We inspire with energy.

Quarterly Statement 9M

Financial Year 2023

Our future: #climatepositive

MVV in Figures

	1 Oct 2022 to 30 Jun 2023	1 Oct 2021 to 30 Jun 2022	% change
Financial key figures			
Sales and earnings			
Adjusted sales excluding energy taxes (Euro million)	5,800	3,653	+ 59
Adjusted EBITDA [1] (Euro million)	995	476	>+ 100
Adjusted EBITDA excluding disposal gains [1] (Euro million)	860	421	>+ 100
Adjusted EBIT [1] (Euro million)	845	320	>+ 100
Adjusted EBIT excluding disposal gains [1] (Euro million)	710	265	>+ 100
Adjusted net income for period [1] (Euro million)	577	213	>+ 100
Adjusted net income for period after minority interests [1] (Euro million)	511	145	>+ 100
Capital structure			
Adjusted total assets at 30 June 2023/30 September 2022 [2] (Euro million)	6,066	6,888	– 12
Adjusted total assets excluding margins at 30 June 2023/30 September 2022 [2, 3] (Euro million)	5,855	5,434	+ 8
Adjusted equity at 30 June 2023/30 September 2022 [2] (Euro million)	2,370	1,863	+ 27
Adjusted equity ratio at 30 June 2023/30 September 2022 [2] (%)	39.1	27.1	+ 44
Adjusted equity ratio excluding margins at 30 June 2023/30 September 2022 [2, 3] (%)	40.5	34.3	+ 18
Net financial debt at 30 June 2023/30 September 2022 (Euro million)	890	32	>+ 100
Net financial debt excluding margins at 30 June 2023/30 September 2022 [3] (Euro million)	998	1,449	– 31
Cash flow and investments			
Cash flow from operating activities (Euro million)	– 816	262	–
Cash flow from operating activities excluding margins [3] (Euro million)	493	41	>+ 100
Investments (Euro million)	227	224	+ 1
Share			
Adjusted earnings per share [1] (Euro)	7.76	2.20	>+ 100
Non-financial key figures			
Electricity generation capacity from renewable energies at 30 June 2023/30 September 2022 [4] (MW_e)	625	614	+ 2
Electricity generation volumes from renewable energies [5] (kWh million)	1,077	1,030	+ 5
Completed development of new renewable energies plants (MW_e)	1,331	385	>+ 100
Operations management for renewable energies plants (MW_e)	3,691	3,665	+ 1
Number of employees at 30 June 2023/30 June 2022 (headcount)	6,315	6,500	– 3
Number of trainees at 30 June 2023/30 June 2022 (headcount)	252	273	– 8

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 for counterparty default risks (margins)

4 Including electricity generation capacity from wind turbines for repowering at 30 June 2023 (28 MW)/30 September 2022 (30 MW)

5 Including electricity generation volumes from wind turbines for repowering at 30 June 2023 (25 million kWh)/30 June 2022 (17 million kWh)

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Highlights

Our goal: #climatepositive

On 12 July 1873, the City of Mannheim took over a gas works that had previously been privately managed together with the relevant grid. That marked the beginning of the 150-year history of MVV and its predecessor organisations. Since then, we have constantly developed further and already acted many years ago to make sustainability the centrepiece of our strategy. Today, our Mannheim Model makes us Germany's first energy company to receive scientific confirmation for our "net zero ambition by 2040 at the latest". The first visible proof: In Dresden, our #climatepositive future is already a reality. Our bio-waste anaerobic digestion plant there is the first plant where parts of the CO_2 captured during biomethane production are used for internal operating processes and surplus CO_2 is now stored in demolition concrete. This way, we are permanently removing CO_2 from the atmosphere.

Further expanding renewable energies

We are pressing ahead with expanding renewable energies – both in Germany and around the world. In South Africa alone, our Juwi subsidiary has built up an EPC (engineering, procurement and construction) pipeline with a capacity of 400 megawatts. Juwi is currently planning the construction of the largest windfarm in North Rhine-Westphalia. If everything goes according to plan, its capacity of 262.5 megawatts will supply green electricity to more than 150,000 households from the end of 2028. By offering revamping measures, since the beginning of 2023 we have helped operators of ground-mounted solar parks to replace older modules with higher-capacity modules and thus further boost the performance capacity of their existing parks and market additional electricity volumes via power purchase agreements (PPAs).

Promoting the mobility transition

One way in which we are supporting the mobility transition, and thus climate protection targets, is by offering a forward-looking charging infrastructure. In recent months, we increased the number of charging points in Mannheim and the region to more than 260: At Maimarkt Car Park, for example, we launched operations with our third MVV e-charging park with 12 charging points in total. This drive-through, fast-charging park is free of barriers and each charging point has a maximum charging capacity of 300 kilowatts. Together with the municipality of Brühl, we have also implemented an innovative charging and e-car sharing concept. This involves 18 charging points at nine locations and e-car sharing services from our company FRANKLIN Mobil.

