Condensed Interim Consolidated Financial Statements

Vier Gas Transport GmbH

1 January to 30 June 2019

(Translation – the German text is authoritative)

Contents

Consolidated Balance Sheet

in € million	30 Jun. 2019	31 Dec. 2018
Assets		
Non-current assets		
Intangible assets	45.9	47.3
Goodwill	840.3	830.4
Property, plant and equipment	3,706.3	3,638.4
Financial assets	96.8	145.4
Companies accounted for using the equity method	*64.1*	*112.8*
Other financial assets	*32.7*	*32.6*
Deferred tax assets	24.4	24.3
Non-current receivables	37.5	38.0
Total	**4,751.2**	**4,723.8**
Current assets		
Inventories	24.1	39.3
Trade receivables (including advance payments made)	25.3	35.7
Receivables from tax creditors	4.8	14.5
Other receivables	41.0	46.3
Liquid funds	410.3	411.5
Total	**505.5**	**547.3**
Total assets	**5,256.7**	**5,271.1**

in € million	30 Jun. 2019	31 Dec. 2018
Equity and liabilities		
Equity		
Subscribed capital	.	.
Additional paid-in capital	925.6	925.6
Retained earnings	317.6	254.0
Accumulated other comprehensive income	-0.7	-0.7
Total	**1,242.5**	**1,178.9**
Non-current liabilities		
Provisions for pensions and similar obligations	96.0	111.4
Other provisions	98.9	95.5
Financial liabilities	3,032.1	3,014.2
Other non-current liabilities	30.5	30.3
Deferred tax liabilities	485.1	477.4
Total	**3,742.6**	**3,728.8**
Current liabilities		
Other provisions	24.9	45.9
Financial liabilities	94.1	94.8
Trade payables	34.4	92.3
Income tax liabilities	1.1	0.0
Other liabilities	117.1	130.4
Total	**271.6**	**363.4**
Total equity and liabilities	**5,256.7**	**5,271.1**

For mathematical reasons the tables may include rounding differences of +/- one unit (€, % etc.).

Consolidated Income Statement

in € million	1 Jan.–30 Jun. 2019	1 Jan.–30 Jun. 2018
Revenues	538.3	503.6
Changes in inventories	1.1	0.2
Own work capitalised	12.4	12.5
Cost of materials	-147.8	-136.6
Personnel costs	-83.5	-78.9
Depreciation and amortisation	-81.6	-71.7
Other operating income	9.4	4.7
Other operating expenses	-47.6	-32.6
Earnings before financial result and taxes	**200.7**	**201.2**
Income from equity investments	0.1	3.8
Income from companies accounted for using the equity method	0.4	1.8
Interest result	-37.1	-27.2
of which interest expense	*-37.2*	*-27.4*
Financial result	**-36.6**	**-21.6**
Earnings before tax	**164.1**	**179.6**
Current taxes	-49.7	-61.7
of which income tax allocation	*-46.5*	*-58.1*
Deferred taxes	3.0	9.7
Income taxes	**-46.7**	**-52.0**
Net income	**117.4**	**127.6**
Share in net income attributable to the sole shareholder of the parent company	117.4	127.6

For mathematical reasons the tables may include rounding differences of +/- one unit (€, % etc.).

Consolidated Statement of Comprehensive Income

in € million	1 Jan.–30 Jun. 2019	1 Jan.–30 Jun. 2018
Net income	**117.4**	**127.6**
Other comprehensive income	**21.2**	**-3.9**
Reclassifiable OCI	.	0.1
Cash flow hedges	*.*	*0.1*
Not reclassifiable OCI	21.2	-4.0
Remeasurement of defined benefit plans	*21.2*	*-4.0*
Comprehensive income	**138.6**	**123.7**
Share in net income attributable to the sole shareholder of the parent company	138.6	123.7

For mathematical reasons the tables may include rounding differences of +/- one unit (€, % etc.).

