction and recently commissioned assets as projections often forecast that climate change will intensify over the longer term. Past analyses had already considered material environmental risks based on historical data. Changes, some of which are comprehensive, were implemented to address the findings. Noteworthy examples include flood protection for run-of-river power stations and retaining basins for plants with water-based cooling systems. The first step of the vulnerability assessment revealed, among other things, changes in wind, sunshine, precipitation and drought duration as being technology-specific climate risks. We are currently considering specific supplementary data such as the age and service life of individual assets to ascertain vulnerability. To date, we have not uncovered any significant foreseeable risks which could have a material impact on our portfolio.

In accordance with Delegated Legal Act 1 Climate Change Mitigation, Annex 1, certain criteria apply to activities that impact on existing bodies of water due to construction and operation in order to contribute to objective 3, 'sustainable use and protection of water and marine resources'. These criteria apply to our offshore wind, hydropower and hydrogen production activities. The criteria that must be met are evidenced at project and asset level by means of permit applications, environmental impact assessments, surveys, and permit requirements in relation to bodies of water in co-ordination with the relevant authorities.

Objective 4, 'transition to a circular economy', is being pursued systematically and is not significantly impacted. Transitioning to a circular economy is part of our sustainability strategy. Associated processes are therefore implemented throughout the Group. In addition, we prove that requirements are met by taking measures specific to the circular economy at project and plant level.

The only requirements defined for objective 5, 'pollution prevention and control' apply to the activity 'hydrogen production', which essentially relate to the use of chemicals. Due to the technology used, we can prove that emissions fall within the referenced ranges based on the expert opinions and surveys compiled for permitting processes.

The delegated legal act defines criteria for objective 6, 'protection and restoration of biodiversity and ecosystems' that relate to all our activities. Here, taxonomy alignment is achieved through compliance with requirements under approval procedures and is proven at plant level, e.g., by furnishing proof of environmental impact assessments and surveys.

As regards compliance with 'minimum safeguards', we lean on the Platform on Sustainable Finance reporting for minimum safeguards as well as the FAQ document on minimum safeguards published by the EU Commission in 2023 (2023 / C 211 / 01). We have focused our review and evidence of compliance on key topics for which compliance with minimum guarantees at company level has been defined as relevant in accordance with EU and international standards. These topics are human rights, corruption and bribery, taxes, competition and anti-competition law and data privacy. Overall, we comply with all requirements defined as minimum safeguards and see this as the minimum socially responsible corporate action. With regard to human rights, we have established a human rights management system for our own activities and supply chain. The corresponding principles are set out in a declaration of principles. The RWE Code of Conduct has guided our actions for many years now and leans on the International Labour Organization's general definition of human rights and main labour standards. All employees are bound by this Code of Conduct, which also forms part of our purchasing teams' contractual relationships.

To combat corruption and bribery, RWE's compliance management system, which has also been institutionalised in several Group regulations, is designed to prevent and detect corruption. The management system is regularly reviewed for effectiveness by an external auditing firm. Our staff members have access to a Group-wide online whistleblower system and external liaisons (see the Governance section on page 88).

RWE implemented a tax compliance management system based on German audit standards in 2019. Its suitability and effectiveness are monitored internally. We track compliance risks of major foreign companies of the RWE Group through the international management system by reviewing tax declarations, tax payments and tax risks on a quarterly basis. Similar measures have been taken in the remaining compliance areas with a view to ensuring minimum safeguards at all times.

Our reporting is carried out in accordance with the metrics for the three key performance indicators (KPIs): revenue, capital expenditure (CapEx) and operating expenditure (OpEx). These metrics are calculated using the EU taxonomy definitions: revenues are defined as the portion of net revenue from products and services related to taxonomy-aligned economic activities (numerator), divided by total Group revenue (denominator). The CapEx is defined as the proportion of additions to property, plant and equipment and intangible assets during the fiscal year before depreciation, amortisation and re-evaluations related to taxonomy-aligned economic activities (numerator), divided by total CapEx (denominator), see Business performance page 52. The OpEx KPI corresponds to the proportion of direct, non-capitalised costs for research and development, building refurbishment measures, short-term leasing, maintenance and repair, and all other direct expenditure in relation to the day-to-day maintenance of assets included in property, plant and equipment related to taxonomy-aligned economic activities (numerator), divided by total OpEx (denominator). Expenditure on daily maintenance of our property, plant and equipment primarily relates to expenses for the maintenance of wind and solar farms as well as of our conventional power plants. This takes account of purchased and in-house repair measures. In addition to the service cost, directly attributable material costs, personnel costs and other operating expenses are also included.

The first step of determining the KPIs was an analysis of our economic activities. This involved directly assigning individual business units and, in turn, the revenue, CapEx and OpEx generated by them to an economic activity in accordance with the Taxonomy Regulation. This was followed by a review of each economic activity to establish its taxonomy alignment. If a direct assignment to economic activities was not possible, we were able to allocate the KPIs to activities using appropriate allocation procedures. To calculate revenue, the allocation to our economic activities was essentially based on internal revenue from the Supply & Trading segment. The reason for this is that power generation is carried out at the level of the individual economic activities, whereas the sale of electricity generally takes place via the Supply & Trading segment.

We calculated the following data for the RWE Group's taxonomy-aligned activities for the year under review:

Proportion of revenue from goods or services related to taxonomy-aligned economic activities – disclosure for 2023

Fiscal 2023	2023			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
	Codes	Absolute revenue	Proportion of revenue	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) revenue, year 2022	Category enabling activity	Category transitional activity
Economic activities (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Electricity generation from PV technology	CCM 4.1	572	2	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	0		
Electricity generation from wind energy	CCM 4.3	3,601	13	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	11		
Electricity generation from hydropower	CCM 4.5	747	3	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	1		
Electricity storage	CCM 4.10	46	0	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	0	E	
Revenue of environmentally sustainable activities (taxonomy-aligned) (A.1)		**4,966**	**17**	**17%**	**–**	**–**	**–**	**–**	**–**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**12**		
of which enabling activities		46	0	0%	–	–	–	–	–	Y	Y	Y	Y	Y	Y	Y	0	E	
of which transitional activities		–	–	–													–		–

Y – Yes, a taxonomy-aligned activity
N – No, taxonomy-eligible, but not a taxonomy-aligned activity
N/EL – 'not eligible', not a taxonomy-eligible activity

Fiscal 2023	**2023**			**Substantial contribution criteria**						**DNSH criteria ('Does Not Significantly Harm')**									
	Codes	Absolute revenue	Proportion of revenue	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) revenue, year 2022	Category enabling activity	Category transitional activity
Economic activities (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
		€ million	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)																			
Electricity generation from wind energy	CCM 4.3	325	1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1		
Electricity generation from bioenergy	CCM 4.8	66	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
CHP with fossil gaseous fuels	CCM 4.30	126	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1		
CHP/CCP with bioenergy	CCM 4.20	8	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
Electricity generation from natural gas	CCM 4.29	7,884	28	EL	N/EL	N/EL	N/EL	N/EL	N/EL								28		
Production of technologies for renewable energy	CCM 3.1	1	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
Revenue of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)		**8,410**	**30**	**30%**	**–**	**–**	**–**	**–**	**–**								**30**		
Revenue of taxonomy-eligible activities (A.1 + A.2)		**13,376**	**47**	**47%**	**–**	**–**	**–**	**–**	**–**										
B. NOT TAXONOMY-ELIGIBLE ACTIVITIES																			
Revenue of not taxonomy-eligible activities (B)		**15,190**	**53**																
Total (A + B)		**28,566**	**100**																

Y – Yes, a taxonomy-aligned activity
N – No, taxonomy-eligible, but not a taxonomy-aligned activity
N/EL – 'not eligible', not a taxonomy-eligible activity

	Proportion of revenue / Total revenue	
	Taxonomy-aligned per objective %	Taxonomy-eligible per objective %
CCM	17	47
CCA	–	–
WTR	–	–
CE	–	–
PPC	–	–
BIO	–	–

Taxonomy-aligned revenue accounts for a share of 17% (previous year: 12%) and was largely achieved by renewable energy, mainly wind power production. The increase over last year was attributable to elevated power generation from photovoltaics, in part from the acquisition of Con Edison, the slightly higher prorated earnings from wind power, and the boost in hydropower production. We expect to be able to further increase the share of taxonomy-aligned revenue through the strategic expansion of generation from these sources. More detailed commentary on the Group's total revenue can be found on page 143 of the present Annual Report of RWE AG.

Proportion of CapEx from goods or services related to taxonomy-aligned economic activities – disclosure for 2023

Fiscal 2023	2023			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
	Codes	Absolute CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) revenue, year 2022	Category enabling activity	Category transitional activity
Economic activities (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
		Mio. €	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Electricity generation from PV technology	CCM 4.1	7,568	63	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	17		
Electricity generation from wind energy	CCM 4.3	2,617	22	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	58		
Electricity generation from hydropower	CCM 4.5	6	0	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	0		
Electricity generation from bioenergy	CCM 4.8	3	0	Y	N	N	N	N	N								0		
Electricity storage	CCM 4.10	285	2	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	6	E	
Hydrogen production	CCM 3.10	157	1	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	2		
Hydrogen storage	CCM 4.12	17	0	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	0	E	
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		**10,653**	**89**	**89 %**	**–**	**–**	**–**	**–**	**–**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**83**		
of which enabling activities		302	3	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	Y	6	E	
of which transitional activities		–	–	–													–		–

Y – Yes, a taxonomy-aligned activity
N – No, taxonomy-eligible, but not a taxonomy-aligned activity
N/EL – 'not eligible', not a taxonomy-eligible activity

Fiscal 2023	2023			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
	Codes	Absolute CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) revenue, year 2022	Category enabling activity	Category transitional activity
Economic activities (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
		Mio. €	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)																			
Electricity generation from wind energy	CCM 4.3	14	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1		
Electricity generation from bioenergy	CCM 4.8	–	–	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
Hydrogen storage	CCM 4.12	–	–	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
CHP with fossil gaseous fuels	CCM 4.30	12	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
CHP / CCP with bioenergy	CCM 4.20	2	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
Electricity generation from natural gas	CCM 4.29	744	6	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4		
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)		**772**	**6**	**6%**	**–**	**–**	**–**	**–**	**–**								**5**		
CapEx of taxonomy-eligible activities (A.1 + A.2)		**11,425**	**95**	**95%**	**–**	**–**	**–**	**–**	**–**										
B. NOT TAXONOMY-ELIGIBLE ACTIVITIES																			
CapEx of not taxonomy-eligible activities (B)		**572**	**5**																
Total (A + B)		**11,997**	**100**																

Y – Yes, a taxonomy-aligned activity
N – No, taxonomy-eligible, but not a taxonomy-aligned activity
N/EL – 'not eligible', not a taxonomy-eligible activity

	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective %	Taxonomy-eligible per objective %
CCM	89	95
CCA	–	–
WTR	–	–
CE	–	–
PPC	–	–
BIO	–	–

Our taxonomy-aligned CapEx of 89 % (previous year: 83 %) reflects our investments in renewable energy as part of our Growing Green investment and growth strategy, which we published in 2021. We aim to significantly expand our green generation portfolio and to make the Group climate-neutral by 2040 at the latest. Accordingly, we apply an increased target of 95 % taxonomy-aligned CapEx to investments as of 2023. Total CapEx is comprised, among other things, of additions in the schedule of fixed assets presented on pages 152 et seq. and 156 et seq. of the Annual Report plus the additions to property, plant and equipment and intangible assets from changes of control on page 210 of the Annual Report. We have also invested in renewable energy projects, predominantly wind and solar farms and hydrogen, which will be commissioned in the coming years. All assets under construction or in operation meet the criteria for taxonomy alignment at the time the properties and land are secured. Therefore, we state these activities as CapEx in accordance with item 1.2.2.2. a) of the Taxonomy Regulation. We continued to pursue our offshore wind project off the north coast of California reported in 2022 as an investment in accordance with item 1.1.2.2. b) and made further investments in the year under review, which are included in the total. We invested €502 million in wind and solar power generation, hydrogen production and energy storage projects in the year under review. In the medium-term, i. e. over the next three years, we plan to additionally invest we plan to additionally invest in these projects, allocating up to €4.3 billion to wind (CCM 4.3), up to €236 million to solar (CCM 4.1), up to €672 million to hydrogen (CCM 3.10) and €4 million to electricity storage (CCM 4.10). We thus state these activities as CapEx pursuant to item 1.1.2.2 b) of the Taxonomy Regulation. The following summary shows taxonomy-aligned CapEx broken down by the individual component according to the CapEx definition. Additions essentially relate to additions to property, plant and equipment in the renewables business.

Composition of taxonomy-aligned CapEx € million	2023	2022
Additions to intangible assets	12	10
Additions to property, plant and equipment	4,543	3,409
Additions to property, plant and equipment and intangible assets from business combinations	5,863	28
Additions to property, plant and equipment and intangible assets from initial consolidation (no business combinations)	235	54
Total taxonomy-aligned CapEx	**10,653**	**3,501**

Proportion of OpEx from goods or services related to taxonomy-aligned economic activities – disclosure for 2023

Fiscal 2023	2023			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
	Codes	Absolute OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) revenue, year 2022	Category enabling activity	Category transitional activity
Economic activities (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Electricity generation from PV technology	CCM 4.1	40	2	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	0		
Electricity generation from wind energy	CCM 4.3	370	18	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	16		
Electricity generation from hydropower	CCM 4.5	31	2	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	3		
Electricity storage	CCM 4.10	39	2	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	0	E	
Hydrogen production	CCM 3.10	–	–	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	0		
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		**480**	**24**	**24%**	**–**	**–**	**–**	**–**	**–**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**19**		
of which enabling activities		39	2	2%	–	–	–	–	–	Y	Y	Y	Y	Y	Y	Y	0	E	
of which transitional activities		–	–	–													–		–

Y – Yes, a taxonomy-aligned activity
N – No, taxonomy-eligible, but not a taxonomy-aligned activity
N/EL – 'not eligible', not a taxonomy-eligible activity

Fiscal 2023	2023			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
	Codes	Absolute OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) revenue, year 2022	Category enabling activity	Category transitional activity
Economic activities (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
		€ million	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	%	E	T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)																			
Electricity generation from wind energy	CCM 4.3	43	2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2		
Electricity generation from bioenergy	CCM 4.8	1	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
CHP with fossil gaseous fuels	CCM 4.30	39	2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1		
CHP / CCP with bioenergy	CCM 4.20	12	1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
Electricity generation from natural gas	CCM 4.29	201	10	EL	N/EL	N/EL	N/EL	N/EL	N/EL								9		
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)		**296**	**15**	**15%**	**-**	**-**	**-**	**-**	**-**								**12**		
OpEx of taxonomy-eligible activities (A.1 + A.2)		**776**	**39**	**39%**	**-**	**-**	**-**	**-**	**-**										
B. NOT TAXONOMY-ELIGIBLE ACTIVITIES																			
OpEx of not taxonomy-eligible activities (B)		**1,231**	**61**																
Total (A + B)		**2,007**	**100**																

Y – Yes, a taxonomy-aligned activity
N – No, taxonomy-eligible, but not a taxonomy-aligned activity
N/EL – 'not eligible', not a taxonomy-eligible activity

	Proportion of Opex / Total OpEx	
	Taxonomy-aligned per objective %	Taxonomy-eligible per objective %
CCM	24	39
CCA	–	–
WTR	–	–
CE	–	–
PPC	–	–
BIO	–	–

The proportion of taxonomy-aligned OpEx is 24 % (previous year: 19 %). This mainly stems from operating expenditure in our renewables business. These generation technologies enable relatively low operating expenditure in comparison to other, taxonomy-non-eligible activities, particularly in the lignite business. The following summary shows taxonomy-aligned OpEx broken down by the individual component according to the OpEx definition. These are predominantly maintenance costs.

Composition of taxonomy-aligned OpEx € million	2023	2022
Research and development costs	1	7
Short-term leasing	1	0
Maintenance costs	478	356
Total taxonomy-aligned OpEx	**480**	**363**

Furthermore, we issued green bonds with a total volume of €1 billion in the year under review. In the previous year, we issued green bonds with a total volume of €2 billion. The proceeds from the green bonds are being used to expand our renewable energy business as part of our Growing Green strategy. The bonds were met with keen interest from investors and were therefore placed at attractive conditions.

We also report adjusted CapEx solely for the disclosure purposes of financial enterprises including asset management firms, banks, securities companies and insurance companies, in order to avoid duplicate recognition of revenue and CapEx from green bonds in such financial enterprises. Adjusted CapEx differs from normal CapEx in that the numerator is reduced by the amount of investments financed with proceeds from green bonds during the reporting period. This figure totalled €1 billion in fiscal 2023. The adjustments thus expressly do not reflect any adjustments from a management perspective. Adjusted CapEx calculated for financial enterprises in the fiscal year amounted to € 10,997 million.

More detailed information on the taxonomy eligibility of our natural gas and nuclear activities can be found on the next page.

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat / cool and power generation facilities using fossil gaseous fuels.	Yes
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat / cool using fossil gaseous fuels.	No

As already explained, we do not meet the criteria for taxonomy alignment for the activities listed above that are relevant to our business. Therefore, none of these activities may be stated as being taxonomy aligned.

Taxonomy-aligned economic activities (denominator): Revenue

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		€ million	%	€ million	%	€ million	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the revenue KPI	–	–	–	–	–	–
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the revenue KPI	–	–	–	–	–	–
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the revenue KPI	–	–	–	–	–	–
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the revenue KPI	–	–	–	–	–	–
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the revenue KPI	–	–	–	–	–	–
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the revenue KPI	–	–	–	–	–	–
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the revenue KPI**	**4,966**	**17**	**4,966**	**17**	–	–
8.	**Total revenue KPI**	**28,566**					

Taxonomy-aligned economic activities (denominator): CapEx

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		€ million	%	€ million	%	€ million	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the CapEx KPI	–	–	–	–	–	–
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the CapEx KPI	–	–	–	–	–	–
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the CapEx KPI	–	–	–	–	–	–
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the CapEx KPI	–	–	–	–	–	–
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the CapEx KPI	–	–	–	–	–	–
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the CapEx KPI	–	–	–	–	–	–
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the CapEx KPI**	**10,653**	**89**	**10,653**	**89**	**–**	**–**
8.	**Total CapEx KPI**	**11,997**					

Taxonomy-aligned economic activities (denominator): OpEx

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		€ million	%	€ million	%	€ million	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the OpEx KPI	–	–	–	–	–	–
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the OpEx KPI	–	–	–	–	–	–
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the OpEx KPI	–	–	–	–	–	–
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the OpEx KPI	–	–	–	–	–	–
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the OpEx KPI	–	–	–	–	–	–
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the OpEx KPI	–	–	–	–	–	–
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the OpEx KPI**	**480**	**24**	**480**	**24**	**–**	**–**
8.	**Total OpEx KPI**	**2,007**					

Taxonomy-aligned economic activities (numerator): Revenue

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		€ million	%	€ million	%	€ million	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021 / 2139 in the numerator of the revenue KPI	–	–	–	–	–	–
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021 / 2139 in the numerator of the revenue KPI	–	–	–	–	–	–
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021 / 2139 in the numerator of the revenue KPI	–	–	–	–	–	–
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021 / 2139 in the numerator of the revenue KPI	–	–	–	–	–	–
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021 / 2139 in the numerator of the revenue KPI	–	–	–	–	–	–
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021 / 2139 in the numerator of the revenue KPI	–	–	–	–	–	–
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the revenue KPI**	**4,966**	**100**	**4,966**	**100**	**–**	**–**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the revenue KPI**	**4,966**	**100**				

Taxonomy-aligned economic activities (numerator): CapEx

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		€ million	%	€ million	%	€ million	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the CapEx KPI	–	–	–	–	–	–
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the CapEx KPI	–	–	–	–	–	–
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the CapEx KPI	–	–	–	–	–	–
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the CapEx KPI	–	–	–	–	–	–
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the CapEx KPI	–	–	–	–	–	–
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the CapEx KPI	–	–	–	–	–	–
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the CapEx KPI**	**10,653**	**100**	**10,653**	**100**	**–**	**–**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the CapEx KPI**	**10,653**	**100**				

Taxonomy-aligned economic activities (numerator): OpEx

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		€ million	%	€ million	%	€ million	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021 / 2139 in the numerator of the OpEx KPI	–	–	–	–	–	–
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021 / 2139 in the numerator of the OpEx KPI	–	–	–	–	–	–
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021 / 2139 in the numerator of the OpEx KPI	–	–	–	–	–	–
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021 / 2139 in the numerator of the OpEx KPI	–	–	–	–	–	–
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021 / 2139 in the numerator of the OpEx KPI	–	–	–	–	–	–
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021 / 2139 in the numerator of the OpEx KPI	–	–	–	–	–	–
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the OpEx KPI**	**480**	**100**	**480**	**100**	**–**	**–**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the OpEx KPI**	**480**	**100**				

We state our activities in the natural gas business as being taxonomy-eligible, but not taxonomy-aligned. They essentially consist of electricity generation from natural gas.

Taxonomy-eligible but not taxonomy-aligned economic activities: Revenue

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		€ million	%	€ million	%	€ million	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the revenue KPI	–	–	–	–	–	–
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the revenue KPI	–	–	–	–	–	–
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the revenue KPI	–	–	–	–	–	–
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the revenue KPI	7,884	94	7,884	94	–	–
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the revenue KPI	126	1	126	1	–	–
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the revenue KPI	–	–	–	–	–	–
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the revenue KPI**	**400**	**5**	**400**	**5**	–	–
8.	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the revenue KPI**	**8,410**	**100**				

Taxonomy-eligible but not taxonomy-aligned economic activities: CapEx

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		€ million	%	€ million	%	€ million	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the CapEx KPI	–	–	–	–	–	–
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the CapEx KPI	–	–	–	–	–	–
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the CapEx KPI	–	–	–	–	–	–
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the CapEx KPI	744	96	744	96	–	–
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the CapEx KPI	12	2	12	2	–	–
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the CapEx KPI	–	–	–	–	–	–
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the CapEx KPI**	**16**	**2**	**16**	**2**	**–**	**–**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the CapEx KPI**	**772**	**100**				

Taxonomy-eligible but not taxonomy-aligned economic activities: OpEx

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		€ million	%	€ million	%	€ million	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the OpEx KPI	–	–	–	–	–	–
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the OpEx KPI	–	–	–	–	–	–
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the OpEx KPI	–	–	–	–	–	–
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the OpEx KPI	201	68	201	68	–	–
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the OpEx KPI	39	13	39	13	–	–
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the OpEx KPI	–	–	–	–	–	–
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the OpEx KPI**	**56**	**19**	**56**	**19**	**–**	**–**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the OpEx KPI**	**296**	**100**				

As set out earlier, we state our nuclear activities as being not taxonomy-eligible.

Not taxonomy-eligible economic activities: Revenue

Row	Economic activities	€ million	%
1.	Amount and proportion of not taxonomy-eligible economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the revenue KPI	–	–
2.	Amount and proportion of not taxonomy-eligible economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the revenue KPI	–	–
3.	Amount and proportion of not taxonomy-eligible economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the revenue KPI	328	2
4.	Amount and proportion of not taxonomy-eligible economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the revenue KPI	–	–
5.	Amount and proportion of not taxonomy-eligible economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the revenue KPI	–	–
6.	Amount and proportion of not taxonomy-eligible economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the revenue KPI	–	–
7.	**Amount and proportion of other not taxonomy-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the revenue KPI**	**14,862**	**98**
8.	**Total amount and proportion of not taxonomy-eligible economic activities in the denominator of the revenue KPI**	**15,190**	**100**

Not taxonomy-eligible economic activities: CapEx

Row	Economic activities	€ million	%
1.	Amount and proportion of not taxonomy-eligible economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the CapEx KPI	–	–
2.	Amount and proportion of not taxonomy-eligible economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the CapEx KPI	–	–
3.	Amount and proportion of not taxonomy-eligible economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the CapEx KPI	24	4
4.	Amount and proportion of not taxonomy-eligible economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the CapEx KPI	–	–
5.	Amount and proportion of not taxonomy-eligible economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the CapEx KPI	–	–
6.	Amount and proportion of not taxonomy-eligible economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the CapEx KPI	–	–
7.	**Amount and proportion of other not taxonomy-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the CapEx KPI**	**548**	**96**
8.	**Total amount and proportion of not taxonomy-eligible economic activities in the denominator of the CapEx KPI**	**572**	**100**

Not taxonomy-eligible economic activities: OpEx

Row	Economic activities	€ million	%
1.	Amount and proportion of not taxonomy-eligible economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the OpEx KPI	–	–
2.	Amount and proportion of not taxonomy-eligible economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the OpEx KPI	–	–
3.	Amount and proportion of not taxonomy-eligible economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the OpEx KPI	30	2
4.	Amount and proportion of not taxonomy-eligible economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the OpEx KPI	–	–
5.	Amount and proportion of not taxonomy-eligible economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the OpEx KPI	–	–
6.	Amount and proportion of not taxonomy-eligible economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021 / 2139 in the denominator of the OpEx KPI	–	–
7.	**Amount and proportion of other not taxonomy-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the OpEx KPI**	**1,201**	**98**
8.	**Total amount and proportion of not taxonomy-eligible economic activities in the denominator of the OpEx KPI**	**1,231**	**100**

3
Responsibility statement

3 Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group review of operations includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Essen, 5 March 2023

The Executive Board

Krebber Müller van Doren

4

Consolidated financial statements

4.1 Income statement

€ million	Note	2023	2022
Revenue (including natural gas tax / electricity tax)[1]	(1)	**28,734**	**38,618**
Natural gas tax / electricity tax	(1)	168	203
Revenue[1]	(1)	**28,566**	**38,415**
Other operating income[1,2]	(2)	6,124	5,825
Cost of materials[2]	(3)	20,154	31,339
Staff costs	(4)	2,916	3,120
Depreciation, amortisation and impairment losses	(5), (10)	3,825	1,823
Other operating expenses	(6)	3,878	8,336
Income from investments accounted for using the equity method	(7), (12)	561	298
Other income from investments	(7)	4	-32
Income before financial result and tax		**4,482**	**-112**
Financial income	(8)	2,441	2,313
Finance costs	(8)	2,917	1,486
Income before tax		**4,006**	**715**
Taxes on income	(9)	-2,409	2,277
Income		**1,597**	**2,992**
of which: non-controlling interests		147	275
of which: net income / income attributable to RWE AG shareholders		**1,450**	**2,717**
Basic and diluted earnings per share in €	(26)	**1.95**	**3.93**

1 Prior-year figures restated due to a change in the reporting of compensation from redispatch measures (see page 142).
2 Prior-year figures restated.

4.2 Statement of comprehensive income

Figures stated after taxes – € million	Note	2023	2022
Income		**1,597**	**2,992**
Actuarial gains and losses of defined benefit pension plans and similar obligations		-806	1,588
Income and expenses of investments accounted for using the equity method (pro-rata)	(12)	25	52
Fair valuation of equity instruments		1,121	-1,121
Income and expenses recognised in equity, not to be reclassified through profit or loss		**340**	**519**
Currency translation adjustment	(20)	25	-257
Fair valuation of debt instruments		11	-16
Fair valuation of financial instruments used for hedging purposes	(27)	4,926	10,135
Income and expenses of investments accounted for using the equity method (pro-rata)	(12), (20)	-44	-23
Income and expenses recognised in equity, to be reclassified through profit or loss in the future		**4,918**	**9,839**
Other comprehensive income		**5,258**	**10,358**
Total comprehensive income		**6,855**	**13,350**
of which: attributable to RWE AG shareholders		6,706	13,085
of which: attributable to non-controlling interests		149	265

4.3 Balance sheet

Assets € million	Note	31 Dec 2023	31 Dec 2022
Non-current assets			
Intangible assets	(10)	9,787	5,668
Property, plant and equipment	(11)	28,809	23,749
Investments accounted for using the equity method	(12)	4,066	3,827
Other non-current financial assets	(13)	5,573	4,434
Financial receivables	(14)	439	160
Derivatives and other assets	(15)	3,186	3,842
Deferred taxes	(16)	642	606
		52,502	**42,286**
Current assets			
Inventories	(17)	2,270	4,206
Financial receivables	(14)	2,582	8,526
Trade accounts receivable		7,607	9,946
Derivatives and other assets	(15)	26,452	52,306
Income tax assets		440	203
Marketable securities	(18)	7,724	13,468
Cash and cash equivalents	(19)	6,917	6,988
Assets held for sale		–	619
		53,992	**96,262**
		106,494	**138,548**

Equity and liabilities € million	Note	31 Dec 2023	31 Dec 2022
Equity	(20)		
RWE AG shareholders' interest		31,569	27,576
Non-controlling interests		1,571	1,703
		33,140	**29,279**
Non-current liabilities			
Provisions	(22)	17,431	15,595
Financial liabilities	(23)	14,064	9,789
Income tax liabilities	(24)	447	756
Derivatives and other liabilities	(25)	1,753	1,663
Deferred taxes	(16)	5,390	1,781
		39,085	**29,584**
Current liabilities			
Provisions	(22)	6,815	6,489
Financial liabilities	(23)	2,964	11,214
Trade accounts payable		5,114	7,464
Income tax liabilities	(24)	444	225
Derivatives and other liabilities	(25)	18,932	54,293
		34,269	**79,685**
		106,494	**138,548**

4.4 Cash flow statement

€ million	Note (30)	2023	2022
Income		1,597	2,992
Depreciation, amortisation, impairment losses / write-backs		3,821	-112
Changes in provisions		1,602	2,349
Changes in deferred taxes		1,961	-2,714
Income from disposal of non-current assets and marketable securities		-273	-22
Other non-cash income / expenses		-4,451	2,813
Changes in working capital		-22	-2,900
Cash flows from operating activities		**4,235**	**2,406**
Intangible assets / property, plant and equipment			
Capital expenditure		-5,146	-3,303
Proceeds from disposal of assets		793	74
Acquisitions, investments			
Capital expenditure		-4,833	-1,181
Proceeds from disposal of assets / divestitures		369	36
Changes in marketable securities and cash investments		6,007	-5,518
Cash flows from investing activities		**-2,810**	**-9,892**

€ million	Note (30)	2023	2022
Net change in equity (incl. non-controlling interests)		-38	2,349
Dividends paid to RWE AG shareholders and non-controlling interests		-943	-913
Issuance of financial debt		36,909	51,744
Repayment of financial debt		-37,485	-44,565
Cash flows from financing activities		**-1,557**	**8,615**
Net cash change in cash and cash equivalents		-132	1,129
Effects of changes in foreign exchange rates and other changes in value on cash and cash equivalents		61	34
Net change in cash and cash equivalents		**-71**	**1,163**
Cash and cash equivalents at beginning of the reporting period		6,988	5,825
Cash and cash equivalents at end of the reporting period		**6,917**	**6,988**

4.5 Statement of changes in equity

Statement of changes in equity € million	Subscribed capital of RWE AG	Additional paid-in capital of RWE AG	Retained earnings and distributable profit	Accumulated other comprehensive Income			**RWE AG shareholders' interest**	Non-controlling interests	**Total**
				Currency translation adjustments	Fair value measurement of financial instruments				
Note (20)					Debt instruments measured at fair value through other comprehensive income	Used for hedging purposes			
Balance at 1 Jan 2022 prior to adjustment	**1,731**	**4,229**	**10,705**	**793**	**35**	**-2,239**	**15,254**	**1,742**	**16,996**
First-time application of IAS 29	–	–	18	-4	–	–	14	6	20
Balance at 1 Jan 2022	**1,731**	**4,229**	**10,723**	**789**	**35**	**-2,239**	**15,268**	**1,748**	**17,016**
Capital paid in / paid out	–	5[1]	2,359[1]	–	–	–	2,364	-15	2,349
Dividends paid	–	–	-609	–	–	–	-609	-304	-913
Income	–	–	2,717	–	–	–	2,717	275	2,992
Other comprehensive income	–	–	519	-167	-16	10,032	10,368	-10	10,358
Total comprehensive income	–	–	3,236	-167	-16	10,032	13,085	265	13,350
Other changes	–	–	24	–	–	-2,556	-2,532	9	-2,523
Balance at 1 Jan 2023	**1,731**	**4,234**	**15,733**	**622**	**19**	**5,237**	**27,576**	**1,703**	**29,279**

1 Effects from the issuance of the mandatory convertible bond (see page 166).

Statement of changes in equity € million	Subscribed capital of RWE AG	Additional paid – in capital of RWE AG	Retained earnings and distributable profit	Accumulated other comprehensive Income			**RWE AG share-holders' interest**	Non-controlling interests	**Total**
				Currency translation adjustments	Fair value measurement of financial instruments				
Note (20)					Debt instruments measured at fair value through other comprehensive income	Used for hedging purposes			
Balance at 1 Jan 2023	**1,731**	**4,234**	**15,733**	**622**	**19**	**5,237**	**27,576**	**1,703**	**29,279**
Capital paid out			-1[2]	–	–	–	-1	-2	-3
Conversion of the mandatory convertible bond	173[3]	2,255[3]	-2,428[3]	–	–	–	–	–	–
Dividends paid	–	–	-669	–	–	–	-669	-274	-943
Income	–	–	1,450	–	–	–	1,450	147	1,597
Other comprehensive income	–	–	338	8	12	4,898	5,256	2	5,258
Total comprehensive income	–	–	1,788	8	12	4,898	6,706	149	6,855
Other changes	–	–	-10	–	–	-2,033	-2,043	-5	-2,048
Balance at 31 Dec 2023	**1,904**	**6,489**	**14,413**	**630**	**31**	**8,102**	**31,569**	**1,571**	**33,140**

2 Transaction costs offset directly against equity in relation to conversion of the mandatory convertible bond into RWE shares on 15 March 2023 (see page 166).
3 Effects from the conversion of the mandatory convertible bond into RWE shares on 15 March 2023 (see page 166).

4.6 Notes

Basis of presentation

RWE AG, recorded in Commercial Register B of the Essen District Court under HRB 14525 and headquartered at RWE Platz 1 in 45141 Essen, Germany, is the parent company of the RWE Group ('RWE' or 'Group'). RWE generates electricity from renewable and conventional sources, primarily in Europe and the USA. RWE also trades primarily in gas and electricity.

The consolidated financial statements for the period ended 31 December 2023 were approved for publication on 5 March 2024 by the Executive Board of RWE AG. The statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) applicable in the European Union (EU), as well as in accordance with the supplementary accounting regulations applicable pursuant to Sec. 315e, Para. 1 of the German Commercial Code (HGB). The previous year's figures were calculated according to the same principles.

A statement of changes in equity has been disclosed in addition to the income statement, the statement of comprehensive income, the balance sheet and the cash flow statement. The Notes also include segment reporting.

Several balance sheet and income statement items have been combined in the interests of clarity. These items are stated and explained separately in the Notes to the financial statements. The income statement is structured according to the nature of expense method.

The consolidated financial statements have been prepared in euros. Unless specified otherwise, all amounts are stated in millions of euros (€ million). Due to calculation procedures, rounding differences may occur.

These consolidated financial statements were prepared for the fiscal year from 1 January to 31 December 2023.

The Executive Board of RWE AG is responsible for the preparation, completeness and accuracy of the consolidated financial statements and the Group review of operations, which is combined with the review of operations of RWE AG.

We employ internal control systems, uniform groupwide directives and programmes for basic and advanced staff training to ensure that the consolidated financial statements and combined review of operations are adequately prepared. Compliance with legal regulations and the internal guidelines as well as the reliability and viability of the control systems are continuously monitored throughout the Group.

In line with the requirements of the German Corporate Control and Transparency Act (KonTraG), the Group's risk management system enables the Executive Board to identify risks at an early stage and take countermeasures, if necessary.

The consolidated financial statements, the combined review of operations and the related independent auditors' report are discussed in detail by the Audit Committee and at the Supervisory Board's meeting on financial statements with the auditors present.

Scope of consolidation

In addition to RWE AG, the consolidated financial statements contain all material German and foreign companies which RWE AG controls directly or indirectly. In determining whether there is control, in addition to voting rights, other rights in company, inter-company and consortial contracts, and potential voting rights are also taken into consideration.

Material associates are accounted for using the equity method, and principal joint arrangements are accounted for using the equity method or as joint operations.

Associates are companies on which RWE AG exercises a significant influence on the basis of voting rights of 20% up to and including 50% or on the basis of contractual agreements. In classifying joint arrangements which are structured as independent vehicles, as joint operations or as joint ventures, other facts and circumstances – in particular delivery relationships between the independent vehicle and the parties participating in such – are taken into consideration, in addition to the legal form and contractual agreements.

Investments in subsidiaries, joint ventures, joint operations or associates which are of secondary importance from a Group perspective are accounted for in accordance with IFRS 9.

The list of Group shareholdings pursuant to Sec. 313, Para. 2 of the German Commercial Code (HGB) is presented on page 216 et seqq.

The following summaries show the changes in the number of fully-consolidated companies as well as associates and joint ventures accounted for using the equity method:

Number of fully consolidated companies	Germany	Abroad	Total
1 Jan 2023	**54**	**395**	**449**
First-time consolidation	7	375	382
Deconsolidation	-3	-10	-13
Mergers	-7	-5	-12
31 Dec 2023	**51**	**755**	**806**

Number of companies accounted for using the equity method	Germany	Abroad	Total
1 Jan 2023	**11**	**21**	**32**
Disposals	-1	-1	-2
Other changes	–	-1	-1
31 Dec 2023	**10**	**19**	**29**

As in the previous year, two companies are presented as joint operations. Of these, Greater Gabbard Offshore Winds Limited, Reading, UK, is a material joint operation of the RWE Group. Greater Gabbard holds a 500 MW offshore wind farm, which RWE operates together with Scottish and Southern Energy (SSE) Renewables Holdings. RWE owns 50% of the shares and receives 50% of the power generated (including green power certificates). The wind farm is part of the Offshore Wind segment.

First-time consolidation and deconsolidation generally take place when control is obtained or lost.

Sales of shares which led to a change of control resulted in sales proceeds from disposals amounting to €147 million, which were reported in other operating income (previous year: €5 million).

Acquisitions

Acquisition of the Dutch gas-fired power station Magnum. On 31 January 2023, RWE purchased 100 % of the shares in the company Eemshaven Magnum B.V., Amsterdam, Netherlands. With this acquisition, RWE took over the gas-fired power plant Magnum with a net capacity of around 1.4 GW, together with about 70 employees and related solar activities of approximately 6 MW.

The assets and liabilities acquired within the scope of the transaction are presented in the following table:

Balance-sheet items € million	IFRS carrying amounts (fair value) at initial consolidation (as at 31 Dec 2023)
Non-current assets	478
Current assets	144
Non-current liabilities	18
Current liabilities	161
Net assets	**443**
Purchase price	430
Negative goodwill	**- 13**

The fair value of the receivables included in non-current and current assets amounted to €144 million and corresponded to the gross amount of the receivables that are fully recoverable.

Since first-time consolidation, the acquired company has contributed €350 million to the Group's revenue and - €188 million to income. The negative earnings contribution resulted from an impairment recognised on the CGU Dutch Power Plant Portfolio, which was also reflected pro-rata in the earnings of the gas-fired Magnum power plant.

The purchase price was paid exclusively in cash and cash equivalents.

Income from the negative goodwill was recognised in the line item 'other operating income' on the income statement. The negative goodwill results from purchase price adjustments due to a delay in completing the acquisition.

Purchase of Con Edison's renewable energy business. The purchase of 100 % of the shares of Con Edison Clean Energy Businesses, Inc. (CEB), Valhalla, USA, was completed on 1 March 2023. This acquisition was agreed with the US group Con Edison, Inc., New York, USA, in October 2022. CEB is a leading renewables company in the United States, with 3.1 GW of power generation capacity, around 90 % of which comes from solar systems. This portfolio is complemented by a development pipeline of more than 7 GW.

The assets and liabilities acquired within the scope of the transaction are presented in the following table:

Balance-sheet items € million	IFRS carrying amounts (fair value) at initial consolidation (as at 31 Dec 2023)
Non-current assets	5,939
Current assets	879
Non-current liabilities	3,302
Current liabilities	1,192
Net assets	**2,324**
Purchase price	3,819
Goodwill	**1,495**

The fair value of the receivables included in non-current and current assets amounted to €207 million and corresponded to the gross amount of the receivables that are fully recoverable.

Since first-time consolidation as of 1 March 2023, the acquired company has contributed €595 million to the Group's revenue, €45 million to income and €420 million to adjusted EBITDA.

The purchase price was paid exclusively in cash and cash equivalents.

The goodwill is primarily based on expected future use effects, such as the project development competencies of the development team, repowering potential and access to new markets. The goodwill deductible for tax purposes amounts to €1,452 million.

An update of the figures reported during first-time consolidation was performed during the period under review; compared to the intermediate statement as at 30 June 2023, it resulted in the following adjustments: Due to better understanding of the fair value of operating rights and property, plant and equipment in particular, the fair value of net assets stated upon first-time consolidation was reduced by €117 million, from €2,441 million to €2,324 million. Taking account of a purchase price adjustment resulting from contractually agreed settlements, the goodwill recognised upon first-time consolidation increased by €134 million to €1,495 million.

Acquisition of the British developer JBM Solar. On 1 March 2023, RWE acquired 100 % of the shares in the British photovoltaic and battery storage developer JBM Solar Ltd, Cardiff, United Kingdom. Along with a PV project pipeline with a total capacity of around 3.8 GW and 2.3 GW of battery storage, RWE has also taken on a team of around 30 employees.

The assets and liabilities acquired within the scope of the transaction are presented in the following table:

Balance-sheet items € million	IFRS carrying amounts (fair value) at initial consolidation (as at 31 Dec 2023)
Non-current assets	283
Current assets	1
Non-current liabilities	77
Current liabilities	28
Net assets	**179**
Purchase price	362
Goodwill	**183**

Since initial consolidation as of 1 March 2023, the acquired company has not made significant contributions to the Group's revenue and income.

The purchase price was paid exclusively in cash and cash equivalents.

The goodwill is primarily based on expected future use effects, such as the project development competencies of the development team.

If all of the business combinations in the reporting period had occurred on 1 January 2023, Group income and Group revenue would have amounted to €1,579 million and €28,735 million, respectively.

Acquisition of the Polish solar developer Alpha Solar. At the end of August 2022, RWE completed the purchase of 100 % of the shares in the Alpha Solar Group, a Polish photovoltaics developer with 163 companies. With this acquisition, RWE added a solar project pipeline with a total capacity of 3 GW. Along with the projects, RWE also took on a team of 60 professionals.

Disposals and disposal groups

Sale of the grid connection for the Triton Knoll offshore wind farm. As a result of regulatory requirements, RWE was required to sell the grid connection for the Triton Knoll offshore wind farm in the United Kingdom. The sale of the grid connection, which was assigned to the Offshore Wind segment, was completed in December 2023. The gain on the disposal amounted to €27 million and was recognised in the 'other operating income' line item in the income statement.

Sale of the Czech gas storage business. The agreement concluded with the Czech state-owned transmission system operator ČEPS at the end of August 2023 on the sale of the Group company RWE Gas Storage CZ, s.r.o., Prague, Czechia, which was responsible for RWE's Czech gas storage operations, was completed on 18 September 2023. RWE Gas Storage CZ was part of the Supply & Trading segment. The gain on deconsolidation amounted to €128 million and was recognised in the line item 'other operating income' in the income statement.

Consolidation principles

The financial statements of German and foreign companies included in the scope of the Group's financial statements are prepared using uniform accounting policies. On principle, subsidiaries whose fiscal years do not end on the Group's balance-sheet date (31 December) prepare interim financial statements as of this date. In the previous year, one subsidiary had a different balance-sheet date of 31 March. Different fiscal years compared to the calendar year stem from tax-related reasons or country-specific regulations.

Business combinations are reported according to the acquisition method. This means that capital consolidation takes place by offsetting the purchase price, including the amount of the non-controlling interests, against the acquired subsidiary's revalued net assets at the time of acquisition. In doing so, the non-controlling interests can either be measured at the prorated value of the subsidiary's identifiable net assets or at fair value. The subsidiary's identifiable assets, liabilities and contingent liabilities are measured at full fair value, regardless of the amount of the non-controlling interests. Intangible assets are reported separately from goodwill if they are separable from the company or if they stem from a contractual or other right. In accordance with IFRS 3, no new restructuring provisions are recognised within the scope of the purchase price allocation. If the purchase price exceeds the revalued prorated net assets of the acquired subsidiary, the difference is capitalised as goodwill. If the purchase price is lower, the difference is included in income.

In the event of deconsolidation, the related pro-rata goodwill is derecognised with an effect on income. Changes in the ownership share which do not alter the ability to control the subsidiary are recognised without an effect on income. By contrast, if there is a loss of control, the remaining shares are remeasured at fair value with an effect on income.

Expenses and income as well as receivables and payables between consolidated companies are eliminated; intra-group profits and losses are eliminated.

For investments accounted for using the equity method, goodwill is not reported separately, but rather included in the value recognised for the investment. In other respects, the consolidation principles described above apply analogously. If impairment losses on the equity value become necessary, we report such under income from investments accounted for using the equity method.

Foreign currency translation

In their individual financial statements, the companies measure non-monetary foreign currency items at the balance-sheet date using the exchange rate in effect on the date they were initially recognised. Monetary items are converted using the exchange rate valid on the balance-sheet date. Exchange rate gains and losses from the measurement of monetary balance-sheet items in foreign currency occurring up to the balance-sheet date are recognised on the income statement.

Functional foreign currency translation is applied when converting the financial statements of companies outside of the Eurozone. As the principal foreign enterprises included in the consolidated financial statements conduct their business activities independently in their national currencies, their balance-sheet items are translated into euros in the consolidated financial statements using the average exchange rate prevailing on the balance-sheet date. This also applies for goodwill, which is viewed as an asset of the economically autonomous foreign entity. Expense and income items are translated using annual average exchange rates. Foreign currency translation differences from converting the financial statements of companies outide the euro area are reported in other comprehensive income without an effect on income. When translating the adjusted equity of foreign companies accounted for using the equity method, we follow the same procedure.

The following exchange rates (among others) were used as a basis for foreign currency translations:

Exchange rates in €	Average		Year-end	
	2023	2022	31 Dec 2023	31 Dec 2022
1 US dollar	0.92	0.95	0.90	0.94
1 British pound	1.15	1.17	1.15	1.13
100 Czech korunas	4.17	4.08	4.05	4.15
1 Polish zloty	0.22	0.21	0.23	0.21
1 Danish crown	0.13	0.13	0.13	0.13
1 Swedish crown	0.09	0.09	0.09	0.09
1 Norwegian crown	0.09	0.10	0.09	0.10

Since 30 June 2022, Türkiye has been classified as a hyperinflationary economy according to IAS 29. In these financial statements as at 31 December 2023, RWE thus applies IAS 29 in respect of the financial statements of one fully consolidated Turkish subsidiary. As of 1 January 2022, the related effect from retrospective first-time application amounted to €20 million, which was recognised in equity. As a result of the application of IAS 29, a loss of €6 million from the net positions of the monetary items was recorded in the reporting period, which was reported in depreciation, amortisation and impairment losses as well as in the financial result. In this regard, the consumer price index of the Turkish Statistical Institute was used to adjust purchasing power effects. As of 1 January 2023, this amounted to 1,128 basis points (previous year: 687 basis points), which increased to 1,859 basis points at the end of the reporting period (previous year: 1,128 basis points).