Foreword

Dear Ladies and Gentlemen,

Germany aims to have climate-friendly heating in future. This is to be achieved with a new legal framework on federal level which will govern municipal heat plans and requirements for individual buildings. Although the debate on the Heat Planning Act and the Building Energy Act is still well underway among politicians and in society, one aspect is already clear: In future, district heat will be the first choice for any climate-neutral heat supply in large built-up areas. To this end, a national average of at least 50 percent of district heat should result from climate-neutral generation by 2030. At MVV, we will beat this target in Mannheim and its surrounding region and in Offenbach. Here, we will supply 100-percent green heat by 2030, with Kiel set to follow no later than 2035.

For the heat transition to succeed, the infrastructure will also have to be fully converted to green energies. That also applies to the transformation in gas distribution grids which, by the time at which the heat supply is fully decarbonised, will have to be either converted to green gases or decommissioned. Although very little time remains before these measures will have to be implemented, no bespoke political framework is yet in place for either of these options for the future. We have outlined how this framework should be structured in our current study: “Future of the Gas Grids”.

To ensure the success of the heat transition, there is therefore an urgent and substantial need to reform a whole series of requirements, such as those in energy industry law, concession law and the incentive regulation ordinance. Moreover, this framework must be dovetailed with municipal heat planning and the German Building Energy Act (GEG). Ultimately, we must obtain a set of regulations that successfully addresses the sometime conflicting needs for investment reliability on the one hand and openness to as many types of climate-neutral heat supply as possible on the other. Over and above that, we also need people capable of putting the heat transition into practice on a technical level. What we need here is a broad-based training and specialist recruitment campaign.

First #climatepositive plant implemented at MVV

Instead of waiting for political decisions or promotional financing, at MVV we are already putting our plans into action. That applies just as much to the heat transition as to the electricity transition and our customer solutions. Together, they form the pillars of our Mannheim Model and show how we intend to become #climatepositive by 2040 at the latest. This will require us not only to reduce our emissions but also to actively remove CO_2 from the atmosphere and permanently capture, use or store this. Our biomass and energy from waste plants are the key to our #climatepositive future. In Dresden, this future is already a reality: At our bio-waste anaerobic digestion plant there, we have for the first time now stored captured and liquefied CO_2. This greenhouse gas is used for concrete recycling and permanently removed from the atmosphere by being stored in demolition concrete. In Mannheim, we are also working on a pilot project in which CO_2 is to be captured from flue gas resulting from waste treatment and the biomass power plant and subsequently used.

Outlook confirmed for 2023 financial year

The strong business performance – driven above all by exceptional developments in the energy trading business – which we already saw in the first half of our 2023 financial year continued in the third quarter as well. On this basis, from an operating perspective we still without amendment expect our adjusted EBIT excluding disposal gains to amount to between Euro 650 million and Euro 720 million. In the event of a further stabilisation in the energy markets and assuming no setbacks arise due to macroeconomic factors, we even see opportunities for our operating earnings to exceed the forecast range.

Yours faithfully,

Dr. Georg Müller
CEO

Our First Nine Months

Adjusted sales

5.8 Euro billion

Adjusted EBIT excluding disposal gains

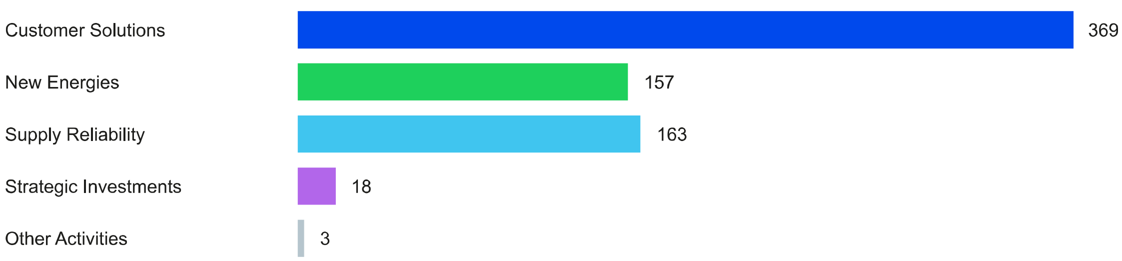
710 Euro million

Investments

227 Euro million

Adjusted sales by reporting segment
Euro million

Adjusted EBIT excluding disposal gains by reporting segment
Euro million



Group Business Performance

Business Framework

Economic and Energy Policy Climate

Political tug-of-war over the heat transition

A regulatory and legal framework is now emerging in the political debate surrounding the heat transition. Laws governing both municipal heat plans and requirements for individual buildings are planned to take effect on 1 January 2024. Based on the current status, district heat will be firmed up as a central heat supply option in large built-up areas. This affirms our strategic position in the heat transition. At the same time, the decision largely not to restrict the respective technologies means that our customers can select the heat option that best meets their needs from our range of products and services.