Consolidated Statement of Changes in Equity

				Change in accumulated other comprehensive income	
in € million	**Subscribed capital***	**Additional paid-in capital**	**Retained earnings**	**Cash flow hedges**	**Total**
1 Jan. 2019	**.**	**925.6**	**254.0**	**-0.7**	**1,178.9**
Comprehensive income			**138.6**	**.**	**138.6**
Net income			117.4		117.4
Other comprehensive income			21.2	.	21.2
Remeasurement of defined benefit plans			*21.2*		*21.2*
Change in accumulated other comprehensive income				.	.
Profit transferred			**-75.0**		**-75.0**
of which profit transferred in advance			-75.0		-75.0
30 Jun. 2019	**.**	**925.6**	**317.6**	**-0.7**	**1,242.5**

*The subscribed capital of VGT is € 25k. It is fully paid in and unchanged over the previous year.

For mathematical reasons the tables may include rounding differences of +/- one unit (€, % etc.).

in € million	Subscribed capital*	Additional paid-in capital	Retained earnings	Change in accumulated other comprehensive income Cash flow hedges	Total
1 Jan. 2018	**.**	**925.6**	**139.7**	**-1.7**	**1,063.6**
Comprehensive income			**123.6**	**0.1**	**123.7**
Net income			127.6		127.6
Other comprehensive income			-4.0	0.1	-3.9
Remeasurement of defined benefit plans			*-4.0*		*-4.0*
Change in accumulated other comprehensive income				*0.1*	*0.1*
Profit transferred			**-75.0**		**-75.0**
of which profit transferred in advance			-75.0		-75.0
30 Jun. 2018	**.**	**925.6**	**188.3**	**-1.6**	**1,112.3**

*The subscribed capital of VGT is € 25k. It is fully paid in and unchanged over the previous year.

For mathematical reasons the tables may include rounding differences of +/- one unit (€, % etc.).

Consolidated Cash Flow Statement

in € million	1 Jan.–30 Jun. 2019	1 Jan.–30 Jun. 2018
Cash provided by operating activities	**233.5**	**262.7**
Net income	117.4	127.6
Depreciation and amortisation	81.6	71.7
Changes in provisions	-10.3	5.4
Changes in deferred taxes	-3.0	-9.7
Dividends received[1]	10.6	20.0
Changes in plan assets	-1.2	0.6
Interest received	.	0.1
Other adjustments[2]	41.0	41.5
Changes in operating assets, liabilities and income tax	4.7	7.4
Inventories	*15.2*	*-4.2*
Trade receivables	*10.7*	*11.1*
Other operating receivables and tax claims	*0.6*	*-21.1*
Trade payables	*-16.3*	*-14.7*
Other operating liabilities and tax obligations	*-5.5*	*36.3*
Gain from disposal of assets	1.6	-1.9
Intangible assets and property, plant and equipment	*1.6*	*-1.9*
Non-cash gains from transitional consolidation	-8.9	0.0
Cash used for investing activities	**-114.2**	**-175.3**
Proceeds from the disposal of intangible assets and property, plant and equipment	0.1	10.6
Purchases of investments in intangible assets and property, plant and equipment	-125.3	-171.9
Additional cash from business combinations	10.3	0.0
Purchases of other and at equity measured investments	.	-8.5
Proceeds from / purchases of other financial investments	0.7	-5.5
Proceeds from the disposal of other financial investments	*76.6*	*0.2*
Purchases of other financial investments	*-75.9*	*-5.7*
Cash used for financing activities	**-120.5**	**-42.8**
Interest paid	-38.5	-38.7
Proceeds from financial liabilities	31.6	283.0
Repayments of financial liabilities	-31.6	-203.4
Dividends paid[3]	-82.0	-83.7
Changes in cash and cash equivalents	**-1.2**	**44.6**
Cash and cash equivalents at beginning of period	**334.2**	**106.4**
Cash and cash equivalents at end of period	**333.0**	**151.0**

Liquid funds can be reconciled to cash and cash equivalents in accordance to IAS 7 as follows:

in € million	30 Jun. 2019	31 Dec. 2018
Liquid funds	**410.3**	**411.5**
Fixed deposits more than 3 months	-75.0	-75.0
Restricted cash and cash equivalents	-2.3	-2.3
Cash and cash equivalents	**333.0**	**334.2**

