Eurogrid GmbH
Berlin
Translation from the German language

Consolidated financial statements

for the fiscal year 2024

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Consolidated statement of profit or loss

EUR m - Period ended 31 December	Note	2024	2023
Revenue	(5.2.1)	7,727.3	10,027.8
Cost-matching income	(5.1)	(5,456.8)	(7,624.9)
Revenue from contracts with customers	(5.2.1)	2,270.5	2,402.9
Other income	(5.2.2)	249.6	175.3
Revenue and other income	(5.2)	**2,520.1**	**2,578.2**
Cost of materials and purchased services	(5.3.1)	(6,823.1)	(9,275.8)
Income-matching cost	(5.1)	5,456.8	7,624.9
Cost of materials and purchased services, grid business	(5.3.1)	(1,366.3)	(1,650.9)
Personnel expenses	(5.3.2)	(233.0)	(201.8)
Depreciation and amortisation		(374.4)	(332.2)
Other expenses		(14.4)	(14.5)
Result from equity investments accounted for using the equity method	(6.4)	1.9	1.9
Earnings before financial result and taxes		**533.9**	**380.7**
Financial result		**(81.8)**	**(59.8)**
Finance income	(5.4)	60.6	37.5
Finance expenses	(5.4)	(142.4)	(97.3)
Earnings before taxes		**452.1**	**320.9**
Income taxes	(5.5)	(142.3)	(100.4)
Group profit		**309.8**	**220.5**

Consolidated statement of comprehensive income

EUR m - Period ended 31 December	Note	2024	2023
Group profit		**309.8**	**220.5**
Other comprehensive income (OCI):			
Items that will not be reclassified to the statement of profit or loss in the future:		**65.5**	**(2.0)**
Actuarial gains and losses	(5.6)	2.1	(2.8)
Deferred taxes on actuarial gains and losses recognised directly in equity	(5.6)	(0.6)	0.8
Changes in fair value of other financial assets designated at fair value through OCI	(5.6)	65.9	-
Deferred taxes on changes in fair value of other financial assets designated at fair value through OCI	(5.6)	(1.8)	-
Currency translation recognised directly in equity	(5.6)	(0.1)	-
Items that may be reclassified to the statement of profit or loss in the future:		**165.4**	**(248.2)**
Cash-flow hedge - effective portion of fair value changes	(5.6)	236.3	(354.5)
Deferred taxes on changes recognised directly in equity	(5.6)	(70.9)	106.2
Other comprehensive income after taxes	(5.6)	**230.9**	**(250.2)**
Total comprehensive income	(5.6)	**540.7**	**(29.7)**

Consolidated statement of financial position

EUR m	Note	31 December 2024	31 December 2023
Non-current assets		**12,032.4**	**8,635.9**
Property, plant and equipment	(6.1)	11,582.4	8,392.4
Intangible assets	(6.2)	298.4	162.0
Other financial assets	(6.3)	142.6	76.7
Derivatives	(6.13)	2.3	0.0
Investments accounted for using the equity method	(6.4)	6.7	4.8
Current assets		**2,378.6**	**2,412.2**
Inventories	(6.6)	208.3	26.9
Trade and other receivables	(6.7)	805.5	1,567.3
Receivables from income taxes	(6.8)	47.5	48.0
Derivatives	(6.13)	10.0	-
Cash and cash equivalents	(6.9)	1,282.4	761.4
Prepayments	(6.7)	24.9	8.6
Total assets		**14,411.0**	**11,048.1**

EUR m	Note	31 December 2024	31 December 2023
Equity		**3,103.9**	**2,143.2**
Issued capital	(6.10)	0.0	0.0
Capital reserve	(6.10)	1,434.6	834.6
Hedging Reserve	(6.10)	8.0	(157.4)
Other reserves	(6.10)	124.1	58.6
Retained earnings	(6.10)	1,537.2	1,407.4
Non-current liabilities		**8,438.6**	**5,815.9**
Loans and borrowings	(6.11)	7,884.4	5,395.9
Provisions for employee benefits	(6.12)	30.1	30.7
Derivative liabilities	(6.13)	-	8.5
Other provisions	(6.14)	137.3	132.0
Deferred tax liabilities	(6.5)	224.1	80.8
Other liabilities	(6.15)	162.7	168.0
Current liabilities		**2,293.0**	**2,804.2**
Loans and borrowings	(6.11)	622.1	58.8
Other provisions	(6.14)	7.7	7.2
Derivative liabilities	(6.13)	0.9	216.3
Trade payables and other liabilities	(6.16)	1,654.8	2,516.7
Liabilities from income taxes	(6.8)	4.0	1.5
Anticipatory equity and liabilities	(6.17)	3.5	3.7
Regulatory items	(6.20)	**575.5**	**284.8**
Total equity and liabilities		**14,411.0**	**11,048.1**

Consolidated statement of changes in equity

EUR m	Issued capital	Capital reserve	Hedging reserve	Other reserves	Retained earnings	Total
As of 1 January 2023	**0.0**	**714.6**	**90.8**	**60.5**	**1,317.6**	**2,183.5**
Group profit	-	-	-	-	220.5	220.5
Other comprehensive income (OCI)	-	-	(248.2)	(2.0)	-	(250.2)
Total comprehensive income	**-**	**-**	**(248.2)**	**(2.0)**	**220.5**	**(29.7)**
Distribution	-	-	-	-	(130.0)	(130.0)
Increase	-	120.0	-	-	-	120.0
Changes	-	-	-	-	(0.6)	(0.6)
As of 31 December 2023	**0.0**	**834.6**	**(157.4)**	**58.6**	**1,407.4**	**2,143.2**

EUR m	Issued capital	Capital reserve	Hedging reserve	Other reserves	Retained earnings	Total
As of 1 January 2024	**0.0**	**834.6**	**(157.4)**	**58.6**	**1,407.4**	**2,143.2**
Group profit	-	-	-	-	309.8	309.8
Other comprehensive income (OCI)	-	-	165.4	65.5	-	230.9
Total comprehensive income	**-**	**-**	**165.4**	**65.5**	**309.8**	**540.7**
Distribution	-	-	-	-	(180.0)	(180.0)
Increase	-	600.0	-	-	-	600.0
As of 31 December 2024	**0.0**	**1,434.6**	**8.0**	**124.1**	**1,537.2**	**3,103.9**

Other comprehensive income is explained in more detail in 5.6 Total comprehensive income in the notes.

The adjustments in the 2023 fiscal year relate to migration effects from the implementation of a new reporting tool.

Changes in equity are explained in more detail in 6.8 Equity in the notes.

Consolidated statement of cash flows

EUR m - Period ended 31 December	Note	2024	2023
Cash flow from operating activities			
Group profit		**309.8**	**220.5**
Adjusted for:			
Net finance expenses	(5.4)	81.8	59.8
Income tax expenses	(5.5)	72.3	68.7
Depreciation of property, plant and equipment and amortisation of intangible assets		373.4	332.2
Result from the disposal of intangible assets and property, plant and equipment	(6.1, 6.2)	7.3	7.2
Impairment of current assets		(0.5)	2.5
Change in provisions	(6.14)	(0.5)	2.9
Change in deferred taxes	(5.5, 6.5)	70.0	31.6
Share of profit of associates accounted for using the equity method, after tax	(6.4)	(1.9)	(1.9)
Cash flow from operating activities without changes in working capital		**912.7**	**723.5**
Change in inventories		(181,4)	(20.6)
Changes in trade receivables and other receivables	(6.7)	732.3	(526.0)
Change in trade payables and other liabilities	(6.16)	(999,8)	(1,991.1)
Change in regulatory items	(5.4, 6.19)	295.5	150.2
Change in working capital		**(153.4)**	**(2,387.5)**
Interest paid		(131.2)	(88.5)
Interest received		42.7	34.6
Income taxes paid		(61.0)	(105.2)
Cash flow from operating activities		**609.8**	**(1,823.1)**
Cash flow from investing activities			
Cash paid for the procurement of property, plant and equipment and intangible assets	(6.1, 6.2)	(3,496.0)	(1,582.7)
Cash paid for the acquisition of equity accounted investees	(6.4)	(0.1)	0.0
Net cash flow from disposals of property, plant and equipment	(6.1)	1.9	0.9
Cash received from dividends from participations		1.4	1.2
Cash flow from investing activities		**(3,492.8)**	**(1,580.6)**

EUR m - Period ended 31 December	Note	2024	2023
Cash flow from financing activities			
Cash received from the equity contribution of shareholders	(6.10)	600.0	120.0
Distribution	(6.10)	(180.0)	(130.0)
Repayment of borrowings	(6.19)	(8.6)	(757.5)
Proceeds from withdrawal of borrowings		2,992.6	1,564.3
Cash flow from financing activities		**3,404.0**	**796.8**
Change in cash and cash equivalents		521.0	(2,606.9)
Cash and cash equivalents as of 1 January		761.4	3,368.3
Cash and cash equivalents as of 31 December	(6.9)	1,282.4	761.4
Change in cash and cash equivalents		**521.0**	**(2,606.9)**

Notes to the consolidated financial statements for fiscal year 2024

1. Basic information

Eurogrid GmbH, Berlin, ("Eurogrid" or "the Company") is a public-interest entity and, as a parent company and corporation domiciled in Germany, prepares mandatory consolidated financial statements in accordance with Section 315e of the German Commercial Code (HGB). Eurogrid has its registered office in 10557 Berlin, Heidestraße 2, and is entered in the commercial register of the Berlin-Charlottenburg Local Court under HRB 130427 B. Eurogrid's financial statements are available in the company register and on the Eurogrid GmbH website www.eurogrid.com.

