Quarterly Statement

January – September **III/2021**

E.ON Group at a Glance

Core operating business significantly above **previous year**

German Federal Network Agency sets **return** on **equity** for the fourth **regulatory period** for **power** and **gas** at **5.07 percent**

Forecast for the current **year** increased in **August** owing to **agreement** on **output rights** for **nuclear power stations**

2021 forecast affirmed

E.ON's ecological **power-line pathway management** supports **United Nations Environment Programme**

This document is a Quarterly Statement pursuant to Section 53 of the Exchange Regulations of the Frankfurt Stock Exchange (dated June 28, 2021) and is not a Quarterly Report within the meaning of International Accounting Standard 34.

Business Performance

Sales

1Q–3Q 2021	€48,087 million
1Q–3Q 2020	€43,314 million

+11%

Economic net debt

Sep. 30, 2021	€37,169 million
Dec. 31, 2020	€40,736 million

-9%

Adjusted EBITDA

1Q–3Q 2021	€6,277 million
1Q–3Q 2020	€4,966 million

+26%

Investments

1Q–3Q 2021	€2,913 million
1Q–3Q 2020	€2,374 million

+23%

Adjusted EBIT

1Q–3Q 2021	€3,928 million
1Q–3Q 2020	€2,688 million

+46%

Cash provided by operating activities before interest and taxes

1Q–3Q 2021	€4,780 million
1Q–3Q 2020	€4,063 million

+18%

Adjusted net income

1Q–3Q 2021	€2,189 million	(€0.84)[1]
1Q–3Q 2020	€1,089 million	(€0.42)[1]

+101%

Cash provided by operating activities

1Q–3Q 2021	€3,409 million
1Q–3Q 2020	€3,662 million

-7%

[1]Adjusted net income per share.

Special Events in the Reporting Period

E.ON Propels Digitalization and Develops New Solutions for a Digital, Sustainable Energy World

Since September 2021, E.ON has deepened its cloud-computing collaboration with Microsoft and Wipro Limited. The aim of the collaboration is to make IT processes more flexible, to increase operating efficiency, and to accelerate the development of new solutions and services for customers and employees.

In September E.ON also entered into a cooperative arrangement with IBM Quantum in order to propel the transformation of the energy industry with quantum computing.

In addition, in September E.ON acquired a majority stake in Aachen-based start-up gridX, the energy industry's leading provider of smart-grid intelligence. The company develops digital platform solutions that connect, control, and optimize distributed energy resources, such as electric cars.

The E.ON website contains more information about these topics at https://www.eon.com/en/about-us/media.html

Patrick Lammers Joins E.ON SE Management Board in August 2021

At its May meeting, the E.ON SE Supervisory Board appointed Patrick Lammers as successor to Karsten Wildberger, who left the Company in late July at his own request.

E.ON Sends Assistance from across Germany to Flood Areas

Severe storms in western Germany in July 2021 led to considerable damage, including to electricity and gas networks. After the heavy flooding, E.ON employees worked around the clock to restore energy service. Within a few days, the number of people without power in the service territory of E.ON subsidiary Westnetz was reduced from 200,000 to a few thousand.

E.ON Supports United Nations' "Decade for Ecosystem Restoration"

E.ON is the world's first energy company to support the United Nations Environment Programme ("UNEP") in restoring ecosystems in the interest of climate protection and biodiversity. E.ON, Europe's largest operator of electricity distribution networks, will create valuable biotopes under 13,000 kilometers of high-voltage lines in forested areas. E.ON is a partner in UNEP, which commemorated World Environment Day on June 5 by proclaiming this decade to be the "Decade for Ecosystem Restoration."

E.ON has many years of experience in the ecological management of power-line pathways and already manages 8,000 hectares of such pathways in an environmentally friendly way. The Group now intends to draw on this experience across Europe. E.ON is convinced that healthy and stable ecosystems play an important role in the fight against climate change because they store large amounts of carbon dioxide. This is why E.ON is investing a double-digit million sum in the preservation of ecosystems and is committed to adopting ecological pathway management for overhead power lines in forested areas Group-wide by 2026.

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

On March 1, 2021, E.ON became Europe's first corporate issuer 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 2021 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 the first half of 2021, 10.7 TWh of residual power output rights were acquired from the company that operates Krümmel nuclear power plant ("NPP") and 3.7 TWh of residual power output rights were acquired from the company that operates Brunsbüttel NPP; these rights were transferred to Grohnde, Isar II, and Brokdorf NPPs, which are operated by PreussenElektra GmbH. This and other planned procurements will ensure that these NPPs can operate until the end of their legally mandated operating lives.

On March 25, 2021, the parliamentary legislative procedure was completed and the corresponding public-law agreement was signed for the purpose of executing the agreement on the implementation of the accelerated nuclear phaseout after 2011 between the German federal government and the country's NPP operators. 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, which total 47.8 TWh, for output at its own NPPs (see page 8). After final approval by the Bundesrat on June 25, 2021, the law and the contract entered into force on October 31, 2021.

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 existed. 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 customer 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. The prior-year figures were adjusted accordingly.