[1] Including dividends received from non-consolidated equity investments as well as the distribution from outside shareholders resulting from joint operations amounting to € 0.6 million (first half of the previous year: € 0.0 million).
[2] This item mainly includes adjustments from the interest result and from at-equity adjustments.
[3] The dividends paid consist of the remaining profit transfer for the 2018 financial year amounting to € 7.0 million and an advance profit transfer amounting to € 75.0 million paid to VGS (first half of the previous year: remaining profit transfer for the 2017 financial year amounting to € 8.7 million and an advance profit transfer amounting to € 75.0 million).

Notes to the condensed interim consolidated financial statements of Vier Gas Transport GmbH for the period from 1 January to 30 June 2019

1 Basic information

The registered head office of Vier Gas Transport GmbH ("VGT" or "the Company") is Kallenbergstraße 5, 45141 Essen. The sole shareholder is Vier Gas Services GmbH & Co. KG ("VGS"), Essen. VGS is therefore the ultimate domestic parent company of the Group and in principle obliged to prepare consolidated financial statements. However, since Vier Gas Holdings S.à r.l. ("VGH"), Luxembourg, publishes consolidated financial statements and a Group management report as the highest European parent company in the Group, in accordance with Section 291 HGB (German Commercial Code) VGS is exempt from preparing consolidated financial statements and a Group management report. VGS is invoking this exemption. VGT is a capital market-oriented corporation within the meaning of Section 264d HGB. As capital market-oriented parent company domiciled in Germany, VGT is obliged to prepare consolidated financial statements pursuant to Section 315e HGB.

The Company is registered under HRB 24299 in the commercial register of the Essen local court.

The object of the Company is to acquire, hold and manage as well as sell equity investments in companies or their assets and every action or measure connected therewith and the provision of services of any nature for its subsidiaries, including but not limited to the provision of financial services.

The business operations of the Group are conducted by Open Grid Europe GmbH ("OGE"), Essen, including its equity investments ("OGE Group"). OGE performs the activities of a gas transmission network operator and is subject to supervision by the Federal Network Agency (BNetzA), the German regulatory authority. Furthermore, OGE provides services for the gas industry.

2 Summary of significant accounting policies

2.1 Basis of presentation

The condensed interim consolidated financial statements for the period from 1 January to 30 June 2019 have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The condensed interim consolidated financial statements do not contain all information and disclosures necessary for year-end consolidated financial statements and are therefore to be read in conjunction with the consolidated financial statements for the financial year from 1 January to 31 December 2018.

In this interim report, the same accounting and consolidation policies are used as in the preparation of the consolidated financial statements for the year 2018, with the exception of the application of new standards, set out in section 2.2.

In accordance with IAS 1 "Financial Statements: Presentation", the consolidated balance sheet has been prepared using a classified balance sheet structure. Assets and liabilities are classified as current if they are expected to be realised or are due to be settled within twelve months of the reporting date or within the normal business cycle of the Group.

Unless otherwise stated, all figures are in million euros (€ m). Figures under 50 thousand euros are indicated in the tables by the insertion of a full stop.

2.2 Effects of new accounting standards

Accounting standards and interpretations applied for the first time

All new, amended or revised accounting standards are generally applied from the date when the EU requires mandatory application.

In the 2019 financial year, the Group applied the following new or amended standards and interpretations for the first time.

IFRS 16 – Leases

IFRS 16 "Leases“ was published by the IASB in January 2016. The EU has adopted this standard into European law. Accordingly, application of the amendments is mandatory for financial years beginning on or after 1 January 2019. This new standard replaces the previous lease accounting standard IAS 17 and the Interpretations IFRIC 4, SIC-15 and SIC-27.

The Group applied the standard for the first time with effect from 1 January 2019 using the modified retrospective transition scenario. Previous year’s figures have not been restated. The Group has elected the alternative to equate the right-of-use asset to the lease liability.

