

Annual Report 2022

Open Grid Europe GmbH

Translation the German text is authoritative

Open Grid Europe GmbH, Essen

Contents

Management Report for the 2022 Financial Year.....	3
1. Basic information on the company.....	3
2. Report on economic position	3
2.1 Overall economic and industry-related conditions	3
2.1.1. Overall economic development	3
2.1.2. Primary energy consumption in Germany	3
2.1.3. Energy policy developments in Europe.....	4
2.1.4. Energy-policy developments in Germany	5
2.2 Business performance	6
2.2.1. National regulations.....	6
2.2.2. Network development plans and market area conversion	7
2.2.3. Technical projects	9
2.3 Net assets, financial position and results of operations	11
2.3.1. Result of operations	11
2.3.2. Financial position.....	13
2.3.3. Net assets.....	14
2.4 Presentation of activities pursuant to section 6b Energy industry Act (EnWG)	15
3. Environmental and employee matters	15
3.1 Environmental protection	15
3.2 Employees.....	16
4. Corporate governance statement in accordance with section 289f, para. HGB.....	17
5. Report on opportunities, risks and expected developments	17
5.1 Report on opportunities and risks	17
5.1.1. Description of the opportunity and risk management process	18
5.1.2. Significant risks	19
5.1.3. Further risks.....	20
5.1.4. Opportunities	21
5.2 Report on expected developments	21

Annual Financial Statements for the 2022 financial year	23
Balance Sheet as of 31 December 2022	23
Income Statement for the period from 1 January to 31 December 2022.....	25
Notes to the financial statements for the 2022 financial year	26
I. General information on the annual financial statements.....	26
II. Accounting and valuation policies	27
III. Notes to the Balance Sheet	31
IV. Notes to the income statement	36
V. Other disclosures	38
Statement of changes in fixed assets for the 2022 financial year	41
List of shareholdings in accordance with section 285, no. 11 HGB as of 31 December 2022	42
Activity Reports 2022.....	43
Unbundling balance sheet as of 31. December 2022.....	44
Unbundling Income Statements for the period from 1 January to 31 December 2022	47
Explanation of accounting unbundling	48
Unbundling Statement of changes in fixed assets for the 2022 financial year	49
Activity Reports 2021.....	51
Unbundling balance sheet as of 31. December 2021	52
Unbundling Income Statements for the period from 1 January to 31 December 2021	55
Explanation of accounting unbundling	56
Unbundling Statement of changes in fixed assets for the 2021 financial year	57
INDEPENDENT AUDITOR'S REPORT.....	59

Management Report for the 2022 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. The gas transport capacities are marketed in the 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 According to the Federal Statistical Office (Destatis), gross domestic product (GDP) in Germany increased by some 1.9 % in 2022 compared with the previous year. Due to the war in Ukraine and persistently high inflation, the German economy is not recovering as strongly as hoped after the effects of the Corona crisis. The Bundesbank even expects a mild recession in 2023 and a decline in GDP of 0.5 %. According to the forecast, global GDP grew year-on-year by 3.2 % in 2022. For 2023, global economic growth is forecast at around 2.7 % compared with the previous year.

The significant increase in global demand led to high raw material and energy prices as well as supply-side bottlenecks. The inflation rate in Germany - measured as the change in the consumer price index (CPI) - increased by 7.9 % on average in 2022 compared with 2021. Lengthy supply-side bottlenecks, higher wage settlements and rising energy prices, also as a result of the war in Ukraine, led to double-digit inflation rates. Therefore, price rises are also increasingly being seen for many other goods besides energy. Private households are particularly noticing the steadily increasing food prices.

2.1.2. Primary energy consumption in Germany

According to the Working Group on Energy Balances (AGEB), energy consumption in Germany ran at 11,829 petajoules (PJ) or 403.6 million tonnes of coal equivalent (mtce) in 2022. That is a decrease of 4.7 % compared with 2021. Energy consumption was therefore at its lowest level since reunification. There

are several reasons for the significant decrease compared with the previous year. While the effect of a growing population was to increase energy consumption, the sharp rise in energy prices led to short-term savings as consumers changed their behaviour patterns as well as to energy-efficiency investments which will have medium to long-term effects. The AGEB attributed just under one per cent of the overall decline in energy consumption to the weather, which was noticeably milder than in 2021. Adjusted for the temperature effect, energy consumption in Germany would have fallen by only 3.9 % in 2022.

Gas consumption fell in 2022 by just under 15 % to 2,814 PJ (96.0 mtce). That is the lowest level since 2014. The main reasons for this development were, on the one hand, the at times much milder weather and, on the other hand, the price and demand-related declines in sales across all consumer sectors. Therefore, the share of gas in total primary energy consumption fell from 26.6 % to 23.8 %. By contrast, consumption of renewable energies increased by 4.4 % to 2,034 PJ (69.4 mtce). Consequently, the share of renewable energies in total energy consumption was 17.2 % in 2022. In total, AGEB calculated that energy-related CO₂ emissions fell by about 1 % (approx. 7 million tonnes) in 2022.

2.1.3. Energy policy developments in Europe

In 2022, progress was made on the legislative process for the "Fit for 55" legislative package presented by the EU Commission in 2021. This package lays down measures to be taken to achieve the EU's climate protection targets. The European Parliament and the EU Council were able to agree on their negotiating positions for the central dossiers of the package, such as the revision of the Renewable Energy Directive and the EU Emissions Trading System, by the summer of 2022 and so move on to the trilogue procedure. The legislative process for most of the legislative package will, in all probability, be completed by spring 2023 at the latest.

For the operators of gas infrastructure, the central legislative element of "Fit for 55" is the revision presented by the EU Commission of the Gas Directive and the Gas Regulation as part of a "Hydrogen and Gas Market Decarbonisation Package". This package will define the legal and regulatory framework for hydrogen-only networks and lay down measures for the ramp-up of clean and low-carbon gases. The European Parliament's committee responsible for energy (ITRE) appointed MEP Jens Geier (S&D, Germany) as rapporteur for the Gas Directive and Jerzy Buzek (EPP, Poland) as rapporteur for the Gas Regulation. They submitted their respective draft reports in June 2022. The negotiations between the rapporteurs and the parliamentary groups are expected to be concluded in spring 2023. Negotiations in the EU Council were conducted under the French presidency in the first half of 2022 and under the Czech presidency in the second half of 2022. The negotiations under the trilogue procedure are expected to conclude in 2023.

In light of the current global political situation and the war in Ukraine, a further focus of the EU in 2022 was on securing energy supplies and diversifying sources of supply. In March 2022, the EU Commission presented a draft emergency regulation on the filling of gas storage facilities, which was adopted by the Council in June 2022. According to the regulation, the gas storage facilities in the member states must be at least 80 % full (in 2022) or at least 90 % full (in the following years) at the beginning of the winter periods. In May 2022, the EU Commission also presented its "RePowerEU" strategy. This strategy announces further measures and initiatives with which the EU wishes to reduce its dependence on Russian energy supplies

as quickly as possible. Among other things, a further emergency regulation was subsequently presented, requiring the member states to commit to voluntary and mandatory reductions in gas consumption. The regulation was adopted by the Council in July 2022. In October 2022, the Commission presented another emergency regulation, which is designed to strengthen solidarity among the member states through joint gas procurement processes and generally defined procedures for the member states to provide each other with gas volumes in a spirit of solidarity. In addition, this regulation introduces the mechanism for setting a price cap for gas trading transactions. This emergency regulation was also adopted by the Council in December 2022.

2.1.4. Energy-policy developments in Germany

2022 was an extraordinary year for the energy industry. With the start of Russia's war of aggression against Ukraine, energy supply unexpectedly became the focus of public discussion. *Zeitenwende* - the German word of the year 2022 meaning historic turning point - also describes the transformation that the energy sector has undergone in the past twelve months. Falling supply volumes from Russia and dwindling confidence in what was, until then, the most important supplier country caused a flurry of activity among politicians and also on the markets. Trading prices for electricity and gas reached unimagined heights at times and led to distortions in the value chain.

The German government's Emergency Gas Plan, administered by the BNetzA, provides for a total of three levels. The second level, the alert level, has applied since 23 June 2022. When the alert level is in force, there are no shutdowns or similar market interventions ordered by the BNetzA. These are only possible when the emergency level (third and final crisis level) has been declared. However, the alert level sends a clear signal to all gas consumers, from industry to private households, that gas must be saved wherever possible in order to get through the autumn and winter safely. Gas supply in Germany remained stable in 2022 thanks to consumption savings, well-filled storage facilities and the mild weather. Overall, the BNetzA continues to assess the situation as tense and cannot rule out that it may deteriorate further.

The so-called gas price brake, a cap designed to cushion the financial impact for all gas consumers of the sharp rise in the cost of gas, was a comprehensive legislative project in 2022, for which an expert commission was specially appointed with representatives from the coalition government parties, business and science. For private households, small and medium-sized enterprises with a gas consumption of less than 1.5 million kWh per year, along with care facilities, research and educational institutions, the gas price is to be capped at 12 cents gross per kilowatt hour from March 2023 to April 2024 for 80% of the annual consumption forecast in September 2022. Although the price brake for natural gas and heat is to apply from 1 March 2023 to 30 April 2024, the relief amounts for January and February 2023 will also be applied retroactively in March 2023. This means that private households as well as small and medium-sized enterprises are protected from very sharp price increases for the whole of 2023 and into spring 2024. The temporary gas price brake is also intended to help industry, which is likewise affected by high prices, safeguard production and employment from January 2023. The price per kilowatt hour for industrial customers will be capped at 7 cents net for 70% of the gas volume consumed in 2021.

The German government prepared a second evaluation report on the Carbon Dioxide Storage Act, which will serve as a basis for the German government's carbon management strategy. This is to be a second attempt to create an appropriate regulatory framework for the capture and subsequent use of carbon dioxide as well as for the safe and permanent storage of carbon dioxide in Germany. The evaluation report, which was adopted in December 2022, must be published every four years. It stipulates that the planned carbon management strategy must define possible fields of application (industry, energy, waste management) for the storage and use of carbon dioxide. The question of whether carbon dioxide should also be stored in Germany also has to be answered. According to the report, the German government will initially focus on the development of the carbon dioxide infrastructure with a view to the carbon management strategy.

The German government is also working on the continuation of the National Hydrogen Strategy, which is expected to be published sometime in 2023. The National Hydrogen Strategy provides a coherent framework for action along the entire hydrogen value chain - from production and transport to use and re-use - and underpins this with an action plan outlining specific measures. The goal of this strategy is to advance the use of climate-friendly hydrogen technologies and establish hydrogen produced from renewable energies and its downstream products as key elements of the energy transition in order to reduce greenhouse gas emissions. The first version was published in June 2020 and is now being updated.

2.2 Business performance

2.2.1. National regulations

The revenue cap applicable to the 2022 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 BNetzA approved the regulatory account balance for the year 2017. The procedure for the 2018 to 2022 balances has not yet been completed.

In 2022, OGE carried out the BNetzA's cost examination procedure in accordance with section 6, para. 1 ARegV to determine the base level as the basis for setting the revenue cap for the 4th regulatory period. In a letter dated 27 July 2022, the BNetzA informed OGE of the cost level for the 4th regulatory period. This cost level and the respective comparability calculation for determining standardised capital costs are the basis for the BNetzA's efficiency benchmarking pursuant to section 12 ARegV.

