Annual Report 2021

Open Grid Europe GmbH

Translation – the German text is authoritative

Open Grid Europe GmbH, Essen

Contents

OGE

Management Report for the 2021 Financial Year

1. Basic information on the company

Open Grid Europe GmbH (OGE), headquartered in Essen, is Germany's leading natural gas transmission system operator and operates Germany's largest transmission network with a length of approximately 12,000 km. As a network operator, OGE is subject to supervision by the Federal Network Agency (BNetzA), the German regulatory authority, and is bound by both European Union (EU) and German statutory regulations.

OGE's core activities include marketing gas transport capacities (including determining quantities and billing), operating, maintaining and repairing the pipeline system as well as controlling and monitoring the network. From 1 January 2021 to 30 September 2021, the gas transport capacities were marketed in the two existing market areas of GASPOOL Balancing Services GmbH (GASPOOL) and NetConnect Germany GmbH & Co. KG (NCG). Since 1 October 2021, the capacities have been marketed in the new merged market area of Trading Hub Europe GmbH (THE). Furthermore, the core activities include the efficient development of the gas transmission pipeline networks on the basis of network development plans and in line with demand.

2. Report on economic position

2.1 Overall economic and industry-related conditions

2.1.1. Overall economic development

In its annual report, the German Council of Economic Experts expects Germany's gross domestic product to have grown by 2.7% in 2021 and to grow by 4.6% in 2022. It anticipates growth of 5.2% and 4.3% for the Euro area in the same periods. The pre-crisis level of the 4th quarter of 2019 should be reached again in the 1st quarter of 2022. Uncertainty about future economic development is high. New health policy restrictions or prolonged supply bottlenecks could impact more heavily on recovery.

The sharp rise in global demand has led to high raw material and energy prices as well as supply-side bottlenecks. As a result, the consumer price index in Germany increased by 3.1% in 2021 compared with 2020. Prolonged supply-side bottlenecks, higher wage settlements and rising energy prices pose risks and act as temporary price drivers, leading to persistently higher inflation rates.

Extensive private-sector investments are needed if the transformation to a climate-friendly and digital economy in Germany is to succeed. To this end, growth-promoting conditions have to be created. Forward-looking public spending are to be prioritised and the many non-monetary obstacles removed. The simplification and shortening of planning, approval and judicial procedures and the bundling of capacities and expertise in operationally independent institutions are to help towards the achievement of these goals.

2.1.2. Primary energy consumption in Germany

According to the Working Group on Energy Balances (AGEB), energy consumption in Germany reached a level of 12,193 petajoules (PJ) or 416.1 million tonnes of hard coal equivalent (mtce) in 2021. That is an increase of 2.6% compared with the previous year. However, energy consumption is still significantly below pre-COVID-19 levels, which indicates that energy and macroeconomic developments in Germany continue to be shaped to a large extent by the COVID-19 pandemic and its effects.

According to the AGEB's estimate, the development of prices on the energy markets towards the end of 2021 led to a significant reduction in consumption. Above all, the prices of natural gas and crude oil rose extraordinarily sharply compared with the previous year. CO_2 emission certificate prices more than doubled compared with the previous year and reached historic highs by the end of the year. The higher energy and CO_2 prices noticeably slowed the growth-related increase in primary energy consumption.

Natural gas consumption increased in 2021 by 3.9% to 3,258 PJ (111.2 mtce). The main reason for this development was the significantly cooler and largely rather windless weather in the first five months, which led to the increased use of gas in both heat and power generation. From the middle of the year onwards, the rise in prices led to an increase in the use of other energies for electricity and heat generation. The share of natural gas in total primary energy consumption rose slightly from 26.4% to 26.7%.

For 2021 as a whole, the AGEB expects an increase in energy-related CO_2 emissions of a good 4% or roughly 25 million tonnes. The crucial factors in this estimate are not only the increase in consumption due to the weather and economic conditions but also the slight decline in the share of renewables in total consumption. On the power generation side, the decrease in electricity generated by wind power was made up by the competition, i.e. reliable supplies from hard coal and lignite-fired power plants.

2.1.3. Energy policy developments in Europe

In July 2021, the EU Commission presented its “Fit for 55” package of measures for the legislative implementation of the European Green Deal, designed to achieve a reduction in greenhouse gsa emissions of 55% by 2030 compared with 1990 emission levels. The package includes a large number of regulatory measures, which in their entirety aim to increase the costs for emitters of greenhouse gases, promote the expansion of renewable energies and realise efficiencies in energy consumption. The central instrument here is the European Emissions Trading Scheme. In addition to industry and energy supplies, the existing system is also to include shipping in the future and bring about emission reductions in these sectors much more quickly by setting upper limits for the number of certificates to be issued. In addition, the EU Commission will introduce a further separate emission trading system for road traffic and the building sector from 2025 onwards. As part of a revision of the Renewable Energies Directive, the EU Commission wants to set quotas for the use of renewable energies in various sectors that would collectively lead to 40% of total energy demand being covered by renewable sources by 2030. Among other things, a quota of 50% is planned for the use of renewable fuels of non-biogenic origin (so-called RFNBO) to cover the demand for hydrogen from member states' industry by the year 2030, which would be met primarily through the use of green hydrogen and corresponding downstream products. Further measures relate, for example, to the taxation of energies based on their respective emissions, the energy-efficient refurbishment of existing buildings and the expansion of the refuelling and charging infrastructure for renewable and low-carbon fuels.

As the second suite of its “Fit for 55” package, in December 2021 the EU Commission presented a hydrogen and gas market decarbonisation package, containing, among other things, a number of proposals for the legal and regulatory framework for a future hydrogen market. The EU Commission wants to build largely on the existing gas market rules for access to hydrogen infrastructures, but allow flexibilities in unbundling and access conditions during a transition phase until 2030 in order to facilitate the development of the hydrogen market. In addition, a transport fee system is to apply to hydrogen and other renewable and low-carbon gases, which is based almost exclusively on income at exit points, in order to promote inner-European transport of these gases between the member states. Further rules in the December package relate, for example, to requirements to reduce methane emissions in the energy industry and possibilities for storing volumes of gas to ensure supply security.

2.1.4. Energy-policy developments in Germany

The most important energy-policy developments in Germany in 2021 are closely connected with the Bundestag elections in September. With a joint majority in the Bundestag, the SPD, Bündnis 90/Die Grünen and FDP were able to form a so-called traffic-light coalition and thus bring about a change of government. The coalition agreement also includes a number of energy-policy plans whose implementation is likely to be of great importance for achieving Germany's climate protection goals.

Climate protection and energy are already dealt with in the second chapter of the agreement and thus occupy a prominent position. The new Federal government wants to stick to the known climate goals. This means climate neutrality by 2045. In a departure from the last coalition agreement, however, special focus is paid on achieving these goals with technology-open, sector-overarching instruments. Furthermore, the sector-specific targets of the current Federal Climate Change Act will be replaced by holistic monitoring of all sectors in a revision in 2022.

Hydrogen plays a prominent role in the traffic-light coalition’s plans for climate protection. Along with electricity, hydrogen is mentioned as a "prerequisite for Europe's ability to act and its competitiveness in the 21st century". Therefore, the hydrogen economy is to be ramped up quickly and comprehensively with the necessary resources. The focus is to be on domestically produced green hydrogen[1], although there are also references to the considerable importance of imports as well as possibilities for producing blue hydrogen[2]. At the same time, the required hydrogen networks and import structures are to be established to transport the gas. In general, approval procedures are to be accelerated. Particularly when compared with

[1] Green hydrogen is made from water via electrolysis, only electricity from renewable sources being used for the electrolysis. Regardless of the electrolysis technology chosen, the production of hydrogen is CO_2-free as the electricity used comes 100% from renewable sources and is therefore CO_2-free.

[2] Blue hydrogen is hydrogen whose CO_2 is captured and stored during its production. The CO_2 produced during hydrogen production is thus not released into the atmosphere and hydrogen production can be considered CO_2-neutral on balance.

the focus of the last German government, it is clear that politicians see hydrogen and its infrastructure as a necessary and key part of the energy transition. However, according to the coalition agreement, natural gas is "indispensable" for a transitional period. Gas-fired power plants would be particularly needed to ensure system stability and are to be expanded, provided they are also hydrogen-compatible.

All in all, the coalition agreement is a good basis for achieving progress with the energy transition in the next four years and implementing important projects such as the ramping-up of the hydrogen industry.

The preceding SPD-CDU coalition government also launched some important energy-policy projects in 2021, including, first and foremost, the amendment to the Climate Change Act. In response to a ruling by the Federal Constitutional Court, the Federal government significantly tightened the climate targets and, for the first time, defined the goal of climate neutrality in 2045.

Furthermore, before the 2021 summer break, the Grand Coalition had, for the first time, also included hydrogen in the Energy Industry Act (EnWG) and anchored further relevant regulations in law. In addition, the criteria for exempting the electricity used in hydrogen production from the EEG levy were defined.

2.2 Business performance

2.2.1. National regulations

The revenue cap applicable to the 2021 financial year came into effect by decision of 13 June 2018 on the setting of the calendar-year revenue cap for the third regulatory period (2018-2022) in accordance with section 29, para. 1 of the Energy Industry Act (EnWG) in conjunction with section 32, para. 1, nos. 1, 5 and 11 and section 4, para. 2 of the German Incentive Regulation Ordinance (ARegV). The annual balance of the regulatory account is not part of the decision on the revenue cap and is decided in separate administrative proceedings. By decision of 12 June 2020, the Federal Network Agency (BNetzA) approved the regulatory account balance for the year 2017. The procedure for the 2018 to 2021 balances has not yet been completed.

In preparation for determining the revenue cap for the fourth regulatory period (2023-2027), OGE submitted the cost data required for the BNetzA's cost review procedure pursuant to section 6, para. 1 ARegV by the deadline 1 June 2021. In addition to the costs for the 2020 financial year (base year), these also include corresponding data for the previous years 2016 to 2019.

In accordance with the stipulation dated 6 January 2021, on 30 April 2021 the BNetzA was provided with the load, structure and sales volume data needed for performing the efficiency comparison – which follows the cost review procedure.

On the basis of the industry dialogues held since 2019 on the further development of incentive regulation, the Federal government adopted the draft of the "Ordinance Amending the Incentive Regulation Ordinance and the Electricity Grid Charges Ordinance" on 12 May 2021. The relevant changes came into effect on 31 July 2021. In addition to changes to the bearing of the cost of bottleneck management measures for electricity network operators, significant new changes affecting gas transmission system operators were also adopted. They also affect OGE in the following areas:

- Re-investments: From 2023, introduction of the instrument of capital cost balancing (KKA) already established for distribution network operators
- Investment measures (IMA): Termination of the instrument at the end of the fourth regulatory period with transitional arrangements for existing measures
- Remuneration EK II (Equity II) pursuant to section 7, para. 7 of the Gas Grid Charges Ordinance (GasNEV): Change in the calculation system on the basis of the Bundesbank series as of the 4th regulatory period
- Regulatory account mechanism: Extension of the data provision deadline from 30 June to 31 December of the relevant year. In future, the revenue cap adjustment will therefore not take place in the following year but in the second year after the application has been submitted.

In the European Commission's infringement action against Germany (case C-718/18) on the independence of the Federal Network Agency, the European Court of Justice (ECJ) ruled in favour of the European Commission on 2 September 2021. According to the ruling, the German legislators have limited the responsibilities of the regulatory authority too much. It is expected that the legislators' and regulators' scope for decision-making on the future regulatory framework will be significantly restricted and the responsibility of the regulatory authority will increase. It is further to be expected that the German legislators will promptly start taking action to adapt the national legal framework to the requirements specified by the ECJ. Until the legal framework has been redrawn, the Federal Network Agency has already announced that it will continue to apply the current rules of the Electricity and Gas Grid Charges Ordinances (Strom- und GasNEV) and the Incentive Regulation Ordinance (ARegV) with reference to the latest Federal Court of Justice ruling.

Furthermore, key regulatory parameters for the 4th regulatory period (2023-2027) were determined by the BNetzA in 2021 or the determination process was started:

- On 12 October 2021, the Federal Network Agency revised the equity interest rates. Accordingly, from 2023 onwards the equity interest rate (before corporation tax, after trade tax) for new investments will be 5.07% and for old investments (capitalised before January 2006) 3.51%. All in all, this means a reduction of more than 25% compared to the rate valid until 2022. OGE has lodged an appeal against this decision with the Higher Regional Court of Düsseldorf.
- On 7 July 2021, the decision-making chamber 4 set requirements for the collection of data for determining the general sectoral productivity factor (Xgen). According to these requirements, the gas network operators must submit the necessary data to the BNetzA by 15 April 2022 at the latest. The Xgen determination procedure for the 4th regulatory period is expected to start in the 2nd half of 2022.

Extensive new rules on the regulation of hydrogen networks came into force on 27 July 2021 with the "Act on the Implementation of EU Legal Requirements and the Regulation of Pure Hydrogen Networks in Energy Industry Law”. In addition to the inclusion of hydrogen as an energy source in the Energy Industry Act and extensive individual regulations (e.g. for planning approval, approval and conversion of gas pipelines), an opt-in rule is to be provided.

In accordance with section 28j, para. 3 of the Energy Industry Act, hydrogen network operators can voluntarily but irrevocably declare to the Federal Network Agency whether they wish to be subject to regulation pursuant to part 3, section 3b of the Energy Industry Act. If the hydrogen network operator chooses the opt-in alternative, additional regulations apply, for example, relating to access, fees and unbundling (including separate bookkeeping and accounting). OGE had not yet made any declaration on this point by the end of 2021.

In addition to the amended Energy Industry Act, the Ordinance on the Costs and Charges for Access to Hydrogen Networks (WasserstoffNEV) entered into force on 1 December 2021. This ordinance regulates the determination of network costs/charges for regulated hydrogen network operators at national level for a transitional period until a corresponding EU legal framework is adopted.

2.2.2. Network development plans and market area conversion

Both European and national regulations oblige network operators to draw up plans which determine future network expansion requirements and set out the plans for network expansion.

In line with the stipulations of the Energy Industry Act (EnWG), natural gas transmission system operators have to jointly submit to the regulatory authority a ten-year network development plan in each even calendar year and, in each uneven calendar year, a joint implementation report on the network development plan last published.

In compliance with the deadline of 1 April 2021, the German transmission system operators published the implementation report on the Gas Network Development Plan 2020-2030 (Implementation Report 2020) in accordance with section 15b EnWG for the national gas transmission pipeline system and submitted it to the BNetzA. The Implementation Report 2020 gives a detailed overview of the confirmed measures of the Gas Network Development Plan 2020-2030 which have already been implemented, those which are currently still under construction and those which still have to be performed in the future.

The transmission system operators published the final version of the Gas Network Development Plan for 2020-2030 (Gas NDP 2020) in due time on 26 May 2021. The transmission system operators' plans in the final NDP 2020 for the expansion of the German natural gas infrastructure provide, among other things, for the extension of the gas transmission pipeline system by a further 1,620 km as well as the construction of an additional 405 MW of compressor capacity by 2030. The volume of the NDP investments therefore will total some € 7.8 billion by 2030, of which OGE accounts for some € 1.6 billion. The hydrogen network 2030 modelled by the transmission system operators in the draft Gas NDP and the connected measures for the transport of hydrogen are no longer contained in the final Gas NDP 2020 owing to the Federal Network Agency's request for changes.

On 21 June 2021, the transmission system operators published the scenario framework for the Gas Network Development Plan 2022-2032 (Gas NDP 2022) for consultation. One focus of the scenario framework is again the subject of "green gases" and their integration into the gas infrastructure. For the Gas Network

Development Plan 2022, the transmission system operators conducted a second market survey on hydrogen generation and demand as well as green gases and found their market partners reporting 500 projects. Therefore, they have taken the growing importance of hydrogen and green gases into account with their own modelling variant. The scenario framework provides an outlook on the development of methane and hydrogen demand until 2032 and beyond until 2050. The basis for this is the dena-TM95 scenario, which was adapted by the transmission system operators to reflect the current development of the energy sector and shows the potential of gaseous energies for decarbonisation. The transmission system operators suggest that the development of methane demand will be stable until 2032, the target year of the planning period. The transmission system operators propose a basic variant for the modelling of the natural gas infrastructure, which, in their view, is based on appropriate assumptions of network expansion in line with demand and future developments.

After consultation and discussion with market participants, the revised scenario framework was submitted to the BNetzA on 16 August 2021. The BNetzA confirmed the scenario framework on 20 January 2022.

In a separate chapter, the implementation report on the Gas Network Development Plan 2020-2030 goes into detail on the challenges of the L-gas to H-gas conversion plans (market area conversion). For example, one part of the German gas market is supplied with L-gas that originates solely from German and Dutch deposits. The other deposits available in Germany supply H-gas. For technical and calibration law reasons, H-gas and L-gas are transported in separate systems. Due to the steady decline in German and Dutch L-gas production, the conversion of the relevant areas to H-gas is an important element for maintaining gas supply security. The changeover to H-gas means that all gas appliances in the relevant area have to be adjusted to the higher calorific value of H-gas. In accordance with section 19a EnWG, the gas transmission system operators spread the cost of this over the whole of Germany by means of a separate levy.

As part of the plans to switch over from L-gas to H-gas, L-gas balances, both in terms of supply/demand volumes as well as in terms of capacity, are established in the implementation report on the Gas Network Development Plan 2020-2030. In these supply/demand volume and capacity balances, forecasts for the development of demand and supply are compared taking into consideration the changeover from L-gas to H-gas and declining L-gas production. Through consultation with the “Task Force Monitoring L-Gas Market Conversion" set up by the Dutch Ministry of Economic Affairs, it was ensured that the decrease in the annual L-gas production in the Netherlands is in line with the plan assumptions on L-gas demand in Germany made in the implementation report on the Gas Network Development Plan 2020-2030.[3]

A major element in the switch-over from L-gas to H-gas is the expansion of the existing gas transmission system in order to permit both the linking up of the areas currently supplied with L-gas to H-gas sources and a step-by-step changeover. In 2021, the changeover process at OGE affected 15 distribution network operators and 12 directly connected industrial customers in North Rhine-Westphalia, Hesse and the Rhineland-Palatinate. The commissioning of the ZEELINK pipeline in 2021 meant, among other things, that parts of the gas supply to the NRW capital, Düsseldorf, could also be switched over from L-gas to H-gas. All

3 Source: Implementation report on the Gas Network Development Plan 2020 -2030, page 42.

areas which OGE had scheduled for changeover in 2021 were actually changed over during the year. According to current plans, conversion to H-gas at OGE will be completed by 2029.