The following effects were registered for the cash flow statement for the year under review:

Item € million	Adjustment effects from IAS 29 application in the reporting period
Income	-10
Depreciation, amortisation and impairment losses / write-backs	11
Changes in deferred taxes	2
Other non-cash income / expenses	0
Changes in working capital	-3
Cash flows from operating activities	**0**

The inflation effect (loss of purchasing power) on the initial balance of cash in Türkiye, which was not recognised in the cash flow statement, amounted to €29 million as of 31 December 2023.

Accounting policies

Intangible assets are accounted for at amortised cost. With the exception of goodwill, all intangible assets have finite useful lives and are amortised using the straight-line method. Useful lives and methods of amortisation are reviewed on an annual basis.

Software for commercial and technical applications is amortised over three to five years and is reported under concessions and patent rights. 'Operating rights' refer to the entirety of the permits and approvals required for the operation of a power plant. Such rights are generally amortised over the economic life of the power plant, using the straight-line method. Capitalised customer relations are amortised over a maximum period of up to 35 years.

Goodwill is not amortised; instead it is subjected to an impairment test once every year, or more frequently if there are triggers for an impairment.

Development costs are capitalised if a newly developed product or process can be clearly defined, is technically feasible, and it is the company's intention to either use the product or process itself or market it. Furthermore, asset recognition requires that there be a sufficient level of certainty that the development costs lead to future cash inflows. Capitalised development costs are amortised over the period during which the products are expected to be sold. Research expenditures are recognised as expenses in the period in which they are incurred.

An impairment loss is recognised for an intangible asset if the recoverable amount of the asset is less than its carrying amount. A special regulation applies for cases when the asset is part of a cash-generating unit. Such units are defined as the smallest identifiable group of assets which generates cash inflows; these inflows must be largely independent of cash inflows from other assets or groups of asset. If the intangible asset is a part of a cash-generating unit, the impairment loss is calculated based on the recoverable amount of this unit. If goodwill was allocated to a cash-generating unit and the carrying amount of the unit exceeds the recoverable amount, the allocated goodwill is initially written down by the difference. Impairment losses which must be recognised in addition to this are taken into account by reducing the carrying amount of the other assets of the cash-generating unit on a prorated basis. If the reason for an impairment loss recognised in prior periods has ceased to exist, a write-back to intangible assets is performed. The increased carrying amount resulting from the write-back may not, however, exceed the amortised cost. Impairment losses on goodwill are not reversed.

Property, plant and equipment is stated at depreciated cost. Borrowing costs are capitalised as part of the asset's cost, if they are incurred directly in connection with the acquisition or production of a 'qualified asset'. What characterises a qualified asset is that a considerable period of time is required to prepare it for use or sale. If necessary, the cost of property, plant and equipment may contain the estimated expenses for the decommissioning of plants or site restoration. Maintenance and repair costs are recognised as expenses.

With the exception of land and leasehold rights, as a rule, property, plant and equipment is depreciated using the straight-line method, unless in exceptional cases another depreciation method is better suited to the usage pattern. The depreciation methods are reviewed annually. We calculate the depreciation of RWE's typical property, plant and equipment according to the following useful lives, which apply throughout the Group and are also reviewed annually:

Useful life in years	
Buildings	5 – 50
Technical plants	
Thermal power plants	6 – 40
Wind assets	up to 25
Solar assets	25 – 35
Battery storage facilities	10 – 15
Gas storage facilities	10 – 50
Mining facilities	3 – 25
Other renewable generation facilities	3 – 50

During the review of useful lives, the useful life span of solar assets was adjusted to a period of up to 35 years (previously: up to 25 years) and that of battery storage facilities to a period of up to 15 years (previously: up to 12 years). These adjustments were carried out in a prospective manner. As a result of this, the scheduled depreciation of solar assets declined by €35 million in 2023 and a decline of €47 million is projected for 2024. There were no material effects on the scheduled depreciation of battery storage facilities in 2023 and no material effects on the scheduled depreciation of such facilities are expected in 2024.

In relation to lignite mining and generation, the decommissioning data from the Act on Coal Phaseout are taken into consideration in determining the useful life spans.

Property, plant and equipment also include right-of-use assets resulting from leases of which RWE is the lessee. These right-of-use assets are measured at cost. The cost results from the present value of the lease instalments, adjusted to take into account advance payments, initial direct costs and potential dismantling obligations and corrected for received lease incentives. Right-of-use assets are depreciated using the straight-line method over the lease term.

For short-term leases and leases for low-value assets, lease instalments are recognised as an expense over the lease term. For operating leases of which RWE is the lessor, the minimum lease instalments are recognised as income over the lease term.

Impairment losses and write-backs on property, plant and equipment are recognised according to the principles described for intangible assets.

Investments accounted for using the equity method are initially accounted for at cost and thereafter based on the carrying amount of their prorated net assets. The carrying amounts are increased or reduced annually by prorated profits or losses, dividends and all other changes in equity. Goodwill is not reported separately, but rather included in the recognised value of the investment. Goodwill is not amortised. An impairment loss is recognised for investments accounted for using the equity method, if the recoverable amount is less than the carrying amount.

The initial measurement of **other financial assets** occurs at the settlement date. Shares in non-consolidated subsidiaries and in associates or joint ventures are recognised at fair value through profit or loss. Other investments are also recognised at fair value. The option to state changes in fair value in other comprehensive income is exercised for some of these equity instruments. Non-current securities are also accounted for at fair value and changes in value are recognised through profit or loss or other comprehensive income depending on their classification. Gains and losses on sales of equity instruments, for which the option to state changes in fair value in other comprehensive income is exercised, remain in equity and are not reclassified to the income statement. An impairment in the amount of the expected credit losses is recognised through profit or loss for debt instruments that are recognised at fair value through other comprehensive income. The changes reported in other comprehensive income are recognised with an effect on earnings upon the sale of these instruments.

Receivables are comprised of **financial receivables, trade accounts receivable** and **other receivables**. Aside from financial derivatives, **receivables and other assets** are stated at amortised cost minus a risk provision in the amount of the expected losses.

Loans reported under financial receivables are stated at amortised cost minus a risk provision in the amount of the expected losses. Loans with interest rates common in the market are shown on the balance sheet at nominal value; as a rule, however, non-interest or low-interest loans are disclosed at their present value discounted using an interest rate commensurate with the risks involved.

Lease receivables from finance leases, in which RWE is the lessor, are reported under financial receivables. In finance lease arrangements, the substantial risks and rewards associated with ownership of the underlying asset are transferred to the lessee. Accordingly, upon the commencement of a lease, for finance leases the lessor must derecognise the carrying value of the underlying asset and record a receivable in the amount of the net investment in the lease. The payments received from the lessee are divided into payments of principal and payments of interest, with the payments of interests determined over the lifetime of the lease on the basis of the effective interest rate method.

CO_2 emission allowances and certificates for renewable energies are accounted for as intangible assets and reported under other assets; both are stated at cost and are not amortised.

Deferred taxes result from temporary differences in the carrying amount in the separate IFRS financial statements and tax bases, and from consolidation procedures. Deferred tax assets also include tax reduction claims resulting from the expected utilisation of existing loss carryforwards in subsequent years. Deferred taxes are capitalised if it is sufficiently certain that the related economic advantages can be used. Their amount is assessed with regard to the tax rates applicable or expected to be applicable in the specific country at the time of realisation. The tax regulations valid or adopted as of the balance-sheet date are key considerations in this regard. Deferred tax assets and deferred tax liabilities are netted out for each company and / or tax group. In some countries in which RWE operates, legal regulations on minimum taxation have been introduced in accordance with the OECD guidelines for the new global minimum tax framework (BEPS Pillar 2). In line with IAS 12 as amended in 2023, the potential impacts on deferred taxes from this are not taken into consideration.

Inventories are assets which are held for sale in the ordinary course of business (finished goods and goods for resale), which are in the process of production (work in progress – goods and services) or which are consumed in the production process or in the rendering of services (raw materials including nuclear fuel assemblies).

Insofar as inventories are not acquired primarily for the purpose of realising a profit on a short-term resale transaction, they are carried at the lower of cost or net realisable value. Production costs reflect the full costs directly related to production; they are determined based on normal capacity utilisation and, in addition to directly allocable costs, they also include adequate portions of required materials and production overheads. They also include production-related depreciation. Borrowing costs, however, are not capitalised as part of the cost. The determination of cost is generally based on average values.

If the net realisable value of inventories written down in earlier periods has increased, the reversal of the write-down is recognised as a reduction of the cost of materials.

Nuclear fuel assemblies are stated at amortised cost. Depreciation is determined by operation and capacity, based on consumption and the reactor's useful life.

Inventories which are acquired primarily for the purpose of realising a profit on a short-term resale transaction are recognised at fair value less costs to sell. Changes in value are recognised with an effect on income. The fair value of gas inventories purchased for resale is determined every month on the basis of the current price curves of the relevant indices for gas (e. g. TTF). The valuations are based on prices which can be observed directly or indirectly (Level 2 of the fair value hierarchy). Differences between the fair value and the carrying value of inventories acquired for resale purposes are recognised on the income statement at the end of the month.

Securities classified as current marketable securities essentially consist of fixed-interest securities which have a maturity of more than three months and less than one year from the date of acquisition. Securities are measured in part at fair value through profit or loss or at fair value through other comprehensive income. The transaction costs directly associated with the acquisition of these securities are included in the initial measurement, which occurs on their settlement date. Unrealised gains and losses are recognised through profit or loss or other comprehensive income, with due consideration of any deferred taxes depending on the underlying measurement category. In part, current marketable securities are also measured at amortised cost. An impairment in the amount of the expected credit losses is recognised through profit or loss for debt instruments that are stated at fair value through other comprehensive income. Changes included in other comprehensive income are recognised through profit or loss on disposal of such instruments.

Cash and cash equivalents consist of cash on hand, demand deposits and current fixed-interest securities with a maturity of three months or less from the date of acquisition.

Assets are stated under **Assets held for sale** if they can be sold in their present condition and their sale is highly probable within the next twelve months. Such assets may be certain non-current assets, asset groups ('disposal groups') or operations ('discontinued operations'). Liabilities intended to be sold in a transaction together with assets are a part of a disposal group or discontinued operations, and are reported separately under **Liabilities held for sale**.

Non-current assets held for sale are no longer depreciated or amortised. They are recognised at fair value less costs to sell, as long as this amount is lower than the carrying amount.

Gains or losses on the valuation of specific assets held for sale and of disposal groups are stated under income from continuing operations until final completion of the sale. Gains or losses on the valuation of discontinued operations and on certain assets of a discontinued operation, which are not subject to the valuation rules pursuant to IFRS 5, are stated under income from discontinued operations.

The stock option plans granted by RWE to executives and members of corporate bodies are accounted for as cash-settled **share-based payment**. At the balance-sheet date, a provision is recognised in the amount of the prorated fair value of the payment obligation. Changes in the fair value are recognised with an effect on income. The fair value of options is determined using generally accepted valuation methodologies.

Provisions are recognised for all legal or constructive obligations to third parties which exist on the balance-sheet date and stem from past events which will probably lead to an outflow of resources, and the amount of which can be reliably estimated. Provisions are carried at their prospective settlement amount and are not offset against reimbursement claims. If a provision involves a large number of items, the obligation is estimated by weighting all possible outcomes by their probability of occurrence (expected value method).

All non-current provisions are recognised at their prospective settlement amount, which is discounted as of the balance-sheet date. In the determination of the settlement amount, any cost increases likely to occur up until the time of settlement are taken into account.

If necessary, the cost of property, plant and equipment may contain the estimated expenses for the decommissioning of plants or site restoration. Decommissioning, restoration and similar provisions are recognised for these expenses. If changes in the discount rate or changes in the estimated timing or amount of the payments result in changes in the provisions, the carrying amount of the respective asset is increased or decreased by the corresponding amount. If the decrease in the provision exceeds the carrying amount, the excess is recognised immediately through profit or loss.

As a rule, releases of provisions are credited to the expense account on which the provision was originally recognised.

Provisions for pensions and similar obligations are recognised for defined benefit plans. These are obligations of the company to pay future and ongoing post-employment benefits to entitled current and former employees and their surviving dependents. In particular, the obligations refer to retirement pensions. Individual commitments are generally oriented to the employees' length of service and compensation.

Provisions for defined benefit plans are based on the actuarial present value of the respective obligation. This is measured using the projected unit credit method. This method not only takes into account the pension benefits and benefit entitlements known as of the balance-sheet date, but also anticipated future increases in salaries and pension benefits. The calculation is based on actuarial reports, taking into account appropriate biometric parameters (for Germany, the 'Richttafeln 2018 G' by Klaus Heubeck, and the Standard SAPS Table S3PA of the respective year for the United Kingdom, taking into consideration future changes in mortality rates). The provision derives from the balance of the actuarial present value of the obligations and the fair value of the plan assets. The service cost is disclosed in staff costs. Net interest is included in the financial result.

Gains and losses on the revaluation of net defined benefit liability or asset are fully recognised in the fiscal year in which they occur. They are reported outside of profit or loss, as a component of other comprehensive income in the statement of comprehensive income, and are immediately assigned to retained earnings. They remain outside profit or loss in subsequent periods as well.

In the case of defined contribution plans, the enterprise's obligation is limited to the amount it contributes to the plan. Contributions to the plan are reported under staff costs.

Waste management provisions in the nuclear energy sector are based on obligations under public law, in particular the German Atomic Energy Act, and on restrictions from operating licenses. These provisions are measured using estimates, which are based on contracts as well as information from internal and external specialists.

Provisions for mining damage are recognised for obligations existing as of the balance-sheet date and identifiable when the balance sheet is being prepared to cover land recultivation, resettlement and relocation and remediation of mining damage that has already occurred or been caused. The provisions must be recognised due to obligations under public law, such as the German Federal Mining Act, and formulated, above all, in operating schedules and water law permits. Such provisions are measured at full expected cost or according to estimated compensation payments, which are based on detailed contracts as well as information from internal and external specialists.

A provision is recognised to cover the obligation to submit CO_2 emission allowances and certificates for renewable energies to the respective authorities; this provision is primarily measured at the secured forward price of the CO_2 allowances or certificates for renewable energies. If a portion of the obligation is not covered with allowances that are available or have been purchased forward, the provision for this portion is measured using the market price of the emission allowances or certificates for renewable energies on the reporting date.

Liabilities consist of **financial liabilities, trade accounts payable, income tax liabilities** and **derivatives and other liabilities**. Upon initial recognition, these are generally stated at fair value including transaction costs and are carried at amortised cost in the periods thereafter (except for derivative financial instruments). Lease liabilities are measured at the present value of the future lease payments. For subsequent measurements, the lease payments are divided into the financing costs and repayment portion of the outstanding debt. Financing costs are distributed over the lease term in such a manner that a steady interest rate is created for the outstanding debt.

If uncertain income tax items are recognised in income tax liabilities because they are probable, the former are generally measured at the most likely amount. Measurement at expected value is only considered in exceptional cases.

Moreover, other liabilities also include contract liabilities. A contract liability is the obligation of the Group to transfer goods or services to a customer, for which we have already received consideration or for which the consideration is already due.

Government grants provided in relation to the acquisition of an asset are not deducted from the cost of the subsidised asset; they are reported as deferrals under other liabilities. These deferrals are reversed with an effect on income over the economic life of the subsidised asset. Government grants related to income are offset against the corresponding expenses.

Derivative financial instruments are recognised as assets or liabilities and measured at fair value, regardless of their purpose. Changes in this value are recognised with an effect on income, unless the instruments are used for hedge accounting purposes. In such cases, recognition of changes in the fair value depends on the type of hedging transaction.

Fair value hedges are used to hedge assets or liabilities carried on the balance sheet against the risk of a change in their fair value. The following applies: changes in the fair value of the hedging instrument and the fair value of the respective underlying transactions are recognised in the same line item on the income statement. Hedges of unrecognised firm commitments are also recognised as fair value hedges. Changes in the fair value of the firm commitments with regard to the hedged risk result in the recognition of an asset or liability with an effect on income.

Cash flow hedges are used to hedge the risk of variability in future cash flows related to an asset or liability carried on the balance sheet or related to a highly probable forecast transaction. If a cash flow hedge exists, unrealised gains and losses from the hedging instrument are initially stated as other comprehensive income. Such gains or losses are only included on the income statement when the hedged underlying transaction has an effect on income. If forecast transactions are hedged and such transactions lead to the recognition of a financial asset or financial liability in subsequent periods, the amounts that were recognised in equity until this point in time are recognised on the income statement in the period during which the asset or liability affects the income statement. If the transactions result in the recognition of non-financial assets or liabilities, for example the acquisition of property, plant and equipment, the amounts recognised in equity without an effect on income are included in the initial cost of the asset or liability.

The purpose of hedges of a net investment in foreign operations (net investment hedges) is to hedge the currency risk from investments with foreign functional currencies. With the exception of hedging costs, unrealised gains and losses from such hedges are recognised in other comprehensive income until disposal of the foreign operation.

Hedging relationships must be documented in detail and meet the following effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument,
- the value change of hedging relationship is not dominated by the credit risk, and
- the hedge ratio is the same as that resulting from the quantities used within the scope of risk management.

Only the effective portion of a hedge is recognised in accordance with the preceding rules. The ineffective portion is recognised immediately on the income statement with an effect on income.

Contracts on the receipt or delivery of non-financial items in accordance with the company's expected purchase, sale or usage requirements (own-use contracts) are not accounted for as derivative financial instruments, but rather as executory contracts. If the contracts contain embedded derivatives, the derivatives are accounted separately from the host contract, insofar as the economic characteristics and risks of the embedded derivatives are not closely related to the economic characteristics and risks of the host contract. Written options to buy or sell a non-financial item which can be settled in cash are not own-use contracts.

Contingent liabilities are possible obligations to third parties or existing obligations which will probably not lead to an outflow of economic benefits or the amount of which cannot be measured reliably. Contingent liabilities are only recognised on the balance sheet if they were assumed within the framework of a business combination. The amounts disclosed in the Notes correspond to the best possible estimate of the settlement amount at the balance-sheet date.

Contingent receivables are possible assets resulting from past events, the existence of which must be confirmed by future events that are not under the full control of RWE. Contingent receivables are not stated in the balance sheet. The amounts disclosed in the Notes correspond to the best possible estimate of the financial effects at the balance-sheet date.

Renewable energy projects in the USA are primarily subsidised via tax credits and tax benefits (hereinafter referred to jointly as tax items). Within the framework of so-called **tax equity** financing, tax equity investors participate directly in financing the generation facilities of individual project companies. Due to its financing character, the capital contributed by the tax equity investor is reported under financial liabilities, in the amount of the outstanding repayment.

Repayment of interest and capital for the tax equity liability occurs primarily without cash outflows via the direct allocation of the tax items generated by the project to the tax equity investor, which can then apply the items in relation to its own tax accounting. In addition to this, repayment of interest and capital also occurs in cash.

The tax equity arrangement and the related obligation to maintain proper operations is treated similar to a contract for services. The income resulting from the tax items is recorded under other operating income, with this income realised using the straight-line method over the anticipated duration of the tax equity contracts. In this regard, linear realisation of the income is capped at the amount of income that will most likely be generated during the contract, and any amounts above and beyond this are only recognised up to the amount of income that is actually generated.

Management judgements in the application of accounting policies. Management judgements are required in the application of accounting policies. In particular, this pertains to the following aspects:

- With regard to certain contracts, a decision must be made as to whether they are to be treated as derivatives or as so-called own-use contracts, and be accounted for as executory contracts.
- Financial assets are classified by contractual cash flows and applied business model. Whereas the contractual cash flows are determined by the characteristics of the financial instruments, the business model is based on the Group's internal requirements relating to the portfolios of financial instruments.

- With regard to assets held for sale, it must be determined if they can be sold in their current condition and if the sale of such is highly probable in the next twelve months. If both conditions apply, the assets and any related liabilities must be reported and measured as assets or liabilities held for sale, respectively.

Management estimates and judgements. Preparation of consolidated financial statements pursuant to IFRS requires assumptions and accounting estimates to be made. In the event of uncertainties in relation to the measurement of items in the financial statements, it can be necessary to make accounting estimates. The estimates can have an impact on the recognised value of the assets and liabilities carried on the balance sheet, on income and expenses and on the disclosure of contingent receivables and liabilities.

Amongst other things, these assumptions and estimates relate to the accounting and measurement of provisions. With regard to non-current provisions, the discount factor and price increases to be applied are important estimates, in addition to the amount and timing of future cash flows. The discount factor for pension obligations is determined on the basis of yields on high-quality, fixed-rate corporate bonds on the financial markets as of the balance-sheet date, in accordance with the maturities and due dates.

The rules governing valuation allowances for financial assets under IFRS 9 stipulate that the expected credit losses must be determined. The valuation allowance is based on information from within and outside the Group.

The impairment test for goodwill and non-current assets is based on certain assumptions pertaining to the future, which are regularly adjusted. Property, plant and equipment is tested for indications of impairment on each cut-off date.

Power plants and in some cases opencast mines are grouped together as a cash-generating unit if their production capacity and fuel needs are centrally managed as part of a portfolio, and it is not possible to ascribe individual contracts and cash flows to the specific power plants.

Upon first-time consolidation of an acquired company, the identifiable assets, liabilities and contingent liabilities are recognised at fair value. Determination of the fair value is based on valuation methods which require a projection of anticipated future cash flows.

Deferred tax assets are recognised if realisation of future tax benefits is probable. Actual future development of income for tax purposes and hence the realisability of deferred tax assets, however, may deviate from the estimation made when the deferred taxes are capitalised.

Further information on the assumptions and estimates upon which these consolidated financial statements are based can be found in the explanations of the individual items.

All assumptions and estimates are based on valuation methods and input factors. These include climate-related assumptions on the development of prices for CO_2 allowances, the useful life spans of conventional power stations or for the expansion of the hydrogen economy. These, in turn, are based on the circumstances and forecasts prevailing on the balance-sheet date. Furthermore, as of the balance-sheet date, realistic assessments of overall economic conditions in the sectors and regions in which RWE conducts operations are taken into consideration with regard to the prospective development of business. Actual amounts may deviate from the estimated amounts if the estimated parameters develop differently than expected. In such cases, the assumptions, and, if necessary, the carrying amounts of the affected assets and liabilities are adjusted.

As of the date of preparation of the consolidated financial statements, it is not presumed that there will be any material changes compared to the assumptions and accounting estimates.

Capital management. The focus of RWE's financing policy is on ensuring uninterrupted access to the capital market. The goal is to be in a position to refinance maturing debts and finance the operating activities at all times. Maintaining a solid rating and a positive operating cash flow from continuing activities serve this purpose.

The management of RWE's capital structure is oriented towards a leverage factor of three or less. This indicator is calculated by adding material non-current provisions, with the exception of mining provisions, to net financial debt and comparing the resulting figure to the adjusted EBITDA of the core business. RWE's liabilities of relevance to net debt primarily consist of (hybrid) bonds, commercial paper, tax equity liabilities, short-term borrowing and provisions for pensions, nuclear waste management and wind and solar farms.

In the reporting period, it was primarily cash flows from continuing operations that had a positive effect on the RWE Group's net debt. By contrast, the acquisition of Con Edison's renewable energy business and other net investments, in particular on wind and solar power, increased net debt significantly during the reporting period. In total, net financial assets amounted to €0.8 billion on 31 December 2023 and were thus lower than at the end of 2022 (€8.6 billion). Furthermore, net debt provisions rose by €0.5 billion to €7.4 billion (previous year: €6.9 billion). On average, provisions have a very long duration; their level is primarily determined by external factors such as the general level of interest rates. A precise calculation of net debt / net cash and net financial debt / assets is presented on page 56 of the review of operations. In total, as of 31 December 2023, RWE's net debt amounted to €6.6 billion (previous year: net cash of €1.6 billion). As of 31 December 2023, the leverage factor was 0.9 (previous year: – 0.3) and was thus well below the planned ceiling.

RWE's credit rating is influenced by a number of qualitative and quantitative factors. These include aspects such as the amount of cash flows and debt as well as market conditions, competition and the political and regulatory framework. Our hybrid bonds also have a positive effect on our rating. The leading rating agency, Moody's, classifies part of hybrid capital as equity.

In October and November 2023, the rating agencies Moody's and Fitch both confirmed their credit ratings for RWE. RWE's long-term creditworthiness is now classified as Baa2 (Moody's) and BBB+ (Fitch), with a stable outlook. RWE's short-term credit ratings are unchanged versus the previous year at P-2 (Moody's) and F1 (Fitch).

Changes in accounting regulations

The International Accounting Standards Board (IASB) has approved several amendments to existing IFRSs, which are effective for the RWE Group as of fiscal 2023 due to EU endorsement:

- IFRS 17 Insurance Contracts (2017)
- Amendments to IAS 1 Presentation of Financial Statements (2021)
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (2021)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (2021)
- Amendments to IFRS 17 Initial Application of IFRS 17 and IFRS 9 Comparative Information (2021)
- Amendments to IAS 12 International Tax Reform – Pillar 2 Model Rules (2023)

These new regulations do not have any material effects on the RWE Group's consolidated financial statements.

Change in the reporting of compensation from redispatch measures. In the past, compensation received in relation to redispatch measures was reported in other operating income. Redispatch measures refer to intervention by transmission system operators in the generation capacities of power plants to protect network segments against overloading. A claim for compensation arises when a facility is subjected to a redispatch measure.

In order to more accurately present the effects of these compensation payments, starting from this reporting year the related amounts are reported in revenue. The prior-year figures were adjusted accordingly, as a result of which the reported revenue increased by €49 million in the previous year, while other operating income declined by €49 million in the same period.

New accounting policies

The IASB issued further amendments to standards, which were not yet mandatory in the EU in fiscal 2023. These amendments to standards, which are not expected to have any material effects on RWE's consolidated financial statements, are listed below:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (2020), Presentation of Financial Statements: Classification of Liabilities as Current or Non-current – Deferral of Effective Date (2020) and Presentation of Financial Statements: Non-current Liabilities with Covenants (2022)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (2022)
- Amendments to IAS 7 Statement of Cash Flows (2023) and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (2023)
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (2023)

Notes to the Income Statement

(1) Revenue

Revenue is recorded when the customer has obtained control over goods or services.

We recognise income from the sale of the electricity generated by all of RWE Group's generation technologies and the consumer business in revenue. Revenue resulting from the commercial optimisation of generation dispatch is based on the net sale price, after deduction of the relevant material costs. By contrast, all other revenue from our generation activities and the consumer business is reported on a gross basis.

In the year under review, RWE generated reportable external revenue of €6,258 million with one large customer in the Supply & Trading segment (previous year: no reportable revenue with large customers).

A breakdown of revenue by division, geographical region and product is contained in the segment reporting on page 206 et seqq.

The item 'natural gas tax / electricity tax' comprises the taxes paid directly by Group companies.

Certain performance obligations of the RWE Group were not yet or not yet fully met by the end of the fiscal year. The €1,437 million in revenue due from these performance obligations (previous year: €1,816 million) is expected to be received over the following three years. The receipt of this revenue will depend on when these performance obligations to the customer are met. It does not include future revenue from contracts with an original contractual term of twelve months or less.

(2) Other operating income

Other operating income[1] € million	2023	2022
Income from own work capitalised	169	93
Income from release of provisions	60	3
Cost allocations / refunds	101	88
Income from disposal and write-back of non-current assets including income from deconsolidation	330	2,065
Income from derivative financial instruments	4,275	2,867
Compensation and insurance benefits	27	20
Gains on disposals from finance leases	120	–
Income from tax equity contracts	423	254
Miscellaneous	619	435
	6,124	**5,825**

1 Prior-year figures restated due to a change in the reporting of compensation from redispatch measures (see page 142).

To improve the presentation of the development of business, unrealised and realised gains from contracts measured at fair value in the Supply & Trading segment are stated as a net amount in income from derivative financial instruments. In the year under review, net income totalled €3,689 million (previous year: €2,096 million).

The amount of income from derivative financial instrument was mainly influenced by the high volatility of commodity market prices.

Income from the disposal of non-current financial assets and loans is disclosed under income from investments if it relates to investments; otherwise it is recorded as part of the financial result as is the income from the disposal of current marketable securities.

In the segment Coal / Nuclear, the previously separate cash-generating units (CGU) Garzweiler and Hambach were combined into the CGU Nord-Süd-Bahn in the previous year, as there is a uniform decommissioning date within the framework of the coal phaseout agreed with the Federal government for 2030. The new CGU Nord-Süd-Bahn includes the Hambach and Garzweiler opencast mines, the Niederaußem and Neurath power stations and the refining operations. In the previous year, a write-back up of €801 million was recorded for the CGU Nord-Süd-Bahn (recoverable amount: €1.0 billion). Of this write-back, €794 million was recognised in property, plant and equipment and €7 million in intangible assets in the previous year. Additionally, in the previous year a write-back up to the amount of the depreciated cost of the CGU of €137 million was recorded for the CGU Inden, on which impairments had been recognised in previous periods in accordance with IAS 36 (recoverable amount: €0.4 billion). The entire amount of this write-back was recognised in property, plant and equipment in the previous year. The CGU Inden includes the Inden opencast mine and the associated Weisweiler power station. The write-backs in the previous year were justified primarily by the improvement in earnings expectations.

In the segment Hydro / Biomass / Gas, in the previous year write-backs of €462 million and €186 million were recorded for the CGU Dutch Power Plant Portfolio and the CGU German Gas and Hydroelectric Power Plants, on which impairments had been recognised in previous periods in accordance with IAS 36 (recoverable amounts: €1.0 billion and €4.0 billion, respectively) as well as €304 million for previously impaired power plants in the United Kingdom (recoverable amount: €1.5 billion). The write-backs in the previous year were applied exclusively to property, plant and equipment and were justified primarily by the improvement in earnings expectations. The CGU Dutch Power Plant Portfolio includes the gas-, biomass- and coal-fired power plants in the Netherlands, while the CGU German Gas and Hydroelectric Power Plants contains the gas-fired and run-of-river power stations in Germany. The power plants in the United Kingdom are considered individually.

In the previous year, other write-backs of secondary importance which applied to property, plant and equipment were mainly based on the improvement in earnings expectations.

Details on the calculation of recoverable amounts can be found on page 146. A breakdown of the write-backs by individual segment can be found in the segment reporting on page 206 et seq.

(3) Cost of materials

Cost of materials € million	2023	2022
Cost of raw materials and of goods for resale	18,344	29,774
Cost of purchased services	1,796	1,388
Expenses from CfD contracts	14	177
	20,154	**31,339**

The cost of materials primarily includes expenses for the input materials of conventional power plants. Expenses for coal in the amount of €165 million (previous year: €623 million) and for gas in the amount of €929 million (previous year: €3,151 million) were recognised at the market price prevailing at settlement.

(4) Staff costs

Staff costs € million	2023	2022
Wages and salaries	2,486	2,639
Social security payments	288	270
Support benefits	28	15
Cost of pensions	114	196
	2,916	**3,120**

Number of employees (annual average)	2023		2022	
	Number of employees	In full-time equivalents	Number of employees	In full-time equivalents
Employees covered by collective agreements and other employees	11,400	11,179	11,733	11,522
Employees not covered by collective agreements	8,724	8,570	6,894	6,756
	20,124	**19,749**	**18,627**	**18,278**

The headcount figures do not include trainees. On average, 639 trainees were employed (previous year: 682). This corresponds to the figure calculated in full-time equivalents. As in the previous years, executive personnel are included in the number of employees who are not covered by collective agreements.

(5) Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses € million	2023	2022
Intangible assets	327	213
Property, plant and equipment	3,498	1,610
	3,825	**1,823**

The following impairments were included in depreciation, amortisation and impairment losses:

Impairments € million	2023	2022
Intangible assets	20	17
Property, plant and equipment	1,903	176
	1,923	**193**

During the reporting period, the required impairment test in the Coal / Nuclear segment resulted in impairments amounting to €917 million on property, plant and equipment and €5 million on intangible assets for the cash-generating unit (CGU) Nord-Süd-Bahn (recoverable amount: –€0.6 billion) and amounting to €132 million on property, plant and equipment for the CGU Inden (recoverable amount: €0.0 billion). These impairments reversed the write-backs that were necessary in the previous year due to the turbulence on the energy markets. The CGU Nord-Süd-Bahn includes the Niederaußem and Neurath power stations, the Hambach and Garzweiler opencast mines and the refining operations. The CGU Inden includes the Weisweiler power station and the Inden opencast mine. The impairment is mainly justified by last year's much lower market prices for electricity and the associated sharp decline in clean lignite spreads compared to the extremely high prices seen in the previous year.

In the Hydro / Biomass / Gas segment, the impairment test for the CGU Dutch Power Plant Portfolio resulted in impairments on property, plant and equipment totalling €632 million (recoverable amount: €0.7 billion) during the reporting period, due to the deterioration of market conditions in the Netherlands. The CGU Dutch Power Plant Portfolio includes the gas-fired and biomass / coal-fired power plants in the Netherlands. The newly acquired gas-fired plant Magnum has also been part of this CGU since this reporting period.

Impairments of €111 million were recognised on property, plant and equipment for offshore wind farms in Germany (Offshore Wind segment), due to reduced future feed-in tariffs (recoverable amount: €0.9 billion). Additionally, impairments amounting to €52 million were recognised on property, plant and equipment in the Offshore Wind segment, due to the termination of development projects in Taiwan and Poland.

In the previous year, in the Hydro / Biomass / Gas segment, an impairment in the amount of €46 million was recognised on the combined-cycle gas turbine power plant King's Lynn in the United Kingdom (recoverable amount: €0.1 billion). This essentially stemmed from a shorter-than-expected useful lifespan of the power plant, as a result of the UK government's efforts to decarbonise the energy sector by 2035.

Other impairments on intangible assets and property, plant and equipment were recognised primarily on the basis of changes in price expectations and cancelled development projects.

Recoverable amounts are generally determined on the basis of fair values less costs to sell; in the segments Onshore Wind / Solar and Offshore Wind, they are also determined on the basis of values in use. Fair values are determined using valuation models based on planned cash flows. During the reporting period, the valuation models were based on (after-tax) discount rates that ranged from 5.00 to 6.00 % (previous year: 5.25 to 6.25 %). Our key planning assumptions relate to the development of wholesale prices of electricity, crude oil, natural gas, coal and CO_2 emission allowances, market shares and regulatory framework conditions. Based on the use of internal planning assumptions, the determined fair values are assigned to Level 3 of the fair value hierarchy.

(6) Other operating expenses

Other operating expenses € million	2023	2022
Maintenance and renewal obligations	494	422
Additions to provisions / reversals	1,595	1,926
Legal and other consulting and data processing services	577	352
Insurance, commissions, freight and similar distribution costs	110	98
General administration	138	76
Expenses from derivative financial instruments	359	4,518
Exchange rate losses	109	302
Other taxes / levies	150	251
Miscellaneous	346	391
	3,878	**8,336**

The amount of expenses from derivative financial instruments was mainly influenced by the high volatility of commodity market prices.

In the previous year, impairments of €748 million were recognised in 'expenses from derivative financial instruments' in relation to contracts for hard coal deliveries which were reported as derivatives at fair value. These impairments were necessary due to the sanctions imposed on Russia by the EU and the United Kingdom as a result of the Ukraine war.

Among other things, the item 'other taxes and levies' includes the special taxes that were introduced in many European countries for power generation companies during the previous year.

(7) Income from investments

Income from investments includes all income and expenses which have arisen in relation to operating investments. It is comprised of income from investments accounted for using the equity method and other income from investments.

Income from investments € million	2023	2022
Income from investments accounted for using the equity method	**561**	**298**
Income from non-consolidated subsidiaries	7	-1
Income from other investments	-23	-37
Income from the disposal of investments	1	-4
Income from loans to investments	19	10
Other income from investments	**4**	**-32**
	565	**266**

(8) Financial result

Financial result € million	2023	2022
Interest and similar income	834	356
Other financial income	1,607	1,957
Financial income	**2,441**	**2,313**
Interest and similar expenses	1,011	816
Interest accretion to		
Provisions for pensions and similar obligations (including capitalised surplus of plan assets)	3	13
Provisions for nuclear waste management as well as to mining provisions	395	-1,043
Other provisions	212	-339
Other finance costs	1,296	2,039
Finance costs	**2,917**	**1,486**
	-476	**827**

Interest accretion to provisions contains the annual amounts of accrued interest and the effects of changes in real interest rates. In the case of provisions for pensions, it is reduced by the imputed interest income on plan assets for the coverage of pension obligations. The high prior-year figure for interest accretion to provisions for nuclear waste management as well as to mining provisions is explained by the fact that real discount rates used to calculate our nuclear and mining provisions increased and the resulting decline in the present value of the obligations was recognised primarily as an expense.

Interest expenses incurred for lease liabilities amounted to €65 million in the year under review (previous year: €43 million).

Net interest essentially includes interest income from interest-bearing securities and loans, income and expenses relating to marketable securities, and interest expenses.

Interest income includes dividend income of €202 million from the 15 % stake in E.ON (previous year: €194 million).

In the year under review, €56 million in borrowing costs were capitalised as costs in connection with the acquisition, construction or production of qualifying assets (previous year: €46 million). The underlying capitalisation rate ranged from 2.4 % to 3.5 % (previous year: from 2.1 % to 2.8 %).

Net interest € million	2023	2022
Interest and similar income	834	356
Interest and similar expenses	1,011	816
	-177	**-460**

Net interest stems from financial assets and liabilities, which were allocated to the following measurement categories pursuant to IFRS 9:

Interest result by category € million	2023	2022
Debt instruments measured at amortised cost	626	162
Financial instruments measured at fair value through profit or loss	3	0
Debt instruments measured at fair value through other comprehensive income	3	0
Equity instruments measured at fair value through other comprehensive income	202	194
Financial liabilities measured at amortised cost	-1,011	-816
	-177	**-460**

Other financial income and finance costs mainly involve fair value changes and the realisation of derivatives as well as non-derivative financial instruments. Other financial income also includes €0 million in gains realised from the disposal of marketable securities (previous year: €1 million). Of the other finance costs, €0 million (previous year: €26 million) stem from realised losses on the disposal of marketable securities.

(9) Taxes on income

Taxes on income € million	2023	2022
Current taxes on income	447	437
Deferred taxes	1,962	-2,714
from temporary differences	1,487	-2,109
from tax loss carryforwards	475	-605
	2,409	**-2,277**

In the year under review, changes in valuation allowances for deferred tax assets stemming from temporary differences were recognised in the amount of €946 million (previous year: -€1,417 million) and in the amount of €615 million (previous year: -€732 million) from loss carryforwards.

Current taxes on income contain €59 million in net tax income (previous year: expenses of €97 million) relating to prior periods.

Due to the utilisation of tax loss carryforwards unrecognised in prior years, current taxes on income were reduced by €5 million (previous year: €129 million).

Expenses from deferred taxes declined by €1 million (previous year: €685 million) due to reassessments of and previously unrecognised tax loss carryforwards.

Income taxes recognised in other comprehensive income[1] € million	2023	2022
Fair valuation of equity instruments	0	-1
Fair valuation of debt instruments	0	6
Fair valuation of financial instruments used for hedging purposes	-2,237	-4,044
Actuarial gains and losses of defined benefit pension plans and similar obligations	-163	185
	-2,400	**-3,854**

1 Including valuation allowances.

Taxes in the amount of €985 million (previous year: €1,239 million) were offset directly against equity.

Tax reconciliation € million	2023	2022
Income before tax	**4,006**	**715**
Theoretical tax expense	**1,307**	**233**
Differences to foreign tax rates	-221	-32
Tax effects on		
Tax-free dividends	-153	-137
Other tax-free income	-97	-60
Expenses not deductible for tax purposes	142	97
Accounting for associates using the equity method (including impairment losses on associates' goodwill)	-91	-13
Unutilisable loss carryforwards, utilisation of unrecognised loss carryforwards, write-downs / write-backs of loss carryforwards	733	-649
Income on the disposal of investments	-10	7
Changes in tax rates	-4	-12
Other allowances for deferred taxes in the German and Dutch tax group	932	-1,413
Other	-129	-298
Effective tax expense	**2,409**	**-2,277**
Effective tax rate in %	60.1	-318.5

The theoretical tax expense is calculated using the tax rate for the RWE Group of 32.6% (previous year: 32.6%). This is derived from the prevailing 15% corporate tax rate, the solidarity surcharge of 5.5%, and the Group's average local trade tax rate.

The RWE Group falls in the scope of the OECD model rules (BEPS Pillar 2). The goal of this regulation is that multinational groups should be subject to an effective tax rate of at least 15 % in relation to their local earnings in their respective jurisdictions. If this level is not reached, a so-called 'top-up tax' is levied. The BEPS Pillar 2 legislation was adopted in Germany, the jurisdiction in which the ultimate parent company RWE AG is registered, and enters into force on 1 January 2024. As this legislation was not applicable as of the balance-sheet date, the Group does not have any currently reportable tax risk in relation to it. The Group is applying the exemption for the recognition and disclosure of information on deferred tax assets and liabilities in relation to income taxes in the second pillar.

In some countries in which RWE operates, legal regulations on minimum taxation have been introduced in accordance with the OECD guidelines for the new global minimum tax framework (BEPS Pillar 2).

RWE has reviewed its corporate structure with regard to the introduction of the BEPS Pillar Two Model Rules in various jurisdictions. As the first step, the application of so-called transitional safe harbour rules was examined.

After this, the top-up tax is temporarily reduced to nil in a jurisdiction, insofar as the country in question meets the following conditions:

- the de minimis test, or
- the simplified effective tax rate test, or
- the routine profit test.

This simplification applies for fiscal years starting before 31 December 2026 and ending before 1 July 2028 (transitional period).

The de minimis test is fulfilled for the country in question if the revenue according a qualified country-by-country report is lower than €10 million and the profit before tax according to a qualified country-by-country report is lower than €1 million or if a loss is reported.

The simplified effective tax rate test is fulfilled for the country in question if the the simplified effective tax rate is at least equivalent to the transitional tax rate (15 % for fiscal 2023 and 2024).

The routine profits test is fulfilled for the country in question if the profit before tax is equal to or smaller than the substance based income exclusion. This test is also met for a country that records a loss.

In the reporting period, the key peformance indicators described above were determined on the basis of the annual financial statements and preliminary country-by-country report data, as no final, qualified country-by-country report for the 2023 reporting period was available at the time the current statements were prepared.

An analysis of the key peformance indicators for Germany, the Netherlands, the United Kingdom and the USA yielded the following results:

- Based on the 2023 revenues in the above countries, the de minimis test is not met.

- The simplified effective tax rate test is met for the countries Germany, the Netherlands, and the United Kingdom.

- Due to the recognition of a loss, the routine profit test is met in the USA. In Germany and the USA, the profit before tax is smaller than the substance based income exclusion.

Based on a more precise calculation model and the current legal situation for the remaining countries which do not meet the safe harbour tests, a top-up tax in the amount of roughly €2 million was determined, which may potentially result for 2023.

Notes to the Balance Sheet

(10) Intangible assets

Intangible assets € million	Development costs	Concessions, patent rights, licences and similar rights	Customer relationships and similar assets	Goodwill	Advances paid	Total
Cost						
Balance at 1 Jan 2023	26	4,943	155	2,800	17	7,941
Additions / disposals due to changes in the scope of consolidation	0	277	2,523	1,678	-1	4,477
Additions	–	18	0	–	16	34
Transfers	–	5	–	–	-8	-3
Currency translation adjustments	1	61	-101	-31	0	-70
Disposals	0	3	–	–	0	3
Balance at 31 Dec 2023	27	5,301	2,577	4,447	24	12,376
Accumulated amortisation / impairment losses						
Balance at 1 Jan 2023	25	2,220	28	0	–	2,273
Additions / disposals due to changes in the scope of consolidation	–	-16	–	–	–	-16
Amortisation / impairment losses in the reporting period	1	205	121	0	0	327
Transfers	–	0	–	0	0	0
Currency translation adjustments	0	10	-4	0	1	7
Disposals	0	2	–	–	0	2
Balance at 31 Dec 2023	26	2,417	145	0	1	2,589
Carrying amounts						
Balance at 31 Dec 2023	1	2,884	2,432	4,447	23	9,787

Intangible assets € million	Development costs	Concessions, patent rights, licences and similar rights	Customer relationships and similar assets	Goodwill	Advances paid	Total
Cost						
Balance at 1 Jan 2022	31	5,036	152	2,736	28	7,983
Additions / disposals due to changes in the scope of consolidation	–	21	–	107	–	128
Additions	–	11	0	–	14	25
Transfers	1	15	–	–	-24	-8
Currency translation adjustments	-1	-138	3	-43	0	-179
Disposals	5	2	0	–	1	8
Balance at 31 Dec 2022	26	4,943	155	2,800	17	7,941
Accumulated amortisation / impairment losses						
Balance at 1 Jan 2022	28	2,050	21	0	–	2,099
Additions / disposals due to changes in the scope of consolidation	–	-3	–	–	–	-3
Amortisation / impairment losses in the reporting period	2	205	6	–	–	213
Transfers	1	-1	–	–	0	0
Currency translation adjustments	-1	-22	1	–	0	-22
Disposals	5	2	–	–	–	7
Write-backs	–	7	–	–	–	7
Balance at 31 Dec 2022	25	2,220	28	0	–	2,273
Carrying amounts						
Balance at 31 Dec 2022	1	2,723	127	2,800	17	5,668

In the reporting period, the RWE Group's total expenditures on research and development amounted to €17 million (previous year: €20 million).

Goodwill breaks down as follows:

Goodwill € million	31 Dec 2023	31 Dec 2022
Offshore Wind	1,415	1,397
RWE Clean Energy	1,436	–
Onshore Wind / Solar Europe & Australia	485	292
Hydro / Biomass / Gas	105	105
Supply & Trading	1,006	1,006
	4,447	**2,800**

In the reporting period, goodwill of €1,495 million was created from the first-time consolidation of Con Edison Clean Energy Businesses and of €183 million from the first-time consolidation of the UK developer JBM Solar. These goodwill amounts were assigned to the cash-generating units RWE Clean Energy and Onshore Wind / Solar Europe & Australia, respectively. The goodwill previously assigned to the operating segment Onshore Wind / Solar was allocated in full to the CGU Onshore Wind / Solar Europe & Australia. The intra-year changes in the CGUs result from translation differences.

In the previous year, goodwill of €105 million was generated as a result of the first-time consolidation of the Polish developer Alpha Solar in the Onshore Wind / Solar segment.

A regular impairment test is performed in the fourth quarter of each fiscal year, to determine if there is any need to write down goodwill. As part of this, goodwill is allocated to the CGUs.

The recoverable amount of the CGU is determined, which is defined as the higher of fair value less costs to sell or value in use. Fair value is the best estimate of the price that an independent third party would pay to purchase the CGU as of the balance-sheet date. Value in use reflects the present value of the future cash flows which are expected to be generated with the CGU.

Fair value less costs to sell is assessed from an external perspective and value in use from a company-internal perspective. Values are determined using a business valuation model, based on planned future cash flows. These cash flows, in turn, are based on the medium- and long-term business plans, as approved by the Executive Board and valid at the time of the impairment test. They pertain to a detailed planning period of three to ten years. The cash flow plans are based on experience as well as on expected market trends in the future. If available, market transactions in the same sector or third-party valuations are taken as a basis for determining fair value. Based on the use of internal planning assumptions, the determined fair values less costs to sell are assigned to Level 3 of the fair value hierarchy.

