We inspire with energy.

Interim Report H1

Financial Year 2020

MVV in Figures

	1 Oct 2019 to 31 Mar 2020	1 Oct 2018 to 31 Mar 2019	% change
Adjusted sales excluding energy taxes [1] (Euro million)	2,004	1,982	+ 1
Adjusted EBITDA [2] (Euro million)	289	253	+ 14
Adjusted EBIT [2] (Euro million)	193	161	+ 20
Adjusted net income for period [2] (Euro million)	115	96	+ 20
Adjusted net income for period after minority interests [2] (Euro million)	95	78	+ 22
Adjusted earnings per share [2] (Euro)	1.45	1.19	+ 22
Cash flow from operating activities (Euro million)	– 42	– 88	+ 52
Cash flow from operating activities per share (Euro)	– 0.64	– 1.34	+ 52
Adjusted total assets at 31 March 2020/30 September 2019 [3] (Euro million)	4,679	4,472	+ 5
Adjusted equity at 31 March 2020/30 September 2019 [3] (Euro million)	1,567	1,544	+ 1
Adjusted equity ratio at 31 March 2020/30 September 2019 [3] (%)	33.5	34.5	– 3
Net financial debt at 31 March 2020/30 September 2019 (Euro million)	1,625	1,345	+ 21
Investments (Euro million)	180	136	+ 32
Number of employees at 31 March 2020/31 March 2019 (headcount)	6,155	5,943	+ 4

1 Previous year`s figure adjusted
2 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
3 Excluding non-operating measurement items for financial derivatives

Contents

Highlights

Green Heat

By connecting our waste-fired combined heat and power plant in Mannheim to the regional heating energy grid in February 2020, we reached a first milestone on our way towards Green Heat. This way, up to 30 % of annual heating energy needs will be covered in future by renewable energies. Here, we are combining the advantages of regional, climate-sensitive generation with the acknowledged benefits of district heating, which offers reliability, convenience and great efficiency, particularly in large built-up areas. Overall, we are investing around Euro 100 million in the further development of our Friesenheimer Insel location.

Consistent dividend

Our Annual General Meeting was held in exceptional circumstances on 13 March 2020. Due to the corona-virus pandemic, we accorded top priority to protecting the health of all involved and created additional ways for our shareholders to exercise their rights, also with-out attending in person. Shareholders once again approved a dividend of Euro 0.90 per share for the 2019 financial year. Overall, a total of Euro 59.3 million was distributed, corresponding to a payout ratio of more than 60 %.

New major shareholder

First State Investments (FSI) has acquired 45.1 % of MVV's shares. Through to closing, these shares will still be held by EnBW and RheinEnergie. The City of Mannheim will remain the majority shareholder with a 50.1 % stake. With more than Euro 143 billion, FSI is one of the world's leading pension and insurance fund managers and invests substantial amounts in infra-structure companies. MVV will thus achieve a stable long-term shareholder structure with fundamentally aligned interests. Both shareholders are committed to MVV's stock market listing, to retaining its free float and to our broad-based business model with its focus on successfully implementing the energy turnaround along the energy industry value chain.

Foreword

Dear Ladies and Gentlemen,

2020 will be a special year for MVV. That is what we said at the beginning of the current financial year, and a glance at the first half of the financial year will show how right we were. Many of the projects we initiated in past years have now become reality. Our new gas-powered CHP plant in Kiel launched operations in November 2019 and sets new standards in terms of flexibility, efficiency and sustainability. In February 2020, we connected our waste-fired CHP plant in Mannheim to the heating energy grid. This way, up to 30 percent of heating energy requirements in Mannheim and the region will be covered with our Green Heat. We are implementing a comparable concept for our waste incineration activities in Leuna, which we are linking up to the district heating grid at Stadtwerke Merseburg. By taking over Freisen Windfarm, developed by Juwi, in November 2019, we boosted our renewable energies generation portfolio. Operations are about to begin at Siegfriedeiche Windfarm, built by Windwärts in Grävenwiesbach. In all, we generated around 730 GWh of electricity from renewable energies in the first six months of the 2020 financial year – 18 percent more than in the previous year.

We have the right strategy and are making progress in implementing it. That is also reflected in our key financials: Our adjusted sales and above all our adjusted EBIT rose year-on-year to Euro 2.0 billion and Euro 193 million.

With First State Investments, we have gained a strong shareholder with a sustainable focus

Our sustainability-driven corporate strategy was the decisive criterion for First State Investments (FSI) to acquire 45.1 percent of the shares in MVV. Through to closing, these shares will still be held by EnBW and Rheinenergie. With 50.1 percent of the shares, the City of Mannheim will remain the majority owner and thus continue to act as our stable anchor shareholder. FSI is one of the world's leading managers of pension and retirement funds, which it invests with a long-term perspective in profitable companies with reliable dividend policies. With the City of Mannheim and FSI, MVV will have a stable shareholder structure. Both shareholders are committed to our stock market listing, to maintaining our free float and to our broad-based business model with its focus on successfully implementing the energy turnaround along the energy industry value chain.

Coronavirus pandemic will influence further business performance

Since March, we have faced additional challenges, making it a special year in this respect as well. The coronavirus pandemic requires us all to act carefully and responsibly. For us, two key principles are paramount: Our top priority is to protect the health of our employees, customers and partners. At the same time, we are performing our infrastructure task of safeguarding the supply of energy and water to society and business. Here, we can draw on well-tested crisis plans that are continually adapted in line with the situation in hand. In these exceptional times, our employees are performing outstanding work and showing great individual commitment each day. I would like to take this opportunity to thank them warmly on behalf of the entire Executive Board.

The pandemic will leave its mark on the energy industry as well. Having had hardly any impact on the first six months, it will influence MVV's sales and earnings performance in the further course of the year. At present, we are not able to offer any definitive assessment and in particular any quantification of the further development in and consequences of the pandemic. From an operating perspective, we currently expect our adjusted sales and our adjusted EBIT to approximately match the previous year's figures. Due to coronavirus-related uncertainties, the assumptions used in this forecast are subject to greater fluctuation than usual.

Present developments in no way affect our core objective and perspective of successfully implementing the energy turnaround and achieving climate neutrality as a company by 2050 at the latest. We are working to achieve that each and every day. We would be pleased if you would accompany and support us on this demanding course.

