We inspire with energy.

Interim Report H1

Financial Year 2022

MVV in Figures

	1 Oct 2021 to 31 Mar 2022	1 Oct 2020 to 31 Mar 2021	% change
Financial key figures			
Sales and earnings			
Adjusted sales excluding energy taxes (Euro million)	2,662	2,078	+ 28
Adjusted EBITDA [1] (Euro million)	366	321	+ 14
Adjusted EBIT [1] (Euro million)	262	223	+ 17
Adjusted net income for period [1] (Euro million)	172	143	+ 20
Adjusted net income for period after minority interests [1] (Euro million)	114	113	+ 1
Capital structure			
Adjusted total assets at 31 March 2022/30 September 2021 [2] (Euro million)	6,074	5,815	+ 4
Adjusted total assets excluding margins at 31 March 2022/30 September 2021 [2,3] (Euro million)	5,308	4,994	+ 6
Adjusted equity at 31 March 2022/30 September 2021 [2] (Euro million)	1,724	1,662	+ 4
Adjusted equity ratio at 31 March 2022/30 September 2021 [2] (%)	28.4	28.6	– 1
Adjusted equity ratio excluding margins at 31 March 2022/30 September 2021 [2,3] (%)	32.5	33.3	– 2
Net financial debt at 31 March 2022/30 September 2021 (Euro million)	954	628	+ 52
Net financial debt excluding margins at 31 March 2022/30 September 2021 [3] (Euro million)	1,719	1,450	+ 19
Cash flow and investments			
Cash flow from operating activities (Euro million)	– 153	204	-
Cash flow from operating activities excluding margins [3] (Euro million)	– 95	90	-
Investments (Euro million)	156	119	+ 31
Share			
Adjusted earnings per share [1] (Euro)	1.73	1.71	+ 1
Non-financial key figures			
Electricity generation capacity from renewable energies at 31 March 2022/30 September 2021 [4] (MW_e)	577	564	+ 2
Electricity generation volumes from renewable energies [5] (kWh million)	722	645	+ 12
Completed development of new renewable energies plants (MW_e)	134	263	– 49
Operations management for renewable energies plants (MW_e)	3,636	3,757	– 3
Number of employees at 31 March 2022/31 March 2021 (headcount)	6,442	6,301	+ 2
Number of trainees at 31 March 2022/31 March 2021 (headcount)	281	290	– 3

1 Excluding non-operating measurement items for financial derivatives and including interest income from finance leases

2 Excluding non-operating measurement items for financial derivatives

3 Excluding collateral deposited at MVV for counterparty default risks (margins)

4 Including electricity generation capacity from wind turbines for repowering at 31 March 2022 (31 MW)/30 September 2021 (20 MW)

5 Including electricity generation volumes from wind turbines for repowering at 31 March 2022 (10 million kWh)/31 March 2021 (7 million kWh)

Contents

Highlights

Dividend increased

In view of the coronavirus pandemic, our Annual General Meeting on 11 March 2022 was, like in the previous year, held on a purely virtual basis. Our shareholders approved an increase in the dividend for the 2021 financial year by 10 cents to Euro 1.05 per share. Our share price rose by 23.1 percent in the 2021 financial year to reach a closing price of Euro 32.00 at the end of the financial year. Based on this price, the dividend yield for our share amounted to 3.3 percent. Given a total of 65.9 million shares, the distribution total stood at Euro 69.2 million.

More Green Heat

We are consistently working to build a sustainable heat supply for the future. By 2030, we will have fully converted district heating in Mannheim and the region to green energy sources. Today, around 30 percent of our heat already comes from climate-friendly energies. As we head for Green Heat, we reached another major milestone at the beginning of April 2022 with the official ground-breaking ceremony to build MVV’s first river heat pump on the Rhine. As part of the “Large Heat Pumps in District Heating Grids” project within the Real-World Laboratories of the Energy Transition programme organised by the Federal Ministry for Economic Affairs and Climate Action (BMWK), the river heat pump is one of a total of five large heat pumps currently being built at various locations in Germany.

Using solar power

We rely above all on the power of the sun in our international renewable energies project development and operations management business. Our Juwi subsidiary has planned and built what is the largest bifacial photovoltaics power plant in Europe. At this 204-megawatt project in Kozani/Greece, we are also providing technical O&M services. Using the same surface area, bifacial solar modules make it possible to achieve a higher solar yield than with traditional modules, as they are photo-electrically active on both front and reverse sides. Construction work has also been completed on a 2.9-megawatt open space solar park in the Japanese province of Nagano at which Juwi is responsible for operations management. In February 2022, Juwi was awarded the contracts for three solar parks with a total capacity of more than 12 megawatts in the seventh tender round in Italy.

Foreword

Dear Ladies and Gentlemen,

The war against Ukraine is a human tragedy. It also shows how dramatically any changes in the geopolitical order can impact on basic services and the energy markets. The volatility in wholesale prices on the energy markets, particularly for electricity and gas, has intensified further and places an enormous additional burden on many customers, whether private households, small or large businesses.

On 30 March 2022, the Federal Ministry for Economic Affairs and Climate Action activated the early warning level of the Gas Emergency Plan. This precautionary measure enables energy suppliers to prepare for any interruption to supplies and resultant potential shortages in the gas supply. At present, there is no supply bottleneck. We are monitoring current events and the associated potential implications for MVV and our customers very closely and, where necessary, taking steps to ensure we can meet the great responsibility we bear to uphold supply reliability, not least in the interests of our customers.

Energy supply security has top priority

Securing the supply of heat and electricity is now more important than ever before. The Federal Government is working on ways to secure the energy supply and further accelerate the timescale for the energy turnaround, also as one answer to the consequences of the war in Ukraine. This is difficult, but it is in our opinion the only right way.

With its “Easter Package”, in March 2022 the Federal Ministry for Economic Affairs and Climate Action initiated the first of the legislative packages previously announced in respect of the energy turnaround. The proposed legislative changes clearly show that the Federal Government is retaining the targets set out in the Coalition Agreement. The principle that expanding renewable energies is in the overriding public interest and upholds public security is to be anchored in the German Renewable Energies Act (EEG). This move is not just symbolic; it may also impact positively on approval processes.

The second legislative package, due to be adopted by the Federal Cabinet before the summer recess, will mainly deal with the heat turnaround and building energy efficiency. In particular, the Federal Government intends to promote the renovation of existing buildings and conversion to heating systems that predominantly generate green heat.

The Mannheim Model – for more climate action and greater independence from fossil energies

The war against Ukraine makes it clear for all to see: The pace of the energy turnaround has to be stepped up to enable us to become independent even sooner from fossil fuels and, thus from energy imports. Before the outbreak of war, in our Mannheim Model we had already committed ourselves to pursuing a strategic course that will enable us to become one of the first climate-positive companies in Germany from 2040 and consistently replace fossil-based energies. This way, and irrespective of the current conflict, we are deliberately skipping the interim step of using natural gas, for example to generate district heating in Mannheim.

By 2030, we will fully convert the heat supply in Mannheim and the region from fossil fuels to 100 percent green energy sources. With the ground-breaking ceremony for our first river heat pump on the Rhine, we are taking a further major step as we head for Green Heat, and thus promoting the energy turnaround and increasing our independence from energy imports. One of the largest in Europe, this heat pump is scheduled to be linked up to the grid in 2023.

We are maintaining our successful course

Our strategy, with its focus on climate protection, and our broad-based portfolio provide a stable foundation for MVV’s further successful development. This way, we managed to maintain the previous year’s higher level of earnings in the first half of our 2022 financial year as well, and that despite difficult conditions. Based on the course of business to date, we can confirm our earnings forecast for the full financial year: From an operating perspective, we expect our adjusted EBIT to be moderately higher than in the previous year.

We would be delighted if you would continue to accompany and support us as we head for a climate-positive future.

