Unaudited financial report for the six-month period ending 30 June 2021

innogy Finance B.V.

‘s-Hertogenbosch, the Netherlands

Interim directors’ report

Interim directors’ report

Introduction

innogy Finance B.V. used to act to facilitate the financing of the innogy Group. The external funding was inter alia carried out via innogy Finance B.V. guaranteed by innogy SE, and the funds were then lent from innogy Finance B.V. to the innogy Group companies.

In light of the acquisition of the innogy Group by E.ON in 2019, several transactions took place in 2020:

- In March 2020, innogy SE transferred five bonds (face value of EUR 1.5 billion) to innogy Finance B.V. innogy Finance B.V. received the market value as compensation. Consequently, the Company issued new loans (value of EUR 1.8 billion) with the same maturity.
- In June 2020 the board decided to early repay one of these bonds and corresponding loan with a nominal value of EUR 750.0 million and EUR 765.9 million respectively at market value.
- Furthermore, in July 2020 a partial redemption has been performed on the USD bond of an amount of USD 32.6 million. Consequently, an amount of USD 35.4 million has been repaid by innogy SE on the loan.
- On 13 August 2020 innogy Finance B.V. and innogy SE, started a liability management transaction (Project Spectre) in collaboration with E.ON SE and E.ON International Finance B.V. in order to transfer the capital market debt to respective E.ON companies to streamline the E.ON group funding structure. Therefore, innogy Finance B.V. invited bondholders to an exchange offer process for one bond and to a consent solicitation process for 17 other bonds. The outcome of the consent solicitation was that all 17 bonds could be fully transferred to E.ON International Finance B.V. with a new guarantee by E.ON SE. During the exchange offer bondholders were offered to substitute the EUR 468.0 million bond (hereafter “2037 Notes”) by new 2037 notes (the New 2037 Notes) issued by E.ON SE as substitute issuer and debtor, with an exchange ratio of one 2037 Note for one New 2037 Note. The exchange offer resulted in an exchange rate of 98.7% meaning that 98.7% of the bondholders accepted the exchange whereas a note of EUR 5.9 million remains in the Company. At the same time, E.ON International Finance B.V. also became the new lender of any corresponding intra-group long term loan that was originally granted by innogy Finance B.V. on-lending the proceeds of such bond. The entire project has been initiated to support the integration of innogy into the E.ON group.

These transactions resulted in a remaining bond with a book value of EUR 7.6 million (nominal value EUR 5.9 million) and a loan with a book value and nominal value of EUR 7.7 million per 31 December 2020.

Main developments during the first half year

In 2021, the board identified one of the last bondholders of EUR 5.0 million (bond outstanding EUR 5.9 million) and agreed on 8 April 2021 to repurchase, cancel and write down this part of the remaining bond with value date 15 April 2021. Afterwards only EUR 0.9 million of that bond are outstanding. In the context of the bond buy back the loan outstanding of EUR 7.7 million has been fully paid back by innogy SE to innogy Finance B.V. on 15 April 2021.

As a result balance sheet total decreased from EUR 21.0 million per 31 December 2020 to 16.0 million per 30 June 2021. The net result for the first half year amounts to EUR 1.6 million compared to EUR 2.4 million in 2020. The net result is mainly related to the bond buy back and the loan repayment.

In view of the activities of the Company, research and development is not applicable and as such no such expenses were incurred in 2021 and 2020.

Corporate responsibility
In the past the Company issued one green bond in 2017 to finance/refinance eligible capex spendings under innogy´s Green Bond Framework. As the Company became part of E.ON Group since September 2019, the financing of capex spending will be done via E.ON for the time being. The green bond has been transferred to E.ON International Finance B.V as described above.

Risk management and use of financial instruments
innogy Finance B.V. manages the risks of the Company with the procedures and systems used within the E.ON Group. The risk management system meets the requirements of Company management. The risk appetite of the Company is very limited. Reference is made to the disclosures below on the separate risks.

Both an external and internal legal counsel continuously monitor the compliance to relevant regulations and the internal legal counsel informs the Board of Directors in case of any changes or other relevant information. During the Board meetings, which take place three times a year, an update on compliance is discussed by the internal legal counsel and documented in the minutes of the meetings.

