We inspire
with energy.

Interim Report H1

Financial Year 2023

Our future:
#climatepositive

MVV in Figures

	1 Oct 2022 to 31 Mar 2023	1 Oct 2021 to 31 Mar 2022	% change
Financial key figures			
Sales and earnings			
Adjusted sales excluding energy taxes (Euro million)	4,059	2,662	+ 52
Adjusted EBITDA [1] (Euro million)	627	366	+ 71
Adjusted EBITDA excluding disposal gains [1] (Euro million)	549	311	+ 77
Adjusted EBIT [1] (Euro million)	526	262	>+ 100
Adjusted EBIT excluding disposal gains [1] (Euro million)	449	207	>+ 100
Adjusted net income for period [1] (Euro million)	353	172	>+ 100
Adjusted net income for period after minority interests [1] (Euro million)	302	114	>+ 100
Capital structure			
Adjusted total assets at 31 March 2023/30 September 2022 [2] (Euro million)	5,953	6,888	– 14
Adjusted total assets excluding margins at 31 March 2023/30 September 2022 [2, 3] (Euro million)	5,583	5,434	+ 3
Adjusted equity at 31 March 2023/30 September 2022 [2] (Euro million)	2,101	1,863	+ 13
Adjusted equity ratio at 31 March 2023/30 September 2022 [2] (%)	35.3	27.1	+ 30
Adjusted equity ratio excluding margins at 31 March 2023/30 September 2022 [2, 3] (%)	37.6	34.3	+ 10
Net financial debt at 31 March 2023/30 September 2022 (Euro million)	1,111	32	>+ 100
Net financial debt excluding margins at 31 March 2023/30 September 2022 [3] (Euro million)	1,366	1,449	– 6
Cash flow and investments			
Cash flow from operating activities (Euro million)	– 971	– 153	>+ 100
Cash flow from operating activities excluding margins [3] (Euro million)	191	– 95	–
Investments (Euro million)	160	156	+ 3
Share			
Adjusted earnings per share [1] (Euro)	4.59	1.73	>+ 100
Non-financial key figures			
Electricity generation capacity from renewable energies at 31 March 2023/30 September 2022 [4] (MW_e)	625	614	+ 2
Electricity generation volumes from renewable energies [5] (kWh million)	752	722	+ 4
Completed development of new renewable energies plants (MW_e)	497	134	>+ 100
Operations management for renewable energies plants (MW_e)	3,740	3,636	+ 3
Number of employees at 31 March 2023/31 March 2022 (headcount)	6,202	6,442	– 4
Number of trainees at 31 March 2023/31 March 2022 (headcount)	268	281	– 5

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 31 March 2023 (30 MW)/30 September 2022 (30 MW)

5 Including electricity generation volumes from wind turbines for repowering at 31 March 2023 (20 million kWh)/31 March 2022 (10 million kWh)

Contents

Highlights

International project development business gains momentum

Expanding renewable energies – in our own generation and developing them for customers – has been a firm component of our strategy for many years now. And now our Juwi subsidiary is building what is the largest photovoltaics project in its history: a 223-megawatt solar park with 414,000 solar modules in the US State of Colorado. Operations are scheduled to be launched at the end of 2023. Furthermore, Juwi sold the rights to the 84-megawatt Wolf Windfarm in South Africa. Developed by Juwi, this windfarm should start operating in the first quarter of 2024. At the end of March, Juwi Shizen Energy, a joint venture between Juwi and Shizen Energy founded in 2013, successfully handed over the Azuma Kofuji project to the operator. This 100-megawatt solar park is the largest project so far implemented by the Japanese joint venture.

Further advances with decarbonising our district heat

We are converting our district heat supply in Mannheim and the region to 100 % green energy sources by 2030 at the latest. A further milestone on this course is the construction of our innovative river heat pump on the Rhine. Having spent one year in production at the Swedish plant of Siemens Energy, the individual pump components reached their deployment location in recent weeks. The plant will launch operations for the 2023 heat period.

With its 8 Point Programme, our Kiel subsidiary will fully convert its electricity and district heat to climate-neutral generation by 2035.

Attractive dividend

After a two-year break due to the pandemic, our Annual General Meeting was held in person once again in Mannheim on 10 March 2023. We intend to retain this format in future as well. As in the previous year, our shareholders voted in favour of a dividend of Euro 1.05 per share for the 2022 financial year. This corresponds to a dividend yield of 3.6 percent based on the closing price of our share at the end of the 2022 financial year. Given 65.9 million shares in all, the distribution total amounts to Euro 69.2 million.

Foreword

Dear Ladies and Gentlemen,

Germany is endeavouring to structure the heat transition and has thus finally recognised the key role this has to play in reducing CO_2 emissions. With the Amendment to the German Building Energy Act (GEG), the Federal Government intends to implement the requirement that, starting in 2024 and with few exceptions, all new heat systems must be at least 65 % powered by renewable energies. We are already several steps ahead at MVV, as we have been working at full steam on these topics for years now. With the electricity transition and our green customer solutions, the heat transition is a core component of the Mannheim Model which sets out our course towards a #climatepositive future from 2040 at the latest. Alongside heat pumps in particular, district heat is one lever enabling buildings to be supplied with climate-friendly heating in future in line with legal requirements. By 2030 at the latest, we will convert district heat in Mannheim and the region and in Offenbach to 100 % green energy sources. Kiel is set to follow by 2035 at the latest.

Concerns as to a shortage of gas in the past autumn and winter showed how indispensable the heat transition is not only from a climate protection perspective, but also for reasons of supply reliability. With our gas bonus initiative, we additionally supported people in Mannheim and the region in their efforts to save energy. That was a success: Between October 2022 and March 2023, participants in our campaign cut their gas consumption, when adjusted for weather-related factors, by nearly a third compared with the previous year. Their gas savings were nearly twice as high as the average for our grid region. This campaign saved more than 11.5 million kilowatt hours of gas and thus more than 2,300 tonnes of CO_2.

Heading at pace for #climatepositive

If we are to speed up decarbonisation in the building sector, and thus in Germany as a whole, we will need all green generation options. That is why we will launch operations in Mannheim this year with our first river heat pump and a sewage sludge treatment plant. In 2024, we will connect our biomass power plant on Friesenheimer Insel to the district heat grid. These measures will be supplemented by further green options, such as deep geothermal energy, additional river heat pumps, biomethane plants, electrode boilers and further industrial waste heat. We are also pressing continually ahead with the electricity transition – in our own generation and for our customers as well. After all, electricity consumption is set to rise in the coming years due to new decentralised heat solutions such as heat pumps, as well as due to e-mobility.

Significantly reducing emissions alone, however, will not make Germany climate neutral. Over and above that, we will have to remove greenhouse gases from the atmosphere and permanently immobilise these by using or storing them. Here too, we will be making our contribution and launching operations at initial trial carbon capture facilities in Mannheim and Dresden.