Yours faithfully,

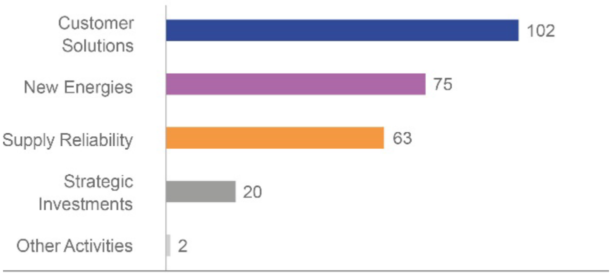
Dr. Hansjörg Roll
Technology Director

Our First Six Months

Adjusted EBIT

262 Euro million

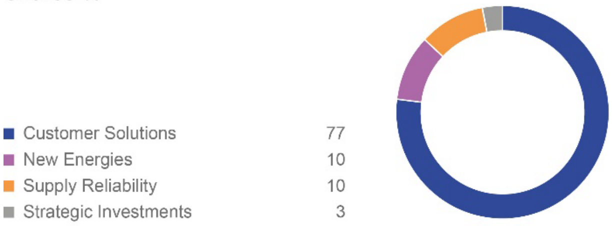
ADJUSTED EBIT BY REPORTING SEGMENT
Euro million



Adjusted Sales

2.7 Euro billion

ADJUSTED SALES BY REPORTING SEGMENT
Shares %



Investments

156

Euro million

Group Business Performance

BUSINESS FRAMEWORK

Economic and energy policy climate

Significant reduction in economic growth forecast

In view of the war in Ukraine and the unfavourable course of the pandemic in the past winter half-year, Germany's leading economic research institutes expect significantly lower growth in the 2022 calendar year. In their Spring Forecast, they predict that gross domestic product will grow by 2.7 %. In autumn 2021, they had still forecast growth of 4.8 %. Their forecast is based on the assumption that the conflict between Russia and Ukraine will continue but that Russian gas and oil will also continue to flow. With their forecast, the institutes are more optimistic than Germany's Council of Economic Experts, which now forecasts growth of just 1.8 % in 2022.

Coalition implements its energy policy programme

In its Coalition Agreement dated November 2021, the Federal Government set out ambitious targets for the energy turnaround and climate action. These focus on expanding electricity generation from regenerative sources to at least 80 % by 2030 and decarbonising the heat supply.

This course of action has taken on new urgency due to the war in Ukraine and the associated uncertainty surrounding the supply of gas, crude oil and coal from Russia. In an initial reaction, market prices for fuels and electricity surged to record highs in March 2022. On 30 March 2022, the Federal Government activated the early warning level of the Gas Emergency Plan. The daily status reports issued by the Federal Network Agency contain identical statements, namely that the gas supply in Germany is currently stable and that no restrictions have been reported in gas supplies to Germany. On 26 April 2022, the Russian company Gazprom announced that it would discontinue its supply of natural gas to Poland and Bulgaria.

European governments and the EU Commission are currently looking for ways to cushion the social impact of high energy prices and to find new sources of supplies, particularly for natural gas. The European Council has requested the EU Commission to submit recommendations by the end of May 2022 for state interventions in the market aimed at reducing prices. This should make it possible to take precautions for the event of any escalation in the conflict.

Extensive legislative packages announced

When presenting the Immediate Climate Action Programme on 11 January 2022, Germany's Minister for Economic Affairs, Robert Habeck, announced that two extensive legislative packages would be presented this year already. These would lay the foundation for Germany to become climate neutral by 2045.

The contents of the first part ("Easter Package), adopted by the Federal Cabinet at the beginning of April 2022, provide for significantly raising tender volumes for the generation of electricity from renewable sources. Moreover, the Federal Government intends to reduce the allocation under the German Renewable Energies Act (EEG) to zero as of 1 July 2022, to refinance this measure from the federal budget and to make the installation of rooftop photovoltaics systems more attractive. The package also proposes price regulation for district heating based on the German Act Against Restraints of Competition (GWB).

In the second legislative project ("Summer Package"), the Federal Government intends to specify its plans for the heat turnaround, for greater building efficiency and for expanding onshore wind power more rapidly. Both legislative packages are due to take effect as of 1 January 2023.

Higher Regional Court in Düsseldorf annuls general sectoral productivity factor for electricity grid operators

In a ruling dated 16 March 2022, the Higher Regional Court in Düsseldorf annulled a resolution adopted by the Federal Network Agency on 28 November 2018 which stipulated the general sectoral productivity factor for electricity grid operators (Xgen electricity) for the 3rd regulatory period. It also obliged the authority to adopt a new resolution that takes due account of the court's legal opinion.

The general sectoral productivity factor (Xgen) is important in determining the level of grid fees, and thus also earnings at grid operators. The Xgen reduces the permissible revenue cap. Its calculation is based on the assumed level of progress in grid productivity compared with the overall economy. This factor is countered by inflation.

We welcome the ruling, not least due to concerns about the methodology used in the calculation and the significantly lower corresponding stipulation for the gas sector. In principle, the authority still has the option of filing an appeal against the ruling at the Federal Court of Justice.

Market climate

Sharp rise in wholesale prices

Wholesale prices (average): H1, 1 October to 31 March

	FY 2022	FY 2021	+/– change	% change
Crude oil [1] (US$/barrel)	88.64	53.17	+ 35.47	+ 67
Natural gas [2] (Euro/MWh)	48.50	15.95	+ 32.55	>+ 100
Coal [3] (US$/tonne)	120.50	65.56	+ 54.94	+ 84
CO_2 rights [4] (Euro/tonne)	77.09	32.91	+ 44.18	>+ 100
Electricity [5] (Euro/MWh)	122.60	48.63	+ 73.97	>+ 100

1 Brent crude oil; front-month

2 Trading Hub Germany/Net Connect Germany market region; front-year

3 Front-year

4 Front December contract

5 Front-year

Fuel markets witnessed price rises on a historic scale in the period under report compared with the same period in the previous financial year. The sharpest rise was reported for gas prices, which trebled compared with the previous year. However, coal prices also rose by 84 %, while emission right prices were listed 134 % higher. In autumn 2021, this rally in energy prices was initially driven by the shortage becoming apparent in European gas storage facilities for the winter half of the year. Here, the European energy situation interacted with high global market prices for coal as well. Additional demand for coal and gas-fired electricity generation, due for example to comparatively low levels of availability at French nuclear power plants, created further tension. With the outbreak of war in Ukraine, the situation on the energy markets then intensified sharply in the first quarter of the 2022 calendar year. At their peak in March 2022, fuel prices were 214 % (coal) and 193 % (gas) higher than their minimum levels in the period under report (in October/November 2021). By contrast, the emission right market posted a brief but substantial downturn in prices in parallel with financial markets at the beginning of March.

Conventional generation spreads show disparate developments

The margin from conventional coal-based generation (clean dark spread – CDS) rose significantly compared with the previous year's period. Conversely, the clean spark spread (CSS) showed a significant downturn. The CDS and CSS impact in particular on operating earnings in Supply Reliability, the reporting segment to which the marketing of generation positions in our Combined Heat and Power Generation business field is allocated.

DEVELOPMENT IN CLEAN DARK SPREAD AND CLEAN SPARK SPREAD FOR 2023

Impact of weather conditions

Milder weather conditions and higher wind volumes than in previous year

Higher outdoor temperatures lead to lower heating energy requirements at our customers. This is also reflected in lower degree day figures, which are used as an indicator of temperature-related heating energy use. In the first six months of our 2022 financial year, it was milder than in the previous year's comparative period. Degree day figures were around 3 % lower than the previous year's figures.

Just like our customers' heating energy requirements, the volume of electricity generated by our renewable energies plants is also determined by weather conditions. Wind volumes, on which the amount of electricity generated by our wind turbines is significantly dependent, are particularly important in this respect.

Overall, the volume of usable wind power in the regions relevant to our business was around 20 % higher than the long-term average in the first half of the 2022 financial year. The wind yield was also higher than the previous year's figure, which exceeded the long-term average by around 11 % over the same period. In this comparison, we use the "EMD-ERA Wind Index" with a reference period (historic average).

PRESENTATION OF EARNINGS PERFORMANCE

The period under report comprises the 1st half of the 2022 financial year – from 1 October 2021 to 31 March 2022. Unless otherwise indicated, the following comments refer to the MVV Energie Group (MVV).

MVV Energie Group

MVV: H1, 1 October to 31 March

Euro million	**FY 2022**	FY 2021	+/– change	% change
Development in turnover				
Electricity (kWh million)	13,818	11,562	+ 2,256	+ 20
Heat (kWh million)	4,729	4,686	+ 43	+ 1
Gas (kWh million)	13,081	16,673	– 3,592	– 22
Water (m³ million)	19.1	19.7	– 0.6	– 3
Adjusted sales excluding energy taxes	2,662	2,078	+ 584	+ 28
of which electricity revenues	1,101	942	+ 159	+ 17
of which heat revenues	275	255	+ 20	+ 8
of which gas revenues	700	447	+ 253	+ 57
of which water revenues	44	43	+ 1	+ 2
Adjusted EBIT	262	223	+ 39	+ 17

The increase in electricity volumes is mainly due to higher trading volumes, while heat turnover was at around the same level as in the previous year. The decrease in gas turnover was primarily due to lower trading volumes.