2.2.3. Technical projects

In 2021, OGE performed various measures to upgrade and expand its technical infrastructure. These included work carried out by Mittel-Europäische-Gasleitungsgesellschaft mbH & Co. KG (MEGAL), Essen, Trans Europa Naturgas Pipeline GmbH & Co. KG (TENP), Essen, Mittelrheinische Erdgastransportleitungs-gesellschaft mbH (METG), Essen, Nordrheinische Erdgastransportleitungs-gesellschaft mbH & Co. KG (NETG), Dortmund and ZEELINK GmbH & Co. KG (ZEELINK), Essen, which are integrated in the OGE network.

One of the projects of MEGAL, a project company of OGE and GRTgaz Deutschland GmbH, Berlin, is the project to extend the Rimpar compressor station on the basis of the Gas Network Development Plan with a compressor capacity of 3 x 11 MW. The project is progressing to plan. The assembly work is well advanced; the pipeline construction and structural engineering works are virtually complete. A large part of the ancillary systems has already been commissioned and commissioning of the compressor units has already started. Completion of commissioning of the entire station is scheduled for the end of 2023.

On the basis of the results of extensive investigations, in November 2019 TENP, a pipeline company of OGE and Fluxys TENP, Düsseldorf, decided that the parts of the TENP I Boxberg-to-Wallbach pipeline section sheathed in Polyken would not be put back into service again. To ensure supply security, the projects for the construction of the new pipelines running from Mittelbrunn to Schwanheim (38 km, DN 1000) and Hügelheim to Tannenkirchen (16 km, DN 900) as well as the construction of the necessary connecting pipelines to the TENP II pipeline were included in the Network Development Plan 2018. Commissioning is scheduled for December 2024. To reflect higher demand for capacity at the Wallbach exit point, the pipeline construction projects Schwanheim to Au am Rhein (13 km, DN 1000), Schwarzach to Eckartsweier (29 km, DN 1000) and Tannenkirch to Hüsingen (16 km, DN 900) were included in the Gas Network Development Plan 2020 with commissioning in December 2025. These projects were confirmed by the BNetzA. The engineering work and approval procedures for these new construction projects are proceeding according to plan.

The Network Development Plan projects of MEGAL and TENP to reinforce the overflow between the systems at the Mittelbrunn compressor station to some 2 million Nm^3/h were commissioned in September 2021 and are now in commercial operation.

The next expansion stage for the OGE Krummhörn compressor station involving the construction of an additional gas turbine-driven compressor unit (13 MW) was completed and commissioning took place in April 2021.

The NDP pipeline project Heiden to Dorsten (approx. 18 km, DN 500/600) was split into two pipeline sections for approval reasons. This split meant that the original official planning approval procedure had to be stopped. It is planned to initiate two separate official planning approval procedures with the aim of putting the pipelines into operation by the end of 2026.

The pipeline construction work and recultivation for the NDP project, the Erftstadt-to-Euskirchen pipeline (EUSAL, approx. 18.5 km, DN 400) were completed. Owing to the Erft river flooding, commissioning is expected in April 2022.

Construction work on a pipeline from Voigtslach to Paffrath (approx. 24 km, DN 900) has been slightly delayed due to the Erft river flooding. This is a NDP project of NETG, a project company of OGE and Thyssengas GmbH, Dortmund. However, commissioning is still scheduled for the end of 2022.

A ZEELINK project – a joint project of Thyssengas GmbH, Dortmund, and OGE – consisting of two compressor stations in Würselen (3 x 13 MW) und Legden (2 x 15 MW), a gas transmission pipeline running from Lichtenbusch to Legden (approx. 215 km, DN 1000) as well as four gas pressure regulating and metering stations and one gas pressure regulating station was executed according to schedule. The final work remaining on the ZEELINK pipeline is virtually complete. All major works on the construction of the Würselen compressor station were completed – it was also commissioned to schedule in April 2021. Construction work at the compressor station in Legden is also proceeding to plan. Commissioning is scheduled for 2024.

As part of the switchover from L-gas to H-gas running until 2029, OGE is planning and constructing gas pressure regulating and metering stations and gas pipelines to connect the former L-gas areas to the H-gas pipelines. This involves the modification and new build of many gas pressure regulating and metering stations and pipeline sections. All expansion measures for the switchover from L-gas to H-gas laid down in the Gas Network Development Plan 2020-2030 are to be completed by 2026. So far all works and commissioning have been completed to schedule.

As part of condition-based maintenance, old pipelines in the OGE network are being rehabilitated, particularly in North Rhine-Westphalia. In addition, numerous existing pipelines were re-routed in order to adapt to infrastructure expansions in Germany.

In July large parts of North Rhine-Westphalia and the Rhineland-Palatinate were affected by flooding due to heavy rainfall. The OGE network and TENP pipelines were also impacted by the water masses. However, the network was in a safe condition at all times and supply was also secure. One pipeline section had to be temporarily closed until December 2021 following a landslide on the edge of a gravel pit, which exposed the pipeline. The lost transport capacities were compensated for, among other things, by the ZEELINK pipeline system. Repair work was carried out on the affected facilities and the pipeline routes were restored.

2.3 Net assets, financial position and results of operations

In the financial year, COVID-19 had no major impact on the net assets, financial position and results of operations. The company is continuously monitoring current developments. As an operator of critical infrastructure, OGE has taken appropriate precautions to ensure operation and thus supply security.

The most important financial performance indicators for OGE are:

- Total revenues (calculated as the total of the following line items in the income statement “Revenues”, “Change in finished goods and work in progress”, “Other own work capitalised” and “Other operating income,

- investments in fixed assets and
- net income for the year before distribution of profit.

The most important non-financial performance indicator for OGE is:

- the number of work-related accidents, measured in terms of TRIFcomb[4].

2.3.1. Result of operations

The gas transport business was largely unaffected by the COVID-19 pandemic in 2021. Capacity demand was within the expected range. By splitting staff into small teams, taking appropriate precautions to protect the health of its employees and by restricting personal contacts to a minimum, OGE ensured that the transportation of gas continued without restriction and the scheduled maintenance and investment work was also carried out largely to plan.

With effect from 1 January 2021, OGE adjusted the uniform transport tariffs for entry and exit. As a result, entry and exit fees were some 7.4% lower in the NCG market area and some 1.2% lower in the GASPOOL market area than in 2020. In contrast to previous years, the network fees only applied from 1 January 2021 to 30 September 2021.

Since 1 October 2021, uniform tariffs have applied to the new merged market area THE on the basis of the REGENT stipulation by the Federal Network Agency. This resulted in a roughly 1% higher fee for this new market area THE compared with the NCG market area and a roughly 14% higher fee compared with the GASPOOL market area for the booking of firm, freely allocable entry and exit capacities.

Overall, OGE increased its total revenues in 2021 by 5.1% to € 1,222.4 million (previous year: € 1,162.7 million). Revenues increased, more sharply than forecast in the previous year, by 12.6% to € 1,212.3 million (previous year: € 1,076.3 million). Total revenues consist of revenues from the gas transport business and from the services business. Revenues from the gas transport business amounted to € 947.4 million in the 2021 financial year (previous year: € 905.8 million).

Revenues from the gas transport business were € 13.4 million higher than the revenue cap expected and allowed under section 4 of the Incentive Regulation Ordinance (ARegV). A large part of this additional revenue was due to the fact that, at the time the fees were set (May 2020), the returns from investment measures were anticipated to be even higher. In fact - in particular due to lower interest rates on the capital markets – the returns from investment measures going into the revenue cap are lower. The allowed revenue cap is therefore lower than the planned revenue cap. The resulting additional revenues were taken into account by setting up a provision as at the reporting date and, in accordance with the Incentive Regulation Ordinance mechanism, will be deducted from the respective fee calculation in the years 2024 to 2026 as part of cross-period balancing.

[4] TRIFcomb = Total number of work-related accidents (accidents at work and on the way to and from work) of own employees and sub-contractors' employees requiring medical treatment and/or involving lost time per one million hours worked.

Revenues from the services business including the change in work in progress totalled € 212.7 million and were therefore on a par with the previous year (€ 212.0 million) and better than expected.

Cost of materials increased slightly compared with the previous year by some € 17.4 million. The increase is due in particular to higher prices for fuel gas.

Income from equity investments fell by € 2.3 million compared with the previous year and was therefore, as forecast, slightly below the level of the previous year.

As expected, interest expenses were, at € 38.8 million, significantly lower than in the previous year (€ 63.2 million). The decrease is mainly due to the measurement of provisions for pensions and similar obligations.

OGE's profit before tax increased by € 51.1 million compared with the previous year to € 272.4 million, largely as a result of the aforementioned changes in the line items of the income statement. Net income for the year before distribution of profit amounted to € 203.2 million in the 2021 financial year and was therefore, as expected, significantly higher than the figure for the previous year (€ 126.7 million). In the financial year, no revenue reserves of the company were reversed (previous year: € 30.0 million). As a result, profit in the amount of € 203.2 million (previous year: € 156.7 million) was distributed to the sole shareholder Vier Gas Transport GmbH (VGT), Essen.

2.3.2. Financial position

OGE is a wholly owned subsidiary of VGT. Since 1 January 2013, there has been a profit-and-loss transfer agreement with VGT, under which OGE undertakes to transfer its entire profit to VGT and VGT undertakes to offset any losses sustained by OGE. The agreement was concluded for a period of five years and is extended by periods of one year if it is not terminated. Consequently, the agreement was last extended as of 31 December 2021 by a further year. Since 1 January 2013, VGT and OGE have formed a tax unit for corporate and trade tax purposes, according to which VGT is the controlling company and OGE the controlled company. OGE and VGT have concluded an income tax allocation agreement to allocate to OGE the taxes on income incurred by OGE in its commercial operations. As a result of the income tax allocations, OGE recognises an income tax liability that it would have incurred if it had not formed a single tax unit with VGT.

There is also a syndicated loan facility in the amount of € 600.0 million concluded by VGT until 2024. OGE is also a borrower under the loan and therefore entitled to use the credit line. As of the reporting date, the credit facility had not been drawn down.

This credit line includes three ancillary facilities in the amount of € 20.0 million, € 10.0 million and € 1.5 million. The first serves as an overdraft facility for the OGE cash pool and the second as an overdraft facility for VGT. The remaining third ancillary facility is reserved for surety (e.g. bank guarantees) and € 1.2 million had been utilised as of 31 December 2021 for the issuing of bank guarantees.

In August 2020, OGE concluded a further surety line in the amount of € 10.0 million. As of 31 December 2021, € 1.6 million of this facility had been utilised for the issuing of bank guarantees.

In order to cover its obligations arising from pension entitlements, OGE uses a Contractual Trust Agreement (CTA). The trust fund set up in this connection is managed on a fiduciary basis by Helaba Pension Trust e.V. (Helaba), Frankfurt am Main. Plan assets at Helaba have been netted with the corresponding pension obligations in the balance sheet. In the 2021 financial year, € 29.0 million was added to the plan assets for pension obligations and € 5.5 million for long-term working-time account obligations.

As at the reporting date, the fund's assets exceeded the provisions set up at OGE for pension obligations by € 2.2 million and for long-term working-time account obligations by € 0.3 million. The percentage of cover for pension obligations is 100.4% and for long-term working-time account obligations 100.5%.

Cash and cash equivalents totalled € 67.9 million as at 31 December 2021, increasing by € 14.8 million compared with the previous year. In the 2021 financial year, OGE generated cash flow from operating activities of € 292.0 million (previous year: € 294.8 million). Cash flow from investing activities amounted to € -189.4 million (previous year: € -292.4 million) and, in addition to purchases of investments, contains income received from equity investments in the amount of € 23.4 million (previous year: € 89.7 million). Cash flow from financing activities totalled € -87.8 million (previous year: € -97.4 million) and was mainly from cash pool agreements with subsidiaries in the amount of € 50.0 million and, having the opposite effect, cash outflow for profit distribution to VGT in the amount of € -145.0 million. Therefore, cash flow was, as forecast, well above the level of the previous year.

2.3.3. Net assets

OGE's total assets amounted to € 3,075.3 million as at the reporting date of 31 December 2021 (previous year: € 2,974.8 million). This gives an equity ratio of 74.3% (previous year: 76.8%). Of the external funds, provisions account for 71.9% (previous year: 72.5%), liabilities for 27.6% (previous year: 26.7%) and deferrals for 0.5% (previous year: 0.8%). Fixed assets accounted for € 2,757.1 million as at the reporting date (previous year: € 2,693.0 million) and therefore 89.7% (previous year: 90.5%) of OGE's total assets.

As expected, in the 2021 financial year OGE again made high investments in fixed assets totalling € 238.9 million (previous year: € 355.7 million). Of this figure, € 26.4 million went into the expansion and upgrading of compressor stations (previous year: € 41.3 million). The construction of a new compressor unit in Werne accounted for € 6.9 million and the construction of a compressor unit in Krummhörn for € 4.4 million. OGE invested € 80.1 million in expanding and upgrading pipelines (previous year: € 72.5 million), including € 17.8 million in the connecting pipeline between Erftstadt and Euskirchen and € 6.1 million in the laying of the pipeline section from Gelsenkirchen to Heßler. Other investments accounted for € 51.7 million (previous year: € 76.9 million) and included investments in gas pressure regulating and metering systems (€ 29.1 million) and IT measures (total of € 12.4 million).

Investments relating to obligations under the Network Development Plan therefore accounted for a total of € 57.1 million (previous year: € 82.8 million).

Financial investments totalled € 80.7 million. Additions to financial assets mainly relate to capital injections into ZEELINK (€ 63.0 million) and NETG (€ 17.1 million), which were made to finance investments in these companies.

In summary, the Board of Management believes that the Group's net assets, financial position and results of operations for the financial year are stable and secure, as forecast in the previous year.

2.4 Presentation of activities pursuant to section 6b Energy industry Act (EnWG)

OGE generates the majority of its revenues and income within the gas sector, particularly in the function of a gas transmission system operator "Grid Business". Activities in this sector mainly include the marketing of transport capacities in the pipeline network as well as the planning and construction, operation, dispatching and maintenance of this network.

With revenues of € 962.8 million in the past financial year (previous year: € 917.7 million), the "Grid Business" segment recorded a profit after tax of € 108.7 million (previous year: € 53.0 million).

The segment "Activities within Gas Sector" includes dispatching for other network operators and suppliers of gas infrastructure. This segment recorded a profit after tax of € 1.7 million in the past financial year (previous year: € 1.1 million) from revenues of € 7.5 million (previous year: € 7.5 million).

In accordance with OGE's business structure, the segment "Activities outside Gas Sector" consists primarily of equity investments, technical and engineering services as well as business and IT services. In the past financial year, this segment posted a profit after tax of € 93.5 million (previous year: € 73.1 million) from revenues of € 242.0 million (previous year: € 151.1 million) and income from equity investments of € 86.6 million (previous year: € 88.9 million).

3. Environmental and employee matters

3.1 Environmental protection

In October 2021, OGE passed external monitoring audits and thus retained the existing certifications for the integrated management system according to DIN EN ISO 9001 (Quality Management), DIN EN ISO 14001 (Environmental Management), DIN ISO 45001 (Occupational Health and Safety Management) and DIN EN ISO 50001 (Energy Management). The confirmation for Technical Safety Management (TSM) certification according to DVGW G1000 was also successfully renewed.

OGE attaches very great importance to environmental protection. No environmental events that had a significant monetary impact on OGE were recorded in the reporting year. The relevant environmental protection requirements were taken into account and complied with during construction work and the ongoing operation of the pipeline network.

The compressor stations are subject to the German Greenhouse Gas Emissions Trading Act (TEHG) and the related ordinances. All resulting obligations, such as the adjustment of monitoring plans, the recalculation and notification of changes in capacity, reports of changes in operation due to conversion measures and the annual reporting of emissions, were routinely met. The certificates for 2020 were submitted via the

EU register in April 2021. As part of its social responsibility, OGE has long been taking various measures to reduce methane emissions. Therefore, OGE has also decided to become a member of the Oil and Gas Methane Partnership (OGMP) within the framework of the United Nations Environment Programme (UNEP). In doing so, OGE has committed to act in accordance with all methane mitigation measures that are in line with the EU. In accordance with the IMEO report written by the OGMP on the reporting and monitoring of methane emissions of the gas industry, in 2021 OGE met all requirements for the reporting year 2020 retrospectively and achieved the gold standard. OGE has set itself a target of reducing methane emissions by 55% by 2025 compared with 2009 levels. OGE has defined measures for reducing methane emissions and their implementation is proceeding to plan.

So far there are three mobile compressor units that can be used to reduce methane emissions during repair work on pipelines by pumping gas into other pipeline systems. Furthermore, in order to exploit further potential for emission reduction two further mobile flare systems were commissioned in the reporting year in addition to the existing flare system. The planning procedure for pressure relief operations was also refined and optimised to avoid methane emissions. The mobile units make a significant contribution to reducing methane emissions both in the company's own network and in third party networks.

