



# Key Points of Executive Board Report

## ” *Robust in unsettled times*

Our stable key figures for the 2022 financial year show we are robustly positioned even for a difficult market climate. Together with our consistent strategic focus on a #climatepositive future, our business fields, which complement and mutually reinforce one other, have made us resilient in these unsettled times. This enabled to increase our operative adjusted EBIT (excluding one-off disposal gains) by 8 percent to Euro 298 million in the 2022 financial year.

## ” *Outlook for 2023: at least at previous year's level*

We concluded the first quarter of the 2023 financial year with operative adjusted EBIT (excluding disposal gains) of Euro 145 million, and thus with significant earnings growth. For the 2023 financial year as a whole, we expect adjusted EBIT from an operating perspective, i.e. excluding disposal gains, to at least match the previous year's level. Depending on the macroeconomic situation and on further developments in regulatory requirements and wholesale energy markets, we nevertheless also see opportunities to exceed the previous year's adjusted EBIT.

## ” *Dividend continuity*

In view of our earnings performance, the Executive and Supervisory Board propose the distribution of an unchanged dividend of Euro 1.05 per share. On this basis, MVV's shares would offer a dividend yield of 3.6 percent as of the balance sheet date and, this year as well, uphold their reputation as a stable capital investment offering a competitive return.

## ” *Ongoing high volume of investment*

We invested Euro 335 million in sustainable growth and our existing business in the past financial year. This represents the highest volume of investment in the past six years. To remain robust and resilient in future as well, we will have to continue making targeted investments in this future – despite or precisely because of the unsettled times in which we find ourselves. We will therefore be maintaining our level of investment provided that macro-economic developments do not prevent us.

## ” *Global leader in climate protection*

We received further momentum for our #climate-positive path with the net zero certification provided by the Science Based Targets initiative, in short SBTi. We are the first energy company in Germany, and one of the first worldwide, to obtain certification that the measures to achieve our climate targets are net zero compatible. However, net zero, or climate neutrality, is just an interim step. Our Mannheim Model with its three aspects of heat transition, electricity transition and green customer solutions will enable us to be #climate-positive from 2040 at the latest.



” *Making our heat generation portfolio green*

As Germany’s second largest supplier of district heat, if industrial steam is included, we are continuing to work at pace on making our generation portfolio green. In the 2022 financial year, we increased our green heat generation capacity by 9 percent to 861 megawatts. The primary focus here was on our activities in Mannheim and the region, such as the construction of MVV’s first river heat pump that is set to launch operations in autumn 2023. Moreover, we are also adapting our grids to the new energy world and expanding our district heat grids at all our locations. This will enable us to make as widespread use as possible of the potential harboured by green heat.

” *Accelerating the electricity transition*

We are further expanding our proprietary generation with renewable energies and developing wind and solar projects for third parties. In the 2022 financial year, we extended our proprietary capacity by adding several solar plants for the first time, as well as a further windfarm. At the end of the past financial year, our renewables-based electricity generation capacities stood at 614 megawatts, 50 megawatts higher than a year earlier. By 2026, this total will rise to more than 800 megawatts.

” *Steering to the future with our #climatepositive course*

We are establishing innovative and sustainable solutions to build a circular economy, and that not only in Germany but in the UK as well. Furthermore, we are using technologies that are suitable in the long term to enable us to become #climatepositive from 2040 at the latest. This will make us one of the first energy companies to achieve a positive climate balance sheet and we will do this without drawing on offsetting rights.

This #climatepositive course is not only the internal guiding principle for the whole of the MVV Group, but also the factor that sets us apart from competitors. We are continually working to further develop our sustainability-based business model. And, even in unsettled times, we are putting in place the measures needed to make the entire MVV Group even more robust and effective.

” *Decisions for the long term required*

We are convinced that supply reliability and the energy transition go hand in hand rather than at each other’s expense. 2023 has to be the year of action, one in which long-term decisions enabling the 1.5-degree target set in the Paris Agreement to be achieved take precedence again while short-term measures recede into the background.

” *Heat and electricity transitions need the right framework and fresh momentum*

Politicians have to provide answers to the urgent questions presented by the transformation in the heat and electricity supply. The grids for gas, heat and electricity form one system with mutual dependencies. That is why we need a forward-looking regulatory framework for generation and for distribution grids, one that facilitates both the transformation of existing energy forms and investments in new ones.