In sales, we eliminate the difference between the hedge and reporting date prices as of the respective realisation date pursuant to IFRS 9. This elimination resulted in net totals of Euro – 461 million as of 31 March 2022 and of Euro 0 million as of 31 March 2021.

Customer Solutions reporting segment

Customer Solutions: H1, 1 October to 31 March

Euro million	**FY 2022**	FY 2021	+/– change	% change
Adjusted sales excluding energy taxes	2,059	1,590	+ 469	+ 29
Adjusted EBIT	102	48	+ 54	>+ 100

The sales growth was driven above all by higher wholesale prices for electricity and gas, as well as by increased electricity volumes.

The earnings performance of the Customer Solutions segment was significantly influenced by one-off items: In the period under report, earnings benefited from the sale of fully consolidated companies and companies recognised at equity. In the previous year, earnings were positively influenced by the remeasurement of the shares held in Fernwärme Rhein-Neckar GmbH due to the complete takeover and subsequent full consolidation of this company. Furthermore, in the first half of the 2022 financial year we also achieved higher earnings by exploiting price volatilities.

New Energies reporting segment

New Energies: H1, 1 October to 31 March

Euro million	**FY 2022**	FY 2021	+/– change	% change
Adjusted sales excluding energy taxes	258	235	+ 23	+ 10
Adjusted EBIT	75	61	+ 14	+ 23

Sales in this sector were positively influenced above all by the launch of operations at Line 3 at our energy from waste plant in Dundee/Scotland, as well as by slightly higher revenues in the project development business.

Earnings in the New Energies segment benefited from the development in wholesale prices for electricity and from stable levels of plant availability in our environmental energy business. Moreover, due to higher wind volumes and the expansion of our wind portfolio the relevant earnings contributions were also up on the previous year. These factors more than offset the reduction in earnings in our project development business, which is generally characterised by a high degree of volatility.

Supply Reliability reporting segment

Supply Reliability: H1, 1 October to 31 March

Euro million	**FY 2022**	FY 2021	+/– change	% change
Adjusted sales excluding energy taxes	265	188	+ 77	+ 41
Adjusted EBIT	63	82	– 19	– 23

The higher sales were attributable above all to price factors relating to the provision of CO_2 emission rights to an at-equity company. The reduction in earnings in the Supply Reliability segment is largely due to the downstream impact of a lower level of plant availability at an-equity company. These negative effects were partly offset by higher earnings contributions from our fully consolidated generation plants, and particularly from our gas-fired CHP plant in Kiel.

Reconciliation with adjusted EBIT

Reconciliation of EBIT (income statement) with adjusted EBIT: H1, 1 October to 31 March

Euro million	**FY 2022**	FY 2021	+/– change
EBIT as reported in income statement	163	233	– 70
Financial derivative measurement items	97	– 12	+ 109
Interest income in connection with finance leases	2	2	0
Adjusted EBIT	**262**	**223**	**+ 39**

We refer to adjusted EBIT in our value-based management. To calculate this key figure, we adjust operating earnings before interest and taxes to eliminate, among other items, the positive and negative earnings items from fair value measurement as of the reporting date of those financial derivatives recognised pursuant to IFRS 9. These stood at a net total of Euro – 97 million as of 31 March 2022 and Euro 12 Million as of 31 March 2021. These measurement items reflect the development in prices on the commodities and energy markets. They have no impact on payments, neither do they affect our operating business or dividend.

Development in other key income statement items

Adjusted cost of materials rose by Euro 582 million to Euro 2,095 million. This mainly reflects the increase in wholesale prices for gas and electricity, as well as higher electricity volumes.

Due above all to the increase in the number of employees, **adjusted employee benefit expenses** rose by Euro 14 million to Euro 257 million.

Income from companies recognised at equity grew by Euro 30 million to Euro 48 million. This increase was primarily due to the sale of companies recognised at equity in the period under report. In addition, this line item also includes the result of the subsequent measurement of joint ventures and of those companies over which MVV only exercises significant influence.

Depreciation and amortisation rose by Euro 6 million to Euro 104 million.

The **adjusted financial result** decreased by Euro 4 million to Euro – 23 million, with this being due above all to higher custody fees and increased interest expenses.

At Euro 58 million, **adjusted non-controlling interests** were Euro 28 million higher than in the previous year, a development largely attributable to improved earnings at Energieversorgung Offenbach.

See Income Statement on Page 17 and Notes to Income Statement from Page 25 onwards.

PRESENTATION OF ASSET POSITION

The development in non-current other receivables and assets on the one hand reflects the changed level of market prices and resultant rise in the positive fair values of energy trading transactions recognised under IFRS 9 and on the other hand the reclassification of energy trading transactions to current other receivables and assets in line with their respective maturities. Overall, non-current other receivables and assets fell by Euro 34 million.

The increase in trade receivables by Euro 303 million reflects normal seasonal developments and is also the result of higher price levels on the energy markets and the growth in our electricity and gas trading businesses. By contrast, there was a reduction in receivables in our project development business. The increase in current other receivables and assets by Euro 5,877 million is chiefly due to the higher level of market prices and resultant rise in positive fair values, as well as to the reclassification of energy trading transactions recognised under IFRS 9 in accordance with their maturities.

Non-current assets grew by Euro 41 million to Euro 5,010 million, while **current assets** increased by Euro 6,009 million to Euro 15,850 million.

At Euro 1,818 million, MVV's **equity** including non-controlling interests was Euro 59 million higher than at the previous year's balance sheet date.

The development in non-current other liabilities on the one hand reflects the changed level of market prices and resultant rise in the negative fair values of energy trading transactions recognised under IFRS 9 and on the other hand the reclassification of energy trading transactions to current other liabilities in line with their maturities. Overall, non-current other liabilities decreased by Euro 44 million.

The reduction in current other provisions by Euro 83 million is mainly due to the utilisation of provisions for services not yet invoiced and of provisions for personnel-related items. The increase in trade payables by Euro 106 million is attributable above all to the higher level of wholesale prices on the energy markets. The rise in current other liabilities by Euro 5,819 million primarily results from the more marked change in market prices and resultant increase in negative fair values, as well as from the reclassification of energy trading transactions recognised under IFRS 9 in line with their maturities.

Non-current debt rose by Euro 219 million to Euro 3,592 million, while **current debt** increased by Euro 5,771 million to Euro 15,449 million.

See Balance Sheet on Page 19 and Notes to Balance Sheet from Page 27 onwards.

For Group management purposes, we adjust our consolidated balance sheet as of 31 March 2022 to eliminate cumulative items resulting from IFRS 9 measurement as of the reporting date. On the asset side, we eliminate the positive fair values of derivatives and allocable deferred taxes, amounting to Euro 14,786 million (30 September 2021: Euro 8,994 million). On the equity and debt side, we eliminate negative fair values and allocable deferred taxes, amounting to Euro 14,692 million (30 September 2021: Euro 8,897 million). Under equity, we then eliminate the net balance, which amounted to Euro 94 million (30 September 2021: Euro 97 million). This led to **adjusted equity** of Euro 1,724 million as of 31 March 2022 (30 September 2021: Euro 1,662 million). Based on adjusted total assets of Euro 6,074 million (30 September 2021: Euro 5,815 million), the adjusted equity ratio thus stood at 28.4 % as of 31 March 2022, compared with 28.6 % as of 30 September 2021. Excluding margins, the adjusted equity ratio amounted to 32.5 % as of 31 March 2022 (30 September 2021: 33.3 %).

Investments

We invested a total of Euro 156 million in the 1st half of our 2022 financial year (previous year: Euro 119 million).

Investments: H1, 1 October to 31 March

Euro million	**FY 2022**	FY 2021	+/– change	% change
Customer Solutions	41	21	+ 20	+ 95
New Energies	51	39	+ 12	+ 31
Supply Reliability	54	53	+ 1	+ 2
Strategic Investments	3	2	+ 1	+ 50
Other Activities	7	4	+ 3	+ 75
Total	**156**	**119**	**+ 37**	**+ 31**

Our largest investment projects currently involve

- The takeover of 100 % of the shares in Avantag Energy and its associate Philipp Rass Energy
- A backup plant in Mannheim to secure and cover peak load requirements for the supply of district heating to our customers
- A new plant technology to produce phosphorous from sewage sludge
- The construction of solar parks and takeover of these into our own portfolio
- The maintenance and renewal of our distribution grids.