The key planning assumptions in the medium- and long-term business plans mainly relate to the development of prices for electricity, CO_2 emission allowances, natural gas, coal and crude oil. Additionally, assumptions regarding the development of key economic indicators such as exchange rates, gross domestic product and inflation are also incorporated. Market data is used as much as possible for the medium-term planning, while fundamental models are deployed for long-term planning. The results of macro-economic and financial studies and forecasts are also used as benchmarks. The key planning assumptions determined in this way are updated to reflect current market conditions every six months.

For the renewables segments, the valuation is based on a normal wind year, which is calculated as the average of the last 20 years.

The after-tax discount rates used for business valuations are determined on the basis of market data. During the period under review, they were 6.75 % for the CGU Supply & Trading (previous year: 6.00 %), 6.25 % for Offshore Wind (previous year: 5.50 %), 5.25 % for RWE Clean Energy, 6.25 % for Onshore Wind / Solar Europe & Australia (previous year: 5.75 %) and 6.25 % for Hydro / Biomass / Gas (previous year: 6.00 %).

For the renewables segments, we used a growth rate of 1.25 % (previous year: 0.75 %) as a basis for extrapolating future cash flows going beyond the detailed planning period. For the CGU Supply & Trading, we used a growth rate of 0.50 % for the first time. We did not use a growth rate as a basis for the CGU Hydro / Biomass / Gas. The growth rate for each segment is generally derived from experience and expectations of the future and does not exceed the long-term average growth rates of the respective markets in which the Group companies are active. The annual cash flows assumed for the years after the detailed planning period include as a deduction capital expenditure in the amount necessary to maintain the scope of business.

The value in use was taken as the basis for the recoverable amount of the CGU Supply & Trading. The pre-tax discount rate was 8.77 %. The recoverable amounts of the other CGUs were determined as the fair value less costs to sell. As of the balance-sheet date, all of the recoverable amounts were higher than the carrying amounts. The surpluses react especially sensitively to changes in the discount rate, the growth rate – insofar as such are used in the model – and cash flows in terminal value.

Of all of the CGUs, the CGU Supply & Trading exhibited the smallest surplus of recoverable amount over the carrying amount. The recoverable amount was €0.3 billion higher than the carrying amount. In the post-tax model, this surplus would have been exhausted if the calculations had used a discount rate of 7.11 %, a growth rate of 0.04 % or a cash flow of €258 million in terminal value. In the pre-tax model, this surplus would have been exhausted if the calculations had used a discount rate of 9.23 %, a growth rate of – 0.10 % or a cash flow of €360 million in terminal value.

(11) Property, plant and equipment

Property, plant and equipment € million	Land, land rights and buildings incl. buildings on third-party land	Technical plant and machinery	Other equipment, factory and office equipment	Advances paid and plants under construction	Total
Cost					
Balance at 1 Jan 2023	6,307	57,148	1,057	4,895	69,407
Additions / disposals due to changes in the scope of consolidation	363	2,202	-98	592	3,059
Additions	341	1,479	68	3,592	5,480
Transfers	68	1,251	-10	-1,306	3
Currency translation adjustments	-5	-123	-1	-52	-181
Disposals	153	6,821	41	12	7,027
IAS 29 adjustments	1	158	1	-1	159
Balance at 31 Dec 2023	6,922	55,294	976	7,708	70,900
Accumulated depreciation / impairment losses					
Balance at 1 Jan 2023	3,696	40,251	861	850	45,658
Additions / disposals due to changes in the scope of consolidation	-45	-305	-78	-1	-429
Amortisation / impairment losses in the reporting period [1]	492	2,837	144	173	3,646
Transfers	1	23	-6	-18	0
Currency translation adjustments	5	-24	1	-1	-19
Disposals	112	6,702	40	6	6,860
Write-backs	9	14	–	–	23
IAS 29 adjustments	0	118	0	0	118
Balance at 31 Dec 2023	4,028	36,184	882	997	42,091
Carrying amounts					
Balance at 31 Dec 2023	2,894	19,110	94	6,711	28,809

1 In part from the use of provisions for onerous contracts for purchase commitments.

Property, plant and equipment € million	Land, land rights and buildings incl. buildings on third-party land	Technical plant and machinery	Other equipment, factory and office equipment	Advances paid and plants under construction	Total
Cost					
Balance at 1 Jan 2022 prior to first-time application of IAS 29	6,133	55,743	1,012	4,105	66,993
First-time application of IAS 29	1	226	1	-1	227
Balance at 1 Jan 2022	6,134	55,969	1,013	4,104	67,220
Additions/disposals due to changes in the scope of consolidation	40	-43	0	74	71
Additions	322	907	60	2,834	4,123
Transfers	-106	2,199	8	-2,093	8
Currency translation adjustments	-20	-594	1	3	-610
Disposals	64	1,444	26	26	1,560
IAS 29 adjustments	1	154	1	-1	155
Balance at 31 Dec 2022	6,307	57,148	1,057	4,895	69,407
Accumulated depreciation/impairment losses					
Balance at 1 Jan 2022 prior to first-time application of IAS 29	3,959	41,188	881	981	47,009
First-time application of IAS 29	–	208	–	-1	207
Balance at 1 Jan 2022	3,959	41,396	881	980	47,216
Additions/disposals due to changes in the scope of consolidation	1	-8	0	0	-7
Amortisation/impairment losses in the reporting period[1]	190	1,343	60	18	1,611
Transfers	-27	89	4	-66	0
Currency translation adjustments	-10	-303	1	2	-310
Disposals	22	929	25	12	988
Write-backs	395	1,467	60	72	1,994
IAS 29 adjustments	0	130	0	0	130
Balance at 31 Dec 2022	3,696	40,251	861	850	45,658
Carrying amounts					
Balance at 31 Dec 2022	2,611	16,897	196	4,045	23,749

1 In part from the use of provisions for onerous contracts for purchase commitments.

Property, plant and equipment in the amount of €1,348 million (previous year: €1,388 million) was subject to restrictions from land charges, chattel mortgages or other restrictions. Disposals of property, plant and equipment resulted from sale or decommissioning.

Property, plant and equipment includes legally owned assets as well as right-of-use assets from leases of which RWE is the lessee.

These leases primarily comprise long-term rights of use to leased office buildings and land (e. g. leaseholds, properties for green electricity production) and rights of use to leased assets relating to vehicle fleets and power plants.

The following table shows the development of right-of-use assets recognised in property, plant and equipment:

Right-of-use assets Development in 2023 € million	Balance at 1 Jan 2023	Additions	Depreciation, amortisation and impairments	Disposals	Other changes[1]	Balance at 31 Dec 2023
Cost						
Buildings	261	81	37	5	-1	299
Land	916	149	69	9	187	1,174
Technical plant and machinery	23	1	21	0	-1	2
Pumped storage power stations	254	4	14	–	1	245
Vehicle fleet	21	8	17	0	-6	6
Ships	–	43	15	–	6	34
Other plant, factory and office equipment	8	17	21	1	–	3
	1,483	**303**	**194**	**15**	**186**	**1,763**

1 Other changes comprise transfers, write-backs, currency translation adjustments as well as additions and disposals in the scope of consolidation.

Right-of-use assets Development in 2022 € million	Balance at 1 Jan 2022	Additions	Depreciation, amortisation and impairments	Disposals	Other changes[1]	Balance at 31 Dec 2022
Cost						
Buildings	243	34	22	0	6	261
Land	758	193	45	2	12	916
Technical plant and machinery	3	1	2	–	21	23
Pumped storage power stations	258	9	13	–	–	254
Vehicle fleet	8	17	9	0	5	21
Other plant, factory and office equipment	1	13	11	–	5	8
	1,271	**267**	**102**	**2**	**49**	**1,483**

1 Other changes comprise transfers, write-backs, currency translation adjustments as well as additions and disposals in the scope of consolidation.

Disclosure on the corresponding lease liabilities and interest expenses can be found in Notes (8) Financial result, (23) Financial liabilities and (27) Reporting on financial instruments.

In addition, leases had the following effect on the RWE Group's income and cash flows in the year under review:

Effects of leases on income and cash flows € million	2023	2022
RWE as lessee		
Expenses from short-term leases	198	109
Expenses from leases for low-value assets	2	1
Expenses from variable lease payments not considered in the measurement of lease liabilities	36	30
Income from subleases	6	3
Total cash outflows from leases	421	286
RWE as lessor		
Income from operating leases	7	11

Leases that have been contractually agreed, but not begun yet, primarily in relation to ships for the construction of offshore wind farms and wind farm sites, lead to future lease payments of €1,244 million (previous year: €53 million). Moreover, potential lease payments predominantly relating to leases of wind farm sites were disregarded when valuing lease liabilities. This relates to €706 million (previous year: €407 million) in variable payments which may come due depending on generation volumes and €332 million (previous year: €224 million) in potential payments associated with extension and termination options.

In addition to right-of-use assets, property, plant and equipment also include land and buildings leased as operating leases by RWE as lessor. As of 31 December 2023, the carrying amount of these assets totalled €170 million (previous year: €170 million).

The following payment claims resulted from these operating leases:

Nominal lease payments from operating leases € million	31 Dec 2023	31 Dec 2022
Due in up to 1 year	6	6
Due in > 1 to 2 years	5	5
Due in > 2 to 3 years	4	5
Due in > 3 to 4 years	4	4
Due in > 4 to 5 years	4	4
Due after 5 years	13	27

(12) Investments accounted for using the equity method

Information on material and non-material investments in associates and joint ventures accounted for using the equity method is presented in the following summaries:

Material investments accounted for using the equity method	Amprion GmbH, Dortmund		KELAG-Kärntner Elektrizitäts-AG / Kärntner Energieholding Beteiligungs GmbH (KEH), Klagenfurt (Austria)	
€ million	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Balance sheet[1]				
Non-current assets	11,220	7,722	2,324	2,071
Current assets	2,010	6,860	911	917
Non-current liabilities	7,022	4,453	1,206	1,008
Current liabilities	2,176	6,865	871	972
Share of equity[2]	1,012	819	470	441
Goodwill	–	–	198	198
Carrying amounts	976	819	668	639
Statement of comprehensive income[1]				
Revenue	16,386	11,510	3,103	1,203
Income after taxes	938	-48	215	130
Other comprehensive income	-40	126	-3	-49
Total comprehensive income	898	78	212	81
Dividends (prorated)	33	33	37	22
RWE shareholding	25%	25%	49%	49%

1 Figures based on KEH's last available consolidated financial statements; KELAG is fully consolidated in these figures.
2 Figures based on proportional share of equity in KEH and KELAG.

Amprion GmbH, headquartered in Dortmund, Germany, is a transmission system operator for the electricity sector, pursuant to the German Energy Act. Amprion's main shareholder is a consortium of financial investors.

KELAG-Kärntner Elektrizitäts-AG, headquartered in Klagenfurt, Austria, is a leading Austrian energy supplier in the fields of electricity, district heating and natural gas. RWE has an interest of 49 % in Kärntner Energieholding Beteiligungs GmbH (KEH), KELAG's largest shareholder and also holds 12.85 % of KELAG directly (imputed RWE shareholding of 37.9 %).

Non-material investments accounted for using the equity method	Associates		Joint ventures	
€ million	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Income (pro-rata)	11	10	165	235
Other comprehensive income	64	11	7	25
Total comprehensive income	75	21	172	260
Carrying amounts	455	398	1,967	1,971

The RWE Group holds shares with a book value of €3 million (previous year: €3 million) in associates and joint ventures, which are subject to temporary restrictions or conditions in relation to their distributions of profits, due to conditions in loan agreements.

(13) Other non-current financial assets

Other non-current financial assets encompass non-consolidated subsidiaries, other investments and non-current securities.

Non-current securities amounting to €94 million and €3 million (previous year: €118 million and €3 million) were deposited in trust for RWE AG and its subsidiaries, in order to cover credit balances stemming from the block model for pre-retirement part-time work, pursuant to Sec. 8a of the Pre-Retirement Part-Time Work Act and from the management of long-term working hours accounts pursuant to Sec. 7e of the German Code of Social Law IV, respectively. This coverage applies to the employees of RWE AG as well as to the employees of Group companies.

(14) Financial receivables

Financial receivables	31 Dec 2023		31 Dec 2022	
€ million	Non-current	Current	Non-current	Current
Loans to non-consolidated subsidiaries and investments	115	8	141	1
Collaterals for trading activities	1	2,156	0	8,145
Other financial receivables				
Accrued interest	–	72	–	80
Miscellaneous other financial receivables	323	346	19	300
	439	**2,582**	**160**	**8,526**

Companies of the RWE Group deposited collateral for the trading activities stated above for exchange-based and over-the-counter transactions. These are to guarantee that the obligations from the transactions are discharged even if the development of prices is not favourable for RWE. Regular replacement of the deposited collateral depends on the contractually agreed thresholds, above which collateral must be provided for the market value of the trading activities.

RWE is the lessor in finance lease arrangements pursuant to IFRS 16. The resulting lease receivables are reported in the miscellaneous other financial receivables. These essentially consist of the amounts for the 300 MW grid stability reserve plant ('special grid operating asset') in Biblis, which has been used exclusively at the request of the transmission system operator to help stabilise grid frequency and thus ensure security of supply since the reporting year.

Finance leases had the following effect on the RWE Group's income in the year under review:

Effects of finance leases on income and cash flows € million	2023	2022
Selling profit or loss	120	–
Finance income on the net investment	30	0

The following payment claims resulted from finance leases:

Nominal lease payments from finance leases € million	31 Dec 2023	31 Dec 2022
Due in up to 1 year	51	–
Due in > 1 to 2 years	62	–
Due in > 2 to 3 years	62	–
Due in > 3 to 4 years	62	–
Due in > 4 to 5 years	62	–
Due after 5 years	315	–
Discounted unguaranteed residual value	2	–
Unearned finance income	246	–
Present value of outstanding lease receivables	**370**	**–**

(15) Derivatives and other assets

Derivatives and other assets	31 Dec 2023		31 Dec 2022	
€ million	Non-current	Current	Non-current	Current
Derivatives	961	23,588	1,111	49,250
Capitalised surplus of plan assets over benefit obligations	509	–	680	–
Prepayments for items other than inventories	–	264	–	206
CO_2 emission allowances	–	1,273	–	1,107
Miscellaneous other assets	1,716	1,327	2,051	1,743
	3,186	**26,452**	**3,842**	**52,306**
of which: financial assets	2,945	24,018	1,789	49,514
of which: non-financial assets	241	2,434	2,053	2,792

The financial instruments reported under miscellaneous other assets are measured at amortised cost. Derivative financial instruments are stated at fair value. The carrying values of exchange-traded derivatives with netting agreements are offset.

Miscellaneous other assets include compensatory payments for our early exit from the lignite business awarded by the German government in the amount of €1,779 million (previous year: €2,383 million).The review by the EU Commission for compliance with state aid law reached a positive conclusion in December 2023.

(16) Deferred taxes

Deferred tax assets and liabilities principally stem from the fact that measurements in the IFRS statements differ from those in the tax bases. As of 31 December 2023, no deferred tax liabilities were recognised for the difference between net assets and the carrying value of the subsidiaries and associates for tax purposes (known as 'outside basis differences') in the amount of €1,442 million (previous year: €1,182 million), as it is neither probable that there will be any distributions in the foreseeable future, nor will the temporary differences reduce in the foreseeable future. €13,691 million and €15,961 million of the total amount of deferred tax assets and liabilities, respectively, will be realised within twelve months (previous year: €36,819 million and €36,752 million).

The following is a breakdown of deferred tax assets and liabilities by item:

Deferred taxes	31 Dec 2023		31 Dec 2022	
€ million	Assets	Liabilities	Assets	Liabilities
Non-current assets	842	2,861	815	2,141
Current assets	4,754	11,903	10,035	28,788
Exceptional tax items	–	100	–	116
Non-current liabilities				
Provisions for pensions	3	60	170	43
Other non-current liabilities	390	962	405	1,076
Current liabilities	8,937	4,058	26,784	7,964
	14,926	**19,944**	**38,209**	**40,128**
Tax loss carryforwards				
Corporate income tax (or comparable foreign income tax)	188	–	485	–
Trade tax (or comparable foreign local income tax)	82	–	259	–
Gross total	**15,196**	**19,944**	**38,953**	**40,128**
Netting	-14,554	-14,554	-38,347	-38,347
Net total	**642**	**5,390**	**606**	**1,781**

As of 31 December 2023, RWE reported deferred tax claims which exceeded the deferred tax liabilities by €25 million (previous year: €175 million), in relation to companies which suffered a loss in the current or previous period. The basis for the recognition of deferred tax assets is the judgement of the management that it is likely that the companies in question will generate taxable earnings, against which unutilised tax losses and deductible temporary differences can be applied.

The capitalised tax reduction claims from loss carryforwards result from the expected utilisation of previously unused tax loss carryforwards in subsequent years. It is sufficiently certain that these tax carryforwards will be realised.

At the end of the reporting period, corporate income tax loss carryforwards and trade tax loss carryforwards (or such related to comparable foreign income tax) for which no deferred tax claims have been recognised amounted to €4,076 million and €3,304 million, respectively (previous year: €2,116 million and €1,637 million).

The tax loss carryforwards essentially do not have any time limits. It is expected that most of the corporate income tax loss carryforwards and trade tax loss carryforwards (or comparable foreign local income tax) cannot be utilised.

As of 31 December 2023, temporary differences for which no deferred tax assets were recognised amounted to €11,202 million (previous year: €8,549 million).

In the year under review, deferred tax income of €12 million arising from the currency translation of foreign financial statements was offset against equity (previous year: deferred tax income of €32 million).

(17) Inventories

Inventories € million	31 Dec 2023	31 Dec 2022
Raw materials, including nuclear fuel assemblies and earth excavated for lignite mining	706	598
Work in progress – goods / services	224	43
Finished goods and goods for resale	1,333	3,568
Advances paid and received	7	– 3
	2,270	**4,206**

The carrying amount of inventories acquired for resale purposes was €1,310 million (previous year: €3,503 million). As in the previous year, this entire amount related to gas inventories in the reporting period.

Inventories amounting to €0 million (previous year: €634 million) were subject to restrictions from liens, chattel mortgages or other restrictions.

(18) Marketable securities

Current marketable securities include fixed-interest marketable securities totalling €7,691 million (previous year: €13,468 million) which predominantly have a maturity of more than three months from the date of acquisition. Stocks and profit-participation certificates accounted for €33 million (previous year: €0 million). Marketable securities are stated in part at fair value and in part at amortised cost.

(19) Cash and cash equivalents

Cash and cash equivalents € million	31 Dec 2023	31 Dec 2022
Cash and demand deposits	6,663	6,988
Marketable securities and other cash investments (maturity less than 3 months from the date of acquisition)	254	–
	6,917	**6,988**

RWE keeps demand deposits exclusively for short-term cash positions. For cash investments, banks are selected on the basis of various creditworthiness criteria, including their rating from one of the three renowned rating agencies – Moody's, S&P and Fitch – as well as their equity capital and prices for credit default swaps. As in the previous year, interest rates on cash and cash equivalents were at market levels in 2023.

(20) Equity

A breakdown of fully paid-up equity is shown on pages 126 et seq. The subscribed capital of RWE AG consists exclusively of common no-par-value bearer shares.

Subscribed capital	31 Dec 2023 Number of shares	31 Dec 2022 Number of shares	31 Dec 2023 Carrying amount	31 Dec 2022 Carrying amount
	in '000	in '000	€ million	€ million
Shares	743,841	676,220	1,904	1,731

With the approval of the Supervisory Board, using the authorisation of the Annual General Meeting from 28 April 2021, the Executive Board decided on 1 October 2022 to issue a mandatory convertible bond with a total nominal value of €2,427,600,000 to Qatar Holding LLC, a subsidiary of Qatar Investment Authority, in return for a cash contribution. The mandatory convertible bond was converted into 67,621,169 new bearer shares of RWE AG on 15 March 2023. Upon issuance of the mandatory convertible bond in October 2022, the amount of said bond of €2,365,138,635 was recognised in equity and €62,461,365 was recognised as a financial liability. With the conversion into RWE shares performed on 15 March 2023, the amount of the mandatory convertible bond recorded in equity did not change, but – in line with the legal conversion into RWE shares – it is no longer shown in the statement of changes in equity under retained earnings and is reported exclusively in the items 'subscribed capital' and 'additional paid-in capital' of RWE AG'. Additionally, transaction costs of €2,183,798 related to the issuance of the mandatory convertible bond were offset directly against equity.

As the conditional capital was mostly utilised in the course of converting the mandatory convertible bond, the Annual General Meeting replaced the remaining authorisation with a new amount of conditional capital on 4 May 2023. According to this resolution, the capital stock is conditionally increased by up to €190,423,349.76, divided into up to 74,384,121 bearer shares. This conditional capital increase serves the purpose of granting shares to the holders or creditors of convertible and / or option bonds which are issued on the basis of the resolution passed by the Annual General Meeting on 4 May 2023. Based on this resolution, in the period up to 3 May 2028, convertible and / or option bonds with a total nominal value of up to €5,500,000,000 can be issued by the Company or a Group company. The Executive Board is authorised, subject to Supervisory Board approval, to determine further details of implementing conditional capital increases.

With issuance of the mandatory convertible bond, the scope for the issue of shares without subscription rights from the approved capital was also almost completely utilised. Consequently, the Annual General Meeting of 4 May 2023 replaced the approved capital resolved on 28 April 2021 with a new authorisation. According to this, the Executive Board is authorised, subject to Supervisory Board approval, to increase the Company's capital stock by up to EUR 380,846,702.08 until 3 May 2028 through the issuance of up to 148,768,243 bearer shares in return for contributions in cash and / or in kind (authorised capital). In certain cases, with the approval of the Supervisory Board, the subscription rights of shareholders can be excluded.

Pursuant to a resolution passed by the Annual General Meeting on 4 May 2023, the company was further authorised until 3 May 2025 to acquire shares of the company up to a volume of 10 % of the capital stock when the resolution on this authorisation was passed, or if the following is lower, when this authorisation is exercised. Based on the authorisation, the Executive Board is also authorised to cancel treasury shares without a further resolution by the Annual General Meeting. Moreover, the Executive Board is authorised to transfer or sell such shares to third parties under certain conditions and excluding shareholders' subscription rights. Furthermore, treasury shares may be issued to holders of option or convertible bonds under certain conditions. The Executive Board is also authorised to use the treasury shares to discharge obligations from future employee share schemes; in this regard, shareholders' subscription rights shall be excluded.

No treasury shares were held as of 31 December 2023, as was also the case at last year's reporting date.

In fiscal 2023, RWE AG purchased a total of 421,816 RWE shares (previous year: 424,120) for a purchase price of €16,137,338.58 on the capital market (previous year: €16,794,705.09). This is equivalent to €1,079,848.96 of the capital stock (0.06 % of subscribed capital) (previous year: €1,085,747.20 and 0.06 % of subscribed capital). Employees of RWE AG and its subsidiaries received a total of 421,816 shares for capital formation under the employee share plan (previous year: 424,120). This resulted in total proceeds of €15,946,015.68 (previous year: €16,596,862.76). The difference to the purchase price was offset against freely available retained earnings.

As a result of equity capital transactions with subsidiary companies which did not lead to a change of control, the share of equity attributable to RWE AG's shareholders changed by a total of – €31 million (previous year: €0 million) and the share of equity attributable to other shareholders changed by a total of – €4 million (previous year: €0 million).

Accumulated other comprehensive income (OCI) reflects changes in the fair values of debt instruments measured at fair value through other comprehensive income, cash flow hedges and hedges of the net investment in foreign operations, as well as changes stemming from foreign currency translation adjustments from foreign financial statements.

As of 31 December 2023, the share of accumulated other comprehensive income attributable to investments accounted for using the equity method amounted to – €79 million (previous year: – €35 million).

During the reporting year, €19 million in differences from currency translation which had originally been recognised without an effect on income were realised as income (previous year: €17 million).

Dividend proposal

We propose to the Annual General Meeting that RWE AG's distributable profit for fiscal 2023 be appropriated as follows:

Distribution of a dividend of €1.00 per share.

Dividend	€743,841,217.00
Profit carryforward	€16,556.92
Distributable profit	€743,857,773.92

Based on a resolution of RWE AG's Annual General Meeting on 4 May 2023, the dividend for fiscal 2022 amounted to €0.90 per dividend-bearing share. The dividend payment to shareholders of RWE AG amounted to €669 million (previous year: €609 million).

Non-controlling interests

The share ownership of third parties in Group entities is presented in this item.

The income and expenses recognised directly in equity (OCI) include the following non-controlling interests:

Non-controlling interests in OCI € million	2023	2022
Currency translation adjustment	17	-90
Fair valuation of financial instruments used for hedging purposes	-17	80
Income and expenses recognised directly in equity, to be reclassified through profit or loss in the future	**0**	**-10**
Actuarial gains and losses of defined benefit pension plans and similar obligations	2	–
Income and expenses recognised in equity, not to be reclassified through profit or loss	**2**	**0**

Material non-controlling interests are attributable to the subsidiary Rampion Offshore Wind Limited., headquartered in Swindon, United Kingdom.

Subsidiaries with material non-controlling interests	Rampion Offshore Wind Limited, United Kingdom	
€ million	31 Dec 2023	31 Dec 2022
Balance sheet		
Non-current assets	1,663	1,735
Current assets	127	159
Non-current liabilities	233	237
Statement of comprehensive income		
Revenue	375	458
Income	114	196
Total comprehensive income	147	104
Cash flows from operating activities	243	278
Non-controlling interests		
Dividends paid to non-controlling interests	126	147
Income of non-controlling interests	57	98
Share of non-controlling interests in equity	49.90 %	49.90 %
Share of non-controlling interests in voting rights	49.90 %	49.90 %

(21) Share-based payment

For executives of RWE AG as well as of affiliated companies, Long Term Incentive Plans (LTIPs) are in place as share-based payment systems known as Strategic Performance Plans (SPPs). The expenses associated with these are borne by the Group companies which employ the persons holding notional stocks.

The LTIP SPP 2016-2020 was introduced in 2016. It uses an internal performance target (net income of relevance to remuneration) derived from the mid-term planning and takes into account the development of RWE AG's share price. Executives receive conditionally granted virtual shares (performance shares). The final number of virtual shares in a tranche is determined based on the achievement of the adjusted net income target. Each of the issued LTIP SPP tranches has a term of four years before payment is possible.

The plan conditions of the LTIP SPP were adjusted and extended for grants starting from fiscal 2021. In the future, along with the development of adjusted net income of relevance to remuneration, the share-based payment scheme LTIP SPP 2021 will orientate to two additional success factors: the CO_2 intensity of our generation portfolio and the relative total shareholder return, which puts the total return of the RWE share in relation to that of other European utility stocks. These three success factors determine how many of the conditionally granted performance shares are finally granted at the end of the performance period. The performance period was extended from the previous one year to three years. Once it ends, all three success factors will be given equal weight in calculating the final grant. Thereafter, the performance shares must be held for a further year. Therefore, the vesting period will still be four years.

LTIP SPP 2016 – 2020	2019 tranche	2020 tranche
Start of term	1 Jan 2019	1 Jan 2020
Number of conditionally granted performance shares	932,889	935,331
Term (vesting period)	4 years	4 years
Performance target	Adjusted net income	Adjusted net income
Cap / number of performance shares	150 %	150 %
Cap / payment amount	200 %	200 %
Determination of payment	The payment amount is calculated on the basis of the determined number of performance shares multiplied by the sum of a) the mathematical average of the closing share price of the RWE share (ISIN DE 0007037129), with all available decimal places, in Xetra trading of Deutsche Börse AG (or a successor trading system which subsequently takes the place of the Xetra system) for the last 30 trading days prior to the end of the vesting period rounded according to standard commercial practice to two decimal places, and b) the dividends paid per share for the fiscal years between the determination of the final number of performance shares and the end of the vesting period. Dividends do not bear interest and are not reinvested. If a dividend payment occurs during the 30-day period for calculating the share price in accordance with item a), the share prices of the trading days leading up to the payment (CUM share prices) are adjusted by the dividend, as the dividend would otherwise be considered twice. Payment amount = (number of finally granted performance shares) x (mathematical average of the share price + dividends paid). The payment amount calculated in this manner is limited to no more than 200 % of the grant amount.	
Change in corporate control / merger	A change in corporate control ('change of control') shall occur if a) a shareholder gains control in accordance with Sec. 29 of the German Securities Acquisition and Takeover Act by holding at least 30 % of the voting rights including third-party voting rights attributable to it in accordance with Sec. 30 of the German Securities Acquisition and Takeover Act, or b) a control agreement in accordance with Sec. 291 of the German Stock Corporation Act is concluded with RWE AG as the dependent company, or c) RWE AG is merged with another legal entity that does not belong to the Group in accordance with Sec. 2 of the German Company Transformation Act, unless the value of the other legal entity is less than 50 % of the value of RWE AG based on the agreed conversion rate; in such a case, item a) shall not apply. In the event of a change of control, all of the performance shares which have been **fully** granted and have not been paid out shall be paid out early. The payment amount is determined according to the exercise conditions, with the deviation that the last 30 trading days prior to the announcement of the change in control is to be used; plus the dividends paid per share in the fiscal years between the determination of the final number of performance shares and the time of the change in control. The payment amount calculated in this manner shall be paid to the plan participant together with his or her next salary payment. All **conditionally** granted performance shares as of the effective date of the change of control shall lapse without consideration.	
Form of settlement	Cash settlement	Cash settlement
Payment date	2023	2024

LTIP SPP 2021	2021 tranche	2022 tranche	2023 tranche
Start of term	1 Jan 2021	1 Jan 2022	1 Jan 2023
Number of conditionally granted performance shares	823,566	855,532	743,079
Term (vesting period)	4 years	4 years	4 years
Performance targets	1. Adjusted net income; 2. CO_2 intensity; 3. Relative total shareholder return	1. Adjusted net income; 2. CO_2 intensity; 3. Relative total shareholder return	1. Adjusted net income; 2. CO_2 intensity; 3. Relative total shareholder return
Weighting of performance targets	Average achievement of performance targets, each weighted 1 / 3	Average achievement of performance targets, each weighted 1 / 3	Average achievement of performance targets, each weighted 1 / 3
Performance period	3 years	3 years	3 years
Cap / number of performance shares	150 %	150 %	150 %
Cap / payment amount	200 %	200 %	200 %
Determination of payment	The payment amount is calculated on the basis of the determined number of performance shares multiplied by the sum of a) the mathematical average of the closing share price of the RWE share (ISIN DE 0007037129), with all available decimal places, in Xetra trading of Deutsche Börse AG (or a successor trading system which subsequently takes the place of the Xetra system) for the last 30 trading days prior to the end of the vesting period rounded according to standard commercial practice to two decimal places, and b) the dividends paid per share for the fiscal years during the vesting periods. Dividends do not bear interest and are not reinvested. If a dividend payment occurs during the 30-day period for calculating the share price in accordance with item a), the share prices of the trading days leading up to the payment (CUM share prices) are adjusted by the dividend, as the dividend would otherwise be considered twice. Payment amount = (number of finally granted performance shares) x (mathematical average of the share price + dividends paid). The payment amount calculated in this manner is limited to no more than 200 % of the grant amount.		
Change in corporate control / merger	A change in corporate control ('change of control') shall occur if a) a shareholder gains control in accordance with Sec. 29 of the German Securities Acquisition and Takeover Act by holding at least 30 % of the voting rights including third-party voting rights attributable to it in accordance with Sec. 30 of the German Securities Acquisition and Takeover Act, or b) a control agreement in accordance with Sec. 291 of the German Stock Corporation Act is concluded with RWE AG as the dependent company, or c) RWE AG is merged with another legal entity that does not belong to the Group in accordance with Sec. 2 of the German Company Transformation Act, unless the value of the other legal entity is less than 50 % of the value of RWE AG based on the agreed conversion rate; in such a case, item a) shall not apply. In the event of a change of control, all of the performance shares which have been **fully** granted and have not been paid out shall be paid out without change on expiry of the holding period. The payment amount is determined according to the exercise conditions, with the deviation that the takeover price per share is to be used, plus the dividends paid per share in the fiscal years between the start of the vesting period and the time of the change in control. The value of all performance shares granted **conditionally** at the time of the change of control shall be determined with appropriate application of the exercise conditions based on the full-year results for the targets that are available up to the fiscal year in which the change of control occurs, even if in this case the performance period only lasts one or two years. The payment amount is determined according to the exercise conditions, with the deviation that the takeover price per share is to be used, plus the dividends paid per share in the fiscal years between the start of the vesting period and the time of the change in control. All granted performance shares for the calendar year of the change of control shall lapse without consideration.		
Form of settlement	Cash settlement	Cash settlement	Cash settlement
Payment date	2025	2026	2027

The fair value of the performance shares conditionally granted under SPP included the following sums on the grant date:

Performance shares from the RWE AG SPP €	2019 tranche	2020 tranche	2021 tranche	2022 tranche	2023 tranche
Fair value per share	19.10	26.41	34.07	34.51	41.83

The fair values of the tranches of the RWE AG SPP 2016-2020 are based on RWE AG's current share price plus the dividends per share which have already been paid to the shareholders during the term of the corresponding tranche. The limited payment per SPP was implemented via a sold call option. The option value calculated using the Black Scholes Model was deducted. The maximum payments per conditionally granted SPP (= option strike) established in the plan conditions, the discount rates relative to the remaining term as well as the volatilities and expected dividends of RWE AG were considered in determining the option price.

Multivariate Monte Carlo simulations were used for the valuation of RWE AG's 2021 tranche of the SPP. In this context, the success factors not dependent on the capital market were taken as the best estimators without variability. In the valuation model, due consideration was given to the maximum payment amounts stipulated in the programme's conditions for each conditionally granted SPP (= option strike), the success factors not dependent on the capital market, the current level of the RWE AG share and the index, the volatilities and correlations, the discount rates for the remaining term and the expected dividends of RWE AG.

The performance shares displayed the following development in the fiscal year that just came to a close:

Performance shares from the RWE AG SPP	2019 tranche	2020 tranche	2021 tranche	2022 tranche	2023 tranche
Outstanding at the start of the fiscal year	1,377,825	986,470	809,825	855,532	–
Granted	–	–	–	–	743,079
Change[1]	–	-19,622	-6,139	-10,234	–
Paid out	-1,377,825	–	–	–	–
Outstanding at the end of the fiscal year	–	966,848	803,686	845,298	743,079
Payable at the end of the fiscal year	–	966,848	–	–	–

1 'Change' pertains to the final grant based on target achievement or the subsequent grant or lapse of performance shares.

For the SPP options exercised in the period under review, the average weighted daily share price on the day of exercise was €39.89. €41 million is payable for the 2020 tranche.

During the period under review, expenses for the share-based payment system totalled €46 million (previous year: €43 million). As of the balance-sheet date, provisions for cash-settled share-based payment programmes amounted to €102 million (previous year: €94 million).

(22) Provisions

Provisions	31 Dec 2023			31 Dec 2022		
€ million	Non-current	Current	Total	Non-current	Current	Total
Provisions for pensions and similar obligations	1,324	–	1,324	900	–	900
Provisions for nuclear waste management	4,814	570	5,384	5,053	651	5,704
Provisions for mining damage	6,741	208	6,949	6,299	139	6,438
	12,879	**778**	**13,657**	**12,252**	**790**	**13,042**
Other provisions						
Staff-related obligations (excluding restructuring)	249	1,090	1,339	258	1,199	1,457
Restructuring obligations	718	16	734	690	25	715
Purchase and sales obligations	1,533	374	1,907	535	221	756
Provisions for dismantling wind and solar farms	1,197	16	1,213	1,007	4	1,011
Other dismantling and retrofitting obligations	457	86	543	432	119	551
Environmental protection obligations	33	1	34	42	1	43
Interest payment obligations	81	–	81	114	–	114
Obligations to deliver CO_2 emission allowances / certificates for renewable energies	–	3,959	3,959	–	3,494	3,494
Miscellaneous other provisions	284	495	779	265	636	901
	4,552	**6,037**	**10,589**	**3,343**	**5,699**	**9,042**
	17,431	**6,815**	**24,246**	**15,595**	**6,489**	**22,084**

Provisions for pensions and similar obligations. The company pension plan consists of defined contribution and defined benefit plans. The defined benefit commitments mainly relate to pension benefits based on final salary. These are exposed to the typical risks of longevity, inflation and salary increases.

In the reporting period, €49 million (previous year: €36 million) was paid into defined contribution plans. This includes payments made by RWE for a benefit plan in the Netherlands which covers the commitments of various employers. This fund does not provide the participating companies with information allowing for the pro-rata allocation of defined benefit obligations, plan assets and service cost. In the consolidated financial statements, the contributions are thus recognised analogously to a defined contribution plan, although this is a defined benefit plan. The pension plan for employees in the Netherlands is administered by Stichting Pensioenfonds ABP (see www.abp.nl). Contributions to the pension plan are calculated as a percentage rate of employees' salaries and are paid by the employees and employers. The rate of the contributions is determined by ABP. There are no minimum funding obligations. Approximately €13 million in employer contributions are expected to be paid to the ABP pension fund in the following fiscal 2024 (prior-year figure for fiscal 2023: €10 million). The contributions are used for all of the beneficiaries. If ABP's funds are insufficient, it can either curtail pension benefits and future post-employment benefits, or increase the contributions of the employer and employees. In the event that RWE terminates the ABP pension plan, ABP will charge a termination fee. Amongst other things, its level depends on the number of participants in the plan, the amount of salary and the age structure of the participants. As of 31 December 2023, we had around 690 active participants in the plan (previous year: approximately 550).

RWE transferred assets to RWE Pensionstreuhand e.V. within the framework of a contractual trust arrangement (CTA) in order to finance the pension commitments of German Group companies. There is no obligation to provide further funds. From the assets held in trust, funds were transferred to RWE Pensionsfonds AG to cover pension commitments to most of the employees who have already retired. RWE Pensionsfonds AG falls under the scope of the Act on the Supervision of Insurance Undertakings and oversight by the Federal Financial Supervisory Agency (BaFin). Insofar as a regulatory deficit occurs in the pension fund, supplementary payment shall be requested from the employer. Independently of the aforementioned rules, the liability of the employer shall remain in place. The boards of RWE Pensionstreuhand e.V. and RWE Pensionsfonds AG are responsible for ensuring that the funds under management are used in compliance with the contract and thus fulfil the requirements for recognition as plan assets.

In the United Kingdom, it is legally mandated that defined benefit plans are provided with adequate and suitable assets to cover pension obligations. The corporate pension system is managed by the sector-wide Electricity Supply Pension Scheme (ESPS). There are two dedicated, independent sections: the RWE Section and the Innogy Section. The sections are managed by trustees which are elected by members of the pension plans or appointed by the sponsoring employers. The trustees are responsible for managing the pension plans. This includes investments, pension payments and financing plans. The pension plans comprise the benefit obligations and plan assets for the subsidiaries of the RWE Group. It is required by law to assess the required financing of the pension plans once every three years in compliance with the UK regulations for pensions (a so-called funding valuation). This involves measuring pension obligations on the basis of conservative assumptions, which deviate from the requirements imposed by IFRS. The underlying actuarial assumptions primarily include the projected life expectancies of the members of the pension plans as well as assumptions relating to inflation, imputed interest rates and the market returns on the plan assets.

The last funding valuation for the RWE Section occurred as at 31 March 2022. The valuation did not find a financing deficit. The next funding valuation must occur by 31 March 2025. For the Innogy Section, the last funding valuation as at 31 March 2021 did not reveal a financing deficit. The next funding valuation must occur by 31 March 2024.

The payments to settle a financing deficit that is identified are charged to the participating companies on the basis of a contractual agreement. Above and beyond this, payments are regularly made to finance the newly arising benefit obligations of active employees which increase the pension claims.

Provisions for defined benefit plans are determined using actuarial methods. We apply the following assumptions:

Calculation assumptions	31 Dec 2023		31 Dec 2022	
in %	Germany	Foreign[1]	Germany	Foreign[1]
Discount rate	3.50	4.60	4.20	4.90
Wage and salary growth rate	2.75	3.10	2.75	3.10
Pension increase rate	1.00, 2.00 and 2.15	2.00 and 2.90	1.00, 2.00 and 2.15	2.20 and 3.00

1 Pertains to benefit commitments to employees of the RWE Group in the UK.

Composition of plan assets (fair value)	31 Dec 2023				31 Dec 2022			
€ million	Germany[1]	Of which: Level 1 pursuant to IFRS 13	Foreign[2]	Of which: Level 1 pursuant to IFRS 13	Germany[1]	Of which: Level 1 pursuant to IFRS 13	Foreign[2]	Of which: Level 1 pursuant to IFRS 13
Equity instruments, exchange-traded funds	1,188	1,172	411	–	1,264	1,243	440	78
Interest-bearing instruments	5,017	5	3,145	328	4,428	2	3,181	265
Mixed funds[3]	46	–	–	–	45	–	–	–
Alternative investments	91	71	1,088	121	454	407	1,040	–
Other[4]	58	58	140	44	51	51	116	116
	6,400	**1,306**	**4,784**	**493**	**6,242**	**1,703**	**4,777**	**459**

1 Plan assets in Germany primarily pertain to assets of RWE AG and other Group companies which are managed by RWE Pensionstreuhand e.V. as a trust, as well as to assets of RWE Pensionsfonds AG.
2 Foreign plan assets pertain to the assets of the RWE Group within the British ESPS to cover benefit commitments to employees of the RWE Group in the UK.
3 Includes equity and interest-bearing instruments.
4 Includes reinsurance claims against insurance companies and other fund assets.

Our investment policy in Germany is based on a detailed analysis of the plan assets and the pension commitments and the relation of these two items to each other, in order to determine the best possible investment strategy (Asset Liability Management Study). Using an optimisation process, portfolios are identified which can earn the best targeted results at a defined level of risk. One of these efficient portfolios is selected and the strategic asset allocation is determined; furthermore, the related risks are analysed in detail.

The focus of RWE's strategic investment policy is on domestic and foreign government bonds. In order to increase the average yield, corporate bonds with a higher yield are also included in the portfolio. The ratio of equities in the portfolio is lower than that of bonds. Investment occurs in various regions. The investment position in equities is intended to earn a risk premium over bond investments over the long term. Furthermore, in order to achieve consistently high returns, there is also investment in products which are more likely to offer relatively regular positive returns over time. This involves products with returns which fluctuate like those of bond investments, but which achieve an additional return over the medium term, such as so-called absolute return products.

In the United Kingdom, our capital investment takes account of the structure of the pension obligations as well as liquidity and risk matters. The goal of the investment strategy in this context is to maintain the level of pension plan funding and ensure the full financing of the pension plans over time. To reduce financing costs and earn surplus returns, we also include higher-risk investments in our portfolio. The capital investment focusses on government and corporate bonds.

Pension provisions for pension commitments changed as follows:

Changes in pension provisions € million	Present value of pension commitments	Fair value of plan assets	Capitalised surplus of plan assets	Total
Balance at 1 Jan 2023	**11,239**	**11,019**	**680**	**900**
Current service cost	75	–	–	75
Interest cost / income	490	487	–	3
Return on fund assets less interest components	–	182	–	-182
Gain / loss on change in demographic assumptions	-63	–	–	-63
Gain / loss on change in financial assumptions	727	–	–	727
Experience-based gains / losses	161	–	–	161
Currency translation adjustments	87	98	11	0
Employee contributions	9	9	–	–
Employer contributions[1]	–	73	–	-73
Benefits paid[2]	-744	-695	–	-49
Changes in the scope of consolidation / transfers	17	15	–	2
Past service cost	1	–	–	1
General administration expenses	–	-4	–	4
Change in capitalised surplus of plan assets	–	–	-182	-182
Balance at 31 Dec 2023	**11,999**	**11,184**	**509**	**1,324**
of which: domestic	7,664	6,400	45	1,309
of which: foreign	4,335	4,784	464	15

1 Of which: €73 million in cash flows from operating activities.
2 Contained in cash flows from operating activities.

Changes in pension provisions € million	Present value of pension commitments	Fair value of plan assets	Capitalised surplus of plan assets	Total
Balance at 1 Jan 2022	**16,545**	**15,070**	**459**	**1,934**
Current service cost	156	–	–	156
Interest cost / income	224	211	–	13
Return on fund assets less interest components	–	-3,295	–	3,295
Gain / loss on change in demographic assumptions	-17	–	–	-17
Gain / loss on change in financial assumptions	-5,292	–	–	-5,292
Experience-based gains / losses	610	–	–	610
Currency translation adjustments	-274	-301	-28	-1
Employee contributions	8	8	–	–
Employer contributions[1]	–	34	–	-34
Benefits paid[2]	-730	-705	–	-25
Changes in the scope of consolidation / transfers	5	2	–	3
Past service cost	4	–	–	4
General administration expenses	–	-5	–	5
Change in capitalised surplus of plan assets	–	–	249	249
Balance at 31 Dec 2022	**11,239**	**11,019**	**680**	**900**
of which: domestic	6,981	6,242	146	885
of which: foreign	4,258	4,777	534	15

1 Of which: €34 million in cash flows from operating activities.
2 Contained in cash flows from operating activities.

Changes in the actuarial assumptions would lead to the following changes in the present value of the defined benefit obligations:

Sensitivity analysis of pension provisions	Changes in the present value of defined benefit obligations			
€ million	31 Dec 2023		31 Dec 2022	
Change in the discount rate by + 50 / - 50 basis points				
Domestic	- 444	494	- 384	425
Foreign	- 229	253	- 218	242
Change in the wage and salary growth rate by - 50 / + 50 basis points				
Domestic	- 20	20	- 19	20
Foreign	- 15	16	- 12	14
Change in the pension increase rate by - 50 / + 50 basis points				
Domestic	- 313	340	- 273	295
Foreign	- 138	139	- 170	129
Increase of one year in life expectancy				
Domestic	–	321	–	275
Foreign	–	104	–	134

The sensitivity analyses are based on the change of one assumption each, with all other assumptions remaining unchanged. Actual developments will probably be different than this. The methods of calculating the aforementioned sensitivities and for calculating the pension provisions are in agreement. The dependence of pension provisions on market interest rates is limited by an opposite effect. The background of this is that the commitments stemming from company pension plans are primarily covered by funds, and mostly plan assets exhibit negative correlation with the market yields of fixed-interest securities. Consequently, declines in market interest rates are typically reflected in an increase in plan assets, whereas rising market interest rates are typically reflected in a reduction in plan assets.

The present value of pension obligations, less the fair value of the plan assets, equals the net amount of funded and unfunded pension obligations.

As of the balance-sheet date, the recognised amount of pension provisions totalled €880 million for funded pension plans (previous year: €462 million) and €444 million for unfunded pension plans (previous year: €438 million).

Part of the past service cost related to severance payments in the UK.

Domestic company pensions are subject to an obligation to review for adjustment every three years pursuant to the Act on the Improvement of Company Pensions (Sec 16 of the German Company Pension Act (BetrAVG)). Additionally, some commitments grant annual adjustments of pensions, which may exceed the adjustments in compliance with the legally mandated adjustment obligation. Due to the currently high level of inflation, future pension adjustments in Germany are projected to be higher than the long-term trend assumed in the calculations. The surplus inflation that is expected and accumulates until the next mandatory date for the legal adjustment will thus be captured as a lump-sum premium, which will be derived from the consideration of past adjustments and the regular adjustment practices and will be applied to the claims in question.

Some domestic pension plans guarantee a certain pension level, taking into account the statutory pension (total retirement earnings schemes). As a result, future reductions in the statutory pension can result in higher pension payments by RWE.