Subsequent Events

German Federal Network Agency Sets Return on Equity for Fourth Regulatory Period for Power and Gas

In mid-July the German Federal Network Agency (German acronym: "BNetzA") launched the consultation process for setting the return on equity ("ROE") for the fourth regulatory period in Germany (2023 to 2027 for gas, 2024 to 2028 for electricity). The consultation process, in which E.ON participated, is now concluded. On October 20 the BNetzA published its final decision regarding the ROE for the fourth regulatory period, which it set at 5.07 percent before taxes. This figure is significantly lower than the ROE for electricity and gas in the current regulatory period, which is 6.91 percent before taxes for new assets (capitalized from 2006 onward). The financial conditions of the respective regulatory period are relevant for network operators, as they affect their existing capital base and thus the investments that will be made in network expansion in the years ahead. The considerably lower ROE for the fourth regulatory period will pose significant challenges for network operators with regard to the necessary expansion of distribution networks, which form the backbone of the energy transition.

Earnings Situation

- **Customer Solutions' sales higher,** particularly in **Germany** and the **United Kingdom,** and owing to **Slovakia-based VSEH,** which was acquired in **August 2020**

- **Adjusted EBIT** and **adjusted net income significantly above prior-year level,** primarily because of **weather factors, cost savings** at the sales business in the **United Kingdom,** and the **agreement** on **output rights** for nuclear power stations

Sales

Sales in the first nine months of 2021 rose by €4.8 billion year on year to €48.1 billion. The increase resulted in part from cooler weather relative to the prior year. Another reason was that the Covid-19 pandemic's economic repercussions, which had a negative effect on E.ON's operations in the prior year, had no significant effect in the first nine months of 2021.

Energy Networks' sales increased by €0.4 billion relative to the prior year to €13.3 billion. Customer Solutions' sales rose by €3.8 billion to €38.3 billion. The increase relates to the recognition of commodity derivatives (failed own-use transactions) amid rising prices on commodity markets (€2.4 billion). Corresponding expenditures relating to the recognition of commodity derivatives are recorded under other operating expenses; on balance, failed own-use adjustments have no impact on earnings. The above-described increase in conjunction with the recognition of commodity derivatives led to higher sales, particularly in Germany and the United Kingdom. In addition, higher consumption due to comparatively cooler weather and the passthrough of increased cost components led to higher sales in Germany. The positive sales performance in the Netherlands/Belgium was attributable in part to higher consumption due to weather and Covid-19 factors. Sales were higher in Slovakia due to the inclusion of VSEH for the entire period under review. By contrast, a change in the customer portfolio in Germany led to a volume-driven decline in sales.

Power passthrough	
1Q–3Q 2021	**250.2 billion kWh**
1Q–3Q 2020	**233.9 billion kWh**
Power sales[1]	
1Q–3Q 2021	**179.7 billion kWh**
1Q–3Q 2020	**198.6 billion kWh**

Gas passthrough	
1Q–3Q 2021	**161.6 billion kWh**
1Q–3Q 2020	**140.0 billion kWh**
Gas sales[1]	
1Q–3Q 2021	**198.2 billion kWh**
1Q–3Q 2020	**189.8 billion kWh**

[1]Customer Solutions' sales volume; does not include sales to the wholesale market.

Sales at Non-Core Business were slightly higher, increasing by €45 million to €1.1 billion. Sales recorded at Corporate Functions/ Other of €8.6 billion were €7.6 billion above the prior-year figure. The increase is mainly attributable to the inclusion of E.ON Energy Markets, a new central commodity procurement unit that began operating in October 2020, and the recognition of derivatives (€0.8 billion).

Sales

	Third quarter			Nine months		
€ in millions	2021	2020	+/- %	2021	2020	+/- %
Energy Networks	4,204	4,181	1	13,268	12,889	3
Customer Solutions	12,016	9,880	22	38,263	34,442	11
Non-Core Business	363	332	9	1,073	1,028	4
Corporate Functions/Other	3,826	293	1,206	8,641	993	770
Consolidation	-5,362	-1,875	-186	-13,158	-6,038	-118
E.ON Group	**15,047**	**12,811**	**17**	**48,087**	**43,314**	**11**

