

# Quarterly Statement

# I/2021

January – March

*e.on*

# E.ON Group at a Glance



First-quarter **adjusted EBIT** and **adjusted net income significantly above prior-year level**



**Forecast** for 2021 financial year **affirmed**



E.ON presents **Green Bond Framework aligned with the EU Taxonomy** and **issues first bond under it**



**E.ON** pledges support for **Science-Based Target Initiative ("SBTi") Business Ambition for 1.5° C**

# Business Performance

## Sales

1Q 2021	€18,402 million
1Q 2020	€17,665 million



## Economic net debt

Mar. 31, 2021	€40,776 million
Dec. 31, 2020	€40,736 million



## Adjusted EBITDA

1Q 2021	€2,445 million
1Q 2020	€2,195 million



## Investments

1Q 2021	€971 million
1Q 2020	€918 million



## Adjusted EBIT

1Q 2021	€1,655 million
1Q 2020	€1,456 million



## Cash provided by operating activities before interest and taxes

1Q 2021	-€241 million
1Q 2020	-€400 million



## Adjusted net income

1Q 2021	€809 million	(€0.31) <sup>1</sup>
1Q 2020	€678 million	(€0.26) <sup>1</sup>



## Cash provided by operating activities

1Q 2021	-€589 million
1Q 2020	-€908 million



<sup>1</sup>Adjusted net income per share.

## Sustainability

### **E.ON Pledges Support for Science-Based Target Initiative („SBTi“) Business Ambition for 1.5° C**

In March 2021 E.ON announced that it has pledged to set science-based emissions reduction targets that are consistent with keeping global warming to 1.5° C above preindustrial levels. E.ON chose to make this commitment as part of the SBTi Business Ambition for 1.5° C and aims to be a pacesetter on the road to a sustainable and climate-friendly future.

The submission of the commitment is the first step in a process that takes several months. The next step will be for E.ON to fine-tune and specify its climate targets in line with the SBTi's criteria and subsequently submit them for official validation.

### **EU Taxonomy**

In April 2021 the European Commission adopted a comprehensive package of measures to help direct more investment toward sustainable activities in the European Union. The measures include the EU Climate Taxonomy Delegated Act, which is intended to promote investment in sustainable economic activities and thus to make a significant contribution toward Europe achieving climate neutrality by 2050. The EU Taxonomy is a science-based tool that clarifies which economic activities contribute most toward achieving the EU's environmental objectives and also ensures transparency for companies as well as investors.

The Delegated Act introduces the first set of technical screening criteria to define which activities contribute substantially to the achievement of two of the Taxonomy Regulation's environmental objectives: climate-change mitigation and climate-change adaptation. The screening criteria set standards for green business activities and lay the foundation for an EU Action Plan for

financing sustainable growth. For a company's business activities to be funded in accordance with the Taxonomy Regulation, they must contribute considerably to at least one of the six environmental objectives.

E.ON's business model, which focuses on energy infrastructure and customer solutions, is also geared toward sustainability. By operating distribution networks E.ON helps Europe's energy transition succeed, since wind and solar facilities are connected primarily to power distribution networks. Consequently, a large portion of E.ON's sustainable investments go toward power networks, but also toward renewables projects and energy efficiency. This demonstrates that green business operations are already an important part of what E.ON does. It also positions E.ON with regard to the EU Taxonomy's screening criteria so that in the future the Company will be able to benefit from funding under the EU Action Plan for financing sustainable growth.

## Special Events in the Reporting Period

### **E.ON Presents Green Bond Framework Aligned with the EU Taxonomy and Issues First Bond under It**

On March 1, 2021, E.ON became the first company in Europe to present a Green Bond Framework that is in full compliance with the EU Taxonomy's criteria for sustainable economic activities and with the draft Delegated Acts. In late March E.ON successfully marketed a €750 million Green Bond under the new framework. The bond matures in October 2032 and has a coupon of 0.6 percent. Issuance took place in early April 2021.

In addition, in mid-January E.ON issued a €600 million corporate bond that matures in December 2028 and has a coupon of 0.1 percent.

**Nuclear Power/Residual Power Output Rights**

In January 2021 the company that operates Krümmel nuclear power plant ("NPP") acquired 10 TWh of residual power output rights and transferred these rights in equal portions to Grohnde and Isar II NPPs, which are operated by PreussenElektra GmbH. This will enable these NPPs to continue operating until the summer of 2021.

At the beginning of March 2021 the responsible federal ministries announced that the German federal government had reached an agreement with the four NPP operators—EnBW, E.ON/Preussen-Elektra GmbH, RWE, und Vattenfall—on the basic parameters for the payment of financial compensation for the accelerated nuclear phaseout after 2011 and the settlement of all related legal disputes. The corresponding public-law agreement was signed on March 25, 2021. Its provisions include, in particular, that E.ON/PreussenElektra GmbH may dispose of the residual power output rights corresponding to its ownership stake in Krümmel and Brunsbüttel NPPs, which are jointly owned, without payment; that is, it may use these rights for output at its own NPPs. The agreement's effectiveness is subject to legal implementation.

**Disposal of Stake in Rampion Renewables Ltd**

In 2019 E.ON UK plc sold roughly 60 percent of its stake in Rampion Renewables Ltd, which has a roughly 50-percent stake in U.K. wind farm operator Rampion Offshore Wind Ltd, to RWE Renewables UK Ltd, an RWE Group company. On December 29, 2020, an agreement was signed with RWE AG and RWE Renewables UK Ltd under which E.ON UK plc would transfer its remaining 40-percent stake to RWE Renewables UK Ltd. In view of this agreement, E.ON has disclosed its stake in Rampion Renewables Ltd as an asset held for sale since December 31, 2020. The stake was transferred on April 1, 2021. The parties agreed not to disclose the purchase price, which was received at year-end 2020.

