Joint reasoned Statement
of the Executive Board and the Supervisory Board

of

innogy SE

Opernplatz 1
45128 Essen

pursuant to Sec. 27 para. 1 WpÜG

on the voluntary public takeover offer

of

E.ON Verwaltungs SE

Brüsseler Platz 1
45131 Essen

to

the shareholders of innogy SE

of 27 April 2018

Shares of innogy SE: ISIN DE000A2AADD2
Tendered Shares of innogy SE: ISIN DE000A2LQ2L3
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I. GENERAL INFORMATION ABOUT THIS STATEMENT

On 27 April 2018, E.ON Verwaltungs SE with its seat in Düsseldorf, Germany (the "Bidder"), an indirect subsidiary of E.ON SE, Essen, Germany ("E.ON", and together with its affiliated companies within the meaning of Secs. 15 et seqq. of the German Stock Corporation Act (Aktiengesetz – AktG) ("AktG"), the "E.ON Group") published, in accordance with Secs. 34, 14 paras. 2 and 3 of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz – WpÜG) ("WpÜG"), the offer document pursuant to Sec. 11 WpÜG (the "Offer Document") for its voluntary public takeover offer (the "Offer") to all shareholders of innogy SE, Essen, Germany ("innogy" or the "Company", and together with its affiliated companies within the meaning of Secs. 17 et seqq. AktG, with the exception of the "RWE Group" (i.e., RWE Aktiengesellschaft, "RWE", together with its affiliated companies within the meaning of Secs. 15 et seqq. AktG with the exception of innogy and companies with which a corporate affiliation only exists through innogy), the "innogy Group", and the shareholders of innogy the "innogy Shareholders") for the purchase of all no-par value bearer shares of innogy each with a pro rata portion of the registered share capital of €2.00 per share (DE000A2AADD2, WKN A2AADD) (the "innogy Shares") for payment of a cash consideration in the amount of €36.76 per innogy Share (the "Offer Price").

At the time of publication of the Offer Document, the Bidder values the Offer at €38.40 per innogy Share ("Undiscounted Total Value"). According to its own information, this valuation is based on the fact that, in addition to being paid the Offer Price, the innogy Shareholders accepting the Offer are to participate in the value of the dividend for the 2018 financial year to be resolved by the Annual General Meeting in the 2019 financial year (the "2019 innogy General Meeting"), which the Bidder, according to its own information, expects to amount to €1.64 per innogy Share (the "2018 innogy Dividend"). Should the Offer be completed before the 2019 innogy General Meeting or should the 2018 innogy Dividend be less than €1.64 per innogy Share, the Bidder, according to its own information, will provide compensation for the amount by which the 2018 innogy Dividend falls short of the amount of €1.64 per innogy Share by making a corresponding payment for each innogy Share for which the Offer has been accepted. Details regarding the increase of the Offer Price are set forth in Sections III.6.1 and IV.3.1 of this Statement and in section 4.1 of the Offer Document.

The Offer Document was submitted to the Executive Board of innogy (the "Executive Board") on 27 April 2018. The Executive Board passed on the Offer Document to innogy's Supervisory Board (the "Supervisory Board") and to innogy's SE works council (the "SE Works Council"), innogy's group works council (the "Group Works Council"), innogy's general works council (the "General
Works Council”), innogy's economic committee as well as innogy's executive staff representation committee and group executive staff representation committee on the same day.

The Executive Board and the Supervisory Board provide this joint statement pursuant to Sec. 27 WpÜG (the "Statement") with regard to the Bidder's Offer. The Supervisory Board and the Executive Board have each agreed on this Statement on 10 May 2018. In the context of the Statement, the Executive Board and the Supervisory Board point to the following in advance:

1. Legal and factual bases

Under Sec. 27 para. 1 sentence 1 WpÜG, the executive board and the supervisory board of a target company are required to issue a reasoned statement on a takeover offer and all amendments thereto. The statement may be provided jointly by the target company's executive board and supervisory board. The Executive Board and the Supervisory Board have decided to issue a joint statement regarding the Bidder's Offer. This Statement is being issued solely under German law.

Time data in this Statement is given in Central European Summer Time ("CEST") unless explicitly stated otherwise. The currency designation "EUR", "€" or "Euro" refers to the currency of the European Union. Unless stated otherwise, terms such as "at this point in time", "at the date hereof", "currently", "at the moment", "now", "at present" or "today" refer to the date of publication of this Statement, i.e., 10 May 2018.

All information, forecasts, assessments, value judgements, valuations, forward-looking statements and declarations of intent contained in this Statement are based on the information available to the Executive Board and the Supervisory Board on the date of publication of this Statement or reflect their assessments or intentions at this point in time. Forward-looking statements express intentions, opinions or expectations and entail known or unknown risks and uncertainties, because these statements refer to events and depend on circumstances that will occur in the future. Forward-looking statements are indicated by words and phrases such as "may", "should", "target", "will", "expect", "intend", "estimate", "anticipate", "believe", "plan", "determine", or similar words. While the Executive Board and the Supervisory Board assume that the expectations contained in such forward-looking statements are based on justified and verifiable assumptions and, to the best of their knowledge, are correct and complete at the date hereof, the underlying assumptions may, however, change after the date of publication of this Statement as a result of political, economic or legal events.

The Executive Board and the Supervisory Board do not intend to update this Statement and do not assume any obligations to update this Statement, unless they are required to do so under German law.
The information contained in this Statement about the Bidder, the persons acting jointly with the Bidder and the Offer is based on the information contained in the Offer Document and other publicly available information unless explicitly stated otherwise. The Executive Board and the Supervisory Board point out that they are not in a position to verify the intentions specified by the Bidder in the Offer Document. It cannot be ruled out that the Bidder may change its stated intentions and that the intentions published in the Offer Document may not be implemented.

2. Statement by the competent works council

In accordance with Sec. 27 para. 2 WpÜG, the competent works council of the target company can make a statement about the offer to the executive board, which the executive board must then attach to its statement in accordance with Sec. 27 para. 2 WpÜG irrespective of its obligation under Sec. 27 para. 3 sentence 1 WpÜG. The joint statement of the SE Works Council and the Group Works Council of innogy as well as the joint statement of the General Works Council and of innogy’s economic committee are enclosed with this Statement.

3. Publication of this Statement and possible amendments to the Offer

This Statement and any supplements and/or additional statements regarding any amendments to the Offer will be published in accordance with Sec. 27 para. 3 and Sec. 14 para. 3 sentence 1 WpÜG on the Internet on the website of the Company at

https://www.innogy.com/begruendete_stellungnahme/

in German and at

https://www.innogy.com/reasoned_statement/

as a non-binding English translation. Copies of the statements can be obtained from innogy SE, Investor Relations, Opernplatz 1, 45128 Essen, phone: +49 (0) 201 12-44794, fax: +49 (0) 201 12-15500 for distribution free of charge. Both the fact of publication and the availability of copies for distribution free of charge will be announced in the Federal Gazette (Bundesanzeiger). Additionally, in Canada, a notice on the availability of the Statement will also be published in English and in French in the newspaper The Globe and Mail.

This Statement and any supplements and/or additional statements regarding any amendment to the Offer are published in German and as a non-binding English translation. However, no liability is assumed for the correctness or completeness of the English translations. Only the German versions are authoritative.
4. Independent responsibility of innogy Shareholders

The Executive Board and the Supervisory Board point out that the description of the Offer contained in this Statement does not purport to be complete and that solely the terms of the Offer Document apply to the terms and the settlement of the Offer. The valuations and recommendations of the Executive Board and the Supervisory Board contained in this Statement do not bind the innogy Shareholders in any way. To the extent that this Statement makes reference to, quotes, summarises or repeats the Offer or the Offer Document, such statements are deemed to be mere references, i.e., the Executive Board and the Supervisory Board neither make the terms of the Offer or Offer Document their own, nor do they assume any liability for the correctness or completeness of the Offer or Offer Document.

According to the Bidder's statements in Section 11 of the Offer Document, the Offer can be accepted by all innogy Shareholders in accordance with the terms and provisions set out in the Offer Document and the respective applicable legal provisions. The Offer is not addressed to, and cannot be accepted by, holders of American Depositary Receipts issued by third parties in respect of innogy Shares ("innogy ADRs" and individually "innogy ADR"). More detailed information for holders of innogy ADRs is set out in Section III.6.7 of this Statement and Section 11.9 of the Offer Document.

In Section 1.2 of the Offer Document, the Bidder also points out that for innogy Shareholders whose place of residence, seat or habitual abode is in the United States of America ("USA") it may be difficult to enforce their rights or claims under U.S. securities laws, since both the Bidder and innogy have their seats outside the USA and all Executive Board members of innogy are resident outside the USA. In Section 1.5 of the Offer Document, the Bidder also explains that the acceptance of the Offer outside the Federal Republic of Germany, the European Economic Area, the USA or Canada may be subject to certain legal restrictions. The Bidder assumes no liability for the acceptance of the Offer outside the Federal Republic of Germany, the European Economic Area, the USA or Canada being permissible under the relevant applicable legal provisions.

Each innogy Shareholder must, at its own responsibility, take note of the Offer Document, form its own opinion of the Offer and, if required, take any measures necessary for itself. In all, each innogy Shareholder is responsible for reaching their own decision on whether and, where applicable, to what extent they wish to accept the Offer, taking into account the overall situation, their individual situation (including their individual tax situation) and their personal assessment of the future development of the value and share price of the innogy Shares. In reaching this decision, the innogy Shareholders should take into account all sources of information available to them and take sufficient account of their personal interests. The Executive Board and the Supervisory Board do not assume any responsibility for the innogy Shareholders' decision. Regardless of whether or
not they accept the Offer, each innogy Shareholder is still responsible for complying with the requirements and conditions described in the Offer Document.

The Executive Board and the Supervisory Board point out that innogy Shareholders who intend to accept the Offer must check whether this acceptance will be compliant with their potential individual personal legal obligations (e.g. security interests in the shares, restriction of sales or restrictions of employee shares). The Executive Board and the Supervisory Board cannot assess such individual obligations and/or consider them in their recommendation. The Executive Board and the Supervisory Board advise in particular all individuals receiving the Offer Document outside of the Federal Republic of Germany, or who wish to accept the Offer but are subject to the securities laws of a jurisdiction other than the Federal Republic of Germany, to inform themselves of the applicable legal regulations and to comply with them. The Executive Board and the Supervisory Board recommend that the innogy Shareholders obtain individual tax and legal advice as necessary.

5. Information for innogy Shareholders whose place of residence, seat or habitual abode is in the USA

This Statement is made in accordance with the statutory provisions of the Federal Republic of Germany. It does not constitute a statement pursuant to sec. 14(d)(1) or 13(e)(1) of the Securities Exchange Act 1934, as amended, (the "Exchange Act") in conjunction with the General Rules and Regulations applicable thereunder (the "Tender Offer Statement"). The Executive Board and the Supervisory Board also advise the innogy Shareholders whose place of residence, seat or habitual abode is in the USA of the fact that this Statement has been prepared in accordance with a format and structure customary in the Federal Republic of Germany, which differs from the format and structure customary for a Tender Offer Statement in the USA. In addition, the content of this Statement differs from the mandatory information to be provided in a Tender Offer Statement under U.S. law. Furthermore, the Executive Board and the Supervisory Board point out that neither the U.S. Securities and Exchange Commission nor any state securities commission in the USA have approved or disapproved this Statement or reviewed this Statement prior to its publication.

II. GENERAL INFORMATION ABOUT INNOGY SE AND THE BIDDER

1. innogy SE

1.1 Legal basis

innogy is a listed European Company (Societas Europaea, SE) with its registered office in Essen, Germany, registered with the commercial register of the Local Court of Essen under no HRB 27091 (incorrect sequence of numbers in Section 7.1 of the Offer Document). The
Company's business address is Opernplatz 1, 45128 Essen, Germany. The Company is the parent company of the innogy Group.

The corporate purpose of the Company is to manage a group of enterprises in Germany and abroad, operating in particular in the following business fields: (i) generation of electricity and heat primarily from renewable sources of energy, including the production, operation and sale of energy assets in this field; (ii) procurement, sale, supply and trading of energy; (iii) construction, operation and usage of transportation and storage systems primarily for energy; (iv) water supply and wastewater management, and (v) provision of services in the aforementioned fields, including energy efficiency services. The Company shall be authorised to conclude business transactions relating to the purpose of the Company and directly or indirectly suitable for serving it. It may become active in the aforementioned business fields itself. The Company may establish or acquire other enterprises and purchase stakes in them, above all in enterprises whose purpose covers the aforementioned business fields in part or in full. It may group enterprises in which it holds stakes and place them under its uniform management or limit itself to administering the shareholdings. It may outsource their operation to affiliated companies in part or in full or transfer their operation to affiliated companies. The fiscal year of the Company shall be the calendar year.

innogy Shares (ISIN DE000A2AADD2) have been listed in the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of Deutsche Börse at the Frankfurt Stock Exchange since 7 October 2016 and are included, inter alia, in the MDAX stock index (ISIN DE0008467416) (the "MDAX"). Furthermore, innogy Shares are traded, inter alia, over the counter at the stock exchanges in Berlin, Düsseldorf, Hamburg, Hanover, Munich and Stuttgart.

1.2 Members of the Executive Board and of the Supervisory Board

The Executive Board of innogy currently consists of six members: Uwe Tigges (Chief Executive Officer), Dr Bernhard Günther (Chief Financial Officer), Martin Herrmann (Chief Operating Officer Retail), Dr Hans Bünting (Chief Operating Officer Renewables), Hildegard Müller (Chief Operating Officer Grid & Infrastructure) and Arno Hahn (Chief Operating Officer HR and Executive Management).

The Supervisory Board is subject to the co-determination provisions of Regulation (EC) No 2157/2001 (the "SE Regulation"), the German Act for the Implementation of the SE (SE Ausführungsgesetz), the German Act on Employee Participation in an SE (SE-Beteiligungsgesetz), and the Agreement on the Participation of Employees in innogy SE dated 20 December 2016. Ten of its members are shareholder representatives elected by the Company's general meeting and ten of its members are employee representatives elected by the employees.
The Supervisory Board currently consists of the following twenty members: Dr Erhard Schipporeit (Chairman), Frank Bsirske* (Deputy Chairman), Ulrich Grillo, Maria van der Hoeven, Michael Kleinemeier, Martina Koederitz, Dr Markus Krebber, Monika Krebber*, Robert Leyland*, Meike Neuhaus*, Dr Rolf Pohlig (incorrect first name in Section 7.5.2 of the Offer Document), René Pöhls*, Pascal van Rijsewijk*, Gabriele Sassenberg*, Dr Dieter Steinkamp, Markus Sterzl*, Marc Tüngler, Šárka Vojíková*, Jürgen Wefers* and Deborah B. Wilkens (*employee representatives).

1.3 Capital and shareholder structure

The registered share capital of the Company at the time of this Statement amounts to €1,111,110,000.00 and is divided into 555,555,000 ordinary no–par value bearer shares (Stückaktien), in each case with a pro rata portion of the registered share capital of €2.00 per share. Currently, the Company does not directly hold any treasury shares, but companies of the innogy Group or trustees may acquire innogy Shares from time to time in order to comply with obligations under employee stock programmes. All innogy Shares outstanding are entitled to vote.

RWE AG is innogy's largest indirect shareholder, owning approx. 76.79% of the shares and voting rights via RWE Downstream Beteiligungs GmbH ("RWE DB"), a wholly-owned subsidiary. According to the voting rights notifications received by 9 May 2018, there is no other shareholder besides RWE AG that reaches or exceeds 3% or more of the voting rights in innogy. To the knowledge of the Company, the remaining innogy Shares are in free float.

1.4 Structure and business of the innogy Group

Unless stated otherwise, the information in this section relates to 31 December 2017. The Company is the ultimate financial and management holding company of the innogy Group. The innogy Group is an energy company having electricity generation assets with a total net installed capacity of 4.2 gigawatts (GW) (accounting view¹), and whose business is focused on the Renewables, Grid & Infrastructure and Retail divisions:

- With approx. 3.5 gigawatts (GW) of generation capacity² based on renewable sources of energy, the Renewables division generates electricity without almost any CO2 emissions. In addition to the operation of renewable energy assets, this also includes the construction of such assets and project development. In this context, innogy's current focus lies on onshore and offshore wind power as well as on hydroelectric power. With offshore wind farms operated off the coasts of the United Kingdom, Germany and Belgium and a proportional installed capacity

¹ Accounting view means that only capacities of fully consolidated plants at 100% of the installed capacity are taken into account.
² In addition, 0.4 gigawatts of generation capacity based on renewables are generated by the Grid & Infrastructure division and the Retail division (in each case, from an accounting view).
of 1,017 MW in the offshore wind segment as of 31 December 2017, innogy is one of the world's leading operators of offshore wind farms. In the first quarter of 2018, this capacity increased when the Galloper offshore wind farm off the UK coast commenced operation (353 MW, of which innogy has a 25% share). As an operator of onshore wind farms in the onshore wind segment, innogy currently has a very good position in Central Europe and operates additional wind farms in Spain and Italy. In addition, innogy is active in the USA. Furthermore, the innogy Group develops, installs and operates utility-scale solar power plants and offers battery storage systems. In this respect, innogy relies on its subsidiary Belectric, an international specialist for utility-scale solar power plants and battery storage systems.

- The Grid & Infrastructure division encompasses innogy's electricity and gas distribution operations. innogy has the most efficient electricity and gas distribution system in Germany based on the quantity of distributed energy. In addition, innogy is the leading gas distribution system operator in the Czech Republic. innogy also operates significant electricity distribution networks, most importantly in Slovakia, Hungary and Poland. In addition, the innogy Group holds smaller participations in the Croatian gas distribution network business. The electricity and gas grids operated by innogy span some 570,000 kilometres throughout Europe (electricity grids: approx. 457,000 km; gas grids: approx. 112,000 km). With the exception of retail, the Grid & Infrastructure division also comprises the activities of the fully consolidated regional utilities (grid operation, power generation, water, etc.) as well as innogy's gas storage business and non-controlling interests in German municipal utilities and Austria-based KELAG-Kärntner Elektrizitäts-AG. In addition, this division includes innogy's activities related to broadband expansion.

- As of 31 December 2017, innogy's Retail division is a reliable energy supplier for approx. 15.8 million retail and commercial electricity customers and approximately 6.6 million retail and commercial gas customers as well as approx. 140,000 key accounts in 11 countries. In the Retail division, innogy holds leading market positions in its core European markets. Furthermore, innogy operates substantive business in the field of district heating and combined heat and power stations and is constantly expanding its portfolio of innovative, energy-related services ("Energy+"), in particular, by offering heating, photovoltaics, storage and smart home solutions. In the process, innogy is increasingly exploiting digital business models. In the growth sector of electric mobility, which has now been pooled in a separate business unit, innogy provides charging solutions in more than 20 countries and cooperates with leading industrial partners. Moreover, innogy also invests in new business models. This includes, among other models, the innogy "Innovation Hub", an innovation platform for digital business models, as well as the activities in the field of electric mobility (eMobility).

In the consolidated financial statements as at 31 December 2017, 282 fully consolidated companies as well as 80 interests in associates and joint ventures consolidated at equity were included and five
companies were presented as joint operations. As a financial and management holding company, innogy performs the group's management functions within the innogy Group. It controls the strategic development of the innogy Group and provides its subsidiaries with services and financing. The operating business of the innogy Group is conducted by innogy and its respective operating subsidiaries. The headquarters of the innogy Group are located in Essen, Germany. As of 31 December 2017, the innogy Group had 42,393 employees (full-time equivalents). The following overview shows in very simplified form the structure of the innogy Group by means of selected companies, participations and divisions:

Overview II.1.4: Structure of the innogy Group
(overlaps of divisions under corporate law are not presented)

1.5 Business development and selected financial information

1.5.1 Development of external revenue in the 2017 financial year

The innogy Group generated €43,139 million in external revenue in the 2017 financial year. This figure includes natural gas and electricity tax. Thus, external revenue was €472 million (or approx. 1.1%) lower than the external revenue reported for the 2016 financial year. This development of sales is mainly the result of the decline in sales volumes in the Retail division by approx. 2.9%, which could not be fully compensated by higher external revenues in the Grid & Infrastructure division (approx. +2.0%) and the Renewables division (approx. +25.9%).

In the 2017 financial year, the Renewables division accounted for approx. 2.2% of external revenue, the Grid & Infrastructure division accounted for approx. 25.4% and the Retail division...
accounted for approx. 71.8%. A further 0.5% (approx.) is attributable to the "Corporate/other" business area, which covers consolidation effects and the activities of other business areas which are not presented separately:

<table>
<thead>
<tr>
<th>External revenue (including gas/electricity tax)</th>
<th>2017</th>
<th>2016</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€ million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renewables</td>
<td>967</td>
<td>768</td>
<td>25.9</td>
</tr>
<tr>
<td>Grid &amp; Infrastructure</td>
<td>10,977</td>
<td>10,761</td>
<td>2.0</td>
</tr>
<tr>
<td>Retail</td>
<td>30,992</td>
<td>31,909</td>
<td>-2.9</td>
</tr>
<tr>
<td>Corporate/other</td>
<td>203</td>
<td>173</td>
<td>17.3</td>
</tr>
<tr>
<td>innogy Group</td>
<td>43,139</td>
<td>43,611</td>
<td>-1.1</td>
</tr>
</tbody>
</table>

**Overview II.1.5/1: 2016 and 2017 external revenues**

1.5.2  Development of adjusted EBIT in the 2017 financial year

In the 2017 financial year, adjusted EBIT\(^3\) was €2,816 million, thus surpassing the previous year's results by approx. 3% (approx. €2,735 million in the 2016 financial year). The increase was mainly due to lower costs to operate and maintain the networks in Germany. Additionally, innogy had accrued provisions for partial retirement measures in the first quarter of 2016. The decline in earnings in the German retail business as well as higher project costs reported under "Corporate/other" had a negative earnings impact. In addition, in the previous year, higher releases of provisions were registered in relation to the re-assessment of legal risks.

<table>
<thead>
<tr>
<th>Adjusted EBIT</th>
<th>2017</th>
<th>2016</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€ million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renewables</td>
<td>355</td>
<td>359</td>
<td>-1.1</td>
</tr>
<tr>
<td>Grid &amp; Infrastructure</td>
<td>1,944</td>
<td>1,708</td>
<td>13.8</td>
</tr>
<tr>
<td>Retail</td>
<td>800</td>
<td>844</td>
<td>-5.2</td>
</tr>
<tr>
<td>Corporate/other</td>
<td>-283</td>
<td>-176</td>
<td>-60.8</td>
</tr>
<tr>
<td>innogy Group</td>
<td>2,816</td>
<td>2,735</td>
<td>3.0</td>
</tr>
</tbody>
</table>

**Overview II.1.5/2: Adjusted EBIT 2016 and 2017**

The adjusted EBIT of the three divisions developed as described below:

\(^3\) Adjusted EBIT is calculated by deducting the cost of material, staff costs and operating depreciation and amortisation from revenue, to which the other operating result and income from investments are added. It excludes certain items which are considered non-operating or aperiodic items, which are unusual from a business perspective and are recognised in the non-operating result.
In the Renewables division, adjusted EBIT amounted to €355 million in the 2017 financial year and thus modestly declined by approx. 1.1% as compared to the 2016 adjusted EBIT of €359 million. Earnings were affected in particular by the sharp depreciation of the British pound sterling compared to the Euro and an impairment recognised on innogy's installation ship Seabreeze II. The low precipitation levels at innogy's generation locations (hydroelectric power), especially in Germany, also had a negative impact on earnings. Compared to the previous year, earnings were supported especially by the increased electricity prices and the very high wind levels towards the end of the year. In addition, some onshore wind farms were commissioned and some were constantly online at full capacity for the first time last year. The switch to full consolidation of the UK offshore wind farm Triton Knoll as a result of the increase in shareholdings from 50% to 100% also had a positive impact on earnings.

In the Grid & Infrastructure division, adjusted EBIT was boosted by approx. 13.8% to €1,944 million as compared to €1,708 million in the 2016 financial year. This was driven by sustained cost reductions and efficiency enhancements for the operation and maintenance of the networks in Germany. Additionally, innogy released provisions in the 2017 financial year. In Eastern Europe, at the beginning of the year, innogy benefited from cooler weather, which drove up volumes, especially in innogy's gas distribution network in the Czech Republic. The delayed recognition of regulatory costs in the Czech Republic also had a positive effect in 2017.

In the Retail division, adjusted EBIT declined by approx. 5.2% to €800 million (previous year's figure: €844 million). In Germany, the release of provisions for legal risks contributed to a significantly lower degree to earnings compared to the previous year and provisions for partial retirement measures were increased. innogy also recorded higher expenses for the coordination of international sales and development of the eMobility business. Most notably, efficiency-enhancing measures and cost reductions had a positive effect on earnings. In the UK, earnings improved primarily as a result of the restructuring programme launched in 2016, a higher average consumption in innogy's customer portfolio, and also due to the fact that negative one-off effects from the 2016 financial year no longer had an impact. However, innogy suffered from an erosion of margins, especially in the residential business. In the Netherlands/Belgium, innogy was able to more than compensate for the negative effects of mounting competitive pressures and the related decline in customer numbers and sales by further reducing costs and implementing additional efficiency measures. In Eastern Europe, compared to the preceding year, innogy benefited from the cooler weather in the Czech Republic.
1.5.3 Development of other financial figures in the 2017 financial year

The innogy Group recorded adjusted net income\(^4\) of €1,224 million in the 2017 financial year (€1,123 million in the 2016 financial year). The rise by approx. 9% as compared to the previous year was driven by higher operating earnings as well as the improvement in the adjusted financial result. At €-689 million, the adjusted financial result improved by €185 million compared to €-874 million in the previous year, firstly, as a result of the improvements in net interest and, secondly, due to the positive one-off effects stemming from the adjustment of discount rates. innogy also benefited from higher net income on sales of securities. In addition, the previous year included higher negative extraordinary items resulting from the transfer of debt and restructuring of companies.

1.5.4 Leverage factor

Another key financial indicator for managing the debt of the innogy Group is the leverage factor, which is the ratio of net debt (including relevant long-term provisions) to adjusted EBITDA. From innogy's point of view, this indicator is more useful than the absolute level of liabilities, as it considers the company's earnings power and, in turn, its capacity to service debt. The innogy Group is aiming for a level of around 4.0. As of 31 December 2017, the leverage factor of innogy Group was 3.6.

1.5.5 Outlook

In accordance with its outlook for the 2018 financial year, the Executive Board expects adjusted net income to exceed €1,100 million and expects adjusted EBIT to be approx. €2,700 million. Both amounts are below the levels of the previous year, the reason being higher investments in the expansion of promising business areas such as e-mobility, renewable energies and broadband. Furthermore, no positive effects of extraordinary items must be expected for the current financial year, in particular the effects from the first-time full consolidation of Triton Knoll, innogy's UK offshore wind project. The expected lower adjusted net income is also due to an expected weaker adjusted financial result of approx. €-750 million as compared to €-689 million in the 2017 financial year.