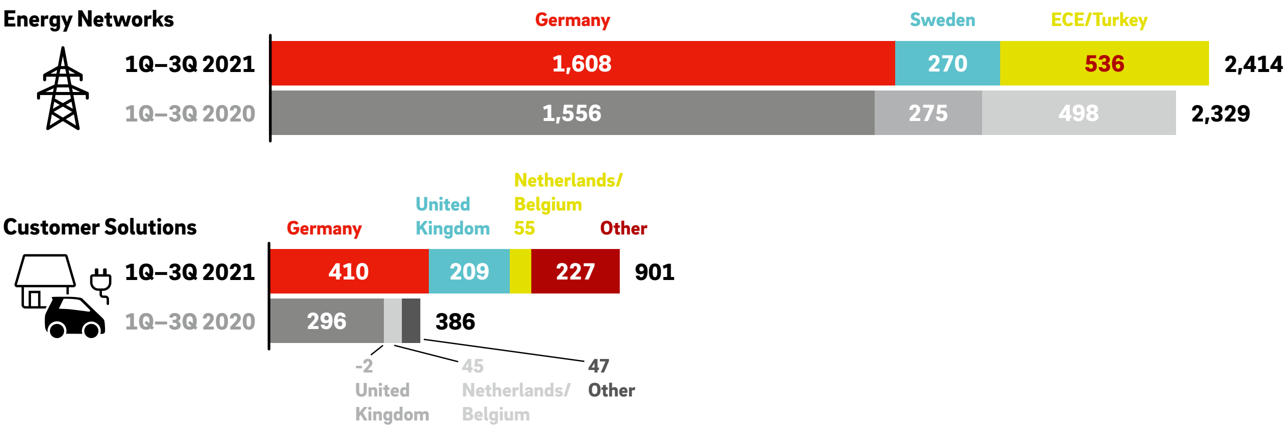
Adjusted EBIT

The core business's adjusted EBIT rose by €700 million, from €2,390 million to €3,068 million.

Energy Networks' adjusted EBIT increased by €85 million year on year to €2,414 million. Adjusted EBIT in Germany improved primarily due to positive volume effects resulting from cooler weather and to the non-recurrence of the negative consequences of the Covid-19 pandemic in 2020. The network business in East-Central Europe/Turkey posted the largest increase (8 percent), which was mainly attributable to the inclusion of VSEH in Slovakia for the entire period under review.

Adjusted EBIT at Customer Solutions rose by €515 million year on year to €901 million. The reasons were likewise higher sales volume due to cooler weather and Covid-19 effects as well as operating improvements in nearly all E.ON markets. Cost savings from the ongoing restructuring program in the United Kingdom continued to have a positive impact on adjusted EBIT. This development was partially offset by the streamlining of the customer portfolio.

Adjusted EBIT from Core Business (€ in millions)



The positive performance of adjusted EBIT in E.ON's core business was accompanied by higher adjusted EBIT at Non-Core Business, which rose by €562 million to €860 million. The increase is mainly attributable to PreussenElektra and, following the Bundesrat's approval on June 25, 2021, the implementation of the public-law agreement of March 25, 2021, between the German federal government and the country's nuclear power plant operators. In this context, previous purchases of residual power will be refunded. This resulted in a positive effect of roughly €0.5 billion. As a result, the E.ON Group recorded adjusted EBIT of €3,928 million, which represents an increase of €1,240 million relative to the prior-year figure.

Adjusted EBIT

	Third quarter			Nine months		
€ in millions	2021	2020[1]	+/- %	2021	2020[1]	+/- %
Energy Networks	637	677	-6	2,414	2,329	4
Customer Solutions	55	-99	156	901	386	133
Corporate Functions/Other	-75	-134	44	-245	-324	24
Consolidation	5	2	150	-2	-1	-100
Adjusted EBIT from core business	**622**	**446**	**39**	**3,068**	**2,390**	**28**
Non-Core Business	143	57	151	860	298	189
E.ON Group adjusted EBIT	**765**	**503**	**52**	**3,928**	**2,688**	**46**

[1]Includes the effects of retrospective changes in conjunction with the adjustment of the provisional recognition of the innogy acquisition until September 18, 2020.

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 positive effects from the resolution of the difference between the nominal interest rate and the effective interest rate of former innogy bonds due to the purchase-price allocation.

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

Reconciliation to Adjusted EBIT

Net income attributable to shareholders of E.ON SE and corresponding earnings per share amounted to €3.8 billion and €1.45, respectively. In the prior-year period E.ON recorded net income of €0.9 billion and earnings per share of €0.33. The development of net income in the first nine months of 2021 mainly reflected asymmetrical valuation effects on unrealized sales and procurement transactions as a result of sharp increases in commodity prices on spot markets. These effects had no impact on contractual payment streams or adjusted earnings.

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	Third quarter 2021	Third quarter 2020[1, 2]	Nine months 2021	Nine months 2020[1, 2]
Net income/loss	1,131	731	3,903	1,058
Attributable to shareholders of E.ON SE	*1,236*	*700*	*3,784*	*861*
Attributable to non-controlling interests	*-105*	*31*	*119*	*197*
Income/Loss from discontinued operations, net	–	-24	–	39
Income/Loss from continuing operations	**1,131**	**707**	**3,903**	**1,097**
Income taxes	15	42	736	691
Financial results	62	219	357	496
Income/Loss from continuing operations before financial results and income taxes	**1,208**	**968**	**4,996**	**2,284**
Income/Loss from equity investments	33	-16	99	39
EBIT	**1,241**	**952**	**5,095**	**2,323**
Non-operating adjustments	**-476**	**-449**	**-1,167**	**365**
Net book gains (-)/losses (+)	*25*	*-59*	*-34*	*-218*
Restructuring expenses	*113*	*85*	*289*	*390*
Effects from derivative financial instruments	*-424*	*-508*	*-1,625*	*-157*
Impairments (+)/Reversals (-)	*–*	*68*	*12*	*84*
Carryforward of hidden reserves (+) and liabilities (-) from the innogy transaction	*159*	*147*	*514*	*477*
Other non-operating earnings	*-349*	*-182*	*-323*	*-211*
Adjusted EBIT	**765**	**503**	**3,928**	**2,688**
Impairments (+)/Reversals (-)	24	3	32	6
Scheduled depreciation and amortization	720	781	2,317	2,272
Adjusted EBITDA	**1,509**	**1,287**	**6,277**	**4,966**