**Supplementary Agreements to enviaM's Consortium Agreement**

Through subsidiaries, E.ON SE has a roughly 59-percent stake in enviaM AG. The other main shareholders are two municipal companies whose aggregate stake totals around 37 percent. From 2002 onward, a consortium agreement gave these municipal shareholders a put option that could be exercised in whole or in part. Pursuant to IAS 32, E.ON SE recorded this put option as a liability in its Consolidated Financial Statements. In March 2021, a supplementary agreement to the consortium agreement was concluded that stipulates the put option's cancellation. The put option had been recorded as a liability in the amount of €1.8 billion. Effective March 31, 2021, it no longer exists. Accordingly, equity increased by €1.8 billion. Of this amount, €0.7 billion is attributable to shareholders of E.ON SE.

**Changes in Segment Reporting**

Operations in Croatia and at VSEH in Slovakia consist of network as well as sales businesses. All of these operations were previously reported at Energy Networks' East Central Europe/Turkey unit. E.ON's segment reporting was adjusted effective January 1, 2021. Power and gas sales operations as well as the new-solutions business in Croatia and at VSEH are now reported at Customer Solutions' Other unit. Their network businesses continue to be reported at Energy Networks' East Central Europe/Turkey unit. In addition, heating businesses in Poland are now reported at Customer Solutions' Other unit and no longer at its Germany unit. Where necessary, the prior-year figures were adjusted accordingly.

# Earnings Situation

- **Customer Solutions' sales higher**, particularly in **Germany** and owing to **VSEH**, which was acquired in August 2020; **sales lower in the United Kingdom**
- **Adjusted EBIT and adjusted net income significantly above prior-year level**, primarily because of weather factors and cost savings at the U.K. sales business

## Sales

Sales in the first quarter of 2021 rose by €0.7 billion year on year to €18.4 billion.

Energy Networks' sales of €4.8 billion were at the prior-year level. Customer Solutions' sales rose by €0.4 billion to €14.8 billion. This increase resulted mainly from the sales business in Germany, principally because of the comparatively mild weather in the first quarter of 2020 and the passthrough of higher procurement costs to end-customers. The inclusion of the sales business of VSEH, which was acquired in August 2020, was also a positive factor. The aforementioned sales increase was partially offset, in particular by lower sales in the United Kingdom resulting from a decline in customer numbers and lower prices.

As in the prior year, sales at Non-Core Business totaled €0.4 billion. Sales recorded at Corporate Functions/Other of €2.6 billion were €2.3 billion above the prior-year figure. The increase is mainly attributable to intragroup transactions with this segment's central commodity procurement units. These transactions are offset at the Group level.



### Power passthrough

1Q 2021	<b>89.5 billion kWh</b>
1Q 2020	<b>90.9 billion kWh</b>

### Power sales<sup>1</sup>

1Q 2021	<b>68.4 billion kWh</b>
1Q 2020	<b>70.2 billion kWh</b>



### Gas passthrough

1Q 2021	<b>88.7 billion kWh</b>
1Q 2020	<b>82.7 billion kWh</b>

### Gas sales<sup>1</sup>

1Q 2021	<b>114.5 billion kWh</b>
1Q 2020	<b>110.9 billion kWh</b>

<sup>1</sup>Customer Solutions' sales volumes; does not include sales to the wholesale market.

## Sales

€ in millions	First quarter		
	2021	2020	+/- %
Energy Networks	4,780	4,668	+2
Customer Solutions	14,836	14,393	+3
Non-Core Business	377	386	-2
Corporate Functions/Other	2,645	328	+706
Consolidation	-4,236	-2,110	-
<b>E.ON Group</b>	<b>18,402</b>	<b>17,665</b>	<b>+4</b>

## Adjusted EBIT

The core business's adjusted EBIT rose from €1,273 million to €1,550 million, a significant increase of €277 million.

Energy Networks' adjusted EBIT of €1,054 million was nearly unchanged from the prior-year figure. Earnings at the network business in Germany declined slightly because positive weather effects were more than offset by higher expenses. By contrast, adjusted EBIT benefited in particular from the inclusion of VSEH.

Adjusted EBIT at Customer Solutions rose by €292 million year on year. The principal reasons were the comparatively mild weather in the first quarter of 2020 and operating improvements in nearly all E.ON markets. Adjusted EBIT also rose primarily

because of significant cost savings as part of the ongoing restructuring program in the United Kingdom. The inclusion of the VSEH's sales business was another positive factor.