OGE is also working on further developing procedures required for plant and pipeline construction and the safe operation of the transmission pipeline network. To meet the challenges of the energy transition, OGE is particularly focusing on the intelligent coupling of the electricity and gas infrastructures and the transport of hydrogen. In the financial year, OGE continued to research innovative hydrogen concepts and solutions, developing and driving forward various projects together with a wide variety of partners. The investigation into the suitability of the existing assets for hydrogen transport has shown that an admixture of 2% hydrogen in the OGE network is possible. The necessary modifications to pipelines and plants for higher admixture percentages were identified. Accordingly, the conversion of existing natural gas pipelines to 100% hydrogen transport is also possible in principle, taking into account measures identified together with TÜV.

3.2 Employees

At the end of 2021, OGE had 1,507 employees (excluding the Board of Management and apprentices). Personnel expenses during the financial year amounted to € 187.0 million (previous year: € 176.9 million).

OGE trains apprentices for technical and administrative occupations at eight locations in North Rhine-Westphalia (Essen and Ummeln), Lower Saxony (Krummhörn), Bavaria (Rimpar, Waidhaus and Wildenranna), Hesse (Gernsheim) und Rhineland Palatinate (Mittelbrunn). OGE has also been providing additional technical apprenticeships for refugees since 2016.

OGE aims to continually reduce the number of accidents and other harmful effects on the health of its own employees and those of partner companies and to constantly improve work ergonomics and occupational health. The targets set for the 2021 financial year were achieved. The number of work-related accidents, measured in terms of TRIFcomb[5], is continuing to fall on a long-term average and taking account of the

[5] TRIFcomb = Total number of work-related accidents (accidents at work and on the way to and from work) of own employees and sub-contractors' employees with medical treatment and/or with lost time per one million hours worked.

proportion of jobs with an increased risk (construction work). This indicator fell significantly to 3.7 (previous year: 4.7) compared with the previous year. The external auditors of the occupational health and safety management system again noted a further improvement in the safety culture. Activities in the field of HSE sub-contractor management were stepped up, particularly in the major new build projects and OGE employees from the Technology divisions completed the Risk Factor further training programme to improve the safety culture.

4. Corporate governance statement in accordance with section 289f, para. HGB[6]

In compliance with the German Act to Promote Equal Participation of Women and Men in Management Positions in the Private and Public Sectors and as a co-determined entity with generally more than 500 employees, in 2017 OGE set the targets for the percentage of women on the Supervisory Board, on the Board of Management as well as on the top two management levels that were to be achieved by 31 December 2021.

OGE had set the target for the share of women on the Supervisory Board at 17%. However, the election of employee representatives in 2021 did not lead to any personnel changes and new appointments on the side of the employer representatives, who are mostly international shareholders, did not lead to a change in the proportion of women. Therefore, there was no woman on the Supervisory Board as at 31 December 2021 and the target was not reached.

The target for the Board of Management was set at 25% in 2017 on the basis of a four-member Board. However, in mid-2019 it was decided not to fill the position of Managing Director for Business Services following the retirement of the incumbent on 31 March 2020 due to age. This reduction in the size of the Board together with legal aspects such as contract terms meant that the target could not be reached.

The target for the Senior Vice President level was achieved: as at 31 December 2021, the proportion of female managers at this level was 8%.

At the departmental level, the proportion of female managers increased significantly within the set deadline, but at around 12% is below the target of 15%. While the absolute number of female heads of department increased as planned by 31 December 2021, reorganisations in the same period resulted in the total number of departments also increasing.

The new targets for 2022 to 2026 are being set in 2022.

In order to increase the number of female managers, OGE continues to rely not only on external recruitments but also on suitable promotion and staff development measures and will step up such action in future. These measures are flanked by a wide range of support offerings to achieve a better work-life balance.

[6] In accordance with section 317, para. 2 HGB, the content and subject matter of this chapter were not part of the audit by the financial statement auditors.

Furthermore, the company supports the women's network women@OGE set up by OGE's female employees.

5. Report on opportunities, risks and expected developments

5.1 Report on opportunities and risks

In its business operations, OGE is exposed to a large number of risks connected with its activities. In line with the requirements of the Corporate Sector Control and Transparency Act (KonTraG), the aim of the company's internal risk management system is to use a management and control system to identify and record risks which might threaten the continued existence of the company and, if necessary, to take appropriate counteraction.

The basis for risk management is the opportunity and risk policy which is binding throughout the Group. Risk reporting is an integral part of the internal control system, thus ensuring the continual identification and evaluation of significant opportunities and risks.

5.1.1. Description of the opportunity and risk management process

The opportunity and risk situation of the company is assessed and documented every quarter in a standardised process. The Board of Management and the Supervisory Board are regularly informed as part of this process. The aim of the process is to recognise significant opportunities and risks at an early stage and – wherever possible and necessary – take action to exploit opportunities or mitigate risks.

A risk or opportunity is defined as an event which leads to a deviation from the mid-term planning, which covers a period of 5 years.

Risks are evaluated with regard to the probability of occurrence and possible net impact (i.e. maximum impact of the event on profit before tax and/or liquidity) and their cumulative impact over the 5-year period is reported to the Board of Management. The reporting threshold per individual case is a cumulative net impact of € 10.0 million over the 5-year period. The net impact is defined as the value of the risk after allowance for precautionary measures in the worst case. Risks with a probability of occurrence of more than 50% are always included in the mid-term planning. In addition, potential opportunities are also recorded.

Risks in the order of magnitude of € 100.0 million and more in the above-mentioned period are considered to be significant. Risks of this order of magnitude are reported to the Supervisory Board.

5.1.2. Significant risks

Significant risks are classified according to probability of occurrence and net impact as shown in the following table:

Probability of occurrence in %	low	≤ 5
	moderate	> 5 ≤ 20
	high	> 20
Cumulative net impact in € million over 5 years	low	≥ 100 ≤ 200
	medium	> 200 ≤ 300
	high	> 300

Regulatory framework: The risk situation of OGE is largely governed by the regulatory environment. As a regulated company, OGE's earnings situation and earnings prospects are directly dependent upon decisions made by the regulatory authorities. Important parameters affecting regulated revenues are the approval of the cost base, return on equity, the general sectoral productivity factor and the company-specific efficiency factor. The decisions of the authorities affect the company's revenues, earnings and liquidity situation.

Probability of occurrence: moderate
Net impact: high

Technical plant and on-site conditions: Local site conditions change over the course of time (e.g. changed soil conditions due to erosion). As a result, measures to restore the original conditions may be necessary.

Probability of occurrence: low
Net impact of the individual risks: low

Investment requirements: Due to the high volume of plant and machinery that the OGE business involves, additional investment requirements may lead to considerable additional funding requirements in the medium term. However, against the background of regulation, opportunities frequently arising from additional transport revenues are to be weighed against these additional investments.

Market-driven price developments, additional measures that become necessary during the performance of a project and changes to the Network Development Plan or legal requirements (e.g. emission legislation) may lead to increases in the volume of investments. Owing to global price volatility, there is a higher probability that additional investments will be required.

Probability of occurrence: high
Net impact: high

Environmental events: External influences such as natural disasters may partly or completely destroy important plant (e.g. compressor stations), which may lead to temporary interruptions or a local outage preventing gas transportation. In addition to temporary losses of earnings, any necessary reconstruction work may require additional financing.

Probability of occurrence: low
Net impact: low

5.1.3. Further risks

Information technology:
OGE uses complex information technology (IT) to operate and control the pipeline network. There are increasing risks of cyber attacks, which could in principle lead to a failure of parts of the IT systems with a consequent temporary adverse effect on business activities. In addition to failure due to intentional, unauthorised modification (external access), there is also, in principle, the possibility of an impairment of functionality due to operating errors or faults in hardware and software components.This could affect both marketing systems and network control systems (dispatching).

Integrity breaches may also affect the marketing or the network dispatching systems. System errors or system failure may mean that proper handling of dispatching or transport capacity marketing can no longer be guaranteed. This may lead to claims for compensation by shippers.

OGE safeguards against these risks with redundant systems as well as comprehensive quality assurance and access protection systems. OGE is certified according to the BNetzA's IT security catalogue which is binding on all network operators. The legal requirements are met. Effects that give rise to possible third-party claims are adequately covered by insurance. Above and beyond the requirements of certification, from time to time OGE uses external consultants to review the threat posed by risks in the IT environment.

Transport business operation:
To ensure fault-free operation of the transport business, OGE employs high quality standards and sophisticated quality assurance concepts. Nevertheless, errors and resultant claims for compensation by customers cannot be entirely excluded.

OGE generates the majority of its revenues from the marketing of transport capacities with a small number of key accounts. Due to the regulatory account system, terminations of long-term capacity bookings only lead to temporary declines in revenues. Resulting revenue shortfalls in comparison to the approved revenue cap are recognised in the so-called regulatory account, bear interest and are balanced out through an adjustment of the calendar-year revenue cap in future financial years. There is therefore no sustained risk from fluctuations in demand. The syndicated credit line also minimises the liquidity risk.

Hedging transactions:
In principle, OGE hedges foreign exchange risks from procurement transactions using spot and forward exchange transactions. The company does not use any further derivative financial instruments. In the reporting year, no spot or forward exchange transactions were performed.

5.1.4. Opportunities

The main opportunities are through additional increases in efficiency compared with the approved revenue cap. However, due to the regulatory framework these are only of a temporary nature.

Moreover, the regulatory framework may change, providing further opportunities and risks for OGE.

The risk of higher expansion obligations due to changes in the network development plan also presents, on the other hand, an opportunity for higher returns from additional investments.

In summary and as in the previous year, the Board of Management sees no risks threatening the continued existence of the company as at the reporting date and for the forecast period and considers the company's risk-bearing capability to be fully ensured.

5.2 Report on expected developments

The report on expected developments contains no negative effects from the developments in Ukraine. The Board of Management is continually monitoring the development of the war in Ukraine and the resulting consequences for supply security and for the energy industry. OGE is in constant dialogue with the other German and European network operators and the relevant authorities on security of supply in light of the developments in Russia and Ukraine. Together, potential bottlenecks in supply can be quickly identified and any necessary measures immediately agreed and initiated at the transport level.

The supply situation in Europe depends on the continued delivery of large volumes of LNG to the EU and generally on all import routes being used to capacity. According to an analysis conducted by the authorities responsible, isolated regional bottlenecks cannot be ruled out in Europe should Russian imports cease completely. The German gas transmission network operators are, however, working together with their European partners and the relevant authorities to ensure a secure supply situation.

The German gas grid has a fundamentally flexible structure, is integrated in the European grid at many points and can transport gas volumes safely to the consumer via various routes. The transport capacities are designed for the long term so that shippers' obligations to provide secure supplies to their customers can be met. One example of the built-in flexibility is the mode of operation this winter with higher volumes from Norway and the western LNG terminals and, at the same time, reduced volumes from the East.

Given OGE's business model as a regulated gas transmission network operator, the Board of Management does not expect any significant impact on the net assets, financial position and results of operations of the company. As a result of the revenue cap regulation, any impact on earnings would be largely of a temporary nature and be balanced out again over the course of time via the regulatory account mechanism. Any resulting delays in inflows of liquid funds could, if necessary, be offset by existing and previously unused revolving credit lines. Uncollectible receivables in the event of customer insolvency would be a remaining risk that could neither be reduced nor posted to the regulatory account. However, the risk is limited in its impact, as it can be assumed that either OGE or the customer would terminate the underlying contract at short notice.

Furthermore, the report on expected developments for 2022 does not consider any effects arising from COVID-19. This is based on the experience of the past two financial years, in which COVID-19 did not have any significant impact on the net assets, financial position and results of operations of OGE. As an operator of critical infrastructure, OGE has taken appropriate precautions to ensure operation and thus supply security.

Overall, the Board of Management is expecting the company's total revenues in 2022 to be on a par with the previous year.

The Board of Management expects net income for 2022 before distribution of profits to be significantly below the figure for the previous year. In essence, the much higher cost of fuel energy will lead to a negative impact on earnings in the 2022 financial year. Should market prices for gas remain at the current high level or continue to rise during the course of the year, this could lead to a greater impact on the result than currently forecast. However, in view of the high volatility of prices and volumes, no reliable assessment can be made at present. Fuel energy costs are recognised by the regulator as so-called "volatile costs" and are made up for in the fees charged for future years via the regulatory account mechanism so such an impact on earnings and liquidity would only be temporary.

Investments in fixed assets continue to be largely based on measures under the Network Development Plan, extensive replacement investments and injections of equity into pipeline companies, although they are forecast to be well below the level of the reporting year.

In the field of occupational safety, the Board of Management's aim is to continue the trend towards lower numbers of work-related accidents and to further develop the safety culture. In order to achieve this, appropriate measures have been either put in place or continued.

Annual Financial Statements for the period from January 1 to December 31, 2021

Balance Sheet as of 31 December 2021

Assets			Note	31 Dec 2021 €	31 Dec 2020 €
A.	**Fixed assets**				
	I.	Intangible assets	(1)		
		1. Internally generated intangible assets		5,292,085.13	7,131,904.24
		2. Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets		44,995,091.29	56,263,961.12
		3. Prepayments		7,148,017.64	3,396,470.66
				57,435,194.06	**66,792,336.02**
	II.	Tangible assets	(2)		
		1. Land, land rights and buildings, including buildings on third-party land		166,225,571.83	158,534,093.16
		2. Technical equipment and machinery		1,321,437,012.55	1,263,732,236.32
		3. Other equipment, operating and office equipment		43,751,500.78	44,466,967.74
		4. Prepayments and assets under construction		121,148,204.45	162,622,372.89
				1,652,562,289.61	**1,629,355,670.11**
	III.	Financial assets	(3)		
		1. Shares in affiliated companies		846,853,273.39	813,853,273.39
		2. Other long-term equity investments		197,915,016.41	180,737,186.20
		3. Other loans		2,352,009.33	2,304,229.10
				1,047,120,299.13	**996,894,688.69**
				2,757,117,782.80	**2,693,042,694.82**
B.	**Current assets**				
	I.	Inventories	(4)		
		1. Raw materials and supplies		14,275,915.34	13,450,766.14
		2. Work in progress		58,878,279.24	111,014,471.39
		3. Merchandise		50,187,710.30	12,069,650.05
		4. Other inventories		7,137,719.16	7,658,935.95
				130,479,624.04	**144,193,823.53**
	II.	Receivables and other assets	(5)		
		1. Trade receivables		36,113,542.04	17,468,790.83
		2. Receivables from shareholders		0.00	6,184,793.26
		3. Receivables from affiliated companies		25,370,739.70	27,459,657.43
		4. Receivables from companies in which equity investments are held		32,245,315.77	6,253,603.66
		5. Other assets		21,353,316.38	17,915,478.76
				115,082,913.89	**75,282,323.94**
	III.	Cash in hand and bank balances	(6)	67,879,611.55	53,087,734.48
				313,442,149.48	**272,563,881.95**
C.	**Prepaid expenses**			2,266,272.60	2,684,656.63
D.	**Excess of plan assets over post-employment benefit liability**		(7)	2,441,380.98	6,507,366.91
				3,075,267,585.86	**2,974,798,600.31**

OGE

Shareholders' Equity and Liabilities

			Note	31 Dec 2021 €	31 Dec 2020 €
A.	**Shareholders' equity**		(8)		
	I.	Subscribed capital		110,324,332.00	110,324,332.00
	II.	Capital reserve		1,383,703,067.78	1,383,703,067.78
	III.	Revenue reserves		791,520,579.61	791,520,579.61
				2,285,547,979.39	**2,285,547,979.39**
B.	**Special item for investment grants for fixed assets**			126,958.40	0.00
C.	**Provisions**		(9)		
	1.	Provisions for pensions and similar obligations		9,423,089.00	8,812,236.00
	2.	Tax provisions		8,008.14	1,935,989.92
	3.	Other provisions		558,122,048.97	489,277,879.08
				567,553,146.11	**500,026,105.00**
D.	**Liabilities**		(10)		
	1.	Payments received on account of orders		22,620,438.73	30,774,798.11
	2.	Trade payables		40,326,806.35	15,934,296.65
	3.	Liabilities to shareholders		68,531,245.83	0.00
	4.	Liabilities to affiliated companies		35,111,660.43	93,471,719.05
	5.	Liabilities to companies in which equity investments are held		32,075,794.34	27,446,032.09
	6.	Other liabilities		19,330,758.55	16,212,855.57
				217,996,704.23	**183,839,701.47**
E.	**Deferred income**			4,042,797.73	5,384,814.45
				3,075,267,585.86	**2,974,798,600.31**

Income Statement

for the period from 1 January to 31 December 2021

			Note	2021 €	2020 €
1.	Revenues		(11)	1,212,264,108.71	1,076,300,771.73
2.	Change in finished goods and work in progress			-52,136,192.15	41,535,568.35
3.	Other own work capitalised		(12)	21,731,555.27	22,718,283.29
4.	other operating income - of whih income from currency translation: € 20,120.73 (previous year: € 4,163.45)		(13)	40,575,287.16	22,135,181.17
5.	Cost of materials		(14)		
	a)	Cost of raw materials and supplies		-79,233,531.56	-73,443,935.56
	b)	Cost of purchased services		-499,526,205.28	-487,931,917.10
				-578,759,736.84	**-561,375,852.66**
6.	Personnel expenses				
	a)	Wages and salaries		-139,895,999.38	-138,719,429.21
	b)	Social security, pensions and other benefits - of which for pensions: € 24,471,876.73 (previous year: € 16,451,137.90)		-47,141,736.44	-38,172,959.97
				-187,037,735.82	**-176,892,389.18**
7.	Amortisation of intangible assets and depreciation of tangible assets		(15)	-143,762,897.34	-132,205,289.55
8.	Other operating expenses - of which expenses from currency translation: € 27,877.82 (previous year: € 32,541.30)		(16)	-89,184,448.25	-96,811,120.99
9.	Income from equity investments - of which from affiliated companies: € 72,115,791.07 (previous year: € 73,964,472.63)		(17)	86,631,866.47	88,888,587.80
10.	Other interest and similar income - of which from affiliated companies: € 120,227.56 (previous year: € 77,638.10)		(18)	833,858.92	198,645.08
11.	Interest and similar expenses - of which interest expense from unwinding of discounting of provisions: € 82,002,755.15 (previous year: € 71,623,605.59)		(19)	-38,771,897.01	-63,223,660.21
12.	Income taxes		(20)	-68,549,961.42	-94,053,786.04
13.	**Profit after tax**			**203,833,807.70**	**127,214,938.79**
14.	Other taxes		(21)	-604,130.35	-489,500.10
15.	Transfers under profit-and-loss transfer agreements		(22)	-203,229,677.35	-156,725,438.69
16.	**Net income/loss for the year**			**0.00**	**-30,000,000.00**
17.	Transfer from other revenue reserves			0.00	30,000,000.00
18.	**Unappropriated profit**			**0.00**	**0.00**

Notes to the financial statements for the 2021 financial year

I. General information on the annual financial statements

Open Grid Europe GmbH (OGE), Essen, is entered in the commercial register at Essen local court under commercial register number HRB 17487.