\(^4\) Adjusted net income differs from net income in that the non-operating result and, in some cases, other exceptional items are excluded. Other exceptional items that were excluded in 2017 include certain interest and currency effects in the financial result. A normalised tax rate of 25% was applied in calculating adjusted net income, which is thus at the lower end of the target range of 25% to 30%.
For further information on the Company and the business development of the innogy Group, reference is also made to the annual and interim reports of the Company which have been published on the Internet under:


1.6 innogy's strategy

With the aim of being a "blueprint for the energy company of the future", innogy positioned itself successfully and convincingly during its IPO in 2016. For this purpose, innogy aligns its strategy to the three major trends that are changing the energy sector: decarbonisation, decentralisation and digitalisation. Within this context, innogy at present focuses on the Renewables, Grid & Infrastructure and Retail segments with the aim of providing a platform for growth of the enterprise based on stable returns, in particular, from the regulatory business. A strong, diversified asset base which is financed by a sustainable capital structure provides stable earnings contributions. These are used to generate sustainable growth by means of a value-enhancing investment strategy, a clear commitment to performance targets and a strong focus on innovation. With its products, intelligent solutions and services innogy is actively contributing to rebuilding the energy world.

innogy's strategy comprises clear aspirations regarding Position, Performance, Portfolio and Partnership ("4P" strategy): innogy's target picture aims at being amongst the leading providers (Position) and among the most profitable companies in its relevant markets (Performance) in the three existing segments. To achieve this goal, innogy is constantly reviewing its current business activities (Portfolio), especially possible acquisitions and disposals. All activities of innogy are intended to contribute to shaping the future energy world. innogy seeks to benefit in all business areas from cooperations with customers, municipalities, start-ups and co-investors (Partnership).
innogy's strategy also includes investments in new, innovative and promising business areas with significant growth potential in the areas of electro mobility (eMobility), solar power and fibre optic broadband network (FTTx). New ideas for additional future business opportunities are identified, tested and commercialised by innogy in its "Innovation Hub", through research and development activities and in the individual divisions. innogy has launched promising pilot projects in all three areas, for example, intelligent street lighting systems, Energy+ products, storage business models and digital as well as disruptive business ideas.

Today, innogy has leading market positions in the European grid and retail business as well as in the worldwide onshore and offshore wind energy business. In size and performance, innogy is one of the leading distribution system operators in Europe. In addition, the Executive Board and Supervisory Board see further promising growth opportunities for the grid business in its core markets, in particular in the expansion of fibre optic broadband networks. The Executive Board and the Supervisory Board believe that the retail business offers substantial growth potential in particular with regard to eMobility in Europe and North America. In the renewable energy business, innogy already is amongst the five largest electricity producers on the worldwide offshore

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5 As from the first quarter in 2018, eMobility will be reported as part of the Corporate segment.
market (based on capacities installed) as well as a large operator on the European onshore market. A new area for growth, which innogy further strengthened by acquiring the international solar and battery specialist Belectric, is represented by utility-scale solar power plants in suitable countries worldwide. In addition, innogy's "Innovation Hub" pursues growth in the area of data-based and quickly scalable business models, which are increasingly emerging in connection with the energy transition.

innogy's geographic focus lies on Europe. Northern America has been determined by innogy as its second growth region, complemented by individual emerging markets for the renewable energies business.

2. **Bidder**

The Bidder has published the following information in the Offer Document (unless specifically stated otherwise). This information has not been verified by the Executive Board and the Supervisory Board.

2.1 **Legal basis and shareholder structure of the Bidder**

According to the information provided in Section 6.1 of the Offer Document, the Bidder, E.ON Verwaltungs SE, is a European Company (*Societas Europaea, SE*) with its registered office
in Düsseldorf, Germany, which is registered in the commercial register of the Local Court of Düsseldorf under no HRB 73520 and is a wholly-owned indirect subsidiary of E.ON.

The business objective of the Bidder is to administer its own assets. The current financial year of the Bidder started on 1 March 2018 and will end as of 31 December 2018 as a short financial year. As of 1 January 2019, the financial year will be the calendar year.

The registered share capital of the Bidder amounts to €120,000.00 and is divided into 120,000 no-par value registered shares. All shares are held by E.ON Zweiundzwanzigste Verwaltungs GmbH, a direct wholly-owned subsidiary of E.ON with registered office in Düsseldorf, Germany, which is registered in the commercial register of the Local Court of Düsseldorf under no HRB 60300 (E.ON and E.ON Zweiundzwanzigste Verwaltungs GmbH are collectively referred to as the "Bidder Parent Companies" and together with the Bidder the "E.ON Acquirers"). Between E.ON and E.ON Zweiundzwanzigste Verwaltungs GmbH and between E.ON Zweiundzwanzigste Verwaltungs GmbH (controlling entity) and the Bidder (controlled entity) respectively, domination and profit and loss transfer agreements are in place.

2.2 Structure and business of the E.ON Group

According to the information provided in Section 6.3 of the Offer Document, E.ON is the German holding company of an internationally operating energy supply company, publicly listed, which is predominantly active in the fields of energy networks, customer solutions and renewables. The share capital of E.ON amounts to EUR 2,201,099,000 and is divided into 2,201,099,000 shares (the "E.ON Shares"). The E.ON Shares are admitted to trading on the sub-segment of the regulated market with additional post admission obligations (Prime Standard) of Deutsche Börse on the Frankfurt Stock Exchange and the regulated market of the stock exchanges in Berlin, Düsseldorf, Hamburg, Hanover, Munich and Stuttgart under ISIN DE000ENAG999. At the time of publication of the Offer Document, E.ON held 33,949,567 treasury shares. According to the Bidder, the remaining E.ON Shares are in free float.

According to the Share Purchase and Transaction Agreement (Anteilskauf- und Transaktionsvertrag) (cf. Section II.3.1 of this Statement), the share capital of E.ON is to be increased by €440,219,800, which corresponds to a share of approximately 16.67%, to €2,641,318,800 using authorised capital and by issuing 440,219,800 new shares of E.ON (the "E.ON Capital Increase"). RWE DB has been admitted to subscribe for the new shares and is to contribute 100,714,051 innogy Shares by way of a contribution in kind. Regarding further details, please refer to Sections 6.8.3 of the Offer Document.
According to the information provided by the Bidder, the E.ON Group is a private energy supply company with approximately 43,000 employees, which is managed by the group’s management in Essen and divided into three operating business areas, i.e. energy networks, customer solutions and renewables, and, in addition, also engages in nuclear energy activities in Germany. Regarding further details, please refer to Section 6.4 of the Offer Document. The figures for the E.ON Group, compared to those of innogy, are as follows:

<table>
<thead>
<tr>
<th>Reference figure</th>
<th>E.ON⁶</th>
<th>innogy⁷</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA</td>
<td>€4,955 million</td>
<td>€4,331 million</td>
</tr>
<tr>
<td>Adjusted EBIT</td>
<td>€3,074 million</td>
<td>€2,816 million</td>
</tr>
<tr>
<td>Balance sheet total</td>
<td>€55,950 million</td>
<td>€46,814 million</td>
</tr>
<tr>
<td>Total dividends</td>
<td>€650 million</td>
<td>€889 million</td>
</tr>
<tr>
<td>Employees</td>
<td>42,699</td>
<td>42,393</td>
</tr>
</tbody>
</table>

Overview II.2.2: Comparison of E.ON Group and innogy Group, financial year ended 31 December 2017

According to the information provided in Section 6.6 of the Offer Document, at the time of publication of the Offer Document, E.ON and E.ON Zweiundzwanzigste Verwaltungs GmbH control the Bidder and are thus deemed to be persons acting jointly with the Bidder pursuant to Sec. 2 para. 5 WpÜG. In addition, the subsidiaries of E.ON set out in Annex 1 to the Offer Document are, at the time of publication of the Offer Document, deemed to be persons acting jointly with the Bidder and each other pursuant to Sec. 2 para. 5 sentence 3 WpÜG in conjunction with Sec. 2 para. 5 sentence 1 WpÜG.

According to information provided by the Bidder, there are no further persons acting jointly with the Bidder within the meaning of Sec. 2 para. 5 WpÜG. The Bidder does not identify RWE and the companies of the RWE Group as persons acting jointly. The Executive Board and the Supervisory Board are not in a position to assess whether companies of the RWE Group are to be deemed persons acting jointly with the Bidder based on the comprehensive Share Purchase and Transaction Agreement, because this document has not been made available to them.

3. The participation of the Bidder and of persons acting jointly with the Bidder in innogy, information about securities transactions

3.1 The participation of the Bidder and of persons acting jointly with the Bidder

On 12 March 2018, RWE DB, which at the time of publication of this Statement holds 426,624,685 innogy Shares corresponding to a share of approximately 76.79% of the issued shares and voting rights, RWE, E.ON and the Bidder, according to their own information, concluded a share purchase and transaction agreement (the "Share Purchase and Transaction Agreement" and together with the Offer the "Overall Transaction"), in which they agreed, among other things, that the innogy Shares held by RWE DB will be sold to the Bidder and/or E.ON subject to various conditions precedent (the "Block Trade").

Individual transfers to be exchanged under the Share Purchase and Transaction Agreement are described in Sections 6.8 and 8.1 of the Offer Document. In particular, according to the Bidder, the companies of the RWE Group are to receive the following:

(i) a participation in E.ON of approximately 16.67% in the course of the E.ON Capital Increase;

(ii) (a) the E.ON Group's minority stakes in the nuclear power plants Lippe-Ems and Gundremmingen and further assets serving the purpose of operating and decommissioning these power plants including the related asset retirement obligations as well as similar obligation as well as (b) the renewables business area, with the exception of the onshore wind and solar activities in Germany (with a total generation capacity of 139 MW) and in Poland (with a total generation capacity of 12 MW) held by E.DIS AG and of a stake of 20% (of overall 50.1%) in the Rampion Offshore Wind Farm in Great Britain ((b) the "E.ON Renewables Business" and (a) and (b) collectively the "E.ON Transfer Assets").

(iii) (a) innogy's Renewables division, (b) innogy's German and Czech gas storage business and (c) innogy's direct and indirect shareholding in KELAG-Kärntner Elektrizitäts-AG ((a) to (c) collectively the "innogy Transfer Business").

Moreover, RWE is to pay to the Bidder or to E.ON an amount of €1.5 billion in the course of the Overall Transaction.

The Bidder and the Bidder Parent Companies have informed innogy of the conclusion of the Share Purchase and Transaction Agreement with RWE as a sale and purchase agreement subject to
conditional completion as a right under directly and indirectly held instruments within the meaning of Sec. 38 of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG ("WpHG")) regarding 426,624,685 innogy Shares; this equals a share of approx. 76.79% of innogy's outstanding shares and voting rights.

Moreover, the Bidder has stated in the Offer Document that neither the Bidder nor any person acting jointly with it nor their subsidiaries directly hold innogy Shares or directly or indirectly hold voting rights relating to innogy that are to be notified pursuant to Sec. 38 WpHG or Sec. 39 WpHG, and that no voting rights attached to innogy Shares are attributable to the Bidder or to persons acting jointly with it or their subsidiaries pursuant to Sec. 30 WpÜG. Whether this is accurate depends in particular on whether RWE and the companies of the RWE Group are persons acting jointly with the Bidder (see the end of section II.2.2 above).

3.2 Information on securities transactions

In Section 6.9 of the Offer Document, the Bidder states that, according to the Share Purchase and Transaction Agreement, the Block Trade constitutes an acquisition prior to the takeover offer period (Vorerwerb) within the meaning of Sec. 4 WpÜG Offer Regulation (in conjunction with Sec. 31 para. 7 WpÜG). In Section 6.8 of the Offer Document, the Bidder describes individual transactions under the Share Purchase and Transaction Agreement, in particular the sale of all 426,624,685 innogy Shares held by RWE DB at the time of publication of the Offer Document to the Bidder and/or E.ON for a purchase price of €36.76 per innogy Share and, thus, €15,682,723,420.60 in total. RWE DB shall furthermore participate in the 2017 innogy Dividend already paid and the 2018 innogy Dividend. The Bidder states that the purchase price is partly payable in the form of new shares of E.ON to be issued, for which a reference value of €8.41 has been determined. According to the Bidder, a deferment of payment of the cash component of the purchase price has been granted and the cash component of the purchase price is offset against the purchase prices to be paid by RWE for the transfer of assets and business segments. The purchase prices for the transfer of the E.ON Transfer Assets and the innogy Transfer Business, according to the Bidder, have been negotiated between the parties to the Share Purchase and Transaction Agreement, and are stated to amount to a total of €13,480,474,903 (subject to adjustments in accordance with standard market practice on the date of completion).

Beyond that, according to information provided by the Bidder in Section 6.9.3 of the Offer Document, neither the Bidder nor persons acting jointly with the Bidder nor their subsidiaries have, in the period between the date six months before the publication of the decision to make the Offer and 27 April 2018, acquired innogy Shares or entered into agreements on the basis of which the transfer of ownership of securities may be demanded.
4. Possible parallel acquisitions

In Section 6.10 of the Offer Document, the Bidder reserves the right, to the extent permissible under applicable law, to directly or indirectly acquire additional innogy Shares outside of the Offer on or off the stock exchange.

III. INFORMATION ABOUT THE OFFER

The following section summarises certain selected information regarding the Offer that has been taken exclusively from the Offer Document or publications made by the Bidder:

1. Execution of the Offer

In accordance with Sec. 29 para. 1 WpÜG, the Offer is carried out by the Bidder in the form of a voluntary public takeover offer (cash offer) for the acquisition of all innogy Shares. The Offer is made as a takeover offer under German law, in particular in accordance with the WpÜG and the Regulation Pertaining to Content of the Offer Document, the Consideration in the Event of Takeover Offers and Mandatory Offers and the Release from the Obligation to Publish and to Make an Offer (WpÜG-Angebotsverordnung) ("WpÜG Offer Regulation") and certain applicable U.S. securities law provisions. The Executive Board and the Supervisory Board have not carried out an independent evaluation of whether all applicable legal regulations and provisions have been complied with in respect of the Offer.

2. Publication of the decision to make the Offer

The Bidder published its decision to make the Offer pursuant to Sec. 10 para. 1 sentence 1 WpÜG on 12 March 2018 on the internet at https://www.energyfortomorrow.de.

3. Review by BaFin and publication of the Offer Document

The German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungs-aufsicht, "BaFin") has reviewed the Offer Document in accordance with German law and in the German language and permitted its publication, as stated by the Bidder, on 26 April 2018. According to the Bidder's Offer Document, no registrations, approvals or authorisations of the Offer Document and/or the Offer outside the Federal Republic of Germany have been applied for or granted. The Bidder consequently points out that the innogy Shareholders should not rely upon the applicability of foreign laws for investor protection.

The Offer Document was published by the Bidder on 27 April 2018 (i) on the internet at https://www.energyfortomorrow.de and (ii) by way of keeping available copies of the Offer Document at BNP Paribas Securities Services S.C.A., Frankfurt branch, Europa-Allee 12, D-60327.
Frankfurt am Main, Germany, (fax no. +49 69 5277, email: frankfurt.gct.operations@bnpparibas.com) for distribution free of charge. The announcement regarding (i) the internet address at which the publication of the Offer Document has taken place, and (ii) the availability of the Offer Document for distribution free of charge was published in the Federal Gazette on 27 April 2018. Furthermore, a non-binding English translation of the Offer Document, which has neither been reviewed nor approved by BaFin, was made available at the aforementioned internet address on 27 April 2018.

According to the Bidder, in Canada, a notice on how and where the shareholders can obtain the Offer Document will be published in English and French language in *The Globe and Mail*. Apart from the above mentioned publications, no further publication of the Offer Document has been made or is planned according to the information provided by the Bidder.

4. **Acceptance of the Offer outside the Federal Republic of Germany**

However, the Bidder points out that the acceptance of the Offer outside the Federal Republic of Germany, the European Economic Area, the United States and Canada may be subject to legal restrictions. innogy Shareholders that come into possession of this Offer Document outside the Federal Republic of Germany, the European Economic Area, the United States and Canada, who wish to accept the Offer outside the Federal Republic of Germany, the European Economic Area, the United States and Canada and/or that are subject to legal provisions other than the legal provisions of the Federal Republic of Germany, the European Economic Area, the United States or Canada are advised by the Bidder to inform themselves of the relevant applicable legal provisions and to comply with them. According to the information provided by the Bidder, it assumes no responsibility for the acceptance of the Offer outside the Federal Republic of Germany, the European Economic Area, the United States and Canada being permissible. Similarly, neither innogy nor the Executive Board or the Supervisory Board assume any such liability.

5. **Background of the Offer and involvement of the Executive Board, the Supervisory Board and the takeover committee (Übernahmeausschuss)**

Late in the evening on 10 March 2018, Bloomberg published a report according to which E.ON was engaged in advanced negotiations regarding a complex transaction to acquire the stake in innogy held by RWE. E.ON and RWE confirmed that rumour in ad hoc releases later that night on 11 March 2018. As a precautionary measure, the Executive Board had already previously contemplated the issue of potential takeover scenarios in detail, discussed potential takeover scenarios with their legal and financial advisers and prepared different possible situations.

By way of further ad hoc releases on 12 March 2018, RWE and E.ON announced the conclusion of an agreement on the sale of the stake in innogy held by RWE to E.ON under the terms already
INFORMATION ABOUT THE OFFER

published in the ad hoc releases of RWE and E.ON on 11 March 2018. Directly thereafter, the Bidder communicated and published its decision to make the Offer.

Already on 11 March 2018, and thereafter as well, top representatives of E.ON, RWE and innogy, including in particular their CEOs, discussed the key elements of the announced transaction. However, RWE and E.ON shared only limited selected information with innogy and innogy did not receive any material, non-public details about the transaction, such as the agreement entered into by E.ON and RWE in respect of the transaction, either.

The announced transaction has caused considerable uncertainty within the innogy Group, which was fuelled, in particular, by E.ON's vague announcement that it intended to cut up to 5,000 jobs in the course of the transaction. Against this background, already early on, innogy made the suggestion for E.ON, RWE and innogy to enter into a tripartite framework agreement that would provide for an orderly and fair integration process adequately safeguarding the rights and interests of all parties involved in the transaction and, in particular, the integration. So far, no agreement being fair and reasonable in the view of the Executive Board and the Supervisory Board has been reached on basic principles of such framework agreement such as applying the "best of both worlds" principle (including the brand) and the "best person for the job" principle consistently. E.ON also rejects innogy's proposal to have such a framework agreement monitored by an independent third party in order to ensure that the framework agreement is applied even if innogy, as a result of the integration into the E.ON Group, ceases to exist as a legal entity.

Should no legally binding framework agreement be concluded with E.ON going forward, the Executive Board and the Supervisory Board believe that there is a great risk that qualified staff members of innogy might leave the enterprise. Depending on the point in time when an employee leaves the enterprise and whether or not the parts of the enterprise for which that employee was responsible can be operated otherwise, this may result in losses of value at innogy. The Executive Board and the Supervisory Board consider it important that E.ON and RWE make binding commitments as regards a fair integration process in order not to jeopardise the value of innogy for all present and future shareholders.

Since E.ON's and RWE's announcement, the Executive Board has been continually dealing with the transaction. The chairman of the Supervisory Board had continuous contact with the Executive Board with respect to the transaction announced by RWE and E.ON. Furthermore, information was provided in regular meetings to a takeover committee established by the Supervisory Board, whose members are Dr Erhard Schipporeit (chairman), Ulrich Grillo, Robert Leyland, Dr Rolf Pohlig, Pascal van Rijsewijk and Markus Sterzl, as well as (since 13 March 2018) Jürgen Wefers and Deborah B. Wilkens. In addition, the entire Supervisory Board was informed in various meetings.
On 10 May 2018, concluding meetings of the Executive Board, the Supervisory Board's takeover committee and the Supervisory Board were held in Essen in which the valuation and the Fairness Opinions prepared by the advising investment banks were explained in detail and discussed with financial and legal advisers. The Executive Board and the Supervisory Board agreed not to give a recommendation to the innogy Shareholders.

6. Main details of the Offer

6.1 Offer Price

The Bidder offers to the innogy Shareholders in accordance with the terms and conditions set out in the Offer Document to acquire their innogy Shares at the Offer Price of €36.76 per innogy Share subject to the terms and conditions set forth in the Offer Document.

If completion of the Offer occurs prior to the day of the 2019 innogy General Meeting, the innogy Shareholders will receive a consideration that is increased by €1.64 for each innogy Share tendered for sale ("Tendered innogy Shares"). If completion of the Offer occurs after the 2019 innogy General Meeting, the consideration will not be increased, but the innogy Shareholders will receive the 2018 innogy Dividend, the amount of which the Bidder expects to be €1.64 according to its statements, and the innogy Shareholders who have accepted the Bidder's Offer will additionally receive the Offer Price of €36.76 per innogy Share. If, in this case, the 2018 innogy Dividend is less than €1.64 per innogy Share, the Bidder, according to its own information, will provide compensation for the amount by which the 2018 innogy Dividend falls short of the amount of €1.64 by increasing the offered consideration accordingly for those innogy Shares for which the Offer has been accepted. According to the Bidder, the completion of the Offer will not occur on the date of a General Meeting of innogy. In all scenarios, the shareholders who accept the Offer would receive in aggregate, according to the statements made by the Bidder, an amount of €38.40 per innogy Share.

The Executive Board and the Supervisory Board point out that they have not yet decided on a proposal for the amount of the 2018 innogy Dividend and that they intend to decide on such a proposal in accordance with stock corporation law only when the distributable profit for the 2018 financial year has been determined ("2018 innogy Distributable Profit"). However, the Executive Board and the Supervisory Board also point out that RWE DB with its current stake of approximately 76.79% of the innogy Shares is in the position, irrespective of the dividend proposal of the Executive Board and the Supervisory Board and independently of the voting behaviour of other innogy Shareholders, to determine the appropriation of the 2018 innogy Distributable Profit. The Offer Document does not state whether or not RWE DB has undertaken towards the Bidder to vote at the 2019 innogy General Meeting in favour of a 2018 innogy Dividend in the amount of €1.64.
The Bidder states in the Offer Document that the shareholders of innogy SE participate in the dividend for the financial year of innogy ended on 31 December 2017 in the amount of €1.60 per innogy Share (the "2017 innogy Dividend"). From the perspective of the Executive Board and the Supervisory Board, this statement is incorrect. At the time of the publication of the Offer Document, the 2017 innogy Dividend had already been historic information that is unrelated to the Offer. The general meeting of innogy SE had decided on the distribution of the 2017 innogy Dividend in the amount of €1.60 already on 24 April 2018 (cum dividend date). Consequently, the then innogy shareholders' claims for payment of dividends had already arisen on 24 April 2018. Since 25 April 2018, the innogy Share is traded ex dividend, i.e., without the 2017 innogy Dividend. The Bidder's Offer was not published until 27 April 2018, i.e., several days after the ex dividend date. The question as to whether shareholders received the 2017 innogy Dividend solely depends on whether they held the innogy Shares in their securities accounts at the decisive point in time on the cum dividend date, i.e., 24 April 2018. The subsequent publication of the Offer is unrelated to, and does not affect, the receipt of the 2017 innogy Dividend. The Executive Board and the Supervisory Board therefore point out that the dividend payment constitutes a payment originally made by innogy and not an advantage under the Offer. In this context, it is not correct either that the Bidder includes the receipt of the 2017 innogy Dividend in Section 3 of the Offer Document under the header "Offer Consideration". The Executive Board and the Supervisory Board point out in particular that shareholders who acquired their innogy Shares only on 25 April 2018 or thereafter deviating from Section 10.2 of the Offer Document, will not be able to participate in the 2017 innogy Dividend any more. The innogy Shareholders should therefore not consider the 2017 innogy Dividend as part of the consideration in connection with the Offer.

Pursuant to Section 4.2 (i) of the Offer Document, the Bidder has undertaken to increase the Offer Price under certain circumstances to the extent that default interest or a compensation payment agreed in the Share Purchase and Transaction Agreement with RWE increase the purchase price per innogy Share paid to RWE in such a way that it exceeds the Offer Price to be paid or paid. Regarding further details, please refer to Sections 4.2 of the Offer Document. The Bidder announced that it will publish any increase in the Offer Price without undue delay in the German Federal Gazette and at https://www.energyfortomorrow.de with reference to the Offer.

Furthermore, the Bidder has undertaken pursuant to Section 4.2 (ii) of the Offer Document, beyond the statutory post acquisition period (Nacherverbsfrist) pursuant to Sec. 31 para. 5 WpÜG, in the event that the Bidder, persons acting jointly with the Bidder or their subsidiaries until 31 December 2019 acquire innogy Shares outside the stock exchange and the value of the consideration granted or agreed for those exceeds the offer consideration, to pay a cash consideration for the innogy Shares for which the Offer has been accepted in the amount equal to the difference in accordance with the statutory provisions of Sec. 31 para. 5 WpÜG. Sec. 31 para. 5 sentence 2 and para. 6
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WpÜG shall apply *mutatis mutandis*. The Bidder announced that it will publish any post acquisitions (*Nacherwerbe*) outside the stock exchange without undue delay in the German Federal Gazette and at https://www.energyfortomorrow.de with reference to the Offer.

6.2 Acceptance Period and Additional Acceptance Period

The acceptance period for the Offer began upon publication of the Offer Document on 27 April 2018 and will expire on 6 July 2018, 24:00 hrs. (local time in Frankfurt am Main, Germany) (*Acceptance Period*). In the circumstances set out below, the Acceptance Period of the Offer will in each case be extended automatically as follows:

- In the event of an amendment to the Offer pursuant to Sec. 21 WpÜG within the last two weeks before expiry of the Acceptance Period, the Acceptance Period will be extended by two weeks (Sec. 21 para. 5 WpÜG) and, consequently, would be expected to end on 20 July 2018, 24:00 hrs. (local time in Frankfurt am Main, Germany). This shall apply even if the amended Offer violates legal provisions.

- If, during the Acceptance Period of the Offer, a competing offer regarding the innogy Shares is made by a third party (*Competing Offer*) and if the Acceptance Period for the present Offer expires prior to the expiration of the acceptance period for the Competing Offer, the expiration of the Acceptance Period for the present Offer shall be determined by reference to the expiration of the acceptance period for the Competing Offer (Sec. 22 para. 2 WpÜG). This shall apply even if the Competing Offer is amended or prohibited or violates legal regulations.