Yours faithfully,

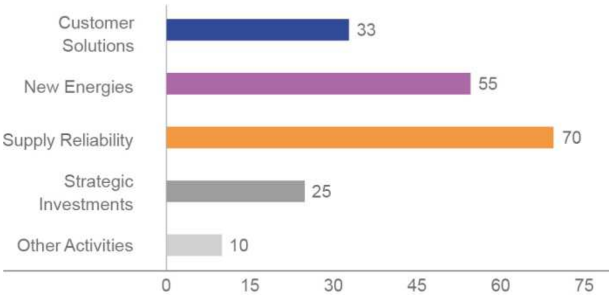
Dr. Georg Müller
CEO

Our First Six Months

Adjusted EBIT

193 Euro million

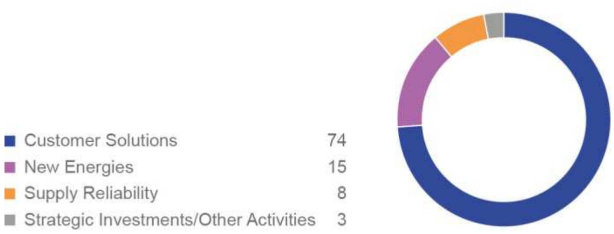
ADJUSTED EBIT BY REPORTING SEGMENT
Euro million



Sales

2.0 Euro billion

ADJUSTED SALES BY REPORTING SEGMENT
Shares %



Investments

180

Euro million

Group Business Performance

BUSINESS FRAMEWORK

Economic and energy policy climate

Coronavirus pandemic with far-reaching economic consequences

Like all countries affected, Germany expects the coronavirus pandemic to place severe restrictions on its economy and society. When publishing their joint economic forecast on 8 April 2020, Germany's leading economic research institutes issued their assessment of developments in the country's economy. They expect gross domestic product to decrease by 4.2 % compared with the previous year. Further indicators also predict a significant economic slowdown due to the coronavirus pandemic. The ifo Business Climate Index plummeted to the lowest level ever measured in April. The ZEW Economic Expectations Index published in April pointed to a possible upward trend, with the financial market experts mostly expecting the macroeconomic situation to improve in the medium term and, in line with this, economic growth from the 3rd quarter of 2020. Specific consequences for individual economies will depend above all on the duration and scope of restrictions, those effects that arise in the meantime and can no longer be offset, and the pace of recovery.

Economic rescue package

To minimise the economic impact, Germany's Federal and State Governments have introduced several legislative packages since the end of March 2020. The Federal Government approved aid for consumers, families, employees, the self-employed and companies. Special programmes at KfW are available to companies. These are intended to safeguard liquidity, particularly by way of favourably priced loans. Alongside this, an Economic Stabilisation Fund with a guaranteed framework of up to Euro 400 billion assists companies in obtaining refinancing on the capital market. On the level of the European Union, a further total of around Euro 500 billion should be available for loans provided to companies by the European Investment Bank, as well as extended credit lines within the European Financial Stability Facility for governments whose debt rises sharply due to the pandemic.

Delays in legislative proposals

The coronavirus pandemic and the resultant tasks and restrictions may also lead to delays in the adoption of legislative proposals relevant to the energy industry. This is also expected to affect the German Coal Exit Act, which may only be adopted in summer 2020. It is therefore unclear whether the first round of tenders for decommissioning hard coal-fired power plants, which was previously scheduled for 2020, can still actually take place. The amendment to the German Renewable Energies Act (EEG) may also be delayed. For both proposals, differences of opinion concerning the contents still have to be addressed. For the coal exit, these relate to calls from industry for appropriate treatment of hard coal and further steps for an efficient heating energy supply. For the EEG, they relate in particular to the distances required between wind turbines and settlements, and the cap on the rate of addition for photovoltaics systems, which is to be raised. This risks continuing the expansion difficulties which Germany has already seen in terms of adding new renewable energies plants, and that even though the Coalition has confirmed the 65 % target by 2030.

It is also currently unclear when progress can be made with climate legislation on European level. The EU Commission aims to uphold its project of stipulating the framework for a climate-neutral EU by 2050 by way of a regulation. There is opposition to this approach in the EU Parliament.

Short-term solutions for EEG plant commissioning deadlines

An uncomplicated solution has been found for those plants covered by EEG legislation for which the implementation deadlines stipulated in the tender process cannot be met due to the pandemic. The Federal Network Agency has on the one hand extended the deadlines for existing tender awards. On the other hand, it has suspended publication of tender awards for the coming rounds, so that implementation deadlines do not start running. This way, investors obtain certainty that they can budget for EEG compensation despite delays arising due to the pandemic.

BSI publishes market declaration on installation of smart metering systems

The Federal Office for Information Security (BSI) presented the so-called market declaration for smart metering systems at the beginning of 2020. This establishes that the rollout of smart metering systems is technically possible in accordance with the German Metering Operations Act (MsbG), as sufficient companies are offering smart metering systems with the necessary attributes on the market. This means that metering point operators responsible for the respective sites are obliged to equip electricity customers and metering points with annual consumption of 6,000 kWh up to a maximum of 100,000 kWh with a smart metering system. Further application cases will follow. Digitalising the energy turnaround is an important aspect of energy and climate policy in Germany, and smart metering systems are seen as a significant component of this process.

Market climate

Wholesale prices

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

	FY 2020	FY 2019	+/– change	% change
Crude oil [1] (US$/barrel)	56.66	66.25	– 9.59	– 14
Natural gas [2] (Euro/MWh)	16.47	21.08	– 4.61	– 22
Coal [3] (US$/tonne)	63.50	83.71	– 20.21	– 24
CO_2 rights [4] (Euro/tonne)	24.17	22.02	+ 2.15	+ 10
Electricity [5] (Euro/MWh)	43.89	48.52	– 4.63	– 10

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

Fuel markets remain weak

Overall, energy prices were weaker in the 1st half of our 2020 financial year than in the previous year's period. By contrast, prices rose for CO_2 emission rights.

Disparate developments in conventional generation spreads

The margin for conventional coal-based generation (clean dark spread) fell even further compared with the previous year's period. This was due to relatively robust coal prices and the domination of demand by countries in the Asia-Pacific region. Due to the very good supply situation in Europe, gas is comparatively cheap. As a result, the gross margin achieved by gas-fired power plants (clean spark spread) has risen. Both spreads 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 business field is allocated.

DEVELOPMENT IN CLEAN DARK SPREAD AND CLEAN SPARK SPREAD FOR 2021

Impact of weather conditions

Mild weather and higher wind volumes

Higher outdoor temperatures lead to lower heating energy requirements at our customers. This is also reflected in lower degree day figures, which are referred to as an indicator of temperature-related heating consumption. The 1st half of our 2020 financial year was characterised by very mild weather conditions. Overall, degree day figures were around 2 % lower than the already low figures for the previous year's period.

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 are particularly significant in this respect, as they significantly influence the volumes of electricity generated by our wind turbines.