One consequence of the fossil fuel exit is the need to redefine the role played by natural gas grids. Depending on municipal heat plans, grids will be rededicated for distributing hydrogen or green gases or decommissioned due to the use of other heat options, such as district heat. To date, there is no legal or regulatory framework for this transformation, a factor that is creating uncertainty among local authorities, local populations and grid operators. In a study published in June 2023, we pointed to the absence of this framework and issued recommendations as to how it might be structured. This study is available online at
mvv.de/gasnetzstudie

Federal Government adopts draft legislation for speedier approval of renewable energies

To streamline approval processes and foster the targeted acceleration in the expansion of renewable energies, in April 2023 the Federal Government adopted draft legislation to improve climate protection, accelerate immission control approval processes and implement EU laws. The desired effect is mainly to be achieved by amending the German Immission Control Act (BImSchG) and subordinate ordinances. Following its first reading in the Federal Parliament at the end of June 2023, the draft legislation was referred to the relevant committee and may be adopted from autumn 2023.

The targeted amendments may have positive effects for us, particularly when planning new onshore wind turbines and ground-mounted PV systems. However, the draft legislation should also include further requirements to accelerate the approval of those grid expansion projects needed to connect additional wind turbines and PV systems.

Windfall tax expires at end of June 2023

In October 2022, the EU responded to high energy prices by adopting a regulation with emergency measures, including windfall taxes applicable to excess profits resulting from electricity generation from December 2022 onwards. Consistent with the European regulation, this measure was limited in time until 30 June 2023 but nevertheless included an extension option. At the start of June 2023, the Federal Government announced that it would not extend the timeframe for applying the windfall tax. This decision was justified by reference to the secure electricity supply, the current fall in electricity prices, the lack of proceeds from the windfall tax and potential investment disincentives were the tax to be extended.

We were directly affected by the windfall tax at our proprietary electricity generation plants. The same applies for our activities in the segment of green electricity procurement contracts (power purchase agreements, PPAs). We welcome the expiry of this instrument, which we also deemed inappropriate from a political perspective, as it countered the accelerated expansion in wind and solar power plants.

Legislative procedures are currently underway in the EU to reform the EU's electricity market design. These are intended to provide a permanent framework for managing energy crises and protect consumers in need. It has not yet been decided whether, in the event of a crisis, a temporary windfall tax would be among the measures thereby established on a permanent basis.

German Energy Efficiency Act intended to implement EU requirements

In April 2023, the Federal Cabinet approved the German Energy Efficiency Act that is expected to be adopted by the Federal Parliament in September after the summer recess. This legislation aims to implement the main requirements of the revised EU Energy Efficiency Directive in national law.

Several amendments are relevant to our companies. Based on total end energy consumption, for example, companies are to be obliged to introduce energy or environmental management systems. This will require further companies to implement systems of this nature, thus creating demand for consulting and above all implementation in one of our focus markets. Moreover, further requirements involve using waste heat from data centres and companies.

EnWG Amendment strengthens BNetzA and promotes core hydrogen network

In May 2023, the Federal Cabinet approved an amendment to the German Energy Industry Act (EnWG) to implement the ruling by the European Court of Justice concerning the independence of the Federal Network Agency (BNetzA) and set out new requirements for the core hydrogen network. This legislation is expected to take effect in autumn 2023.

The amendment will extend the competencies of the BNetzA. In future, the authority will also be responsible for the contents of incentive regulation, grid fee, and grid access ordinances. Moreover, the new requirements on the core hydrogen network should provide planning reliability for scaling up the use of hydrogen.

German Act to Restart the Digitisation of the Energy Transition (GNDEW) takes effect

The GNDEW entered effect in May 2023. This legislation chiefly regulates the rollout of smart metering systems, including rollout obligations and deadlines, and sets price caps for standard and extra services. This will provide the rollout with greater legal security and accelerate the process. In particular, the rollout will in future no longer depend on the so-called market declaration by the German Federal Office for Information Security (BSI). We welcome this move. With regard to price caps, the participation of grid operators is now envisaged. Recognition of costs in the context of incentive regulation is still subject to uncertainties given the ECJ ruling on the independence of Germany's regulatory authorities. With regard to the last point, we are calling for the recognition clearly intended by lawmakers to be implemented in regulatory practice.

BGH confirms Xgen for 3rd regulatory period for electricity

At the end of June 2023, Germany's Federal Court of Justice (BGH) announced its decision concerning the general sectoral productivity factor (Xgen) for electricity in the 3rd regulatory period. In response to the appeal filed by the Federal Network Agency (BNetzA), the ruling of the Higher Regional Court (OLG) in Düsseldorf dated 16 March 2022 was rescinded and the appeals filed by grid operators rejected. The rationale for the decision is currently not yet available. The stipulation made by the BNetzA in November 2018 was thus confirmed. In terms of incentive regulation, this set an Xgen of 0.90 % for electricity supply grid operators in the third regulatory period. This factor reduces the permissible revenue cap due to assumed advances in the productivity of grid operations compared with the overall economy. This aspect is countered by inflation.