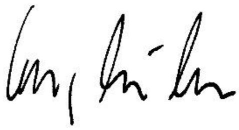
With these activities, we are underlining yet again that, with our #climatepositive strategy, we are already thinking of the future and are ourselves actually generating the additional tempo needed to realise the energy transition.

We are maintaining our successful course

The development in our core key figures for the first six months of our 2023 financial year offers further proof that, at MVV, climate protection and business success go hand in hand. In a challenging environment, we were able to draw on the resultant opportunities and achieve impressive earnings. These benefited in particular from exceptional developments in renewable energies trading and our international renewable energies project development business. At the same time, we invested Euro 160 million in sustainable growth in the first half of the year. For the further course of the 2023 financial year, we also expect to be able to generate substantial additional revenues, particularly in our energy trading. As the macroeconomic outlook has now stabilised and we have come through the winter half, we are raising our earnings forecast for the current financial year. From an operating perspective, we expect adjusted EBIT excluding disposal gains to amount to between Euro 650 million and Euro 720 million.

We would be delighted if you were to continue accompanying us on our #climatepositive course.

Yours faithfully,



Dr. Georg Müller
CEO

Our First Six Months

Adjusted sales

4.1 Euro billion

Adjusted EBIT excluding disposal gains

449 Euro million

Investments

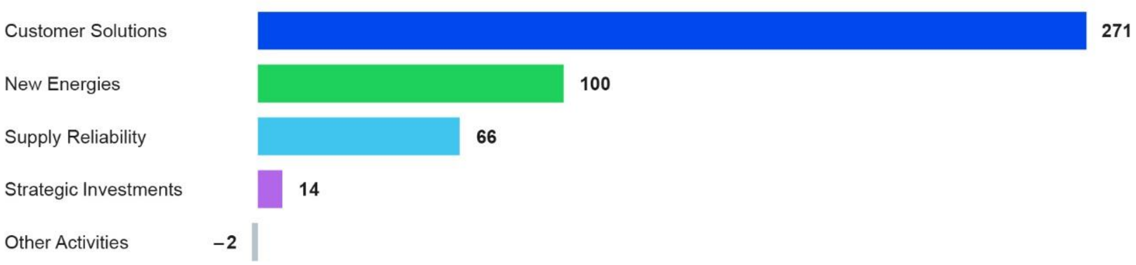
160 Euro million

Adjusted revenue by reporting segment

Euro million

Adjusted EBIT excluding disposal gains by reporting segment

Euro million



Interim Group Management Report

Group Business Performance

Business Framework

Economic and Energy Policy Climate

Future electricity market design

The way in which the electricity market design should be structured in future is currently the subject of discussion on national and European levels. Developments in electricity prices and refinancing power plant capacities are also key factors in a largely renewables-based electricity system.

For this discussion, the Federal Government has initiated the Climate-Neutral Electricity System platform. By involving lawmakers, business, academics and wider society, this format is intended to propose measures for the electricity market design. The platform began its activities in February 2023. Initial proposals are due to be made in the summer.

In parallel, the EU Commission presented a first draft to amend the European electricity market design in March 2023. This envisages implementing two-way “contracts for difference” as the basic mechanism for subsidising renewable energies. This way, plant operators would be guaranteed a fixed stream of revenues. To boost unsubsidised expansion, the conditions underlying long-term contracts (PPAs) are to be improved, partly by offering state guarantees. This mechanism will lend momentum to our investments in renewable energies.

Renewable energies strategy of the Federal Government

The renewable energies expansion will have to be significantly accelerated if the targets for generating electricity from renewables are to be met. To this end, in March 2023 the Federal Ministry for Economic Affairs and Climate Action (BMWK) invited guests including representatives of associations and federal states to a first summit held for photovoltaics and wind power respectively. For each of the two summits, the ministry published draft versions of a PV and an onshore wind power strategy which were subsequently made available for consultation. The final strategies are to be presented before the end of the first half of 2023.

EU reaches agreement on RED III and EED

The European Commission, European Parliament and European Council have reached agreement on the contents of two core elements of the “Fit for 55” package. On the one hand, a comprehensively redesigned version of the EU’s Renewable Energy Directive (RED III) can take effect. This raises the European target for renewable energies by 2030 from 32.5 % to 45 % and sets out binding targets for individual sectors. Moreover, the adjustments to RED will speed up approval processes on European level. On the other hand, the European institutions initiated the revision of the Energy Efficiency Directive (EED). This sets a binding target that energy consumption in the EU must be reduced by 11.7 % by 2030 compared with 2020. This reduction is to be achieved by investing in the public sector, promoting district heat and cooling and setting binding annual targets for each member state. For MVV, this new framework harbours opportunities for district heat in particular; in future, this is set to play a central role in the heat transition across Europe. The informal agreements reached in the trilogue process still have to be formally endorsed by the Parliament and the Council.

Building energy legislation boosts our heat strategy

With its amendment to the German Building Energy Act (GEG), the Federal Government is currently implementing the requirement that, starting in 2024, all newly installed heat systems must be operated where possible with at least 65 % renewable energies. Alongside electric heat pumps, one way to satisfy the 65 % criterion is to connect to a heat grid. Discussions in parliamentary proceedings will focus in particular on cases of hardship, the role of H_2-ready gas boilers, subsidy options and interactions with municipal heat plans. The amendments are due to enter effect as of 1 January 2024. This draft legislation strengthens the strategic position we have taken in the heat transition, namely of offering our customers the best CO_2-neutral heat option in each case.

Market Climate

Rise in wholesale prices for fuels and electricity

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

	FY 2024	FY 2023	+/– change	% change
Crude oil [1] (US$/barrel)	85.37	88.64	– 3.27	– 4
Natural gas [2] (Euro/MWh)	83.17	48.50	+ 34.67	+ 71
Coal [3] (US$/tonne)	179.64	120.50	+ 59.14	+ 49
CO_2 rights [4] (Euro/tonne)	89.54	77.09	+ 12.45	+ 16
Electricity [5] (Euro/MWh)	205.97	122.60	+ 83.37	+ 68

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 markedly higher in the period under report than in the 1st half of the 2022 financial year. At the same time, the current reporting period witnessed a significant reduction in prices. In the electricity market contract for the 2024 calendar year, for example, the peak prices observed in the period from October to December 2022 more than halved to their lows in March 2023.

Conventional generation margins also rise

The margins for conventional electricity generation from coal (clean dark spread) and gas (clean spark spread) rose compared with the previous year's period, albeit to a different extent. Despite this increase, the clean spark spread is still low. In the context of our hedging concept, changes in these spreads may 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 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 six months of our 2023 financial year, it was milder than in the previous year's comparative period. Degree day figures were around 5 % lower than the previous year's figures.

