



**We inspire
with energy.**

Interim Report H1

Financial Year 2021



MVV in Figures

	1 Oct 2020 to 31 Mar 2021	1 Oct 2019 to 31 Mar 2020	% change
Financial key figures			
Adjusted sales excluding energy taxes (Euro million)	2,078	2,004	+ 4
Adjusted EBITDA ¹ (Euro million)	321	289	+ 11
Adjusted EBIT ¹ (Euro million)	223	193	+ 16
Adjusted net income for period ¹ (Euro million)	143	115	+ 24
Adjusted net income for period after minority interests ¹ (Euro million)	113	95	+ 19
Adjusted earnings per share ¹ (Euro)	1.71	1.45	+ 18
Cash flow from operating activities (Euro million)	204	- 42	-
Cash flow from operating activities per share (Euro)	3.10	- 0.64	-
Adjusted total assets at 31 March 2021/30 September 2020 ² (Euro million)	5,007	4,582	+ 9
Adjusted equity at 31 March 2021/30 September 2020 ² (Euro million)	1,640	1,571	+ 4
Adjusted equity ratio at 31 March 2021/30 September 2020 ² (%)	32.8	34.3	- 4
Net financial debt at 31 March 2021/30 September 2020 (Euro million)	1,401	1,374	+ 2
Investments (Euro million)	119	180	- 34
Non-financial key figures			
Electricity generation volumes from renewable energies (kWh million)	604	718	- 16
Concluded development of new renewable energies plants (MW _e)	263	151	+ 74
Operations management for renewable energies plants (MW _e)	3,757	3,458	+ 9
Number of employees at 31 March 2021/31 March 2020 (headcount)	6,301	6,155	+ 2
Number of trainees at 31 March 2021/31 March 2020 (headcount)	290	269	+ 8

¹ Excluding non-operating measurement items for financial derivatives, excluding structural adjustment for part-time early retirement and including interest income in connection with finance leases

² Excluding non-operating measurement items for financial derivatives

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Highlights



Higher dividend

Given the coronavirus pandemic, we held our first entirely virtual Annual General Meeting on 12 March. Shareholders approved an increase in the dividend for the 2020 financial year by Euro 0.05 to Euro 0.95 per share. This marks the first increase in our dividend for twelve years and it gave our share a dividend yield of 3.7 percent based on its closing price at the end of the financial year on 30 September 2020. Overall, a total of Euro 62.6 million was distributed, corresponding to a distribution ratio of 60 percent.

Wind portfolio grows

With our Juwi and Windwärts subsidiaries, we are one of the leading companies in Germany and around the world when it comes to renewable energies project development. We market most of the windfarms developed and built by the two companies to third parties, but sometimes also include them in our own portfolio. At the end of March, Stadtwerke Kiel acquired a windfarm currently being built by Windwärts in Schleswig-Holstein. This is the first windfarm at this subsidiary and is expected to launch operations at the end of 2021. Furthermore, in April we took over a windfarm in Mecklenburg-Western Pomerania from Juwi into our own green portfolio.



Internationally successful

Our renewable energies activities are by no means limited to Germany. Our Juwi subsidiary can point above all to international success with its development and construction of solar power plants and hybrid systems. The latest projects also involve solar power plants for own-use electricity, for example in South Africa and Australia, the construction of a 100 megawatt solar park in Japan and building a solar hybrid power plant in Australia.



Foreword




Dear Ladies and Gentlemen,

At the end of April, the Federal Constitutional Court ruled that the Climate Protection Act adopted in 2019 did not go far enough. It obliged lawmakers to act by the end of the coming year to introduce stricter limits for the greenhouse gas emission reduction targets in the period after 2030. Above all, this ruling offers an opportunity to adopt energy policies with a longer-term focus. It calls on politicians to provide greater momentum and put relevant conditions in place for all sectors. If we are to meet the targets set in the Paris Climate Accord, we will have to significantly speed up the renewable energies expansion: more green electricity, more green heat.

We are investing in a climate-neutral future

As a pioneer of the energy turnaround, we acted very early to provide MVV with a sustainable strategy. Our clear goal is climate neutrality. We have consistently invested for many years already in expanding renewable energies, in energy efficiency and in innovative business models. Alongside the electricity sector, green heat is a particular focus for us. After all, around one third of all CO₂ emissions in Germany are attributable to the generation and use of heating energy. These efforts are bearing fruit: today, around 30 percent of our district heating for Mannheim and the region already comes from climate-neutral sources. In the years ahead, we will make further consistent progress on this course and rely in full on renewable energies from the region.



As we head for climate neutrality, we are maintaining a high tempo, not least in the current financial year. We invested around Euro 120 million in the first six months. In Dundee in Scotland we are building one of Europe's most modern energy from waste plants and will soon launch operations. Another prime example of a sustainable recycling-based approach to energy generation will be the plant we are building in Saxony-Anhalt, which will ferment and generate energy from organic waste. This is already the second plant of its kind after that in Dresden, which we are now expanding following its acquisition. In Mannheim and Offenbach, we are also investing in new technology which will use a thermal process to recover the phosphorous contained in sewage sludge in an environmentally-friendly manner. And the expansion in our wind portfolio is gaining momentum: At the end of March, Stadtwerke Kiel acquired a windfarm in Schleswig-Holstein from Windwärts. In April, we took over a windfarm in Mecklenburg-Western Pomerania from Juwi.

Sales and earnings growth

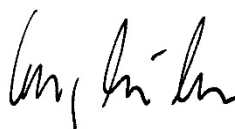
For more than a year now, the coronavirus pandemic has shaped many developments in society and business. The top priority for us was and still is to protect the health of our employees, customers and partners. We are continually adapting our measures in line with the latest situation. With this cautious approach, we have been able, as a critical infrastructure provider, to guarantee a reliable supply of energy and water and reliable waste disposal.

A glance at our business performance in the first half of the 2021 financial year shows that we took the right strategic decisions in past years. Despite the coronavirus pandemic, we increased our sales by 4 percent to Euro 2.1 billion. At Euro 223 million, our adjusted EBIT was 16 percent higher than in the previous year. All operating reporting segments contributed to this strong earnings performance.

Given the business performance to date and our current assessment of the implications of the coronavirus pandemic for MVV, we expect sales to show moderate growth and adjusted EBIT to show significant growth in the 2021 financial year as a whole, in both cases compared with the previous year's figures (Euro 3.5 billion and Euro 233 million respectively). This expectation is of course subject to the proviso that there are no unexpected setbacks in the efforts to combat the coronavirus pandemic that have a notable impact on MVV.