[1]Includes the effects of retrospective changes in conjunction with the adjustment of the provisional recognition of the innogy acquisition until September 18, 2020.
[2]Prior-year figures were adjusted owing to changes in intraperiod additions to provisions for contingent losses on pending transactions (cost of materials: -€173 million; income taxes: +€21 million).

E.ON's tax expense on continuing operations rose from €691 million to €736 million. The tax rate in the reporting period was 16 percent. This was mainly due to the marking-to-market of commodity derivatives, which in some cases led to no tax expense. The reason for the higher tax rate in the prior-year period was a one-off item related to the revaluation of deferred tax assets, which was partially offset by taxes for prior years.

Financial results improved relative to the prior-year period. Both interest expenses on debt financing as well as expenses from the accrual of provisions for pensions were lower in the reporting period than in the prior year. This was partially offset by a decline in non-operating interest income, which also included positive effects in the amount of €209 million (prior-year period: €249 million) resulting from the resolution of the difference between the nominal interest rate and the effective interest rate, which was adjusted owing to the purchase-price allocation, of former innogy bonds.

Restructuring expenses were 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 sales business in the United Kingdom.

Effects from derivative financial instruments rose by €1,468 million to €1,625 million. The sharp increase in commodity prices led to a significant increase in in other operating income from derivative financial instruments on unrealized sales and procurement transactions. It also resulted in a significant increase in provisions, which are recorded in cost of materials. These temporary effects are reported on a net basis in non-operating earnings.

Net book gains were lower than the prior-year figure. The main factor in the current year was the transfer of the remaining stake in Rampion wind farm to RWE.

Items resulting from the subsequent valuation of hidden reserves and liabilities as part of the purchase-price allocation are disclosed separately.

Reconciliation to Adjusted Net Income

Adjusted net income doubled year on year to €2,189 million. Besides the above-described effects in the reconciliation to adjusted EBIT, this reconciliation includes the following items:

Non-operating interest income/expense declined by €20 million year on year, principally because of a reduction in income from previous years. This was partially offset by valuation effects on securities recorded at fair value on the balance-sheet date. In addition, this item includes positive effects resulting from the resolution of the difference between the nominal interest rate and the effective interest rate, which was adjusted owing to the purchase-price allocation, of former innogy bonds.

The tax rate on operating earnings of continuing operations decreased from 25 percent in the prior-year period to 23 percent, in part because of the utilization of tax losses, which lowered the tax rate.

Non-controlling interests' share of operating earnings declined from €300 million to €268 million. The decline in minority interests at PreussenElektra is mainly attributable to the implementation of the public-law agreement of March 25, 2021, between the German federal government and nuclear power plant operators. In this context, purchases of residual power output rights were refunded. The inclusion of Slovakia-based VSEH was a countervailing factor.

Reconciliation to Adjusted Net Income

	Third quarter		Nine months	
€ in millions	2021	2020[1, 2]	2021	2020[1, 2]
Income/Loss from continuing operations before financial results and income taxes	**1,208**	**968**	**4,996**	**2,284**
Income/Loss from equity investments	33	-16	99	39
EBIT	**1,241**	**952**	**5,095**	**2,323**
Non-operating adjustments	-476	-449	-1,167	365
Adjusted EBIT	**765**	**503**	**3,928**	**2,688**
Net interest income/loss	-95	-203	-456	-535
Non-operating interest expense (+)/income (-)	-145	-74	-281	-301
Operating earnings before taxes	**525**	**226**	**3,191**	**1,852**
Taxes on operating earnings	-121	-57	-734	-463
Operating earnings attributable to non-controlling interests	20	-30	-268	-300
Adjusted net income	**424**	**139**	**2,189**	**1,089**

[1]Includes the effects of retrospective changes in conjunction with the adjustment of the provisional recognition of the innogy acquisition until September 18, 2020.
[2]Prior-year figures were adjusted owing to changes in intraperiod additions to provisions for contingent losses on pending transactions (cost of materials: -€173 million; income taxes: +€21 million).

Financial Situation

- **Economic net debt** improves relative to year-end 2020
- **Provisions** for **pensions decline significantly** owing to higher **actuarial discount rates**
- **Operating cash flow** lower **year** on **year** due to higher **interest** and **tax payments**
- Overall, **investments** at **Energy Networks** and **Customer Solutions** at the **prior-year level**

Financial Position

Economic net debt declined by €3.6 billion relative to year-end 2020 (€40.7 billion) to €37.2 billion. E.ON's net financial position improved by €0.9 billion relative to year-end 2020, from -€24 billion to -€23.1 billion.