Overall, the volume of usable wind power in the regions relevant to our business was around 51 % higher than the long-term average in the period under report. The wind yield also exceeded the previous year's figure, which over the same period had surpassed the long-term average by around 31 %. For 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 2020 financial year – from 1 October 2019 to 31 March 2020. 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 2020**	FY 2019	+/– change	% change
Development in turnover				
Electricity (kWh million)	11,543	10,784	+ 759	+ 7
Heating energy (kWh million)	4,447	4,674	– 227	– 5
Gas (kWh million)	15,310	15,571	– 261	– 2
Water (m³ million)	19.9	19.8	+ 0.1	+ 1
Adjusted sales excluding energy taxes	2,004	1,982	+ 22	+ 1
of which electricity revenues	901	879	+ 22	+ 3
of which heating energy revenues	244	239	+ 5	+ 2
of which gas revenues	420	446	– 26	– 6
of which water revenues	43	42	+ 1	+ 2
Adjusted EBIT	193	161	+ 32	+ 20

The increase in electricity turnover was largely driven by higher electricity trading volumes. Mainly as a result of weather conditions, heating energy turnover fell short of the previous year's figure. The main reason for the decrease in gas turnover related to lower volumes in the Business customer business field.

Within sales, we eliminate IFRS 9 measurement items, which amounted to net totals of Euro – 48 million as of 31 March 2020 and Euro + 44 million as of 31 March 2019.

Customer Solutions reporting segment

Customer Solutions: H1, 1 October to 31 March

Euro million	**FY 2020**	FY 2019	+/– change	% change
Adjusted sales excluding energy taxes	1,485	1,485	0	0
Adjusted EBIT	33	43	– 10	– 23

The sales growth resulting from first-time consolidation of EnDaNet in the 1st quarter of the period under report and the full consolidation of DC Data Center Group for the first time in the 3rd quarter of the previous year was partly offset by negative price effects. Overall, adjusted sales in the Customer Solutions segment were at the same level as in the previous year.

The year-on-year reduction in adjusted EBIT was due above all to lower earnings contributions from our Business customer business field and to start-up costs incurred for developing innovative products and services and establishing new business activities. Operating earnings were also adversely affected by mild weather conditions in the period under report.

New Energies reporting segment

New Energies: H1, 1 October to 31 March

Euro million	**FY 2020**	FY 2019	+/– change	% change
Adjusted sales excluding energy taxes	289	273	+ 16	+ 6
Adjusted EBIT	55	36	+ 19	+ 53

All business fields contributed to the sales growth in the New Energies reporting segment.

The key driver for the increase in adjusted EBIT was our Environmental Energy business field, where we benefited from improved plant availability and positive one-off items. Moreover, our wind turbines also generated higher earnings contributions. We added Freisen-Rothsberg Windfarm to our generation portfolio in November 2019. Developed and built by Juwi, this windfarm was taken over at cost.

Supply Reliability reporting segment

Supply Reliability: H1, 1 October to 31 March

Euro million	FY 2020	FY 2019	+/– change	% change
Adjusted sales excluding energy taxes	167	163	+ 4	+ 2
Adjusted EBIT	70	54	+ 16	+ 30

The increase in adjusted sales and adjusted EBIT in the Supply Reliability reporting segment was principally due to the launch of operations at our new gas-powered CHP plant in Kiel.

Reconciliation with adjusted EBIT

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

Euro million	FY 2020	FY 2019	+/– change
EBIT as reported in income statement	162	96	+ 66
Financial derivative measurement item	29	63	– 34
Structural adjustment for part-time early retirement	<1	<1	0
Interest income in connection with finance leases	2	2	0
Adjusted EBIT	**193**	**161**	**+ 32**

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, which came to a net total of Euro – 29 million as of 31 March 2020 and Euro – 63 million as of 31 March 2019. 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 decreased by Euro 19 million to Euro 1,484 million and reflected opposing developments: Effects resulting from first-time consolidation of EnDaNet and the full consolidation of DC Data Center Group were largely offset by price-related effects.

At Euro 229 million, **adjusted employee benefit expenses** were Euro 14 million higher than in the previous year. This increase was mainly due to consolidation effects relating to EnDaNet and DC Data Center Group, as well as to collectively agreed pay rises.

The **income from companies recognised at equity,** amounting to Euro 15 million, results from the subsequent measurement of joint ventures and of companies over which MVV has only significant influence.

Depreciation and amortisation rose by Euro 4 million to Euro 96 million.

Mainly as a result of exchange rate fluctuations in the translation of assets into euros, the **adjusted financial result** fell by Euro 6 million to Euro – 27 million.

See Income Statement on Page 16 and Notes to Income Statement on Page 24.

Presentation of asset position

The increases in non-current other receivables and assets by Euro 103 million and in current other receivables and assets by Euro 810 million were mainly due to a substantial movement in market prices. Largely due to the coronavirus crisis, this reduction in market prices increased the fair values of energy transactions recognised under IFRS 9. Furthermore, there was also an increase in the receivables from security deposits to reduce counterparty risk.

Non-current assets increased by Euro 142 million to Euro 3,606 million, while **current assets** rose by Euro 847 million to Euro 2,205 million.

At Euro 1,493 million, MVV's **equity** including non-controlling interests was Euro 42 million lower than the figure at the previous year's balance sheet date.

Non-current debt rose by Euro 150 million to Euro 2,259 million. **Current debt** increased by Euro 881 million to Euro 2,059 million.

See Balance Sheet on Page 18 and Notes to Balance Sheet from Page 26.

For Group management purposes, we adjust our consolidated balance sheet as of 31 March 2020 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 1,132 million (30 September 2019: Euro 350 million). On the equity and debt side, we eliminate negative fair values and allocable deferred taxes, amounting to Euro 1,206 million, from liabilities (30 September 2019: Euro 358 million). Under equity, we then eliminate the net balance, which amounted to Euro – 74 million (30 September 2019: Euro – 8 million). This led to **adjusted equity** of Euro 1,567 million as of 31 March 2020 (30 September 2019: Euro 1,544 million). Based on adjusted total assets of Euro 4,679 million (30 September 2018: Euro 4,472 million), the adjusted equity ratio therefore amounted to 33.5 % as of 31 March 2020, as against 34.5 % as of 30 September 2019.

Investments

We invested a total of Euro 180 million in the 1st half of our 2020 financial year (previous year: Euro 136 million).

Investments: H1, 1 October to 31 March

Euro million	FY 2020	FY 2019	+/– change	% change
Customer Solutions	21	23	– 2	– 9
New Energies	70	51	+ 19	+ 37
Supply Reliability	74	48	+ 26	+ 54
Strategic Investments	9	5	+ 4	+ 80
Other Activities	6	9	– 3	– 33
Total	**180**	**136**	**+ 44**	**+ 32**

Our largest investment projects currently involve

- Investments in connection with our new gas-powered CHP plant in Kiel
- Building a new CHP plant in Dundee/Scotland
- Expanding our Friesenheimer Insel location in Mannheim
- Developing and acquiring windfarms for our proprietary portfolio
- Maintaining and renewing our distribution grids
- Expanding and increasing the density of our district heating grids
- Introducing new plant technology for the incineration of sewage and building a data centre at Energieversorgung Offenbach.