Elia Group NV/SA, Brussels, Belgium, holds 100 percent of the shares in Eurogrid International NV/SA (Eurogrid International), which in turn holds 80 percent of the shares in Eurogrid. KfW holds the remaining 20 percent of Eurogrid indirectly via its wholly owned subsidiary Selent Netzbetreiber GmbH (Selent), based in Frankfurt am Main. Eurogrid is included in the consolidated financial statements of Elia Group NV/SA. The consolidated financial statements of its ultimate parent company Elia Group NV/SA are available on the website of Elia Group NV/SA at www.eliagroup.eu .

The company established a supervisory board by resolution of its shareholders dated 23 November 2017. The supervisory board contains five members, to be elected by the shareholders of the company.

Eurogrid invests in electric grid infrastructure and holds 100% of the shares in 50Hertz Transmission GmbH which in turn holds 100% of the shares in 50Hertz Offshore GmbH and in the 50Hertz Connectors GmbH. The Group is responsible for the operation, maintenance, planning and expansion of the 380/220 kilovolt transmission grid in Brandenburg, Saxony-Anhalt, Saxony, Thuringia, Mecklenburg-Western Pomerania, Berlin and Hamburg as well as for the connection of offshore wind energy plants and offshore wind farms.

Financial terms or alternative performance measures that are based on, but not defined in, IFRS are defined in the Appendix to the Notes to the Consolidated Financial Statements "Financial terms or Alternative Performance Measures ".

2. Basis of preparation

2.1. Confirmation of compliance with IFRSs

We complied with the legal obligation to prepare consolidated financial statements and a group management report in accordance with Sec. 290 HGB by preparing consolidated financial statements pursuant to International Financial Reporting Standards (IFRSs) as endorsed by the EU and the supplementary applicable German legal requirements as well as a group management report in accordance with Sec. 315 HGB (Sec. 315e (1) HGB) which is supplemented by a consolidated non-financial statement (Sec. 315b HGB) and a voluntary group declaration on corporate governance (cf. section 315d HGB in conjunction with section 289f para. § Section 289f (4) HGB).

This version of the consolidated financial statements complies with the requirements of Sec. 315e HGB. It represents the legal basis for group accounting according to international financial reporting standards in Germany in conjunction with EC Directive No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the adoption of international financial reporting standards. The consolidated financial statements comply with all International Financial Reporting Standards (IFRSs) and interpretations of the International Reporting Interpretations Committee (IFRIC) endorsed by the EU. However these committees had not yet made a pronouncement on the treatment of regulatory receivables and liabilities.

The exposure draft "Regulatory Deferral Accounts" was published in January 2021. The comment deadline ended on 30 June 2021. The draft stipulates the recognition of regulatory assets and liabilities. The Group is currently assessing potential effects of the implementation of the draft.

In addition, the supplementary requirements of German commercial law pursuant to Sec. 315e (1) of the German Commercial Code (HGB) are taken into account.

New and amended standards and interpretations

The standards, amendments and interpretations listed below came into effect in 2024, with little or limited impact on the Group:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements.

The Group intends to adopt these new and amended standards if applicable when they become effective. The changes to the standards, amendments and interpretations listed below are not expected to have a material impact on these annual accounts and are therefore not outlined in any great detail:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (applicable for annual periods beginning on or after 1 January 2025,)
- IFRS 18 Presentation and Disclosure in Financial Statements (applicable for annual periods beginning on or after 1 January 2027, but not yet endorsed in the EU);
- IFRS 19 Subsidiaries without Public Accountability – Disclosures (applicable for annual periods beginning on or after 1 January 2027, but not yet endorsed in the EU);

— Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

The Group is currently working to identify all impacts the new standard IFRS 18 will have on the primary Group's financial statements and notes to the Groups's financial statements. The other amendments and standards are not likely to have a material impact on the Group's financial statements.

2.2. Functional and presentation currency

The items in the financial statements of each group entity are measured in the currency of the primary economic environment in which the respective entity operates (functional currency). The consolidated financial statements are prepared in euro, which is the functional and presentation currency of Eurogrid GmbH.

Unless otherwise stated, all figures in the notes are presented in millions of euro (EUR m).

Instead of the negative figures, these figures are put into brackets. For the figures presented, rounding differences remain irrelevant.

2.3. Basis of measurement

The consolidated financial statements were prepared based on historical cost.

Fair values are determined on the basis of quoted market prices in active markets. If necessary, the values are derived from observed market prices. If there is no active market, fair values are determined using generally accepted valuation techniques on the basis of other observable transactions.

The Group's planning and forecasts show that taking into account expected changes to operating profit, the Group can continue its business operations on the basis of current financing. Management expects the Group to have sufficient liquidity available to continue its business operations in the near future. As a result, the Group prepared the consolidated financial statements assuming the continued existence of the Company as a going concern.

The principal accounting policies adopted are explained below.

2.4. Going concern

The management reassessed the going concern assumption of the Group and, at the time of preparation of the Group's financial statements, held a reasonable expectation that the Group had adequate resources to continue in operational existence for the foreseeable future. The management will therefore continue to adopt the going concern basis of accounting in the preparation of the Group's financial statements.

In the current context of inflation and volatile market conditions, the Group paid particular attention to adequately reflecting the current and expected impact of the situation on the financial position, performance and cash flows of the company, applying the IFRS accounting principles in a consistent manner. In general, since Eurogrid is acting in accordance with the regulatory framework, the profitability and the financial position of the Group have not been affected.

2.5. Estimates and judgements

The preparation of these consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that could affect the reported amounts of assets, provisions, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances: the results of these estimates and assumptions form the basis for making judgements regarding the carrying amounts of assets, liabilities and provisions. Actual results could therefore differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised either: in the period during which the estimate is revised if the revision only affects this period; or in the period during which the estimate is revised and throughout future periods if the revision affects both current and future periods.

The following points include information about significant areas of estimation uncertainty and material judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements:

— The total allowed remuneration for the Group's role as TSO in German segments is mainly determined by calculation methods set by the German federal regulator (the Federal Network Agency or BNetzA). The recognition of regulatory items is also based on the different regulatory schemes. More disclosures are provided in Note 6.20 .

— Entities in which the Group holds less than 20% of the voting rights but has significant influence are accounted for under the equity method. Following the guidance in IAS 28, the Group assesses whether it has significant influence over its associates and therefore needs to account for them under the equity method (rather than applying IFRS 9) and reassesses this in each reporting period (see also Note 6.4).

— Credit risk related to customers: management closely reviews the outstanding trade receivables, including by considering ageing, payment history and credit risk coverage (see Note 8.1).

— Employee benefits – see Note 6.12: The Group has defined benefit plans and defined contribution plans which are disclosed in Note 6.12. The calculation of the liabilities or assets related to these plans is based on actuarial and statistical assumptions. For example, this is the case for the present value of future pension liabilities. The present value is, among other factors, impacted by changes in discount rates, and financial assumptions such as future increases in salary. In addition, demographic assumptions, such as average assumed retirement age, also affect the present value of future pension liabilities.

— Estimates and assumptions are processed with regard to the recoverability and usability of planning services for long-term projects presented within fixed assets and work in progress.

— Provisions for environmental remediation costs: at each year-end, an estimate is made regarding future expenses with respect to soil remediation, based on the expert advice (see Note 6.14).

— Other provisions are based on the value of the claims filed or on the estimated amount of the risk exposure. The expected timing of the related cash outflow depends on the progress and duration of the associated process/procedures (see Note 6.14).

