Condensed Interim Consolidated Financial Statements 2023

1 January to 30 June

Vier Gas Transport GmbH

(Translation – the German text is authoritative)

Contents

Consolidated Balance Sheet

€ million	30 Jun. 2023	31 Dec. 2022
Assets		
Non-current assets		
Intangible assets	65.7	83.8
Goodwill	840.3	840.3
Property, plant and equipment	4,379.3	4,390.1
Financial assets	179.7	167.2
Companies accounted for using the equity method	*65.3*	*65.1*
Other financial assets	*114.4*	*102.1*
Deferred tax assets	39.2	39.2
Non-current receivables	226.4	226.2
Total	**5,730.6**	**5,746.8**
Current assets		
Inventories	42.1	66.0
Trade receivables (including advance payments made)	32.3	59.1
Income tax receivables	10.1	8.7
Other receivables	77.8	115.5
Liquid funds	1,292.5	1,028.6
Total	**1,454.8**	**1,277.9**
Total assets	**7,185.4**	**7,024.7**

€ million	30 Jun. 2023	31 Dec. 2022
Equity and liabilities		
Equity		
Subscribed capital	0.0	0.0
Additional paid-in capital	925.6	925.6
Retained earnings	759.7	565.7
Accumulated other comprehensive income	35.8	38.7
Total	**1,721.1**	**1,530.0**
Non-current liabilities		
Provisions for pensions and similar obligations	0.6	0.6
Other provisions	100.0	101.7
Financial liabilities	3,578.7	3,526.4
Other non-current liabilities	67.7	67.6
Deferred tax liabilities	698.9	613.2
Total	**4,445.9**	**4,309.5**
Current liabilities		
Other provisions	58.1	103.9
Financial liabilities	832.6	807.6
Trade payables	46.9	125.2
Other liabilities	80.8	148.5
Total	**1,018.4**	**1,185.2**
Total equity and liabilities	**7,185.4**	**7,024.7**

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

Consolidated Income Statement

€ million	1 Jan. – 30 Jun. 2023	1 Jan. – 30 Jun. 2022
Revenues	859.5	640.9
Changes in inventories	1.1	1.1
Own work capitalised	13.8	12.4
Cost of materials	-263.1	-282.6
Personnel costs	-98.0	-94.7
Depreciation, amortisation and impairment charges	-111.5	-108.4
Other operating income	1.6	0.6
Other operating expenses	-36.5	-31.1
Income before financial result and taxes	**366.9**	**138.2**
Income from equity investments	0.0	0.1
Income from companies accounted for using the equity method	4.7	1.5
Interest result	-30.5	-39.6
of which interest expense	*-49.7*	*-39.8*
Financial result	**-25.8**	**-38.0**
Earnings before taxes	**341.1**	**100.2**
Taxes	-22.0	-32.0
of which income tax allocation	*-19.5*	*-29.7*
Deferred taxes	-85.7	-0.1
Income taxes	**-107.7**	**-32.1**
Net income	**233.4**	**68.1**
Share in net income attributable to the sole shareholder of the parent company	233.4	68.1

Consolidated Statement of Comprehensive Income

€ million	1 Jan. - 30 Jun. 2023	1 Jan. - 30 Jun. 2022
Net income	**233.4**	**68.1**
Other comprehensive income	**-2.3**	**94.8**
Reclassifiable OCI	-2.9	50.0
Cash flow hedges	*-2.9*	*50.0*
Not reclassifiable OCI	0.6	44.8
Remeasurement of defined benefit plans	*0.6*	*44.8*
Comprehensive income	**231.1**	**162.9**
Share in net income attributable to the sole shareholder of the parent company	231.1	162.9

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

Consolidated Statement of Changes in Equity

€ million	Subscribed capital*	Additional paid-in capital	Retained earnings	Change in accumulated other comprehensive income Cash flow hedges	Total
1 Jan. 2023	**0.0**	**925.6**	**565.7**	**38.7**	**1,530.0**
Comprehensive income			**234.0**	**-2.9**	**231.1**
Net income			233.4		233.4
Other comprehensive income			0.6	-2.9	-2.3
Remeasurement of defined benefit plans			*0.6*		*0.6*
Change in accumulated other comprehensive income				*-2.9*	*-2.9*
Profit transferred			**-40.0**		**-40.0**
of which profit transferred in advance			*-40.0*		*-40.0*
30 Jun. 2023	**0.0**	**925.6**	**759.7**	**35.8**	**1,721.1**