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 27 % higher than the long-term average in the first half 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 21 % over the same period. 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 six months of the 2023 financial year – from 1 October 2022 to 31 March 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 on 9 December 2022. As of the reporting date on 31 March 2023, this subsidiary has therefore 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

MVV H1: 1 October to 31 March

Euro million	**FY 2023**	FY 2022	+/– change	% change
Development in turnover				
Electricity (kWh million)	11,216	13,818	– 2,602	– 19
Heat (kWh million)	3,817	4,729	– 912	– 19
Gas (kWh million)	10,921	13,081	– 2,160	– 17
Water (m^3 million)	18.1	19.1	– 1.0	– 5
Usable residual waste delivered (tonnes 000s)	1,186	1,230	– 44	– 4
Adjusted sales excl. energy taxes	4,059	2,662	+ 1,397	+ 52
of which electricity revenues	1,829	1,101	+ 728	+ 66
of which heat revenues	311	275	+ 36	+ 13
of which gas revenues	1,208	700	+ 508	+ 73
of which water revenues	43	44	– 1	– 2
Adjusted EBIT	526	262	+ 264	>+ 100
of which Customer Solutions	271	102	+ 169	>+ 100
of which New Energies	100	75	+ 25	+ 33
of which Supply Reliability	66	63	+ 3	+ 5
of which Strategic Investments	91	20	+ 71	>+ 100
of which Other Activities	– 2	2	– 4	-
Adjusted EBIT excl. disposal gains	449	207	+ 242	>+ 100

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, but also 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 199 million in the realisation period from 1 October 2022 to 31 March 2023 (previous year: Euro 461 million). The growth in MVV's 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.

The rise in adjusted EBIT in the **Customer Solutions segment** was mainly attributable to exceptional developments in the Commodities business field. While maintaining a conservative approach to risk management, we have 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. Earnings were adversely affected by the pro-rated windfall tax.

The slight rise in earnings in the **Supply Reliability segment** is largely the result of the reduced financial impact of non-availabilities at a company recognised at equity.

The substantial growth in adjusted EBIT in the **Strategic Investments segment** is attributable to the sale of our MVV Energie CZ subsidiary.

On an operating level, i.e. excluding the disposal gain generated from the sale of MVV Energie CZ, the adjusted EBIT of **MVV** amounted to Euro 449 million in the first six months of our financial year.

Reconciliation with adjusted EBIT

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

Euro million	**FY 2023**	FY 2022	+/– change
EBIT as reported in income statement	886	163	+ 723
Financial derivative measurement items	– 361	97	– 458
Interest income in connection with finance leases	1	2	– 1
Adjusted EBIT	**526**	**262**	**+ 264**

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 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 361 million as of 31 March 2023 and Euro – 97 million as of 31 March 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 1,083 million to Euro 3,177 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 11 million to Euro 268 million.

Adjusted income from derivative financial instruments rose by Euro 101 million to Euro 173 million, while **adjusted expenses for derivative financial instruments** grew by Euro 120 million to Euro 167 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 sale of MVV Energie CZ. Overall, other operating income rose by Euro 51 million to Euro 136 million. The increase in **other operating expenses** by Euro 78 million to Euro 164 million resulted from higher expenses for accruals, the statement of provisions for windfall taxes and operative currency translation.

Benefiting above all from a year-on-year improvement in earnings for the period at an at-equity company of our Juwi subsidiary, **income from companies recognised at equity** rose by Euro 3 million to Euro 12 million.

The reduction in **depreciation and amortisation** by Euro 3 million to Euro 101 million is primarily a consequence of the sale of MVV Energie CZ.

Mainly on account of foreign currency translation items, the **adjusted financial result** decreased by Euro 12 million to Euro – 35 million.

At Euro 50 million, **adjusted non-controlling interests** were Euro 8 million lower than in the previous year, a development chiefly attributable to lower earnings at Energieversorgung Offenbach.

See Income Statement on Page 17 and Notes to Income Statement from Page 26 onwards.

Presentation of Asset Position

Development in balance sheet

Total assets fell to Euro 10,770 million, which represents a reduction of Euro 13,558 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 tax assets and liabilities 🗋 **Notes to Balance Sheet, Notes 10, 13 and 19.**

Non-current assets decreased by Euro 3,134 million to Euro 4,435 million. As already mentioned, this reduction mainly resulted from the lower level of fair values for energy trading transactions recognised under IFRS 9. Property, plant and equipment fell by a total of Euro 97 million, with this principally being due to the sale of MVV Energie CZ.

Largely on account of the lower fair values of energy trading transactions recognised under IFRS 9, **current assets** declined by Euro 10,425 million to Euro 6,334 million. The rise in trade receivables by Euro 249 million to Euro 803 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 93 million, with this chiefly being due to the increase in receivables from security deposits for counterparty default risk (margins). Largely due to the increase in recognised emission rights, current other non-financial receivables and assets rose by Euro 61 million to Euro 244 million.

At Euro 2,352 million, MVV's **equity** including non-controlling interests was Euro 94 million lower 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 2,973 million to Euro 3,025 million.

Current debt fell by Euro 10,491 million to Euro 5,392 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 65 million was mainly attributable to the utilisation of provisions for services not yet invoiced and of provisions for personnel obligations. The main reason for the reduction in current other financial liabilities by Euro 1,096 million was the decrease in liabilities for security deposits for counterparty default risk (margins).

For Group management purposes, we adjust our consolidated balance sheet as of 31 March 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 Euro 4,817 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 Euro 4,566 million (30 September 2022: Euro 16,858 million). Under equity, we then eliminate the net balance, which amounted to Euro 251 million (30 September 2022: Euro 583 million). This led to **adjusted equity** of Euro 2,101 million as of 31 March 2023 (30 September 2022: Euro 1,863 million). Based on adjusted total assets of Euro 5,953 million (30 September 2022: Euro 6,888 million), the adjusted equity ratio thus stood at 35.3 % as of 31 March 2023, compared with 27.1 % as of 30 September 2022. Excluding margins, the adjusted equity ratio amounted to 37.6 % as of 31 March 2023 (30 September 2022: 34.3 %).

🗋 **See Balance Sheet on Page 19 and Notes to Balance Sheet from Page 28 onwards**

Investments

We invested a total of Euro 160 million in the first half of our 2023 financial year (previous year: Euro 156 million).

Investments: H1, 1 October to 31 March

Euro million	**FY 2023**	FY 2022	+/– change	% change
Customer Solutions	13	41	– 28	– 68
New Energies	67	51	+ 16	+ 31
Supply Reliability	68	54	+ 14	+ 26
Strategic Investments	3	3	0	0
Other Activities	9	7	+ 2	+ 29
Total	**160**	**156**	**+ 4**	**+ 3**

Our largest investment projects involved

- Investments in green heat generation plants, including building a backup plant to secure and cover peak load requirements for district heat, building a river heat pump and the new grids required for these
- The takeover of 70 % of an Italian company specialising in the development of PV projects
- Building solar parks and taking these over into our own portfolio
- A new plant technology to produce phosphorous from sewage sludge in Mannheim
- Maintaining and renewing our distribution grids to safeguard supply reliability.

