

First Supplement dated 20 August 2019

to the Prospectus dated 7 May 2019

relating to the EUR 5,000,000,000 Debt Issuance Programme of Vier Gas Transport GmbH

This document constitutes a supplement (the "First Supplement") for the purpose of Article 13 (1) of the Luxembourg law dated 10 July 2005 on prospectuses for securities, as amended (Loi relative aux prospectus pour valeurs mobilières, the "Luxembourg Prospectus Law"), in connection with Article 46 (3) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, to the debt issuance programme prospectus relating to the EUR 5,000,000,000 Debt Issuance Programme (the "Prospectus") for the issue of notes of Vier Gas Transport GmbH (the "Issuer") in respect of non-equity securities within the meaning of Article 22 No. 6 (4) of the Commission Regulation (EC) No. 809/2004 of 29 April 2004, as amended.



VIER GAS TRANSPORT GMBH

(incorporated with limited liability in Essen, Federal Republic of Germany)
as Issuer

EUR 5,000,000,000 Debt Issuance Programme

This First Supplement is supplemental to, and should only be distributed and read together with, the Prospectus. Terms defined in the Prospectus have the same meaning when used in this First Supplement. To the extent that there is any inconsistency between (a) any statement in this First Supplement and (b) any other statement prior to the date of this First Supplement, the statements in (a) will prevail.

This First Supplement has been approved by the *Commission de Surveillance du Secteur Financier* (the "CSSF") and will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The Issuer has requested the CSSF in its capacity as competent authority under the Luxembourg Prospectus Law to approve this First Supplement. The Issuer may request the CSSF to provide competent authorities in other Member States within the European Economic Area with a notification.

By approving this First Supplement, the CSSF shall give no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer in line with the provisions of Article 7 (7) of the Luxembourg Prospectus Law.

The Issuer is solely responsible for the information given in this First Supplement. The Issuer hereby declares, having taken all reasonable care to ensure that such is the case, that to the best of its knowledge, the information contained in this First Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation other than those contained in the Prospectus or this First Supplement in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Dealers or any of them.

This First Supplement does not constitute an offer of, or an invitation by or on behalf of the Issuer to subscribe for, or purchase, any Notes.

The Issuer announces the following changes with regard to the Prospectus:

1. In the section "RISK FACTORS", under the heading "*The regulatory framework in Germany governing the tariffs of OGE includes certain factors which may negatively impact the Issuer's ability to meet its debt service obligations*" on pages 6 and 7 of the Prospectus, the wording in the sixth and seventh paragraph shall be deleted in its entirety and replaced by the following:

"Furthermore, BNetzA determined two key parameters to be applied for the revenue cap of the Third Regulatory Period:

- On 12 October 2016, the return on imputed equity (the "**RoE**")¹ was set at 6.91 per cent., (nominal) by BNetzA. This decision was appealed by OGE amongst other network operators. In March 2018, the Higher Regional Court of Düsseldorf decided that BNetzA used a methodically incorrect procedure to determine the rates for the return on equity for the Third Regulatory Period. The court held the opinion that the determined rates do not reflect the current situation at the capital markets correctly and are determined at a level which is not sufficient. BNetzA has appealed the decision of the Higher Regional Court of Düsseldorf at the Federal Court of Justice.
- After a public hearing on 9 April 2019 in a similar case, the Federal Court of Justice revoked the decision of the Higher Regional Court on 9 July 2019. As a result, the Federal Court of Justice confirmed the BNetzA approach in determining the RoE for the Third Regulatory Period.
- The sectoral productivity factor ("**Xgen**") for the Third Regulatory Period has been settled by BNetzA at a level of 0.49 per cent. *per annum*. This factor displays an additional efficiency target that obliges network operators to reduce their revenue cap by the respective percentage value during the course of the regulatory period. Although the current stipulation is below the historic values of 1.25 per cent. and 1.5 per cent. for the first and second regulatory period many operators including OGE appealed the current decision as BNetzA calculations are not perceived as robust and valid.
- On 10 July 2019, the Higher Regional Court Düsseldorf revoked the BNetzA ruling on Xgen for the Third Regulatory Period for gas network operators.