- In the event that innogy convenes an extraordinary general meeting (*außerordentliche Hauptversammlung*) in connection with the Offer, the Acceptance Period shall be ten weeks from the date of the publication of the Offer Document without prejudice to any extension of the acceptance period mentioned above (Sec. 16 para. 3 WpÜG).

innogy Shareholders who have not accepted the Offer within the Acceptance Period may still accept the Offer within two weeks after publication of the results of the Offer by the Bidder pursuant to Sec. 23 para. 1 sentence 1 no 2 WpÜG (*Additional Acceptance Period*) provided none of the Completion Conditions set out in Section 13.1 of the Offer Document has definitely failed to occur until the end of the Acceptance Period and has not been validly waived by the Bidder prior to that date. As stated in the Offer Document, the Additional Acceptance Period is expected to commence on 12 July 2018 and to end on 25 July 2018, 24:00 hrs. (local time in Frankfurt am Main, Germany). After the expiry of the Additional Acceptance Period, the Offer can no longer be accepted (regarding the special situation in which the Bidder's shareholding reaches or
exceeds the threshold of 95% of innogy’s registered share capital, see Section 17.7 of the Offer Document).

6.3 Rights of withdrawal

In Section 16 of the Offer Document, the Bidder describes the following rights of withdrawal of the shareholders who have accepted the Offer, which will be listed herein only briefly; a full description of these rights by the Bidder is included in the Offer Document:

(i) right to withdraw in the event that the Offer is amended;

(ii) right to withdraw in the event of competing offers; and

(iii) right to withdraw after a period of at least one year following publication of the result of the Offer after the expiry of the Additional Acceptance Period in the event of an insufficiently liquid market in Tendered innogy Shares (if the Offer has been accepted for less than 38,888,850 of the innogy Shares (corresponding to 7% of innogy’s current share capital)).

In view of the very long time period until the latest possible completion date for the Offer on 13 January 2020, the Executive Board and the Supervisory Board appreciate the fact that the innogy Shareholders that have accepted the Offer can withdraw from the Offer after one year from publication pursuant to Sec. 23 para. 1 sentence 1 no. 3 WpÜG (Publication of the Result after the Expiry of the Additional Acceptance Period) if the Offer has been accepted for less than 38,888,850 of the innogy Shares (corresponding to 7% of the current share capital of innogy).

The Bidder describes the further details regarding the rights of withdrawal and the consequences of exercising these rights in Section 16 of the Offer Document.

6.4 Completion Conditions

According to Section 13 of the Offer Document, the following conditions (referred to jointly as the "Completion Conditions" or individually as a "Completion Condition") shall apply for the consummation of the Offer and the agreements that will become effective as a result of accepting the Offer. This Statement only contains a summary of the Completion Conditions; the full wording of the Completion Conditions is set out in Section 13 of the Offer Document:

(i) Merger control clearances by no later than 31. December 2019 ("Merger Control Clearance");
(ii) no administrative acts (Verwaltungsakte), injunctions (einstweilige Verfügungen) or court orders or decisions which would prohibit the completion of the Offer or render it unlawful until expiry of the Acceptance Period;

(iii) no administrative acts (Verwaltungsakte), injunctions (einstweilige Verfügungen) or court orders or decisions which would prohibit the completion of the Offer or render it unlawful, on account of certain rulings of the German Federal Court of Justice (BGH) on the unwritten competence of the general meeting (Holzmüller/Gelatine);

(iv) no ad-hoc notice of insolvency of innogy until expiry of the Acceptance Period;

(v) no material adverse change with respect to innogy until expiry of the Acceptance Period;

(vi) no capital measures or other measures by innogy until expiry of the Acceptance Period; and

(vii) no divestment of material assets of the Grid & Infrastructure division and the Retail division (in the aggregate amount or value of more than €150 million in the individual case or, in total, of more than €450 million until expiry of the Acceptance Period; exempted: inter alia, the sale of the Czech gas distribution business to RWE).

The Executive Board and the Supervisory Board note the uncertainty for the completion of the Offer arising from the fact that the management board of RWE, despite the fact that its enterprise is in the process of fundamental reorientation and despite the importance of the transaction in economic terms, has not obtained the approval of its general meeting on the Overall Transaction, thereby imposing the legal uncertainty regarding an unwritten competence of the general meeting by way of a Completion Condition on the innogy Shareholders.

The Executive Board and the Supervisory Board also point out in respect of the Completion Condition set out in Section 13.1.6 of the Offer Document that, owing to a request of an interested acquirer on 20 April 2018, the Executive Board has decided to facilitate a due diligence of innogy's business activities in the Czech Republic. The discussions are still at an early stage and it is presently not clear whether and, if so, on what terms offers will be submitted for individual business segments. As announced in its "4P" strategy, innogy continues to reserve the right – prior to and following the end of the offer period – to review and implement portfolio transactions in the best interest of the enterprise. In particular, it cannot be ruled out that portfolio transactions will increase the value of the innogy Share above and beyond the value of the Offer. If an agreement on the sale of business activities in the Czech Republic or other business activities is reached within the offer period, the offer condition pursuant to Section 13.1.6 of the Offer Document might not be
fulfilled as a result if the Bidder has not waived that Completion Condition prior to fulfilment of the offer condition.

According to the wording of this Completion Condition, the offer condition is only deemed to have occurred if an independent auditor has determined that a divestment of a material asset has occurred. The Executive Board and the Supervisory Board point out that the Bidder can influence whether and when the independent auditor will undertake an evaluation. The Executive Board and the Supervisory Board further point out that, therefore, in the event of a sale of business activities in the Czech Republic, the Bidder might have a factual right to cancel the Offer until the expiry of the Acceptance Period. The Bidder exempts solely a sale of the Czech gas grid business to RWE from this Completion Condition. RWE is not the interested acquirer for which innogy will facilitate a due diligence.

The Offer will lapse if one or more of the Completion Conditions have not occurred and if, prior to then, the Bidder has not validly waived the respective Completion Condition in accordance with Sec. 21 para. 1 sentence 1 no 4 WpÜG. In this event, agreements which came into existence as a result of accepting the Offer will not be consummated and will cease to exist (condition subsequent). innogy Shares already tendered for sale shall be re-booked. For further details on the Completion Conditions, in particular relating to possible waivers of the Bidder and the legal consequences in the event of a lapse of the Offer, reference is made to Section 13 of the Offer Document.

6.5 Waiver of Completion Conditions

To the extent legally permissible, the Bidder reserves the right to waive, in whole or in part, one, several or all of the Completion Conditions up to one working day prior to the end of the Acceptance Period. Completion Conditions that the Bidder has validly waived shall be deemed to have been satisfied for the purposes of the Offer.

The waiving of Completion Conditions constitutes an amendment to the Offer. The Bidder is obligated to publish any amendment to the Offer, and therefore also a waiver of any Completion Condition, immediately in accordance with Sec. 14 para. 3 sentence 1 WpÜG. In the event of an amendment to the Offer, the Acceptance Period will be automatically extended by two weeks pursuant to Sec. 21 para. 5 WpÜG, i.e., presumably until 20 July 2018, 24:00 hrs. (local time in Frankfurt am Main, Germany), provided the amendment of the Offer is published within the last two weeks prior to the end of the Acceptance Period. In the event of a waiver of Completion Conditions, innogy Shareholders that have accepted the Offer prior to the publication of the amendment of the Offer may withdraw within the Acceptance Period from the agreements which came into existence as a result of accepting the Offer pursuant to Sec. 21 para. 4 WpÜG.
6.6 Stock exchange trading with Tendered innogy Shares

According to Section 11.8 of the Offer Document, the Bidder intends to make the Tendered innogy Shares tradable under ISIN DE000A2LQ2L3 starting on the third stock exchange trading day after the commencement of the Acceptance Period. Reference is made to Section 11.8 of the Offer Document for further details on the stock exchange trading of Tendered innogy Shares, as well as to Section 16.1 of the Offer Document and Section III.6.3 of this Statement for a right to withdraw in the event of an insufficiently liquid market. The Bidder has announced its intention to examine to what extent inclusion of the Tendered innogy Shares in stock market indices is possible. According to the Bidder, innogy Shares not tendered for sale will continue to be traded under ISIN DE000A2AAD2.

6.7 Holders of innogy ADRs

The Bidder points out that innogy ADRs may not be tendered into the Offer and that holders of innogy ADRs may accept the Offer only after exchange of their innogy ADRs into innogy Shares. Further information of the Bidder for holders of ADRs is set out in Section 11.9 of the Offer Document.

6.8 Applicable law

According to Section 22 of the Offer Document, the Bidder's Offer and the agreements coming into existence between the innogy Shareholders and the Bidder as a result of the acceptance of the Offer shall be governed by German law. The exclusive place of jurisdiction for all legal disputes arising out of, or in connection with, the Offer (and any agreements which come into existence as a result of the acceptance of the Offer) shall, to the extent legally permissible, be Essen, Germany.

6.9 Publications

In Section 13.4 of the Offer Document, the Bidder states that it will publish without undue delay on the internet at https://www.energyfortomorrow.de and in the Federal Gazette if (i) a Completion Condition has been fulfilled, (ii) the Bidder has waived a Completion Condition, (iii) all Completion Conditions have been fulfilled, so far as they have not been waived, or (iv) the Offer will not be completed.

In addition, the Bidder has further announced, inter alia, that it will publish the respective level of declarations of acceptance received weekly during the Acceptance Period pursuant to Sec. 23 para. 1 sentence 1 no 1 WpÜG (i) on the internet at https://www.energyfortomorrow.de (in German and English) and (ii) additionally in German in the German Federal Gazette (Bundesanzeiger). According to the Bidder, those publications will be made on a daily basis during the last week of the Acceptance Period. The results of the Offer are expected to be published by the Bidder pursuant
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7. Financing of the Offer

According to Section 14.3 of the Offer Document, the Bidder has taken the necessary measures to ensure that the financial resources required to fully perform the Offer will be available to it at a point in time when the claims for payment of the Offer Price become due. According to information provided by the Bidder, the maximum costs for the Offer (including fulfilment of the payment obligations under the Offer and transaction costs) amount to €21,438,312,000. According to the information set out by the Bidder in Section 14.2 of the Offer Document, RWE DB and the Bidder have entered into a qualified non-tender agreement which is to ensure that RWE DB does not tender the 426,624,685 innogy Shares held by it (corresponding to a percentage of approximately 76.79%) to the Offer. According to the information provided by the Bidder, without the shares of RWE DB, the maximum costs for the Offer (including fulfilment of the payment obligations under the Offer and transaction costs) amount to €5,055,924,096. The details on the financing measures are described by the Bidder in Section 14.3 of the Offer Document.

According to information given by the Bidder in Section 14.4 of the Offer Document, in addition, BNP Paribas S.A., Frankfurt am Main ("BNP Paribas") confirmed in accordance with Sec. 13 para. 1 sentence 2 WpÜG that the Bidder has taken the necessary measures in order to ensure that the funds required for complete fulfilment of the Offer will be available to it on the due date of the claim for payment of the consideration for the Offer. The financing confirmation of 26 April 2018 is attached to the Offer Document as annex 3. The Executive Board and the Supervisory Board have no reason to doubt the correctness of the financing confirmation issued by BNP Paribas.

The Executive Board and the Supervisory Board point out, however, that this financing confirmation only comprises the funds required for fulfilment of the Offer, including a potential increase of the Offer Price by up to €1.64 in accordance with Section 4.1 of the Offer Document. As set forth in Section V.2.5.1 of this Statement, the Block Trade would trigger comprehensive change of control provisions in finance agreements to which innogy is a party, as a result of which the innogy Group might require refinancing. Since the Bidder has already announced its intent to integrate innogy into the E.ON Group as quickly as possible, lenders could make their credit decisions largely dependent upon the situation of the E.ON Group. This is why, in the opinion of the Executive Board and the Supervisory Board, the Bidder is responsible to make provision also
for any refinancing requirements that may arise. The Bidder has not made any statement as to whether and how it would provide for any refinancing that the innogy Group may require.

8. **Solely the Offer Document is authoritative**

For further information and details (especially details regarding the offer conditions, the Acceptance Periods, the acceptance and settlement modalities and the statutory rights of withdrawal), the innogy Shareholders are referred to the statements in the Offer Document. The above information merely summarises individual items of information contained in the Offer Document. Thus, the description of the Offer in this Statement does not purport to be complete and, for an evaluation of Bidder's Offer, the Statement should be read together with the Offer Document. The authoritative provisions for the content of the Offer and its implementation are solely the provisions of the Offer Document. It is the sole responsibility of each innogy Shareholder to take note of the Offer Document and take the actions necessary for themselves.

IV. **TYPE AND AMOUNT OF THE CONSIDERATION OFFERED**

1. **Type and amount of the consideration**

The Bidder is offering an Offer Price, i.e., consideration within the meaning of Sec. 27 para. 1 sentence 2 no 1 WpÜG in an amount of €36.76 in cash for each innogy Share. Including the payment of the 2018 innogy Dividend, which the Bidder expects to amount to €1.64 for each innogy Share or, in the alternative, an increase in the Offer Price by up to €1.64 for each innogy Share in case of (i) completion of the Offer prior to the 2019 innogy General Meeting deciding on the 2018 innogy Dividend, or in case of (ii) completion of the Offer following the 2019 innogy General Meeting and a 2018 innogy Dividend of less than €1.64 for each innogy Share, the Undiscounted Total Value, according to the Bidder, was €38.40 for each innogy Share at the time of publication of the Offer Document. For further details on the possible increase of the Offer Price and the 2018 innogy Dividend as expected by the Bidder, cf. Section 4.1 of the Offer Document.

2. **Statement on the lowest price determined by statute**

The Offer Price for the innogy Shares must correspond to the provisions on minimum prices as set forth in Sec. 31 para. 1 WpÜG and Secs. 4 and 5 of the WpÜG Offer Regulation, which minimum price is determined based on the higher of the following two thresholds:

- In accordance with Sec. 5 of the WpÜG Offer Regulation, the consideration for purposes of Sec. 27 para. 1 sentence 2 no 1 WpÜG must – in the event of a takeover offer according to Secs. 29 et seqq. WpÜG – be at least equivalent to the weighted average domestic stock exchange price for innogy Shares over the period of the last three months prior to the
publication of the Bidder's decision to submit the Offer ("Three-Months Average Price"). The decision to submit the Offer was published on 12 March 2018.

- In accordance with Sec. 4 of the WpÜG Offer Regulation, the consideration in a takeover offer pursuant to Secs. 29 et seqq. WpÜG must be at least equal to the value of the highest consideration provided or agreed by the Bidder or a person acting jointly with it within the meaning of Sec. 2 para. 5 WpÜG or one of their subsidiaries for the acquisition of innogy Shares within the last six months prior to the publication of the Offer Document.

In accordance with the Offer Document, the Three-Months Average Price applicable up to the cutoff date of 11 March 2018 as notified by BaFin amounted to €32.58. The Offer Price is higher than this amount. However, the Executive Board and the Supervisory Board point out that the three-month period up to and including 11 March 2018 may be influenced by the negative effects that the ad hoc releases of 13 and 19 December 2017 may have had on the share price of the innogy Shares, and that, from the perspective of the Executive Board and the Supervisory Board, such period therefore is not suitable as an indication for the fairness of the Offer Price or of the Undiscounted Total Value.

E.ON, a person acting jointly with the Bidder within the meaning of Sec. 2 para. 5 WpÜG according to the Bidder's statements in Section 6.6 of the Offer Document, has agreed – according to the information provided by the Bidder in Sections 6.8 and 10.1 of the Offer Document – in the Share Purchase and Transaction Agreement with RWE on 12 March 2018 to acquire approximately 76.79% of the innogy Shares in the context of an extensive exchange of assets and participations with companies of the RWE Group (cf. also Section II.3.2 of this Statement). The date of conclusion of the agreement, i.e., 12 March 2018, falls within the time period of the last six months prior to the publication of the Offer Document on 27 April 2018 and thus constitutes an acquisition prior to the takeover offer period (Vorerwerb) that is relevant to the lowest price determined by statute (cf. Section 6.9 of the Offer Document).

Following its request to RWE, innogy was provided neither with the Share Purchase and Transaction Agreement with RWE nor with the valuation information upon which the mutual sales of business activities and participations agreed therein is based. The Executive Board and the Supervisory Board can therefore not assess how E.ON and RWE evaluate those assets of the innogy Group that each of E.ON and RWE are to receive according to the Share Purchase and Transaction Agreement. The Executive Board and the Supervisory Board cannot assess either how E.ON and RWE evaluate the further assets that RWE is to receive from the E.ON Group according to the Share Purchase and Transaction Agreement. Nor can they assess this value themselves particularly because they are neither in possession of information on the relevant financial ratios and plans of E.ON nor on the economic attribution of liabilities and provisions.
The Executive Board and the Supervisory Board point out that the Offer Document contains in Sections 6.8 and 6.9 as well as elsewhere in the Offer Document selected information on the transfers and payments exchanged under the Share Purchase and Transaction Agreement which the innogy Shareholders should consider when trying to obtain an overall picture of that exchange. For example, in Section 15.4.1 of the Offer Document, the Bidder states that the non-cash contribution obligations of the E.ON Group will increase by €14,180 million as a result of the completion of the transaction and that this amount originated from E.ON's obligation to transfer the E.ON Renewables Business and the innogy Transfer Business to RWE and that certain dividends of E.ON had been deducted. As regards the innogy Transfer Business, the Bidder further states in Section 15.3.1 of the Offer Document that, as a result of the Block Trade, the other items on the liabilities side of the Bidder that related exclusively to the Bidder's obligation to surrender the innogy Transfer Business to RWE, would increase by €6,356 million. The Executive Board and the Supervisory Board point out, however, that, from their perspective, besides the information contained in the Offer Document, further information is necessary in order to confirm the plausibility of individual purchase prices or indications of value in the Offer Document. For example, the Offer Document does not give any information on the economic attribution of liabilities and provisions of the innogy Transfer Business.

Pursuant to the information provided in the Offer Document, the Bidder has attributed individual transfers and payments under the Share Purchase and Transaction Agreement. In particular, the Bidder states in Sections 6.8.3 and 6.9.2 of the Offer Document that a conversion ratio for the innogy Shares to be contributed in the course of the E.ON Capital Increase had been determined which would equal a consideration of €36.76 per innogy Share. The Executive Board and the Supervisory Board cannot assess whether the reference value of €8.41 per E.ON Share used as a basis for the conversion ratio is adequate at the time of conclusion of the Share Purchase and Transaction Agreement or whether it is too high or too low. The Bidder refers in this context to an expert opinion provided by Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart, which has not been made available to the Executive Board and the Supervisory Board, and points out in Section 6.9.2 of the Offer Document that it must be taken into account that the shares to be issued to RWE DB, unlike the other E.ON Shares, have no dividend entitlements for the 2017 and 2018 financial years. The Executive Board and the Supervisory Board point out that, both before and after conclusion of the Share Purchase and Transaction Agreement, there were stock exchange prices of the E.ON Share that were above the reference value of €8.41. For example, in the XETRA trading system of the Frankfurt Stock Exchange the closing price of the E.ON Share on the last trading date preceding the ad hoc releases of E.ON and RWE on the transaction, i.e., on 9 March 2018, was €8.45 (source: Bloomberg) and the opening price of the E.ON share on the day on which this Statement was resolved, i.e., on 10 May 2018, EUR 9,30 (source: Bloomberg). It must be considered, however, that, given the
TYPE AND AMOUNT OF THE CONSIDERATION OFFERED

aforesaid different dividend entitlements of the new E.ON Shares to be issued to RWE DB, at present a comparison between the reference value in the amount of €8.41 with the prices of the E.ON Share observed on the market is only possible to a limited extent. Even if one were to assume that, at the time of conclusion of the Share Purchase and Transaction Agreement, the value of the E.ON Share to be issued did not exceed the amount of €8.41, it is possible that the market price of the E.ON Share will be above €8.41 at the time when the shares under the E.ON Capital Increase are issued in the future. If, in this case, the E.ON Shares are issued during the acceptance period (Sec. 31 para. 4 WpÜG) or the statutory one-year post acquisition period pursuant to Sec. 31 para. 5 WpÜG or the extended post acquisition period pursuant to Section 4.2 (ii) of the Offer Document, in the opinion of the Executive Board and the Supervisory Board, under certain circumstances, the Offer Price may have to be increased or a compensation payment may have to be made if the higher value of the innogy Shares does not have to be compensated for by further payments or transfers by RWE, to which, however, no reference is made in the Offer Document. The Bidder states in this respect under Sections 6.9.2, 4.2 (ii) and 6.8.3 of the Offer Document only that it will, where required, perform a new appraisal of the E.ON Capital Increase. In this respect it remains unclear whether the shareholders will be able to actually assert such claim.

Notwithstanding the description of the Share Purchase and Transaction Agreement with elements of two mutual purchase agreements with offsetting mechanism, the Overall Transaction agreed thereunder rather appears to be a complex barter transaction from a commercial point of view. Both Section 6.8 of the Offer Document and the ad-hoc notice of E.ON of 11 March 2018 refer to an exchange transaction. The Executive Board and the Supervisory Board therefore have doubts as to whether the approach of the Bidder of attributing purchase prices to the E.ON Transfer Assets and to the innogy Transfer Business and assessing them as to whether or not they are above the enterprise values determined by an auditing firm not specified by name, in order to assess whether or not the payments or transfers for each innogy Share made in aggregate by the E.ON Group to the RWE Group exceed the Offer Price. This approach attempts to suggest that RWE will in no event have to pay a purchase price that is too low, but might have to pay a too high purchase price for the E.ON Transfer Assets and/or the innogy Transfer Business. From the perspective of the Executive Board and the Supervisory Board, this is not comprehensible. Furthermore, the Executive Board and the Supervisory Board do not understand how the auditing firm not specified by name which was retained by the Bidder had been able to perform an IDW S 1 evaluation without knowledge of the current internal plans of innogy.

In addition, the Share Purchase and Transaction Agreement contains further provisions that are to be taken into account in the overall assessment of the payments and transfers received in aggregate by RWE in the course of the Block Trade. These include, for example, (i) possible claims for interest payments, (ii) a compensation payment if E.ON pays higher dividends for the 2017 and 2018 financial years than assumed under the Share Purchase and Transaction Agreement before
RWE DB becomes a shareholder of E.ON entitled to dividends in the course of the E.ON Capital Increase (see in this regard Section 6.8.7 of the Offer Document), (iii) the intention to grant to the Bidder, under certain circumstances, a sales option for the UK business of the innogy Group, and (iv) the acquisition by the Bidder of loan receivables held by RWE in respect of innogy at their nominal value on the date of completion. For lack of knowledge of the relevant documents, the Executive Board and the Supervisory Board cannot assess whether all value-adding provisions of that Agreement are described in the Offer Document, whether the provisions set out therein are conveyed correctly and completely and whether the underlying economic planning and financial ratios have been correctly taken into account in the assessment. For example, it is not clear from the Offer Document whether, and if so, how changes, if any, in the portfolios of E.ON's or innogy's Renewables division are taken into account in the relationship of E.ON and RWE.

In light of the above, the Executive Board and the Supervisory Board cannot assess on the whole whether or not the considerations per innogy Share agreed under the Block Trade are equivalent to, or are higher or lower than, the Offer Price or the Undiscounted Total Value of the Offer.

The Bidder states that, moreover, neither the Bidder nor persons acting jointly with the Bidder nor their subsidiaries have acquired innogy Shares or entered into agreements conferring the right to acquire innogy Shares in the aforementioned period.

However, the Executive Board and the Supervisory Board point out that the Bidder does not specify the enterprises of the RWE Group as persons acting jointly with it pursuant to Sec. 2 para. 5 sentences 1 and 3 WpÜG. The Executive Board and the Supervisory Board cannot assess whether this evaluation as regards the Share Purchase and Transaction Agreement is correct because they have not received that document (cf. Section II.2.2 above (at the end)). They also do not know, whether and, if so, at what prices enterprises of the RWE Group have acquired innogy Shares in the six months prior to the publication of the Offer Document.

3. **Assessment of the fairness of the consideration offered**

The Executive Board and the Supervisory Board have diligently and thoroughly analysed and assessed the fairness of the consideration offered for the innogy Shares from a financial point of view and on the basis of the current strategy and financial plan of the Company, historical stock prices for the innogy Shares – taking into account target prices and underlying analyses published by stock analysts on behalf of innogy and the Bidder –, certain valuation multiples and historical reference transactions and/or premiums applying a discounted cash flow analysis as well as other assumptions and information. The Executive Board and Supervisory Board of innogy have each made a separate assessment of the fairness of the consideration offered. In its assessment, the Executive Board was advised by Goldman Sachs AG, Frankfurt a.M., ("Goldman Sachs") and
Deutsche Bank AG, Frankfurt a.M., ("Deutsche Bank") and the Supervisory Board was advised by Lazard & Co. GmbH, Frankfurt am Main ("Lazard").

Some of the figures shown in this section have been calculated based on figures which were not rounded; the figures shown were rounded, however. Therefore, calculations using these figures may have results deviating slightly from the figures shown in this Section.

3.1 Taking into account the 2018 innogy Dividend

From a legal point of view, the formal Offer Price per innogy Share is €36.76. This is the price that the Bidder will have to pay in any case. In fact, according to statements made by the Bidder, however, the shareholders accepting the Offer since publication of the Offer Document on 27 April 2018 will receive the amount of €38.40 per innogy Share, namely either (i) €1.64 per innogy Share as the 2018 innogy Dividend expected by the Bidder and later €36.76 per innogy Share as consideration for the Offer if the 2019 innogy General Meeting takes place before the completion of the Offer, or (ii) directly €38.40 per innogy Share as an increased offer consideration if the Offer is completed prior to the 2019 innogy General Meeting (cf. Section 4.1 of the Offer Document).

According to the Offer Document, Shareholders accepting the Offer shall receive the Undiscounted Total Value of €38.40 per innogy Share even if the Offer is completed prior to the 2019 innogy General Meeting or if the 2019 innogy General Meeting resolves to pay no dividend or a dividend that is lower than the 2018 innogy Dividend assumed by the Bidder at €1.64 per innogy Share. The Bidder announces in Section 4.1 of the Offer Document that, in this case, it will compensate for the difference by which the amount paid falls short of €1.64 per innogy Share by increasing the Offer Price for those innogy Shares for which the Offer has been accepted accordingly.

The Executive Board and the Supervisory Board point out that the Bidder reserves the right to complete the Offer even after expiry of the 2019 financial year, i.e., until 13 January 2020. Therefore, it may happen that those innogy Shareholders who accept the Offer hold the innogy Shares during the entire 2019 financial year. This notwithstanding, these innogy Shareholders would not receive a dividend of innogy for the 2019 financial year because the Bidder has no mechanism in place that enables the accepting innogy Shareholders to participate in the dividend for the 2019 financial year as well.