- The Group records provisions for dismantling obligations for offshore platforms, sea cables and transformer substations. Dismantling costs are stated at the present value of the expected costs to settle the obligation using cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss under interest expenses. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.
- Fair value measurement of financial instruments: when the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs for these valuation techniques are taken from observable markets where possible. Where this is not feasible, a certain level of professional judgement is required in establishing fair values (see Note 6.18).
- The useful life of the fixed assets is defined to reflect the actual depreciation of each asset. The depreciation of property, plant and equipment is mainly calculated based on the useful lives determined by the regulatory framework, which are considered to be the best possible approximation of expected economic lives considering all available facts and information. (see Note 3.3.1 and 6.1).
- The assessment of the recognition and measurement of internally generated intangible assets is based on assumptions about future economic benefits. In addition to personnel costs, production costs also include pro rata overheads (see Note 6.2).
- The Group makes use of practical expedients when applying IFRS 16 (Leasing):
  - The Group applies a single discount rate per type of contracts, summarised per their duration. Those leases are assumed to have similar characteristics. The discount rate used is the Group's best estimate of the weighted average incremental borrowing rate. Each lease contract is classified in a duration bucket (<5 years, between 5 and 10 years, etc.) for which an interest rate is derived equal to the interest rate of a traded bond with the same rating as Elia Group SA/NV in the same sector with a similar duration. The interest rate is fixed over the lifetime of the lease contract.
  - The Group assesses the non-cancellable period of each of the contracts falling within the scope of IFRS 16. This includes the period covered by an option to extend the lease, if the lessee is reasonably certain that they will exercise that option. Certainly, where it relates to office rent contracts, the Group makes its best estimate of the non-cancellable period based on all information at its disposal (see Note 6.19).
- All external borrowings at group level which are actually drawn are included in the calculation of the capitalization rate used for determining the amount of borrowing costs. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the period. The capitalization ceases in the event of test operation of the respective asset.
- When preparing the consolidated financial statements, revenue and the corresponding receivables and liabilities in the area of grid-based accounting were determined based on preliminary data provided by third parties and partly based on forecasts. This primarily relates to the settlement of the EEG ["Erneuerbare-Energien-Gesetz": German Renewable Energy Act] and KWKG ["Kraft-Wärme-Kopplungsgesetz": German Combined Heat and Power Act] processes, the accounting of the balancing group, grid utilization as well as the accounting of system services. For a final statement on the actual expenses and income incurred, external data of each partner are decisive, in particular the actual electricity volumes certified by auditors. Due to the very nature of the activity, the data is not available entirely at the time of preparing the consolidated financial statements, resulting in uncertainties surrounding the amount of expenses and income in these areas. The related items of the consolidated financial statements were determined using the data available as well as relying on estimates and take into account the information available as of the time of preparing the consolidated financial statements.

2.6. Authorisation of the financial statements for issue

These consolidated financial statements will be released by the Executive Board for forwarding to the Supervisory Board on 10 March 2025. On 21 March 2025, the Supervisory Board will resolve on the recommendation to the shareholders' meeting to approve the consolidated financial statements. The shareholders' meeting will resolve on the approval of the consolidated financial statements at its next meeting.

The prior year financial statements were approved by the shareholders' meeting on 26 February 2024.

It will be proposed to the shareholders' meeting to distribute a dividend of EUR 210.0m from the reported net profit to the shareholders and to carry forward the remaining amount.

3. Summary of consolidation principles and significant policies

The consolidation principles and main accounting policies adopted in preparing these consolidated financial statements are presented in the following. The principles and methods described below were consistently applied.

3.1. Basis of consolidation

The consolidated financial statements are prepared in accordance with the following consolidation principles.

Generally speaking, all subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities over which Eurogrid has control, from which it receives variable economic returns and can influence the amount of the returns (controlled entities). When determining whether control exists, the existence of any potential voting rights is taken into account. This is not the case within the Group.

Subsidiaries are generally included in Eurogrid's consolidated financial statements (full consolidation) as of the date on which control is transferred to Eurogrid. They are deconsolidated on the date on which Eurogrid ceases to have control.

The financial statements of the German subsidiaries included in the consolidation are prepared using uniform accounting and measurement methods in accordance with IFRS 10.B87.

Associates are entities over which the Group has significant influence but not exclusive control. These entities are recognised at cost from the date on which significant influence is transferred to Eurogrid and are accounted for using the equity method until the date on which significant influence ceases to exist.

3.2. Foreign currency translation

Transactions in foreign currencies are translated to the functional currency at the rates prevailing at the date of the transaction or at the measurement date for revaluations. Gains and losses from the settlement of such transactions and from the translation at the closing rate of monetary assets and liabilities in foreign currencies are recognised in the statement of profit or loss unless they are recognised in equity as part of a hedging relationship.

Foreign currency gains and losses resulting from the translation of cash and cash equivalents as well as financial liabilities are generally disclosed in the statement of profit or loss under financial result.

The functional currency of all subsidiaries included in the consolidated financial statements is the euro.

3.3. Statement of financial position

3.3.1. Property, plant and equipment

The Group has opted for the historical cost model.

Property, plant and equipment are measured at cost. Cost includes any costs directly attributable to bringing the asset to the condition necessary for it to be capable of operating in the manner intended less accumulated depreciation (with the exception of land and assets under construction) and accumulated impairment losses. All directly attributable costs as well as appropriate portions of overheads are included in the cost of the asset. B

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each item of property, plant and equipment. The useful lives are determined by the regulatory framework, which are considered to be the best possible approximation of expected economic lives in the light of current events.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed event-related and adjusted prospectively, if appropriate.

Type of Assets	Category	Rate
Administrative buildings	Land and buildings	1.67 – 2.00%
Industrial buildings	Land and buildings	2.00 – 4.00%
High-voltage grid	Machinery and equip.	2.00 – 4.00%
Swichgear and substation	Machinery and equip.	2.00 – 5.00%
Transformer stations	Machinery and equip.	2.50 – 6.67%
Grid onshore	Machinery and equip.	3.00 – 12.50%
Grid offshore	Machinery and equip.	4.00 – 10.00%
Other grid assets	Machinery and equip.	6.67 – 20.00%
Vehicles	Furniture and vehicles	6.67 – 20.00%
Tools and office furniture	Furniture and vehicles	6.67 – 20.00%
Hardware	Furniture and vehicles	25.00 – 33.00%
Right of use assets	Leasing	contractual period

These different types of assets are divided into four main classes: (i) Land and buildings, (ii) Machinery and equipment, (iii) Furniture and vehicles and (iv) Leasing.

Borrowing costs are capitalised when they are directly attributable to the acquisition, contribution or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

In accordance with IAS 16, when Eurogrid has a present, legal or constructive obligation to dismantle the asset or restore the site, the initial cost of the item of property, plant and equipment includes an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. A corresponding provision for this obligation is recorded for the amount of the asset (the dismantling asset) and depreciated over the asset's entire useful life (see also 3.3.10. Other provisions).

An asset is no longer recognised when it is subject to disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from the derecognition of the asset (determined as the difference between the net disposal proceeds and the carrying amount of the asset) are included in profit or loss, in other income or other expenses, during the year in which the asset was derecognised.

3.3.2. Intangible assets

Software

The Group capitalizes development costs associated with internally generated intangible assets, specifically software, in accordance with IAS 38 Intangible Assets.

Development costs are capitalized when all the following conditions are met:

- Technical Feasibility: Completion of the software is technically feasible, ensuring its availability for use or sale.

- Intention to Complete and Use or Sell: The Group intends to complete the software for use or sale.
- Ability to Use or Sell: There is an ability to use or sell the completed software.
- Market Availability or Internal Usefulness: Evidence of a market for the software exists or, if for internal use, the software is deemed useful.
- Availability of Resources: Sufficient technical, financial, and other resources are available to complete the development.
- Measurement of Costs: The costs related to the development of the software can be measured reliably.

Capitalized development costs are amortized over their estimated useful lives on a straight-line basis from the date the software is available for use. The amortization method, periods, and the residual values are reviewed at each financial year-end and adjusted if necessary.

Costs associated with cloud computing arrangements are capitalized if the Group controls the software. This control may be indicated by the right to take possession of the software or having exclusive rights of use. Configuration or customization costs in such arrangements are capitalized if they create or enhance a separate intangible asset.

Costs incurred before fulfilling the capitalization criteria are recognized as expenses in the period in which they are incurred. Similarly, costs associated with maintaining or servicing developed software are recognized as expenses as incurred.

Licences, patents and similar rights

Expenditure on acquired licences, patents, trademarks and similar rights are capitalised and amortised on a straight-line basis over the contractual period, if any, or the estimated useful life.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of intangible assets, unless the useful life is indefinite. Software is amortised from the date it becomes available for use. The estimated useful lives are as follows:

Type of Assets	Rate
Software	20.00%
Licences, patents and similar rights	0.99 – 4.55 %

Amortisation methods, remaining useful lives and residual values of intangible assets are reassessed annually and are prospectively adjusted as events arise.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or loss arising upon de recognition of the asset is included in the profit or loss.