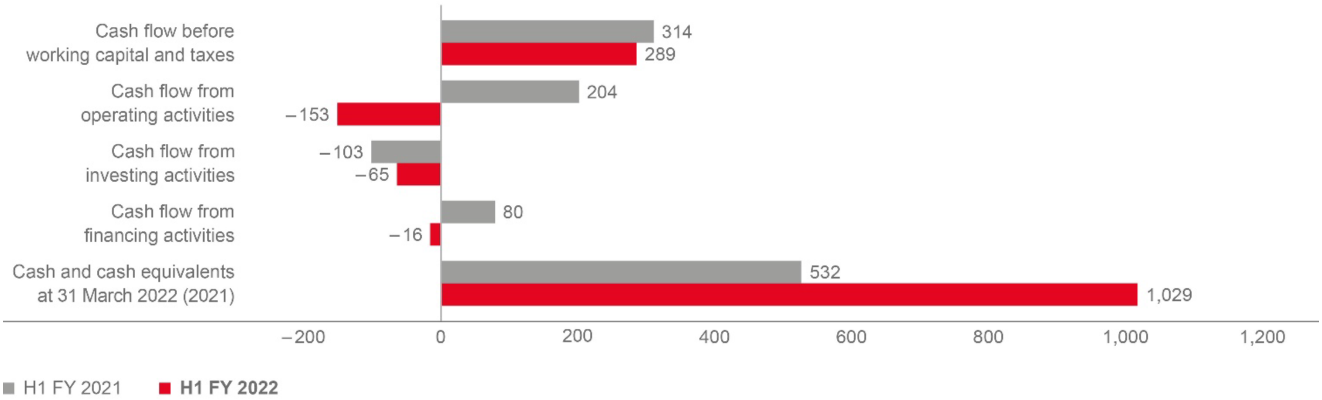
PRESENTATION OF FINANCIAL POSITION

Current and non-current financial debt increased by Euro 97 million to Euro 1,984 million. The taking up of new loans and issue of a promissory note loan to finance investments were countered by repayments of existing loans. At the same time, **cash and cash equivalents** decreased by Euro 229 million, a development due above all to high backflows of security deposits for counterparty default risk (margins) in the period under report, the increase in working capital and payment of the dividend for the 2021 financial year. Overall, **net financial debt** rose by Euro 326 million to Euro 954 million.

As of 31 March 2022, MVV posted **cash and cash equivalents** of Euro 1,029 million (31 March 2021: Euro 532 million).

See Cash Flow Statement on Page 21 and Note 21. Cash flow statement on Page 33.

CASH FLOW STATEMENT
Euro million



EMPLOYEES

Personnel figures (headcount) at balance sheet date

	31 Mar 2022	31 Mar 2021	+/– change	% change
MVV [1]	**6,442**	**6,301**	**+ 141**	**+ 2**
of which in Germany	5,468	5,384	+ 84	+ 2
of which abroad	974	917	+ 57	+ 6

1 Including 281 trainees (previous year: 290)

We had a total of 6,442 employees as of 31 March 2022, 141 more than one year earlier. Of these, 5,468 employees worked for us in Germany, while 974 employees worked at our foreign subsidiaries. These included 504 employees at our Czech subgroup, 287 at the international shareholdings of Juwi and 155 at the British subsidiaries of MVV Umwelt.

A total of 281 young people were in training across the Group as of 31 March 2022.

FORECAST FOR THE 2022 FINANCIAL YEAR

Sales and earnings performance

The ongoing consequences of the war against Ukraine for economies and individual companies can only be predicted to a limit extent. The war has triggered a further significant increase in volatility on energy and procurement markets, with rapid movements in prices. We therefore issue our forecast for the 2022 financial year against a backdrop of great macroeconomic uncertainties.

After the first half of our 2022 financial year and based on our current assessment of the effects of the geopolitical situation and macroeconomic uncertainties, we can confirm our forecast for the current financial year, which we published from Page 96 onwards of our 2021 Annual Report.

We expect **MVV’s** adjusted **sales** (excluding energy taxes) to increase significantly in the 2022 financial year compared with the previous year (Euro 4.1 billion). On an operating level, our sales performance will continue to depend above all on the further development in prices on the energy markets, the implementation of photovoltaics and wind projects and demand from our customers.

Due to our business model, our earnings performance is dependent in particular on weather conditions and wind volumes, wholesale prices on energy markets, waste and biomass prices, procurement costs for fuels and CO_2 emission rights, availability levels at our plants and the development in market conditions and the competitive climate. Moreover, the development and marketing of photovoltaics and wind projects are generally characterised by high volatility.

In view of the current situation, alongside the factors listed above, our expectations in respect of our **adjusted EBIT** depend above all on the further development in conditions on the energy markets, as well as on these factors, together with the consequences of the geopolitical situation and the coronavirus pandemic, not restricting the availability of commodities or impairing supply chain integrity. Overall, from an operating perspective we still expect **MVV’s** adjusted EBIT to rise moderately in the 2022 financial year compared with the previous year’s figure (Euro 278 million). Furthermore, changes in our investment portfolio will result in positive earnings contributions. Including these one-off items, we expect our adjusted EBIT to significantly exceed the previous year’s earnings figure.

Our operating earnings forecast for the 2022 financial year is based on the following assessments for our major reporting segments:

We expect adjusted EBIT to increase significantly in the **Customer Solutions** and **New Energies** reporting segments.

Adjusted EBIT in the **Supply Reliability** reporting segment is expected to fall significantly short of the previous year’s figure.

Investments

Provided that the implications of the geopolitical and macroeconomic situation permit, we will significantly increase our investments in the 2022 financial year compared with the previous year (Euro 306 million) while maintaining the same strategic investment focuses.

OPPORTUNITY AND RISK SITUATION

We presented our opportunity and risk management system from Page 96 onwards of our 2021 Annual Report. Here, we explain the risk categories relevant to our business and the associated opportunities and risks. In addition, our risk situation at the end of the first half of the year is significantly influenced by the uncertainties resulting from the war in Ukraine. We are countering the implications of Russia’s invasion of Ukraine by implementing our crisis and emergency management and with numerous proactive measures that we are continually reviewing in terms of their effectiveness. Our close integration into the overall economy may nevertheless have effects that we can only influence to a limited extent. The greatest current sources of uncertainty relate to potential price rises at upstream suppliers that we are unable to charge on to our customers, the availability of fuels, operating materials and upstream products, potential delays in construction and other projects in the project development business and uncertainties surrounding the launch of new products and services.

Particularly since the outbreak of the war in Ukraine, we have seen sharp fluctuations in prices on wholesale energy markets. We are responding to these proactively with our hedging strategy. Moreover, earnings in our international business may also be affected by exchange rate fluctuations.

INCOME STATEMENT

Income statement					
Euro 000s	**1 Jan 2022 to 31 Mar 2022**	1 Jan 2021 to 31 Mar 2021	**1 Oct 2021 to 31 Mar 2022**	1 Oct 2020 to 31 Mar 2021	Notes
Sales	1,689,473	1,151,110	3,214,094	2,169,142	
Less electricity and natural gas taxes	47,625	47,898	90,865	91,117	
Sales less electricity and natural gas taxes	**1,641,848**	**1,103,212**	**3,123,229**	**2,078,025**	1
Changes in inventories	12,969	7,572	16,515	20,293	2
Own work capitalised	6,076	4,467	11,302	8,951	
Other operating income	1,174,310	67,889	2,164,998	148,122	4
Cost of materials	1,418,847	806,550	2,745,338	1,532,952	3
Employee benefit expenses	133,082	123,433	257,416	242,732	
Other operating expenses	1,005,655	84,970	2,103,922	168,171	4
Impairment losses on financial instruments	4,490	– 2,223	6,033	– 826	
Income from companies recognised at equity	44,663	5,559	47,596	18,141	5
Other income from shareholdings	16,179	56	16,207	379	6
EBITDA	**333,971**	**176,025**	**267,138**	**330,882**	
Depreciation and amortisation	52,067	48,996	103,611	97,648	
EBIT	**281,904**	**127,029**	**163,527**	**233,234**	
of which result of IFRS 9 derivative measurement	112,243	2,890	– 97,112	11,666	
of which EBIT before result of IFRS 9 derivative measurement	169,661	124,139	260,639	221,568	
Financing income	5,110	352	9,436	7,646	7
Financing expenses	16,352	8,062	33,030	25,139	7
EBT	**270,662**	**119,319**	**139,933**	**215,741**	
Taxes on income	79,150	36,546	40,426	65,803	8
Net income for period	**191,512**	**82,773**	**99,507**	**149,938**	
of which non-controlling interests	145,111	19,606	154,476	41,666	
of which earnings attributable to MVV Energie AG shareholders (net income for period after minority interests)	**46,401**	**63,167**	**– 54,969**	**108,272**	9
Basic and diluted earnings per share (Euro)	**0.70**	**0.96**	**– 0.83**	**1.64**	