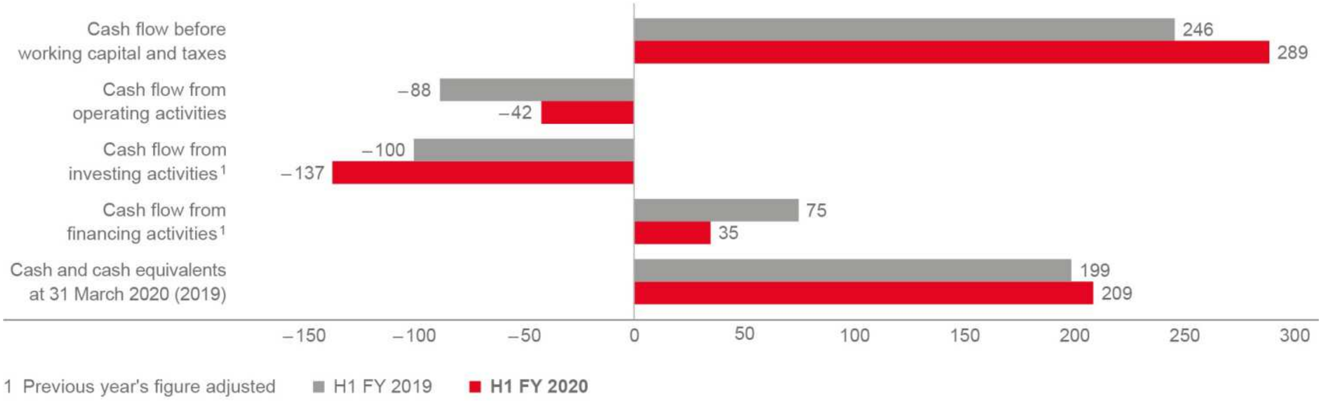
Presentation of financial position

Current and non-current financial debt rose by Euro 131 million to Euro 1,833 million. At the same time, **cash and cash equivalents** fell by Euro 149 million. Overall, **net financial debt** therefore rose by Euro 280 million to Euro 1,625 million. This increase was chiefly due to investments, higher inventories in our project development business, the depositing of margins for our trading business and payment of the dividend for the 2019 financial year.

As of 31 March 2020, MVV posted **cash and cash equivalents** of Euro 209 million (31 March 2019: Euro 199 million).

See Cash flow Statement on Page 20 and Note 20. Cash flow statement on Page 32.

CASH FLOW STATEMENT
Euro million



1 Previous year's figure adjusted

Employees

Personnel figures (headcount) at balance sheet date

	31 Mar 2020	31 Mar 2019	+/– change	% change
MVV [1]	6,155	5,943	+ 212	+ 4
of which in Germany	5,264	5,060	+ 204	+ 4
of which abroad	891	883	+ 8	+ 1

1 Including 269 trainees (previous year: 266)

We had a total of 6,155 employees as of 31 March 2020, 212 more than one year earlier. Of these, 5,264 employees worked in our domestic businesses, while 891 employees worked at our foreign subsidiaries. These include 505 employees at our Czech subgroup, 245 at the international shareholdings of Juwi and 134 at the British subsidiaries of MVV Umwelt.

A total of 269 young people were in training across the Group as of 31 March 2020.

FORECAST FOR THE 2020 FINANCIAL YEAR

Expected sales performance

Based on the pleasing course of business to date and despite the potential effects of the coronavirus pandemic, we expect **MVV's** adjusted sales (excluding energy taxes) for the 2020 financial year to approximately match the previous year's figure (Euro 3.7 billion). By comparison, when we published our 2019 Annual Report, i.e. before the outbreak of the pandemic, we still expected our sales to slightly exceed the previous year's figure. On an operating level, the sales we generate will continue to depend above all on trading activities and commodity prices, project realisation in the renewable energies business, the energy consumed by our customers, our sales activities and availability levels at our plants.

Expected earnings performance

The coronavirus pandemic has also influenced our earnings forecast. From an operating perspective, we expect **MVV's** adjusted EBIT in the current financial year to approximately match the previous year's figure (Euro 225 million). In our Annual Report published in December 2019, we still expected to see a slight increase.

Given our business model, and without amending our previous assumptions, MVV's ongoing earnings performance will depend in general on wind conditions, electricity and fuel prices and the spreads from conventional generation, availability levels at our plants and the development in the market climate and competition. By its nature, our project development business is already subject to a high level of earnings volatility. Furthermore, we expect to see the first effects of the planned exit from coal in this financial year.

Earnings in the current financial year will also be influenced by the effects of the coronavirus pandemic. At present, these cannot yet be definitively quantified, as they will depend above all on the duration and extent of restrictions and the pace of economic recovery. In particular, we expect to see a reduction in energy consumption at our business and commercial customers. The pandemic may also delay the implementation of wind and solar projects, as well as other construction projects. It should be noted that these adverse effects may involve either the mere rescheduling of projects between individual financial years or negative one-off items. We cannot exclude the possibility of this triggering valuation adjustments in our balance sheet.

Given the pleasing 1st half of the financial year, we have nevertheless only slightly lowered our forecast, although its risk corridor has widened due to the coronavirus pandemic.

Our earnings forecast for the 2020 financial year is based on the following assessments for our main reporting segments:

In our **Customer Solutions reporting segment,** we expect to see a slight reduction in adjusted EBIT.

Adjusted EBIT in the **New Energies and Supply Reliability reporting segments** is expected to remain at the previous year's level.

Planned investments

From a current perspective, our investments in the 2020 financial year will roughly match the previous year's figure (Euro 310 million) and maintain the same strategic investment focuses.

OPPORTUNITY AND RISK SITUATION

The risk situation at the end of our period under report is significantly influenced by the uncertainties resulting from the coronavirus pandemic. These now apply alongside the opportunities and risks presented from Page 79 onwards of our 2019 Annual Report. We are countering the pandemic with numerous proactive measures that we are continually reviewing in terms of their effectiveness. These take due account of our need to protect the health of our employees and our obligation to uphold the energy and water supply infrastructure at all of our locations. Overall, we can only influence the direct and indirect effects of the pandemic on our business to a limited extent. The greatest sources of uncertainty relate to delays in operations launches and projects. These may arise due to supply bottlenecks at upstream suppliers or due to decision-making processes being put on hold by investors or the authorities approving the respective project.