3.3.3. Trade and other receivables

Levies

In its role as TSO, the subsidiary 50Hertz Transmission GmbH is subject to various public service obligations imposed by regulation mechanisms. These identify public service obligations in various areas (such as promoting the use of renewable energy),that should be fulfilled by the TSO. The costs incurred by these obligations are fully covered by the tariff ‘levies’ approved by the regulator. Receivables from levies are reported as trade and other receivables.

Trade and other receivables

Trade receivables and other receivables are measured at amortised cost less the appropriate allowance for amounts regarded as unrecoverable.

Impairment

For trade receivables, the impairment model is based on the expected credit loss model (ECLs). Under IFRS 9 standard, the Group applies a group-wide methodology when calculating the Expected Credit Losses (ECLs). An individual approach is used for customers and other counterparties, for which the change in credit risk is monitored on an individual basis.

See Note 8.1 ‘Credit risk’, for a detailed description of the model.

3.3.4. Inventories

Inventories relate to raw materials, consumables and work in progress if part of the ordinary course of business of a transmission system operator.

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price minus the estimated costs of completion and selling expenses. The cost of raw materials and consumables is based on the weighted-average-cost-price method. The cost includes the expenditure incurred in acquiring the inventories and the direct costs of bringing them to their location and making them operational. Work in progress includes external services that are valued at cost.

Write-downs of inventories to net realisable value are recognised in the period in which the write-offs occurred

3.3.5. Cash and cash equivalents

Cash includes cash and bank balances. Cash equivalents are short-term, highly liquid investments that are readily – or within a period of no more than three months – convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents are recognised at fair value upon recognition and at amortised cost in subsequent periods.

3.3.6. Impairment of non-financial assets

Assets which have an indefinite useful life and intangible assets under development are subject to an annual impairment test.

The carrying amount of the Group's assets, excluding deferred taxes, are reviewed at the end of the reporting period for each asset to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

An impairment loss is recognised whenever the carrying amount of such an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Recognised impairment losses relating to cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the units on a pro-rata basis.

After recognition of impairment losses, the depreciation costs for the asset will be prospectively adjusted.

Calculation of the recoverable amount

The recoverable amount of intangible assets and property, plant and equipment is determined as the higher of their fair value less costs of disposal and their value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects both the current market assessment of the time value of money and the risks specific to the asset.

The Group's assets do not generate cash flows that are independent from other assets. The recoverable amount is therefore determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

Non-financial assets subject to an impairment loss in the past are reviewed at each reporting date to determine whether a reversal of the impairment is required. An impairment is reversed if there have been changes in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

In fiscal year 2024, no impairment losses or reversals of impairment losses were recognised on non-financial assets.

3.3.7. Financial instruments

Initital recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. The Group initially measures a financial asset at its fair value plus transaction costs.

Financial liabilities consist of interest-bearing loans and borrowings in the Group. They are recognised initially at fair value minus related transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial assets and liabilities are classified in four categories:

— Designated at fair value through profit and loss

— Financial assets at amortised cost

— Financial assets designated at fair value through OCI

— Other financial liabilities at amortised cost

A financial asset is measured at amortized cost if both of the following conditions are met and it is not designated as at fair value through profit or loss (FVTPL):

— It is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.

— The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of certain equity instruments that are not held for trading, the Group has made the irrevocable election to present subsequent changes in the fair value of the investment in other comprehensive income. This choice is made on a case-by-case basis for each investment.

Subsequent to initial recognition, financial liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the loans on an effective interest basis.

Impairment of financial assets

The Group recognises impairment losses for the expected credit losses ("ECL") of debt instruments. Default risk is recognised in two stages. For credit exposures where the credit risk has not increased significantly since initial recognition, an allowance for credit losses is recognised for credit losses within the next 12 months. For credit exposures with a significant increase in credit risk, an allowance for expected credit losses is recognised over the entire term of a financial instrument, irrespective of the time of default (overall ECL).

IFRS 9 requires the recognition of impairment losses on financial assets based on a forward-looking model of expected credit losses.

The Group applies an individualised expected credit loss (ECL) approach. The applicable ECL formula is ECL = EAD x PD x LGD, where exposure at default (EAD) is equal to the carrying amount of the financial asset to which the corresponding probability of default (PD) and loss given default (LGD) are applied.

The Group uses external ratings when available or an internal rating for significant counterparties that do not have an external rating.

Subsequently, the loss given default is calculated as the percentage of the amount of trade receivables that is not covered by a bank guarantee. The loss given default is multiplied by the outstanding trade receivables.

This approach is considered more relevant than the portfolio approach as it provides a better risk assessment.

Not in the scope of the determination of the expected default risk and the resulting allowance are the receivables from the pay-as-you-go business due to the legally existing compensation claim against a third party in the amount and at the time of default.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a legal right and intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derecognition of financial instruments

Financial assets are derecognised if the rights to cash flows from financial assets have expired or if the right to receive the cash flows has been transferred and the Group has substantially transferred all risks and rewards incidental to ownership.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or is expired.

Financial assets at amortised cost

Financial assets designated at amortised cost are measured after initial recognition using the effective interest method. In accordance with IFRS 9, impairment losses are recognised on the basis of expected losses (expected credit loss model).

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group irrevocably classifies its equity investments as equity instruments designated at fair value through OCI when the Group does not have significant influence and equity investments are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset. In the latter case, the gains from this are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group has made the irrevocable decision to designate its non-listed investments, for which the Group does not exercise significant influence, in this category as these investments are held on a long-term basis for strategic purposes.

Derivative financial instruments at fair value through OCI

The Group recognises derivatives as price hedges for the future procurement of the physical demand for electrical energy to cover grid losses expected in subsequent periods and covered in each case by short-term procurement transactions on the spot market (hedged item). These derivatives are measured at fair value as part of cash flow hedge accounting and recognized in other comprehensive income. The cumulative amount is recognized in equity under the item "hedging reserve" (OCI).

Derivative financial instruments measured at fair value

The Group recognizes derivatives that are not part of a hedging relationship at fair value through profit or loss.

3.3.8. Financial liabilities

Financial liabilities consist of interest-bearing loans and borrowings. They are initially recognised at fair value, less related transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost price with any difference between amount at initial recognition and redemption value being recognised in profit or loss over the period of the loans on an effective interest basis.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

3.3.9. Provisions for employee benefits

The entities included in the Group have both defined benefit and defined contribution plans. A defined benefit plan involves a fixed pension to be paid to an employee upon retirement, which is usually based on one or several factors such as the employee's age, years of service and salary. The provision for defined benefit plans recognised in the statement of financial position corresponds to the present value of the defined benefit obligation (DBO) as of the end of the reporting period, the past service costs less the fair value of the existing plan assets. The DBO is calculated annually by an independent actuary using the projected unit credit method. The present value of the DBO is calculated by discounting the future expected cash outflows using the interest rate on top-rated corporate bonds. The corporate bonds are denominated in the currency in which the benefits are paid and have the same maturities as the pension obligations.

Provisions for defined benefit plans are measured on the basis of the 2018 G mortality tables of Prof. Dr. Klaus Heubeck for the earliest possible statutory retirement age.

Actuarial gains and losses based on experience adjustments and changes in actuarial assumptions are recorded in other income and presented cumulative within equity. Past service cost is recognised immediately in profit or loss.

The amounts payable to the pension funds for defined contribution plans are presented under personnel expenses.

The provision for long-service bonuses as well as long-term working accounts was calculated in accordance with actuarial principles taking into account an appropriate markdown allowing for employee turnover and discount rate on top-rated corporate bonds.

The provision for working lifetime accounts is netted with the corresponding plan asset recognised at fair value as a result of the contractual trust agreement.

3.3.10. Other provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event and it is likely that an outflow of economic benefits – of which a reliable estimate can be made – will be required to settle the obligation.

Provisions are not recognised for future operating losses.

The Group's main long-term provisions are provisions for dismantling obligations. The present value of the obligation at the time of commissioning represents the initial amount of the provision for dismantling with, as the counterpart, an asset for the same amount, which is included in the carrying amount of the related asset and is depreciated over the asset's entire useful life.

Factors having a significant influence on the amount of provisions include:

— cost estimates

— the timing of expenditure ; and

— the discount rate applied to cash flows.

These factors are based on information and estimates deemed by the Group to be the most appropriate as of today.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised in profit and loss as a finance expense.

3.3.11. Trade and other payables

Trade and other payables are stated at amortised cost.

Levies

We refer to 3.3.3. Trade and other receivables-

Trade and other payables

Trade and other payables are payment obligations for the Group relating to the goods or services purchased in the Group's core business during the ordinary course of its business. They are classified under current liabilities if the payment obligation falls due within one year or within the normal business cycle. Otherwise they are recognised under non-current liabilities.