The weighted average duration of the pension obligations was 13 years in Germany (previous year: 12 years) and 11 years outside of Germany (previous year: 11 years).

In fiscal 2024, RWE expects to make €140 million in payments for defined benefit plans (previous-year target: €45 million), as direct benefits and contributions to plan assets.

Provisions for nuclear energy and mining € million	Balance at 1 Jan 2023	Additions	Unused amounts released	Interest accretion	Amounts used	Balance at: 31 Dec 2023
Provisions for nuclear waste management	5,704	80	–	88	-488	5,384
Provisions for mining damage	6,438	389	-4	252	-126	6,949
	12,142	**469**	**-4**	**340**	**-614**	**12,333**

Provisions for nuclear waste management are recognised for the nuclear power plants Biblis A and B, Emsland and Gundremmingen A, B and C, as well as Lingen and Mülheim-Kärlich, and are included at a rate of 30 %, in line with RWE's stake, for the Dutch nuclear power plant Borssele.

Provisions for nuclear waste disposal are almost exclusively reported as non-current provisions, and their settlement amount is discounted to the balance-sheet date. Based on the current state of planning, these provisions will essentially be used by the beginning of the 2040s. The average discount rate calculated on the basis of the current level of market interest rates for no-risk cash investments was 2.0 % as of the balance-sheet date (previous year: 2.5 %); the average escalation rate based on current inflation expectations was 2.0 % (previous year: 2.6 %). As a result, the real average discount rate used for nuclear waste management purposes, which is the difference between the average discount rate and the average escalation rate, amounted to 0.0 % (previous year: -0.1 %). An increase (decrease) in this rate by 0.1 percentage point would reduce (increase) the present value of the provision by roughly €30 million.

The additions to provisions for nuclear waste management in the amount of €80 million are mainly based on inflation-driven increases in the provisions as well as updates of the cost estimates. In the reporting period, we also used provisions of €438 million for the decommissioning of nuclear power plants. Decommissioning and dismantling costs had originally been capitalised in a corresponding amount and reported under the cost of the respective nuclear power plants. Interest accretion increased the provisions for nuclear waste management by €88 million, of which – €57 million was offset with the corresponding costs for the Borssele nuclear power plant.

The provisions of the law on the reassignment of responsibility for nuclear waste disposal stipulate that accountability for the shutdown and dismantling of the assets in Germany as well as for packaging radioactive waste remains with the companies. The shutdown and dismantling process encompasses all activities following the final termination of production by the nuclear power plant until the plant site is removed from the regulatory scope of the Nuclear Energy Act. A request to decommission and dismantle the nuclear power plant will be filed with the nuclear licensing authority during its operating period so that the decommissioning and dismantling work can be performed in time after the expiry of the operating permit. Dismantling operations essentially consist of dismantling and removal of the radioactive contamination from the facilities and structures, radiation protection and regulatory monitoring of the dismantling measures and residual operations.

We thus subdivide our provisions for nuclear waste management into the residual operation of nuclear power plants, the dismantling of nuclear power station facilities as well as the cost of residual material processing and radioactive waste treatment facilities.

Provisions for nuclear waste management € million	31 Dec 2023	31 Dec 2022
Residual operation	1,798	2,061
Dismantling	1,855	1,920
Processing of residual material and waste management	1,731	1,723
	5,384	**5,704**

Provisions for the residual operation of nuclear power station facilities cover all steps that must be taken largely independent of dismantling and disposal but are necessary to ensure that the assets are safe and in compliance with permits or are required by the authorities. In addition to works monitoring and facility protection, these mainly include service, recurrent audits, maintenance, radiation and fire protection as well as infrastructural adjustments.

Provisions for the dismantling of nuclear power plant facilities include all work done to dismantle plants, parts of plants, systems and components as well as on buildings that must be dismantled to comply with the Nuclear Energy Act. They also consider the conventional dismantling of nuclear power plant facilities to fulfil legal or other obligations.

Provisions for residual material processing and waste management include the costs of processing radioactive residual material for non-hazardous recycling and the costs of treating radioactive waste produced during the plant's service life and dismantling operations. This includes the various processes for conditioning, proper packaging of the low-level and intermediate-level radioactive waste in suitable containers, and the transportation of such waste to BGZ Gesellschaft für Zwischenlagerung mbH (BGZ), which has been commissioned by the Federal government for intermediate storage. This item also contains the cost of transporting the waste produced by recycling and of the proper packaging of spent nuclear fuel elements, i. e. the cost of procuring and loading freight and interim storage containers.

Commissioned by the plant operator, the international company Siempelkamp NIS Ingenieurgesellschaft mbH, Alzenau, assesses the prospective costs of residual operation and dismantling of the nuclear power plants on an annual basis. The costs are determined specifically for each facility and take into consideration the current state of the art, regulatory requirements and previous practical experience from ongoing and completed dismantling projects. Additionally, current developments are also incorporated into the cost calculations. They also include the cost of conditioning and packaging low-level and intermediate-level radioactive waste and the transportation of such to BGZ. Further cost estimates for the disposal of radioactive waste are based on contracts with foreign reprocessing companies and other disposal companies. Furthermore, the cost estimates are based on plans by internal and external experts.

In terms of their contractual definition, provisions for nuclear waste management break down as follows:

Provisions for nuclear waste management € million	31 Dec 2023	31 Dec 2022
Provisions for nuclear obligations, not yet contractually defined	3,634	3,940
Provisions for nuclear obligations, contractually defined	1,750	1,764
	5,384	**5,704**

The provision for obligations which are not yet contractually defined covers the costs of the remaining operational phase, the costs of dismantling as well as the residual material processing and waste treatment costs subject to future contractual agreement.

Provisions for contractually defined nuclear obligations relate to all obligations the value of which is specified in contracts under civil law. The obligations include the anticipated residual costs of reprocessing and returning the resulting radioactive waste. These costs stem from existing contracts with foreign reprocessing companies and with the company Gesellschaft für Nuklear-Service mbH (GNS). Moreover, these provisions also include the costs for transport and intermediate storage containers for and the loading of spent fuel assemblies within the framework of final direct storage. Furthermore, this item also includes the volumes of the orders for the professional packaging of low-level and medium-level waste as well as the in-house personnel costs incurred for the decommissioning of plants.

Provisions for mining damage also consist almost entirely of non-current provisions and fully covered the volume of obligations as of the balance-sheet date. They are reported at their settlement amount discounted to the balance-sheet date. The cost estimates are based on contracts as well as information from internal and external expert specialists.

In discounting the amounts used in the coming 30 years, we have oriented ourselves towards the current market interest rates for risk-free cash investments. Since no market interest rates are available for later periods, a sustainable, long-term interest rate is used to discount the amounts used after the next 30 years. The average discount rate was 3.0 % (previous year: 3.2 %). The majority of the provisions pertains to claims that are expected to materialise over the next 30 years. The average escalation rate based on current inflation expectations was 2.0 % (previous year: 2.2 %). As a result, the real average discount rate applied for mining purposes, which is the difference between the average discount rate and the average escalation rate, amounted to 1.0 % (previous year: 1.0 %).

A decline of 0.1 percentage point in the real discount rate would increase the present value of the provision by around €135 million, while an increase of 0.1 percentage point would reduce the present value by around €125 million.

In the reporting period, additions to provisions for mining damage amounted to €389 million, of which €25 million was capitalised in the item 'property, plant and equipment'. The additions are mainly based on an inflation-driven increase in the obligatory volume and updates of the cost estimates. The interest accretion increased provisions for mining damage by €252 million, of which €1 million was offset in 'property, plant and equipment'.

Other provisions € million	Balance at 1 Jan 2023	Additions	Unused amounts released	Interest accretion	Changes in the scope of consolidation, currency adjustments, transfers	Amounts used	Balance at 31 Dec 2023
Staff-related obligations (excluding restructuring)	1,457	795	-43	6	46	-922	1,339
Restructuring obligations	715	34	-37	63	-34	-7	734
Purchase and sales obligations	756	1,536	-174	81	-1	-291	1,907
Provisions for dismantling wind and solar farms	1,011	51	-33	113	72	-1	1,213
Other dismantling and retrofitting obligations	551	48	-66	11	13	-14	543
Environmental protection obligations	43	0	0	2	-11	0	34
Interest payment obligations	114	14	-32	–	-15	–	81
Obligations to deliver CO_2 emission allowances / certificates for renewable energies	3,494	3,998	-88	–	135	-3,580	3,959
Miscellaneous other provisions	901	618	-307	7	-22	-418	779
	9,042	**7,094**	**-780**	**283**	**183**	**-5,233**	**10,589**

Provisions for staff-related obligations mainly consist of provisions for pre-retirement part-time work arrangements, severance, outstanding vacation and service jubilees, and performance-based pay components. Based on current estimates, we expect most of these to be used from 2024 to 2025.

Provisions for restructuring obligations pertain mainly to measures for socially acceptable payroll downsizing. We currently expect the majority of these to be used from 2024 to 2034. In so doing, sums ear-marked for personnel measures are reclassified from provisions for restructuring obligations to provisions for staff-related obligations as soon as the underlying restructuring measure has been specified. This is the case if individual contracts governing socially acceptable payroll downsizing are signed by affected employees.

Provisions for purchase and sales obligations primarily relate to onerous contracts.

From the current perspective, we expect that the majority of the **provisions for the dismantling of wind and solar farms** will be used from 2024 to 2052, and the **provisions for other dismantling and retrofitting obligations** will be used from 2024 to 2060.

(23) Financial liabilities

Financial liabilities	31 Dec 2023		31 Dec 2022	
€ million	Non-current	Current	Non-current	Current
Bonds[1] and other notes payable	6,691	13	5,661	64
Commercial paper	–	209	–	2,426
Bank debt	4,077	759	1,376	6,094
Other financial liabilities				
Collateral for trading activities	–	1,418	–	1,927
Miscellaneous other financial liabilities	3,296	565	2,752	703
	14,064	**2,964**	**9,789**	**11,214**

1 Including hybrid bonds classified as debt as per IFRS.

The following overview shows the key data on the bonds of the RWE Group as of 31 December 2023:

Bonds payable Issuer	Outstanding amount	Carrying amount € million	Coupon in %	Maturity
RWE AG	€ 12 million	12	3.5	October 2037
RWE AG	€ 282 million[1]	281	3.5	April 2075
RWE AG	US$ 317 million[1]	286	6.625	July 2075
RWE AG	€ 500 million	500	0.625	June 2031
RWE AG	€ 750 million	748	0.5	November 2028
RWE AG	€ 600 million	594	1.0	November 2033
RWE AG	€ 1,000 million	997	2.125	May 2026
RWE AG	€ 1,000 million	992	2.75	May 2030
RWE AG	€ 1,250 million	1,247	2.5	August 2025
RWE AG	€ 500 million	498	3.625	February 2029
RWE AG	€ 500 million	497	4.125	February 2035
		6,652		

1 Hybrid bonds classified as debt as per IFRS.

In February 2023, RWE issued two more green bonds, each with a volume of €500 million (total volume: €1 billion). For the first bond with maturity in 2029, the yield-to-maturity amounted to 3.680 %, based on a coupon of 3.625 % p.a. and an issue price of 99.709 %. For the second bond with maturity in 2035, the yield-to-maturity was 4.148 %, based on a coupon of 4.125 % p.a. and an issue price of 99.786 %. In accordance with RWE's guidelines for green bonds, the RWE Green Bond Framework, the proceeds from the issues may only be used for the financing or refinancing of wind and solar projects.

In May 2022, RWE issued a green corporate bond with a total volume of €2 billion. It was issued in two tranches of €1 billion each, with maturities in 2026 and 2030. For the first tranche, the yield-to-maturity amounts to 2.217 % p.a., based on a coupon of 2.125 % p.a. and an issue price of 99.652 %. For the second tranche, the yield-to-maturity amounts to 2.851 % p.a., based on a coupon of 2.750 % p.a. and an issue price of 99.287 %.

RWE issued a conventional bond in August 2022 with a maturity of three years. Based on a coupon of 2.5 % p.a. and an issue price of 99.775 %, the yield-to-maturity amounts to 2.579 % p.a.

€0 million of the financial liabilities are secured by mortgages (previous year: €15 million). Other financial liabilities contain lease liabilities.

(24) Income tax liabilities

Income tax liabilities contain uncertain income tax items in the amount of €552 million (previous year: €860 million). This item primarily includes income taxes for periods for which the tax authorities have not yet finalised a tax assessment, including the current year.

(25) Derivatives and other liabilities

Derivatives and other liabilities	31 Dec 2023		31 Dec 2022	
€ million	Non-current	Current	Non-current	Current
Derivatives	433	17,415	808	52.848
Tax liabilities	–	107	–	112
Social security liabilities	1	35	1	22
Miscellaneous other liabilities	1,319	1,375	854	1.311
	1,753	**18,932**	**1.663**	**54.293**
of which: financial debt	512	18,361	893	53.542
of which: non-financial debt	1,241	571	770	751

The principal component of social security liabilities are the amounts payable to social security institutions.

Miscellaneous other liabilities contain €129 million in contract liabilities (previous year: €224 million).

Moreover, €62 million (previous year: €77 million) in miscellaneous other liabilities were allocable to investment-related government grants primarily granted in connection with the construction of wind farms.

Other information

(26) Earnings per share

Basic and diluted earnings per share are calculated by dividing the portion of net income attributable to RWE shareholders by the average number of shares outstanding; treasury shares are not taken into account in this calculation. The number of shares resulting from the conversion on 15 March 2023 of the mandatory convertible bond issued on 10 October 2022 are taken into account in the determination of basic and diluted earnings per share starting from the time at which the mandatory convertible bond was issued, using the weighted average number of shares in circulation.

Earnings per share		2023	2022
Net income for RWE AG shareholders	€ million	1,450	2,717
Number of shares outstanding (weighted average)	in '000	743,841	691,247
Basic and diluted earnings per share	€	1.95	3.93
Dividend per share	€	1.00[1]	0.90

1 Dividend proposal for fiscal 2023, subject to the resolution of the Annual General Meeting on 3 May 2024.

(27) Reporting on financial instruments

Financial instruments are divided into non-derivative and derivative. Non-derivative financial assets essentially include other non-current financial assets, accounts receivable, marketable securities and cash and cash equivalents. Financial instruments are recognised either at amortised cost or at fair value, depending on their classification.
Financial instruments are recognised in the following categories:

- Debt instruments measured at amortised cost: the contractual cash flows solely consist of interest and principal on the outstanding capital; there is an intention to hold the financial instrument until maturity.
- Debt instruments measured at fair value through other comprehensive income: the contractual cash flows solely consist of interest and principal on the outstanding capital; there is an intention to hold and sell the financial instrument.
- Equity instruments measured at fair value through other comprehensive income: the option to recognise changes in fair value directly in equity is exercised.
- Financial assets measured at fair value through profit or loss: the contractual cash flows of a debt instrument do not solely consist of interest and principal on the outstanding capital or the option to recognise changes in the fair value of equity instruments in other comprehensive income is not exercised.

On the liabilities side, non-derivative financial instruments principally include liabilities measured at amortised cost.

Financial instruments recognised at fair value are measured based on the published exchange price, insofar as the financial instruments are traded on an active market. The fair value of non-quoted debt and equity instruments is generally determined on the basis of discounted expected cash flows, taking into consideration macro-economic developments and corporate business plan data. Current market interest rates corresponding to the remaining maturity are used for discounting.

Derivative financial instruments are recognised at their fair values as of the balance-sheet date, insofar as they fall under the scope of IFRS 9. Exchange-traded products are measured using the published closing prices of the relevant exchange. Non-exchange traded products are measured on the basis of publicly available broker quotations or, if such quotations are not available, on generally accepted valuation methods. In doing so, we draw on prices on active markets as much as possible. If such prices are not available, company-specific planning estimates are used in the measurement process. These estimates encompass all of the market factors which other market participants would take into account in the course of price determination. Assumptions pertaining to the energy sector and economy are made within the scope of a comprehensive process with the involvement of both in-house and external experts.

Measurement of the fair value of a group of financial assets and financial liabilities is conducted on the basis of the net risk exposure per business partner.

The following overview presents the classifications of financial instruments measured at fair value in the fair value hierarchy prescribed by IFRS 13. The individual levels of the fair value hierarchy are defined as follows:

- Level 1: Measurement using (unadjusted) prices of identical financial instruments formed on active markets,
- Level 2: Measurement on the basis of input parameters which are not the prices from Level 1, but which can be observed for the financial instrument either directly (i.e. as price) or indirectly (i.e. derived from prices),
- Level 3: Measurement using factors which cannot be observed on the basis of market data.

Fair value hierarchy[1] € million	Total 31 Dec 2023	Level 1	Level 2	Level 3	Total 31 Dec 2022	Level 1	Level 2	Level 3
Other financial assets	5,573	5,059	126	388	4,434	3,871	97	466
Derivatives (assets)	24,549	–	22,424	2,125	50,361	–	46,001	4,360
of which: used for hedging purposes	7,016	–	7,016	–	9,058	–	9,058	–
Securities	6,771	6,771	–	–	10,695	10,695	–	–
Derivatives (liabilities)	17,848	–	16,836	1,012	53,656	–	51,693	1,963
of which: used for hedging purposes	3,092	–	3,092	–	8,029	–	8,029	–
Conditional purchase price obligations	29	–	23	6	–	–	–	–

1 Some prior-year figures restated.

The development of the fair values of Level 3 financial instruments is presented in the following table:

Level 3 financial instruments: Development in 2023 € million	Balance at 1 Jan 2023	Changes in the scope of consolidation, currency adjustments and other	Changes			Balance at 31 Dec 2023
			Recognised in profit or loss	Recognised in OCI	With a cash effect	
Other financial assets	466	-136	3	6	49	388
Derivatives (assets)	4,360	–	-253	–	-1,982	2,125
Derivatives (liabilities)	1,963	-9	-167	–	-775	1,012
Conditional purchase price obligations	–	6	–	–	–	6

Level 3 financial instruments: Development in 2022[1] € million	Balance at 1 Jan 2022	Changes in the scope of consolidation, currency adjustments and other	Changes			Balance at 31 Dec 2022
			Recognised in profit or loss	Recognised in OCI	With a cash effect	
Other financial assets	282	-17	-7	13	195	466
Derivatives (assets)	3,879	-2	3,402	–	-2,919	4,360
Derivatives (liabilities)	1,232	-3	1,648	–	-914	1,963

1 Some prior-year figures restated.

Amounts recognised in profit or loss generated through Level 3 financial instruments relate to the following line items on the income statement:

Level 3 financial instruments: Amounts recognised in profit or loss[1] € million	Total 31 Dec 2023	Of which: attributable to financial instruments held at the balance-sheet date	Total 31 Dec 2022	Of which: attributable to financial instruments held at the balance-sheet date
Other operating income / expenses	-74	-74	1,754	1,754
Income from investments	-9	-7	-7	-7
	-83	**-81**	**1,747**	**1,747**

1 Some prior-year figures restated.

Level 3 derivative financial instruments essentially consist of energy purchase and commodity agreements, which relate to trading periods for which there are no active markets yet. The valuation of such depends on the development of electricity, oil and gas prices in particular. All other things being equal, rising market prices cause the fair values to increase, whereas declining gas prices cause them to drop. A change in pricing by + / – 10 % would cause the market value to rise by €196 million (previous year: €23 million) or decline by €196 million (previous year: €23 million).

Financial assets and liabilities can be broken down into the measurement categories with the following carrying amounts according to IFRS 9 in the year under review:

Carrying amounts by category € million	31 Dec 2023	31 Dec 2022
Financial assets measured at fair value through profit or loss	24,776	52,557
of which: obligatorily measured at fair value	24,776	52,557
Debt instruments measured at amortised cost	20,034	28,680
Debt instruments measured at fair value through other comprehensive income	283	177
Equity instruments measured at fair value through other comprehensive income	4,818	3,698
Financial liabilities measured at fair value through profit or loss	14,785	45,627
of which: obligatorily measured at fair value	14,785	45,627
Financial liabilities measured at amortised cost	21,051	27,566

The carrying amounts of financial assets and liabilities within the scope of IFRS 7 basically correspond to their fair values. The only deviations are for financial liabilities. The carrying amount of these is €15,115 million (previous year: €19,438 million), while the fair value amounts to €14,902 million (previous year: €18,830 million). Of this, €6,357 million (previous year: €5,059 million) is related to Level 1 and €8,545 million (previous year: €13,771 million) to Level 2 of the fair value hierarchy.

The following net results from financial instruments as per IFRS 7 were recognised on the income statement, depending on the category:

Net gain / loss by category € million	2023	2022
Financial assets and liabilities measured at fair value through profit or loss	4,375	-2,290
of which: obligatorily measured at fair value	4,375	-2,290
Debt instruments measured at amortised cost	652	66
Debt instruments measured at fair value through other comprehensive income	3	0
Equity instruments measured at fair value through other comprehensive income	202	194
Financial liabilities measured at amortised cost	-1,344	-719

The net result as per IFRS 7 essentially includes interest, dividends and results from the measurement of financial instruments at fair value.

The option to recognise changes in fair value in other comprehensive income is exercised for a portion of the investments in equity instruments. These are strategic investments and other long-term investments.

In fiscal 2023, €202 million (previous year: €194 million) in income from dividends from these financial instruments was recognised.

Fair value of equity instruments measured at fair value through other comprehensive income € million	31 Dec 2023	31 Dec 2022
Nordsee One GmbH	36	30
E.ON SE	4,782	3,668

The following is an overview of the financial assets and financial liabilities which are netted out in accordance with IAS 32 or are subject to enforceable master netting agreements or similar agreements. The netted financial assets and liabilities essentially consist of collateral for stock market transactions due on a daily basis.

Netting of financial assets and financial liabilities as of 31 Dec 2023	Gross amounts recognised	Netting	Net amounts recognised	Related amounts not set off		Net amount
€ million				Financial instruments	Cash collateral received / pledged	
Derivatives (assets)	26,939	-25,284	1,655	–	-1,405	250
Derivatives (liabilities)	25,097	-24,262	835	-93	-742	–

Netting of financial assets and financial liabilities as of 31 Dec 2022	Gross amounts recognised	Netting	Net amounts recognised	Related amounts not set off		Net amount
€ million				Financial instruments	Cash collateral received / pledged	
Derivatives (assets)	63,830	-61,381	2,449	–	-1,925	524
Derivatives (liabilities)	66,506	-61,450	5,056	-357	-4,698	1

The related amounts not set off include cash collateral received and pledged for over-the-counter transactions as well as collateral pledged in advance for stock market transactions.

As an energy producer with international operations, the RWE Group is exposed to market, credit and liquidity risks in its ordinary business activity. We limit these risks via systematic, groupwide risk management. The range of action, responsibilities and controls are defined in binding internal directives.

Market risks stem from changes in exchange rates and share prices as well as interest rates and commodity prices, which can have an influence on business results.

Due to the RWE Group's international profile, currency management is a key issue. Fuels are traded in British pounds and US dollars as well as in other currencies. In addition, RWE does business in a number of currency areas. The companies of the RWE Group are required to hedge their foreign currency risks via RWE AG. Foreign currency risks arising from the involvement in and the financing of the renewable energy business are hedged by RWE Renewables International Participations B.V.

Interest rate risks stem primarily from financial debt and the Group's interest-bearing investments. We hedge against negative changes in value caused by unexpected interest-rate movements using non-derivative and derivative financial instruments.

Opportunities and risks from changes in the values of non-current securities are centrally controlled by a professional fund management system operated by RWE AG.

The Group's other financial transactions are recorded using centralised risk management software and monitored by RWE AG.

For commodity operations, risk management directives have been established by RWE AG's Controlling & Risk Management Department. These regulations stipulate that derivatives may be used to hedge price risks. Furthermore, commodity derivatives may be traded, subject to limits. Compliance with limits is monitored daily.

Risks stemming from fluctuations in commodity prices and financial market risks (foreign currency risks, interest rate risks, securities risks) are monitored and managed by RWE using indicators such as the Value at Risk (VaR) and sensitivities, amongst other things. In addition, for the management of interest rate risk, a Cash Flow at Risk (CFaR) is determined.

Using the VaR method, RWE determines and monitors the maximum expected loss arising from changes in market prices with a specific level of probability during specific periods. Historical price volatility is taken as a basis in the calculations. With the exception of the CFaR data, all VaR figures are based on a confidence interval of 95% and a holding period of one day. For the CFaR, a confidence interval of 95% and a holding period of one year is taken as a basis.

In respect of interest rate risks, RWE distinguishes between two risk categories: on the one hand, increases in interest rates can result in declines in the prices of securities from the holdings of RWE. This pertains primarily to fixed-rate instruments. Price risk is measured using sensitivity analysis in relation to an interest rate change of 100 basis points. As of the balance-sheet date, it amounted to €22.3 million (previous year: €35.6 million). On the other hand, financing costs also increase along with the level of interest rates. The sensitivity of interest expenses to increases in market interest rates is measured with the CFaR. As of 31 December 2023 this amounted to €43.6 million (previous year: €86.1 million). RWE calculates the CFaR based on the assumption of the refinancing of maturing debt.

Risks related to financial positions in foreign currency are also measured using sensitivity analysis, which shows the impact on the value of the position stemming from a 10% change in the exchange rate. As of 31 December 2023, this sensitivity was €0.4 million (previous year: €0.7 million).

The price risk of equities in RWE's portfolio is also measured using sensitivity analysis. As of the balance-sheet date, this analysis yielded the following results (before taxes): In the event of a 10% rise in the relevant share prices, equity would increase by €480 million (previous year: €370 million) and income by €2 million (previous year: €4 million). In the event of a 10% fall in the relevant share prices, equity would decrease by €480 million (previous year: €370 million) and income by €2 million (previous year: €4 million).

The key internal control parameters for commodity positions at RWE Supply & Trading are the VaR for the trading business and the VaR for the pipeline and liquefied natural gas (LNG) business. Here, the maximum VaR is €60 million and €40 million, respectively. As of 31 December 2023, the VaR was €7.2 million in the trading business (previous year: €12.4 million) and €7.5 million for the pooled gas and LNG business (previous year: €27.5 million).

Additionally, stress tests are carried out on a monthly basis in relation to the trading and pooled LNG and gas business of RWE Supply & Trading to model the impact of commodity price changes on the earnings conditions and take risk-mitigating measures if necessary. In these stress tests, market price curves are modified, and the commodity position is revalued on this basis. Historical scenarios of extreme prices and realistic, fictitious price scenarios are modelled. In the event that the stress tests exceed internal thresholds, these scenarios are then analysed in detail in relation to their impact and probability, and – if necessary – risk-mitigating measures are considered.

Commodity risks of the Group's power generation companies are managed by the Commodity Management Committee (CMC) and hedged by RWE Supply & Trading on the basis of available market liquidity in accordance with the guidelines from the Commodity Strategy Group. In accordance with the approach for long-term investments for example, it is not possible to manage commodity risks from long-term positions or positions which cannot be hedged due to their size and the prevailing market liquidity using the VaR concept. As a result, these positions are not included in the VaR figures. Above and beyond open production positions which have not yet been transferred, Group companies are not allowed to maintain significant risk positions, according to a Group guideline. Furthermore, commodity price risks may exist in the gas storage business. The subsidiaries that own the gas storage facilities manage their positions independently, in compliance with unbundling regulations.

One of our most important instruments to limit market risk is the conclusion of hedging transactions. The instruments most commonly used are forwards and options with foreign currency, interest rate swaps, interest rate currency swaps, equity derivatives and forwards, options, futures and swaps with commodities.

Maturities of derivatives related to interest rates, currencies, equity, indices and commodities for the purpose of hedging are based on the maturities of the underlying transactions and are thus primarily short term and medium term in nature. Hedges of the foreign currency risks of foreign investments have maturities of up to eight years.

All derivative financial instruments within the scope of IFRS 9 are recognised as assets or liabilities and are measured at fair value. When interpreting their positive and negative fair values, it should be taken into account that, with the exception of trading in commodities, these financial instruments are generally matched with underlying transactions that carry offsetting risks.

Hedge accounting pursuant to IFRS 9 is used primarily for mitigating currency risks from net investments in foreign functional currencies, commodity market price risks, interest risks from non-current liabilities, and currency and price risks from sales and purchase transactions.

Cash flow hedges are primarily used to hedge against interest risks from non-current liabilities as well as currency and price risks from sales and purchase transactions. Hedging instruments consist of forwards, swaps and options with foreign currency and interest rates, and forwards, futures and swaps with commodities. Changes in the fair value of the hedging instruments – insofar as they affect the effective portion – are recorded in other comprehensive income until the underlying transaction is realised. The ineffective portion of changes in value is recognised in profit or loss. When hedging commodities, underlying and hedging transactions are based on the same price index. This generally does not result in ineffectiveness. When hedging foreign currency risks, ineffectiveness can result from the difference in timing between the origination of the hedged item and the hedging instrument. Ineffectiveness can likewise stem from hedges containing material foreign currency basis spreads. Upon realisation of the underlying transaction, the hedge's contribution to income from accumulated other comprehensive income is recognised on the income statement or is offset against the initial value recognition of an asset or a liability.

RWE held the following instruments to hedge future cash flows relating to foreign currency risks:

Hedging instruments in cash flow hedges as of 31 Dec 2023	Maturity		
	1 - 6 months	7 - 12 months	> 12 months
Currency forwards – purchases			
Nominal volume (€ million)	631	842	2.152
Avg. EUR / USD exchange rate	1.13	1.13	1.21
Avg. EUR / GBP exchange rate	0.89	0.89	0.91
Avg. EUR / CAD exchange rate	–	–	–
Avg. EUR / DKK exchange rate	7.13	7.14	7.05
Avg. EUR / SGD exchange rate	1.47	1.62	1.61
Currency forwards – sales			
Nominal volume (€ million)	- 197	- 415	- 1,336
Avg. EUR / USD exchange rate	–	–	–
Avg. EUR / GBP exchange rate	0.87	0.88	0.91
Avg. EUR / CAD exchange rate	–	–	–
Avg. EUR / DKK exchange rate	7.38	7.36	7.20

Hedging instruments in cash flow hedges as of 31 Dec 2022	Maturity		
	1 - 6 months	7 - 12 months	> 12 months
Currency forwards – purchases			
Nominal volume (€ million)	666	180	1,414
Avg. EUR / USD exchange rate	1.06	1.12	1.20
Avg. EUR / GBP exchange rate	0.87	0.88	0.88
Avg. EUR / CAD exchange rate	1.57	1.64	1.66
Avg. EUR / DKK exchange rate	–	–	7.44
Avg. EUR / SGD exchange rate	1.51	–	1.64
Currency forwards – sales			
Nominal volume (€ million)	- 1,260	- 292	- 2,606
Avg. EUR / USD exchange rate	1.04	1.15	1.27
Avg. EUR / GBP exchange rate	0.87	0.88	0.90
Avg. EUR / CAD exchange rate	1.46	1.37	–
Avg. EUR / DKK exchange rate	–	–	7.45

RWE held the following instruments to hedge future cash flows relating to interest risks:

Hedging instruments in cash flow hedges as of 31 Dec 2023	Maturity		
	1 - 6 months	7 - 12 months	> 12 months
Interest swaps			
Nominal volume (£ million)	–	–	1,332
Secured average interest rate (%)	–	–	1.85

Hedging instruments in cash flow hedges as of 31 Dec 2022	Maturity		
	1 - 6 months	7 - 12 months	> 12 months
Interest swaps			
Nominal volume (£ million)	526	–	1,158
Secured average interest rate (%)	1.17	–	1.82

The commercial optimisation of the power plant portfolio is based on a dynamic hedging strategy. Hedged items and hedging instruments are constantly adjusted based on changes in market prices, market liquidity and the sales business with consumers. Commodity prices are hedged if this leads to a positive margin. Proprietary commodities trading is strictly separated from this when managing risks.

Hedges of net investment in a foreign operation are used to hedge the foreign currency risks of net investment in foreign entities whose functional currency is not the euro. We use interest rate currency swaps and other currency derivatives as hedging instruments. If there are changes in the fair value of interest rate currency swaps, the amount of the effective portion is recorded under foreign currency translation adjustments in other comprehensive income.

The forward and spot elements of the hedging instruments used in net investment hedges are sometimes treated separately and only the value of the spot element is designated. In these cases, the fair value change of the forward element (hedging costs) is recognised in other comprehensive income to the extent that the fair value change relates to the hedged net investment. Moreover, the fair value of the forward element as of the time of designation is amortised over the duration of the hedging instrument using the straight-line method and recognised in profit or loss.

RWE held the following instruments to hedge net investments in foreign operations:

Hedging instruments in net investment hedges as of 31 Dec 2023	Maturity		
	1 - 6 months	7 - 12 months	> 12 months
Currency forwards - purchases			
Nominal volume (€ million)	–	–	–
Avg. EUR / GBP exchange rate	–	–	–
Avg. EUR / USD exchange rate	–	–	–
Currency forwards - sales			
Nominal volume (€ million)	- 3,281	- 3,316	- 2,395
Avg. EUR / GBP exchange rate	0.87	0.86	0.86
Avg. EUR / USD exchange rate	1.08	–	1.10

Hedging instruments in net investment hedges as of 31 Dec 2022	Maturity		
	1 - 6 months	7 - 12 months	> 12 months
Currency forwards - purchases			
Nominal volume (€ million)	–	–	8,050
Avg. EUR / GBP exchange rate	–	–	0.89
Avg. EUR / USD exchange rate	–	–	–
Currency forwards - sales			
Nominal volume (€ million)	- 674	- 84	- 13,035
Avg. EUR / GBP exchange rate	0.85	0.88	0.88
Avg. EUR / USD exchange rate	–	–	–

The hedging instruments designated in hedging relationships had the following effects on the company's net asset, financial and earnings position:

Hedging instruments – effects on the net asset, financial and earnings position as of 31 Dec 2023	Nominal amount	Carrying value		Fair value changes in the current period	Recognised ineffectiveness
€ million		Assets	Liabilities		
Cash flow hedges					
Interest risks	1,332	139	–	-49	–
Foreign currency risks	2,224	20	15	-1	–
Commodity price risks	3,600[1]	6,386	2,921	3,044	–
Net investment hedges					
Foreign currency risks	9,623	471	157	-115	-12

1 The net nominal amount stated is made up of purchases in the amount of €12,030 million and sales in the amount of –€15,630 million.

Hedging instruments – effects on the net asset, financial and earnings position as of 31 Dec 2022	Nominal amount	Carrying value		Fair value changes in the current period	Recognised ineffectiveness
€ million		Assets	Liabilities		
Cash flow hedges					
Interest risks	1,684	188	–	–	–
Foreign currency risks	1,898	7	1	18	–
Commodity price risks	5,186[1]	8,317	7,896	8,273	–
Net investment hedges					
Foreign currency risks	5,743	546[2]	132[2]	16	73

1 1 The net nominal amount stated is made up of purchases in the amount of €16,430 million and sales in the amount of –€21,616 million.
2 Restated figure.

The carrying amounts of the hedging instruments are recognised in the balance-sheet items 'derivatives and other assets' and 'derivatives and other liabilities'.

The hedged items designated in hedging relationships had the following effects on the company's net asset, financial and earnings position:

Cash flow hedges and net investment hedges as of 31 Dec 2023 € million	Changes in fair value during the current period	Reserve for current hedges	Reserve for terminated hedges
Cash flow hedges			
Interest risks	17	46	-39
Foreign currency risks	-62	50	1
Commodity price risks	4,225	11,629	–
Net investment hedges			
Foreign currency risks	14	1,045	350

Cash flow hedges and net investment hedges as of 31 Dec 2022 € million	Changes in fair value during the current period	Reserve for current hedges	Reserve for terminated hedges
Cash flow hedges			
Interest risks	258	108	-44
Foreign currency risks	91	9	-10
Commodity price risks	9,289	7,709	–
Net investment hedges			
Foreign currency risks	195	1,031	350

Amounts realised from other comprehensive income and any ineffectiveness are recognised in the items on the income statement in which the underlying transactions are also recognised with an effect on income. The amounts realised from other comprehensive income are recognised in the items 'revenue' and 'cost of materials', whereas any ineffectiveness is recognised in 'other operating income' and 'other operating expenses'. Amounts recognised and any ineffectiveness of hedging interest risks are recognised in 'financial income' and 'finance costs' on the income statement.

The reconciliation of the changes in the hedge reserve in relation to the various risk categories of hedge accounting follows below:

Hedge reserve 2023 € million	
Balance at 1 Jan 2023	**5,333**
Cash flow hedges	
Effective portion of changes in market value	675
Interest risks	-50
Foreign currency risks	-60
Commodity price risks	785
Gain or loss reclassified from OCI to the income statement – realisation of underlying transactions	6,463
Commodity price risks	6,463
Gain or loss recognised as a basis adjustment	-3,017
Foreign currency risks	1
Commodity price risks	-3,018
Tax effect of the change in the hedge reserve	-1,252
Net investment hedges	
Effective portion of changes in market value	23
Foreign currency risks	23
Offsetting against currency adjustments	-23
Fair value changes of hedging costs	-17
Amortisation of hedging costs	42
Balance at 31 Dec 2023	**8,227**

Hedge reserve 2022 € million	
Balance at 1 Jan 2022	**-2,243**
Cash flow hedges	
Effective portion of changes in market value	-587
Interest risks	418
Foreign currency risks	-67
Commodity price risks	-938
Gain or loss reclassified from OCI to the income statement – realisation of underlying transactions	14,801
Commodity price risks	14,801
Gain or loss recognised as a basis adjustment	-3,798
Foreign currency risks	2
Commodity price risks	-3,800
Tax effect of the change in the hedge reserve	-2,804
Net investment hedges	
Effective portion of changes in market value	307
Foreign currency risks	307
Offsetting against currency adjustments	-307
Fair value changes of hedging costs	-67
Amortisation of hedging costs	31
Balance at 31 Dec 2022	**5,333**

Credit risks. In the fields of finance and commodities, RWE primarily has credit relationships with banks that have good creditworthiness and other trading partners with predominantly good creditworthiness. At the same time, due to its growth strategy of developing renewables, RWE has credit relationships with suppliers which have widely varying levels of creditworthiness. RWE mitigates the related risks by establishing limits which are adjusted during the business relationships if the creditworthiness of the business partners changes.

Counterparty risks are monitored constantly so that countermeasures can be initiated early on. Furthermore, RWE is exposed to credit risks due to the possibility of customers failing to fulfil their payment or peformance obligations as agreed, resulting in additional costs. We identify these risks by conducting regular analyses of the creditworthiness of our customers and initiate countermeasures if necessary.

Persistently high energy prices, inflation and higher interest rates continue to weigh on the economic situation of many companies, and RWE's business partners, competitors and customers may be impacted by the consequences of these developments. RWE is thus carefully monitoring critical branches of the economy and exercising greater caution when conducting new transactions or extending existing ones. If necessary, previously approved limits are being lowered.

Amongst other things, RWE demands guarantees, cash collateral and other forms of security in order to mitigate credit risks. To a more limited degree, RWE also concludes credit insurance policies to protect against defaults. Bank guarantees received as collateral are from financial institutions with the required good ratings. Collateral for credit insurance is pledged by insurers with an investment-grade rating.

The maximum balance-sheet default risk is derived from the carrying amounts of the financial assets stated on the balance sheet. The default risks for derivatives correspond to their positive fair values. Risks can also stem from financial guarantees and loan commitments which we have to fulfil vis-à-vis external creditors in the event of a default of a certain debtor. As of 31 December 2023, these obligations amounted to €1,123 million (previous year: €2,161 million). As of 31 December 2023, default risks were balanced against credit collateral, financial guarantees, bank guarantees and other collaterals amounting to €9.3 billion (previous year: €7.5 billion). Of this, €1.4 billion relates to trade receivables (previous year: €1.0 billion), €1.2 billion to derivatives used for hedging purposes (previous year: €1.1 billion) and €6.7 billion to other derivatives (previous year: €5.4 billion). There were no material defaults in fiscal 2023 or the previous year.

In the RWE Group, the risk provision for financial assets is determined on the basis of expected credit losses. These are determined on the basis of the probability of default, loss given default and the exposure at default. We determine the probability of default and loss given default using historical data and forward-looking information. The exposure at default date for financial assets is the gross carrying amount on the balance-sheet date. The expected credit loss for financial assets determined on this basis corresponds to the difference between the contractually agreed payments and the payments expected by RWE, discounted by the original effective interest rate. The assignment to one of the levels described below influences the level of the expected losses and the effective interest income recognised.

- Stage 1 – Expected 12-month credit losses: At initial recognition, financial assets are generally assigned to this stage – with the exception of those that have been purchased or originated credit impaired, which are thus considered separately. The level of impairment results from the cash flows expected for the entire term of the financial instrument, multiplied by the probability of a default within 12 months from the reporting date. The effective interest rate used for measurement is determined on the basis of the carrying amount before impairment (gross).
- Stage 2 – Lifetime expected credit losses (gross): If the credit risk has risen significantly between initial recognition and the reporting date, the financial instrument is assigned to this stage. Unlike Stage 1, default events expected beyond the 12-month period from the reporting date are also considered in calculating the impairment. The effective interest rate used for measurement is still determined on the basis of the carrying amount before impairment (gross).
- Stage 3 – Lifetime expected credit losses (net): If in addition to the criteria for Stage 2 there is an objective indication of an impairment, the financial asset is assigned to Stage 3. The impairment is calculated analogously to Stage 2. In this case, however, the effective interest rate used for measurement is applied to the carrying amount after impairment (net).

In the RWE Group, risk provisions are formed for financial instruments in the following categories:

- debt instruments measured at amortised cost,
- debt instruments measured at fair value through other comprehensive income.

For debt instruments for which there has been no significant rise in credit risk since initial recognition, a risk provision is recognised in the amount of the expected 12-month credit losses (Stage 1). In addition, a financial instrument is assigned to Stage 1 of the impairment model if the absolute credit risk is low on the balance-sheet date.

The credit risk is classified as low if the debtor's internal or external rating is investment-grade. For trade accounts receivable, the risk provision corresponds to the lifetime expected credit losses (Stage 2).

To determine whether a financial instrument is assigned to Stage 2 of the impairment model, it must be determined whether the credit risk has increased significantly since initial recognition. To make this assessment, we consider quantitative and qualitative information supported by our experience and assumptions regarding future developments. In so doing, special importance is accorded to the sector in which the RWE Group's debtors are active. Our experience is based on studies and data from financial analysts and government authorities, amongst others. Special attention is paid to the following developments:

- significant deterioration of the internal or external rating of the financial instrument,
- unfavourable changes in risk indicators, e.g. credit spreads or debtor-related credit default swaps,
- negative development of the debtor's regulatory, technological or economic environment,
- danger of an unfavourable development of business resulting in a significant reduction in operating income.

Independent thereof, a significant rise in credit risk and thus an assignment of the financial instrument to Stage 2 are assumed if the contractually agreed payments are more than 30 days overdue and there is no information that contradicts the assumption of a payment default.

We draw conclusions about the potential default of a counterparty from information from internal credit risk management. If internal or external information indicates that the counterparty cannot fulfil its obligations, the associated receivables are classified as unrecoverable and assigned to Stage 3 of the impairment model. Examples of such information are:

- The debtor of the receivable has apparent financial difficulties.
- The debtor has already committed a breach of contract by missing or delaying payments.
- Concessions already had to be made to the debtor.
- An insolvency or another restructuring procedure is impending.
- The market for the financial asset is no longer active.
- A sale is only possible at a high discount, which reflects the debtor's reduced creditworthiness.

A payment default and an associated assignment of the financial asset to Stage 3 is also assumed if the contractually agreed payments are more than 90 days overdue and there is no information disproving the assumption of a payment default. Based on our experience, we generally assume that this assumption does not apply to trade accounts receivable.

A financial asset is impaired if there are indications that the counterparty is in serious financial difficulty and the situation is unlikely to improve. We may also take legal recourse and other measures in order to enforce the contractually agreed payments in the event of an impairment.

The following impairments were recognised for financial assets stated under the following balance-sheet items within the scope of IFRS 7:

Impairment of financial assets € million	Stage 1 – 12-month expected credit losses	Stage 2 – lifetime expected credit losses	Stage 3 – lifetime expected credit losses	Total
Financial receivables				
Balance at 1 Jan 2023	**4**	**0**	**11**	**15**
Remeasurement due to new measurement parameters	1	–	-11	-10
Level transfer	0	0	–	0
Balance at 31 Dec 2023	**5**	**–**	**0**	**5**

Impairment of financial assets € million	Stage 1 – 12-month expected credit losses	Stage 2 – lifetime expected credit losses	Stage 3 – lifetime expected credit losses	Total
Financial receivables				
Balance at 1 Jan 2022	**3**	**2**	**11**	**16**
Level transfer	0	-2	–	-2
Currency adjustments	1	0	0	1
Balance at 31 Dec 2022	**4**	**0**	**11**	**15**

For trade accounts receivable, the expected credit loss is determined by applying the simplified approach taking account of the entire lifetime of the financial instruments.

In the RWE Group, there are no cases where a risk provision for trade accounts receivable was not recognised due to the collateral on the books.

The following tables show the development of the risk provisions for trade accounts receivable:

Risk provision for trade accounts receivable € million	
Balance at 1 Jan 2023	**32**
Addition	2
Change in scope of consolidation	1
Balance at 31 Dec 2023	**35**

Risk provision for trade accounts receivable € million	
Balance at 1 Jan 2022	**28**
Addition	11
Redeemed / derecognised	-7
Balance at 31 Dec 2022	**32**

The following table presents the gross carrying amounts of the financial instruments under the scope of the impairment model:

Gross carrying amounts of financial assets as of 31 Dec 2023 € million	Equivalent to S&P scale	Stage 1 – 12-month expected credit losses	Stage 2 – lifetime expected credit losses	Stage 3 – lifetime expected credit losses	Trade accounts receivable	Total
Class 1 – 5: low risk	AAA bis BBB–	12,308	19	–	7,608	19,935
Class 6 – 9: medium risk	BB+ bis BB–	208	1	–	225	434
Class 10: high risk	B+ bis B–	105	–	–	158	263
Class 11: doubtful	CCC bis C	30	–	–	79	109
Class 12: loss	D	0	–	1	8	9
		12,651	**20**	**1**	**8,078**	**20,750**

Gross carrying amounts of financial assets as of 31 Dec 2022 € million	Equivalent to S&P scale	Stage 1 – 12-month expected credit losses	Stage 2 – lifetime expected credit losses	Stage 3 – lifetime expected credit losses	Trade accounts receivable	Total
Class 1 – 5: low risk	AAA bis BBB–	17,808	16	–	8,756	26,580
Class 6 – 9: medium risk	BB+ bis BB–	1,158	1	11	608	1,778
Class 10: high risk	B+ bis B–	148	–	–	244	392
Class 11: doubtful	CCC bis C	100	–	–	69	169
Class 12: loss	D	10	–	1	15	26
		19,224	**17**	**12**	**9,692**	**28,945**

Liquidity risks. As a rule, RWE Group companies refinance with RWE AG. In this regard, there is a risk that liquidity reserves will prove to be insufficient to meet financial obligations in a timely manner. In 2024, liabilities owed to banks of €2.2 billion (previous year: €5.9 billion) are due. Above and beyond this, commercial paper in the amount of €0.2 billion matures in 2024 (previous year: €2.4 billion).

As of 31 December 2023, holdings of cash and cash equivalents and current marketable securities amounted to €14,641 million (previous year: €20,456 million).