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

Yours faithfully,



Dr. Georg Müller
CEO

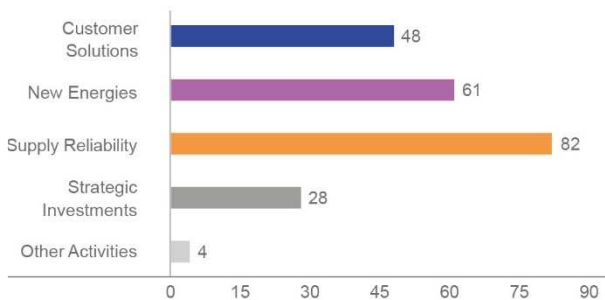
Our First Six Months

Adjusted EBIT

223 Euro million

ADJUSTED EBIT BY REPORTING SEGMENT

Euro million

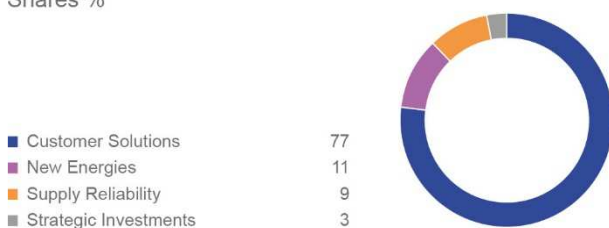


Adjusted Sales

2.1 Euro billion

ADJUSTED SALES BY REPORTING SEGMENT

Shares %



Investments

119 Euro million

Group Business Performance

BUSINESS FRAMEWORK

Economic and energy policy climate

BGH confirms general sectoral productivity factor for gas grid operators

At the end of January 2021, the Federal Supreme Court (BGH) confirmed the stipulation by the Federal Network Agency (BNetzA) with regard to the general sectoral productivity factor for gas (Xgen) at 0.49 % for the third regulatory period. The Higher Regional Court in Düsseldorf had earlier repealed this stipulation in appeal proceedings in summer 2019. The Xgen is important in determining the level of gas grid fees, and thus also the earnings of grid operators. The Xgen reduces the permissible revenue cap. It is calculated on the basis of assumed progress in grid productivity compared with the overall economy. This factor is countered by inflation which, despite the slight rise seen recently, is likely to remain low for the foreseeable future.

OVG Münster provisionally halts compulsory installation of smart meter systems

In an expedited ruling dated 4 March 2021, the Higher Administrative Court (OVG) in Münster suspended execution of the general ruling by the Federal Office for Information Security (BSI). This general ruling establishes the technical possibility of installing smart meter systems (iMSys) in line with the German Metering Point Operation Act (MsbG) and provides the basis for their rollout. The main proceedings, i.e. the petition against the general ruling, are still pending at Cologne Administrative Court. The implications of the ruling for the rollout of iMSys in general and the further schedule for the case are not yet fully foreseeable.

Market climate

Wholesale prices

Wholesale prices (average): H1, 1 October to 31 March				
	FY 2021	FY 2020	+/- change	% change
Crude oil ¹ (US\$/barrel)	53.17	56.66	- 3.49	- 6
Natural gas ² (Euro/MWh)	15.95	16.47	- 0.52	- 3
Coal ³ (US\$/tonne)	65.56	63.50	+ 2.06	+ 3
CO ₂ rights ⁴ (Euro/tonne)	32.91	24.17	+ 8.74	+ 36
Electricity ⁵ (Euro/MWh)	48.63	43.89	+ 4.74	+ 11

1 Brent crude oil; front-month

2 Net Connect Germany market region; front-year

3 Front-year

4 Front December contract

5 Front-year

Wholesale prices show upward trend

Having lost ground in the first two months of the half-year reporting period, an upward trend became apparent on the electricity and fuel markets from November 2020 onwards. The clearest increase was seen in the market for emission rights, which were listed Euro 8.74/tonne higher than in the previous year's period. Alongside emission rights, the electricity market also gained ground, with prices now listed Euro 4.74/MWh higher. Fuel market prices have not yet regained the levels seen in the previous year's period but nevertheless showed an upward trend in the second half of the period under report.

Conventional generation spreads remain low

The margin from conventional coal-based generation (clean dark spread - CDS) declined even further compared with the previous year's period. By contrast, the clean spark spread (CSS) rose slightly. Both spreads are still at low levels. They 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 2022



Impact of weather conditions

Cooler weather conditions and lower wind volumes than in previous year

Cooler outdoor temperatures lead to higher heating energy requirements at our customers. This is also reflected in higher degree day figures, which are used as an indicator of temperature-related heating energy consumption. The first half of our 2021 financial year was cooler than the previous year's comparative period. Degree day figures were around 9 % higher than the previous year's low figures.

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

Overall, the volume of usable wind power in the regions relevant to our business was around 11 % higher than the long-term average in the first half of the 2021 financial year. The wind yield nevertheless fell short of the previous year's figure, which over the same period had surpassed the long-term average by around 51 %. The current wind yield is thus lower than in the previous year. In this comparison, we use the "EMD-ERA Wind Index" with a reference period (historic average).

PRESENTATION OF EARNINGS PERFORMANCE

The period under report comprises the 1st half of the 2021 financial year, i.e. from 1 October 2020 to 31 March 2021. Unless otherwise indicated, the following comments refer to the MVV Energie Group (MVV).

MVV Energie Group

MVV: H1, 1 October to 31 March				
Euro million	FY 2021	FY 2020	+/- change	% change
Development in turnover				
Electricity (kWh million)	11,562	11,543	+ 19	0
Heating energy (kWh million)	4,686	4,447	+ 239	+ 5
Gas (kWh million)	16,673	15,310	+ 1,363	+ 9
Water (m ³ million)	19.7	19.9	- 0.2	- 1
Adjusted sales excluding energy taxes				
	2,078	2,004	+ 74	+ 4
of which electricity revenues	942	901	+ 41	+ 5
of which heating energy revenues	255	244	+ 11	+ 5
of which gas revenues	447	420	+ 27	+ 6
of which water revenues	43	43	0	0
Adjusted EBIT	223	193	+ 30	+ 16

Electricity turnover was at around the same level as in the previous year while heating energy turnover increased, with this mainly being due to weather conditions. Largely as a result of higher trading volumes and increased volumes in the Business customer business field, gas turnover was higher than in the previous year.

Within sales, we eliminate IFRS 9 measurement items, amounting to net totals of Euro 0 million as of 31 March 2021 and Euro - 48 million as of 31 March 2020.

Customer Solutions reporting segment

Customer Solutions: H1, 1 October to 31 March				
Euro million	FY 2021	FY 2020	+/- change	% change
Adjusted sales excluding energy taxes	1,590	1,485	+ 105	+ 7
Adjusted EBIT	48	33	+ 15	+ 45

The sales growth was primarily driven by higher sales volumes, as well as by a positive performance in the data centres business.