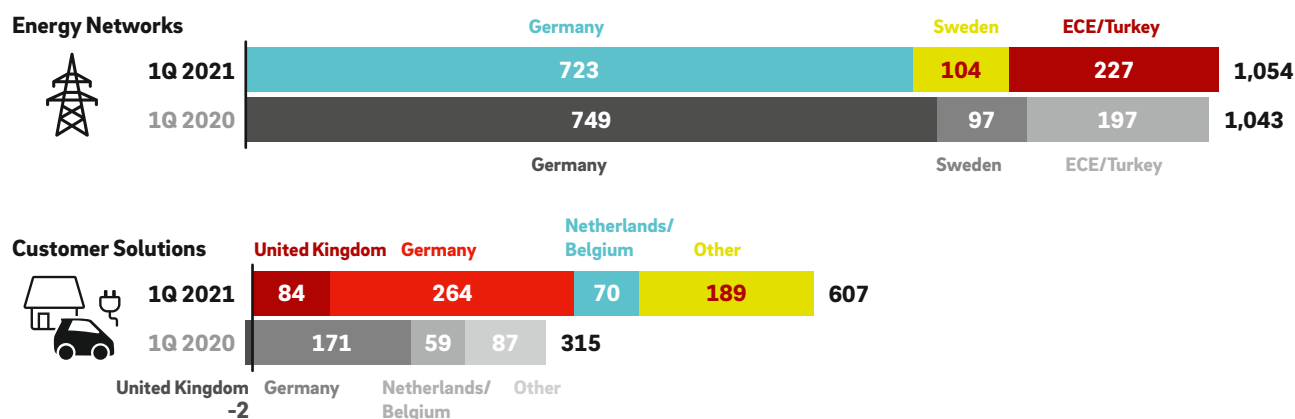
The E.ON Group's adjusted EBIT was €199 million above the prior-year figure. The earnings increase in the core business was partially offset by a decline in adjusted EBIT at Non-Core Business. This is primarily attributable to PreussenElektra's earnings contribution. Higher expenditures for residual power output rights relative to the prior-year period were the main adverse factor. In addition, equity earnings on E.ON's stake in Enerjisa Üretim declined, primarily because of negative currency-translation effects and lower output from hydroelectric stations.

## Adjusted EBIT

€ in millions	First quarter		
	2021	2020 <sup>1</sup>	+/- %
Energy Networks	1,054	1,043	+1
Customer Solutions	607	315	+93
Corporate Functions/Other	-109	-85	-28
Consolidation	-2	-	-
<b>Adjusted EBIT from core business</b>	<b>1,550</b>	<b>1,273</b>	<b>+22</b>
Non-Core Business	105	183	-43
<b>E.ON Group adjusted EBIT</b>	<b>1,655</b>	<b>1,456</b>	<b>+14</b>

<sup>1</sup>Includes the effects of retrospective changes in conjunction with the adjustment of the provisional recognition of the innogy acquisition until September 18, 2020.

## Adjusted EBIT by Business Segment (€ in millions)



### Reconciliation to Adjusted Earnings Metrics

Like net income, EBIT (earnings before interest and taxes) is affected by non-operating items. Adjusted EBIT has been adjusted to exclude non-operating effects. The adjustments include net book gains, certain restructuring expenses, impairment charges and reversals, the marking to market of derivatives, the subsequent valuation of hidden reserves and liabilities identified as part of the purchase-price calculation and allocation for the innogy transaction, and other non-operating earnings.

Derived from adjusted EBIT, adjusted net income is an earnings figure after interest income, income taxes, and non-controlling interests that likewise has been adjusted to exclude non-operating effects. The adjustments include the aforementioned items as well as interest expense/income not affecting net income (after taxes and non-controlling interests). Non-operating interest expense/income also includes effects from the resolution of the difference between the nominal and fair value of innogy bonds.

The disclosures in the Consolidated Statements of Income are reconciled to the adjusted earnings metrics below.

### Reconciliation to Adjusted EBIT

E.ON recorded net income attributable to shareholders of E.ON SE of €0.8 billion and corresponding earnings per share of €0.31. In the prior-year period E.ON recorded net income of €0.4 billion and earnings per share of -€0.17.

Pursuant to IFRS 5, income/loss from discontinued operations, net, is reported separately in the Consolidated Statements of Income. In the prior year this item included negative effects from the subsequent adjustment of certain components of the purchase price in conjunction with the innogy acquisition and positive earnings from innogy's sales business in the Czech Republic, which was divested in October 2020.



Reconciliation to Adjusted EBIT

€ in millions	First quarter	
	2021	2020 <sup>1,2</sup>
Net income/loss	1,019	-312
<i>Attributable to shareholders of E.ON SE</i>	801	-438
<i>Attributable to non-controlling interests</i>	218	126
Income/Loss from discontinued operations, net	-	89
<b>Income/Loss from continuing operations</b>	<b>1,019</b>	<b>-223</b>
Income taxes	340	178
Financial results	148	442
<b>Income/Loss from continuing operations before financial results and income taxes</b>	<b>1,507</b>	<b>397</b>
Income/Loss from equity investments	13	-13
<b>EBIT</b>	<b>1,520</b>	<b>384</b>
<b>Non-operating adjustments</b>	<b>135</b>	<b>1,072</b>
<i>Net book gains (-)/losses (+)</i>	-1	-5
<i>Restructuring expenses</i>	84	93
<i>Effects from derivative financial instruments</i>	-37	838
<i>Impairments (+)/Reversals (-)</i>	-24	-
<i>Carryforward of hidden reserves (+) and liabilities (-) from the innogy transaction</i>	188	175
<i>Other non-operating earnings</i>	-75	-29
<b>Adjusted EBIT</b>	<b>1,655</b>	<b>1,456</b>
Impairments (+)/Reversals (-)	-	1
Scheduled depreciation and amortization	790	738
<b>Adjusted EBITDA</b>	<b>2,445</b>	<b>2,195</b>

<sup>1</sup>Includes the effects of retrospective changes in conjunction with the adjustment of the provisional recognition of the innogy acquisition until September 18, 2020.