For this reason, apart from the formal Offer Price of €36.76 per innogy Share, the Executive Board and the Supervisory Board also considered in their comparative analysis the Undiscounted Total Value of the Offer stated by the Bidder at the time of publication of the Offer Document in the amount of €38.40 per innogy Share. In this context, the Executive Board and the Supervisory Board have also taken into account that the innogy Shareholders who accept the Offer will not
receive the Offer Price until completion of the Offer and will not receive the 2018 innogy Dividend until after the 2019 innogy General Meeting so that the Undiscounted Total Value of the Offer has to be discounted as of the date of this Statement. Since the exact date of the payments and, thus, the amount of such discount applied cannot as yet be determined at the time this Statement is written, and since the appropriate discount rate depends, in addition to numerous factors, on the individual circumstances of each innogy Shareholder, however, the Executive Board and the Supervisory Board think it is preferable for the purposes of the following comparative analyses to comment on the Offer Price as well as the Undiscounted Total Value assumed by the Bidder of €38.40 rather than to use a value selected arbitrarily. Every innogy Shareholder should form its own opinion what individual value the discounted Offer has from their perspective.

3.2 Fairness Opinions

The Executive Board retained Goldman Sachs and Deutsche Bank and the Supervisory Board retained Lazard as financial advisors. Each of Goldman Sachs, Deutsche Bank and Lazard prepared a separate opinion with respect to the fairness to the holders (other than the Bidder, RWE DB and their respective affiliates) of innogy Shares of the Undiscounted Total Value of Euro 38.40 offered from a financial point of view ("Fairness Opinions" and individually a "Fairness Opinion"). In their Fairness Opinions dated 10 May 2018 in each case, Goldman Sachs, Deutsche Bank and Lazard each come to the conclusion that, subject to the assumptions and limitations contained therein and as of the date of the issuance of the Fairness Opinions (i.e., 10 May 2018), the Undiscounted Total Value per innogy Share to be paid to the holders (other than the Bidder, RWE DB and their respective affiliates) of innogy Shares pursuant to the Offer Document is fair from a financial point of view to such holders of innogy Shares. The Fairness Opinions dated 10 May 2018 are attached to this Statement as Exhibit 1, Exhibit 2 and Exhibit 3 and set forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with such opinions. The Fairness Opinions are limited to the fairness from a financial point of view to the holders (other than the Bidder, RWE and their respective affiliates) of innogy Shares, as of 10 May 2018, of the Undiscounted Total Value to be paid to such holders and do not reflect upon or take into consideration, any other term or aspect of the Offer or any term or aspect of any other agreement or instrument contemplated by the Offer or the Share Purchase and Transaction Agreement or entered into or amended in connection therewith, including, the fairness of the Offer to, or any consideration received in connection therewith by, RWE or its affiliates, the holders of any other class of securities, creditors, or other constituencies of innogy, or the extensive exchange of business activities and participations between E.ON, a person acting jointly with the Bidder within the meaning of Sec. 2 para. 5 WpÜG according to statements made by the Bidder in Section 6.6 of the Offer Document, and companies of the RWE Group that are, or are intended to be, entered into in connection with the Offer. Those exchanges of business activities and participations that include transactions involving innogy can have an impact...
on the financial assessment of the transaction for holders of innogy shares that is not reflected in the Fairness Opinions and will have to be separately considered.

Each of the Executive Board and the Supervisory Board of innogy have conducted a separate, thorough review of the respective Fairness Opinions, the findings of which have been discussed in detail by representatives of Goldman Sachs, Deutsche Bank and Lazard, and have been independently and critically assessed by the Executive Board and the Supervisory Board.

The Executive Board and the Supervisory Board point out that the Fairness Opinions were provided solely for the information and assistance of the Executive Board and the Supervisory Board, as the case may be, of innogy in connection with the assessment of the adequacy of the Undiscounted Total Value from a financial point of view and that third parties, including the holders of innogy Shares, cannot rely on them. The Fairness Opinions are neither directed at third parties (including the holders of Innogy Shares) nor do they establish any protective rights for third parties. Third parties cannot derive any rights from the Fairness Opinions. No contractual relationships between Goldman Sachs or Deutsche Bank or Lazard and third parties reading such Fairness Opinions come into existence in this context. Neither the Fairness Opinions nor the mandate agreements between Goldman Sachs or Deutsche Bank or Lazard and innogy on which the Fairness Opinions are based have a protective effect for third parties or lead to an inclusion of third parties in their respective scope of protection.

The Fairness Opinions are especially not addressed to the innogy Shareholders and do not constitute a recommendation by Goldman Sachs, Deutsche Bank or Lazard as to whether or not any holder of innogy shares should tender such shares in connection with the Offer or accept the Offer. The consent by Goldman Sachs, Deutsche Bank and Lazard to attach their respective Fairness Opinion to this Statement as an exhibit does not and will not constitute any expansion or addition to the addressees of such Fairness Opinions or the persons who are permitted to rely on such opinion, and any such consent does not lead to an inclusion of third parties in their respective scope of protection. Furthermore, the Fairness Opinions do not address the relative merits of the Offer as compared to any strategic alternatives that may be available to E.ON, the Bidder or innogy.

In connection with preparing their respective Fairness Opinions, Goldman Sachs, Deutsche Bank and Lazard reviewed, among other things, the Offer Document, annual reports of innogy, certain interim reports of innogy, certain other communications from innogy to its stockholders, certain internal financial analyses and forecasts for innogy prepared by its management as approved for use by innogy. They have also held discussions with members of the senior management and the Management Board of innogy regarding their assessment of the consummation of the Offer and past and current business operations, financial condition and future prospects of innogy and reviewed the reported price and trading activity for the innogy shares, compared certain financial
and stock market information for innogy with similar information for certain recent business combinations in the utilities industry and in other industries and performed such other studies and analyses, and considered such other factors, as they deemed appropriate.

The Executive Board and the Supervisory Board also point out that the Fairness Opinions of Goldman Sachs, Deutsche Bank and Lazard are subject to certain assumptions and reservations and that it is necessary to read and study the Fairness Opinions in their entirety in order to understand their scope. For purposes of rendering the Fairness Opinions, with the consent of innogy, Goldman Sachs, Deutsche Bank and Lazard relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information (including publicly available information) provided to, discussed with or reviewed by, them, without assuming any responsibility for independent verification thereof. In that regard, they assumed with the consent of the Executive Board and the Supervisory Board that the internal financial analyses and forecasts for innogy have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of innogy. Goldman Sachs, Deutsche Bank and Lazard assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Offer will be obtained without any adverse effect on the expected benefits of the Offer in any way meaningful to their analysis. Goldman Sachs, Deutsche Bank and Lazard have assumed that the Transaction will be consummated on the terms set forth in the Offer Document, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to its analysis. The Fairness Opinions do not express any opinion as to the prices at which innogy Shares will trade at any time or as to the impact of the Offer or the Share Purchase and Transaction Agreement on the solvency or viability of innogy or the Bidder, or the ability of innogy or the Bidder to pay their respective obligations when they come due. The Fairness Opinions of Goldman Sachs, Deutsche Bank and Lazard are based, in particular, on economic, monetary, market and other conditions as in effect on, and the information made available to them, as of the date of the issuance of the respective Fairness Opinion. Events occurring after the date of the issuance of the respective Fairness Opinions may have an impact on the assumptions made when preparing the respective Fairness Opinion and on the results therein and Goldman Sachs, Deutsche Bank and Lazard have no responsibility to update, revise or reaffirm their respective Fairness Opinion based on circumstances, development or events occurring after the date of the respective Fairness Opinion.

Neither of Goldman Sachs, Deutsche Bank or Lazard have made an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of innogy or any of its subsidiaries and they have not been furnished with any such evaluation or appraisal. In addition, the Fairness Opinions do not constitute valuation reports (Wertgutachten) as typically rendered by qualified auditors and must not be considered as such. Accordingly, they have not been prepared in accordance with the standards for valuation
reports by qualified auditors as set by the Institute of Certified Public Accountants (Institut der Wirtschaftsprüfer in Deutschland e.V. – "IDW") (for the company evaluation, IDW S 1; for the preparation of fairness opinions, IDW S 8). Fairness Opinions of the type issued by Goldman Sachs, Deutsche Bank and Lazard differ in important respects from a company evaluation by qualified auditors.

Furthermore, Goldman Sachs, Deutsche Bank and Lazard have issued no statement about whether or not the terms and conditions of the Offer are consistent with the requirements of the WpÜG or the WpÜG Offer Regulation or comply with any other legal requirements. In particular, Goldman Sachs, Deutsche Bank and Lazard have neither examined nor issued any statement about whether or not the consideration for the acquisition of approx. 76.79% of the innogy Shares agreed by E.ON or a person acting jointly with the Bidder within the meaning of Sec. 2 para. 5 WpÜG (as set out in the statements made by the Bidder in Section 6.6 of the Offer Document) or the Bidder in the Share Purchase and Transaction Agreement is equal to, higher or lower than the Offer Price. Goldman Sachs, Deutsche Bank and Lazard have also not reviewed which implications the extensive exchange of business activities and participations agreed in the Share Purchase and Transaction Agreement will have on the compliance of the Offer with the requirements of the WpÜG or the WpÜG Offer Regulation on the consideration and its amount.

Goldman Sachs and Deutsche Bank have acted as financial advisors to the Executive Board of innogy and Lazard has acted as financial advisor to the Supervisory Board of innogy in connection with the Offer. They will each receive a customary fee for their services in connection with the Offer. In addition, innogy has agreed to reimburse certain of their expenses arising, and indemnify them against certain liabilities that may arise, out of their engagement. It is pointed out that Goldman Sachs and/or Deutsche Bank and/or Lazard and their respective affiliates have from time to time provided financial advisory and/or underwriting services to innogy and may have maintained in the past or may maintain other business relationships at present or in the future with innogy, RWE, the Bidder, the shareholders of the Bidder and/or RWE, or their affiliated companies, which may have been or will be compensated to Goldman Sachs, Deutsche Bank or Lazard, respectively, by way of fees and reimbursement of expenses. Furthermore, Goldman Sachs and/or Deutsche Bank and/or Lazard and/or their respective affiliated companies are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities, which may result in, among other things, them acquiring, holding or selling, for their own or a third party account, securities of any kind issued by innogy, RWE, the Bidder, shareholders of the Bidder and/or RWE or their respective affiliated companies.
3.3 Comparison with historical share prices

In order to assess the fairness of the consideration offered from a financial point of view, the Executive Board and the Supervisory Board have also considered the development of the stock exchange price of innogy Shares. As the reference market prices were determined on dates before the 2018 innogy General Meeting, which resolved on the distribution of the 2017 innogy Dividend in the amount of €1.60 per innogy Share, the Executive Board and the Supervisory Board add the nominal amount of the 2017 innogy Dividend of €1.60 per innogy Share to the Undiscounted Total Value of €38.40 in order to obtain a reference value ("Dividend-Increased Reference Value"). In relation to this Dividend-Increased Reference Value, the following premiums result:

- The closing price of the innogy Share in the XETRA trading system of the Frankfurt Stock Exchange on 9 March 2018, the last stock exchange trading day prior to the publication of the decision to launch the Offer on 12 March 2018, was €34.53 (source: Bloomberg). The Dividend-Increased Reference Value includes a premium of €5.47 (15.84%) and the Offer Price includes a premium of €2.23 (6.46%) above such price.

- The weighted average domestic stock exchange price of the innogy Share during the last three months prior to and including 22 February 2018, i.e., the last day on which the price of the innogy Share, from the Bidder's point of view, was unaffected by general takeover speculations according to statements made by the Bidder in Section 10.2 of the Offer Document was €32.92. The Executive Board and the Supervisory Board cannot discern on which event the Bidder bases its assumption of emerging general takeover speculations precisely after 22 February 2018, and therefore point out that the innogy share price might have been affected even before 22 February 2018 by rumours of a takeover that repeatedly circulated in the market. By reference to this price, the Dividend-Increased Reference Value includes a premium of €7.08 (21.51%) and the Offer Price includes a premium of €3.84 (11.66%) (source: Bloomberg).

- Compared to the Three-Months Average Price in the amount of €32.58 as determined by BaFin, the Dividend-Increased Reference Value includes a premium in the amount of €7.42 (22.77%) and the Offer Price includes a premium of €4.18 (12.83%).
Overview IV.3.3: Historical share price development of the innogy Share

Compared to the original issue price of the innogy Share in the amount of €36.00, the Dividend-Increased Reference Value represents a premium in the amount of approximately 11.11%, the Undiscounted Total Value represents a premium of approximately 6.67% and the Offer Price represents a premium of approximately 2.11%.

3.4 Valuation by financial analysts

The arithmetic mean of price targets published by selected financial analysts for the innogy Shares (prior to the distribution of the dividend for the 2017 financial year) after the initial ad hoc release by E.ON about the transaction (i.e., 11 March 2018) is €36.59 (median: €36.76). The Dividend-Increased Reference Value is approximately 9.33% and the Offer Price is approximately 0.45% above this value.
### TYPE AND AMOUNT OF THE CONSIDERATION OFFERED

<table>
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<tr>
<th>Broker</th>
<th>Date</th>
<th>Recommendation</th>
<th>Target price (in Euro)</th>
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<td>Raymond James</td>
<td>4 May 2018</td>
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<td>Morgan Stanley</td>
<td>2 May 2018</td>
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<td>Santander</td>
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<td>Bernstein</td>
<td>29 March 2018</td>
<td>Hold</td>
<td>40.00</td>
</tr>
<tr>
<td>Bryan, Garnier &amp; Co</td>
<td>23 March 2018</td>
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<td>33.00</td>
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<td>RBC Capital Markets</td>
<td>23 March 2018</td>
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<td>37.00</td>
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<tr>
<td>J.P. Morgan AG</td>
<td>20 March 2018</td>
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<td>HSBC</td>
<td>19 March 2018</td>
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<tr>
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<td>Commerzbank</td>
<td>15 March 2018</td>
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<td>Jefferies</td>
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<td>Hold</td>
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<td><strong>Median</strong></td>
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<td><strong>36.76</strong></td>
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**Overview IV.3.4/1: Valuation by financial analysts after 11 March 2018**

In the comparison with the financial analysts' recommendations, the Executive Board and the Supervisory Board have also taken into account that most of the financial analysts raised their assessments and price targets following the initial ad hoc release by E.ON about the transaction (i.e., 11 March 2018) and have thereby priced the Dividend-Increased Reference Value of the transaction into their recommendations. Therefore, already for this reason, the arithmetic mean of the price targets is not suitable as an indication of the fairness of the consideration offered per innogy Share.

If only the recommendations of financial analysts made prior to 11 March 2018 are used as a standard for comparison with respect to the Offer Price and the Undiscounted Reference Value, however, the arithmetic mean amounts to approx. €32.70 (median €32.65). The Dividend-Increased Reference Value is approximately 22.32% and the Offer Price is approximately 12.42% above this value:
Overview IV.3.4/2: Valuation by financial analysts prior to 11 March 2018

According to its statements in Section 10.2 of the Offer Document, the Bidder expects that the last price of the innogy Share that was unaffected by media speculation was that of 22 February 2018. Based on the recommendations of financial analysts of the brokers listed in the overview in IV.3.4/2 that were issued before 22 February 2018 in which – according to the Bidder's argument – media speculation about a public takeover offer had not been priced in, the median also equals €34.00, which means that the Dividend-Increased Reference Value implies a premium of approximately 17.65% and the Offer Price implies a premium of 8.12%. The Executive Board and the Supervisory Board point out that the innogy share price might have been affected even before 22 February 2018 by rumours of a takeover that repeatedly circulated in the market.

3.5 Consideration of the innogy Group's development potential

In order to assess the fairness of the consideration offered, the Executive Board and the Supervisory Board have also taken into account the historical business development of the innogy
Group and the corresponding future opportunities and risks. In view of the outlook for future years, the Executive Board and the Supervisory Board believe that the innogy Group is also ideally positioned for the future to develop strongly on its own as well as profitably owing to the connection of new projects to the grid, the opportunities for growth in the Renewables division, the expected increased demand for electricity, and growth options in the business areas of broadband and electric mobility. However, the strategic value and the independent development potential do not result in the Offer Price and the Undiscounted Total Value thereby appearing altogether unfair from a financial point of view.

3.6 Overall assessment of the fairness of the consideration

The Executive Board and the Supervisory Board have diligently and comprehensively analysed and assessed the fairness of the consideration offered by the Bidder. In doing so, the Executive Board and the Supervisory Board have taken note of the contents of the Fairness Opinions but have also conducted their own analyses. In particular, the Executive Board and the Supervisory Board have taken the following aspects into account that were applied at innogy Group level and/or on a sum-of-the-parts basis:

- the premium above historical stock exchange prices;
- the opinions of independent analysts;
- multiples of comparable listed companies;
- multiples of historical reference transactions or premiums;
- historical takeover premiums; and
- a discounted cash flow analysis.

Taking into account the Fairness Opinions, the aspects set out above, the development potential of innogy, as well as the overall situation regarding the Offer, the Executive Board and the Supervisory Board consider the consideration offered by the Bidder per innogy Share to be fair from a financial point of view. The Executive Board and the Supervisory Board cannot assess whether or not the consideration is fair compared to the value which accrues to the RWE Group under the Share Purchase and Transaction Agreement for each innogy Share:

- The Executive Board and the Supervisory Board have taken into account that the innogy Shareholders will not just receive the Offer Price of €36.76, but, in economic terms, shall
also participate in the 2018 innogy Dividend (through an increase of the Offer Price and/or by additional payment of the 2018 innogy Dividend).

- The Dividend-Increased Reference Value includes a premium of approx. 21.51% and the Offer Price includes a premium of approx. 11.66% over the weighted average domestic stock exchange price of the innogy Shares in the XETRA trading system of the Frankfurt Stock Exchange during the last three months prior to and including 22 February 2018, which was, according to statements made by the Bidder, the last day before general takeover speculations arose.

- Both the Offer Price and the Dividend-Increased Reference Value exceed the arithmetic mean of the analysts' current target prices published after the announcement of E.ON's intent to launch a takeover although the expected Offer Price and/or the Undiscounted Total Value as well as the probability of a successful takeover have already been priced into these analyst target prices. Based on the analysts' target prices for innogy published prior to 11 March 2018 (i.e., the initial ad hoc release by E.ON about the transaction), the Offer Price and the Dividend-Increased Reference Value both exceed the arithmetic mean by far.

- The takeover premium above the last XETRA closing price of the innogy Shares before takeover speculations arose implied in the Dividend-Increased Reference Value is within the range of the historical takeover premiums usually paid in the last ten years in Germany in transactions with a volume of more than €100 million. In general, takeover premiums also reflect synergies that can be realised in a takeover.

- The multiples implied in connection with the Undiscounted Total Value and the Offer Price, for example, the ratio of the enterprise value to the EBITDA expected by analysts for the 2018 financial year, are in each case higher than the multiples of the listed companies used for comparison purposes.

- Depending on which expectations and on which discount rate it is based, the discounted cash flow analysis, which is often used to determine the fundamental enterprise value, results in differing findings. Based on assumptions deemed realistic by the Executive Board and the Supervisory Board, both the Offer Price and the Undiscounted Total Value fairly reflect innogy's enterprise value.

- In addition to the valuation considerations, the Executive Board and the Supervisory Board also conducted sensitivity analyses on the discounting of the cash flows from the Offer Price and the innogy dividend based on various assumptions on payment dates and
discount rates. According to theses analyses, the Undiscounted Total Value fairly reflects innogy's enterprise value.

- In their respective Fairness Opinions, Goldman Sachs, Deutsche Bank and Lazard consider the Undiscounted Total Value to be fair from a financial point of view. The Executive Board and the Supervisory Board have convinced themselves of the plausibility and suitability of the procedures, methodologies and analyses used.

In their assessment of the fairness of the consideration offered, the Executive Board and the Supervisory Board have also taken into account the strategic value of innogy and the independent development potential of the innogy Group and believe that the Undiscounted Total Value of the consideration of €38.40 is fair. In the assessment of the Executive Board and the Supervisory Board, this figure also reflects part of the synergies that the E.ON Acquirers seek to realise.

The Executive Board and the Supervisory Board, however, cannot assess, for the reasons stated in Section IV.2, whether or not the consideration for the acquisition of approx. 76.79% of the innogy Shares agreed in the context of an extensive exchange of business activities and participations between E.ON, a person acting jointly with the Bidder within the meaning of Sec. 2 para. 5 WpÜG according to statements made by the Bidder in Section 6.6 of the Offer Document, and companies of the RWE Group in the Share Purchase and Transaction Agreement is equal to, higher or lower than the Offer Price or the Undiscounted Total Value of the Offer. The Executive Board and the Supervisory Board therefore cannot assess whether or not the Offer Price and the Undiscounted Total Value in the aggregate are also fair, in particular if the Share Purchase and Transaction Agreement with RWE is taken into account.

The Executive Board and the Supervisory Board do not provide any assessment of a capitalised earnings value (Ertragswert) of innogy in accordance with the IDW S 1 valuation standard and no assessment, either, as to whether a higher or lower amount than the Undiscounted Total Value or the Offer Price ("Compensation Payment") would possibly have to be assessed, or will be assessed, in the future within the scope of a statutorily prescribed adequate compensation, for example, in connection with the conclusion of a domination and profit and loss transfer agreement, a possible squeeze-out of minority shareholders or a possible conversion measure. Compensation Payments are calculated based on the enterprise value of innogy at a future date and are subject to control by the courts in the course of appraisal rights proceedings (Spruchverfahren). In this respect, it also has to be taken into consideration that in the course of judicial proceedings, an appraisal based upon other methods of valuation could possibly result in a higher or lower value.

In view of the foregoing statements, the Executive Board and the Supervisory Board expressly point out that innogy Shareholders who have already tendered, or who will tender, their innogy
V. OBJECTIVES AND INTENTIONS OF THE BIDDER AND E.ON AND FORESEEABLE CONSEQUENCES FOR INNOGY

1. Objectives and intentions as set out in the Offer Document

The intentions of the Bidder and of the Bidder Parent Companies, which are set out in the following, are outlined in more detail in Section 9 of the Offer Document.

1.1 Commercial and strategic reasons of the Bidder

According to the Bidder's statement in Section 8.1 of the Offer Document, the Offer is part of an overall transaction between E.ON and RWE. With the individual transaction steps, the Bidder intends to combine the energy networks and customer solutions business areas of the E.ON Group and the innogy Group (the "Combined Enterprise"). The Bidder intends, in particular, to gain control over innogy in order to pursue the goals set out in Section 8 of the Offer Document.

The strategy to focus on the customer and to maximise its benefit will be further strengthened as a result of the Overall Transaction. According to the Bidder, the Combined Enterprise will be able to focus even more on the needs of its approximately 50 million European customers today and offer even better intelligent grids and innovative customer solutions. As a result of the merger with the innogy Group, the customer base would increase by more than 60% compared to the number of customers of the E.ON Group today. The structure of the Combined Enterprise would make it possible to take part in the shaping of future market developments by working with partners, cities and municipalities. In addition, the Bidder believes that combining the resources of the E.ON Group and the innogy Group will make it easier to shoulder the capital expenditures required in the areas of customer solutions and energy networks. E.ON expects significant value being created by synergies and a big leap both in growth and innovation, which will have a positive impact on all key operating figures of material importance. In particular, there would also be an improvement in earnings as a result of higher earnings contributions from regulated business areas.

In the Bidder's view, the Combined Enterprise's efficiency will be substantially improved by means of the combination of administrative and management functions of the E.ON Group and the innogy Group. Against this backdrop, the E.ON Acquirers expect significant synergies amounting to approximately €600 to €800 million annually from 2022 to result from the integration of the innogy
OBJECTIVES AND INTENTIONS OF THE BIDDER AND E.ON AND FORESEEABLE CONSEQUENCES FOR INNOGY

Group following the completion of the Offer. Potential for synergies would arise from the reduction of duplicative functions at group level, the planned integration of the IT systems, as well as synergies in the customer solutions and energy networks areas. In this context, the Bidder expects that up to 5,000 jobs will have to be cut in the Combined Enterprise. The E.ON Acquirers intend, following the completion of the Offer, to perform a comprehensive review of potential synergy effects of the innogy Group and the E.ON Group and to prepare and implement an integration plan containing specific measures. For such purpose, the E.ON Acquirers intend to constructively co-operate with the management bodies of innogy.

The E.ON Acquirers expect that a high number of new jobs will be created within the group in the next decade and that the Overall Transaction will contribute to securing future-oriented jobs in the long term.

1.2 Future business activities, appropriation of assets and obligations of innogy

In Section 9.1 of the Offer Document, the Bidder states that the E.ON Acquirers intend to take, after the completion of the Offer, any measures which may seem suitable, including any possible structural measures in order to satisfy its contractual obligations under the Share Purchase and Transaction Agreement regarding the transfer of parts of the assets to the RWE Group. The Bidder further states that the E.ON Acquirers intend to combine the operating activities of the innogy Group in the Grid & Infrastructure division as well as the Retail division or their control functions with the comparable activities or functions of the E.ON Group, and to integrate the administrative and management functions of innogy into the corresponding E.ON functions. The Bidder states that the E.ON Acquirers have no intentions concerning innogy's future obligations beyond the intentions specified above.

1.3 Corporate seat of the Company, sites and maintenance of material parts of the business

In Section 9.2 of the Offer Document, the Bidder states that the E.ON Acquirers have no intention to cause innogy to relocate or close its seat or the sites of material parts of the business. However, the Bidder stated that the E.ON Acquirers intend to examine to what extent future consolidations or closures of sites are necessary in connection with the consolidation of innogy and E.ON.

1.4 Executive Board and Supervisory Board of the Company

In Section 9.3 of the Offer Document, the Bidder states that the E.ON Acquirers intend to collaborate with innogy's Executive Board in a constructive manner and that the Executive Board of innogy will, in accordance with the statutory requirements and until the implementation of possible structural measures, continue to manage the company independently and on its own responsibility also after completion of the Offer. The Bidder further states that the E.ON Acquirers
intend, however, to implement any structural measures which enable the Bidder and indirectly the other E.ON Acquirers to give instructions to the Executive Board on the management of innogy, if necessary. In addition, the Bidder states that the E.ON Acquirers intend to examine to what extent changes should be sought in the Executive Board's size and/or composition at a given time in connection with the integration of innogy and E.ON. Finally, the Bidder states that the E.ON Acquirers intend to be appropriately represented in the Supervisory Board of innogy following completion of the Offer and of the Block Trade.