€ million	Subscribed capital*	Additional paid-in capital	Retained earnings	Change in accumulated other comprehensive income Cash flow hedges	Total
1 Jan. 2022	**0.0**	**925.6**	**404.8**	**-0.1**	**1,330.3**
Comprehensive income			**112.9**	**50.0**	**162.9**
Net income			68.1		68.1
Other comprehensive income			44.8	50.0	94.8
Remeasurement of defined benefit plans			*44.8*		*44.8*
Change in accumulated other comprehensive income				*50.0*	*50.0*
Profit transferred			**-20.0**		**-20.0**
of which profit transferred in advance			*-20.0*		*-20.0*
30 Jun. 2022	**0.0**	**925.6**	**497.7**	**49.9**	**1,473.2**

*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

€ million	1 Jan. - 30 Jun. 2023	1 Jan. - 30 Jun. 2022
Cash provided by operating activities	**470.7**	**232.9**
Net income	233.4	68.1
Depreciation and amortisation/impairment charges	111.5	108.4
Changes in provisions	-17.5	15.4
Changes in deferred taxes	85.7	0.1
Dividends received[1]	10.7	10.4
Interest received	12.4	0.2
Other adjustments[2]	43.6	36.0
Changes in operating assets, liabilities and income tax	-9.3	-5.7
Inventories	*23.9*	*4.0*
Trade receivables	*26.8*	*-8.3*
Other operating receivables and tax claims	*23.3*	*-27.8*
Trade payables	*-53.4*	*-0.2*
Other operating liabilities and tax obligations	*-29.9*	*26.6*
Gain/Loss (-) from disposal of assets	0.2	0.0
Intangible assets and property, plant and equipment	*0.2*	*0.0*
Cash used for investing activities	**409.1**	**-84.9**
Proceeds from the disposal of intangible assets and property, plant and equipment	0.4	3.5
Purchases of investments in intangible assets and property, plant and equipment	-133.5	-106.4
Purchases of other equity investments and equity-accounted investments	-25.6	-7.3
Proceeds from / purchases of other financial investments	567.8	25.3
Proceeds from the disposal of other financial investments	*569.0*	*26.0*
Purchases of other financial investments	*-1.2*	*-0.7*
Cash used for financing activities	**-51.0**	**-122.8**
Interest paid	-23.9	-23.6
Proceeds from financial liabilities	51.0	0.1
Repayments of financial liabilities	-5.1	-6.1
Dividends paid[3]	-73.0	-93.2
Changes in cash and cash equivalents	**828.8**	**25.2**
Cash and cash equivalents at beginning of period	**463.2**	**115.2**
Cash and cash equivalents at end of period	**1,292.0**	**140.4**

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

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

€ million	30 Jun. 2023	31 Dec. 2022
Liquid funds	1,292.5	1,028.6
Fixed deposits more than 3 months	0.0	-565.0
Restricted cash and cash equivalents	-0.5	-0.4
Cash and cash equivalents	**1,292.0**	**463.2**

[1] Including in 2023 dividends received from non-consolidated equity investments as well as the distribution from outside shareholders resulting from joint operations amounting to € 0.2 million (first half of the previous year: € 0.3 million).
[2] This item mainly includes adjustments from the interest result and from application of the equity method.
[3] The dividends paid consist in particular of the remaining profit transferred for the 2022 financial year in the amount of € 33.0 million and the advance profit transferred in the amount of € 40.0 million to VGS (first half of the previous year: profit transferred for the 2021 financial year in the amount of € 73.2 million and advance profit transferred in the amount of € 20.0 million).

Notes to the Condensed Interim Consolidated Financial Statements of Vier Gas Transport GmbH for the period from 1 January to 30 June 2023

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 2023 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 2022 as well as all other press releases published by VGT during the interim reporting period.

In this interim report, the same accounting and consolidation policies are used as in the preparation of the consolidated financial statements for the year 2022, 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 or are to be sold 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).

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.

As of the beginning of the financial year 2023, the Group applied the following new or amended standards and interpretations for the first time:

- IFRS 17 Insurance Contracts
- Amendments to IAS 1 "Disclosures on Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

These new regulations have no material impact on the Group.

Accounting standards and interpretations published but not yet applied

New, amended or revised standards and interpretations that have been published but whose adoption is not yet mandatory in the financial year and their impact on the consolidated financial statements are explained in the following:

IAS 1 – Presentation of Financial Statements "Classification of Debt with Covenants"

The IASB issued amendments to IAS 1 regarding "Classification of Debt with Covenants" on 31 October 2022. These amendments clarify that covenants of loan arrangements that an entity must comply with before or on the reporting date may affect classification of a liability as current or non-current. By contrast, covenants of loan arrangements that must be complied with within 12 months after the reporting date do not affect classification. Liabilities classified as non-current that are linked to compliance with loan covenants within 12 months of the reporting date are to be disclosed in the notes. The IASB has specified initial application for financial years beginning on or after 1 January 2024. The amendment to IAS 1 has not yet been adopted into European law. This amendment thus amends the two amendments to IAS 1 on the same topic from January 2020 and July 2020 that are not yet mandatory. Accordingly, the classification of a current liability depends on the entity's rights at the reporting date. If the entity has a substantive right to defer settlement of the liability for at least 12 months after the end of the reporting period, the liability is classified as non-current. In the Group the amendments could affect the recognition of revolving credit facilities ("RCFs") utilised as well as the recognition of liabilities relating to the one-sided capital contributions of third-party shareholders. These and other effects on the Group are currently being examined.