OGE received the final decision regarding the revenue cap for the years 2018-2022 on 15 June 2018. As OGE refrained from appealing against the decision, it has become legally binding on 16 July 2018. However, the determination contains an adjustment clause regarding the RoE and the Xgen as a result of the pending legal disputes as mentioned in the business description (the "**Regulatory Proceedings**"). BNetzA decided to approve the balance of the regulatory account from previous years in a separate procedure. OGE received a final decision regarding the regulatory account of the years 2012-2016 on 10 July 2019. OGE refrained from appealing against the decision, it has become legally binding on 11 August 2019. This decision also incorporates the regulatory account 2012-2016 for jordgas Transport GmbH ("**Jordgas GmbH**"). The regulatory account balances for the years 2017 and 2018 have not been audited by BNetzA yet."

2. In the section "RISK FACTORS", under the heading "*The regulatory framework in Germany governing the tariffs of OGE includes certain factors which may negatively impact the Issuer's ability to meet its debt service obligations*" on page 8 of the Prospectus, the wording in the last paragraph shall be deleted in its entirety and replaced by the following:

"In mid-July 2019, the BNetzA started a comprehensive data inquiry on this subject among all TSOs. It is expected that the current lump sums will be updated by the end of 2019.

A reduction of these specific OPEX remuneration levels could lead to a reduced growth of OGE's revenue cap for future periods although high investments belonging to these asset classes will be carried out."

¹ According to Section 7 GasNEV the applicable return on imputed equity ("**RoE**") for OGE's revenue cap 2018-2022 is determined by BNetzA and calculated before corporate tax and after trade tax.

3. In the section "RISK FACTORS", under the heading "*Future changes to the regulatory framework may have a negative impact on OGE*" on page 8 of the Prospectus, the wording in the fifth and sixth paragraph shall be deleted in its entirety and replaced by the following:

"Besides the aforementioned legislation, in mid-May 2019, the Federal Ministry of Economics ("**BMWi**") commenced an industry dialogue on further development of the ARegV. In addition to accelerating the expansion of the network expansion, the discussion also focuses on the remuneration mechanism.

The discussion also refers to the IMA instrument, which was established in the ARegV in 2012, and which regulates the remuneration of electricity and gas TSOs for expansion and restructuring investments.

BMWi has announced that probably new contents and amendments of the ARegV shall be developed by the end of 2019. Taking these considerations into account, a formal legislation procedure will be started in the succession of that process.

As being noticeable in the past, BNetzA permanently analyses potential changes of the regulatory framework that might trigger legislative changes. Nevertheless, it is unlikely that such changes come into force within the ongoing regulatory period.

An amendment of the Gasnetzzugangsverordnung (the "**GasNZV**") from August 2017 obligates all German TSOs to work jointly for a higher liquidity of the gas market. Therefore, the two German market areas GASPOOL and NetConnect Germany must be merged until 1 April 2022."

4. In the section "BUSINESS DESCRIPTION OF THE ISSUER", sub-section "*Financial Policy*" on page 26 of the Prospectus, the wording shall be modified as follows where the words in ~~strike through~~ are deleted and the underlined words are added:

"The Issuer intends to maintain a regular and stable flow of dividends from its investment in OGE. In order to ensure such stable flow of returns, achieving and maintaining a strong investment grade rating is a high priority for the Issuer. OGE has entered into a profit and loss transfer agreement with the Issuer with effect from 1 January 2013.

In addition, the Issuer is a borrower and guarantor under an unsecured EUR 600,000,000 revolving facility agreement dated 4 August 2017 between, *inter alias*, the Issuer and OGE as borrowers, Commerzbank Finance & Covered Bond S.A. as agent, and certain financial institutions are parties (the "**Facility Agreement**").