In accordance with the determination dated 6 January 2021, on 30 April 2021 the BNetzA was provided with the load, structure and sales volume data needed for performing efficiency benchmarking – which follows the cost examination procedure. Following a phase when the BNetzA checked the plausibility of the data, a consultation meeting was held on 27 September 2022, at which the BNetzA and the consortium of consultants it had mandated presented initial, preliminary ideas for deriving a model, including the selection

of structure parameters. OGE commented on these ideas on 25 October 2022. In a letter dated 8 February 2023, the BNetzA informed OGE that the efficiency factor for the 4th regulatory period (2023-2027) is 100 %. As things now stand, a final decision on the determination of the revenue cap for the 4th regulatory period is expected in the first half of 2023.

On 8 November 2022, the Ruling Chamber 9 ("BK9") of the BNetzA decided on a determination of imputed useful lives of natural gas infrastructure (German abbreviation "KANU"). This opens up the possibility for gas network operators to adjust the imputed useful lives more closely to climate protection targets as part of the calculation of the revenue cap. For investments from 2023 onwards (for liquefied natural gas (LNG) connecting pipelines from 2022 onwards) it is now possible to select the imputed useful lives so that they do not extend beyond 2045. This ensures that new investments for which no subsequent use is to be expected due to the transformation process in the gas industry are fully refinanced. The network operator can base the imputed useful life for LNG connecting pipelines on the expected operating life of the connected LNG facility.

Furthermore, on 8 November 2022, the Ruling Chamber 9 decided on a determination on volatile costs for various aspects of natural gas transmission (German abbreviation "VOLKER"). According to the VOLKER determination, energy costs in connection with the preheating of gas are now also classified as volatile cost components pursuant to section 11, para. 5, sentence 2 ARegV. Costs in connection with the deodorisation of gas, costs from claims for compensation due to measures pursuant to section 16, para. 2, sentence 1 EnWG and from the feed-in of gas that does not comply with the rules will in future also be classified as volatile cost components within the framework of the revenue cap.

Under section 9, para. 3 ARegV, the BNetzA is required to determine the general sectoral productivity factor (Xgen) before the beginning of each regulatory period for the entire duration of the regulatory period using state-of-the-art methods. On 14 April 2022, OGE submitted the required data for the calculation of Xgen for the 4th regulatory period in accordance with the data collection requirements of Ruling Chamber 4 (decision of 7 July 2021). At this point in time, the procedure has not yet been completed. The method applied in the procedure is, among other things, based on the efficiency benchmarking of the distribution and transmission system operators.

The BNetzA had already set the rates of return on equity for the 4th regulatory period on 12 October 2021. Accordingly, from 2023 onwards the rate of return on equity (before corporation tax, after trade tax) for new assets will be 5.07 % and for old assets (capitalised before January 2006) 3.51 %. OGE has lodged an appeal against this decision with the Higher Regional Court of Düsseldorf. The date set for the hearing before the Higher Regional Court of Düsseldorf is 13 June 2023.

2.2.2. Network development plans and market area conversion

Both European and national regulations require network operators to draw up plans which determine future network expansion requirements and set out the plans for network expansion. In line with the provisions of the 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.

The gas network development plan that is currently binding is still the Gas Network Development Plan 2020-2030 with a total volume of NDP investments of some € 7.8 billion by 2030, of which OGE accounts for some € 1.6 billion.

In the period from 16 December 2022 to 31 January 2023, the transmission system operators consulted with the public on the results of the Gas Network Development Plan 2022-2032 (Gas NDP 2022-2032). The consultation primarily focused on the network expansion measures identified for the three so-called LNGplus security of supply variants with an investment volume of around € 4.1 billion to € 5.4 billion for the enlargement of the transmission network by approx. 800 to 1,060 km and an additional compressor capacity of 165 to 250 MW to be installed by 2032. OGE's share of the investment volume is some € 0.9 billion to € 1.8 billion. The transmission system operators did not present a concrete network expansion proposal in the consultation document.

Prior to publication of the consultation document on the Gas NDP 2022 – 2032, the BNetzA confirmed the scenario framework with the assumptions made and framework conditions for the Gas NDP 2022 - 2032 on 20 January 2022. In view of the geopolitical developments resulting from the Russian war of aggression on Ukraine, the transmission system operators reviewed their assumptions for the supply of natural gas and were required by the BNetzA to model the partial replacement of Russian gas feed-ins with gas from LNG facilities on the German North Sea and Baltic Sea coasts as well as by imports via interconnection points to neighbouring countries to the west in three LNG security of supply variants. The transmission system operators published the results of the LNG security of supply variants in an interim status report on the Gas Network Development Plan 2022 - 2032 on 6 July 2022. In addition to the results of the LNG security of supply variants, the interim status report includes both the results of the modelling of a hydrogen network for the years 2027 and 2032, which was carried out together with other potential hydrogen network operators, as well as the results of the base variant for natural gas, which were still calculated on the basis of the assumptions made before the events of the war.

Furthermore, in consultation with the BNetzA, the transmission system operators further revised the assumptions for the supply of natural gas in the scenario framework for the Gas NDP 2022 - 2032 in order to model a complete substitution of Russian natural gas feed-ins with volumes from LNG plants in Germany and natural gas imports from neighbouring countries to the west. In the course of this, the TSOs proposed a supplement to the scenario framework involving three additional, so-called LNGplus security of supply variants and consulted with market players on the supplemented scenario framework in the period from 26 September to 16 October 2022. The supplemented scenario framework was confirmed by the BNetzA in a letter dated 11 November 2022 and forms the basis for the results of the Gas NDP 2022 - 2032, on which consultations took place from 16 December 2022 to 31 January 2023.

The transmission system operators intend to submit the draft document for the Gas NDP 2022-2032 with a concrete network expansion proposal to the BNetzA by the end of the first quarter of 2023, taking into account the comments received during the consultation. The BNetzA will publish this draft in accordance with the requirements of section 15a EnWG in order to allow all network users to express an opinion. The

BNetzA may request amendments to the network development plan from the transmission system operators within three months of publication of the result of its consultation. These changes must then be implemented by the transmission system operators within three months. The transmission system operators expect the BNetzA's request for amendments to the Gas NDP 2022-2032 in autumn 2023.

In a separate chapter, the Gas Network Development Plan 2022-2032 goes into detail on the challenges of the L-gas to H-gas conversion plans (market area conversion). For example, 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 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 security of gas supply. 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 transmission system operators spread the cost of this work over the whole of Germany by means of a separate charge.

As part of the plans to switch over from L-gas to H-gas, L-gas quantity and capacity balances are established in the Gas Network Development Plan 2022-2032. 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 Gas Network Development Plan 2022-2032.¹

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 2022, the conversion process at OGE affected 15 distribution network operators and 221 directly connected industrial customers in North Rhine-Westphalia and the Rhineland-Palatinate. All network expansion measures necessary for the change-over from L-gas to H-gas in 2022 were commissioned on time so all switches were carried out as planned in 2022. According to current plans, OGE will have completed conversion to H-gas by 2029.

2.2.3. Technical projects

In 2022, OGE performed various measures to upgrade and expand its technical infrastructure. They included work carried out by Mittel-Europäische-Gasleitungsgesellschaft mbH & Co. KG (MEGAL), Essen, Trans Europa Naturgas Pipeline GmbH & Co. KG (TENP), Essen, Mittelrheinische Erdgastransportleitungsgesellschaft mbH (METG), Essen, Nordrheinische Erdgastransportleitungsgesellschaft mbH & Co. KG (NETG), Dortmund and ZEELINK GmbH & Co. KG (ZEELINK), Essen, which are integrated in the OGE network.

Due to Russia's war of aggression against Ukraine and the resulting loss of Russian gas supplies to Germany, the German government has commissioned the construction of several LNG terminals. OGE is

¹ Source: Gas Network Development Plan 2022 -2032 (consultation document), p. 86.

constructing and operating the connecting pipelines (WAL) for two of these terminals in Wilhelmshaven. WAL I (approx. 26 km, DN1000) will connect the Uniper LNG terminal with the existing gas pipeline transmission system. Thanks to the massive effort of all those involved, the pipeline and two GPRM stations were planned in roughly ten months and put into operation in December. The new construction project WAL II (approx. 2 km, DN1000) continues WAL I and ties in a further LNG terminal in Wilhelmshaven to the gas pipeline transmission system. Commissioning is scheduled for the end of 2023. The realisation of projects could be simplified by the LNG Acceleration Act, which came into effect on 1 June 2022.

One of the projects of MEGAL, a project company of OGE and GRTgaz Deutschland GmbH, Berlin, is the project to extend the Rimpur 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 compressor units are in transport operation. 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 (approx. 38 km, DN 1000) and Hülgelheim to Tannenkirchen (approx. 15 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 (approx. 13 km, DN 1000), Schwarzach to Eckartsweier (approx. 29 km, DN 1000) and Tannenkirch to Hüdingen (approx. 15 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 NDP pipeline project Heiden to Dorsten (approx. 17 km, DN 500) 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 Ertstadt-to-Euskirchen pipeline (EUSAL, approx. 18 km, DN 400) was commissioned.

The pressure tests on a pipeline from Voigtslach to Paffrath (approx. 24 km, DN 900) have been successfully completed. This is an NDP pipeline project of NETG, a project company of OGE and Thyssengas GmbH, Dortmund. Commissioning is scheduled for March 2023.

A ZEELINK project – a joint project of Thyssengas GmbH, Dortmund, and OGE – consisting of two compressor stations in Würselen (3 x 13 MW) and Legden (2 x 13 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. Construction work at the compressor station in Legden is 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 Germany.

Various operational projects are being carried out in preparation for the transport of hydrogen in OGE's network. For example, the engineering of a hydrogen feed-in plant in Haren was completed in November 2022. The plant will start feed-ing power-to-gas hydrogen (produced by a third-party) into the OGE network in mid-2023. The hydrogen training track was designed to train employees in the operational handling of hydrogen assets. It will be constructed on the Werne com-pressor station site and is to be commissioned at the beginning of 2024. The "KRUH2" is a project at the Krummhörn station involving the setting-up of a hydrogen cycle - from production through intermediate storage to use of the hydrogen for heat production and in mobility. It is scheduled to go into service in mid-2023. In 2022, a compressor unit was successfully run in pilot operation using different hydrogen concentrations in the fuel gas (up to 25 %).

2.3 Net assets, financial position and results of operations

The 2022 financial year was dominated by the Russian war of aggression against Ukraine. OGE is continuously monitoring current developments and, as an operator of critical infrastructure, has taken appropriate precautions to ensure operation and thus security of supply.

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 TRIFcomb².

2.3.1. Result of operations

The geopolitical situation with persistent supply-side bottlenecks and rising energy prices led in part to changes in gas flows and consequently to changes in the booking behaviour of customers. In the light of developments, OGE was in constant dialogue with the other German and European network operators and

² 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.

the relevant authorities. It was therefore possible to quickly identify potential bottlenecks in supply and immediately coordinate and initiate any necessary measures at the transport level.

With effect from 1 January 2022, OGE adjusted the uniform transport tariffs for entry and exit. Compared with the 4th quarter of 2021 when the uniform tariff was first applied in the market area, the fee for the booking of firm, freely allocable entry and exit capacities was some 7.6% lower in 2022. The uniform fee applicable from 1 January 2022 for firm, freely allocable transport capacity is based in particular on changes in the forecast capacity booking behaviour and on the TSOs' allowed revenues approved by the Federal Network Agency for 2022.

Overall, OGE increased its total revenues in 2022, contrary to the forecast made in the previous year, by 34.5% to € 1,644.3 million (previous year: € 1,222.4 million). Revenues increased by 29.8% to € 1,574.1 million (previous year: € 1,212.3 million), which is mainly due to considerable additional bookings at the north-western entry points as a result of declining natural gas deliveries from Russia, with associated auction surcharges and regulatory account effects. The total consists of revenues from the gas transport business and from the services business. Revenues from the gas transport business amounted to € 1,355.2 million in the 2022 financial year (previous year: € 947.4 million).

