RWE

Interim report on the first half of 2024

RWE confirms forecast for 2024 // Adjusted EBITDA of €2.9 billion in the first half of the year reflective of earnings normalisation // Earnings increase in the Offshore Wind and Onshore Wind / Solar segments // Investment decision made for Nordseecluster and OranjeWind offshore wind farms // RWE granted funding for three German hydrogen projects

Contents

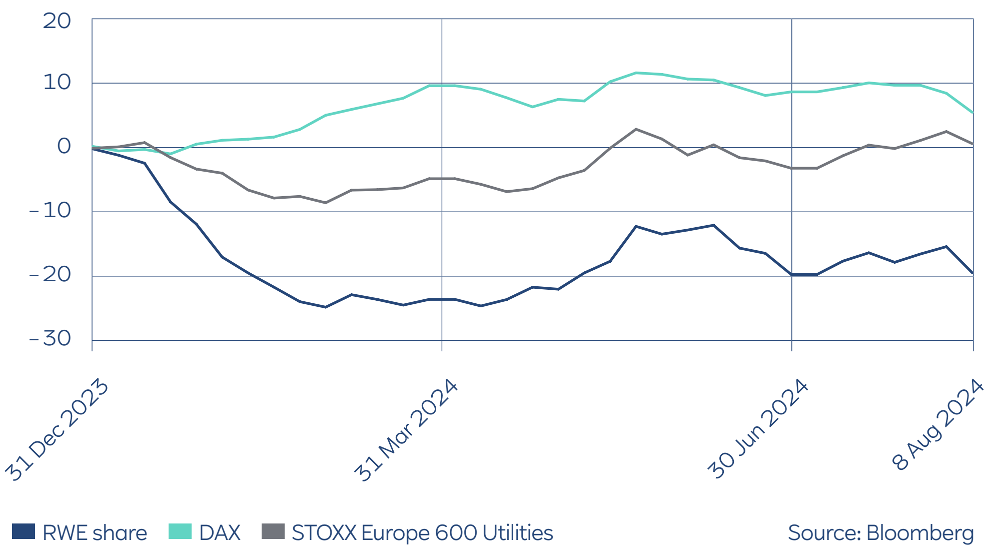
At a glance

RWE Group – key figures[1]		Jan – Jun 2024	Jan – Jun 2023	+ / –	Jan – Dec 2023
Power generation	GWh	58,864	67,643	- 8,779	129,701
External revenue (excl. natural gas tax / electricity tax)	€ million	11,212	14,862	- 3,650	28,521
Adjusted EBITDA	€ million	2,899	4,143	- 1,244	7,749
Adjusted EBIT	€ million	1,928	3,189	- 1,261	5,802
Income before tax	€ million	4,812	2,513	2,299	3,999
Net income / income attributable to RWE AG shareholders	€ million	4,010	1,991	2,019	1,443
Adjusted net income	€ million	1,362	2,378	- 1,016	4,098
Cash flows from operating activities	€ million	330	2,009	- 1,679	4,223
Capital expenditure	€ million	5,159	6,562	- 1,403	9,979
Property, plant and equipment and intangible assets	€ million	3,734	1,881	1,853	5,146
Acquisitions and financial assets	€ million	1,425	4,681	- 3,256	4,833
Proportion of taxonomy-aligned investments[2]	%	95	90	5	89
Free cash flow	€ million	- 4,654	- 4,439	- 215	- 4,594
Number of shares outstanding (average)	thousands	743,841	743,841	–	743,841
Earnings per share	€	5.39	2.68	2.71	1.94
Adjusted net income per share	€	1.83	3.20	- 1.37	5.51
		30 Jun 2024			31 Dec 2023
Net debt	€ million	- 11,419			- 6,587
Workforce[3]		20,865			20,135

1 Some prior-year figures restated; see the chapter 'Commentary on reporting' on pages 11 et seq.
2 Taxonomy-alignment is when an activity meets the applicable requirements under the EU Taxonomy Regulation.
3 Converted to full-time equivalents.

RWE on the capital market

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



Source: Bloomberg

German stock market records strong first half. The upturn on international stock markets observed since last October continued on into 2024. During the first six months, Germany's blue chip index, the DAX 40, rose by a total of 9 % to 18,235 points, before concerns over a recession and a brief stock market crash in Japan in early August dampened its momentum. The DAX's positive half-year performance can in part be traced back to confidence in the central banks loosening monetary policy in line with declining inflation. In June, banks in the Eurozone reduced interest rates marginally. By contrast, the US Federal Reserve has been reluctant to follow suit thus far. In addition, optimistic expectations of growth in artificial intelligence buoyed share prices, whereas the persistently uncertain geopolitical situation weighed on market sentiment.

RWE share registers negative total return. The first six months were disappointing for RWE shareholders. Our share closed the month of June at €31.95, which was far below the quotation recorded at the end of 2023 (€41.18). Its total return, which considers the dividend, amounted to – 20 %. As a result, the RWE share considerably underperformed the sector index, the STOXX Europe 600 Utilities (– 3 %). This weak performance is in part because wholesale electricity prices declined significantly at the beginning of 2024. Uncertainties regarding the future regulatory framework for green investments also weighed on RWE's share price. With 2024 being a major election year, these uncertainties have re-emerged as a significant factor to consider. There is also a risk that international trade relationships could deteriorate, which could impact supply chains for renewables projects.

Dividend of €1.00 per share paid. The Annual General Meeting of RWE AG held on 3 May 2024 approved the dividend proposed by the Executive Board and the Supervisory Board for the past fiscal year by a substantial majority. Accordingly, we paid a dividend of €1.00 per share on 8 May. This represents an increase of €0.10 versus last year. The Executive Board envisages that the dividend payment for 2024 will be €1.10 per share.

RWE bond volume up to €9.0 billion due to new issuances. At the beginning of August 2024, RWE bonds with a nominal value of €9.0 billion were outstanding. We have conducted three issuances since the beginning of the year. January saw us place a €500 million green bond. The paper has a tenor of eight years and a coupon of 3.625 %. In April, we issued our first two green US dollar bonds. The issue volumes totalled US$1 billion each, with tenors of 10 and 30 years and coupons of 5.875 % and 6.250 %, respectively. Our new dollar bonds met with keen interest among investors, resulting in the order book being several times oversubscribed. We will use the proceeds to finance renewable energy projects in the USA.

RWE increases headroom for issuing senior bonds. To maintain our ability to raise the funds needed to finance our growth investments, we upped our Debt Issuance Programme (DIP) from €10 billion to €15 billion in April 2024. The DIP is a prospectus that enables us to place bonds flexibly. We had used €6.6 billion of the financial headroom afforded by the DIP as of early August 2024. This does not include our US bonds or the two outstanding hybrid bonds.

Business environment

Regulatory framework

EU electricity market reform enters into force. Following approval from the European Parliament and Council of Ministers, a law to reform the European electricity market came into effect in July. The new legislation was triggered by Russia's attack on Ukraine and the resulting turmoil in the energy sector. The reform is intended to make the EU more independent of fuel imports and to drive the expansion of renewable energy. Pricing will continue to be determined based on supply and demand. However, there will be more emphasis on two-sided contracts for difference to bolster planning security for investments in renewables and nuclear assets. Capacity payments will also play a greater role moving forward. Additional information on this topic can be found on page 30 of the 2023 Annual Report.

German government formalises funding plans for new gas-fired power plants. In July 2024, the government coalition in Berlin succeeded in ironing out the specifics of their power plant strategy. These include calls for funding for climate-friendly gas-fired units before turning to the introduction of a comprehensive, technology-neutral capacity mechanism, which is expected to become effective as of 2028. Politicians aim to ensure adequate flexible backup capacity to cover periods of low wind or solar energy output, despite the plan to phase out coal. As a first step, the government will invite calls for funding for 12.5 GW in generation capacity plus 500 MW of long-term storage. The 12.5 GW includes 10 GW of new gas-fired power stations, 5 GW of which must switch to hydrogen from the eighth year of their commissioning, and 2 GW of existing units, which will be converted to run on hydrogen. It also includes units called 'hydrogen sprinters' with a total capacity of 500 MW will run on hydrogen upon completion. The government is looking to enshrine its plans in a 'Power Plant Security Act' following several weeks of consultation and subject to approval by the EU Commission under state aid law. The first invitation is planned for late 2024 / early 2025.

UK intends to accelerate renewables expansion. After winning the election in July 2024, the new UK Labour government announced an investment programme to modernise the country's energy infrastructure. In a manifesto published by the Labour Party during their election campaign, they declared their mission to make electricity supply carbon neutral by as early as 2030 by accelerating the expansion of renewable energy. The objective is to double onshore wind and quadruple offshore wind capacity during the current decade. At the end of 2023, the UK had 15 GW of generation capacity in both offshore and onshore wind. Photovoltaic capacity, which stood at 16 GW at the end of 2023, is set to triple. Labour confirmed these expansion plans after the election. The de-facto ban on new onshore wind turbines has already been lifted. State-owned Great British Energy was founded in July as a vehicle for investing in environmentally friendly and less fuel-dependent energy infrastructure. The company has been tasked with promoting technologically and financially ambitious large-scale projects as well as smaller local ventures to decarbonise the energy sector, largely through capital investments and knowledge transfers.

Market environment

Weak economy in European core markets. According to current data, the global economy grew by 2 % year on year in the first half of 2024. In our main European markets of Germany (+ / – 0 %), the UK (+ 0.5 %) and the Netherlands (– 0.5 %), the economy stagnated. Dampening effects included the continued war in Ukraine as well as fairly high interest rates and energy costs. In the USA, however, the economy posted much stronger growth, with gross domestic product rising by around 3 % according to initial analyses.