The Company has designed and implemented control measures in order to mitigate risks. These control measures are both automated and manual. Amongst others the control measures are monitoring, reviewing, 4-eye principles and authorization matrices. To ascertain the existence and correct execution of control measures, different types of control monitoring are executed.

Currency risk
The Company does not face any currency risk anymore in 2021, since the remaining bond is a Euro bond.

Interest rate risk
After the repayment of the total loan in April, the Company's exposure to interest rate risk is limited to the fixed interest rate on the remaining bond. In view of the very limited amounts as compared to the significant cash position, the board decided not to cover this exposure.

Credit risk
After the repayment of the loan in April 2021, the Company does not have any credit risk.

Liquidity risk
The liquidity risk is limited, because the Company has sufficient cash in order to fulfill the yearly interest payments to the bondholders.

As of 30 June 2021 E.ON SE possessed the following solicited credit ratings:
- S&P => long-term: BBB, stable outlook; short-term: A2
- Moody's => long-term: Baa2, stable outlook; short-term: P-2

COVID-19
As a consequence of the outbreak of the COVID-19 pandemic in 2020 and considering that having a full comprehensive analysis of the current situation and its potential effects is not reasonably feasible, innogy Finance B.V., along with the E.ON Group, is continuously analyzing the situation and its evolution as well as the regulatory measures implemented.

The outstanding public debt issued by innogy Finance B.V. is guaranteed by innogy SE which is part of the E.ON Group. E.ON SE has solid credit ratings of BBB and Baa2 that have been assessed by S&P and Moody`s. Moreover, the liquidity of the E.ON Group as published in its 2020 financial statements is good and adequate to face upcoming maturities. The E.ON management has also recently reaffirmed its commitment to keep a strong investment grade rating. Furthermore, after the transactions performed in 2020, the equity level of innogy Finance B.V. is higher than the nominal value of the bond. Based on the above the Company does not identify significant additional credit and liquidity risk resulting from COVID-19 and therefore the valuation of the financial instruments is correctly stated on the balance sheet per 30 June 2021.

From an operational perspective, the Company has adopted the necessary measures to guarantee the continuity of its activities and business in the current scenario. Based on our internal analysis, the Company at the date of issuance of this report has no reason to believe, that the impact of COVID-19 would have a material adverse effect on its financial condition or liquidity and the Company does continue its operations as a going concern.

Financial Outlook

The future outlook of innogy Finance B.V. is that the business will be continued as it is now with one listed note with a nominal value of EUR 0.9 million outstanding. For the remaining EUR 0.9 million the Company is still trying to identify the bondholder(s).

Code of Conduct

As part of E.ON SE the Board of Directors voluntarily follows the Code of Conduct of E.ON SE. The principles of the Code of Conduct define the way we do business, which is characterized by integrity and compliance with the law. The full text of the Code of Conduct can be found on www.eon.com

Supervisory Board

On May 31st 2021, there was a change in the composition of the Supervisory Board. Mr. S. Hloch has taken over the role of chairman from Mrs S. Weitz, who has left the Supervisory Board together with Mrs. A. Peters. The vacant positions were filled by Mr. H. Wuppermann and Mrs. K. Preker.

As of June 30, 2021 the Supervisory Board comprises the following members:

- Mr. S. Hloch
- Mr. H. Wuppermann
- Mrs. K. Preker

Board

In 2021 there were no changes in the composition of the Board of Directors.

The interim report 2021 has not been audited nor has it been reviewed by an audit firm.

‘s-Hertogenbosch, The Netherlands, 14 September 2021

Board of Directors,

J. van Dam D. Jacobs

Responsibility Statement

Responsibility Statement

The Managing Directors of the Company hereby declare that to the best of their knowledge and in accordance with the applicable reporting principles for the financial reporting, the financial statements for the period ending 30 June 2021 give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company, and that the Directors’ report referred to above gives a true and fair view concerning the position as per the balance sheet date, the development and performance of the business during the financial year of the Company together with a description of the principal risks that it faces.