The Facility Agreement was extended by one year in July 2019 and will terminate in 2023~~but includes the option to extend the termination date by another year.~~ According to the Facility Agreement, the potential borrowers have the possibility to request revolving facility loans or swingline loans to support the borrowers' cash management needs. The Facility Agreement is governed by English law."

5. In the section "BUSINESS DESCRIPTION OF OGE", sub-section "*Corporate Governance*" under the heading "*Board of Management*" on page 29 of the prospectus, the wording shall be modified as follows where the words in ~~strike through~~ are deleted and the underlined words are added:

"The Board of Management of OGE comprises four managing directors and ~~two~~three general representatives.

As of the date of this Prospectus, the members of the Board of Management are:

Name	Position	Position outside OGE
Dr. Jörg Bergmann	Managing Director and Chairman of the Board of Management	Chairman of the supervisory board of MEGAL Mittell-Europäische Gasleitungsgesellschaft mbH & Co. KG Member of the supervisory board of Trans Europa Naturgas Pipeline Gesellschaft mbH & Co. KG Chairman of the supervisory board of Zeelink GmbH & Co. KG
Wolfgang Anthes	Managing Director	Chairman of the supervisory board of GasLine Telekommunikationsnetzgesellschaft deutscher Gasversorgungsunternehmen mbH Member of the supervisory board of Nordrheinische Erdgastransportleitungs-Verwaltungs GmbH
Dr. Thomas Hühwener	Managing Director	Member of the supervisory board of Trans Europa Naturgas Pipeline Gesellschaft mbH & Co. KG Member of the supervisory board of Zeelink GmbH & Co. KG
Dr. Frank Reiners	Managing Director	Member of the supervisory board of MEGAL Mittell-Europäische Gasleitungsgesellschaft mbH & Co. KG Vice -Chairman of the supervisory board of Nordrheinische Erdgastransportleitungs-Verwaltungs GmbH
Axel Berndt	General representative	Member of the supervisory board of GasLine Telekommunikationsnetzgesellschaft deutscher Gasversorgungsunternehmen mbH
Ulrich Ronnacker	General representative	None
<u>Henrich von Kopp-Colomb</u>	<u>General representative</u>	<u>None</u>

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6. In the section "BUSINESS DESCRIPTION OF OGE", sub-section "*Business Overview*" on page 32 of the Prospectus, the tables following the wording "*Key financial figures of the consolidated VGT Group (IFRS)*" shall be deleted in their entirety and replaced as follows:

	Half year	Year Ended	Half year	Year Ended
	30.06.2019	31.12.2018	30.06.2018	31.12.2017
	(unaudited)	(audited, unless otherwise noted)	(unaudited)	(audited, unless otherwise noted)
	<i>in EUR million</i>			
Revenues Transport business	485.1	883.6	449.7	803.0
Revenues Other Service business	53.2	124.6	53.9	120.0
Total Revenues	538.3	1,008.2	503.6	923.0
EBITDA^{1, 2}	282.8	526.2	278.5	453.9

¹ Unaudited

² EBITDA is a financial measure presented in this Prospectus which is not a recognised financial measure under IFRS (the "**Non-GAAP Financial Measures**") and may therefore not be considered as an alternative to the financial measures defined in the accounting standards in accordance with generally accepted accounting principles (the "**GAAP Financial Measures**"). The Issuer has provided this Non-GAAP Financial Measures and other information in this Prospectus because it believes it provides investors with additional information to assess the economic situation of the VGT groups' business activities. The definition of the Non-GAAP Financial Measures may vary from the definition of identically named Non-GAAP financial measures used by other companies. The Non-GAAP Financial Measures used by the Issuer should not be considered as an alternative to net income/loss after income taxes, revenues or any other measures derived in accordance with IFRS as measures of operating performance.

This Non-GAAP Financial Measure has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of results as reported under IFRS.