The annual financial statements have been prepared in accordance with the accounting principles laid down in section 242 ff of the German Commercial Code (HGB), taking the supplementary requirements for corporations (section 264 ff HGB), the Limited Liability Companies Act (GmbHG) and the Energy Industry Act (EnWG) into account.

In the reporting year, the company fulfilled the size requirements to be classified as a large corporation pursuant to section 267, para. 3 HGB in conjunction with section 267, para. 4 HGB.

The income statement has been prepared in accordance with the type of expenditure format (section 275, para. 2 HGB).

Vier Gas Transport GmbH (VGT), Essen, is the sole shareholder of OGE. A profit-and-loss transfer agreement has been concluded with VGT with effect from 1 January 2013. Fiscal unity for corporate income tax purposes has also existed between the two companies since 1 January 2013.

II. Accounting and valuation policies

Fixed assets

The changes in the individual fixed asset items in the balance sheet as defined by section 266 HGB in the period from 1 January to 31 December 2021 are shown in the statement of changes in fixed assets as an appendix to the Notes (section 284, para. 3 HGB).

Intangible and tangible assets are measured at acquisition or production cost less scheduled amortisation/depreciation.

The production cost consists of the mandatory elements in accordance with commercial law pursuant to section 255, para. 2, sentence 2 HGB plus general administrative expenses. Appropriate expenses within the meaning of section 255, para. 2, sentence 3 HGB for social amenities of the company, for voluntary benefits to personnel and for company pensions are included in production cost to the extent that they were incurred during the period of production.

Regular depreciation is performed using the straight-line method. The underlying useful lives are based on the tax depreciation tables. If the value of the fixed assets is expected to be permanently lower on the balance-sheet date, this is taken into account by impairment losses in accordance with section 253, para. 3, sentence 5 HGB.

The useful life is 3 years for purchased intangible assets and ranges from 2 to 10 years for internally generated intangible assets. For tangible assets the useful life is between 5 and 50 years.

The company exercises the option in accordance with section 248, para. 2, sentence 1 HGB and recognises internally generated intangible assets classified as fixed assets. Due to the amount of freely available reserves (capital reserve and revenue reserves), the restriction on distribution and/or transfer pursuant to section 268, para. 8 HGB does not apply.

The company uses the component approach within the meaning of the IDW Accounting Rule HFA 1.016. According to this method, a tangible asset subject to wear and tear is theoretically broken down into its main components with different useful lives in order to determine the amount of the scheduled depreciation for each period for the asset as a whole as the sum of the scheduled depreciation for each period for the individual components of said asset. The component approach is only applicable to such cases where physically separable components are replaced which are material in relation to the total tangible asset. The expense for replacing a component does not affect income as a maintenance expense at the time of incurrence but is capitalised as subsequent acquisition or production cost and depreciated thereafter over the useful life of the respective component.

Due to their minor importance, a compound item is established for assets of minor value costing more than € 150 (from 1 January 2018 assets costing more than € 250) and up to € 1,000. The compound item is depreciated on a straight-line basis over a period of five years in line with the tax regulations (section 6, para. 2a German Income Tax Law (EStG)).

Shares in affiliated companies and equity investments are stated at acquisition cost. If permanent value impairment is probable, the lower fair value is recognised.

Other loans shown under financial assets relate mainly to non-interest-bearing loans granted to employees, which are stated at their present value as of the balance-sheet date. The present values are calculated using an interest rate which is adequate for the remaining term.

Inventories

Raw materials and supplies stated under inventories are generally recognised at average acquisition cost in accordance with section 240, para. 4 HGB or the lower market value, with the strict lower-of-cost-or-market principle in accordance with section 253, para. 4 HGB being applied. Appropriate write-downs are made for inventory risks arising from storage periods and reduced usability.

Work in progress is stated at production cost. Production cost is stated with the mandatory elements under commercial law, plus general administrative expenses as defined by section 255, para. 2, sentence 2 HGB. Appropriate expenses within the meaning of section 255, para. 2, sentence 3 HGB for social amenities of the company, for voluntary benefits to personnel and for company pensions are included in production cost to the extent that they were incurred during the period of production.

The gas stocks in the transmission network recognised under merchandise are measured at acquisition cost. Measurement is generally made using the LIFO method, the strict lower-of-cost-or-market-principle being applied.

Emission rights stated under other inventories are stated at acquisition cost, the strict lower-of-cost-or-market principle being applied.

Receivables and other assets

Receivables and other assets are capitalised at nominal value and measured taking into account all discernible (individual) risks. In addition to individual valuation adjustments, the measurement of trade receivables allows for the general credit risk by making a general valuation adjustment of 1.50% on net receivables reduced by receivables for which individual valuation adjustments have been made.

Unless stated otherwise in section III, the company's receivables and other assets have a remaining term of less than one year.

Cash in hand and bank balances

Cash and bank balances are recognised at nominal value.

Special item for investment grants for fixed assets

This separate liability item shows government grants received as financial assistance for an investment in fixed assets. The special item is reversed over the same period for which the relevant fixed assets are depreciated.

Provisions

The 2018 G mortality tables of Prof. Dr. Klaus Heubeck have been used as a biometric basis for calculating pension provisions.

In deviation from the discounting of provisions generally based on their remaining terms in accordance with section 253, para. 2, sentence 1 HGB, the company exercises the option in accordance with section 253, para. 2, sentence 2 HGB. Accordingly, pension and gas allowance provisions are discounted assuming a term of fifteen years and using an average interest rate of the last ten financial years determined by Deutsche Bundesbank.

The difference between the value based on an average market rate of the past ten financial years and that based on the past seven financial years is to be determined in accordance with section 253, para. 6 HGB and is in principle subject to the restriction on distribution.

Due to the amount of freely available reserves, the restriction on distribution in section 253, para. 6, sentence 2 HGB does not apply.

Pension and gas allowance provisions are measured on the basis of actuarial principles using the projected unit credit method and taking into account the average interest rate of the past ten financial years published in December 2021 in the amount of 1.87 % p.a. In doing so, the following dynamic components are taken into account, in addition to the estimated duration of the beneficiary employees:

- Wage and salary trend: 2.50 % p.a.
- Pension trend: 2.00 % p.a.

Effects resulting from the change in the discount rate are recognised in the interest result.

To secure against insolvency and to finance the employees' claims under retirement pensions and long-term working-time accounts, a double-sided CTA trust relationship exists between OGE as the trustor and Helaba Pension Trust e. V. (Helaba), Frankfurt am Main, as the trustee.

The trustee holds and administers the trust assets for the trustor in a fiduciary capacity ring-fenced and separate from the trust assets of other trustors and the trustee's own assets.

The trust assets fulfil the requirements for recognition as plan assets in accordance with section 246, para. 2, sentence 2 HGB as they are protected from all other creditors and serve exclusively to meet the liabilities from retirement pension benefits or similar long-term obligations. In accordance with section 253, para. 1, sentence 4 HGB, the plan assets are stated at fair value (corresponding to market value) and, in accordance with section 246, para. 2, sentence 2 HGB, are offset against the provisions for pensions and the provisions for long-term working-time accounts. Related expenses and income from discounting and from plan assets are also offset. Should an asset surplus result from the offsetting of provisions against the relevant plan assets, this surplus is shown on the assets side under "Excess of plan assets over post-employment benefit liability".

In accordance with section 253, para. 1, sentence 2 HGB, other provisions are stated at the settlement amounts considered necessary when applying sound business judgement, future price and cost increases being taken into account. Provisions with a remaining term of more than one year are discounted in accordance with section 253, para. 2, sentence 1 HGB in conjunction with section 253, para. 2, sentences 4 and 5 HGB, subject to the remaining-term-specific average interest rate (euro zone) for the previous seven financial years published monthly by Deutsche Bundesbank. The individual provisions are discounted taking into account the remaining term of the respective provision as of the balance-sheet date.

Aggregated other provisions of not insignificant importance are explained in accordance with section 285, no. 12 HGB.

Income from the discounting of provisions as well as expenses from the subsequent unwinding of discounting are stated in the income statement under "Other interest and similar income" and "Interest and similar expenses", respectively, and disclosed as "thereof" items pursuant to section 277, para. 5 HGB.

Provisions for obligations to reduce fees in future are stated at their settlement amount. The obligations are first compounded at the interest rate applicable in accordance with section 5, para. 2 of the German Incentive Regulation Ordinance (ARegV) and then discounted subject to a remaining-term-specific average interest rate for the previous seven financial years published monthly by Deutsche Bundesbank. When the provisions are measured, advantages from hitherto unrealised future claims are taken into account provided that they will definitely be realised when the obligation is fulfilled.

Liabilities

Liabilities are stated at their settlement amounts in accordance with section 253, para. 1, sentence 2 HGB.

Deferred taxes

OGE and VGT have formed a fiscal unit since 1 January 2013 with VGT as the controlling company. Therefore, OGE as the controlled company does not fall within the scope of section 285, no. 29 HGB, has not established any deferred taxes and has also not made any disclosures in accordance with section 285, no. 30 HGB.

III. Notes to the Balance Sheet

(1) Intangible assets

Additions to intangible assets mainly comprise software in the amount of € 12.2 million.

Total research and development expenses pursuant to section 285, no. 22 HGB amounted to € 1.5 million in the financial year. Of this figure, only € 0.1 million relates to internally generated intangible assets.

(2) Tangible assets

As at the reporting date, the net book value of tangible assets amounted to € 1,652.6 million. Additions to tangible assets in the amount of € 146.0 million million break down as follows

• Land, land rights and buildings	2.48 %
• Technical equipment and machinery	45.25 %
• Other tangible assets and assets under construction	52.27 %
	100,00 %

Additions to technical equipment and machinery result mainly from the construction of a new connecting pipeline between Erftstadt and Euskirchen (€ 17.8 million), the construction of a new compressor unit in Werne (€ 6.9 million), the laying of the Gelsenkirchen-to-Heßler pipeline section (€ 6.1 million) as well as the re-routing of the pipeline in Maulbach (€ 5.6 million).

(3) Financial assets

The list of shareholdings (section 285, no. 11 HGB) is attached.

Additions to financial assets (€ 81.1 million) relate to contributions of € 63.0 million to Zeelink GmbH & Co. KG (Zeelink), Essen, and contributions of € 17.1 million to Nordrheinische Erdgastransportleitungsgesell-schaft mbH & Co. KG (NETG), Dortmund. Disposals in the amount of € 30.9 million mainly include with-drawals from the capital reserve of MEGAL Mittel-Europäische-Gasleitungsgesellschaft mbH & Co. KG (MEGAL), Essen, in the amount of € 30.0 millionOther loans mainly comprise non-interest-bearing loans to employees.

(4) Inventories

The items recognised under inventories relate to work in progress (€ 58.9 million), raw materials and sup-plies (€ 14.3 million), merchandise (gas stocks in the transmission network (€ 50.2 million)) and emission rights (€ 7.1 million).

Gas stocks were recognised at fair value taking into account the strict lower-of-cost-or-market principle.

(5) Receivables and other assets

Trade receivables result from the service and transport businesses.

Receivables from affiliated companies mainly result in the amount of € 12.9 million from clearing transactions and in the amount of € 6.9 million from the profit-and-loss transfer agreement with Line WORX GmbH (Line WORX), Essen, as well as from imputable taxes from Vier Gas Services GmbH & Co. KG (VGS), Essen, in the amount of € 1.7 million. Furthermore, this item contains trade receivables from MEGAL (€ 10.0 million) as well as receivables relating to income from participations (€ 9.6 million), netted against payments received on account of orders (€ 15.6 million).

Receivables from companies in which equity investments are held mainly comprise receivables from a loan to shareholders in the amount of € 25.0 million as well as trade receivables from Trading Hub Europe GmbH (THE), Ratingen, in the amount of € 2.4 million, entitlements to profits from NETG in the amount of € 4.0 million and trade receivables from GasLINE Telekommunikationsnetzgesellschaft deutscher Gasversorgungsunternehmen mbH & Co. KG, Straelen, in the amount of € 0.9 million.

Other assets mainly comprise market area conversion and biogas levy accruals of € 12.6 million as well as tax refund claims in the amount of € 6.5 million from gas tax, trade tax and corporation tax. As in the previous year, there were no other assets with a remaining term of more than one year on the reporting date.

(6) Cash in hand and bank balances

Cash in hand and bank balances relate to cash in hand at the operating sites and credit balances with banks.

(7) Excess of plan assets over post employment benefit liability

This item includes firstly the excess of plan assets from the offsetting of the plan assets at Helaba (€ 574.3 million) against the corresponding provisions for pensions (€ 572.1 million). The plan asset acquisition costs for provisions for pensions amount to € 431.7 million. In the financial year, payments in the amount of € 29.0 million were made into these plan assets.

Secondly, this item includes the excess of plan assets from the offsetting of the plan assets at Helaba (€ 53.5 million) against the corresponding provisions for long-term working-time account obligations (€ 53.2 million). The plan asset acquisition costs for long-term working-time accounts amount to € 41.3 million. In the financial year, payments in the amount of € 5.5 million were made into these plan assets.

(8) Shareholder’s equity

As in the previous year, the **subscribed capital** (share capital) amounts to € 110.3 million. The sole shareholder of OGE is VGT.

Revenue reserves in the amount of € 75.4 million result from the direct transfer of reversed amounts from the first-time valuation of provisions in accordance with the provisions of BilMoG and refer to the financial years 2009 and 2010. Furthermore, in the financial years 2014 to 2019 in line with the profit-and-loss transfer agreement existing with VGT, on the basis of sound commercial judgement economically sensible transfers totalling € 746.1 million were made to revenue reserves with a view to future investment projects in connection with the network development plan.

Revenue reserves refer exclusively to “other revenue reserves” according to section 266, para. 3 A. III No. 4 HGB.

(9) Provisions

Provisions for pensions and similar obligations contain solely provisions for gas allowances.

The difference between the recognition of provisions for gas allowances and provisions for pensions mentioned under note (7) based on the average market rate of the past ten financial years and recognition of the provisions based on the average market rate of the past seven financial years is € 0.8 millionand € 61.0 million respectively.

Other provisions (€ 558.1 million) mainly comprise provisions for regulatory account balancing amounting to € 146.5 million provisions for the removal of above-ground facilities amounting to € 154.1 million provisions for the removal of disused pipelines amounting to € 129.7 million and staff-related provisions amounting to € 45.7 million In addition, there are obligations amounting to € 49.3 million to hand over gas in the pipelines.

(10) Liabilities

Liabilities as at 31 December 2021:

	Total **€**	Remaining term of up to 1 year €	Remaining term of 1 to 5 years €	Remaining term of more than 5 years €
Payments received on account of orders	**22,620,438.73**	22,620,438.73	0.00	0.00
Trade payables	**40,326,806.35**	40,194,855.49	131,950.86	0.00
Liabilities to shareholders	**68,531,245.83**	68,531,245.83	0.00	0.00
Liabilities to affiliated companies	**35,111,660.43**	35,111,660.43	0.00	0.00
Liabilities to companies in which equity investments are held	**32,075,794.34**	32,075,794.34	0.00	0.00
Other liabilities	**19,330,758.55**	9,005,534.80	2,670,215.02	7,655,008.73
(of which taxes)	***5,144,511.53***	*5,144,511.53*	*0.00*	*0.00*
	217,996,704.23	207,539,529.62	2,802,165.88	7,655,008.73

Liabilities as at 31 December 2020:

	Total €	Remaining term of up to 1 year €	Remaining term of 1 to 5 years €	Remaining term of more than 5 years €
Payments received on account of orders	**30,774,798.11**	30,774,798.11	0.00	0.00
Trade payables	**15,934,296.65**	14,367,321.14	1,566,975.51	0.00
Liabilities to affiliated companies	**93,471,719.05**	93,471,719.05	0.00	0.00
Liabilities to companies in which equity investments are held	**27,446,032.09**	27,446,032.09	0.00	0.00
Other liabilities	**16,212,855.57**	7,387,694.79	2,046,418.06	6,778,742.72
(of which taxes)	***5,517,488.85***	*5,517,488.85*	*0.00*	*0.00*
	183,839,701.47	173,447,565.18	3,613,393.57	6,778,742.72

There are no liabilities secured by liens or other rights.

Liabilities to affiliated companies comprise mainly payments received on account of orders and liabilities arising from clearing transactions netted against receivables under profit-and-loss transfer agreements. The amount of trade payables included in this line item is insignificant.

Liabilities to companies in which equity investments are held mainly comprise liabilities to NETRA GmbH Norddeutsche Erdgas Transversale & Co. KG (NETRA), Schneiderkrug, from cash management in the amount of € 29.4 million and from payments received on account of orders in the amount of € 8.2 million which are netted against entitlements to profits in the amount of € 8.6 million as well as liabilities to TENP from payments received on account of orders in the amount of € 5.1 million, from trade payables in the amount of € 3.7 million which are netted against trade receivables in the amount of € 4.7 million and entitlements to profits in the amount of € 1.2 million. In addition, the amount of trade payables to other companies in which equity investments are held included in this item is insignificant.