The volume of RWE AG's credit line amounts to €10 billion. It consists of three tranches: A and B, which run until April 2026 (with volumes of €3 billion and €2 billion, respectively) and C, which runs until July 2025 at the latest (with a volume of €5 billion). RWE AG has two commercial paper programmes for short-term refinancing. The European commercial paper programme allows for issuance up to a maximum amount of €5 billion (previous year: €5 billion), while the US commercial paper programme allows for issuance up to a maximum amount of US$ 3 billion. As of the balance-sheet date, €0.2 billion of the European programme was used (previous year: €2.4 billion); the US commercial paper programme was not used. Above and beyond this, RWE AG can finance itself using a €10 billion debt issuance programme; as of the balance-sheet date, outstanding bonds from this programme amounted to €6.70 billion (previous year: €5.10 billion) at RWE AG. Accordingly, the RWE Group's medium-term liquidity risk can be classified as low.

Financial liabilities falling under the scope of IFRS 7 are expected to result in the following (undiscounted) payments in the coming years:

Redemption and interest payments on financial liabilities		Redemption payments			Interest payments		
€ million	Carrying amounts 31 Dec 2023	2024	2025 to 2028	From 2029	2024	2025 to 2028	From 2029
Bonds payable[1]	6,704	9	3,604	3,091	163	510	262
Commercial paper	209	209	–	–	–	–	–
Bank debt	4,544	2,244	1,177	1,123	84	254	123
Lease liabilities	1,913	115	357	1,448	54	212	600
Other financial liabilities	1,948	726	657	610	99	251	508
Derivative financial liabilities	17,848	16,060	916	874	44	41	48
Collateral for trading activities	1,418	1,418	–	–	–	–	–
Miscellaneous other financial liabilities	5,965	5,929	78	2	–	–	–

1 Including hybrid bonds classified as debt as per IFRS, taking into account the earliest possible call date.

Redemption and interest payments on financial liabilities		Redemption payments			Interest payments		
€ million	Carrying amounts 31 Dec 2022	2023	2024 to 2027	From 2028	2023	2024 to 2027	From 2028
Bonds payable[1]	5,725	64	2,829	2,832	123	368	139
Commercial paper	2,426	2,426	–	–	–	–	–
Bank debt	7,245	5,947	319	980	60	195	141
Lease liabilities	1,565	92	287	1,210	30	126	322
Other financial liabilities	1,890	629	672	615	96	251	457
Derivative financial liabilities	53,656	51,722	1,525	410	67	84	51
Collateral for trading activities	1,927	1,927	–	–	–	–	–
Miscellaneous other financial liabilities	8,128	8,056	82	2	–	–	–

1 Including hybrid bonds classified as debt as per IFRS, taking into account the earliest possible call date.

Above and beyond this, as of 31 December 2023, there were financial guarantees for external creditors in the amount of €1,056 million (previous year: €2,098 million), which are to be allocated to the first year of repayment. Additionally, Group companies have provided loan commitments to third-party companies amounting to €67 million (previous year: €63 million), which are callable in 2024.

Detailed information on the risks of the RWE Group and on the objectives and procedures of the risk management is presented on page 62 et seqq. in the review of operations.

(28) Contingent receivables, contingent liabilities and financial commitments

As of 31 December 2023, the amount of contractual commitments totalled €8,063 million (previous year: €5,651 million). This mainly consisted of investment in property, plant and equipment.

We have made long-term contractual purchase commitments for supplies of fuels, including natural gas in particular. Payment obligations stemming from the major long-term purchase contracts amounted to €3.9 billion as of 31 December 2023 (previous year: €4.5 billion), of which €0.1 billion is due within one year (previous year: €0.3 billion).

Gas purchases by the RWE Group are partially based on long-term take-or-pay contracts. The conditions in these contracts, which have terms up to 2042 in some cases, are renegotiated by the contractual partners at certain intervals, which may result in changes in the reported payment obligations. Calculation of the payment obligations resulting from the purchase contracts is based on parameters from the internal planning.

Furthermore, RWE has long-term financial commitments for purchases of electricity. As of 31 December 2023, the minimum payment obligations stemming from the major purchase contracts totalled €5.6 billion (previous year: €7.2 billion), of which €0.3 billion is due within one year (previous year: €0.6 billion). Above and beyond this, there are also purchase and service contracts for uranium, conversion, enrichment and fabrication.

In December 2023, RWE reached an agreement with the Swedish energy group Vattenfall on the acquisition of three offshore wind projects off the coast of Norfolk in East Anglia. The transaction is to be completed in spring 2024, as soon as all official approvals are obtained. The price is based on an enterprise value of £963 million.

We bear legal and contractual liability from our membership in various associations which exist in connection with power plant projects, profit- and loss-transfer agreements, and for the provision of liability cover for nuclear risks, amongst others.

On the basis of a mutual benefit agreement, RWE AG and other parent companies of German nuclear power plant operators undertook to provide approximately €2,244 million in funding to liable nuclear power plant operators to ensure that they are able to meet their payment obligations in the event of nuclear damages. RWE AG has a 36.927 % contractual share in the liability, plus 5 % for damage settlement costs.

As part of the Group restructuring that occurred in fiscal 2016, a large portion of the pension commitments which up to then had been reported at the holding level were transferred to former Group companies (former subsidiaries innogy SE, Essen, and affiliated companies) by cancelling the performance obligation existing on an intra-group basis. The guarantees remaining vis-à-vis external parties were cancelled. The Group is liable for the accrued claims of the active and former employees of these companies in the amount of €4,392 million (previous year: €4,114 million).

RWE AG and its subsidiaries are involved in official, regulatory and antitrust proceedings, litigation and arbitration proceedings related to their operations and are affected by the results of such. In some cases, out-of-court claims are also filed. However, RWE does not expect any material negative repercussions from these proceedings on the RWE Group's economic or financial position.

In mid-September 2023, the Dutch government resolved to pay RWE €332 million in compensation for restricting coal-fired generation in the first half of 2022. The cap was imposed as part of a 2022 amendment to the coal phaseout legislation from 2019, which stipulated that between 2022 and 2024, annual CO_2 emissions from coal-fired power generation should not exceed 35 % of the individual power plant's theoretical capacity. Motivated by the war in Ukraine and the strained energy supply situation, the Dutch government lifted the 35 % CO_2 limit in June 2022, meaning the cap on coal-fired generation was only effective for almost six months. The agreed compensation is subject to approval by the EU Commission under state aid law.

(29) Segment reporting

RWE is divided into five segments, which are separated from each other based on functional criteria.

In the Offshore Wind segment, we report on our business in offshore wind, which is overseen by RWE Offshore Wind. The main production sites are located in the United Kingdom and Germany. In addition to electricity generation, activities in this field also include the development and realisation of projects to expand capacity.

The operating segment RWE Clean Energy is active on the American continent. The operating segment Onshore Wind / Solar Europe & Australia is active in Europe (mainly in the United Kingdom, Germany, Italy, Spain, Poland and the Netherlands) as well as in Australia. Both of these segments are responsible for business activities in onshore wind, photovoltaics and some aspects of battery storage in their respective regions. In addition to electricity generation, the focus of these segments is on expanding capacities. They have comparable processes in terms of the planning, development, operation and maintenance of wind and solar farms. With regard to product and customer groups, there is also cross-segment comparability, as electricity from renewables is sold mainly in wholesale business to commercial customers. The regulatory conditions in these two segments are also comparable, as they are designed to provide economic incentives for the expansion of renewables. The main value drivers are identical and financial performance is influenced by the same factors. Bearing this in mind, these operating segments have comparable economic features and are merged together into the reporting segment Onshore Wind / Solar.

Activities with run-of-river, pumped storage, biomass and gas-fired power plants are bundled in the Hydro / Biomass / Gas segment. It also contains the Dutch power stations Amer and Eemshaven, which use hard coal and biomass, certain battery storage units and the company RWE Technology International, which specialises in project management and engineering services. This segment is the responsibility of RWE Generation, which is also responsible for formulating and implementing RWE's hydrogen strategy. The 37.9 % stake in the Austrian energy utility KELAG is also reported in the Hydro / Biomass / Gas segment.

The Supply & Trading segment handles the proprietary trading of energy commodities and trading with pipeline gas and LNG. This segment is the responsibility of RWE Supply & Trading, which also supplies energy to some major industrial and commercial customers and conducts a number of other trading activities. It is also responsible for selling the majority of the electricity we produce and procuring the fuel and emission allowances we need to generate electricity. Additionally, gas storage facilities in Germany also belong to this segment, as well as our LNG infrastructure development activities.

The Coal / Nuclear segment, which represents our non-core business, covers German electricity production using coal and nuclear power, as well as lignite mining operations in the Rhineland. It also includes the pro-rata activities of the Dutch power plant operator EPZ (30 %) and shares in the German company URANIT (50 %), which holds a 33 % stake in Urenco, a uranium enrichment specialist. The aforementioned activities and investments are primarily the responsibility of the group company RWE Power.

'Other, consolidation' covers RWE AG, consolidation effects and the activities of other business areas which are not presented separately. These activities primarily include the non-controlling interests in the German transmission system operator Amprion and in E.ON; the E.ON dividend is reported in the financial result.

Segment reporting Divisions 2023 € million	Offshore Wind	Onshore Wind / Solar	Hydro / Biomass / Gas	Supply & Trading	Other, consolidation	Core business	Coal / Nuclear	Consolidation	RWE Group
External revenue (incl. natural gas tax / electricity tax)	**1,202**	**2,295**	**1,280**	**23,147**	**0**	**27,924**	**810**	**–**	**28,734**
Intra-group revenue	1,201	984	10,348	8,532	-18,863	2,202	4,539	-6,741	–
Total revenue	2,403	3,279	11,628	31,679	-18,863	30,126	5,349	-6,741	28,734
Adjusted EBIT	1,010	535	2,678	1,520	-8	5,735	614	–	6,349
Operating income from investments	104	13	160	-14	236	499	62	–	561
Operating income from investments accounted for using the equity method	99	9	154	–	236	498	56	–	554
Operating depreciation, amortisation and impairment losses	654	713	512	58	1	1,938	91	–	2,029
Impairment losses	169	27	647	19	-1	861	1,086	–	1,947
Write-backs	–	7	7	–	–	14	9	–	23
Adjusted EBITDA	**1,664**	**1,248**	**3,190**	**1,578**	**-7**	**7,673**	**705**	**–**	**8,378**
Capital expenditure on intangible assets, property, plant and equipment	1,349	2,709	610	151	–	4,819	327	–	5,146

Regions 2023 € million	Germany	UK	Rest of Europe	North America	Other	RWE Group
External revenue[1,2]	13,752	7,647	5,576	1,209	382	28,566
Intangible assets and property, plant and equipment	6,186	13,269	4,484	14,284	373	38,596

1 Excluding natural gas tax / electricity tax.
2 Broken down by the region in which the service was provided.

Segment reporting Divisions 2022 € million	Offshore Wind	Onshore Wind / Solar	Hydro / Biomass / Gas	Supply & Trading	Other, consolidation	Core business	Coal / Nuclear	Consolidation	RWE Group
External revenue (incl. natural gas tax / electricity tax)[1]	**1,449**	**2,233**	**1,831**	**32,152**	**0**	**37,665**	**953**	**–**	**38,618**
Intra-group revenue	721	476	11,092	9,947	-20,831	1,405	5,483	-6,888	–
Total revenue[1]	2,170	2,709	12,923	42,099	-20,831	39,070	6,436	-6,888	38,618
Adjusted EBIT	836	370	2,005	1,111	-210	4,112	456	–	4,568
Operating income from investments	135	0	80	39	-13	241	82	–	323
Operating income from investments accounted for using the equity method	139	-8	79	11	-14	207	82	–	289
Operating depreciation, amortisation and impairment losses	576	457	364	50	–	1,447	295	–	1,742
Impairment losses	41	25	50	51	1	168	90	–	258
Write-backs	14	57	990	–	–	1,061	940	–	2,001
Adjusted EBITDA	**1,412**	**827**	**2,369**	**1,161**	**-210**	**5,559**	**751**	**–**	**6,310**
Capital expenditure on intangible assets and property, plant and equipment	1,029	1,580	424	42	–	3,075	228	–	3,303

1 Figures restated due to a change in the reporting of compensation from redispatch measures (see page 142).

Regions 2022 € million	Germany	UK	Rest of Europe	North America	Other	RWE Group
External revenue[1,2,3]	10,765	15,073	11,225	811	541	38,415
Intangible assets and property, plant and equipment	6,666	12,437	4,358	5,624	332	29,417

1 Excluding natural gas tax / electricity tax.
2 Broken down by the region in which the service was provided.
3 Figures restated due to a change in the reporting of compensation from redispatch measures (see page 142).

External revenue by product in 2023 € million	RWE Group
External revenue[1]	**28,566**
of which: electricity	25,082
of which: gas	1,750
of which: other revenue	1,734

1 Excluding natural gas tax / electricity tax.

External revenue by product in 2022 € million	RWE Group
External revenue[1,2]	**38,415**
of which: electricity[2]	31,076
of which: gas	4,633
of which: other revenue	2,706

1 Excluding natural gas tax / electricity tax.
2 Figures restated due to a change in the reporting of compensation from redispatch measures (see page 142).

Notes on segment data. We report revenue between the segments as RWE intra-group revenue. Internal supply of goods and services is settled at arm's length conditions.

Adjusted EBITDA is used for internal management. The following table presents the reconciliation of adjusted EBITDA to adjusted EBIT and income before tax:

Reconciliation of income items € million	2023	2022
Adjusted EBITDA	**8,378**	**6,310**
– Operating depreciation, amortisation and impairment losses	– 2,029	– 1,742
Adjusted EBIT	**6,349**	**4,568**
+ Adjusted financial result	– 495	– 417
+ Non-operating result[1]	– 1,848	– 3,436
Income before tax	**4,006**	**715**

1 Prior-year figures restated (see page 208).

Income and expenses that are unusual from an economic perspective, or stem from exceptional events, prejudice the assessment of operating activities. They are reclassified to the non-operating result. In addition to proceeds from the disposal of shareholdings or non-current assets not necessary for operations, this item mainly covers effects from the valuation of certain derivatives. These involve valuation effects which are only temporary and mainly arise because financial instruments to hedge price risks are reported at their fair value on the respective reporting date, while the hedged underlying transactions may only be recorded with an effect on income upon the realisation of such. One-off effects such as the adjustment of discount rates, which we use to determine nuclear power or mining provisions and temporary gains or losses stemming from the measurement of currency derivatives used for hedging purposes are not included in the financial result. Starting from fiscal 2023, we altered the recognition of price changes for money market funds. In the past, these changes were allocated to the non-operating result. For reasons of consistency, we now report them as part of the adjusted financial result, where we also recognise the current income from these funds. In order to ensure the comparability of the current figures with those from the previous year, the latter have been restated.

The adjustments made to EBIT amounted to – €1,867 million. In the previous year, we reported a significantly larger loss for this item (– €4,680 million), which was mainly due to the temporary earnings effects from the valuation of derivatives (– €4,195 million). In the reporting period, these effects resulted in income of €1,386 million. The result reported under 'other' decreased by €2,889 million to – €3,374 million. Impairments on lignite-fired units and opencast mining (– €1.1 billion) and on our Dutch power plant assets (– €0.6 billion) were significant factors in this regard. The impairments were necessary because market conditions for these activities have deteriorated. We also increased the provisions for impending losses for long-term power purchase agreements. Unlike in last year's corresponding period, we reported capital gains in the non-operating result, in the amount of €121 million. The main reason for this was the sale of RWE Gas Storage CZ, which is discussed on page 132. The adjustments to the financial result totalling €19 million hardly had any impact. The prior-year figure (€1,244 million) was substantially higher due to extraordinary effects: an increase in discount rates used to calculate mining and nuclear provisions reduced the present value of obligations, leading to a substantial earnings contribution.

Non-operating result[1] € million	2023	2022
Adjustments in EBIT	**-1,867**	**-4,680**
Of which:		
Disposal result	121	0
Effects on income from the valuation of derivatives	1,386	-4,195
Other	-3,374	-485
Adjustments in the financial result	**19**	**1,244**
Non-operating result	**-1,848**	**-3,436**

1 Some prior-year figures restated (see page 208).

(30) Notes to the cash flow statement

The cash flow statement classifies cash flows according to operating, investing and financing activities. Cash and cash equivalents in the cash flow statement correspond to the amount stated on the balance sheet. Cash and cash equivalents consist of cash on hand, demand deposits and fixed-interest marketable securities with a maturity of three months or less from the date of acquisition.

Among other things, cash flows from operating activities include:

- cash flows from interest and dividends of €842 million (previous year: €381 million) and cash flows used for interest expenses of €923 million (previous year: €428 million),
- €800 million (previous year: €77 million received) in taxes on income received (less refunds),
- income from investments, corrected for items without an effect on cash flows, in particular from accounting using the equity method, which amounted to €281 million (previous year: €262 million),
- variation margins paid in the amount of €1,031 million (previous year: €4,026 million), of which €3,620 million related to trading activities (previous year: €2,413 million).

Cash flows from the acquisition and sale of consolidated subsidiaries and other business units are included in cash flows from investing activities, while effects stemming from exchange rate developments and other changes in value are shown separately. During the fiscal year, reduced by the amount of cash and cash equivalents disposed of, sales prices in the amount of €351 million (previous year: – €14 million) were recognised for disposals resulting in a change of control. During the fiscal year, increased by the amount of cash and cash equivalents acquired, purchase prices amounting to €4,575 million (previous year: €137 million) were recognised for acquisitions which also resulted in a change of control. As in the previous year, the purchase prices paid and sales prices received were effected exclusively in cash. In relation to this, cash and cash equivalents (disregarding assets held for sale) were acquired in the amount of €78 million (previous year: €1 million) and were sold in the amount of €30 million (previous year: €21 million).

Of the capital expenditure for acquisitions and investments, in the previous year €743 million related to a capital contribution to the US joint venture with National Grid Ventures. The funds were used to pay a one-time lease fee for a site the New York Bight, on which we intend to build offshore wind turbines.

With regard to subsidiaries or other business units of which control was gained or lost, the amounts of assets and liabilities (with the exception of cash and cash equivalents) are presented in the following, broken down by main groups:

Balance-sheet items 2023 € million	Additions	Disposals
Non-current assets	**8,467**	**-317**
Intangible assets	4,459	-5
Property, plant and equipment	3,686	-310
Other non-current assets	322	-2
Current assets	**1,054**	**-62**
Non-current liabilities	**3,481**	**-64**
Provisions	98	-15
Financial liabilities	2,317	-7
Other non-current liabilities	1,066	-42
Current liabilities	**1,401**	**-79**

Balance-sheet items 2022 € million	Additions	Disposals
Non-current assets	**133**	**4**
Intangible assets	127	–
Property, plant and equipment	5	4
Other non-current assets	1	–
Current assets	**2**	**47**
Non-current liabilities	**4**	**29**
Provisions	–	29
Financial liabilities	–	–
Other non-current liabilities	4	–
Current liabilities	**1**	**1**

Cash flows from financing activities include €669 million (previous year: €609 million) which was distributed to RWE shareholders, and €274 million (previous year: €304 million) which was distributed to non-controlling shareholders. Furthermore, cash flows from financing activities include purchases of €34 million (previous year: €0 million) of shares in subsidiaries and other business units which did not lead to a change of control.

Changes in liabilities from financing activities are presented in the following table:

Development of financial liabilities € million	1 Jan 2023	Increase / repayment	Changes in the scope of consolidation	Currency effects	Other changes	31 Dec 2023
Current financial liabilities	11,214	-8,176	526	-34	-566	2,964
Non-current financial liabilities	9,789	1,459	2,292	-110	634	14,064
Other items		6,141				

Development of financial liabilities € million	1 Jan 2022	Increase / repayment	Changes in the scope of consolidation	Currency effects	Other changes	31 Dec 2022
Current financial liabilities	10,996	-451	28	-33	674	11,214
Non-current financial liabilities	6,798	3,688	3	-27	-673	9,789
Other items		3,942				

The amount stated in the 'other items' line item contains cash-effective changes resulting from derivative financial instruments and margin payments, which are recognised in cash flows from financing activities in the cash flow statement and in financial receivables in the balance sheet.

The item 'other changes' includes interest expenses which are reported in cash flows from operating activities.

Restrictions on the disposal of cash and cash equivalents amounted to €2 million (previous year: €8 million).

(31) Related party disclosures

Within the framework of their ordinary business activities, RWE AG and its subsidiaries have business relationships with numerous companies. These include associated companies and joint ventures, which are classified as related parties. In particular, this category includes material investments of the RWE Group, which are accounted for using the equity method.

Business transactions were concluded with major associates and joint ventures, resulting in the following items in RWE's consolidated financial statements:

Key items from transactions with associates and joint ventures € million	Associated companies		Joint ventures	
	2023	2022	2023	2022
Income	1,036	695	152	140
Expenses	464	497	46	40
Receivables	677	202	41	42
Liabilities	194	302	100	103

The key items from transactions with associates and joint ventures mainly stem from supply and service transactions. In addition to supply and service transactions, there are also financial links with joint ventures. During the reporting period, income of €0 million (previous year: €1 million) was recorded from interest-bearing loans to joint ventures. As of the balance-sheet date, financial receivables accounted for €32 million of the receivables from joint ventures (previous year: €37 million). All transactions were completed at arm's length conditions, i. e. on principle the conditions of these transactions did not differ from those with other enterprises. €679 million of the receivables (previous year: €202 million) and €243 million of the liabilities (previous year: €358 million) fall due within one year. Other obligations from executory contracts amounted to €166 million (previous year: €111 million).

Above and beyond this, the RWE Group did not execute any material transactions with related companies or persons.

The members of the Executive Board and Supervisory Board of RWE AG are deemed to be key management personnel for the RWE Group, in respect of whom the following information on total compensation is to be reported pursuant to IAS 24.

For fiscal 2023, key management personnel (Executive and Supervisory Board members) received total compensation in the amount of €19,412,000 (previous year: €15,728,000), which was comprised of €12,209,000 in short-term compensation components (previous year: €11,448,000) and share-based payments within the framework of LTIP SPP (see Note 21) amounting to €7,203,000 (previous year: €4,280,000). Share-based payment was measured according to IFRS 2. Provisions totalling €22,138,000 (previous year: €13,441,000) were formed for obligations vis-à-vis key management personnel.

The following information pertains to total remuneration pursuant to the guidelines of German commercial law.

In total, the remuneration of the Executive Board amounted to €14,176,000 (previous year: €12,259,000). This contains share-based payments amounting to €4,684,000 (111,961 RWE performance shares) granted within the framework of the LTIP SPP. In the previous year, share-based payments amounting to €3,980,000 (115,347 RWE performance shares) were granted.

Including remuneration from subsidiaries for the exercise of mandates, the Supervisory Board received total remuneration of €3,603,000 (previous year: €3,609,000) in fiscal 2023. The employee representatives on the Supervisory Board have labour contracts with the respective Group companies. Remuneration occurs in accordance with the relevant contractual conditions.

During the period under review, no loans or advances were granted to members of the Executive Board. Two employee representatives on the Supervisory Board had employee loans totalling €12,000.

Former members of the Executive Board and their surviving dependants received €13,304,000 (previous year: €14,115,000), of which €698,000 came from subsidiaries (previous year: €686,000). As of the balance-sheet date, €115,711,000 (previous year: €111,506,000) were accrued for defined benefit obligations to former members of the Executive Board and their surviving dependants. Of this, €5,120,000 was set aside at subsidiaries (previous year: €5,170,000).

Information on the members of the Executive and Supervisory Boards is presented on page 293 et seqq. of the Notes.

(32) Auditors' fees

The fees for audit services primarily contain the fees for the audit of the consolidated financial statements and for the audit of the financial statements of RWE AG and its subsidiaries, along with the review of the interim statements. Other assurance services mainly include fees for reviews related to statutory or court-ordered requirements.

RWE recognised the following fees as expenses for the services rendered by the auditors of the consolidated financial statements, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) and companies belonging to PwC's international network:

PwC network fees € million	2023		2022	
	Total	Of which: Germany	Total	Of which: Germany
Audit services	17.0	8.6	12.6	6.7
Other assurance services	0.7	0.5	0.8	0.6
Other services	–	–	0.3	0.3
	17.7	**9.1**	**13.7**	**7.6**

(33) Application of the exemption rule pursuant to Sec. 264, Para. 3 and Sec. 264b of the German Commercial Code

In fiscal 2023, the following German subsidiaries made partial use of the exemption clause pursuant to Sec. 264, Para. 3 and Sec. 264b of the German Commercial Code (HGB):

- BGE Beteiligungs-Gesellschaft für Energieunternehmen mbH, Essen
- GBV Zweiunddreißigste Gesellschaft für Beteiligungsverwaltung mbH, Essen
- KMG Kernbrennstoff-Management Gesellschaft mit beschränkter Haftung, Essen
- Nordsee Windpark Beteiligungs GmbH, Essen
- Rheinbraun Brennstoff GmbH, Köln
- Rheinische Baustoffwerke GmbH, Bergheim
- RV Rheinbraun Handel und Dienstleistungen GmbH, Köln
- RWE Generation Service GmbH, Essen
- RWE Offshore Wind GmbH, Essen
- RWE Renewables Beteiligungs GmbH, Dortmund
- RWE Renewables Deutschland GmbH, Berlin
- RWE Renewables Offshore HoldCo One GmbH, Essen
- RWE Renewables Offshore HoldCo Three GmbH, Essen
- RWE Renewables Trident Offshore GmbH, Essen
- RWE Technology International GmbH, Essen

(34) Events after the balance-sheet date

In the period from 1 January 2024 until the completion of the consolidated financial statements on 5 March 2024, the following significant events occurred:

Masdar to partner with RWE in offshore wind projects at Dogger Bank South. The renewables company Masdar, headquartered in Abu Dhabi, is our new partner in two offshore wind projects we are planning at Dogger Bank South in the UK North Sea, as contractually agreed at the end of 2023. The partnership entered into force at the end of February 2024, after all official approvals were received. Masdar now holds a 49 % stake in both of the Dogger Bank South projects and has already reimbursed us accordingly for the development expenses previously incurred. RWE retains a 51 % stake and is responsible for the construction and operation of the assets. The Dogger Bank is a large area off the northeast coast of England that has very shallow sea depths. The two planned wind farms could each have a capacity up to 1.5 GW. Our goal is to complete the two wind farms by the end of 2031. We are also building the 1.4 GW Sofia Offshore Wind project on the Dogger Bank, which should have all of its turbines online in 2026. This project is being carried out by RWE on its own.

RWE successful at British capacity market auctions. At a British capacity market auction in February 2024, all participating RWE power stations secured a capacity payment. The auction was held for the period from 1 October 2027 to 30 September 2028. RWE assets with 6,353 MW of generation capacity qualified this time. We will receive a capacity payment of £65 / kW (plus inflation adjustment) for making them available.

Gersteinwerk wins bid for German capacity reserve. Our combined-cycle natural gas units F, G and K 1 at the Gersteinwerk site in Werne (North Rhine-Westphalia) qualified for participation in the German capacity reserve for the period from 1 October 2024 to 30 September 2026. The decision was reached in a tender by the Federal Network Agency in February 2024. Altogether the units will provide 820 MW of reserve capacity, which can be used if necessary to ensure grid stability. We will receive a capacity payment of €99.99 per kilowatt and year. Units F and G had already successfully participated in the first two tenders of this kind. As reserve power plants, they have thus no longer been participating in the regular electricity market since 1 October 2020 and are only started up at the request of the transmission system operator. By contrast, this was unit K 1's first participation in a capacity reserve tender.

(35) Declaration according to Sec. 161 of the German Stock Corporation Act

The declaration on the German Corporate Governance Code prescribed by Sec. 161 of the German Stock Corporation Act (AktG) has been submitted for RWE AG and has been made permanently and publicly available to shareholders on the Internet pages of RWE AG.[1]

Essen, 5 March 2024

The Executive Board

Krebber

Müller

van Doren

1 https://www.rwe.com/statement-of-compliance-2023

4.7 List of Shareholdings (part of the Notes)

List of shareholdings as per Sec. 285 No. 11 and No. 11a and Sec. 313 Para. 2 (in relation to Sec. 315e Para. 1) of HGB as of 31 December 2023

I. Affiliated companies which are included in the consolidated financial statements	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
Aktivabedrijf Wind Nederland B.V., Geertruidenberg / Netherlands		100	29,860	8,986
Alpha Solar sp. z o.o., Warsaw / Poland		100	295	277
Alte Haase Bergwerks-Verwaltungs-Gesellschaft mbH, Dortmund		100	-69,164	-753
Amrum-Offshore West GmbH, Essen		100	2,632	–[1]
An Suidhe Wind Farm Limited, Swindon / United Kingdom		100	18,604	2,018
Anacacho Holdco, LLC, Wilmington / USA		100	51,849	-13
Anacacho Wind Farm, LLC, Wilmington / USA		100	62,298	-3,971
Andromeda Wind s.r.l., Bolzano / Italy		100	13,368	2,971
Ashwood Solar I, LLC, Wilmington / USA		100	-2,517	-2,568
Avolta Storage Limited, Kilkenny / Ireland		100	543	831
Baron Winds LLC, Chicago / USA		100	-27,976	-28,548
BGE Beteiligungs-Gesellschaft für Energieunternehmen mbH, Essen	100	100	201	–[1]
Big Star Class B, LLC, Wilmington / USA		100	87,884	-28
Big Star Holdco, LLC, Wilmington / USA		100	86,073	-1,877
Big Star Solar, LLC, Wilmington / USA		100	-126,362	-129,827
Bilbster Wind Farm Limited, Swindon / United Kingdom		100	5,810	1,120
Blackjack Creek Wind Farm, LLC, Wilmington / USA		100	269,732	29,026
Boiling Springs Holdco, LLC, Wilmington / USA		100	141,263	164
Boiling Springs Wind Farm, LLC, Wilmington / USA		100	142,954	1,947

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I. Affiliated companies which are included in the consolidated financial statements	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
Bray Offshore Wind Limited, Kilkenny / Ireland		50[4]	-187	-65
Bright Arrow Solar, LLC, Wilmington / USA		100	-2,285	1,675
Bruenning's Breeze Holdco, LLC, Wilmington / USA		100	109,785	293
Bruenning's Breeze Wind Farm, LLC, Wilmington / USA		100	15,302	-11,634
Carl Scholl GmbH, Cologne		100	893	488
Carmagnola Sp. z o.o., Warsaw / Poland		100	5,320	-5
Carnedd Wen Wind Farm Limited, Swindon / United Kingdom		100	-5,276	-475
Cartwheel BESS, LLC, Wilmington / USA		100	-14	-14
Cassadaga Class B Holdings LLC, Wilmington / USA		100	175,563	-487
Cassadaga Wind Holdings LLC, Wilmington / USA		100	173,397	-1,715
Cassadaga Wind LLC, Chicago / USA		100	283,900	26,388
Champion WF Holdco, LLC, Wilmington / USA		100	-7,414	-3,500
Champion Wind Farm, LLC, Wilmington / USA		100	-20,828	3,910
Cloghaneleskirt Energy Supply Limited, Kilkenny / Ireland		100	4,562	2,534
Colbeck's Corner Holdco, LLC, Wilmington / USA		100	76,373	291
Colbeck's Corner, LLC, Wilmington / USA		100	73,218	3,905
Conrad Solar Inc., Vancouver / Canada		100	24,647	903
Cormano Sp. z o.o., Warsaw / Poland		100	5,599	6
Crowned Heron, LLC, Wilmington / USA		100	-1,972	-2,012
Danta de Energías, S.A., Soria / Spain		99	41,476	26,077
DOTTO MORCONE S.r.l., Rome / Italy		100	28,175	18,546
Dromadda Beg Wind Farm Limited, Kilkenny / Ireland		100	3,553	237
Edgware Energy Limited, Swindon / United Kingdom		100	684	230

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I. Affiliated companies which are included in the consolidated financial statements	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
Eko-En 1 Sp. z o.o., Warsaw / Poland		100	544	-1,377
Eko-En 3 Sp. z o.o., Warsaw / Poland		100	-37	-92
Eko-En 4 Sp. z o.o., Warsaw / Poland		100	203	-235
El Algodon Alto Wind Farm, LLC, Wilmington / USA		100	243,740	45,357
Elbehafen LNG GmbH, Essen		100	1,725	0
Elevate Holdco Funding, Wilmington / USA		100	70,135	-621
Elevate Wind Holdco, LLC, Wilmington / USA		100	70,347	-136
Energy Resources Holding B.V., Geertruidenberg / Netherlands		100	67,804	111,583
Energy Resources Ventures B.V., Geertruidenberg / Netherlands		100	21,207	4,258
Explotaciones Eólicas de Aldehuelas, S.L., Soria / Spain		95	22,290	12,820
Extension Du Parc Eolien Des Nouvions SAS, Clichy / France		100	20	-5
Extension Du Parc Eolien Du Douiche SAS, Clichy / France		100	-54	-58
Farma Wiatrowa Barzowice Sp. z o.o., Warsaw / Poland		100	28,102	1,607
Farma Wiatrowa Rozdrazew sp. z o.o., Warsaw / Poland		100	-407	-96
Fifth Standard Solar PV, LLC, Wilmington / USA		100	-5,436	-5,547
Forest Creek Investco, Inc., Wilmington / USA		100	116	9
Forest Creek WF Holdco, LLC, Wilmington / USA		100	-4,148	-172
Forest Creek Wind Farm, LLC, Wilmington / USA		100	10,297	2,890
Gazules I Fotovoltaica, S.L., Barcelona / Spain		100	-182	-47
Gazules II Solar, S.L., Barcelona / Spain		100	-197	-42
GBV Zweiunddreißigste Gesellschaft für Beteiligungsverwaltung mbH, Essen	100	100	17,585,771	-[1]
Generación Fotovoltaica Castellano Manchega, S.L., Murcia / Spain		100	-5,916	-5,805
Generación Fotovoltaica De Alarcos, S.L.U., Barcelona / Spain		100	359	148

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I. Affiliated companies which are included in the consolidated financial statements	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
Generación Fotovoltaica Puerta del Sol, S.L.U., Murcia / Spain		100	-261	-239
GfV Gesellschaft für Vermögensverwaltung mbH, Dortmund	100	100	113,502	-2,150
Grandview Holdco, LLC, Wilmington / USA		100	93,881	516
Green Gecco GmbH & Co. KG, Essen		51	61,974	5,485
Hardin Class B Holdings LLC, Wilmington / USA		100	154,132	-407
Hardin Wind Holdings LLC, Wilmington / USA		100	146,489	-6,096
Hardin Wind LLC, Chicago / USA		100	192,808	-54,181
Hickory Park Class B, LLC, Wilmington / USA		100	196,239	-140
Hickory Park Holdco, LLC, Wilmington / USA		100	194,892	-1,515
Hickory Park Solar, LLC, Wilmington / USA		100	201,095	14,296
Inadale Wind Farm, LLC, Wilmington / USA		100	47,853	6,725
JBM Solar Limited, London / United Kingdom		100	163,578	-5,228
JBM Solar Projects 10 Ltd., London / United Kingdom		100	-32	-14
JBM Solar Projects 11 Ltd., London / United Kingdom		100	-25	-11
JBM Solar Projects 12 Ltd., London / United Kingdom		100	-23	-8
JBM Solar Projects 13 Ltd., London / United Kingdom		100	-23	-8
JBM Solar Projects 14 Ltd., London / United Kingdom		100	-25	-8
JBM Solar Projects 15 Ltd., London / United Kingdom		100	-21	-7
JBM Solar Projects 16 Ltd., London / United Kingdom		100	-21	-7
JBM Solar Projects 17 Ltd., London / United Kingdom		100	-23	-8
JBM Solar Projects 19 Ltd., London / United Kingdom		100	-23	-8
JBM Solar Projects 2 Ltd., London / United Kingdom		100	-28	70
JBM Solar Projects 20 Ltd., London / United Kingdom		100	-33	-17

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I. Affiliated companies which are included in the consolidated financial statements	Shareholding in %		Equity	Net income/loss
	Direct	Total	€ '000	€ '000
JBM Solar Projects 21 Ltd., London/United Kingdom		100	-24	-8
JBM Solar Projects 22 Ltd., London/United Kingdom		100	-19	-7
JBM Solar Projects 24 Ltd., London/United Kingdom		100	-22	-8
JBM Solar Projects 25 Ltd., London/United Kingdom		100	-26	-13
JBM Solar Projects 26 Ltd., London/United Kingdom		100	-34	-18
JBM Solar Projects 27 Ltd., London/United Kingdom		100	-22	-10
JBM Solar Projects 28 Ltd., London/United Kingdom		100	-14	-5
JBM Solar Projects 29 Ltd., London/United Kingdom		100	-20	-12
JBM Solar Projects 3 Ltd., London/United Kingdom		100	-28	-8
JBM Solar Projects 30 Ltd., London/United Kingdom		100	-16	-8
JBM Solar Projects 31 Ltd., London/United Kingdom		100	-14	-8
JBM Solar Projects 32 Ltd., London/United Kingdom		100	-14	-8
JBM Solar Projects 33 Ltd., London/United Kingdom		100	-15	-9
JBM Solar Projects 34 Ltd., London/United Kingdom		100	-13	-8
JBM Solar Projects 35 Ltd., London/United Kingdom		100	-7	-7
JBM Solar Projects 36 Ltd., London/United Kingdom		100	-7	-7
JBM Solar Projects 37 Ltd., London/United Kingdom		100	-8	-8
JBM Solar Projects 38 Ltd., London/United Kingdom		100	-5	-5
JBM Solar Projects 39 Ltd., London/United Kingdom		100	-5	-6
JBM Solar Projects 40 Ltd., London/United Kingdom		100	-6	-6
JBM Solar Projects 41 Ltd., London/United Kingdom		100	-5	-5
JBM Solar Projects 42 Ltd., London/United Kingdom		100	0	0
JBM Solar Projects 43 Ltd., London/United Kingdom		100	0	0

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I. Affiliated companies which are included in the consolidated financial statements	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
JBM Solar Projects 44 Ltd., London / United Kingdom		100	0	0
JBM Solar Projects 45 Ltd., London / United Kingdom		100	0	0
JBM Solar Projects 5 Ltd., London / United Kingdom		100	-29	74
JBM Solar Projects 6 Ltd., London / United Kingdom		100	-27	-8
JBM Solar Projects 7 Ltd., London / United Kingdom		100	-30	-10
JBM Solar Projects 8 Ltd., London / United Kingdom		100	-27	-10
Kernkraftwerke Lippe-Ems Gesellschaft mit beschränkter Haftung, Lingen (Ems)		100	432,269	–[1]
Kish Offshore Wind Limited, Kilkenny / Ireland		50[4]	-185	-42
KMG Kernbrennstoff-Management Gesellschaft mit beschränkter Haftung, Essen		100	696,225	–[1]
Knabs Ridge Wind Farm Limited, Swindon / United Kingdom		100	20,237	4,236
KW Solar IV Sp. z o.o., Warsaw / Poland		100	-11	-4
Las Vaguadas I Fotovoltaica S.L., Barcelona / Spain		100	-1,616	3,459
Limondale Sun Farm Pty. Ltd., Melbourne / Australia		100	141,161	63,004
Little Cheyne Court Wind Farm Limited, Swindon / United Kingdom		59	25,076	18,930
L100 Sp. z o.o., Warsaw / Poland		100	-13	-8
L110 Sp. z o.o., Warsaw / Poland		100	-1	-1
L120 Sp. z o.o., Warsaw / Poland		100	-2	-1
L130 Sp. z o.o., Warsaw / Poland		100	-2	-1
L140 Sp. z o.o., Warsaw / Poland		100	-2	-2
L150 Sp. z o.o., Warsaw / Poland		100	-1	-1
L160 Sp. z o.o., Warsaw / Poland		100	-1	-1
L170 Sp. z o.o., Warsaw / Poland		100	-1	-1
L180 Sp. z o.o., Warsaw / Poland		100	-1	-1

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I. Affiliated companies which are included in the consolidated financial statements	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
L190 Sp. z o.o., Warsaw / Poland		100	-1	-1
L20 Sp. z o.o., Warsaw / Poland		100	-1	-1
L200 Sp. z o.o., Warsaw / Poland		100	-1	-1
L30 Sp. z o.o., Warsaw / Poland		100	-22	-13
L40 Sp. z o.o., Warsaw / Poland		100	-3	-3
L50 Sp. z o.o., Warsaw / Poland		100	-1	-1
L60 Sp. z o.o., Warsaw / Poland		100	-1	-1
L70 Sp. z o.o., Warsaw / Poland		100	-5	-3
L80 Sp. z o.o., Warsaw / Poland		100	-3	-2
L90 Sp. z o.o., Warsaw / Poland		100	-2	-1
ML Wind LLP, Swindon / United Kingdom		51	64,230	31,894
Montgomery Ranch Wind Farm, LLC, Wilmington / USA		100	-7,107	-7,253
Munnsville Investco, LLC, Wilmington / USA		100	14,549	24
Munnsville WF Holdco, LLC, Wilmington / USA		100	12,974	-322
Munnsville Wind Farm, LLC, Wilmington / USA		100	14,185	1,995
Neulsaem Ui Offshore Wind Power Co., Ltd., Aphae-eup / South Korea		90	-147	-182
Nordsee Windpark Beteiligungs GmbH, Essen		100	15,318	-[1]
Nordseecluster A GmbH, Hamburg		100	8,906	-1,233
Nordseecluster B GmbH, Hamburg		100	24,387	-4,913
Northern Orchard Solar PV, LLC, Wilmington / USA		100	-9,769	-9,969
Oranje Wind Power II B.V., Geertruidenberg / Netherlands		100	0	0
Oranje Wind Power II C.V., Geertruidenberg / Netherlands		100	100	0
Orcoien Energy Orcoien, S.L.U., Barcelona / Spain		100	35	-131

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	Direct	Total	€ '000	€ '000
Panther Creek Holdco, LLC, Wilmington / USA		100	223,492	0
Panther Creek Three Class B, LLC, Wilmington / USA		100	224,805	0
Panther Creek Three Holdco, LLC, Wilmington / USA		100	224,805	0
Panther Creek Wind Farm I & II, LLC, Wilmington / USA		100	107,108	19,487
Panther Creek Wind Farm Three, LLC, Wilmington / USA		100	84,765	13,527
Papalote Creek I WF, Wilmington / USA		100	52,548	- 8,082
Papalote Creek II WF, Wilmington / USA		100	1,850	- 1,374
Parc Eolien De Beg Ar C'hra SAS, Clichy / France		100	36	- 1
Parc Eolien De Catillon-Fumechon SAS, Clichy / France		100	- 43	- 68
Parc Eolien De La Brie Nangissienne SAS, Clichy / France		100	16	- 4
Parc Eolien de la Loutre Noire SAS, Clichy / France		100	11	- 14
Parc Eolien De La Voie Corette SAS, Clichy / France		100	- 149	- 38
Parc Eolien De Luçay-Le-Libre Et De Giroux SAS, Clichy / France		100	10	- 9
Parc Eolien De Mirebalais SAS, Clichy / France		100	- 74	- 94
Parc Eolien Des Grands Lazards SAS, Clichy / France		100	20	- 4
Parc Eolien Du Balinot SAS, Clichy / France		100	- 31	- 55
Parc Eolien Du Ban Saint-Jean SAS, Clichy / France		100	18	- 5
Parc Eolien Du Catesis SAS, Clichy / France		100	- 145	- 106
Parc Eolien Du Chemin De Châlons SAS, Clichy / France		100	- 80	- 80
Parc Eolien Du Chemin De Saint-Gilles SAS, Clichy / France		100	- 60	- 43
Parc Eolien Du Moulin Du Bocage SAS, Clichy / France		100	10	- 14
Parc Eolien Les Pierrots SAS, Clichy / France		60	2,566	- 507
Parc Solaire des Pierrieres SAS, Clichy / France		100	32	- 1

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	Direct	Total	€ '000	€ '000
Park Wiatrowy Dolice Sp. z o.o., Warsaw / Poland		100	5,491	4,460
Park Wiatrowy Gaworzyce Sp. z o.o., Warsaw / Poland		100	6,192	4,087
Peyton Creek Holdco, LLC, Wilmington / USA		100	-2,745	8,792
Peyton Creek Wind Farm II, LLC, Wilmington / USA		100	-5,715	-5,832
Peyton Creek Wind Farm, LLC, Wilmington / USA		100	58,836	6,458
Piecki Sp. z o.o., Warsaw / Poland		51	24,238	5,348
Pioneer Trail Wind Farm, LLC, Wilmington / USA		95	102,713	-11,800
Primus Projekt GmbH & Co. KG, Hanover		100	0	-375
PV 1000 Sp. z o.o., Warsaw / Poland		100	-5	-4
PV 1010 Sp. z o.o., Warsaw / Poland		100	-14	-12
PV 1020 Sp. z o.o., Warsaw / Poland		100	-5	-3
PV 1040 Sp. z o.o., Warsaw / Poland		100	-8	-3
PV 1050 Sp. z o.o., Warsaw / Poland		100	-21	-19
PV 1060 Sp. z o.o., Warsaw / Poland		100	-7	-5
PV 1070 Sp. z o.o., Warsaw / Poland		100	-8	-5
PV 1080 Sp. z o.o., Warsaw / Poland		100	-9	-5
PV 1090 Sp. z o.o., Warsaw / Poland		100	-4	-3
PV 1160 Sp. z o.o., Warsaw / Poland		100	-10	-8
PV 1170 Sp. z o.o., Warsaw / Poland		100	-10	-8
PV 1180 Sp. z o.o., Warsaw / Poland		100	-2	-1
PV 1190 Sp. z o.o., Warsaw / Poland		100	-34	-31
PV 1200 Sp. z o.o., Warsaw / Poland		100	-4	-3
PV 1210 Sp. z o.o., Warsaw / Poland		100	-6	-5

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I. Affiliated companies which are included in the consolidated financial statements	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
PV 1220 Sp. z o.o., Warsaw / Poland		100	-8	-6
PV 1240 Sp. z o.o., Warsaw / Poland		100	-5	-4
PV 1250 Sp. z o.o., Warsaw / Poland		100	-4	-3
PV 1260 Sp. z o.o., Warsaw / Poland		100	-15	-14
PV 1280 Sp. z o.o., Warsaw / Poland		100	-5	-4
PV 1290 Sp. z o.o., Warsaw / Poland		100	-8	-7
PV 1300 Sp. z o.o., Warsaw / Poland		100	-2	-1
PV 1320 Sp. z o.o., Warsaw / Poland		100	-26	-24
PV 1330 Sp. z o.o., Warsaw / Poland		100	-2	-1
PV 1340 Sp. z o.o., Warsaw / Poland		100	-13	-12
PV 1350 Sp. z o.o., Warsaw / Poland		100	-2	-1
PV 1360 Sp. z o.o., Warsaw / Poland		100	-10	-8
PV 1370 Sp. z o.o., Warsaw / Poland		100	-2	-1
PV 1380 Sp. z o.o., Warsaw / Poland		100	-16	-15
PV 1390 Sp. z o.o., Warsaw / Poland		100	-7	-5
PV 1400 Sp. z o.o., Warsaw / Poland		100	-3	-2
PV 1410 Sp. z o.o., Warsaw / Poland		100	-4	-3
PV 1420 Sp. z o.o., Warsaw / Poland		100	-23	-21
PV 1430 Sp. z o.o., Warsaw / Poland		100	-12	-11
PV 1440 Sp. z o.o., Warsaw / Poland		100	-28	-24
PV 1450 Sp. z o.o., Warsaw / Poland		100	-3	-2
PV 1470 Sp. z o.o., Warsaw / Poland		100	-7	-6
PV 1480 Sp. z o.o., Warsaw / Poland		100	-3	-2