Revenues from the gas transport business were € 37.6 million lower than the revenue cap expected and allowed under section 4 of the Incentive Regulation Ordinance (ARegV). The revenue shortfall is due, on the one hand, to the fact that, as a result of the sharp rise in energy prices and the distortions on the European natural gas market, significantly higher volatile costs pursuant to section 11, para. 5, sentence 1, no. 1 ARegV were incurred than anticipated at the time the fees were calculated (May 2021). Higher returns from investment measures also have to be taken into account. The main reason for this is the construction of the Wilhelmshaven connecting pipeline (WAL) and the relevant GPRM stations for tying in the newly built LNG terminal to the gas pipeline transmission system. The returns from investment measures that are included in the revenue cap for the financial year are in fact higher. This is, in particular, due to higher interest rates on the capital markets and thus a higher rate of return on equity (EK-II-Zinssatz) for investment measures (old assets) compared with the previous year as well as the increased volume of investments. The allowed revenue cap is therefore higher than the planned revenue cap. In accordance with section 21b of the Energy Industry Act (EnWG), the resulting revenue shortfalls were initially recognised under the balance sheet item "Other assets" as of the reporting date and, in accordance with the ARegV mechanism, will be taken into account in the years 2025 to 2027 in the respective fee calculation, thereby increasing the fees. Revenues from the services business including the change in work in progress totalled € 228.9 million (previous year: € 212.7 million).

Cost of materials increased very sharply compared with the previous year by € 437.1 million. The increase is due in particular to higher prices for fuel gas and electricity.

Income from equity investments increased by € 14.0 million compared with the previous year. The increase is mainly the result of the investment with TENP.

Interest expenses were, at € 94.9 million, significantly higher than in the previous year (€ 38.8 million). The increase is mainly due to the measurement of provisions for pensions and similar obligations and the revised valuation of plan assets.

OGE's profit before tax fell by € 71.4 million compared with the previous year to € 201.0 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 totalled € 118.8 million in the 2022 financial year and was therefore, as expected, well below the figure for the previous year (€ 203.2 million). As a result, profit in the amount of € 118.8 million (previous year: € 203.2 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 2022 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 and running 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). In February 2022, the previous ancillary credit line was replaced by an ancillary credit line in the same amount with an extended term until 4 August 2024. All outstanding guarantees under the previous ancillary credit line were transferred to the new credit line and are deemed to have been issued under the new agreement. As of 31 December 2022, € 0.4 million had been utilised 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 2022, € 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 2022 financial year, € 65.0 million was added to the plan assets for pension obligations and € 15.0 million for long-term working-time account obligations.

As at the reporting date, the fund's assets fell short of the provisions set up at OGE for pension obligations by € 31.0 million and for long-term working-time account obligations by € 3.0 million. The percentage of cover for pension obligations is 94.9% and for long-term working-time account obligations 95.4%.

Liquid funds totalled € 212.0 million as at 31 December 2022, increasing by € 144.1 million compared with the previous year. In the 2022 financial year, OGE generated cash flow from operating activities of € 196.4 million (previous year: € 292.0 million). Cash flow from investing activities amounted to € -184.9 million (previous year: € -189.4 million) and, in addition to purchases of investments, contains income received from equity investments in the amount of € 86.6 million (previous year: € 23.4 million). Cash flow from financing activities totalled € 132.6 million (previous year: € -87.8 million) and was mainly from a capital contribution from VGT in the amount of € 250.0 million and, having the opposite effect, cash outflow for profit distribution to VGT in the amount of € 118.2 million. Therefore, cash flow was well above the level of the previous year.

2.3.3. Net assets

OGE's total assets amounted to € 3,459.3 million as at the reporting date of 31 December 2022 (previous year: € 3,075.3 million). This gives an equity ratio of 73.3% (previous year: 74.3%). Of the external funds, provisions account for 64.3% (previous year: 71.9%), liabilities for 35.6% (previous year: 27.6%) and deferrals for 0.1% (previous year: 0.5%). Fixed assets accounted for € 2,896.3 million as at the reporting date (previous year: € 2,757.1 million) and therefore 83.7% (previous year: 89.7%) of OGE's total assets.

As expected, in the 2022 financial year OGE again made high investments in fixed assets totalling € 248.8 million (previous year: € 238.9 million). Of this figure, € 31.0 million went into the expansion and upgrading of compressor stations (previous year: € 26.4 million). The construction of a new compressor unit in Werne accounted for € 16.1 million. OGE invested € 156.7 million in expanding and upgrading pipelines (previous year: € 80.1 million), including € 115.1 million in a connecting pipeline to the LNG terminal 1 in Wilhelmshafen and € 4.7 million in the laying of the pipeline section from Gelsenkirchen to Heßler. Other investments accounted for € 55.5 million (previous year: € 51.7 million) and included investments in gas pressure regulating and metering systems (€ 36.6 million) and IT measures (total of € 11.1 million).

Investments relating to obligations under the Network Development Plan therefore accounted for a total of € 23.0 million (previous year: € 57.1 million).

Financial investments totalled € 36.1 million. Additions to financial assets mainly relate to capital injections into ZEELINK (€ 17.5 million) and NETG (€ 18.6 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 2022 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 € 1,386.9 million in the past financial year (previous year: € 962.8 million), the “Grid Business” segment recorded a profit after tax of € 34.3 million (previous year: € 108.7 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 € 0.8 million in the past financial year (previous year: € 1.7 million) from revenues of € 7.8 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, business and IT services as well as activities concerning CO₂ and other gas. In the past financial year, this segment posted a profit after tax of € 84.3 million (previous year: € 93.5 million) from revenues of € 179.4 million (previous year: € 242.0 million) and income from equity investments of € 100.7 million (previous year: € 86.6 million).

3. Environmental and employee matters

3.1 Environmental protection

In October 2022, OGE passed external 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) and DIN ISO 45001 (Occupational Health and Safety Management). Furthermore, certification of the Energy Management System to DIN EN ISO 50001 was successfully extended for a further three years. Renewed confirmation of Technical Safety Management (TSM) certification according to DVGW G1000 was also obtained.

OGE attaches very great importance to environmental protection. The relevant environmental protection requirements were taken into account and complied with during construction work and the ongoing operation of the pipeline network. As a result, there were no significant environmental incidents in the reporting year.

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 2021 were submitted via the EU register in April 2022. OGE was subject to the new requirements of national emissions trading in accordance with the Fuel Emissions Trading Act (BEHG) for the first time for calendar year 2021. Here, too,

the report was submitted on time in July 2022 and the relevant certificates were submitted in September 2022. 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 EU directives. In accordance with the IMEO report written by the OGMP on the reporting and monitoring of methane emissions of the gas industry, in 2022 OGE met all requirements for the reporting year 2021 retroactively and again 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. Moreover, in order to exploit further potential for emission reduction, three mobile flare systems are used, particularly for small or residual quantities of methane. The mobile units make a significant contribution to reducing methane emissions both in the company's own network and in third party networks. In addition, the combination of mobile compressor and flare systems with simultaneous nitrogen inerting was successfully tested and optimised. The combined use of these technologies almost completely avoids methane emissions during pipeline repairs.

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 2022, OGE had 1,562 employees (excluding the Board of Management and apprentices). Personnel expenses during the financial year amounted to € 201.9 million (previous year: € 187.0 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. At the end of 2022 some refugees were serving apprenticeships to become industrial mechanics.

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 2022 financial year were achieved. The number of work-related accidents,

measured in terms of TRIFcomb³, is continuing to fall on a long-term average. As in the previous year, this indicator remained at a low level of 3.8 (previous year: 3.7). 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.

4. Corporate governance statement in accordance with section 289f, para. HGB⁴

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 2022 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 are to be achieved by 31 December 2026. By this date, the percentage of women on the above-mentioned bodies or management levels shall be as follows:

Supervisory Board: 17 %

Board of Management: 33 %

Head of division: 17 %

Head of department: 16 %

In order to increase the number of female managers, OGE continues to rely not only on external recruitment but also on suitable promotion and staff development measures and will step up such action in future. In the first step, the OGE diversity strategy "Zusammen Füreinander" (Together – For one another), which was launched at the end of 2022, focuses, among other things, on the diversity criterion, gender. All measures are flanked by a wide range of support offerings to achieve a better work-life balance. 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

³ 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.

⁴ 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.

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.

As part of its corporate strategy, OGE examines long-term opportunities and risks, especially with a view to the transformation of the energy sector towards climate-neutral energy sources. Potential long-term threats to the traditional natural gas transport business are offset by significant opportunities offered by the development of a transport infrastructure for hydrogen, synthetic gases and CO₂. OGE has actively initiated a number of projects and supports the development of the necessary framework to open up future business activities in these areas.

5.1.1. Description of the opportunity and risk management process

The opportunity and risk situation of the company is assessed and documented every six months 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	$> 5 \leq 20$
	high	> 20
Cumulative net impact in € million over 5 years	low	$\geq 100 \leq 200$
	medium	$> 200 \leq 300$
	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

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

Probability of occurrence: low

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 from cyberattacks which basically might lead to the failure of parts of the IT systems and thus to a temporary negative impact on business activities. In addition to failure through deliberate, unauthorised modification (external access), there is also the possibility of an impairment of functionality due to errors occurring during operation or hardware and software component faults. 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.

Marketing of transport capacities:

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 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

A stable supply situation in Europe continues to depend on high LNG volumes being delivered to the EU and generally on all import routes being used to capacity. Supply bottlenecks were avoided despite the almost complete loss of Russian imports in the past financial year. It can be assumed that, together with their European partners and the authorities responsible, the German transmission system operators will continue to be able to guarantee a secure supply situation. In addition, with the LNG Acceleration Act, the German government is ensuring that the construction of gas pipelines and infrastructure for LNG terminals is accelerated. The floating terminal in Wilhelmshaven was put into service in December 2022, the first of five new LNG terminals. The terminal was tied into the existing gas transmission system through the connecting pipeline built by OGE. Further investments in the gas infrastructure in the region are planned so the additional volumes of gas can be transported onwards through the downstream transport infrastructure.

The German gas grid has a fundamentally flexible structure, is integrated in the European gas transmission system 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 this 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 of 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.

Overall, the Board of Management is expecting the company's total revenues in 2023 to be at the level of the previous year.

The Board of Management expects net income for 2023 before distribution of profits to be significantly above the figure for the previous year due to a significantly higher forecast interest result. The high interest expense in 2022 was mainly due to capital market-related losses in connection with the valuation of provisions for pensions and similar obligations whereas income is expected again for 2023. The market prices for gas are also expected to stabilise at the current level although a reliable forecast seems hardly possible given the various indications of shortages coming from the gas and electricity markets. Furthermore, a certain volatility in the volumes of gas used cannot be excluded. 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.