E.ON SE's dividend payment and investment expenditures were largely offset by positive operating cash flow and disposals. In addition, collateral payments received owing to the significant increase in commodity prices had a positive impact.

Financial liabilities of €31.4 billion include E.ON SE's issuance of two bonds in the current year totaling €1.4 billion as well as the repayment of three bonds (GBP and EUR) totaling €2.4 billion. The increase in financial liabilities is attributable to adverse currency-translation effects on bonds denominated in foreign currencies (effects that were largely offset in E.ON's net financial position by positive effects from foreign-currency hedging) and to collateral payments received in conjunction with power and gas procurement transactions, which, by contrast, led to an increase in liquid funds.

Actuarial discount rates higher

	Germany	United Kingdom
Sep. 30, 2021	1.2%	2.0%
Dec. 31, 2020	0.8%	1.4%

Ratings

	Long-term	Outlook	Short-term
S&P	BBB	Stable	A-2
Moody's	Baa2	Stable	P-2

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

Economic Net Debt

€ in millions	Sep. 30, 2021	Dec. 31, 2020
Liquid funds	6,231	4,795
Non-current securities	1,785	1,887
Financial liabilities[1]	-31,365	-30,720
FX hedging adjustment	266	82
Net financial position	**-23,083**	**-23,956**
Provisions for pensions	-6,036	-8,088
Asset-retirement obligations[2]	-8,050	-8,692
Economic net debt	**-37,169**	**-40,736**

[1] 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).
[2] This figure is not the same as the asset-retirement obligations shown in the Consolidated Balance Sheets (€9,325 million at September 30, 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.

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 at A-2 and P-2, respectively.

Investments

In the first nine months of 2021 the E.ON Group's cash-effective investments of €2.9 billion surpassed the prior-year figure of €2.4 billion. As in the prior year, the E.ON Group invested about €2.7 billion in property, plant, and equipment and intangible assets. Share investments totaled about €0.2 billion versus -€0.3 billion in the prior year.

Investments

Nine months € in millions	2021	2020	+/- %
Energy Networks	2,075	2,022	3
Customer Solutions	471	513	-8
Corporate Functions/Other	185	-320	158
Consolidation	-2	0	–
Investments in core business	**2,729**	**2,215**	**23**
Non-Core Business	184	159	16
E.ON Group investments	**2,913**	**2,374**	**23**

Energy Networks' investments of €2.1 billion, which were nearly at the prior-year level, went principally toward new connections and the upgrade of its network infrastructure.

Customer Solutions' investments declined by €42 million year on year to €471 million. Investments were below the prior-year level particularly in Sweden due to the completion of the Högbytorp project. In addition, the prior-year figure included expenditures for the acquisition of Coromatic, a leading supplier of critical building infrastructure in Scandinavia.

Investments recorded at Corporate Functions/Other of €185 million (prior-year period: -€320 million) are principally attributable to subsequent purchase-price payments in conjunction with the innogy acquisition.

Non-Core Business's investments rose by €25 million year on year to €184 million because PreussenElektra invested more to acquire residual power output rights.

Cash Flow

Cash provided by operating activities of continuing operations before interest and taxes of €4.8 billion was above the prior-year figure of €4.1 billion. The increase mainly reflects a €1 billion improvement at Customer Solutions, the largest portion of which came from the U.K. and German markets. Energy Networks declined by €0.3 billion, principally because of fluctuations in working capital. Operating cash flow before interest and taxes at Non-Core Business and Corporate Functions/Other was at the prior-year level.

Cash provided by operating activities of continuing operations was adversely affected by significantly higher interest and tax payments.

Cash Flow[1]

Nine months € in millions	2021	2020
Cash provided by (used for) operating activities (operating cash flow)	3,409	3,662
Operating cash flow before interest and taxes	4,780	4,063
Cash provided by (used for) investing activities	-2,595	-960
Cash provided by (used for) financing activities	761	-2,044

[1]From continuing operations.

Cash provided by investing activities of continuing operations totaled -€2.6 billion versus -€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 Contractual Trust Arrangement in 2019. In addition, prior-year cash flow benefited from a subsequent purchase-price payment by RWE for the innogy acquisition and from the sale of the heating electricity business. Cash provided by investing activities in the current year benefitted to a comparatively limited degree from the sale of two network companies in Hungary.