Other liabilities result mainly from construction cost subsidies received in the amount of € 11.0 million and taxes of € 5.1 million. From this financial year onwards, the remaining terms of investment grants are broken down and stated for the first time according to the date on which they are released to income. Information on the remaining terms of the previous year has been adjusted accordingly.

Contingent liabilities, off-balance-sheet transactions and other financial obligations

The syndicated loan facility in the amount of € 600.0 million concluded by VGT on 4 August 2017 still exists and was extended on 15 July 2019 to 2024. OGE is also a borrower under the corresponding loan agreement and therefore entitled to use the credit line. As of the reporting date, the credit facility had not been drawn down. This credit line includes an ancillary facility at VGT level in the amount of € 10 million (overdraft facility) as well as two ancillary facilities at OGE level in the amount of € 20 million (overdraft facility for the cash pool) and € 1.5 million (reserved for surety and bank guarantees). As of 31 December 2021, only the surety line had been utilised for the issuing of bank guarantees in the amount of € 1.2 million. In August 2020, OGE had concluded a further surety line in the amount of € 10.0 million. As of 31 December 2021, € 1.6 million of this facility had been utilised for the issuing of bank guarantees. OGE does not expect any claims under the bank guarantees as this type of guarantee only serves to protect suppliers or municipalities should OGE not meet its future payment and/or restoration obligations.

The financial impact of transactions not contained in the balance sheet within the meaning of section 285, no. 3a HGB amounts to € 210.6 million p.a. at the reporting date from long-term contracts for the beneficial use of the pipeline network, of which € 157.4 million p.a. relates to affiliated companies.

Furthermore, other financial obligations in the amount of € 330.9 million exist and relate to purchase commitments. Of this amount, € 8.5 million relates to affiliated companies.

IV. Notes to the income statement

(11) Revenue

In the 2021 wurden financial year, revenues were recognised in accordance with section 277, para. 1 HGB.

Revenues result from the gas transport business and transport-related services € 947.4 million and from technical and commercial services (€ 264.8 million) they are mainly generated in Germany. € 206.8 million of the revenues was generated with affiliated or associated companies.

(12) Own work capitalised

The company capitalised own work for intangible assets in the amount of € 3.9 million in the financial year.

(13) Other operating income

This item mainly contains income from cost reimbursements from third parties for pipeline rerouting in the amount of € 18.8 million, income from the market area conversion and biogas levies in the amount of € 12.6 million, income from the disposal of fixed assets in the amount of € 5.5 million, and income not relating to the accounting period from the reversal of provisions in the amount of € 2.0 million enthalten. Furthermore, this item contains income not relating to the accounting period in the amount of € 0.1 million.

(14) Cost of materials

Cost of materials covers expenses for beneficial use fees, also in regard to affiliated companies and companies in which equity investments are held, expenses for fuel energy, natural gas tax as well as expenses arising from the market area conversion and biogas levies. Furthermore, this item also includes repair and maintenance expenses as well as other purchased services.

(15) Depreciation and amortisation

In the reporting year, amortisation of intangible assets and depreciation of tangible assets amounted to € 143.8 million. Of this figure, amortisation of intangible assets accounted for € 21.6 million Of this figure, amortisation of intangible assets accounted for € 122.2 million.

(16) Other operating expenses

Other operating expenses mainly comprise IT costs, other administrative expenses and market area conversion and biogas levy expenses. This item contains expenses not relating to the accounting period only to an insignificant amount.

(17) Income from equity investments

	2021 €	2020 €
Income from profit and loss transfer agreements	61,456,283.59	64,887,315.64
Income from equity investments	25,177,814.92	24,002,040.07
Cost of loss absorption	-2,232.04	-767.91
	86,631,866.47	88,888,587.80

The income from profit-and-loss transfer agreements mainly contains profits transferred from Mittelrheinische Erdgastransportleitungsgesellschaft mbH, Essen, (€ 53.7 million) and Line WORX (€ 6.9 million). The income from equity investments mainly results from equity investment income from MEGAL (€ 9.6 million) and NETRA (€ 8.6 million).

(18) Other interest and similar income

Other interest and similar income comprise mainly interest income from trade tax for previous years, interest income from clearing transactions and interest income from the unwinding of discounting of loans.

(19) Interest and similar expenses

The unwinding of discounting of provisions to be disclosed separately in the income statement pursuant to section 277, para. 5, sentence 1 HGB, amounts to € 82.0 million. Of this figure, € 62.7 million relates to the unwinding of discounting of provisions for pension obligations and long-term working-time accounts. Also included in this item and offset against the above is income in the amount of € 43.3 million from the measurement of the corresponding plan assets at fair value in accordance with section 285, no. 25 HGB in conjunction with section 246, para. 2, sentence 2 HGB. Due to the amount of freely available reserves, the restriction on distribution and/or transfer under section 268,para. 8 HGB does not apply.

(20) Income taxes

The taxes on income relate mainly to Group tax levies by VGT for the financial year (€ 70.3 million).

(21) Other taxes

his item includes real estate tax, non-deductible value-added tax and motor vehicle tax.

(22) Transfers under profit-and-loss transfer agreements

The transfers under the profit-and-loss transfer agreements result from the profit-and-loss transfer agreement concluded with VGT.

V. Other disclosures

Restriction on distribution or transfer

Capitalisation of internally generated intangible assets (€ 5.3 million) and accounting for plan assets at fair value (€ 154.7 million compared with the acquisition costs) according to section 268, para. 8 HGB result in a total amount of € 160.0 million, which is subject to a restriction on transfer. Due to the amount of freely available reserves (capital reserve and revenue reserves), this restriction on transfer does not apply.

Number of employees on an annual average

In the financial year, the number of employees, as defined by section 285, no. 7 in conjunction with section 267, para. 5 HGB, i.e. excluding management and apprentices, totalled an average of 341 industrial workers and 1,154 salaried employees (previous year: 340 industrial workers and 1,138 salaried employees).

Transactions with related parties

Related natural persons within the meaning of section 285, no. 21 HGB are the management and the members of the Supervisory Board. Related legal entities are, in particular, VGT and VGS, as well as the equity investments.

Material transactions agreed on terms and conditions unusual in the market have not taken place either with natural persons or with legal entities in the reporting year.

Auditor’s fee

The company does not disclose the auditor's fee in accordance with section 285, no. 17 HGB as this figure is disclosed in the consolidated financial statements of VGT.

Large volume transactions pursuant to section 6b, para. 2 of the Energy Industry Act (EnWG)

Large-volume transactions were carried out mainly with affiliated or associated companies and primarily relate to income from services (€ 206.7 million) as well as expenses for the beneficial use of the pipeline network (€ 210.6 million).

Supervisory Board of Open Grid Europe GmbH, Essen

The following were members of the Supervisory Board in the 2021 financial year:

Lincoln Hillier Webb
Chairman
Victoria/Canada
Vice President, British Columbia Investment Management Corporation

Hilko Schomerus
Darmstadt
Managing Director, Macquarie Capital (Europe) Limited

Frank Lehmann
Deputy-Chairman
Moers
Chairman of the Works Council of Open Grid Europe GmbH

Önder Ata
Mülheim an der Ruhr
Deputy-Chairman of the Works Council of Open Grid Europe GmbH

Alexander Bögle
Munich
Senior Investment Manager, Private Equity & Infrastructure, MEAG MUNICH ERGO Asset Management GmbH

Guy Lambert
Abu Dhabi/United Arab Emirates
Head of Utilities, Abu Dhabi Investment Authority (ADIA)

The members of the Supervisory Board received remuneration of € 0.1 million for their work in the 2021 financial year.

Board of Management of Open Grid Europe GmbH

The following were members of the **Board of Management in the** reporting year:

Dr Jörg Bergmann
Bochum
Managing Director responsible for Business Services and Human Resources

Dr Thomas Hüwener
Haltern
Managing Director responsible for Technology

Dr Frank Reiners
Düsseldorf
Managing Director responsible for Finance and Regulation

In the reporting year, the Board of Management received total remuneration of € 2.4 million as defined by section 285, no. 9a HGB for its work. The total remuneration of former managing directors as defined by section 285, no. 9b HGB amounted to € 0.4 million. At the reporting date, the provisions for pensions of former managing directors amount to € 8.4 million.

Events after the reporting date

The report on expected developments contains no negative effects from the developments in Ukraine. The Board of Management is continually monitoring the development of the war in Ukraine and the resulting consequences for supply security and for the energy industry. OGE is in constant dialogue with the other German and European network operators and the relevant authorities on security of supply in light of the developments in Russia and Ukraine. Together, potential bottlenecks in supply can be quickly identified and any necessary measures immediately agreed and initiated at the transport level.

The supply situation in Europe depends on the continued delivery of large volumes of LNG to the EU and generally on all import routes being used to capacity. According to an analysis conducted by the authorities responsible, isolated regional bottlenecks cannot be ruled out in Europe should Russian imports cease completely. The German gas transmission network operators are, however, working together with their European partners and the relevant authorities to ensure a secure supply situation.

The German gas grid has a fundamentally flexible structure, is integrated in the European grid at many points and can transport gas volumes safely to the consumer via various routes. The transport capacities are designed for the long term so that shippers' obligations to provide secure supplies to their customers can be met. One example of the built-in flexibility is the mode of operation this winter with higher volumes from Norway and the western LNG terminals and, at the same time, reduced volumes from the East.

Given OGE's business model as a regulated gas transmission network operator, the Board of Management does not expect any significant impact on the net assets, financial position and results of operations of the company. As a result of the revenue cap regulation, any impact on earnings would be largely of a temporary nature and be balanced out again over the course of time via the regulatory account mechanism. Any resulting delays in inflows of liquid funds could, if necessary, be offset by existing and previously unused revolving credit lines. Uncollectible receivables in the event of customer insolvency would be a remaining risk that could neither be reduced nor posted to the regulatory account. However, the risk is limited in its impact, as it can be assumed that either OGE or the customer would terminate the underlying contract at short notice.

Group

With reference to section 291 HGB, OGE itself does not prepare consolidated financial statements and a Group management report but is included with exempting effect in the consolidated financial statements prepared by VGT in accordance with IFRS, as they are to be applied in the European Union. VGT, as the parent company, prepares consolidated financial statements for the smallest group of companies. Vier Gas Holdings S.à r.l., Luxembourg, as the parent company, prepares consolidated financial statements for the largest group of companies. Both financial statements are published in the electronic Federal Gazette in accordance with section 325 HGB.

Essen, 14 March 2022

Open Grid Europe GmbH

Board of Management

Dr Bergmann	Dr Hüwener	Dr Reiners

Statement of changes in fixed assets

for the 2021 financial year

	Acquisition and production costs					Cumulative amortisation/depreciation				Net book values	
	01 Jan 2021 €	Additions €	Disposals €	Transfers €	31 Dec 2021 €	01 Jan 2021 €	Additions €	Disposals €	31 Dec 2021 €	31 Dec 2021 €	31 Dec 2020 €
I. Intangible assets											
1. Internally generated intangible assets	11,904,365.38	115,854.57	-842,749.52	0.00	11,177,470.43	4,772,461.14	1,955,673.68	-842,749.52	5,885,385.30	5,292,085.13	7,131,904.24
2. Purchased concessions, industrial and similar rights and assets, and icenses in such rights and assets	156,072,150.33	6,752,107.29	-3,948,750.23	1,593,412.33	160,468,919.72	99,808,189.21	19,613,668.94	-3,948,029.72	115,473,828.43	44,995,091.29	56,263,961.12
3. Prepayments	3,396,470.66	5,344,959.31	0.00	-1,593,412.33	7,148,017.64	0.00	0.00	0.00	0.00	7,148,017.64	3,396,470.66
	171,372,986.37	**12,212,921.17**	**-4,791,499.75**	**0.00**	**178,794,407.79**	**104,580,650.35**	**21,569,342.62**	**-4,790,779.24**	**121,359,213.73**	**57,435,194.06**	**66,792,336.02**
II. Tangible assets											
1. Land, land rights and buildings, including buildings on third-party land	307,112,254.84	3,624,725.68	-434,415.48	12,275,693.75	322,578,258.79	148,578,161.68	8,177,728.17	-403,202.89	156,352,686.96	166,225,571.83	158,534,093.16
2. Technical equipment and machinery	4,905,427,810.18	66,070,433.82	-17,845,782.38	96,952,185.33	5,050,604,646.95	3,641,695,573.86	104,831,224.48	-17,359,163.94	3,729,167,634.40	1,321,437,012.55	1,263,732,236.32
3. Other equipment, operating and office equipment	115,221,934.85	5,255,111.26	-2,996,226.28	3,299,096.93	120,779,916.76	70,754,967.11	9,184,602.07	-2,911,153.20	77,028,415.98	43,751,500.78	44,466,967.74
4. Prepayments and assets under construction	162,622,372.89	71,052,807.57	0.00	-112,526,976.01	121,148,204.45	0.00	0.00	0.00	0.00	121,148,204.45	162,622,372.89
	5,490,384,372.76	**146,003,078.33**	**-21,276,424.14**	**0.00**	**5,615,111,026.95**	**3,861,028,702.65**	**122,193,554.72**	**-20,673,520.03**	**3,962,548,737.34**	**1,652,562,289.61**	**1,629,355,670.11**
III. Financial assets											
1. Shares in affiliated companies	814,353,272.39	63,000,000.00	-30,000,000.00	0.00	847,353,272.39	499,999.00	0.00	0.00	499,999.00	846,853,273.39	813,853,273.39
2. Other long-term equity investments	180,737,186.20	17,677,830.21	-500,000.00	0.00	197,915,016.41	0.00	0.00	0.00	0.00	197,915,016.41	180,737,186.20
3. Other loans	2,426,766.99	380,741.17	-351,088.50	0.00	2,456,419.66	122,537.89	0.00	-18,127.56	104,410.33	2,352,009.33	2,304,229.10
	997,517,225.58	**81,058,571.38**	**-30,851,088.50**	**0.00**	**1,047,724,708.46**	**622,536.89**	**0.00**	**-18,127.56**	**604,409.33**	**1,047,120,299.13**	**996,894,688.69**
	6,659,274,584.71	**239,274,570.88**	**-56,919,012.39**	**0.00**	**6,841,630,143.20**	**3,966,231,889.89**	**143,762,897.34**	**-25,482,426.83**	**4,084,512,360.40**	**2,757,117,782.80**	**2,693,042,694.82**

List of shareholdings in accordance with section 285, no. 11 HGB as of 31 December 2021

consec-utive number	Company	Share of Open Grid Europe GmbH or subsidiary in the company's equity in %	Share-holding com-pany (consec-utive number)	Equity (in €k) [1] 31 Dec 2021	Annual result (in €k) [1] 2021
Major affiliated companies					
1	Open Grid Europe GmbH, Essen [2]			2,285,548	203,230
2	Line Worx GmbH, Essen [2]	100.00	1	84,725	6,853
3	MEGAL Mittel-Europäische-Gasleitungsgesellschaft mbH & Co. KG, Essen	51.00	1	79,046	17,494
4	Mittelrheinische Erdgastransportleitungsgesellschaft mbH, Essen [2]	100.00	1	64,150	53,681
5	Zeelink GmbH & Co. KG, Essen	75.00	1	717,875	3,372
Other major equity investments					
6	GasLINE Telekommunikationsnetzgesellschaft deutscher Gasversorgungsunternehmen mbH & Co. KG, Straelen	29.24	2	110,274	28,376
7	NETRA GmbH Norddeutsche Erdgas Transversale & Co. KG, Schneiderkrug	55.94	1	64,701	14,982
8	Trans Europa Naturgas Pipeline Gesellschaft mbH & Co. KG, Essen	51.00	1	217,696	2,948
Affiliated companies of minor importance					
9	MEGAL Verwaltungs-GmbH, Essen	51.00	1	55	2
10	NEL Beteiligungs GmbH, Essen [2]	100.00	1	25	-1
11	Open Grid Regional GmbH, Essen [2]	100.00	1	500	-1
12	Open Grid Service GmbH, Essen [2]	100.00	1	454	159
13	PLEdoc GmbH, Essen [2]	100.00	1	790	1,122
14	Zeelink-Verwaltungs-GmbH, Essen	75.00	1	34	2
Other equity investments of minor importance					
15	DEUDAN-Deutsch/Dänische Erdgastransport-Gesellschaft mbH & Co. Kommanditgesellschaft, Handewitt	24.99	1	4,515	1,111
16	DEUDAN-Deutsch/Dänische Erdgastransport-Gesellschaft mbH, Handewitt [3]	24.99	1	85	2
17	evety GmbH, Essen [3]	40.00	1	1,591	-409
18	GasLINE Telekommunikationsnetz-Geschäftsführungsgesellschaft deutscher Gasversorgungsunternehmen mbH, Straelen	29.24	2	74	2
19	Liwacom Informationstechnik GmbH, Essen [3]	33.33	1	597	192
20	Trading Hub Europe GmbH, Ratingen [4]	9.09	1	0	0
21	H2UB GmbH, Essen [4]	40.00	1	0	0
22	NETRA GmbH-Norddeutsche Erdgas Transversale, Schneiderkrug [3]	50.00	1	117	2
23	Nordrheinische Erdgastransportleitungsgesellschaft mbH & Co. KG, Dortmund	50.00	1	96,866	7,865
24	Nordrheinische Erdgastransportleitungs-Verwaltungs-GmbH, Dortmund [3]	50.00	1	42	1
25	PRISMA European Capacity Platform GmbH, Leipzig [3]	1.33	1	1,589	268
26	Trans Europa Naturgas Pipeline Verwaltungs-GmbH, Essen	50.00	1	52	2

[1] Equity and annual result based onaccounting principles in accordance with HGB
[2] Profit-and-loss-transfer agreement (result before profit transfer or loss absorption)
[3] Equity and annual result relate to the previous year
[4] Company founded in the financial year. There are no published values yet.

