Annual Report 2023

Open Grid Europe GmbH

Translation the German text is authoritative

Open Grid Europe GmbH, Essen

Contents

Management Report for the 2023 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

According to the Federal Statistical Office (Destatis), Germany's gross domestic product (GDP) fell on a price-adjusted basis by 0.3 % in 2023 compared with the previous year. Despite the recent declines in inflation, the persistently high prices at all levels of the economy continue to have a negative impact on the business cycle. Furthermore, financing conditions were deteriorating due to rising interest rates, and demand was declining both at home and abroad. The ifo Institute expects the economy to grow by 0.2 % in 2024. According to the forecast, global GDP grew year-on-year by 2.7 % in 2023. Global economic growth is predicted to be around 2.2 % in 2024 compared with the previous year.

Trends in the development of gross value added (GVA) varied in the different sectors of the economy in 2023. Economic output in the manufacturing sector (excluding construction) declined significantly by 2.0 % overall. This was mainly due to a considerable fall in production in the energy supply sector. The processing industry, which accounts for almost 85 % of the manufacturing industry (excluding construction), also recorded negative growth on a price-adjusted basis (-0.4 %) in 2023. In particular, production and value added in energy-intensive industries, such as the chemical and metal industries, declined yet again, these sectors already having reacted particularly strongly to rising energy prices in 2022.

2.1.2. Primary energy consumption in Germany

Energy consumption in Germany hit a record low in 2023. According to the Working Group on Energy Balances (AGEB), it fell by 7.9 % to 10,791 petajoules (PJ) or 368.2 million tonnes of coal equivalent (mtce). Primary energy consumption in Germany is now more than 25 % below the 1990 peak level.

In terms of energy sources, oil consumption dipped by 5.5 % to 3,879 PJ (132.4 mtce). Gas consumption fell by 4.3% to 2,641 PJ (90.1 mtce), which is attributable to a decline in demand from industry, households and the trade, commerce and services sector. Hard coal consumption dropped by 16.9 % to 937 PJ (32.0 mtce), while the consumption of lignite as a primary energy decreased by 21.9 % to 912 PJ (31.1 mtce). The share of nuclear power dropped by just under 80 % to 79 PJ (2.7 mtce). Nuclear power has no longer contributed to the energy supply in Germany since April 2023.

The share of renewable energies rose by 2.3 % to 2,118 PJ (72.3 mtce), with power generation from onshore wind turbines increasing by 15.0 %. Despite a sharp rise in the number of photovoltaic systems, there was only a slight increase of 1 % in solar power.

The energy mix continued to change with coal and nuclear power losing market shares. CO_2 emissions fell by over 10 %. That is a reduction of some 66.0 million tonnes.

2.1.3. Energy policy developments in Europe

The legislative process for key elements of the "Fit for 55" legislative package presented by the EU Commission in 2021 was completed in 2023. Political agreement was reached in trilogue negotiations at the end of December 2022, followed by the formal adoption of the revised Emission Trading System (EU ETS), the introduction of the new Carbon Border Adjustment Mechanism (CBAM) and consequently their entry into effect in May 2023. In March 2023, political agreement was also reached in trilogue negotiations on the revision of the Renewable Energy Directive (RED III). As part of the revision of the Renewable Energy Directive, the targets for the expansion of renewable energy will be significantly raised and various sector targets will also be introduced, including for the use of renewable hydrogen and downstream products in industry and the transport sector. The revised Renewable Energy Directive entered into force in November 2023 after its formal adoption by the EU Council and the EU Parliament.

Political agreement was reached in November and December 2023 in trilogue negotiations on the regulation on methane emissions reduction in the energy sector and on the gas and hydrogen package. The regulation on methane emissions reduction will oblige member states and companies to improve quantification of emissions by setting transparency and recording requirements. The aim of this regulation is to contribute to a reduction in methane emissions in the energy sector through regular inspection obligations and bans on the routine venting of plants. The gas and hydrogen package includes amendments, primarily to the Gas Directive and the Gas Regulation, designed to extend the regulatory framework of the gas market to also encompass hydrogen and to bring it into line with the increasing role played by renewable and low-carbon energies. The amended Gas Directive will include, in particular, the requirements for the unbundling of hydrogen infrastructures. The amended Gas Regulation will, in future, also define the regulatory framework for access to hydrogen infrastructures, such as the charging of network fees and the marketing of transport capacities. In addition, political agreement has been reached on the establishment of a new entity for co-operation between hydrogen transport network operators at European level - the so-called ENNOH (European Network for Network Operators of Hydrogen). Following political agreement on the regulation on methane emissions reduction and on the gas and hydrogen package, the EU Council and the EU Parliament are to formally adopt them in 2024 and the corresponding legal acts are to subsequently enter into force.

Under a new initiative by the EU Commission, a consultation on industrial carbon management took place in summer 2023 as part of the European Green Deal. The results of the consultation are to serve as the basis for a strategy for the capture and storage of CO_2 planned for 2024.

2.1.4. Energy-policy developments in Germany

As far as energy policy is concerned, 2023 can be regarded as a post-crisis year. Following the major changes to Germany's energy supply in 2022 triggered by Russia's war of aggression against Ukraine, focus returned to the sustainability and future viability of our energy system. Electricity and gas prices stabilised, there was sufficient gas available to fill the gas storage facilities over the summer and gas supply was diversified thanks to the commissioning of the first LNG terminals in Germany. After dealing with the crisis, energy policy turned to the shaping of the energy transition. Important developments were initiated in 2023, particularly in the areas of space heating and hydrogen.

One important project in 2023 was the Buildings Energy Act (GEG), which enshrined in law the target set in the German government’s coalition agreement for heating systems installed in 2024 or after to use at least 65 % renewable energy. The act lays down the requirements for the installation of heating systems in Germany and is closely linked to the Heat Planning Act (WPG), which sets out requirements for municipal heat planning (see more below on the WPG). This means that, as long as there is no municipal heating plan, gas heating systems may continue to be installed after 1 January 2024 provided they can be converted to hydrogen. This also applies to new buildings outside new development areas. If there is a municipal heating plan that provides for a climate-neutral gas network, gas heating systems that can be converted to hydrogen can also be installed alongside all other permitted options. If the municipal heating plan does not provide for a climate-neutral gas network, gas heating systems may only be installed if they are 65 % fuelled by biomass, non-grid hydrogen or its derivatives. Municipalities and operators must present a roadmap with binding and plausible interim targets for ramping up the hydrogen market by 2045 in order to ensure the transformation of the gas network.

The Heat Planning Act was another central pillar of energy policy developments in 2023 and is closely related to the Buildings Energy Act. It sets out the statutory provisions for heat planning in cities and municipalities and is therefore an important step towards the decarbonisation of the heating sector in Germany. All 11,000 municipalities in Germany must draw up their heat supply plans by mid-2028 at the latest. Cities and municipalities with more than 100,000 inhabitants must complete their heat plans by 30 June 2026, while smaller municipalities have until 30 June 2028. The German government is providing € 500.0 million to support this process. As soon as a heat supply plan is available, citizens are obliged to comply with the provisions of the Buildings Energy Act (see above) when installing new heating systems.

The long-awaited update of the National Hydrogen Strategy (NWS), in which the German government outlines its plans for hydrogen, was also published in 2023. The NWS identifies four fields of action: supply/demand, infrastructure, applications and framework conditions. Short, medium and long-term measures are identified in each of these fields of action. The demand for hydrogen in 2030 is estimated at 95-130 TWh. The electrolysis target for domestic production has been raised from 5 GW to at least 10 GW. The German government concludes that 50-70% of hydrogen demand must be met by imports. According to the NWS update, hydrogen is to be used primarily in industry and electricity generation. The German government is also planning to establish uniform standards and certification systems for hydrogen trading.

Another relevant energy policy development in 2023 was the design of the hydrogen core network. The German government had been working on the legal basis for this since spring 2023. At the same time, the transmission system operators (TSOs) modelled a hydrogen core grid for the whole of Germany based on scenarios specified by the politicians. Respective drafts for the network were presented to the public in July and November 2023 and put up for consultation. In November, the German government also initiated a draft of a third law to amend the Energy Industry Act (EnWG) with regard to regulations on the financing concept for the hydrogen core network. The final decision on network modelling and financing is expected in the first half of 2024. The core network is the most important part of the hydrogen infrastructure.

At the beginning of 2024, key points were also announced for another German government project that is central to the energy transition. In order to guarantee energy supply, even in times of little sunshine and wind, enable the phase-out of coal and make our electricity system 100 % renewable, the German government wants to build gas-fired power plants that will later be converted to run on hydrogen. The basis for this is the power plant strategy. The German government agreed on key points on 5 February 2024. There are plans to put out up to 10 GW to tender and to introduce a capacity mechanism to enable investments in additional power plants. The first calls for tenders are to be made in the first half of 2024.

2.2 Business performance

2.2.1. National regulations

In 2022, OGE carried out the BNetzA’s cost examination procedure in accordance with section 6, para. 1 of the Incentive Regulation Ordinance (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 benchmark calculation for determining standardised capital costs were the basis for the BNetzA’s efficiency benchmarking pursuant to section 12 ARegV. In a letter dated 8 February 2023, the BNetzA informed OGE that its individual efficiency score for the 4th regulatory period (2023-2027) is 100 %. A final decision on the setting of the revenue cap for the 4th regulatory period has yet to be received.

The annual balance of the regulatory account is not part of the decision on the revenue cap and is decided in a separate administrative procedure. By decision of 11 December 2023, the BNetzA approved the regulatory account balance for the year 2018. The procedure for the 2019 – 2023 balances has yet to be completed.

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 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). In its draft decision of 6 September 2023, the BNetzA initiated the procedure for determining the gas Xgen. The draft proposes an annual Xgen of 0.75 % for the duration of the 4th regulatory period. At this point in time, the procedure has yet to be completed. The method applied in the procedure is, among other things, based on the efficiency benchmarking of the distribution and transmission network operators.

The BNetzA had already set the rates of return on equity for the 4th regulatory period on 12 October 2021. From 2023 onwards, the rate of return on equity (before corporation tax, after trade tax) is thus 5.07 % for new assets and 3.51 % for old assets (capitalised before January 2006). OGE lodged an appeal against this decision with the Higher Regional Court of Düsseldorf. In its ruling of 30 August 2023, the Higher Regional Court of Düsseldorf overturned the determination on the rates of return on equity and ordered the BNetzA to make a new decision taking into account the court’s legal opinion. The BNetzA has lodged an appeal against the ruling of the Higher Regional Court of Düsseldorf with the Federal Court of Justice (BGH). The outcome of the proceedings is still open; an oral hearing before the BGH is expected during 2024.

On 7 June 2023, the BNetzA published a first key-issues paper on the setting of the rates of return on equity for new assets in the capital costs premium. The planned determination was further specified in a draft resolution on 22 November 2023 and finally adopted on 17 January 2024. The determination provides for a change to the calculation of the base rate for investments from 1 January 2024 in the capital costs premium (switch to annual adjustment instead of 10-year average). This results in a higher rate of return on equity in the capital costs premium. There are no plans to adjust the remuneration for existing investments or for investment measures (IMA) and biogas feed-in plants. OGE has lodged an appeal against this determination with the Higher Regional Court of Düsseldorf.