At the date of initial application, operating leases classified in accordance with IAS 17 were recognised as lease liabilities. The lease liabilities were measured at the present value of the remaining lease payments discounted by the incremental borrowing rate of interest. To determine the discount rate as of 1 January 2019, the Group focuses on the remaining lease term. As of 1 January 2019, the weighted average incremental borrowing rate of interest amounted to 1.5 %.

The Group has not extended the scope of application of IFRS 16 to intangible assets. Recognition exemptions for short-term leases and low-value items are exercised in that a right-of-use asset and a corresponding lease liability are not recognised in the balance sheet. Instead, these leases are recognised as an expense in the income statement over the term of the leasing arrangement. In the Group, low-value leased items are all leased items whose value when new does not exceed € 5,000. All lease contracts that, as of 1 January 2019, have a remaining lease term within 12 months, are classified in the Group as short-term lease contracts and accounted for accordingly.

Current knowledge is considered for determining the term of contracts with extension or termination options.

The change in the accounting policies as of 1 January 2019 led to a balance sheet extension in the amount of € 21.0 million and affected the balance sheet items property, plant and equipment and financial liabilities. There were no changes in equity according to the initial application of IFRS 16.

The obligations from operating leases under IAS 17 can be reconciled to the lease liabilities in accordance with IFRS 16 as follows:

in € million	
Minimum lease payments under operating leases as of 31 December 2018	**16.8**
Changes due to lifetime extension	10.0
Recognition exemption	*-0.3*
for short-term leases	*-0.3*
for low-value leased items	.
Others	0.8
Gross lease liabilities as of 1 January 2019	**27.3**
Effect from discounting	-6.3
Lease liabilities as of 1 January 2019	**21.0**
thereof current lease liabilities	3.2

The right-of-use assets recognised in property, plant and equipment refer to the following types of assets:

in € million	30 Jun. 2019	1 Jan. 2019
Land and buildings	15.7	16.0
Vehicles	4.7	5.0
Other equipment, fixtures, furniture and office equipment	.	.
Total	**20.4**	**21.0**

At the date of initial application of IFRS 16, no onerous lease relationships were identified which would have led to an impairment of the right-of-use assets.

The cash flow reporting concerning operating leases has changed due to the transition from IAS 17 to IFRS 16. Payments from operating leases reduced the cash flow from operating activities under IAS 17. In contrast, under IFRS 16, the repayment and the interest portion of the lease payments are reported in cash used for financing activities.

In the first half of 2019, the impact of IFRS 16 on the cash flow statement led to an increase of the cash flow from operating activities in the amount of € 1.9 million and to higher cash payments for financing activities in the amount of € 1.9 million.

Accounting standards and interpretations published but not yet applied

All new, amended or revised accounting standards and interpretations that are issued but not yet bindingly applicable have no material impact on the consolidated financial statements.

2.3 Scope of consolidation and business combinations

The following changes occurred in the interim reporting period 2019:

Merger of JGT with NETRA

On 6 June 2019, the merger between jordgasTransport GmbH ("JGT"), Hanover, and Netra GmbH Norddeutsche Erdgas Transversale & Co. Kommanditgesellschaft ("NETRA"), Schneiderkrug, was resolved with retroactive economic effect from 1 January 2019. Since 1 January 2018, JGT has stopped marketing transport capacities but fully transferred these to its shareholders. In this respect the merger simplifies the Group structure. Due to the fact that the merger has already been planned by the shareholders of JGT and NETRA at the beginning of the financial year 2019, the effects of the business combination according to IFRS 3 on the Group are shown for purposes of simplification and for reasons of materiality as of 1 January 2019 (acquisition date). As a result of the merger, the Group lost its 50 % joint venture JGT. In return the Group received additional 15.39 % shares in the joint operation NETRA. In the Group, NETRA is still classified as a joint operation according to IFRS 11 and, therefore, proportionately consolidated because of the still existing and agreed rights and obligations of the joint operators.

The consideration transferred for the new interests in the assets and liabilities of NETRA is the fair value of the merged JGT in the amount of € 49.0 million. The identifiable assets acquired and the liabilities assumed were measured at their acquisition date fair values. No contingent liabilities were identified in connection with the acquisition. Gains from the transitional consolidation in the amount of € 8.9 million were recognised in the income statement.