‘s-Hertogenbosch, The Netherlands, 14 September 2021

Board of Directors,

J. van Dam D. Jacobs

Financial statements for the six-month period ending 30 June 2021

Balance sheet
(before appropriation of profit)

Assets	**Ref.**	**30 June 2021**		**31 December 2020**	
		EUR'000	EUR'000	EUR'000	EUR'000
Non-current assets					
Financial assets	5.1		-		7.711
Current assets					
Receivables	5.2	-		6	
Derivatives	5.2	-		23	
Cash and cash equivalents	5.3	15.978		13.285	
			15.978		13.314
			15.978		21.025

Equity and liabilities	**Ref.**	**30 June 2021**		**31 December 2020**	
		EUR'000	EUR'000	EUR'000	EUR'000
Shareholder's equity	5.4				
Share capital		2.000		2.000	
Retained earnings		10.579		8.615	
Profit for the financial year		1.596		1.964	
			14.175		12.579
Non-current liabilities	5.5		1.152		7.576
Current liabilities					
Other Liabilities	5.6	651		870	
			651		870
			15.978		21.025

Income statement

	Ref.	Jan - Jun 2021		Jan - Jun 2020	
		EUR'000	EUR'000	EUR'000	EUR'000
Interest and similar income	6.1	2.713		261.702	
Interest and similar expenses	6.2	(292)		(254.975)	
Total financial result			2.421		6.727
General and administrative expenses	6.3		(293)		(3.507)
Operating income			2.128		3.220
Income tax expense	6.4		(532)		(805)
Net result after taxation			1.596		2.415

Cash flow statement

	Ref.	Jan - Jun 2021	Jan - Jun 2020
		EUR'000	EUR'000
Cash flows from operating activities			
Cash generated from operations:			
Interest received		2.742	206.162
Interest paid		(309)	(187.758)
Expenses paid		(253)	206
Income tax paid		(774)	(156)
Guarantee fee paid		-	(9.618)
Net cash generated from operating activities		1.406	8.836
Cash flows from investing activities			
Issuance of long-term loans	5.1	-	(1.763.026)
Repayment of long-term loans	5.1	7.711	1.515.895
Net cash generated from investing activities		7.711	(247.131)
Cash flows from financing activities			
Issuance of long-term bonds	5.5	-	1.749.644
Repayment of long-term bonds	5.5	(6.424)	(1.511.463)
Net cash used in financing activities		(6.424)	238.181
Net cash flows		2.693	(114)
Exchange and translation differences on cash and cash equivalents		-	(9)
Net increase in cash and cash equivalents		2.693	(123)

Notes to the financial statements

1 General

1.1 Activities

The activities of innogy Finance B.V. are to facilitate the financing of companies within the E.ON SE Group.

Going concern
The accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are based on the assumption of continuity of the company.

1.2 Group structure

innogy Finance B.V., incorporated on 14 February 2001, is a private limited liability company. Since July 2016 the direct parent company is innogy International Participations N.V. in ‘s-Hertogenbosch, the Netherlands. The financial statements of innogy Finance B.V. are included in the consolidated financial statements of the indirect and ultimate parent company E.ON SE, having its legal seat in Essen, Germany. These statements are available via www.eon.com.

innogy Finance B.V. is seated at Willemsplein 4, 's-Hertogenbosch, the Netherlands, and registered in the Trade register Brabant no. 34 15 11 16.

1.3 Audit committee

In 2020 innogy Finance B.V. installed its own Supervisory Board, which also acts as a qualified audit committee under Dutch law.

1.4 Accounting policies

The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2 of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board (‘Raad voor de Jaarverslaggeving’).

The accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are based on the assumption of continuity of the company.

1.5 Comparison previous year

The valuation principles and method of determining the result are the same as those used in the previous year.

1.6 Notes to the cash flow statement

The cash flow statement has been prepared applying the direct method. The cash and cash equivalents in the cash flow statement comprise the balance sheet item cash at banks and current receivables group companies.

Cash flows in foreign currencies have been translated at calculated average exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Receipts and payments of interest and corporate income tax are included in the cash flow from operating activities. When dividends are paid they will be included in the cash flow from financing activities.

1.7 Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates and management’s judgment in the process of applying the accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Netherlands Civil Code, the nature of these estimates and judgments, including the related assumptions, are disclosed in the relevant notes to the financial statements.

1.8 Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the Company are considered to be a related party. In addition, statutory directors, members of the Supervisory Board, other key management of the Company or the ultimate parent company and close relatives are regarded as related parties.

Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

2 Accounting policies for the balance sheet

2.1 General

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred. The balance sheet and income statement include references to the notes. The financial statements are expressed in EUR'000.

2.2 Foreign currencies

Transactions, receivables and payables

Transactions denominated in foreign currencies during the reporting period are recognized in the financial statements at the exchange rate ruling at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Exchange differences resulting from settlement and translation are charged or credited to the income statement.

No foreign currencies are included in the figures of 2021. The average exchange rate used for profit and loss statement and the cash flow statement per 30 June 2020 is 0.87728. In 2020 a new USD transaction is recognized and the exchange rate for USD was 1.11980 per 30 June 2020 and the average rate is 1.10325.

Functional currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates (the functional currency). The financial statements are presented in euro, which is the functional and presentation currency of innogy Finance B.V.

2.3 Financial instruments

Derivatives are initially recognized in the balance sheet at fair value, the subsequent valuation of derivative financial instruments depends on whether or not the instrument is quoted in an open market. If the underlying object of the derivative financial instrument is listed on an open market, it is valued at fair value. If the object is not quoted in an open market, it will be stated at cost or current value, if lower.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If no fair value can be readily and reliably established, fair value is approximated by deriving it from the fair value of components or of a comparable financial instrument, or by approximating fair value using valuation models and valuation techniques. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and/or option pricing models, making allowance for entity-specific inputs.

The Company uses as derivatives Foreign Exchange contracts for hedging its foreign exchange risk. The Foreign Exchange contracts are valued at market value. The contracts were entered into in order to eliminate the risk stemming from exchange rate differences of interest accruals.

2.4 Financial assets

Loans to group companies

Loans to group companies included in financial assets are initially recognized at fair value less transaction cost (if material), and subsequently measured at amortized cost. If loans are issued at a discount or premium, the discount or premium is recognized through profit or loss over the maturities of the loans using the effective interest method. Impairment losses are deducted from amortized cost and expensed in the income statement.
Until 2019 the interest rate charged on loans to group companies has been set in conformity with the tax ruling obtained from the local tax authorities. For loans issued after 2019, the interest rate charged to group companies has been set in conformity with an external transfer pricing study.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognized in the income statement.

The amount of an impairment loss incurred on financial assets stated at amortized cost is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate (i.e. the effective interest rate computed at initial recognition). If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal shall be recognized in the income statement.

2.5 Receivables

Receivables are initially recognized at fair value and subsequently measured at amortized cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. When a receivable is not collectible, it is written off against the allowance account for trade receivables.

2.6 Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and deposits with a maturity of less than twelve months. Cash and cash equivalents are stated at nominal value.

2.7 Non-current liabilities

Bonds included in non-current liabilities are initially recognized at fair value, net of transaction costs incurred. Bonds are subsequently measured at amortized cost, being the amount received taking into account premiums or discounts and minus transaction costs. Deferred premiums and discounts on bonds are amortized over the term of the bonds using the effective interest method.

2.8 Current liabilities

On initial recognition current liabilities are recognized at fair value. After initial recognition current liabilities are recognized at the amortized cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

2.9 Deferred tax liabilities

Deferred tax liabilities are recognized at non-discounted value for temporary differences between the tax bases and the carrying amounts of assets and liabilities. Deferred tax liabilities are calculated using the tax rates that are expected to apply to the period when the liability will be settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the balance sheet date. The effects of changes in income tax rates are recognized directly in profit or loss, unless the effects relate to items recognized directly in equity.

3 Accounting policies for the income statement

3.1 General

Results on transactions are recognized in the year in which they are realized; losses are accrued as soon as they are foreseeable.

3.2 Foreign currencies

Exchange rate differences resulting from settlement and translation are charged or credited to the income statement.

3.3 General and administrative expenses

The guarantee fee that is due by innogy Benelux Holding B.V. and innogy International Participations N.V. is received by the Company as part of their interest payments and accounted for and paid to innogy SE as an operating expense by the Company.

3.4 Interest income and expense

Income from financing activities is determined as interest income received from intercompany financing activities. Interest paid and received is recognized on a pro rata basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognizing interest paid, allowance is made for the transaction costs on loans received as part of the calculation of effective interest.