<sup>2</sup>The effects from derivative financial instruments were adjusted retrospectively owing to a change in intraperiod additions to provisions for contingent losses on pending transactions in 2020 (-€248 million). The corresponding tax effect amounted to +€24 million.

E.ON's tax expense on continuing operations rose from €178 million to €340 million. The tax rate in the first quarter of 2021 was 25 percent. On balance, E.ON recorded a tax expense in the prior-year period, despite negative earnings before taxes, because significant non-recurring expenses did not reduce taxes.

Financial results improved by about €0.3 billion, mainly because of positive valuation effects on securities recognized at fair value and effects from scheduled repayments. Financial results in the current year also include a positive effect of €77 million resulting from the resolution of the difference between the nominal and fair value of innogy bonds (prior year: €84 million).

Restructuring expenses were slightly lower than in the 2020 reporting period and, as in the prior year, consisted primarily of expenditures in conjunction with the innogy integration and the restructuring of the U.K. retail business.

Current-year reversals of impairment charges mainly consist of a write-up of the net assets of a subsidiary in Hungary reclassified pursuant to IFRS 5.

Items resulting from the subsequent valuation of hidden reserves and liabilities as part of the preliminary purchase-price allocation until September 18, 2020, are disclosed separately.

**Reconciliation to Adjusted Net Income**

Adjusted net income of €809 million was 19 percent above the prior-year figure of €678 million. Besides the above-described effects in the reconciliation to adjusted EBIT, this reconciliation includes following items:

Non-operating interest income/expenses rose by €216 million year on year, principally because of valuation effects on securities that are recorded at their fair value on the balance-sheet date. In addition, this item includes, as in the prior-year period, income from the resolution of the difference between the nominal and fair value of innogy bonds.

The tax rate on continuing operations of 25 percent was unchanged from the prior year. The increase in operating earnings before taxes likewise led to a higher tax expense on continuing operations.

Non-controlling interests' share of operating earnings rose from €180 million to €237 million. This is principally attributable to improved first-quarter operating earnings at companies with significant non-controlling interests and to the inclusion of VSEH.

**Reconciliation to Adjusted Net Income**

€ in millions	First quarter	
	2021	2020 <sup>1, 2</sup>
<b>Income/Loss from continuing operations before financial results and income taxes</b>	<b>1,507</b>	<b>397</b>
Income/Loss from equity investments	13	-13
<b>EBIT</b>	<b>1,520</b>	<b>384</b>
Non-operating adjustments	135	1,072
<b>Adjusted EBIT</b>	<b>1,655</b>	<b>1,456</b>
Net interest income/loss	-161	-429
Non-operating interest expense (+)/income (-)	-99	117
<b>Operating earnings before taxes</b>	<b>1,395</b>	<b>1,144</b>
Taxes on operating earnings	-349	-286
Operating earnings attributable to non-controlling interests	-237	-180
<b>Adjusted net income</b>	<b>809</b>	<b>678</b>

<sup>1</sup>Includes the effects of retrospective changes in conjunction with the adjustment of the provisional recognition of the innogy acquisition until September 18, 2020.

<sup>2</sup>The effects from derivative financial instruments were adjusted retrospectively owing to a change in intraperiod additions to provisions for contingent losses on pending transactions in 2020 (-€248 million). The corresponding tax effect amounted to +€24 million.

# Financial Situation

- **Economic net debt** almost **unchanged** from year-end 2020
- **Provisions for pensions declined significantly** owing to higher actuarial discount rates
- **Operating cash flow significantly higher year on year;** on balance, negative due to seasonal effects
- Overall, **investments at Energy Networks and Customer Solutions at the prior-year level**

## Financial Position

Economic net debt of €40.8 billion is almost unchanged from year-end 2020.

The increase in financial liabilities to €32.2 billion relative to year-end 2020 is mainly attributable to E.ON SE's issuance of €0.6 billion in bonds (see page 4). This item also includes adverse currency-translation effects on bonds denominated in foreign currencies. These effects are largely offset in E.ON's net financial position by the positive effects from foreign-currency hedging, which are reported separately.

The change in E.ON's net financial position resulted mainly from negative operating cash flow due to seasonal factors and from investment expenditures.

## Actuarial Discount Rates Higher

	Germany	United Kingdom
 March 31, 2021	<b>1.2%</b>	<b>2.0%</b>
Dec. 31, 2020	<b>0.8%</b>	<b>1.4%</b>

In addition, economic net debt was positively affected by an increase in actuarial discount rates, which led to a reduction in defined benefit obligations despite a slightly negative return on plan assets.

## Economic Net Debt

€ in millions	March 31, 2021	Dec. 31, 2020
Liquid funds	4,240	4,795
Non-current securities	1,841	1,887
Financial liabilities <sup>1</sup>	-32,178	-30,720
FX hedging adjustment	371	82
<b>Net financial position</b>	<b>-25,726</b>	<b>-23,956</b>
Provisions for pensions	-6,403	-8,088
Asset-retirement obligations <sup>2</sup>	-8,647	-8,692
<b>Economic net debt</b>	<b>-40,776</b>	<b>-40,736</b>

<sup>1</sup>Bonds issued by innogy are recorded at their nominal value. The figure shown in the Consolidated Balance Sheets is €2 billion higher (year-end 2020: €2.1 billion higher).

<sup>2</sup>This figure is not the same as the asset-retirement obligations shown in the Consolidated Balance Sheets (€10,091 million at March 31, 2021; €10,194 million at December 31, 2020). This is because economic net debt is calculated in part based on the actual amount of E.ON's obligations.