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. In addition, further investments in the enlargement of the gas network are planned in 2023 so additional LNG volumes can be accommodated. The forecast is therefore still high but much lower than in 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 2022 financial year

Balance Sheet as of 31 December 2022

	Note	31 Dec 2022 €	31 Dec 2021 €
Assets			
A. Fixed assets			
I. Intangible assets	(1)		
1. Internally generated intangible assets		4,063,183.22	5,292,085.13
2. Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets		39,670,332.42	44,995,091.29
3. Prepayments		4,785,481.12	7,148,017.64
		48,518,996.76	57,435,194.06
II. Tangible assets	(2)		
1. Land, land rights and buildings, including buildings on third-party land		164,759,302.62	166,225,571.83
2. Technical equipment and machinery		1,454,880,088.89	1,321,437,012.55
3. Other equipment, operating and office equipment		43,767,470.15	43,751,500.78
4. Prepayments and assets under construction		101,342,075.40	121,148,204.45
		1,764,748,937.06	1,652,562,289.61
III. Financial assets	(3)		
1. Shares in affiliated companies		864,344,315.90	846,853,273.39
2. Other long-term equity investments		216,500,724.55	197,915,016.41
3. Other loans		2,222,854.55	2,352,009.33
		1,083,067,895.00	1,047,120,299.13
		2,896,335,828.82	2,757,117,782.80
B. Current assets			
I. Inventories	(4)		
1. Raw materials and supplies		15,128,771.04	14,275,915.34
2. Work in progress		68,907,161.67	58,878,279.24
3. Merchandise		37,204,872.29	50,187,710.30
4. Other inventories		27,977,588.51	7,137,719.16
		149,218,393.51	130,479,624.04
II. Receivables and other assets	(5)		
1. Trade receivables		39,933,461.83	36,113,542.04
2. Receivables from affiliated companies		26,537,095.58	25,370,739.70
3. Receivables from companies in which equity investments are held		30,457,332.74	32,245,315.77
4. Other assets		89,644,456.19	21,353,316.38
		186,572,346.34	115,082,913.89
III. Cash in hand and bank balances	(6)	211,963,424.22	67,879,611.55
		547,754,164.07	313,442,149.48
C. Prepaid expenses		2,094,368.47	2,266,272.60
D. Excess of plan assets over post-employment benefit liability		0.00	2,441,380.98
		3,446,184,361.36	3,075,267,585.86

		31 Dec 2022	31 Dec 2021
		€	€
Shareholders' Equity and Liabilities			
A. Shareholders' equity	(7)		
I. Subscribed capital		110,324,332.00	110,324,332.00
II. Capital reserve		1,633,703,067.78	1,383,703,067.78
III. Revenue reserves		791,520,579.61	791,520,579.61
		2,535,547,979.39	2,285,547,979.39
B. Special item for investment grants for fixed assets		509,398.04	126,958.40
C. Provisions	(8)		
1. Provisions for pensions and similar obligations		40,512,575.67	9,423,089.00
2. Tax provisions		0.00	8,008.14
3. Other provisions		553,800,490.34	558,122,048.97
		594,313,066.01	567,553,146.11
D. Liabilities	(9)		
1. Liabilities to banks		857.18	0.00
2. Payments received on account of orders		20,178,523.68	22,620,438.73
3. Trade payables		99,416,077.54	40,326,806.35
4. Liabilities to shareholders		89,361,237.71	68,531,245.83
5. Liabilities to affiliated companies		38,603,252.57	35,111,660.43
6. Liabilities to companies in which equity investments are held		23,495,129.67	32,075,794.34
7. Other liabilities		29,273,973.91	19,330,758.55
		300,329,052.26	217,996,704.23
E. Deferred income	(10)	15,484,865.66	4,042,797.73
		3,446,184,361.36	3,075,267,585.86

Income Statement

for the period from 1 January to 31 December 2022

		2022	2021
	Note	€	€
1. Revenues	(11)	1,574,095,030.63	1,212,264,108.71
2. Change in finished goods and work in progress		10,028,882.43	-52,136,192.15
3. Other own work capitalised	(12)	22,866,488.03	21,731,555.27
other operating income			
4. - of which income from currency translation: € 17,302.07 (previous year: € 20,120.73)	(13)	37,297,405.51	40,575,287.16
5. Cost of materials	(14)		
a) Cost of raw materials and supplies		-447,836,272.64	-79,233,531.56
b) Cost of purchased services		-568,036,401.35	-499,526,205.28
		-1,015,872,673.99	-578,759,736.84
6. Personnel expenses			
a) Wages and salaries		-151,194,464.14	-139,895,999.38
Social security, pensions and other benefits			
b) - of which for pensions: € 26,265,755.00 (previous year: € 24,471,876.73)		-50,705,939.02	-47,141,736.44
		-201,900,403.16	-187,037,735.82
7. Amortisation of intangible assets and depreciation of tangible assets	(15)	-146,782,397.56	-143,762,897.34
Other operating expenses			
8. - of which expenses from currency translation: € 269,819.45 (previous year: € 27,877.82)	(16)	-87,645,552.50	-89,184,448.25
Income from equity investments			
9. - of which from affiliated companies: € 70,100,021.52 (previous year: € 72,115,791.07)	(17)	100,666,463.61	86,631,866.47
Other interest and similar income			
10. - of which from affiliated companies: € 145,454.19 (previous year: € 120,227.56)	(18)	3,151,958.15	833,858.92
Interest and similar expenses			
11. - of which interest expense from unwinding of discounting of provisions: € 29,486,468.92 (previous year: € 82,002,755.15)	(19)	-94,945,540.01	-38,771,897.01
12. Income taxes	(20)	-81,621,035.51	-68,549,961.42
13. Profit after tax		119,338,625.63	203,833,807.70
14. Other taxes	(21)	-515,947.47	-604,130.35
15. Transfers under profit-and-loss transfer agreements	(22)	-118,822,678.16	-203,229,677.35
16. Net income/loss for the year		0.00	0.00

Notes to the financial statements for the 2022 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 2022 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 € 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 published average interest rate of the past ten financial years in the amount of 1.79 % 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: 2.70 % p.a.
- Pension trend: 2.00 % p.a.

The market interest rate of 1.79 % p.a. is based on an estimate made in November 2022. The difference to the discount rate (1.78 %) published in December 2022 is marginal and can therefore be disregarded.

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.

Liabilities

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

Prepaid expenses

Deferred income is recognised for payments received before the reporting date that represent income for a certain period after the reporting date.

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 in the amount of € 11.8 million mainly comprise software.

Total research and development expenses pursuant to section 285, no. 22 HGB amounted to € 0.6 million in the financial year. Of this figure, only € 0.3 million relates to internally generated intangible assets.

(2) Tangible assets

As at the reporting date, the net book value of tangible assets amounted to € 1,764.7 million. Additions to tangible assets in the amount of € 238.9 million break down as follows

• Land, land rights and buildings	1.33 %
• Technical equipment and machinery	70.70 %
• Other tangible assets and assets under construction	27.97 %
	<hr/>
	100,00 %

Additions to technical equipment and machinery result mainly from the construction of a new connecting pipeline to the LNG terminal 1 in Wilhelmshaven (€ 115.1 million), the construction of a GPRM station in Wilhelmshaven (€ 6.0 million), the construction of a new compressor unit in Werne (€ 16.1 million) as well as the laying of the new “Gelsenkirchen-to-Heßler” pipeline section (€ 4.7 million).

(3) Financial assets

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

Additions to financial assets (€ 36.1 million) relate to contributions of € 18.6 million to Nordrheinische Erdgastransportleitungsgesellschaft mbH & Co. KG (NETG), Dortmund and contributions of € 17.5 million to Zeelink GmbH & Co. KG (Zeelink), Essen. Other loans mainly comprise non-interest-bearing loans to employees.

(4) Inventories

The items recognised under inventories relate to work in progress (€ 68.9 million), raw materials and supplies (€ 15.1 million), merchandise (gas stocks in the transmission network (€ 37.2 million)) and emission rights (€ 28.0 million).

The difference resulting from application of the LIFO method for the measurement of gas stocks is € 7.5 million.

(5) Receivables and other assets

Trade receivables result from the service and transport businesses.

Receivables from affiliated companies mainly result in the amount of € 16.1 million from clearing transactions and in the amount of € 8.6 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 € 2.8 million, netted against trade receivables (-€ 0.9 million).

Receivables from companies in which equity investments are held mainly comprise entitlements to profits in the amount of € 16.9 million from Trans Europa Naturgas Pipeline Gesellschaft mbH & Co. KG (TENP), Essen, receivables from Trading Hub Europe GmbH (THE), Ratingen, in connection with a surety in the amount of € 6.4 million as well as entitlements to profits in the amount of € 4.4 million from NETG.

Other assets mainly include benefits in the amount of € 37.4 million from unrealised future regulatory claims from reduced revenues, sales tax and gas tax refund claims in the amount of € 30.5 million and market area conversion and biogas levy accruals of € 18.1 million. At the reporting date, other assets with a remaining term of more than one year totalled € 37.4 million.

(6) Cash in hand and bank balances

Liquid funds relate to cash in hand at the operating sites and credit balances with banks.

(7) 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.

€ 250.0 million was transferred into the capital reserve in the financial year.

Revenue reserves (791.5 Mio. €) 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. Since investments were expected to be lower than originally planned, revenue reserves in the amount of € 30.0 million were reversed in the 2020 financial year and paid out to VGT.

Revenue reserves refer exclusively to "Other revenue reserves" in accordance with section 266, para. 3 A. III, no. 4 HGB.

(8) Provisions

Provisions for pensions and similar obligations contain the provisions for pensions (€ 612.3 million) netted against the corresponding plan assets at Helaba (€ 581.2 million) as well as provisions for gas allowances (9.5 Mio. €).

The difference between the recognition of provisions for pensions and provisions for gas allowances 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 € 41.3 million and € 0.5 million respectively. The plan asset acquisition cost for provisions for pensions amounts to € 498.8 million. In the financial year, payments in the amount of € 65.0 million were made into these plan assets.

Other provisions (€ 553.8 million) mainly comprise provisions for the removal of above-ground facilities amounting to € 160.2 million, provisions for the removal of disused pipelines amounting to € 133.6 million, provisions for regulatory account balancing amounting to € 89.0 million, and staff-related provisions amounting to € 45.7 million. In addition, there are obligations amounting to € 36.3 million to hand over gas in the pipelines.

Staff-related provisions include the excess of liabilities from the offsetting of the plan assets at Helaba (€ 62.9 million) against the corresponding provisions for obligations under long-term working-time accounts (€ 65.9 million). The plan asset acquisition cost for long-term working-time accounts amounts to € 56.4 million. In the financial year, payments in the amount of € 15.0 million were made into these plan assets.

(9) Liabilities

Liabilities as at 31 December 2022:

	Total €	Remaining term of up to 1 year €	Remaining term of 1 to 5 years €	Remaining term of more than 5 years €
Liabilities to banks	857.18	857.18	0.00	0.00
Payments received on account of orders	20,178,523.68	20,178,523.68	0.00	0.00
Trade payables	99,416,077.54	99,315,512.51	100,565.03	0.00
Liabilities to shareholders	89,361,237.71	89,361,237.71	0.00	0.00
Liabilities to affiliated companies	38,603,252.57	38,603,252.57	0.00	0.00
Liabilities to companies in which eq- uity investments are held	23,495,129.67	23,495,129.67	0.00	0.00
Other liabilities	29,273,973.91	14,150,794.91	3,571,009.79	11,552,169.21
<i>(of which taxes)</i>	7,649,882.12	7,649,882.12	0.00	0.00
<i>(of which relating to social security)</i>	3,933.90	3,933.90	0.00	0.00
	<u>300,329,052.26</u>	<u>285,105,308.23</u>	<u>3,671,574.82</u>	<u>11,552,169.21</u>

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
<i>(of which taxes)</i>	5,144,511.53	5,144,511.53	0.00	0.00
	<u>217,996,704.23</u>	<u>207,539,529.62</u>	<u>2,802,165.88</u>	<u>7,655,008.73</u>

There are no liabilities secured by liens or other rights.

Liabilities to shareholders mainly result from the existing profit-and-loss transfer agreement and tax allocations with VGT.