On 29 December 2023, the "Act to Adapt Energy Industry Law to Union Legal Requirements and to Amend Further Energy Regulations" came into force, bringing with it further extensive amendments to the Energy Industry Act (EnWG) alongside regulations for the planning and construction of an initial nationwide hydrogen core network. On the one hand, this relates to regulations on the planning and construction of an initial nationwide hydrogen core network, on the basis of which the TSOs must submit a joint application to the BNetzA by 21 May 2024 for a nationwide, efficient, quickly achievable and expandable hydrogen core network. Once the application is approved by the BNetzA, the TSOs concerned must put the approved hydrogen core network into operation as planned by 31 December 2032. On the other hand, the act also implements the ruling of the European Court of Justice (ECJ) of 2 September 2021 (C-718/18). In this context, the BNetzA will be given more extensive decision-making authority and greater independence in shaping the national regulatory framework in future. The provisions regulating grid access and fees, which were previously largely set by the German legislator, will, in future, be replaced by the BNetzA's own stipulations. The Gas and Electricity Grid Access Ordinances will both cease to have an effect on 31 December 2025, the Gas and Electricity Grid Fee Ordinances at the end of the 4th regulatory period on 31 December 2027 (gas) and 31 December 2028 (electricity) respectively and the Incentive Regulation Ordinance (ARegV) on 31 December 2028. Against this background, the BNetzA published a key-issues paper with amendment proposals on 18 January 2024 and launched a comprehensive discussion process. Possible amendments to the incentive regulation of electricity and gas network operators relate, for example, to the length of the regulatory periods, provisions regarding the uncontrollable cost components, the adjustment of imputed useful lives in the gas sector or the system for calculating capital costs. In 2024, the discussion process with the industry is to be continued and the determinations prepared for issue in 2024 and 2025.

On 6 March 2024, the BNetzA published a key-issues paper on adjustments to amortization methods of the gas network. In principle, a full write-off of existing plants should be made possible until 2045 through flexibilization of regulatory useful lives and amortization method. The final decision of the BNetzA is expected at the end of 2024.

With the draft of a “Third Law to Amend the EnWG” dated 16 November 2023, the Federal Ministry for Economic Affairs and Climate Action (BMWK) introduced into the legislative process further important regulations for the implementation of the National Hydrogen Strategy. The key aim is to create the legal and regulatory framework for the financing of the hydrogen core network. In essence, the financing concept provides for full financing through uniform nationwide grid fees, which are, however, capped at the start of the ramp-up of the hydrogen market. The level of the initial fee cap is to be set by the BNetzA by 1 January 2025, reviewed every three years and adjusted, if necessary. In addition, a regular network development plan for hydrogen is to be introduced from 2025. The network development plan for hydrogen is to be linked to the network development plan for gas as an integrative process.

In the early phase of market ramp-up, the capping of the ramp-up fee will lead to a difference between the core grid operators’ costs that can be recognised by the regulator as a result of the high investments and the lower revenues from grid fees due to the initially lower number of shippers. These annual differences are to be booked in an amortisation account and temporarily financed by an account-holding agency to be commissioned by the German government. If more grid users are connected at a later date and the revenues from grid fees exceed the costs for grid construction and operation, the shortfall in the amortisation account previously incurred is to be made up with these additional revenues from the core grid operators.

If hydrogen ramp-up is much slower than forecast or even fails for reasons that cannot be foreseen today, subsidiary state cover will take effect and the German government will pay the shortfall, with the operators of the hydrogen core network contributing a certain percentage of the shortfall amount. The draft bill is expected to be finalised in the first quarter of 2024.

This financing concept requires further clarification (e.g. regulations with regard to the account-holding agency, determination of the ramp-up fee) by the German government or the BNetzA so that the TSOs concerned can make a positive investment decision and consequently submit by 21 May 2024 an application to implement the hydrogen core network.

2.2.2. Network development plans and market area conversion

Both European and national regulations require the 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 applying in 2023, TSOs have to jointly submit to the regulatory authority a ten-year network development plan (NDP) in each even calendar year and, in each uneven calendar year, a joint implementation report on the NDP last published.

In the period from 16 December 2022 to 31 January 2023, the TSOs consulted with the public on the results of the Gas NDP 2022-2032. The consultation primarily focused on the network expansion measures identified for the three so-called LNGplus security of supply variants that involve the complete replacement of Russian gas feed-ins with gas from LNG facilities in Germany and the import of natural gas from neighbouring western countries.

The TSOs submitted the draft document for the Gas NDP 2022-2032 to the BNetzA on 31 March 2023, taking into account the comments received during the consultation. The draft document for the Gas NDP 2022-2032 contains a network expansion proposal for the LNGplus C security of supply variant requiring an investment volume of some € 4.4 billion. This would involve the expansion of the gas transmission network by approx. 858 km and the installation of an additional 183 MW of compressor capacity by 2032. OGE's share of the investment volume is some € 0.8 billion.

The BNetzA is required to consult once again with all actual and potential network users on the draft for the Gas NDP 2022-2032 submitted by the TSOs and to publish the results. This hearing took place from 16 May 2023 to 13 June 2023. The BNetzA may then request amendments to the Gas NDP, which the TSOs have to incorporate within three months of receipt. The BNetzA's amendment request was sent to the TSOs on 22. December 2023.

Furthermore, the German TSOs published the implementation report 2023 on the Gas NDP 2020-2030 (Implementation Report 2023) for the national gas transmission network on 12 June 2023 in accordance with section 15b EnWG and submitted the report to the BNetzA. The Implementation Report 2023 gives a detailed overview of which of the confirmed measures under the Gas NDP 2020-2030 have already been implemented, which are currently still under construction and which still have to be performed in the future.

In a separate chapter, the Implementation Report 2023 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 comes 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 in 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 TSOs 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 set in the Implementation Report 2023. In these supply/demand volume and capacity balances, forecasts for the development of demand and supply are compared, taking into consideration the changeover from L-gas to H-gas and declining L-gas production. Through consultation with the Task Force Monitoring L-Gas Market Conversion set up by the Dutch Ministry of Economic Affairs, it was ensured that the decrease in the annual L-gas production in the Netherlands is in line with the plan assumptions on L-gas demand in Germany made in the Implementation Report 2023.

A major element in the switch-over from L-gas to H-gas is the expansion of the existing gas transmission network in order to permit both the connection of the areas currently supplied with L-gas to H-gas sources and a step-by-step changeover. In 2023, the conversion process at OGE affected 10 distribution network operators and 11 directly connected industrial customers in North Rhine-Westphalia and the Rhineland-Palatinate. All network expansion measures necessary for the changeover from L-gas to H-gas in 2023 were commissioned on time so all switches were carried out as planned in 2023. According to current plans, OGE will have completed conversion to H-gas by 2029.

2.2.3. Technical projects

In 2023, 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.

As a result of Russia's war of aggression against Ukraine and the consequent loss of Russian gas supplies to Germany, the German government has commissioned the construction of several LNG terminals. OGE operates the connecting pipelines (WAL) for two of these terminals in Wilhelmshaven. WAL I (approx. 26 km, DN 1000) connects the Uniper LNG terminal with the existing gas pipeline transmission system. The new construction project WAL II (approx. 2 km, DN 1000 including gas pressure regulating and metering (GPRM) stations) continues WAL I and ties in a further LNG terminal in Wilhelmshaven to the gas pipeline transmission system. Commissioning was completed at the end of 2023. The LNG Acceleration Act, which entered into force on 1 June 2022, simplified execution of the projects.

One of the projects of MEGAL, a pipeline company of OGE and GRTgaz Deutschland GmbH, Berlin, is the project to extend the Rimpar compressor station on the basis of the Gas Network Development Plan (Gas NDP) with a compressor capacity of 3 x 11 MW. The project is progressing to plan. The compressor units are in transport operation. Commissioning of the entire station was completed in 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 Hügelheim 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 NDP 2018. 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 Hüsingen (approx. 15 km, DN 900) were included in the Gas NDP 2020 with commissioning planned for December 2025. These projects were confirmed by the BNetzA. All sections were approved in official planning approval procedures and are under construction. Commissioning section by section is scheduled for 2024.

The NDP pipeline project Heiden to Dorsten (approx. 17 km, DN 500) was split into two pipeline sections (Marbeck to Heiden and Heiden to Dorsten) for approval reasons. This split meant that the original official planning approval procedure had to be stopped. Two separate official planning approval procedures were submitted in the autumn of 2023. The aim is to put the pipelines into operation by the end of 2026.

A pipeline from Voigtslach to Paffrath (approx. 24 km, DN 900) was commissioned in early 2023. This was an NDP pipeline project of NETG, a pipeline company of OGE and Thyssengas GmbH, Dortmund.

A project of ZEELINK, a pipeline company of OGE and Thyssengas GmbH, Dortmund, consisting of two compressor stations in Würselen (3 x 13 MW) und Legden (2 x 13 MW), a gas transmission pipeline running from Lichtenbusch to Legden (approx. 215 km, DN 1000) as well as four GPRM stations and one gas pressure regulating station was executed according to schedule. The most extensive part of the construction work at the compressor station in Legden has been completed. Commissioning is scheduled for 2024.

As part of the switch-over from L-gas to H-gas running until 2029, OGE is planning and constructing GPRM stations and gas pipelines to connect the former L-gas areas to the H-gas pipelines. This involves the modification and new build of numerous GPRM stations and pipeline sections. All expansion measures for the switch-over from L-gas to H-gas laid down in the Gas NDP 2020-2030 are to be completed by 2026. All network expansion measures necessary in 2023 for the switch-over from L-gas to H-gas were commissioned on 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 in Germany were re-routed.

Various operational projects are being carried out in preparation for the transportation of hydrogen in OGE’s network. For example, the engineering of a hydrogen feed-in plant in Haren was completed in November. The plant is to feed power-to-gas hydrogen (produced by a third-party) into the OGE network. The 72-hour test of the electrolyser was successfully completed in November 2023 so commissioning is now planned for 2024.

A hydrogen training track was designed to train employees in the operational handling of hydrogen plants. Initial construction work took place on land located next to the Werne compressor station site and the plant is to be commissioned in 2024. The “KRUH2” was 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. The plant was commissioned in mid-2023 and has an electrolysis capacity of 1 MW. This means that approx. 19 kg of hydrogen can be produced per hour in compliance with unbundling legislation.

Testing of the addition of up to 25% hydrogen to the fuel gas of a gas turbine was successfully completed in H_2 pilot operation in Waidhaus.

As part of the development of a central hydrogen network in Europe by the GET H2 Initiative, work started on converting the Emsbüren-to-Bad Bentheim pipeline (pipeline 13/5) and Bad Bentheim-to-Legden pipeline (pipeline 13) from gas to hydrogen operation. This involves making an existing gas transmission pipeline capable of transporting hydrogen by making minor modifications. The pipelines 13/5 and 13 from Emsbüren to Legden were taken out of service in October 2023. Construction work was then started. The pipeline section between Emsbüren and Legden is to be put into operation for the transport of hydrogen from the spring of 2025. Follow-up work on the Legden-to-Dorsten pipeline section is planned for 2026.

A partnership of more than 20 companies is working on the H_2erkules infrastructure project. It involves the conversion of gas pipelines and the construction of new pipelines for a hydrogen network. More than 2,000 km of pipelines are to be converted or built by 2030.

A liquefaction plant for the withdrawal of bio-methane from the OGE network and the subsequent liquefaction of bio liquified natural gas (bio-LNG) is being planned for the OGE affiliate bioplus LNG GmbH, Röthenbach an der Pegnitz. Bio-methane will be fed into the transmission pipeline network at various points in the gas network and, after withdrawal and liquefaction in Renzenhof, marketed as bio LNG. The bio LNG is to be used as a renewable fuel in heavy goods transport and will contribute to the minimisation of greenhouse gas emissions. OGE will not only provide the planning services but will also operate the plant in future on behalf of the company. The first part application for approval of the plant was submitted to the authorities at the end of July 2023. Commissioning is scheduled for 2025.

OGE achieves sustainable climate protection in line with the international Paris agreement on climate protection (COP21) and the German climate protection targets by using renewable energies, green gases and the avoidance of CO_2 emissions. However, CO_2 emissions are unavoidable in various industrial production processes, as CO_2 is emitted despite a switch to renewable energies. On the other hand, downstream industries in the value chain require CO_2 as a raw material. OGE is planning the first projects and routes for a CO_2 infrastructure to serve this circular economy. The CO_2 transport network must be designed to be flexible in line with transport requirements. The construction of a completely new infrastructure is currently planned. A market survey was conducted in 2023 to determine demand.

2.3 Net assets, financial position and results of operations

The 2023 financial year was dominated far less by the Russian war of aggression against Ukraine than 2022. 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.