Relating to the acquisition, the following table summarises the consideration transferred as well as the values of the identified assets and liabilities which were acquired at the date of the transitional consolidation:

in € million	Fair values as of 1 Jan. 2019
Property, plant and equipment	39.3
Receivables and other assets	0.1
Deferred tax assets	0.1
Liquid funds	10.3
Total assets	**49.8**
Provisions for pensions and other personnel obligations	.
Other provisions	0.1
Deferred tax liabilities	10.6
Total liabilities	**10.7**
Net assets	**39.1**
Consideration transferred	49.0
Goodwill	**9.9**

The goodwill, resulting from the purchase price allocation, totals € 9.9 million and represents the future economic benefit of other assets acquired in the business combination which cannot be identified individually and recognised separately.

The consolidated income statement includes no revenues from the new interests in the joint operation NETRA, as these revenues are solely generated by the parties to the joint operation and, therefore, fully eliminated. Overall, the profit or loss resulting from the new interests is insignificant and was included in the income from companies accounted for using the equity method before the date of transitional consolidation.

2.4 Impairment

VGT performs the annual goodwill impairment testing at the level of the cash-generating unit in the fourth quarter of each financial year. Testing is also performed if circumstances indicate that goodwill may be impaired.

In the first half of 2019, there was no indication of circumstances, which would have required an unscheduled testing for impairment of goodwill or other assets.

3 Selected explanatory information on the balance sheet

Intangible assets and property, plant and equipment

In the first half of 2019, additions to intangible assets and to property, plant and equipment amounting to € 89.9 million (first half of the previous year: € 155.4 million) are mainly related to the pipeline projects Forchheim-Finsing, the new construction of one compressor station in Wertingen and the expansion of the compressor station in Emsbüren as well as investments in the pipeline project Zeelink. Furthermore, right-of-use assets in the amount of € 20.4 million are recognised in property, plant and equipment resulting from the initial application of IFRS 16 in the financial year 2019. Further information on the initial application of IFRS 16 is given in section 2.2.

Provisions for pensions and similar obligations

The development of pension obligations is based on the actuarial report for the consolidated financial statements 2018, including projections for the year 2019. Therefore, the interest rate was not adjusted.

Financial liabilities

The current and non-current financial liabilities increased in the amount of € 17.2 million compared with the end of the financial year 2018. The development mainly results from accounting lease liabilities due to the initial application of IFRS 16.

The development of derivative financial instruments is explained in section 5.

4 Selected explanatory information on the income statement

Of the revenues generated in the 2019 interim report period, € 478.9 million (first half of the previous year: € 439.9 million) result from the gas transmission business, € 6.2 million (first half of the previous year: € 9.8 million) from transport-related services and € 53.2 million (first half of the previous year: € 53.9 million) from technical and commercial services.

In the following table, the revenues generated are split into revenues from contracts with customers and revenues from leases and then broken down into the divisions Transport business and Other Services business:

in € million	Transport business		Other Services business		Total	
1 Jan.–30 Jun.	2019	2018	2019	2018	2019	2018
Revenue from contracts with customers	485.1	449.7	52.7	53.4	537.8	503.1
Leasing	0.0	0.0	0.5	0.5	0.5	0.5
Total revenues	**485.1**	**449.7**	**53.2**	**53.9**	**538.3**	**503.6**

Generally, revenues from the Transport business are recognised at a certain point in time and revenues from the Other Services business are realised over time. Revenues from the Transport business are subject to supervision by the BNetzA. Revenues from the Other Services business are generated through providing non-supervised services for the gas industry.

The disaggregation into the categories Transport business and Other Services business is in line with the entity-wide disclosures within the segment reporting.

The expenses for raw materials and supplies mainly comprise expenses for fuel energy and usage fees. This item also includes expenses for market area changeover and biogas levies, which are largely passed on to the customers and collected in revenues of the transport business. The expenses for purchased goods mainly relate to maintenance costs as well as other services purchased in connection with the service business. A main item in the other operating expenses amounting to € 13.8 million (first half of the previous year: € 0.0 million) is a subsequent adjustment to the purchase price of OGE between VGT and Uniper SE concerning the contractual tax clause.