Liabilities to affiliated companies comprise mainly prepayments 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 trade payables in the amount of € 1.6 million which are netted against entitlements to profits in the amount of € 8.6 million. 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 advance payments from customers in the amount of €18.4 million, construction cost subsidies received in the amount of € 16.1 million and taxes of € 7.6 million.

(10) Deferred income

Deferred income in the amount of € 15.5 million mainly includes prepayments from customers.

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 sureties and guarantees). In February 2022, the previous

ancillary credit line for sureties and guarantees was replaced by an ancillary facility in the same amount with an extended term until 4 August 2024. All outstanding sureties under the previously existing ancillary credit line were transferred to the new credit line and are deemed to have been issued under the new agreement. As of 31 December 2022, only the surety credit line had been utilized for the issuing of bank guarantees in the amount of € 0.4 million. In August 2020, OGE had concluded a further surety credit line in the amount of € 10.0 million. As of 31 December 2022, € 1.6 million of this facility had been utilised for the issuing of guarantees. OGE does not expect any claims under the 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 € 235.1 million p.a. at the reporting date from long-term contracts for the beneficial use of the pipeline network, of which €164.6 million p.a. relates to affiliated companies.

Furthermore, other financial obligations in the amount of € 150.0 million exist and relate to purchase commitments. Of this amount, € 6.8 million relates to affiliated companies.

IV. Notes to the income statement

(11) Revenue

In the 2022 financial year, revenues were recognised in accordance with section 277, para. 1 HGB.

Revenues result from the gas transport business and transport-related services (1,355.2 Mio. €) and from technical and commercial services (218.9 Mio. €) they are mainly generated in Germany. € 140.3 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 € 3.3 million in the financial year.

(13) Other operating income

This item mainly contains income from cost reimbursements from third parties for pipeline re-routing in the amount of € 13.8 million, income from the market area conversion and biogas levies in the amount of € 18.1 million, and income not relating to the accounting period from the reversal of provisions in the amount of € 2.3 million. Furthermore, this item contains income not relating to the accounting period in the amount of € 2.0 million.

(14) Cost of materials

Cost of materials covers expenses for fuel energy, beneficial use fees, also in regard to affiliated companies and companies in which equity investments are held, expenses arising from the market area conversion and biogas levies as well as gas tax. 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 € 146.0 million. Of this figure, amortisation of intangible assets accounted for € 20.7 million and depreciation of tangible assets accounted for € 125.3 million. . A write-down on tangible assets in the amount of € 0.8 million was performed in the reporting year.

(16) Other operating expenses

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

(17) Income from equity investments

	2022 €	2021 €
Income from profit and loss transfer agreements	62,431,655.65	61,456,283.59
Income from equity investments	38,236,716.97	25,177,814.92
Cost of loss absorption	-1,909.01	-2,232.04
	<hr/> 100,666,463.61	<hr/> 86,631,866.47

The income from profit-and-loss transfer agreements mainly contains profits transferred from Mittelrheinische Erdgastransportleitungsgesellschaft mbH, Essen, (€ 53.2 million) and Line WORX (€ 8.6 million). The income from equity investments mainly results from equity investment income from TENP (€ 16.9 million) and NETRA (€ 8.6 million).

(18) Other interest and similar income

Other interest and similar income comprise mainly interest income from the unwinding of discounting of provisions, interest income from corporation and trade taxes for previous years as well as interest income from loans and clearing transactions.

(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 € 29.5 million. Of this figure, € 26.0 million relates to the unwinding of discounting of provisions for pension obligations and long-term working-time accounts. Also included in this item are expenses in the amount of 65.3 Mio. € 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 (€ 81.3 million).

(21) Other taxes

This 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 (€ 4.1 million) and accounting for plan assets at fair value (+ + € 88.9 million compared with the acquisition costs) in accordance with section 268, para. 8 HGB result in a total amount of € 93.0 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 358 industrial workers and 1,181 salaried employees (previous year: 341 industrial workers and 1,154 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 (€ 140.4 million) as well as expenses for the beneficial use of the pipeline network (€ 234.7 million).

Supervisory Board of Open Grid Europe GmbH, Essen

The following were members of the Supervisory Board:

Lincoln Hillier Webb

Chairman

Vice President, British Columbia Investment Management Corporation

Hilko Schomerus
Managing Director, Macquarie Capital (Europe) Limited

until 8 March 2023

Pascal De Buck
CEO & Managing Director, Fluxys Belgium SA & Fluxys SA
Permanent Representative of Fluxys SA, Statutory Director of Fluxys Europe SA

from 9 March 2023

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

Önder Ata
Deputy-Chairman of the Works Council of Open Grid Europe GmbH

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

Guy Lambert
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 2022 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
Managing Director responsible for Business Services and Human Resources

Dr Thomas Hübener
Managing Director responsible for Technology

Dr Frank Reiners
Managing Director responsible for Finance and Regulation

In the reporting year, the Board of Management received total remuneration of € 2.7 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 € 7.5 million.

Events after the reporting date

There have been no other events of particular importance as defined by section 285, no. 33 HGB that occurred after the reporting date and are neither taken into account in the income statement nor in the balance sheet.

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, 13 March 2023

Open Grid Europe GmbH

Board of Management

Dr Bergmann

Dr Hübener

Dr Reiners

Statement of changes in fixed assets for the 2022 financial year

	Acquisition and production costs					Cumulative amortisation/depreciation				Net book values	
	01 Jan 2022	Additions	Disposals	Transfers	31 Dec 2022	01 Jan 2022	Additions	Disposals	31 Dec 2022	31 Dec 2022	31 Dec 2021
	€	€	€	€	€	€	€	€	€	€	€
I. Intangible assets											
1. Internally generated intangible assets	11,177,470.43	299,387.65	0.00	0.00	11,476,858.08	5,885,385.30	1,528,289.56	0.00	7,413,674.86	4,063,183.22	5,292,085.13
2. Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	160,468,919.72	7,512,303.23	-6,702,464.06	6,312,571.13	167,591,330.02	115,473,828.43	19,149,633.23	-6,702,464.06	127,920,997.60	39,670,332.42	44,995,091.29
3. Prepayments	7,148,017.64	3,950,034.61	0.00	-6,312,571.13	4,785,481.12	0.00	0.00	0.00	0.00	4,785,481.12	7,148,017.64
	178,794,407.79	11,761,725.49	-6,702,464.06	0.00	183,853,669.22	121,359,213.73	20,677,922.79	-6,702,464.06	135,334,672.46	48,518,996.76	57,435,194.06
II. Tangible assets											
1. Land, land rights and buildings, including buildings on third-party land	322,578,258.79	3,184,757.97	-3,920.63	3,836,929.56	329,596,025.69	156,352,686.96	8,487,747.07	-3,710.96	164,836,723.07	164,759,302.62	166,225,571.83
2. Technical equipment and machinery	5,050,604,646.95	168,869,672.07	-314,121.44	73,197,486.32	5,292,357,683.90	3,729,167,634.40	108,620,924.08	-310,963.47	3,837,477,595.01	1,454,880,088.89	1,321,437,012.55
3. Other equipment, operating and office equipment	120,779,916.76	5,143,604.26	-5,053,635.97	4,441,744.23	125,311,629.28	77,028,415.98	8,995,803.62	-4,480,060.47	81,544,159.13	43,767,470.15	43,751,500.78
4. Prepayments and assets under construction	121,148,204.45	61,670,031.06	0.00	-81,476,160.11	101,342,075.40	0.00	0.00	0.00	0.00	101,342,075.40	121,148,204.45
	5,615,111,026.95	238,868,065.36	-5,371,678.04	0.00	5,848,607,414.27	3,962,548,737.34	126,104,474.77	-4,794,734.90	4,083,858,477.21	1,764,748,937.06	1,652,562,289.61
III. Financial assets											
1. Shares in affiliated companies	847,353,272.39	17,516,042.51	-25,000.00	0.00	864,844,314.90	499,999.00	0.00	0.00	499,999.00	864,344,315.90	846,853,273.39
2. Other long-term equity investments	197,915,016.41	18,585,708.14	0.00	0.00	216,500,724.55	0.00	0.00	0.00	0.00	216,500,724.55	197,915,016.41
3. Other loans	2,446,419.66	0.00	-116,053.60	0.00	2,330,366.06	104,410.33	13,101.18	0.00	117,511.51	2,222,854.55	2,352,009.33
	1,047,714,708.46	36,101,750.65	-141,053.60	0.00	1,083,675,405.51	604,409.33	13,101.18	0.00	617,510.51	1,083,067,895.00	1,047,120,299.13
	6,841,620,143.20	286,731,541.50	-12,215,195.70	0.00	7,116,136,489.00	4,084,512,360.40	146,795,498.74	-11,497,198.96	4,219,810,660.18	2,896,335,828.82	2,757,117,782.80

Open Grid Europe GmbH

List of shareholdings in accordance with section 285, no. 11 HGB as of 31 December 2022

Company	Shareholdings in %	Equity (in €k) ¹⁾ 31 Dec 2022	Annual result (in €k) ¹⁾ 2022	Foot- note
Major affiliated companies				
Line WORX GmbH, Essen	100.00	84,725	8,579	2), 4)
MEGAL Mittel-Europäische-Gasleitungsgesellschaft mbH & Co. KG, Essen	51.00	74,548	12,996	4)
Mittelrheinische Erdgastransportleitungsgesellschaft mbH, Essen	100.00	64,150	53,165	2), 4)
Zeelink GmbH & Co. KG, Essen	75.00	740,787	1,251	4)
Other major equity investments				
GasLINE Telekommunikationsnetzgesellschaft deutscher Gasversorgungsunternehmen mbH & Co. KG, Straelen	29.24	131,718	33,320	5)
NETRA GmbH Norddeutsche Erdgas Transversale & Co. KG, Schneiderkrug	55.94	64,701	14,921	4)
Trans Europa Naturgas Pipeline Gesellschaft mbH & Co. KG, Essen	51.00	233,360	18,611	4)
Affiliated companies of minor importance				
MEGAL Verwaltungs-GmbH, Essen	51.00	56	2	4)
NEL Beteiligungs GmbH, Essen	100.00	25	-1	2), 4)
Open Grid Regional GmbH, Essen	100.00	500	-1	2), 4)
PLEdoc GmbH, Essen	100.00	589	479	2), 4)
Zeelink-Verwaltungs-GmbH, Essen	75.00	36	2	4)
Other equity investments of minor importance				
DEUDAN-Deutsch/Dänische Erdgastransport-Gesellschaft mbH, Handewitt	24.99	5,702	1,186	4)
DEUDAN-Deutsch/Dänische Erdgastransport-Gesellschaft mbH & Co. Kommanditgesellschaft, Handewitt	24.99	88	2	3), 4)
evety GmbH, Essen	40.00	1,349	-243	3), 4)
GasLINE Telekommunikationsnetz-Geschäftsführungsgesellschaft deutscher Gasversorgungsunternehmen mbH, Straelen	29.24	76	2	5)
H2UB GmbH, Essen	40.00	68	-32	3), 4)
Liwacom Informationstechnik GmbH, Essen	33.33	601	206	3), 4)
NETRA GmbH-Norddeutsche Erdgas Transversale, Schneiderkrug	50.00	119	2	3), 4)
Nordrheinische Erdgastransportleitungsgesellschaft mbH & Co. KG, Dortmund	50.00	135,022	8,850	4)
Nordrheinische Erdgastransportleitungs-Verwaltungs-GmbH, Dortmund	50.00	43	1	3), 4)
PRISMA European Capacity Platform GmbH, Leipzig	1.33	1,801	212	3), 4)
Trading Hub Europe GmbH, Ratingen	9.09	6,077	577	3), 4)
Trans Europa Naturgas Pipeline Verwaltungs-GmbH, Essen	50.00	54	2	4)

¹⁾ Equity and annual result based on accounting 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 shares are held by Open Grid Europe GmbH.