Cash provided by financing activities of continuing operations of €0.8 billion was €2.8 billion above the prior-year figure of -€2 billion. Compensation payments made to innogy's remaining minority shareholders in the prior-year period did not recur. In addition, net cash inflow from changes in financial liabilities was higher 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 faces to a number of risks and chances that are inseparably linked to the operation of its businesses. They 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 third quarter of 2021. The sharp increase in commodity prices has, in some cases, significant implications for the assessment of individual risks and, on the positive side, individual chances. This has led to higher credits risks on the supplier side, which, however, are counterbalanced by major suppliers' good credit ratings and system relevance. However, because of the continued low likelihood that the associated events—such as credit risks—will occur, there are no significant implications for the risk and chances profile of the Group as a whole. There are notable changes in legal and regulatory risks and opportunities relative to year-end 2020. They relate in part to the legal implementation of the formal agreement between the responsible federal ministries and the operators of nuclear power plants on compensation for investments in lifetime extension and the pricing of residual electricity output rights and the factoring of these matters into E.ON's current planning. They also result from the Swedish parliament's decision regarding the possibility of transferring revenues from previous regulatory periods 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** current-year **adjusted EBIT** for the E.ON Group and Non-Core Business was increased by around **€600 million** in August due to the **agreement** between the **German federal government** and the **operators of nuclear power plants** on residual power output rights
- **2021 forecast affirmed**

	2020	Forecast May 2021	Adjusted forecast August 2021
Adjusted EBITDA (€ in billions)	6.9	7.2 to 7.4	7.6 to 7.8
Adjusted EBIT (€ in billions)	3.8	3.8 to 4.0	4.4 to 4.6
Adjusted net income (€ in billions)	1.6	1.7 to 1.9	2.2 to 2.4
Adjusted net income per share (€)[1]	0.63	0.65 to 0.73	0.84 to 0.92
Cash-conversion rate (%)[2]	91	100[3]	100[3]
Cash-effective investments (€ in billions)	4.2	4.9	~4.9
Dividend per share (€)	0.47	up to 5% growth	up to 5% growth

1 Based on roughly 2,607 million shares outstanding.
2 Excludes expenditures for decommissioning nuclear power stations.
3 Average for the 2021 to 2023 financial years.

Selected Financial Information

E.ON SE and Subsidiaries Consolidated Statements of Income

€ in millions	Third quarter 2021	Third quarter 2020[1]	Nine months 2021	Nine months 2020[1]
Sales including electricity and energy taxes	15,379	13,132	50,016	45,102
Electricity and energy taxes	-332	-321	-1,929	-1,788
Sales	**15,047**	**12,811**	**48,087**	**43,314**
Changes in inventories (finished goods and work in progress)	48	100	135	238
Own work capitalized	142	183	434	413
Other operating incomes	21,688	1,124	31,278	6,125
Cost of materials[2]	-21,750	-9,901	-49,144	-33,284
Personnel costs	-1,392	-1,414	-4,258	-4,255
Depreciation, amortization and impairment charges	-878	-916	-2,805	-2,722
Other operating expenses	-11,855	-1,140	-19,122	-7,885
Thereof: Impairments of Financial Assets	*-57*	*-62*	*-244*	*-179*
Income from companies accounted for under the equity method	158	121	391	340
Income from continuing operations before financial results and income taxes	**1,208**	**968**	**4,996**	**2,284**
Financial results	-62	-219	-357	-496
Income/Loss from equity investments	*33*	*-16*	*99*	*39*
Income from other securities, interest and similar income	*207*	*92*	*561*	*514*
Interest and similar expenses	*-302*	*-295*	*-1,017*	*-1,049*
Income taxes[2]	-15	-42	-736	-691
Income from continuing operations	**1,131**	**707**	**3,903**	**1,097**
Income/Loss from discontinued operations, net	–	24	–	-39
Net income	**1,131**	**731**	**3,903**	**1,058**
Attributable to shareholders of E.ON SE	*1,236*	*700*	*3,784*	*861*
Attributable to non-controlling interests	*-105*	*31*	*119*	*197*
in €				
Earnings per share (attributable to shareholders of E.ON SE)—basic and diluted[3]				
from continuing operations	0.47	0.26	1.45	0.35
from discontinued operations	0.00	0.01	–	-0.02
from net income	**0.47**	**0.27**	**1.45**	**0.33**
Weighted-average number of shares outstanding (in millions)	2,607	2,607	2,607	2,607

[1]Including the effects of retrospective changes in connection with the adjustment of the provisional recognition of the innogy acquisition until September 18, 2020.
[2]Prior-year figures were adjusted retrospectively owing to a change in intraperiod additions to provisions for contingent losses on pending transactions (cost of materials: -€173 million; income taxes: +€21 million).
[3]Based on weighted-average number of shares outstanding.