In addition, further standards and interpretations were published which are not expected to have a material impact on the consolidated financial statements.

2.3 Scope of consolidation and business combinations

In addition to VGT as parent company, the scope of consolidation includes the following companies:

	30 Jun. 2023	31 Dec. 2022
Number of fully consolidated companies (subsidiaries)	3	3
Number of joint operations	4	4
Number of companies accounted for using the equity method	1	1

In the first half of 2023, no changes in acquisition and establishment of companies occurred.

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 2023, there was no indication of circumstances, which would have required an unscheduled testing for impairment of goodwill or other assets. The Group continuously monitors the current developments of the war in Ukraine. In total, the effects on the Group are not material and there is no evidence of impairment.

3 Selected explanatory information on the Consolidated Balance Sheet

3.1 Intangible assets and property, plant and equipment

In the first half of 2023, additions to intangible assets and to property, plant and equipment amounting to € 113.0 million (first half of the previous year: € 101.1 million) are mainly related to investments in the construction of a new connecting pipeline between Mittelbrunn and Schwanheim, the construction of a new connecting pipeline for the LNG terminal in Wilhelmshaven as well as a new compressor station in Legden and Rimpar.

3.2 Provisions for pensions and similar obligations

The development of material pension obligations is based on the preliminary actuarial reports for the medium-term planning 2023. Based on this report, the actuarial rate is 3.70 % and is unchanged in comparison to the actuarial report for the consolidated financial statements 2022.

The remeasurements of defined benefit plans recognised in equity and corresponding plan assets are shown in the following table:

€ million	30 Jun. 2023	31 Dec. 2022
Accumulated remeasurement recognised in equity at start of reporting period	**54.1**	**-130.8**
Remeasurement of the current financial year recognised in equity	0.5	184.9
Accumulated remeasurement recognised in equity at the end of the reporting period	**54.6**	**54.1**

3.3 Financial liabilities

Financial liabilities increased by € 77.3 million (first half of the previous year € 0.1 million) compared with the end of the financial year 2022. The development mainly results from financing activities by the project company TENP in the amount of € 51.0 million (first half of the previous year: € 0.0 million).

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

4 Selected explanatory information on the Consolidated Income Statement

4.1 Revenues

Of the revenues generated in the 2023 interim report period, € 790.6 million (first half of the previous year: € 574.7 million) result from the gas transmission business, € 7.6 million (first half of the previous year: € 7.6 million) from transport-related services and € 61.3 million (first half of the previous year: € 58.6 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:

1 Jan. – 30 Jun. 2023 € million	Transport business	Other Services business	Total
Revenue from contracts with customers	798.2	60.8	**859.0**
Revenue from leases	0.0	0.5	**0.5**
Total revenues	**798.2**	**61.3**	**859.5**

1 Jan. – 30 Jun. 2022 € million	Transport business	Other Services business	Total
Revenue from contracts with customers	582.3	57.7	**640.0**
Revenue from leases	0.0	0.9	**0.9**
Total revenues	**582.3**	**58.6**	**640.9**

Generally, revenues from the Transport business are recognised at a point in time and revenues from the Other Service business are recognised over time. Revenues from the Transport business are subject to regulation by the BNetzA and revenues from the Other Services business are basically generated in the unregulated gas industry segment.

The classification into Transport business and Other Services business is in line with the entity-wide disclosures as part of the segment reporting.

4.2 Cost of materials

€ million	1 Jan. - 30 Jun. 2023	1 Jan. - 30 Jun. 2022
Expenses for raw materials and supplies	225.4	247.9
Expenses for purchased goods	37.7	34.7
Total	**263.1**	**282.6**

Expenses for raw materials and supplies mainly comprise expenses for fuel energy and usage fees. This item also includes expenses for market area conversion 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 services business.

4.3 Other operating expenses

In the first half of 2023, the main item in the other operating expenses amounting to € 15.1 million (first half of the previous year: € 13.7 million) are the IT costs. Furthermore, miscellaneous other operating expenses include in particular expenses for insurance premiums, social insurance contributions, services rendered by third parties as well as external audit and consulting costs.