⁵⁾ Company shares are held by Line WORX GmbH.

Activity Reports 2022

Unbundling balance sheet as of 31. December 2022

Assets	€	Grid Business	Other Activities within Gas Sec- tor	Activities outs- ide Gas Sector	Consolidation Column	Sum
A. Fixed assets						
I. Intangible assts						
1. Internally generated intangible assets		3,759,556.49	7,183.57	296,443.16	0.00	4,063,183.22
2. Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets		35,506,941.80	582,477.31	3,580,913.31	0.00	39,670,332.42
3. Prepayments		3,482,923.78	90,757.44	1,211,799.90	0.00	4,785,481.12
		42,749,422.07	680,418.32	5,089,156.37	0.00	48,518,996.76
II. Tangible assets						
1. Land, land rights and buildings, including build-ings on third-party land		154,083,074.77	188,836.07	10,487,391.78	0.00	164,759,302.62
2. Technical equipment and machinery		1,454,350,864.31	11,796.43	517,428.15	0.00	1,454,880,088.89
3. Other equipment, operating and office equip-ment		30,689,665.42	139,457.92	12,938,346.81	0.00	43,767,470.15
4. Prepayments and assets under construction		98,143,417.74	44,304.49	3,154,353.17	0.00	101,342,075.40
		1,737,267,022.24	384,394.91	27,097,519.91	0.00	1,764,748,937.06
III. Financial assets						
1. Shares in affiliated companies		0.00	0.00	864,344,315.90	0.00	864,344,315.90
2. Other long-term equity investments		0.00	0.00	216,500,724.55	0.00	216,500,724.55
3. Other loans		1,389,120.08	25,773.40	807,961.07	0.00	2,222,854.55
		1,389,120.08	25,773.40	1,081,653,001.52	0.00	1,083,067,895.00
		1,781,405,564.39	1,090,586.63	1,113,839,677.80	0.00	2,896,335,828.82
B. Current assets						
I. Inventories						
1. Raw materials and supplies		14,248,276.56	1,512.89	878,981.59	0.00	15,128,771.04
2. Work in progress		4,264,334.63	0.00	64,642,827.04	0.00	68,907,161.67
3. Merchandise		37,204,872.29	0.00	0.00	0.00	37,204,872.29
4. Other inventories		27,977,588.51	0.00	0.00	0.00	27,977,588.51
		83,695,071.99	1,512.89	65,521,808.63	0.00	149,218,393.51
II. Receivables and other assets						
1. Trade receivables		17,294,244.70	930,843.96	21,708,373.17	0.00	39,933,461.83
2. Receivables from shareholders		0.00	0.00	0.00	0.00	0.00
3. Receivables from affiliated companies		1,441,925.08	49,945.78	25,045,224.72	0.00	26,537,095.58
4. Receivables from companies in which equity in-vestments are held		2,749,785.87	0.00	27,707,672.55	-125.68	30,457,332.74
5. Other assets		82,172,665.83	513,236.32	6,958,554.04	0.00	89,644,456.19
from that receivables with a residual term of one year		37,430,000.00	0.00	0.00	0.00	37,430,000.00
		103,658,621.48	1,494,026.06	81,419,824.48	-125.68	186,572,346.34
III. Cash in hand and bank balances		60,388,379.57	1,441,351.28	150,133,693.37	0.00	211,963,424.22
		247,742,073.04	2,936,890.23	297,075,326.48	-125.68	547,754,164.07
C. Prepaid expenses		1,369,516.60	17,055.15	707,796.72	0.00	2,094,368.47
D. Excess of plan assets over post-employment benefit lia-bility		0.00	0.00	0.00	0.00	0.00
E. Capital clearing item		526,753,337.36	0.00	1,461,343.61	-528,214,680.97	0.00
		2,557,270,491.39	4,044,532.01	1,413,084,144.61	-528,214,806.65	3,446,184,361.36

Shareholders' equity and Liabilities	€	Grid Business	Other Activities within Gas Sector	Activities outside Gas Sector	Consolidation Column	Sum
A. Shareholders' equity						
I. Subscribed capital		67,849,464.19	44,129.73	42,430,738.08	0.00	110,324,332.00
II. Capital reserve		1,004,727,386.71	653,481.22	628,322,199.85	0.00	1,633,703,067.78
III. Revenue reserves		762,475,612.87	30,176.59	29,014,790.15	0.00	791,520,579.61
		1,835,052,463.77	727,787.54	699,767,728.08	0.00	2,535,547,979.39
B. Special item for investment grants for fixed assets		509,398.04	0.00	0.00	0.00	509,398.04
C. Provisions						
1. Provisions for pensions and similar obligations		25,547,230.18	473,997.14	14,491,348.35	0.00	40,512,575.67
2. Tax provisions		0.00	0.00	0.00	0.00	0.00
3. Other provisions		526,249,851.63	596,254.52	26,954,384.19	0.00	553,800,490.34
		551,797,081.81	1,070,251.66	41,445,732.54	0.00	594,313,066.01
D. Liabilities						
1. Liabilities to banks		651.72	15.17	190.29	0.00	857.18
<i>from that with a residual term of one year</i>		651.72	15.17	190.29	0.00	857.18
2. Payments received on account of orders		7,085,168.30	0.00	13,093,355.38	0.00	20,178,523.68
<i>from that with a residual term of one year</i>		7,085,168.30	0.00	13,093,355.38	0.00	20,178,523.68
3. Trade payables		90,924,235.66	108,639.86	8,383,202.02	0.00	99,416,077.54
<i>from that with a residual term of up to one year</i>		90,837,851.26	108,504.36	8,369,156.62	0.00	99,315,512.24
<i>from that with a residual term between one and five years</i>		86,384.40	135.50	14,045.40	0.00	100,565.30
<i>from that with a residual term of more than five years</i>		0.00	0.00	0.00	0.00	0.00
4. Liabilities to shareholders		23,813,642.79	554,384.64	64,993,210.28	0.00	89,361,237.71
<i>from that with a residual term of up to one year</i>		23,813,642.79	554,384.64	64,993,210.28	0.00	89,361,237.71
5. Liabilities to affiliated companies		5,353,471.83	168.72	33,249,612.02	0.00	38,603,252.57
<i>from that with a residual term of up to one year</i>		5,353,471.83	168.72	33,249,612.02	0.00	38,603,252.57
6. Liabilities to companies in which equity investments are held		1,707,956.04	270.87	21,787,028.44	-125.68	23,495,129.67
<i>from that with a residual term of up to one year</i>		1,707,956.04	270.87	21,787,028.44	-125.68	23,495,129.67
7. Other liabilities		25,798,306.28	93,406.44	3,382,261.19	0.00	29,273,973.91
<i>from that with a residual term of up to one year</i>		11,204,428.22	93,406.44	2,852,960.24	0.00	14,150,794.90
<i>from that with a residual term between one and five years</i>		3,272,757.93	0.00	298,251.87	0.00	3,571,009.80
<i>from that with a residual term of more than five years</i>		11,321,120.13	0.00	231,049.08	0.00	11,552,169.21
<i>from that taxes</i>		6,467,641.61	52,804.84	1,129,435.67	0.00	7,649,882.12
		154,683,432.62	756,885.70	144,888,859.62	-125.68	300,329,052.26
E. Deferred income		15,228,115.15	0.00	256,750.51	0.00	15,484,865.66
F. Capital clearing item		0.00	1,489,607.11	526,725,073.86	-528,214,680.97	0.00
		2,557,270,491.39	4,044,532.01	1,413,084,144.61	-528,214,806.65	3,446,184,361.36

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). In February 2022, the previous ancillary credit line for sureties and guarantees was replaced by an ancillary facility in the same amount with an extended term until 4 August 2024. All outstanding sureties under the previously existing ancillary credit line were transferred to the new credit line and are deemed to have been issued under the new agreement. As of 31 December 2022, only the surety credit line had been utilized for the issuing of bank guarantees in the amount of € 0.4 million. In August 2020, OGE had concluded a further surety credit line in the amount of € 10.0 million. As of 31 December 2022, € 1.6 million of this facility had been utilised for the issuing of guarantees. OGE does not expect any claims under the 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 € 235.1 million p.a. at the reporting date from long-term contracts for the beneficial use of the pipeline network (Grid Business), of which € 164.6 million p.a. relates to affiliated companies.

Furthermore, other financial obligations of € 150.0 million exist and relate to purchase commitments. These purchase commitments are split using the key for materials and therefore classified as follows: Grid Business € 141.2 million, Other Activities within Gas Sector € 0.1 million and Activities outside Gas Sector € 8.7 million.

Of this amount, € 6.8 million relates to affiliated companies.

Unbundling Income Statements

for the period from 1 January to 31 December 2022

	€	Grid Business	Other Activities within Gas Sector	Activities outside Gas Sector	Sum
1. Revenues		1,386,918,313.40	7,792,649.87	179,384,067.35	1,574,095,030.63
2. Change in finished goods and work in progress		-883,634.62	0.00	10,912,517.05	10,028,882.43
3. Other own work capitalised		22,866,488.03	0.00	0.00	22,866,488.03
4. Other operating income		36,060,019.57	14,078.87	1,223,307.06	37,297,405.51
- of which income from currency translation		12,548.59	131.10	4,622.39	17,302.07
5. Cost of materials					
a) Cost of raw materials and supplies		-440,929,009.56	-13,084.01	-6,894,179.07	-447,836,272.64
b) Cost of purchased services		-515,815,545.08	-82,474.13	-52,138,382.14	-568,036,401.35
		-956,744,554.64	-95,558.14	-59,032,561.21	-1,015,872,673.99
6. Personnel expenses					
a) Wages and salaries		-95,262,301.02	-1,820,663.58	-54,111,499.53	-151,194,464.14
b) Social security, pensions and other benefits		-32,045,054.75	-541,373.08	-18,119,511.20	-50,705,939.02
- of which for pensions		-16,822,725.92	-250,829.07	-9,192,200.02	-26,265,755.00
		-127,307,355.77	-2,362,036.66	-72,231,010.73	-201,900,403.16
7. Amortisation of intangible assets and depreciation of tangible assets		-139,769,497.34	-982,247.80	-6,030,652.42	-146,782,397.56
8. Other operating expenses		-66,231,704.24	-1,054,667.74	-20,359,180.52	-87,645,552.50
- of which expenses from currency translation		-194,485.86	-2,077.61	-73,255.98	-269,819.45
9. Income from equity investments		0.00	0.00	100,666,463.61	100,666,463.61
a) Income from investments		0.00	0.00	38,236,716.97	38,236,716.97
- of which from affiliated companies		0.00	0.00	7,670,274.88	7,670,274.88
b) Income from profit transfer agreement		0.00	0.00	62,431,655.65	62,431,655.65
- of which from affiliated companies		0.00	0.00	62,431,655.65	62,431,655.65
c) Expenses from transfer of losses		0.00	0.00	-1,909.01	-1,909.01
- of which from affiliated companies		0.00	0.00	-1,909.01	-1,909.01
10. Other interest and similar income		2,448,131.85	16,893.03	686,933.27	3,151,958.15
- of which from affiliated companies		76,974.36	1,643.63	66,836.20	145,454.19
11. Interest and similar expenses		-61,030,785.60	-1,073,541.80	-32,841,212.60	-94,945,540.01
- of which interest expense from unwinding of discounting of provisions		-19,770,253.96	-307,741.51	-9,408,473.44	-29,486,468.92
12. Income taxes		-62,055,178.48	-1,444,960.10	-18,120,896.93	-81,621,035.51
13. Profit after tax		34,270,242.17	810,609.52	84,257,773.94	119,338,625.63
14. Other taxes		-403,714.23	-2,669.99	-109,563.25	-515,947.47
15. Transfers under profit-and-loss transfer agreements		-33,866,527.94	-807,939.53	-84,148,210.69	-118,822,678.16
16. Net income for the year		0.00	0.00	0.00	0.00
17. Transfer from revenue reserves		0.00	0.00	0.00	0.00
18. Transfers to revenue reserves		0.00	0.00	0.00	0.00
19. Unappropriated profit		0.00	0.00	0.00	0.00