1.5 Possible structural measures

In Section 9 of the Offer Document, the Bidder states that the E.ON Acquirers intend to implement certain structural measures after the completion of the Offer depending on the percentage of innogy Shares acquired, provided that, from the point of view of the E.ON Acquirers, these measures still seem to be economically reasonable at the relevant time and they are expedient with a view to the implementation of the goals of E.ON Acquirers pursued in connection with the Overall Transaction. In Section 9.5 of the Offer Document, the Bidder clarifies in this respect that the E.ON Acquirers intend to implement one or more structural measures as soon as possible after the completion of the Offer in order to establish the legal prerequisites for integrating the innogy Group into the E.ON Group to the furthest extent. According to the Bidder, these structural measures are aimed at enabling the Bidder to exercise as much controlling influence as possible over innogy within the limits prescribed by law, and/or at completely eliminating any minority shareholding remaining in innogy after the completion of the Offer, if necessary. The Bidder points out that the intention is to shape the structural measures in such a way that each of the remaining innogy Shareholders – to the extent legally permissible – will, in each case, receive compensation not exceeding the value of the offer consideration.

In Section 9.5.1 of the Offer Document, the Bidder communicates that if, after the completion of the Offer and the Block Trade, the Bidder and E.ON hold more than 75% of innogy's share capital, the E.ON Acquirers intend, under certain circumstances, to initiate the passing of a resolution on the conclusion of a domination and profit and loss transfer agreement between the Bidder as dominating company and innogy as dominated company in accordance with Secs. 291 et seqq. AktG and to pass the corresponding resolutions.

The Bidder further states in Section 9.5.2 of the Offer Document that if, after the completion of the Offer and Block Trade, the Bidder and E.ON, directly or indirectly, hold a number of innogy Shares that is sufficient for the purpose of demanding a transfer of the minority shareholders' innogy Shares to the principal shareholder, in return for the granting of appropriate cash compensation (squeeze-out), the E.ON Acquirers intend, provided that this is economically reasonable at the relevant point in time, to undertake the measures required for such a squeeze-out
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of the outside shareholders. The Bidder specifies in detail that it intends (i) to implement a squeeze-out under transformation law in connection with a merger of innogy into the Bidder if the Bidder holds no less than 90% of innogy's share capital or (ii) to implement a squeeze-out under stock corporation law if it even holds no less than 95% of innogy's share capital (see, as regards these measures, Section V.2.4 of this Statement).

Finally, the Bidder states in Section 9.5.3 of the Offer Document that if, after the completion of the Offer and Block Trade, the Bidder and E.ON do not hold more than 90% of innogy's share capital, the E.ON Acquirers intend to examine to merge innogy and E.ON into a new company to be founded.

1.6 Future business activities of the Bidder and the E.ON Group

In Section 9.6 of the Offer Document, the Bidder points out that it does not carry out any business activities of its own and, after the completion of Offer, will function as a holding company for innogy or will carry out the latter's activities in case a squeeze-out under transformation law is implemented.

The Bidder further points out that, besides E.ON's undertakings to transfer individual assets and business areas to enterprises of the RWE Group, the integration of the innogy Group into the E.ON Group as planned by the E.ON Acquirers may also have effects on the E.ON Group. The Bidder states that the E.ON Acquirers have no intention to relocate the seat of E.ON and that they will comply with the statutory provisions on the co-determination of the employees of E.ON and its direct or indirect subsidiaries. After the implementation of the E.ON Capital Increase, RWE will have the right to propose one member of the supervisory board of E.ON, who is to be elected by the shareholders.

The Bidder states that, otherwise, in connection with the Offer, the E.ON Acquirers have no intentions that would have material effects on the future business activity of the E.ON Group, the seat and site of material parts of the business of E.ON, the use of E.ON's assets, its future obligations, its employees, employee representatives and terms and conditions of employment at E.ON or the members of the E.ON's management bodies.

2. Evaluation of the objectives of the Bidder and of the expected consequences

2.1 Strategy, potential for synergies and future business activities

The control over innogy sought by the Bidder is required in order to enforce the allocation of innogy activities between E.ON and RWE, in particular, intended by the E.ON Acquirers regarding compliance with the transfer obligations towards RWE. The Executive Board and the Supervisory
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Board appreciate the Bidder's intention to constructively cooperate with the management bodies of innogy in order to prepare an integration plan containing specific measures and they seek a fair and binding process. In this regard it has so far not been possible to enter into a framework agreement with the Bidder (cf. Section III.5 above).

The Bidder states in the Offer Document that, by means of the Overall Transaction, the Bidder intends to integrate the operating businesses of the innogy Group in the Grid & Infrastructure segment and the Retail segment with the corresponding activities or functions of the E.ON Group and to resell innogy's Renewables segment to the RWE Group. These strategic intentions of the Bidder with respect to the innogy Group are consistent with the overall strategic concept of the Bidder and its parent companies to focus on customer solutions and energy grids in the future. The Bidder and the E.ON Group thus pursue an alternative strategy compared to the present strategy of the innogy Group, which aims at realising synergies and less diversification. The Executive Board and the Supervisory Board still believe, however, that the strategy of the innogy Group, which combines stable business activities with growth potentials and continuous portfolio optimisation, provides an excellent basis for further growth and the generation of sustainable profits as well as value generation (as regards the strategy of innogy SE, cf. above Section II.1.6 of this Statement).

In the Grid & Infrastructure segment, there is the risk of a loss of business due to difficult concession negotiations (in the German business) and change of control clauses, facing only limited additional economies of scale by integrating it into the "Energy Networks" segment of the E.ON Group. Even though the business and market position of the combined enterprise would be further strengthened in individual European markets through parallel activities in these countries, the Executive Board and the Supervisory Board only see limited possibilities for improving the performance of the enterprise and very limited potential for economies of scale as both companies have already reached a significant size, predominantly operate on the same markets and most part of the business is being regulated. Furthermore, a significant part of the innogy Group's grid business is operated by regional companies, whose majority shares are held by innogy (especially, Süwag, enviaM, Lechwerke and VSE). Since these regional companies are separate entities that are not wholly owned by innogy, there is – to a greater extent than today – likely only limited synergy potential regarding these. In addition, under a number of partnership and consortium agreements as well as electricity, gas and water concession agreements, there is the risk that, upon completion of the Offer and the Block Trade, the contractual partners will exercise acquisition rights and other rights to which they are entitled under change of control clauses (see, in this regard, in detail under Section V.2.5.4 of this Statement). Furthermore, by segregating the grid business from the renewables business, innogy would lose its positive "green" image, which in combination with the strengthened business and market position of the enlarged enterprise could have a negative impact on concession negotiations and, in particular, on its non-regulated business with municipal-utility
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customers. Moreover, innogy could suffer disadvantages in tenders and partnerships and the identification of its employees with innogy might be impaired.

The integration of the Retail segment into the "Customer Solutions" segment of the E.ON Group offers a number of opportunities, which can only be realised if the integration process is effectively implemented, the customer focus is maintained and risks are mitigated in the best possible way. The Executive Board and the Supervisory Board believe that a combination of E.ON's and innogy's retail businesses leading to a broader market coverage and increasing market shares in the overlapping areas of operation and an overall larger customer base will in principle offer potential for horizontal cost- and market-related synergies. Though, the Executive Board and the Supervisory Board note, that in many areas of the retail customer business (B2C), which is the core of the retail activities, synergies can only be realised by a cost and time consuming – and often risky – integration of the operational IT applications (customer service, billing). The costs are often very high. Furthermore, during the crucial phase of organisational, management related and cultural integration that is necessary to raise those synergies, there is the risk of losing customer focus as well as the ability to quickly respond to changing customer requirements, which is highly important in the retail business. Given the challenges of the integration process and that both companies have in most part comparable problem-solving expertise, there are serious doubts regarding the boost in growth and innovation expected by the E.ON Acquirers. Change of control clauses in contracts with participations and supply contracts may entail further disadvantages and risks in the form of losing substance in the retail business. Moreover, in the view of the Executive Board and the Supervisory Board, innogy's retail business does not least face the risk that innogy's reputation might suffer from being associated with E.ON's nuclear power business. The same applies regarding local partnerships in the Grid & Infrastructure division. Furthermore, the segregation of the retail business from the generation of electricity from renewable energies would lead to losing its well established position of being a regenerative energy provider and its image as integrated "green" utility of the future. The aforementioned disadvantages and risks are also a burden for the E.ON Acquirers' desired perspective to be perceived as competent and reliable partner for energy solutions.

With regard to the resale of the Renewables segment to RWE that is pursued by the Bidder, the Executive Board and the Supervisory Board believe that there is a risk that the companies of the innogy Group concerned could lose their "clean" and "green" image on account of the consolidation with RWE's large CO₂-dominated portfolio of power plants. For the relevant companies of the innogy Group, this could have a negative impact on partnerships with project partners and could prove disadvantageous in the context of international tenders. It could also become more difficult to hire and retain highly qualified employees for whom it is important to work for a "green" company. The difficulties of a joint positioning as well as the cultural differences between the renewable and traditional areas had already been an important reason for
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the original segregation of the "green" innogy from RWE. It cannot be conclusively assessed whether these potential disadvantages will be offset by advantages from the consolidation with E.ON's Renewables segment (e.g. by strengthening the position of innogy's wind energy activities). Though, there is only limited potential for synergy effects and economies of scale which will even be faced with the time and cost consuming integration with E.ON’s activities. Furthermore, the segregation of innogy's profitable and stable grid business, which is to be replaced by the riskier RWE Group's energy generation business, could impede the access and increase the cost of capital for the companies of the innogy Group that are to be transferred to the RWE Group. As the E.ON Acquirers strive for a better contribution to climate protection and a sustainable energy transition, after the sale of the Renewables businesses of the E.ON Group and the innogy Group, this will only be possible in other areas, *inter alia*, regarding the expansion of infrastructure for electromobility, for which innogy is already well positioned today, or the extension of smart grids for which innogy, *inter alia* with its "Designetz" project, develops pilot solutions for the decentralised energy world of tomorrow.

in the light of this, the Executive Board and the Supervisory Board point out that, at present, no binding commitment of the Bidder exists to maintain innogy as employer, retail and partner brand. Although the innogy brand was established only two years ago, expert studies confirm that it has a more sustainable, innovative and customer-oriented image (*source*: Nordlight Research) and a higher brand value (*source*: TheBrandTicker) than the E.ON brand. The Executive Board and the Supervisory Board see the risk that the Bidder will not be able to appropriately realise the value of the innogy brand, which has become quite substantial, within the Combined Enterprise.

A challenge for the entire realisation of the synergy potentials as intended by the Bidder is the fact that a considerable time period might be necessary before the Block Trade and the Offer may be completed. The latest date specified by the Bidder for the completion of the offer in the Offer Document is 13 January 2020. The further integration measures planned by the Bidder and an intended resale of innogy's Renewables division, its gas storage business and its participation in KELAG-Kärntner Elektrizitäts-AG back to RWE will additionally take a considerable amount of time. Without binding commitments to innogy in respect of business operations, employees and brand, the latitude of the Executive Board and the Supervisory Board to cooperate in reducing the time required for the integration is limited.

The Executive Board and the Supervisory Board believe that the complexity and the extended time horizon until the completion of the transaction planned by the Bidder constitute a considerable risk. The Executive Board and the Supervisory Board see the risk that the Bidder will not be able to successfully integrate innogy and, thus, to fully realise the value potential of innogy. Also, a prolonged period of uncertainty as regards the integration processes and the future organisational structures might place considerable strain on the employees of the innogy Group. It must be noted
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in this context that innogy, for quite some time now, has already been experiencing an intensive period of restructurings, including the IPO, and that the transaction envisaged by the Bidder may also result in a stronger focus being put on the internal organisation as well as increased costs for external advisers in the next few years before the enterprise will be able – based on a stable and efficient organisation – to concentrate on its customers and markets.

innogy, which at the time of publication of this Statement has a slightly higher market value (market capitalisation) than E.ON, is to be managed as an independent publicly listed enterprise until its possible integration into the E.ON Group after completion of the Block Trade (for example by concluding a domination agreement). Accordingly, the Executive Board and the Supervisory Board of innogy are obliged to act only in the best corporate interests of innogy, taking into consideration the interests of all shareholders and other stakeholders, in particular innogy's employees and customers. Measures that are in the corporate interest of innogy need not necessarily be in line with, and may in fact differ from, the strategic plans and ideas of the Bidder. Therefore, innogy is currently not restricted under any contractual terms in its dealings with the Bidder or the E.ON Group. In this context, the Executive Board and the Supervisory Board would like to point out that innogy will – as it has done before – duly review on an ongoing basis whether or not possible portfolio transactions are warranted in the interests of the enterprise.

In the opinion of the Executive Board and the Supervisory Board, the uncertainties associated with the integration phase should be reduced by means of a tripartite framework agreement between E.ON, RWE and innogy (see section III.5 above). However, so far no mutual agreement has been reached, yet.

Given the contrary effects and risks described above, the synergy targets announced by the Bidder for the E.ON Group in the amount of between €600 million and €800 million per year starting in 2022 have not been underpinned with corresponding measures and, for this reason, are not comprehensible to the Executive Board and the Supervisory Board. From the number of up to 5,000 jobs which are currently projected by the Bidder to be cut in the course of the transaction, the Executive Board and the Supervisory Board cannot, however, deduce any evaluative statements on the synergy potentials announced.

2.2 Corporate seat of the Company, sites and material parts of the business

The corporate seat of the E.ON Group as well as the corporate seat of the innogy Group are located in Essen, Germany. The Executive Board and the Supervisory Board appreciate that, according to the Bidder, innogy shall not be caused to close or relocate its seat and that the seat of E.ON is not to be relocated either. The Executive Board and the Supervisory Board also consider it positive that
the corporate seat of the RWE Group to which the Bidder intends to sell certain businesses of innogy is likewise located in Essen, Germany.

The Executive Board and the Supervisory Board regard the statement that innogy is not to be required to relocate or close sites of material parts of the business as being too unspecific. The wording chosen by the Bidder leaves unclear, in particular, which sites the Bidder considers material and whether the Bidder intends to cause innogy by means other than an obligation to close or relocate sites or to implement such measures after the separation of individual sites. The fact that the Bidder states that the E.ON Acquirers would examine site consolidations or site closures squarely indicates initial considerations in respect of closing or relocating sites even if such considerations may not yet be set down as a precisely defined intention. In the negotiations on a framework agreement, E.ON has so far not been willing to rule out any mass relocations of jobs.

2.3 Executive Board and Supervisory Board

Indeed, the Executive Board and the Supervisory Board consider it a positive sign that the E.ON Acquirers intend to cooperate constructively with the Executive Board of innogy. The conclusion of a balanced framework agreement for constructive cooperation, however, has not been possible thus far. When the Bidder states that the Executive Board is to manage innogy independently and on its own responsibility until the implementation of structural measures, if any, it is merely reciting applicable stock corporation law. The ramifications of possible structural measures that would enable the Bidder to issue instructions to the Executive Board on the management of innogy are described in Section V.2.4 of this Statement. The Executive Board and the Supervisory Board assume that the E.ON Acquirers aim to conduct their examination of possible future changes in the Executive Board's size and/or composition responsibly in the time after a possible, advanced integration and that they do not seek a premature replacement of the independent management body in order to assert their own particular interests without consideration of the minority shareholders and the other stakeholders.

The Executive Board and the Supervisory Board emphasise that the Bidder fails to make any clear statements in respect of what it understands by the intended appropriate representation of the E.ON Acquirers on the Supervisory Board of innogy. In this respect, the Executive Board and the Supervisory Board point out that in discussions on a possible conclusion of a framework agreement the Bidder proposed that shareholder representatives to be nominated by the E.ON Group should be elected to the Supervisory Board of innogy or appointed by a court as soon as possible after completion of the Block Trade. The Bidder did not provide any information as regards the maximum number of these representatives. According to the recommendation set out in the German Corporate Governance Code, the supervisory board of listed companies should have an adequate number of independent members that are unrelated to a controlling shareholder, taking
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into consideration the ownership structure of the company. From the Supervisory Board's point of view, it is considered good corporate governance if an adequate number of independent shareholder representatives remain members of the Supervisory Board as long as free-float shareholders hold shares in the company.

2.4 Possible structural measures and their ramifications

Regarding the E.ON Acquirers' announcement in Section 9 of the Offer Document that they intend, under certain circumstances, to implement structural measures depending on the percentage of innogy Shares, the Executive Board and the Supervisory Board understand that intent to the effect that the E.ON Acquirers are planning structural measures in any event and only the specific kind of structural measures depends on the percentage of acquired shares. The Executive Board and the Supervisory Board also understand in that sense the Bidder's clarification in Section 9.5 of the Offer Document to implement one or more structural measures as soon as possible after the completion of the Offer in order to establish the prerequisites for integrating the innogy Group into the E.ON Group to the furthest extent possible. The Bidder's intentions with respect to possible structural measures appear consequent in light of the E.ON Acquirers' far-reaching integration plans and were to be expected following the announcement of the Transaction. The Executive Board and the Supervisory Board consider it imperative that the E.ON Acquirers consider the legitimate interests of the minority shareholders and, in particular, ensure the adequacy of compensation payments, if any.

In the Offer Document, the Bidder has not committed itself in what manner assets and divisions of innogy are to be transferred to the RWE Group and what specific measures are to be taken in order to completely integrate the innogy Group into the E.ON Group. However, the Bidder does mention as possible measures the conclusion of a domination and profit and loss transfer agreement, a squeeze-out and a merger.

- Domination and/or profit and loss transfer agreement with innogy

The Bidder has communicated in Section 9.5.1 of the Offer Document that the E.ON Acquirers intend to conclude a domination and profit and loss transfer agreement with innogy as the dominated company. The conclusion of a domination and profit and loss transfer agreement requires an approving resolution of the General Meeting of innogy passed by a qualified three-quarters majority of the registered share capital represented at the passing of the resolution. Based on the current value of the registered share capital of innogy and provided that the Block Trade is completed in accordance with the Share Purchase and Transaction Agreement with RWE, the Bidder would have the necessary majority to pass such resolution already on the basis of such equity stake alone and
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irrespective of whether or not further innogy Shareholders accept the Offer. If the statutory requirements are met, the Executive Board is obligated to cooperate in the conclusion of a domination and profit and loss transfer agreement.

A domination agreement is an agreement under which the subsidiary submits to the management by the controlling company. On the basis of a domination agreement, the Bidder would be entitled to issue binding instructions to the Executive Board of innogy SE and thereby exercise control over the Company's management. In particular, the Bidder could also instruct innogy on the basis of a domination agreement to collaborate in accordance with the terms of the Share Purchase and Transaction Agreement in the exchange of business activities and participations announced by E.ON and RWE.

A profit and loss transfer agreement is an agreement under which a company undertakes to transfer its entire profit to another company. In the event of a loss, the other company would have to compensate for the loss suffered by innogy.

A domination and profit and loss transfer agreement must provide for appropriate compensation to the outside shareholders by means of recurrent cash consideration. Moreover, the other contractual party is obligated to offer to all outside shareholders to acquire their shares for appropriate cash compensation. Please refer to "Appropriate cash compensation" below for more details on the calculation of the appropriate cash compensation.

• Squeeze-out

In the event the Bidder holds innogy Shares representing 95% or more of the registered share capital of innogy after completion of the Offer or at a later point in time, the Bidder could request the transfer of the innogy Shares of the then remaining outside minority shareholders in return for appropriate cash compensation in accordance with Secs. 327a et seqq. AktG (squeeze-out under stock corporation law). Please refer to "Appropriate cash compensation" below for more details on the calculation of the appropriate cash compensation.

Alternatively, if innogy Shares representing at least 95% of the voting registered share capital were to belong to the Bidder after completion of the Offer, the Bidder could under Secs. 39a and 39b WpÜG request the transfer of the remaining innogy Shares in return for granting appropriate cash compensation by court order (squeeze-out under takeover law). A request for such a court order would have to be filed within three months after the expiry of the Acceptance Period. In principle, the Offer Price is deemed appropriate cash compensation.
compensation if the Bidder has acquired shares representing at least 90% of the relevant registered share capital as a result of the Offer. In the present instance, it is possible that only the free float and not the approximately 76.79% stake of RWE DB in Innogy is to be considered the relevant affected share capital because, pursuant to the Share Purchase and Transaction Agreement, the Block Trade is governed by complex provisions as regards the transfers and payments to be exchanged. The Bidder states in Section 17.5 of the Offer Document that it considers it unlikely that it will reach the shareholding threshold necessary for the purposes of a squeeze-out under takeover law. Moreover, the Bidder does not mention such a squeeze-out under takeover law in the Offer Document among the possible structural measures that it intends.

If the Bidder holds Innogy Shares in the amount of at least 90% of the registered share capital of Innogy after completion of the Offer or at a later point in time, the Bidder could under Sec. 62 para. 5 of the German Transformation Act (Umwandlungsgesetz) and Secs. 327a et seqq. AktG request the transfer of the remaining Innogy Shares in return for appropriate cash compensation (squeeze-out under merger law). The requirement for this would be, *inter alia*, that Innogy as the transferring entity concludes a merger agreement with the Bidder as the acquiring entity and the General Meeting of Innogy approves the squeeze-out within three months of the conclusion of the merger agreement. A shareholders' resolution on the merger agreement would not be required. If the statutory requirements are met, the Executive Board is obligated to cooperate in the conclusion of a merger agreement. The squeeze-out would need to be entered into the commercial register record of Innogy and would become effective once the merger becomes effective. Please refer to "Appropriate cash compensation" below for more details on the calculation of the appropriate cash compensation.

Upon completion of the squeeze-out, Innogy Shares would no longer be listed.

- Appropriate cash compensation

If the Bidder must pay appropriate cash compensation to the outside shareholders owing to the measures described above, the amount of the appropriate cash compensation (except in the case of acceptance by 90% of the relevant registered share capital as set out in Sec. 39a WpÜG) would generally need to be determined on the basis of the enterprise value of Innogy to be determined as of the point in time of the General Meeting's passing of a resolution on the relevant measure and, in the event of a squeeze-out under stock corporation law or under merger law, be reviewed by a court-appointed expert examiner. The average list price of Innogy Shares would generally constitute the lower limit of the appropriate cash compensation. The appropriate cash compensation could equal the Offer
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Price of €36.76 per innogy Share or the Undiscounted Total Value of the Offer of €38.40 per innogy Share as indicated by the Bidder, but it could also be higher or lower. In the light of framework conditions that are determined by applicable law and legal precedence, it is unclear to the Executive Board and the Supervisory Board how the Bidder plans – in accordance with its intention stated in Section 9.5 of the Offer Document – to shape structural measures so that the innogy Shareholders who do not accept the Offer receive compensation not exceeding the amount of the Offer Price. This applies all the more so as the Bidder does not mention a squeeze-out under takeover law, in which an offer price may be deemed as adequate compensation under certain conditions, among the measures intended by it.

- Delisting

The Bidder could consider arranging for innogy to apply for the revocation of the admission of innogy Shares, *inter alia*, at German stock exchanges where innogy Shares are admitted to trading. If the admission of innogy Shares to trading on the regulated market is revoked at innogy's request, under Sec. 39 of the German Stock Exchange Act (*Börsengesetz*), all outside shareholders would have to be made an offer to have their innogy Shares acquired within a certain time limit in return for appropriate cash compensation pursuant to Sec. 39 para. 3 sentence 2 of the German Stock Exchange Act in conjunction with Sec. 31 WpÜG. In particular, the appropriate cash compensation must equal at least the weighted average domestic stock exchange price of the security during the last six months prior to the announcement of the decision to submit the Offer, which is referred to in the application to revoke admission. The Bidder does not communicate in the Offer Document the intention to consider a revocation of the admission of innogy Shares to trading, but does expressly indicate it as a possibility in Section 17.2 of the Offer Document.

- Merger of innogy into a company of the E.ON Group

The Bidder could procure that innogy be merged into a company of the E.ON Group. The requirement for this would be, *inter alia*, that innogy as the transferring entity concludes a merger agreement with the acquiring entity and the General Meeting of innogy approves the merger agreement by a qualified three-quarters majority of the registered share capital represented at the passing of the resolution. Based on the current value of the share capital of innogy and provided that the Block Trade is completed in accordance with the Share Purchase and Transaction Agreement with RWE, E.ON would have the majority to pass such resolution already on the basis of that equity stake alone, irrespective of whether or not further innogy Shareholders accept the Offer. If the statutory requirements are met, the
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Executive Board is obligated to cooperate in the conclusion of a merger agreement. The merger would need to be entered into the commercial register. A merger agreement must provide for the then outside innogy Shareholders to receive shares of the acquiring entity as compensation for the loss of their innogy Shares at an appropriate conversion ratio. If the acquiring entity is not a listed stock corporation, SE or KGaA, an appropriate cash compensation must be offered to the innogy Shareholders.

Concretely, according to the Offer Document, the Bidder intends to examine under certain conditions the merger of both innogy and E.ON into a company to be newly founded. Through such a merger, innogy and E.ON would cease to exist as legal entities and the respective shareholders would receive shares in the new company. The appropriateness of the conversion ratio may be reviewed in appraisal proceedings before a court. The value of the stake in the new company might be equal to, or may be higher or lower than, the Offer Price or the Undiscounted Total Value.

For the consequences of the above possible structural measures on innogy Shareholders, see Section VI.2 of this Statement.

2.5 Financial consequences for innogy

2.5.1 Financing

Upon completion of the sale of the participation of RWE in the amount of approx. 76.79% of the Shares and voting rights in innogy to E.ON, E.ON would gain control over innogy irrespective of the acceptance of the Offer by other innogy Shareholders. Due to this change of control, a significant part of the financing structure of the innogy Group would cease to be available since, in the event of a change of control, both the loans with the European Investment Bank (EIB) in the amount of approx. €1 billion and the Revolving Facility Agreement ("RFA") in the amount of approx. €2 billion require negotiations on the continuation of the loan agreement and, in the event such negotiations are unsuccessful, provide for the facilities to cease to exist. innogy would be able to influence any negotiations on the continuation of the loan/facility agreements only to a limited extent as it must be expected that banks making a risk assessment would take into account the situation of the E.ON Group as a whole and that innogy will not be able to make any commitments regarding any further allocation of business. Furthermore, the RFA provides that, in case of a change of control, there would be a moratorium of payment until an agreement is reached with the lending banks. The RFA also ensures that commercial papers issued by innogy can be repaid at any given time. Therefore, the non-availability of the RFA would also affect access to the commercial paper market. It cannot be ruled out that rating agencies might anticipate this by decreasing short term ratings. If, in addition to a change of control, a downgrade of a relevant issuer rating of the innogy Group to sub-investment grade was to occur within 180 days, the holders of bonds under
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the Debt Issuance Programme of innogy and innogy Finance B.V. would be entitled to demand early repayment. This relates to outstanding notes in an amount of approx. €14 billion (book values as per 31 March 2018).