STATEMENT OF COMPREHENSIVE INCOME

Statement of income and expenses recognised in group equity

Euro 000s	**1 Jan 2022 to 31 Mar 2022**	1 Jan 2021 to 31 Mar 2021	**1 Oct 2021 to 31 Mar 2022**	1 Oct 2020 to 31 Mar 2021
Net income for period	**191,512**	**82,773**	**99,507**	**149,938**
Cash flow hedges	108,927	32,935	48,887	47,295
Hedging costs	11	280	286	190
Currency translation differences	688	5,207	5,307	10,152
Reclassifiable share of companies recognised at equity	– 269	– 248	– 313	– 413
Items that may subsequently be reclassified to profit or loss	**109,357**	**38,174**	**54,167**	**57,224**
Actuarial gains and losses	–	109	–	109
Non-reclassifiable share of companies recognised at equity	504	– 484	725	– 617
Items that will not be reclassified to profit or loss	**504**	**– 375**	**725**	**– 508**
Total comprehensive income	**301,373**	**120,572**	**154,399**	**206,654**
Non-controlling interests	148,097	24,454	179,186	49,578
Total comprehensive income attributable to MVV Energie AG shareholders	**153,276**	**96,118**	**– 24,787**	**157,076**

BALANCE SHEET

Balance sheet			
Euro 000s	**31 Mar 2022**	30 Sep 2021	Notes
Assets			
Non-current assets			
Intangible assets	307,830	287,663	
Property, plant and equipment	2,918,607	2,888,292	
Right-of-use assets	139,084	154,823	
Investment properties	2,556	2,451	
Interests in companies recognised at equity	177,581	201,498	
Other financial assets	60,486	70,647	
Other receivables and assets	1,225,384	1,259,662	10
Deferred tax assets	178,537	103,869	11
	5,010,065	**4,968,905**	
Current assets			
Inventories	256,174	210,880	
Trade receivables	679,364	376,015	12
Other receivables and assets	13,842,733	7,965,545	10
Income tax receivables	42,351	30,136	
Cash and cash equivalents	1,029,342	1,258,177	13
	15,849,964	**9,840,753**	
	20,860,029	**14,809,658**	
Equity and debt			
Equity			14
Share capital	168,721	168,721	
Capital reserve	455,241	455,241	
Accumulated net income	806,790	929,166	
Accumulated other comprehensive income	– 143,027	– 161,911	
Capital of MVV	**1,287,725**	**1,391,217**	
Non-controlling interests	530,574	367,407	
	1,818,299	**1,758,624**	
Non-current debt			
Provisions	202,906	202,577	15
Financial debt	1,790,896	1,609,170	16
Other liabilities	1,242,664	1,286,937	17
Deferred tax liabilities	355,988	274,447	11
	3,592,454	**3,373,131**	
Current debt			
Other provisions	90,816	174,289	15
Tax provisions	3,565	1,795	15
Financial debt	192,756	277,106	16
Trade payables	489,232	383,286	
Other liabilities	14,624,594	8,805,416	17
Income tax liabilities	48,313	36,011	
	15,449,276	**9,677,903**	
	20,860,029	**14,809,658**	

STATEMENT OF CHANGES IN EQUITY

Statement of changes in equity

	Equity contributed		Equity generated						
				Accumulated other comprehensive income					
Euro 000s	Share capital of MVV Energie AG	Capital reserve of MVV Energie AG	Accu-mulated net income	Currency translation difference	Fair value measure-ment of financial instru-ments	Actuarial gains and losses	**Capital of MVV**	Non-controlling interests	**Total capital**
Balance at 1 October 2020	**168,721**	**455,241**	**803,101**	**9,483**	**– 34,167**	**– 83,241**	**1,319,138**	**215,162**	**1,534,300**
Other income and expenses recognised in equity	–	–	–	9,529	39,783	– 508	48,804	7,912	56,716
Result of business operations	–	–	108,272	–	–	–	108,272	41,666	149,938
Total comprehensive income	**–**	**–**	**108,272**	**9,529**	**39,783**	**– 508**	**157,076**	**49,578**	**206,654**
Dividends paid	–	–	– 62,611	–	–	–	– 62,611	– 17,452	– 80,063
Capital increase/reduction at subsidiaries	–	–	–	–	–	–	–	–	–
Change in scope of consolidation/ level of shareholding	–	–	– 17	–	–	–	– 17	– 55	– 72
Balance at 31 March 2021	**168,721**	**455,241**	**848,745**	**19,012**	**5,616**	**– 83,749**	**1,413,586**	**247,233**	**1,660,819**
Balance at 1 October 2021	**168,721**	**455,241**	**929,166**	**20,799**	**– 103,886**	**– 78,824**	**1,391,217**	**367,407**	**1,758,624**
Other income and expenses recognised in equity	–	–	–	4,665	24,792	725	30,182	24,710	54,892
Result of business operations	–	–	– 54,969	–	–	–	– 54,969	154,476	99,507
Total comprehensive income	**–**	**–**	**– 54,969**	**4,665**	**24,792**	**725**	**– 24,787**	**179,186**	**154,399**
Dividends paid	–	–	– 69,202	–	–	–	– 69,202	– 21,396	– 90,598
Capital increase/reduction at subsidiaries	–	–	–	–	–	–	–	–	–
Change in scope of consolidation/ level of shareholding	–	–	1,795	– 119	– 11,179	–	– 9,503	5,377	– 4,126
Balance at 31 March 2022	**168,721**	**455,241**	**806,790**	**25,345**	**– 90,273**	**– 78,099**	**1,287,725**	**530,574**	**1,818,299**

CASH FLOW STATEMENT

Cash flow statement[1]

Euro 000s	**1 Oct 2021 to 31 Mar 2022**	1 Oct 2020 to 31 Mar 2021
Net income for period before taxes on income	139,933	215,741
Amortisation, depreciation and write-ups of intangible assets, property, plant and equipment and investment properties	103,611	97,648
Financial result	23,594	17,493
Interest received	3,158	2,641
Change in non-current provisions	802	2,508
Other non-cash income and expenses	72,851	– 20,632
Result of disposal of non-current assets	– 54,996	– 948
Cash flow before working capital and taxes	**288,953**	**314,451**
Change in other assets	– 379,774	– 177,517
Change in other liabilities	72,253	133,843
Change in current provisions	– 84,504	– 39,011
Income taxes paid	– 49,540	– 27,782
Cash flow from operating activities	**– 152,612**	**203,984**
Payments for investments in intangible assets, property, plant and equipment and investment properties	– 121,779	– 103,831
Proceeds from disposals of intangible assets, property plant and equipment and investment properties	1,051	9,601
Proceeds from subsidy payments	382	5,294
Proceeds from sale of fully consolidated companies	25,617	–
Proceeds from sale of other financial assets	62,665	270
Payments for acquisition of fully consolidated companies and other business units	– 31,945	– 3,954
Payments for other financial assets	– 797	– 9,931
Cash flow from investing activities	**– 64,806**	**– 102,551**
Proceeds from taking up of loans	299,128	397,562
Payments for redemption of loans	– 198,927	– 215,974
Dividends paid	– 69,202	– 62,611
Dividends paid to non-controlling interests	– 21,396	– 17,452
Change due to changes in capital at minorities	– 742	– 73
Interest paid	– 24,970	– 21,582
Cash flow from financing activities	**– 16,109**	**79,870**
Cash-effective changes in cash and cash equivalents	– 233,527	181,303
Change in cash and cash equivalents due to currency translation	4,692	7,752
Cash and cash equivalents at 1 October 2021 (2020)	1,258,177	343,175
Cash and cash equivalents at 31 March 2022 (2021)	**1,029,342**	**532,230**
of which cash and cash equivalents at 31 March 2022 (2021) with restraints on disposal	150	226

1 See further disclosures on cash flow statement in Note 21

CASH FLOW STATEMENT

Cash flow – aggregate presentation

Euro 000s	**1 Oct 2021 to 31 Mar 2022**	1 Oct 2020 to 31 Mar 2021
Cash and cash equivalents at 1 October 2021 (2020)	**1,258,177**	**343,175**
Cash flow from operating activities	– 152,612	203,984
Cash flow from investing activities	– 64,806	– 102,551
Cash flow from financing activities	– 16,109	79,870
Change in cash and cash equivalents due to currency translation	4,692	7,752
Cash and cash equivalents at 31 March 2022 (2021)	**1,029,342**	**532,230**

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Information about the company

MVV Energie AG has its legal domicile in Mannheim, Germany. It is the parent company of MVV and acts as an energy generator, distributor and service provider in its reporting segments of Customer Solutions, New Energies, Supply Reliability, Strategic Investments and Other Activities.