Presentation of Financial Position

Current and non-current financial debt decreased by Euro 60 million to Euro 1,857 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 1,138 million, a development chiefly attributable to back-flows 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 sale of MVV Energie CZ.

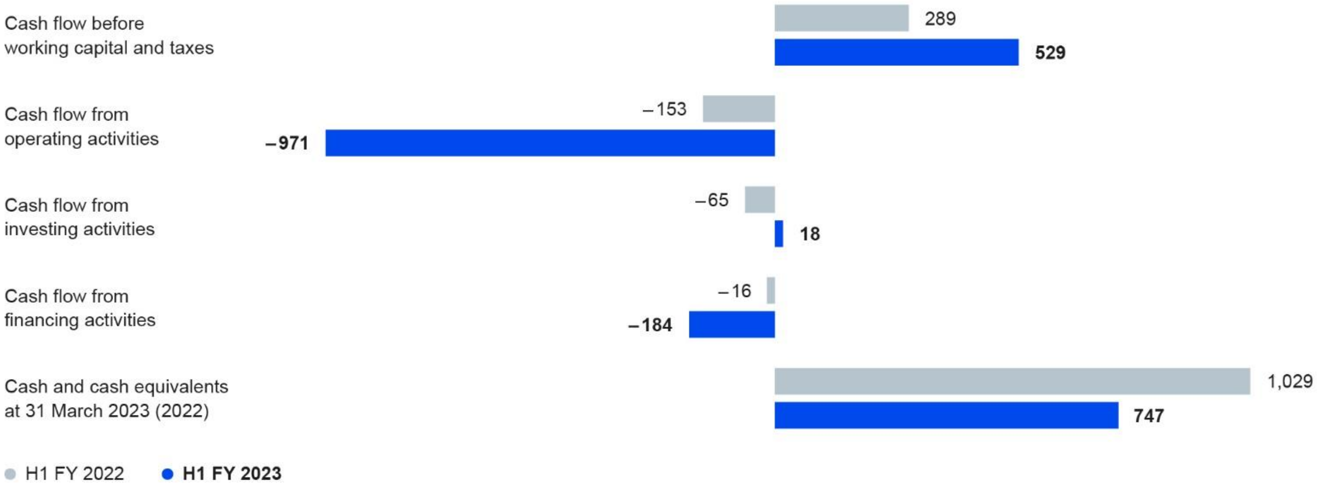
Overall, **net financial debt** increased by Euro 1,079 million to Euro 1,111 million. Net financial debt excluding margins amounted to Euro 1,366 million (30 September 2022: Euro 1,449 million).

As of 31 March 2023, MVV posted **cash and cash equivalents** of Euro 747 million (31 March 2022: Euro 1,029 million).

See Cash Flow Statement on Page 22 and Note 25

Cash flow statement

Euro million



Employees

Personnel figures (headcount) at balance sheet date

	31 Mar 2023	31 Mar 2022	+/– change	% change
MVV [1]	**6,202**	**6,442**	**– 240**	**– 4**
of which in Germany	5,679	5,468	+ 211	+ 4
of which abroad	523	974	– 451	– 46

1 Including 268 trainees (previous year: 281)

We had a total of 6,202 employees as of 31 March 2023, 240 fewer than one year earlier. Of these, 5,679 employees worked for us in Germany, while 523 people were employed at our foreign subsidiaries. The relatively sharp reduction in the number of employees working at our foreign subsidiaries was due to the sale of our MVV Energie CZ subsidiary in December 2022. Our employees abroad included 314 at the international shareholdings of Juwi and 164 at the British subsidiaries of MVV Umwelt.

A total of 268 young people were in training across the Group as of 31 March 2023.

Forecast, Opportunity and Risk Situation

Forecast for the 2023 Financial Year

Group Earnings Performance

Our forecast for the 2023 financial year, which we published on Page 112 of our 2022 Annual Report and in our statement on the first quarter of the current financial year, was issued against a backdrop of exceptional uncertainty in the overall economy and the energy industry. The implications for our company of macroeconomic developments, further developments on the energy and procurement markets and changes in energy policy could not be quantified to the customary extent. For this reason, we expected our operative adjusted EBIT, i.e. excluding disposal gains, for the 2023 financial year to at least match the previous year's level (Euro 298 million). In our first-quarter reporting, we indicated that, depending on the macroeconomic situation and on further developments in the regulatory framework and the wholesale energy business, we already saw opportunities to significantly exceed the previous year's level of adjusted EBIT in the 2023 financial year.

The positive earnings performance seen in our first quarter continued in the second quarter. For the further course of the 2023 financial year, we also expect to be able to generate substantial additional revenues, particularly from our renewable energies trading activities in our commodities business field, as well as earnings growth in conventional energy trading. We also expect higher adjusted EBIT in our New Energies and Supply Reliability reporting segments.

As the macroeconomic outlook has also stabilised and the winter half-year is now over, we are raising our earnings forecast. From an operating perspective, we expect MVV's full-year adjusted EBIT excluding disposal gains for 2023 to amount to between Euro 650 million and Euro 720 million (previous year: Euro 298 million).

Due to our business model, our earnings performance in the further course of the 2023 financial year will 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 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 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.

Investments

From a current perspective and provided that developments in the overall economy and the energy industry permit, our investments in the 2023 financial year will be at around the previous year's level (Euro 335 million) and will have unchanged strategic investment focuses.

Opportunity and Risk Situation

The risk situation at the end of the first half continues to be significantly influenced by uncertainties indirectly arising from the war against 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, the availability of our generation plants and, where applicable, those of our partners, the structuring of specific 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 level and degree of fluctuation in our security deposits to the energy exchanges (margins) have also decreased significantly. Moreover, earnings in our international business may be affected by exchange rate fluctuations.