In addition, innogy has been granted bilateral guarantee facilities (Avallinien) in the amount of approx. €1 billion (of which approx. €0.4 billion have been drawn), which might be terminated upon a change of control. Even separately from any change of control provisions, it is possible that billions in trading, overdraft and drawing credit facilities (Handels-, Überziehungs- und Dispositionslinien) not agreed in writing will be frozen or cease to be available if financing aspects are evaluated differently.

Against this background, innogy's Executive Board and the Supervisory Board believe it is necessary that RWE and E.ON undertake in a timely manner to assume financing responsibility for the innogy Group in the context of the transaction (cf. Section III.7 above of this Statement).

On 14 March 2018, the rating agency Moody's announced (source: Moody's Global Credit Research of 14 March 2018) that it was reviewing against the background of the transaction announced by RWE and E.ON on 12 March 2018 whether it would downgrade various ratings of innogy and innogy's subsidiary innogy Finance B.V. Moody's announced that it would take into account during its review that, following completion of the announced transaction, innogy would on the one hand become part of the enlarged E.ON Group with a lower risk profile, but that on the other hand there exist uncertainties regarding E.ON's future finance profile and future capital structure as well as implementation risks regarding the announced transaction. According to Moody's, it was also uncertain what influence E.ON would exert on innogy's capital structure in case of an integration of the grid and distribution businesses of both enterprises.

On 14 March 2018, the rating agency Fitch Ratings announced (source: press release of Fitch Ratings of 14 March 2018) that it was reviewing against the background of the transaction announced by RWE and E.ON, whether it would downgrade various ratings of innogy and innogy's subsidiary innogy Finance B.V. In this way, according to its own statements Fitch Ratings is following a corresponding review of its ratings for E.ON, because E.ON intends to integrate corporate divisions of innogy into E.ON's own divisions, and would thus also assume financial liabilities of innogy; according to Fitch Ratings, this is why it is likely that Fitch Ratings will in the future adjust the innogy ratings to match the ratings issued for E.ON.

On 13 March 2018, the rating agency Standard & Poors announced (source: S&P Global Rating, Rating Direct Research Update of 13 March 2018) that it would likely adjust the innogy ratings to match those for E.ON in case of the completion of the transaction announced by RWE and E.ON.
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The proposed transaction could also impact the ratings of RWE and/or E.ON. It is likely that any such impact would indirectly also affect innogy ratings.

2.5.2 Tax consequences

As at 31 December 2017, innogy and the innogy Group companies based in Germany reported corporate income tax loss carryforwards in the total amount of approx. €17 million and trade tax loss carryforwards in the total amount of approx. €41 million. The Executive Board and the Supervisory Board point out that, in the event of a transfer of more than 50% of the innogy Shares to the E.ON Group (relevant change of ownership), both any existing loss carryforwards and any current tax losses incurred in the period leading up to a relevant change of ownership might be eliminated if there are no hidden reserves reported in the tax balance sheet of the respective company that are taxable in Germany. In addition, as at 31 December 2017, innogy SE had a carryforward under the interest barrier rule (Zinsschrankenvortrag) in the amount of approx. €140 million, which would be forfeited entirely in the event of a relevant change of ownership. More than 50% of the innogy Shares would be transferred to the E.ON Group upon completion of the Block Trade regardless of whether or not other innogy Shareholders accept the Offer.

Tax loss carryforwards in the amount of approx. €2.5 billion that exist at foreign companies of the innogy Group as at 31 December 2017 might be forfeited in whole or in part depending on how, after completion of the Offer and of the Block Trade, the Bidder plans to transfer divisions and participations of the innogy Group to the RWE Group and to implement any measures to integrate the innogy Group into the E.ON Group.

In addition, it must be taken into account that the innogy Group has various tax reserves (at innogy and at the subsidiaries that are members of the tax group, totalling approx. EUR 1.73 billion as at 31 December 2017) which, depending on how, after completion of the Offer and of the Block Trade, the Bidder plans to transfer divisions and participations of the innogy Group to the RWE Group and to implement any measures to integrate the innogy Group into the E.ON Group, will be released in whole or in part and recognised through profit and might thus result in a tax burden.

According to the assessment of the Executive Board and the Supervisory Board, future tax burdens might increase because of the forfeiture of loss and interest carryforwards or the release of tax reserves, which might result in a lower distributable profit. It has not been conclusively clarified from a legal perspective whether the Bidder is obliged to compensate the target company for any resulting disadvantages.
2.5.3 Dividend policy

According to the Offer Document, the Bidder expects that the 2018 innogy Dividend will amount to €1.64. The Bidder did not make any statements in the Offer Document as to what its intentions or expectations are regarding innogy’s future dividend policy and whether RWE DB has undertaken in the Share Purchase and Transaction Agreement that it will vote in favour of a 2018 innogy Dividend of €1.64 per innogy Share. With its current majority of approximately 76.79% of the Shares and voting rights, RWE DB would be in the position, irrespective of the dividend proposal of the Executive Board and Supervisory Board and independently of the voting behaviour of other innogy Shareholders, to determine the appropriation of the 2018 innogy Distributable Profit. Based on the expected adjusted net income exceeding €1,100 million for the 2018 financial year, it is not certain that the Bidder's dividend expectations would be covered by innogy's previous target dividend distribution ratio of 70% to 80% of the adjusted net income. In the best interest of all shareholders, the innogy Executive Board and Supervisory Board will not decide on their respective dividend proposals for the 2018 financial year to be made to the General Meeting until expiry of the 2018 financial year, when the 2018 innogy Distributable Profit has been determined.

The Bidder points out in the Offer Document that it intends to conclude a domination and profit and loss transfer agreement with innogy as the dominated company under certain conditions. If a domination and profit and loss transfer agreement is concluded with the Bidder, innogy would be obliged to transfer to the Bidder the relevant annual net profits that would have accrued absent such transfer of profits, less any losses carried forward and any amounts appropriated to the legal reserves. In such event, there would therefore presumably no longer be any ordinary dividend payments of innogy. However, the Bidder would be obliged in such event to offer a compensation payment and, alternatively, make annual compensation payments to the minority innogy Shareholders.

2.5.4 Effects on existing business relationships

Potential effects on existing business relationships with lenders are set out in Section V.2.5.1 above.

The Executive Board and the Supervisory Board see a risk that the uncertainty regarding the continued existence of the innogy Group as an independent entity – or, in case of completion of the Overall Transaction – regarding the manner and scope of an integration of the innogy Group into the E.ON Group, will likely have a negative impact on the business relationships of the innogy Group. This carries even more weight because the Offer may remain in suspension theoretically until 13 January 2020.
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Change of control clauses present substantial risks for the continued existence of participations, concession agreements and supply agreements, which are important for innogy's current earnings power and the development of growth potential on a partnership basis.

Innogy usually has long-standing trusting relationships with its business partners – municipal utilities, other energy providers or grid companies. However, a number of domestic and foreign corporate and consortium agreements of municipal and other energy supply companies, grid companies and other companies in which companies of the innogy Group hold a stake, impose specific legal consequences for the relevant member company of the innogy Group in the event of a direct and/or indirect change of control, i.e., in many cases either (i) upon innogy ceasing to be part of the RWE Group or (ii) upon a subsidiary ceasing to be part of the RWE Group or the innogy Group. These legal consequences include, inter alia, notification duties, consent requirements as a prerequisite for legal effect, the possible exclusion from the company and/or the potential cancellation of the respective shares in the innogy Group, break clauses of other shareholders, share re-transfer obligations or share tender obligations, rights of first refusal or call options, rights of other shareholders to increase their shareholding up to a controlling interest and share tender rights of other shareholders.

A number of electricity and/or water concession agreements, framework agreements on the supply of electricity and/or gas, electricity and gas supply contracts, street lighting agreements, cooperation agreements, distribution agreements, service agreements and other public or private law contracts with municipal or other counterparties impose specific legal consequences in the event of a change of control, i.e., in many cases either (i) upon innogy ceasing to be part of the RWE Group or (ii) upon a subsidiary ceasing to be part of the RWE Group or the innogy Group. These legal consequences include, inter alia, notification and information duties, break clauses of other contract parties, obligations to assign or transfer contracts, obligations to adjust collateral, claims for damages, obligations to enter into amendment negotiations and duties to terminate lease agreements with third parties.

The Bidder points out in Section 6.8.5 of the Offer Document that RWE undertook in the Share Purchase and Transaction Agreement to offer innogy the acquisition of innogy's joint venture stake in innogy Grid Holding, a.s. innogy had not received any such offer by the time the resolution on this Statement was passed. The reason for this provision may be transfer restrictions or other rights of the contracting party which apply in the event of a loss of control, which are usual in joint venture agreements. It cannot be ruled out that the joint contracting party will claim such rights.

Even the transfer of the participation held by RWE in innogy of approx. 76.79% of the shares and voting rights as such may constitute a change of control irrespective of the acceptance of the Offer by further shareholders. Further measures initiated by the Bidder or E.ON in the course of the
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exchange of divisions and participations or measures aimed at integrating innogy in the E.ON Group may also constitute a change of control. In these cases, it cannot be ruled out that co-shareholders or contract partners make use of rights applicable in case of a change of control. To the extent that rights under change of control clauses are exercised and certain parts of the company have to be transferred, those parts will no longer be available for the leverage of any synergies by the Bidder. In individual cases, municipal co-shareholders of companies of the innogy Group have announced their intention to examine – unbiased as to the result – how they will react to a possible change of control.

3. Possible consequences for the employees, their terms of employment and their employee representations at innogy as well as for the innogy sites

Due to statutory regulations, the completion of the Offer has no immediate effects on the employees of the innogy Group, their employment relationships or their existing rights and any commitments made towards them. All of the current employment relationships will continue to exist with the relevant entity of the innogy Group without the completion of the Offer and of the Block Trade triggering a business transfer.

The Executive Board and the Supervisory Board welcome the fact that the Bidder regards the integration of the innogy Group into the E.ON Group as an opportunity for future growth and further development of the workforce of both companies with a view to – in the long term – creating and safeguarding jobs with future perspectives, and in this respect considers the joint workforce the basis for future success.

The Executive Board and the Supervisory Board are concerned, however, because the Bidder has stated in Sections 8.3 and 9.4 of the Offer Document that the E.ON Acquirers intend to cut up to 5,000 jobs. The burdens on the employment market will largely be incurred by the core region of E.ON and innogy around Rhine and Ruhr. The Executive Board and the Supervisory Board believe that it is important that, if jobs need to be cut, this will be done in a socially acceptable manner and with the involvement of the works councils and trade unions.

Against this background, since publication of the ad hoc releases of E.ON and RWE on 11/12 March 2018, at the initiative of innogy, discussions between E.ON, RWE and innogy on the conclusion of a framework agreement have taken place with the goal to make the Overall Transaction as socially acceptable as possible for the affected employees (cf. Section III.5 above). However, no agreement on a framework agreement has been reached so far. In addition, on 3 May 2018, a high-level-meeting took place between the CEOs of E.ON, RWE and innogy, the chairman of Verdi, Frank Bsirske, the IGBCE board member Ralf Sikorski and the three chairmen of the group works councils of the companies. Another meeting is scheduled for 11 May 2018. An
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important issue in these discussions is the full exclusion of dismissals for operational reasons, including an exclusion of dismissals for operational reasons on the basis of existing collective agreements. The Bidder, however, has so far been unwilling to provide binding commitments excluding any and all such dismissals for operational reasons in connection with the integration of innogy into E.ON. Regarding the Bidder's intended "voluntary instruments", under which, for example, the conclusion of termination agreements (Aufhebungsverträge) may be subsumed, the Executive Board and the Supervisory Board cannot assess beforehand whether or not they will be socially responsible. So far, the Bidder further refused to give in to the demand that all key positions held by two employees would consistently be filled, with the help of independent personnel consultants, in accordance with the best person for the job principle with employees and executive staff from both Groups. In the opinion of the Executive Board and the Supervisory Board, this principle is an important requirement in order that downsizing measures are fairly distributed between the E.ON Group and the innogy Group.

So far, on the basis of the discussions held with E.ON and RWE, the Executive Board's and the Supervisory Board's concerns that the Bidder's job-cutting plans will be unilaterally pursued to the disadvantage of the innogy employees have not been dispelled. This is even less comprehensible in view of the fact that innogy has clear competitive advantages over E.ON in many areas.

The situation has strongly increased the risk of qualified employees leaving the enterprise in the time period until completion of the transaction, especially since the transitional phase leading up to completion is unusually long, owing to the complexity of the transaction. In the opinion of the Executive Board and the Supervisory Board, the Bidder is responsible for the risk that at least parts of innogy's greatest asset, i.e., its qualified staff, may be lost – to the detriment of all stakeholders.

Another issue that may contribute to the innogy Group's employees being put at a disadvantage as regards job-cutting measures is the fact that it will presumably take some time before employees of the innogy Group are represented in the SE Works Council of E.ON.

Regarding the Bidder's plan set forth in Section 6.8.4 of the Offer Document to sell innogy's Renewables division to RWE, the Executive Board and the Supervisory Board believe that it is a good sign that no such division exists at RWE so far, which means that there is a good chance that many jobs will be maintained in this division.

The Offer Document contains no information on the impact the completion of the Offer and subsequent integration measures would have on the employees' representative bodies. Depending on how the integration proceeds, it may result in a restriction of the existing number of innogy's employee representatives appointed under German works council constitution law in the context of operational co-determination. In respect of group co-determination, the Executive Board and the
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Supervisory Board point out the following: Group co-determination at innogy is subject to special provisions owing to its legal form as a European Company. On the basis of the Agreement on the Participation of Employees in innogy dated 20 December 2016 (the "SE Employee Participation Agreement"), there is an SE Works Council at innogy representing all employees in EU Member States. It is currently made up of 24 employee representatives from 8 European countries. The SE Employee Participation Agreement will also remain in effect initially without any changes after the completion of the Offer and of the Block Trade. Depending on the integration measures taken by the E.ON Acquirers, however, innogy's SE Employee Participation Agreement might lapse or – if important parts of the enterprise are carved out of innogy – lose factual importance without any appropriate representation of the employees of the innogy Group on the Supervisory Board of E.ON applying with immediate effect. The Bidder makes no statements in the Offer Document as to the future operational co-determination of the employees at the level of the Bidder or of E.ON. The Executive Board and the Supervisory Board consider it important that the employees of innogy are adequately represented in the Group Works Council and in the SE Works Council of E.ON after the completion of the Offer and of the Block Trade.

The Bidder states in Section 9.4 of the Offer Document that the E.ON Acquirers intend to examine to what extent, in connection with the consolidation of innogy and E.ON, it might be necessary over the long term to align the terms and conditions of employment. It points out that an impact on the terms and conditions of employment may also occur in this context. The Executive Board and the Supervisory Board consider it imperative that the E.ON Acquirers do not seek a standardisation on the basis of the terms and conditions of employment at E.ON at all costs when aligning the terms and conditions of employment, but that they also review in this respect according to the best of both worlds principle and unbiased as to the result whether an alignment based on the terms and conditions of employment in the innogy Group is preferable. In this respect, the E.ON Acquirers should promptly make binding commitments to a fair and transparent process involving the labour unions and works councils.

The completion of the Offer and of the Block Trade as such will at first have no impact on corporate co-determination by employee representatives on the Supervisory Board of innogy in accordance with the SE Employee Participation Agreement. Regarding the Bidder's statement that the E.ON Acquirers would, following the completion of the Offer, comply with the statutory provisions on the co-determination of the employees of innogy and its direct and indirect subsidiaries as well as of E.ON, this is already mandatory under applicable law. In this context, too, however, when integration measures are taken the SE Employee Participation Agreement may lapse or lose factual importance without any appropriate representation of the employees of the innogy Group on the Supervisory Board of E.ON applying with immediate effect. In particular, the Bidder points out in Section 9.4 of the Offer Document that it will possibly conclude a domination and/or profit and loss transfer agreement with innogy as the dominated company by means of
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which the degree of corporate co-determination on the Supervisory Board of innogy would be considerably reduced.

On the whole, the Bidder has not stated in the Offer Document what consequences the transaction would have for (i) the existing works council structures and, thus, the existing group works agreements, (ii) the existence of sub-groups in important parts of the group, and (iii) the co-determination structures created by way of collective bargaining agreements in important German companies and how joint co-determination structures are intended to be created for E.ON and innogy. Since the E.ON Supervisory Board comprises employee representatives from different companies of the E.ON Group, it is to be expected that the innogy employee representatives on the E.ON Supervisory Board will have less influence than this was previously the case at innogy.

VI. POSSIBLE CONSEQUENCES FOR INNOGY SHAREHOLDERS

The following explanations are intended to provide innogy Shareholders with the necessary information to evaluate the consequences of accepting the Offer or not. The following information contains aspects that the Executive Board and the Supervisory Board deem relevant to the decision to be made by the innogy Shareholders regarding the acceptance of the Offer. However, such a list can never be complete, because individual circumstances and special characteristics cannot be taken into consideration. innogy Shareholders must take their own decision as to whether and to what extent they will accept the Offer. The following aspects can only serve as a guideline. All innogy Shareholders should take their own personal circumstances, including their individual tax situation and individual tax consequences of accepting the Offer or not, adequately into account when making the decision. The Executive Board and the Supervisory Board recommend that each individual innogy Shareholder should obtain expert advice if and to the extent necessary.

1. Possible consequences upon acceptance of the Offer

Taking into account the above, all innogy Shareholders who intend to accept the Offer should, inter alia, note the following:

• innogy Shareholders who accept or have accepted the Offer will no longer benefit from any positive development of the stock exchange price of the innogy Shares or from any favourable business development of the innogy Group as regards their Tendered innogy Shares.

• The completion of the Offer and the payment of the Offer Price will not take place until all Offer Conditions have either been fulfilled or the Bidder has waived fulfilment thereof, to the extent that this is possible. Until such moment in time, the completion of the Offer or the final decision on its non-completion may be delayed. The completion of the Offer may,
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in particular, be delayed on account of regulatory approvals or procedures that must be obtained or completed, respectively, prior to the completion of the Offer. In the meantime, the innogy Shareholders who have accepted the Offer may be restricted in their possibilities to dispose of the innogy Shares for which they have accepted the Offer. In these cases, the shareholders have a contractually agreed right of withdrawal only in the special case where, as a result of the Offer being accepted for less than 7% of innogy's share capital, liquid trading in Tendered innogy Shares is not guaranteed (see Section 16.1 of the Offer Document and Section 6.3 of this Statement).

• innogy Shareholders who accept or have accepted the Offer are required to unwind the agreements which came into existence as a result of accepting the Offer, if and to the extent Completion Conditions have not been fulfilled or not validly waived by the Bidder by the end of the Acceptance Period (see Section 13.3 of the Offer Document for further details).

• The Tendered innogy Shares will be traded under a separate ISIN, and there may be no fungibility between these and the shares not tendered for sale. If the acceptance level is low, liquidity may be low within this separate class of shares. Trading under the separate ISIN may take place at a different price than trading of innogy Shares not tendered for sale. The innogy Share is listed in the MDAX. According to the applicable stock exchange rules, when a takeover offer is made, the share class to which the shares not tendered for sale belong is generally replaced in the MDAX by the share class to which the shares tendered for sale belong only if the Bidder has issued a formal statement that the offer has been accepted for more than 50% of the shares in the target company. As the Block Trade will occur outside of the takeover offer and irrespective of the acceptance thereof, it is unclear in the case at hand, even in the case of a high rate of acceptance, whether and subject to what conditions the Tendered innogy Shares will qualify for inclusion in the MDAX.

• After completion of the Offer and the expiration of the one-year period pursuant to Sec. 31 para. 5 WpÜG, the Bidder is entitled to acquire additional shares at higher prices over the counter, without being required to raise the Offer Price for the benefit of those innogy Shareholders who have already accepted the Offer. The Bidder might also purchase innogy Shares at a higher price via the stock exchange within the above mentioned one-year period, without being required to amend the Offer Price for the benefit of those innogy Shareholders who have already accepted the Offer.

• innogy Shareholders who accept the Offer do not participate in any Compensation Payments which are payable by law (or due to the interpretation of the laws based on case law) in the event of certain structural measures realised after the completion of the Offer (in particular the conclusion of a domination agreement, a squeeze-out or reorganisation
POSSIBLE CONSEQUENCES FOR INNOGY SHAREHOLDERS

measures). These Compensation Payments are calculated based on the enterprise value of innogy at a future date and are subject to control by the courts in the course of appraisal rights proceedings (Spruchverfahren). Such Compensation Payments may be higher or lower than the Offer Price or the Undiscounted Total Value.

2. Possible consequences upon non-acceptance of the Offer

innogy Shareholders who do not accept the Offer and who also do not otherwise sell their innogy Shares remain innogy Shareholders, but should inter alia note the following:

- innogy Shares that have not been tendered into the Offer continue to be traded on the respective stock exchanges until a possible delisting of the innogy Shares occurs. innogy Shareholders bear the risk of the future development of the innogy Group and therefore also of the future development of the stock exchange price of the innogy Shares. This also applies if the E.ON Acquirers intend to procure that business activities of innogy are sold or if they intend to take integration measures. The current stock exchange price of the innogy Shares may reflect the fact that the Bidder has published the Offer. It is uncertain whether the stock exchange price of the innogy Shares will increase or decrease in the future or whether it will remain at a similar level.

- The completion of the Offer will presumably result in a reduction of the free float of innogy Shares. The number of innogy Shares in free float could even be reduced to such an extent that the liquidity of innogy Shares decreases significantly. As a result, it may not be possible to execute purchase or sell orders relating to innogy Shares, or at least not in a timely manner. Furthermore, the decreasing liquidity of the innogy Shares could result in lower market prices and greater price fluctuations than in the past.

- A significant reduction of the market capitalisation in free float could result in the innogy Shares being excluded from the MDAX on one of the next index adjustment dates. Specifically, if – in the future – less than 10% of the innogy Shares remain in free float, it is to be expected that innogy will be excluded from the MDAX because this 10% threshold is an obligatory minimum requirement for inclusion of shares in the MDAX. This could lead to investment funds and other institutional investors, whose investments mirror indices such as the MDAX, selling their innogy Shares. This could result in an oversupply of innogy Shares in a comparatively illiquid market, impacting adversely on the stock exchange price of innogy Shares.

- If the Bidder acquires the indirect participation of RWE in the amount of approx. 76.79% of the shares and voting rights in innogy (cf. in this regard Section 6.8.1 of the Offer
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Document), innogy will be majority-owned by the Bidder, and thus become a dependent company of the Bidder within the meaning of Sec. 17 AktG. The legal framework for this dependency between the Bidder and innogy is defined by Secs. 311 et seqq. AktG. The agreement in principle (Grundlagenvereinbarung) existing between RWE and innogy, according to which innogy is held like a financial investment, i.e., without any influence on entrepreneurial management, does not apply in the relationship with the Bidder and will not be transferred to it. The Bidder may initiate actions that are disadvantageous to innogy provided that the disadvantage is compensated for. In the long term, this may result in a weakening of the business and earnings power of innogy.

• Furthermore, in case of the acquisition of the indirect participation of RWE in the amount of approx. 76.79% of the shares and voting rights in innogy, the Bidder will have the necessary qualified majority to implement certain corporate structural or integration measures under stock corporation law (Aktienrecht) or to adopt other resolutions of significant importance at the Company's general meeting. Under Section 9.5 of the Offer Document, the Bidder has already announced that, following implementation of the transaction, E.ON plans a complete integration of innogy into the E.ON Group. Such possible structural or integration measures include inter alia (where legally permitted) changes to the articles of association, capital increases, exclusion of subscription rights in the event of corporate action, conclusion of a domination and/or profit and loss transfer agreement, restoruerings, mergers (including merger of both innogy and E.ON into a company to be newly founded) and the dissolution (including dissolution by transfer) of the Company and measures that result in the delisting of the Company.

• In Section 9.5.1 of the Offer Document, the Bidder states that, under certain conditions, it intends to cause a resolution on the conclusion of a domination and profit and loss transfer agreement within the meaning of Secs. 291 et seqq. AktG between the Bidder as the dominating company and innogy as the dominated company. Based on a domination and profit and loss transfer agreement, the Bidder, as the controlling company, would be in a position to give the Executive Board of innogy binding instructions on the company management. Due to the obligation to transfer profits, the Bidder could demand the transfer of the entire annual surplus of the Company.

• Some of the aforementioned measures could give rise to an obligation of the Bidder to make an offer to the minority shareholders to acquire their shares for adequate consideration or to pay a recurring compensation amount. To the extent that the Bidder directly or indirectly holds the necessary number of innogy Shares, the Bidder also intends under certain conditions to transfer the innogy Shares held by outside shareholders in exchange for payment of appropriate cash compensation (so-called squeeze-out) in

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accordance with Section 9.5 of the Offer Document. Further details regarding the structural measures planned by the Bidder that would have consequences for innogy Shareholders who do not accept the Bidder's Offer are set out in Section 9.5 of the Offer Document.

- The compensation payments made to the innogy Shareholders in connection with possible structural measures implemented by the Bidder could be higher or lower than the Offer Price or the Undiscounted Total Value.

- The Bidder states that it would acquire control of innogy in close temporal proximity with the Offer if the Block Trade is completed and that the E.ON Acquirers would therefore not be obligated to make a mandatory offer to the innogy Shareholders pursuant to Sec. 35 para. 3 WpÜG.

- The Bidder could also, upon completion of the Offer or at a later point in time, induce innogy (to the extent permissible under applicable law) to apply for a revocation of the admission of the innogy Shares to listing on the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) at the Frankfurt Stock Exchange and/or to the regulated market of the Frankfurt Stock Exchange as a whole (so-called delisting). In this case, the innogy Shareholders would no longer benefit from increased disclosure duties resulting from a stock exchange listing.

- Should the Bidder, following completion of the Offer or within three months after the end of the Acceptance Period, hold innogy Shares representing at least 95% of the voting registered share capital of innogy, innogy Shareholders who have not yet accepted the Offer at that point in time may subsequently accept the Offer (Sec. 39c WpÜG).

- The Executive Board and the Supervisory Board cannot assess whether or not, on 12 March 2018, the Offer Price is at least equal to the consideration per share agreed by E.ON, a person acting jointly with the Bidder within the meaning of Sec. 2 para. 5 WpÜG according to statements made by the Bidder in Section 6.6 of the Offer Document, under the Share Purchase and Transaction Agreement with RWE in the context of an extensive exchange of business activities and participations with companies of the RWE Group for the acquisition of approx. 76.79% of the innogy Shares. Therefore, the Executive Board and the Supervisory Board cannot assess whether the Offer Price is fair within the meaning of Sec. 31 para. 1 WpÜG in conjunction with Sec. 4 sentence 1 WpÜG Offer Regulation. According to established case law of the Federal Court of Justice, shareholders accepting an offer are entitled to a claim against the bidder for payment of the higher appropriate consideration if the offer price is not fair within the meaning of Sec. 31 para. 1 WpÜG in conjunction with Sec. 4 sentence 1 WpÜG Offer Regulation. It is not clear whether and to
what extent shareholders who have not accepted the offer are also entitled to claims against
the bidder if the offer price is not fair within the meaning of Sec. 31 para. 1 WpÜG in
conjunction with Sec. 4 sentence 1 WpÜG Offer Regulation.