Other operating income includes in particular gains amounting to € 8.9 million (first half of the previous year: € 0.0 million) from the transitional consolidation due to the merger of JGT with NETRA. Further information is given in section 2.3.

The financial result amounting to € -36.6 million (first half of the previous year: € -21.6 million) is largely impacted by interest expenses for corporate bonds. The interest expenses increased in the amount of € 9.8 million compared to the first half of 2018. This increase mainly relates to the higher interest expenses due to the bond which was issued in the previous year, lower capitalised borrowing costs as well as to the discounting of non-current provisions.

The income taxes consist of € 3.2 million (first half of the previous year: € 3.6 million) original current taxes, € 46.5 million (first half of the previous year: € 58.1 million) tax expenses from income tax allocations and € 3.0 million (first half of the previous year: € 9.7 million) deferred tax income.

5 Financial instruments

As of 30 June 2019, eight hedged transactions in place are included in position interest cash flow hedges with maturities of up to 5.5 years (first half of the previous year: up to 6.5 years). The cash flows from hedged transactions secured in cash flow hedge accounting occur in the period from 2019 to 2024 (first half of the previous year: 2018 to 2024) and affect the income statement at the same time.

The fair values of the interest derivatives used in cash flow hedges total € -1.4 million (31 December 2018: € -1.2 million). The nominal values of these hedging instruments total € 139.0 million (31 December 2018: € 139.0 million).

No currency forwards exist as of 30 June 2019.

No ineffectiveness resulted in the interim period. In the first half of 2019, accumulated other comprehensive income before allowance for deferred taxes changed by € 26.0k to € 1.1 million (first half of the previous year: change of € 62.9k). Of this figure, a loss of € 0.5 million (first half of the previous year: € 0.3 million) was reclassified to the income statement.

Measurement of derivative financial instruments

Financial instruments are measured by determining fair value.

The fair value of derivative financial instruments is sensitive to movements in underlying market rates. The Group determines and monitors the fair value of derivative financial instruments at regular intervals. Fair values for each derivative financial instrument are determined as being equal to the price at which one party can sell the rights and/or obligations to an independent third party. The fair values of derivative financial instruments are calculated using common market valuation methods with reference to market data available as of the measurement date including a credit value adjustment in the case of positive market values and a debit value adjustment in the case of negative market values. All derivative financial instruments are measured separately.

Additional information on financial instruments

All financial instruments recognised at fair value are divided into three categories defined in accordance with IFRS 13, as follows:

- Level 1 – quoted market prices
- Level 2 – measurement techniques (inputs that are observable on the market)
- Level 3 – measurement techniques (inputs that are unobservable on the market)

In the period from 1 January to 30 June 2019, unchanged to the previous year, there were no reclassifications between level 1 and level 2, nor were there any reclassifications to or out of level 3. Furthermore, there was no change in purpose for the financial assets that would have caused a change to the classification of an asset. The Group holds no credit enhancements or collateral that would minimise the credit risk. The carrying amount of the financial assets therefore reflects the potential credit risk.

There is no net reporting for these financial assets and financial liabilities since no enforceable master netting arrangements or similar agreements exist.

The following balance sheet items include financial instruments measured at fair value:

in € million	30 Jun. 2019	31 Dec. 2018
Other non-current liabilities	1.4	1.2

The fair value measurement based on measurement sources, which are classified as level 2.

The financial assets recognised at fair value through other comprehensive income relate to derivative financial instruments that are included in hedge accounting. These include derivative interest rate hedging contracts, which are based on ISDA (International Swaps and Derivatives Association) agreements and on the German Master Agreement for Financial Derivatives Transactions, which was published by the Association of German Banks. The fair values of the interest hedging instruments were calculated on the basis of discounted, expected cash flows. Discounted cash values are determined for interest rate swaps for each individual transaction as of the reporting date. The market interest rates for the remaining terms of the financial instruments were used. These include market factors which other market participants would also take account of when setting prices.