Financial and non-financial performance indicators

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 indicators for OGE are:

- the number of work-related accidents, measured in terms of TRIFcomb[1] and
- the number of site inspections completed by management[2].

2.3.1. Result of operations

With effect from 1 January 2023, OGE adjusted the uniform transport tariffs for entry and exit. Compared with the previous year, the fee for the booking of firm, freely allocable entry and exit capacities in the THE market area was some 71.8% higher. The uniform fee applicable from 1 January 2023 for firm, freely allocable transport capacity is based in particular on a higher forecast for fuel gas costs, on the changes in forecast capacity booking behaviour and on the TSOs’ allowed revenues approved by the Federal Network Agency for 2023.

Contrary to the forecast made in the previous year, OGE recorded a significant decrease in its total revenues in 2023 by 17.5 % to € 1,357.3 million (previous year: € 1,644.3 million). Revenues fell by 18.0 % to € 1,291.4 million (previous year: € 1,574.1 million), which is mainly due to 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 € 1,089.8 million in the 2023 financial year (previous year: € 1,355.2 million).

Revenues from the gas transport business were € 461.1 million higher than the revenue cap expected and allowed under section 4 of the Incentive Regulation Ordinance (ARegV). The excess revenues are due, on the one hand, to the fact that, as a result of the surprisingly sharp fall in energy prices and the distortions on the European natural gas market, significantly lower volatile costs pursuant to section 11, para. 5, sentence 1, no. 1 ARegV were incurred than anticipated at the time the fees were calculated (November 2022). The allowed revenue cap is therefore lower than the planned revenue cap. Furthermore, more transport capacities were marketed than expected. The resulting excess revenues were initially recognised through the establishment of a provision as at the reporting date and, in accordance with the ARegV mechanism, will be taken into account in the years 2026 to 2028 in the respective fee calculation, thereby decreasing the fees. Revenues from the services business including the change in work in progress totalled € 206.3 million (previous year: € 228.9 million).

[1] 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.
[2] Instrument used by managers to fulfil their duty to monitor occupational health and safety.

Cost of materials in the amount of € 731.8 million fell sharply compared with the previous year by a total of € 284.1 million. The decrease is due in particular to lower prices for fuel gas and electricity.

Personnel costs totalled € 230.9 million and increased compared to the previous year by 14.3 %.

Income from equity investments increased by € 4.1 million compared with the previous year and was therefore at € 104.7 million slightly higher than in the previous year.

At € 71.4 million, the interest result was significantly higher than the figure for the previous year (€ -91.8 million). Interest income increased by € 70.2 million to € 73.3 million compared with the previous year. The increase was mainly due to the measurement of plan assets, interest on financial investments and the discounting of long-term provisions as a result of higher interest rates.

OGE's profit before tax increased by € 122.1 million compared with the previous year to € 323.0 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 € 250.8 million in the 2023 financial year and was therefore, as expected, well above the figure for the previous year (€ 118.8 million). As a result, profit in the amount of € 250.8 million (previous year: € 118.8 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 2023 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.

In September 2023, VGT replaced an existing syndicated loan facility in the amount of € 600.0 million running until August 2024 prematurely with a credit facility involving the same volume initially running until 2028. OGE is also a borrower under the loan and therefore entitled to use the credit line. As at the reporting date, the credit facility had not been drawn down.

This newly arranged credit line still 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). The previous ancillary credit lines were replaced by ancillary credit lines in the same amount with an extended term until 26 September 2028. All outstanding guarantees under the previous ancillary credit lines were transferred to the new credit facility and are deemed to have been issued under the new agreement. As at 31 December 2023, € 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 2023, € 2.1 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 2023 financial year, no sums were added to the plan assets for pension obligations or the long-term working-time accounts.

As at the reporting date, the fund's assets exceeded the provisions set up at OGE for pension obligations by € 21.4 million and for long-term working-time account obligations by € 8.4 million. The percentage of cover for pension obligations is 96.7 % and for long-term working-time account obligations 89.0 %.

Liquid funds totalled € 509.1 million as at 31 December 2023, increasing by € 297.1 million compared with the previous year. Cash flow is calculated using the indirect method. In the 2023 financial year, OGE generated cash flow from operating activities of € 689.5 million (previous year: € 196.4 million). Cash flow from investing activities amounted to € -165.4 million (previous year: € -184.9 million) and, in addition to purchases of investments, contains income received from equity investments in the amount of € 100.9 million (previous year: € 86.6 million). Cash flow from financing activities totalled € -227.0 million (previous year: € 132.6 million) and was mainly from cash outflow for profit distribution to VGT in the amount of € -228.8 million. Therefore, cash flow was well above the level of the previous year.

2.3.3. Net assets

OGE's total assets amounted to € 3,800.2 million as at the reporting date of 31 December 2023 (previous year: € 3,446.2 million). This gives an equity ratio of 67.5 % (previous year: €73.6 %). Of the external funds, provisions account for 75.8 % (previous year: 65.3 %), liabilities for 23.8 % (previous year: 33.0 %) and deferrals for 0.4 % (previous year: 1.7 %). Fixed assets accounted for € 2,995.4 million as at the reporting date (previous year: € 2,896.3 million) and therefore 78.8 % (previous year: 83.7 %) of OGE's total assets.

As expected, in the 2023 financial year OGE again made high investments in fixed assets totalling € 210.8 million (previous year: € 248.8 million). However, as forecast, investments were well below the prior-year level. Of this figure, € 20.3 million went into the expansion and upgrading of compressor stations (previous year: € 31.0 million). The construction of a new compressor unit in Werne accounted for € 7.5 million. OGE invested € 125.2 million in expanding and upgrading pipelines (previous year: € 156.7 million). This figure included € 34.4 million for the construction of the first section of a gas supply pipeline between Etzel and Wardenburg and € 17.9 million for the construction of the second section between Wardenburg and Drohne to create additional transport capacities for the onward transport of LNG volumes from Wilhelmshaven. A further € 21.4 million was invested in completing the expansion of the pipeline project from the Etzel compressor station to Wilhelmshaven, which connects to LNG terminal 1 in Wilhelmshaven.

Other investments accounted for € 65.1 million (previous year: € 55.5 million) and included investments in gas pressure regulating and metering stations (€ 32.0 million) and IT measures (a total of € 12.6 million).

Additions to financial assets amount to € 39.5 million. The change mainly relates to the addition of Open Grid Participations GmbH, Essen, (€ 30.1 million), which was contributed to the equity of OGE as part of a share swap. Furthermore, capital injections were made into NETG (€ 8.4 million) and ZEELINK (€ 0.9 million) in order to finance investments in these companies.

External funds amount to € 1,234.6 million (previous year: € 910.6 million). The increase is mainly due to the provision set up for the balancing of the regulatory account (€ 416.0 million to € 505.0 million) as a result of the excess revenue from the gas transport business.

In summary, the Board of Management believes that the Group's net assets, financial position and results of operations for the financial year 2023 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 € 1,102.1 million in the past financial year (previous year: € 1,386.9 million), the “Grid Business” segment recorded a profit after tax of € 124.8 million (previous year: € 34.3 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 € 3.7 million in the past financial year (previous year: € 0.8 million) from revenues of € 8.1 million (previous year: € 7.8 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 CO_2 and other gas. In the past financial year, this segment posted a profit after tax of € 122.3 million (previous year: € 84.3 million) from revenues of € 181.1 million (previous year: € 179.4 million) and income from equity investments of € 104.7 million (previous year: € 100.7 million).

3. Environmental and employee matters

3.1 Environmental protection

In October 2023, OGE passed external audits, thus obtaining an extension of 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) by three years to 2026. Furthermore, the existing certification of the Energy Management

System to DIN EN ISO 50001 was retained. 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 are taken into account and complied with during construction work and the ongoing operation of the pipeline network so 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 2022 were submitted via the EU register in April 2023. Since the calendar year 2021, OGE has been subject to the new requirements of national emissions trading in accordance with the Fuel Emissions Trading Act (BEHG). Here, too, the report was submitted on time in July 2023 and the relevant certificates were submitted in September 2023. 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 the 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 the methane emissions of the gas industry, in 2023 OGE met all requirements for the reporting year 2022 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 the implementation of these measures is proceeding to plan. In addition, OGE is developing a strategic action plan on how the company’s climate neutrality can be achieved by 2045.

So far there are four large mobile compressor units and four small 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 large mobile flare systems are used, particularly for small or residual quantities of methane. A small mobile flare unit was added in 2023. A mobile flare unit that is compatible for use with both gas and hydrogen is currently being built. 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 avoids methane emissions virtually completely 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 in particular focusing on the intelligent coupling of the electricity and gas infrastructures and the transport of hydrogen. 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. Therefore, taking into account measures identified together with TÜV, conversion of existing natural gas pipelines to 100 % hydrogen transport is also possible in principle. With this in mind, standards and regulations have also been adapted to the requirements of hydrogen operation. A guideline for the conversion of pipelines from gas to hydrogen will be implemented in 2024.

3.2 Employees

At the end of 2023, OGE had 1,626 employees (excluding the Board of Management members and apprentices). Personnel expenses during the financial year amounted to € 230.9 million (previous year: € 201.9 million).

OGE trains apprentices for technical and administrative occupations at nine locations in North Rhine-Westphalia (Essen and Ummeln), Lower Saxony (Krummhörn), Bavaria (Rimpar, Rothenstadt, Waidhaus and Wildenranna), Hesse (Gernsheim) und Rhineland Palatinate (Mittelbrunn). At the end of 2023, a total of 56 young people were serving apprenticeships for technical and administrative occupations.

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 further improve work ergonomics and occupational health. The targets set for the 2023 financial year were met. The number of work-related accidents, measured in terms of TRIFcomb, is continuing to fall on a long-term average. As in the previous year, this indicator remained at a low level of 3.2 (previous year: 3.8). Furthermore, the target of 550 site visits completed by management was exceeded in 2023 (738 site visits completed, previous year: 669). 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. HGB[3]

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:

Supervisory Board: 17 %

Board of Management: 33 %

Head of division: 17 %

Head of department: 16 %

OGE continues to rely not only on external recruitment but also on suitable promotion and staff development measures to increase the number of female managers. The first measures under the OGE diversity strategy were implemented in 2023, focusing in particular on the diversity criterion “gender”: in addition to the launch

[3] 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.

of a cooperation with femtec, an organisation that promotes women in the fields of mathematics, IT, natural sciences, engineering and technology (STEM professions), training courses on the topic of "unconscious bias" were also designed to counteract unconscious thought patterns, particularly in the recruitment process. 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 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 assessment 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 CO_2. In the past years, the German TSOs have worked intensively on the development of a hydrogen infrastructure. A Germany-wide, future-proof hydrogen core network has been modelled in consultation with the government and a draft has currently been submitted to the Federal Network Agency for review. OGE is well prepared for the development and implementation of these future investments. A final investment decision is expected during 2024.

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. 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.

5.1.3. Significant risks

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

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

Regulatory framework: OGE’s risk situation 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: low

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 increasing transport revenues and positive contributions to the results 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. This is particularly true given the expected high level of investment in the hydrogen infrastructure. The probability of occurrence remains high due to the tense market situation.

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: low

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

5.1.4. 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 both the marketing and 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, OGE uses external consultants from time to time 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.

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

5.2 Report on expected developments

The supply situation in Europe and Germany has stabilised following the great changes to transport routes triggered by the Russian war of aggression against Ukraine. The loss of Russian gas deliveries has been offset using alternative import routes and supply bottlenecks have continued to be avoided. Gas and electricity prices have also stabilised. The commissioning of the first LNG terminals in Germany has diversified gas supply. The first of these liquefied natural gas terminals went into operation in Wilhelmshaven in December 2022 and OGE connected it to the existing gas network by constructing the corresponding connecting pipeline. OGE has initiated further investments to stabilise the gas infrastructure in the region and will continue them in 2024 so additional volumes can be transported through the downstream transport infrastructure.