## Ratings

	Long-term	Outlook	Short-term
<b>S&amp;P</b>	<b>BBB</b>	<b>Stable</b>	<b>A-2</b>
<b>Moody's</b>	<b>Baa2</b>	<b>Stable</b>	<b>P-2</b>

E.ON's creditworthiness has been assessed by Standard & Poor's ("S&P") and Moody's with long-term ratings of BBB and Baa2, respectively. The outlook for both ratings is stable. Both S&P and Moody's anticipated that, over the near and medium term, E.ON will be able to maintain a debt ratio commensurate with these ratings. S&P's and Moody's short-term ratings are unchanged at A-2 and P-2, respectively.

### Investments

In the first quarter of 2021 the E.ON Group's cash-effective investments of €1 billion were slightly above the prior-year level of €0.9 billion. The E.ON Group invested about €840 million in property, plant, and equipment and intangible assets (prior year: €900 million). Share investments totaled €131 million versus €18 million in the prior year.

### Investments

First quarter € in millions	2021	2020	+/- %
Energy Networks	585	575	+2
Customer Solutions	123	154	-20
Corporate Functions/Other	120	33	+264
Consolidation	-	-	-
<b>Investments in core business</b>	<b>828</b>	<b>762</b>	<b>+9</b>
Non-Core Business	143	156	-8
<b>E.ON Group investments</b>	<b>971</b>	<b>918</b>	<b>+6</b>

As in the prior-year period, Energy Networks invested €0.6 billion. Customer Solutions invested €0.1 billion, or 20 percent less than in the prior-year period. This decline is principally attributable to a postponement of investments in smart meters in the United Kingdom resulting from the Covid-19 pandemic.

The current-year figure recorded at Corporate Functions/Other principally reflects subsequent purchase-price payments in conjunction with the innogy acquisition.

Investments at Non-Core Business were €13 million below the prior-year level, primarily because of lower expenditures to acquire residual power output rights.

### Cash Flow

Cash provided by operating activities of continuing operations before interest and taxes of -€0.2 billion was significantly above the prior-year level of -€0.4 billion. The increase mainly reflects a €0.7 billion improvement at Customer Solutions. Cash flow increased in particular at this segment's sales business in Germany owing to higher cash-effective earnings and higher sales volume. Energy Networks recorded a €0.4 reduction in operating cash flow, primarily because of the non-recurrence of positive working-capital effects recorded in the prior-year period at its network business in Germany. In addition, cash flow recorded at Corporate Functions/Other declined by €0.3 billion owing to working-capital effects.

Cash provided by operating activities of continuing operations rose because of lower interest and tax payments.

**Cash Flow<sup>1</sup>**

First quarter € in millions	2021	2020
Cash provided by (used for) operating activities (operating cash flow)	-589	-908
Operating cash flow before interest and taxes	-241	-400
Cash provided by (used for) investing activities	-624	117
Cash provided by (used for) financing activities	854	1,287

<sup>1</sup>From continuing operations.

Cash provided by investing activities of continuing operations totaled -€0.6 billion versus +€0.1 billion in the prior-year period. In the first quarter of the prior year E.ON received the payment for the indirect stake in Nord Stream AG that had been transferred to the CTA in 2019. By contrast, changes in restricted cash and cash equivalents had a positive impact on cash provided by investing activities.

Cash provided by financing activities of continuing operations of €0.9 billion was €0.4 billion below the prior-year figure of €1.3 billion. Cash inflows from the addition of financial liabilities as well as cash outflows for the repayment of financial liabilities declined significantly year on year.

**Risks and Chances Report**

The Combined Group Management Report contained in the 2020 Annual Report describes in detail E.ON's management system for assessing risks and chances and the measures it takes to limit risks.

**Risks and Chances**

In the normal course of business, E.ON is subject to a number of risks that are inseparably linked to the operation of its businesses. The resulting risks and chances are described in detail in the 2020 Combined Group Management Report. The E.ON Group's risk and chance position described there remained essentially unchanged at the end of the first quarter of 2021. With regard to legal and regulatory risks, however, E.ON's risk and chance profile improved. This is primarily due to the Swedish parliament's decision on the possibility of transferring income from previous to future regulatory periods.

**Assessment of the Risk Situation**

From today's perspective, E.ON does not perceive any risks that could threaten the existence of E.ON SE, the E.ON Group, or individual segments.

# Forecast Report

- **Forecast** for the 2021 financial year **affirmed**

	2020	2021 Forecast
Adjusted EBIT (€ in billions)	3.8	3.8 to 4.0
Adjusted net income (€ in billions)	1.6	1.7 to 1.9
Adjusted net income per share (€) <sup>1</sup>	0.63	0.65 to 0.73
Cash-conversion rate (%) <sup>2</sup>	91	100 <sup>3</sup>
Cash-effective investments (€ in billions)	4.2	4.9
Dividend per share (€)	0.47 <sup>4</sup>	up to 5% growth

<sup>1</sup>Based on roughly 2,607 million shares outstanding.

<sup>2</sup>Excludes expenditures for decommissioning nuclear power stations.

<sup>3</sup>Average for the 2021 to 2023 financial years.

<sup>4</sup>Dividend proposal for the 2020 financial year.



The Forecast Report contained in the 2020 Annual Report presents the forecast for other key figures for the 2021 financial year. For the E.ON Group, there are no material changes to these disclosures.