Power consumption up. The drop in energy demand observed in 2023 has stalled. According to calculations published by the German Association of Energy and Water Industries (BDEW), Germany registered a modest increase of 0.4 %. However, this gain was notably influenced by the extra day in February due to the leap year. Without this effect, demand for electricity would have been around the same level as in 2023, particularly due to a lack of economic stimulus. In the UK, electricity usage increased by about 0.5 %, with the Netherlands witnessing an even greater jump. The USA experienced a rise in consumption of approximately 4 %, largely due to the positive economic trends, although the continued expansion of energy-intensive IT infrastructure also played a part.

Wind conditions improve on 2023. Utilisation and profitability of renewable energy assets are greatly influenced by the weather, with wind speeds playing a central role: they were disparate throughout Europe, exceeding the long-term average above all in Germany, southern England and Scandinavia, among others, but falling short of the average in northern Spain, the south of France, Poland and Ireland. Overall, wind speeds in Europe posted a slight increase relative to 2023. Wind conditions at our US sites also proved to be more favourable than in the same period of last year, although they lagged somewhat behind normal wind levels at some locations. Electricity generation by our run-of-river power stations is primarily determined by precipitation and melt water volumes. In Germany, the main market in which we produce electricity from hydropower, these volumes were far above the long-term average. They also rose significantly compared to 2023.

Average RWE wind and solar farm utilisation January – June	Onshore Wind		Offshore Wind		Solar	
%	2024	2023	2024	2023	2024	2023
Germany	22	21	28[1]	24[1]	18	9
United Kingdom	30	24	42	38	–	–
Netherlands	29	29	–	–	9	14
Poland	29	27	–	–	14	11
France	26	25	–	–	–	–
Spain	24	22	–	–	24	23
Italy	26	23	–	–	–	–
Sweden	28	28	50	45	–	–
Australia	–	–	–	–	26	21
USA	36	33	–	–	31	25

1 Volume losses due to grid operator curtailments.

Fuel prices lower than in 2023. Operating hours and margins of conventional power plants are largely dependent on the price of electricity, fuel and emission allowances. Although quotations stabilised over the period under review, they failed to maintain the levels seen in 2023. In the first half of 2024, spot prices for natural gas averaged €30 / MWh at the Dutch TTF (Title Transfer Facility) trading point, which was notably lower than in the same period of last year (€44 / MWh). The decline was attributable to the gas supply situation easing despite the continued war in Ukraine. The mild 2023 / 2024 winter and the weak economy played a part. The good supply situation was also reflected in gas forward trading prices. The TTF forward for 2025 averaged €33 / MWh in the period under review. By way of comparison, in the first six months of last year the 2024 TTF forward traded at €56 / MWh.

Prices for hard coal used in power plants (steam coal) also declined. In the first six months of 2024, deliveries to ARA ports (ARA = Amsterdam, Rotterdam, Antwerp) were settled on the spot market for an average of US$108 / metric ton. Last year's figure was US$137 / metric ton. The decline was largely demand-based. Recently, hard coal power stations in Germany in particular were running at a fraction of their maximum capacity. The increase in power generation from renewable sources, along with the rise in imports of nuclear electricity from France, played a role in this regard. The robust gas supply situation also had an impact on demand, as less hard coal was needed than initially forecast, leading to an increase in stockpiles. These factors also weighed on forward trading prices. In the first half of the year, the 2025 hard coal forward (API 2 Index) traded at an average of US$109 / metric ton. This is around US$25 less than was paid in the same period in the previous year for the 2024 forward (US$134 / metric ton).

CO_2 emission allowances cheaper than in 2023. Expenditure on CO_2 emission allowances is an important cost consideration for fossil fuel-fired power stations. One European Union Allowance (EUA), permitting the holder to emit one metric ton of carbon dioxide in the EU, was traded at €68 in the first half of 2024 compared to €94 the year prior. These figures pertain to forward contracts that will expire in the December of the respective following year. Prices have been on a downward trend since the end of February 2023 when emission allowances were trading at record highs above €100. The decline intensified in early 2024, culminating in a 50 % reduction in price levels. Since then, prices have somewhat rebounded. The initial drop was primarily due to weak industrial output and the underutilisation of relatively emissions-intensive coal-fired power plants. Furthermore, since mid-2023, the EU has been putting additional EUAs into circulation to fund the REPowerEU initiative.

In the UK, where a national emissions trading system was established after leaving the European Union, prices followed a trajectory similar to that of the EU. UK Allowances (UKAs) were on average quoted at £41 compared to £73 in the prior-year period. Here, too, weak industrial output and reduced emissions from power generation came to bear. Furthermore, the UK, much like the EU, is currently placing additional allowances on the market.

Fuel markets relax, weighing on wholesale electricity prices. Wholesale electricity prices reflected trends in fuel and emission allowance markets, dropping significantly. In the first half of 2024, base-load power traded for an average of €70 / MWh on the German spot market, compared to €104 / MWh in the same period of 2023. Spot prices declined from £108 / MWh to £65 / MWh in the United Kingdom and from €106 / MWh to €66 / MWh in the Netherlands. Electricity forward trading painted the following picture: in Germany, the 2025 base-load forward cost an average of €86 / MWh, whereas €151 / MWh was paid for the 2024 forward a year earlier. The price of the one-year forward declined from £139 / MWh to £76 / MWh in the United Kingdom and from €138 / MWh to €82 / 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. The ERCOT electricity spot price averaged US$27 / MWh over the first half of 2024, US$5 / MWh less than during the same period in 2023. Lower gas prices, increased feed-ins from renewables, and the mild winter weather all contributed to this development. By contrast, the one-year forward rose from US$42 / MWh to US$51 / MWh. This is probably due to the market's expectation of a recovery in gas prices and a significant increase in electricity demand in 2025.

Major events

RWE acquires three large-scale UK offshore wind projects from Vattenfall. In March 2024, we took over three offshore wind projects off the coast of Norfolk in the east of England from Swedish energy company Vattenfall. The purchase price was equivalent to a portfolio value of £963 million. The three projects – Norfolk Vanguard West, Norfolk Vanguard East and Norfolk Boreas – each have a planned capacity of up to 1.4 GW. All wind farms in the Norfolk pipeline are expected to become operational over the course of the current decade.

RWE and Masdar join forces to further develop Dogger Bank South wind power projects. We have formed a partnership with Abu Dhabi-based clean energy firm Masdar to realise two offshore wind projects, which are planned for the southern section of Dogger Bank in the British North Sea. The underlying agreement became effective at the end of February 2024. Masdar now holds a 49 % stake in both projects and has reimbursed RWE the corresponding project costs incurred to date. RWE owns 51 % and is responsible for building and running the assets. The two wind farms are expected to each have a capacity of 1.5 GW. We plan to complete them by late 2031.

RWE greenlights the construction of two wind farms in the German North Sea. In May 2024, we made our final investment decision on two offshore wind farms, Nordseecluster A and B, located 50 kilometres to the north of the island of Juist. The two wind farms will have a total capacity of 660 MW and 900 MW, respectively, and are expected to be completed in early 2027 and early 2029. RWE is the sole owner. We aim to sell most of the electricity generated through long-term agreements with industrial and municipal customers, assisting them in reaching their decarbonisation goals.

RWE and TotalEnergies join forces to deliver OranjeWind offshore wind farm. A joint venture between RWE and TotalEnergies will deliver the Dutch offshore wind project OranjeWind. In late July, the French energy group acquired a 50 % stake in the project. At the same time, the final investment decision for the 795 MW wind farm was taken. OranjeWind, which will be built about 53 kilometres from the city of IJmuiden in the Dutch province of North Holland, is the Netherlands' first system integration project. RWE and TotalEnergies have therefore made a commitment to take measures to match intermittent wind power generation with energy demand. Possible flexible integration solutions include electrolysers for producing green hydrogen, charging stations for electric vehicles, battery storage systems, and electric boilers. RWE is responsible for developing, building and operating the wind farm. All turbines are expected to go online in early 2028. TotalEnergies became our partner by taking a 50 % share in the project management company Oranje Wind Power II C.V., which will now be reported using the at-equity method. The assets of this company, which are valued at €119 million, have so far essentially comprised capitalised development costs (property, plant and equipment).

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

USA: Willowbrook and Bright Arrow solar farms up and running. In the first half of the year, we successfully completed two large-scale photovoltaic projects in the USA. In January 2024, our 150 MW Willowbrook solar farm began operating commercially in the state of Ohio. The second large-scale solar farm, Bright Arrow is located in Texas. It has a capacity of 300 MW and went online in May. We constructed a mega battery next to Bright Arrow with an output of 100 MW and a storage capacity of 200 MWh, so the timing of solar power feed-ins into the local grid can be optimised. In total, we have invested the equivalent of around €660 million in Willowbrook and Bright Arrow, including the battery storage facility. The electricity from the solar farms will be sold to two large companies, subject to long-term supply contracts.

Montgomery Ranch wind farm completed in the US. In June, Montgomery Ranch, our new onshore wind farm in Texas, commenced commercial operations. It comprises 45 turbines with a total capacity of 203 MW. Our generation capacity from wind and solar power in Texas has therefore increased to 4.8 GW (as at 30 June 2024). The total investment in Montgomery Ranch was equivalent to €290 million. A long-term power purchase agreement with a key account has also been concluded for this project.

15-year power purchase agreement with Microsoft. As announced in May 2024, we will be supplying technology giant Microsoft with electricity from two new wind farms in Texas for the next 15 years. The wind farms, Peyton Creek II and Lane City, are currently under construction, but once complete they will have generation capacities of 243 MW and 203 MW, respectively. We will sell the entire energy output from both facilities to Microsoft. We are therefore helping the company to achieve its ambitious climate protection targets, which see the world's largest software developer covering 100 % of its power consumption with renewables from 2025.

RWE secures its first offshore wind project in Australia. In July 2024, the Australian government granted us a licence to develop an offshore wind power project in the south-eastern state of Victoria. The site we have been awarded has the potential to support generation capacities of up to 2 GW. It is situated 67 kilometres off the coast of Gippsland and has an average water depth of 59 metres. The licence gives us a seven-year exclusive seabed right to develop the site. We also have the option to apply for a commercial licence to build and operate the wind farm, which is currently projected to become operational in the first half of the 2030s.