Overall, energy policy is once again focussing more on the shaping of the energy transition. In 2023, for example, the National Hydrogen Strategy (NWS) was developed further, the design of the hydrogen core network being a central element of this strategy, also for OGE. Together with the other German TSOs, OGE modelled a hydrogen core network in Germany, taking the scenarios specified by the politicians into consideration and put it up for consultation. As part of an amendment to the Energy Industry Act, the German government presented key points for the financing of the core network, enabling investments by the TSOs and implementing risk protection in the event that the hydrogen ramp-up does not materialise. The final decisions on financing and network modelling are expected in the first half of 2024 and will be trailblazing, also for OGE.

The Board of Management does not expect any significant impact on the net assets, financial position and results of operations of the company in 2024. 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 2024 to be significantly higher than in 2023 as both transport revenues and revenues from the services business are expected to increase.

The Board of Management expects net income for 2024 before distribution of profits to be on a par with the previous year. The expected increase in revenues will come with a corresponding increase in expenses. However, a reliable forecast of expenses for the procurement of fuel energy, in particular a forecast of the market prices for gas, remains difficult. 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 continue to be based on measures under the Network Development Plan and extensive replacement investments. In addition, further extensive investments in the enlargement of the gas network to tie in LNG volumes are planned in 2024, in particular continued construction of a new gas supply pipeline between Etzel and Wardenburg as well as another section between Wardenburg and Drohne. The forecast is therefore again high and well above the level in the reporting year.

In the field of occupational safety, the Board of Management’s aim is to continue the trend towards low numbers of work-related accidents and to further develop the safety culture. In addition, the Board of Management aims to achieve a TRIFcomb below 4.0 and to carry out 550 site visits completed by the management. Appropriate measures to achieve this goal have been either put in place or continued.

Annual Financial Statements for the 2023 Financial Year

Balance Sheet as of 31 December 2023

Assets				Note	31 Dec 2023 €	31 Dec 2022 €
A.	**Fixed assets**					
	I.	Intangible assets		(1)		
		1.	Internally generated intangible assets		3,139,071.48	4,063,183.22
		2.	Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets		37,825,648.33	39,670,332.42
		3.	Prepayments		6,387,512.83	4,785,481.12
					47,352,232.64	**48,518,996.76**
	II.	Tangible assets		(2)		
		1.	Land, land rights and buildings, including buildings on third-party land		157,652,047.97	164,759,302.62
		2.	Technical equipment and machinery		1,445,371,992.25	1,454,880,088.89
		3.	Other equipment, operating and office equipment		45,919,810.59	43,767,470.15
		4.	Prepayments and assets under construction		176,567,487.17	101,342,075.40
					1,825,511,337.98	**1,764,748,937.06**
	III.	Financial assets		(3)		
		1.	Shares in affiliated companies		895,385,337.00	864,344,315.90
		2.	Other long-term equity investments		224,933,810.41	216,500,724.55
		3.	Other loans		2,170,938.36	2,222,854.55
					1,122,490,085.77	**1,083,067,895.00**
					2,995,353,656.39	**2,896,335,828.82**
B.	**Current assets**					
	I.	Inventories		(4)		
		1.	Raw materials and supplies		16,321,755.34	15,128,771.04
		2.	Work in progress		73,623,171.00	68,907,161.67
		3.	Merchandise		15,967,613.39	37,204,872.29
		4.	Other inventories		28,444,450.36	27,977,588.51
					134,356,990.09	**149,218,393.51**
	II.	Receivables and other assets		(5)		
		1.	Trade receivables		32,745,124.66	39,933,461.83
		2.	Receivables from affiliated companies		36,680,725.50	26,537,095.58
		3.	Receivables from companies in which equity investments are held		22,216,326.19	30,457,332.74
		4.	Other assets		65,790,968.15	89,644,456.19
					157,433,144.50	**186,572,346.34**
	III.	Cash in hand and bank balances		(6)	509,116,783.87	211,963,424.22
					800,906,918.46	**547,754,164.07**
C.	**Prepaid expenses**				**3,947,688.04**	**2,094,368.47**
					3,800,208,262.89	**3,446,184,361.36**

Shareholders' Equity and Liabilities			Note	31 Dec 2023 €	31 Dec 2022 €
A.	**Shareholders' equity**		(7)		
	I.	Subscribed capital		110,350,000.00	110,324,332.00
	II.	Capital reserve		1,663,780,497.78	1,633,703,067.78
	III.	Revenue reserves		791,520,579.61	791,520,579.61
				2,565,651,077.39	**2,535,547,979.39**
B.	**Special item for investment grants for fixed assets**			343,896.50	509,398.04
C.	**Provisions**		(8)		
	1.	Provisions for pensions and similar obligations		30,737,142.67	40,512,575.67
	2.	Tax provisions		40,411.16	0.00
	3.	Other provisions		905,197,507.01	553,800,490.34
				935,975,060.84	**594,313,066.01**
D.	**Liabilities**		(9)		
	1.	Liabilities to banks		300.00	857.18
	2.	Payments received on account of orders		22,408,480.80	20,178,523.68
	3.	Trade payables		68,576,278.44	99,416,077.54
	4.	Liabilities to shareholders		113,521,263.54	89,361,237.71
	5.	Liabilities to affiliated companies		39,418,854.89	38,603,252.57
	6.	Liabilities to companies in which equity investments are held		23,637,496.20	23,495,129.67
	7.	Other liabilities		25,678,658.22	29,273,973.91
				293,241,332.09	**300,329,052.26**
E.	**Deferred income**		(10)	**4,996,896.07**	**15,484,865.66**
				3,800,208,262.89	**3,446,184,361.36**

Income Statement

for the period from 1 January to 31 December 2023

			Note	2023 €	2022 €
1.	Revenues		(11)	1,291,352,076.32	1,574,095,030.63
2.	Change in finished goods and work in progress			4,716,009.33	10,028,882.43
3.	Other own work capitalised		(12)	25,506,038.83	22,866,488.03
4.	Other operating income - of which income from currency translation: € 4,566.43 (previous year: € 17,302.07)		(13)	35,699,512.95	37,297,405.51
5.	Cost of materials		(14)		
	a)	Cost of raw materials and supplies		-153,484,396.16	-447,836,272.64
	b)	Cost of purchased services		-578,330,645.00	-568,036,401.35
				-731,815,041.16	**-1,015,872,673.99**
6.	Personnel expenses				
	a)	Wages and salaries		-159,218,307.21	-151,194,464.14
	b)	Social security, pensions and other benefits - of which for pensions: € -45,598,652.51 (previous year: € -26,265,755.00)		-71,640,765.16	-50,705,939.02
				-230,859,072.37	**-201,900,403.16**
7.	Amortisation of intangible assets and depreciation of tangible assets		(15)	-150,585,400.84	-146,782,397.56
8.	Other operating expenses - of which expenses from currency translation: € -297,331.58 (previous year: € -269,819.45)		(16)	-97,153,439.69	-87,645,552.50
9.	Income from equity investments - of which from affiliated companies: € 74,851,823.94 (previous year: € 70,100,021.52)		(17)	104,736,177.45	100,666,463.61
10.	Other interest and similar income - of which from affiliated companies: € 893,344.21 (previous year: € 145,454.19) - of which interest income from discounting of provisions: € 58,203,603.91 (previous year: € 0.00)		(18)	73,329,731.03	3,151,958.15
11.	Interest and similar expenses - of which from affiliated companies: € 1,360,470.93 (previous year: € 0.00) - of which interest expense from unwinding of discounting of provisions: € 145,939.20 (previous year: € 29,486,468.92)		(19)	-1,906,903.50	-94,945,540.01
12.	Income taxes		(20)	-71,672,759.49	-81,621,035.51
13.	**Profit after tax**			**251,346,928.86**	**119,338,625.63**
14.	Other taxes		(21)	-567,501.04	-515,947.47
15.	Transfers under profit-and-loss transfer agreements		(22)	-250,779,427.82	-118,822,678.16
16.	**Net income**			**0.00**	**0.00**

Notes to the financial statements for the 2023 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 nature of expense method (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 2023 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. In addition, 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 lives are 3 years for purchased intangible assets, 2 to 10 years for internally generated intangible assets, 5 to 50 years for buildings, 3 to 25 years for technical equipment and machinery and 3 to 20 years for operating and office equipment.

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 and values them in accordance with section 255, para. 2 HGB. 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 3 HGB. In addition, 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 shown under merchandise are measured at acquisition cost using the LIFO method or at their lower fair value. The fair value for fuel gas in the gas stocks is measured using the costs of procurement, which are included in the revenue cap as volatile costs in accordance with section 11, para. 5 ARegV.

Emission rights shown under other inventories are stated at acquisition cost using the LIFO method or at their lower fair value. The fair value is measured using the costs of procurement, which, like fuel gas, are included in the revenue cap as volatile costs.

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.

Prepaid expenses

Prepaid expenses are recognised for payments received before the reporting date that represent expenses for a certain period after the reporting date.

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 Heubeck 2018 G mortality tables 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 1.83 % 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 1.83 % p.a. is based on an estimate made in November 2023. The difference to the discount rate (1.82 %) published in December 2023 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 reporting 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.

Deferred income

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 € 14.1 million mainly comprise software.

Total research and development expenses pursuant to section 285, no. 22 HGB amounted to € 3.7 million in the financial year. Of this figure, only € 0.4 million relates to internally generated intangible assets.

(2) Tangible assets

As at the reporting date, the net book value of tangible assets amounted to € 1,825.5 million. Additions to tangible assets in the amount of € 196.7 million break down as follows

• Land, land rights and buildings	0.47 %
• Technical equipment and machinery	41.10 %
• Other tangible assets and assets under construction	58.43 %
	100,00 %

Additions to technical equipment and machinery result mainly from the construction of a new connecting pipeline to the LNG terminal 1 (€ 21.4 million) and to the LNG terminal 2 (€ 10.7 million) in Wilhelmshaven, the construction of the first section of a gas supply pipeline between Etzel and Wardenburg (€ 34.4 million) and the construction of the second section between Wardenburg and Drohne (€ 17.9 million) to create new transport capacities for the onward transport of LNG volumes from Wilhelmshaven. € 7.5 million was invested in the construction of a new compressor unit in Werne.

(3) Financial assets

The list of shareholdings (section 285, no. 11 HGB) is attached as an appendix to the Notes.

Additions to financial assets (€ 39.5 Mio. €) relate mainly to the addition of Open Grid Participations GmbH (OGP), Essen, (€ 30.1 million) which was contributed to the equity of OGE by VGT as part of a share swap. In addition, contributions in the amount of € 8.4 million were made to Nordrheinische Erdgastransportleitungsgesellschaft mbH & Co. KG (NETG), Dortmund.

Other loans mainly comprise non-interest-bearing loans to employees.

(4) Inventories

The items recognised under inventories relate to work in progress (€ 73.6 million), raw materials and supplies (€ 16.3 million), merchandise (gas stocks in the transmission network (€ 16.0 million)) and emission rights (€ 28.4 million).

The difference resulting from application of the LIFO method for the measurement of gas stocks is some € 8.9 million above the market price. The fair value of the gas stocks is measured on the basis of the costs of procurement, which are included in the revenue cap as volatile costs in accordance with section 11, para. 5 ARegV, and not on the basis of the market price. The fair value corresponds to the acquisition costs.

(5) Receivables and other assets

Trade receivables result from the service and transport businesses.

Receivables from affiliated companies mainly result in the amount of € 20.9 million (previous year: € 16.1 million) from clearing transactions and in the amount of € 9.0 million (previous year: € 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 € 6.7 million (previous year: € 2.8 million).

Receivables from companies in which equity investments are held mainly comprise entitlements to profits in the amount of € 17.3 million (previous year: € 16.9 million) and trade receivables in the amount of € 5.8 million (previous year: € 5.1 million) from Trans Europa Naturgas Pipeline Gesellschaft mbH & Co. KG (TENP), Essen, netted against prepayments received (€ 12.2 million, previous year: € 0.8 million), receivables from Trading Hub Europe GmbH (THE), Ratingen, in connection with a surety in the amount of € 6.4 million (previous year: € 6.4 million) as well as entitlements to profits in the amount of € 3.2 million (previous year: € 4.4 million) from NETG.