Explanation of accounting unbundling

Preliminary note

Due to the German Energy Industry Act (Energiewirtschaftsgesetz – EnWG) as amended on 4 January 2022, 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 2022 financial year

	Acquisition and production costs					Cumulative amortisation/depreciation				Net book values	
	1-Jan-22	Additions	Disposals	Transfers	31 Dec 2022	1-Jan-22	Additions	Disposals	31 Dec 2022	31 Dec 2022	31 Dec 2021
	€	€	€	€	€	€	€	€	€	€	€
Intangible assets											
Internally generated intangible assets	11,177,470.43	299,387.65	0.00	0.00	11,476,858.08	5,885,385.30	1,528,289.56	0.00	7,413,674.86	4,063,183.22	5,292,085.13
<i>thereof Grid Business</i>	9,758,695.43	225,543.68	0.00	0.00	9,984,239.10	4,863,870.87	1,360,811.75	0.00	6,224,682.62	3,759,556.49	4,884,335.46
<i>thereof Other Activities within Gas Sector</i>	30,545.25	2,335.68	0.00	0.00	32,880.93	23,993.55	1,703.82	0.00	25,697.37	7,183.56	8,105.76
<i>thereof Activities outside Gas Sector</i>	1,388,229.75	71,508.29	0.00	0.00	1,459,738.04	997,520.88	165,773.99	0.00	1,163,294.87	296,443.18	399,643.91
Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	160,468,919.72	7,512,303.23	-6,702,464.06	6,312,571.13	167,591,330.02	115,473,828.43	19,149,633.23	-6,702,464.06	127,920,997.60	39,670,332.42	44,995,091.29
<i>thereof Grid Business</i>	140,609,482.59	6,262,596.38	-4,444,729.78	4,997,233.22	147,424,582.42	100,648,040.93	15,714,329.47	-4,444,729.78	111,917,640.62	35,506,941.80	39,912,826.95
<i>thereof Other Activities within Gas Sector</i>	4,970,113.45	221,627.03	-1,300,621.23	56,332.39	3,947,451.63	3,728,689.85	936,905.68	-1,300,621.23	3,364,974.29	582,477.33	1,241,676.22
<i>thereof Activities outside Gas Sector</i>	14,889,323.68	1,028,079.82	-957,113.05	1,259,005.52	16,219,295.98	11,097,097.65	2,498,398.08	-957,113.05	12,638,382.69	3,580,913.29	3,840,588.12
Prepayments	7,148,017.64	3,950,034.61	0.00	-6,312,571.13	4,785,481.12	0.00	0.00	0.00	0.00	4,785,481.12	7,148,017.64
<i>thereof Grid Business</i>	5,548,544.86	2,931,612.15	0.00	-4,997,233.22	3,482,923.79	0.00	0.00	0.00	0.00	3,482,923.79	5,534,811.61
<i>thereof Other Activities within Gas Sector</i>	61,031.48	86,058.34	0.00	-56,332.39	90,757.43	0.00	0.00	0.00	0.00	90,757.43	67,086.23
<i>thereof Activities outside Gas Sector</i>	1,538,441.30	932,364.12	0.00	-1,259,005.52	1,211,799.90	0.00	0.00	0.00	0.00	1,211,799.90	1,546,119.80
	178,794,407.79	11,761,725.49	-6,702,464.06	0.00	183,853,669.22	121,359,213.73	20,677,922.79	-6,702,464.06	135,334,672.46	48,518,996.76	57,435,194.06
Tangible assets											
Land, land rights and buildings, including buildings on third-party land	322,578,258.79	3,184,757.97	-3,920.63	3,836,929.56	329,596,025.69	156,352,686.96	8,487,747.07	-3,710.96	164,836,723.07	164,759,302.62	166,225,571.83
<i>thereof Grid Business</i>	292,178,990.13	3,142,457.29	-3,920.63	3,836,889.21	299,154,416.01	137,233,572.25	7,841,479.96	-3,710.96	145,071,341.24	154,083,074.76	154,732,549.60
<i>thereof Other Activities within Gas Sector</i>	442,733.46	0.00	0.00	0.00	442,733.46	242,041.72	11,855.66	0.00	253,897.38	188,836.08	223,609.35
<i>thereof Activities outside Gas Sector</i>	29,956,535.19	42,300.68	0.00	40.35	29,998,876.22	18,877,072.99	634,411.45	0.00	19,511,484.45	10,487,391.78	11,269,412.88
Technical equipment and machinery	5,050,604,646.95	168,869,672.07	-314,121.44	73,197,486.32	5,292,357,683.90	3,729,167,634.40	108,620,924.08	-310,963.47	3,837,477,595.01	1,454,880,088.89	1,321,437,012.55
<i>thereof Grid Business</i>	5,045,057,213.37	168,840,344.07	-314,121.44	73,176,364.37	5,286,759,800.37	3,724,145,300.66	108,574,598.84	-310,963.47	3,832,408,936.02	1,454,350,864.35	1,320,926,026.56
<i>thereof Other Activities within Gas Sector</i>	2,370,401.15	0.00	0.00	0.00	2,370,401.15	2,357,019.15	1,585.57	0.00	2,358,604.72	11,796.43	17,563.90
<i>thereof Activities outside Gas Sector</i>	3,177,032.44	29,328.00	0.00	21,121.95	3,227,482.38	2,665,314.59	44,739.67	0.00	2,710,054.26	517,428.12	493,422.09
Operating and office equipment	120,779,916.76	5,143,604.26	-5,053,635.97	4,441,744.23	125,311,629.28	77,028,415.98	8,995,803.62	-4,480,060.47	81,544,159.13	43,767,470.15	43,751,500.78
<i>thereof Grid Business</i>	75,146,684.42	3,554,790.85	-3,180,210.81	4,086,046.69	79,607,311.16	45,353,223.00	6,339,915.15	-2,775,492.41	48,917,645.75	30,689,665.41	31,770,386.89
<i>thereof Other Activities within Gas Sector</i>	283,775.30	45,506.25	-35,993.90	0.00	293,287.65	157,231.65	28,619.67	-32,021.58	153,829.73	139,457.92	140,462.94
<i>thereof Activities outside Gas Sector</i>	45,349,457.04	1,543,307.16	-1,837,431.27	355,697.54	45,411,030.47	31,517,961.32	2,627,268.80	-1,672,546.48	32,472,683.65	12,938,346.82	11,840,650.95
Prepayments and assets under construction	121,148,204.45	61,670,031.06	0.00	-81,476,160.11	101,342,075.40	0.00	0.00	0.00	0.00	101,342,075.40	121,148,204.45
<i>thereof Grid Business</i>	119,760,889.46	59,359,039.18	0.00	-80,976,510.92	98,143,417.72	0.00	0.00	0.00	0.00	98,143,417.72	120,102,834.54
<i>thereof Other Activities within Gas Sector</i>	36,228.27	8,076.22	0.00	0.00	44,304.48	0.00	0.00	0.00	0.00	44,304.48	47,572.47
<i>thereof Activities outside Gas Sector</i>	1,351,086.72	2,302,915.66	0.00	-499,649.19	3,154,353.19	0.00	0.00	0.00	0.00	3,154,353.19	997,797.44
	5,615,111,026.95	238,868,065.36	-5,371,678.04	0.00	5,848,607,414.27	3,962,548,737.34	126,104,474.77	-4,794,734.90	4,083,858,477.21	1,764,748,937.06	1,652,562,289.61

	Anschaffungs- und Herstellungskosten					Kumulierte Abschreibungen				Buchwerte	
	1.01.2021	Zugänge	Abgänge	Umbuchungen	31.12.2021	1.01.2021	Zugänge	Abgänge	31.12.2021	31.12.2021	31.12.2020
	€	€	€	€	€	€	€	€	€	€	€
Financial assets											
Shares in affiliated companies	847,353,272.39	17,516,042.51	-25,000.00	0.00	864,844,314.90	499,999.00	0.00	0.00	499,999.00	864,344,315.90	846,853,273.39
<i>thereof Grid Business</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>thereof Other Activities within Gas Sector</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>thereof Activities outside Gas Sector</i>	847,353,272.39	17,516,042.51	-25,000.00	0.00	864,844,314.90	499,999.00	0.00	0.00	499,999.00	864,344,315.90	846,853,273.39
Equity investments	197,915,016.41	18,585,708.14	0.00	0.00	216,500,724.55	0.00	0.00	0.00	0.00	216,500,724.55	197,915,016.41
<i>thereof Grid Business</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>thereof Other Activities within Gas Sector</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>thereof Activities outside Gas Sector</i>	197,915,016.41	18,585,708.14	0.00	0.00	216,500,724.55	0.00	0.00	0.00	0.00	216,500,724.55	197,915,016.41
Other loans	2,456,419.66	0.00	-116,053.60	0.00	2,340,366.06	104,410.33	13,101.18	0.00	117,511.51	2,222,854.55	2,352,009.33
<i>thereof Grid Business</i>	1,549,018.24	0.00	-85,795.40	0.00	1,463,222.84	65,841.15	8,261.60	0.00	74,102.76	1,389,120.08	1,444,679.78
<i>thereof Other Activities within Gas Sector</i>	28,740.11	0.00	-1,591.83	0.00	27,148.28	1,221.60	153.28	0.00	1,374.88	25,773.40	29,616.52
<i>thereof Activities outside Gas Sector</i>	878,661.31	0.00	-28,666.37	0.00	849,994.94	37,347.58	4,686.29	0.00	42,033.87	807,961.07	877,713.03
	1,047,724,708.46	36,101,750.65	-141,053.60	0.00	1,083,685,405.51	604,409.33	13,101.18	0.00	617,510.51	1,083,067,895.00	1,047,120,299.13
	6,841,630,143.20	286,731,541.50	-12,215,195.70	0.00	7,116,146,489.00	4,084,512,360.40	146,795,498.74	-11,497,198.96	4,219,810,660.18	2,896,335,828.82	2,757,117,782.80