Activity Reports 2021

Unbundling balance sheet as of 31. December 2021

Assets €			Grid Business	Other Activities within Gas Sector	Activities outside Gas Sector	Consolidation Column	Sum
A.	**Fixed assets**						
	I.	Intangible assts					
	1.	Internally generated intangible assets	4,884,335.46	8,105.77	399,643.90	0.00	5,292,085.13
	2.	Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets	39,912,826.93	1,241,676.21	3,840,588.15	0.00	44,995,091.29
	3.	Prepayments	5,534,811.63	67,086.23	1,546,119.78	0.00	7,148,017.64
			50,331,974.02	**1,316,868.21**	**5,786,351.83**	**0.00**	**57,435,194.06**
	II.	Tangible assets					
	1.	Land, land rights and buildings, including buildings on third-party land	154,732,549.59	223,609.36	11,269,412.88	0.00	166,225,571.83
	2.	Technical equipment and machinery	1,320,926,026.56	17,563.90	493,422.09	0.00	1,321,437,012.55
	3.	Other equipment, operating and office equipment	31,770,386.90	140,462.93	11,840,650.95	0.00	43,751,500.78
	4.	Prepayments and assets under construction	120,102,834.54	47,572.47	997,797.44	0.00	121,148,204.45
			1,627,531,797.59	**429,208.66**	**24,601,283.36**	**0.00**	**1,652,562,289.61**
	III.	Financial assets					
	1.	Shares in affiliated companies	0.00	0.00	846,853,273.39	0.00	846,853,273.39
	2.	Other long-term equity investments	0.00	0.00	197,915,016.41	0.00	197,915,016.41
	3.	Other loans	1,444,679.78	29,616.52	877,713.03	0.00	2,352,009.33
			1,444,679.78	**29,616.52**	**1,045,646,002.83**	**0.00**	**1,047,120,299.13**
			1,679,308,451.39	**1,775,693.39**	**1,076,033,638.02**	**0.00**	**2,757,117,782.80**
B.	**Current assets**						
	I.	Inventories					
	1.	Raw materials and supplies	12,953,965.56	2,855.19	1,319,094.59	0.00	14,275,915.34
	2.	Work in progress	4,971,202.39	0.00	53,907,076.85	0.00	58,878,279.24
	3.	Merchandise	50,187,710.30	0.00	0.00	0.00	50,187,710.30
	4.	Other inventories	7,137,719.16	0.00	0.00	0.00	7,137,719.16
			75,250,597.41	**2,855.19**	**55,226,171.44**	**0.00**	**130,479,624.04**
	II.	Receivables and other assets					
	1.	Trade receivables	32,805,456.54	436,333.01	2,871,752.49	0.00	36,113,542.04
	2.	Receivables from shareholders	0.00	0.00	0.00	0.00	0.00
	3.	Receivables from affiliated companies	808,984.08	14,871.45	24,546,916.74	-32.57	25,370,739.70
	4.	Receivables from companies in which equity investments are held	2,480,825.29	0.00	29,764,492.99	-2.51	32,245,315.77
	5.	Other assets	19,742,458.48	34,511.52	1,576,346.38	0.00	21,353,316.38
		from that receivables with a residual term of one year	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
			55,837,724.39	**485,715.98**	**58,759,508.60**	**-35.08**	**115,082,913.89**
	III.	Cash in hand and bank balances	36,159,469.07	549,824.85	31,170,317.63	0.00	67,879,611.55
			167,247,790.87	**1,038,396.02**	**145,155,997.67**	**-35.08**	**313,442,149.48**
C.	**Prepaid expenses**		1,599,954.79	18,297.53	648,020.28	0.00	2,266,272.60
D.	**Excess of plan assets over post-employment benefit liability**		1,512,435.51	31,005.54	897,939.93	0.00	2,441,380.98
E.	**Capital clearing item**		448,633,613.44	0.00	0.00	-448,633,613.44	0.00
			2,298,302,246.00	**2,863,392.48**	**1,222,735,595.90**	**-448,633,648.52**	**3,075,267,585.86**

Shareholders' equity and Liabilities €			Grid Business	Other Activities within Gas Sector	Activities outside Gas Sector	Consolidation Column	Sum
A.	**Shareholders' equity**						
	I.	Subscribed capital	67,196,470.27	71,053.25	43,056,808.48	0.00	110,324,332
	II.	Capital reserve	842,787,446.52	891,159.75	540,024,461.51	0.00	1,383,703,068
	III.	Revenue reserves	762,029,085.61	48,587.31	29,442,906.69	0.00	791,520,580
			1,672,013,002.40	**1,010,800.31**	**612,524,176.68**	**0.00**	**2,285,547,979**
B.	**Special item for investment grants for fixed assets**		126,958.40	0.00	0.00	0.00	126,958.40
C.	**Provisions**						
	1.	Provisions for pensions and similar obligations	5,837,603.64	119,673.23	3,465,812.13	0.00	9,423,089
	2.	Tax provisions	5,365.45	62.46	2,580.23	0.00	8,008
	3.	Other provisions	534,793,059.87	625,188.75	22,703,800.35	0.00	558,122,049
			540,636,028.96	**744,924.44**	**26,172,192.71**	**0.00**	**567,553,146**
D.	**Liabilities**						
	1.	Payments received on account of orders	13,870,034.80	0.00	8,750,403.93	0.00	22,620,439
		from that with a residual term of one year	*13,870,034.80*	*0.00*	*8,750,403.93*	*0.00*	*22,620,439*
	2.	Trade payables	36,700,223.76	37,113.11	3,589,469.48	0.00	40,326,806
		from that with a residual term of up to one year	*36,568,272.90*	*37,113.11*	*3,589,469.48*	*0.00*	*40,194,855*
		from that with a residual term between one and five years	*131,950.86*	*0.00*	*0.00*	*0.00*	*131,951*
		from that with a residual term of more than five years	*0.00*	*0.00*	*0.00*	*0.00*	*0*
	3.	Liabilities to shareholders	6,937,268.67	81,131.49	61,512,845.67	0.00	68,531,246
		from that with a residual term of up to one year	*6,937,268.67*	*81,131.49*	*61,512,845.67*	*0.00*	*68,531,246*
	4.	Liabilities to affiliated companies	3,309,925.02	0.00	31,801,767.98	-32.57	35,111,660
		from that with a residual term of up to one year	*3,309,925.02*	*0.00*	*31,801,767.98*	*-32.57*	*35,111,660*
	5.	Liabilities to companies in which equity investments are held	3,496,624.06	2.90	28,579,169.89	-2.51	32,075,794
		from that with a residual term of up to one year	*3,496,624.06*	*2.90*	*28,579,169.89*	*-2.51*	*32,075,794*
	6.	Other liabilities	17,471,173.93	41,802.75	1,817,781.87	0.00	19,330,759
		from that with a residual term of up to one year	*7,246,519.29*	*41,802.75*	*1,717,212.76*	*0.00*	*9,005,535*
		from that taxes	*2,632,104.27*	*0.00*	*38,110.75*	*0.00*	*2,670,215*
			81,785,250.24	**160,050.25**	**136,051,438.82**	**-35.08**	**217,996,704.23**
E.	**Deferred income**		3,741,006.00	0.00	301,791.73	0.00	4,042,798
F.	**Capital clearing item**		0.00	947,617.48	447,685,995.96	-448,633,613.44	0
			2,298,302,246.00	**2,863,392.48**	**1,222,735,595.90**	**-448,633,648.52**	**3,075,267,585.86**

Contingent liabilities, off-balance-sheet transactions and other financial obligations

The syndicated loan facility in the amount of € 600.0 million concluded by VGT on 4 August 2017 still exists and was extended on 15 July 2019 to 2024. OGE is also a borrower under the corresponding loan agreement and therefore entitled to use the credit line. As of the reporting date, the credit facility had not been drawn down. This credit line includes an ancillary facility at VGT level in the amount of € 10.0 million (overdraft facility) as well as two ancillary facilities at OGE level in the amount of € 20.0 million (overdraft facility for the cash pool) and € 1.5 million (reserved for surety and bank guarantees). As of 31 December 2021, only the surety line had been utilised for the issuing of bank guarantees in the amount of € 1.2 million. In August 2020, OGE had concluded a further surety line in the amount of € 10.0 million. As of 31 December 2021, € 1.6 million of this facility had been utilised for the issuing of bank guarantees. OGE does not expect any claims under the bank guarantees as this type of guarantee only serves to protect suppliers or municipalities should OGE not meet its future payment and/or restoration obligations.

The ancillary facilities will be allocated to the Activities outside Gas Sector.

The financial impact of transactions not contained in the balance sheet within the meaning of section 285, no. 3a HGB amounts to € 210.6 million p.a. at the reporting date from long-term contracts for the beneficial use of the pipeline network (Grid Business), of which € 157.4 million p.a. relates to affiliated companies.

Furthermore, other financial obligations of € 331.6 million exist and relate to purchase commitments. These purchase commitments are split using the key for materials and therefore classified as follows: Grid Business € 300.9 million, Other Activities within Gas Sector € 0.1 million and Activities outside Gas Sector € 30.6 million. Of this amount, € 8.5 million relates to affiliated companies.

Unbundling Income Statements

for the period from 1 January to 31 December 2021

	€	Grid Business	Other Activities within Gas Sector	Activities outside Gas Sector	Sum
1.	Revenues	962,762,804	7,492,763	242,008,541	1,212,264,109
2.	Change in finished goods and work in progress	-1,379,096	0	-50,757,096	-52,136,192
3.	Other own work capitalised	21,731,555	0	0	21,731,555
4.	Other operating income	38,902,245	6,988	1,666,055	40,575,287
	- of which income from currency translation	*14,435*	*184*	*5,502*	*20,121*
5.	Cost of materials				
	a) Cost of raw materials and supplies	-72,996,431	-14,157	-6,222,944	-79,233,532
	b) Cost of purchased services	-452,166,962	-100,882	-47,258,361	-499,526,205
		-525,163,393	-115,039	-53,481,305	-578,759,737
6.	Personnel expenses				
	a) Wages and salaries	-86,590,218	-1,836,779	-51,469,002	-139,895,999
	b) Social security, pensions and other benefits	-29,280,379	-535,883	-17,325,475	-47,141,736
	- of which for pensions	*-15,448,776*	*-231,671*	*-8,791,430*	*-24,471,877*
		-115,870,597	-2,372,662	-68,794,477	-187,037,736
7.	Amortisation of intangible assets and depreciation of tangible assets	-136,890,795	-1,315,526	-5,556,577	-143,762,897
8.	Other operating expenses	-66,206,860	-1,200,351	-21,777,237	-89,184,448
	- of which expenses from currency translation	*-20,007*	*-255*	*-7,616*	*-27,878*
9.	Imcome from equity investments	0	0	86,631,866	86,631,866
	a) Income from investments	0	0	25,177,815	25,177,815
	- of which from affiliated companies	*0*	*0*	*10,661,740*	*10,661,740*
	b) Income from profit transfer agreement	0	0	61,456,284	61,456,284
	- of which from affiliated companies	*0*	*0*	*61,456,284*	*61,456,284*
	c) Expenses from transfer of losses	0	0	-2,232	-2,232
	- of which from affiliated companies	*0*	*0*	*-2,232*	*-2,232*
10.	Other interest and similar income	478,833	6,792	348,234	833,859
	- of which from affiliated companies	*68,918*	*967*	*50,342*	*120,228*
11.	Interest and similar expenses	-30,888,352	-262,625	-7,620,920	-38,771,897
	- of which interest expense from unwinding of discounting of provisions	*-57,671,584*	*-811,184*	*-23,519,987*	*-82,002,755*
12.	Income taxes	-38,817,375	-589,682	-29,142,905	-68,549,961
13.	**Profit after tax**	**108,658,969**	**1,650,658**	**93,524,180**	**203,833,808**
14.	Other taxes	-404,707	-4,736	-194,687	-604,130
15.	Transfers under profit-and-loss transfer agreements	-108,254,263	-1,645,922	-93,329,493	-203,229,677
16.	**Net income for the year**	**0**	**0**	**0**	**0**
17.	Transfer from revenue reserves	0	0	0	0
19.	**Unappropriated profit**	**0**	**0**	**0**	**0**

Explanation of accounting unbundling

Preliminary note

Due to the German Energy Industry Act (Energiewirtschaftsgesetz – EnWG) as amended on 10 August 2021, Open Grid Europe GmbH is, in compliance with the provisions of section 6b para. 3 EnWG, obliged to provide separate balance sheets and income statements presenting the segments grid business, other activities within the gas sector and activities outside the gas sector.

For information regarding the accounting and measurement methods (incl. depreciation and amortisation methods), we refer to the explanation included in the notes to the financial statements.

Rules in accordance with section 6b para. 3 EnWG

In the balance sheet and the income statement, assets, liabilities, revenues and expenses are generally assigned directly to each segment. Where direct assignment to certain activities is not possible or would require unreasonable effort, items are assigned on the basis of keys that represent the underlying cost causalities. In comparison to the previous year particular keys have been slightly developed to reflect the organisational and economical conditions and source-related allocation of costs. The result is a slightly modified allocation to the segments grid business, other activities within gas sector and activities outside gas sector.

In detail the following allocation bases are primarily used for calculating the keys:

- Full-Time Equivalent (FTE)
- Keys based on costs (personnel costs, material and maintenance costs)
- Technical parameters (e.g. pipeline length, compressor capacity)
- Total costs
- Profit/loss on ordinary activities
- Net income for the year
- Fixed assets book value

The above-mentioned keys are primarily derived from the corresponding revenues and expenses in the income statement and the items of the balance sheet of Open Grid Europe GmbH.

Business relations between different segments are shown according to the gross method and are assessed on the basis of the costs incurred. In the first step, the gross method assigns total revenues and total expenses by functional reference to activities. In the second step, the actual economic success of the respective activity is derived by using internal cost allocation to the individual segments based on the respective consumption of resources (personnel, equipment etc.).