Market Climate

Wholesale prices still mostly higher than in previous year despite downward trend

Wholesale prices (average): 1 October to 30 June				
	FY 2023	FY 2022	+/– change	% change
Crude oil [1] (US$/barrel)	82.84	96.26	– 13.42	– 14
Natural gas [2] (Euro/MWh)	73.55	62.66	+ 10.89	+ 17
Coal [3] (US$/tonne)	159.47	157.06	+ 2.41	+ 2
CO_2 rights [4] (Euro/tonne)	90.64	80.13	+ 10.51	+ 13
Electricity [5] (Euro/MWh)	184.82	155.67	+ 29.15	+ 19

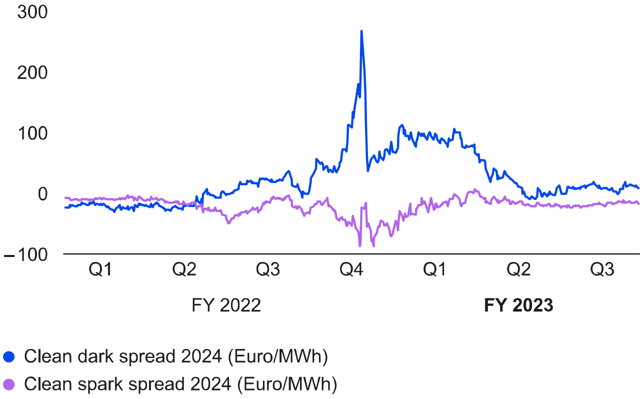
1 Brent crude oil; front-month
2 Trading Hub Germany market region; front-year
3 Front-year
4 Front December contract
5 Front-year

Wholesale fuel and electricity prices were again higher in the period under report than in the same period in the previous year. The year-on-year increase was nevertheless less marked than in previous reporting periods within the current 2023 financial year. Following a predominantly negative trend in the current financial year, prices for the futures market contracts for electricity, gas and coal presented here reached provisional lows towards the end of May 2023. By contrast, crude oil prices were lower in the period under report than in the previous year.

Conventional generation spreads show disparate developments

The average margin from conventional coal-based generation (clean dark spread – CDS) rose compared with the previous year's period. Having peaked at the end of our 2022 financial year, the CDS remained comparatively high during the first months of the current period under report. The clean spark spread (CSS), i.e. the margin from gas-based generation, rose slightly on average during the 2023 financial year but remains at a low level. In the context of our hedging concept and taking due account of (scheduled or unscheduled) non-availabilities, changes in these spreads may particularly impact 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 2024



Impact of Weather Conditions

Warmer weather conditions and higher wind volumes than in previous year

Higher outdoor temperatures lead to lower heat requirements at our customers. This is also reflected in lower degree day figures, which serve to indicate temperature-related heat use. In the first nine months of our 2023 financial year, it was milder overall than in the previous year's comparative period. Degree day figures were around 3 % lower than the previous year's figures. This factor is supplemented by savings achieved by our customers irrespective of temperatures due to the specific supply situation arising as a result of the war in Ukraine.

Like our customers' heat 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 significantly depends, are particularly important in this respect.

Overall, the volume of usable wind in the regions relevant to our business was around 12 % higher than the long-term average in the first three quarters of our 2023 financial year. The wind yield was ahead of the previous year's figure, which in turn exceeded the long-term average by around 3 %. In this comparison, we use the "EMD-ERA Wind Index" with a reference period (historic average).

Earnings, Asset and Financial Position

The period under report comprises the first nine months of the 2023 financial year – from 1 October 2022 to 30 June 2023. Unless otherwise indicated, the following comments refer to the MVV Group (MVV), i.e. all companies fully consolidated and the updated measurement of those shareholdings that are recognised at equity. The sale of our MVV Energie CZ subsidiary was completed in December 2022. In June 2023, our shares in Stadtwerke Ingolstadt were transferred to the City of Ingolstadt. As of the reporting date on 30 June 2023, both companies have no longer been included in the consolidated financial statements. Figures have been rounded up or down to the nearest million-euro amounts. Discrepancies may therefore arise between the aggregate sums of individual items and the totals stated.

Presentation of Earnings Performance

Material operating developments

The reduction in electricity volumes mainly results from lower trading volumes. Heat turnover fell short of the previous year's figure, with this being due above all to weather conditions, as well as to the measures taken by our customers to save energy. Furthermore, the reduction in heat turnover also reflects the sale of MVV Energie CZ. Largely due to lower trading volumes and savings measures taken by our customers, gas turnover also decreased.

In sales, we eliminate the difference between the hedge and reporting date prices as of the respective realisation date pursuant to IFRS 9. This resulted in a net total of Euro 610 million in the realisation period from 1 October 2022 to 30 June 2023 (previous year: Euro – 747 million).

The growth in adjusted sales is primarily due to the year-on-year increase in wholesale electricity and gas prices, as well as to higher sales in our project development business.