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

	Third quarter		Nine months	
€ in millions	2021	2020[1]	2021	2020[1]
Net income	**1,131**	**731**	**3,903**	**1,058**
Remeasurements of defined benefit plans	325	-635	2,305	-1,329
Remeasurements of defined benefit plans of companies accounted for under the equity method	5	–	2	2
Income taxes	-5	86	-97	247
Items that will not be reclassified subsequently to the income statement	**325**	**-549**	**2,210**	**-1,080**
Cash flow hedges	36	-52	527	-271
Unrealized changes—hedging reserve	*52*	*-132*	*468*	*-336*
Unrealized changes—reserve for hedging costs	*-9*	*17*	*16*	*-27*
Reclassification adjustments recognized in income	*-7*	*63*	*43*	*92*
Fair value measurement of financial instruments	-8	19	-37	32
Unrealized changes	*-7*	*19*	*-36*	*33*
Reclassification adjustments recognized in income	*-1*	–	*-1*	*-1*
Currency-translation adjustments	-57	-308	53	-538
Unrealized changes—hedging reserve/other	*-72*	*-241*	*37*	*-464*
Unrealized changes—reserve for hedging costs	*1*	*2*	–	*-5*
Reclassification adjustments recognized in income	*14*	*-69*	*16*	*-69*
Companies accounted for under the equity method	5	-156	-45	-349
Unrealized changes	*5*	*-156*	*-28*	*-349*
Reclassification adjustments recognized in income	–	–	*-17*	–
Income taxes	-8	12	16	-10
Items that might be reclassified subsequently to the income statement	**-32**	**-485**	**514**	**-1,136**
Total income and expenses recognized directly in equity (other comprehensive income)	**293**	**-1,034**	**2,724**	**-2,216**
Total recognized income and expenses (total comprehensive income)	**1,424**	**-303**	**6,627**	**-1,158**
Attributable to shareholders of E.ON SE	*1,498*	*-292*	*6,351*	*-1,257*
Continuing operations	*1,498*	*-305*	*6,351*	*-1,051*
Discontinued operations	–	*13*	–	*-206*
Attributable to non-controlling interests	*-74*	*-11*	*276*	*99*

[1]Including the effects of retrospective changes in connection 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	Sep. 30, 2021	Dec. 31, 2020[1]
Goodwill[2]	17,875	17,827
Intangible assets	3,568	3,855
Right-of-use assets	2,495	2,543
Property, plant and equipment	36,967	36,923
Companies accounted for under the equity method	4,231	4,383
Other financial assets	3,744	3,770
Equity investments	*1,959*	*1,883*
Non-current securities	*1,785*	*1,887*
Financial receivables and other financial assets	688	622
Operating receivables and other operating assets	13,937	3,244
Deferred tax assets	1,797	2,283
Income tax assets	3	34
Non-current assets	**85,305**	**75,484**
Inventories	1,291	1,131
Financial receivables and other financial assets	1,226	445
Trade receivables and other operating assets	21,362	11,525
Income tax assets	1,120	1,003
Liquid funds	6,231	4,795
Securities and fixed-term deposits	*1,205*	*1,111*
Restricted cash and cash equivalents	*762*	*1,016*
Cash and cash equivalents	*4,264*	*2,668*
Assets held for sale	323	1,002
Current assets	**31,553**	**19,901**
Total assets	**116,858**	**95,385**

[1]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.
[2]Includes the preliminary differential amount from the VSEH purchase-price allocation.

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

€ in millions	Sep. 30, 2021	Dec. 31, 2020[1]
Capital stock	2,641	2,641
Additional paid-in capital	13,377	13,368
Retained earnings	38	-5,257
Accumulated Other Comprehensive Income	-4,171	-4,701
Treasury shares	-1,126	-1,126
Equity attributable to shareholders of E.ON SE	**10,759**	**4,925**
Non-controlling interests (before reclassification)	5,785	5,696
Reclassification related to IAS 32	-762	-1,566
Non-controlling interests	**5,023**	**4,130**
Equity	**15,782**	**9,055**
Financial liabilities	30,370	29,423
Operating liabilities	12,954	7,599
Income tax liabilities	260	362
Provisions for pensions and similar obligations	6,036	8,088
Miscellaneous provisions	14,341	13,296
Deferred tax liabilities	2,942	2,993
Non-current liabilities	**66,903**	**61,761**
Financial liabilities	2,954	3,418
Trade payables and other operating liabilities	18,942	16,215
Income tax liabilities	771	847
Miscellaneous provisions	11,506	3,904
Liabilities associated with assets held for sale	–	185
Current liabilities	**34,173**	**24,569**
Total equity and liabilities	**116,858**	**95,385**

[1]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

Nine months € in millions	2021	2020
Net income[1]	**3,903**	**1,058**
Income/Loss from discontinued operations, net	–	39
Depreciation, amortization and impairment of intangible assets and of property, plant and equipment	2,805	2,722
Changes in provisions[1]	10,504	-540
Changes in deferred taxes[1]	357	602
Other non-cash income and expenses	-1,951	-381
Gain/Loss on disposal of intangible assets and property, plant and equipment, equity investments and securities (>3 months)	-124	-216
Changes in operating assets and liabilities and in income taxes	-12,085	378
Cash provided by (used for) operating activities of continuing operations	**3,409**	**3,662**
Cash provided by (used for) operating activities of discontinued operations	–	26
Cash provided by (used for) operating activities (operating cash flow)	**3,409**	**3,688**
Proceeds from disposal of	790	1,510
Intangible assets and property, plant and equipment	*157*	*163*
Equity investments	*633*	*1,347*
Purchases of investments in	-2,913	-2,374
Intangible assets and property, plant and equipment	*-2,704*	*-2,678*
Equity investments	*-209*	*304*
Changes in securities, financial receivables and fixed-term deposits	-730	300
Changes in restricted cash and cash equivalents	258	-396
Cash provided by (used for) investing activities of continuing operations	**-2,595**	**-960**
Cash provided by (used for) investing activities of discontinued operations	–	13
Cash provided by (used for) investing activities	**-2,595**	**-947**
Payments received/made from changes in capital	42	-2,360
Cash dividends paid to shareholders of E.ON SE	-1,225	-1,199
Cash dividends paid to non-controlling interests	-316	-310
Changes in financial liabilities	2,260	1,825
Cash provided by (used for) financing activities of continuing operations	**761**	**-2,044**
Cash provided by (used for) financing activities of discontinued operations	–	–
Cash provided by (used for) financing activities	**761**	**-2,044**
Net increase/decrease in cash and cash equivalents	**1,575**	**697**
Effect of foreign exchange rates on cash and cash equivalents	21	5
Cash and cash equivalents at the beginning of the year[2]	2,668	1,902
Cash and cash equivalents of discontinued operations at the beginning of the period	–	14
Cash and cash equivalents at the end of the period	**4,264**	**2,618**
Less: Cash and cash equivalents of discontinued operations at the end of the period	**–**	**-72**
Cash and cash equivalents of continuing operations at the end of the period	**4,264**	**2,546**