Unbundling Statement of changes in fixed assets for the 2021 financial year

	Acquisition and production costs					Cumulative amortisation/depreciation				Net book values	
	01 Jan 2021	Additions	Disposals	Transfers	31 Dec 2021	01 Jan 2021	Additions	Disposals	31 Dec 2021	31 Dec 2021	31 Dec 2020
	€	€	€	€	€	€	€	€	€	€	€
Intangible assets											
Internally generated intangible assets	11,904,365.38	115,854.57	-842,749.52	0.00	11,177,470.43	4,772,461.14	1,955,673.68	-842,749.52	5,885,385.30	5,292,085.13	7,131,904.24
thereof Grid Business	*10,271,105.61*	*78,533.17*	*-604,672.78*	*0.00*	*9,744,966.00*	*3,681,081.14*	*1,784,222.18*	*-604,672.78*	*4,860,630.54*	*4,884,335.46*	*6,604,727.15*
thereof Other Activities within Gas Sector	*43,015.90*	*832.78*	*-7,669.02*	*0.00*	*36,179.66*	*33,777.68*	*1,965.24*	*-7,669.02*	*28,073.90*	*8,105.76*	*8,224.55*
thereof Activities outside Gas Sector	*1,590,243.87*	*36,488.62*	*-230,407.72*	*0.00*	*1,396,324.77*	*1,057,602.32*	*169,486.26*	*-230,407.72*	*996,680.86*	*399,643.91*	*518,952.54*
Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	156,072,150.33	6,752,107.29	-3,948,750.23	1,593,412.33	160,468,919.72	99,808,189.21	19,613,668.94	-3,948,029.72	115,473,828.43	44,995,091.29	56,263,961.12
thereof Grid Business	*135,828,734.07*	*5,314,481.39*	*-2,287,461.60*	*1,324,446.27*	*140,180,200.13*	*86,309,587.38*	*16,244,626.31*	*-2,286,840.51*	*100,267,373.18*	*39,912,826.95*	*49,977,561.66*
thereof Other Activities within Gas Sector	*4,904,087.27*	*404,149.16*	*-180,209.48*	*94,088.52*	*5,222,115.47*	*2,888,632.78*	*1,271,921.21*	*-180,114.74*	*3,980,439.25*	*1,241,676.22*	*1,661,234.07*
thereof Activities outside Gas Sector	*15,339,328.99*	*1,033,476.74*	*-1,481,079.15*	*174,877.54*	*15,066,604.12*	*10,609,969.05*	*2,097,121.42*	*-1,481,074.47*	*11,226,016.00*	*3,840,588.12*	*4,625,165.39*
Prepayments	3,396,470.66	5,344,959.31	0.00	-1,593,412.33	7,148,017.64	0.00	0.00	0.00	0.00	7,148,017.64	3,396,470.66
thereof Grid Business	*2,567,986.86*	*4,293,670.81*	*0.00*	*-1,326,846.06*	*5,534,811.61*	*0.00*	*0.00*	*0.00*	*0.00*	*5,534,811.61*	*2,546,906.46*
thereof Other Activities within Gas Sector	*107,713.83*	*53,573.59*	*0.00*	*-94,201.19*	*67,086.23*	*0.00*	*0.00*	*0.00*	*0.00*	*67,086.23*	*132,578.47*
thereof Activities outside Gas Sector	*720,769.97*	*997,714.91*	*0.00*	*-172,365.08*	*1,546,119.80*	*0.00*	*0.00*	*0.00*	*0.00*	*1,546,119.80*	*716,985.73*
	171,372,986.37	**12,212,921.17**	**-4,791,499.75**	**0.00**	**178,794,407.79**	**104,580,650.35**	**21,569,342.62**	**-4,790,779.24**	**121,359,213.73**	**57,435,194.06**	**66,792,336.02**
Tangible assets											
Land, land rights and buildings, including buildings on third-party land	307,112,254.84	3,624,725.68	-434,415.48	12,275,693.75	322,578,258.79	148,578,161.68	8,177,728.17	-403,202.89	156,352,686.96	166,225,571.83	158,534,093.16
thereof Grid Business	*276,396,556.36*	*3,573,362.17*	*-432,606.42*	*12,177,255.68*	*291,714,567.79*	*129,860,717.75*	*7,522,694.27*	*-401,393.83*	*136,982,018.19*	*154,732,549.60*	*146,944,803.82*
thereof Other Activities within Gas Sector	*489,266.72*	*0.00*	*0.00*	*0.00*	*489,266.72*	*252,484.16*	*13,173.21*	*0.00*	*265,657.37*	*223,609.35*	*220,807.25*
thereof Activities outside Gas Sector	*30,226,431.76*	*51,363.51*	*-1,809.06*	*98,438.07*	*30,374,424.28*	*18,464,959.77*	*641,860.69*	*-1,809.06*	*19,105,011.40*	*11,269,412.88*	*11,368,482.09*
Technical equipment and machinery	4,905,427,810.18	66,070,433.82	-17,845,782.38	96,952,185.33	5,050,604,646.95	3,641,695,573.86	104,831,224.48	-17,359,163.94	3,729,167,634.40	1,321,437,012.55	1,263,732,236.32
thereof Grid Business	*4,899,825,915.83*	*66,067,217.07*	*-17,845,782.38*	*96,951,753.17*	*5,044,999,103.69*	*3,636,647,018.31*	*104,785,222.76*	*-17,359,163.94*	*3,724,073,077.13*	*1,320,926,026.56*	*1,261,486,879.22*
thereof Other Activities within Gas Sector	*2,383,050.04*	*0.00*	*0.00*	*0.00*	*2,383,050.04*	*2,363,395.00*	*2,091.14*	*0.00*	*2,365,486.14*	*17,563.90*	*310,504.43*
thereof Activities outside Gas Sector	*3,218,844.31*	*3,216.75*	*0.00*	*432.16*	*3,222,493.22*	*2,685,160.55*	*43,910.58*	*0.00*	*2,729,071.13*	*493,422.09*	*1,934,852.67*
Operating and office equipment	115,221,934.85	5,255,111.26	-2,996,226.28	3,299,096.93	120,779,916.76	70,754,967.11	9,184,602.07	-2,911,153.20	77,028,415.98	43,751,500.78	44,466,967.74
thereof Grid Business	*75,106,072.14*	*3,798,624.22*	*-2,071,338.24*	*3,220,166.77*	*80,053,524.89*	*43,749,637.27*	*6,554,029.77*	*-2,020,529.04*	*48,283,138.00*	*31,770,386.89*	*30,998,469.91*
thereof Other Activities within Gas Sector	*287,890.15*	*19,573.41*	*-9,953.63*	*0.00*	*297,509.93*	*140,508.91*	*26,374.72*	*-9,836.64*	*157,046.99*	*140,462.94*	*114,870.63*
thereof Activities outside Gas Sector	*39,827,972.56*	*1,436,913.63*	*-914,934.41*	*78,930.16*	*40,428,881.94*	*26,864,820.93*	*2,604,197.58*	*-880,787.52*	*28,588,230.99*	*11,840,650.95*	*13,353,627.20*
Prepayments and assets under construction	162,622,372.89	71,052,807.57	0.00	-112,526,976.01	121,148,204.45	0.00	0.00	0.00	0.00	121,148,204.45	162,622,372.89
thereof Grid Business	*162,361,229.89*	*70,089,883.12*	*0.00*	*-112,348,278.47*	*120,102,834.54*	*0.00*	*0.00*	*0.00*	*0.00*	*120,102,834.54*	*162,072,643.67*
thereof Other Activities within Gas Sector	*35,037.62*	*12,534.85*	*0.00*	*0.00*	*47,572.47*	*0.00*	*0.00*	*0.00*	*0.00*	*47,572.47*	*46,919.25*
thereof Activities outside Gas Sector	*226,105.38*	*950,389.60*	*0.00*	*-178,697.54*	*997,797.44*	*0.00*	*0.00*	*0.00*	*0.00*	*997,797.44*	*502,809.97*
	5,490,384,372.76	**146,003,078.33**	**-21,276,424.14**	**0.00**	**5,615,111,026.95**	**3,861,028,702.65**	**122,193,554.72**	**-20,673,520.03**	**3,962,548,737.34**	**1,652,562,289.61**	**1,629,355,670.11**

Unbundling Statement of changes in fixed assets for the 2021 financial year

	Acquisition and production costs					Cumulative amortisation/depreciation				Net book values	
	01 Jan 2021	Additions	Disposals	Transfers	31 Dec 2021	01 Jan 2021	Additions	Disposals	31 Dec 2021	31 Dec 2021	31 Dec 2020
	€	€	€	€	€	€	€	€	€	€	€
Financial assets											
Shares in affiliated companies	814,353,272.39	63,000,000.00	-30,000,000.00	0.00	847,353,272.39	499,999.00	0.00	0.00	499,999.00	846,853,273.39	813,853,273.39
thereof Grid Business	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
thereof Other Activities within Gas Sector	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
thereof Activities outside Gas Sector	*814,353,272.39*	*63,000,000.00*	*-30,000,000.00*	*0.00*	*847,353,272.39*	*499,999.00*	*0.00*	*0.00*	*499,999.00*	*846,853,273.39*	*813,853,273.39*
Equity investments	180,737,186.20	17,677,830.21	-500,000.00	0.00	197,915,016.41	0.00	0.00	0.00	0.00	197,915,016.41	180,737,186.20
thereof Grid Business	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
thereof Other Activities within Gas Sector	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
thereof Activities outside Gas Sector	*180,737,186.20*	*17,677,830.21*	*-500,000.00*	*0.00*	*197,915,016.41*	*0.00*	*0.00*	*0.00*	*0.00*	*197,915,016.41*	*180,737,186.20*
Other loans	2,426,766.99	380,741.17	-351,088.50	0.00	2,456,419.66	122,537.89	0.00	-18,127.56	104,410.33	2,352,009.33	2,304,229.10
thereof Grid Business	*1,503,382.15*	*223,479.16*	*-217,499.33*	*0.00*	*1,509,361.98*	*75,912.22*	*0.00*	*-11,230.02*	*64,682.20*	*1,444,679.78*	*1,452,312.87*
thereof Other Activities within Gas Sector	*30,819.94*	*4,581.41*	*-4,458.82*	*0.00*	*30,942.53*	*1,556.23*	*0.00*	*-230.22*	*1,326.01*	*29,616.52*	*27,639.18*
thereof Activities outside Gas Sector	*892,564.90*	*152,680.60*	*-129,130.35*	*0.00*	*916,115.15*	*45,069.44*	*0.00*	*-6,667.32*	*38,402.12*	*877,713.03*	*824,277.05*
	997,517,225.58	**81,058,571.38**	**-30,851,088.50**	**0.00**	**1,047,724,708.46**	**622,536.89**	**0.00**	**-18,127.56**	**604,409.33**	**1,047,120,299.13**	**996,894,688.69**
	6,659,274,584.71	**239,274,570.88**	**-56,919,012.39**	**0.00**	**6,841,630,143.20**	**3,966,231,889.89**	**143,762,897.34**	**-25,482,426.83**	**4,084,512,360.40**	**2,757,117,782.80**	**2,693,042,694.82**

Activity Reports 2020

Unbundling balance sheet as of 31. December 2020

Assets €	Grid Business	Other Activities within Gas Sector	Activities outside Gas Sector	Consolidation Column	Sum
A. Fixed assets					
I. Intangible assts					
1. Internally generated intangible assets	6,604,726	8,225	518,953	0	7,131,904.00
2. Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets	49,429,353	2,204,020	4,630,588	0	56,263,961.00
3. Prepayments	2,546,907	132,578	716,986	0	3,396,471.00
	58,580,986	**2,344,823**	**5,866,527**	**0**	**66,792,336.00**
II. Tangible assets					
1. Land, land rights and buildings, including buildings on third-party land	146,944,804	220,807	11,368,482	0	158,534,093.00
2. Technical equipment and machinery	1,262,158,997	-257,911	1,831,150	0	1,263,732,236.00
3. Other equipment, operating and office equipment	30,998,470	114,871	13,353,627	0	44,466,968.00
4. Prepayments and assets under construction	162,072,644	46,919	502,810	0	162,622,373.00
	1,602,174,915	**124,686**	**27,056,069**	**0**	**1,629,355,670.00**
III. Financial assets					
1. Shares in affiliated companies	0	0	813,853,274	0	813,853,274.00
2. Other long-term equity investments	0	0	180,737,186	0	180,737,186.00
3. Other loans	1,452,313	27,639	824,277	0	2,304,229.00
	1,452,313	**27,639**	**995,414,737**	**0**	**996,894,689.00**
	1,662,208,214	**2,497,148**	**1,028,337,333**	**0**	**2,693,042,695.00**
B. Current assets					
I. Inventories					
1. Raw materials and supplies	11,859,541	4,035	1,587,190	0	13,450,766.00
2. Work in progress	6,350,298	0	104,664,173	0	111,014,471.00
3. Merchandise	12,069,650	0	0	0	12,069,650.00
4. Other inventories	7,658,936	0	0	0	7,658,936.00
	37,938,425	**4,035**	**106,251,363**	**0**	**144,193,823.00**
II. Receivables and other assets					
1. Trade receivables	13,412,915	0	4,086,257	-30,381	17,468,791.00
2. Receivables from shareholders	529,326	11,104	5,644,363	0	6,184,793.00
3. Receivables from affiliated companies	1,019,885	21,473	26,418,299	0	27,459,657.00
4. Receivables from companies in which equity investments are held	-181,830	0	6,435,436	-2	6,253,604.00
5. Other assets	17,408,595	14,328	492,556	0	17,915,479.00
from that receivables with a residual term of one year	*0*	*0*	*0*	*0*	*0.00*
	32,188,891	**46,905**	**43,076,911**	**-30,383**	**75,282,324.00**
III. Cash in hand and bank balances	22,047,336	461,863	30,578,535	0	53,087,734.00
	92,174,652	**512,803**	**179,906,809**	**-30,383**	**272,563,881.00**
C. Prepaid expenses	1,967,248	21,524	695,885	0	2,684,657.00
D. Excess of plan assets over post-employment benefit liability	4,137,384	78,739	2,291,244	0	6,507,367.00
E. Capital clearing item	451,295,090	0	0	-451,295,090	0.00
	2,211,782,588	**3,110,214**	**1,211,231,271**	**-451,325,473**	**2,974,798,600.00**

Shareholders' equity and Liabilities €			Grid Business	Other Activities within Gas Sector	Activities outside Gas Sector	Consolidation Column	Sum
A.	**Shareholders' equity**						
	I.	Subscribed capital	68,094,728	102,299	42,127,305	0	110,324,332
	II.	Capital reserve	854,053,524	1,283,052	528,366,492	0	1,383,703,068
	III.	Revenue reserves	762,643,328	69,954	28,807,297	0	791,520,579
			1,684,791,580	**1,455,305**	**599,301,094**	**0**	**2,285,547,979**
B.	**Provisions**						
	1.	Provisions for pensions and similar obligations	5,602,820	106,628	3,102,788	0	8,812,236
	2.	Tax provisions	1,197,361	25,117	713,512	0	1,935,990
	3.	Other provisions	468,588,551	578,675	20,110,653	0	489,277,879
			475,388,732	**710,420**	**23,926,953**	**0**	**500,026,105**
C.	**Liabilities**						
	1.	Payments received on account of orders	18,018,126	0	12,756,672	0	30,774,798
		from that with a residual term of one year	*18,018,126*	*0*	*12,756,672*	*0*	*30,774,798*
	2.	Trade payables	14,406,037	38,254	1,520,387	-30,381	15,934,297
		from that with a residual term of up to one year	*12,895,741*	*38,254*	*1,463,709*	*-30,381*	*14,367,323*
		from that with a residual term between one and five years	*1,510,296*	*0*	*56,678*	*-60,762*	*1,506,212*
		from that with a residual term of more than five years	*0*	*0*	*0*	*-60,762*	*-60,762*
	3.	Liabilities to shareholders	0	0	0	0	0
		from that with a residual term of up to one year	*0*	*0*	*0*	*0*	*0*
	4.	Liabilities to affiliated companies	109,746	2,117	93,359,856	0	93,471,719
		from that with a residual term of up to one year	*109,746*	*2,117*	*93,359,856*	*0*	*93,471,719*
	5.	Liabilities to companies in which equity investments are held	140,672	307	27,305,055	-2	27,446,032
		from that with a residual term of up to one year	*140,672*	*307*	*27,305,055*	*-2*	*27,446,032*
	6.	Other liabilities	13,840,761	48,214	2,323,881	0	16,212,856
		from that with a residual term of up to one year	*13,840,761*	*48,214*	*2,323,881*	*0*	*16,212,856*
		from that taxes	*3,677,817*	*47,675*	*1,791,996*	*0*	*5,517,488*
			46,515,342	**88,892**	**137,265,851**	**-30,383**	**183,839,702**
D.	**Deferred income**		5,086,934	0	297,880	0	5,384,814
E.	**Capital clearing item**		0	855,597	450,439,493	-451,295,090	0
			2,211,782,588	**3,110,214**	**1,211,231,271**	**-451,325,473**	**2,974,798,600**

Contingent liabilities, off-balance-sheet transactions and other financial obligations

The syndicated loan facility in the amount of € 600.0 million concluded by VGT on 4 August 2017still exists and was extended on 15 July 2019 by one year to 2024. OGE is also a borrower under the corresponding loan agreement and therefore entitled to use this credit line. As of the reporting date, the credit facility had not been drawn down. This credit line includes an ancillary facility at VGT level in the amount of € 10.0 million (overdraft facility) as well as two ancillary facilities at OGE level in the amount of € 20.0 million (overdraft facility for the cash pool) and € 1.5 million (reserved for surety and bank guarantees). As of 31 December 2020, only the surety line had been utilised for the issuing of bank guarantees in the amount of € 1.1 million. In August 2020, OGE concluded a further surety line in the amount of € 10.0 million. As of 31 December 2020, € 1.6 million of this facility had been utilised for the issuing of bank guarantees. OGE does not expect any claims under the bank guarantees.

The ancillary facilities will be allocated to the Activities outside Gas Sector.

The financial impact of transactions not contained in the balance sheet within the meaning of section 285, No. 3a HGB amounts to € 187.3 million p.a. at the balance-sheet date from long-term contracts for the beneficial use of the pipeline network (Grid Business), of which € 132.4 million p.a. relates to affiliated companies.

As of the reporting date, there were payment obligations to Zeelink in the amount of € 75.0 million and to NETG in the amount of € 19.9 million for contributions to the capital reserve that have not yet been called in. (Activities outside Gas Sector).

Furthermore, other financial obligations of € 383.0 million exist and relate to purchase commitments. These purchase commitments are split using the key for materials and therefore classified as follows: Grid Business € 337.7 million, Other Activities within Gas Sector € 0.1 million and Activities outside Gas Sector € 5.2 million. Of this amount, € 10.6 million relates to affiliated companies.

Unbundling Income Statements

for the period from 1 January to 31 December 2020

	€	Gasfern-leitung	Andere Tätigkeiten innerhalb des Gassektors	Tätigkeiten außerhalb des Gassektors	Gesamt
1.	Revenues	917,685,184	7,466,112	151,149,476	1,076,300,772
2.	Change in finished goods and work in progress	3,995,561	0	37,540,008	41,535,568
3.	Other own work capitalised	22,718,283	0	0	22,718,283
4.	Other operating income	19,677,705	8,539	2,448,936	22,135,181
	- of which income from currency translation	*3,395*	*22*	*746*	*4,163*
5.	Cost of materials				
	a) Cost of raw materials and supplies	-66,396,873	-17,207	-7,029,855	-73,443,934
	b) Cost of purchased services	-428,514,835	-159,770	-59,257,312	-487,931,917
		-494,911,708	-176,977	-66,287,168	-561,375,853
6.	Personnel expenses				
	a) Wages and salaries	-88,315,490	-1,694,340	-48,709,599	-138,719,429
	b) Social security, pensions and other benefits	-24,144,070	-452,427	-13,576,463	-38,172,960
	- of which for pensions	*-10,510,810*	*-180,727*	*-5,759,601*	*-16,451,138*
		-112,459,560	-2,146,767	-62,286,062	-176,892,389
7.	Amortisation of intangible assets and depreciation of tangible assets	-126,691,394	-1,046,306	-4,467,589	-132,205,288
8.	Other operating expenses	-72,983,214	-1,233,245	-22,594,662	-96,811,121
	- of which expenses from currency translation	*-23,784*	*-252*	*-8,506*	*-32,541*
9.	Imcome from equity investments	0	0	88,888,588	88,888,588
	a) Income from investments	0	0	24,002,040	24,002,040
	- of which from affiliated companies	*0*	*0*	*9,077,925*	*9,077,925*
	b) Income from profit transfer agreement	0	0	64,887,316	64,887,316
	- of which from affiliated companies	*0*	*0*	*64,887,316*	*64,887,316*
	c) Expenses from transfer of losses	0	0	-768	-768
	- of which from affiliated companies	*0*	*0*	*-768*	*-768*
10.	Other interest and similar income	114,846	2,131	81,668	198,645
	- of which from affiliated companies	*42,884*	*784*	*33,970*	*77,638*
		-46,036,644	-545,820	-16,641,196	-63,223,660
11.	Interest and similar expenses	*-51,842,780*	*-659,128*	*-19,123,867*	*-71,625,775*
		-58,150,865	-1,218,225	-34,684,696	-94,053,786
12.	**Income taxes**	**52,958,194**	**1,109,442**	**73,147,303**	**127,214,939**
13.	Profit after tax	-335,178	-3,226	-151,096	-489,500
14.	Other taxes	-82,623,015	-1,106,216	-72,996,207	-156,725,439
15.	**Transfers under profit-and-loss transfer agreements**	**-30,000,000**	**0**	**0**	**-30,000,000**
16.	Net income for the year	30,000,000	0	0	30,000,000
17.	**Transfers to revenue reserves**	**30,000,000**	**0**	**0**	**30,000,000**

Explanation of accounting unbundling

Preliminary note

Due to the German Energy Industry Act (Energiewirtschaftsgesetz – EnWG) as amended on 25 February 2021, Open Grid Europe GmbH is, in compliance with the provisions of section 6b para. 3 EnWG, obliged to provide separate balance sheets and income statements presenting the segments grid business, other activities within the gas sector and activities outside the gas sector.