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

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

Germany grants funding to three of RWE's hydrogen projects. In July 2024, we were awarded federal funding for three hydrogen projects in Germany. €619 million in funding was allocated to two projects which we are implementing independently: 300 MW of electrolysis capacity in Lingen (Lower Saxony) being built as part of the GET H2 Nukleus project and a hydrogen storage facility which is being delivered in Gronau-Epe (North Rhine-Westphalia). In addition, €199 million was granted to a consortium developing a 100 MW electrolysis plant as part of the HyTechHafen Rostock project (Mecklenburg-Western Pomerania). RWE is a member of this consortium. The federal government is providing 70 % of the total funding for each project, and the states in which they are being realised will contribute the remaining 30 %. The EU Commission recognised the projects as being of common European interest in February, paving the way for national funding. RWE is planning to invest a mid-range, triple-digit million-euro sum in the three projects.

The majority of the funds will be spent on the electrolysers in Lingen, which will produce hydrogen using renewable energy. The first 100 MW plant is scheduled to go online in 2025. We aim to use the hydrogen produced in Lingen to help industrial enterprises cut their carbon dioxide emissions.

The planned hydrogen storage facility in Gronau-Epe will utilise two caverns, one of which is currently serving as a natural gas storage site. Hydrogen is expected to be stored here from 2026 onwards.

The HyTechHafen Rostock project was launched to build a 100 MW electrolyser at the port of Rostock, which is expected to become operational in 2027. The green hydrogen produced at this site will serve local consumers and feed into Germany's hydrogen core grid, which is still in development. The project is a joint venture between ROSTOCK PORT GmbH, RheinEnergie AG, EnBW Neue Energien AG, and RWE Generation SE.

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

Structural change in the Rhenish region: RWE sells site to Microsoft. In April 2024, we sold a plot of land in the Rhenish lignite mining region to Microsoft. The IT group has announced plans to build a large data centre at the Bergheim site in the Rhine-Erft district. A second plot of land in the vicinity, which Microsoft purchased from the City of Bedburg, is envisaged to serve the same purpose. In addition to developing data infrastructure to harness artificial intelligence (AI) and cloud technologies, the company also plans to launch a regional initiative focusing on training young adults for careers in IT.

Commentary on reporting

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

The segments are now defined as follows:

1. **Offshore Wind:** We present our offshore wind business here. It is overseen by RWE Offshore Wind.

2. **Onshore Wind / Solar:** This is the segment in which we report on our onshore wind and solar business as well as parts of our battery storage operations. Depending on the continent, responsibility for these activities is assumed by either RWE Renewables Europe & Australia or RWE Clean Energy, which is active in America.

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

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

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

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

New methodology for reporting earnings from Phaseout Technologies. As of fiscal 2024, we no longer report adjusted EBITDA / EBIT for our German lignite and nuclear activities. We now recognise their operating gains and losses as part of the non-operating result. To ensure the previous year's figures are comparable, we have adjusted them accordingly. The change in reporting reflects the way we manage Phaseout Technologies where we focus on adjusted cash flow. We have explained how we calculate this indicator on page 22. The commercial development of Phaseout Technologies is now portrayed using this metric.

Modified recognition of variation margins. Credit rating agencies place great importance on funds from operations. To make this indicator more conclusive, they remove factors that cause temporary liquidity fluctuations, e. g. variation margins. These are payments made or received, triggered by changes in the price of futures. In 2024, we stopped including variation margins in funds from operations, and instead only recognise them in 'Increase / decrease in working capital', which included some variation margins in the past. Prior-year figures are restated accordingly.

New accounting treatment for capacity reserve at Gersteinwerk site. As set out on page 9, the F and G combined-cycle natural gas units at the Gersteinwerk location in Werne (Westphalia) have become part of the German capacity reserve, with unit K 1 to follow shortly. We previously accounted for the provision of this reserve capacity as a pending transaction. At the start of the current fiscal year, we began to recognise this as a finance lease pursuant to IFRS 16, with RWE assuming the role of lessor. On the balance sheet, we therefore no longer report on the power stations (assets) and instead recognise receivables from finance leasing in the amount of the discounted future cash flows. This change in accounting treatment also has an affect on both the income statement and the cash flow statement. Last year's figures have been adjusted accordingly.

Forward-looking statements. This interim report contains forward-looking statements regarding the future development of the RWE Group and its companies as well as economic and political developments. These forward-looking statements are assessments that we have made based on information available to us at the time this document was prepared. Actual developments can deviate from the forecasts, for instance if underlying assumptions do not materialise or unforeseen risks arise. Therefore, we cannot assume responsibility for the correctness of forward-looking statements.

Business performance

Power generation[1] January – June	Renewables		Pumped storage, batteries		Gas		Lignite		Hard coal		Nuclear		Total[2]	
GWh	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Offshore Wind	5,847	5,247	–	–	–	–	–	–	–	–	–	–	5,847	5,247
Onshore Wind / Solar	17,580	13,760	–	–	–	–	–	–	–	–	–	–	17,580	13,760
Flexible Generation	2,790	3,002	76	76	15,508	21,573	–	–	1,529	2,871	369	506	20,319	28,112
of which:														
Germany	1,122	957	76	76	2,525	2,686	–	–	–	–	–	–	3,770	3,803
United Kingdom	285	261	–	–	9,419	15,540	–	–	–	–	–	–	9,704	15,801
Netherlands	1,383	1,784	–	–	2,386	2,461	–	–	1,529	2,871	369	506	5,667	7,622
Türkiye	–	–	–	–	1,178	886	–	–	–	–	–	–	1,178	886
Phaseout Technologies	–	–	–	–	49	53	14,970	18,280	–	–	–	2,104	15,118	20,524
RWE Group	**26,217**	**22,009**	**76**	**76**	**15,557**	**21,626**	**14,970**	**18,280**	**1,529**	**2,871**	**369**	**2,610**	**58,864**	**67,643**

1 Some prior-year figures restated; see the chapter 'Commentary on reporting' on pages 11 et seq.
2 Including production volumes not attributable to any of the energy sources mentioned (e.g. electricity from waste-to-energy plants).

Electricity production down – significant boost from renewables. RWE generated 58,864 GWh of electricity in the first half of 2024. Of this, 45 % was from renewables, clearly exceeding the share accounted for by coal (28 %). Our power production declined by 13 % compared to the first six months of the previous year. We saw the most notable drop in generation at our gas-fired sites in the UK, partly due to maintenance outages. However, the primary reason was unfavourable market conditions, which also explains why we generated less electricity from lignite in Germany and hard coal in the Netherlands. A number of our German lignite units, Niederaussem E and F as well as Neurath C, D and E with a total capacity of 2.1 GW, were shut down at the end of March as part of Germany's coal exit. Further volume shortfalls resulted from the German nuclear phaseout. Emsland, our last German nuclear power station, was decommissioned as of 15 April 2023.

Power generation from renewables January – June	Offshore Wind		Onshore Wind		Solar		Hydro		Biomass		Total	
GWh	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Germany	1,139	978	709	638	35	9	1,122	957	–	–	3,005	2,582
United Kingdom	4,604	4,176	1,034	847	–	–	98	74	188	187	5,924	5,284
Netherlands	–	–	488	478	11	14	18	16	1,349	1,756	1,866	2,264
Poland	–	–	703	607	24	14	–	–	–	–	727	621
France	–	–	173	163	–	–	–	–	–	–	173	163
Spain	–	–	527	472	202	113	–	–	–	–	729	585
Italy	–	–	546	519	–	–	–	–	–	–	546	519
Sweden	104	94	154	140	–	–	–	–	–	–	258	234
USA	–	–	7,426	6,075	5,161	3,382	–	–	–	–	12,587	9,457
Australia	–	–	–	–	282	225	–	–	–	–	282	225
Rest of the world	–	–	11	12	109	63	–	–	–	–	120	75
RWE Group	**5,847**	**5,248**	**11,771**	**9,951**	**5,824**	**3,820**	**1,238**	**1,047**	**1,537**	**1,943**	**26,217**	**22,009**

We produced 19 % more electricity from renewables than in the same period of the previous year. In our photovoltaics business, we posted a gain of 52 %. This was mainly thanks to our acquisition of US energy firm Con Edison Clean Energy Businesses as of 1 March 2023 (see page 35 of the 2023 Annual Report). As part of the transaction, we gained an extensive solar portfolio. This calendar year is the first time it is contributing to the Group's power production for the entire reporting period. The commissioning of large-scale solar farms in the US also had a positive impact. In our wind business, we registered a 16 % increase. This was primarily attributable to more favourable weather conditions and the deployment of new assets.

In addition to our in-house generation, we procure electricity from suppliers outside of the Group, particularly in our key account supply business. In the period under review, these purchases totalled 23,634 GWh (previous year: 13,732 GWh).

Sharp drop in lignite production volumes. We source a significant portion of the fuel needed to generate power from international markets. The lignite we require for power generation, however, is covered by our own opencast mines located in the Rhenish region to the west of Cologne. The volumes extracted here were equivalent to 6.4 million metric tons of hard coal units (HCU). This represented a reduction of 1.3 million metric tons of HCU compared to the same period last year, primarily driven by the significant decrease in electricity production from our lignite-fired power plants. The majority of the lignite was assigned to these stations. The remaining volumes were used to produce refined products (e. g. lignite dust and hearth furnace coke) and, to a lesser extent, to generate process steam and district heat.

CO_2 emissions drop by 27 %. Our carbon dioxide emissions from electricity generation amounted to 25.1 million metric tons, 27 % less than during the first half of 2023. The reduction was due to the lower utilisation of our lignite, hard coal and gas-fired power plants versus the year prior. Specific emissions, i. e. the carbon emitted per megawatt-hour of electricity generated, dropped from 0.51 metric tons to 0.43 metric tons. Aside from the reduction in coal-fired power production, the increased deployment of climate-friendly generation technologies such as wind energy and photovoltaics also had a notable impact. However, this was counteracted to some degree by the reduction of our zero-carbon generation capacity due to the decommissioning of our last German nuclear power plant in Emsland.