Other assets mainly include benefits in the amount of € 38.1 million from unrealised future regulatory claims araising from revenue shortfalls, market area conversion and biogas levy accruals of € 21.9 million and sales tax and gas tax refund claims in the amount of € 3.2 million. At the reporting date, other assets with a remaining term of more than one year totalled € 38.1 million (previous year: € 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

The sole shareholder of OGE is VGT. In the financial year 2023, the subscribed capital (share capital) was increased to € 110.4 million (previous year: € 110.3 million) by issuing a new share in the amount of k€ 26. The contribution was made in the form of a non-cash contribution of shares in Open Grid Participations GmbH, Essen. Furthermore, this swap of shares contributes to the capital reserve in the amount to € 30.1 million.

Revenue reserves (€ 791.5 million) 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 (€ 652.3 million) netted against the corresponding plan assets at Helaba (€ 630.9 million) as well as provisions for gas allowances (€ 9.3 million).

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 € 8.4 million (previous year: € 41.3 million) and € 0.1 million (previous year: € 0.5 million) respectively. The plan asset acquisition cost for provisions for pensions amounts to € 498.8 million. In the financial year, no payments were made into these plan assets.

Other provisions (€ 905.2 million) mainly comprise provisions for regulatory account balancing amounting to € 505.0 million, provisions for the removal of above-ground facilities amounting to € 153.2 million, provisions for the removal of disused pipelines amounting to € 132.7 million, and staff-related provisions amounting to € 46.4 million.

Staff-related provisions include the excess of liabilities from the offsetting of the plan assets at Helaba (€ 68.2 million) against the corresponding provisions for obligations under long-term working-time accounts (€ 76.7 million). The plan asset acquisition cost for long-term working-time accounts amounts to € 56.4 million. In the financial year, no payments were made into these plan assets.

(9) Liabilities

Liabilities as at 31 December 2023:

	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	**300.00**	300.00	0.00	0.00
Payments received on account of orders	**22,408,480.80**	22,408,480.80	0.00	0.00
Trade payables	**68,576,278.44**	68,505,965.39	70,313.05	0.00
Liabilities to shareholders	**113,521,263.54**	113,521,263.54	0.00	0.00
Liabilities to affiliated companies	**39,418,854.89**	39,418,854.89	0.00	0.00
Liabilities to companies in which equity investments are held	**23,637,496.20**	23,637,496.20	0.00	0.00
Other liabilities	***25,678,658.22***	*10,543,763.03*	*3,420,013.76*	*11,714,881.43*
(of which taxes)	***7,453,433.49***	*7,453,433.49*	*0.00*	*0.00*
	293,241,332.09	**278,036,123.85**	**3,490,326.81**	**11,714,881.43**

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 equity 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
(of which taxes)	***7,649,882.12***	*7,649,882.12*	*0.00*	*0.00*
(of which relating to social security)	***3,933.90***	*3,933.90*	*0.00*	*0.00*
	300,329,052.26	**285,105,308.23**	**3,671,574.82**	**11,552,169.21**

There are no liabilities secured by liens or other rights.

Liabilities to shareholders, which are also affiliated companies according to section 271 HGB, mainly result from the existing profit-and-loss transfer agreement (€ 80.8 million, previous year: € 58.8 million) and tax allocations (€ 32.7 million, previous year: € 31.3 million) less the offsetting of receivables (€ 24 k, previous year: € 0.9 million) with VGT.

Liabilities to affiliated companies comprise mainly prepayments (€ 32,8 million, previous year: € 37.0 million) and liabilities arising from clearing transactions (€ 72.1 million, previous year: € 68.5 million) netted against receivables under profit-and-loss transfer agreements (€ 65.8 million, previous year: € 61.5 million). 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 € 30.4 million (previous year: € 29.4 million) and from trade payables in the amount of € 1.7 million (previous year: € 1.6 million) which are netted against entitlements to profits in the amount of € 8.6 million (previous year: € 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 construction cost subsidies received in the amount of € 16.1 million and taxes of € 7.5 million.

(10) Deferred income

Deferred income in the amount of € 5.0 million mainly includes prepayments from customers.

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

In September 2023, VGT replaced an existing syndicated loan facility in the amount of € 600.0 million running until August 2024 prematurely with a credit facility involving the same volume and initially running until 2028. OGE is also a borrower under the loan and therefore entitled to use the credit line. As at 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). The previous ancillary credit lines were replaced by ancillary credit lines in the same amount and initially with a term until 26 September 2028. All outstanding sureties under the previous ancillary credit lines were transferred to the new credit facility and are deemed to have been issued under the new agreement. As at 31 December 2023, € 0.4 million had been utilised for the issuing of bank guarantees. In August 2020, OGE had concluded a further surety line in the amount of € 10.0 million. As at 31 December 2023, € 2.1 million of this facility had been utilised for issuing 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 € 236.8 million p.a. at the reporting date from long-term contracts for the beneficial use of the pipeline network, of which € 164.5 million p.a. relates to affiliated companies.

Furthermore, other financial obligations in the amount of € 250.0 million exist and relate to purchase commitments. Of this amount, € 6.0 million relates to affiliated companies.

IV. Notes to the income statement

(11) Revenue

In the 2023 financial year, revenues were recognised in accordance with section 277, para. 1 HGB.

Revenues result from the gas transport business and transport-related services (€ 1,089.8 million) and from technical and commercial services (€ 201.5 million). They are mainly generated in Germany. € 140.0 million of the revenues were generated with affiliated or associated companies.

(12) Own work capitalised

The company capitalised own work for intangible assets in the amount of € 2.7 million in the financial year.

(13) Other operating income

This item mainly contains income from the market area conversion and biogas levies in the amount of € 21.9 million, income from cost reimbursements from third parties for pipeline re-routing in the amount of € 3.1 million, as well as income the amount of € 10.4 million not relating to the accounting period and mainly comprising reversals of provisions.

(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 € 150.6 million. Of this figure, amortisation of intangible assets accounted for € 15.3 million and depreciation of tangible assets accounted for € 135.3 million. No write-downs on tangible assets were performed in the reporting year (previous year: € 0.8 million).

(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

	2023 €	2022 €
Income from investments in affiliated companies	74,851,823.94	70,100,021.52
thereof income from profit-and-loss transfer agreements	*64,809,972.62*	*62,431,655.65*
thereof cost of loss absorption	*-159.59*	*-1,909.01*
Income from other equity investments	29,884,353.51	30,566,442.09
Income from equity investments	**104,736,177.45**	**100,666,463.61**

The income from profit-and-loss transfer agreements mainly contains profits transferred from Mittelrheinische Erdgastransportleitungsgesellschaft mbH, Essen, (€ 54.2 million, previous year: € 53.2 million) and Line WORX (€ 9.0 million, previous year: € 8.6 million). The income from other equity investments mainly results from equity investment income from TENP (€ 17.3 million, previous year: € 16.9 million) and NETRA (€ 8.8 million, previous year: € 8.6 million).

(18) Other interest and similar income

Other interest and similar income comprise mainly interest income in the amount of € 51.1 million and € 5.5 million from the measurement of plan assets for pension obligations and long-term working-time accounts at fair value. Also included in this item are expenses in the amount of € 6.1 million respectively € 3.7 million from the unwinding of discounting of the corresponding provisions in accordance with section 285, no. 25 HGB in conjunction with section 246, para. 2, sentence 2 HGB.

This item also includes interest income from deposits and clearing transactions, interest on taxes for previous years as well as interest on arrears.

(19) Interest and similar expenses

This item mainly includes interest expenses from clearing transactions and commitment fees.

(20) Income taxes

The taxes on income relate mainly to Group tax levies by VGT for the financial year (€ 71.7 million).

(21) Other taxes

This item mainly 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 (€ 3.1 million) and accounting for plan assets at fair value (€ +144.0 million compared with the acquisition costs) in accordance with section 268, para. 8 HGB result in a total amount of € 147.1 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 362 industrial workers and 1,239 salaried employees (previous year: 358 industrial workers and 1,181 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, VGS and 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 (€ 139.9 million) as well as expenses for the beneficial use of the pipeline network (€ 234.6 million).

Supervisory Board

The following were members of the Supervisory Board:

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

Hilko Schomerus until 8 March 2023
Managing Director, Macquarie Capital (Europe) Limited

Pascal De Buck from 9 March 2023
CEO & Managing Director, Fluxys Belgium SA & Fluxys SA
Permanent Representative of Fluxys SA, Statutory Director of Fluxys Europe SA

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 until 31 January 2024
Senior Investment Manager, Private Equity & Infrastructure, MEAG MUNICH ERGO Asset Management GmbH

Robert Pottmann from 1 February 2024
Head of Illiquid Assets Equity, 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 2023 financial year.

Board of Management

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 Hüwener
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 € 3.9 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 € 0.3 million. At the reporting date, the provisions for pensions of former managing directors amount to € 8.3 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 Company Register in accordance with section 325 HGB.

Essen, 13 March 2024

Open Grid Europe GmbH

Board of Management

Dr Bergmann | Dr Hüwener | Dr Reiners

Statement of changes in fixed assets

for the 2023 financial year

	Acquisition and production costs					Cumulative amortisation/depreciation				Net book values	
	1 Jan 2023	Additions	Disposals	Transfers	31 Dec 2023	1 Jan 2023	Additions	Disposals	31 Dec 2023	31 Dec 2023	31 Dec 2022
	€	€	€	€	€	€	€	€	€	€	€
I. Intangible assets											
1. Internally generated intangible assets	11,476,858.08	388,927.09	-461,809.35	0.00	11,403,975.82	7,413,674.86	1,313,038.83	-461,809.35	8,264,904.34	3,139,071.48	4,063,183.22
2. Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	167,591,330.02	8,665,808.70	-6,620,147.96	3,474,426.01	173,111,416.77	127,920,997.60	13,984,918.80	-6,620,147.96	135,285,768.44	37,825,648.33	39,670,332.42
3. Prepayments	4,785,481.12	5,076,457.72	0.00	-3,474,426.01	6,387,512.83	0.00	0.00	0.00	0.00	6,387,512.83	4,785,481.12
	183,853,669.22	**14,131,193.51**	**-7,081,957.31**	**0.00**	**190,902,905.42**	**135,334,672.46**	**15,297,957.63**	**-7,081,957.31**	**143,550,672.78**	**47,352,232.64**	**48,518,996.76**
II. Tangible assets											
1. Land, land rights and buildings, including buildings on third-party land	329,596,025.69	926,953.39	-3,241.08	608,543.43	331,128,281.43	164,836,723.07	8,639,510.39	0.00	173,476,233.46	157,652,047.97	164,759,302.62
2. Technical equipment and machinery	5,292,357,683.90	80,829,679.25	-1,038,925.32	27,028,787.32	5,399,177,225.15	3,837,477,595.01	117,354,316.01	-1,026,678.12	3,953,805,232.90	1,445,371,992.25	1,454,880,088.89
3. Other equipment, operating and office equipment	125,311,629.28	10,117,887.26	-2,543,656.69	1,903,408.78	134,789,268.63	81,544,159.13	9,293,616.81	-1,968,317.90	88,869,458.04	45,919,810.59	43,767,470.15
4. Prepayments and assets under construction	101,342,075.40	104,787,340.30	-21,189.00	-29,540,739.53	176,567,487.17	0.00	0.00	0.00	0.00	176,567,487.17	101,342,075.40
	5,848,607,414.27	**196,661,860.20**	**-3,607,012.09**	**0.00**	**6,041,662,262.38**	**4,083,858,477.21**	**135,287,443.21**	**-2,994,996.02**	**4,216,150,924.40**	**1,825,511,337.98**	**1,764,748,937.06**
III. Financial assets											
1. Shares in affiliated companies	864,844,314.90	31,041,021.10	0.00	0.00	895,885,336.00	499,999.00	0.00	0.00	499,999.00	895,385,337.00	864,344,315.90
2. Other long-term equity investments	216,500,724.55	8,435,585.86	-2,500.00	0.00	224,933,810.41	0.00	0.00	0.00	0.00	224,933,810.41	216,500,724.55
3. Other loans	2,340,366.06	0.00	-8,912.00	0.00	2,331,454.06	117,511.51	43,004.19	0.00	160,515.70	2,170,938.36	2,222,854.55
	1,083,685,405.51	**39,476,606.96**	**-11,412.00**	**0.00**	**1,123,150,600.47**	**617,510.51**	**43,004.19**	**0.00**	**660,514.70**	**1,122,490,085.77**	**1,083,067,895.00**
	7,116,146,489.00	**250,269,660.67**	**-10,700,381.40**	**0.00**	**7,355,715,768.27**	**4,219,810,660.18**	**150,628,405.03**	**-10,076,953.33**	**4,360,362,111.88**	**2,995,353,656.39**	**2,896,335,828.82**