The increase in adjusted EBIT mainly resulted from the remeasurement of the shares held in Fernwärme Rhein-Neckar GmbH due to the complete takeover and subsequent full consolidation of this company. Moreover, in the period under report operating earnings benefited from cooler weather conditions compared with the previous year.

New Energies reporting segment

New Energies: H1, 1 October to 31 March				
Euro million	FY 2021	FY 2020	+/- change	% change
Adjusted sales excluding energy taxes	235	289	- 54	- 19
Adjusted EBIT	61	55	+ 6	+ 11

The sales and earnings performance of the New Energies segment was influenced above all by the inherent volatility of the project development business.

Earnings in the Environmental Energy business field decreased slightly because the previous year's earnings performance had, among other factors, benefited from positive one-off items. Furthermore, due to lower wind volumes the earnings contributions from our wind turbines fell short of the previous year's figures, and that despite the addition of new capacities to our wind portfolio compared with the previous year's period.

Supply Reliability reporting segment

Supply Reliability: H1, 1 October to 31 March				
Euro million	FY 2021	FY 2020	+/- change	% change
Adjusted sales excluding energy taxes	188	167	+ 21	+ 13
Adjusted EBIT	82	70	+ 12	+ 17

The sales growth was chiefly attributable to the grid business and our gas-fired CHP plant in Kiel. The increase in adjusted EBIT in the Supply Reliability reporting segment is mainly due to our gas-fired CHP plant in Kiel which, having launched operations at the end of November 2019, now generated earnings contribution for the whole of the first half.

Reconciliation with adjusted EBIT

Reconciliation of EBIT (income statement) with adjusted EBIT: H1, 1 October to 31 March			
Euro million	FY 2021	FY 2020	+/- change
EBIT as reported in income statement	233	162	+ 71
Financial derivative measurement items	- 12	29	- 41
Structural adjustment for part-time early retirement	-	<1	0
Interest income in connection with finance leases	2	2	0
Adjusted EBIT	223	193	+ 30

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, among other items, the positive and negative earnings items from fair value measurement as of the reporting date of financial derivatives recognised pursuant to IFRS 9. These amounted to a net total of Euro 12 million as of 31 March 2021 and Euro - 29 million as of 31 March 2020. These measurement items reflect the development in prices on the commodities and energy markets. They have no impact on payments, neither do they affect our operating business or dividend.

Development in other key income statement items

Adjusted cost of materials increased by Euro 28 million to Euro 1,513 million. This mainly reflected volume and price factors, as well as the expenses incurred to build a data centre in Offenbach. This increase was opposed by a reduction in cost of materials in areas including our project development business.

At Euro 243 million, **adjusted employee benefit expenses** were Euro 14 million higher than in the previous year. The main reasons for this increase were one-off payments and

collectively agreed items, as well as an expansion in staff totals in our growth fields.

The increase in the **income from companies recognised at equity** by Euro 3 million to Euro 18 million is due, among other factors, to remeasurement of the shares held in Fernwärme Rhein-Neckar GmbH as a result of the subsequent full consolidation of that company.

Depreciation and amortisation rose by Euro 2 million to Euro 98 million.

The **adjusted financial result** improved by Euro 8 million to Euro - 19 million, with this mainly being due to exchange rate fluctuations in the translation of loans and financial debt as of the reporting date.

At Euro 30 million, **adjusted non-controlling interests** were Euro 10 million higher than in the previous year, a development mainly due to higher earnings at Stadtwerke Kiel.

📄 **See Income Statement on Page 15 and Notes to Income Statement on Page 23**

Presentation of asset position

Property, plant and equipment rose by Euro 81 million, with this increase being due above all to investments in our grids, the addition of Fernwärme Rhein-Neckar GmbH and the acquisition of a wind farm.

The increase in non-current and current other receivables and assets by Euro 700 million mainly resulted from the higher level of market prices and resultant rise in the positive fair values of energy trading transactions recognised under IFRS 9.

The growth in trade receivables by Euro 162 million corresponds to the customary seasonal course of business. This was opposed by a reduction in receivables in our project development business.

Non-current assets rose by Euro 136 million to Euro 3,700 million, while **current assets** increased by Euro 993 million to Euro 2,460 million.

At Euro 1,661 million, MVV's **equity** including non-controlling interests was Euro 127 million higher than the figure at the previous year's balance sheet date.

The reduction in current other provisions by Euro 40 million resulted above all from utilisations of provisions for CO₂ and personnel items.

The increase in current other liabilities by Euro 716 million was chiefly attributable to the higher level of market prices and the resultant rise in the fair values of energy trading transactions recognised under IFRS 9.

Non-current debt rose by Euro 170 million to Euro 2,362 million. **Current debt** grew by Euro 833 million to Euro 2,138 million.

See Balance Sheet on Page 17 and Notes to Balance Sheet from Page 25 onwards

For Group management purposes, we adjust our consolidated balance sheet as of 31 March 2021 to eliminate cumulative items resulting from IFRS 9 measurement as of the reporting date. On the asset side, we eliminate the positive fair values of derivatives and allocable deferred taxes, amounting to Euro 1,154 million (30 September 2020: Euro 450 million). On the equity and debt side, we eliminate negative fair values and allocable deferred taxes, amounting to Euro 1,133 million, from liabilities (30 September 2020: 489 million). Under equity, we then eliminate the net balance, which amounted to Euro 21 million (30 September 2020: Euro – 36 million). This led to **adjusted equity** of Euro 1,640 million as of 31 March 2021 (30 September 2020: Euro 1,571 million). Based on adjusted total assets of

Euro 5,007 million (30 September 2020: Euro 4,582 million), the adjusted equity ratio therefore amounted to 32.8 % as of 31 March 2021, as against 34.3 % at 30 September 2020.

Investments

We invested a total of Euro 119 million in the 1st half of our 2021 financial year (previous year: Euro 180 million).

Investments: H1, 1 October to 31 March				
Euro million	FY 2021	FY 2020	+/- change	% change
Customer Solutions	21	21	0	0
New Energies	39	70	- 31	- 44
Supply Reliability	53	74	- 21	- 28
Strategic Investments	2	9	- 7	- 78
Other Activities	4	6	- 2	- 33
Total	119	180	- 61	- 34

Our largest investment projects currently involve

- Building a new CHP plant in Dundee/Scotland
- Building an organic waste fermentation plant in Bernburg
- New plant technology to recover phosphorous from sewage sludge
- Acquiring windfarms for our proprietary portfolio
- Maintaining and renewing our distribution grids
- Expanding and increasing the density of our district heating grids.