VII. OFFICIAL APPROVALS AND PROCEEDINGS

The Executive Board and the Supervisory Board point out that in Section 12 of the Offer
Document, the Bidder has set out that the planned Block Trade and the planned acquisition of
innogy Shares pursuant to the Offer ("Planned Merger") are subject to merger control clearance
proceedings by the European Commission, or upon referral, by the competent authorities of
EU Member States. In addition, the Planned Merger is subject to the condition that merger control
clearance is granted by the competent authorities in the USA. Lastly, the Planned Merger is subject
to the condition that clearance is granted by the UK Competition and Markets Authority ("CMA")
in the event the CMA declares jurisdiction over the Planned Merger following the departure of the
United Kingdom from the European Union.

The Bidder states that, immediately following the public announcement of the Planned Merger,
E.ON and RWE applied before the European Commission for the allocation of a case team for the
purposes of the Planned Merger and engaged in pre-notification discussions. In this context,
according to the Bidder, E.ON and RWE had already submitted first documents to the European
Commission and held informal conversations with the case team for explaining E.ON's acquisitions
of shares. The Bidder further states that E.ON and RWE plan to file the draft of the formal
notification in May 2018. innogy has not been involved in those proceedings thus far.

The Bidder points out that, inter alia, innogy may be required, where appropriate, to fulfil
conditions or obligations in order for the clearance of the European Commission to be granted. The
Executive Board and the Supervisory Board point out that innogy has thus far not undertaken either
in relation to the Bidder or in relation to E.ON and not even in relation to RWE that it will fulfil
any merger control conditions or obligations. In the present situation, the Executive Board and the
Supervisory Board would be allowed to enter into such an obligation only if innogy is compensated
for the disadvantages thereby incurred. According to the Bidder's statements, there is no certainty
whether clearance will be granted on acceptable terms.

The Bidder states in Section 6.8.5 (ii) of the Offer Document that the parties intend to agree, under
certain circumstances, that the Bidder will be afforded an option to sell the business of the
innogy Group in the United Kingdom to RWE if there exist concerns under antitrust law with
regard to the share purchase, the E.ON Capital Increase and/or the takeover offer in the United
Kingdom. The Executive Board and the Supervisory Board point out that the Bidder would not be
able to grant sales options for individual business activities of innogy solely on the basis of a
possible future position as a shareholder, rather, in this respect, further measures such as a domination agreement would first be necessary. The Bidder did not state how it intends to grant the sales option. The Executive Board and the Supervisory Board cannot assess whether the competent competition authority would permit an obligation on that basis. According to the Offer Document, the parties have not agreed on any provision for the case that in respect of other member states there exist concerns under antitrust law with regard to the share purchase, the E.ON Capital Increase and/or the takeover offer.

The Bidder identifies 31 December 2019 as the latest date for the clearance of the Planned Merger. The Bidder has provided no information in the Offer Document as to when it expects the individual regulatory clearances to be granted.

According to the Bidder, the acquisition of the minority shareholding in E.ON by RWE in the context of the E.ON Capital Increase is possibly subject to merger control clearance procedures before the Federal Cartel Office and the CMA, which the Bidder has set out as the subject of Completion Conditions of the Offer (cf. Section 13.1.1 of the Offer Document). According to its own statements, E.ON and RWE have already made first written submissions to the German Federal Cartel Office and to the CMA and is in informal preliminary conversations with both authorities in order to determine to what extent they are competent. The Offer Document does not provide any information as to whether or not the Bidder assumes that the approvals by the German Federal Cartel Office and the CMA will be granted – if and to the extent that such approvals are required – and as to whether or not these will be granted on acceptable terms.

The Bidder states that the Planned Merger is possibly subject to a number of further regulatory procedures, in particular clearance procedures under foreign trade and energy industry law in the USA, Australia, France, the Netherlands, Turkey and Hungary, which do not affect the Bidder's obligations under takeover law pursuant to the Offer Document.

According to the Bidder, under certain conditions, separate merger control clearance may be required for the transfer of the E.ON Transfer Assets and/or of the innogy Transfer Assets. However, pursuant to Section 13.1 of the Offer Document, the obtainment of such clearances is not a Completion Condition for the takeover offer.

For further details on official approvals and proceedings required according to information provided by the Bidder, please refer to the Bidder's statements in Section 12 of the Offer Document.
VIII. INTERESTS OF THE MEMBERS OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD

1. Specific interests of members of the Executive Board and of the Supervisory Board

1.1 Specific interests of members of the Executive Board

Of the members of the Executive Board, only Uwe Tigges, Dr Hans Bünting and Arno Hahn hold innogy Shares.

In case of early termination of an Executive Board member's term of office due to a change of control, the Executive Board members are, under certain conditions, entitled to a severance payment. Under the service contracts of the Executive Board members, a change of control is deemed to exist in particular if a shareholder acquires 30% of the voting rights and if, at the same time, the RWE Group no longer controls innogy, provided that this entails material disadvantages for the Executive Board member. In this case, the severance payment will consist of a lump sum payment to cover the remuneration payable until the end of the agreed term of the Executive Board member's service contract, and – in accordance with the German Corporate Governance Code – will be limited to a maximum of 150% of the severance payment cap agreed under the service contract of no more than twice the total annual remuneration.

The innogy Executive Board members are entitled to participate in a long-term Strategic Performance Plan under which they are granted virtual shares ("Performance Shares") conditionally at first. Performance Shares will be vested after expiry of a financial year depending on whether or not a pre-determined adjusted net income target has been achieved. Usually, the Performance Shares will be paid out in cash after expiry of a four-year term to maturity depending on the development of the stock exchange price of the innogy Share and of the dividend accumulated during the blocking period. This also applies in case that Performance Shares continue to exist in the event of an early termination of the Executive Board member's service contract. However, the Performance Shares that have become finally vested will be paid out in case of a change of control already before expiry of the term of maturity. In case of a change of control, Performance Shares that have not yet been vested will be forfeited without replacement.

1.2 Specific interests of members of the Supervisory Board

Of the members of the Supervisory Board, only Ulrich Grillo, Maria van der Hoeven, Michael Kleinemeier, Martina Koederitz, Monika Krebber, Robert Leyland, Meike Neuhaus, Dr Rolf Pohlig, René Pöhls, Pascal van Rijsewijk, Gabriele Sassenberg, Dr Dieter Steinkamp, Marc Tüngler, Šárka Vojíková and Deborah B. Wilkens directly or indirectly hold innogy Shares.
The Chairman of the Supervisory Board, Dr Erhard Schipporeit, the Deputy Chairman of the Supervisory Board, Frank Bsirske, and Supervisory Board member Monika Krebber are also members of the supervisory board of RWE. Supervisory Board member Dr Markus Krebber is also a member of the executive board of RWE.

Supervisory Board members Dr Erhard Schipporeit and Monika Krebber have paid due regard to these double functions by continuing to fully exercise their functions as Supervisory Board members at innogy, while at the same time abstaining from participating in negotiations and resolutions of the RWE supervisory board or of its committees regarding the transaction. Accordingly, organisational measures were taken to ensure that these members are not invited to meetings of the RWE Supervisory Board or of its committees dealing with the transaction and that they do not receive any information in this regard.

Supervisory Board members Frank Bsirske and Dr Markus Krebber have paid due regard to their double functions by continuing to exercise their respective functions at RWE, while at the same time abstaining from participating in negotiations and resolutions of the innogy Supervisory Board or of its committees regarding the transaction. Accordingly, organisational measures were taken to ensure that these members are not invited to meetings of the innogy Supervisory Board or of its committees dealing with the proposed transaction and that they do not receive any information in this regard. Already on 21 September 2017, by way of general provision for possible acquisition scenarios, the Supervisory Board decided that – in situations where an acquisition is pending – in case of conflicts of interests of individual Executive Committee members, the competences conferred upon the Executive Committee were not to be executed by the Executive Committee but by a takeover committee of which the respective Supervisory Board members are not members. Accordingly, the actual acquisition situation will be discussed in a takeover committee of which Frank Bsirske and Dr. Markus Krebber are not members. Regarding meetings of the Supervisory Board of innogy or of any of its committees dealing with matters that do not directly relate to the transaction but show a connection with it or are or (could be) affected by it, Frank Bsirske and Dr Markus Krebber receive the agenda and – if there is no need for confidentiality – the associated information. In the event of a conflict, however, Frank Bsirske and Dr Markus Krebber do not attend the meeting; in cases of doubt, the decision is taken by the Supervisory Board of innogy or the relevant Supervisory Board committee.

Supervisory Board members Monika Krebber, Jürgen Wefers and René Poehls are members of RWE's group works council, and Supervisory Board member Gabriele Sassenberg is a member of the IT committee of RWE's group works council. Supervisory Board members Monika Krebber, Šárka Vojíková, Robert Leyland, Pascal van Rijswijk, Jürgen Wefers and René Poehls are members of RWE's European works council. For the sake of precaution, the aforementioned Supervisory Board members do not participate in discussions and the passing of resolutions of
INTENTIONS OF THE MEMBERS OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD TO ACCEPT THE OFFER

these bodies to the extent that these relate to the transaction. They have also made sure that they do not receive any information in this regard from those bodies.

Supervisory Board member Dr Dieter Steinkamp is the chairman of the management board of RheinEnergie AG and GEW Köln AG. There are syndicate agreements in place between innogy SE and GEW Köln AG regarding their joint holding in RheinEnergie AG. As a result of the implementation of the transaction, GEW Köln AG could have tender rights or rights of re-transfer regarding innogy's holding in RheinEnergie AG. Dr Steinkamp has accounted for this by refraining from attending meetings of the Supervisory Board of innogy and/or of its committees that relate to the transaction for as long as it has not been clarified and mutually acknowledged that no such rights exist.

Supervisory Board member Markus Sterzl is a member of the Supervisory Board of RWE Generation SE, a company that forms part of the RWE group. Mr Sterzl has accounted for this by refraining from participating in discussions and the passing of resolutions of the Supervisory Board of RWE Generation SE that relate to the transaction while continuing to exercise his supervisory board mandate for innogy without any restrictions.

For reasons of precaution, Supervisory Board members Dr Markus Krebber, Frank Bsirske and Dr Dieter Steinkamp have not participated in the discussion or in the passing of a resolution regarding the decision on this Statement because of potential conflicts of interest.

2. **Agreements with members of the Executive Board or of the Supervisory Board**

The Bidder or any persons acting jointly with the Bidder have not entered into any agreements with members of the Executive Board or the Supervisory Board, and they did not offer the members of the Executive Board the prospect of amendments or extensions to their service contracts.

3. **No non-cash benefits or other benefits related to the Offer**

The members of the Executive Board and the Supervisory Board have not been granted, promised or given the prospect of financial benefits or any other non-cash benefits by the Bidder or any persons acting jointly with the Bidder.

IX. **INTENTIONS OF THE MEMBERS OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD TO ACCEPT THE OFFER**

Of the members of the Executive Board, only Uwe Tigges, Dr Hans Bünting and Arno Hahn hold innogy Shares. Uwe Tigges, Dr Hans Bünting and Arno Hahn currently intend not to accept the Bidder's Offer with all of the innogy Shares held by each of them.
RECOMMENDATION

All members of the Supervisory Board that hold innogy Shares (Ulrich Grillo, Maria van der Hoeven, Michael Kleinemeier, Martina Koederitz, Monika Krebber, Robert Leyland, Meike Neuhaus, Dr. Rolf Pohlig, René Pöhls, Pascal van Rijsewijk, Gabriele Sassenberg, Dr. Dieter Steinkamp, Marc Tüngler, Šárka Vojíková and Deborah B. Wilkens), currently intend not to accept the Bidder's Offer for all of the innogy Shares held by them.

X. RECOMMENDATION

In consideration of the information in this Statement and the overall circumstances in connection with the Offer, the Executive Board and the Supervisory Board are of the opinion that the consideration offered by the Bidder is fair within the meaning of Sec. 31 para. 1 WpÜG. In this context (i) the acquisition of the equity stake in the amount of approx. 76.79% of the Shares and voting rights by E.ON from companies of the RWE Group as well as (ii) any compensation payments that would have to be made in connection with the integration measures considered by the E.ON Acquirers to those innogy Shareholders that have not accepted the Offer, were not taken into account.

The Executive Board and the Supervisory Board cannot conclusively assess whether or not the consideration offered by E.ON (a person acting jointly with the Bidder within the meaning of Sec. 2 para. 5 WpÜG according to statements made by the Bidder in Section 6.6 of the Offer Document) for the acquisition of approximately 76.79% of the innogy Shares in the context of an extensive exchange of business activities and participations with companies of the RWE Group agreed under the Share Purchase and Transaction Agreement is equal to, or higher or lower than, the Offer Price or the Undiscounted Total Value of the Offer. Therefore, the Executive Board and the Supervisory Board cannot conclusively assess whether the Offer Price and the Undiscounted Total Value, even when taking into account the Share Purchase and Transaction Agreement with RWE, are fair and whether or not the transaction is in the best interests of innogy and the innogy Shareholders.

The Executive Board and the Supervisory Board cannot rule out either that, in connection with possible future integration measures of the E.ON Acquirers, higher compensation payments may be made to those innogy Shareholders that have not accepted the Offer.

Moreover, the Executive Board and the Supervisory Board have noted with great concern the plans announced by the Bidder to cut up to 5,000 jobs; in this regard, innogy is in discussions with E.ON and RWE. However, an agreement on a binding commitment to adequately safeguard the interests of the innogy employees in a fair and transparent integration process has not been reached so far. The Executive Board and the Supervisory Board fear that innogy employees will suffer structural
disadvantages in the course of an integration process as compared to the employees of the E.ON Group. Given these circumstances, the Executive Board and the Supervisory Board cannot support the transaction from the innogy employees' point of view without additional safeguards in favour of employees.

For these reasons and considering the aforementioned explanations in this Statement, the Executive Board and the Supervisory Board do not issue any recommendation to the innogy Shareholders.

Each innogy Shareholder has to decide whether or not to accept the Offer by considering the overall circumstances, his/her individual circumstances and his/her personal assessment of the potential future performance of the value and the stock exchange price of innogy Shares. Subject to mandatory applicable law, the Executive Board and the Supervisory Board assume no responsibility in the event that the acceptance or non-acceptance of the Offer should subsequently have adverse economic consequences for any innogy Shareholder.

Essen, 10 May 2018

innogy SE

The Executive Board

The Supervisory Board

Exhibit 1: Fairness Opinion of Goldman Sachs of 10 May 2018
Exhibit 2: Fairness Opinion of Deutsche Bank of 10 May 2018
Exhibit 3: Fairness Opinion of Lazard of 10 May 2018
Exhibit 1

Fairness Opinion of Goldman Sachs of 10 May 2018
PERSONAL AND CONFIDENTIAL

May 10, 2018

Management Board
innogy SE
Opernplatz 1
45128 Essen

Ladies and Gentlemen:

You have requested our opinion as to the fairness from a financial point of view to the holders (other than E.ON Verwaltungs SE (the “Bidder”), RWE Downstream Beteiligungs GmbH (“RWE DB”) and their respective affiliates) of the outstanding ordinary no-par value bearer shares (Stückaktien), each with a pro rata portion of EUR 2.00 in the registered share capital, (the “Shares”) of innogy SE (the “Company”) of the Total Offer Value (as defined below) to be paid to such holders pursuant to the offer document dated as of April 26, 2018 (the “Offer Document”) for the voluntary public takeover offer by the Bidder to all shareholders of the Company (the “Offer”). The Total Offer Value to be paid to the holders of Shares is an amount equal to EUR 38.40 per Share, which is the aggregate of the offer price of EUR 36.76 per Share (the “Offer Price”) and EUR 1.64 per Share payable to the holders of Shares either as a dividend by the Company for the fiscal year 2018 (the “Dividend”) or, in case the Offer is consummated prior to the day on which the Dividend is resolved upon by the shareholder meeting of the Company or the Dividend falls short of EUR 1.64 per Share, as an increase of the Offer Price by EUR 1.64 per Share or by the shortfall of the Dividend below EUR 1.64, as the case may be. The Offer Document provides for certain additional increases of the Offer Price and the Total Offer Value as to which we do not express any opinion. Further, according to the Offer Document, RWE DB, RWE Aktiengesellschaft (“RWE”), E.ON SE (“E.ON”) and the Bidder, on March 12, 2018, concluded a share sale and transaction agreement (the “E.ON/RWE Agreement”) in which they agreed, among other things, to enter into and consummate various transactions, including the sale and contribution by RWE DB of, in the aggregate, 426,624,685 Shares representing approximately 76.79% of the capital of the Company to the Bidder and E.ON, the acquisition by the Bidder of two loans granted by RWE to the Company, the issuance of shares by E.ON to RWE DB, the sale and transfer of certain assets by E.ON to RWE or one of its subsidiaries and by the Company to RWE, the granting of put options to RWE and the Bidder and of a call option to E.ON, in regard to certain businesses as well as the Offer (collectively, the “E.ON/RWE Transaction”). We do not express any opinion on the E.ON/RWE Agreement or the E.ON/RWE Transaction.

Goldman Sachs AG and its affiliates (collectively, “Goldman Sachs”) are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for
various persons and entities. Goldman Sachs and its employees, and funds or other entities they manage or in which they invest or have other economic interests or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of the Company, E.ON, any of their respective affiliates and third parties, including RWE, a significant indirect shareholder of the Company or any currency or commodity that may be involved in the Offer or the E.ON/RWE Transaction or any part thereof. We have acted as financial advisor to the Company in connection with the Offer. We expect to receive fees for our services in connection with the Offer, which are not contingent upon acceptance by shareholders and the consummation of the Offer as so accepted (collectively, the “Transaction”), and the Company has agreed to reimburse certain of our expenses arising, and indemnify us against certain liabilities that may arise, out of our engagement. We have provided certain financial advisory and/or underwriting services to the Company and/or its affiliates from time to time for which our Investment Banking Division has received, and may receive, compensation, including having acted as financial advisor to the Company in the pending merger of the Company’s npower business unit with SSE Plc’s household energy divisions. We also have provided certain financial advisory and/or underwriting services to E.ON and/or its affiliates from time to time for which our Investment Banking Division has received, and may receive, compensation, including having acted as book runner in the May 2017 EUR 2 billion bond issuance by E.ON. We also have provided certain financial advisory and/or underwriting services to RWE and/or its affiliates from time to time for which our Investment Banking Division has received, and may receive, compensation, including having acted as financial advisor to RWE and the Company and as joint global coordinator in the carve-out of the Company and its subsequent Initial Public Offering in October 2016. We may also in the future provide financial advisory and/or underwriting services to the Company, E.ON, RWE and their respective affiliates for which our Investment Banking Division may receive compensation.

In connection with this opinion, we have reviewed, among other things, the Offer Document; the listing prospectus for shares in the Company prepared and published in connection with the Initial Public Offering of the Company in 2016; the annual business reports of the Company for the fiscal years 2016 and 2017 containing statutory annual financial statements of the Company for the fiscal years ended December 31, 2016 and December 31, 2017, as the case may be; certain quarterly financial statements of the Company established for periods subsequent to December 31, 2016; certain other communications from the Company to its stockholders; certain publicly available research analyst reports for the Company; and certain internal financial analyses and forecasts for the Company prepared by the management of the Company that do not take into account the potential impact of the E.ON/RWE Transaction on the Company, as approved for our use by the Company (the “Forecasts”). We have also held discussions with members of the senior management and the Management Board of the Company regarding their assessment of the Transaction and the past and current business
operations, financial condition and future prospects of the Company; reviewed the reported price and trading activity for the Shares; compared certain financial and stock market information for the Company with similar information for certain other companies the securities of which are publicly traded; reviewed the financial terms of certain recent business combinations in the utilities industry and in other industries; and performed such other studies and analyses, and considered such other factors, as we deemed appropriate.

For purposes of rendering this opinion, we have, with your consent, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by, us, without assuming any responsibility for independent verification thereof. In that regard, we have assumed with your consent that the Forecasts have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of the Company. We have not made an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of the Company or any of its subsidiaries and we have not been furnished with any such evaluation or appraisal. We have assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on the Company or on the expected benefits of the Transaction in any way meaningful to our analysis. We have assumed that the Transaction will be consummated on the terms set forth in the Offer Document, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to our analysis.

Our opinion does not express a view as to whether or not the Management Board of the Company should recommend the Transaction, and our opinion does not address the relative merits of the Transaction as compared to any strategic alternatives that may be available to the Company; nor does it address any legal, regulatory, tax or accounting matters. This opinion addresses only the fairness from a financial point of view to the holders (other than the Bidder, RWE DB and their respective affiliates) of Shares, as of the date hereof, of the Total Offer Value to be paid to such holders pursuant to the Offer Document. We do not express any view on, and our opinion does not address, any other term or aspect of the Offer Document, the Offer or the Transaction or any term or aspect of any other agreement or instrument contemplated by the Offer Document or entered into or amended in connection with the Transaction, including, the E.ON/RWE Transaction or part or all of the consideration payable in connection therewith (the “E.ON/RWE Consideration”) or the potential impact of such transaction on the Company or the Offer, any of the structural measures contemplated by Section 9.5 of the Offer Document, the fairness of the Transaction to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors, or other constituencies of the Company; nor as to the fairness of the E.ON/RWE Consideration or any part thereof or of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of the Company, or class of such persons, in connection with the Transaction, whether relative to the Total Offer Value to be paid to
the holders (other than the Bidder, RWE DB and their respective affiliates) of Shares pursuant to the Offer Document or otherwise. We are not expressing any opinion as to the prices at which the Shares will trade at any time or as to the impact of the Transaction on the solvency or viability of the Company or the Bidder or the ability of the Company or the Bidder to pay their respective obligations when they come due. Our opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof and we assume no responsibility for updating, revising or reaffirming this opinion based on circumstances, developments or events occurring after the date hereof. Our advisory services and the opinion expressed herein are provided solely for the information and assistance of the Management Board of the Company in connection with its consideration of the Offer and such opinion does not constitute a recommendation whether or not any holder of Shares should accept the Offer to sell Shares pursuant to the Offer Document or otherwise or as to any other matter. This opinion has been approved by a fairness committee of Goldman Sachs.

This opinion further does not constitute a valuation report as typically rendered by qualified auditors and must not be considered as such. Accordingly, this opinion has not been prepared in accordance with the standards for valuation reports by qualified auditors as set by the Institute of Certified Public Accountants (Institut der Wirtschaftsprüfer in Deutschland e.V. – “IDW”) (for the company evaluation, IDW S 1; for the preparation of fairness opinions, IDW S 8). In addition, we do not express any view on, and our opinion does not address, whether or not (x) the terms and conditions of the Offer are consistent with the requirements of the German Securities Acquisition and Takeover Act and the regulations promulgated thereunder or comply with any other legal requirements, or (y) the E.ON/RWE Consideration payable in the E.ON/RWE Transaction (i) is equal to, higher or lower than the Total Offer Value on a per Share basis or (ii) would have an effect on the minimum consideration required to be offered in the Offer.

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the Total Offer Value to be paid to the holders (other than the Bidder, RWE DB and their respective affiliates) of Shares pursuant to the Offer Document is fair from a financial point of view to such holders.
Very truly yours,

GOLDMAN SACHS AG

GOLDMAN SACHS AG
Exhibit 2

Fairness Opinion of Deutsche Bank of 10 May 2018
Members of the Management Board (Vorstand)
innogy SE
Opernplatz 1
45128 Essen

10 May 2018

For use by the management board (Mitglieder des Vorstands) of innogy SE only

Dear Sirs,

Deutsche Bank AG, Frankfurt ("Deutsche Bank"), has been engaged by innogy SE (the "Client") to act as its joint financial adviser in connection with a) the proposed acquisition of approximately 76.8% of the issued and outstanding ordinary no-par-value bearer shares of innogy SE (the "Target Company") by E.ON SE through a private share purchase agreement as agreed between E.ON SE and RWAG (the "E.ON/RWE Agreement") and b) the public offer to the free-float shareholders (the "Offer", and together with the E.ON/RWE Agreement "the Transaction") for the remaining approximately 23.2% of the shares of the Target Company. The Offer will be made by E.ON Verwaltungs SE, an indirect subsidiary of E.ON SE (individually and jointly, the "Purchaser"), upon the terms and subject to the conditions described in the offer document prepared in relation to the Offer which has been published on 27 April 2018 (the "Offer Document"). The Offer Document provides that, inter alia, the consideration proposed to be paid by the Purchaser to the Shareholders (as defined below) pursuant to the Offer is €38.76 ("thirty-six Euros and seventy-six Euro Cents") per ordinary share in the share capital of innogy SE (the "Consideration").

In the event that completion of the Offer takes place before innogy SE's general meeting resolves on the appropriation of profits for the 2018 fiscal year, the Consideration will be increased by €1.64 (being the expected dividend payment per ordinary share for the 2018 financial year, the "Dividend") to €38.40 (the "Total Offer Value").

In the event that completion of the Offer takes place after innogy SE's general meeting resolves on the appropriation of profits for the 2018 financial year, the Purchaser will only pay the Consideration, unless the dividend payable for the 2018 financial year is less than €1.64 per share. In such case, the Purchaser will compensate the difference to the amount of €1.64 in respect of each share that was tendered into the Offer by increasing the Consideration accordingly (the "Compensation"). The Consideration (including the Compensation, if any) respectively the Total Offer Value, as applicable, will be paid in cash.
The Client has requested that Deutsche Bank provides an opinion addressed to the members of the management board (Mitglieder des Vorstands) of the Client (the "Board") as to whether the Total Offer Value proposed to be paid by the Purchaser to the Shareholders is fair, from a financial point of view, to the Shareholders.

For the purposes of this letter: "DB Group" shall mean Deutsche Bank AG and its subsidiary undertakings from time to time; "Shareholders" shall mean the remaining 23.2% holders of shares in the share capital of the Client from time to time (explicitly excluding RWE AG); "subsidiary undertakings" shall be construed in accordance with section 15 of the German Stock Corporation Act; and "person" shall include a reference to an individual, body corporate, association or any form of partnership (including a limited partnership).

In connection with Deutsche Bank's role as joint financial adviser to the Client, and in arriving at the opinion contained in this letter, Deutsche Bank has:

(i) reviewed certain publicly available financial and other information concerning the Client, including the audited consolidated group annual report as of 31 December 2017.