Interim Consolidated Financial Statements

Income Statement

Income statement

Euro 000s	**1 Jan 2023 to 31 Mar 2023**	1 Jan 2022 to 31 Mar 2022	**1 Oct 2022 to 31 Mar 2023**	1 Oct 2021 to 31 Mar 2022	Notes
Sales	2,164,866	1,689,473	3,946,600	3,214,094	
Less electricity and natural gas taxes	45,559	47,625	86,829	90,865	
Sales less electricity and natural gas taxes	**2,119,307**	**1,641,848**	**3,859,771**	**3,123,229**	1
Changes in inventories	– 3,827	12,969	12,204	16,515	2
Own work capitalised	6,713	6,076	11,647	11,302	
Income from derivative financial instruments [1]	809,277	1,157,643	4,059,761	2,135,220	4
Other operating income [1,2]	40,325	71,863	135,819	84,977	5
Cost of materials	1,718,759	1,418,847	3,254,010	2,745,338	3
Employee benefit expenses	133,938	133,082	268,018	257,416	
Expenses for derivative financial instruments [1]	773,778	965,137	3,416,200	2,018,208	4
Other operating expenses [1]	85,593	40,518	163,556	85,714	5
Impairment losses on financial instruments	1,560	4,490	2,094	6,033	
Income from companies recognised at equity [2]	2,285	5,561	11,611	8,494	6
Other income from shareholdings [2]	48	85	41	110	
EBITDA	**260,500**	**333,971**	**986,976**	**267,138**	
Depreciation and amortisation	49,985	52,067	100,556	103,611	
EBIT	**210,515**	**281,904**	**886,420**	**163,527**	
of which result of IFRS 9 derivative measurement	– 92,476	112,243	361,401	– 97,112	
of which EBIT before result of IFRS 9 derivative measurement	302,991	169,661	525,019	260,639	
Financing income	6,854	5,110	17,458	9,436	7
Financing expenses	17,780	16,352	43,709	33,030	7
EBT	**199,589**	**270,662**	**860,169**	**139,933**	
Taxes on income	59,215	79,150	227,711	40,426	8
Net income for period	**140,374**	**191,512**	**632,458**	**99,507**	
of which non-controlling interests	– 14,260	145,111	– 291,425	154,476	
of which earnings attributable to MVV Energie AG shareholders (net income for period after minority interests)	**154,634**	**46,401**	**923,883**	**– 54,969**	9
Basic and diluted earnings per share (Euro)	**2.35**	**0.70**	**14.02**	**– 0.83**	

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

Statement of Comprehensive Income

Statement of income and expenses recognised in group equity

Euro 000s	**1 Jan 2023 to 31 Mar 2023**	1 Jan 2022 to 31 Mar 2022	**1 Oct 2022 to 31 Mar 2023**	1 Oct 2021 to 31 Mar 2022
Net income for period	**140,374**	**191,512**	**632,458**	**99,507**
Cash flow hedges	– 86,920	108,927	– 612,499	48,887
Hedging costs	136	11	113	286
Currency translation differences	4,489	688	7,682	5,307
Reclassifiable share of companies recognised at equity	– 480	– 269	– 332	– 313
Items that may subsequently be reclassified to profit or loss	**– 82,775**	**109,357**	**– 605,036**	**54,167**
Actuarial gains and losses	–	–	–	–
Non-reclassifiable share of companies recognised at equity	245	504	– 1,009	725
Items that will not be reclassified to profit or loss	**245**	**504**	**– 1,009**	**725**
Other comprehensive income	– 82,530	109,861	– 606,045	54,892
Total comprehensive income	**57,844**	**301,373**	**26,413**	**154,399**
Non-controlling interests	– 41,846	148,097	– 386,851	179,186
Total comprehensive income attributable to MVV Energie AG shareholders	**99,690**	**153,276**	**413,264**	**– 24,787**

Balance Sheet

Balance sheet

Euro 000s	**31 Mar 2023**	30 Sep 2022	Notes
Assets			
Non-current assets			
Intangible assets	316,681	316,205	
Property, plant and equipment	2,857,972	2,955,387	
Right-of-use assets	142,595	145,411	
Investment properties	2,609	2,911	
Interests in companies recognised at equity	198,146	194,418	
Other financial assets [1]	9,120	9,028	
Asset-side derivative financial instruments [2]	811,438	3,764,544	10
Other financial receivables and assets [1,2]	56,271	55,274	11
Other non-financial receivables and assets [2]	13,976	10,989	12
Deferred tax assets	26,667	115,219	13
	4,435,475	**7,569,386**	
Current assets			
Inventories	336,453	352,155	
Asset-side derivative financial instruments [2]	4,013,654	13,662,345	10
Trade receivables	803,277	554,103	14
Other financial receivables and assets [2]	155,998	62,569	11
Other non-financial receivables and assets [2]	244,001	183,440	12
Income tax receivables	34,447	58,236	
Cash and cash equivalents	746,517	1,884,998	15
Assets held for sale	–	1,047	
	6,334,347	**16,758,893**	
	10,769,822	**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	31 Mar 2023	30 Sep 2022	
Equity and debt			
Equity			16
Share capital	168,721	168,721	
Capital reserve	455,241	455,241	
Accumulated net income	1,431,153	569,653	
Accumulated other comprehensive income	– 9,770	524,178	
Capital of MVV	**2,045,345**	**1,717,793**	
Non-controlling interests	306,553	728,278	
	2,351,898	**2,446,071**	
Non-current debt			
Provisions	142,922	147,704	17
Financial debt	1,695,980	1,733,109	18
Liability-side derivative financial instruments [1]	735,095	3,428,029	19
Other financial liabilities [1]	19,780	19,379	20
Other non-financial liabilities [1]	168,494	143,081	21
Deferred tax liabilities	263,160	527,143	13
	3,025,431	**5,998,445**	
Current debt			
Other provisions	137,673	202,915	17
Tax provisions	2,407	1,054	17
Financial debt	161,044	183,826	18
Liability-side derivative financial instruments [1]	3,727,017	13,177,746	19
Trade payables	550,158	507,216	
Other financial liabilities [1]	445,330	1,541,204	20
Other non-financial liabilities [1]	257,992	230,418	21
Income tax liabilities	110,872	39,384	
	5,392,493	**15,883,763**	
	10,769,822	**24,328,279**	

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

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	Accumulated net income	Currency translation difference	Fair value measurement of financial instruments	Actuarial gains and losses	**Capital of MVV**	Non-controlling interests	**Total capital**
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 comprehensive income	–	–	–	4,665	24,792	725	30,182	24,710	54,892
Net income for period	–	–	– 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**
Balance at 1 October 2022	**168,721**	**455,241**	**569,654**	**17,031**	**561,408**	**– 54,261**	**1,717,794**	**728,278**	**2,446,072**
Other comprehensive income	–	–	–	7,174	– 516,784	– 1,009	– 510,619	– 95,426	– 606,045
Net income for period	–	–	923,883	–	–	–	923,883	– 291,425	632,458
Total comprehensive income	**–**	**–**	**923,883**	**7,174**	**– 516,784**	**– 1,009**	**413,264**	**– 386,851**	**26,413**
Dividends paid	–	–	– 69,202	–	–	–	– 69,202	– 26,083	– 95,285
Capital increase/reduction at subsidiaries	–	–	–	–	–	–	–	–	–
Change in scope of consolidation/ level of shareholding	–	–	6,818	– 18,133	– 5,196	–	– 16,511	– 8,791	– 25,302
Balance at 31 March 2023	**168,721**	**455,241**	**1,431,153**	**6,072**	**39,428**	**– 55,270**	**2,045,345**	**306,553**	**2,351,898**

Cash Flow Statement

Cash flow statement [1]