Electricity and gas sales up year on year. RWE sold 79,006 GWh of electricity and 21,628 GWh of gas in the period under review. These volumes are primarily attributable to our subsidiary RWE Supply & Trading, which markets the majority of our electricity generation and manages our gas business. We sold marginally more of our main product, electricity, than in 2023 – in part thanks to our success in attracting new sales accounts, such as industrial companies. Our gas sales were up 8 %. One reason for this is that the activities acquired from Con Edison Clean Energy Businesses, which include gas deliveries to distributors, are being recognised for a full year for the first time.

External revenue down 25 %. Our revenue from customers outside the Group amounted to €11,212 million (excluding natural gas tax and electricity tax). This was 25 % less than in the first six months of last year (€14,862 million). Despite elevated deliveries, revenue dropped 26 % to €9,764 million from electricity, and by 16 % to €820 million from gas. In both cases, this was due to lower prices.

One key performance indicator that is of particular interest to sustainability investors is the portion of our revenue accounted for by coal-fired generation and other coal products. In the first half of 2024, this share was 16 % (previous year: 21 %).

External revenue[1] € million	Jan – Jun 2024	Jan – Jun 2023	+ / –	Jan – Dec 2023
Offshore Wind	516	727	- 211	1,202
Onshore Wind / Solar	1,196	921	275	2,295
Flexible Generation	561	608	- 47	1,235
Supply & Trading	8,569	12,212	- 3,643	22,989
Other, consolidation	–	–	–	–
Core business	**10,842**	**14,468**	**- 3,626**	**27,721**
Phaseout Technologies	370	394	- 24	800
RWE Group	**11,212**	**14,862**	**- 3,650**	**28,521**
of which:				
Electricity revenue	9,764	13,167	- 3,403	25,038
Gas revenue	820	979	- 159	1,750

1 Excluding natural gas tax / electricity tax. Some prior-year figures restated; see the chapter 'Commentary on reporting' on pages 11 et seq.

Internal revenue[1] € million	Jan – Jun 2024	Jan – Jun 2023	+ / –	Jan – Dec 2023
Offshore Wind	698	410	288	1,201
Onshore Wind / Solar	630	383	247	984
Flexible Generation	4,176	5,989	- 1,813	10,423
Supply & Trading	5,843	5,706	137	8,532
Other, consolidation	- 9,475	- 10,504	1,029	- 18,938
Core business	**1,872**	**1,984**	**- 112**	**2,202**
Phaseout Technologies	2,185	2,504	- 319	4,464

1 Some prior-year figures restated; see the chapter 'Commentary on reporting' on pages 11 et seq.

Adjusted EBITDA[1] € million	Jan – Jun 2024	Jan – Jun 2023	+/–	Jan – Dec 2023
Offshore Wind	828	762	66	1,664
Onshore Wind / Solar	730	519	211	1,248
Flexible Generation	1,014	1,949	-935	3,217
Supply & Trading	318	799	-481	1,578
Other, consolidation	9	114	-105	42
Core business	**2,899**	**4,143**	**-1,244**	**7,749**

1 Some prior-year figures restated; see the chapter 'Commentary on reporting' on pages 11 et seq.

Adjusted EBITDA of €2.9 billion markedly down on high prior-year level. In the first half of 2024, our adjusted earnings before interest, taxes, depreciation and amortisation (adjusted EBITDA) amounted to €2,899 million. As set out on page 12, this figure solely relates to the core business, as we no longer disclose adjusted EBITDA for the phaseout technologies lignite and nuclear. Compared to the first six months of last year, adjusted EBITDA declined by 30 %. This is primarily attributable to the Flexible Generation and Supply & Trading segments, where we fell short of the exceptional level of earnings achieved in 2023. Income stated in the 'Other, consolidation' line item was also considerably down on the figure posted in the first half of last year, which benefited from a federal subsidy paid to German transmission system operator Amprion (RWE stake: 25.1 %). Positive effects were felt from the commissioning of new wind and solar farms as well as improved wind conditions. In addition, US-based Con Edison Clean Energy Businesses, which we acquired as of 1 March 2023, contributed to adjusted EBITDA over the entire period for the first time.

Earnings by segment developed as follows:

- **Offshore Wind:** Here, we recorded €828 million in adjusted EBITDA. This represents a gain of €66 million compared to 2023. The main reason for this was an increase in generation volumes driven by improved wind conditions. Higher turbine maintenance and repair costs had a counteracting effect.

- **Onshore Wind / Solar:** Adjusted EBITDA posted by this segment came to €730 million, which exceeds the previous year's level by €211 million. This was partially due to the recognition of Con Edison Clean Energy Businesses for the full six months and the commissioning of new wind and solar farms. Positive price effects – above all in the USA – and more favourable wind conditions helped improve earnings. Unlike last year, we did not achieve notable capital gains on sales of activities. Moreover, we registered a rise in development and operating costs, which is largely attributable to the implementation of our growth strategy.

- **Flexible Generation:** Adjusted EBITA in this segment decreased by €935 million to €1,014 million. As expected, margins on electricity forward sales and the short-term optimisation of power plant dispatch were much lower than in 2023. Furthermore, the figure for 2023 included capital gains on the sale of former business premises, whereas no similar income was booked during the period under review.

- **Supply & Trading:** RWE Supply & Trading's proprietary trading performance did not match the exceptional level recorded in 2023. The segment's adjusted EBITDA thus dropped significantly, falling by €481 million to €318 million.

Adjusted EBIT[1] € million	Jan – Jun 2024	Jan – Jun 2023	+ / –	Jan – Dec 2023
Offshore Wind	504	411	93	1,010
Onshore Wind / Solar	334	187	147	535
Flexible Generation	776	1,700	- 924	2,695
Supply & Trading	306	776	- 470	1,520
Other, consolidation	8	115	- 107	42
Core business	**1,928**	**3,189**	**- 1,261**	**5,802**

1 Some prior-year figures restated; see the chapter 'Commentary on reporting' on pages 11 et seq.

Adjusted EBIT declines to €1.9 billion. Our adjusted EBIT came to €1,928 million, which was clearly below last year's figure (€3,189 million). This figure differs from adjusted EBITDA in that it includes operating depreciation and amortisation, which amounted to €971 million in the period being reviewed (previous year: €954 million).

Reconciliation to net income[1] € million	Jan – Jun 2024	Jan – Jun 2023	+ / –	Jan – Dec 2023
Adjusted EBIT	**1,928**	**3,189**	**- 1,261**	**5,802**
Adjusted financial result	- 154	- 121	- 33	- 495
Non-operating result	3,038	- 555	3,593	- 1,308
Income before tax	**4,812**	**2,513**	**2,299**	**3,999**
Taxes on income	- 745	- 446	- 299	- 2,409
Income	**4,067**	**2,067**	**2,000**	**1,590**
of which:				
Non-controlling interests	57	76	- 19	147
Net income / income attributable to RWE AG shareholders	**4,010**	**1,991**	**2,019**	**1,443**

1 Some prior-year figures restated; see the chapter 'Commentary on reporting' on pages 11 et seq.

Reconciliation to net income: high temporary income from valuation of derivatives. The reconciliation from adjusted EBIT to net income was characterised by special items not relating to operations, which had a positive impact in net terms. The most significant of these items were effects in the non-operating result, e. g. temporary income from the valuation of derivatives, and the non-recurrence of charges resulting from impairments recognised last year. We present the development of the reconciliation items hereinafter.

Adjusted financial result[1] € million	Jan – Jun 2024	Jan – Jun 2023	+ / –	Jan – Dec 2023
Interest income	391	437	-46	695
Interest expenses	-459	-482	23	-998
Net interest	**-68**	**-45**	**-23**	**-303**
Interest accretion to non-current provisions	-226	-215	-11	-465
Other financial result	140	139	1	273
Adjusted financial result	**-154**	**-121**	**-33**	**-495**

1 All items in the table have been adjusted.

Our adjusted financial result experienced a €33 million decline to -€154 million. This was in part due to reduced bank deposits earning less interest. Although our long-term debt increased due to the issuance of new bonds, our interest expenses were marginally lower than in 2023. One reason for this is that we scaled back short-term financing.

Non-operating result[1] € million	Jan – Jun 2024	Jan – Jun 2023	+ / –	Jan – Dec 2023
Adjustments to EBIT	**2,761**	**-613**	**3,374**	**-1,360**
of which:				
Disposal result	1	-2	3	121
Effects on income from the valuation of derivatives	1,710	611	1,099	1,395
EBIT from Phaseout Technologies	898	-1,435	2,333	-2,422
Other	152	213	-61	-454
Adjustments to the financial result	**277**	**58**	**219**	**52**
Non-operating result	**3,038**	**-555**	**3,593**	**-1,308**

1 Some prior-year figures restated; see the chapter 'Commentary on reporting' on pages 11 et seq.

The non-operating result, in which we recognise material items which are not related to operations or the period being reviewed, amounted to €3,038 million (previous year: -€555 million). Its main components developed as follows:

- Adjustments made to EBIT contributed €2,761 million in earnings. The notable improvement compared to 2023 is partially because the prior year's figure (-€613 million) recognised substantial impairment losses relating to our lignite-fired power plants and opencast mines. Furthermore, we released provisions for impending losses on long-term power purchase agreements in the current half-year financial statements. A strong rise was recorded by temporary income from the valuation of derivatives, which advanced by €1,099 million to €1,710 million. This includes €1,957 million from transactions in the Supply & Trading segment which were concluded in connection with sales of electricity generated by our power stations and renewable assets as well as their commercial optimisation.

- Adjustments to the financial result came to €277 million (previous year: €58 million). A key positive factor was that the interest rates used to calculate provisions increased and that the resulting reduction in the net present value of the obligations was recognised as a profit.