MVV 9M: 1 October to 30 June

Euro million	**FY 2023**	FY 2022	+/– change	% change
Development in turnover				
Electricity (kWh million)	14,924	20,496	– 5,572	– 27
Heat (kWh million)	4,691	5,968	– 1,277	– 21
Gas (kWh million)	13,949	16,437	– 2,488	– 15
Water (m^3 million)	28.3	29.6	– 1.3	– 4
Usable residual waste delivered (tonnes 000s)	1,728	1,854	– 126	– 7
Adjusted sales excl. energy taxes	5,800	3,653	+ 2,147	+ 59
of which electricity revenues	2,878	1,585	+ 1,293	+ 82
of which heat revenues	416	363	+ 53	+ 15
of which gas revenues	1,535	933	+ 602	+ 65
of which water revenues	67	67	0	0
Adjusted EBIT	845	320	+ 525	>+ 100
of which Customer Solutions	369	129	+ 240	>+ 100
of which New Energies	157	96	+ 61	+ 64
of which Supply Reliability	163	82	+ 81	+ 99
of which Strategic Investments	153	12	+ 141	>+ 100
of which Other Activities	3	1	+ 2	>+ 100
Adjusted EBIT excl. disposal gains	710	265	+ 445	>+ 100

On an operating level, i.e. excluding the disposal gain generated from the sale of MVV Energie CZ and the proceeds from the sale of shares in Stadtwerke Ingolstadt, MVV's adjusted EBIT amounted to Euro 710 million in the period under report (previous year: Euro 265 million). This year-on-year earnings growth was driven by all operating segments.

In the Customer Solutions segment, the rise in adjusted EBIT was mainly influenced by exceptional developments in the Commodities business field. While maintaining a conservative approach to risk management, we systematically expanded our marketing and managing of renewable energies. Thanks to these additional volumes and by drawing on price volatilities, we were able to generate substantial additional revenues from trading with renewable energies. At the same time, we also achieved earnings growth in our portfolio management activities for conventional energy trading. Adjusted EBIT in the New Energies segment benefited in particular from higher earnings contributions from our project development business and our wind turbines. Earnings in the Environmental Energy business were positively affected by the development in electricity and steam prices. Plant availability was at around the same level as in the previous year. The marked rise in earnings in the Supply Reliability segment is due on the one hand to the reduced financial impact of non-availabilities at a company recognised at equity. On the other hand, the postponement of a planned plant inspection at this at-equity company also generated additional earnings in the Supply Reliability segment. The positive impact on earnings will reverse once the inspection is performed in the further course of the year.

Reconciliation with adjusted EBIT

Reconciliation of EBIT (income statement) with adjusted EBIT
9M, 1 October to 30 June

Euro million	FY 2023	FY 2022	+/– change
EBIT as reported in income statement	1,048	143	+ 905
Financial derivative measurement items	– 205	174	– 379
Interest income in connection with finance leases	2	3	– 1
Adjusted EBIT	**845**	**320**	**+ 525**

We refer to adjusted EBIT in our value-based management. To calculate this key figure, we adjust our operating earnings before interest and taxes to eliminate items including 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 205 million as of 30 June 2023 and of Euro – 174 million as of 30 June 2022. 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

In cost of materials, we eliminate the difference between the hedge and reporting date prices pursuant to IFRS 9. The **adjusted cost of materials** rose by Euro 1,612 million to Euro 4,473 million. This increase largely reflects the higher wholesale prices realised for gas and electricity compared with the previous year, as well as the development in our project development business.

Driven above all by workforce growth at several domestic group companies and by collectively agreed pay rises, **employee benefit expenses** increased year-on-year by Euro 15 million to Euro 399 million.

Adjusted income from derivative financial instruments rose by Euro 53 million to Euro 183 million, while **adjusted expenses for derivative financial instruments** grew by Euro 74 million to Euro 177 million. These developments were caused above all by measurement items in connection with cavern management.

The development in **other operating income** was chiefly shaped by income from the sales of MVV Energie CZ and the shares in Stadtwerke Ingolstadt. Overall, adjusted other operating income rose by Euro 117 million to Euro 216 million. The increase in **other operating expenses** by Euro 86 million to Euro 222 million was caused by higher expenses for accruals and operative currency translation.

Benefiting above all from period earnings at an at-equity company of our Juwi subsidiary, **income from companies recognised at equity** showed an overall increase of Euro 6 million.

The reduction in **depreciation and amortisation** by Euro 6 million to Euro 150 million is primarily a consequence of the sale of MVV Energie CZ.

Mainly on account of foreign currency translation items, which were only partly offset by higher interest income, the **adjusted financial result** (expense) rose by Euro 10 million to Euro 41 million.

At Euro 65 million, **adjusted non-controlling interests** were Euro 3 million lower than in the previous year.

See Income Statement on Page 16

Presentation of Asset Position

Development in balance sheet

Total assets fell to Euro 10,149 million, representing a reduction of Euro 14,180 million compared with 30 September 2022. This was chiefly attributable to the changed level of market prices and the resultant changes in the fair values of energy trading transactions recognised under IFRS 9. These changes are reflected in the development in asset-side and liability-side derivative financial instruments and in the change in deferred taxes and liabilities.

Non-current assets decreased by Euro 3,265 million to Euro 4,304 million. As already mentioned, this reduction mainly resulted from the lower level of fair values for energy trading transactions recognised under IFRS 9. Due above all to the sale of MVV Energie CZ, property, plant and equipment decreased by Euro 75 million. The development in interests in companies recognised at equity on the one hand reflects the sale of shares held in Stadtwerke Ingolstadt. This factor was countered by the increase in actuarial gains and losses at a company recognised at equity. Overall, interests in companies recognised at equity declined by Euro 38 million.