EBITDA is determined as earnings before interest, tax, depreciation and amortization – but including income from equity investments and income from companies accounted for using the equity method – and is reconcilable to the consolidated income statement. The Issuer presents EBITDA as an additional indicator to assess its operating performance.

Reconciliation of EBITDA

	Half year	Year Ended	Half year	Year Ended
	30.06.2019	31.12.2018	30.06.2018	31.12.2017
EUR million	(unaudited)	(audited, unless otherwise noted)	(unaudited)	(audited, unless otherwise noted)
Income before financial result and taxes	200.7	363.6	201.2	283.5
+ Income from equity investments	0.1	4.5	3.8	-0.6
+ Income from companies accounted for using the equity method	0.4	6.2	1.8	15.9
+ Depreciation and amortisation	81.6	151.9	71.7	155.1
Earnings before interest, tax, depreciation and amortisation (EBITDA) ¹	282.8	526.2	278.5	453.9

¹ Unaudited

"

7. In the section "BUSINESS DESCRIPTION OF OGE", sub-section "*Regulation of Network Tariffs*" under the heading "*Incentive Regulation*" on pages 41 and 42 of the Prospectus, the wording in the seventh paragraph shall be modified as follows where the words in ~~strike through~~ are deleted and the underlined words are added:

"The applicable return on imputed equity (the "**ROE**")² (for equity within the capped imputed equity ratio of 40 per cent) shall be, as of 1 January 2018, 6.91 per cent. (before corporate tax and after trade tax) for assets recorded for the first time on or after 1 January 2006, and 5.12 per cent. for assets capitalised before 1 January 2006. Both interest rates are calculated based on the same risk assumptions, the only difference being the inflation rate which is only included in the 6.91 per cent. rate. Accordingly, assets capitalised before 1 January 2006 are partially considered with their replacement values to cover inflation. These interest rates have been settled by BNetzA equally for gas and electricity network operators in a determination from 5 October 2016 that has been appealed by OGE amongst many other network operators. The Higher Regional Court in Duesseldorf revoked the BNetzA determination on 22 March 2018 considering the interest rates as being too low under current financial market circumstances. BNetzA appealed this decision to the Higher Federal Court for clarification. After a public hearing on 9 April 2019 in a similar case, the Federal Court of Justice reversed the decision of the Higher Regional Court on 9 July 2019. As a result, the Federal Court of Justice confirmed the BNetzA approach in determining the RoE for the Third Regulatory Period. The Higher Federal Court is expected to decide the BnetzA complaint on 9 July 2019."

8. In the section "BUSINESS DESCRIPTION OF OGE", sub-section "*Regulation of Network Tariffs*" under the heading "*Incentive Regulation*" on page 42 of the Prospectus, the wording in the ninth and tenth paragraph shall be modified as follows where the words in ~~strike through~~ are deleted and the underlined words are added:

"The determination of the revenue cap includes the Xgen, applicable to the cost base level that generally reduced the annual revenue cap by 1.25 per cent. *per annum* in the First Regulatory Period and 1.5 per cent. *per annum* in the Second Regulatory Period. For the Third Regulatory Period BNetzA is obliged to determine the Xgen based

² According to § 7 GasNEV the applicable return on imputed equity ("**RoE**") for OGE's revenue cap 2018-2022 is determined by BNetzA and calculated before corporate tax and after trade tax.

on scientifically accepted methods and therefore published on 21 February 2018 a value of 0.49 per cent. *per annum* to be applied to gas network operators over the Third Regulatory Period. This decision has also been appealed by OGE amongst many other operators. On 20 March 2019, Düsseldorf Higher Regional Court heard a case concerning the Xgen for the Third Regulatory Period. This was the first time a court has dealt with the matter. On 10 July 2019, the Higher Regional Court Düsseldorf revoked the BNetzA ruling on Xgen for the Third Regulatory Period for gas network operators. Due to its complexity, the legal proceedings are expected to continue in the course of 2019.