Moreover, we expect our electricity and gas turnover to decrease due to partial to full reductions in the volume of energy our customers require. Furthermore, we expect wholesale market prices to remain exposed to greater fluctuations than usual. Fluctuations in exchange rates might reduce earnings from our foreign businesses. Increased liquidity requirements would impact negatively on our interest expenses.

INCOME STATEMENT

Income statement

Euro 000s	**1 Jan 2020 to 31 Mar 2020**	1 Jan 2019 to 31 Mar 2019	**1 Oct 2019 to 31 Mar 2020**	1 Oct 2018 to 31 Mar 2019	Notes
Sales[1, 2]	975,953	1,028,640	2,040,055	2,114,501	
less electricity and natural gas taxes	43,677	45,064	83,935	89,031	
Sales less electricity and natural gas taxes	**932,276**	**983,576**	**1,956,120**	**2,025,470**	1
Changes in inventories	12,859	4,220	14,109	9,368	2
Own work capitalised	5,024	4,747	8,937	8,282	
Other operating income[1, 2]	75,301	111,419	157,161	226,561	4
Cost of materials[1, 2]	658,450	732,061	1,444,645	1,581,588	3
Employee benefit expenses	116,153	108,761	228,740	215,241	
Other operating expenses[1]	104,884	141,241	221,981	303,959	4
Impairment losses on financial instruments	– 163	1,005	– 686	2,424	
Income from companies recognised at equity	10,737	15,500	14,620	20,968	5
Other income from shareholdings	561	– 33	1,014	– 120	5
EBITDA	**157,434**	**136,361**	**257,281**	**187,317**	
Depreciation	48,308	45,101	95,611	91,554	
EBIT	**109,126**	**91,260**	**161,670**	**95,763**	
of which result of IFRS 9 derivatives measurement	– 2,275	– 1,967	– 29,883	– 63,925	
of which EBIT before result of IFRS 9 derivative measurement	111,401	93,227	191,553	159,688	
Financing income	2,963	3,072	7,235	8,342	6
Financing expenses	14,339	13,168	32,692	28,279	6
EBT	**97,750**	**81,164**	**136,213**	**75,826**	
Taxes on income	24,997	25,607	36,786	24,659	7
Net income for period	**72,753**	**55,557**	**99,427**	**51,167**	
of which non-controlling interests	9,172	5,879	9,845	29,569	
of which earnings attributable to MVV energie AG shareholders (net income for period after minority interests)	**63,581**	**49,678**	**89,582**	**21,598**	8
Basic and diluted earnings per share (Euro)	**0.96**	**0.75**	**1.36**	**0.33**	

1 Previous year's figures adjusted due to NIFRIC "Physical settlement of contracts to buy or sell a non-financial item (IFRS 9)"
2 Previous year's figures adjusted: accounting method amended in connection with aforementioned NIFRIC.

STATEMENT OF COMPREHENSIVE INCOME

Statement of income and expenses recognised in group equity

Euro 000s	**1 Jan 2020 to 31 Mar 2020**	1 Jan 2019 to 31 Mar 2019	**1 Oct 2019 to 31 Mar 2020**	1 Oct 2018 to 31 Mar 2019
Net income for period	**72,753**	**55,557**	**99,427**	**51,167**
Cash flow hedges	– 36,990	– 16,024	– 44,644	– 33,799
Hedging costs	169	–	466	–
Currency translation differences	– 10,252	2,608	– 5,335	5,216
Reclassifiable share of companies recognised at equity	– 66	48	– 70	179
Items that may subsequently be reclassified to profit or loss	**– 47,139**	**– 13,368**	**– 49,583**	**– 28,404**
Actuarial gains and losses	–	–	– 876	–
Non-reclassifiable share of companies recognised at equity	– 18,170	– 1,125	– 18,102	– 1,125
Items that will not be reclassified to profit or loss	**– 18,170**	**– 1,125**	**– 18,978**	**– 1,125**
Total comprehensive income	**7,444**	**41,064**	**30,866**	**21,638**
Non-controlling interests	131	2,589	– 1,718	23,131
Total comprehensive income attributable to MVV Energie AG shareholders	**7,313**	**38,475**	**32,584**	**– 1,493**

BALANCE SHEET

Balance sheet

Euro 000s	31 Mar 2020	30 Sep 2019	Notes
Assets			
Non-current assets			
Intangible assets	301,790	309,494	
Property, plant and equipment	2,689,422	2,633,871	
Right-of-use assets	144,323	149,814	
Investment properties	2,590	2,606	
Interests in companies recognised at equity	182,240	188,816	
Other financial assets	72,948	78,931	
Other receivables and assets	174,337	70,927	9
Deferred tax assets	38,630	29,368	10
	3,606,280	**3,463,827**	
Current assets			
Inventories	217,011	179,074	
Trade receivables	511,506	365,038	11
Other receivables and assets	1,251,805	441,538	9
Tax receivables	15,831	15,156	
Cash and cash equivalents	208,511	357,564	12
	2,204,664	**1,358,370**	
	5,810,944	**4,822,197**	
Equity and debt			
Equity			13
Share capital	168,721	168,721	
Capital reserve	455,241	455,241	
Accumulated net income	798,840	768,308	
Accumulated other comprehensive income	– 129,577	– 72,554	
Capital of MVV	**1,293,225**	**1,319,716**	
Non-controlling interests	199,670	215,551	
	1,492,895	**1,535,267**	
Non-current debt			
Provisions	209,951	211,849	14
Tax provisions	7	7	14
Financial debt	1,555,509	1,533,537	15
Other liabilities	374,037	220,494	16
Deferred tax liabilities	119,883	143,461	10
	2,259,387	**2,109,348**	
Current debt			
Other provisions	98,698	152,331	14
Tax provisions	46,992	33,816	14
Financial debt	277,949	168,632	15
Trade payables	386,921	361,609	
Other liabilities	1,246,678	461,010	16
Tax liabilities	1,424	184	
	2,058,662	**1,177,582**	
	5,810,944	**4,822,197**	