Selected Financial Information

E.ON SE and Subsidiaries Consolidated Statements of Income

€ in millions	First quarter	
	2021	2020 <sup>1</sup>
Sales including electricity and energy taxes	19,516	18,520
Electricity and energy taxes	-1,114	-855
<b>Sales</b>	<b>18,402</b>	<b>17,665</b>
Changes in inventories (finished goods and work in progress)	33	79
Own work capitalized	113	116
Other operating incomes	3,006	4,323
Cost of materials <sup>2</sup>	-14,582	-13,750
Personnel costs	-1,444	-1,365
Depreciation, amortization and impairment charges	-958	-886
Other operating expenses	-3,175	-5,924
<i>Thereof: Impairments of financial assets</i>	-102	-102
Income from companies accounted for under the equity method	112	139
<b>Income from continuing operations before financial results and income taxes</b>	<b>1,507</b>	<b>397</b>
Financial results	-148	-442
<i>Income/Loss from equity investments</i>	13	-13
<i>Income from other securities, interest and similar income</i>	144	79
<i>Interest and similar expenses</i>	-305	-508
Income taxes <sup>2</sup>	-340	-178
<b>Income from continuing operations</b>	<b>1,019</b>	<b>-223</b>
Income/Loss from discontinued operations, net	-	-89
<b>Net income</b>	<b>1,019</b>	<b>-312</b>
<i>Attributable to shareholders of E.ON SE</i>	801	-438
<i>Attributable to non-controlling interests</i>	218	126
<b>in €</b>		
<b>Earnings per share (attributable to shareholders of E.ON SE)—basic and diluted<sup>3</sup></b>		
from continuing operations	0.31	-0.13
from discontinued operations	-	-0.04
<b>from net income</b>	<b>0.31</b>	<b>-0.17</b>
Weighted-average number of shares outstanding (in millions)	2,607	2,607

<sup>1</sup>Includes the effects of retrospective changes in conjunction with the adjustment of the provisional recognition of the innogy acquisition until September 18, 2020.

<sup>2</sup>Prior-year figures were adjusted retrospectively owing to a change in intraperiod additions to provisions for contingent losses on pending transactions (cost of materials: -€248 million; income taxes: +€24 million).

<sup>3</sup>Based on weighted-average number of shares outstanding.

**E.ON SE and Subsidiaries Consolidated Statements of Recognized Income and Expenses**

€ in millions	First quarter	
	2021	2020 <sup>1</sup>
<b>Net income</b>	<b>1,019</b>	<b>-312</b>
Remeasurements of defined benefit plans	1,736	1,155
Remeasurements of defined benefit plans of companies accounted for under the equity method	-3	-1
Income taxes	-146	-196
<b>Items that will not be reclassified subsequently to the income statement</b>	<b>1,587</b>	<b>958</b>
Cash flow hedges	301	-97
<i>Unrealized changes—hedging reserve</i>	396	-70
<i>Unrealized changes—reserve for hedging costs</i>	4	-11
<i>Reclassification adjustments recognized in income</i>	-99	-16
Fair value measurement of financial instruments	-34	-55
<i>Unrealized changes</i>	-34	-54
<i>Reclassification adjustments recognized in income</i>	-	-1
Currency-translation adjustments	-74	-490
<i>Unrealized changes—hedging reserve/other</i>	-72	-480
<i>Unrealized changes—reserve for hedging costs</i>	-2	-10
<i>Reclassification adjustments recognized in income</i>	-	-
Companies accounted for under the equity method	-2	-140
<i>Unrealized changes</i>	-2	-140
<i>Reclassification adjustments recognized in income</i>	-	-
Income taxes	38	-2
<b>Items that might be reclassified subsequently to the income statement</b>	<b>229</b>	<b>-784</b>
<b>Total income and expenses recognized directly in equity</b>	<b>1,816</b>	<b>174</b>
<b>Total recognized income and expenses (total comprehensive income)</b>	<b>2,835</b>	<b>-138</b>
<i>Attributable to shareholders of E.ON SE</i>	2,490	-298
<i>Continuing operations</i>	2,490	-66
<i>Discontinued operations</i>	-	-232
<i>Attributable to non-controlling interests</i>	345	160

<sup>1</sup>Includes the effects of retrospective changes in conjunction with the adjustment of the provisional recognition of the innogy acquisition until September 18, 2020.



**E.ON SE and Subsidiaries Balance Sheets—Assets**

€ in millions	March 31, 2021	Dec. 31, 2020 <sup>1</sup>
Goodwill <sup>2</sup>	17,921	17,827
Intangible assets	3,779	3,855
Right-of-use assets	2,576	2,543
Property, plant and equipment	36,721	36,923
Companies accounted for under the equity method	4,351	4,383
Other financial assets	3,762	3,770
<i>Equity investments</i>	1,921	1,883
<i>Non-current securities</i>	1,841	1,887
Financial receivables and other financial assets	667	622
Operating receivables and other operating assets	3,630	3,244
Deferred tax assets	2,137	2,283
Income tax assets	34	34
<b>Non-current assets</b>	<b>75,578</b>	<b>75,484</b>
Inventories	1,023	1,131
Financial receivables and other financial assets	420	445
Trade receivables and other operating assets	14,209	11,525
Income tax assets	1,029	1,003
Liquid funds	4,240	4,795
<i>Securities and fixed-term deposits</i>	1,184	1,111
<i>Restricted cash and cash equivalents</i>	750	1,016
<i>Cash and cash equivalents</i>	2,306	2,668
Assets held for sale	1,281	1,002
<b>Current assets</b>	<b>22,202</b>	<b>19,901</b>
<b>Total assets</b>	<b>97,780</b>	<b>95,385</b>

<sup>1</sup>Certain adjustments to the preliminary accounting for the innogy acquisition, which was provisional until September 18, 2020, must be presented retrospectively to the acquisition date.