On the basis of the approved cost base 2015, an individual efficiency factor of 100 per cent. and the Xgen of 0.49 per cent., BNetzA started the consultation of OGE's revenue cap for the Third Regulatory Period on 28 March 2018. The revenue cap will be applied retroactively as of 1 January 2018. OGE received the final decision regarding the revenue cap for the years 2018-2022 on 15 June 2018. As OGE refrained from filing a formal objection with the regulator, the decision has become legally binding on 16 July 2018. However, the determination contains an adjustment clause regarding return on imputed equity and Xgen as a result of currently pending legal disputes as mentioned in the business description ("**Regulatory Proceedings**"). BNetzA decided to approve the balance of the regulatory account from previous years in a separate procedure. This applies to the regulatory account of the years 2012-2016~~7~~.

OGE received a final decision regarding the regulatory account of the years 2012-2016 on 10 July 2019. OGE refrained from appealing the decision, which became legally binding on 11 August 2019. This decision also incorporates the regulatory account 2012-2016 for Jordgas Transport GmbH ("**Jordgas GmbH**"). The regulatory account balances for the years 2017 and 2018 have not been audited by BNetzA. BNetzA sent a draft decision for the Regulatory Account 2012-2016 on 2 April 2019 that is currently being reviewed by OGE. A final decision is expected earliest in May 2019. This decision also incorporates the Regulatory Account 2012-2016 for Jordgas GmbH."

9. In the section "BUSINESS DESCRIPTION OF OGE", sub-section "*Regulation of Network Tariffs*" under the heading "*Incentive Regulation*" on page 43 of the Prospectus, the wording in the sixteenth paragraph shall be modified as follows where the words in ~~strike through~~ are deleted and the underlined words are added:

"On 14 March 2019, the Federal Ministry of Economy (*Bundeswirtschaftsministerium*) published an additional draft for the amendment of ARegV and GasNZV with stipulations for the connection of Liquefied Natural Gas terminals. It is foreseen that the connecting network operator has to bear 90 per cent. of the investment for the connection pipeline to be reimbursed via the investment measure mechanism according to Section 23 ARegV. The Federal Council (*Bundesrat*) has approved the amendment and ~~the~~ changes came into force on 19 July 2019 ~~are expected to come into force 2019.~~"

10. In the section "BUSINESS DESCRIPTION OF OGE", sub-section "*Regulatory Proceedings*" on page 43 of the Prospectus, the wording shall be deleted in its entirety and replaced by the following:

"The following complaint proceedings which may have an impact on OGE's revenue cap for the current regulatory period (for the years 2018-2022) are currently pending:

- several complaints at the Higher Regional Court (*Oberlandesgericht*) of Düsseldorf against BNetzA regarding the limitation of investment measure allowances; and
- a complaint of OGE against BNetzA decisions in 2018 in respect of the determination of Xgen with a value of 0.49 per cent. *per annum* for the Third Regulatory Period. OGE's appeal has been preliminarily put on hold until the current test suit (*Musterverfahren*) of another gas TSO will be decided by the Higher Regional Court. On 10 July 2019, with regard to the current test suit, the Higher Regional Court Düsseldorf reversed BNetzA's decision due to the approach used for determining the Xgen for the Third Regulatory Period for gas network operators."

11. In the section "DOCUMENTS INCORPORATED BY REFERENCE" on page 117 of the Prospectus, the following shall be added above the paragraph "*The financial statements and audit opinions mentioned above (...)*":

"Condensed Interim Consolidated Financial Statements of Vier Gas Transport GmbH for the period 1 January to 30 June 2019 prepared in accordance with IFRS (English language version; page reference is to pages of the pdf file)

Consolidated Balance Sheet	page 3
Consolidated Income Statement	page 4
Consolidated Statement of Comprehensive Income	page 5
Consolidated Statement of Changes in Equity	pages 6 to 7
Consolidated Cash Flow Statement	page 8
Notes to the condensed interim consolidated financial statements of Vier Gas Transport GmbH for the period from 1 January to 30 June 2019	pages 9 to 17

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