3.5 Taxation

Income tax is calculated on the basis of the tax laws enacted or substantially enacted at the balance sheet date, and applying the appropriate tax rates to the result before tax disclosed in the financial statements, taking into account non-taxable income and non-deductible expenses.

4 Financial instruments and risk management

4.1 Market risk

Currency risk

The Company does not face any currency risk anymore in 2021, since the remaining bond is a Euro bond.

Price risk

The Company's price risk is limited as the bonds issued by the Company have been one-on-one used to finance the loans to group companies. As a result, a natural hedge has been obtained.

4.2 Interest rate risk

After the repayment of the total loan in April, the Company's exposure to interest rate risk is limited to the fixed interest rate on the remaining bond. In view of the very limited amounts as compared to the significant cash position, the board decided not to cover this exposure.

4.3 Credit risk

After the repayment of the loan in April 2021, the Company does not have any credit risk.

4.4 Liquidity risk

The liquidity risk is limited, because the Company has sufficient cash in order to fulfill the yearly interest payments to the bondholders.

As of 30 June 2021 E.ON SE possessed the following solicited credit ratings:

- S&P => long-term: BBB, stable outlook; short-term: A2
- Moody's => long-term: Baa2, stable outlook; short-term: P-2

We furthermore refer to paragraph 5.1 of the notes to these financial statements.

5 Notes to the balance sheet

5.1 Financial assets

Financial assets concern loans to group companies and are specified as follows:

5.1 *Financial assets*

		2021		2020	
Balance as at 1 January		EUR'000	EUR'000	EUR'000	EUR'000
Book value			7.711		11.673.207
Movements financial year					
New loans issued		-		1.763.112	
Redemption		(7.711)		(13.105.702)	
Exchange rate differences		-		(70.305)	
Short-term part of loans transferred to receivables		-		(252.601)	
			(7.711)		(11.665.496)
Balance as at 30 June/ 31 December					
Book value	**non current**		-		7.711
	current (see note 5.2)		-		-
	total		-		**7.711**

In 2021, the board identified one of the last bondholders of EUR 5.0 million (bond outstanding EUR 5.9 million) and agreed on 8 April 2021 to repurchase, cancel and write down this part of the remaining bond with value date 15 April 2021. In the context of the bond buy back the loan outstanding of EUR 7.7 million has been paid back by innogy SE to innogy Finance B.V. on 15 April 2021.

5.2 Receivables

	30 June 2021	31 December 2020
	EUR'000	EUR'000
Short-term part of group loans	-	-
Interest receivable from group companies	-	22
Other Receivables	-	7
	-	29

There are no outstanding receivables per 30 June 2021.

5.3 Cash and cash equivalents

The cash and cash equivalents are at the free disposal of the Company.

	30 June 2021	31 December 2020
	EUR'000	EUR'000
Current account group companies	15.978	13.284
Cash	-	1
	15.978	13.285

The fair value of the cash and cash equivalents is in line with their carrying amount. Current account group companies refers to the current account position with innogy International Participation N.V., which can be reclaimed directly.

5.4 Shareholder's equity

Statement of changes in equity EUR'000	Share capital	Other reserves	Result for the year	Total
Balance as at 1 January 2020	**2.000**	**5.435**	**3.180**	**10.615**
Distribution of dividend	-	-	-	-
Addition to Other reserves	-	3.180	(3.180)	-
Result after tax	-	-	1.964	1.964
Balance as at 31 December 2020	**2.000**	**8.615**	**1.964**	**12.579**
Distribution of dividend	-	-	-	-
Addition to Other reserves	-	1.964	(1.964)	-
Result after tax	-	-	1.596	1.596
Balance as at 30 June 2021	**2.000**	**10.579**	**1.596**	**14.175**

Share capital

The issued share capital as of 31 December 2019 amounts to EUR 2.0 million of which 20,000 ordinary shares of EUR 100 each have been fully paid up.

Other reserves

The movement in other reserves is explained by the profit appropriation of the undistributed result of 2020 (EUR 1,964k).