Income before tax amounted to €4,812 million (previous year: €2,513 million). Taxes on income totalled €745 million, which corresponds to an effective tax rate of 15 %. This figure falls short of the average of 20 %, which we have established for the medium term having taken account of projected income in our markets, local tax rates, and the use of loss carryforwards. The deviation is primarily due to non-tax-relevant IFRS earnings contributions, which were incurred above all in the Supply & Trading segment.

Non-controlling interests fell by €19 million to €57 million. This was primarily due to a decline in income from our gas-fired power station in the Turkish town of Denizli, in which energy company Turcas holds a 30 % stake. Plant availability improved but the realised generation margins lagged significantly behind the previous year's level.

Our net income, which reflects income attributable to RWE shareholders, amounted to €4,010 million. The previous year's figure was €1,991 million.

Reconciliation to adjusted net income[1] € million	Jan – Jun 2024	Jan – Jun 2023	+ / –	Jan – Dec 2023
Income before financial result and taxes	4,689	2,576	2,113	4,442
Adjustments to EBIT	- 2,761	613	- 3,374	1,360
Adjusted EBIT	**1,928**	**3,189**	**- 1,261**	**5,802**
Financial result	123	- 63	186	- 443
Adjustments to the financial result	- 277	- 58	- 219	- 52
Taxes on income	- 745	- 446	- 299	- 2,409
Adjustments to taxes on income to a tax rate of 20 %	390	- 168	558	1,347
Non-controlling interests	- 57	- 76	19	- 147
Adjusted net income	**1,362**	**2,378**	**- 1,016**	**4,098**

1 Some prior-year figures restated; see the chapter 'Commentary on reporting' on pages 11 et seq.

Adjusted net income of €1.4 billion. Adjusted net income declined by €1,016 million to €1,362 million, predominantly due to the reduction in operating earnings. To calculate adjusted net income, we deducted the non-operating result on the reconciliation statement and adjusted the tax rate, in order to align it with the aforementioned budgeted rate of 20 %. Adjusted net income per share totalled €1.83 compared to €3.20 in the same period last year. These figures are based on 743.8 million shares.

Capital expenditure on property, plant and equipment and on intangible assets[1] € million	Jan – Jun 2024	Jan – Jun 2023	+/–	Jan – Dec 2023
Offshore Wind	1,648	556	1,092	1,349
Onshore Wind / Solar	1,733	895	838	2,709
Flexible Generation	199	210	-11	617
Supply & Trading	40	94	-54	151
Other, consolidation	–	–	–	–
Core business	**3,620**	**1,755**	**1,865**	**4,826**
Phaseout Technologies	114	126	-12	320
RWE Group	**3,734**	**1,881**	**1,853**	**5,146**

1 Table only shows cash investments. Some prior-year figures restated; see the chapter 'Commentary on reporting' on pages 11 et seq.

Capital expenditure on financial assets and acquisitions[1] € million	Jan – Jun 2024	Jan – Jun 2023	+/–	Jan – Dec 2023
Offshore Wind	1,322	92	1,230	133
Onshore Wind / Solar	63	4,124	-4,061	4,173
Flexible Generation	2	431	-429	431
Supply & Trading	26	34	-8	95
Other, consolidation	12	–	12	–
Core business	**1,425**	**4,681**	**-3,256**	**4,832**
Phaseout Technologies	–	–	–	1
RWE Group	**1,425**	**4,681**	**-3,256**	**4,833**

1 Table only shows cash investments.

Investments focus on renewable energy expansion. In the first six months of 2024, capital expenditure amounted to €5,159 million (previous year: €6,562 million). The lion's share of the funds was dedicated to the Offshore Wind (58 %) and Onshore Wind / Solar (35 %) segments.

We spent €3,734 million on property, plant and equipment and intangible assets, roughly twice as much as in last year's corresponding period (€1,881 million). Wind and solar projects in Europe and the USA took centre stage. A significant portion of these funds was spent on building the Sofia (UK, 1,400 MW) and Thor (Denmark, 1,080 MW) offshore wind farms as well as on the Nordseecluster A / B and Dogger Bank South projects on which we report on page 8.

At €1,425 million, our acquisitions and capital expenditure on financial assets lagged significantly behind last year's corresponding figure (€4,681 million), which was unusually high due to the acquisition of Con Edison Clean Energy Businesses. In the period under review, the majority of the funds was used to acquire three offshore wind projects, which we took over from Vattenfall (see page 8).

In the first half of the year, 95 % of our capital expenditure was taxonomy-aligned (previous year: 90 %), meaning that these funds were spent on projects classified as sustainable according to the EU Taxonomy Regulation. This percentage is based on total capital expenditure of €5,524 million. The amount differs from the above figure (€5,159 million) because non-cash transactions are also taxonomy-relevant and the resulting additions to assets are considered rather than associated acquisition expenditure.

Cash flow statement[1] € million	Jan – Jun 2024	Jan – Jun 2023	+ / –	Jan – Dec 2023
Funds from operations	-620	1,699	-2,319	7,891
Increase (–) / decrease (+) in working capital	950	310	640	-3,668
Cash flows from operating activities	**330**	**2,009**	**-1,679**	**4,223**
Cash flows from investing activities	**-2,883**	**-750**	**-2,133**	**-2,798**
Cash flows from financing activities	**1,044**	**214**	**830**	**-1,557**
Effects of changes in foreign exchange rates and other changes in value on cash and cash equivalents	62	72	-10	61
Total net changes in cash and cash equivalents	**-1,447**	**1,545**	**-2,992**	**-71**
Cash flows from operating activities	330	2,009	-1,679	4,223
Minus capital expenditure	-5,159	-6,562	1,403	-9,979
Plus proceeds from divestitures / asset disposals	175	114	61	1,162
Free cash flow	**-4,654**	**-4,439**	**-215**	**-4,594**

1 Some prior-year figures restated; see the chapter 'Commentary on reporting' on pages 11 et seq.

Strong decline in operating cash flows. Our cash flows from operating activities totalled €330 million, much less than in the same period last year (€2,009 million). This was mainly due to the significant decline in operating income. Furthermore, we received much lower variation margins from commodity derivatives than in the first six months of 2023. These margins are sureties for exchange-traded futures contracts pledged during the term of the contracts. A positive effect was felt from the reduction in expenses incurred to procure CO_2 emission allowances.

Investing activities led to cash outflows of €2,883 million, easily surpassing the €750 million registered in the corresponding period in 2023, although we spent a substantial sum on the acquisition of US-based Con Edison Clean Energy Businesses in that year. The main reasons for the increase were the rise in capital expenditure on property, plant and equipment and a significant reduction in sales of short-term cash investments.

Financing activities resulted in €1,044 million in cash flows (prior year: €214 million). Our issuance of three green bonds came to bear here: one in January with a volume of €500 million, and two in April, each with a volume of US$1 billion (see page 4). Further proceeds stemmed from the sale of a 49 % stake in the Dogger Bank South offshore wind projects to Abu Dhabi-based energy firm Masdar (see page 8). A counteracting effect was felt from the dividend payments to RWE shareholders (€744 million) and minority shareholders (€152 million).

The presented cash flows from operating, investing and financing activities reduced our liquidity by €1,447 million.

Cash flows from operating activities, less capital expenditure, plus proceeds from divestments and asset disposals, result in free cash flow, which amounted to -€4,654 million in the period under review (previous year: -€4,439 million).

Reconciliation to adjusted cash flow from Phaseout Technologies € million	Jan – Jun 2024	Jan – Jun 2023
Cash flows from operating activities	**330**	**2,009**
Cash flows from operating activities of the core business	-1,083	-2,419
Cash flows from operating activities of Phaseout Technologies	**-753**	**-410**
Net investments of Phaseout Technologies	-28	-110
Drawings on provisions	2,633	2,457
Additions to / reversals of provisions	-1,301	-1,440
Other	-155	-320
Adjusted cash flow from Phaseout Technologies	**396**	**177**

Phaseout Technologies: adjusted cash flow up to €396 million. As set out on page 12, we manage our German lignite and nuclear activities based on their adjusted cash flows. We calculate this figure by deducting net capital expenditure from operating cash flows. Moreover, we eliminate impacts of (cash-effective) drawings on provisions unrelated to the period and add (non-cash-effective) impacts of additions to / reversals of provisions that are related to the period. For example, payments for CO_2 emission allowances that relate to last year's electricity generation are excluded, whereas provisions for future purchases of emission allowances resulting from current electricity generation are included.

In the first half of 2024, we recorded an adjusted cash flow of €396 million from Phaseout Technologies. This was €219 million more than in the same period last year, in part due to higher margins on electricity forward sales and proceeds on the sale of land to Microsoft (see page 10). Earnings were curtailed substantially by the Emsland nuclear power station shutting down as of 15 April 2023.

Net debt of €11.4 billion. As of 30 June 2024, the RWE Group's net debt totalled €11.4 billion. It rose by €4.8 billion compared to its level at 31 December 2023. Our substantial capital expenditure played a central role. Operating cash flow as well as proceeds on the sale of a 49 % stake in Dogger Bank South had a debt-reducing effect. Furthermore, a rise in discount rates drove down provisions for pensions, nuclear waste management and the dismantling of wind and solar farms.

Net debt[1] € million	30 Jun 2024	31 Dec 2023	+ / –
Cash and cash equivalents	5,470	6,917	-1,447
Marketable securities	6,192	8,114	-1,922
Other financial assets	2,454	2,529	-75
Financial assets	**14,116**	**17,560**	**-3,444**
Bonds, other notes payable, bank debt, commercial paper	-13,719	-11,749	-1,970
Hedging of bond currency risk	7	-2	9
Other financial liabilities	-5,057	-5,278	221
Minus 50 % of the hybrid capital stated as debt	292	294	-2
Financial liabilities	**-18,477**	**-16,735**	**-1,742**
Net financial debt / net financial assets	**-4,361**	**825**	**-5,186**
Provisions for pensions and similar obligations	-1,221	-1,324	103
Surplus of plan assets over benefit obligations	555	509	46
Provisions for nuclear waste management	-5,207	-5,384	177
Provisions for dismantling wind and solar farms	-1,185	-1,213	28
Net debt	**-11,419**	**-6,587**	**-4,832**

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.