See note 3.3.7 Financial instruments for a detailed description of recognition and measurement.

3.3.12. Grants and subsidies

Government grants are recognised when it is reasonably certain that the Group will receive such grants and that all underlying conditions will be met. Grants related to an asset are presented under other liabilities and will be recognised in the statement of profit or loss on a systematic basis over the expected useful life of the asset in question. Grants related to expenses are recognised in the statement of profit or loss in the same period as the expenses for which the grant was received. Government grants are presented as other operating income in the statement of profit or loss.

3.3.13. Leases

Upon the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease included in IFRS 16.

The Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

Assets and liabilities arising from a lease are initially measured on a present value basis and discounted using the Group's best estimate for the weighted average incremental borrowing rate, in case the rate implicit in the lease cannot be readily determined. The Group applies a single discount rate per group of similar contracts, summarised per their duration.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

Right of use assets are subsequently reduced by accumulated amortisation, impairment losses and any adjustments resulting from the remeasurement of the lease liability. These assets are amortised using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects the fact that the Group will exercise a purchase option.

The lease liability is subsequently increased by the interest cost on the lease liability and reduced by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the reassessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option reasonably certain not to be exercised.

The Group presents right-of-use assets within 'property, plant and equipment' and lease liabilities within 'loans and borrowings' (current and non-current) in the statement of financial position.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases.

All lease contracts are part of the "grid business" segment.

The Group as a lessor

Leases that substantially transfer all the risks and rewards incidental to ownership of an underlying asset are recognised as finance leases.

All other leases that do not transfer all the risks and rewards incidental to ownership of an underlying asset are recognised as operating leases. Lease payments received are recognised as income on a straight-line basis over the lease term.

3.3.14. Regulatory items

The Group is subject to the regulatory framework, which has a direct and significant impact on the grid revenue. Based on the revenue cap determined by the Federal Network Agency for each calendar year relating to the expected or budgeted cost approaches for the regulatory activities of the transmission system operator as well as the permitted returns, there are regularly corrections that are subsequently made to the originally determined revenue cap. In addition to determining and, if necessary, subsequently correcting the revenue cap, the Federal Network Agency also determines other important compensation-related issues for charging in subsequent periods; such subsequent charges are made by specification of or in consultation with the Federal Network Agency.

The IFRS standards and interpretations subject to mandatory application in the EU are not currently applicable to regulatory items; a basis for recognizing the issues described here in the consolidated financial statements is therefore lacking. Referring to IAS 8.10 et seq., management believes that the regulatory items must be included in the consolidated financial statements in order to give a true and fair view of the Group's net assets, financial position and results of operations as this is the only way to provide a basis for the economic decision-making of the users of the financial statements. Failing to present these regulatory items would result in the regulatory framework that is of such importance for the Group as well as the true impact on the economic situation of the Group not being adequately taken into account in the consolidated financial statements.

Regulatory claims and obligations are recognised in these consolidated financial statements. Claims arise if the Group can expect higher grid revenue in future periods as compensation for expenses or losses already incurred; obligations arise if lower grid revenue is expected in future periods as compensation for income or cash inflows already received. The same procedure applies if other expenses and/or income are only compensated for in subsequent periods under the regulatory framework. The Group is able to very accurately determine the effects of such recalculations on future periods.

Regulatory claims and liabilities are netted and recorded in the statement of financial position on the equity and liabilities side.

The effect of regulatory items on profit and loss is recognised directly in revenue in the statement of profit and loss. The corresponding interest effect is included in the financial result.

3.4. Items in the statement of profit or loss

3.4.1. Income

The IFRS 15 revenue recognition standard establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Revenue from contracts with customers is recognised time-related when performance obligations are fulfilled. The Group typically satisfies its performance obligation upon completion of service and payment is generally due within 10 to 90 days from completion.

Adjusting for the non-profit business, revenue largely results from the transfer of electrical energy via grids, additional services relating to the grid-based business, the establishment and operation of power lines and the related facilities for connecting offshore connection systems to an electricity transmission or distribution grid, regulatory corrections as well as payments for grid connection.

The Group's main revenues are realised in accordance with regulatory frameworks and which have de facto/legal monopolies in their respective control zones.

With regard to the regulated business, each service is based on a standard contract with the customer, mostly with a predefined regulated tariff (unit price multiplied by the volume (injection or offtake) or the reserved capacity (depending on the type of service)), so pricing is not variable.

Considering the business of the Group, there are no relevant right-of-return and warranty obligations.

For all services provided by the Group, Eurogrid is the sole and primary party responsible for executing the service and is thus the principal.

The Group's main performance obligations/contract types, their pricing and the revenue recognition method for 2023 can be summarised as follows:

Revenue stream	Nature and timing of satisfaction of performance obligations	Contract – Price setting
Revenues from contracts with customers resp. levies		
Revenues from incentive regulation	The 'grid use fee' is charged to grid users/distribution system operators connected to the grid for the offtake on the onshore grid. This contract is signed with grid users and distribution system operators. The revenue is recognised over time, as this service is a performed continuously throughout the contractual term.	Standard contract and grid tariffs defined by the regulator.
Revenues from offshore regulation	This component comprises tariffs levies to grid users/distribution system operators to cover grid connection costs for offshore wind farms. The revenue is recognised over time, as the levy is billed with the grid fees.	Levy predefined in the regulatory mechanism.
Energy revenues	This revenue stream consists of different components, thereof	
	Ancillary services are paid by market participants for use of the capacity made available by 50Hertz Transmission on specific lines (including use of cross-border assets). This allocation mechanism is governed by transparent, market-oriented procedures. The revenue is recognised at the point in time when it is generated	Standard contracts approved by regulator and tariff mechanism defined in regulatory schemes.
	Redispatch revenues include revenues from the charging or sharing of costs to DSO, TSO or power plant operators that are incurred in the 50Hertz control area for redispatch measures. The revenue is recognised at the point of time when these measures occur.	Standard contracts approved by regulator and tariff mechanism defined in regulatory schemes.
	Compensation for imbalances Market participants have a commitment to ensure a perfect balance between offtake and injection on the grid. In the event of an imbalance, 50Hertz Transmission invoices the market participant to compensate for the costs incurred. The revenue is recognised at the point in time when an imbalance occurs.	Standard contracts approved by regulator and tariff mechanism defined in regulatory schemes.
Construction cost subsidies	At the request of a future grid user, 50Hertz Transmission builds a dedicated/physical connection to create an interface point to the grid (grid connection). Although control of the asset is not transferred as such to the grid user, the grid user obtains direct access to the high-voltage grid. The access right transferred by 50Hertz is important to the grid user, hence why the grid user compensates 50Hertz Transmission. This component of the grid connection/grid user contract is presented separately (not part of the grid connection/revenues from the revenue cap) because the tariff-setting method is very specific from a regulatory perspective. Revenue is recognised over the contractual period.	Contract and tariffs predefined in regulatory mechanism.

3.4.2. Expenses

Finance income and expenses

Finance expenses comprise interest payable on borrowings (calculated using the effective interest rate method), interest on lease liabilities, provisions and regulatory items, reduced by capitalised borrowing costs.

Finance income includes interest on bank deposits, which are recognised in profit or loss using the effective interest rate method.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Income taxes

Income taxes comprise current and deferred taxes.

Income tax expense is recognised in profit or loss, except where it relates to items recognised directly in equity.

The current tax expense/income is determined on the basis of the taxable income for the year. Taxable income differs from the net profit for the year taken from the statement of profit or loss as it does not include expenses and income that are never or become only taxable or tax deductible in later years. Liabilities or receivables at Eurogrid from current taxes are calculated on the basis of the applicable tax rates in Germany due to the fact that the Group operates here and generates taxable income.

In accordance with IAS 12, deferred taxes are generally recognised on all temporary differences between the tax carrying amounts and the carrying amounts pursuant to the IFRS financial statements if this results in tax relief or liabilities in the future. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Deferred tax liabilities for taxable temporary differences associated with investments in subsidiaries are recognised unless the timing of the reversal of the temporary differences can be not controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Expected future tax reductions from loss carryforwards, interest carryforwards and tax credits are recognised if it is likely in the foreseeable future that sufficient taxable income will be generated and offset against unused tax loss carryforwards or tax credits. Deferred tax assets are reduced to the extent that it is no longer likely that the related tax benefit will be realised.

Deferred taxes are measured using the tax rates and tax law enacted or substantively enacted by the reporting date and that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax assets and deferred tax liabilities are offset if these income tax claims and liabilities relate to the same tax authority and the same taxable entity. Deferred income tax assets and liabilities are recognised and carried such that – depending on the treatment of the underlying item – they are recognised either under income taxes though profit or loss or directly in equity in the appropriate equity item.