Principally as a result of the lower fair values of energy trading transactions recognised under IFRS 9, **current assets** declined by Euro 10,914 million to Euro 5,845 million. The rise in trade receivables by Euro 217 million corresponds to customary seasonal developments and also reflects the higher level of prices on energy markets. Current other financial receivables and assets rose by Euro 72 million, with this chiefly being due to the increase in receivables from security deposits for counterparty default risk (margins). Largely due to developments in our project business and the increase in recognised emission rights, current other non-financial receivables and assets rose by Euro 80 million.

At Euro 2,501 million, MVV's **equity** including non-controlling interests was Euro 55 million higher than at the previous year's balance sheet date.

Chiefly as a result of the lower fair values of energy trading transactions recognised under IFRS 9, **non-current debt** decreased by Euro 3,196 million to Euro 2,802 million.

Current debt fell by Euro 11,039 million to Euro 4,845 million. Here too, this development reflects the change in market prices and resultant change in the fair values of energy trading transactions recognised under IFRS 9. The reduction in current other provisions by Euro 79 million was mainly attributable to the utilisation of provisions for services not yet invoiced. The main reason for the reduction in current other financial liabilities by Euro 1,235 million was the decrease in liabilities for security deposits for counterparty default risk (margins). Current other non-financial liabilities rose by Euro 51 million, a development largely attributable to relief amounts required for regulatory reasons and not yet passed on.

For Group management purposes, we adjust our consolidated balance sheet as of 30 June 2023 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, amounting to a total of Euro 4,083 million (30 September 2022: Euro 17,441 million). On the equity and debt side, we eliminate negative fair values and allocable deferred taxes, amounting to a total of Euro 3,951 million (30 September 2022: Euro 16,858 million). Under equity, we then eliminate the net balance, which amounted to Euro 132 million (30 September 2022: Euro 583 million). This led to **adjusted equity** of Euro 2,370 million as of 30 June 2023 (30 September 2022: Euro 1,863 million). Based on adjusted total assets of Euro 6,066 million (30 September 2022: Euro 6,888 million), the adjusted equity ratio thus stood at 39.1 % as of 30 June 2023, compared with 27.1 % as of 30 September 2022. Excluding margins, the adjusted equity ratio amounted to 40.5 % as of 30 June 2023 (30 September 2022: 34.3 %).

See Balance Sheet on Page 17

Presentation of Financial Position

Current and non-current financial debt decreased by Euro 99 million to Euro 1,818 million. The taking up of new loans was countered by repayments of existing loans. At the same time, **cash and cash equivalents** fell by Euro 957 million, a development chiefly attributable to backflows of security deposits for counterparty default risk (margins) within the cash flow from operating activities in the period under report. This factor was countered by the sales of MVV Energie CZ and shares in Stadtwerke Ingolstadt. Overall, **net financial debt** rose by Euro 858 million to Euro 890 million. Net financial debt excluding margins amounted to Euro 998 million (previous year: Euro 1,449 million).

The **cash flow before working capital and taxes** rose year-on-year by Euro 418 million. This increase was principally due to the fact that, even after the elimination of non-cash and non-operating income and expenses, the year-on-year growth in earnings before taxes (EBT) led to a higher level of cash-effective operating earnings. The largest item within this elimination related to the non-cash measurement of derivatives pursuant to IFRS 9. The reclassification of non-operating income from the sale of MVV Energie CZ and the shares in Stadtwerke Ingolstadt to the cash flow from investing activities also impacted negatively on the cash flow before working capital.

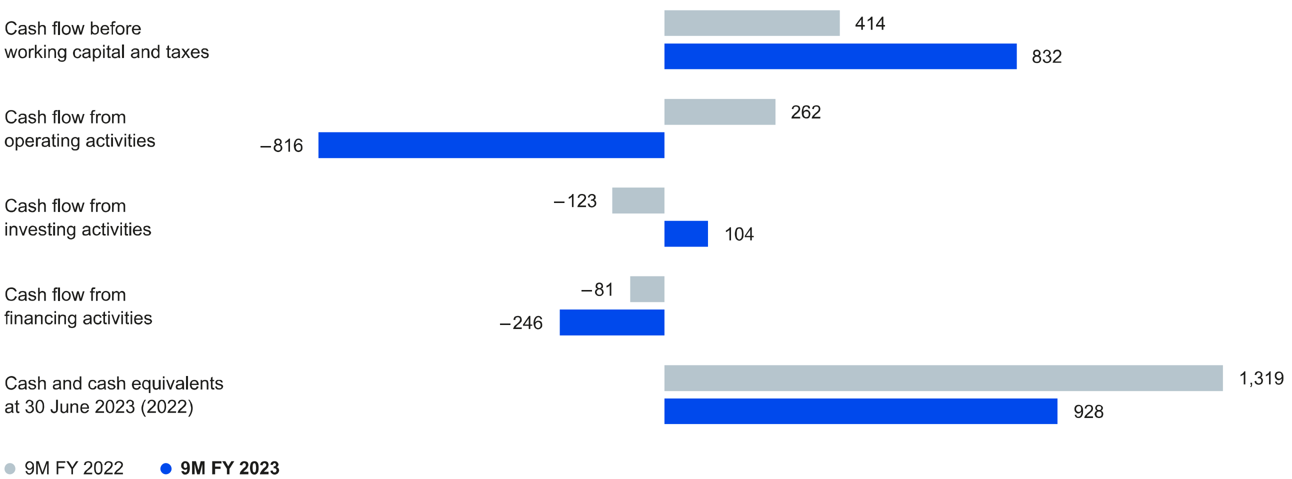
The **cash flow from operating activities** declined by Euro 1,078 million compared with the previous year's period. This was primarily due to the higher volume of repayments for security deposits for counterparty default risk (margins). Chiefly influenced by lower wholesale electricity and gas prices, the volume of margins received fell significantly in the period under report. Adjusted to eliminate the change in margins deposited, the cash flow from operating activities rose by Euro 452 million to Euro 493 million. From an operating perspective, the factor which, alongside higher earnings, chiefly drove the year-on-year rise in the cash flow was the lower increase in inventories, especially in our project development business.