Open Grid Europe GmbH

List of shareholdings in accordance with section 285, no. 11 HGB as of 31 December 2023

Company	Seat	Shareholdings in %	Equity (in €k) [1] 31 Dec 2023	Annual result (in €k) [1] 2023	Footnote
Major affiliated companies					
Line WORX GmbH	Essen	100.00	84,725	9,037	2), 4)
MEGAL Mittel-Europäische-Gasleitungsgesellschaft mbH & Co. KG	Essen	51.00	70,014	8,463	4)
Mittelrheinische Erdgastransportleitungsgesellschaft mbH	Essen	100.00	64,150	54,224	2), 4)
Zeelink GmbH & Co. KG	Essen	75.00	747,812	7,338	4)
Other major equity investments					
GasLINE Telekommunikationsnetzgesellschaft deutscher Gasversorgungsunternehmen mbH & Co. Kommanditgesell-schaft	Straelen	29.24	159,708	43,310	5)
NETRA GmbH Norddeutsche Erdgas Transversale & Co. Kommanditgesellschaft	Schneiderkrug	55.94	64,701	14,905	4), 7)
Trans Europa Naturgas Pipeline Gesellschaft mbH & Co. KG	Essen	51.00	234,544	19,796	4), 7)
Affiliated companies of minor importance					
MEGAL Verwaltungs-GmbH	Essen	51.00	58	2	4)
NEL Beteiligungs GmbH	Essen	100.00	25	0	2), 4)
Open Grid Regional GmbH	Essen	100.00	500	15	2), 4)
Open Grid Participations GmbH	Essen	100.00	25,981	-865	4)
PLEdoc GmbH	Essen	100.00	746	1,692	2), 4)
Zeelink-Verwaltungs-GmbH	Essen	75.00	37	2	4)
Other equity investments of minor importance					
bioplus LNG GmbH	Röthenbach a. d. Pegnitz	100.00	26,025	-140	2), 6)
DEUDAN-Deutsch/Dänische Erdgastransport-Gesellschaft mbH & Co. Kommanditgesellschaft	Handewitt	24.99	5,484	969	4)
DEUDAN-Deutsch/Dänische Erdgastransport-Gesellschaft mbH	Handewitt	24.99	90	2	3), 4)
evety GmbH	Essen	40.00	870	-479	3), 4)
GasLINE Telekommunikationsnetz-Geschäftsführungsgesell-schaft deutscher Gasversorgungsunternehmen mbH	Straelen	29.24	78	2	5)
H2UB GmbH	Essen	37.50	113	-454	3), 4)
Liwacom Informationstechnik GmbH	Essen	33.33	522	146	3), 4)
NETRA GmbH-Norddeutsche Erdgas Transversale	Schneiderkrug	50.00	120	2	3), 4)
Nordrheinische Erdgastransportleitungsgesellschaft mbH & Co. KG	Dortmund	50.00	149,408	6,365	4)
Nordrheinische Erdgastransportleitungs-Verwaltungs-GmbH	Dortmund	50.00	44	1	3), 4)
PRISMA European Capacity Platform GmbH	Leipzig	1.33	1,975	173	3), 4)
Route4Gas B.V.	Amsterdam	23.05	0	0	6), 8)
Trading Hub Europe GmbH	Ratingen	9.09	6,181	104	3), 4)
Trans Europa Naturgas Pipeline Verwaltungs-GmbH	Essen	50.00	55	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.

[6] Company shares are held by Open Grid Participations GmbH.

[7] Joint control

[8] The company has been declared insolvent and has not prepared annual financial statements since 2022.

Activity Reports 2023

Unbundling balance sheet as of 31 December 2023

Assets €	Grid Business	Other Activities within Gas Sector	Activities outside Gas Sector	Consolidation Column	Sum
A. Fixed assets					
I. Intangible assts	0.00	0.00	0.00	0.00	**0.00**
1. Internally generated intangible assets	2,799,492.55	8,220.69	331,358.24	0.00	3,139,071.48
2. Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets	34,764,356.32	298,447.38	2,762,844.63	0.00	37,825,648.33
3. Prepayments	4,516,466.64	64,690.32	1,806,355.87	0.00	6,387,512.83
	42,080,315.51	**371,358.39**	**4,900,558.74**	**0.00**	**47,352,232.64**
II. Tangible assets	0.00	0.00	0.00	0.00	0.00
1. Land, land rights and buildings, including buildings on third-party land	147,190,374.09	153,413.92	10,308,259.96	0.00	157,652,047.97
2. Technical equipment and machinery	1,444,464,131.39	13,322.84	894,538.02	0.00	1,445,371,992.25
3. Other equipment, operating and office equipment	33,280,368.45	114,153.27	12,525,288.87	0.00	45,919,810.59
4. Prepayments and assets under construction	173,027,894.65	109,072.11	3,430,520.41	0.00	176,567,487.17
	1,797,962,768.58	**389,962.14**	**27,158,607.26**	**0.00**	**1,825,511,337.98**
III. Financial assets	0.00	0.00	0.00	0.00	**0.00**
1. Shares in affiliated companies	0.00	0.00	895,385,337.00	0.00	895,385,337.00
2. Other long-term equity investments	0.00	0.00	224,933,810.41	0.00	224,933,810.41
3. Other loans	1,396,389.19	22,369.76	752,179.41	0.00	2,170,938.36
	1,396,389.19	**22,369.76**	**1,121,071,326.82**	**0.00**	**1,122,490,085.77**
	1,841,439,473.28	**783,690.29**	**1,153,130,492.82**	**0.00**	**2,995,353,656.39**
B. Current assets	0.00	0.00	0.00	0.00	**0.00**
I. Inventories	0.00	0.00	0.00	0.00	**0.00**
1. Raw materials and supplies	15,118,841.95	1,632.18	1,201,281.21	0.00	16,321,755.34
2. Work in progress	8,011,520.81	0.00	65,611,650.19	0.00	73,623,171.00
3. Merchandise	15,967,613.39	0.00	0.00	0.00	15,967,613.39
4. Other inventories	28,444,450.36	0.00	0.00	0.00	28,444,450.36
	67,542,426.51	**1,632.18**	**66,812,931.40**	**0.00**	**134,356,990.09**
II. Receivables and other assets	0.00	0.00	0.00	0.00	**0.00**
1. Trade receivables	23,046,243.93	742,132.18	8,956,748.55	0.00	32,745,124.66
2. Receivables from shareholders	0.00	0.00	0.00	0.00	0.00
3. Receivables from affiliated companies	4,383,737.48	113,760.65	32,267,559.23	-84,331.86	36,680,725.50
4. Receivables from companies in which equity investments are held	2,410,669.00	0.00	19,809,282.04	-3,624.85	22,216,326.19
5. Other assets	63,995,690.69	23,301.53	1,771,975.93	0.00	65,790,968.15
from that receivables with a residual term of one year	*38,090,000.00*	*0.00*	*0.00*	*0.00*	*38,090,000.00*
	93,836,341.10	**879,194.36**	**62,805,565.75**	**-87,956.71**	**157,433,144.50**
III. Cash in hand and bank balances	253,489,246.75	7,433,105.04	248,194,432.08	0.00	509,116,783.87
	414,868,014.36	**8,313,931.58**	**377,812,929.23**	**-87,956.71**	800,906,918.46
C. Prepaid expenses	2,311,723.16	43,028.37	1,592,936.51	0.00	3,947,688.04
D. Excess of plan assets over post-employment benefit liability	0.00	0.00	0.00	0.00	0.00
E. Capital clearing item	656,016,134.59	0.00	3,297,644.22	-659,313,778.81	0.00
	2,914,635,345.39	**9,140,650.24**	**1,535,834,002.78**	**-659,401,735.52**	**3,800,208,262.89**

Shareholders' equity and Liabilities	€	Grid Business	Other Activities within Gas Sector	Activities outside Gas Sector	Consolidation Column	Sum
A.	**Shareholders' equity**					
I.	Subscribed capital	67,832,145.00	33,105.00	42,484,750.00	0.00	110,350,000.00
II.	Capital reserve	1,022,725,871.99	499,134.15	640,555,491.64	0.00	1,663,780,497.78
III.	Revenue reserves	762,452,980.44	22,632.44	29,044,966.73	0.00	791,520,579.61
		1,853,010,997.43	**554,871.59**	**712,085,208.37**	**0.00**	**2,565,651,077.39**
B.	**Special item for investment grants for fixed assets**	343,896.50	0.00	0.00	0.00	343,896.50
C.	**Provisions**	0.00	0.00	0.00	0.00	0.00
1.	Provisions for pensions and similar obligations	19,954,553.00	319,666.29	10,462,923.38	0.00	30,737,142.67
2.	Tax provisions	24,044.64	703.15	15,663.37	0.00	40,411.16
3.	Other provisions	881,780,370.97	620,174.54	22,796,961.50	0.00	905,197,507.01
		901,758,968.61	**940,543.98**	**33,275,548.25**	**0.00**	**935,975,060.84**
D.	**Liabilities**	0.00	0.00	0.00	0.00	0.00
1.	Liabilities to banks	194.76	3.12	102.12	0.00	300.00
	from that with a residual term of one year	194.76	3.12	102.12	0.00	300.00
2.	Payments received on account of orders	5,689,744.31	0.00	16,718,736.49	0.00	22,408,480.80
	from that with a residual term of one year	*5,689,744.31*	*0.00*	*16,718,736.49*	*0.00*	*22,408,480.80*
3.	Trade payables	59,633,037.20	80,213.11	8,863,028.13	0.00	68,576,278.44
	from that with a residual term of up to one year	*59,570,176.70*	*80,213.11*	*8,855,575.58*	*0.00*	*68,505,965.39*
	from that with a residual term between one and five years	*62,860.50*	*0.00*	*7,452.55*	*0.00*	*70,313.05*
	from that with a residual term of more than five years	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
4.	Liabilities to shareholders	59,720,293.07	1,748,845.67	52,052,124.80	0.00	113,521,263.54
	from that with a residual term of up to one year	*59,720,293.07*	*1,748,845.67*	*52,052,124.80*	*0.00*	*113,521,263.54*
5.	Liabilities to affiliated companies	7,448,586.83	0.00	32,054,599.92	-84,331.86	39,418,854.89
	from that with a residual term of up to one year	*7,448,586.83*	*0.00*	*32,054,599.92*	*-84,331.86*	*39,418,854.89*
6.	Liabilities to companies in which equity investments are held	1,063,895.33	3,849.67	22,573,376.05	-3,624.85	23,637,496.20
	from that with a residual term of up to one year	*1,063,895.33*	*3,849.67*	*22,573,376.05*	*-3,624.85*	23,637,496.20
7.	Other liabilities	21,295,233.98	122,524.87	4,260,899.37	0.00	25,678,658.22
	from that with a residual term of up to one year	*7,191,645.77*	*122,524.87*	*3,229,592.39*	*0.00*	*10,543,763.03*
	from that with a residual term between one and five years	*2,803,102.09*	*0.00*	*616,911.67*	*0.00*	*3,420,013.76*
	from that with a residual term of more than five years	*11,300,486.12*	*0.00*	*414,395.31*	*0.00*	*11,714,881.43*
	from that taxes	*4,550,577.57*	*114,736.01*	*2,788,119.91*	*0.00*	*7,453,433.49*
		154,850,985.48	**1,955,436.44**	**136,522,866.88**	**-87,956.71**	**293,241,332.09**
E.	**Deferred income**	4,670,497.27	0.00	326,398.80	0.00	4,996,896.07
F.	**Capital clearing item**	0.00	5,689,798.23	653,623,980.48	-659,313,778.71	0.00
		2,914,635,345.39	**9,140,650.24**	**1,535,834,002.78**	**-659,401,735.52**	**3,800,208,262.89**

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

In September 2023, VGT replaced an existing syndicated loan facility in the amount of € 600.0 million running until August 2024 prematurely with a credit facility involving the same volume and initially running until 2028. OGE is also a borrower under the loan and therefore entitled to use the credit line. As at 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). The previous ancillary credit lines were replaced by ancillary credit lines in the same amount and initially with a term until 26 September 2028. All outstanding sureties under the previous ancillary credit lines were transferred to the new credit facility and are deemed to have been issued under the new agreement. As at 31 December 2023, € 0.4 million had been utilised for the issuing of bank guarantees. In August 2020, OGE had concluded a further surety line in the amount of € 10.0 million. As at 31 December 2023, € 2.1 million of this facility had been utilised for issuing 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 € 236.8 million p.a. at the reporting date from long-term contracts for the beneficial use of the pipeline network (Grid Business), of which € 164.5 million p.a. relates to affiliated companies.