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	Direct	Total	€ '000	€ '000
PV 1490 Sp. z o.o., Warsaw / Poland		100	-2	-1
PV 1500 Sp. z o.o., Warsaw / Poland		100	-34	-8
PV 1530 Sp. z o.o., Warsaw / Poland		100	-3	-2
PV 1540 Sp. z o.o., Warsaw / Poland		100	-6	-4
PV 1550 Sp. z o.o., Warsaw / Poland		100	-23	-21
PV 1560 Sp. z o.o., Warsaw / Poland		100	-2	-2
PV 1570 Sp. z o.o., Warsaw / Poland		100	-16	-15
PV 1580 Sp. z o.o., Warsaw / Poland		100	-2	-1
PV 1590 Sp. z o.o., Warsaw / Poland		100	-3	-2
PV 160 Sp. z o.o., Warsaw / Poland		100	-4	-2
PV 1600 Sp. z o.o., Warsaw / Poland		100	-6	-5
PV 1610 Sp. z o.o., Warsaw / Poland		100	-8	-7
PV 1620 Sp. z o.o., Warsaw / Poland		100	-8	-7
PV 1630 Sp. z o.o., Warsaw / Poland		100	-3	-2
PV 1640 Sp. z o.o., Warsaw / Poland		100	-4	-3
PV 1650 Sp. z o.o., Warsaw / Poland		100	-10	-9
PV 1660 Sp. z o.o., Warsaw / Poland		100	-9	-2
PV 1670 Sp. z o.o., Warsaw / Poland		100	-4	-3
PV 1680 Sp. z o.o., Warsaw / Poland		100	-3	-2
PV 1690 Sp. z o.o., Warsaw / Poland		100	-14	-7
PV 1700 Sp. z o.o., Warsaw / Poland		100	-6	-5
PV 1710 Sp. z o.o., Warsaw / Poland		100	-3	-2
PV 1720 Sp. z o.o., Warsaw / Poland		100	-2	-1

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	Direct	Total	€ '000	€ '000
PV 1730 Sp. z o.o., Warsaw / Poland		100	-5	-4
PV 1740 Sp. z o.o., Warsaw / Poland		100	-11	-8
PV 1750 Sp. z o.o., Warsaw / Poland		100	-7	-6
PV 1760 Sp. z o.o., Warsaw / Poland		100	-5	-4
PV 1770 Sp. z o.o., Warsaw / Poland		100	-1	1
PV 1780 Sp. z o.o., Warsaw / Poland		100	-3	-2
PV 1790 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 1800 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 1810 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 1820 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 1830 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 1840 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 1850 Sp. z o.o., Warsaw / Poland		100	-2	-1
PV 1860 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 1870 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 1880 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 1890 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 190 Sp. z o.o., Warsaw / Poland		100	-16	-2
PV 1900 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 1910 Sp. z o.o., Warsaw / Poland		100	-2	-2
PV 1920 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 1930 Sp. z o.o., Warsaw / Poland		100	-3	-2
PV 1940 Sp. z o.o., Warsaw / Poland		100	-1	-1

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	Direct	Total	€ '000	€ '000
PV 1950 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 1960 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 1970 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 1980 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 1990 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 200 Sp. z o.o., Warsaw / Poland		100	-5	-2
PV 2000 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 2010 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 2020 Sp. z o.o., Warsaw / Poland		100	-1	1
PV 2030 Sp. z o.o., Warsaw / Poland		100	-2	-1
PV 2040 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 2050 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 2060 Sp. z o.o., Warsaw / Poland		100	-2	-1
PV 2070 Sp. z o.o., Warsaw / Poland		100	-2	-1
PV 2080 Sp. z o.o., Warsaw / Poland		100	-10	-9
PV 2090 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 2100 Sp. z o.o., Warsaw / Poland		100	-3	-3
PV 2110 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 2120 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 2130 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 2140 Sp. z o.o., Warsaw / Poland		100	-2	-1
PV 2150 Sp. z o.o., Warsaw / Poland		100	-9	-8
PV 2160 Sp. z o.o., Warsaw / Poland		100	-1	-1

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I. Affiliated companies which are included in the consolidated financial statements	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
PV 2170 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 2180 Sp. z o.o., Warsaw / Poland		100	-5	-4
PV 2190 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 2200 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 2210 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 2220 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 2230 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 2240 Sp. z o.o., Warsaw / Poland		100	-1	-1
PV 270 Sp. z o.o., Warsaw / Poland		100	-12	-8
PV 280 Sp. z o.o., Warsaw / Poland		100	-6	-5
PV 290 Sp. z o.o., Warsaw / Poland		100	-7	-3
PV 300 Sp. z o.o., Warsaw / Poland		100	-6	-4
PV 320 Sp. z o.o., Warsaw / Poland		100	-5	-3
PV 330 Sp. z o.o., Warsaw / Poland		100	-6	-4
PV 340 Sp. z o.o., Warsaw / Poland		100	-6	-4
PV 360 Sp. z o.o., Warsaw / Poland		100	-7	-6
PV 370 Sp. z o.o., Warsaw / Poland		100	-5	-3
PV 380 Sp. z o.o., Warsaw / Poland		100	-7	-5
PV 400 Sp. z o.o., Warsaw / Poland		100	-7	-4
PV 410 Sp. z o.o., Warsaw / Poland		100	-5	-3
PV 420 Sp. z o.o., Warsaw / Poland		100	-7	-4
PV 430 Sp. z o.o., Warsaw / Poland		100	-65	-60
PV 470 Sp. z o.o., Warsaw / Poland		100	-3	-1

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	Direct	Total	€ '000	€ '000
PV 500 Sp. z o.o., Warsaw / Poland		100	-5	-3
PV 630 Sp. z o.o., Warsaw / Poland		100	-9	-7
PV 640 Sp. z o.o., Warsaw / Poland		100	-7	-5
PV 660 Sp. z o.o., Warsaw / Poland		100	-3	-2
PV 670 Sp. z o.o., Warsaw / Poland		100	-14	-12
PV 680 Sp. z o.o., Warsaw / Poland		100	-5	-3
PV 700 Sp. z o.o., Warsaw / Poland		100	-7	-6
PV 710 Sp. z o.o., Warsaw / Poland		100	-8	-7
PV 720 Sp. z o.o., Warsaw / Poland		100	-4	-1
PV 730 Sp. z o.o., Warsaw / Poland		100	-7	-3
PV 740 Sp. z o.o., Warsaw / Poland		100	-8	-7
Pyron Wind Farm, LLC, Wilmington / USA		100	90,281	8,603
Quartz Solar, LLC, Wilmington / USA		100	-2,462	-2,512
Radford's Run Holdco, LLC, Wilmington / USA		100	110,803	226
Radford's Run Wind Farm, LLC, Wilmington / USA		100	77,874	-33,982
Rampion Offshore Wind Limited, Greenwood / United Kingdom		50.1	785,012	229,348
Rampion Renewables Limited, Swindon / United Kingdom		100	715,587	251,912
Renewables Solar Holding GmbH, Essen		100	7,302	-3,464
Rheinbraun Brennstoff GmbH, Cologne		100	82,619	-[1]
Rheinische Baustoffwerke GmbH, Bergheim		100	9,236	-[1]
Rheinkraftwerk Albbruck-Dogern Aktiengesellschaft, Waldshut-Tiengen		77	32,191	1,757
Rhenas Insurance Limited, St. Julians / Malta	100	100	57,677	5,893
Rhyl Flats Wind Farm Limited, Swindon / United Kingdom		50.1	98,808	40,708

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	Direct	Total	€ '000	€ '000
Roscoe WF Holdco, LLC, Wilmington / USA		100	48,910	-497
Roscoe Wind Farm, LLC, Wilmington / USA		100	21,517	13,685
RV Rheinbraun Handel und Dienstleistungen GmbH, Cologne		100	36,694	–[1]
RWE & Turcas Güney Elektrik Üretim A.S., Ankara / Türkiye		70	65,236	19,577
RWE Aktiengesellschaft, Essen		–	12,133,104	1,284,497
RWE Battery Solutions GmbH, Essen		100	1,180	–[1]
RWE Canada Ltd., Saint John / Canada		100	4,068	-489
RWE Clean Energy Asset Management, LLC, Wilmington / USA		100	280,838	13,880
RWE Clean Energy Development, LLC, Wilmington / USA		100	1,559,414	-9,566
RWE Clean Energy, LLC, Wilmington / USA		100	2,176,790	-198,671
RWE Clean Energy O & M, LLC, Wilmington / USA		100	32,863	13,094
RWE Clean Energy QSE, LLC, Wilmington / USA		100	108	-260
RWE Clean Energy Services, LLC, Wilmington / USA		100	316,330	-96,812
RWE Eemshaven Holding II B.V., Geertruidenberg / Netherlands		100	-204,049	1,288,766
RWE Eemshaven Magnum B.V., Eemshaven / Netherlands		100	255,271	-187,729
RWE Eemshydrogen B.V., Geertruidenberg / Netherlands		100	-3,538	-3,355
RWE Energie Odnawialne Sp. z o.o., Szczecin / Poland		100	168,531	25,710
RWE Energy Marketing III, LLC, Wilmington / USA		100	1,043,689	-44,002
RWE Energy Services, LLC, Wilmington / USA		100	404	-459
RWE Energy Solutions Belgium N.V., Hasselt / Belgium		100	-2,326	-624
RWE Eolien en Mer France SAS, Clichy / France		100	14,528	-5,444
RWE Evendorf Windparkbetriebsgesellschaft mbH, Hanover		100	25	–[1]
RWE Foundation gGmbH, Essen	100	100	126,524	1,501

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	Direct	Total	€ '000	€ '000
RWE Gas Storage West GmbH, Essen		100	350,087	–[1]
RWE Generation Holding B.V., Geertruidenberg / Netherlands		100	-8,600	2,100
RWE Generation Holding II B.V., Geertruidenberg / Netherlands		100	-334	-356
RWE Generation Hydro GmbH, Essen		100	25	–[1]
RWE Generation NL B.V., Geertruidenberg / Netherlands		100	-143,821	1,977,878
RWE Generation NL Personeel B.V., Geertruidenberg / Netherlands		100	15,367	318
RWE Generation SE, Essen	100	100	281,269	–[1]
RWE Generation Service GmbH, Essen		100	25	–[1]
RWE Generation UK Holdings Limited, Swindon / United Kingdom		100	3,152,899	187,616
RWE Generation UK plc, Swindon / United Kingdom		100	2,958,920	2,290,880
RWE Green Gecco Windparks GmbH, Hanover		100	181	–[1]
RWE indeland Windpark Eschweiler GmbH & Co. KG, Eschweiler		51	39,022	4,359
RWE Investco EPC Mgmt, LLC, Wilmington / USA		100	512,704	11,608
RWE Investco Mgmt II, LLC, Wilmington / USA		100	716,858	2,646
RWE Investco Mgmt, LLC, Wilmington / USA		100	2,299,424	8,524
RWE Kaskasi GmbH, Hamburg		100	302,099	–[1]
RWE KL Limited, Swindon / United Kingdom		100	0	0
RWE Lengerich Windparkbetriebsgesellschaft mbH, Gersten		100	25	–[1]
RWE Limondale Sun Farm Holding Pty. Ltd., Melbourne / Australia		100	149,766	58,779
RWE Magicat Holdco, LLC, Wilmington / USA		100	67,419	-973
RWE Markinch Limited, Swindon / United Kingdom		100	-16,172	-27,642
RWE Metzler SPF H2O, Frankfurt am Main		100	130,869	3,480
RWE Nuclear GmbH, Essen	100	100	100,000	–[1]

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	Direct	Total	€ '000	€ '000
RWE Nukleus Green H2 GmbH, Lingen (Ems)		100	61,486	-14
RWE Offshore Development, LLC, Wilmington / USA		100	-5,410	-9,799
RWE Offshore Neptuni AB, Malmö / Sweden		100	2	0
RWE Offshore Södra Victoria AB, Malmö / Sweden		100	2	0
RWE Offshore Wind GmbH, Essen		100	25	–[1]
RWE Offshore Wind Holdings, LLC, Dover / USA		100	739,937	-5,889
RWE Offshore Wind Netherlands B.V., Geertruidenberg / Netherlands		100	-2,885	-1,764
RWE Offshore Wind Netherlands Participations V B.V., Geertruidenberg / Netherlands		100	358	358
RWE Offshore Wind Netherlands Participations VI B.V., Geertruidenberg / Netherlands		100	168	168
RWE Offshore Wind Netherlands Participations VII B.V., Geertruidenberg / Netherlands		100	88	88
RWE Offshore Wind Netherlands Participations VIII B.V., Geertruidenberg / Netherlands		100	88	88
RWE Offshore Wind Norway 1 AS, Oslo / Norway		100	4	-1
RWE Offshore Wind Poland sp. z o.o., Slupsk / Poland		100	64,966	-766
RWE Offshore Wind Services, LLC, Wilmington / USA		100	-16	-16
RWE Operations France SAS, Clichy / France		100	86	319
RWE Personeel B.V., Geertruidenberg / Netherlands		100	685	351
RWE Power Aktiengesellschaft, Essen	100	100	2,020,613	–[1]
RWE Renewables Australia Pty. Ltd., Melbourne / Australia		100	4,572	820
RWE Renewables Benelux B.V., Geertruidenberg / Netherlands		100	-18,949	-714
RWE Renewables Beteiligungs GmbH, Dortmund		100	358,950	–[1]
RWE Renewables Canada Holdings Inc., Vancouver / Canada		100	25,043	-22
RWE Renewables Denmark A / S, Copenhagen / Denmark		100	5,210	3,951

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	Direct	Total	€ '000	€ '000
RWE Renewables Deutschland GmbH, Berlin		100	25	–[1]
RWE Renewables Distribution Poland Sp. z o.o., Warsaw / Poland		100	-1	-1
RWE Renewables Energy Marketing Australia Pty. Ltd., Melbourne / Australia		100	10	3
RWE Renewables Europe & Australia GmbH, Essen		100	453	–[1]
RWE Renewables GYM 2 Limited, Swindon / United Kingdom		100	25,178	20,879
RWE Renewables GYM 3 Limited, Swindon / United Kingdom		100	25,167	20,870
RWE Renewables GYM 4 Limited, Swindon / United Kingdom		100	71,079	62,656
RWE Renewables Hellas Single Member S.A., Maroussi / Greece		100	1,418	-873
RWE Renewables Iberia, S.A.U., Barcelona / Spain		100	142,822	78,930
RWE Renewables International Participations B.V., Geertruidenberg / Netherlands		100	3,531,400	-54,900
RWE Renewables Ireland Limited, Kilkenny / Ireland		100	-21,398	-8,054
RWE Renewables Italia S.r.l., Rome / Italy		100	238,462	41,583
RWE Renewables Japan G.K., Tokio / Japan		100	14,964	-16,195
RWE Renewables Korea LLC, Seoul / South Korea		100	16,646	-3,396
RWE Renewables Management UK Limited, Swindon / United Kingdom		100	305,637	10,823
RWE Renewables Norway AS, Oslo / Norway		100	-3,899	-3,531
RWE Renewables Offshore HoldCo One GmbH, Essen		100	25	–[1]
RWE Renewables Offshore HoldCo Three GmbH, Essen		100	28,490	–[1]
RWE Renewables Operations Australia Pty Ltd, Melbourne / Australia		100	1,584	45
RWE Renewables Poland Sp. z o.o., Warsaw / Poland		100	643,382	33,241
RWE Renewables Sweden AB, Malmö / Sweden		100	68,621	-15,060
RWE Renewables Taiwan Ltd., Taipeh / Taiwan		100	28,280	-6,958
RWE Renewables Trident Offshore GmbH, Essen		100	25	–[1]

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	Direct	Total	€ '000	€ '000
RWE Renewables UK Blyth Limited, Swindon / United Kingdom		100	238	- 47
RWE Renewables UK Dogger Bank South (East) Limited, Swindon / United Kingdom		100	- 952	- 952
RWE Renewables UK Dogger Bank South (West) Limited, Swindon / United Kingdom		100	- 952	- 952
RWE Renewables UK Holdings Limited, Swindon / United Kingdom		100	1,759,767	715
RWE Renewables UK Humber Wind Limited, Swindon / United Kingdom		51	560,982	149,103
RWE Renewables UK Limited, Swindon / United Kingdom		100	620,769	71,738
RWE Renewables UK London Array Limited, Swindon / United Kingdom		100	207,441	8,791
RWE Renewables UK Onshore Wind Limited, Swindon / United Kingdom		100	108,240	5,803
RWE Renewables UK Operations Limited, Swindon / United Kingdom		100	21,956	- 1,271
RWE Renewables UK Robin Rigg East Limited, Swindon / United Kingdom		100	25,590	11,198
RWE Renewables UK Robin Rigg West Limited, Swindon / United Kingdom		100	25,494	9,206
RWE Renewables UK Scroby Sands Limited, Swindon / United Kingdom		100	5,561	- 989
RWE Renewables UK Solar Holdings Limited, Swindon / United Kingdom		100	- 24,650	- 24,657
RWE Renewables UK Swindon Limited, Swindon / United Kingdom		100	2,137,867	- 84,763
RWE Renewables UK Wind Services Limited, Swindon / United Kingdom		100	47,822	35,771
RWE Renewables UK Zone Six Limited, Swindon / United Kingdom		100	0	0
RWE Renouvelables France SAS, Clichy / France		100	68,163	- 19,938
RWE SERVICE IBERIA, S.L.U., Barcelona / Spain		100	420	311
RWE Solar Development, LLC, Wilmington / USA		100	322,699	- 13,434
RWE Solar NC Lessee LLC, Wilmington / USA		100	4,571	918
RWE Solar NC Pledgor LLC, Wilmington / USA		100	2,579	0
RWE Solar Netherlands B.V., Geertruidenberg / Netherlands		100	1,145	1,320
RWE Solar Poland Sp. z o.o., Warsaw / Poland		100	- 897	- 120

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	Direct	Total	€ '000	€ '000
RWE Solar PV, LLC, Wilmington / USA		100	78,129	-10,915
RWE Sommerland Windparkbetriebsgesellschaft mbH, Sommerland		100	26	–[1]
RWE Supply & Trading Americas, LLC, Wilmington / USA		100	90,064	-9,390
RWE Supply & Trading Asia-Pacific PTE. LTD., Singapore / Singapore		100	86,491	41,491
RWE Supply & Trading CZ, a.s., Prague / Czech Republic		100	633,955	593,979
RWE Supply & Trading GmbH, Essen	100	100	446,778	–[1]
RWE Supply & Trading Japan KK, Tokyo / Japan		100	17,879	11,332
RWE Supply & Trading Participations Limited, London / United Kingdom		100	10,202	89,567
RWE Supply and Trading (Shanghai) Co. Ltd, Shanghai / China		100	11,026	-282
RWE Technology International GmbH, Essen		100	12,463	–[1]
RWE Technology UK Limited, Swindon / United Kingdom		100	3,698	231
RWE THOR 1 B.V., Geertruidenberg / Netherlands		100	1,242	0
RWE THOR 2 B.V., Geertruidenberg / Netherlands		100	585	0
RWE THOR 3 B.V., Geertruidenberg / Netherlands		100	305	0
RWE THOR 4 B.V., Geertruidenberg / Netherlands		100	305	0
RWE Trading Services GmbH, Essen		100	45,735	–[1]
RWE Wind Karehamn AB, Malmö / Sweden		100	10,008	-13,409
RWE Wind Onshore & PV Deutschland GmbH, Hanover		100	84,351	–[1]
RWE Wind Services Denmark A / S, Rødby / Denmark		100	10,290	8,898
RWE Windpark Bedburg A44n GmbH & Co. KG, Bedburg		51	30,000	5,414
RWE Windpark Bedburg GmbH & Co. KG, Bedburg		51	48,713	7,929
RWE Windpark Garzweiler GmbH & Co. KG, Essen		51	37,099	3,956
RWE Windpower Netherlands B.V., Geertruidenberg / Netherlands		100	38,298	30,106

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	Direct	Total	€ '000	€ '000
RWECE - Gruppe - (pre-consolidated)		–	4,056,653	44,537[2]
1525 White Marsh, LLC, Wilmington / USA		100	–	–
360 Solar Center, LLC, Wilmington / USA		100	–	–
5045 Wind Partners, LLC, Des Moines / USA		100	–	–
924 Hosier, LLC, Wilmington / USA		100	–	–
951 Hosier, LLC, Wilmington / USA		100	–	–
Adams Wind Farm, LLC, Roseville / USA		100	–	–
Alpaugh 50, LLC, Wilmington / USA		100	–	–
Alpaugh BESS, LLC, Wilmington / USA		100	–	–
Alpaugh North, LLC, Wilmington / USA		100	–	–
Altamont NY 1, LLC, Wilmington / USA		100	–	–
Altamont NY 2, LLC, Wilmington / USA		100	–	–
Altamont NY 3, LLC, Wilmington / USA		100	–	–
Amherst Solar, LLC, Wilmington / USA		100	–	–
Arizona Georgia Equity Holdings, LLC, Wilmington / USA		100	–	–
Arizona Georgia Portfolio Holdings, LLC, Wilmington / USA		100	–	–
Arlington Valley Solar Energy III, LLC, Wilmington / USA		100	–	–
Arlington Valley Solar Energy, LLC, Wilmington / USA		100	–	–
Battle Mountain Solar 2, LLC, Wilmington / USA		100	–	–
Battle Mountain SP, LLC, Wilmington / USA		100	–	–
Big Timber Wind LLC, Wilmington / USA		100	–	–
Blackstone MA 1, LLC, Wilmington / USA		100	–	–
Bobilli BSS, LLC, Roseville / USA		100	–	–

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	Direct	Total	€ '000	€ '000
Bridgeville DEA, LLC, Wilmington / USA		100	–	–
Camp Solar LLC, Wilmington / USA		100	–	–
Campbell County Wind Farm 2, LLC, Wilmington / USA		100	–	–
Campbell County Wind Farm, LLC, Wilmington / USA		100	–	–
Carver MA 3, LLC, Wilmington / USA		100	–	–
CED Alamo 3, LLC, Wilmington / USA		100	–	–
CED Alamo 5, LLC, Wilmington / USA		100	–	–
CED Alamo 7, LLC, Wilmington / USA		100	–	–
CED Amherst Solar, LLC, Wilmington / USA		100	–	–
CED Atwell Island West, LLC, Wilmington / USA		100	–	–
CED Aurora County Wind, LLC, Wilmington / USA		100	–	–
CED Avenal Solar, LLC, Wilmington / USA		100	–	–
CED Basin Street Solar, LLC, Wilmington / USA		100	–	–
CED Beadle County Wind, LLC, Wilmington / USA		100	–	–
CED Brule County Wind, LLC, Wilmington / USA		100	–	–
CED BTM Development Solar, LLC, Wilmington / USA		100	–	–
CED Burt County Wind, LLC, Lincoln / USA		100	–	–
CED Cal Flats EPC, LLC, Wilmington / USA		100	–	–
CED California Assets Holdings 1, LLC, Wilmington / USA		100	–	–
CED California Battery Storage, LLC, Wilmington / USA		100	–	–
CED California Holdings 2, LLC, Wilmington / USA		100	–	–
CED California Holdings 3, LLC, Wilmington / USA		100	–	–

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CED California Holdings 4, LLC, Wilmington / USA		100	–	–
CED California Holdings Financing I, LLC, Wilmington / USA		100	–	–
CED California Holdings Financing II, LLC, Wilmington / USA		100	–	–
CED California Holdings Financing III, LLC, Wilmington / USA		100	–	–
CED California Holdings Financing IV, LLC, Wilmington / USA		100	–	–
CED California Holdings, LLC, Wilmington / USA		100	–	–
CED California Texas Assets Holdings, LLC, Wilmington / USA		100	–	–
CED California Texas Financing Holdings, LLC, Wilmington / USA		100	–	–
CED Centerville Wind, LLC, Wilmington / USA		100	–	–
CED Champaign Solar, LLC, Wilmington / USA		100	–	–
CED Chicopee Solar, LLC, Wilmington / USA		100	–	–
CED Copper Mountain Solar 1 Holdings, LLC, Wilmington / USA		100	–	–
CED Copper Mountain Solar 2 Holdings, LLC, Wilmington / USA		100	–	–
CED Copper Mountain Solar 3 Holdings, LLC, Wilmington / USA		100	–	–
CED Corcoran Solar 2, LLC, Wilmington / USA		100	–	–
CED Corcoran Solar 3, LLC, Wilmington / USA		100	–	–
CED Corcoran Solar, LLC, Wilmington / USA		100	–	–
CED Crane Solar 2, LLC, Wilmington / USA		100	–	–
CED Davison County Wind, LLC, Wilmington / USA		100	–	–
CED Denmark Solar, LLC, Wilmington / USA		100	–	–
CED Development, Inc., Albany / USA		100	–	–
CED Dona Ana County, LLC, Wilmington / USA		100	–	–
CED Donaldson Wind, LLC, Roseville / USA		100	–	–

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5 No control by virtue of company contract.
6 Significant influence via indirect investments.
7 Significant influence by virtue of company contract.
8 No significant influence by virtue of company contract.

I. Affiliated companies which are included in the consolidated financial statements	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
CED Ducor Solar 1, LLC, Wilmington / USA		100	–	–
CED Ducor Solar 2, LLC, Wilmington / USA		100	–	–
CED Ducor Solar 3, LLC, Wilmington / USA		100	–	–
CED Ducor Solar 4, LLC, Wilmington / USA		100	–	–
CED Foster Solar, LLC, Wilmington / USA		100	–	–
CED II California Solar Holdings, LLC, Wilmington / USA		100	–	–
CED Lost Hills OpCo, LLC, Wilmington / USA		100	–	–
CED Lost Hills Solar, LLC, Wilmington / USA		100	–	–
CED Manchester Wind, LLC, Wilmington / USA		100	–	–
CED Mason City Wind, LLC, Wilmington / USA		100	–	–
CED McCook County Wind, LLC, Wilmington / USA		100	–	–
CED Mesquite Solar 1 Holdings, LLC, Wilmington / USA		100	–	–
CED Nevada Virginia Asset Holdings, LLC, Wilmington / USA		100	–	–
CED Nevada Virginia Construction Borrower, LLC, Wilmington / USA		100	–	–
CED Nevada Virginia Equity Holdings, LLC, Wilmington / USA		100	–	–
CED Nevada Virginia Financing Holdings, LLC, Wilmington / USA		100	–	–
CED Nevada Virginia Pledgor, Inc., Albany / USA		100	–	–
CED Nevada Virginia Portfolio Holdings, LLC, Wilmington / USA		100	–	–
CED Northampton Solar, LLC, Wilmington / USA		100	–	–
CED OpCo, LLC, Wilmington / USA		100	–	–
CED Oro Loma Solar, LLC, Wilmington / USA		100	–	–
CED Peregrine Solar, LLC, Wilmington / USA		100	–	–
CED Pilesgrove Holdings, LLC, Wilmington / USA		100	–	–

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5 No control by virtue of company contract.
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7 Significant influence by virtue of company contract.
8 No significant influence by virtue of company contract.

I. Affiliated companies which are included in the consolidated financial statements	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
CED Pondera Wind, LLC, Wilmington / USA		100	–	–
CED Red Lake Falls Community Hybrid, LLC, Roseville / USA		100	–	–
CED Ridgefield Solar, LLC, Wilmington / USA		100	–	–
CED Ridgefield Windsor Solar, LLC, Wilmington / USA		100	–	–
CED Rock Springs Solar, LLC, Wilmington / USA		100	–	–
CED Sanford Solar, LLC, Wilmington / USA		100	–	–
CED Seven Bridges Solar, LLC, Wilmington / USA		100	–	–
CED Solar Development, LLC, Wilmington / USA		100	–	–
CED Solar Holdings, LLC, Wilmington / USA		100	–	–
CED Solar, LLC, Wilmington / USA		100	–	–
CED Southwest Asset Holdings 1, LLC, Wilmington / USA		100	–	–
CED Southwest Holdco Financing 1, LLC, Wilmington / USA		100	–	–
CED Southwest Holdings, Inc., Albany / USA		100	–	–
CED Spring Ridge Wind, LLC, Wilmington / USA		100	–	–
CED Teton County Wind, LLC, Wilmington / USA		100	–	–
CED Texas Holdings 3, LLC, Wilmington / USA		100	–	–
CED Texas Holdings 4, LLC, Wilmington / USA		100	–	–
CED Texas Holdings 5, LLC, Wilmington / USA		100	–	–
CED Texas Holdings 7, LLC, Wilmington / USA		100	–	–
CED Timberland Solar 2, LLC, Wilmington / USA		100	–	–
CED Timberland Solar, LLC, Wilmington / USA		100	–	–
CED Townsite EPC, LLC, Wilmington / USA		100	–	–
CED Upton County Solar, LLC, Wilmington / USA		100	–	–

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7 Significant influence by virtue of company contract.
8 No significant influence by virtue of company contract.

I. Affiliated companies which are included in the consolidated financial statements	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
CED Upton Texas Holdings, LLC, Wilmington / USA		100	–	–
CED Uvalde Solar 1, LLC, Wilmington / USA		100	–	–
CED Uvalde Solar 2, LLC, Wilmington / USA		100	–	–
CED Wellesley Solar, LLC, Wilmington / USA		100	–	–
CED Westfield Solar, LLC, Wilmington / USA		100	–	–
CED Westside Canal Battery Storage, LLC, Wilmington / USA		100	–	–
CED Wheatland Wind, LLC, Wilmington / USA		100	–	–
CED White River Solar 2, LLC, Wilmington / USA		100	–	–
CED White River Solar, LLC, Wilmington / USA		100	–	–
CED Wind Holdings Financing I, LLC, Wilmington / USA		100	–	–
CED Wind Holdings, LLC, Wilmington / USA		100	–	–
CED Wind Power, LLC, Wilmington / USA		100	–	–
CED Windsor Solar, LLC, Wilmington / USA		100	–	–
CED Wistaria Holdings, LLC, Wilmington / USA		100	–	–
CED Wistaria Solar 2, LLC, Wilmington / USA		100	–	–
CED Wistaria Solar, LLC, Wilmington / USA		100	–	–
CES ADNY Solar, LLC, Wilmington / USA		100	–	–
CES BNY Solar, LLC, Wilmington / USA		100	–	–
CES Canton Solar, LLC, Wilmington / USA		100	–	–
CES Cape Solar, LLC, Wilmington / USA		100	–	–
CES Cherry Hill Solar, LLC, Wilmington / USA		100	–	–
CES Danbury Solar, LLC, Wilmington / USA		100	–	–
CES DHS Solar, LLC, Wilmington / USA		100	–	–

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5 No control by virtue of company contract.
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7 Significant influence by virtue of company contract.
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I. Affiliated companies which are included in the consolidated financial statements	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
CES Diversified Realty Solar, LLC, Wilmington / USA		100	–	–
CES Farrell Solar, LLC, Wilmington / USA		100	–	–
CES Hawthorne Solar, LLC, Wilmington / USA		100	–	–
CES Hogansburg Solar, LLC, Wilmington / USA		100	–	–
CES Kerman Solar, LLC, Wilmington / USA		100	–	–
CES Marbletown Solar, LLC, Wilmington / USA		100	–	–
CES Massachusetts Solar, LLC, Wilmington / USA		100	–	–
CES Montville Solar, LLC, Wilmington / USA		100	–	–
CES Moore Solar, LLC, Wilmington / USA		100	–	–
CES Mount Pleasant Solar, LLC, Wilmington / USA		100	–	–
CES NBHS Solar, LLC, Wilmington / USA		100	–	–
CES Newark Solar, LLC, Wilmington / USA		100	–	–
CES NYC Solar, LLC, Wilmington / USA		100	–	–
CES Philly TA Solar, LLC, Wilmington / USA		100	–	–
CES Rocklin Solar, LLC, Wilmington / USA		100	–	–
CES Sol Fund 1, LLC, Wilmington / USA		100	–	–
CES Spackenkill Solar, LLC, Wilmington / USA		100	–	–
CES Stepinac Solar, LLC, Wilmington / USA		100	–	–
CES Tihonet Solar, LLC, Wilmington / USA		100	–	–
CES VMT Solar, LLC, Wilmington / USA		100	–	–
Charleston NY 1, LLC, Wilmington / USA		100	–	–
Cheshire MA 2, LLC, Wilmington / USA		100	–	–
Churchill Storage Solutions, LLC, Richmond / USA		100	–	–

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6 Significant influence via indirect investments.
7 Significant influence by virtue of company contract.
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I. Affiliated companies which are included in the consolidated financial statements	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
Clymer Solar LLC, Wilmington / USA		100	–	–
CMMS Equity Holdings, LLC, Wilmington / USA		100	–	–
CMMS Solar Portfolio Holdings, LLC, Wilmington / USA		100	–	–
Competitive Shared Services, Inc. , Albany / USA		100	–	–
Copper Mountain Solar 1, LLC, Wilmington / USA		100	–	–
Copper Mountain Solar 2 Holdings, LLC, Wilmington / USA		100	–	–
Copper Mountain Solar 2, LLC, Wilmington / USA		100	–	–
Copper Mountain Solar 3 Holdings, LLC, Wilmington / USA		100	–	–
Copper Mountain Solar 3, LLC, Wilmington / USA		100	–	–
Copper Mountain Solar 4, LLC, Wilmington / USA		100	–	–
Copper Mountain Solar 5, LLC, Wilmington / USA		100	–	–
Custom Energy Services, LLC, Topeka / USA		100	–	–
Dartmouth Business Park Solar, LLC, Wilmington / USA		100	–	–
Dartmouth II Solar, LLC, Wilmington / USA		100	–	–
Delmar DEB, LLC, Wilmington / USA		100	–	–
Delmar DEC. LLC, Wilmington / USA		100	–	–
Delmar DED, LLC, Wilmington / USA		100	–	–
Douglas Solar, LLC, Wilmington / USA		100	–	–
EJ Terry Solar 1, LLC, Wilmington / USA		100	–	–
Elm Spring Solar 1, LLC, Wilmington / USA		100	–	–
Etna ME 1, LLC, Wilmington / USA		100	–	–
Etna ME 2, LLC, Wilmington / USA		100	–	–
Fairhaven MA 2, LLC, Wilmington / USA		100	–	–

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7 Significant influence by virtue of company contract.
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I. Affiliated companies which are included in the consolidated financial statements	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
Fairhaven MA 4, LLC, Wilmington / USA		100	–	–
Fishersville VAA, LLC, Wilmington / USA		100	–	–
Flemington Solar, LLC, Wilmington / USA		100	–	–
Frankford DEB, LLC, Wilmington / USA		100	–	–
Freetown MA 2, LLC, Wilmington / USA		100	–	–
Frenchtown I Solar, LLC, Wilmington / USA		100	–	–
Frenchtown II Solar, LLC, Wilmington / USA		100	–	–
Frenchtown III Solar, LLC, Wilmington / USA		100	–	–
Future Generation Wind, LLC, Boston / USA		100	–	–
Garwind, LLC, Roseville / USA		100	–	–
GLC-(MA) Assumption College, LLC, Wilmington / USA		100	–	–
GLC-(MA) Taunton, LLC, Wilmington / USA		100	–	–
Goose Farm, LLC, Wilmington / USA		100	–	–
Great Valley Equity Holdings, LLC, Wilmington / USA		100	–	–
Great Valley Solar 1, LLC, Wilmington / USA		100	–	–
Great Valley Solar 2, LLC, Wilmington / USA		100	–	–
Great Valley Solar 3, LLC, Wilmington / USA		100	–	–
Great Valley Solar 4, LLC, Wilmington / USA		100	–	–
Great Valley Solar Portfolio Holdings, LLC, Wilmington / USA		100	–	–
Groveland Solar, LLC, Wilmington / USA		100	–	–
Groves Solar, LLC, Wilmington / USA		100	–	–
Hallowell A, LLC, Wilmington / USA		100	–	–
Hampden MA 1, LLC, Wilmington / USA		100	–	–

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I. Affiliated companies which are included in the consolidated financial statements	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
Harrisonburg Solar, LLC, Wilmington / USA		100	–	–
Harwich MA 1, LLC, Wilmington / USA		100	–	–
Juhl Energy Services, Inc., Roseville / USA		100	–	–
K & K Wind Enterprises, LLC, Roseville / USA		100	–	–
Kenbridge VAB, LLC, Wilmington / USA		100	–	–
Lakehurst Solar, L.L.C., Wilmington / USA		100	–	–
Lebanon Solar, LLC, Wilmington / USA		100	–	–
Lordsburg NMA, LLC, Wilmington / USA		100	–	–
Loving NMA, LLC, Wilmington / USA		100	–	–
Loving NMB, LLC, Wilmington / USA		100	–	–
Matoaca VAA, LLC, Wilmington / USA		100	–	–
Matoaca VAC, LLC, Wilmington / USA		100	–	–
Merrimac Solar, LLC, Wilmington / USA		100	–	–
Mesquite Solar 1 Holdings, LLC, Wilmington / USA		100	–	–
Mesquite Solar 1, LLC, Wilmington / USA		100	–	–
Mesquite Solar 2, LLC, Wilmington / USA		100	–	–
Mesquite Solar 3, LLC, Wilmington / USA		100	–	–
Mesquite Solar 4, LLC, Wilmington / USA		100	–	–
Mesquite Solar 5, LLC, Wilmington / USA		100	–	–
Mifflin Solar LLC, Wilmington / USA		100	–	–
Murray Hill Solar, LLC, Wilmington / USA		100	–	–
Northbridge Solar, LLC, Wilmington / USA		100	–	–
Oak Tree Energy LLC, Wilmington / USA		100	–	–

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I. Affiliated companies which are included in the consolidated financial statements	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
OCI Alamo 4, LLC, Wilmington / USA		100	–	–
OCI Solar San Antonio 4, LLC, Wilmington / USA		100	–	–
Orange CEC MA 1, LLC, Wilmington / USA		100	–	–
Orange VAA, LLC, Wilmington / USA		100	–	–
PA Solar Park II, LLC, Wilmington / USA		100	–	–
PA Solar Park, LLC, Wilmington / USA		100	–	–
Panoche Valley Solar, LLC, Wilmington / USA		100	–	–
Pilesgrove Solar, LLC, Wilmington / USA		100	–	–
Pittstown NY 1, LLC, Wilmington / USA		100	–	–
Pleasant Hill BESS, LLC, Wilmington / USA		100	–	–
Pleasant Hill Solar, LLC, Wilmington / USA		100	–	–
Project Greenwich NY 1, LLC, Wilmington / USA		100	–	–
R Morris Solar LLC, Wilmington / USA		100	–	–
Roeder Family Wind Farm, LLC, Des Moines / USA		100	–	–
Rose Creek Wind, LLC, Wilmington / USA		100	–	–
Rose Wind Holdings, LLC, Roseville / USA		100	–	–
RP Wind, LLC, Upper Arlington / USA		100	–	–
RWE Clean Energy Asset Holdings, Inc., Albany / USA		100	–	–
RWE Clean Energy Battery Storage, LLC, Wilmington / USA		100	–	–
RWE Clean Energy Solutions Residential Solar, LLC, Wilmington / USA		100	–	–
RWE Clean Energy Solutions, Inc., Albany / USA		100	–	–
RWE Clean Energy Wholesale Services, Inc., Albany / USA		100	–	–
RWECE Clean Energy, Inc., Albany / USA		100	–	–

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7 Significant influence by virtue of company contract.
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I. Affiliated companies which are included in the consolidated financial statements	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
Sanford A, LLC, Wilmington / USA		100	–	–
SEP II, LLC, Sacramento / USA		100	–	–
Seward NY 1, LLC, Wilmington / USA		100	–	–
SF Wind Enterprises, LLC, Roseville / USA		100	–	–
Shenvalee Solar, LLC, Wilmington / USA		100	–	–
Shrewsbury Solar, LLC, Wilmington / USA		100	–	–
South Boston VAA, LLC, Wilmington / USA		100	–	–
South Boston VAB, LLC, Wilmington / USA		100	–	–
Swansea MA 1, LLC, Wilmington / USA		100	–	–
Switchgrass BESS, LLC, Wilmington / USA		100	–	–
Switchgrass Solar I, LLC, Wilmington / USA		100	–	–
Timberland Solar 3, LLC, Wilmington / USA		100	–	–
TLS-CES Services I, LLC, Wilmington / USA		100	–	–
TLS-CES Services II, LLC, Wilmington / USA		100	–	–
TLS-CES Services III, LLC, Wilmington / USA		100	–	–
Valley View Transmission, LLC, Roseville / USA		99	–	–
Valley View Wind Investors, LLC, Wilmington / USA		100	–	–
Vato Solar LLC, Wilmington / USA		100	–	–
Virginia 1 Equity Holdings, LLC, Wilmington / USA		100	–	–
Virginia 1 Portfolio Holdings, LLC, Wilmington / USA		100	–	–
Wareham MA 3, LLC, Wilmington / USA		100	–	–
Warren MA 1, LLC, Wilmington / USA		100	–	–
Water Strider Solar, LLC, Richmond / USA		100	–	–

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7 Significant influence by virtue of company contract.
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I. Affiliated companies which are included in the consolidated financial statements	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
Watlington BESS, LLC, Wilmington / USA		100	–	–
Watlington Solar, LLC, Wilmington / USA		100	–	–
WE 90 Technology Solar LLC, Wilmington / USA		100	–	–
West Greenwich Solar, LLC, Wilmington / USA		100	–	–
Windwalkers, LLC, Des Moines / USA		100	–	–
Woodstock Hills LLC, Wilmington / USA		100	–	–
Wythe County Solar Project, LLC, Wilmington / USA		100	–	–
RWEST Middle East Holdings B.V., 's-Hertogenbosch / Netherlands		100	17,886	11,532
Sand Bluff WF Holdco, LLC, Wilmington / USA		100	-3,701	0
Sand Bluff Wind Farm, LLC, Wilmington / USA		100	93,350	-9,633
Seohae Offshore Wind Power Co., Ltd., Taean-eup / South Korea		100	9,994	-199
Settlers Trail Wind Farm, LLC, Wilmington / USA		100	53,555	13,230
Sofia Offshore Wind Farm Holdings Limited, Swindon / United Kingdom		100	0	0
Sofia Offshore Wind Farm Limited, Swindon / United Kingdom		100	6,525	995
SOLARENGO Energia, Unipessoal, Lda., Cascais / Portugal		100	6,276	-156
Solarengo Portugal, SGPS, Unipessoal Lda., Cascais / Portugal		100	9,709	-14
Stillwater Energy Storage, LLC, Wilmington / USA		100	-48	-48
Stoneridge Solar, LLC, Wilmington / USA		100	-4,561	-4,655
Stony Creek Holdco, Wilmington / USA		100	39,094	0
Stony Creek Wind Farm, Wilmington / USA		100	34,086	-5,110
Stormvinden DA, Oslo / Norway		89	0	0
Taber Solar 1 Inc., Vancouver / Canada		100	10,805	2,257
Taber Solar 2 Inc., Vancouver / Canada		100	1,474	-3,107

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I. Affiliated companies which are included in the consolidated financial statements	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
Tamworth Holdings, LLC, Raleigh / USA		100	8,369	240
Tanager Holdings, LLC, Raleigh / USA		100	7,521	135
TE Portfolio Financing One, LLC, Wilmington / USA		100	72,674	-86,896
TE Portfolio Financing Two, LLC, Wilmington / USA		100	139,950	-355
Tech Park Solar, LLC, Wilmington / USA		100	13,534	219
TEP EAA BJC Class B, LLC, Wilmington / USA		100	157,712	-119
TEP Financing Four, LLC, Wilmington / USA		100	-126	-128
TEP Orchard Arrow Class B, LLC, Wilmington / USA		100	90,687	0
TEP Portfolio Financing Five, LLC, Wilmington / USA		100	67,820	259
TEP Portfolio Financing Three, LLC, Wilmington / USA		100	416,179	-2,232
TEP Pyron Willowbrook Class B, LLC, Wilmington / USA		100	0	0
TEP Sand Baron Class B, LLC, Wilmington / USA		100	140,298	0
TEP Standard Class B, LLC, Wilmington / USA		100	418,308	-60
Texas Waves, LLC, Wilmington / USA		100	0	0
The Hollies Wind Farm Limited, Swindon / United Kingdom		100	1,803	698
Thor Wind Farm I / S, Copenhagen / Denmark		100	-169	-108
Triton Knoll HoldCo Limited, Swindon / United Kingdom		59	95,637	0
Triton Knoll Offshore Wind Farm Limited, Swindon / United Kingdom		100	219,108	81,089
Valencia Solar, LLC, Tucson / USA		100	11,923	1,172
Ventasso Energy Storage, LLC, Wilmington / USA		100	-1,547	-1,578
West of the Pecos Holdco, LLC, Wilmington / USA		100	63,110	-6
West of the Pecos Solar, LLC, Wilmington / USA		100	63,300	6,106
Willowbrook Solar I, LLC, Wilmington / USA		100	-2,658	-2,712

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7 Significant influence by virtue of company contract.
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I. Affiliated companies which are included in the consolidated financial statements	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
Wind Farm Deliceto s.r.l., Bolzano / Italy		100	30,912	2,737
Windpark Eekerpolder B.V., Geertruidenberg / Netherlands		100	25,260	17,421
Windpark Kattenberg B.V., Geertruidenberg / Netherlands		100	2,626	1,537
Windpark Nordsee Ost GmbH, Heligoland		100	256	–[1]
Windpark Oostpolderdijk B.V., Geertruidenberg / Netherlands		100	1,682	1,768
Windpark Zuidwester B.V., Geertruidenberg / Netherlands		100	7,010	-576
WR Graceland Solar, LLC, Wilmington / USA		100	-2,534	-2,586
Zielone Glówczyce Sp. z o.o., Slupsk / Poland		100	10,202	36

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8 No significant influence by virtue of company contract.