Activity Reports 2021

Unbundling balance sheet as of 31. December 2021

Assets	€	Grid Business	Other Activities within Gas Sec- tor	Activities outs- ide 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 build-ings 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 equip-ment		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 in-vestments 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
<i>from that receivables with a residual term of one year</i>		<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
		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 lia-bility		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	110,324,332.00
II.	Capital reserve		842,787,446.52	891,159.75	540,024,461.51	0.00	1,383,703,067.78
III.	Revenue reserves		762,029,085.61	48,587.31	29,442,906.69	0.00	791,520,579.61
			1,672,013,002.40	1,010,800.31	612,524,176.68	0.00	2,285,547,979.39
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	9,423,089.00
2.	Tax provisions		5,365.45	62.46	2,580.23	0.00	8,008.14
3.	Other provisions		534,793,059.87	625,188.75	22,703,800.35	0.00	558,122,048.97
			540,636,028.96	744,924.44	26,172,192.71	0.00	567,553,146.11
D.	Liabilities						
1.	Payments received on account of orders		13,870,034.80	0.00	8,750,403.93	0.00	22,620,438.73
	<i>from that with a residual term of up to one year</i>		<i>13,870,034.80</i>	<i>0.00</i>	<i>8,750,403.93</i>	<i>0.00</i>	<i>22,620,438.73</i>
2.	Trade payables		36,700,223.76	37,113.11	3,589,469.48	0.00	40,326,806.35
	<i>from that with a residual term of up to one year</i>		<i>36,568,272.90</i>	<i>37,113.11</i>	<i>3,589,469.48</i>	<i>0.00</i>	<i>40,194,855.49</i>
	<i>from that with a residual term between one and five years</i>		<i>131,950.86</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>131,950.86</i>
	<i>from that with a residual term of more than five years</i>		<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
3.	Liabilities to shareholders		6,937,268.67	81,131.49	61,512,845.67	0.00	68,531,245.83
	<i>from that with a residual term of up to one year</i>		<i>6,937,268.67</i>	<i>81,131.49</i>	<i>61,512,845.67</i>	<i>0.00</i>	<i>68,531,245.83</i>
4.	Liabilities to affiliated companies		3,309,925.02	0.00	31,801,767.98	-32.57	35,111,660.43
	<i>from that with a residual term of up to one year</i>		<i>3,309,925.02</i>	<i>0.00</i>	<i>31,801,767.98</i>	<i>-32.57</i>	<i>35,111,660.43</i>
5.	Liabilities to companies in which equity investments are held		3,496,624.06	2.90	28,579,169.89	-2.51	32,075,794.34
	<i>from that with a residual term of up to one year</i>		<i>3,496,624.06</i>	<i>2.90</i>	<i>28,579,169.89</i>	<i>-2.51</i>	<i>32,075,794.34</i>
6.	Other liabilities		17,471,173.93	41,802.75	1,817,781.87	0.00	19,330,758.55
	<i>from that with a residual term of up to one year</i>		<i>7,246,519.29</i>	<i>41,802.75</i>	<i>1,717,212.76</i>	<i>0.00</i>	<i>9,005,534.80</i>
	<i>from that taxes</i>		<i>2,632,104.27</i>	<i>0.00</i>	<i>38,110.75</i>	<i>0.00</i>	<i>2,670,215.02</i>
			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	4,042,797.73
F.	Capital clearing item		0.00	947,617.48	447,685,995.96	-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

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		962,762,804.03	7,492,763.40	242,008,541.28	1,212,264,108.71
2. Change in finished goods and work in progress		-1,379,095.70	0.00	-50,757,096.45	-52,136,192.15
3. Other own work capitalised		21,731,555.27	0.00	0.00	21,731,555.27
4. Other operating income		38,902,244.83	6,987.74	1,666,054.58	40,575,287.16
- of which income from currency translation		14,435.10	184.00	5,501.63	20,120.73
5. Cost of materials					
a) Cost of raw materials and supplies		-72,996,430.87	-14,156.78	-6,222,943.91	-79,233,531.56
b) Cost of purchased services		-452,166,961.82	-100,882.45	-47,258,361.01	-499,526,205.28
		-525,163,392.70	-115,039.22	-53,481,304.92	-578,759,736.84
6. Personnel expenses					
a) Wages and salaries		-86,590,218.30	-1,836,779.44	-51,469,001.65	-139,895,999.38
b) Social security, pensions and other benefits		-29,280,378.64	-535,882.73	-17,325,475.07	-47,141,736.44
- of which for pensions		-15,448,775.60	-231,671.19	-8,791,429.94	-24,471,876.73
		-115,870,596.94	-2,372,662.17	-68,794,476.71	-187,037,735.82
7. Amortisation of intangible assets and depreciation of tangible assets		-136,890,795.30	-1,315,525.52	-5,556,576.53	-143,762,897.34
8. Other operating expenses		-66,206,860.30	-1,200,350.88	-21,777,237.06	-89,184,448.25
- of which expenses from currency translation		-20,007.20	-254.71	-7,615.91	-27,877.82
9. Income from equity investments		0.00	0.00	86,631,866.47	86,631,866.47
a) Income from investments		0.00	0.00	25,177,814.92	25,177,814.92
- of which from affiliated companies		0.00	0.00	10,661,739.52	10,661,739.52
b) Income from profit transfer agreement		0.00	0.00	61,456,283.59	61,456,283.59
- of which from affiliated companies		0.00	0.00	61,456,283.59	61,456,283.59
c) Expenses from transfer of losses		0.00	0.00	-2,232.04	-2,232.04
- of which from affiliated companies		0.00	0.00	-2,232.04	-2,232.04
10. Other interest and similar income		478,833.23	6,791.68	348,234.01	833,858.92
- of which from affiliated companies		68,918.08	967.09	50,342.39	120,227.56
11. Interest and similar expenses		-30,888,351.98	-262,624.81	-7,620,920.22	-38,771,897.01
- of which interest expense from unwinding of discounting of provisions		-57,671,583.88	-811,184.07	-23,519,987.20	-82,002,755.15
12. Income taxes		-38,817,375.04	-589,681.87	-29,142,904.52	-68,549,961.42
13. Profit after tax		108,658,969.41	1,650,658.35	93,524,179.94	203,833,807.70
14. Other taxes		-404,706.73	-4,736.21	-194,687.41	-604,130.35
15. Transfers under profit-and-loss transfer agreements		-108,254,262.68	-1,645,922.14	-93,329,492.53	-203,229,677.35
16. Net income for the year		0.00	0.00	0.00	0.00
17. Transfer from revenue reserves		0.00	0.00	0.00	0.00
18. Transfers to revenue reserves		0.00	0.00	0.00	0.00
19. Unappropriated profit		0.00	0.00	0.00	0.00

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
<i>thereof Grid Business</i>	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
<i>thereof Other Activities within Gas Sector</i>	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
<i>thereof Activities outside Gas Sector</i>	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
<i>thereof Grid Business</i>	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
<i>thereof Other Activities within Gas Sector</i>	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
<i>thereof Activities outside Gas Sector</i>	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
<i>thereof Grid Business</i>	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
<i>thereof Other Activities within Gas Sector</i>	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
<i>thereof Activities outside Gas Sector</i>	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
<i>thereof Grid Business</i>	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
<i>thereof Other Activities within Gas Sector</i>	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
<i>thereof Activities outside Gas Sector</i>	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
<i>thereof Grid Business</i>	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
<i>thereof Other Activities within Gas Sector</i>	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
<i>thereof Activities outside Gas Sector</i>	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
<i>thereof Grid Business</i>	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
<i>thereof Other Activities within Gas Sector</i>	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
<i>thereof Activities outside Gas Sector</i>	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
<i>thereof Grid Business</i>	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
<i>thereof Other Activities within Gas Sector</i>	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
<i>thereof Activities outside Gas Sector</i>	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

	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
<i>thereof Grid Business</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>thereof Other Activities within Gas Sector</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>thereof Activities outside Gas Sector</i>	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
<i>thereof Grid Business</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>thereof Other Activities within Gas Sector</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>thereof Activities outside Gas Sector</i>	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
<i>thereof Grid Business</i>	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
<i>thereof Other Activities within Gas Sector</i>	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
<i>thereof Activities outside Gas Sector</i>	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

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, 2022, the statement of profit and loss for the financial year from January 1 to December 31, 2022, 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, 2022. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance pursuant to § [Article] 289f Abs. [paragraph] 4 HGB [Handelsgesetzbuch: German Commercial Code] (disclosures on the quota for women on executive boards).

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, 2022 and of its financial performance for the financial year from January 1 to December 31, 2022 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. 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 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 de-

scribed 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 government pursuant to § 289f Abs. 4 HGB (disclosures on the quota for women on executive boards) 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 control 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 (i.e., fraudulent financial reporting and misappropriation of assets) 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 of 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 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 whether the Company has complied with its obligations pursuant to § 6b Abs. 3 Sätze [sentences] 1 to 5 EnWG [Energiewirtschaftsgesetz: German Energy Industry Act] to maintain separate accounts for the financial year from January 1 to December 31, 2022. We have also audited the activity statements for the activities "Grid Business", "Other Activities within the Gas Sector" and "Activities outside the Gas Sector" pursuant to § 6b Abs. 3 Satz 1 EnWG, each comprising the balance sheet as at December 31, 2022 and the statement of profit and loss for the financial year from January 1 to December 31, 2022, as well as the attached disclosures relating to the accounting methods for the preparation of the activity statements.

- In our opinion, the obligations pursuant to § 6b (3) Sätze 1 to 5 EnWG to maintain separate accounts have been complied with in all material respects.
- In our opinion, on the basis of the knowledge obtained in the audit the accompanying activity statements comply, in all material respects, with the German requirements of § 6b Abs. 3 Sätze 5 to 7 EnWG.

Basis for the Audit Opinions

We conducted our audit of the compliance with the obligations to maintain separate accounts and of the activity statements in accordance with § 6b Abs. 5 EnWG in compliance with IDW Auditing Standard: Audit pursuant to § 6b Energiewirtschaftsgesetz [German Energy Industry Act]

(IDW PS 610 n.F. (07.2021)). Our responsibilities under those requirements and principles are further described in section "Auditor's Responsibilities for the Audit of the Compliance with the Accounting Obligations pursuant to § 6b Abs. 3 EnWG". 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 as an audit firm apply the requirements of the IDW Standard on Quality Control: Requirements to quality control for audit firms (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 the compliance with the accounting obligations pursuant to § 6b Abs. 3 EnWG.

Responsibilities of the Executive Directors and the Supervisory Board for the Compliance with the Accounting Obligations pursuant to § 6b Abs. 3 EnWG

The executive directors are responsible for the compliance with the obligations pursuant to § 6b Abs. 3 Sätze 1 to 5 EnWG to maintain separate accounts. The executive directors are also responsible for the preparation of the activity statements in accordance with the German requirements of § 6b Abs. 3 Sätze 5 to 7 EnWG.

In addition, the executive directors are responsible for such internal control as they have determined necessary to comply with the obligations to maintain separate accounts.

The responsibilities of the executive directors for the activity statements correspond to the responsibilities regarding the annual financial statements described in section "Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report" with the exception that the respective activity statements are not intended to give a true and fair view of the assets, liabilities, financial position and financial performance of the activity in compliance with German Legally Required Accounting Principles.

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

Auditor's Responsibilities for the Audit of the Compliance with the Accounting Obligations pursuant to § 6b Abs. 3 EnWG

Our objectives are to obtain reasonable assurance about

- whether the executive directors have complied, in all material respects, with their obligations pursuant to § 6b Abs. 3 Sätze 1 to 5 EnWG to maintain separate accounts, and
- whether the activity statements comply, in all material respects, with the German requirements of § 6b Abs. 3 Sätze 5 to 7 EnWG.

In addition, our objective is to include a report in the auditor's report which contains our audit opinions on the compliance with the accounting obligations pursuant to § 6b Abs. 3 EnWG.

The audit of the compliance with the obligations pursuant to § 6b Abs. 3 Sätze 1 to 5 EnWG to maintain separate accounts comprises an assessment of whether the allocation of the accounts to the activities pursuant to § 6b Abs. 3 Sätze 1 to 4 EnWG has been made appropriately and comprehensively and whether the principle of consistency has been observed.

Our responsibilities for the audit of the activity statements correspond to the responsibilities regarding the annual financial statements described in section "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" with the exception that we can not make an assessment of the fair presentation of the respective activity statements.

Essen, March 13, 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

(sgd. Michael Preiß)
Wirtschaftsprüfer
(German Public Auditor)

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