4. Segment reporting

Segment reporting is performed in line with the Group’s reporting and organizational structure underlying its internal management reporting system. The financial and economic situation of the segments is assessed on this basis and decisions are made on the allocation of resources to the segments.

Segment reporting comprises the reportable segments “Non-profit business” and “Grid business”.

The "Non-operating business" segment comprises the levy mechanisms under the Energy Financing Act (EnFG), the Renewable Energy Sources Act (EEG) and its ordinances, which do not affect the Group's earnings. The EnFG now also provides the basis for handling the levy procedures under the KWKG, Section 19 StromNEV and the levy mechanism under the Electricity Price Brake Act.

The entire settlement process of this allocation procedure has no impact on the profit and loss and equity of the Group.

The segment “Grid business” primarily comprises grid provision and grid management as well as balancing group management.

After-tax profit (group profit) was selected as the segment result.

Segment reporting by business segment for the period from 1 January 2023 to 31 December 2023

EUR m	Non-profit business	Grid business	Total
Revenue	7,624.9	2,402.9	10,027.8
Other income	-	175.3	175.3
Revenue and other income	**7,624.9**	**2,578.2**	**10,203.1**
Cost of materials and purchased services	(7,624.9)	(1,650.9)	(9,275.8)
Personnel expenses	-	(201.8)	(201.8)
Depreciation and amortisation	-	(332.2)	(332.2)
Other expenses	-	(14.5)	(14.5)
Result from equity investments accounted for using the equity method	-	1.9	1.9
Financial result	-	(59.8)	(59.8)
Finance income	-	37.5	37.5
Finance expenses	-	(97.3)	(97.3)
Profit before tax	**-**	**320.9**	**320.9**
Income taxes	-	(100.4)	(100.4)
Profit for the year from continuing operations	**-**	**220.5**	**220.5**
Group profit	**-**	**220.5**	**220.5**
Timing of revenue recognition			
At a point in time	7,624.9	2,401.4	10,026.3
Over time	-	1.5	1.5

Segment reporting by business segment for the period from 1 January 2024 to 31 December 2024

EUR m	Non-profit business	Grid business	Total
Revenue	5,456.8	2,270.5	7,727.3
Other income	-	249.6	249.6
Revenue and other income	**5,456.8**	**2,520.1**	**7,976.9**
Cost of materials and purchased services	(5,456.8)	(1,366.3)	(6,823.1)
Personnel expenses	-	(233.0)	(233.0)
Depreciation and amortisation	-	(374.4)	(374.4)
Other expenses	-	(14.4)	(14.4)
Result from equity investments accounted for using the equity method	-	1.9	1.9
Financial result	-	(81.8)	(81.8)
Finance income	-	60.6	60.6
Finance expenses	-	(142.4)	(142.4)
Profit before tax	**-**	**452.1**	**452.1**
Income taxes	-	(142.3)	(142.3)
Profit for the year from continuing operations	**-**	**309.8**	**309.8**
Group profit	**-**	**309.8**	**309.8**
Timing of revenue recognition			
At a point in time	5,456.8	2,269.0	7,725.8
Over time	-	1.5	1.5

The settlement of the EEG gives rise to interest income and interest expenses for the Group, which are refinanced via the EEG cost allocation. These items do not have any impact on profit for the Group and are shown to fully present earnings generated in the operating non-profit business within cost of materials and purchased services. In the reporting year, this related cross-charged expenses including personnel (2024: EUR 4.8m, prior year: EUR 4.2m), IT (2024: EUR -0.1m, prior year: EUR 1.3m) and other expenses (2024: EUR 0.4m, prior year: EUR 0.3m) which are allocated to the non-profit business.

All revenue were generated with external customers. In fiscal year 2024, there are 3 customers in the grid use segment with which revenue of more than 10% each of total revenue from grid use is generated (EUR 297.2m, EUR 353.7m and EUR 350.6m, in total 1,001.5m; prior year: no customer). Revenue generated with external customers from other countries is immaterial in terms of amount.

Segment reporting by business segment as of 31 December 2023

EUR m	Non-profit business	Grid business	Total
Non-current assets	-	8,635.9	8,635.9
Current assets	956.8	1,455.4	2,412.2
Non-current liabilities	-	5,815.9	5,815.9
Current liabilities	1,414.4	1,389.8	2,804.2
Equity and regulatory items	-	2,428.0	2,428.0

Segment reporting by business segment as of 31 December 2024

EUR m	Non-profit business	Grid business	Total
Non-current assets	-	12,032.4	12,032.4
Current assets	282.0	2,090.6	2,378.6
Non-current liabilities	-	8,438.6	8,438.6
Current liabilities	614.8	1,678.2	2,293.3
Equity and regulatory items	-	3,679.4	3,679.4

Of the current assets and liabilities from the non-profit business, EUR 83.4m (prior year: EUR 805.9m) and EUR 266.0m (prior year: EUR 1,061.1m) relates to the development of the EEG business, respectively. .

Additions to non-current assets relate primarily to property, plant and equipment (EUR 3,396.5m, prior year: EUR 1,389.6m) and grid business.

The carrying amount of the equity-accounted investee EGI (EUR 6.7m, prior year: EUR 4.8m) is allocated to the grid business.

5. Notes to the consolidated statement of profit or loss and other comprehensive income

The statement of profit or loss has been prepared using the cost-summary method.

The following explanations are based on the statement of profit or loss from the segment reporting.

Total revenue and expenses are presented below and broken down into their components. Segment reporting contains a breakdown of revenue into the segments "Non-profit business" and "Grid business".

5.1. Non-profit business

In addition to revenue from the grid business, the Group largely generates income from the non-profit settlement of the EEG, KWKG, Sec. 19 StromNEV and energy price brake.

This revenue is matched by expenses of the same amount.

EUR m	2024	2023
EEG income	4,506.1	4,032.0
KWKG income	277.4	295.9
Sec. 19 StromNEV income	330.1	290.0
Energy price brake income	343.2	3,007.0
Cost-matching income	**5,456.8**	**7,624.9**
EEG expenses	(4,506.1)	(4,032.0)
KWKG expenses	(277.4)	(295.9)
Sec. 19 StromNEV expenses	(330.1)	(290.0)
Energy price brake expensese	(343.2)	(3,007.0)
Income-matching costs	**(5,456.8)**	**(7,624.9)**

5.2. Revenue from the grid business and other income

5.2.1 Revenue from the grid business

Revenue from contracts with customers relate to the grid business and break down as following:

EUR m	2024	2023
Revenue from incentive regulation	1,438.0	1,407.9
Revenue from offshore regulation	417.7	400.9
Revenue from ancillary services and balancing management	402.1	576.5
Construction cost subsidies	1.5	1.5
Other revenue	11.2	16.1
Revenue from contracts with customers	**2,270.5**	**2,402.9**

Net income from regulatory items are disclosed under revenue from incentive regulation together with agreed grid revenue and portrays the influences on the result for the period resulting from mechanism of incentive regulation and offsetting an increase or decrease in agreed grid revenue. An increase in regulatory claims compensates for expenses already incurred by the Group which will flow back to the Group in subsequent periods via increased grid fees. An increase in regulatory obligations compensates for income already generated by the Group which will lead to a decrease in grid revenue in the future periods.

A key driver of revenue from incentive regulation is the inclusion of investments using budget cost estimates in the revenue cap which at the same time are included in the grid fees upon approval of the investment measures. Revenue from offshore regulation is recognised based on a so-called 'cost-plus' regulation with an annual settlement of actual operating and investing costs.

In fiscal year 2024, the period effects resulting from regulatory items excluding the interest portion led to a EUR 295.6m decrease in consolidated net income (prior year: decrease of EUR 150.1m). Considering the interest portion and a tax rate of 30.05%, the recognition of regulatory issues led to a change in group result of EUR -203.3m (prior year: EUR -107.5m).

Opening and closing balances of trade receivables (under 6.7) result primarily from contracts with customers.

5.2.2 Other income

EUR m	2024	2023
Services and technical expertise	53.2	26.6
Own work capitalised	154.0	112.7
Communication income	3.0	3.1
Sundry other income	39.4	32.9
Total	**249.6**	**175.3**

Sundry other income contains primarily income from cost charges (EUR 14.9m) and IT cost charges (EUR 18.1m).

5.3. Operating expenses

5.3.1 Cost of materials and services grid business

EUR m	2024	2023
Cost of materials	15.9	12.8
Electricity expenses	1,051.3	1,296.2
Expenses from the offshore regulation	36.8	136.9
Third-party services and other operating expenses	262.3	205.0
Total	**1,366.3**	**1,650.9**

Third-party services mainly include third-party maintenance (EUR 20.5 m) and construction services (EUR 42.8 m). Other operating expenses consisted primarily of consulting costs (EUR 21.9 m), insurance premiums (EUR 13.3 m) and various services.