Furthermore, other financial obligations of € 250.0 million exist and relate to purchase commitments. These purchase commitments are split using the key for materials and therefore classified as follows: Grid Business € 231.6 million, Other Activities within Gas Sector € 0.1 million and Activities outside Gas Sector € 18.3 million. Of this amount, € 6.0 million relates to affiliated companies.

Unbundling Income Statements

for the period from 1 January to 31 December 2023

	€	Grid Business	Other Activities within Gas Sector	Activities outside Gas Sector	Sum
1.	Revenues	1,102,120,144.44	8,081,696.24	181,150,235.64	1,291,352,076.32
2.	Change in finished goods and work in progress	3,747,186.18	0.00	968,823.15	4,716,009.33
3.	Other own work capitalised	25,506,038.83	0.00	0.00	25,506,038.83
4.	Other operating income	33,853,806.70	3,795.36	1,841,910.89	35,699,512.95
	- of which income from currency translation	*3,377.44*	*28.10*	*1,160.89*	*4,566.43*
5.	Cost of materials				
	a) Cost of raw materials and supplies	-146,430,355.31	-15,187.51	-7,038,853.34	-153,484,396.16
	b) Cost of purchased services	-531,428,404.56	-60,832.53	-46,841,407.91	-578,330,645.00
		-677,858,759.86	-76,020.04	-53,880,261.25	-731,815,041.16
6.	Personnel expenses				
	a) Wages and salaries	-102,957,036.20	-1,822,923.99	-54,438,347.03	-159,218,307.21
	b) Social security, pensions and other benefits	-46,923,218.14	-570,042.98	-24,147,504.03	-71,640,765.16
	- of which for pensions	*-30,276,693.70*	*-274,808.57*	*-15,047,150.23*	*-45,598,652.51*
		-149,880,254.34	-2,392,966.97	-78,585,851.06	-230,859,072.37
7.	Amortisation of intangible assets and depreciation of tangible assets	-144,464,105.45	-393,452.74	-5,727,842.65	-150,585,400.84
8.	Other operating expenses	-73,413,963.61	-1,009,726.46	-22,729,749.62	-97,153,439.69
	- of which expenses from currency translation	*-218,162.93*	*-1,870.83*	*-77,297.82*	*-297,331.58*
9.	Imcome from equity investments	0.00	0.00	104,736,177.45	104,736,177.45
	a) Income from investments	0.00	0.00	39,926,364.42	39,926,364.42
	- of which from affiliated companies	*0.00*	*0.00*	*10,042,010.91*	*10,042,010.91*
	b) Income from profit transfer agreement	0.00	0.00	64,809,972.62	64,809,972.62
	- of which from affiliated companies	*0.00*	*0.00*	*64,809,972.62*	*64,809,972.62*
	c) Expenses from transfer of losses	0.00	0.00	-159.59	-159.59
	- of which from affiliated companies	*0.00*	*0.00*	*-159.59*	*-159.59*
10.	Other interest and similar income	49,405,375.27	723,750.30	23,200,605.46	73,329,731.03
	- of which from affiliated companies	*424,785.17*	*14,918.85*	*453,640.19*	*893,344.21*
	- of which interest income from discounting of provisions	*41,751,707.89*	*487,741.50*	*15,964,154.52*	*58,203,603.91*
11.	Interest and similar expenses	-1,022,878.96	-28,156.76	-855,867.78	-1,906,903.50
	- of which from affiliated companies	-646,903.93	-22,719.86	-690,847.14	-1,360,470.93
	- of which interest expense from unwinding of discounting of provisions	*-166,306.93*	*603.83*	*19,763.90*	*-145,939.20*
12.	Income taxes	-42,649,575.06	-1,248,785.67	-27,774,398.77	-71,672,759.49
13.	**Profit after tax**	**125,343,014.14**	**3,660,133.25**	**122,343,781.47**	**251,346,928.86**
14.	Other taxes	-472,762.90	-2,700.90	-92,037.24	-567,501.04
15.	Transfers under profit-and-loss transfer agreements	-124,870,251.24	-3,657,432.34	-122,251,744.23	-250,779,427.82
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 5 February 2024, 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 2023 financial year

	Acquisition and production costs					Cumulative amortisation/depreciation				Net book values	
	1 Jan 2023	Additions	Disposals	Transfers	31 Dec 2023	1 Jan 2023	Additions	Disposals	31 Dec 2023	31 Dec 2023	31 Dec 2022
	€	€	€	€	€	€	€	€	€	€	€
Intangible assets											
Internally generated intangible assets	11,476,858.08	388,927.09	-461,809.35	0.00	11,403,975.82	7,413,674.86	1,313,038.83	-461,809.35	8,264,904.34	3,139,071.48	4,063,183.22
thereof Grid Business	*10,050,365.56*	*262,461.46*	*-338,099.40*	*0.00*	*9,974,727.62*	*6,281,992.49*	*1,231,341.96*	*-338,099.40*	*7,175,235.05*	*2,799,492.57*	*3,759,556.49*
thereof Other Activities within Gas Sector	*27,193.61*	*3,835.57*	*-2,940.42*	*0.00*	*28,088.76*	*21,324.87*	*1,483.61*	*-2,940.42*	*19,868.07*	*8,220.69*	*7,183.56*
thereof Activities outside Gas Sector	*1,399,298.91*	*122,630.06*	*-120,769.53*	*0.00*	*1,401,159.44*	*1,110,357.50*	*80,213.25*	*-120,769.53*	*1,069,801.22*	*331,358.22*	*296,443.18*
Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	167,591,330.02	8,665,808.70	-6,620,147.96	3,474,426.01	173,111,416.77	127,920,997.60	13,984,918.80	-6,620,147.96	135,285,768.44	37,825,648.33	39,670,332.42
thereof Grid Business	*148,257,793.34*	*7,376,763.30*	*-6,265,831.33*	*2,782,188.17*	*152,150,913.47*	*112,783,150.59*	*10,869,237.89*	*-6,265,831.33*	*117,386,557.15*	*34,764,356.32*	*35,506,941.80*
thereof Other Activities within Gas Sector	*3,595,110.79*	*107,189.02*	*-100,113.37*	*34,356.16*	*3,636,542.60*	*3,082,671.35*	*355,537.23*	*-100,113.37*	*3,338,095.22*	*298,447.38*	*582,477.33*
thereof Activities outside Gas Sector	*15,738,425.89*	*1,181,856.38*	*-254,203.26*	*657,881.68*	*17,323,960.70*	*12,055,175.66*	*2,760,143.68*	*-254,203.26*	*14,561,116.08*	*2,762,844.62*	*3,580,913.29*
Prepayments	4,785,481.12	5,076,457.72	0.00	-3,474,426.01	6,387,512.82	0.00	0.00	0.00	0.00	6,387,512.82	4,785,481.12
thereof Grid Business	*3,561,624.28*	*3,622,051.91*	*0.00*	*-2,667,209.56*	*4,516,466.63*	*0.00*	*0.00*	*0.00*	*0.00*	*4,516,466.63*	*3,482,923.79*
thereof Other Activities within Gas Sector	*76,979.21*	*42,860.35*	*0.00*	*-55,149.24*	*64,690.32*	*0.00*	*0.00*	*0.00*	*0.00*	*64,690.32*	*90,757.43*
thereof Activities outside Gas Sector	*1,146,877.63*	*1,411,545.46*	*0.00*	*-752,067.21*	*1,806,355.87*	*0.00*	*0.00*	*0.00*	*0.00*	*1,806,355.87*	*1,211,799.90*
	183,853,669.22	**14,131,193.51**	**-7,081,957.31**	**0.00**	**190,902,905.41**	**135,334,672.46**	**15,297,957.63**	**-7,081,957.31**	**143,550,672.78**	**47,352,232.63**	**48,518,996.76**
Tangible assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Land, land rights and buildings, including buildings on third-party land	329,596,025.69	926,953.39	-3,241.08	608,543.43	331,128,281.43	164,836,723.07	8,639,510.39	0.00	173,476,233.46	157,652,047.97	164,759,302.62
thereof Grid Business	*299,551,704.95*	*897,744.26*	*-3,241.08*	*128,950.78*	*300,575,158.91*	*145,382,825.78*	*8,001,959.05*	*0.00*	*153,384,784.82*	*147,190,374.09*	*154,083,074.76*
thereof Other Activities within Gas Sector	*388,667.09*	*0.00*	*0.00*	*0.00*	*388,667.09*	*224,904.74*	*10,348.42*	*0.00*	*235,253.17*	*153,413.92*	*188,836.08*
thereof Activities outside Gas Sector	*29,655,653.65*	*29,209.13*	*0.00*	*479,592.65*	*30,164,455.43*	*19,228,992.55*	*627,202.92*	*0.00*	*19,856,195.47*	*10,308,259.96*	*10,487,391.78*
Technical equipment and machinery	5,292,357,683.90	80,829,679.25	-1,038,925.32	27,028,787.32	5,399,177,225.15	3,837,477,595.01	117,354,316.01	-1,026,678.12	3,953,805,232.90	1,445,371,992.25	1,454,880,088.89
thereof Grid Business	*5,286,810,823.35*	*80,423,557.73*	*-1,038,925.32*	*26,993,153.77*	*5,393,188,609.54*	*3,832,447,125.60*	*117,304,030.66*	*-1,026,678.12*	*3,948,724,478.14*	*1,444,464,131.40*	*1,454,350,864.35*
thereof Other Activities within Gas Sector	*2,367,614.83*	*0.24*	*0.00*	*0.00*	*2,367,615.07*	*2,352,238.24*	*2,053.99*	*0.00*	*2,354,292.23*	*13,322.84*	*11,796.43*
thereof Activities outside Gas Sector	*3,179,245.72*	*406,121.28*	*0.00*	*35,633.55*	*3,621,000.54*	*2,678,231.16*	*48,231.36*	*0.00*	*2,726,462.53*	*894,538.01*	*517,428.12*
Other equipment, operating and office equipment	125,311,629.28	10,117,887.26	-2,543,656.69	1,903,408.78	134,789,268.63	81,544,159.13	9,293,616.81	-1,968,317.90	88,869,458.04	45,919,810.59	43,767,470.15
thereof Grid Business	*86,246,133.38*	*6,699,575.75*	*-1,494,659.54*	*1,161,280.45*	*92,612,330.04*	*53,436,632.47*	*7,057,535.90*	*-1,162,206.78*	*59,331,961.59*	*33,280,368.45*	*30,689,665.41*
thereof Other Activities within Gas Sector	*292,417.46*	*11,040.85*	*-19,997.19*	*-*	*283,461.11*	*165,274.62*	*24,029.48*	*-19,996.26*	*169,307.84*	*114,153.27*	*139,457.92*
thereof Activities outside Gas Sector	*38,773,078.45*	*3,407,270.67*	*-1,028,999.96*	*742,128.33*	*41,893,477.48*	*27,942,252.04*	*2,212,051.43*	*-786,114.86*	*29,368,188.62*	*12,525,288.86*	*12,938,346.82*
Prepayments and assets under construction	101,342,075.40	104,787,340.30	-21,189.00	-29,540,739.53	176,567,487.17	0.00	0.00	0.00	0.00	176,567,487.17	101,342,075.40
thereof Grid Business	*98,836,203.88*	*102,496,264.77*	*-21,189.00*	*-28,283,385.00*	*173,027,894.65*	*0.00*	*0.00*	*0.00*	*0.00*	*173,027,894.65*	*98,143,417.72*
thereof Other Activities within Gas Sector	*56,393.77*	*52,678.35*	*0.00*	*0.00*	*109,072.11*	*0.00*	*0.00*	*0.00*	*0.00*	*109,072.11*	*44,304.48*
thereof Activities outside Gas Sector	*2,449,477.75*	*2,238,397.18*	*0.00*	*-1,257,354.53*	*3,430,520.41*	*0.00*	*0.00*	*0.00*	*0.00*	*3,430,520.41*	*3,154,353.19*
	5,848,607,414.27	**196,661,860.20**	**-3,607,012.09**	**0.00**	**6,041,662,262.38**	**4,083,858,477.21**	**135,287,443.21**	**-2,994,996.02**	**4,216,150,924.40**	**1,825,511,337.98**	**1,764,748,937.06**