These condensed interim financial statements were prepared by the Executive Board on 10 May 2022. Neither the condensed interim consolidated financial statements nor the interim group management report were subject to any audit review requirements.

Accounting policies

The condensed interim consolidated financial statements for the period from 1 October 2021 to 31 March 2022 have been prepared in line with IFRS accounting requirements as adopted by the EU, and in particular with IAS 34 "Interim Financial Reporting". These interim consolidated financial statements do not include all notes and disclosures required of a complete set of annual financial statements and should therefore be read in conjunction with the consolidated financial statements as of 30 September 2021.

Apart from the new requirements outlined below, the accounting policies applied in the interim consolidated financial statements as of 31 March 2022 are essentially consistent with those applied in the consolidated financial statements as of 30 September 2021.

The preparation of the interim consolidated financial statements in some cases required the use of assumptions and estimates which impacted on the amount and statement of recognised assets, liabilities, income and expenses. Actual figures could in individual cases deviate at a later point in time from the assumptions and estimates. Any resultant amendments would have a corresponding impact on earnings upon more accurate information becoming available.

Changes in scope of consolidation

Alongside MVV Energie AG, all material German and foreign subsidiaries are included in MVV's interim consolidated financial statements.

The number of companies included is presented in the following table.

Scope of consolidation

	Companies fully consolidated	Companies recognised at equity
1 October 2021	133	35
Additions	5	2
Disposals	7	5
31 March 2022	**131**	**32**

In the 1st quarter of 2022, MVV Enamic GmbH, Mannheim, a fully consolidated company within the MVV Group, acquired 100 % of the shares in the companies AVANTAG Energy S.a.r.l. (AVANTAG), Wecker, Luxembourg, and Philipp Rass Energy GmbH (PRE), Trier. This resulted in the full consolidation of both companies. AVANTAG plans, projects and installs photovoltaics systems with a focus on the German and Luxembourg markets, while PRE offers maintenance and repair services. The existing activities were taken over and are the reason for the goodwill stated.

The fair values of the assets and liabilities identifiable upon the full consolidation of AVANTAG and PRE are presented in the following table. The acquisition costs of Euro 33,000 thousand correspond to the total of the fair value of the acquired net assets and goodwill and were paid in cash.

Identifiable assets and liabilities

	AVANTAG Energy S.a.r.l.	Philipp Rass Energy GmbH
Euro 000s	Recognised upon acquisition	Recognised upon acquisition
Intangible assets	1	–
Property, plant and equipment	88	128
Other financial assets	26	–
Trade receivables	2,679	140
Inventories	704	–
Other receivables and assets	1,768	6
Cash and cash equivalents	3,249	87
Provisions	537	–
Trade payables	1,779	14
Financial debt	554	59
Other liabilities	56	120
Fair value of net assets	**5,589**	**168**
Acquired share of net assets	**5,589**	**168**
Goodwill	25,811	1,432

Since being fully consolidated, AVANTAG and PRE have contributed sales of Euro 5,815 thousand and earnings of Euro – 2,188 thousand.

Additions to fully consolidated companies also include companies newly added due to the change in status of other majority shareholdings at project companies in the Juwi subgroup.

Material disposals from fully consolidated companies relate to the sale of the three companies mobiheat GmbH, Friedberg (Bavaria), mobiheat Schweiz GmbH, Dietlikon, Switzerland and mobiheat Österreich GmbH, Sankt Lorenz, Austria. The remaining changes involve mergers and one liquidation.

Additions to companies recognised at equity relate to the acquisition of SWT Solar GmbH, Trier, and AvanLog Solar GmbH, Munich. Disposals mainly involve the sale of the following at-equity companies: DataCenter Offenbach RheinMain GmbH, MAIN DC Asset GmbH, both in Offenbach am Main, enerix Franchise GmbH & Co. KG and enerix Management GmbH, both in Regensburg.

Currency translation

Currency translation in the condensed interim consolidated financial statements has been based on the following main exchange rates:

Currency translation

	Reporting date rate		Average rate	
1 Euro	**31 Mar 2022**	30 Sep 2021	**1 Oct 2021 to 31 Mar 2022**	1 Oct 2020 to 31 Mar 2021
Czech crown (CZK)	24.375	25.495	25.019	26.373
British pound (GBP)	0.846	0.861	0.842	0.889
US dollar (USD)	1.110	1.158	1.133	1.199
South African rand (ZAR)	16.173	17.563	17.362	18.338

Source: European Central Bank

Seasonal influences on business activities

Substantial areas of our business are subject to weather-related seasonality. For this reason, we regularly generate higher volumes of sales and earnings in the first two quarters of our financial year.

NOTES TO INCOME STATEMENT

1. Sales

A depiction of sales broken down into their value chain stages has been provided in the segment report.

The rise in sales by Euro 1,045,204 thousand was chiefly driven by volume and price factors for electricity and gas.

When translated into group currency, sales at our foreign subsidiaries came to Euro 158,300 thousand (previous year: Euro 136,798 thousand).

2. Changes in inventories

Changes in inventories mainly relate to unfinished projects and project rights.

3. Cost of materials

Cost of materials rose by Euro 1,212,386 thousand compared with the previous year's period. This increase was also mainly due to volume and price factors for electricity and gas.

4. Other operating income and other operating expenses

Other operating income

Euro 000s	**1 Oct 2021 to 31 Mar 2022**	1 Oct 2020 to 31 Mar 2021
Income from IFRS 9 derivatives	2,135,220	113,736
Agency agreements and personnel supplies	4,664	5,565
Exchange rate gains	3,769	2,462
Rental income	2,993	2,972
Reversal of provisions	2,388	2,237
Reimbursements	2,382	7,003
Operating taxes (including energy taxes)	1,523	960
Income from sales of assets and write-ups	440	1,649
Miscellaneous	11,619	11,538
	2,164,998	**148,122**

Other operating expenses

Euro 000s	**1 Oct 2021 to 31 Mar 2022**	1 Oct 2020 to 31 Mar 2021
Expenses for IFRS 9 derivatives	2,018,208	81,701
Contributions, fees and duties	22,408	19,753
Expenses for advisory services	11,909	11,375
Maintenance, repair and IT services	10,163	9,028
Rental, leasehold and leasing expenses	9,213	8,426
Public relations expenses	5,877	4,453
Other employee-related expenses	5,490	4,280
Other services	5,285	6,323
Operating taxes (including energy taxes)	3,581	6,215
Exchange rate losses	2,353	2,054
Miscellaneous	9,435	14,563
	2,103,922	**168,171**

The changes in other operating income and other operating expenses are chiefly due to the recognition of derivatives measured in accordance with IFRS 9. The measurement of these items under IFRS 9 resulted in a positive net effect of Euro 117,012 thousand in the 1st half of the 2022 financial year (previous year: positive net effect of Euro 32,035 thousand).

5. Income from companies recognised at equity

The income of Euro 47,596 thousand from companies recognised at equity (previous year: Euro 18,141 thousand) mainly resulted from the subsequent measurement of joint ventures and of companies over which MVV has only significant influence. Furthermore, the figure for the current year also includes a medium double-digit million euro amount resulting from the sale of MAIN DC Offenbach GmbH.

6. Other income from shareholdings

Other income from shareholdings rose year-on-year by Euro 15,828 thousand to Euro 16,207 thousand. This increase was mainly attributable to the results generated from the disposal of associates in the first half of the year.

7. Financing income and financing expenses

Financing income and financing expenses mainly comprise interest on loans. Net financing expenses rose by Euro 6,101 thousand to Euro 23,594 thousand. This increase was mainly due to exchange rate fluctuations in connection with financing facilities.

8. Taxes on income

The change in this line item is principally due to the change in deferred taxes for measurement items relating to energy trading transactions recognised under IFRS 9, as well as to a decrease in current taxes due to the reduction in earnings and the use of tax loss carryovers.

9. Earnings per share

Share of earnings attributable to MVV Energie AG shareholders and earnings per share

	1 Oct 2021 to 31 Mar 2022	1 Oct 2020 to 31 Mar 2021
Share of earnings attributable to MVV Energie AG shareholders (Euro 000s)	– 54,969	108,272
Number of shares (weighted average in 000s)	65,907	65,907
Earnings per share (Euro)	– 0.83	1.64

It was not necessary to account for any dilution effects.

NOTES TO BALANCE SHEET

10. Other receivables and assets

The increase in other receivables and assets compared with 30 September 2021 is mainly due to higher fair values of energy trading transactions recognised under IFRS 9 on account of substantial movements in market prices.