Euro 000s	**1 Oct 2022 to 31 Mar 2023**	1 Oct 2021 to 31 Mar 2022
Net income for period before taxes on income	860,169	139,933
Amortisation, depreciation and write-ups of intangible assets, property, plant and equipment and investment properties	100,556	103,611
Financial result	26,251	23,594
Interest received	11,785	3,158
Change in non-current provisions	299	802
Other non-cash income and expenses	– 392,857	72,851
Result of disposal of non-current assets	– 77,128	– 54,996
Cash flow before working capital and taxes	**529,075**	**288,953**
Change in other assets	– 420,556	– 379,774
Change in other liabilities	– 981,930	72,253
Change in current provisions	– 65,448	– 84,504
Income taxes paid	– 32,294	– 49,540
Cash flow from operating activities	**– 971,153**	**– 152,612**
Payments for investments in intangible assets, property, plant and equipment and investment properties	– 147,050	– 121,779
Proceeds from disposals of intangible assets, property, plant and equipment and investment properties	556	1,051
Proceeds from subsidy payments	432	382
Proceeds from sale of fully consolidated companies [2]	178,637	25,617
Proceeds from sale of other financial assets, including at-equity companies, non-current lease receivables and loans	254	62,665
Payments for acquisition of fully consolidated companies and other business units [2]	– 5,392	– 31,945
Payments for other financial assets, including at-equity companies, non-current lease receivables and loans	– 9,231	– 797
Cash flow from investing activities	**18,206**	**– 64,806**
Proceeds from taking up of loans	16,483	299,128
Payments for redemption of loans [3]	– 67,234	– 191,322
Payments for redemption of lease liabilities [3]	– 7,666	– 7,605
Dividends paid	– 69,202	– 69,202
Dividends paid to non-controlling interests	– 26,083	– 21,396
Change due to changes in capital at minorities	–	– 742
Interest paid	– 30,654	– 24,970
Cash flow from financing activities	**– 184,356**	**– 16,109**
Cash-effective changes in cash and cash equivalents	– 1,137,303	– 233,527
Change in cash and cash equivalents due to currency translation	– 1,178	4,692
Cash and cash equivalents at 1 October 2022 (2021)	1,884,998	1,258,177
Cash and cash equivalents at 31 March 2023 (2022)	**746,517**	**1,029,342**
of which cash and cash equivalents at 31 March 2023 (2022) with restraints on disposal	2,155	150

1 See further disclosures on cash flow statement in Note 25

2 See notes on “Scope of consolidation and changes in scope of consolidation”

3 Previous year’s figure adjusted. Payments for redemption of lease liabilities now stated in separate line item.

Cash Flow Statement

Cash flow – aggregate presentation

Euro 000s	**1 Oct 2022 to 31 Mar 2023**	1 Oct 2021 to 31 Mar 2022
Cash and cash equivalents at 1 October 2022 (2021)	**1,884,998**	**1,258,177**
Cash flow from operating activities	– 971,153	– 152,612
Cash flow from investing activities	18,206	– 64,806
Cash flow from financing activities	– 184,356	– 16,109
Change in cash and cash equivalents due to currency translation	– 1,178	4,692
Cash and cash equivalents at 31 March 2023 (2022)	**746,517**	**1,029,342**

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 consolidated financial statements were prepared by the Executive Board on 4 May 2023. 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 2022 to 31 March 2023 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 2022.

The accounting policies applied in the interim consolidated financial statements as of 31 March 2023 are therefore essentially consistent with those applied in the consolidated financial statements as of 30 September 2022.

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.

The estimates and discretionary decisions applied in the half-year financial statements are subject to increased uncertainty, particularly with regard to regulatory measures taken by the German Federal Government.

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 2022	131	32
Additions	3	–
Disposals	18	–
31 March 2023	**116**	**32**

MVV sold its Czech subgroup together with the parent company MVV Energie CZ a.s. and is thus continuing to align its portfolio towards its #climatepositive strategy.

The disposal of the Czech subgroup with its fully consolidated subsidiaries was completed on 9 December 2022. MVV Energie AG received contractually agreed funds totalling Euro 187,791 thousand from this sale. When offset with the liquid funds thereby disposed of at the Czech companies, the net inflow of funds amounted to Euro 178,637 thousand.

The carrying amounts of the assets and liabilities as of the disposal date (9 December 2022) were as follows:

Net assets	
	Czech sub-group
Euro 000s	Value upon disposal
Intangible assets	7,185
Property, plant and equipment	132,091
Right-of-use assets	629
Other financial assets	207
Asset-side derivative financial instruments	9,196
Other receivables and assets	2,907
Deferred tax assets	274
Inventories	5,320
Trade receivables	12,697
Cash and cash equivalents	9,154
Provisions	2,901
Financial debt	6,924
Liability-side derivative financial instruments	649
Other liabilities	12,651
Deferred tax liabilities	13,517
Trade payables	7,543
Other comprehensive income	16,512
Less minority interests	8,815
Net assets	**110,148**

Other retirements of fully consolidated companies involve one merger and the sale of two project companies at the Juwi subgroup.

In the 1st quarter of the current financial year, Juwi Energie Rinnovabili Srl, Verona, Italy, a company fully consolidated within the MVV Group, acquired 70 % of the shares in GEMdev Srl, Milan, Italy. This company has since been fully consolidated. Additions to fully consolidated companies also include two companies arising due to status changes at other majority shareholdings.

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 2023**	30 Sep 2022	**1 Oct 2022 to 31 Mar 2023**	1 Oct 2021 to 31 Mar 2022
Czech crown (CZK)	23.492	24.549	24.085	25.019
British pound (GBP)	0.879	0.883	0.876	0.842
US dollar (USD)	1.088	0.975	1.047	1.133
South African rand (ZAR)	19.328	17.535	18.526	17.362

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 growth in sales by Euro 736,542 thousand was chiefly due to price factors for gas and electricity, as well as to the solar and wind project development business.

When translated into group currency, sales at our foreign subsidiaries came to Euro 199,810 thousand (previous year: Euro 158,300 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 508,672 thousand compared with the previous year's period. This increase was also largely attributable to price factors for electricity and gas and to the solar and wind project development business.

4. Income from and expenses for derivative financial instruments

The change in income from and expenses for derivative financial instruments compared with the previous year resulted from movements in market prices and the resultant reduction in the fair values of energy trading transactions recognised under IFRS 9. Measurements in accordance with IFRS 9 led to a positive net effect of Euro 643,561 thousand in the 1st half of the 2023 financial year (previous year: positive net effect of Euro 117,012 thousand).