Equity ratio rises to 35.1 %. The balance-sheet total as of 30 June 2024 is €97.6 billion compared to €106.5 billion as of 31 December 2023. The main reason for the decline is the development of the value of commodity derivatives, which dropped by €9.6 billion on the assets side and by €7.2 billion on the equity and liabilities side. The value of securities on our books also decreased, falling by €1.9 billion. Conversely, property, plant and equipment rose by €4.6 billion, primarily driven by our growth investments in the renewable energy business. Equity increased by €1.1 billion to €34.2 billion. Its share of the balance-sheet total was 35.1 % compared to 31.1 % at the end of 2023.

Group balance sheet structure[1]	30 Jun 2024		31 Dec 2023	
	€ million	%	€ million	%
Assets				
Non-current assets	59,033	60.5	52,498	49.3
of which:				
Intangible assets	10,400	10.7	9,787	9.2
Property, plant and equipment	33,402	34.2	28,808	27.0
Current assets	38,546	39.5	54,014	50.7
of which:				
Trade accounts receivable	5,547	5.7	7,607	7.1
Derivatives, other receivables and other assets	19,265	19.7	29,496	27.7
Marketable securities	5,807	6.0	7,724	7.3
Total	**97,579**	**100.0**	**106,512**	**100.0**

	30 Jun 2024		31 Dec 2023	
	€ million	%	€ million	%
Equity and liabilities				
Equity	34,235	35.1	33,158	31.1
Non-current liabilities	41,173	42.2	39,085	36.7
of which:				
Provisions	16,630	17.0	17,431	16.4
Financial liabilities	16,322	16.7	14,064	13.2
Current liabilities	22,171	22.7	34,269	32.2
of which:				
Provisions	3,851	3.9	6,815	6.4
Financial liabilities	2,454	2.5	2,964	2.8
Trade accounts payable	4,112	4.2	5,114	4.8
Derivatives and other liabilities	11,754	12.0	19,376	18.2
Total	**97,579**	**100.0**	**106,512**	**100.0**

1 Some prior-year figures restated; see the chapter 'Commentary on reporting' on pages 11 et seq.

Workforce[1]	30 Jun 2024	31 Dec 2023	+ / –
Offshore Wind	2,618	2,388	230
Onshore Wind / Solar	3,686	3,392	294
Flexible Generation	3,359	3,196	163
Supply & Trading	2,089	1,971	118
Other[2]	563	544	19
Core business	**12,315**	**11,491**	**824**
Phaseout Technologies	8,550	8,644	– 94
RWE Group	**20,865**	**20,135**	**730**

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

Headcount markedly up thanks to green growth. As of 30 June 2024, the RWE Group had 20,865 people on its payroll, of which 13,632 were employed in Germany and 7,233 worked at locations abroad. These figures are full-time equivalents, meaning that part-time positions are considered on a pro-rata basis. Compared to the end of 2023, personnel numbers increased by 730 full-time equivalents at the Group level and as much as 824 full-time equivalents in the core business. Growth projects in the renewable energy business made a major contribution to the workforce expansion. The rise in the core business was contrasted by a marginal decline in the Phaseout Technologies segment (– 94) where many employees accepted partial and early retirement offers in particular as part of the German coal and nuclear phaseouts.

Outlook for 2024

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

1 Some figures restated; see the chapter 'Commentary on reporting' on pages 11 et seq.

RWE Group confirms earnings forecast. Our earnings outlook for the financial year underway has not changed since March 2024 (see pages 60 et seq. of our 2023 Annual Report). RWE's operating result is likely to remain far below the high level recorded in 2023. We continue to expect adjusted EBITDA to come in at the lower end of the guidance of €5.2 billion to €5.8 billion, which we gave at the Capital Markets Day held on 28 November 2023. Electricity prices dropped thereafter, slightly clouding our profit outlook. At our Capital Markets Day, we had envisaged adjusted EBIT totalling 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, for which our guidance is €1.9 billion to €2.4 billion. The forecast decline in earnings is based on the assumption that our trading performance, generation margins and income from the short-term optimisation of power plant dispatch will fall short of the high level achieved in 2023. We expect positive effects from the commissioning of new wind and solar farms as well as battery storage facilities.

Phaseout Technologies. We forecast adjusted cash flow from our German lignite and nuclear activities to be between €0.3 billion and €0.6 billion (previous year: €117 million). More information on this key performance indicator is available on page 22.

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

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

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

Current assessment of risk exposure

Risk exposure of the Group largely unchanged. We assess risks twice a year, using a bottom-up analysis. We break them down by cause into the following classes: (1) market risks, (2) regulatory and political risks, (3) legal risks, (4) operational risks, (5) financial risks, (6) creditworthiness of business partners, and (7) other risks. We assess the risks in each of these classes based on the highest individual risk. The categories are 'low', 'medium' and 'high'.

Information on the structure and processes of our risk management, the responsible organisational units, the major risks and opportunities as well as our measures to control and monitor risks is set out in detail on pages 62 et seqq. of our 2023 Annual Report. This commentary is based on information available to us in February 2024. Since then, we have not identified any developments that would give reason to reassess material elements of the Group's exposure to risks. Furthermore, we do not currently foresee any developments that would undermine the viability of RWE AG or the RWE Group.

We continue to see classes (1) and (2), which we classify as 'high', as harbouring our greatest risk factors. Market risks (1) primarily arise from uncertainty surrounding the development of wholesale electricity prices. If they drop and remain low, the margins of generation assets, the production of which we sell at market conditions, may lag behind expectations. However, we also recognise the possibility of rising electricity quotations due to higher prices for fuel and emission allowances, for example. Current regulatory and political risks (2) partially stem from the impending presidential elections in the USA: the result may lead to a change in US energy policy, which could impede investments in wind and solar energy. Similar developments are also conceivable in Europe. However, the EU's most recent electricity market reform and the change of government in the UK have, in fact, increased the likelihood of the regulatory framework for green investments becoming more attractive.

Risk indicators in the first half of 2024. We manage commodity price and financial market risks using indicators such as the Value at Risk, Cash Flow at Risk and sensitivities.

The risk exposure of the trading operations of RWE Supply & Trading is measured using the Value at Risk (VaR). It specifies the maximum loss from a risk position not exceeded with a given probability over a certain period of time. The VaR figures within the RWE Group are generally calculated using a confidence interval of 95 % – with an observation period of one day. This means that, with a probability of 95 %, the maximum daily loss does not exceed the VaR. The VaR for the price risks associated with commodity positions in the trading business is subject to a limit, which is currently €60 million. The actual daily figures usually remained significantly lower. The average for the first half of the year was €12 million.

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 ceiling, which is set at €40 million. The average of the actual VaR values for the first half of the year was €6 million.

The development of market interest rates is a major financial risk, because rising interest rates drive up our finance costs. We measure this risk using the Cash Flow at Risk (CFaR). In doing so, we apply a confidence level of 95 % and a holding period of one year. In the first half of 2024, the average CFaR was €55 million.

Furthermore, interest rate hikes can lead to losses on the securities on our books – and vice versa. This primarily relates to fixed-interest bonds. We measure the securities price risk using a sensitivity analysis. This led to the following results as at the balance-sheet date: if market interest rates had increased by 100 basis points, the value of the bonds on our books would have dropped by €18 million.

Interim consolidated financial statements (condensed)

Income statement

€ million	Apr – Jun 2024[1]	Apr – Jun 2023[1]	Jan – Jun 2024	Jan – Jun 2023
Revenue (including natural gas tax / electricity tax)[2,3]	**4,648**	**5,581**	**11,319**	**14,953**
Natural gas tax / electricity tax	-54	-47	-107	-91
Revenue[2,3]	**4,594**	**5,534**	**11,212**	**14,862**
Other operating income[4]	743	999	3,953	1,971
Cost of materials[4]	-1,882	-3,166	-7,584	-9,413
Staff costs	-804	-767	-1,463	-1,427
Depreciation, amortisation and impairment losses[3]	-494	-1,591	-993	-2,084
Other operating expenses	-104	-867	-708	-1,715
Income from investments accounted for using the equity method[3]	134	123	277	371
Other income from investments	–	20	-5	11
Income before financial result and tax[3]	**2,187**	**285**	**4,689**	**2,576**
Financial income[3]	756	666	1,319	1,195
Finance costs	-577	-352	-1,196	-1,258
Income before tax[3]	**2,366**	**599**	**4,812**	**2,513**
Taxes on income	-259	-180	-745	-446
Income[3]	**2,107**	**419**	**4,067**	**2,067**
of which: non-controlling interests	15	25	57	76
of which: net income / income attributable to RWE AG shareholders[3]	**2,092**	**394**	**4,010**	**1,991**
Basic and diluted earnings per share in €	**2.81**	**0.53**	**5.39**	**2.68**

1 Voluntary reporting of the quarterly figures for the period 1 April to 30 June 2024 and the prior-year quarter are not part of the audit review as of 30 June 2024.
2 A presentation of revenue by product and segment can be found on page 15.
3 Prior-year figures restated (non-material adjustment); see page 12.
4 Prior-year figures restated in accordance with IAS 8.42 (reduction of €2,995 million in the cost of materials and other operating income in the period January – June 2023), due to a correction in the reporting of realised hedges from emission allowances.