<sup>2</sup>Includes the preliminary differential amount from the VSEH purchase-price allocation.

**E.ON SE and Subsidiaries Balance Sheets—Equity and Liabilities**

€ in millions	March 31, 2021	Dec. 31, 2020 <sup>1</sup>
Capital stock	2,641	2,641
Additional paid-in capital	13,368	13,368
Retained earnings	-2,326	-5,257
Accumulated other comprehensive income	-4,462	-4,701
Treasury shares	-1,126	-1,126
<b>Equity attributable to shareholders of E.ON SE</b>	<b>8,095</b>	<b>4,925</b>
Non-controlling interests (before reclassification)	6,086	5,696
Reclassification related to put options	-632	-1,566
<b>Non-controlling interests</b>	<b>5,454</b>	<b>4,130</b>
<b>Equity</b>	<b>13,549</b>	<b>9,055</b>
Financial liabilities	30,138	29,423
Operating liabilities	7,304	7,599
Income tax liabilities	357	362
Provisions for pensions and similar obligations	6,403	8,088
Miscellaneous provisions	13,278	13,296
Deferred tax liabilities	3,047	2,993
<b>Non-current liabilities</b>	<b>60,527</b>	<b>61,761</b>
Financial liabilities	4,079	3,418
Trade payables and other operating liabilities	14,410	16,215
Income tax liabilities	963	847
Miscellaneous provisions	3,964	3,904
Liabilities associated with assets held for sale	288	185
<b>Current liabilities</b>	<b>23,704</b>	<b>24,569</b>
<b>Total equity and liabilities</b>	<b>97,780</b>	<b>95,385</b>

<sup>1</sup>Certain adjustments to the preliminary accounting for the innogy acquisition, which was provisional until September 18, 2020, must be presented retrospectively to the acquisition date.

**E.ON SE and Subsidiaries Consolidated Statements of Cash Flows**

First quarter € in millions	2021	2020
<b>Net income<sup>1</sup></b>	<b>1,019</b>	<b>-312</b>
Income/Loss from discontinued operations, net	-	89
Depreciation, amortization and impairment of intangible assets and of property, plant and equipment	958	886
Changes in provisions <sup>1</sup>	76	734
Changes in deferred taxes <sup>1</sup>	102	-134
Other non-cash income and expenses	142	184
Gain/Loss on disposal of intangible assets and property, plant and equipment, equity investments and securities (>3 months)	-29	-15
Changes in operating assets and liabilities and in income taxes	-2,857	-2,340
<b>Cash provided by (used for) operating activities of continuing operations (operating cash flow)</b>	<b>-589</b>	<b>-908</b>
Cash provided by (used for) operating activities of discontinued operations	-	-37
<b>Cash provided by (used for) operating activities</b>	<b>-589</b>	<b>-945</b>
Proceeds from disposal of	140	1,320
<i>Intangible assets and property, plant and equipment</i>	102	159
<i>Equity investments</i>	38	1,161
Purchases of investments in	-971	-918
<i>Intangible assets and property, plant and equipment</i>	-840	-900
<i>Equity investments</i>	-131	-18
Changes in securities, financial receivables and fixed-term deposits	-61	-114
Changes in restricted cash and cash equivalents	268	-171
<b>Cash provided by (used for) investing activities of continuing operations</b>	<b>-624</b>	<b>117</b>
Cash provided by (used for) investing activities of discontinued operations	-	-29
<b>Cash provided by (used for) investing activities</b>	<b>-624</b>	<b>88</b>
Payments received/made from changes in capital	-	-16
Cash dividends paid to shareholders of E.ON SE	-	-
Cash dividends paid to non-controlling interests	-43	-62
Changes in financial liabilities	897	1,365
<b>Cash provided by (used for) financing activities of continuing operations</b>	<b>854</b>	<b>1,287</b>
Cash provided by (used for) financing activities of discontinued operations	-	-205
<b>Cash provided by (used for) financing activities</b>	<b>854</b>	<b>1,082</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-359</b>	<b>225</b>
Effect of foreign exchange rates on cash and cash equivalents	13	-15
Cash and cash equivalents at the beginning of the year <sup>3</sup>	2,668	1,902
<b>Cash and cash equivalents of discontinued operations at the beginning of the period</b>	<b>-</b>	<b>14</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>2,322</b>	<b>2,126</b>
<b>Less: Cash and cash equivalents of discontinued operations at the end of the period</b>	<b>-</b>	<b>-40</b>
<b>Cash and cash equivalents of continuing operations at the end of the period<sup>2,4</sup></b>	<b>2,322</b>	<b>2,086</b>

<sup>1</sup>Prior-year figures were adjusted retrospectively owing to a change in intraperiod additions to provisions for contingent losses on pending transactions (cost of materials: -€248 million; income taxes: +€24 million).

<sup>2</sup>Cash and cash equivalents of continuing operations at the end of the period also include €10 million attributable to the network operations of Hungary innogy that were reclassified as a disposal group and €5 million attributable to the sales operations in Belgium, also reclassified as a disposal group.

<sup>3</sup>Cash and cash equivalents of continuing operations at the beginning of the period of the prior year also include €4 million attributable to the sales operations in Hungary that were reclassified as a disposal group and €4 million attributable to the sales operations of the heating electricity business in Germany, also reclassified as a disposal group.