STATEMENT OF CHANGES IN EQUITY

Statement of changes in equity

	Equity contributed		Equity generated						
				Accumulated other comprehensive income					
Euro 000s	Share capital of MVV Energie AG	Capital reserve of MVV Energie AG	Accu-mulated net income	Currency translation differences	Fair value measure-ment of financial instruments	Actuarial gains and losses	**Capital of MVV**	Non-controlling interests	**Total capital**
Balance at 1 Oct 2018	**168,721**	**455,241**	**798,182**	**18,555**	**12,335**	**– 52,262**	**1,400,772**	**249,694**	**1,650,466**
Other income and expenses recog-nised in equity	–	–	–	4,302	– 26,207	– 1,186	– 23,091	– 6,438	– 29,529
Result of business operations	–	–	21,598	–	–	–	21,598	29,569	51,167
Total comprehensive income	**–**	**–**	**21,598**	**4,302**	**– 26,207**	**– 1,186**	**– 1,493**	**23,131**	**21,638**
Dividends paid	–	–	– 59,316	–	–	–	– 59,316	– 16,211	– 75,527
Capital increase/reduction at subsidaries	–	–	–	–	–	–	–	20	20
Change in scope of consolidation/ level of shareholding	–	–	– 17,152	– 844	61	33	– 17,902	– 38,979	– 56,881
Balance at 31 Mar 2019	**168,721**	**455,241**	**743,312**	**22,013**	**– 13,811**	**– 53,415**	**1,322,061**	**217,655**	**1,539,716**
Balance at 1 Oct 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 Mar 2020	**168,721**	**455,241**	**798,840**	**15,716**	**– 59,139**	**– 86,154**	**1,293,225**	**199,670**	**1,492,895**

CASH FLOW STATEMENT

Cash flow statement[1]

Euro 000s	**1 Oct 2019 to 31 Mar 2020**	1 Oct 2018 to 31 Mar 2019
Net income for period before taxes on income	136,213	75,826
Amortisation, depreciation and write-ups of intangible assets, property, plant and equipment and investment properties	95,611	91,554
Financial result	25,457	19,937
Interest received	2,939	4,925
Change in non-current provisions	– 945	– 1,783
Other non-cash income and expenses	31,597	55,352
Result of disposal of non-current assets	– 1,752	– 86
Cash flow before working capital and taxes	**289,120**	**245,725**
Change in other assets	– 378,759	– 249,798
Change in other liabilities	139,096	– 4,598
Change in current provisions	– 54,481	– 60,929
Income taxes paid	– 37,229	– 18,843
Cash flow from operating activities	**– 42,253**	**– 88,443**
Payments for investments in intangible assets, property, plant and equipment and investment properties	– 166,324	– 100,638
Proceeds from disposals of intangible assets, property, plant and equipment and investment properties	26,353	15,327
Proceeds from subsidy payments	9,163	1,087
Proceeds from sale of other financial assets	3,913	218
Payments for acquisition of fully consolidated companies and other business units[2]	– 3,861	–
Payments for other financial assets	– 6,585	– 16,362
Cash flow from investing activities	**– 137,341**	**– 100,368**
		–
Proceeds from taking up of loans	207,741	396,295
Payments for redemption of loans	– 77,532	– 206,959
Dividends paid	– 59,316	– 59,316
Dividends paid to non-controlling interests	– 14,087	– 16,211
Change due to changes in capital at minorities[2]	208	– 15,203
Interest paid	– 21,917	– 23,389
Cash flow from financing activities	**35,097**	**75,217**
Cash-effective changes in cash and cash equivalents	– 144,497	– 113,594
Change in cash and cash equivalents due to currency translation	– 4,556	1,857
Cash and cash equivalents at 1 October 2019 (2018)	357,564	310,589
Cash and cash equivalents at 31 March 2020 (2019)	**208,511**	**198,852**
of which cash and cash equivalents at 31 March 2020 (2019) with restraints on disposal	301	1,233

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 2019 to 31 Mar 2020**	1 Oct 2018 to 31 Mar 2019
Cash and cash equivalents at 1 October 2019 (2018)	**357,564**	**310,589**
Cash flow from operating activities	– 42,253	– 88,443
Cash flow from investing activities[1]	– 137,341	– 100,368
Cash flow from financing activities[1]	35,097	75,217
Change in cash and cash equivalents due to currency translation	– 4,556	1,857
Cash and cash equivalents at 31 March 2020 (2019)	**208,511**	**198,852**

1 Previous year's figures adjusted

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 12 May 2020. 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 2019 to 31 March 2020 have been prepared in accordance 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 2019.

The accounting policies applied in the interim consolidated financial statements as of 31 March 2020 are essentially consistent with those applied in the consolidated financial statements as of 30 September 2019.

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. 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[1]	Companies recognised at equity
1 October 2019	166	36
Additions	10	1
Disposals	15	1
31 March 2020	**161**	**36**

1 Opening balance adjusted

MVV Trading GmbH, Mannheim, which is fully consolidated within the MVV Group, acquired 100 % of the shares in EnDaNet GmbH, Erfurt, in the 1st quarter of 2020.

The fair values of the assets and liabilities of EnDaNet GmbH that were identifiable upon full consolidation are presented in the table below. The acquisition costs of Euro 5,449 thousand correspond to the total of the fair value of the net assets thereby acquired plus goodwill. The share of good will attributable to minority interests amounts to Euro 639 thousand. This results from the level of shareholding held in MVV Trading GmbH, which amounts to 78.95 % from the perspective of the MVV Group.

Identifiable assets and liabilities

	EnDaNet GmbH, Erfurt
Euro 000s	Recognised upon acquisition
Intangible assets	2,515
Property, plant and equipment	9
Right-of-use assets	224
Other financial assets	100
Trade receivables	472
Other receivables and assets	10,707
Cash and cash equivalents	1,189
Provisions	286
Trade payables	716
Other liabilities	11,083
Deferred tax liabilities	718
Fair value of net assets	**2,413**
Acquired share of net assets	**2,413**
Goodwill	3,036

Since being fully consolidated, EnDaNet GmbH has contributed sales of Euro 21,608 thousand and earnings of Euro 1,543 thousand after consideration of consolidation-related measures.

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 2020**	30 Sep 2019	**1 Oct 2019 to 31 Mar 2020**	1 Oct 2018 to 31 Mar 2019
Czech crown (CZK)	27.312	25.816	25.604	25.772
British pound (GBP)	0.886	0.886	0.862	0.879
US dollar (USD)	1.096	1.089	1.105	1.138
South African rand (ZAR)	19.609	16.558	16.627	16.094

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 reduction in sales by Euro 69,350 thousand is due on the one hand to the realisation of hedging instruments for physical delivery and on the other hand to negative volume-related effects in the operating business, and especially for electricity and gas. These developments were countered by the growth in sales resulting from the first-time consolidation of EnDaNet GmbH in the 1st quarter and of DC Data Center Group GmbH, which was fully consolidated in the 3rd quarter of the previous financial year and therefore not included in the figures for the 1st half of the previous year.

When translated into group currency, sales at our foreign subsidiaries came to Euro 181,102 thousand (previous year: Euro 180,969 thousand).