[1]Prior-year figures were adjusted retrospectively owing to a change in intraperiod additions to provisions for contingent losses on pending transactions (cost of materials: -€173 million; income taxes: +€21 million).
[2]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 until the divestment in the third quarter and €4 million attributable to the sales operations of the heating electricity business in Germany which was divested in the second quarter.

Financial Information by Business Segment[1]

Nine months € in millions	Energy Networks: Germany 2021	Germany 2020	Sweden 2021	Sweden 2020	ECE/Turkey 2021	ECE/Turkey 2020	Customer Solutions: Germany 2021	Germany 2020	United Kingdom 2021	United Kingdom 2020	Netherlands/ Belgium 2021	Netherlands/ Belgium 2020	Other 2021	Other 2020
External sales	7,665	7,395	698	645	1,012	874	14,408	14,975	11,476	10,073	1,968	1,942	7,092	6,161
Intersegment sales	2,920	3,066	3	4	970	905	2,578	906	2	3	390	77	349	305
Sales	**10,585**	**10,461**	**701**	**649**	**1,982**	**1,779**	**16,986**	**15,881**	**11,478**	**10,076**	**2,358**	**2,019**	**7,441**	**6,466**
Depreciation and amortization[2]	**-1,071**	**-1,044**	**-126**	**-117**	**-259**	**-246**	**-98**	**-96**	**-87**	**-99**	**-47**	**-56**	**-189**	**-150**
Adjusted EBIT	**1,608**	**1,556**	**270**	**275**	**536**	**498**	**410**	**296**	**209**	**-2**	**55**	**45**	**227**	**47**
Equity-method earnings[3]	*231*	*177*	–	–	*108*	*124*	*3*	*3*	–	–	*5*	*3*	*6*	*4*
Operating cash flow before interest and taxes	**2,670**	**3,082**	**387**	**394**	**815**	**725**	**668**	**373**	**135**	**-253**	**100**	**41**	**492**	**201**
Investments	**1,330**	**1,352**	**257**	**241**	**488**	**429**	**150**	**152**	**64**	**66**	**26**	**28**	**231**	**267**

Nine months € in millions	Non-Core Business: PreussenElektra 2021	PreussenElektra 2020	Generation Turkey 2021	Generation Turkey 2020	Corporate Functions/ Other 2021	Corporate Functions/ Other 2020	Consolidation 2021	Consolidation 2020	E.ON Group 2021	E.ON Group 2020
External sales	213	1,028	–	–	3,555	224	–	-3	48,087	43,314
Intersegment sales	860	–	–	–	5,086	769	-13,158	-6,035	0	0
Sales	**1,073**	**1,028**	**–**	**–**	**8,641**	**993**	**-13,158**	**-6,038**	**48,087**	**43,314**
Depreciation and amortization[2]	**-391**	**-371**	**–**	**–**	**-80**	**-103**	**-1**	**4**	**-2,349**	**-2,278**
Adjusted EBIT	**826**	**271**	**34**	**27**	**-245**	**-324**	**-2**	**-1**	**3,928**	**2,688**
Equity-method earnings[3]	*38*	*38*	*34*	*27*	**–**	*12*	*3*	*-2*	*428*	*386*
Operating cash flow before interest and taxes	**466**	**394**	**32**	**–**	**-981**	**-892**	**-4**	**-2**	**4,780**	**4,063**
Investments	**184**	**159**	**–**	**–**	**185**	**-320**	**-2**	**–**	**2,913**	**2,374**

[1]Because of changes in segment reporting, the prior-year figure was adjusted accordingly.
[2]Adjusted for non-operating effects.
[3]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.

November 23, 2021	**Capital Markets Day**
March 16, 2022	**Release of the 2021 Annual Report**
May 11, 2022	**Quarterly Statement: January – March 2022**
May 12, 2022	**2022 Annual Shareholders Meeting**
August 10, 2022	**Half-Year Financial Report: January – June 2022**
November 9, 2022	**Quarterly Statement: January – September 2022**

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