5.5 Non-current liabilities

This item relates to the issued bonds and is specified as follows:

		2021 EUR'000	2020 EUR'000
Balance as at 1 January			
Book value		7.576	11.671.117
Movements financial year			
Bonds transferred		-	(9.581.946)
Redemption		(6.403)	(1.528.021)
Amortization of discount and premiums		(21)	(300.896)
Exchange rate differences		-	(252.678)
Short-term part of bonds transferred to current liabilities		-	-
		(6.424)	(11.663.541)
Balance as at 30 June/ 31 December			
Book value	**non current**	1.152	7.576
	current (see note 5.6)	-	-
	total	**1.152**	**7.576**

In 2021, the board identified one of the last bondholders of EUR 5.0 million (bond outstanding EUR 5.9 million) and agreed on 8 April 2021 to repurchase, cancel and write down this part of the remaining bond with value date 15 April 2021. The bond is maturing in October 2037.

Interest

The interest rate of the remaining bond is fixed (3.50%).

5.6 Current liabilities

	30 June 2021		31 December 2020	
	Total	Term > 1 year	Total	Term > 1 year
	EUR'000	EUR'000	EUR'000	EUR'000
Short-term part of bonds	-	-	-	-
Interest payable	22	-	39	-
Payroll accruals	16	-	16	-
Corporate income tax	532	-	774	-
Accrued liabilities	38	-	35	-
Accounts payable	43	-	6	-
	651	-	870	-

The fair value of the liabilities is in line with their carrying amount. innogy Finance B.V. is part of the fiscal unity Innogy International Participations N.V. as of 1 January 2015. The current tax expense is settled with the fiscal unity parent within one year.

5.7 Financial instruments

Financial instruments valued at amortized cost

The table below shows financial instruments whose market value differs from amortized cost.

	30 June 2021		31 December 2020	
	Market value	Book value	Market value	Book value
	EUR'000	EUR'000	EUR'000	EUR'000
Financial assets				
Loans to group companies	-	(0)	9.027	7.711
Financial liabilities				
Bonds issued	1.181	1.152	8.054	7.576

The market value of bonds and loans is determined through different valuation methods. The market value of bonds is determined based on market quotes, whereas the market value of loans is based on a discounted cash flow model. As a result of the different valuation methods, the market values are different.

5.8 Derivatives

The derivatives comprise the fair value of financial contracts with innogy SE to cover the risk of foreign exchange rates related to interest balances in GBP and USD and the guarantee fee payable in GBP.

6 Notes to the income statement

6.1 Interest and similar income

	Jan - Jun 2021	Jan - Jun 2020
	EUR'000	EUR'000
Interest income on loans group companies	2.573	261.602
Interest on deposit/ bank	140	100
	2.713	261.702

6.2 Interest and similar expenses

	Jan - Jun 2021	Jan - Jun 2020
	EUR'000	EUR'000
Interest expenses on bonds issued	292	254.951
Expenses derivatives	-	24
	292	254.975

6.3 General and administrative expenses

	Jan - Jun 2021	Jan - Jun 2020
	EUR'000	EUR'000
Payroll expenses	212	27
Guarantee Fee	-	3.402
Audit fees	36	16
Management and administrative expenses	45	59
Other	-	3
	293	3.507

innogy Finance B.V. had two employees in the Netherlands in 2021 (2020: two employees).

In 2020 and 2021 the remuneration of the Board of Directors was nil.

6.4 Income tax expense

	Jan - Jun 2021	Jan - Jun 2020
	EUR'000	EUR'000
Current tax:		
Current income tax	532	810
Deferred tax:		
Net movement in deferred taxes	-	(5)
Income tax expense	532	805
Income before tax	2.128	3.220
Effective tax rate	25,0%	25,0%

The statutory tax rate is 25% for the year 2021 (2020: 25%).

7 Supplementary information

7.1 Commitments and contingencies

Fiscal Unity

innogy Finance B.V. is part of the fiscal unity innogy International Participations N.V. for corporate income tax effective 1 January 2015. The Company and its fellow group members are jointly and severally liable for all corporate income tax liabilities of the fiscal unity. The corporation tax charge is settled through the intercompany current accounts.

7.2 Subsequent events

No events after balance sheet date occurred, which should be included in these accounts.

‘s-Hertogenbosch, The Netherlands, 14 September 2021

Board of directors,

J. van Dam D. Jacobs

Other information

Other information

Articles of association governing profit appropriation
According to article 27 of the Articles of Association the profit for the year is at the free disposal of the General Meeting of Shareholders.