Presentation of financial position

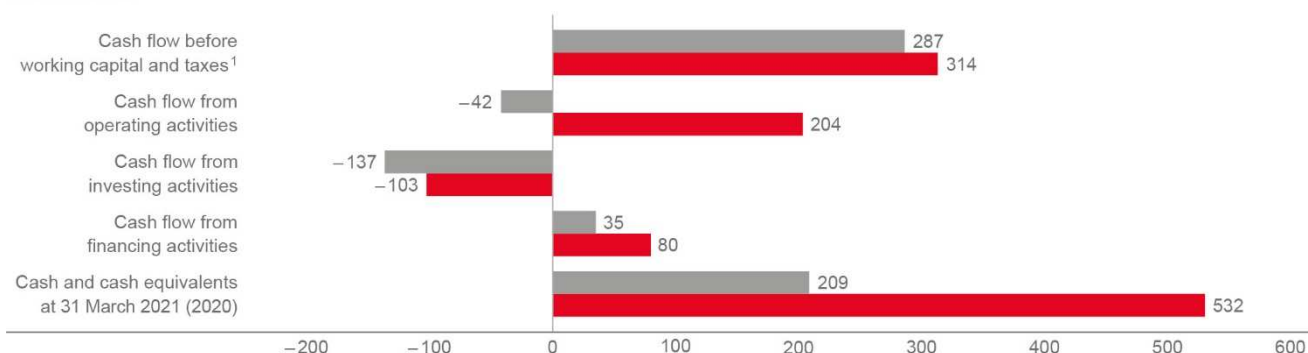
Current and non-current financial debt increased by Euro 217 million to Euro 1,933 million. At the same time, **cash and cash equivalents** rose by Euro 189 million. Overall, **net financial debt** increased by Euro 27 million to Euro 1,401 million. This development was mainly driven by the taking up of new loans, depositing of margins for our trading business and payment of the dividend for the 2020 financial year.

As of 31 March 2021, MVV posted **cash and cash equivalents** of Euro 532 million (31 March 2020: Euro 209 million).

See Cash Flow Statement on Page 19 and Note 20. Cash flow statement on Page 31.

CASH FLOW STATEMENT

Euro million



¹ Previous year's figure adjusted ■ H1 FY 2020 ■ H1 FY 2021

Employees

Personnel figures (headcount) at balance sheet date

	31 Mar 2021	31 Mar 2020	+/- change	% change
MVV ¹	6,301	6,155	+ 146	+ 2
of which in Germany	5,384	5,264	+ 120	+ 2
of which abroad	917	891	+ 26	+ 3

¹ Including 290 trainees (previous year: 269)

We had a total of 6,301 employees as of 31 March 2021, 146 more than one year earlier. Of these, 5,384 employees worked in our domestic businesses, while 917 employees worked at our foreign subsidiaries. These included 496 employees at our Czech subgroup, 265 at the international shareholdings of Juwi and 150 at the British subsidiaries of MVV Umwelt.

A total of 290 young people were in training across the Group as of 31 March 2021.

FORECAST FOR THE 2021 FINANCIAL YEAR

Sales and earnings performance

The coronavirus pandemic is still largely shaping developments in the economy and in society as a whole. We are continually adapting our measures in line with the latest situation. After all, our top priority has been and remains that of protecting the health of our employees, customers and partners. This cautious approach also enables us as a critical infrastructure provider to guarantee a reliable supply of energy and water and reliable waste disposal.

Given the pleasing business performance to date and based on our current assessment of the implications of the coronavirus pandemic for our company, from an operating perspective we expect MVV's adjusted sales (excluding energy taxes) to show moderate growth and its adjusted EBIT to show significant growth in the 2021 financial year, in each case compared with the previous year's figures (Euro 3.5 billion and Euro 233 million respectively). We have to subject this forecast to the proviso that there are no setbacks in the efforts to combat the coronavirus pandemic that have a notable impact on MVV. In our previous forecast, published with our Annual Report in December 2020 and confirmed after the first quarter of 2021, we reported that we expected both sales and adjusted EBIT to at least match the previous year's figures; we also stated that we might raise the forecast if the impact of the pandemic on MVV permitted. Following the first half of our financial year, we now expect this to be the case. As customary at MVV, the sales performance on an operating level is still chiefly dependent on trading activities, commodity prices and customer demand. Major factors that influence our earnings also include wind conditions, the development in electricity and fuel prices and availability levels at our plants. The volume of solar and wind power projects marketed, a business that by its nature generally involves greater volatility, is particularly significant both for our sales and for our earnings performance.

Investments

Provided that further developments in the coronavirus pandemic do not prevent us, we will increase our investments in the 2021 financial year compared with the previous year (Euro 322 million) and retain the same strategic investment focuses.

OPPORTUNITY AND RISK SITUATION

The risk situation at the end of the first half continues to be significantly influenced by the uncertainties resulting from the coronavirus pandemic. We presented our opportunity and risk management system from Page 82 onwards of our 2020 Annual Report. Here, we also explained the risk categories relevant to our business and the associated opportunities and risks. We are countering the effects of the pandemic with numerous proactive measures that we are continually reviewing in terms of their effectiveness. Our close integration into the economy as a whole nevertheless has negative effects that we can only influence to a limited extent. The greatest sources of uncertainty still involve potential delays in projects, particularly in our project development business and our construction activities.

Furthermore, we continue to expect lower electricity and gas turnover due to lower energy requirements at our business customers. Moreover, we see fluctuations, some of which significant, in wholesale energy market prices. Exchange rate fluctuations may reduce earnings in our international business.

INCOME STATEMENT

Income statement					
Euro 000s	1 Jan.2021 to 31 Mar 2021	1 Jan 2020 to 31 Mar 2020	1 Oct 2020 to 31 Mar 2021	1 Oct 2019 to 31 Mar 2020	Notes
Sales	1,151,110	975,953	2,169,142	2,040,055	
less electricity and natural gas taxes	47,898	43,677	91,117	83,935	
Sales less electricity and natural gas taxes	1,103,212	932,276	2,078,025	1,956,120	1
Changes in inventories	7,572	12,859	20,293	14,109	2
Own work capitalised	4,467	5,024	8,951	8,937	
Other operating income	67,889	75,301	148,122	157,161	4
Cost of materials	806,550	658,450	1,532,952	1,444,645	3
Employee benefit expenses	123,433	116,153	242,732	228,740	
Other operating expenses	84,970	104,884	168,171	221,981	4
Impairment losses on financial instruments	- 2,223	- 163	- 826	- 686	
Income from companies recognised at equity	5,559	10,737	18,141	14,620	5
Other income from shareholdings	56	561	379	1,014	
EBITDA	176,025	157,434	330,882	257,281	
Depreciation and amortisation	48,996	48,308	97,648	95,611	
EBIT	127,029	109,126	233,234	161,670	
of which result of IFRS 9 derivative measurement	2,890	- 2,275	11,666	- 29,883	
of which EBIT before result of IFRS 9 derivative measurement	124,139	111,401	221,568	191,553	
Financing income	352	2,963	7,646	7,235	6
Financing expenses	8,062	14,339	25,139	32,692	6
EBT	119,319	97,750	215,741	136,213	
Taxes on income	36,546	24,997	65,803	36,786	7
Net income for period	82,773	72,753	149,938	99,427	
of which non-controlling interests	19,606	9,172	41,666	9,845	
of which earnings attributable to MVV Energie AG shareholders (net income for period after minority interests)	63,167	63,581	108,272	89,582	8
Basic and diluted earnings per share (Euro)	0.96	0.96	1.64	1.36	