11. Deferred taxes

The change in deferred tax receivables and tax liabilities chiefly results from measurement items for energy trading transactions and tax loss carryovers.

12. Trade receivables

Trade receivables rose compared with 30 September 2021, with this mainly being due to customary seasonal developments, higher price levels on the energy markets and the growth in our electricity and gas trading businesses. These factors were opposed by changes in receivables in the project development business.

13. Cash and cash equivalents

The reduction in cash and cash equivalents is principally due to payments for investments in major projects and a high volume of backflows for security deposits for counterparty default risks, as well as to payment of the dividend for the 2021 financial year.

14. Dividends paid

The Annual General Meeting on 11 March 2022 approved an increase in the dividend for the 2021 financial year of Euro 0.10 to Euro 1.05 per individual share (total distribution: Euro 69,202 thousand). Furthermore, a total of Euro 21,396 thousand was distributed to minority shareholders on subsidiary level.

15. Provisions

Provisions decreased by Euro 81,374 thousand compared with 30 September 2021. This reduction was primarily due to the utilisation of provisions for services not yet invoiced and of provisions for personnel-related obligations.

16. Financial debt

Financial debt rose by Euro 97,376 thousand compared with 30 September 2021. This increase was attributable in particular to the taking up of new loans to finance major projects and safeguard liquidity. These factors were opposed by regular repayments on existing loans.

17. Other liabilities

The rise in other liabilities compared with 30 September 2021 was mainly due to higher fair values of energy trading transactions recognised under IFRS 9 as a result of significant movements in market prices.

18. Contingent liabilities

Contingent liabilities have not changed materially at the Group since the previous year’s comparative period.

19. Financial instruments

Depending on their classification, financial instruments are recognised either at fair value or at amortised cost. Fair value is the price at which an asset can be sold or a liability settled in an orderly transaction between market participants as of the measurement date. The fair value of financial instruments traded on organised markets is determined by reference to the bidding price listed on the stock exchange at the balance sheet date. The fair value of financial instruments for which there is no active market is determined by applying valuation methods. These methods are based on transactions recently performed on market terms, the current value of other essentially identical instruments, the analysis of discounted cash flows or option price models. Where no market prices are available, MVV measures specific long-term energy contracts and interest derivatives in particular using recognised valuation methods based on internal fundamental data. Pursuant to IFRS 13, due account is also taken of market and credit risks when calculating fair values.

MVV allocates its financial instruments to the three levels prescribed by IFRS 7. The individual levels are defined as follows:

Level 1: Measurement based on prices listed on active markets and taken over without amendment

Level 2: Measurement based on directly or indirectly observable factors other than those in Level 1

Level 3: Measurement based on factors not observable on the market.

The following table presents the financial assets and liabilities measured at fair value in accordance with their respective measurement hierarchy.

Fair value hierarchy at 31 March 2022

Euro 000s	**Level 1**	**Level 2**	**Level 3**
Financial assets			
Other shareholdings	–	–	5,969
Derivatives outside hedge accounting	7,166,736	4,349,831	10,118
Derivatives within hedge accounting	1,678,712	1,590,437	1,187
Other financial assets	–	–	7,067
Financial liabilities			
Derivatives outside hedge accounting	6,733,541	4,604,979	1,743
Derivatives within hedge accounting	609,627	2,713,982	1,158
Other financial liabilities	–	–	23,745

Fair value hierarchy at 30 September 2021

Euro 000s	Level 1	Level 2	Level 3
Financial assets			
Other shareholdings	–	–	5,909
Derivatives outside hedge accounting	3,752,931	3,210,472	3,459
Derivatives within hedge accounting	914,332	1,116,490	11
Other financial assets	–	–	–
Financial liabilities			
Derivatives outside hedge accounting	3,385,777	3,319,238	518
Derivatives within hedge accounting	308,060	1,840,470	3,381
Other financial liabilities	–	–	26,206

The other shareholdings in Level 3 do not have market prices listed on any active market. The fair value of other shareholdings is determined in a capital value procedure by discounting future cash flows. Discounting is undertaken by reference to the currently valid discount rate at the balance sheet date. The input parameters used to measure the fair value are set with due consideration of economic developments and available company data. The fair value thereby determined would increase or decrease depending on the development in future sales and future EBIT.

Where no market prices are available, the fair value of long-term energy contracts and interest derivatives in Level 3 is determined using recognised valuation methods based on internal fundamental data. In this, we refer to listings on active markets. Where no active markets are available, reference is made to company-specific assumptions.

The derivatives in Level 3 hedge accounting include interest swaps with floor. Any upward or downward change in the volatility factored into the calculations by an absolute figure of 1 would increase the fair value by Euro 29 thousand or reduce it by Euro 29 thousand.

Other Level 3 liabilities include variable purchase price components resulting from acquisitions. The discounted cash flow method is used to determine the fair value. This involves discounting the cash flows expected in future with a predetermined discount rate. The input parameters are set with due consideration of contractual requirements and available company data. The fair value thereby determined would increase or decrease depending on the development in future sales and future EBIT.

The following reconciliation presents the development in financial instruments recognised in Level 3.

Development in financial instruments recognised in Level 3

Euro 000s	**Balance at 1 Oct 2021**	**Gains/losses in income statement**	**Gains/losses in OCI**	**Additions/ disposals**	**Balance at 31 Mar 2022**
Financial assets					
Other shareholdings	5,909	–	–	60	5,969
Derivatives outside hedge accounting	3,459	6,659	–	–	10,118
Derivatives within hedge accounting	11	–	1,176	–	1,187
Financial liabilities					
Derivatives outside hedge accounting	518	1,225	–	–	1,743
Derivatives within hedge accounting	3,381	–	– 2,223	–	1,158
Other financial liabilities	26,206	66	–	– 2,527	23,745

Development in financial instruments recognised in Level 3

Euro 000s	Balance at 1 Oct 2020	Gains/losses in income statement	Gains/losses in OCI	Additions/ disposals	Balance at 30 Sep 2021
Financial assets					
Other shareholdings	5,575	– 8	–	342	5,909
Derivatives outside hedge accounting	47	3,412	–	–	3,459
Derivatives within hedge accounting	36	–	11	– 36	11
Other financial assets	–	–	–	–	–
Financial liabilities					
Derivatives outside hedge accounting	733	– 215	–	–	518
Derivatives within hedge accounting	4,424	–	– 1,123	80	3,381
Other financial liabilities	25,395	1,355	–	– 544	26,206

Gains and losses recognised in statement of comprehensive income for Level 3 financial instruments

Euro 000s	Total	of which still held at 31 Mar 2022
Other operating income and expenses	5,386	5,819
Income from shareholdings	–	–
Financial result	– 18	– 18
Other comprehensive income	3,399	3,360
	8,767	**9,161**

Gains and losses recognised in statement of comprehensive income for Level 3 financial instruments

Euro 000s	Total	of which still held at 30 Sep 2021
Other operating income and expenses	2,165	1,825
Income from shareholdings	– 8	– 8
Financial result	107	107
Other comprehensive income	1,134	1,085
	3,398	**3,009**

20. Segment reporting

Segment report from 1 October 2021 to 31 March 2022

Euro 000s	Adjusted external sales excluding energy taxes	Intercompany sales excluding energy taxes	Depreciation and amortisation	Impairment losses	Adjusted EBIT
Customer Solutions	2,058,493	272,549	9,521	–	102,012
New Energies	257,834	152,092	44,569	–	74,779
Supply Reliability	265,343	475,716	36,816	–	63,383
Strategic Investments	79,769	22,919	5,855	–	20,211
Other Activities	278	23,421	6,850	–	1,951
Consolidation	–	–946,696	–	–	–
	2,661,717	**–**	**103,611**	**–**	**262,336**

Segment report from 1 October 2020 to 31 March 2021

Euro 000s	Adjusted external sales excluding energy taxes	Intercompany sales excluding energy taxes	Depreciation and amortisation	Impairment losses	Adjusted EBIT
Customer Solutions	1,590,379	181,622	10,509	–	47,665
New Energies	234,723	50,780	38,749	–	60,710
Supply Reliability	188,035	403,142	35,089	–	82,505
Strategic Investments	64,526	579	5,648	–	28,180
Other Activities	305	24,607	7,653	–	4,237
Consolidation	–	–660,730	–	–	–
	2,077,968	**–**	**97,648**	**–**	**223,297**

External reporting is based on the internal management structure, thus complying with the management approach pursuant to IFRS 8. Units are grouped in such a way that the pooling of specialist competence under one roof forms the basis for stringent portfolio management at the Group. Business fields based on the respective energy industry value chain stages have been allocated to the reporting segments of Customer Solutions, New Energies, Supply Reliability, Strategic Investments and Other Activities. The characteristics used to identify and aggregate the segments relate to the type of products and services, the type of production processes, the asset and capital intensity, customer structures and needs, the sales methods used and, where appropriate, the regulatory framework.