5. Other operating income and other operating expenses

Other operating income

Euro 000s	**1 Oct 2022 to 31 Mar 2023**	1 Oct 2021 to 31 Mar 2022
Income from disposal of associates	77,643	16,097
Reimbursements	16,360	2,382
Agency agreements and personnel supplies	9,720	4,664
Exchange rate gains	9,719	3,769
Rental income	3,109	2,993
Reversal of provisions	3,042	2,388
Employee benefits	1,816	1,507
Operating taxes (including energy taxes)	118	1,523
Income from disposal of companies recognised at equity	–	39,102
Miscellaneous	14,292	10,552
	135,819	**84,977**

Other operating expenses

Euro 000s	**1 Oct 2022 to 31 Mar 2023**	1 Oct 2021 to 31 Mar 2022
Contributions, fees and duties	43,991	22,408
Expenses for advisory services	15,325	11,909
Maintenance, repair and IT services	11,418	10,163
Other services	11,212	5,285
Rental, leasehold and leasing expenses	11,027	9,213
Exchange rate losses	10,685	2,353
Operating taxes (including energy taxes)	9,462	3,581
Other employee-related expenses	8,127	5,490
Public relations expenses	7,453	5,877
Expenses for office materials and specialist literature	1,186	964
Miscellaneous	33,670	8,471
	163,556	**85,714**

The increase in other operating income principally results from the disposal of the Czech subgroup. By contrast, the rise in other operating expenses is largely due to higher accruals, the statement of provisions for windfall taxes and operative currency translation.

6. Income from companies recognised at equity

The income of Euro 11,611 thousand from companies recognised at equity (previous year: Euro 8,494 thousand) results from the subsequent measurement of joint ventures and of companies over which MVV has only significant influence.

7. Financing income and financing expenses

Net financing expenses, which mainly comprise interest expenses for loans, rose by Euro 2,657 thousand to Euro 26,251 thousand. This increase is mainly due to exchange rate fluctuations in connection with financing facilities.

8. Taxes on income

The change in this line item is primarily due to the change in deferred taxes for measurement items relating to energy transactions recognised under IFRS 9, as well as to higher current taxes due to the increase in earnings.

9. Earnings per share

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

	1 Oct 2022 to 31 Mar 2023	1 Oct 2021 to 31 Mar 2022
Share of earnings attributable to MVV Energie AG shareholders (Euro 000s)	923,883	– 54,969
Number of shares (weighted average in 000s)	65,907	65,907
Earnings per share (Euro)	14.02	– 0.83

It was not necessary to account for any dilution effects.

Notes to Balance Sheet

10. Asset-side derivative financial instruments

The reduction in asset-side derivative financial instruments compared with 30 September 2022 is mainly due to lower fair values of energy trading transactions recognised under IFRS 9 as a result of significant movements in market prices.

11. Other financial receivables and assets

The increase in other financial receivables and assets compared with 30 September 2022 is chiefly attributable to higher receivables from security deposits made for energy trading transactions.

12. Other non-financial receivables and assets

The rise in other non-financial receivables and assets compared with 30 September 2022 is largely due to the acquisition of emission rights.

13. Deferred taxes

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

14. Trade receivables

Trade receivables rose compared with 30 September 2022. This was largely due to customary seasonal developments and higher price levels on the energy markets.

15. Cash and cash equivalents

The significant reduction in cash and cash equivalents is principally due to high backflows of security deposits made for counterparty default risks. Further factors include the high volume of payments for investments in major projects and payment of the dividend for the 2022 financial year.

16. Dividends paid

The Annual General Meeting on 10 March 2023 approved the distribution of a dividend of Euro 1.05 per individual share, and thus unchanged on the previous year, for the 2022 financial year (total distribution: Euro 69,202 thousand). Furthermore, a total of Euro 26,083 thousand was distributed to minority shareholders on subsidiary level.

17. Provisions

Provisions decreased by Euro 68,671 thousand compared with 30 September 2022. This reduction was primarily due to the utilisation of provisions for services not yet invoiced and of provisions for personnel-related obligations.

18. Financial debt

Financial debt fell by Euro 59,911 thousand compared with 30 September 2022. This reduction was predominantly due to regular repayments on existing loans.

19. Liability-side derivative financial instruments

The value of liability-side derivative financial instruments fell sharply, with this being due in particular to significant movements in market prices and the resultant reduction in fair values of energy trading transactions recognised under IFRS 9.

20. Other financial liabilities

The decrease in other financial liabilities compared with 30 September 2022 is mainly attributable to the reduction in liabilities for security deposits made in connection with energy trading transactions.

21. Other non-financial liabilities

The increase in other non-financial liabilities compared with 30 September 2022 is primarily the result of relief amounts not yet disbursed or credited on the basis of the German Natural Gas Heat Emergency Aid Act (EWSG) and the German Electricity Price Cap Act (StromPBG).

22. Contingent liabilities

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

23. 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 measurement

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 2023

Euro 000s	**Level 1**	**Level 2**	**Level 3**
Financial assets			
Other shareholdings	–	–	6,190
Derivatives outside hedge accounting	3,350,058	140,289	9,782
Derivatives within hedge accounting	984,592	333,716	6,655
Financial liabilities			
Derivatives outside hedge accounting	2,964,410	233,733	83
Derivatives within hedge accounting	928,090	334,765	1,032
Other financial liabilities	–	–	16,470

Fair value hierarchy at 30 September 2022

Euro 000s	Level 1	Level 2	Level 3
Financial assets			
Other shareholdings	–	–	6,104
Securities	204	–	–
Derivatives outside hedge accounting	9,157,539	3,138,469	18,881
Derivatives within hedge accounting	3,698,897	1,407,413	5,690
Financial liabilities			
Derivatives outside hedge accounting	9,271,027	3,138,312	1,251
Derivatives within hedge accounting	1,551,195	2,643,517	473
Other financial liabilities	–	–	16,382

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.

Derivatives outside hedge accounting in Level 3 involve commodity derivatives and interest derivatives. Where no market prices are available, the fair value 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 positive fair values mainly relate to a power purchase agreement (PPA) involving a long-term electricity supply contract. The fair value of this derivative amounts to Euro 6,861 thousand. Any upward or downward change in the market price by 10 % would increase or reduce the fair value by Euro 1,470 thousand respectively.

The derivatives of Euro 5,623 thousand in Level 3 hedge accounting mainly include interest swaps with floor (previous year: Euro 5,217 thousand). The fair value of these derivatives amounts to Euro 5,623 thousand (previous year: Euro 5,217 thousand). 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 3 thousand (previous year: Euro 4 thousand) or reduce it by Euro 2 thousand (previous year: Euro 3 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 2022**	**Gains/losses in income statement**	**Gains/losses in OCI**	**Additions/ disposals**	**Balance at 31 Mar 2023**
Financial assets					
Other shareholdings	6,104	–	–	86	6,190
Derivatives outside hedge accounting	18,881	– 7,848	–	– 1,251	9,782
Derivatives within hedge accounting	5,690	–	2,783	– 1,818	6,655
Financial liabilities					
Derivatives outside hedge accounting	1,251	– 353	–	– 815	83
Derivatives within hedge accounting	473	–	2,253	– 1,694	1,032
Other financial liabilities	16,382	188	–	– 100	16,470

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 30 Sep 2022
Financial assets					
Other shareholdings	5,909	–	–	195	6,104
Derivatives outside hedge accounting	3,459	16,758	–	– 1,336	18,881
Derivatives within hedge accounting	11	–	5,679	–	5,690
Financial liabilities					
Derivatives outside hedge accounting	518	1,202	–	– 469	1,251
Derivatives within hedge accounting	3,381	–	– 1,370	– 1,538	473
Other financial liabilities	26,206	– 7,008	–	– 2,816	16,382

The gains and losses recognised through profit or loss for Level 3 financial instruments are presented in the income statement in the following line items.