II. Affiliated companies which are not included in the consolidated financial statements due to secondary importance for the assets, liabilities, financial position and profit or loss of the Group	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
Acocil Recursos Ambientales, S. de R.L. de C.V., Mexico City / Mexico		100	0	0
Agenzia Carboni S.r.l., Genoa / Italy		100	363	58
Ajolote Recursos Ambientales, S. de R.L. de C.V., Mexico City / Mexico		100	0	0
Alcamo II S.r.l. in liquidazione , Rome / Italy		100	16	-13
Alvarado Solar S.L., Barcelona / Spain		100	-18	-12
Amole Recursos Ambientales, S. de R.L. de C.V., Mexico City / Mexico		100	0	0
Anemos Ala Segarra, S.L., Barcelona / Spain		100	3	0
Antlers Road Solar, LLC, Wilmington / USA		100	0	0
Arizona MS5 Equity Holdings, LLC, Wilmington / USA		100	0	0
Arizona MS5 Portfolio Holdings, LLC, Wilmington / USA		100	0	0
Auzoberri Desarrollo, S.L.U., Barcelona / Spain		100	125	-80
Azagra Energy Quel, S.L.U., Barcelona / Spain		100	372	-5
Baron Winds II LLC, Chicago / USA		100	0	0
Bayou Macon Solar, LLC, Wilmington / USA		100	0	0
Bazinga Offshore Wind Holding Pty. Ltd., Melbourne / Australia		100	–	–[3]
Bazinga Offshore Wind Pty. Ltd., Melbourne / Australia		100	–	–[3]
Beargrass Solar Inc., Vancouver / Canada		100	0	0
Belectric Mexico Fotovoltaica S.de R.L. de C.V., Bosques de las Lomas / Mexico		100	19	8
Biznaga Recursos Ambientales, S. de R.L. de C.V., Mexico City / Mexico		100	0	0
Blackbeard Solar, LLC, Wilmington / USA		100	0	0
Blueberry Hills LLC, Chicago / USA		100	0	0
BO Baltic Offshore GmbH, Hamburg		98	3	-3
Bowler Flats Energy Hub LLC, Chicago / USA		100	0	0

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II. Affiliated companies which are not included in the consolidated financial statements due to secondary importance for the assets, liabilities, financial position and profit or loss of the Group	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
Buckeye Wind LLC, Chicago / USA		100	0	0
Buffalo Solar Farm, LLC, Wilmington / USA		100	0	0
Burgar Hill Wind Farm Limited, Swindon / United Kingdom		100	0	0
Bursjöliden Vind AB, Malmö / Sweden		100	514	-14
Camaiore Sp. z o.o., Warsaw / Poland		100	466	-12
Camellia Solar LLC, Wilmington / USA		100	0	0
Camellia Solar Member LLC, Wilmington / USA		100	0	0
Camp Creek Wind, LLC, Wilmington / USA		100	0	0
Camster II Wind Farm Limited, Swindon / United Kingdom		100	0	0
Canal Crossing Solar, LLC, Wilmington / USA		100	0	0
Canopy Offshore Wind, LLC , Wilmington / USA		100	0	0
Cardinal Wind Farm, LLC, Wilmington / USA		100	0	0
Casarano Sp. z o.o., Warsaw / Poland		100	839	-12
Casey Fork Solar, LLC, Wilmington / USA		100	0	0
Cattleman Wind Farm II, LLC, Wilmington / USA		100	0	0
Cattleman Wind Farm, LLC, Wilmington / USA		100	0	0
Cecina Sp. z o.o., Warsaw / Poland		100	465	-14
Cempasúchil Recursos Ambientales, S. de R.L. de C.V., Mexico City / Mexico		100	0	0
Cercola Sp. z o.o., Warsaw / Poland		100	1,143	7
Cerignola Sp. z o.o., Warsaw / Poland		100	1,136	1
Champaign Wind LLC, Chicago / USA		100	0	0
Clavellinas Solar, S.L., Barcelona / Spain		100	-13	-10

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	Direct	Total	€ '000	€ '000
Clinton Wind, LLC, Wilmington / USA		100	0	0
Colibri Recursos Ambientales, S. de R.L. de C.V., Mexico City / Mexico		100	0	0
Cordeneos Sp. z o.o., Warsaw / Poland		100	1,271	8
Cordova Wind Farm, LLC, Wilmington / USA		100	0	0
Corning Solar, LLC, Wilmington / USA		100	0	0
County Run, LLC, Wilmington / USA		100	0	0
Cremona Sp. z o.o., Warsaw / Poland		100	465	-13
Curns Energy Limited, Kilkenny / Ireland		70	-1,343	-40
Decadia GmbH, Essen	100	100	2,548	-1,202
Dohema Offshore sp. z o.o., Slupsk / Poland		100	143	3
E & Z Industrie-Lösungen GmbH, Essen		100	12,449	-3,867
Eko-En 2 Sp. z o.o., Warsaw / Poland		100	396	-20
Eko-En 5 Sp. z o.o., Warsaw / Poland		100	-104	-18
Eko-En 6 Sp. z o.o., Warsaw / Poland		100	0	0
El Navajo Solar, S.L., Barcelona / Spain		100	-9	-4
Eólica Alta Anoia, S.L., Barcelona / Spain		100	3	0
Eólica La Conca, S.L., Barcelona / Spain		100	3	0
Eólica La Conca 2, S.L., Barcelona / Spain		100	3	0
Eólica La Conca 3, S.L., Barcelona / Spain		100	3	0
ETI NA Investments GmbH, Essen		100	247	-175
ETI Wind Holdings Limited, London / United Kingdom		100	586	-185
EverPower Maine LLC, Chicago / USA		100	0	0
EverPower Ohio LLC, Chicago / USA		100	0	0

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	Direct	Total	€ '000	€ '000
EverPower Solar LLC, Chicago / USA		100	0	0
EverPower Wind Development, LLC, Chicago / USA		100	0	0
Flatlands Wind Farm, LLC, Wilmington / USA		100	0	0
Flexilis Power Limited, Kilkenny / Ireland		100	95	0
Florida Solar and Power Group LLC, Wilmington / USA		100	0	0
Fotovoltaica Delibes, S.A. de C.V., Mexico City / Mexico		100	2	0
Fourth Quarter BESS, LLC, Wilmington / USA		100	0	0
Frazier Solar, LLC, Wilmington / USA		100	0	0
Gas Link Lubmin GmbH, Essen		100	25	0
GBV Achtunddreißigste Gesellschaft für Beteiligungsverwaltung mbH, Essen		100	25	–[1]
GBV Dreiunddreißigste Gesellschaft für Beteiligungsverwaltung mbH, Essen	100	100	25	–[1]
GBV Dreiundvierzigste Gesellschaft für Beteiligungsverwaltung mbH, Essen	100	100	24	0
GBV Einunddreißigste Gesellschaft für Beteiligungsverwaltung mbH, Essen	100	100	30	–[1]
GBV Siebte Gesellschaft für Beteiligungsverwaltung mbH, Essen		100	100	–[1]
GBV Zweiundvierzigste Gesellschaft für Beteiligungsverwaltung mbH, Essen	100	100	23	0
Gesellschaft für Beteiligungs- und Pensionsverwaltung 41 mbH, Essen		100	24	-2
Geun Heung Offshore Wind Power Co., Ltd., Seoul / South Korea		100	7	0
Grandview Wind Farm III, LLC, Wilmington / USA		100	0	0
Grandview Wind Farm IV, LLC, Wilmington / USA		100	0	0
Grandview Wind Farm V, LLC, Wilmington / USA		100	0	0
Green Gecco Verwaltungs GmbH, Essen		51	40	1
Greene Solar, LLC, Wilmington / USA		100	0	0
Greensburg Solar, LLC, Wilmington / USA		100	0	0

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	Direct	Total	€ '000	€ '000
Greenswitch Wind, LLC, Wilmington / USA		100	0	0
Grid-Way 1 SAS, Clichy / France		100	-1	15
Grottoes VAA, LLC, Wilmington / USA		100	0	0
Harryburn Wind Farm Limited, Swindon / United Kingdom		100	-4	-11
Haube Wind Sp. z o.o., Slupsk / Poland		100	106	-5
Highland III LLC, Chicago / USA		100	0	0
Hogan Offshore Wind Holding Pty. Ltd., Melbourne / Australia		100	–	–[3]
Hogan Offshore Wind Pty. Ltd., Melbourne / Australia		100	–	–[3]
Horse Thief Wind Project LLC, Chicago / USA		100	0	0
INDI Energie B.V., 's-Hertogenbosch / Netherlands		100	297	172
INDI Solar-Projects 1 B.V., 's-Hertogenbosch / Netherlands		100	284	149
Infraestructuras de Aldehuelas, S.A., Barcelona / Spain		100	428	0
Infrastrukturgesellschaft Netz Lübz mit beschränkter Haftung, Hanover		100	14	-27
Iron Horse Battery Storage, LLC, Wilmington / USA		100	6,983	-200
Janus Solar PV, LLC, Wilmington / USA		100	0	0
Jerez Fotovoltaica S.L., Barcelona / Spain		100	-7	-8
Jimble Offshore Wind Holding Pty. Ltd., Melbourne / Australia		100	–	–[3]
Jimble Offshore Wind Pty. Ltd., Melbourne / Australia		100	–	–[3]
Jugondo Desarrollo, S.L.U., Barcelona / Spain		100	936	-178
Kent Offshore Wind Holding Pty. Ltd., Melbourne / Australia		100	–	–[3]
Kent Offshore Wind Pty. Ltd., Melbourne / Australia		100	–	–[3]
Kestrel Energy Storage, LLC, Wilmington / USA		100	0	0
Key Solar, LLC, Wilmington / USA		100	0	0

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	Direct	Total	€ '000	€ '000
Kieswerk Kaarst GmbH & Co. KG, Bergheim		51	2,693	1,243
Kieswerk Kaarst Verwaltungs GmbH, Bergheim		51	32	0
Lafitte Solar, LLC, Wilmington / USA		100	0	0
Lake Fork Wind Farm, LLC, Wilmington / USA		100	0	0
Lampasas Wind LLC, Chicago / USA		100	0	0
Lane City Wind LLC, Wilmington / USA		100	0	0
Las Vaguadas II Solar S.L., Barcelona / Spain		100	-7	-6
Lasso Wind, LLC, Wilmington / USA		100	0	0
Limondale Battery Holding Pty. Ltd., Melbourne / Australia		100	–	–[3]
Limondale Battery Pty. Ltd., Melbourne / Australia		100	–	–[3]
Lincoln Solar Farm, LLC, Wilmington / USA		100	0	0
Littlefield Tax Partners, LLC, New York City / USA		70	2,669	0
Mahanoy Mountain, LLC, Chicago / USA		100	0	0
Major Wind Farm, LLC, Wilmington / USA		100	0	0
March Road Solar, LLC, Wilmington / USA		100	0	0
Maricopa East Solar PV, LLC, Wilmington / USA		100	0	0
Maricopa East Solar PV 2, LLC, Wilmington / USA		100	0	0
Maricopa Land Holding, LLC, Wilmington / USA		100	0	0
Maricopa West Solar PV 2, LLC, Wilmington / USA		100	0	0
Maryland Sunlight 1 LLC, Wilmington / USA		100	0	0
Moasi Solar 1, LLC, Wilmington / USA		100	0	0
Moasi Solar 2, LLC, Wilmington / USA		100	0	0
Morska Farma Wiatrowa Antares sp. z o.o., Warsaw / Poland		100	1,003	-11

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	Direct	Total	€ '000	€ '000
Mud Springs Wind Project LLC, Chicago / USA		100	0	0
Muñegre Desarrollo, S.L.U., Barcelona / Spain		100	191	-4
Nathalie VAC, LLC, Wilmington / USA		100	0	0
Nathalie VAL, LLC, Wilmington / USA		100	0	0
Northern Orchard Solar PV 2, LLC, Wilmington / USA		100	0	0
Northern Orchard Solar PV 3, LLC, Wilmington / USA		100	0	0
Nouvions Poste de Raccordement SAS, Clichy / France		100	-7	-1
Oddeheia Wind DA, Oslo / Norway		100	-147	-4,047
OHD Offshore Hydrogen Development Administration Two GmbH, Berlin		100	31	7
OHD Offshore Hydrogen Development One GmbH, Essen		100	24	-1
OHD Offshore Hydrogen Development Two GmbH & Co. KG, Essen		100	20	-20
Ohio Sunlight 1 LLC, Wilmington / USA		100	0	0
Olmunite Investments sp. z o.o., Slupsk / Poland		100	6	-4
Oranje Wind Power B.V., Geertruidenberg / Netherlands		100	0	0
Oranje Wind Power C.V., Geertruidenberg / Netherlands		100	0	0
Ostsee LNG Holding GmbH, Essen		100	3,025	0
Ostsee LNG Terminal GmbH, Essen		100	25	0
Owen Prairie Wind Farm, LLC, Wilmington / USA		100	0	0
Oyamel Recursos Ambientales, S. de R.L. de C.V., Mexico City / Mexico		100	0	0
Palo Verde Wind, LLC, Wilmington / USA		100	0	0
Panther Creek Solar, LLC, Wilmington / USA		100	0	0
Parc Agrivoltaique de la Plaigne SAS, Clichy / France		100	37	0
Parc de Stockage d'Electricité de Vésigneul SAS, Clichy / France		100	35	-2

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	Direct	Total	€ '000	€ '000
Parc Eolien d'Auppegard SAS, Clichy / France		100	–	–[3]
Parc Eolien De Canny SAS, Clichy / France		100	30	-1
Parc Eolien de Ciré d'Aunis et d'Ardillières SAS, Clichy / France		100	20	0
Parc Eolien De Foissy-Sur-Vanne SAS, Clichy / France		100	30	-1
Parc Eolien de Fouchères aux Bois SAS, Clichy / France		100	30	-1
Parc Eolien De Ganochaud SAS, Clichy / France		100	16	-2
Parc Eolien De La Cabane Blanche SAS, Clichy / France		100	20	0
Parc Eolien De La Croix Blanche SAS, Clichy / France		100	25	0
Parc Eolien De La Jarrie-Audouin SAS, Clichy / France		100	30	-1
Parc Eolien de la Maison des Champs SAS, Clichy / France		100	–	–[3]
Parc Eolien De La Plaine De Beaulieu SAS, Clichy / France		100	30	-1
Parc Eolien de la Plaine des Vaulois SAS, Clichy / France		100	37	0
Parc Eolien de la Souche SAS, Clichy / France		100	36	-1
Parc Eolien de la Vallée de l'Eaulne SAS, Clichy / France		100	28	-4
Parc Eolien De Langeron SAS, Clichy / France		100	19	0
Parc Eolien de Langonnet SAS, Clichy / France		100	37	0
Parc Eolien De Mesbrecourt-Richecourt SAS, Clichy / France		100	20	-3
Parc Eolien de Morgat SAS, Clichy / France		100	32	-2
Parc Eolien de Morley SAS, Clichy / France		100	37	0
Parc Eolien De Nuisement Et Cheniers SAS, Clichy / France		100	30	-1
Parc Eolien de Saint-Vaast-D'Equiqueville SAS, Clichy / France		100	36	-1
Parc Eolien de Senan SAS, Clichy / France		100	–	–[3]
Parc Eolien De Soudron SAS, Clichy / France		100	29	-1

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	Direct	Total	€ '000	€ '000
Parc Eolien des Ailes du Gatinais SAS, Clichy / France		100	30	-1
Parc Eolien des Baumes SAS, Clichy / France		100	32	-1
Parc Eolien des Cinq Poiriers SAS, Clichy / France		100	32	-1
Parc Eolien des Milles Vents SAS, Clichy / France		100	32	-1
Parc Eolien des Portes de Bourgogne SAS, Clichy / France		100	37	0
Parc Eolien des Pressoirs SAS, Clichy / France		100	32	-2
Parc Eolien Des Raisinières SAS, Clichy / France		100	29	-3
Parc Eolien D'Ormesnil SAS, Clichy / France		100	28	-2
Parc Eolien Du Bocage SAS, Clichy / France		100	-104	-9
Parc Eolien Du Champ Madame SAS, Clichy / France		100	30	-1
Parc Eolien du Chemin de Châlons 2 SAS, Clichy / France		100	–	–[3]
Parc Eolien Du Chemin Vert SAS, Clichy / France		100	29	-2
Parc Eolien du Fossé Chatillon SAS, Clichy / France		100	36	-1
Parc Eolien Du Mont Hellet SAS, Clichy / France		100	30	-1
Parc Eolien Du Mont Herbé SAS, Clichy / France		100	20	-3
Parc Eolien du Plateau de la Chapelle-sur-Chézy SAS, Clichy / France		100	30	-1
Parc Eolien Du Ru Garnier SAS, Clichy / France		100	19	-6
Parc Eolien entre Pierre et Morains SAS, Clichy / France		100	23	0
Parc Eolien Flottant Avel Vor SAS, Clichy / France		100	–	–[3]
Parc Eolien les Cœurs de Bœuf SAS, Clichy / France		100	–	–[3]
Parc Eolien 107 SAS, Clichy / France		100	33	-1
Parc Eolien 113 SAS, Clichy / France		100	37	0
Parc Eolien 117 SAS, Clichy / France		100	37	0

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	Direct	Total	€ '000	€ '000
Parc Solaire de Autriots SAS, Clichy / France		100	–	–[3]
Parc Solaire de Cléré les Pins SAS, Clichy / France		100	–	–[3]
Parc Solaire de Cressia SAS, Clichy / France		100	–	–[3]
Parc Solaire de Dinay SAS, Clichy / France		100	–	–[3]
Parc Solaire de Gannat SAS, Clichy / France		100	37	0
Parc Solaire de la Boisselière SAS, Clichy / France		100	37	0
Parc Solaire de l'Echineau SAS, Clichy / France		100	33	-1
Parc Solaire de Montfleur SAS, Clichy / France		100	–	–[3]
Parc Solaire de Pimorin SAS, Clichy / France		100	33	-1
Parc Solaire de Vergy SAS, Clichy / France		100	–	–[3]
Parc Solaire des Hermittes SAS, Clichy / France		100	37	0
Parc Solaire des Landes Barrades SAS, Clichy / France		100	–	–[3]
Parc Ynni Cymunedol Alwen Cyfyngedig, Swindon / United Kingdom		100	0	0
Parque Eólico El Ópalo, S. de R.L. de C.V., Mexico City / Mexico		100	0	0
Pawnee Spirit Wind Farm, LLC, Wilmington / USA		100	0	0
Paz 'Eole SAS, Clichy / France		100	22	-2
Pe Ell North LLC, Chicago / USA		100	0	0
PI E&P US Holding LLC, New York City / USA		100	54,947	8,028
Pinckard Solar LLC, Wilmington / USA		100	0	0
Pinckard Solar Member LLC, Wilmington / USA		100	0	0
Pinto Pass, LLC, Wilmington / USA		100	0	0
Pipkin Ranch Wind Farm, LLC, Wilmington / USA		100	0	0
Pleasant Valley Solar Farm, LLC, Wilmington / USA		100	0	0

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	Direct	Total	€ '000	€ '000
Prairie Creek Wind, LLC, Wilmington / USA		100	0	0
Proyectos Solares Iberia I, S.L., Barcelona / Spain		100	12	-5
Proyectos Solares Iberia II, S.L., Barcelona / Spain		100	5	-11
Proyectos Solares Iberia III, S.L., Barcelona / Spain		100	-73	-511
Proyectos Solares Iberia IV, S.L., Barcelona / Spain		100	11	-4
Proyectos Solares Iberia V, S.L., Barcelona / Spain		100	11	-4
Pryor Caves Wind Project LLC, Chicago / USA		100	0	0
PT Rheincoal Supply & Trading Indonesia, PT, Jakarta / Indonesia		100	-798	-3,469
Quintana Fotovoltaica S.L.U., Barcelona / Spain		100	-7	-4
RD Hanau GmbH, Hanau		100	2,050	-[1]
Renewables JV GmbH, Essen		100	225	-1
R-Gen Renewables Limited, Altrincham / United Kingdom		100	30	-394
Ribaforada Energy Ribaforada, S.L.U., Barcelona / Spain		100	199	-8
Rose Rock Wind Farm, LLC, Wilmington / USA		100	0	0
Rouget Road Solar Farm, LLC, Lake Mary / USA		100	0	0
RWE & Turcas Dogalgaz Ithalat ve Ihracat A.S., Istanbul / Türkiye		100	471	14
RWE Carbon Sourcing North America, LLC, Wilmington / USA		100	0	0
RWE CC, LLC, Wilmington / USA		100	0	0
RWE Clean Energy Land, LLC, Wilmington / USA		100	0	0
RWE Development Germany Four GmbH, Essen		100	25	0
RWE Development Germany One GmbH, Essen		100	25	0
RWE Development Germany Three GmbH, Essen		100	25	0
RWE Development Germany Two GmbH, Essen		100	25	0

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	Direct	Total	€ '000	€ '000
RWE Dhabi Union Energy LLC, Abu Dhabi / UAE		49	37	0
RWE Enerji Toptan Satis A.S., Istanbul / Türkiye		100	1,443	221
RWE Finance Europe B.V., Geertruidenberg / Netherlands	100	100	–	–[3]
RWE Finance US, LLC, Wilmington / USA		100	0	0
RWE Gas Storage Beteiligungsverwaltungs GmbH, Essen		100	11,012	28
RWE Hydrogen Lingen Management GmbH, Lingen (Ems)		100	27	2
RWE Hydrogen US, LLC, Wilmington / USA		100	0	0
RWE indeland Windpark Eschweiler Verwaltungs GmbH, Eschweiler		100	71	6
RWE Ingen!us Limited, Swindon / United Kingdom		100	3,099	174
RWE Neuland Erneuerbare Energien GmbH & Co. KG, Essen		100	–	–[3]
RWE Neuland Erneuerbare Energien Verwaltungs GmbH, Essen		100	–	–[3]
RWE NSW PTY LTD, Sydney / Australia		100	9	-29
RWE Offshore Belgium N.V., Brussels / Belgium		100	–	–[3]
RWE Offshore Celtic Sea Limited, Swindon / United Kingdom		100	–	–[3]
RWE Offshore US Gulf, LLC, Wilmington / USA		100	0	0
RWE Offshore Wind A / S, Copenhagen / Denmark		100	617	-12
RWE Offshore Wind Japan Murakami-Tainai K.K., Tokyo / Japan		100	175	-36
RWE Offshore Wind Netherlands Participations I B.V., Geertruidenberg / Netherlands		100	0	0
RWE Offshore Wind Netherlands Participations II B.V., Geertruidenberg / Netherlands		100	0	0
RWE Offshore Wind Netherlands Participations III B.V., Geertruidenberg / Netherlands		100	0	0
RWE Offshore Wind Netherlands Participations IV B.V., Geertruidenberg / Netherlands		100	0	0
RWE Offshore Wind Norway 2 AS, Oslo / Norway		100	4	-1
RWE OWEL Beheer B.V., Geertruidenberg / Netherlands		100	–	–[3]

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II. Affiliated companies which are not included in the consolidated financial statements due to secondary importance for the assets, liabilities, financial position and profit or loss of the Group	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
RWE OWEL C.V., Geertruidenberg / Netherlands		100	–	–[3]
RWE OWEL Participations I B.V., Geertruidenberg / Netherlands		100	–	–[3]
RWE OWEL Participations II B.V., Geertruidenberg / Netherlands		100	–	–[3]
RWE OWEL Participations III B.V., Geertruidenberg / Netherlands		100	–	–[3]
RWE OWEL Participations IV B.V., Geertruidenberg / Netherlands		100	–	–[3]
RWE Pensionsfonds AG, Essen	100	100	3,812	-178
RWE Principal Investments UK Limited, Swindon / United Kingdom		100	337	-574
RWE Principal Investments USA, LLC, New York City / USA		100	24,704	-381
RWE Renewables Chile SpA, Santiago / Chile		100	0	0
RWE Renewables Estonia OÜ, Tallinn / Estonia		100	28	-4
RWE Renewables Estonia 10 OÜ, Tallinn / Estonia		100	–	–[3]
RWE Renewables Estonia 2 OÜ, Tallinn / Estonia		100	–	–[3]
RWE Renewables Estonia 3 OÜ, Tallinn / Estonia		100	–	–[3]
RWE Renewables Estonia 4 OÜ, Tallinn / Estonia		100	–	–[3]
RWE Renewables Estonia 5 OÜ, Tallinn / Estonia		100	–	–[3]
RWE Renewables Estonia 6 OÜ, Tallinn / Estonia		100	–	–[3]
RWE Renewables Estonia 7 OÜ, Tallinn / Estonia		100	–	–[3]
RWE Renewables Estonia 8 OÜ, Tallinn / Estonia		100	–	–[3]
RWE Renewables Estonia 9 OÜ, Tallinn / Estonia		100	–	–[3]
RWE Renewables Finland Oy AB, Helsingfors / Finland		100	–	–[3]
RWE Renewables India Private Limited, Mumbai / India		100	14	-544
RWE Renewables Inversiones Latinoamericana S.L., Barcelona / Spain		100	2,176	2,072
RWE Renewables InvestCo B.V., Geertruidenberg / Netherlands		100	-1	-1

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	Direct	Total	€ '000	€ '000
RWE Renewables Ireland East Celtic Limited, Kilkenny / Ireland		100	-34	-31
RWE Renewables Latvia SIA, Riga / Latvia		100	–	–[3]
RWE Renewables Lithuania, UAB, Vilnius / Lithuania		100	85	-10
RWE Renewables Mexico, S. de R.L. de C.V., Mexico City / Mexico		100	7,068	-2,930
RWE Renewables Offshore Development One GmbH, Essen		100	25	–[1]
RWE Renewables Offshore HoldCo Four GmbH, Essen		100	25	–[1]
RWE RENEWABLES PROYECTO RENOVABLE 1, S.L.U., Barcelona / Spain		100	206	-4
RWE RENEWABLES PROYECTO RENOVABLE 2, S.L.U., Barcelona / Spain		100	350	-4
RWE Renewables PV Schönau GmbH, Essen		100	5	-3
RWE Renewables Services GmbH, Essen		100	25	–[1]
RWE Renewables Services Mexico, S. de R.L. de C.V., Mexico City / Mexico		100	-16	-34
RWE Renewables UK Spareco Limited, Swindon / United Kingdom		100	0	0
RWE Renewables Wind Project Offshore AB, Malmö / Sweden		100	2	0
RWE Slovak Holding B.V., Geertruidenberg / Netherlands	100	100	238	1
RWE Stallingborough Limited, Swindon / United Kingdom		100	0	0
RWE Supply & Trading (India) Private Limited, Mumbai / India		100	790	-62
RWE Supply & Trading Services CZ s.r.o., Prague / Czech Republic		100	–	–[3]
RWE Supply & Trading US, LLC, Chicago / USA		100	0	0
RWE SUPPLY TRADING TURKEY ENERJI ANONIM SIRKETI, Istanbul / Türkiye		100	297	18
RWE Technology International Energy Environment Engineering GmbH, Essen		100	25	–[1]
RWE Technology NL B.V., Geertruidenberg / Netherlands		100	0	0
RWE TECNOLOGIA LTDA, Rio de Janeiro / Brazil		100	97	-13

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II. Affiliated companies which are not included in the consolidated financial statements due to secondary importance for the assets, liabilities, financial position and profit or loss of the Group	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
RWE Trading Americas Inc., New York City / USA		100	3,010	397
RWE Trading Services Australia Pty Ltd, Melbourne / Australia		100	–	–[3]
RWE Trading Services Limited, Swindon / United Kingdom		100	833	9
RWE Utsira Wind Services AS, Oslo / Norway		100	5	- 1
RWE Wind Holding A / S, Copenhagen / Denmark		100	641	- 13
RWE Wind Norway AB, Malmö / Sweden		100	- 336	- 386
RWE Wind Service Italia S.r.l., Rome / Italy		100	361	97
RWE Wind Services Estonia OÜ, Tallinn / Estonia		100	–	–[3]
RWE Wind Services Lithuania, UAB, Vilnius / Lithuania		100	140	- 10
RWE Wind Services Norway AS, Oslo / Norway		100	- 1,941	- 1,913
RWE Wind Transmission AB, Malmö / Sweden		100	647	0
RWE Windpark Bedburg A44n Verwaltungs GmbH, Bedburg		100	42	8
RWE Windpark Bedburg Verwaltungs GmbH, Bedburg		51	50	0
RWE Windpark Garzweiler Verwaltungs GmbH, Essen		100	20	1
RWE Windpark Papenhagen GmbH & Co. KG, Hanover		100	537	- 14
RWE Windpark Papenhagen Verwaltungs GmbH, Hanover		100	54	10
RWEST PI FRE Holding LLC, New York City / USA		100	5	- 27
Scioto Ridge Solar LLC, Wilmington / USA		100	0	0
Sergenite Investments sp. z o.o., Slupsk / Poland		100	6	- 4
Sharco Wind sp. z o.o., Slupsk / Poland		100	5	- 4
Shay Solar, LLC, Wilmington / USA		100	0	0
Sisal Recursos Ambientales, S. de R.L. de C.V., Mexico City / Mexico		100	0	0
Snow Shoe Wind Farm, LLC, Wilmington / USA		100	0	0

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II. Affiliated companies which are not included in the consolidated financial statements due to secondary importance for the assets, liabilities, financial position and profit or loss of the Group	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
Solar PV Construction Poland sp. z o.o., Warsaw / Poland		100	-224	-15
Sparta North, LLC, Wilmington / USA		100	0	0
Sparta South, LLC, Wilmington / USA		100	0	0
SRS EcoTherm GmbH, Salzbergen		90	24,988	3,491
Stodola BESS, LLC, Wilmington / USA		100	0	0
Storage Facility 1 Ltd., Swindon / United Kingdom		100	-1	0
Sugar Maple Wind, LLC, Chicago / USA		100	0	0
Sunrise Wind Holdings, LLC, Chicago / USA		100	0	0
Tecolote Recursos Ambientales, S. de R.L. de C.V., Mexico City / Mexico		100	0	0
Teporingo Recursos Ambientales, S. de R.L. de C.V., Mexico City / Mexico		100	0	0
Tepozan Recursos Ambientales, S. de R.L. de C.V., Mexico City / Mexico		100	0	0
Terrapin Hills LLC, Chicago / USA		100	0	0
Three Rocks Solar, LLC, Wilmington / USA		100	0	0
Tierra Blanca Wind Farm, LLC, Wilmington / USA		100	0	0
Tika Solar, S. de R.L. de C.V., Mexico City / Mexico		100	0	0
Tipton Wind, LLC, Wilmington / USA		100	0	0
Todd Solar Farm, LLC, Wilmington / USA		100	0	0
Torrontes Sp. z o.o., Warsaw / Poland		100	34	-79
Valverde Wind Farm, LLC, Wilmington / USA		100	0	0
VDE Komplementär GmbH, Hanover		100	15	0
Venado Wind Farm, LLC, Wilmington / USA		100	0	0
Versorium Energy (GP) Ltd., Calgary / Canada		95	-1	-1
Versorium Energy LP, Calgary / Canada		88	1,175	-1,132

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II. Affiliated companies which are not included in the consolidated financial statements due to secondary importance for the assets, liabilities, financial position and profit or loss of the Group	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
Vici Wind Farm II, LLC, Wilmington / USA		100	0	0
Vici Wind Farm III, LLC, Wilmington / USA		100	0	0
Vici Wind Farm, LLC, Wilmington / USA		100	0	0
Villarrobledo Desarrollo 2, S.L.U., Barcelona / Spain		100	1,013	-113
Vindkraftpark Aurvandil AB, Malmö / Sweden		100	678	3
Vortex Energy Deutschland GmbH i.L., Kassel		100	3,107	0
Vortex Energy Windpark GmbH & Co. KG, Hanover		100	4,900	382
Walker Road Solar Farm, LLC, Lake Mary / USA		100	0	0
Waterloo Solar I, LLC, Wilmington / USA		100	0	0
Waynesboro VAB, LLC, Wilmington / USA		100	0	0
West Fork Solar, LLC, Wilmington / USA		100	0	0
Weyers Cave VAA, LLC, Wilmington / USA		100	0	0
Wildcat Wind Farm II, LLC, Wilmington / USA		100	0	0
Wildcat Wind Farm III, LLC, Wilmington / USA		100	0	0
Windpark Winterlingen-Alb GmbH & Co. KG, Hanover		100	3,350	-3
WIT Ranch Wind Farm, LLC, Wilmington / USA		100	0	0
Xolo Recursos Ambientales, S. de R.L. de C.V., Mexico City / Mexico		100	0	0
Yellow Bell Solar, LLC, Wilmington / USA		100	0	0

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III. Joint operations	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
Greater Gabbard Offshore Winds Limited, Reading / United Kingdom		50	909,843	191,415
N.V. Elektriciteits-Produktiemaatschappij Zuid-Nederland EPZ, Borssele / Netherlands		30	73,562	– 1,306

IV. Affiliated companies of joint operations	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
Enzee B.V., Borssele / Netherlands		100	759	58

V. Associated companies of joint operations	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
B.V. NEA, Arnhem / Netherlands		29	77,704	642

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VI. Joint ventures accounted for using the equity method	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
AS 3 Beteiligungs GmbH, Essen		51[5]	24,553	1,535
AWE-Arkona-Windpark Entwicklungs-GmbH, Hamburg		50	861,315	162,665
Awel y Môr Offshore Wind Farm Limited, Swindon / United Kingdom		60[5]	29,993	-28
Community Offshore Wind, LLC, Wilmington / USA		73[5]	1,011,236	-41
C-Power N.V., Oostende / Belgium		27	279,297	5,768
Galloper Wind Farm Holding Company Limited, Swindon / United Kingdom		25	149,034	182,889
Grandview Wind Farm, LLC, Wilmington / USA		50	146,360	15,234
Gwynt y Môr Offshore Wind Farm Limited, Swindon / United Kingdom		50	-3,557	0
Meton Energy S.A., Maroussi / Greece		51[5]	153,314	-119
Parc Eolien Du Coupru SAS, Béziers / France		50	674	779
Parc Eolien Du Vilpion SAS, Béziers / France		50	-98	49
Rampion Extension Development Limited, Swindon / United Kingdom		50	25,859	-22
RWE Venture Capital GmbH, Essen		75[5]	393	-53
Société Electrique de l'Our S.A., Luxembourg / Luxembourg		40	40,470	2,044
TCP Petcoke Corporation, Dover / USA		50	54,064	18,701[2]
URANIT GmbH, Jülich		50	73,440	98,407

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VII. Associates accounted for using the equity method	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
Amprion GmbH, Dortmund	25	25	2,618,000	213,400
DOTI Deutsche Offshore-Testfeld- und Infrastruktur-GmbH & Co. KG, Oldenburg		26	60,143	30,830
GNS Gesellschaft für Nuklear-Service mbH, Essen		28	35,699	8,318[2]
Grosskraftwerk Mannheim Aktiengesellschaft, Mannheim		40	154,022	6,647
Kärntner Energieholding Beteiligungs GmbH, Klagenfurt / Austria		49	1,160,380	214,382[2]
KELAG-Kärntner Elektrizitäts-AG, Klagenfurt / Austria		13[6]	1,158,856	214,676[2]
Magicat Holdco, LLC, Wilmington / USA		20	212,126	23,132
Mingas-Power GmbH, Essen		40	18,851	18,182
Nysäter Wind AB, Malmö / Sweden		20	2,428	-51,696
PEARL PETROLEUM COMPANY LIMITED, Road Town / British Virgin Islands		10[7]	1,966,993	513,229
Rødsand 2 Offshore Wind Farm AB, Malmö / Sweden		20	157,503	22,156
Schluchseewerk Aktiengesellschaft, Laufenburg Baden		50	73,384	2,809
Vela Wind Holdco, LLC, Wilmington / USA		25	484,279	-28,365

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VIII. Companies which are not accounted for using the equity method due to secondary importance for the assets, liabilities, financial position and profit or loss of the Group	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
Abwasser-Gesellschaft Knapsack, Gesellschaft mit beschränkter Haftung, Hürth		33	992	304
Alfred Thiel-Gedächtnis-Unterstützungskasse GmbH, Essen		50	5,109	-167
Ascent Energy LLC, Wilmington / USA		50	7,483	13,029
CARBON Climate Protection GmbH, Langenlois / Austria		50	3,834	92
CARBON Egypt Ltd. (under liquidation), Cairo / Egypt		49	-1,199	-137
Deutsche Gesellschaft für Wiederaufarbeitung von Kernbrennstoffen AG & Co. oHG, Essen		31	2,722	2,211
DOTI Management GmbH, Oldenburg		26	115	-5
Five Estuaries Offshore Wind Farm Limited, Swindon / United Kingdom		25	22,191	-20
Fond du Moulin SAS, Asnières sur Seine / France		25	-14	-8
Gazules Renovables, S.L., Sevilla / Spain		38	1,068	-15
Gemeinschaftswerk Hattingen Gesellschaft mit beschränkter Haftung, Essen		52	2,045	-1,249
GfS Gesellschaft für Simulatorschulung mbH i.L., Essen		33	72	3
GREEN CAT HYDROGEN DEVELOPMENTS LIMITED, Roslin / United Kingdom		50	-	-[3]
Kraftwerk Buer GbR, Gelsenkirchen		50	5,113	0
KSG Kraftwerks-Simulator-Gesellschaft mbH i.L., Essen		33	718	26
London Array Limited, Swindon / United Kingdom		30	0	0
Netzanbindung Tewel OHG, Cuxhaven		25	574	12
North Falls Offshore Wind Farm HoldCo Limited, Swindon / United Kingdom		50	-115	-49
Parc Eolien de Dissay-sous-Courcillon SAS, Angers / France		40	27	-3
Parc Eolien de l'Espérance SAS, Sars-et-Rosieres / France		30	-56	-50
Parc Eolien de Saint-Pierremont SAS, Clichy / France		50	37	0
Parc Eolien De Sepmes SAS, Angers / France		50	19	-10
Perspektive.Struktur.Wandel GmbH, Bergheim		50	88	63

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VIII. Companies which are not accounted for using the equity method due to secondary importance for the assets, liabilities, financial position and profit or loss of the Group	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
rostock EnergyPort cooperation GmbH, Rostock		25	909	-116
Subestacion Y Linea Los Siglos 2004 AIE, Valencia / Spain		35	210	10
TetraSpar Demonstrator ApS, Copenhagen / Denmark		23	6,188	1,402
Toledo PV A.E.I.E., Madrid / Spain		33	1,004	674
Umspannwerk Putlitz GmbH & Co. KG, Oldenburg		25	-3,939	-164
Versorium Energy Ltd., Calgary / Canada		30	1,090	-1,134
Walden Renewables Development LLC, New York City / USA		94	42,865	5,286
WINDTEST Grevenbroich GmbH, Grevenbroich		38	1,111	100
WP France 15 SAS, Puteaux / France		40	-81	-17

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IX. Other investments	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
APEP Dachfonds GmbH & Co. KG i.L., Munich	36	36	-794,509	1,661
BitOoda Holdings, Inc., Greenwich / USA		5	448	-1,994
Chrysalix Energy II U.S. Limited Partnership, Vancouver / Canada		6	33,481	-992
Chrysalix Energy III U.S. Limited Partnership, Vancouver / Canada		5	161,225	939
Energías Renovables de Ávila, S.A., Madrid / Spain		17	0	0
E.ON SE, Essen		15	11,723,000	1,549,000
German LNG Terminal GmbH, Brunsbüttel		10	–	–[3]
Heliatek GmbH, Dresden		1	51,154	-36,600
High-Tech Gründerfonds II GmbH & Co. KG, Bonn		1	115,318	0
HOCHTEMPERATUR-KERNKRAFTWERK Gesellschaft mit beschränkter Haftung (HKG) Gemeinsames Europäisches Unternehmen, Hamm		31[8]	-890,198	-890,198
Nordsee One GmbH, Oststeinbek		15	127,255	44,308
Parque Eólico Cassiopea, S.L., Oviedo / Spain		10	59	-18
Parque Eólico Escorpio, S.A., Oviedo / Spain		10	2,373	-16
Parque Eólico Leo, S.L., Oviedo / Spain		10	278	-33
PEAG Holding GmbH, Dortmund	12	12	17,954	-266
Promocion y Gestion Cáncer, S.L., Oviedo / Spain		10	78	-12
Q-Portal GmbH, Grevenbroich		10	2,212	-427
Renercycle S.L., Pamplona / Spain		16	144	-189
Ryse Energy Holdings Limited, Abu Dhabi / UAE		14	-2,942	-702
SET Fund II C.V., Amsterdam / Netherlands		6	18,285	43,635
Stem Inc., Milbrae / USA		3	499,210	-114,563
Sustainable Energy Technology Fund C.V., Amsterdam / Netherlands		38[8]	23,776	3,584

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IX. Other investments	Shareholding in %		Equity	Net income / loss
	Direct	Total	€ '000	€ '000
Technologiezentrum Jülich GmbH, Jülich		5	2,367	135
Transport- und Frischbeton-Gesellschaft mit beschränkter Haftung & Co. Kommanditgesellschaft Aachen, Aachen		17	390	12
Umspannwerk Lübz GbR, Lübz		18	54	- 1
Voltpost, Inc., New York City / USA		11	343	- 737
Windesco Inc, Boston / USA		9	- 4,057	- 5,641

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Changes in shareholding with change of control	Shareholding in % 31 Dec 2023	Shareholding in % 31 Dec 2022	Change
Additions to affiliated companies included in the consolidated financial statements			
1525 White Marsh, LLC, Wilmington / USA	100	–	100
360 Solar Center, LLC, Wilmington / USA	100	–	100
5045 Wind Partners, LLC, Des Moines / USA	100	–	100
924 Hosier, LLC, Wilmington / USA	100	–	100
951 Hosier, LLC, Wilmington / USA	100	–	100
Adams Wind Farm, LLC, Roseville / USA	100	–	100
Alpaugh 50, LLC, Wilmington / USA	100	–	100
Alpaugh BESS, LLC, Wilmington / USA	100	–	100
Alpaugh North, LLC, Wilmington / USA	100	–	100
Altamont NY 1, LLC, Wilmington / USA	100	–	100
Altamont NY 2, LLC, Wilmington / USA	100	–	100
Altamont NY 3, LLC, Wilmington / USA	100	–	100
Amherst Solar, LLC, Wilmington / USA	100	–	100
Arizona Georgia Equity Holdings, LLC, Wilmington / USA	100	–	100
Arizona Georgia Portfolio Holdings, LLC, Wilmington / USA	100	–	100
Arlington Valley Solar Energy III, LLC, Wilmington / USA	100	–	100
Arlington Valley Solar Energy, LLC, Wilmington / USA	100	–	100
Battle Mountain Solar 2, LLC, Wilmington / USA	100	–	100
Battle Mountain SP, LLC, Wilmington / USA	100	–	100
Big Timber Wind LLC, Wilmington / USA	100	–	100
Blackstone MA 1, LLC, Wilmington / USA	100	–	100

1 No control by virtue of company contract.

Changes in shareholding with change of control	Shareholding in % 31 Dec 2023	Shareholding in % 31 Dec 2022	Change
Bobilli BSS, LLC, Roseville / USA	100	–	100
Bridgeville DEA, LLC, Wilmington / USA	100	–	100
Camp Solar LLC, Wilmington / USA	100	–	100
Campbell County Wind Farm 2, LLC, Wilmington / USA	100	–	100
Campbell County Wind Farm, LLC, Wilmington / USA	100	–	100
Cartwheel BESS, LLC, Wilmington / USA	100	–	100
Carver MA 3, LLC, Wilmington / USA	100	–	100
CED Alamo 3, LLC, Wilmington / USA	100	–	100
CED Alamo 5, LLC, Wilmington / USA	100	–	100
CED Alamo 7, LLC, Wilmington / USA	100	–	100
CED Amherst Solar, LLC, Wilmington / USA	100	–	100
CED Atwell Island West, LLC, Wilmington / USA	100	–	100
CED Aurora County Wind, LLC, Wilmington / USA	100	–	100
CED Avenal Solar, LLC, Wilmington / USA	100	–	100
CED Basin Street Solar, LLC, Wilmington / USA	100	–	100
CED Beadle County Wind, LLC, Wilmington / USA	100	–	100
CED Brule County Wind, LLC, Wilmington / USA	100	–	100
CED BTM Development Solar, LLC, Wilmington / USA	100	–	100
CED Burt County Wind, LLC, Lincoln / USA	100	–	100
CED Cal Flats EPC, LLC, Wilmington / USA	100	–	100
CED California Assets Holdings 1, LLC, Wilmington / USA	100	–	100
CED California Battery Storage, LLC, Wilmington / USA	100	–	100
CED California Holdings 2, LLC, Wilmington / USA	100	–	100

1 No control by virtue of company contract.

Changes in shareholding with change of control	Shareholding in % 31 Dec 2023	Shareholding in % 31 Dec 2022	Change
CED California Holdings 3, LLC, Wilmington / USA	100	–	100
CED California Holdings 4, LLC, Wilmington / USA	100	–	100
CED California Holdings Financing I, LLC, Wilmington / USA	100	–	100
CED California Holdings Financing II, LLC, Wilmington / USA	100	–	100
CED California Holdings Financing III, LLC, Wilmington / USA	100	–	100
CED California Holdings Financing IV, LLC, Wilmington / USA	100	–	100
CED California Holdings, LLC, Wilmington / USA	100	–	100
CED California Texas Assets Holdings, LLC, Wilmington / USA	100	–	100
CED California Texas Financing Holdings, LLC, Wilmington / USA	100	–	100
CED Centerville Wind, LLC, Wilmington / USA	100	–	100
CED Champaign Solar, LLC, Wilmington / USA	100	–	100
CED Chicopee Solar, LLC, Wilmington / USA	100	–	100
CED Copper Mountain Solar 1 Holdings, LLC, Wilmington / USA	100	–	100
CED Copper Mountain Solar 2 Holdings, LLC, Wilmington / USA	100	–	100
CED Copper Mountain Solar 3 Holdings, LLC, Wilmington / USA	100	–	100
CED Corcoran Solar 2, LLC, Wilmington / USA	100	–	100
CED Corcoran Solar 3, LLC, Wilmington / USA	100	–	100
CED Corcoran Solar, LLC, Wilmington / USA	100	–	100
CED Crane Solar 2, LLC, Wilmington / USA	100	–	100
CED Davison County Wind, LLC, Wilmington / USA	100	–	100
CED Denmark Solar, LLC, Wilmington / USA	100	–	100
CED Development, Inc., Albany / USA	100	–	100
CED Dona Ana County, LLC, Wilmington / USA	100	–	100

1 No control by virtue of company contract.

Changes in shareholding with change of control	Shareholding in % 31 Dec 2023	Shareholding in % 31 Dec 2022	Change
CED Donaldson Wind, LLC, Roseville / USA	100	–	100
CED Ducor Solar 1, LLC, Wilmington / USA	100	–	100
CED Ducor Solar 2, LLC, Wilmington / USA	100	–	100
CED Ducor Solar 3, LLC, Wilmington / USA	100	–	100
CED Ducor Solar 4, LLC, Wilmington / USA	100	–	100
CED Foster Solar, LLC, Wilmington / USA	100	–	100
CED II California Solar Holdings, LLC, Wilmington / USA	100	–	100
CED Lost Hills OpCo, LLC, Wilmington / USA	100	–	100
CED Lost Hills Solar, LLC, Wilmington / USA	100	–	100
CED Manchester Wind, LLC, Wilmington / USA	100	–	100
CED Mason City Wind, LLC, Wilmington / USA	100	–	100
CED McCook County Wind, LLC, Wilmington / USA	100	–	100
CED Mesquite Solar 1 Holdings, LLC, Wilmington / USA	100	–	100
CED Nevada Virginia Asset Holdings, LLC, Wilmington / USA	100	–	100
CED Nevada Virginia Construction Borrower, LLC, Wilmington / USA	100	–	100
CED Nevada Virginia Equity Holdings, LLC, Wilmington / USA	100	–	100
CED Nevada Virginia Financing Holdings, LLC, Wilmington / USA	100	–	100
CED Nevada Virginia Pledgor, Inc., Albany / USA	100	–	100
CED Nevada Virginia Portfolio Holdings, LLC, Wilmington / USA	100	–	100
CED Northampton Solar, LLC, Wilmington / USA	100	–	100
CED OpCo, LLC, Wilmington / USA	100	–	100
CED Oro Loma Solar, LLC, Wilmington / USA	100	–	100
CED Peregrine Solar, LLC, Wilmington / USA	100	–	100

