PRESS RELEASE

EWE increases investments in climate-neutral energy system

- **Energy and telecommunications company presents balance sheet for 2023 financial year**
- **Positive business development supports the company's growth trajectory**
- **Increases in investments, revenues and operating EBIT**

Oldenburg, 25 April 2024. As announced, the Oldenburg-based energy and telecommunications service provider EWE significantly increased its investments in the development of a climate-neutral and more digitalized energy system in the 2023 financial year: the company invested a total of 1.15 billion euros in the transformation towards climate-neutral technologies, products and services - an increase of almost 50 per cent compared to the previous year (2022: 768 million euros). "We are on the way to seizing the growth opportunities arising from the transformation task," said Stefan Dohler, CEO of EWE AG, at the presentation of the balance sheet for the 2023 financial year. Over the next ten years, the company sees potential for investments totaling up to 16 billion euros in the foundations of an increasingly climate-neutral future.

As an integrated company, EWE will continue to make concrete contributions to the transformation of the overall system at all stages of the energy industry value chain and will itself become climate-neutral by 2035. "Next Tuesday, our subsidiary swb in Bremen will shut down the last coal power plant - EWE will then have completed the coal phase-out and thus also achieved an important interim goal towards its own climate neutrality," Dohler announced. Despite the ongoing challenges posed by the Russian war against Ukraine and four years now characterized by global crises, EWE has always invested in its six strategic growth areas alongside its day-to-day business and additional efforts to ensure security of supply: "As a result, we are already very active in these important areas and are well positioned overall - be it renewable energies, energy grids, energy services, large-scale storage and hydrogen, electromobility or telecommunications," said Dohler. The aim is an increasingly climate-neutral energy future in which a secure and affordable supply of energy is guaranteed, the north-west benefits economically and future generations also have the opportunity to shape the future.

EWE's Board of Management takes positive stock of the 2023 financial year

At times strong price fluctuations on the energy markets, the implementation of government energy price brakes and the public controversies surrounding the Building Energy Act and the Climate Transformation Fund also made for a difficult market environment in the 2023 financial year. "Nevertheless, we can look back on a very positive operating business performance today, which supports the company's growth course," summarized Dohler from the perspective of the EWE Board of Management. To be able to further increase investment activity, the company must work profitably in the long term and continuously optimize processes. "Financing the diverse transformation tasks is a major challenge for the energy sector as a whole - we are in constant and constructive dialogue with our majority municipal shareholders," Dohler explained. In the 2023 financial year, Group revenue rose by 16.3 per cent to ten billion euros (2022: 8.6 billion euros). Operating EBIT, earnings before interest and taxes adjusted for one-off effects, rose by 54.6 per cent to one billion euros in the same period (2022: 664.7 million euros). By contrast, the EWE Group's net loss for the period of -541.9 million euros was significantly lower than in the previous year (2022: 425.2 million euros).

Consolidated net profit for the period strongly characterised by special effects

EWE CFO Wolfgang Mücher explained: "In recent years we have repeatedly experienced strong distortions in the consolidated net result for the period due to special effects, most of which are not cash effective. In this reporting period, the key figure is significantly characterised by a strongly negative net surplus of valuation effects around derivatives, while this still had a positive impact on our net profit for the period in the same period of the previous year. In addition, the high level of interest rates led to impairments, which also had an impact on the consolidated result for the period. Increased sales revenue and higher interest income on the credit side only slightly offset these effects." Regarding OEBIT, the result from operating activities, he explains:

"The positive development of operating EBIT is primarily attributable to the trading business and the storage facilities: They were able to make positive use of the volatile market conditions. Income from traditional electricity and natural gas sales was lower due to the weather." Commenting on the sales revenue, Mücher explained: "The significant increase in Group sales is largely due to the rise in exchange prices for electricity and natural gas in 2023."

Development of the North German hydrogen economy

Together with partners, EWE is in the process of developing the hydrogen economy in northern Germany. EWE is currently trialing hydrogen storage in an underground cavern in Rüdersdorf, Brandenburg, with a view to transferring the findings to large-scale cavern storage facilities. EWE is also planning electrolysers in Emden and Bremen as well as the construction and conversion of several pipeline sections for connection to the future Europe-wide hydrogen transport network, the so-called core network. The recently commissioned 70-kilometre pipeline of the future, which connects the LNG terminal in Wilhelmshaven with four million households in the north-west and EWE's natural gas storage facilities, is also intended to transport hydrogen in the future. "This pipeline, which was built in record time, could become an essential part of the German hydrogen core network from 2028," explained Dohler. The green perspective of this infrastructure measure has been designed from the outset. The realization of the hydrogen projects is partly subject to pending funding approvals and decisions by third parties. "We are preparing to realize these projects, but we also have to keep an eye on political requirements and market developments in order to make economically sensible decisions," Dohler added.