The development in the **cash flow from investing activities** was mainly shaped by the proceeds from the sales of MVV Energie CZ and shares in Stadtwerke Ingolstadt in the period under report. Furthermore, payments for the acquisition of companies decreased in the current period. These factors were countered by higher payments for investments in non-current assets. Overall, the cash flow from investing activities increased by Euro 226 million compared with the previous year's period.

The **cash flow from financing activities** fell by Euro 165 million to Euro – 246 million, a development mainly due to the lower volume of net new borrowing. As of 30 June 2023, MVV posted **cash and cash equivalents** of Euro 928 million (30 June 2022: Euro 1,319 million).

See Cash Flow Statement on Page 19

Cash flow statement
Euro million



Forecast for the 2023 Financial Year

Group Earnings Performance

Due to our business model, our earnings performance in the final three months of our 2023 financial year will also continue to depend in particular on wholesale prices on energy markets, waste and biomass prices, procurement costs for fuels and CO_2 emission rights, wind conditions, availability levels at our own plants and, where applicable, at plants contracted from third parties, regulatory conditions and developments 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 also 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, not restricting the availability of commodities or impairing supply chain integrity.

Given our earnings performance to date and our expectations for the fourth quarter of the current financial year, we can confirm our earnings forecast for the 2023 financial year. We raised this in our half-year reporting and published the updated forecast in our Half-Year Financial Report.

Based on the third quarter and from an operating perspective, we still without amendment expect MVV's adjusted EBIT excluding disposal gains to amount to between Euro 650 million and Euro 720 million in the 2023 financial year (previous year: Euro 298 million). In the event of a further stabilisation in the energy markets and assuming that no setbacks arise due to macroeconomic factors, we see opportunities for our adjusted EBIT excluding disposal gains to exceed the forecast range.

Opportunity and Risk Situation

At the end of the third quarter, the risk situation continues to be significantly influenced by uncertainties indirectly arising from the war in Ukraine. We present our opportunity and risk management system in detail from Page 113 onwards of our 2022 Annual Report. There, we explain the risk categories relevant to our business and the associated opportunities and risks. We are countering the implications of the war in Ukraine by implementing our crisis and emergency management and with numerous proactive measures that we continually review 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. Currently, the greatest risks and opportunities relate to wholesale energy prices, which are volatile and have recently been high, the availability of our generation plants and, where applicable, those of our partners, potential future windfall taxes introduced by lawmakers, the future national and international regulatory framework and customer behaviour in terms of energy-saving measures.

Uncertainties continue to apply with regard to potential price rises at upstream suppliers that we may not be able to charge on to our customers in full, the availability of fuels, operating materials and upstream products, potential delays in construction and other projects, particularly in our project development business, and uncertainties surrounding the launch of new products and services.

With our hedging strategy, we are continuing to respond proactively to the sharp fluctuations in prices on wholesale energy markets seen since the outbreak of the war in Ukraine. In recent times, however, there has been a noticeable reduction both in price levels and in the degree of fluctuation. As a result, the fluctuations in our security deposits to the energy exchanges (margins) have also decreased significantly. Moreover, earnings in our international business may be reduced by exchange rate fluctuations.