Electricity expenses contain the following items:

EUR m	2024	2023
Expenses for system services	117.8	141.5
Expenses to cover grid losses	420.9	330.9
Expenses for measures pursuant to Sec. 13 EnWG	289.1	487.2
Expenses for Sec. 14/15 EEG compensation	(4.3)	(3.6)
Expenses for balance energy	170.1	214.6
Expenses for unwanted exchange	11.3	7.7
Expenses for reserve costs	20.5	34.5
Expenses for cross-border redispatch	5.5	10.0
Other electricity expenses	20.4	73.4
Electricity expenses	**1,051.3**	**1,296.2**

5.3.2 Personal expenses

Personnel expenses comprise the following components:

EUR m	2024	2023
Salaries and wages	184.1	159.6
Social security contributions	31.8	27.2
Pension and welfare expenses	6.0	6.3
Change in personnel provisions	9.3	7.2
Other personnel expenses	1.8	1.5
Total	**233.0**	**201.8**

	2024	2023
Administrative employees	652	531
Technical employees	1307	1122
Total	**1959**	**1653**
Trainees	47	35

Employee figures are calculated on an average basis using the final figures for each quarter.

5.4. Financial result

EUR m	2024	2023
Finance income	**60.6**	**37.5**
Interest income	46.4	34.9
Interest income on regulatory items	12.7	0.7
Other finance income	1.5	1.9
Finance expenses	**(142.4)**	**(97.3)**
Interest portion of euro bonds and other interest expenses	(204.9)	(110.7)
Capitalised borrowing costs	78.0	25.1
Interest portion of provisions	(6.7)	(6.7)
Interest portion of regulatory items	(7.9)	(4.2)
Interest cost on leasing	(0.9)	(0.8)
Foreign currency translation	0.0	0.0
Financial result	**(81.8)**	**(59.8)**

The total net gain relating to the measurement category “loans and receivables” amount to EUR 46.8m (prior year: EUR 32.3m). Finance income relating to the measurement category “measured at fair-value through OCI” amounts to EUR 1.4m (prior year: EUR 1.2m). Financial expenses of EUR 0.1m are attributable to the "at fair value through profit or loss" measurement category for the first time in 2024. Interest expenses relating to other financial liabilities amount to EUR 189.6m (prior year: EUR 110.3m).

5.5. Income taxes

As the parent company, Eurogrid concluded a profit transfer agreement with 50Hertz Transmission with effect from 1 June 2010 (with amendment agreement dated 30 November 2021) and established a consolidated tax group for income tax purposes. The control and profit transfer agreement between 50Hertz Transmission and 50Hertz Offshore, which has been in place since 1 January 2008 (with amendment agreement dated 30 November 2021), continues to exist with 50Hertz Transmission as the intermediate controlling company. Since 18 October 2023, there has been a control and profit and loss transfer agreement between 50Hertz Transmission and 50Hertz Connectors. The domination and profit transfer agreement was entered in the commercial register on 24 October 2023.

Income taxes break down as follows:

EUR m	2024	2023
Tax expenses for current year	72.5	67.2
Tax expenses for prior years	(0.1)	1.6
Current taxes	**72.4**	**68.8**
Deferred taxes	70.0	31.6
Deferred taxes	**70.0**	**31.6**
Income taxes recognised in the statement of profit or loss	**142.4**	**100.4**

The deferred tax expense of EUR 70.0m (prior year: expense: EUR 31.6m) relates to temporary differences that originated or were reversed in the current year. The following reconciliation presents the differences between the expected tax expense and the disclosed tax expense/rate in the Group:

EUR m	2024	2023
Profit/loss before income taxes	**452.1**	**320.9**
Group tax rate	30.05 %	30.00 %
Expected income taxes	135.9	96.2
Changes in tax rates	0.3	0.3
Non-deductible expenses	7.1	4.1
Adjustment for prior years	(0.2)	0.4
Other tax-free income	(0.1)	(0.1)
Other	(0.7)	(0.5)
Effective tax expenses	**142.3**	**100.4**

Deferred taxes were calculated using an overall tax rate of 30.05%. The tax rate comprises the corporate income tax rate in Germany of 15.0% plus solidarity surcharge applied on the corporate income tax rate (5.5%) and the trade tax rate of 14.22%, which reflects the weighted levy rate of all the municipalities within Eurogrid’s consolidated tax group for 2024.

The effective tax rate amounts to 31.47% (prior year: 31.28%). The difference between the actual tax expenses and the imputed tax expenses is primarily due to trade tax addbacks.

The Group has applied the temporary exemption from the accounting requirements for deferred taxes in IAS 12 published by the IASB in May 2023. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities in connection with global minimum taxation ("Pillar 2").

On 27 December 2023, the Act to Ensure Global Minimum Taxation for Corporate Groups (Minimum Tax Act - MinStG) was published in the Federal Law Gazette (Part I 2023, No. 397). According to this law, the parent company in Germany must pay an additional tax on the profits of its subsidiaries that are taxed at an effective tax rate of less than 15%.

However, based on the analyses carried out, the Group assumes that there will be no ongoing tax effects for the financial year ending 31 December 2024.

Based on the Group's income tax projections and currently available information, a similar conclusion can be drawn for the foreseeable future (2025 to 2027).

The Group is continually assessing the impact of the global minimum tax on its future financial performance.

5.6. Total comprehensive income

Total comprehensive income comprises all components of the statement of profit or loss as well as other comprehensive income. Total comprehensive income is the change in equity in a period resulting from business transactions and other events with the exception of changes resulting from business transactions with owners and those presented in the statement of changes in equity.

Other comprehensive income within the Group primarily comprises remeasurements of defined benefit pension plans and related deferred taxes, changes in the fair value of other investments, changes in the fair value and related deferred taxes relating to cash flow hedge.

EUR m	2024	2023
Recognised actuarial gains/losses	2.1	(2.8)
Deferred taxes on actuarial gains and losses recognised directly in equity	(0.6)	0.8
Changes in the fair value of other investments	65.9	-
Deferred taxes on changes in changes in the fair value of other investments recognised directly in equity	(1.8)	-
Currency translation recognised directly in equity	(0.1)	-
Cashflow hedge - Effective portion of changes in fair value	236.3	(354.5)
Cashflow hedge - Deferred taxes on effective portion of changes in fair value	(70.9)	106.2
Other income after tax	**230.9**	**(250.2)**

6. Notes to the consolidated statement of financial position

6.1. Property, plant and equipment

Under property, plant and equipment, the Group primarily recognises high-voltage overhead and underground connections as well as substations including transformers and switchgears.

We refer to 6.19 for more details on leasing and similar rights.

Prepayments on property, plant and equipment and assets under construction primarily comprise services already rendered for high-voltage grid systems and substations under construction and prepayments thereon.

The development of property, plant and equipment and its key components breaks down as follows:

EUR m	Land and buildings	Plant and machinery	Furniture and fixtures, vehicles	Leasing and similar rights	Prepayments on property, plant and equipment and assets under construction	Total
Cost						
As of 1 January 2023	**282.5**	**6,065.4**	**357.2**	**88.3**	**1,979.4**	**8,772.7**
Additions	4.5	167.6	24.3	4.8	1,449.7	1,650.9
Disposals	(1.2)	(16.9)	(3.4)	(0.5)	-	(22.0)
Reclassifications	7.5	176.0	7.4	-	(190.3)	0.6
As of 31 December 2023	**293.3**	**6,392.1**	**385.5**	**92.6**	**3,238.8**	**10,402.3**
As of 1 January 2024	**293.3**	**6,392.1**	**385.5**	**92.6**	**3,238.8**	**10,402.3**
Additions	38.0	314.2	45.2	3.2	3,140.2	3,540.9
Disposals	(0.6)	(14.3)	(33.3)	(1.2)	(3.2)	(52.6)
Reclassifications	26.0	1,211.5	21.4	-	(1,255.2)	3.7
As of 31 December 2024	**356.7**	**7,903.5**	**418.9**	**94.6**	**5,120.6**	**13,894.3**