The financial liabilities measured at fair value through other comprehensive income relate to derivative financial instruments that are included in hedge accounting. These financial instruments comprise derivative interest rate hedging contracts. The fair values of interest rate hedging contracts were calculated on the basis of discounted, expected cash flows. The market interest rates for the remaining terms of the financial instruments were used.

6 Other information

6.1 Contingencies

All financings in the VGT Group (in the form of bonds or bank loans) are granted to the borrowing Group companies without the provision of collateral security. As of 30 June 2019, there are bank guarantees given to third parties with a total amount of € 3.3 million (first half of the previous year: € 1.0 million).

6.2 Business transactions with related parties

In the first half of 2019, the remaining distributable profit of the financial year 2018 amounting to € 7.0 million (first half of the previous year: € 8.7 million) was paid to VGS. Furthermore, an advance profit transfer for the financial year 2019 in the amount of € 75.0 million (first half of the previous year: € 75.0 million) was paid to VGS.

6.3 Subsequent events

In July 2019, the revolving credit facility concluded in the financial year 2017 in the amount of € 600.0 million maturing in 2023 was extended by one year.

In December 2016, OGE (alongside other network operators) lodged an appeal with the Düsseldorf Higher Regional Court against the BNetzA's decision on the rate of return on equity for the third regulatory period. On 22 March 2018, the rate of return set by the BNetzA was revoked by the court's ruling and the BNetzA ordered to set a new rate. The BNetzA has filed a legal appeal against this ruling with the Federal Court of Justice (BGH). On 9 July 2019, the Federal Court of Justice annulled the decision of the Düsseldorf Higher Regional Court in another proceeding. Thus, the Federal Court of Justice confirmed the BNetzA's initial decision on the rate of return on equity for electricity and gas network operator for the third regulatory period.

Furthermore, in April 2018 OGE lodged an appeal with the Düsseldorf Higher Regional Court against the general sector productivity factor set by the BNetzA for the third regulatory period as there are great doubts about the legality of the methodology used by the BNetzA. On 10 July 2019, the Düsseldorf Higher Regional Court annulled BNetzA's decision for two network operators at the oral hearing of their proceedings and obliged BNetzA to take a new decision, taking into consideration the Court's view of the law. If the BNetzA lodges an appeal with the Federal Court of Justice or redetermines the general sector productivity factor, will be decided after the Düsseldorf Higher Regional Court has published the reasons for the decision.

6.4 Management

The following persons have been appointed to the Management and as representatives of the Company:

Stephan Kamphues
Chairman of the VGT Board of Management

Hilko Cornelius Schomerus
Managing Director, Macquarie Infrastructure & Real Assets
Frankfurt am Main

Laurent Fortino
Senior Investment Manager, Infrastructure Division, ADIA
Abu Dhabi/ United Arab Emirates

Lincoln Hillier Webb
Vice President, Private Placements, British Columbia Investment Management Corp.
Victoria, British Columbia/Canada

Dominik Damaschke
Senior Investment Manager, Private Equity & Infrastructure, MEAG MUNICH ERGO Asset Management GmbH
Munich, until 15 April 2019

Alexander Bögle
Senior Investment Manager, Private Equity & Infrastructure, MEAG MUNICH ERGO Asset Management GmbH
Munich, from 1 April 2019

Cord von Lewinski
Managing Director, Macquarie Infrastructure & Real Assets
Frankfurt am Main

Richard W. Dinneny
Portfolio Manager, Private Placements, British Columbia Investment Management Corp.
Victoria, British Columbia/Canada

Guy Lambert
Head of Utilities, Infrastructure Division, ADIA
Abu Dhabi/United Arab Emirates

With the exception of Stephan Kamphues, the managing directors are not employees of the Company.

Essen, 31 July 2019

Vier Gas Transport GmbH

The Management

Stephan Kamphues

Hilko Cornelius Schomerus

Laurent Fortino

Lincoln Hillier Webb

Alexander Bögle

Cord von Lewinski

Richard W. Dinneny

Guy Lambert