Income Statement

Income statement

Euro 000s	**1 Apr 2023 to 30 Jun 2023**	1 Apr 2022 to 30 Jun 2022	**1 Oct 2022 to 30 Jun 2023**	1 Oct 2021 to 30 Jun 2022
Sales	1,364,772	1,321,377	5,311,372	4,535,471
Less electricity and natural gas taxes	33,960	44,474	120,789	135,339
Sales less electricity and natural gas taxes	**1,330,812**	**1,276,903**	**5,190,583**	**4,400,132**
Changes in inventories	12,504	32,883	24,708	49,398
Own work capitalised	6,548	6,065	18,195	17,367
Income from derivative financial instruments [1]	266,865	1,035,468	4,326,626	3,170,688
Other operating income [1,2]	79,730	13,629	215,549	98,606
Cost of materials	1,055,732	1,144,484	4,309,742	3,889,822
Employee benefit expenses	131,223	127,013	399,241	384,429
Expenses for derivative financial instruments [1]	253,638	1,017,730	3,669,838	3,035,938
Other operating expenses [1]	58,126	50,095	221,682	135,809
Impairment losses on financial instruments	– 1,754	1,850	340	7,883
Income from companies recognised at equity [2]	11,327	8,470	22,938	16,964
Other income from shareholdings [2]	–	8	41	118
EBITDA	**210,821**	**32,254**	**1,197,797**	**299,392**
Depreciation and amortisation	49,401	52,312	149,957	155,923
EBIT	**161,420**	**– 20,058**	**1,047,840**	**143,469**
of which result of IFRS 9 derivative measurement	– 156,821	– 77,304	204,580	– 174,416
of which EBIT before result of IFRS 9 derivative measurement	318,241	57,246	843,260	317,885
Financing income	7,186	6,312	24,644	15,748
Financing expenses	12,670	17,582	56,379	50,612
EBT	**155,936**	**– 31,328**	**1,016,105**	**108,605**
Taxes on income	37,992	– 13,937	265,703	26,489
Net income for period	**117,944**	**– 17,391**	**750,402**	**82,116**
of which non-controlling interests	5,307	58,520	– 286,118	212,996
of which earnings attributable to MVV Energie AG shareholders (net income for period after minority interests)	**112,637**	**– 75,911**	**1,036,520**	**– 130,880**
Basic earnings per share (Euro)	**1.71**	**– 1.15**	**15.73**	**– 1.99**
Diluted earnings per share (Euro)	**1.71**	**– 1.15**	**15.73**	**– 1.99**

1 Previous year's figures adjusted. For reasons of transparency, income from / expenses for derivative financial instruments have been stated separately.

2 Reclassification of disposal gains

Balance Sheet

Balance sheet

Euro 000s	**30 Jun 2023**	30 Sep 2022
Assets		
Non-current assets		
Intangible assets	317,658	316,205
Property, plant and equipment	2,880,296	2,955,387
Right-of-use assets	141,305	145,411
Investment properties	2,611	2,911
Interests in companies recognised at equity	156,560	194,418
Other financial assets [1]	9,966	9,028
Asset-side derivative financial instruments [2]	704,128	3,764,544
Other financial receivables and assets [1,2]	54,815	55,274
Other non-financial receivables and assets [2]	9,478	10,989
Deferred tax assets	27,278	115,219
	4,304,095	**7,569,386**
Current assets		
Inventories	333,232	352,155
Asset-side derivative financial instruments [2]	3,387,842	13,662,345
Trade receivables	770,915	554,103
Other financial receivables and assets [2]	134,239	62,569
Other non-financial receivables and assets [2]	263,922	183,440
Income tax receivables	26,019	58,236
Cash and cash equivalents	928,433	1,884,998
Assets held for sale	–	1,047
	5,844,602	**16,758,893**
	10,148,697	**24,328,279**

1 Previous year’s figure adjusted. Non-current lease receivables and loans reclassified to other financial receivables and assets.

2 For reasons of transparency, derivative financial instruments have been stated separately, as have financial and non-financial receivables and assets.

Balance sheet		
Euro 000s	**30 Jun 2023**	30 Sep 2022
Equity and debt		
Equity		
Share capital	168,721	168,721
Capital reserve	455,241	455,241
Accumulated net income	1,543,790	569,653
Accumulated other comprehensive income	24,869	524,178
Capital of MVV	**2,192,621**	**1,717,793**
Non-controlling interests	308,722	728,278
	2,501,343	**2,446,071**
Non-current debt		
Provisions	143,311	147,704
Financial debt	1,616,506	1,733,109
Liability-side derivative financial instruments [1]	634,961	3,428,029
Other financial liabilities [1]	20,221	19,379
Other non-financial liabilities [1]	178,336	143,081
Deferred tax liabilities	208,835	527,143
	2,802,170	**5,998,445**
Current debt		
Other provisions	124,283	202,915
Tax provisions	2,795	1,054
Financial debt	201,796	183,826
Liability-side derivative financial instruments [1]	3,266,136	13,177,746
Trade payables	485,545	507,216
Other financial liabilities [1]	305,782	1,541,204
Other non-financial liabilities [1]	281,561	230,418
Income tax liabilities	177,286	39,384
	4,845,184	**15,883,763**
	10,148,697	**24,328,279**

1 For reasons of transparency, derivative financial instruments have been stated separately, as have financial and non-financial liabilities.

Cash Flow Statement

Cash flow – aggregate presentation		
Euro 000s	**1 Oct 2022 to 30 Jun 2023**	1 Oct 2021 to 30 Jun 2022
Cash and cash equivalents at 1 October 2022 (2021)	**1,884,998**	**1,258,177**
Cash flow from operating activities	– 815,697	261,535
Cash flow from investing activities	103,744	– 122,586
Cash flow from financing activities	– 245,999	– 80,771
Change in cash and cash equivalents due to currency translation	1,387	2,719
Cash and cash equivalents at 30 June 2023 (2022)	**928,433**	**1,319,074**

Financial Calendar

11 August 2023

9M Quarterly Statement
2023 Financial Year

14 December 2023

Annual Report
2023 Financial Year

14 December 2023

Annual Results Press Conference
and Analysts' Conference
2023 Financial Year

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

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

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