<sup>4</sup>Cash and cash equivalents of continuing operations at the end of the period of the prior year also include €4 million attributable to the sales operations in Hungary reclassified as a disposal group and €4 million attributable to the heating electricity business in Germany, also reclassified as a disposal group.

Financial Information by Business Segment<sup>1</sup>

First quarter € in millions	Energy Networks						Customer Solutions							
	Germany		Sweden		ECE/Turkey		Germany		United Kingdom		Netherlands/ Belgium		Other	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
External sales	2,709	2,605	262	233	373	327	5,928	5,931	4,341	4,573	912	927	2,822	2,606
Intersegment sales	1,046	1,141	1	2	389	360	551	198	-	1	134	20	148	137
<b>Sales</b>	<b>3,755</b>	<b>3,746</b>	<b>263</b>	<b>235</b>	<b>762</b>	<b>687</b>	<b>6,479</b>	<b>6,129</b>	<b>4,341</b>	<b>4,574</b>	<b>1,046</b>	<b>947</b>	<b>2,970</b>	<b>2,743</b>
Depreciation and amortization <sup>2</sup>	-348	-345	-43	-39	-86	-79	-32	-28	-27	-34	-15	-15	-58	-50
<b>Adjusted EBIT</b>	<b>723</b>	<b>749</b>	<b>104</b>	<b>97</b>	<b>227</b>	<b>197</b>	<b>264</b>	<b>171</b>	<b>84</b>	<b>-2</b>	<b>70</b>	<b>59</b>	<b>189</b>	<b>87</b>
<i>Equity-method earnings<sup>3</sup></i>	51	55	-	-	38	36	1	1	-	-	2	1	2	2
<b>Operating cash flow before interest and taxes</b>	<b>-58</b>	<b>372</b>	<b>186</b>	<b>149</b>	<b>218</b>	<b>215</b>	<b>-306</b>	<b>-929</b>	<b>-72</b>	<b>-</b>	<b>-109</b>	<b>-107</b>	<b>105</b>	<b>-50</b>
<b>Investments</b>	<b>352</b>	<b>377</b>	<b>81</b>	<b>66</b>	<b>152</b>	<b>132</b>	<b>46</b>	<b>41</b>	<b>6</b>	<b>33</b>	<b>9</b>	<b>11</b>	<b>62</b>	<b>69</b>

First quarter € in millions	Non-Core Business				Corporate Functions/ Other		Consolidation		E.ON Group	
	PreussenElektra		Generation Turkey		2021	2020	2021	2020	2021	2020
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
External sales	176	386	-	-	881	76	-2	1	18,402	17,665
Intersegment sales	201	-	-	-	1,764	252	-4,234	-2,111	-	-
<b>Sales</b>	<b>377</b>	<b>386</b>	<b>-</b>	<b>-</b>	<b>2,645</b>	<b>328</b>	<b>-4,236</b>	<b>-2,110</b>	<b>18,402</b>	<b>17,665</b>
Depreciation and amortization <sup>2</sup>	-158	-117	-	-	-25	-32	2	-	-790	-739
<b>Adjusted EBIT</b>	<b>89</b>	<b>155</b>	<b>16</b>	<b>28</b>	<b>-109</b>	<b>-85</b>	<b>-2</b>	<b>-</b>	<b>1,655</b>	<b>1,456</b>
<i>Equity-method earnings<sup>3</sup></i>	14	23	16	28	-	10	-	-1	124	155
<b>Operating cash flow before interest and taxes</b>	<b>152</b>	<b>79</b>	<b>32</b>	<b>-</b>	<b>-389</b>	<b>-127</b>	<b>-</b>	<b>-2</b>	<b>-241</b>	<b>-400</b>
<b>Investments</b>	<b>143</b>	<b>156</b>	<b>-</b>	<b>-</b>	<b>120</b>	<b>33</b>	<b>-</b>	<b>-</b>	<b>971</b>	<b>918</b>

<sup>1</sup>Because of changes in segment reporting, the prior-year figure was adjusted accordingly.

<sup>2</sup>Adjusted for non-operating effects.

<sup>3</sup>Under IFRS, impairment charges on companies accounted for using the equity method and impairment charges on other financial assets (and any reversals of such charges) are included in income/loss from companies accounted for using the equity method and financial results, respectively. These income effects are not part of adjusted EBIT.

<b>May 19, 2021</b>	<b>2021 Annual Shareholders Meeting</b>
<b>August 11, 2021</b>	<b>Half-Year Financial Report: January – June 2021</b>
<b>November 10, 2021</b>	<b>Quarterly Statement: January – September 2021</b>
<b>March 16, 2022</b>	<b>Release of the 2021 Annual Report</b>
<b>May 11, 2022</b>	<b>Quarterly Statement: January – March 2022</b>
<b>May 12, 2022</b>	<b>2022 Annual Shareholders Meeting</b>
<b>August 10, 2022</b>	<b>Half-Year Financial Report: January – June 2022</b>
<b>November 9, 2022</b>	<b>Quarterly Statement: January – September 2022</b>

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Only the German version of this Quarterly Statement is legally binding.

This Quarterly Statement may contain forward-looking statements based on current assumptions and forecasts made by E.ON Group Management and other information currently available to E.ON. Various known and unknown risks, uncertainties, and other factors could lead to material differences between the actual future results, financial situation, development, or performance of the company and the estimates given here. E.ON SE does not intend, and does not assume any liability whatsoever, to update these forward-looking statements or to conform them to future events or developments.



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