2. Changes in inventories

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

3. Cost of materials

Cost of materials fell by Euro 136,943 thousand compared with the previous year's period. This reduction was mainly due to the realisation of hedging instruments for physical delivery, as well as to lower volumes of materials due to the decommissioning of the large power plant in Kiel (Großkraftwerk Kiel – GKK). Cost of materials was increased, by contrast, by the first-time consolidation of EnDaNet GmbH in the 1st quarter and of DC Data Center Group GmbH, which was fully consolidated in the 3rd quarter of the previous financial year and therefore not included in the figures for the 1st half of the previous year.

4. Other operating income and other operating expenses

Other operating income[1]

Euro 000s	**1 Oct 2019 to 31 Mar 2020**	1 Oct 2018 to 31 Mar 2019
Income from IFRS 9 derivatives	114,196	191,597
Refunds	9,066	1,865
Agency agreements and personnel supplies	6,513	4,930
Reversal of provisions	4,149	5,832
Exchange rate gains	2,888	4,579
Rental income	2,141	2,033
Income from sales of assets	2,099	1,103
Miscellaneous	16,109	14,623
	157,161	**226,562**

1 Previous year`s figures adjusted due to NIFRIC "Physical settlement of contracts to buy or sell a non-financial item (IFRS 9)"

Other operating expenses[1]

Euro 000s	**1 Oct 2019 to 31 Mar 2020**	1 Oct 2018 to 31 Mar 2019
Expenses for IFRS 9 derivatives	135,674	220,549
Contributions, fees and duties	17,663	16,985
Expenses for advisory services	10,109	10,718
Maintenance, repair and IT service expenses	9,170	10,031
Operating taxes (including energy taxes)	7,467	4,528
Rental, leasehold and lease expenses	7,158	6,933
Other employee-related expenses	6,690	6,183
Other services	6,423	7,563
Public relations expenses	6,133	5,143
Exchange rate losses	4,316	2,261
Miscellaneous	11,178	13,064
	221,981	**303,958**

1 Previous year`s figures adjusted due to NIFRIC "Physical settlement of contracts to buy or sell a non-financial item (IFRS 9)"

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 negative net effect of Euro 21,478 thousand in the 1st half of the 2020 financial year (previous year: negative net effect of Euro 28,952 thousand).

The reimbursements include repayments in connection with contracts with suppliers.

5. Income from companies recognised at equity

The income of Euro 14,620 thousand from companies recognised at equity (previous year: Euro 20,968 thousand) is attributable to the subsequent measurement of joint ventures and of companies over which MVV has only significant influence.

6. Financing income and financing expenses

Financing income and financing expenses mainly comprise interest on loans.

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 2019 to 31 Mar 2020	1 Oct 2018 to 31 Mar 2019
Share of earnings attributable to MVV Energie AG shareholders (Euro 000s)	89,582	21,598
Number of shares (weighted average in 000s)	65,907	65,907
Earnings per share (Euro)	1.36	0.33

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 2019 is largely due to a substantial movement in market prices. Largely due to the coronavirus crisis, this reduction in market prices increased the fair values of energy trading transactions recognised under IFRS 9.

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

Mainly as a result of the customary seasonal development in energy receivables, trade receivables rose sharply compared with 30 September 2019. This factor was opposed by the development of receivables in the project development business.

12. Cash and cash equivalents

The reduction in cash and cash equivalents is primarily due to outgoing payments for major projects and to security deposits for counterparty default risks, as well as to the payment of the dividend for the 2019 financial year.

13. Dividends paid

The Annual General Meeting on 13 March 2020 approved the distribution of a dividend of Euro 0.90 per individual share, and thus unchanged on the previous year, for the 2019 financial year (total distribution: Euro 59,316 thousand). Furthermore, a total of Euro 14,087 thousand was distributed to minority shareholders on subsidiary level.

14. Provisions

Provisions decreased by Euro 42,355 thousand compared with 30 September 2019. This reduction was primarily due to the utilisation of provisions for services not yet invoiced and of provisions for completed projects, as well as to the utilisation of provisions for personnel-related obligations.

15. Financial debt

Financial debt rose by Euro 131,289 thousand compared with 30 September 2019. This increase was attributable in particular to the taking up of new loans to finance major projects. This factor was countered by the impact of regular repayments on existing loans.

16. Other liabilities

The rise in other liabilities compared with 30 September 2019 was mainly due to a significant movement in market prices. Largely due to the coronavirus crisis, this reduction in market prices increased the fair values of energy trading transactions recognised under IFRS 9.

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 2020

Euro 000s	Level 1	Level 2	Level 3
Financial assets			
Other shareholdings	–	–	5,627
Derivatives outside hedge accounting	376,035	607,098	472
Derivatives within hedge accounting	35,879	110,613	–
Financial liabilities			
Derivatives outside hedge accounting	374,734	612,602	228
Derivatives within hedge accounting	103,615	140,221	4,679
Other financial liabilities	–	–	21,941

Fair value hierarchy at 30 September 2019

Euro 000s	Level 1	Level 2	Level 3
Financial assets			
Other shareholdings	–	–	6,861
Derivatives outside hedge accounting	93,339	171,954	649
Derivatives within hedge accounting	26,730	27,857	–
Other financial assets	40	–	–
Financial liabilities			
Derivatives outside hedge accounting	82,287	157,381	325
Derivatives within hedge accounting	30,723	56,115	5,732
Other financial liabilities	–	–	21,898

The derivatives of Euro 4,679 thousand in Level 3 hedge accounting include interest swaps with floors (previous year: Euro 5,732 thousand). The fair value of these derivatives amounts to Euro 4,679 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 93 thousand or reduce it by Euro 90 thousand.

Other liabilities in Level 3 include acquisition-related variable purchase price components. The fair value determined would increase or decrease in line with future developments in sales and 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 2019**	**Gains/losses in income statement**	**Gains/losses in OCI**	**Additions/ disposals**	**Balance at 31 Mar 2020**
Financial assets					
Other shareholdings	6,861	–	–	– 1,234	5,627
Derivatives outside hedge accounting	649	– 177	–	–	472
Financial liabilities					
Derivatives outside hedge accounting	325	– 97	–	–	228
Derivatives within hedge accounting	5,732	–	– 1,053	–	4,679
Other financial liabilities	21,898	43	–	–	21,941

Development in financial instruments recognised in Level 3

Euro 000s	Balance at 1 Oct 2018	Gains/losses in income statement	Gains/losses in OCI	Additions/ disposals	Balance at 31 Mar 2019
Financial assets					
Other shareholdings	8,536	73	–	– 1,748	6,861
Derivatives outside hedge accounting	829	– 180	–	–	649
Financial liabilities					
Derivatives outside hedge accounting	250	75	–	–	325
Derivatives within hedge accounting	1,712	–	4,020	–	5,732
Other financial liabilities	–	3,428	–	18,470	21,898