	Acquisition and production costs					Cumulative amortisation/depreciation				Net book values	
	1 Jan 2023	Additions	Disposals	Transfers	31 Dec 2023	1 Jan 2023	Additions	Disposals	31 Dec 2023	31 Dec 2023	31 Dec 2022
	€	€	€	€	€	€	€	€	€	€	€
Financial assets											
Shares in affiliated companies	864,844,314.90	31,041,021.10	0.00	0.00	895,885,336.00	499,999.00	0.00	0.00	499,999.00	895,385,337.00	864,344,315.90
thereof Grid Business	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
thereof Other Activities within Gas Sector	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
thereof Activities outside Gas Sector	*864,844,314.90*	*31,041,021.10*	*0.00*	*0.00*	*895,885,336.00*	*499,999.00*	*0.00*	*0.00*	*499,999.00*	*895,385,337.00*	*864,344,315.90*
Other long-term equity investments	216,500,724.55	8,435,585.86	-2,500.00	0.00	224,933,810.41	0.00	0.00	0.00	0.00	224,933,810.41	216,500,724.55
thereof Grid Business	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
thereof Other Activities within Gas Sector	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
thereof Activities outside Gas Sector	*216,500,724.55*	*8,435,585.86*	*-2,500.00*	*0.00*	*224,933,810.41*	*0.00*	*0.00*	*0.00*	*0.00*	*224,933,810.41*	*216,500,724.55*
Other loans	2,340,366.06	0.00	-8,912.00	0.00	2,331,454.06	117,511.51	43,004.19	0.00	160,515.70	2,170,938.36	2,222,854.55
thereof Grid Business	*1,506,381.65*	*0.00*	*-5,785.67*	*0.00*	*1,500,595.98*	*76,288.47*	*27,918.32*	*0.00*	*104,206.79*	*1,396,389.18*	*1,389,120.08*
thereof Other Activities within Gas Sector	*24,131.81*	*0.00*	*-92.68*	*0.00*	*24,039.12*	*1,222.12*	*447.24*	*0.00*	*1,669.36*	*22,369.76*	*25,773.40*
thereof Activities outside Gas Sector	*809,852.61*	*0.00*	*-3,033.64*	*0.00*	*806,818.96*	*40,000.92*	*14,638.63*	*0.00*	*54,639.54*	*752,179.42*	*807,961.07*
	1,083,685,405.51	**39,476,606.96**	**-11,412.00**	**0.00**	**1,123,150,600.47**	**617,510.51**	**43,004.19**	**0.00**	**660,514.70**	**1,122,490,085.77**	**1,083,067,895.00**
	7,116,146,489.00	**250,269,660.67**	**-10,700,381.40**	**0.00**	**7,355,715,768.26**	**4,219,810,660.18**	**150,628,405.03**	**-10,076,953.33**	**4,360,362,111.88**	**2,995,353,656.38**	**2,896,335,828.82**

Activity Reports 2022

Unbundling balance sheet as of 31 December 2022

Assets €	Grid Business	Other Activities within Gas Sector	Activities outside Gas Sector	Consolidation Column	Sum
A. Fixed assets					
I. Intangible assts					
1. Internally generated intangible assets	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 buildings 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 equipment	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 investments 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 liability	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
		from that with a residual term of one year	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
		from that with a residual term of one year	*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
		from that with a residual term of up to one year	*90,837,851.26*	*108,504.36*	*8,369,156.62*	*0.00*	*99,315,512.24*
		from that with a residual term between one and five years	*86,384.40*	*135.50*	*14,045.40*	*0.00*	*100,565.30*
		from that with a residual term of more than five years	*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
		from that with a residual term of up to one year	*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
		from that with a residual term of up to one year	*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
		from that with a residual term of up to one year	*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
		from that with a residual term of up to one year	*11,204,428.22*	*93,406.44*	*2,852,960.24*	*0.00*	*14,150,794.90*
		from that with a residual term between one and five years	*3,272,757.93*	*0.00*	*298,251.87*	*0.00*	*3,571,009.80*
		from that with a residual term of more than five years	*11,321,120.13*	*0.00*	*231,049.08*	*0.00*	*11,552,169.21*
		from that taxes	*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.	Imcome 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 2022	Additions	Disposals	Transfers	31 Dec 2022	1 Jan 2022	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
thereof Grid Business	*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*
thereof Other Activities within Gas Sector	*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*
thereof Activities outside Gas Sector	*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
thereof Grid Business	*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*
thereof Other Activities within Gas Sector	*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*
thereof Activities outside Gas Sector	*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
thereof Grid Business	*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*
thereof Other Activities within Gas Sector	*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*
thereof Activities outside Gas Sector	*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
thereof Grid Business	*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*
thereof Other Activities within Gas Sector	*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*
thereof Activities outside Gas Sector	*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
thereof Grid Business	*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*
thereof Other Activities within Gas Sector	*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*
thereof Activities outside Gas Sector	*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*
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
thereof Grid Business	*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*
thereof Other Activities within Gas Sector	*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*
thereof Activities outside Gas Sector	*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
thereof Grid Business	*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*
thereof Other Activities within Gas Sector	*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*
thereof Activities outside Gas Sector	*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**

	Acquisition and production costs					Cumulative amortisation/depreciation				Net book values	
	1 Jan 2022	Additions	Disposals	Transfers	31 Dec 2022	1 Jan 2022	Additions	Disposals	31 Dec 2022	31 Dec 2022	31 Dec 2021
	€	€	€	€	€	€	€	€	€	€	€
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
thereof Grid Business	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
thereof Other Activities within Gas Sector	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
thereof Activities outside Gas Sector	*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*
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
thereof Grid Business	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
thereof Other Activities within Gas Sector	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
thereof Activities outside Gas Sector	*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
thereof Grid Business	*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*
thereof Other Activities within Gas Sector	*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*
thereof Activities outside Gas Sector	*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**

INDEPENDENT AUDITOR'S REPORT

To Open Grid Europe GmbH, Essen/Germany

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/Germany, which comprise the balance sheet as at 31 December 2023, and the statement of profit and loss for the financial year from 1 January to 31 December 2023, and the 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, Essen/Germany, for the financial year from 1 January to 31 December 2023. In accordance with the German legal requirements, we have not audited the content of the corporate governance statement pursuant to Section 289f (4) German Commercial Code (HGB) (disclosures concerning the quota for women) as included in section 4 of the management report.

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 applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2023 and of its financial performance for the financial year from 1 January to 31 December 2023 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 corporate governance statement pursuant to Sec. 289f (4) HGB referred to above.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (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 Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Other Information

The other information relates to the corporate governance statement pursuant to Section 289f (4) HGB (disclosures concerning the quota for women) included in section 4 of the management report for which the executive directors are responsible.

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 identified above and, in doing so, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the audited content of the management report or 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 applicable to business corporations, 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 Section 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 judgement and maintain professional scepticism 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 the risk of not detecting a material misstatement 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 relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.

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

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

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Audit of Compliance with the Accounting Obligations under Section 6b (3) German Energy Industry Act (EnWG)

We audited whether the Company complied with its obligations under Section 6b (3) sentences 1 to 5 EnWG to maintain separate accounts for the financial year from 1 January to 31 December 2023. In addition, we have audited the business area financial statements for the activities “gas transmission”, “other activities within the gas sector” and “activities outside the gas sector” in accordance with Section 6b (3) sentence 1 EnWG, which comprise the balance sheet as at 31 December 2023 and the statement of profit and loss for the financial year from 1 January to 31 December 2023, respectively, and the appended information on the accounting policies for the preparation of the business area financial statements.

- In our opinion, the Company complied, in all material respects, with the obligations under Section 6b (3) sentences 1 to 5 EnWG to maintain separate accounts.
- In our opinion, on the basis of the knowledge obtained in the audit, the accompanying financial area statements comply, in all material respects, with the German requirements of Section 6b (3) sentences 5 to 7 EnWG.

We conducted our audit of compliance with the obligation to maintain separate accounts and of the financial area statements in accordance with Section 6b (5) EnWG in compliance with the Auditing Standard Audit pursuant to Section 6b EnWG promulgated by the Institut der Wirtschaftsprüfer (IDW) (IDW AuS 610 Rev. (07.2021)). Our responsibilities under those requirements and principles are further described below. 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. Our audit firm has applied the requirements of the IDW Quality Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the compliance with the accounting obligations under Section 6b (3) EnWG.

The executive directors are responsible for the compliance with the obligations under Section 6b (3) sentences 1 to 5 EnWG to maintain separate accounts. The executive directors are also responsible for the preparation of the financial area statements in accordance with the German requirements of Section 6b (3) sentences 5 to 7 EnWG.

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

The responsibilities of the executive directors are the same as the responsibilities concerning the annual financial statements described in the section “Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report”, with the exception that the business area financial statements do not have to give a true and fair view of the assets, liabilities, financial position and financial performance of the activity.

The supervisory board is responsible for overseeing the Company’s compliance with the accounting obligations under Section 6b (3) EnWG.

Our objectives are to obtain reasonable assurance about

- whether the executive directors complied, in all material respects, with their obligations under Section 6b (3) sentences 1 to 5 EnWG to maintain separate accounts, and
- whether the financial area statements comply, in all material respects, with the German requirements of Section 6b (3) sentences 5 to 7 EnWG.

In addition, our objectives are to include a report within the Independent Auditor's Report stating our audit opinions on the compliance with the accounting obligations under Section 6b (3) EnWG.

The audit of compliance with the obligations under Section 6b (3) sentences 1 to 5 EnWG to maintain separate accounts includes assessing whether the classification of accounts in relation to the activities pursuant to Section 6b (3) sentences 1 to 4 EnWG was appropriate and reasonable, and whether the principle of consistency has been adhered to.

Our responsibilities for the audit of the business area financial statements are the same as the responsibilities concerning the annual financial statements described in the section "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report", with the exception that we are unable to evaluate the reasonable overall presentation of the respective business area financial statements.

Düsseldorf/Germany, 13 March 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:	Signed:
Christian Renzelmann	Žans Gorskis
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)