Statement of comprehensive income

Figures stated after taxes – € million	Apr – Jun 2024[1]	Apr – Jun 2023[1]	Jan – Jun 2024	Jan – Jun 2023
Income	**2,107**	**419**	**4,067**	**2,067**
Actuarial gains and losses of defined benefit pension plans and similar obligations	47	-95	79	-148
Income and expenses of investments accounted for using the equity method (pro-rata)	-16	61	-14	61
Fair valuation of equity instruments	-242	90	67	953
Income and expenses recognised in equity, not to be reclassified through profit or loss	**-211**	**56**	**132**	**866**
Currency translation adjustment[2]	-150	111	-45	133
Fair valuation of debt instruments	-1	1	2	2
Fair valuation of financial instruments used for hedging purposes[2]	-851	563	-2,780	4,691
Income and expenses of investments accounted for using the equity method (pro-rata)	-6	-29	1	-28
Income and expenses recognised in equity, to be reclassified through profit or loss in the future	**-1,008**	**646**	**-2,822**	**4,798**
Other comprehensive income	**-1,219**	**702**	**-2,690**	**5,664**
Total comprehensive income	**888**	**1,121**	**1,377**	**7,731**
of which: attributable to RWE AG shareholders	852	1,049	1,271	7,603
of which: attributable to non-controlling interests	36	72	106	128

1 Voluntary reporting of the quarterly figures for the period 1 April to 30 June 2024 and the prior-year quarter are not part of the audit review as of 30 June 2024.
2 Prior-year figures restated (non-material adjustment).

Balance sheet

Assets € million	30 Jun 2024	31 Dec 2023
Non-current assets		
Intangible assets	10,400	9,787
Property, plant and equipment[1]	33,402	28,808
Investments accounted for using the equity method[1]	4,317	4,062
Other non-current financial assets	5,654	5,573
Derivatives, receivables and other assets[1]	4,653	3,626
Deferred taxes	607	642
	59,033	**52,498**
Current assets		
Inventories	2,457	2,270
Trade accounts receivable	5,547	7,607
Derivatives, receivables and other assets[1]	19,265	29,496
Marketable securities	5,807	7,724
Cash and cash equivalents	5,470	6,917
	38,546	**54,014**
	97,579	**106,512**

1 Prior-year figures restated (non-material adjustment); see page 12.

Equity and liabilities € million	30 Jun 2024	31 Dec 2023
Equity		
RWE AG shareholders' interest[1]	32,275	31,587
Non-controlling interests	1,960	1,571
	34,235	**33,158**
Non-current liabilities		
Provisions	16,630	17,431
Financial liabilities	16,322	14,064
Derivatives and other liabilities	3,382	2,200
Deferred taxes	4,839	5,390
	41,173	**39,085**
Current liabilities		
Provisions	3,851	6,815
Financial liabilities	2,454	2,964
Trade accounts payable	4,112	5,114
Derivatives and other liabilities	11,754	19,376
	22,171	**34,269**
	97,579	**106,512**

1 Prior-year figures restated (non-material adjustment); see page 12.

Cash flow statement

€ million	Jan – Jun 2024	Jan – Jun 2023
Income[1]	4,067	2,067
Depreciation, amortisation, impairment losses / write-backs	999	2,072
Changes in provisions	-3,537	-1,431
Changes in deferred taxes	447	69
Income from disposal of non-current assets and marketable securities	-333	-87
Other non-cash income / expenses[1]	-2,263	-991
Changes in working capital[1]	950	310
Cash flows from operating activities[1]	**330**	**2,009**
Intangible assets / property, plant and equipment		
Capital expenditure	-3,734	-1,881
Proceeds from disposal of assets	100	86
Acquisitions / investments		
Capital expenditure	-1,425	-4,681
Proceeds from disposal of assets / divestitures	75	28
Changes in marketable securities and cash investments[1]	2,101	5,698
Cash flows from investing activities[1]	**-2,883**	**-750**

1 Prior-year figures restated; see page 12.

€ million	Jan – Jun 2024	Jan – Jun 2023
Net change in equity (incl. non-controlling interests)	510	-10
Dividends paid to RWE AG shareholders and non-controlling interests	-896	-820
Issuance of financial debt	2,932	28,687
Repayment of financial debt	-1,502	-27,643
Cash flows from financing activities	**1,044**	**214**
Net cash change in cash and cash equivalents	-1,509	1,473
Effects of changes in foreign exchange rates and other changes in value on cash and cash equivalents	62	72
Net change in cash and cash equivalents	**-1,447**	**1,545**
Cash and cash equivalents at beginning of the reporting period	6,917	6,988
Cash and cash equivalents at end of the reporting period	**5,470**	**8,533**
of which: reported as 'Assets held for sale'	–	10
Cash and cash equivalents at end of the reporting period as per the consolidated balance sheet	**5,470**	**8,523**

Statement of changes in equity

Statement of changes in equity € million	Subscribed capital and additional paid-in capital of RWE AG	Retained earnings and distributable profit	Accumulated other comprehensive income	**RWE AG shareholders' interest**	Non-controlling interests	**Total**
Balance at 1 Jan 2023[1]	**5,965**	**15,758**	**5,878**	**27,601**	**1,703**	**29,304**
Capital paid out	–	-1	–	-1	-4	-5
Conversion of the mandatory convertible bond[2]	2,428	-2,428	–	–	–	–
Dividends paid	–	-669	–	-669	-151	-820
Income[1]	–	1,991	–	1,991	76	2,067
Other comprehensive income	–	865	4,747	5,612	52	5,664
Total comprehensive income	–	2,856	4,747	7,603	128	7,731
Other changes	–	-25	-2,034	-2,059	-11	-2,070
Balance at 30 Jun 2023	**8,393**	**15,491**	**8,591**	**32,475**	**1,665**	**34,140**
Balance at 1 Jan 2024[1]	**8,393**	**14,431**	**8,763**	**31,587**	**1,571**	**33,158**
Capital paid in	–	–	–	–	36	36
Dividends paid	–	-744	–	-744	-152	-896
Income	–	4,010	–	4,010	57	4,067
Other comprehensive income	–	132	-2,871	-2,739	49	-2,690
Total comprehensive income	–	4,142	-2,871	1,271	106	1,377
Other changes	–	101	60	161	399	560
Balance at 30 Jun 2024	**8,393**	**17,930**	**5,952**	**32,275**	**1,960**	**34,235**

1 Prior-year figures restated (non-material adjustment); see page 12.
2 Effects from conversion of the mandatory convertible bond into RWE AG shares on 15 March 2023; see page 166 of the 2023 RWE Annual Report.

Selected note disclosures

Accounting policies

RWE AG, headquartered in Essen, Germany, is the parent company of the RWE Group ('RWE' or 'Group').

The interim consolidated financial statements as of 30 June 2024, including the additional information in the interim Group review of operations, have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable in the European Union (EU). The statements were authorised for issue on 9 August 2024.

In line with IAS 34, the scope of reporting for the presentation of the interim consolidated financial statements for the period ended 30 June 2024 was condensed compared with the scope applied to the consolidated financial statements as of 31 December 2023. With the exception of the changes and new rules described below, these interim consolidated financial statements were prepared using the accounting policies applied in the consolidated financial statements for the period ended 31 December 2023. For further information, please see the 2023 consolidated financial statements, which provide the basis for this half-year financial report.

The average discount rate applied to provisions for nuclear waste management is 2.5 % (31 December 2023: 2.0 %), and 3.1 % (31 December 2023: 3.0 %) for mining-related provisions. Provisions for pensions and similar obligations are discounted at an interest rate of 3.7 % in Germany and 5.2 % abroad (31 December 2023: 3.5 % and 4.6 %, respectively).

Changes in accounting regulations

The International Accounting Standards Board (IASB) has approved new IFRS and several amendments to existing IFRS, which are effective for the RWE Group as of fiscal 2024, due to EU endorsement:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (2020) and 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 and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (2023)

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

Change to the useful life of wind assets. During the review of useful lives, the useful life span of wind assets was adjusted to a period of up to 30 years (previously: up to 25 years) in the reporting year. This change in accounting estimates was carried out in a pro spective manner. As a result of this, the scheduled depreciation of wind assets declined by €54 million in the first half of 2024 and a decline of €108 million is projected for fiscal 2024. An effect of a similar magnitude is expected in the coming years.

New accounting policies

The IASB issued further standards and amendments to standards, which are not yet mandatory in the EU in fiscal 2024. These standards and amendments to standards are listed below and are not expected to have any material effects on RWE's consolidated financial statements, with the exception of IFRS 18:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (2023)
- IFRS 18 Presentation and Disclosure in Financial Statements (2024)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (2024)
- Annual Improvements to IFRS Accounting Standards – Volume 11 (2024)
- Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments (2024)

In April 2024, the IASB published IFRS 18 (Presentation and Disclosure in Financial Statements), which is applicable for fiscal years starting from 1 January 2027 and will replace IAS 1 Presentation of Financial Statements. In general, the new regulations in IFRS 18 result in changes in the presentation of the primary financial statements as well as additional disclosures in the notes in relation to certain performance indicators which are published in the financial statements. The specific impacts of IFRS 18 on the RWE Group's consolidated financial statements are currently being reviewed.

Scope of consolidation

In addition to RWE AG, the consolidated financial statements contain all material German and foreign companies which RWE controls directly or indirectly. Principal associates are accounted for using the equity method, and principal joint arrangements are accounted for using the equity method (joint ventures) or as joint operations.

The changes in the number of fully consolidated companies as well as of associates and joint ventures accounted for using the equity method are presented below:

Number of fully consolidated companies	Germany	Abroad	Total
Balance at 1 Jan 2024	**51**	**755**	**806**
First-time consolidation	2	25	27
Deconsolidation	-2	-4	-6
Mergers	-1	-59	-60
Balance at 30 Jun 2024	**50**	**717**	**767**

Number of companies accounted for using the equity method	Germany	Abroad	Total
Balance at 1 Jan 2024	**10**	**19**	**29**
Acquisitions	–	–	–
Disposals	–	–	–
Other changes	–	–	–
Balance at 30 Jun 2024	**10**	**19**	**29**

Furthermore, two companies are presented as joint operations (31 December 2023: two companies).