4.4 Financial result

The financial result of € -25.8 million (first half of the previous year: € -38.0 million) mainly consists of interest expenses for corporate bonds in the amount of € 50.9 million (first half of the previous year: € 29.0 million) and interest income from plan assets and financial receivables in the amount of € 19.1 million (first half of previous year: € 0.2 million).

4.5 Income taxes

The income taxes consist of € 2.5 million (first half of the previous year: € 2.3 million) original current taxes, € 19.5 million (first half of the previous year: € 29.7 million) tax expenses from income tax allocations and € 85.7 million (first half of the previous year: € 0.1 million) deferred tax expenses.

5 Financial instruments

In the first half of 2023, no new derivatives were concluded and no derivatives expired.

As of 30 June 2023, one hedged transaction in place is included in interest cash flow hedges with maturities of up to 1.5 years (first half of the previous year: up to 2.5 years). The cash flows from hedged transaction secured in cash flow hedge accounting occur in the period from 2023 to 2024 (first half of the previous year: 2022 to 2024) and affect the income statement at the same time.

The fair value of the interest derivative used in cash flow hedges amounts to € 0.3 million (31 December 2022: € 0.3 million). The nominal value of this hedging instrument amounts to € 6.4 million (31 December 2022: € 6.4 million).

No significant currency forwards exist as of 30 June 2023.

No ineffectiveness resulted in the interim period. In the first half of 2023, accumulated other comprehensive income before allowance for deferred taxes changed by € 2.9 million to € 35.8 million (first half of the previous year: change of € 50.0 million). Of this figure, a profit of € 2.9 million (first half of the previous year: loss of € 33k) 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 prices in active markets
- Level 2 – valuation techniques (inputs that are observable on the market)
- Level 3 – valuation techniques (inputs that are unobservable on the market)

In the period from 1 January to 30 June 2023, 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 does not hold any credit guarantees or securities that would minimize the credit risk. The carrying amount of 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:

€ million	30 Jun. 2023	31 Dec. 2022
Other non-current receivables	0.3	0.3

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

The financial receivables 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 2023, the total amount of bank guarantees in favour of third parties was € 3.2 million (first half of the previous year: € 3.9 million).

6.2 Leases

The Group as Lessee

In property, plant and equipment the Group recognises capitalised right-of-use assets in particular for land and buildings and for vehicles. The following table shows the right-of-use assets recognised in the balance sheet by class as of 30 June 2023:

€ million	30 Jun. 2023	31 Dec. 2022
Land and buildings	14.7	15.2
Vehicles	4.7	4.2
Total	**19.4**	**19.4**

The Group's existing lease liabilities result in the following undiscounted future lease payments:

€ million	30 Jun. 2023	31 Dec. 2022
Due within 1 year	3.5	3.4
Due in 1 to 5 years	8.2	7.9
Due in more than 5 years	11.1	11.4

The cash flow from financing activities includes the payments for the interest portion and principal portion in the amount of € 2.2 million (first half of the previous year: € 2.4 million).

6.3 Business transactions with related parties

In the first half of 2023, the remaining distributable profit of the financial year 2022 amounting to € 33.0 million (first half of the previous year: € 73.2 million) was paid to VGS. Furthermore, an advance profit transfer for the financial year 2023 in the amount of € 40.0 million (first half of the previous year: € 20.0 million) was paid to VGS.

6.4 Events after the balance sheet date

In July 2023, VGT repaid a corporate bond in the amount of € 750.0 million as scheduled. Financial liabilities were reduced accordingly by this amount.

6.5 Management

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

Christine U. Wilinski
Managing Director

Hilko Cornelius Schomerus
Managing Director, Macquarie Infrastructure & Real Assets
Frankfurt am Main, until 8 March 2023

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

Luís Pisco
Senior Portfolio Manager, Infrastructure Division, ADIA
Abu Dhabi/United Arab Emirates

Lincoln Hillier Webb
Executive Vice President, Infrastructure & Renewable Resources, British Columbia Investment Management Corp.
Victoria, British Columbia/Canada

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

Cord von Lewinski
Managing Director, Macquarie Infrastructure & Real Assets
Frankfurt am Main, until 8 March 2023

Olivier Lemoine
Affiliates Portfolio Manager, Fluxys Europe SA
Brussels/Belgium, from 9 March 2023

Timothy Keeling
Senior Principal, Infrastructure & Renewable Resources, 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 Christine U. Wilinski, the managing directors are not employees of the Company.

Essen, 2 August 2023

Vier Gas Transport GmbH

The Management

DocuSigned by:
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Christine U. Wilinski

DocuSigned by:
Pascal de Buck
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Pascal De Buck

DocuSigned by:
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Guy Lambert