1 No control by virtue of company contract.

Changes in shareholding with change of control	Shareholding in % 31 Dec 2023	Shareholding in % 31 Dec 2022	Change
CED Pilesgrove Holdings, LLC, Wilmington / USA	100	–	100
CED Pondera Wind, LLC, Wilmington / USA	100	–	100
CED Red Lake Falls Community Hybrid, LLC, Roseville / USA	100	–	100
CED Ridgefield Solar, LLC, Wilmington / USA	100	–	100
CED Ridgefield Windsor Solar, LLC, Wilmington / USA	100	–	100
CED Rock Springs Solar, LLC, Wilmington / USA	100	–	100
CED Sanford Solar, LLC, Wilmington / USA	100	–	100
CED Seven Bridges Solar, LLC, Wilmington / USA	100	–	100
CED Solar Development, LLC, Wilmington / USA	100	–	100
CED Solar Holdings, LLC, Wilmington / USA	100	–	100
CED Solar, LLC, Wilmington / USA	100	–	100
CED Southwest Asset Holdings 1, LLC, Wilmington / USA	100	–	100
CED Southwest Holdco Financing 1, LLC, Wilmington / USA	100	–	100
CED Southwest Holdings, Inc., Albany / USA	100	–	100
CED Spring Ridge Wind, LLC, Wilmington / USA	100	–	100
CED Teton County Wind, LLC, Wilmington / USA	100	–	100
CED Texas Holdings 3, LLC, Wilmington / USA	100	–	100
CED Texas Holdings 4, LLC, Wilmington / USA	100	–	100
CED Texas Holdings 5, LLC, Wilmington / USA	100	–	100
CED Texas Holdings 7, LLC, Wilmington / USA	100	–	100
CED Timberland Solar 2, LLC, Wilmington / USA	100	–	100
CED Timberland Solar, LLC, Wilmington / USA	100	–	100
CED Townsite EPC, LLC, Wilmington / USA	100	–	100

1 No control by virtue of company contract.

Changes in shareholding with change of control	Shareholding in % 31 Dec 2023	Shareholding in % 31 Dec 2022	Change
CED Upton County Solar, LLC, Wilmington / USA	100	–	100
CED Upton Texas Holdings, LLC, Wilmington / USA	100	–	100
CED Uvalde Solar 1, LLC, Wilmington / USA	100	–	100
CED Uvalde Solar 2, LLC, Wilmington / USA	100	–	100
CED Wellesley Solar, LLC, Wilmington / USA	100	–	100
CED Westfield Solar, LLC, Wilmington / USA	100	–	100
CED Westside Canal Battery Storage, LLC, Wilmington / USA	100	–	100
CED Wheatland Wind, LLC, Wilmington / USA	100	–	100
CED White River Solar 2, LLC, Wilmington / USA	100	–	100
CED White River Solar, LLC, Wilmington / USA	100	–	100
CED Wind Holdings Financing I, LLC, Wilmington / USA	100	–	100
CED Wind Holdings, LLC, Wilmington / USA	100	–	100
CED Wind Power, LLC, Wilmington / USA	100	–	100
CED Windsor Solar, LLC, Wilmington / USA	100	–	100
CED Wistaria Holdings, LLC, Wilmington / USA	100	–	100
CED Wistaria Solar 2, LLC, Wilmington / USA	100	–	100
CED Wistaria Solar, LLC, Wilmington / USA	100	–	100
CES ADNY Solar, LLC, Wilmington / USA	100	–	100
CES BNY Solar, LLC, Wilmington / USA	100	–	100
CES Canton Solar, LLC, Wilmington / USA	100	–	100
CES Cape Solar, LLC, Wilmington / USA	100	–	100
CES Cherry Hill Solar, LLC, Wilmington / USA	100	–	100
CES Danbury Solar, LLC, Wilmington / USA	100	–	100

1 No control by virtue of company contract.

Changes in shareholding with change of control	Shareholding in % 31 Dec 2023	Shareholding in % 31 Dec 2022	Change
CES DHS Solar, LLC, Wilmington / USA	100	–	100
CES Diversified Realty Solar, LLC, Wilmington / USA	100	–	100
CES Farrell Solar, LLC, Wilmington / USA	100	–	100
CES Hawthorne Solar, LLC, Wilmington / USA	100	–	100
CES Hogansburg Solar, LLC, Wilmington / USA	100	–	100
CES Kerman Solar, LLC, Wilmington / USA	100	–	100
CES Marbletown Solar, LLC, Wilmington / USA	100	–	100
CES Massachusetts Solar, LLC, Wilmington / USA	100	–	100
CES Montville Solar, LLC, Wilmington / USA	100	–	100
CES Moore Solar, LLC, Wilmington / USA	100	–	100
CES Mount Pleasant Solar, LLC, Wilmington / USA	100	–	100
CES NBHS Solar, LLC, Wilmington / USA	100	–	100
CES Newark Solar, LLC, Wilmington / USA	100	–	100
CES NYC Solar, LLC, Wilmington / USA	100	–	100
CES Philly TA Solar, LLC, Wilmington / USA	100	–	100
CES Rocklin Solar, LLC, Wilmington / USA	100	–	100
CES Sol Fund 1, LLC, Wilmington / USA	100	–	100
CES Spackenkill Solar, LLC, Wilmington / USA	100	–	100
CES Stepinac Solar, LLC, Wilmington / USA	100	–	100
CES Tihonet Solar, LLC, Wilmington / USA	100	–	100
CES VMT Solar, LLC, Wilmington / USA	100	–	100
Charleston NY 1, LLC, Wilmington / USA	100	–	100
Cheshire MA 2, LLC, Wilmington / USA	100	–	100

1 No control by virtue of company contract.

Changes in shareholding with change of control	Shareholding in % 31 Dec 2023	Shareholding in % 31 Dec 2022	Change
Churchill Storage Solutions, LLC, Richmond / USA	100	–	100
Clymer Solar LLC, Wilmington / USA	100	–	100
CMMS Equity Holdings, LLC, Wilmington / USA	100	–	100
CMMS Solar Portfolio Holdings, LLC, Wilmington / USA	100	–	100
Competitive Shared Services, Inc., Albany / USA	100	–	100
Copper Mountain Solar 1, LLC, Wilmington / USA	100	–	100
Copper Mountain Solar 2 Holdings, LLC, Wilmington / USA	100	–	100
Copper Mountain Solar 2, LLC, Wilmington / USA	100	–	100
Copper Mountain Solar 3 Holdings, LLC, Wilmington / USA	100	–	100
Copper Mountain Solar 3, LLC, Wilmington / USA	100	–	100
Copper Mountain Solar 4, LLC, Wilmington / USA	100	–	100
Copper Mountain Solar 5, LLC, Wilmington / USA	100	–	100
Crowned Heron, LLC, Wilmington / USA	100	–	100
Custom Energy Services, LLC, Topeka / USA	100	–	100
Dartmouth Business Park Solar, LLC, Wilmington / USA	100	–	100
Dartmouth II Solar, LLC, Wilmington / USA	100	–	100
Delmar DEB, LLC, Wilmington / USA	100	–	100
Delmar DEC. LLC, Wilmington / USA	100	–	100
Delmar DED, LLC, Wilmington / USA	100	–	100
Douglas Solar, LLC, Wilmington / USA	100	–	100
EJ Terry Solar 1, LLC, Wilmington / USA	100	–	100
Elevate Holdco Funding, Wilmington / USA	100	–	100
Elm Spring Solar 1, LLC, Wilmington / USA	100	–	100

1 No control by virtue of company contract.

Changes in shareholding with change of control	Shareholding in % 31 Dec 2023	Shareholding in % 31 Dec 2022	Change
Etna ME 1, LLC, Wilmington / USA	100	–	100
Etna ME 2, LLC, Wilmington / USA	100	–	100
Fairhaven MA 2, LLC, Wilmington / USA	100	–	100
Fairhaven MA 4, LLC, Wilmington / USA	100	–	100
Fishersville VAA, LLC, Wilmington / USA	100	–	100
Flemington Solar, LLC, Wilmington / USA	100	–	100
Frankford DEB, LLC, Wilmington / USA	100	–	100
Freetown MA 2, LLC, Wilmington / USA	100	–	100
Frenchtown I Solar, LLC, Wilmington / USA	100	–	100
Frenchtown II Solar, LLC, Wilmington / USA	100	–	100
Frenchtown III Solar, LLC, Wilmington / USA	100	–	100
Future Generation Wind, LLC, Boston / USA	100	–	100
Garwind, LLC, Roseville / USA	100	–	100
GLC-(MA) Assumption College, LLC, Wilmington / USA	100	–	100
GLC-(MA) Taunton, LLC, Wilmington / USA	100	–	100
Goose Farm, LLC, Wilmington / USA	100	–	100
Great Valley Equity Holdings, LLC, Wilmington / USA	100	–	100
Great Valley Solar 1, LLC, Wilmington / USA	100	–	100
Great Valley Solar 2, LLC, Wilmington / USA	100	–	100
Great Valley Solar 3, LLC, Wilmington / USA	100	–	100
Great Valley Solar 4, LLC, Wilmington / USA	100	–	100
Great Valley Solar Portfolio Holdings, LLC, Wilmington / USA	100	–	100
Groveland Solar, LLC, Wilmington / USA	100	–	100

1 No control by virtue of company contract.

Changes in shareholding with change of control	Shareholding in % 31 Dec 2023	Shareholding in % 31 Dec 2022	Change
Groves Solar, LLC, Wilmington / USA	100	–	100
Hallowell A, LLC, Wilmington / USA	100	–	100
Hampden MA 1, LLC, Wilmington / USA	100	–	100
Harrisonburg Solar, LLC, Wilmington / USA	100	–	100
Harwich MA 1, LLC, Wilmington / USA	100	–	100
JBM Solar Limited, London / United Kingdom	100	–	100
JBM Solar Projects 10 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 11 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 12 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 13 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 14 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 15 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 16 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 17 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 19 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 2 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 20 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 21 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 22 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 24 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 25 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 26 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 27 Ltd., London / United Kingdom	100	–	100

1 No control by virtue of company contract.

Changes in shareholding with change of control	Shareholding in % 31 Dec 2023	Shareholding in % 31 Dec 2022	Change
JBM Solar Projects 28 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 29 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 3 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 30 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 31 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 32 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 33 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 34 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 35 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 36 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 37 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 38 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 39 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 40 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 41 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 42 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 43 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 44 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 45 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 5 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 6 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 7 Ltd., London / United Kingdom	100	–	100
JBM Solar Projects 8 Ltd., London / United Kingdom	100	–	100

1 No control by virtue of company contract.

Changes in shareholding with change of control	Shareholding in % 31 Dec 2023	Shareholding in % 31 Dec 2022	Change
Juhl Energy Services, Inc., Roseville / USA	100	–	100
K & K Wind Enterprises, LLC, Roseville / USA	100	–	100
Kenbridge VAB, LLC, Wilmington / USA	100	–	100
Lakehurst Solar, L.L.C., Wilmington / USA	100	–	100
Lebanon Solar, LLC, Wilmington / USA	100	–	100
Lordsburg NMA, LLC, Wilmington / USA	100	–	100
Loving NMA, LLC, Wilmington / USA	100	–	100
Loving NMB, LLC, Wilmington / USA	100	–	100
Matoaca VAA, LLC, Wilmington / USA	100	–	100
Matoaca VAC, LLC, Wilmington / USA	100	–	100
Merrimac Solar, LLC, Wilmington / USA	100	–	100
Mesquite Solar 1 Holdings, LLC, Wilmington / USA	100	–	100
Mesquite Solar 1, LLC, Wilmington / USA	100	–	100
Mesquite Solar 2, LLC, Wilmington / USA	100	–	100
Mesquite Solar 3, LLC, Wilmington / USA	100	–	100
Mesquite Solar 4, LLC, Wilmington / USA	100	–	100
Mesquite Solar 5, LLC, Wilmington / USA	100	–	100
Mifflin Solar LLC, Wilmington / USA	100	–	100
Murray Hill Solar, LLC, Wilmington / USA	100	–	100
Northbridge Solar, LLC, Wilmington / USA	100	–	100
Oak Tree Energy LLC, Wilmington / USA	100	–	100
OCI Alamo 4, LLC, Wilmington / USA	100	–	100
OCI Solar San Antonio 4, LLC, Wilmington / USA	100	–	100

1 No control by virtue of company contract.

Changes in shareholding with change of control	Shareholding in % 31 Dec 2023	Shareholding in % 31 Dec 2022	Change
Orange CEC MA 1, LLC, Wilmington / USA	100	–	100
Orange VAA, LLC, Wilmington / USA	100	–	100
PA Solar Park II, LLC, Wilmington / USA	100	–	100
PA Solar Park, LLC, Wilmington / USA	100	–	100
Panoche Valley Solar, LLC, Wilmington / USA	100	–	100
Papalote Creek I WF, Wilmington / USA	100	–	100
Papalote Creek II WF, Wilmington / USA	100	–	100
Pilesgrove Solar, LLC, Wilmington / USA	100	–	100
Pittstown NY 1, LLC, Wilmington / USA	100	–	100
Pleasant Hill BESS, LLC, Wilmington / USA	100	–	100
Pleasant Hill Solar, LLC, Wilmington / USA	100	–	100
Project Greenwich NY 1, LLC, Wilmington / USA	100	–	100
R Morris Solar LLC, Wilmington / USA	100	–	100
Roeder Family Wind Farm, LLC, Des Moines / USA	100	–	100
Rose Creek Wind, LLC, Wilmington / USA	100	–	100
Rose Wind Holdings, LLC, Roseville / USA	100	–	100
RP Wind, LLC, Upper Arlington / USA	100	–	100
RWE Clean Energy Asset Holdings, Inc., Albany / USA	100	–	100
RWE Clean Energy Battery Storage, LLC, Wilmington / USA	100	–	100
RWE Clean Energy Solutions Residential Solar, LLC, Wilmington / USA	100	–	100
RWE Clean Energy Solutions, Inc., Albany / USA	100	–	100
RWE Clean Energy Wholesale Services, Inc., Albany / USA	100	–	100
RWE Eemshaven Magnum B.V., Eemshaven / Netherlands	100	–	100

1 No control by virtue of company contract.

Changes in shareholding with change of control	Shareholding in % 31 Dec 2023	Shareholding in % 31 Dec 2022	Change
RWE Energy Marketing III, LLC, Wilmington / USA	100	–	100
RWE Generation Holding II B.V., Geertruidenberg / Netherlands	100	–	100
RWE Metzler SPF H2O, Frankfurt am Main	100	–	100
RWE Offshore Wind Services, LLC, Wilmington / USA	100	–	100
RWE Renewables UK Solar Holdings Limited, Swindon / United Kingdom	100	–	100
RWECE Clean Energy, Inc., Albany / USA	100	–	100
Sanford A, LLC, Wilmington / USA	100	–	100
SEP II, LLC, Sacramento / USA	100	–	100
Seward NY 1, LLC, Wilmington / USA	100	–	100
SF Wind Enterprises, LLC, Roseville / USA	100	–	100
Shenvalee Solar, LLC, Wilmington / USA	100	–	100
Shrewsbury Solar, LLC, Wilmington / USA	100	–	100
South Boston VAA, LLC, Wilmington / USA	100	–	100
South Boston VAB, LLC, Wilmington / USA	100	–	100
Stony Creek Holdco, Wilmington / USA	100	–	100
Stony Creek Wind Farm, Wilmington / USA	100	–	100
Stormvinden DA, Oslo / Norway	89	–	89
Swansea MA 1, LLC, Wilmington / USA	100	–	100
Switchgrass BESS, LLC, Wilmington / USA	100	–	100
Switchgrass Solar I, LLC, Wilmington / USA	100	–	100
TEP Financing Four, LLC, Wilmington / USA	100	–	100
TEP Orchard Arrow Class B, LLC, Wilmington / USA	100	–	100
TEP Portfolio Financing Five, LLC, Wilmington / USA	100	–	100

1 No control by virtue of company contract.

Changes in shareholding with change of control	Shareholding in % 31 Dec 2023	Shareholding in % 31 Dec 2022	Change
TEP Portfolio Financing Three, LLC, Wilmington / USA	100	–	100
TEP Pyron Willowbrook Class B, LLC, Wilmington / USA	100	–	100
TEP Standard Class B, LLC, Wilmington / USA	100	–	100
Texas Waves, LLC, Wilmington / USA	100	–	100
Timberland Solar 3, LLC, Wilmington / USA	100	–	100
TLS-CES Services I, LLC, Wilmington / USA	100	–	100
TLS-CES Services II, LLC, Wilmington / USA	100	–	100
TLS-CES Services III, LLC, Wilmington / USA	100	–	100
Valley View Transmission, LLC, Roseville / USA	99	–	99
Valley View Wind Investors, LLC, Wilmington / USA	100	–	100
Vato Solar LLC, Wilmington / USA	100	–	100
Ventasso Energy Storage, LLC, Wilmington / USA	100	–	100
Virginia 1 Equity Holdings, LLC, Wilmington / USA	100	–	100
Virginia 1 Portfolio Holdings, LLC, Wilmington / USA	100	–	100
Wareham MA 3, LLC, Wilmington / USA	100	–	100
Warren MA 1, LLC, Wilmington / USA	100	–	100
Water Strider Solar, LLC, Richmond / USA	100	–	100
Watlington BESS, LLC, Wilmington / USA	100	–	100
Watlington Solar, LLC, Wilmington / USA	100	–	100
WE 90 Technology Solar LLC, Wilmington / USA	100	–	100
West Greenwich Solar, LLC, Wilmington / USA	100	–	100
Windwalkers, LLC, Des Moines / USA	100	–	100
Woodstock Hills LLC, Wilmington / USA	100	–	100
Wythe County Solar Project, LLC, Wilmington / USA	100	–	100

1 No control by virtue of company contract.

Changes in shareholding with change of control	Shareholding in % 31 Dec 2023	Shareholding in % 31 Dec 2022	Change
Disposal of affiliated companies included in the consolidated financial statements			
Fri-El Anzi s.r.l., Bolzano / Italy	–	51	-51
Fri-El Guardionara s.r.l., Bolzano / Italy	–	51	-51
RWE Gas Storage CZ, s.r.o., Prague / Czech Republic	–	100	-100
RWE Solar India Private Limited, Mumbai / India	–	100	-100
Solar Holding India GmbH, Essen	–	100	-100
Solar Holding Poland GmbH, Essen	–	100	-100
Trade Asset Securitisation Company S.a.r.l. Compartment RWEST 1, Strassen / Luxembourg	–	100	-100
Disposal of associated companies accounted for using the equity method			
RWE Renewables Technology Fund I GmbH & Co. KG, Essen	–	78[1]	-78
Vliegasunie B.V., De Bilt / Netherlands	–	75[1]	-75
Change from joint ventures accounted for using the equity method to affiliated companies which are included in the consolidated financial statements			
Elevate Wind Holdco, LLC, Wilmington / USA	100	50	50
Change from companies which are not accounted for using the equity method due to secondary imprtance for the assets, liabilities, financial position and profit or loss of the Group to affiliated companies which are included in the consolidated financial statements			
Nordseecluster A GmbH, Hamburg	100	51[1]	49
Nordseecluster B GmbH, Hamburg	100	51[1]	49

1 No control by virtue of company contract.

Changes in shareholding without change of control	Shareholding in % 31 Dec 2023	Shareholding in % 31 Dec 2022	Change
Affiliated companies which are included in the consolidated financial statements			
Andromeda Wind s.r.l., Bolzano / Italy	100	51	49
Danta de Energías, S.A., Soria / Spain	99	99	0
Parc Eolien De Beg Ar C'hra SAS, Clichy / France	100	70	30
Pioneer Trail Wind Farm, LLC, Wilmington / USA	95	100	-5

1 No control by virtue of company contract.

4.8 Boards (part of the Notes)

As of 5 March 2024

Supervisory Board

Dr. Werner Brandt
Bad Homburg
Chairman
Member of the Supervisory Board of Siemens AG
Year of birth: 1954
Member since 18 April 2013
End of term: 2025

Other appointments:
- Siemens AG[1]

Ralf Sikorski[2]
Hanover
Deputy Chairman
Former Deputy Chairman of IGBCE
Year of birth: 1961
Member since 1 July 2014
End of term: 2026

Other appointments:
- Lanxess AG[1]
- Lanxess Deutschland GmbH
- RAG AG
- RWE Power AG[3]

Michael Bochinsky[2]
Grevenbroich
Deputy Chairman of the General Works Council of RWE Power AG
Year of birth: 1967
Member since 1 August 2018
End of term: 2026

Other appointments:
- RWE Power AG[3]

• Member of other mandatory supervisory boards as defined in Section 125 of the German Stock Corporation Act.
- Member of comparable domestic and foreign supervisory boards of commercial enterprises as defined in Section 125 of the German Stock Corporation Act.

1 Listed company.
2 Employee representative.
3 Office within the Group.

Sandra Bossemeyer[2]
Duisburg
Chairwoman of the Works Council of RWE AG
Representative of the disabled
Year of birth: 1965
Member since 20 April 2016
End of term: 2026

Dr. Hans Friedrich Bünting
Mülheim an der Ruhr
Independent Corporate Consultant
Year of birth: 1964
Member since 28 April 2021
End of term: 2025

Matthias Dürbaum[2]
Heimbach
Chairman of the Works Council of the Hambach Opencast Mine, RWE Power AG
Year of birth: 1987
Member since 30 September 2019
End of term: 2026

Ute Gerbaulet
Bielefeld
General Partner at Dr. August Oetker KG
Year of birth: 1968
Member since 27 April 2017
End of term: 2024

Other appointments:
• Flaschenpost SE

- Dr. August Oetker Nahrungsmittel KG (Chairwoman)
- OEDIV Oetker Daten- und Informationsverarbeitung KG (Chairwoman)
- Oetker Digital GmbH (Chairwoman)
- Radeberger Gruppe KG
- NRW.Bank AöR

Prof. Dr.-Ing. Dr.-Ing. h.c. Hans-Peter Keitel
Essen
Former Chairman of the Executive Board of HOCHTIEF AG
Independent Corporate Consultant
Year of birth: 1947
Member since 18 April 2013
End of term: 2024

• Member of other mandatory supervisory boards as defined in Section 125 of the German Stock Corporation Act.
- Member of comparable domestic and foreign supervisory boards of commercial enterprises as defined in Section 125 of the German Stock Corporation Act.

1 Listed company.
2 Employee representative.
3 Office within the Group.

Mag. Dr. h.c. Monika Kircher
Krumpendorf, Austria
Independent Corporate Consultant
Year of birth: 1957
Member since 15 October 2016
End of term: 2025

Other appointments:
- Andritz AG[1] until 21 March 2024
- Kärntner Energieholding Beteiligungs GmbH (Chairwoman)
- KELAG-Kärntner Elektrizitäts AG
- Siemens AG Austria

Thomas Kufen
Essen
Mayor of the City of Essen
Year of birth: 1973
Member since 18 October 2021
End of term: 2025

Other appointments:
• Stadtwerke Essen AG (Chairman)
- Advisory Board, Sparkasse Essen (Chairman)
- RAG Foundation (Member of the Board of Trustees)

Reiner van Limbeck[2]
Dinslaken
Chairman of the Works Council of the Essen Headquarters, RWE Generation SE and RWE Technology International GmbH
Year of birth: 1965
Member since 15 September 2021
End of term: 2026

Other appointments:
• RWE Generation SE[3]

Harald Louis[2]
Jülich
Chairman of the General Works Council of RWE Power AG
Year of birth: 1967
Member since 20 April 2016
End of term: 2026

Other appointments:
• RWE Power AG[3]

• Member of other mandatory supervisory boards as defined in Section 125 of the German Stock Corporation Act.
- Member of comparable domestic and foreign supervisory boards of commercial enterprises as defined in Section 125 of the German Stock Corporation Act.

1 Listed company.
2 Employee representative.
3 Office within the Group.

Dagmar Paasch[2]
Solingen
Regional Head of Financial Services, Communication, Technology, Culture, Supply and Waste Management Division at ver.di NRW
Year of birth: 1974
Member since 15 September 2021
End of term: 2026

Other appointments:
- RWE Generation SE[3]

Dr. Erhard Schipporeit
Hamburg
Independent Corporate Consultant
Year of birth: 1949
Member since 20 April 2016
End of term: 2024

Other appointments:
- BDO AG Wirtschaftsprüfungsgesellschaft
- Hannover Rück SE[1]

Dirk Schumacher[2]
Rommerskirchen
Chairman of the HW Grefrath / Workshops Works Council, RWE Power AG
Year of birth: 1970
Member since 15 September 2021
End of term: 2026

Ullrich Sierau
Dortmund
Independent Consultant for Companies, Administrations, Political Parties and Civil Society Initiatives
Year of birth: 1956
Member since 20 April 2011
End of term: 2024

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- Member of comparable domestic and foreign supervisory boards of commercial enterprises as defined in Section 125 of the German Stock Corporation Act.

1 Listed company.
2 Employee representative.
3 Office within the Group.

Hauke Stars
Königstein
Member of the Executive Board of Volkswagen AG
Year of birth: 1967
Member since 28 April 2021
End of term: 2025

Other appointments:
• Audi AG
• Porsche AG
• PowerCo SE
• CARIAD SE
- Kühne + Nagel International AG[1]

Helle Valentin
Birkeroed, Denmark
Managing Partner, IBM Consulting EMEA, IBM Corporation
Year of birth: 1967
Member since 28 April 2021
End of term: 2025

Other appointments:
- Danske Bank A / S, Denmark
- IBM Danmark ApS, Denmark

Dr. Andreas Wagner[2]
Grevenbroich
Head of Drilling and Water Management, RWE Power AG
Year of birth: 1967
Member since 15 September 2021
End of term: 2026

Marion Weckes[2]
Dormagen
Assistant to the Senior Vice President Corporate Legal of GEA Group AG
Year of birth: 1975
Member since 20 April 2016
End of term: 2026

• Member of other mandatory supervisory boards as defined in Section 125 of the German Stock Corporation Act.
- Member of comparable domestic and foreign supervisory boards of commercial enterprises as defined in Section 125 of the German Stock Corporation Act.

1 Listed company.
2 Employee representative.
3 Office within the Group.

Supervisory Board Committees

Executive Committee of the Supervisory Board
Dr. Werner Brandt (Chairman)
Ute Gerbaulet
Prof. Dr. Hans-Peter Keitel
Reiner van Limbeck
Dirk Schumacher
Ralf Sikorski

Mediation Committee in accordance with Section 27, Paragraph 3 of the German Co-Determination Act
Dr. Werner Brandt (Chairman)
Thomas Kufen
Ralf Sikorski
Marion Weckes

Personnel Affairs Committee
Dr. Werner Brandt (Chairman)
Sandra Bossemeyer
Dr. Hans Friedrich Bünting
Harald Louis
Ralf Sikorski
Hauke Stars

Audit Committee
Mag. Dr. h. c. Monika Kircher (Chairwoman since 16 March 2023)
Michael Bochinsky
Matthias Dürbaum
Dagmar Paasch
Dr. Erhard Schipporeit (Chairman until 15 March 2023)
Ullrich Sierau

Nomination Committee
Dr. Werner Brandt (Chairman)
Prof. Dr. Hans-Peter Keitel
Hauke Stars

Strategy and Sustainability Committee
Dr. Werner Brandt (Chairman)
Michael Bochinsky
Dr. Hans Friedrich Bünting
Prof. Dr. Hans-Peter Keitel
Harald Louis
Dagmar Paasch
Ralf Sikorski
Helle Valentin

Executive Board

Dr. Markus Krebber
Chief Executive Officer since 1 May 2021
Member of the Executive Board of RWE AG since 1 October 2016,
appointed until 30 June 2026

Group departments:
- Group Communications & Public Affairs
- Energy Transition & Regulatory Affairs
- Legal, Compliance & Insurance
- Mergers & Acquisitions
- Strategy & Sustainability

Other appointments:
- RWE Generation SE[2]
- RWE Offshore Wind GmbH[2] (Chairman)
- RWE Power AG[2]
- RWE Renewables Europe & Australia GmbH[2] (Chairman)
- RWE Supply & Trading GmbH[2]

\- RWE Clean Energy, LLC, Non-Executive Member of the Board of Directors[2] (Chairman)

Dr. Michael Müller
Chief Financial Officer since 1 May 2021
Member of the Executive Board of RWE AG since 1 November 2020,
appointed until 31 October 2028

Group departments:
- Accounting
- Controlling & Risk Management
- Finance & Credit Risk
- Investor Relations
- Tax

Other appointments:
- Amprion GmbH
- RWE Generation SE[2]
- RWE Offshore Wind GmbH[2]
- RWE Power AG[2] (Chairman)
- RWE Renewables Europe & Australia GmbH[2]
- RWE Supply & Trading GmbH[2] (Chairman)

\- RWE Clean Energy, LLC, Non-Executive Member of the Board of Directors[2]

• Member of other mandatory supervisory boards as defined in Section 125 of the German Stock Corporation Act.
\- Member of comparable domestic and foreign supervisory boards of commercial enterprises as defined in Section 125 of the German Stock Corporation Act.

1 Listed company.
2 Office within the Group.

Katja van Doren
Chief Human Resources Officer and Labour Director since 1 August 2023
Member of the Executive Board of RWE AG since 1 August 2023, appointed until 31 July 2026

Group departments:
- Corporate Transformation
- Human Resources
- Information Technologie
- Internal Audit & Security

Other appointments:
- RWE Generation SE[2] (Chairman)
- RWE Offshore Wind GmbH[2]
- RWE Pensionsfonds AG[2] (Chairman)
- RWE Power AG[2]
- RWE Renewables Europe & Australia GmbH[2]
- RWE Supply & Trading GmbH[2]

- KELAG-Kärntner Elektrizitäts-AG
- Kärntner Energieholding Beteiligungs GmbH
- RWE Clean Energy, LLC, Non-Executive Member of the Board of Directors[2]

Zvezdana Seeger
Chief HR Officer and Labour Director from 1 November 2020 until 31 July 2023
Member of the Executive Board of RWE AG from 1 November 2020 until 31 July 2023

• Member of other mandatory supervisory boards as defined in Section 125 of the German Stock Corporation Act.
- Member of comparable domestic and foreign supervisory boards of commercial enterprises as defined in Section 125 of the German Stock Corporation Act.

1 Listed company.
2 Office within the Group.

The following copy of the auditor's report also includes a "Report on the audit of the electronic renderings of the financial statements and the management report prepared for disclosure purposes in accordance with § 317 Abs. 3a HGB" ("Separate report on ESEF conformity"). The subject matter (ESEF documents) to which the Separate report on ESEF conformity relates is not attached. The audited ESEF documents can be inspected in or retrieved from the company register.

4.9 Independent auditor's report

To RWE Aktiengesellschaft, Essen

Report on the audit of the consolidated financial statements and of the group management report

Audit Opinions

We have audited the consolidated financial statements of RWE Aktiengesellschaft, Essen, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2023, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of RWE Aktiengesellschaft, which is combined with the Company's management report, for the financial year from January 1 to December 31, 2023. In accordance with the German legal requirements, we have not audited the content of the non-financial statement to comply with §§ [Articles] 289b to 289e HGB [Handelsgesetzbuch: German Commercial Code] and with §§ 315b to 315c HGB.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e Abs. [paragraph] 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at December 31, 2023, and of its financial performance for the financial year from January 1 to December 31, 2023, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the non-financial statement referred to above.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537 / 2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under

Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

❶ Accounting treatment of the acquisition of shares of Con Edison Clean Energy Businesses, Inc
❷ Recoverability of goodwill
❸ Measurement of property, plant and equipment in the "Coal / Nuclear" and "Hydro / Biomass / Gas" segments

Our presentation of these key audit matters has been structured in each case as follows:

① Matter and issue
② Audit approach and findings
③ Reference to further information

Hereinafter we present the key audit matters:

❶ **Accounting treatment of the acquisition of shares of Con Edison Clean Energy Businesses, Inc**

① On October 1, 2022, RWE and Con Edison, Inc. signed an agreement on the acquisition by RWE of 100 % of the shares of Con Edison Clean Energy Businesses, Inc. („CEB"). The legal transfer of the shares, which is accounted for as a business combination under IFRS 3 using the acquisition method, took place on March 1, 2023 (acquisition date and date of initial consolidation). Immediately after the acquisition of CEB, the acquired activities were merged into the company RWE Clean Energy, LLC, which is fully consolidated in the consolidated financial statements of RWE. Taking into account modifications, the purchase price amounted to EUR 3,819 million. As part of the purchase price allocation, the identifiable assets acquired and liabilities assumed were measured at fair value as of the acquisition date. Taking into account the remeasured net assets acquired of EUR 2,324 million, the resulting goodwill amounted to EUR 1,495 million. In view of the complexity and estimation uncertainties involved in measuring the assets and liabilities as part of the purchase price allocation and the overall material impact of the acquisition in terms of amount on the assets, liabilities, financial position and financial performance of the RWE Group, this matter was of particular significance in the context of our audit.

② As part of our audit of the presentation of the CEB acquisition, we first of all obtained an understanding of the underlying contractual agreements and verified the determination of the date of acquiring control and the purchase price. On that basis, we assessed the recognition and measurement of the assets and liabilities. This included their identification, the application of uniform accounting policies, and their fair value recognition as of the acquisition date. In this context, we assessed in particular the fair values that RWE determined with the assistance of an external expert. This involved assessing, among other things, the models on which the measurements were based as well as the measurement parameters and assumptions used. The assessment covered in particular examining the methodological and mathematical accuracy of the measurement models. We also assessed the costs of capital used. Given the special features involved in calculating the fair values in the context of the purchase price allocation, our valuation specialists assisted in the process. Furthermore, we evaluated the technical implementation of initial consolidation and examined the calculation of goodwill. We also evaluated the disclosures in the notes to the financial statements that are required under IFRS 3. Overall, we were able to satisfy ourselves that the acquisition of CEB was appropriately presented in the consolidated financial statements based on the results of the purchase price allocation, and that the estimates and assumptions made by the executive directors are comprehensible and adequately substantiated.

③ The disclosures on the acquisition required under IFRS 3 are presented in the section entitled "Acquisitions" of the notes to the consolidated financial statements.

❷ Recoverability of goodwill

① In the consolidated financial statements of RWE Aktiengesellschaft, goodwill amounting to EUR 4.4 billion (4.2 % of consolidated total assets) is reported under the "Intangible assets" balance sheet item.

Goodwill is tested for impairment annually or when there are indications of impairment, to determine any possible need for write-downs. The carrying amounts of the relevant cash-generating units, including goodwill, are compared with the corresponding recoverable amounts in the context of the impairment tests. The recoverable amount is calculated on the basis of fair value less costs of disposal or the value in use. The impairment tests are performed at the level of the cash-generating units or groups of cash-generating units to which the respective goodwill is allocated. The measurements to calculate the fair value less costs of disposal or the value in use carried out for the purposes of the impairment tests are based on the present values of the future cash flows generally derived from the planning projections for the next three years (medium-term plan) prepared by the executive directors and acknowledged by the supervisory board. Expectations relating to future market developments and country-specific assumptions about the performance of macroeconomic indicators are also taken into account. Present values are calculated using discounted cash flow models. The discount rate applied is the weighted average cost of capital for the relevant cash-generating unit. The impairment test determined that no write-downs were necessary. The outcome of these valuations is dependent to a large extent on the estimates made by the executive directors of the future cash flows of the cash-generating units, and on the respective discount rates, rates of growth and other assumptions employed. The measurement is therefore subject to considerable uncertainty. Against this background and due to the underlying complexity of the measurement, this matter was of particular significance in the context of our audit.

② As part of our audit, we, among other things, evaluated the method used for performing impairment tests and assessed the calculation of the weighted average cost of capital. In addition, we assessed whether the future cash flows underlying the measurements together with the weighted average cost of capital used represent an appropriate basis for the impairment tests overall. We evaluated the appropriateness of the future cash flows used in the calculations, among other things by comparing this data with the Group's medium-term plan and by reconciling it against general and sector-specific market expectations. In this context, we also assessed whether the costs of Group functions were properly included in the respective cash-generating unit. With the knowledge that even relatively small changes in the discount rate applied can have material effects on the fair values less costs of disposal or the value in use calculated in this way, we also focused our assessment on the parameters used to determine the discount rate applied, and evaluated the measurement model. Furthermore, we evaluated the sensitivity analyses performed by the Company in order to assess any impairment risk (carrying amount higher than recoverable amount) in the event of a reasonably possible change in a material assumption underlying the measurement. Overall, the measurement parameters and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

③ The Company's disclosures relating to goodwill are contained in the notes to the consolidated financial statements in the section entitled "Notes to the Balance Sheet" in note "(10) Intangible assets".

❸ Measurement of property, plant and equipment in the "Coal / Nuclear" and "Hydro / Biomass / Gas" segments

① In the consolidated financial statements of RWE Aktiengesellschaft, property, plant and equip-ment totaling EUR 4.7 billion (4.4 % of consolidated total assets) is reported in the "Coal / Nuclear" and "Hydro / Biomass / Gas" segments.

The Company identified indications for impairment in the "Coal / Nuclear" and "Hydro / Biomass / Gas" segments due to the changes in the political and economic environment (including increased interest rate and significant price fluctuations), and consequently carried out impairment tests. The measurement of items of property, plant and equipment was tested using their fair values less costs of disposal that exceed their values in use. The Company measures the fair values of the respective property, plant and equipment as the present value of the future cash flows using discounted cash flow models. The budget projections for the coming three years (medium-term plan) prepared by the executive directors and acknowledged by the supervisory board are used as the basis. These are extrapolated on the basis of long-term assumptions with regard to electricity, coal, natural gas and CO_2 certificate prices as well as the planned service lives of the power plants. The assessment of the measurement of property, plant and equipment identified write-downs amounting in total to EUR 1.7 billion. The outcome of these valuations is dependent to a large extent on the estimates made by the executive directors of the future cash flows, and on the discount rates and other assumptions employed. The measurements are therefore subject to considerable uncertainties, meaning that this matter was of particular significance in the context of our audit.

② As part of our audit, we, among other things, evaluated the method used for testing the measurement of property, plant and equipment and assessed the calculation of the weighted average cost of capital. In addition, we assessed whether the future cash inflows underlying the measurements together with the weighted cost of capital used represent an appropriate overall basis for testing the measurement. We assessed the appropriateness of the future cash inflows used in the measurement, among other things by comparing this data with the medium-term plan and reconciling it against general and sector-specific market expectations with regard to electricity, coal, natural gas and CO_2 certificate prices and the planned service lives of the power plants. Furthermore, on the basis of the medium-term plan, we assessed the measurement of property, plant and equipment based on the evidence provided to us. With the knowledge that even relatively small changes in the discount rate applied can have material effects on the fair values calculated in this way, we also focused our assessment on the parameters used to determine the discount rate applied, and evaluated the measurement model. Overall, the measurement parameters and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

③ The Company's disclosures relating to depreciation and write-downs on items of property, plant and equipment are contained in the notes to the consolidated financial statements in the section entitled "Accounting policies", and in the "Notes to the income statement" in note "(5) Depreciation, amortization and write-downs".

Other Information

The executive directors are responsible for the other information. The other information comprises the non-financial statement to comply with §§ 289b to 289e HGB and with §§ 315b to 315c HGB as an unaudited part of the group management report.

The other information comprises further

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB
- all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation, and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file RWE_AG_KA_KLB_ESEF_2023-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from January 1 to December 31, 2023 contained in the "Report on the Audit of the Consolidated Financial Statements and on the

Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i. e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019 / 815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019 / 815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on May 4, 2023. We were engaged by the supervisory board on May 4, 2023. We have been the group auditor of RWE Aktiengesellschaft, Essen, without interruption since the financial year 2001.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to an other matter – use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Aissata Touré.

Essen, March 5, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

(sgd. Markus Dittmann)	(sgd. Aissata Touré)
Wirtschaftsprüfer	Wirtschaftsprüferin
(German Public Auditor)	(German Public Auditor)

4.10 Information on the auditor

The consolidated financial statements of RWE AG and its subsidiaries for the 2023 fiscal year – consisting of the Group balance sheet, Group income statement and statement of comprehensive income, Group statement of changes in equity, Group cash flow statement and Group notes to the financial statements – were audited by the auditing company PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft.

The auditor at PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft responsible for RWE is Mrs. Aissata Touré. Mrs. Touré performed this function for the third time.

PricewaterhouseCoopers GmbH has performed a limited and reasonable assurance engagement on the German version of the Combined non-financial statement and issued an independent practitioner's report in German, which is authoritative. The following text is a translation of the independent practitioner's report.

4.11 Report from the independent auditor

To RWE Aktiengesellschaft, Essen

Independent Practitioner's Report on a Limited and Reasonable Assurance Engagement on Non-financial Reporting

We have performed an assurance engagement on the Combined non-financial statement of RWE AG, Essen, (hereinafter the "Company") for the period from 1 January 2023 to 31 December 2023 (hereinafter the "Combined non-financial statement") included in section "Combined non-financial statement" of the combined management report.

In accordance with our engagement we have divided the level of assurance to be obtained by us and

- performed a reasonable assurance engagement on the indicators
    - o Information in the table "CO_2 emissions of our power stations"
    - o Information in the table "Environmental management coverage"
    - o Information in the table "Severe environmental incidents"
    - o Information in the table "Women in leadership positions"

  (hereafter the "Indicators") and
- the disclosures in section "EU Taxonomy" of the Combined non-financial statement and
- performed a limited assurance engagement on all information other than the disclosures in section "EU Taxonomy" and the Indicators in the Combined non-financial statement.

Not subject to our assurance engagement are the external sources of documentation or expert opinions mentioned in the Combined non-financial statement.

Responsibility of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Combined non-financial statement in accordance with §§ (Articles) 315c in conjunction with 289c to 289e HGB ("Handelsgesetzbuch": "German Commercial Code") and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder, as set out in section "EU Taxonomy" of the Combined non-financial statement.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Company that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as the executive directors consider necessary to enable the preparation of a Combined non-financial statement that is free from material misstatement whether due to fraud or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section “EU Taxonomy” of the Combined non-financial statement. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Audit Firm's Independence and Quality Management

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors (“Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer”: “BS WP / vBP”) as well as the Standard on Quality Management 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality management for audit firms (IDW Qualitätsmanagementstandard 1: Anforderungen an das Qualitätsmanagement in der Wirtschaftsprüferpraxis – IDW QMS 1 (09.2022)), which requires the audit firm to design, implement and operate a system of quality management that complies with the applicable legal requirements and professional standards.

Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with reasonable assurance on the disclosures in section “EU Taxonomy” and the Indicators in the Company's Combined non-financial statement and a limited assurance on all information other than the disclosures in section “EU Taxonomy” and the Indicators in the Combined non-financial statement based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to

- obtain reasonable assurance whether the disclosures in section “EU Taxonomy” and the Indicators in the Company's Combined non-financial statement for the period from 1 January 2023 to 31 December 2023 have been prepared, in all material respects, in accordance with §§ 315 c in conjunction with 289c to 289e HGB by the executive directors and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section “EU Taxonomy” of the Combined non-financial statement and
- obtain limited assurance about whether any matters have come to our attention that cause us to believe that all information other than the disclosures in section “EU Taxonomy” and the Indicators in the Company's Combined non-financial statement, other than the external sources of documentation or expert opinions mentioned in the Combined non-financial statement, are not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB.

The procedures performed for the limited assurance engagement part are less extensive than those performed for the reasonable assurance engagement part, and accordingly a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgement of the assurance practitioner.

In the course of our assurance engagement, we have, amongst other things, performed the following assurance procedures and other activities:

- Gain an understanding of the structure of the Company's sustainability organisation and stakeholder engagement
- Inquiries of the executive directors and relevant employees involved in the preparation of the Combined non-financial statement about the preparation process, about the internal control system relating to this process and about disclosures in the Combined non-financial statement

Identification of likely risks of material misstatement in the Combined non-financial statement

- Analytical procedures on selected disclosures in the Combined non-financial statement
- Reconciliation of selected disclosures with the corresponding data in the financial statements, the consolidated financial statements and the combined management report
- Evaluation of the presentation of the Combined non-financial statement
- Inquiries on the relevance of climate risks

In the course of our reasonable assurance engagement part on the disclosures in section "EU Taxonomy" and the Indicators in the Company's Combined non-financial statement, we have performed the following assurance procedures and other activities in addition to those described above:

- Evaluation of the internal control system regarding the Indicators
- Inspection of processes for the collection, control, analysis and aggregation of selected data of different sites of the Company on the basis of samples
- Evaluation of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Combined non-financial statement

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance Opinion

In our opinion the disclosures in section "EU Taxonomy" and the Indicators in the Company's Combined non-financial statement for the period from 1 January 2023 to 31 December 2023 have been prepared, in all material respects, in accordance with §§ 315 c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section "EU Taxonomy" of the Combined non-financial statement.

Based on the assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that all information other than the disclosures in section "EU Taxonomy" and the Indicators in the Combined non-financial statement of the Company for the period from 1 January 2023 to 31 December 2023 is not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB.
We do not express an assurance opinion on the external sources of documentation or expert opinions mentioned in the Combined non-financial statement.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

Essen, 5 March 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Aissata Touré	ppa. Jan Hendrik Timm
Wirtschaftsprüferin	
German public auditor	

5
Further information

5.1 Five-year overview

Five-year overview of the RWE Group[1]		2023	2022	2021	2020	2019
External revenue (excluding natural gas tax / electricity tax)	€ million	28,566	38,415	24,571	13,688	13,125
Adjusted EBITDA	€ million	8,378	6,310	3,650	3,286	2,489
Adjusted EBIT	€ million	6,349	4,568	2,185	1,823	1,267
Income before tax	€ million	4,006	715	1,522	1,265	-752
Net income / RWE AG shareholders' share in income	€ million	1,450	2,717	721	1,051	8,498
Adjusted net income[2]	€ million	4,536	3,253	1,554	1,257	–
Earnings per share	€	1.95	3.93	1.07	1.65	13.82
Adjusted net income per share[2]	€	6.10	4.71	2.30	1.97	–
Cash flows from operating activities	€ million	4,235	2,406	7,274	4,125	-977
Free cash flow	€ million	-4,582	-1,968	4,562	1,132	-2,053
Non-current assets	€ million	52,502	42,286	38,863	34,418	35,768
Current assets	€ million	53,992	96,262	103,446	27,224	28,241
Balance sheet equity	€ million	33,140	29,279	16,996	17,706	17,467
Non-current liabilities	€ million	39,085	29,584	28,306	27,435	26,937
Current liabilities	€ million	34,269	79,685	97,007	16,501	19,605
Balance sheet total	€ million	106,494	138,548	142,309	61,642	64,009
Equity ratio	%	31.1	21.1	11.9	28.7	27.3
Net debt (–) / net cash (+)	€ million	-6,587	1,630	360	-4,432	-7,159
Workforce at the end of the year[3]		20,135	18,310	18,246	19,498	19,792
CO_2 emissions of our power stations	million metric tons	60.6	83.0	80.9	67.0	88.1

1 The comparability of some of the figures for various fiscal years is limited due to changes in reporting.
2 No adjusted net income was stated for 2019, as this figure would be of limited informational value due to an extensive asset swap with E.ON.
3 Converted to full-time equivalent.

5.2 Imprint

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For annual reports, interim reports, interim statements and further information on RWE, please visit us online at www.rwe.com/en.

RWE is a member of DIRK – the German Investor Relations Association.

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Financial calendar 2024 / 2025

3 May 2024	Annual General Meeting
6 May 2024	Ex-dividend date
8 May 2024	Dividend payment
15 May 2024	Interim statement on the first quarter of 2024
14 August 2024	Interim report on the first half of 2024
13 November 2024	Interim statement on the first three quarters of 2024
13 March 2025	Annual report for fiscal 2024
30 April 2025	Annual General Meeting
2 May 2025	Ex-dividend date
6 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

The Annual General Meeting and all events concerning the publication of our financial reports are broadcast live online and recorded. We will keep recordings on our website for at least twelve months.