STATEMENT OF COMPREHENSIVE INCOME

Statement of income and expenses recognised in group equity				
Euro 000s	1 Jan 2021 to 31 Mar 2021	1 Jan 2020 to 31 Mar 2020	1 Oct 2020 to 31 Mar 2021	1 Oct 2019 to 31 Mar 2020
Net income for period	82,773	72,753	149,938	99,427
Cash flow hedges	32,935	- 36,990	47,295	- 44,644
Hedging costs	280	169	190	466
Currency translation differences	5,207	- 10,252	10,152	- 5,335
Reclassifiable share of companies recognised at equity	- 248	- 66	- 413	- 70
Items that may subsequently be reclassified to profit or loss	38,174	- 47,139	57,224	- 49,583
Actuarial gains and losses	109	-	109	- 876
Non-reclassifiable share of companies recognised at equity	- 484	- 18,170	- 617	- 18,102
Items that will not be reclassified to profit or loss	- 375	- 18,170	- 508	- 18,978
Total comprehensive income	120,572	7,444	206,654	30,866
Non-controlling interests	24,454	131	49,578	- 1,718
Total comprehensive income attributable to MVV Energie AG shareholders	96,118	7,313	157,076	32,584

BALANCE SHEET

Balance sheet			
Euro 000s	31 Mar 2021	30 Sep 2020	Notes
Assets			
Non-current assets			
Intangible assets	278,378	283,964	
Property, plant and equipment	2,807,699	2,726,545	
Right-of-use assets	145,846	149,144	
Investment properties	2,420	2,424	
Interests in companies recognised at equity	196,370	192,331	
Other financial assets	71,942	77,735	
Other receivables and assets	174,473	101,914	9
Deferred tax assets	23,268	30,344	10
	3,700,396	3,564,401	
Current assets			
Inventories	215,197	198,740	
Trade receivables	494,599	332,939	11
Other receivables and assets	1,191,154	563,602	9
Income tax receivables	26,975	28,465	
Cash and cash equivalents	532,230	343,175	12
	2,460,155	1,466,921	
	6,160,551	5,031,322	
Equity and debt			
Equity			
			13
Share capital	168,721	168,721	
Capital reserve	455,241	455,241	
Accumulated net income	848,745	803,101	
Accumulated other comprehensive income	- 59,121	- 107,925	
Capital of MVV	1,413,586	1,319,138	
Non-controlling interests	247,233	215,162	
	1,660,819	1,534,300	
Non-current debt			
Provisions	212,344	208,419	14
Financial debt	1,663,637	1,553,168	15
Other liabilities	330,208	290,146	16
Deferred tax liabilities	155,358	140,200	10
	2,361,547	2,191,933	
Current debt			
Other provisions	87,663	127,903	14
Tax provisions	1,331	1,259	14
Financial debt	269,665	163,523	15
Trade payables	354,516	336,752	
Other liabilities	1,365,521	649,247	16
Income tax liabilities	59,489	26,405	
	2,138,185	1,305,089	
	6,160,551	5,031,322	

STATEMENT OF CHANGES IN EQUITY

Statement of changes in equity

	Equity contributed		Equity generated				Capital of MVV	Non-controlling interests	Total capital
	Share capital of MVV Energie AG	Capital reserve of MVV Energie AG	Accumulated net income	Currency translation differences	Fair value measurement of financial instruments	Actuarial gains and losses			
Euro 000s									
Balance at 1 October 2019	168,721	455,241	768,308	20,823	- 25,982	- 67,395	1,319,716	215,551	1,535,267
Other income and expenses recognised in equity	-	-	-	- 5,082	- 33,157	- 18,759	- 56,998	- 11,563	- 68,561
Result of business operations	-	-	89,582	-	-	-	89,582	9,845	99,427
Total comprehensive income	-	-	89,582	- 5,082	- 33,157	- 18,759	32,584	- 1,718	30,866
Dividends paid	-	-	- 59,316	-	-	-	- 59,316	- 14,087	- 73,403
Capital increase/reduction at subsidiaries	-	-	210	-	-	-	210	66	276
Change in scope of consolidation/level of shareholding	-	-	56	- 25	-	-	31	- 142	- 111
Balance at 31 March 2020	168,721	455,241	798,840	15,716	- 59,139	- 86,154	1,293,225	199,670	1,492,895
Balance at 1 October 2020	168,721	455,241	803,101	9,483	- 34,167	- 83,241	1,319,138	215,162	1,534,300
Other income and expenses recognised in equity	-	-	-	9,529	39,783	- 508	48,804	7,912	56,716
Result of business operations	-	-	108,272	-	-	-	108,272	41,666	149,938
Total comprehensive income	-	-	108,272	9,529	39,783	- 508	157,076	49,578	206,654
Dividends paid	-	-	- 62,611	-	-	-	- 62,611	- 17,452	- 80,063
Capital increase/reduction at subsidiaries	-	-	-	-	-	-	-	-	-
Change in scope of consolidation/level of shareholding	-	-	- 17	-	-	-	- 17	- 55	- 72
Balance at 31 March 2021	168,721	455,241	848,745	19,012	5,616	- 83,749	1,413,586	247,233	1,660,819