Strong electricity grids as the basis of the new energy system

"The green transformation is inconceivable without strong electricity grids, such as those we operate and are expanding at distribution grid level in north-west Germany: They are not only the basis for the further expansion of renewables, but they are also important for a more flexible balance between electricity generation and electricity demand, which we increasingly need in a new overall system," explained Dohler. The expansion of renewables in the form of onshore wind and ground-mounted photovoltaics is also being realized via the subsidiary Alterric. In addition, EWE is paving the way for intelligent and climate-friendly customer solutions by setting up a modern charging infrastructure for electric vehicles and a fast fiber optic infrastructure in conjunction with the supply of solutions for heat pumps and photovoltaics. "Together with cities and municipalities, we are also currently launching municipal heating planning," reports the CEO.

Regional alliance "Powerhouse North" founded

"The war in Ukraine continues and we are well advised to continue investing in the diversification of our sources of supply and the transformation of our energy supply. Added to this are the risks of global warming - this alone demand that we switch to renewables even faster and more consistently," warned Dohler. Together with other stakeholders, the "Powerhouse Nord" alliance was therefore founded in the spring to make the strengths of the region between the Ems and Elbe rivers and the progress made more visible and to drive the transformation forward together as a regional alliance. More at: www.powerhouse-nord.de

Development of further key figures in the 2023 financial year

With its subsidiaries and growth areas, EWE remains one of the largest employers in the region: in the 2023 financial year, the Group employed an average of 10,845 people (2022: 10,185 employees) - an increase of around 6.5 per cent. The individual financial statements of EWE AG according to HGB totaled € 428.3 million for the 2023 financial year (2022: € 35.5 million). The Board of Management and Supervisory Board are therefore proposing a dividend of 260 million euros (previous year: 60.9 million euros). The Annual General Meeting of EWE AG will decide on this at its next meeting.

Financial Outlook

EWE expects earnings for the 2024 financial year to be up to -45% lower than in 2023 due to the expected market conditions.

Date announcement

EWE will publish its report on the first half of the year on 26 September 2024.

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	2023	2022	Change
Group			
Revenue	10,005.1 Mio. €	8,605.1 Mio. €	+16.3 %
Operational EBITDA[1]	1,642.8 Mio. €	1,300.8 Mio. €	+26.3 %
Operational EBIT[2]	1,027.3 Mio. €	664.7 Mio. €	+54.6 %
Consolidated net income	-541.9 Mio. €	425.2 Mio. €	->100 %
Investments (Disbursements)	1,151.3 Mio. €	768.0 Mio. €	+49.9 %
Employees Ø	10,845	10,185	+6.5 %
Segments			
Renewable energies			
Revenue (external)	417.4 Mio. €	463.9 Mio. €	-10.0 %
Operational EBIT	93.3 Mio. €	210.7 Mio. €	-55.7 %
Employees Ø	434	330	+31.5 %
Infrastructure			
Revenue (external)	982.6 Mio. €	1,024.3 Mio. €	-4.1 %
Operational EBIT	339.9 Mio. €	329.6 Mio. €	+3.1 %
Employees Ø	2,072	1,986	+4.3 %
Market			
Revenue (external)	6,534.5 Mio. €	5,466.9 Mio. €	+19.5 %
Operational EBIT	573.2 Mio. €	85.7 Mio. €	>100 %
Employees Ø	2,720	2,534	+7.3 %
Swb			
Revenue (external)	1,715.5 Mio. €	1,353.1 Mio. €	+26.8 %
Operational EBIT	113.0 Mio. €	99.7 Mio. €	+13.3 %
Employees Ø	2,253	2,260	-0.3 %
Other			
Revenue (external)	353.2 Mio. €	294.9 Mio. €	+19.8 %
Operational EBIT	-21.2	-10.8	-96.3 %
Employees Ø	2,647	2,363	+12.0 %
Group Corporate Center			
Revenue (external)	1.9 Mio. €	2.0 Mio. €	-5.0 %
Operational EBIT	-70.9 Mio. €	-50.2 Mio. €	-41.2 %
Employees Ø	720	712	+1.1 %

1) Earnings before interest, taxes, depreciation and amortization of property, plant and equipment and intangible assets
2) Earnings before interest and taxes

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As an innovative service provider, EWE is active in the business areas of energy, telecommunications and information technology. With over 10,800 employees and a revenue of ten billion euros in 2023, EWE is one of the largest energy companies in Germany. Headquartered in Oldenburg, Lower Saxony, the company is predominantly in municipal hands. It supplies around 1.4 million customers in north-west Germany, Brandenburg, Rügen and parts of Poland with electricity, 0.7 million with natural gas and 0.7 million with telecommunications services. EWE plays a pioneering role in the areas of security of supply, climate protection and digital participation. To this end, the Group is investing in the expansion of the electricity grids, the expansion of the fibre optic infrastructure, the construction of new wind turbines and is a leader in the expansion of the hydrogen infrastructure in the coming years.
Mehr über EWE erfahren Sie auf www.ewe.com.