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

Euro 000s	**Total**	**of which still held at 31 Mar 2020**
Other operating income and expenses	– 80	–
Income from shareholdings	–	–
Financial result	– 43	–
Other comprehensive income	1,053	–
	930	**–**

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	– 255	–
Income from shareholdings	73	–
Financial result	– 3,428	–
Other comprehensive income	– 4,020	–
	– 7,630	**–**

19. Segment reporting

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**

Segment report from 1 October 2018 to 31 March 2019

Euro 000s	Adjusted external sales excluding energy taxes	Intercompany sales excluding energy taxes	Scheduled depreciation	Impairment losses	Adjusted EBIT
Customer Solutions	1,484,925	64,965	8,051	–	42,480
New Energies	273,212	56,442	40,095	–	36,234
Supply Reliability	162,506	361,070	31,196	–	54,495
Strategic Investments	59,994	789	5,297	–	25,088
Other Activities	1,151	26,747	6,915	–	3,065
Consolidation	–	– 510,013	–	–	–
	1,981,787	**–**	**91,554**	**–**	**161,362**

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 energy, gas and water, the solutions business for corporate customers and the service and trading business at MVV Trading GmbH.

  The key focus of aggregation for these business fields relates to their focus on the service business and on customers' needs. The customer is the key focus of the business, use is made of comparable service methods, while 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 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 providing 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 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 phases.

- In addition to conventional energy generation, the **Supply Reliability** reporting segment includes grid facilities for electricity, heating energy, gas and water. It comprises combined heat and power generation, grid facilities and other facilities needed 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 includes the Köthen Energie and MVV Energie CZ subgroups, as well as 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, 91.0 % were generated in Germany (previous year: 94.6 %). 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 2019 to 31 Mar 2020**	1 Oct 2018 to 31 Mar 2019	+/– change
EBIT as per income statement	**161,670**	95,763	+ 65,907
Financial derivative measurement items	29,883	63,925	– 34,042
Structural adjustment for part-time early retirement	10	63	– 53
Interest income in connection with finance leases	1,825	1,611	+ 214
Adjusted EBIT	**193,388**	**161,362**	**+ 32,026**

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

Euro 000s	**1 Oct 2019 to 31 Mar 2020**	1 Oct 2018 to 31 Mar 2019	+/– change
Sales less electricity and natural gas taxes	1,956,120	2,025,470	– 69,350
Realisation effects from financial derivatives	47,796	– 43,683	+ 91,479
Adjusted sales less electricity and natural gas taxes	**2,003,916**	**1,981,787**	**+ 22,129**

20. Cash flow statement

After the elimination of non-cash income and expenses, the year-on-year increase in earnings before taxes (EBT) for the period under report led the cash flow before working capital and taxes to increase by Euro 43,395 thousand. Accordingly, the cash flow from operating activities was Euro 46,190 thousand, and thus significantly, higher than in the previous year's period. This figure was also positively affected to a significant extent by invoicing in our project development business.

The development in the cash flow from investing activities was mainly shaped by significantly higher investments in property, plant and equipment. Not only that, the cash flow from investing activities was also influenced by the payment made to acquire EnDaNet. Opposing items, which thus had a positive impact on the cash flow figure, related above all to divestments in the period under report. Overall, the cash flow from investing activities fell by Euro 36,973 thousand compared with the previous year's period.

The cash flow from financing activities fell by Euro 40,120 thousand compared with the 2nd quarter of the 2019 financial year, with this largely being due to a lower volume of net new borrowing.

The adjustment in the previous year's figures relates to the payments made to acquire the remaining shares in Juwi in the comparative period. These have been reclassified from the cash flow from investing activities to the cash flow from financing activities.

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					
Euro 000s	**1 Oct 2019 to 31 Mar 2020**	1 Oct 2018 to 31 Mar 2019	**1 Oct 2019 to 31 Mar 2020**	1 Oct 2018 to 31 Mar 2019	**31 Mar 2019**	30 Sep 2019	**31 Mar 2019**	30 Sep 2019
City of Mannheim	7,452	8,021	11,942	12,639	1,201	850	7,288	7,245
Abfallwirtschaft Mannheim	3,691	3,530	866	898	1,332	1,333	144	327
GBG Mannheimer Wohnungsbaugesellschaft mbH	13,419	11,988	–	25	748	166	–	8
m:con - mannheim:congress GmbH	2,083	2,047	174	180	5,921	6,037	–	174
MKB Mannheimer Kommunalbeteiligungen GmbH (previously: MVV GmbH)	20	19	–	60	–	1	–	–
MV Mannheimer Verkehr GmbH (previously: MVV Verkehr GmbH)	25	10	1	1	–	1	1	–
Rhein-Neckar-Verkehr GmbH	3,694	3,214	236	136	479	603	868	1,369
Stadtentwässerung Mannheim	852	649	117	170	510	427	20	19
Associates	1,869	28,618	678	128,025	943	2,849	6,201	1,724
Joint ventures	89,212	51,294	130,471	36,617	38,819	24,268	76,983	54,118
Other related parties	13,445	13,314	1,296	3,229	4,701	5,872	1,487	1,457
	135,762	**122,704**	**145,781**	**181,980**	**54,654**	**42,407**	**92,992**	**66,441**

22. Events after balance sheet date

First State Investment (FSI) has acquired 45.1 % of the shares in MVV. Through to closing, these shares will still be held by EnBW and RheinEnergie. With its 50.1 % shareholding, the City of Mannheim remains the majority owner.

Mannheim, 12 May 2020

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 2020 financial year.”

Mannheim, 12 May 2020

MVV Energie AG

Executive Board

Dr. Müller	Amann	Klöpfer	Dr. Roll

FINANCIAL CALENDAR

14 August 2020

9M Quarterly Statement
2020 Financial Year

10 December 2020

Annual Report
2020 Financial Year

10 December 2020

Annual Results' Press Conference and
Analysts' Conference
2020 Financial Year

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

This Financial Report was published on the internet on 13 May 2020. 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 websites.

IMPRINT/CONTACT

PUBLISHED BY

MVV Energie AG
Luisenring 49
D-68159 Mannheim

T +49 621 290 0
F +49 621 290 23 24

www.mvv.de
kontakt@mvv.de

EDITORIAL RESPONSIBILITY

MVV Energie AG
Investor Relations

T +49 621 290 37 08
F +49 621 290 30 75

www.mvv.de/investoren
ir@mvv.de

INVESTOR RELATIONS CONTACT

Philipp Riemen
Head of Department
Finance and Investor Relations
T +49 621 290 31 88
philipp.riemen@mvv.de

GRAPHICS

HGB Hamburger Geschäftsberichte GmbH & Co. KG,
Hamburg