Acquisitions

Acquisition of three offshore wind projects from Vattenfall. At end-March 2024, the acquisition of 100 % of the shares in the three development projects Norfolk Vanguard West, Norfolk Vanguard East and Norfolk Boreas in the UK was completed. This acquisition was agreed at the end of December 2023 with the Swedish group Vattenfall AB, Stockholm, Sweden. The three offshore wind projects each have a planned capacity of 1.4 gigawatts and are located off the coast of East Anglia. The three development projects have already secured seabed rights, grid connections, Development Consent Orders and all other key permits. Along with the projects, RWE also took on a team of 46 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 30 Jun 2024)
Non-current assets	1,350
Current assets	66
Non-current liabilities	144
Current liabilities	947
Net assets	**325**
Purchase price	344
Provisional difference	**19**

The fair value of the receivables included in non-current and current assets amounted to €10 million and corresponded to the gross amount of the receivables that are fully recoverable.

Since first-time consolidation as of 27 March 2024, the companies have contributed €0 million to the Group's revenue and – €17 million to the Group's earnings.

The purchase price was paid exclusively in cash and cash equivalents. Cash and cash equivalents in the amount of €57 million were acquired as part of the transaction.

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

The initial accounting of the business combination has not been finalised due to the complex structure of the transaction.

If all of the business combinations in the reporting period had occurred on 1 January 2024, Group income and Group revenue would have amounted to €4,033 million and €11,212 million, respectively.

Dividend distribution

RWE AG's Annual General Meeting, held on 3 May 2024, decided to pay a dividend of €1.00 per dividend-bearing RWE share for fiscal 2023. The dividend payment for fiscal 2023 occurred on 8 May 2024 and totalled €744 million (previous year: €669 million).

Financing measures

In January 2024, RWE issued another green bond with a volume of €500 million. The bond matures in 2032 and has a yield-to-maturity of 3.7 %, based on a coupon of 3.625 % p.a. and an issue price of 99.489 %. In accordance with RWE's guidelines for green bonds, the RWE Green Bond Framework, the proceeds from the issue may only be used for the financing of wind and solar projects, as well as energy storage, and hydrogen production and storage facilities.

In April 2024, RWE issued its first green USD bond with a total volume of US$2 billion. The bond consisted of two tranches, one with a volume of US$1 billion and a maturity of ten years and one with a volume of US$1 billion and a maturity of thirty years. Based on a coupon of 5.875 % and an issue price of 99.619 %, the yield-to-maturity amounts to 5.926 % for the first tranche. The yield-to-maturity is 6.261 % for the second tranche, with a coupon of 6.250 % and an issue price of 99.852 %.

In April 2024, RWE AG's Debt Issuance Programme (DIP) was increased from €10 billion to €15 billion. The green bond issued in the USA and the two outstanding hybrid bonds are not part of the DIP.

Earnings per share

Earnings per share		Jan – Jun 2024	Jan – Jun 2023
Net income / income attributable to RWE AG shareholders	€ million	4,010	1,991
Number of shares outstanding	thousands	743,841	743,841
Basic and diluted earnings per share	€	5.39	2.68

Related party disclosures

The RWE Group classifies associated companies and joint ventures as related parties. In the first half of 2024, transactions concluded with material related parties generated income of €585 million (previous year: €564 million). Furthermore, transactions concluded with material related parties led to expenses of €192 million (previous year: €253 million). As of 30 June 2024, accounts receivable amounted to €848 million (31 December 2023: €718 million) and accounts payable totalled €236 million (31 December 2023: €294 million). All business transactions were concluded at arm's length conditions and on principle do not differ from transactions involving the supply of goods and services concluded with other companies. Other obligations from pending transactions amounted to €166 million (31 December 2023: €166 million).

Above and beyond this, the RWE Group did not execute any material transactions with related parties or persons.

Reporting on financial instruments

Financial instruments are divided into non-derivative and derivative. Non-derivative financial assets essentially include other financial assets, accounts receivable, marketable securities and cash and cash equivalents. Financial instruments are recognised at amortised cost or fair value, depending on their classification. For accounting purposes, financial instruments on the asset side are assigned to the categories 'Debt instruments measured at amortised cost,' 'Debt instruments measured at fair value through other comprehensive income,' 'Equity instruments measured at fair value through other comprehensive income' and 'Financial assets measured at fair value through profit or loss'.

On the liabilities side, non-derivative financial instruments principally include liabilities measured at amortised cost.

The fair value of financial instruments is established 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 expected cash flows discounted using current market interest rates corresponding to the remaining maturity, taking into consideration macro-economic developments and corporate business plan data. In part, they are also measured using external valuations, for example by banks. Depending on the availability of market parameters, the fair values of financial instruments are assigned to the three levels of the fair value hierarchy pursuant to IFRS 13.

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 market standard 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.

As a rule, the carrying amount of financial assets and liabilities subject to IFRS 7 are identical with their fair values. The only deviations are for other assets, financial receivables and financial liabilities. The carrying amount of the other assets is €13,986 million (31 December 2023: €19,438 million) and the fair value amounts to €13,937 million (31 December 2023: €19,438 million). The carrying amount of the financial receivables is €2,641 million (31 December 2023: €2,652 million) and the fair value amounts to €2,659 million (31 December 2023: €2,652 million). The carrying amount of the financial liabilities is €16,633 million (31 December 2023: €15,115 million) and the fair value amounts to €16,335 million (31 December 2023: €14,902 million).

The following overview presents the classifications of financial instruments measured at fair value in the fair value hierarchy prescribed by IFRS 13. In accordance with 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 € million	Total 30 Jun 2024	Level 1	Level 2	Level 3	Total 31 Dec 2023	Level 1	Level 2	Level 3
Other non-current financial assets	5,654	5,110	127	417	5,573	5,059	126	388
Derivatives (assets)[1]	15,845	1,000	11,912	2,933	24,549	–	22,424	2,125
of which: used for hedging purposes	3,803	–	3,803	–	7,016	–	7,016	–
Marketable securities	4,865	4,864	1	–	6,771	6,771	–	–
Derivatives (liabilities)[1]	11,827	1,017	9,722	1,088	17,848	–	16,836	1,012
of which: used for hedging purposes	1,637	–	1,637	–	3,092	–	3,092	–
Contingent purchase price obligations	2	–	–	2	29	–	23	6

1 As of 30 June 2024, Level 1 specifically includes futures transactions which are not offset against the variation margins as of 30 June 2024.

The development of the fair values of Level 3 financial instruments is presented in the following table:

Level 3 financial instruments: Development in 2024 € million	Balance at 1 Jan 2024	Changes in the scope of consolidation, currency adjustments and other	Changes			Balance at 30 Jun 2024
			Recognised in profit or loss	Recognised in OCI	With a cash effect[1]	
Other non-current financial assets	388	36	0	–	-7	417
Derivatives (assets)	2,125	-1	1,095	–	-286	2,933
Derivatives (liabilities)	1,012	1	307	–	-232	1,088
Contingent purchase price obligations	6	–	–	–	-4	2

1 This item includes purchases, sales, issues and settlements.

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 30 Jun 2023
			Recognised in profit or loss	Recognised in OCI	With a cash effect[1]	
Other non-current financial assets	466	-142	10	–	-6	328
Derivatives (assets)[2]	4,360	-1	-944	–	-1,123	2,292
Derivatives (liabilities)[2]	1,963	-5	-616	–	-540	802

1 This item includes purchases, sales, issues and settlements.
2 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 € million	Total Jan – Jun 2024	Of which: attributable to financial instruments held at the balance-sheet date	Total Jan – Jun 2023	Of which: attributable to financial instruments held at the balance-sheet date
Other operating income / expenses	788	788	- 328	- 335
Income from investments	0	0	10	10
	788	**788**	**- 318**	**- 325**

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 market prices cause them to drop. A change in pricing by + / – 10 % would cause the market value to rise by €97 million (previous year: €34 million) or decline by €97 million (previous year: €34 million).

Events after the balance-sheet date

Commentary on the following events after the balance-sheet date can be found in the section 'Major events' in the interim combined review of operations:

- OranjeWind offshore wind farm greenlit after TotalEnergies acquires stake.
- RWE secures its first offshore wind project in Australia.
- Germany grants funding to three of RWE's hydrogen projects.

Translation – the German text is authoritative

Review report

To RWE Aktiengesellschaft, Essen / Germany

We have reviewed the condensed interim consolidated financial statements, which comprise the balance sheet, the income statement, the statement of comprehensive income, the cash flow statement, the statement of changes in equity as well as selected note disclosures, and the interim group management report of RWE Aktiengesellschaft, Essen / Germany, for the period from 1 January to 30 June 2024, that are part of the half-year financial information under Section 115 WpHG. The preparation of the condensed interim consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the requirements of the German Securities Trading Act (WpHG) applicable to interim group management reports is the responsibility of the executive directors of the Company. Our responsibility is to issue a review report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and of the interim group management report in compliance with the German Generally Accepted Standards for Reviews of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW) and in supplementary compliance with the International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. Those standards require that we plan and perform the review to obtain a certain level of assurance to preclude through critical evaluation that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and other persons accountable for accounting and to analytical procedures applied to financial data and thus provides less assurance than an audit. Since, in accordance with our engagement, we have not performed an audit, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of RWE Aktiengesellschaft, Essen / Germany, have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Düsseldorf / Germany, 12 August 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:	Signed:
Martin C. Bornhofen	Dr. Benedikt Brüggemann
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for half-year financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim 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 for the remaining months of the financial year.

Essen, 9 August 2024

The Executive Board

Krebber Müller van Doren

Financial calendar 2024 / 2025

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

This document was published on 14 August 2024. It is a translation of the German interim report on the first half of 2024. In case of divergence the German version shall prevail. All events concerning the publication of our financial reports and the Annual General Meeting are broadcast online and recorded. We will keep recordings on our website for at least twelve months.

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