CASH FLOW STATEMENT

Cash flow statement ¹		
Euro 000s	1 Oct 2020 to 31 Mar 2021	1 Oct 2019 to 31 Mar 2020
Net income for period before taxes on income	215,741	136,213
Amortisation, depreciation and write-ups of intangible assets, property, plant and equipment and investment properties	97,648	95,611
Financial result	17,493	25,457
Interest received	2,641	2,939
Change in non-current provisions	2,508	- 945
Other non-cash income and expenses ²	- 20,632	29,720
Result of disposal of non-current assets	- 948	- 1,752
Cash flow before working capital and taxes	314,451	287,243
Change in other assets ²	- 177,517	- 286,666
Change in other liabilities ²	133,843	48,880
Change in current provisions	- 39,011	- 54,481
Income taxes paid	- 27,782	- 37,229
Cash flow from operating activities	203,984	- 42,253
Payments for investments in intangible assets, property, plant and equipment and investment properties	- 103,831	- 166,324
Proceeds from disposals of intangible assets, property, plant and equipment and investment properties	9,601	26,353
Proceeds from subsidy payments	5,294	9,163
Proceeds from sale of other financial assets	270	3,913
Payments for acquisition of fully consolidated companies and other business units	- 3,954	- 3,861
Payments for other financial assets	- 9,931	- 6,585
Cash flow from investing activities	- 102,551	- 137,341
Proceeds from taking up of loans	397,562	207,741
Payments for redemption of loans	- 215,974	- 77,532
Dividends paid	- 62,611	- 59,316
Dividends paid to non-controlling interests	- 17,452	- 14,087
Change due to changes in capital at minorities	- 73	208
Interest paid	- 21,582	- 21,917
Cash flow from financing activities	79,870	35,097
Cash-effective changes in cash and cash equivalents	181,303	- 144,497
Change in cash and cash equivalents due to currency translation	7,752	- 4,556
Cash and cash equivalents at 1 October 2020 (2019)	343,175	357,564
Cash and cash equivalents at 31 March 2021 (2020)	532,230	208,511
of which cash and cash equivalents at 31 March 2021 (2020) with restraints on disposal	226	301

¹ See further disclosures on cash flow statement in Note 20

² Previous year's figures adjusted

CASH FLOW STATEMENT

Cash flow – aggregate presentation		
Euro 000s	1 Oct 2020 to 31 Mar 2021	1 Oct 2019 to 31 Mar 2020
Cash and cash equivalents at 1 October 2020 (2019)	343,175	357,564
Cash flow from operating activities	203,984	– 42,253
Cash flow from investing activities	– 102,551	– 137,341
Cash flow from financing activities	79,870	35,097
Change in cash and cash equivalents due to currency translation	7,752	– 4,556
Cash and cash equivalents at 31 March 2021 (2020)	532,230	208,511

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Information about the company

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

These condensed interim financial statements were prepared by the Executive Board on 11 May 2021. 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 2020 to 31 March 2021 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 2020.

Apart from the new requirements outlined below, the accounting policies applied in the interim consolidated financial statements as of 31 March 2021 are essentially consistent with those applied in the consolidated financial statements as of 30 September 2020.

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC) have amended and newly adopted some standards. The following table shows the standard amendments newly applied at MVV.

Newly applied standards and interpretations		
	EU endorsement	Effective date ¹
IFRS 3 Business Combinations – Definition of a Business	21 Apr 2020	1 Jan 2020

¹ Applicable in financial years beginning on or after the date stated

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

Changes in scope of consolidation

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

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

Scope of consolidation	Companies fully consolidated	Companies recognised at equity
1 October 2020	155	36
Additions	6	2
Disposals	26	1
31 March 2021	135	37

In the 1st quarter of 2021, MVV RHE GmbH, Mannheim, which is a fully consolidated company within the MVV Group, took over the remaining 50 % of Fernwärme Rhein-Neckar GmbH (FRN), Mannheim. This led to the full consolidation of FRN, which was previously accounted for as a joint venture using the equity method. FRN provides transmission pipelines to safeguard the supply of district heating to customers in the Heidelberg and Schwetzingen areas. As the company's district heating pipeline and business object do not constitute a standalone operation, no goodwill was identified upon allocation of the purchase price.

Currency translation

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

	Reporting date rate		Average rate	
	31 Mar 2021	30 Sep 2020	1 Oct 2020 to 31 Mar 2021	1 Oct 2019 to 31 Mar 2020
1 Euro				
Czech crown (CZK)	26.143	27.233	26.373	25.604
British pound (GBP)	0.852	0.912	0.889	0.862
US dollar (USD)	1.172	1.171	1.199	1.105
South African rand (ZAR)	17.348	19.709	18.338	16.627

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 increase in sales by Euro 170,936 thousand is due to positive effects, mostly volume-related, in the operating business, particularly for electricity and gas, as well as to sales recognised over time, especially for one investment project in which a subsidiary acts as the general contractor. These factors were countered by developments in sales in the solar and wind project development business due to their inherent volatility.

When translated into group currency, sales at our foreign subsidiaries came to Euro 136,798 thousand (previous year: Euro 181,102 thousand).

2. Changes in inventories

Changes in inventories mainly result from unfinished projects and project rights.

3. Cost of materials

Cost of materials rose by Euro 88,307 thousand compared with the previous year's period. This increase was also due to volume-related items for electricity and gas, as well as to material input for the investment project in which a subsidiary acts as the general contractor. Opposing developments were reported here too for the cost of materials for the solar and wind project development business.

4. Other operating income and other operating expenses

Other operating income		
Euro 000s	1 Oct 2020 to 31 Mar 2021	1 Oct 2019 to 31 Mar 2020
Income from IFRS 9 derivatives	113,736	114,196
Reimbursements	7,003	9,066
Agency agreements and personnel supplies	5,565	6,513
Rental income	2,972	2,141
Exchange rate gains	2,462	2,888
Reversal of provisions	2,237	4,149
Income from sales of assets and write-ups	1,649	2,099
Miscellaneous	12,498	16,109
	148,122	157,161
Other operating expenses		
Euro 000s	1 Oct 2020 to 31 Mar 2021	1 Oct 2019 to 31 Mar 2020
Expenses for IFRS 9 derivatives	81,701	135,674
Contributions, fees and duties	19,753	17,663
Expenses for advisory services	11,375	10,109
Maintenance, repair and IT services	9,028	9,170
Rental, leasehold and leasing expenses	8,426	7,158
Other services	6,323	6,423
Operating taxes (including energy taxes)	6,215	7,467
Public relations expenses	4,453	6,133
Other employee-related expenses	4,280	6,690
Exchange rate losses	2,054	4,316
Miscellaneous	14,563	11,178
	168,171	221,981

The change in other operating income and other operating expenses is chiefly due to the recognition of derivatives measured in accordance with IFRS 9. The measurement of these items under IFRS 9 resulted in a positive net effect of Euro 32,035 thousand in the 1st half of the 2021 financial year (previous year: negative net effect of Euro 21,478 thousand).

5. Income from companies recognised at equity

The income of Euro 18,141 thousand from companies recognised at equity (previous year: Euro 14,620 thousand) is attributable to the subsequent measurement of joint ventures and of companies over which MVV has only significant influence. Furthermore, in the current financial year this line item also includes the remeasurement of the shares held in Fernwärme-Rhein-Neckar GmbH.