Analytically, the business fields can be further broken down by subgroup and individual company with their products.

- The **Customer Solutions** reporting segment is subdivided into the business fields of commodities, retail and business. It comprises the retail and secondary distribution business with electricity, heating, gas and water, the solutions business for retail and business customers and the service and trading business at MVV Trading GmbH. The Smart Cities field also forms part of this reporting segment.

  The key focus of aggregation for these business fields relates to the service business and customer needs. The customer is the key focus of the business, use is made of comparable service methods, activities and marketing processes for the customers are pooled and almost exclusively target external customers (above all sales to third parties).

- The energy from waste plants, biomass power plants, photovoltaics systems, wind turbines, biomethane plants and biogas plants are allocated to the **New Energies** reporting segment. This reporting segment also includes the renewable energies project development and operations management activities.

The business fields aggregated in this segment focus on the provision of services, solutions and products in connection with renewable energies. Activities within this reporting segment involve the planning, approval, development, construction and operation of technical plants to generate electricity from sustainable/partly sustainable commodities such as wind, waste timber, non-recyclable forest timber, green cuttings, waste/RDF, biogas and sunshine. The processes are characterised by long planning, approval, construction and operating stages.

- In addition to conventional energy generation, the **Supply Reliability** reporting segment also includes grid facilities for electricity, heat, gas and water. It comprises combined heat and power generation, grid facilities and further infrastructure required to provide our customers with a secure supply of electricity, heat, gas and water.

  The business fields aggregated in this segment serve to provide customers with a reliable and stable supply of various products. All facilities are characterised by high asset intensity, long technical lifecycles and long-term financing structures.

- The **Strategic Investments** reporting segment consists of the Köthen Energie and MVV Energie CZ subgroups and the at-equity result of the Stadtwerke Ingolstadt subgroup.

- The **Other Activities** reporting segment consists in particular of the shared service companies and cross-divisional functions.

- **Consolidation** includes figures for transactions with other reporting segments that are eliminated for consolidation purposes.

Intercompany sales represent the volume of sales between segments. Transfer prices between segments correspond to customary market terms. Segment sales prior to consolidation are equivalent to the total of intercompany and external sales.

Of segment sales with external customers, 94.5 % were generated in Germany (previous year: 93.4 %). The regional breakdown of sales is based on the geographical location of the respective companies.

No individual customers of MVV account for 10 % or more of total sales.

The reconciliation of EBIT (income statement) with adjusted EBIT and of sales with adjusted sales is presented in the following tables:

Reconciliation of EBIT (income statement) with adjusted EBIT

Euro 000s	**1 Oct 2021 to 31 Mar 2022**	1 Oct 2020 to 31 Mar 2021	+/– change
EBIT as per income statement	163,527	233,234	– 69,707
Financial derivative measurement items	97,112	– 11,666	+ 108,778
Structural adjustment for part-time early retirement	–	–	–
Interest income in connection with finance leases	1,697	1,729	– 32
Adjusted EBIT	**262,336**	**223,297**	**+ 39,039**

Reconciliation of external sales excluding energy taxes with adjusted external sales excluding energy taxes

Euro 000s	**1 Oct 2021 to 31 Mar 2022**	1 Oct 2020 to 31 Mar 2021	+/– change
Sales less electricity and natural gas taxes	3,123,229	2,078,025	+ 1,045,204
Realisation effects from financial derivatives	– 461,512	– 57	– 461,455
Adjusted sales less electricity and natural gas taxes	**2,661,717**	**2,077,968**	**+ 583,749**

21. Cash flow statement

After the elimination of non-cash income and expenses, the lower volume of earnings before taxes (EBT) compared with the previous year led the cash flow before working capital and taxes to decrease by Euro 25,498 thousand. The largest positive item thereby eliminated related to the non-cash measurement of derivatives under IFRS 9. By contrast, the reclassification of non-operating income from the sale of fully consolidated companies and companies recognised at equity to the cash flow from investing activities had a negative impact.

The cash flow from operating activities fell year-on-year by Euro 356,596 thousand in the period under report. This development was due above all to the high backflow of security deposits for counterparty default risk (margins). From an operating perspective, key influences reducing the cash flow compared with the previous year's period related above all to the more marked increase in trade receivables due to the higher level of wholesale prices on the energy markets and the expansion in our electricity and gas trading businesses. One opposing factor with a correspondingly positive impact related in particular to the more marked increase in trade payables, with this also being due to the higher level of wholesale prices on the energy markets.

The development in the cash flow from investing activities was mainly shaped by higher proceeds from the sale of companies. Three fully consolidated companies, namely mobiheat GmbH, mobiheat Schweiz GmbH and mobiheat Österreich GmbH, were sold in the current period under report. Furthermore, the following companies recognised using the equity method were also sold: MAIN DC Offenbach GmbH, MAIN DC Asset GmbH, enerix Franchise GmbH & Co. KG and enerix Management GmbH. These items were opposed by higher payments to acquire companies and higher payments for investments in non-current assets. Overall, the cash flow from investing activities rose year-on-year by Euro 37,745 thousand.

The cash flow from financing activities fell by Euro 95,979 thousand compared with the 2nd quarter of the 2021 financial year, with this largely being due to the lower volume of net new borrowing.

22. Related party disclosures

Numerous contractually agreed legal relationships are in place between MVV companies and the City of Mannheim and the companies controlled by the latter (electricity, gas, water and district heating supply agreements, as well as rental, leasing and service agreements). Furthermore, concession agreements are in place between MVV Energie AG and the City of Mannheim. All business relationships have been concluded on customary market terms and are basically analogous to the supply and service agreements concluded with third parties.

Related party disclosures

	Goods and services provided				Receivables		Liabilities	
	Income		Expenses					
Euro 000s	**1 Oct 2021 to 31 Mar 2022**	1 Oct 2020 to 31 Mar 2021	**1 Oct 2021 to 31 Mar 2022**	1 Oct 2020 to 31 Mar 2021	**31 Mar 2022**	30 Sep 2021	**31 Mar 2022**	30 Sep 2021
City of Mannheim	4,996	9,302	12,490	25,674	135	885	6,769	4,147
Abfallwirtschaft Mannheim	5,964	9,912	495	1,515	1,555	1,617	2,343	422
GBG Mannheimer Wohnungsbaugesellschaft mbH	13,282	13,839	1	784	209	98	–	–
m:con - mannheim:congress GmbH	1,919	3,724	169	197	4,781	5,087	378	277
MKB Mannheimer Kommunalbeteiligungen GmbH	4	85	–	–	–	3	–	–
MV Mannheimer Verkehr GmbH	– 12	33	–	–	–	–	–	–
Rhein-Neckar-Verkehr GmbH	4,300	7,543	–	–	116	40	347	491
Stadtentwässerung Mannheim	828	2,227	109	304	87	240	56	–
Associates	1,616	5,313	636	1,277	831	1,568	1,477	1,842
Joint ventures	167,199	175,785	270,387	214,207	20,216	45,285	43,096	60,261
Other related parties	14,654	22,019	3,936	5,892	7,986	7,366	4,036	2,776
	214,750	**249,782**	**288,223**	**249,850**	**35,916**	**62,189**	**58,502**	**70,216**

23. Events after balance sheet date

We are not aware of any events after the balance sheet date.

Mannheim, 10 May 2022

MVV Energie AG

Executive Board

Dr. Roll	Amann	Kirchner	Klöpfer

RESPONSIBILITY STATEMENT

“We affirm that, to the best of our knowledge, the interim consolidated financial statements give a true and fair picture of the net asset, financial and earnings position of the Group in accordance with the accounting principles applicable for interim reporting and that the interim group management report provides a fair review of the development and performance of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group through to the end of the 2022 financial year.”

Mannheim, 10 May 2022

MVV Energie AG

Executive Board

Dr. Roll	Amann	Kirchner	Klöpfer

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2022 Financial Year

14 December 2022

Annual Report
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14 December 2022

Annual Results Press Conference
and Analysts' Confernce
2022 Financial Year

The dates of conference calls to be held with analysts during the financial year will be announced in good time.

This Interim Report was published on the internet on 13 May 2022. The English version of this report is a translation of the legally definitive German version.

All of MVV's financial reports can be downloaded from our website.

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GRAPHICS

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