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

Euro 000s	Total	of which still held at 31 Mar 2023
Other operating income and expenses	– 7,495	– 7,164
Financial result	– 188	– 188
Other comprehensive income	530	750
	– 7,153	**– 6,602**

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

Euro 000s	Total	of which still held at 30 Sep 2022
Other operating income and expenses	15,552	15,786
Financial result	7,012	7,012
Other comprehensive income	7,049	7,037
	29,613	**29,835**

24. Segment reporting

Segment report from 1 October 2022 to 31 March 2023

Euro 000s	Adjusted external sales excluding energy taxes	Intercompany sales excluding energy taxes	Depreciation and amortisation	Impairment losses	Adjusted EBIT
Customer Solutions	3,372,530	268,419	8,743	–	270,596
New Energies	373,960	155,057	45,343	–	100,119
Supply Reliability	264,321	558,545	37,307	–	66,201
Strategic Investments	47,670	2,350	2,724	–	91,201
Other Activities	196	23,602	6,439	–	–1,647
Consolidation	–	–1,007,973	–	–	–
	4,058,677	**–**	**100,556**	**–**	**526,470**

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	–	–946,697	–	–	–
	2,661,717	**–**	**103,611**	**–**	**262,336**

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, heat, gas and water, the solutions business for all customer segments and the service and trading business at MVV Trading GmbH, Mannheim. The smart cities business field is also included in this reporting segment.

  The key focus of aggregation for these business fields relates to the service business and to 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 (e.g. 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. Furthermore, 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. The activities within this reporting segment involve the planning, approval, development, construction and operation of technical plants to generate electricity and heat from sustainable/partly sustainable commodities such as wind, waste timber, residual 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 congruent financing structures.

- The **Strategic Investments** reporting segment consists of the Köthen Energie subgroup and of the MVV Energie CZ subgroup through to the date of its deconsolidation, as well as of 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, 95.1 % were generated in Germany (previous year: 94.5 %). 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 2022 to 31 Mar 2023**	1 Oct 2021 to 31 Mar 2022	+/– change
EBIT as per income statement	886,420	163,527	+ 722,893
Measurement and realisation effects for derivatives	– 361,401	97,112	– 458,513
Structural adjustment for part-time early retirement	–	–	–
Interest income from finance leases	1,451	1,697	– 246
Adjusted EBIT	**526,470**	**262,336**	**+ 264,134**

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

Euro 000s	**1 Oct 2022 to 31 Mar 2023**	1 Oct 2021 to 31 Mar 2022	+/– change
Sales after electricity and natural gas taxes	3,859,771	3,123,229	+ 736,542
Realisation effects for derivatives	198,906	– 461,512	+ 660,418
Adjusted sales after electricity and natural gas taxes	**4,058,677**	**2,661,717**	**+ 1,396,960**

25. Cash flow statement

Even after the elimination of non-cash and non-operating income and expenses, the significant year-on-year increase in earnings before taxes (EBT) led to a substantial improvement in the cash flow before working capital and taxes. The largest item thereby eliminated related to the non-cash measurement of derivatives under IFRS 9. The reclassification of non-operating income from the sale of our Czech activities to the cash flow from investing activities also impacted negatively on the cash flow before working capital and taxes.

The cash flow from operating activities fell year-on-year by Euro 818,541 thousand. This development was due above all to higher payments made for security deposits for counterparty default risk (margins). Largely as a result of lower electricity and gas wholesale prices, the volume of margins received in the period under report decreased significantly. Adjusted to eliminate the change in margins deposited, the cash flow from operating activities increased by Euro 285,846 thousand. From an operating perspective, additional factors increasing the cash flow over and above the company’s earnings growth included the relief amounts not yet disbursed or credited on the basis of the German Natural Gas Emergency Aid Act (EWSG) and the German Electricity Price Cap Act (StromPBG). A further positive contribution compared with the previous year came from the lower increase in the volume of inventories in our project development business.

The development in the cash flow from investing activities was mainly shaped by the proceeds received from the sale of the Czech subgroup in the period under report. There was also a reduction in the volume of payments made to acquire companies in the current period. These factors were opposed by lower proceeds from the sale of companies recognised at equity and higher payments for investments in non-current assets. Overall, the cash flow from investing activities changed by Euro 83,012 thousand compared with the previous year’s period.

The cash flow from financing activities fell by Euro 168,247 thousand compared with the 2nd quarter of the 2022 financial year, with this mainly being due to the lower volume of net new borrowing.

26. Related party disclosures

Extensive 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 heat 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 2022 to 31 Mar 2023**	1 Oct 2021 to 31 Mar 2022	**1 Oct 2022 to 31 Mar 2023**	1 Oct 2021 to 31 Mar 2022	**31 Mar 2023**	30 Sep 2022	**31 Mar 2023**	30 Sep 2022
City of Mannheim	4,284	4,996	11,152	12,490	1,353	507	6,281	7,786
Abfallwirtschaft Mannheim	7,607	5,964	1,135	495	2,080	1,562	5,955	6,061
GBG Mannheimer Wohnungsbaugesellschaft mbH	5,210	13,282	7	1	232	593	782	40
m:con - mannheim:congress GmbH	2,084	1,919	86	169	4,375	4,660	354	265
MKB Mannheimer Kommunalbeteiligungen GmbH	4	4	–	–	1	–	–	–
MV Mannheimer Verkehr GmbH	176	– 12	–	–	57	–	–	–
Rhein-Neckar-Verkehr GmbH	4,233	4,300	407	–	1,321	209	1,163	1,186
Stadtentwässerung Mannheim	559	828	93	109	47	56	17	15
Associates	5,231	1,616	705	636	1,175	927	968	1,628
Joint ventures	199,787	167,199	267,946	270,387	36,867	69,526	12,040	15,757
Other related parties	13,479	14,654	4,191	3,936	7,054	6,634	1,568	2,554
	242,654	**214,750**	**285,722**	**288,223**	**54,562**	**84,674**	**29,128**	**35,292**

27. Events after balance sheet date

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

Mannheim, 4 May 2023

MVV Energie AG

Executive Board

Dr. Müller	Amann	Klöpfer	Dr. Roll

Responsibility Statement

“We affirm that, to the best of our knowledge, the interim consolidated financial statements give a true and fair picture of the 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 2023 financial year.”

Mannheim, 4 May 2023

MVV Energie AG

Executive Board

Dr. Müller Amann Klöpfer Dr. Roll

Further Information

Financial Calendar

15 May 2023

H1 Interim Report
2023 Financial Year

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.

This Interim Report was published on the internet on 15 May 2023.

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

This Interim Report has been translated into English. Only the original German version is legally binding.

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