6. Financing income and financing expenses

Financing income and financing expenses mainly comprise interest on loans. Net financing expenses fell by Euro 7,964 thousand to Euro 17,493 thousand. This improvement is mainly due to income arising upon the currency translation of financing facilities.

7. Taxes on income

The change in this item is principally due to the change in deferred taxes for measurement items relating to energy trading transactions recognised under IFRS 9, as well as to an increase in current taxes due to the improvement in operating earnings.

8. Earnings per share

Share of earnings attributable to MVV Energie AG shareholders and earnings per share	1 Oct 2020 to 31 Mar 2021	1 Oct 2019 to 31 Mar 2020
Share of earnings attributable to MVV Energie AG shareholders (Euro 000s)	108,272	89,582
Number of shares (weighted average in 000s)	65,907	65,907
Earnings per share (Euro)	1.64	1.36

It was not necessary to account for any dilution effects.

NOTES TO BALANCE SHEET

9. Other receivables and assets

The increase in other receivables and assets compared with 30 September 2020 is mainly due to the higher fair values of energy trading transactions recognised under IFRS 9 on account of substantial movements in market prices.

10. Deferred taxes

The change in deferred tax receivables and deferred tax liabilities is chiefly due to measurement items for energy trading transactions.

11. Trade receivables

Trade receivables rose sharply compared with 30 September 2020, with this mainly being due to customary seasonal developments in energy receivables. This was opposed by changes in the volume of receivables in the project development business.

12. Cash and cash equivalents

The rise in cash and cash equivalents is primarily due to incoming payments in connection with security deposits for counterparty default risks, as well as to net new borrowing.

13. Dividends paid

The Annual General Meeting on 12 March 2021 approved an increase in the dividend for the 2020 financial year of Euro 0.05 to Euro 0.95 per individual share (total distribution: Euro 62,611 thousand). Furthermore, a total of Euro 17,452 thousand was distributed to minority shareholders on subsidiary level.

14. Provisions

Provisions decreased by Euro 36,243 thousand compared with 30 September 2020. This reduction was primarily due to the utilisation of provisions for services not yet invoiced and of provisions for personnel-related obligations.

15. Financial debt

Financial debt rose by Euro 216,612 thousand compared with 30 September 2020. This increase was attributable in particular to the taking up of new loans to finance major projects and safeguard liquidity. This factor was opposed by the impact of regular repayments on existing loans.

16. Other liabilities

The rise in other liabilities compared with 30 September 2020 was mainly due to the higher fair values of energy trading transactions recognised under IFRS 9 on account of substantial movements in market prices.

17. Contingent liabilities

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

18. Financial instruments

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

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

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

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

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

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

Fair value hierarchy at 31 March 2021			
Euro 000s	Level 1	Level 2	Level 3
Financial assets			
Other shareholdings	–	–	5,965
Derivatives outside hedge accounting	402,366	452,116	230
Derivatives within hedge accounting	168,687	128,377	–
Other financial assets	–	–	–
Financial liabilities			
Derivatives outside hedge accounting	375,318	461,175	474
Derivatives within hedge accounting	49,677	232,839	3,773
Other financial liabilities	–	–	23,502

Fair value hierarchy at 30 September 2020			
Euro 000s	Level 1	Level 2	Level 3
Financial assets			
Other shareholdings	–	–	5,575
Derivatives outside hedge accounting	176,132	172,171	47
Derivatives within hedge accounting	34,989	65,179	36
Other financial assets	–	–	–
Financial liabilities			
Derivatives outside hedge accounting	155,257	186,129	733
Derivatives within hedge accounting	52,446	98,892	4,424
Other financial liabilities	–	–	25,395

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

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

The derivatives of Euro 3,773 thousand in Level 3 hedge accounting include interest swaps with floor (previous year: Euro 4,424 thousand). The fair value of these derivatives amounts to Euro 3,773 thousand. Any upward or downward change in the volatility factored into the calculation by an absolute figure of 1 would increase the fair value by Euro 47 thousand or reduce it by Euro 45 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					
	Balance at 1 Oct 2020	Gains/losses in income statement	Gains/losses in OCI	Additions/ disposals	Balance at 31 Mar 2021
Euro 000s					
Financial assets					
Other shareholdings	5,575	- 7	-	397	5,965
Derivatives outside hedge accounting	47	183	-	-	230
Derivatives within hedge accounting	36	-	- 36	-	-
Financial liabilities					
Derivatives outside hedge accounting	733	- 259	-	-	474
Derivatives within hedge accounting	4,424	-	- 651	-	3,773
Other financial liabilities	25,395	68	-	- 1,961	23,502

Development in financial instruments recognised in Level 3					
	Balance at 1 Oct 2019	Gains/losses in income statement	Gains/losses in OCI	Additions/ disposals	Balance at 30 Sep 2020
Euro 000s					
Financial assets					
Other shareholdings	6,861	- 36	-	- 1,250	5,575
Derivatives outside hedge accounting	649	- 602	-	-	47
Derivatives within hedge accounting	-	- 36	-	-	36
Financial liabilities					
Derivatives outside hedge accounting	325	408	-	-	733
Derivatives within hedge accounting	5,732	-	- 1,308	-	4,424
Other financial liabilities	21,898	1,237	-	2,260	25,395

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

Euro 000s	Total	of which still held at 31 Mar 2021
Other operating income and expenses	442	–
Income from shareholdings	– 7	– 7
Financial result	– 68	– 68
Other comprehensive income	615	615
	982	540

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

Euro 000s	Total	of which still held at 30 Sep 2020
Other operating income and expenses	– 1,010	–
Income from shareholdings	– 36	– 36
Financial result	– 1,237	– 1,237
Other comprehensive income	1,308	1,308
	– 975	35

19. Segment reporting

Segment report from 1 October 2020 to 31 March 2021					
Euro 000s	Adjusted external sales excluding energy taxes	Intercompany sales excluding energy taxes	Scheduled depreciation	Impairment losses	Adjusted EBIT
Customer Solutions	1,590,379	181,622	10,509	–	47,665
New Energies	234,723	50,780	38,749	–	60,710
Supply Reliability	188,035	403,142	35,089	–	82,505
Strategic Investments	64,526	579	5,648	–	28,180
Other Activities	305	24,607	7,653	–	4,237
Consolidation	–	– 660,730	–	–	–
	2,077,968	–	97,648	–	223,297

Segment report from 1 October 2019 to 31 March 2020					
Euro 000s	Adjusted external sales excluding energy taxes	Intercompany sales excluding energy taxes	Scheduled depreciation	Impairment losses	Adjusted EBIT
Customer Solutions	1,484,341	111,576	10,334	–	33,211
New Energies	289,164	56,416	39,734	–	54,784
Supply Reliability	167,271	351,114	32,926	–	70,055
Strategic Investments	62,357	485	5,281	–	25,518
Other Activities	783	24,318	7,336	–	9,819
Consolidation	–	– 543,909	–	–	–
	2,003,916	–	95,611	–	193,387

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

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

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

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

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

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

- In addition to conventional energy generation, the **Supply Reliability** reporting segment also includes grid facilities for electricity, heating energy, 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, heating energy, gas and water.