For information regarding the accounting and measurement methods (incl. depreciation and amortisation methods), we refer to the explanation included in the notes to the financial statements.

Rules in accordance with section 6b para. 3 EnWG

In the balance sheet and the income statement, assets, liabilities, revenues and expenses aregenerally assigned directly to each segment. Where direct assignment to certain activities is not possible or would require unreasonable effort, items are assigned on the basis of keys that represent the underlying cost causalities. In comparison to the previous year particular keys have been slightly developed to reflect the organisational and economical conditions and source-related allocation of costs. The result is a slightly modified allocation to the segments grid business, other activities within gas sector and activities outside gas sector.

In detail the following allocation bases are primarily used for calculating the keys:

- - Full-Time Equivalent (FTE)
- - Keys based on costs (personnel costs, material and maintenance costs)
- - Technical parameters (e.g. pipeline length, compressor capacity)
- - Total costs
- - Profit/loss on ordinary activities
- - Net income for the year
- - Fixed assets book value

The above-mentioned keys are primarily derived from the corresponding revenues and expenses in the income statement and the items of the balance sheet of Open Grid Europe GmbH.

Business relations between different segments are shown according to the gross method and are assessed on the basis of the costs incurred. In the first step, the gross method assigns total revenues and total expenses by functional reference to activities. In the second step, the actual economic success of the respective activity is derived by using internal cost allocation to the individual segments based on the respective consumption of resources (personnel, equipment etc.).

Unbundling Statement of changes in fixed assets for the 2020 financial year

	Acquisition and production costs					Cumulative amortisation/depreciation				Net book values	
	01 Jan 2020	Additions	Disposals	Transfers	31 Dec 2020	01 Jan 2020	Additions	Disposals	31 Dec 2020	31 Dec 2020	31 Dec 2019
	€	€	€	€	€	€	€	€	€	€	€
Intangible assets											
Internally generated intangible assets	11,366,134.23	538,231.15	0.00	0.00	11,904,365.38	3,576,606.83	1,195,854.31	0.00	4,772,461.14	7,131,904.24	7,789,527.40
thereof Grid Business	*9,919,292.42*	*377,239.02*	*0.00*	*0.00*	*10,296,531.44*	*2,659,272.88*	*1,032,531.41*	*0.00*	*3,691,804.29*	*6,604,727.15*	*7,253,230.23*
thereof Other Activities within Gas Sector	*37,060.10*	*1,236.18*	*0.00*	*0.00*	*38,296.28*	*27,795.83*	*2,275.90*	*0.00*	*30,071.73*	*8,224.55*	*8,354.11*
thereof Activities outside Gas Sector	*1,409,781.71*	*159,755.95*	*0.00*	*0.00*	*1,569,537.66*	*889,538.12*	*161,047.00*	*0.00*	*1,050,585.12*	*518,952.54*	*527,943.06*
Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	138,519,119.27	11,814,160.87	-1,756,867.41	7,495,737.60	156,072,150.33	86,214,562.77	15,349,532.91	-1,755,906.47	99,808,189.21	56,263,961.12	52,304,556.50
thereof Grid Business	*121,993,450.39*	*8,997,744.26*	*-1,301,072.99*	*6,761,182.96*	*136,451,304.62*	*74,948,097.24*	*12,826,355.86*	*-1,300,710.14*	*86,473,742.96*	*49,977,561.66*	*47,446,090.29*
thereof Other Activities within Gas Sector	*3,888,817.27*	*572,893.95*	*-41,133.15*	*195,533.22*	*4,616,111.29*	*1,715,938.48*	*1,280,071.89*	*-41,133.15*	*2,954,877.22*	*1,661,234.07*	*1,540,588.60*
thereof Activities outside Gas Sector	*12,636,851.61*	*2,243,522.66*	*-414,661.27*	*539,021.42*	*15,004,734.42*	*9,550,527.05*	*1,243,105.16*	*-414,063.18*	*10,379,569.03*	*4,625,165.39*	*3,317,877.61*
Prepayments	8,328,845.06	2,563,363.20	0.00	-7,495,737.60	3,396,470.66	0.00	0.00	0.00	0.00	3,396,470.66	8,328,845.06
thereof Grid Business	*7,403,663.68*	*1,964,571.72*	*0.00*	*-6,821,328.94*	*2,546,906.46*	*0.00*	*0.00*	*0.00*	*0.00*	*2,546,906.46*	*7,500,008.93*
thereof Other Activities within Gas Sector	*144,536.35*	*119,697.46*	*0.00*	*-131,655.34*	*132,578.47*	*0.00*	*0.00*	*0.00*	*0.00*	*132,578.47*	*83,934.88*
thereof Activities outside Gas Sector	*780,645.03*	*479,094.02*	*0.00*	*-542,753.32*	*716,985.73*	*0.00*	*0.00*	*0.00*	*0.00*	*716,985.73*	*744,901.25*
	158,214,098.56	**14,915,755.22**	**-1,756,867.41**	**0.00**	**171,372,986.37**	**89,791,169.60**	**16,545,387.22**	**-1,755,906.47**	**104,580,650.35**	**66,792,336.02**	**68,422,928.96**
Tangible assets											
Land, land rights and buildings, including buildings on third-party land	288,845,336.29	8,667,715.30	-897,439.55	10,496,642.80	307,112,254.84	141,915,159.00	7,560,442.23	-897,439.55	148,578,161.68	158,534,093.16	146,930,177.29
thereof Grid Business	*258,745,913.74*	*8,559,470.50*	*-371,927.76*	*10,493,653.81*	*277,427,110.29*	*123,924,676.36*	*6,929,557.87*	*-371,927.76*	*130,482,306.47*	*146,944,803.82*	*136,578,545.71*
thereof Other Activities within Gas Sector	*456,505.26*	*2,685.97*	*0.00*	*0.00*	*459,191.23*	*226,048.45*	*12,335.53*	*0.00*	*238,383.98*	*220,807.25*	*164,719.82*
thereof Activities outside Gas Sector	*29,642,917.29*	*105,558.83*	*-525,511.79*	*2,988.99*	*29,225,953.32*	*17,764,434.19*	*618,548.83*	*-525,511.79*	*17,857,471.23*	*11,368,482.09*	*10,186,911.76*
Technical equipment and machinery	4,806,041,307.10	58,504,607.76	-11,312,877.34	52,194,772.66	4,905,427,810.18	3,552,622,505.81	100,385,945.39	-11,312,877.34	3,641,695,573.86	1,263,732,236.32	1,253,418,801.29
thereof Grid Business	*4,800,480,334.60*	*57,440,796.88*	*-11,312,877.34*	*52,001,508.47*	*4,898,609,762.61*	*3,547,778,565.32*	*100,657,195.42*	*-11,312,877.34*	*3,637,122,883.40*	*1,261,486,879.22*	*1,252,614,473.02*
thereof Other Activities within Gas Sector	*2,344,316.30*	*0.00*	*0.00*	*0.00*	*2,344,316.30*	*2,315,228.86*	*-281,416.99*	*0.00*	*2,033,811.87*	*310,504.43*	*44,045.24*
thereof Activities outside Gas Sector	*3,216,656.19*	*1,063,810.88*	*0.00*	*193,264.19*	*4,473,731.26*	*2,528,711.63*	*10,166.96*	*0.00*	*2,538,878.59*	*1,934,852.67*	*760,283.03*
Operating and office equipment	99,944,957.32	11,490,685.69	-1,902,637.04	5,688,928.88	115,221,934.85	64,923,427.61	7,713,514.71	-1,881,975.21	70,754,967.11	44,466,967.74	35,021,529.71
thereof Grid Business	*63,226,931.53*	*8,071,514.70*	*-1,200,341.09*	*4,196,337.68*	*74,294,442.82*	*39,240,320.64*	*5,245,753.56*	*-1,190,101.29*	*43,295,972.91*	*30,998,469.91*	*23,254,207.73*
thereof Other Activities within Gas Sector	*217,476.45*	*24,538.18*	*-6,925.56*	*299.58*	*235,388.65*	*94,379.77*	*33,039.69*	*-6,901.44*	*120,518.02*	*114,870.63*	*53,236.21*
thereof Activities outside Gas Sector	*36,500,549.34*	*3,394,632.81*	*-695,370.39*	*1,492,291.62*	*40,692,103.38*	*25,588,727.20*	*2,434,721.46*	*-684,972.48*	*27,338,476.18*	*13,353,627.20*	*11,714,085.77*
Prepayments and assets under construction	133,883,681.97	97,119,035.26	0.00	-68,380,344.34	162,622,372.89	0.00	0.00	0.00	0.00	162,622,372.89	133,883,681.97
thereof Grid Business	*132,092,999.86*	*96,866,277.88*	*0.00*	*-66,886,634.07*	*162,072,643.67*	*0.00*	*0.00*	*0.00*	*0.00*	*162,072,643.67*	*116,468,614.26*
thereof Other Activities within Gas Sector	*13,839.76*	*33,079.49*	*0.00*	*0.00*	*46,919.25*	*0.00*	*0.00*	*0.00*	*0.00*	*46,919.25*	*14,951.70*
thereof Activities outside Gas Sector	*1,776,842.35*	*219,677.89*	*0.00*	*-1,493,710.27*	*502,809.97*	*0.00*	*0.00*	*0.00*	*0.00*	*502,809.97*	*17,400,116.01*
	5,328,715,282.68	**175,782,044.01**	**-14,112,953.93**	**0.00**	**5,490,384,372.76**	**3,759,461,092.42**	**115,659,902.33**	**-14,092,292.10**	**3,861,028,702.65**	**1,629,355,670.11**	**1,569,254,190.26**

Unbundling Statement of changes in fixed assets for the 2020 financial year

	Acquisition and production costs					Cumulative amortisation/depreciation				Net book values	
	01 Jan 2020	Additions	Disposals	Transfers	31 Dec 2020	01 Jan 2020	Additions	Disposals	31 Dec 2020	31 Dec 2020	31 Dec 2019
	€	€	€	€	€	€	€	€	€	€	€
Financial assets											
Shares in affiliated companies	663,603,272.39	150,750,000.00	0.00	0.00	814,353,272.39	499,999.00	0.00	0.00	499,999.00	813,853,273.39	663,103,273.39
thereof Grid Business	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
thereof Other Activities within Gas Sector	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
thereof Activities outside Gas Sector	*663,603,272.39*	*150,750,000.00*	*0.00*	*0.00*	*814,353,272.39*	*499,999.00*	*0.00*	*0.00*	*499,999.00*	*813,853,273.39*	*663,103,273.39*
Equity investments	168,459,097.84	14,032,641.26	-1,754,552.90	0.00	180,737,186.20	0.00	0.00	0.00	0.00	180,737,186.20	168,459,097.84
thereof Grid Business	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
thereof Other Activities within Gas Sector	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
thereof Activities outside Gas Sector	*168,459,097.84*	*14,032,641.26*	*-1,754,552.90*	*0.00*	*180,737,186.20*	*0.00*	*0.00*	*0.00*	*0.00*	*180,737,186.20*	*168,459,097.84*
Other loans	2,765,672.77	175,303.10	-514,208.88	0.00	2,426,766.99	183,902.06	0.00	-61,364.17	122,537.89	2,304,229.10	2,581,770.71
thereof Grid Business	*1,758,414.75*	*98,741.71*	*-326,934.00*	*0.00*	*1,530,222.46*	*116,924.93*	*0.00*	*-39,015.34*	*77,909.59*	*1,452,312.87*	*1,573,951.91*
thereof Other Activities within Gas Sector	*33,464.64*	*1,879.17*	*-6,221.93*	*0.00*	*29,121.88*	*2,225.21*	*0.00*	*-742.51*	*1,482.70*	*27,639.18*	*32,022.14*
thereof Activities outside Gas Sector	*973,793.38*	*74,682.22*	*-181,052.95*	*0.00*	*867,422.65*	*64,751.92*	*0.00*	*-21,606.32*	*43,145.60*	*824,277.05*	*975,796.66*
	834,828,043.00	**164,957,944.36**	**-2,268,761.78**	**0.00**	**997,517,225.58**	**683,901.06**	**0.00**	**-61,364.17**	**622,536.89**	**996,894,688.69**	**834,144,141.94**
	6,321,757,424.24	**355,655,743.59**	**-18,138,583.12**	**0.00**	**6,659,274,584.71**	**3,849,936,163.08**	**132,205,289.55**	**-15,909,562.74**	**3,966,231,889.89**	**2,693,042,694.82**	**2,471,821,261.16**

INDEPENDENT AUDITOR'S REPORT

To Open Grid Europe GmbH, Essen

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of Open Grid Europe GmbH, Essen, which comprise the balance sheet as at December 31, 2021, and the statement of profit and loss for the financial year from January 1 to December 31, 2021, and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Open Grid Europe GmbH for the financial year from January 1 to December 31, 2021. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance pursuant to § [Article] 289f (4) HGB [Handelsgesetzbuch: German Commercial Code] (disclosures regarding women's quota).

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2021 and of its financial performance for the financial year from January 1 to December 31, 2021, in compliance with German Legally Required Accounting Principles, and

- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the statement on corporate governance referred to above.

Pursuant to § 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Other Information

The executive directors are responsible for the other information. The other information comprises the statement on corporate governance pursuant to § 289f (4) HGB (disclosures regarding women‘s quota) as an unaudited part of the management report.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal controls as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company’s position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor’s report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company’s position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Audit of Compliance with the Accounting Obligations pursuant to § 6b Abs. 3 EnWG

Audit Opinions

We have audited compliance with the obligations pursuant to § 6b (3) sentences 1 to 5 EnWG [Energiewirtschaftsgesetz: German Energy Industry Act] which require that separate accounts be maintained for the period from January 1 to December 31, 2021. Moreover, we have audited the activity reports for the activities "Grid Business“, "Other Activities within the Gas Sector" and "Activities outside the Gas Sector" pursuant to § 6b (3) sentence 1 EnWG - comprising in each case a balance sheet as at December 31, 2021, and the income statement for the financial year from January 1 to December 31, 2021, as well as the disclosures relating to the accounting methods used for the preparation of the activity reports - which are attached as an appendix.

- In our opinion, the obligations pursuant to § 6b (3) sentences 1 to 5 EnWG regarding the keeping of separate accounts have been fulfilled in all material respects.

- In our opinion, based on the information gained during the audit, the accompanying activity reports comply in all material respects with the German regulations of § 6b (3) sentences 5 to 7 EnWG.

Basis for the Audit Opinions

We conducted out audit of the compliance with the obligations for maintaining separate accounts and the activity reports in accordance with § 6b (5) EnWG in consideration of the IDW Auditing Standard: "Audit according to § 6b of the German Law on Energy Management (Energiewirtschaftsgesetz (IDW PS 610 new version (07.2021)). Our responsibility under those requirements and principles is described in further detail in the Section "Auditor's Responsibilities for the Audit of Compliance with the Accounting Obligations pursuant to § 6b (3) EnWG". We are independent of the Company in accordance with the German commercial and professional legal requirements and have fulfilled our other German professional obligations in accordance with these requirements. As an auditing firm, we apply the requirements of the IDW quality assurance standard: Requirements for Quality Assurance in Auditing Practice (IDW QS 1). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance with the accounting obligations pursuant to § 6b (3) EnWG.

Responsibility of the Executive Directors and the Supervisory Board for compliance with the accounting obligations pursuant to § 6b (3) EnWG

The executive directors are responsible for maintaining compliance with the obligations in accordance with § 6b (3) sentences 1 to 5 EnWG regarding the keeping of separate accounts. The executive directors are also responsible for the preparation of the activity reports in accordance with the German requirements of § 6b (3) sentences 5 to 7 EnWG.

In addition, the executive directors are responsible for the internal controls, which they consider as necessary in order to maintain compliance with the obligations for keeping separate accounts.

The responsibility of the executive directors for the activity reports corresponds to the responsibility described in the section "Responsibility of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report" with the exception that the respective activity report does not have to present a true and fair view of the net assets, financial position and results of operations of the activity in accordance with German generally accepted accounting standards.

The Supervisory Board is responsible for monitoring compliance with the Company's accounting obligations pursuant to § 6b (3) EnWG.

Responsibility of the Auditor for the audit of compliance with the accounting obligations pursuant to § 6b (3) EnWG

Our objective is to obtain reasonable assurance about

- whether the executive directors have fulfilled their obligations in accordance with § 6b (3) sentences 1 to 5 EnWG for the keeping of separate accounts in all material respects, and

- whether the activity reports correspond in all material respects to the German provisions of § 6b (3) sentences 5 to 7 EnWG.

Furthermore, our objective is to include a note in the audit opinion, which expresses our audit opinions regarding the level of compliance maintained with the accounting obligations pursuant to § 6b (3) EnWG.

The audit of compliance with the obligations under § 6b (3) sentences 1 to 5 EnWG for the keeping of separate accounts includes the opinion whether the classification of accounts to the activities pursuant to § 6b (3) sentences 1 to 4 EnWG has been made appropriately and comprehensibly and if the principle of consistency was observed.

Our responsibility for the audit of the activity reports is the same as that described in the section "Auditor's Responsibility for the Audit of the Financial Statements and Management Report" with regard to the responsibility described for the financial statements, with the exception that we cannot express an opinion on the fair overall presentation with regard to the respective activity report.

Essen, March 15, 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

(sgd.) Michael Preiß Wirtschaftsprüfer (German Public Auditor)	(sgd.) ppa. Ronald Koch Wirtschaftsprüfer (German Public Auditor)