(ii) reviewed selected research reports published on the Client;

(iii) reviewed the financial forecasts for the Client as prepared by the Client;

(iv) held discussions with members of the senior management of the Client regarding the businesses and prospects of the Client;

(v) reviewed the reported prices and trading activity for the shares;

(vi) to the extent publicly available, compared certain financial and stock market information for the Client with similar financial and stock market information for certain selected companies which Deutsche Bank has considered comparable to the Client and whose securities are publicly traded;

(vii) reviewed the financial aspects of certain selected offers and merger and acquisition transactions which Deutsche Bank has considered comparable to the Offer or, as applicable, the Transaction;

(viii) reviewed the financial terms of the Offer;

(ix) reviewed the Offer Document; and

(x) performed such other studies and analyses, and considered such other factors, as it deemed appropriate.

In conducting its analyses and arriving at the opinion contained in this letter, Deutsche Bank has utilized a variety of generally accepted valuation methods commonly used for these types of analyses. The analyses conducted by Deutsche Bank were prepared solely for the purpose of enabling Deutsche Bank to provide the opinion contained in this letter to the Board as to the fairness, from a financial point of view, to the Shareholders of the Total Offer Value proposed to be paid by the Purchaser to the Shareholders and do not purport to be appraisals or necessarily reflect the prices at which businesses or securities may actually be sold, which are inherently subject to uncertainty.

The opinion contained in this letter is not based on a valuation as it is typically prepared by auditors with regard to German corporate law requirements, and Deutsche Bank has not prepared a valuation on the basis of IDW Standard S 1 Principles for the Performance of Business Valuations (Grundsätze zur Durchführung von Unternehmensbewertungen) published by the Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW). Also, the opinion contained in this letter has not been prepared in accordance with the IDW Standard S 8 Principles for the preparation of Fairness Opinions (Grundsätze für die Erstellung von Fairness Opinions).
Deutsche Bank has not assumed responsibility for, and has not independently verified, any information, whether publicly available or furnished to it, concerning the Client, including, without limitation, any financial information, forecasts or projections considered in connection with the rendering of the opinion contained in this letter. Accordingly, for the purposes of rendering the opinion contained in this letter, Deutsche Bank has, with the Client’s permission, assumed and relied upon the accuracy and completeness of all such information. Deutsche Bank has not conducted a physical inspection of any of the properties or assets, and has not prepared or obtained any independent valuation or appraisal of any of the assets or liabilities (including, without limitation, any contingent, derivative, or off-balance sheet assets and liabilities), of the Client or any of its affiliates, nor has Deutsche Bank evaluated the solvency or fair value of the Client under any applicable law relating to bankruptcy, insolvency or similar matters.

With respect to the financial forecasts and projections made available to Deutsche Bank and used in its analyses, Deutsche Bank has assumed, with the Client’s permission, that they have been reasonably prepared on bases reflecting the best currently available estimates and judgements of the management of the Client as to the matters covered thereby. In rendering the opinion contained in this letter, Deutsche Bank expresses no view as to the reasonableness of any such financial information, forecasts and projections, or analyses and forecasts of certain cost saving, operating efficiencies, revenue effects and financial synergies which may be achieved by any involved party as a result of the Transaction as well as the assumptions on which they are based.

For the purposes of rendering the opinion contained in this letter, Deutsche Bank has assumed, with the Client’s permission, that the Offer will, in all respects material to its analysis, be consummated in accordance with the terms of the Offer, without any material waiver, modification or amendment of any term, condition or agreement. Deutsche Bank has also assumed, with the Client’s permission, that all material governmental, regulatory or other approvals and consents required in connection with the making of the Offer or, as applicable the completion of the Transaction will be obtained and that, in connection with obtaining any necessary governmental, regulatory or other approvals and consents, no material restrictions will be imposed.

Deutsche Bank has not issued a statement about whether or not the terms and conditions of the Offer are consistent with the requirements of the WpÜG or the WpÜG-Angebotsverordnung (Offer Regulation) or comply with any other legal requirements. In particular, Deutsche Bank has neither examined nor issued any statement about whether or not the per share consideration for the acquisition of approximately 76.8% of the shares agreed between the Purchaser or a person acting jointly with the Purchaser within the meaning of Sec. 2 para. 5 WpÜG (as set out in the statements made by the Purchaser in Section 6.6 of the Offer Document) in the E.ON/RWE Agreement is equal to, higher or lower than the Total Offer Value. Deutsche Bank has also not reviewed which implications the extensive exchange of business activities and participations agreed in the E.ON/RWE Agreement will have on the compliance with the requirements of the WpÜG or the WpÜG-Angebotsverordnung.

Deutsche Bank is not a legal, regulatory, tax or accounting expert and has relied on the assessments made by the Client and its professional advisers with respect to such issues.

The opinion contained in this letter is: (i) limited to the fairness, from a financial point of view, of the Total Offer Value to the Shareholders; (ii) subject to the assumptions, limitations, qualifications and other conditions contained in this letter; and (iii) necessarily based on financial, economic, market and other conditions, and the information made available to Deutsche Bank, as of the date of this letter.

The Client has not asked Deutsche Bank to, and the opinion contained in this letter does not, address the fairness of the Offer or the Transaction, or any consideration received in connection with the Offer or the Transaction, to the holders of any class of securities (other than the Shareholders), creditors or other constituencies of the Client, nor does it address the fairness of the contemplated benefits of the Offer or the Transaction (other than the Total Offer Value).
Deutsche Bank expressly disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting this letter or the opinion contained in this letter of which it or any other member of the DB Group becomes aware after the date of this letter. Deutsche Bank expresses no opinion as to the merits of the underlying decision of the Shareholders to accept the Offer or to engage in the Transaction. In addition, Deutsche Bank does not express any view or opinion as to the fairness, financial or otherwise, of the amount or nature of any compensation payable to, or to be received pursuant to the Offer or as a result of the Transaction by, any of the officers, directors, or employees of any of the persons to whom the Offer is made or any of the parties to the Transaction, or any class of such persons. The opinion contained in this letter does not address the prices at which the shares or any other securities will trade following the making or acceptance of the Offer or the announcement or completion of the Transaction.

It has not been requested that Deutsche Bank solicits or will solicit, and Deutsche Bank has not solicited, any third party indications of interest in the possible acquisition of any or all of the shares.

In consideration for the performance by Deutsche Bank of its services as a joint financial adviser to the Client in connection with the Transaction, Deutsche Bank will be paid a fee which is contingent upon the completion of the Transaction. The Client has also agreed to indemnify Deutsche Bank and, inter alia, each other member of the DB Group against, and, at all times, hold Deutsche Bank and, inter alia, each other member of the DB Group harmless from and against, certain liabilities in connection with the engagement of Deutsche Bank as a financial adviser to the Client in connection with the Transaction.

One or more members of the DB Group has, from time to time, provided investment banking / commercial banking (including, without limitation, extension of credit) and other financial services to the Client and/or the Purchaser or their respective affiliates for which it has received compensation, including, without limitation, Deutsche Bank’s role as global coordinator for the IPO of Innogy SE (mandated by RWE) and provider (among other banks) of a syndicated loan to Innogy SE. In the ordinary course of its business, one or more members of the DB Group may actively trade in the shares or any other securities, and other instruments and obligations, of the Client and the Purchaser for its own account and/or for the account of its respective customers. Accordingly, one or more members of the DB Group may, at any time, hold a long or short position in any such shares, securities, instruments and obligations. For the purposes of rendering the opinion contained in this letter, Deutsche Bank has not considered any information that may have been provided to it in any such capacity, or in any capacity other than in its capacity as fairness opinion provider.

Based upon, and subject to, the foregoing, it is Deutsche Bank’s opinion as investment bankers that, as of the date of this letter, the Total Offer Value is fair, from a financial point of view, to the Shareholders.

This letter has been approved and authorized for issuance by a fairness opinion review committee, is addressed to, and is for the use and benefit of, the Board, and is not a recommendation to the Shareholders to accept or reject the Offer. This letter, and the opinion contained in this letter, is intended solely for the use of the Board in considering the Offer. This letter and its contents, including the opinion contained in this letter, shall not be used or relied upon by any other person or for any other purpose.

Without the prior written consent of Deutsche Bank, this letter shall not, in whole or in part, be disclosed, reproduced, disseminated, summarised, quoted or referred to at any time, in any manner or for any purpose to any other person or in any public report, public document, press release, public statement or other public communication (each, a “Public Disclosure”), provided, however, that, the Client shall be entitled to disclose this letter and its contents, including the opinion contained in this letter: (i) as expressly required by applicable law or regulation; (ii) in the Reasoned Opinion to be filed by the Client with respect to the Offer; or (iii) on a confidential and non-reliance basis to the professional advisers of the Client in relation to the Offer or the Transaction, provided, further, that this letter is disclosed in full, and that any description of, or reference to, Deutsche Bank or any other member of the DB Group in such Public Disclosure is in a form acceptable to Deutsche Bank and its professional advisers.
In the event that Deutsche Bank grants its prior written consent to any such disclosure, reproduction, dissemination, summary, quotation of, or reference to, this letter to any such other person (each, a "Third Party Recipient") or in any such Public Disclosure, or in the event that this letter or the opinion contained in this letter is otherwise disclosed to any Third Party Recipient, neither Deutsche Bank nor any other member of the DB Group assumes or will assume any liability or is or will be liable to any such Third Party Recipient, or to any person claiming through any such Third Party Recipient in relation to this letter or the opinion contained in this letter. For the avoidance of doubt, no contractual relationship shall exist or arise under any circumstances between any such Third Party Recipient and Deutsche Bank in relation to this letter or the opinion contained in this letter. Furthermore, Deutsche Bank has agreed with the Client that no such Third Party Recipient is included in the scope of protection of this letter or the opinion contained in this letter, even if this letter or the opinion contained in this letter has been disclosed to such Third Party Recipient with the prior written consent of Deutsche Bank.

Yours faithfully,

DEUTSCHE BANK AG

[Signatures]

Name: Carsten Laux
Title: Managing Director

Name: Oliver Schiller
Title: Managing Director
Exhibit 3

Fairness Opinion of Lazard of 10 May 2018
Dear Members of the Supervisory Board:

We understand that E.ON Verwaltungs SE (the "Bidder"), a wholly owned indirect subsidiary of E.ON SE, launched a public offer on 27 April 2018 (the "Offer" or the "Transaction") to all holders of the issued and outstanding ordinary shares of innogy SE (the "Company") for an amount in cash equal to Euro 36.76 (the "Offer Price") per ordinary share of the Company (hereinafter, individually a "Share" and collectively the "Shares"). The holders of the Shares other than RWE AG and its affiliated companies are hereinafter referred to as the "Shareholders", and RWE AG and its affiliated companies (other than the Company and such companies affiliated with RWE AG via the Company) are hereinafter referred to collectively as the "RWE Group". In addition, all Shareholders are expected to receive a cash dividend for fiscal year 2018 equal to Euro 1.64 per Share, and the Bidder has committed to increase the Offer Price (i) if the Transaction is consummated after the date on which the shareholders' meeting of the Company resolves on the dividend for the fiscal year 2018 and if such dividend is less than Euro 1.64 per Share, by an amount equal to the difference between the actual dividend amount per Share and Euro 1.64 per Share, or (ii) if the Transaction is consummated prior to the date on which the shareholders' meeting of the Company resolves on the dividend for the fiscal year 2018, by an amount of Euro 1.64 per Share. In connection with the Offer, the Shareholders will, therefore, receive a total consideration equal to €38.40 per Share (the "Consideration"). While certain provisions of the Offer are summarized herein, the terms and conditions of the Offer are more fully set forth in the offer document (Angebotsunterlage or "Offer Document").
You have requested the opinion of Lazard & Co. GmbH ("Lazard") as of the date hereof as to the fairness, from a financial point of view, to the Shareholders of the Consideration to be paid in the Offer. In connection with this opinion, we have:

(i) reviewed the financial terms and conditions of the Offer as set forth in the Offer Document; reviewed certain publicly available historical business and financial information relating to the Company;

(ii) reviewed various financial and operational forecasts and other data provided to us by the Company relating to the business of the Company on a group and segment level;

(iii) held discussions with members of the senior management of the Company as well as members of the Supervisory Board with respect to the business and prospects of the Company;

(iv) reviewed public information with respect to certain other companies in lines of business we believe to be generally relevant in evaluating the business of the Company;

(v) reviewed the financial terms of certain transactions involving companies in lines of businesses we believe to be generally relevant in evaluating the business of the Company;

(vi) reviewed the historical stock prices and trading volumes of the Shares; and

(vii) conducted such other financial studies, analyses and investigations as we deemed appropriate.

In preparing this opinion, we have assumed and relied upon, without independent verification, the accuracy and completeness of all of the foregoing information (including publicly available information), including, without limitation, all the financial and other information and reports provided or discussed with us and all representations made to us. We have not undertaken any independent investigation or appraisal of such information, reports or representations. We have not provided, obtained or reviewed on your behalf any specialist advice, including but not limited to, legal, accounting, actuarial, environmental, information technology or tax advice, and accordingly our opinion does not take into account the possible implications of any such specialist advice.

We have assumed that the valuation of assets and liabilities and the profit and cash flow forecasts, including future capital expenditure projections made by the management of the Company are fair and reasonable. We have not independently investigated, valued or appraised any of the assets or liabilities (contingent or otherwise) of the Company or the solvency or fair
value of the Company, and we have not been furnished with any such valuation or appraisal. With respect to the financial forecasts and projections utilized in our analyses, we have assumed, with your consent, that they have been reasonably prepared based on the best currently available estimates and judgments of the management of the Company as to the future results of operations and financial condition and performance of the Company, and we have assumed, with your consent, that such financial forecasts and projections will be realized in the amounts and at the times contemplated thereby. We assume no responsibility or liability for and express no view as to any such forecasts, projections or the assumptions on which they are based.

In preparing our opinion, we have assumed that the Transaction will be consummated on the terms and subject to the conditions described in the Offer Document without any waiver or modification of any of its material terms or conditions. We have also assumed that all governmental, regulatory or other approvals and consents required in connection with the consummation of the Offer will be obtained without any reduction in the benefits of the Offer to the Shareholders or any adverse effect on the Company or the Transaction.

Further, our opinion is necessarily based on the financial, economic, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof. Events or circumstances occurring after the date hereof (including changes in laws and regulations) may affect this opinion and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this opinion. We further note that changes in the energy sector and the laws and regulations applicable to such sector could affect the financial forecasts of the Company.

We are acting as financial advisor to the Supervisory Board of the Company in connection with the Transaction and will receive a fee for our services, which is payable upon delivery of this opinion. Lazard or other companies of the Lazard Group have in the past provided financial advisory services to affiliates of the Bidder and RWE AG and its affiliates, for which they received customary fees, and may in the future provide financial advisory services to the Company, RWE AG and/or the Bidder or any of their affiliates for which they may receive customary fees. In addition, certain companies of the Lazard Group may trade in the shares and other securities of the Company, RWE AG and/or the Bidder and/or certain of their affiliates for their own account and for the accounts of their customers, and accordingly, may at any time hold a long or short position in such securities, and may also trade and hold securities on behalf of the Company, RWE AG, the Bidder and/or certain of their respective affiliates. We do not express any opinion as to the price at which the Shares may trade at any time.

This opinion is being provided solely for the benefit of the Supervisory Board of the Company (in its capacity as such) in connection with, and for the purposes of, rendering a reasoned opinion pursuant to Section 27 of the the German Securities Acquisition and Takeover Act (WpÜG), which is rendered in the sole independence of judgment by the Supervisory Board, in relation to the Offer and is not on behalf for or the benefit of, and shall not confer rights or remedies
upon any shareholder of the Company, the Bidder or any other person. This opinion may not be used or relied upon by any person other than the Supervisory Board of the Company for any purpose. This opinion addresses only the fairness, as of the date hereof, from a financial point of view, to the Shareholders of the Consideration to be paid in the Offer, and does not address any other aspect or implication of the Transaction, including without limitation, any legal, tax, regulatory or accounting matters or the form or structure of the Transaction, any agreements or arrangements entered into in connection with, or contemplated by, the Transaction or any agreements entered into between the Bidder and any member of the RWE Group (including the consideration received by any member of the RWE Group in connection with the Transaction). In particular, we do express any view whether the Consideration complies with the minimum price requirements as set forth in the German Securities Acquisition and Takeover Act (WpÜG). In connection with our engagement, we were not authorized to, and we did not, solicit indications of interest from third parties regarding a potential transaction with the Company. In addition, our opinion does not address the relative merits of the Transaction as compared to any alternative transaction or strategy that might be available to the Company or the merits of the underlying decision by the Company to engage in the Transaction. This opinion is not intended to and does not constitute a recommendation to any person as to whether such person should tender shares pursuant to the Offer or as to how any shareholder of the Company should vote or act with respect to the Offer or any matter relating thereto. Further, this opinion does not in any manner address the prices at which the Company’s shares will trade following consummation of the Transaction or which will be paid later in connection with a statutory obligation to make a compensation payment to shareholders of the Company.

This opinion does not represent a valuation as it is usually carried out by auditors according to German company law requirements and is not to be regarded as such. A fairness opinion to assess the fairness from a financial point of view of an offered consideration varies substantially from valuations conducted by auditors. In particular, we have not conducted a valuation in accordance with the rules and procedures of the Institute of Public Auditors in Germany (IDW) (IDW S1). In addition, this opinion has not been prepared in accordance with the Principles for the Preparation of Fairness Opinions (IDW S8) published by the IDW.

This opinion is confidential and may not be disclosed, referred to or communicated by you (in whole or in part) to any third party for any purpose whatsoever without our prior written authorization, except that you may publish this letter as part of your reasoned opinion to be published in accordance with Section 27 of the German Securities Acquisition and Takeover Act (WpÜG) in relation to the Transaction.
This opinion is issued in the German language and only the German version is binding. If any translations of this opinion may be delivered, they are provided only for ease of reference, have no legal effect and we make no representation as to (and accept no liability in respect of) the accuracy of any such translation. This opinion shall be governed by and construed in accordance with German law.

Based on and subject to the foregoing, we are of the opinion, as of the date hereof, that the Consideration to be paid in the Offer is fair, from a financial point of view, to the Shareholders.

Very truly yours,

Lazard & Co. GmbH

By

Dr. Eric Fellhauer

By

Manuel Echterbecker
Enclosed Statements of Works Councils
Joint statement of the SE works council and the group works council of innogy SE pursuant to Sec. 27 WpÜG on the takeover offer of E.ON Verwaltungs SE of 27 April 2018

On 27 April 2018, E.ON Verwaltungs SE, with its seat in Düsseldorf, Germany (the "Bidder"), an indirect subsidiary of E.ON SE, Essen, Germany, published, in accordance with Secs. 34, 14 paras. 2 and 3 of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz – WpÜG) the offer document pursuant to Sec. 11 WpÜG for its voluntary public takeover offer to all shareholders of innogy SE, Essen, Germany, for the purchase of all no-par value bearer shares of innogy.

The SE works council and group works council point out that the chosen form of the transaction with only two counterparties and without involvement of the management at an early stage and co-determination of innogy SE entails the significant risk that an integration of the innogy group will not be successful. Furthermore, according to the offer document, it is possible that it will be uncertain over a prolonged period of time whether or not the planned transaction will take place at all in view of both the extensive approvals to be obtained from public authorities and the existing change of control provisions in many contractual agreements of the innogy group at participation or asset level. This uncertainty is negative for the business development as well as for the employees and should be avoided.

Growth and further development

The SE works council and the group works council welcome the fact that the Bidder regards the integration of the innogy group and the E.ON group as an opportunity for future growth and further development of the workforce of both companies and considers the joint workforce the basis for future success. Besides the opportunities that secure jobs for the future offer, there are also risks to be considered, however.

Job cuts

The Bidder describes intended job cuts by reference to a supposedly small percentage of all employees of the combined enterprise. Specifically with regard to the synergy potentials mentioned in Section 8.3 of the offer document, the aforesaid co-determination bodies demand that an agreement be concluded on safeguarding employment and excluding dismissals for operational reasons. This is the only way to ensure that all highly qualified and committed employees will continue to contribute to the company's success with exceptional dedication.
Protection by collective agreements

As regards the "comprehensive review of potential synergy effects" referred to in Sections 9 and 9.1 of the offer document and the integration of the operating businesses, the fundamental demands made by the employee representatives include long-term collective agreements securing the terms of employment existing under collective agreements and works agreements. Since no further information on the potential synergies is provided, it is not possible to draw any conclusions on the impacts on the relevant countries (SE works council) or subsidiaries (group works council). The aforesaid co-determination bodies deem this to be of utmost importance also as regards a profit and loss transfer agreement potentially existing or to be entered into in the future (Sections 9.4 et seqq.) and demand, also in this regard, a binding, collectively agreed undertaking which excludes dismissals for operational reasons.

Socially acceptable instruments

Section 9.4 refers to voluntary instruments "to achieve the necessary personnel reduction in connection with the integration of the innogy Group and the E.ON Group by using socially acceptable, voluntary instruments". In the spirit of our long-standing active social partnership and with a view to employment security, in the opinion of the aforesaid co-determination bodies, voluntary solutions are to be established within the customary scope.

Sites

In Section 9.2, the Bidder states that "the E.ON Acquirers have no intention to cause innogy SE to relocate or close its seat or the sites of material parts of the business". This is explicitly welcomed. However, in the view of the co-determination bodies, the Bidder’s statement that it intends to "examine […] future consolidations or closures of sites" indicates that there are specific considerations by the Bidder to this effect. This is why securing the currently existing sites is among our most important demands.

Structures of co-determination

The undertaking in Sections 9.4 et seqq. that "[t]he E.ON Acquirers will, following the completion of the Takeover Offer, comply with the statutory provisions on the participation of the employees of innogy SE and its direct or indirect Subsidiaries" implements the requirement that the current structure of the co-determination bodies (SE works council, group works councils and collective agreements on co-determination structures) will continue to apply in the innogy SE group in order to confer to all employees the established co-determination rights also under the new structures. It is expected that the Bidder, assuming its general willingness to do so, will maintain, also in the future,
that size of the operational and business units that is necessary under the German Works Constitution Act in order to ensure active employee representation.

The SE agreement currently in effect at innogy SE (in the legal form of a European Company (Societas Europaea, SE)) is, as far as the rights of the employee representatives are concerned, specifically in order to ensure an appropriate quantitative representation of the employee representatives that is independent of and not influenced by the management, mutually to be agreed as the applicable minimum standard in a new SE agreement of the Bidder to be concluded as soon as possible. This implies the best possible representation by the current representatives on the co-determination bodies (in their functions, not in person) in future co-determination structures.

Social partnership

The SE works council as well as the group works council of innogy SE consider it necessary with a view to safeguarding the aforesaid interests to establish at top level of the company bodies an executive board member responsible for HR (Personalvorstand) / director of human resources (Arbeitsdirektor), excluding performance of the duties by one and the same person.


[signature] [signature]

René Pöhls Jürgen Wefers
SE Works Council innogy SE Group Works Council innogy SE


Essen, 9 May 2018
Joint statement of the general works council and the economic committee of innogy SE pursuant to Sec. 27 WpÜG on the takeover offer of E.ON Verwaltungs SE of 26 April 2018

On 26 April 2018, E.ON Verwaltungs SE Düsseldorf (Bidder) made a voluntary public takeover offer pursuant to Secs. 29 et seqq. of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz – WpÜG) to the shareholders of innogy SE. The general works council (hereinafter, the “General Works Council”) and the economic committee (hereinafter, the “Economic Committee”) of innogy SE have decided to make use of their right to present a statement in accordance with Sec. 27 para. 2 WpÜG.

Supplementary to the statement of the SE works council and the group works council of innogy SE, which we share in its entirety, the General Works Council and the Economic Committee hereby comment on the following issues.

We, the General Works Council and the Economic Committee, must also point out that the chosen form of the transaction with only two counterparties entails the significant risk that an integration of the innogy group will not be successful. In our opinion, a successful integration can only be realised with the involvement of the management and co-determination of innogy SE.

We believe that further risks arise from the job cuts that have already been announced and from the synergies to be achieved. The transaction may have significantly worse consequences for the employment situation in the German core regions of E.ON and innogy on the Rhine and Ruhr rivers than is apparent when merely comparing the total number of all jobs on an international scale. Most of all, E.ON's focus is on administrative and executive functions of both core companies. Since the takeover was announced, which is perceived by many as a breakup of the enterprise, we have unfortunately found that qualified employees are demotivated and that, as a result, there is the risk that these employees will subsequently leave the enterprise. As a result, know-how that is imperative for innogy in order to achieve its economic goals will be lost. At the same time, the attractiveness of innogy SE as a reliable and innovative employer decreases which means that know-how that has left the company cannot be replaced at all or can only be replaced with great difficulty.

Without any safeguards in place, the Bidder’s intents stated in Section 9.4 to align the conditions of employment of the employees would result in innogy employees losing their current basis of provisions under collective agreements and works agreements.

The General Works Council and the Economic Committee believe that, in order to minimise the economic consequences of these risks now and going forward, legally binding commitments with regard to, inter alia, the following issues are imperative:

- Excluding dismissals for operational reasons
- Securing site continuation (no partial close-downs or closures)
- Continuing the collective agreements presently existing (MTV, VTV, ÜTV..., to name a few) as well as the works agreements (e.g. company pension schemes, preferential energy prices ...) until a possible harmonisation
- Providing for the highest level of social responsibility with regard to job cuts
- Maintaining the operational co-determination structures

We believe that, only if these conditions are fulfilled can the economic goals of innogy SE realistically be achieved until its integration into the E.ON group.
At this point in time we do not know how the cut of up to 5,000 jobs mentioned in Section 8.3 of the takeover offer as well as the synergy potential amounting to €600 to €800 million annually from 2022 can be achieved. Since we cannot verify these figures and since there is no mention of the integration costs which will surely be incurred, we doubt that the synergy potential will be realised.

Section 9.2 reads: "[...] the E.ON Acquirers intend to examine to what extent future consolidations or closures of sites are necessary in connection with the consolidation of innogy SE and E.ON."

In this context, we note that our customers (municipal utilities, municipalities, business and retail customers etc.) identify themselves with innogy SE owing to a close relationship on a partnership basis, in particular in those regions where our sites are located. This connection, which has grown over decades, contributes significantly to the success of our enterprise, which, in our opinion, would be jeopardised by the potential close-down of our sites.

In order to successfully consolidate different cultures, binding transitional provisions ought to be established for the period until a possible new election. This would guarantee the continuing representation of the employees of both companies by persons already known to them and at the same time ensures peace and security among the staffs. This, too, would, in our opinion, contribute to minimising potential negative economic impacts.

Yours sincerely,

innogy SE

[signature] [signature]

Michael Lohner Monika Krebber
(Chairman of Group Works Council) (Vice Chairwoman of Group Works Council)

[signature] [signature]

Frank Wegling Birte Kinder
(Spokesperson Economic Committee) (Vice Spokesperson Economic Committee)