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

- The **Strategic Investments** reporting segment consists of the Köthen Energie and MVV Energie CZ subgroups and the at-equity result of the Stadtwerke Ingolstadt subgroup.
- The **Other Activities** reporting segment consists in particular of the shared service companies and cross-divisional functions.
- **Consolidation** includes figures for transactions with other reporting segments that are eliminated for consolidation purposes.

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

Of segment sales with external customers, 93.4 % were generated in Germany (previous year: 90.7 %). 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			
	1 Oct 2020 to 31 Mar 2021	1 Oct 2019 to 31 Mar 2020	+/- change
Euro 000s			
EBIT as per income statement	233,234	161,670	+ 71,564
Financial derivative measurement items	- 11,666	29,883	- 41,549
Structural adjustment for part-time early retirement	-	10	- 10
Interest income in connection with finance leases	1,729	1,825	- 96
Adjusted EBIT	223,297	193,388	+ 29,909

Reconciliation of external sales excluding energy taxes with adjusted external sales excluding energy taxes			
	1 Oct 2020 to 31 Mar 2021	1 Oct 2019 to 31 Mar 2020	+/- change
Euro 000s			
Sales less electricity and natural gas taxes	2,078,025	1,956,120	+ 121,905
Sales due to operative FX derivative – withdrawal of IFRS 9	- 17		- 17
Realisation effects from financial derivatives	- 57	47,796	- 47,853
Adjusted sales less electricity and natural gas taxes	2,077,968	2,003,916	+ 74,052

20. Cash flow statement

After the elimination of non-cash income and expenses, the sharp improvement in earnings before taxes (EBT) compared with the previous year led the cash flow before working capital and taxes to increase by Euro 27,208 thousand. The largest items eliminated related to non-cash IFRS 9 measurement. The positive cash flow performance was significantly intensified in the cash flow from operating activities, which was Euro 246,237 thousand higher than in the previous year's period. Inflows of funds due to deposits for counterparty default risk (margins) had a markedly positive effect on the cash flow. The settlement of a major project in the Customer Solutions segment also sharply increased the cash flow. One opposing factor with a correspondingly negative impact was the lower volume of settlements for sub-projects concluded in the project development business.

The development in the cash flow from investing activities was mainly shaped by lower investments in property, plant and equipment. Opposing developments with a negative effect chiefly related to divestments in the period under report, which were lower than in the 2nd quarter of the previous year. Overall, the cash flow from investing activities improved year-on-year by Euro 34,790 thousand.

The cash flow from financing activities increased by Euro 44,773 thousand compared with the 2nd quarter of the 2020 financial year, with this largely being due to a higher volume of net new borrowing.

The adjustment in the previous year's figures relates to the changes made to other asset and liability items to eliminate non-cash measurement effects for hedge accounting derivatives. This adjustment has been made since the end of the 2020 financial year in order to improve the presentation of changes in these items.

21. Related party disclosures

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

Related party disclosures								
	Goods and services provided				Receivables		Liabilities	
	Income		Expenses		31 Mar 2021	30 Sep 2020	31 Mar 2021	30 Sep 2020
	1 Oct 2020 to 31 Mar 2021	1 Oct 2019 to 31 Mar 2020	1 Oct 2020 to 31 Mar 2021	1 Oct 2019 to 31 Mar 2020				
Euro								
City of Mannheim	3,947	7,452	13,624	11,942	178	32	9,151	6,269
Abfallwirtschaft Mannheim	3,686	3,691	324	866	1,504	1,330	331	348
GBG Mannheimer Wohnungsbaugesellschaft mbH	13,145	13,419	783	–	492	76	–	15
m:con - mannheim:congress GmbH	1,883	2,083	60	174	5,245	5,373	300	24
MKB Mannheimer Kommunalbeteiligungen GmbH (previously: MVV GmbH)	58	20	–	–	25	–	–	–
MV Mannheimer Verkehr GmbH (previously: MVV Verkehr GmbH)	6	25	–	1	–	–	–	1
Rhein-Neckar-Verkehr GmbH	4,461	3,694	–	236	151	1,254	396	1,182
Stadtentwässerung Mannheim	1,380	852	97	117	441	278	–	75
Associates	2,455	1,869	415	678	1,120	2,663	1,586	1,827
Joint ventures	106,512	89,212	120,867	130,471	37,279	70,948	60,457	91,741
Other related parties	17,557	13,445	2,652	1,296	5,611	5,813	1,818	1,146
	155,090	135,762	138,822	145,781	52,046	87,767	74,039	102,628

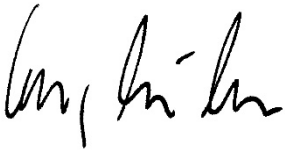
22. Events after balance sheet date

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

Mannheim, 11 May 2021

MVV Energie AG

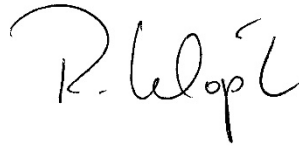
Executive Board



Dr. Müller



Amann



Klöpfer



Dr. Roll

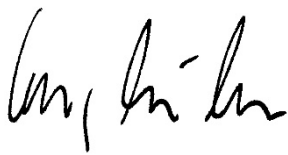
RESPONSIBILITY STATEMENT

“We affirm that, to the best of our knowledge, the interim consolidated financial statements give a true and fair picture of the net asset, financial and earnings position of the Group in accordance with the accounting principles applicable for interim reporting and that the interim group management report provides a fair review of the development and performance of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group through to the end of the 2021 financial year.”

Mannheim, 11 May 2021

MVV Energie AG

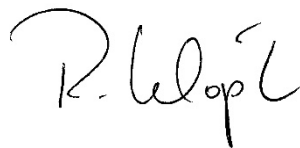
Executive Board



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Dr. Roll

FINANCIAL CALENDAR

12 May 2021

H1 Interim Report
2021 Financial Year

13 August 2021

9M Quarterly Statement
2021 Financial Year

14 December 2021

Annual Report
2021 Financial Year

14 December 2021

Annual Results Press Conference
and Analysts' Conference
2021 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 12 May 2021. The English version of this report is a translation of the legally definitive German version.

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

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GRAPHICS

HGB Hamburger Geschäftsberichte GmbH & Co. KG,
Hamburg