EUR m	Land and buildings	Plant and machinery	Furniture and fixtures, vehicles	Leasing and similar rights	Prepayments on property, plant and equipment and assets under construction	Total
Depreciation and Impairment						
As of 1 January 2023	**(36.2)**	**(1,496.2)**	**(155.0)**	**(26.9)**	**-**	**(1,714.2)**
Depreciation of the year	(4.1)	(245.0)	(51.5)	(8.9)	-	(309.5)
Disposals	0.8	9.6	2.9	0.5	-	13.8
As of 31 December 2023	**(39.5)**	**(1,731.6)**	**(203.6)**	**(35.3)**	**-**	**(2,009.9)**
As of 1 January 2024	**(39.5)**	**(1,731.6)**	**(203.6)**	**(35.3)**	**-**	**(2,009.9)**
Depreciation of the year	(4.6)	(277.2)	(54.9)	(8.7)	-	(345.5)
Disposals	0.5	9.6	32.2	1.2	-	43.5
As of 31 December 2024	**(43.6)**	**(1,999.2)**	**(226.3)**	**(42.7)**	**-**	**(2,311.9)**

Carrying amount	Land and buildings	Plant and machinery	Furniture and fixtures, vehicles	Leasing and similar rights	Prepayments on property, plant and equipment and assets under construction	Total
As of 1 January 2023	246.3	4,569.2	202.1	61.4	1,979.4	7,058.5
As of 31 December 2023	253.8	4,660.5	181.9	57.3	3,238.8	8,392.4
As of 1 January 2024	253.8	4,660.5	181.9	57.3	3,238.8	8,392.4
As of 31 December 2024	313.1	5,904.3	192.5	51.9	5,120.6	11,582.4

Borrowing costs totalling EUR 76.1m (prior year: EUR 25.1m) were recognised in the fiscal year in accordance with IAS 23. The weighted average interest rate amounted to 2.8% (prior year: 1.7%).

Impairment losses of EUR 0.3 m were recognized as other expenses in the financial year due to storm damage (previous year: no impairment losses).

There were no mortgages, pledges or similar securities on PP&E relating to loans.

Outstanding capital expenditure commitments are described in Note 8.3. The analysis of lease liabilities is presented in note 6.19.

6.2. Intangible assets

Intangible assets break down as follows:

EUR m	Software	Licences	Intangible assets in developement	Total
Cost				
As of 1 January 2023	**178.7**	**33.4**	**-**	**212.2**
Additions	22.9	-	54.2	77.2
Disposals	(0.1)	-	-	(0.1)
Reclassifications	(24.1)	-	23.5	(0.6)
As of 31 December 2023	**177.5**	**33.4**	**77.7**	**288.7**
As of 1 January 2024	**177.5**	**33.4**	**77.7**	**288.7**
Additions	66.0	-	103.1	169.1
Disposals	(63.6)	-	-	(63.7)
Reclassifications	24.4	-	(28.1)	(3.7)
As of 31 December 2024	**204.3**	**33.4**	**152.7**	**390.4**

EUR m	Software	Licences	Intangible assets in developement	Total
Depreciation and Impairment				
As of 1 January 2023	**(85.7)**	**(18.3)**	**-**	**(104.0)**
Amortisation of the year	(21.3)	(1.4)	-	(22.7)
Disposals	0.1	-	-	0.1
As of 31 December 2023	**(106.9)**	**(19.7)**	**-**	**(126.6)**
As of 1 January 2024	**(106.9)**	**(19.7)**	**-**	**(126.6)**
Amortisation of the year	(27.5)	(1.5)	-	(28.9)
Disposals	63.6	-	-	63.5
As of 31 December 2024	**(70.8)**	**(21.2)**	**-**	**(92.0)**

Carrying amount	Software	Licences	Intangible assets in developement	Total
As of 1 January 2023	93.1	15.1	-	108.2
As of 31 December 2023	70.6	13.7	77.7	162.0
As of 1 January 2024	70.6	13.7	77.7	162.0
As of 31 December 2024	133.5	12.2	152.7	298.4

Borrowing costs totalling EUR 1.5m (prior year: EUR 0m) were recognised in the fiscal year in accordance with IAS 23. Further EUR 0.4m were reclassified from property, plant and equipment to intangible assets. The weighted average interest rate amounted to 2.8% (prior year: 1.7%).

Intangible assets under development relate to ongoing IT projects that have not yet been completed as at the reporting date and are measured at acquisition or production cost.

Internally generated intangible assets with a carrying amount of EUR 29.6m are reported under "Software" (1 January 2024: EUR 0.0m). Additions to internally generated intangible assets in the financial year amounted to EUR 30.3m, which were reduced by amortization in the amount of EUR 0.7m. The amortization for the period corresponds to the accumulated amortization. Additions to internally generated intangible assets under development amounted to EUR 38.3m (prior year: EUR 0.0m).

In 2024, expenses for research and development amounted to EUR 5.6m (prior year: EUR 5.2m).

As of 31 December 2024 as in prior year, there were no indications of existing or potential impairment.

The Group does not hold individual intangible assets that are material to its financial statements, except capacity entitlements in the Kontek cable (Denmark) with a net book value at EUR 12.2 million (with a remaining useful life of 9 years (until 2033) and the ERP system (with a net book value at EUR 28.2m, prior year: EUR 32.8 million with a remaining useful life of 5 years - until 2029). In addition, (i) EUR 26.8m is attributable to an internally developed system platform for controlling and operating the electricity grid, and (ii) EUR 62.2m is attributable to a data platform, of which EUR 3.7m are internally developed. Both are still under development as of 31 December 2024.

6.3. Other financial assets

EUR m	2024	2023
Other financial assets	142.6	76.7
Total	**142.6**	**76.7**

The Group holds 5.4% of the shares in European Energy Exchange (EEX), Leipzig, Germany, of a total value of EUR 141.3m as of the reporting date. These shares are disclosed under other investments as well as a 4.0% shareholding in JAO Joint Allocation Office S.A., Luxembourg, Luxembourg, a 7.9% shareholding in CORESO SA, Brussels, Belgium, a 6.3% shareholding in TSCNET Services GmbH, Munich, Germany, a 5.7% shareholding in decarbon1ze GmbH, Berlin, Germany and a 10.4% shareholding in the foundation Stiftung Kurt-Sanderling-Akademie des Konzerthausorchesters Berlin, Berlin, Germany.

Other investments are measured at fair value. At each reporting date, a measurement is performed to evaluate these investments. Any deviation from the previous period is recorded outside profit and loss under other comprehensive income and cumulative within equity.

6.4. Equity-accounted investees

50Hertz Transmission holds slightly less than 50%, or approximately EUR 2.5m, of the Elia Grid International NV/SA, Brussels, Belgium, share capital.

The following table summarises the financial information of the investment, based on its IFRS financial statements, and reconciliation with the carrying amount of the Eurogrid Group's interest in the consolidated financial statements of Elia Grid International NV/SA.

	Elia Grid International NV/SA	
EUR m	2024	2023
Shareholding in %	49.99	49.99
Non-current assets	1.0	1.2
Current assets	26.8	27.4
Non-current liabilities	0.3	0.4
Current liabilities	14.0	18.6
Equity	13.5	9.6
Investment carrying amount	**6.7**	**4.8**

EUR m	2024	2023
Revenue and other income	19.5	19.5
Profit before tax	**5.1**	**4.8**
Income taxes	(1.3)	(0.9)
Net profit for the year	3.8	3.9
Total comprehensive income	3.8	3.9
Dividends received from associates	**-**	**-**

50Hertz Transmission also holds approx. 33% or 50kEUR of the LINK digital GmbH, Würzburg, share capital. This entity was established in 2024. No figures are available at the reporting date.

6.5. Deferred taxes

Deferred tax assets and liabilities are presented in the following tables:

EUR m	2024 Deferred tax assets	2024 Deferred tax liabilities	2023 Deferred tax assets	2023 Deferred tax liabilities
Intangible assets	-	(39.6)	-	(14.7)
Property, plant and equipment	22.0	(260.7)	21.7	(222.9)
Derivatives	0.3	(3.7)	67.4	-
Other financial assets	-	(1.8)	-	-
Other receivables and assets	6.9	-	9.3	(13.1)
Interest-bearing loans and other financial liabilities	25.9	(6.5)	27.7	(4.6)
Employee benefits	6.1	-	6.7	-
Provisions	37.1	-	36.5	-
Anticipatory liabilities	-	(1.2)	-	(1.2)
Regulatory items	-	(13.3)	-	(12.3)
Off-balance corrections	8.7	-	10.2	-
Other items	-	(4,3)	8.5	-
Deferred tax assets/liabilities before netting	**107.0**	**(331.1)**	**188.0**	**(268.8)**
Offsetting	(107.0)	107.0	(188.0)	188.0
Deferred tax assets/liabilities after netting	**-**	**(224.1)**	**-**	**(80.8)**

In 2024, deferred tax assets of EUR 107.0m (prior year: EUR 188.0m) are netted with deferred tax liabilities. Deferred tax assets on off-balance corrections of EUR 8.7m were recognised (prior year: EUR 10.2m). Temporary differences in accordance with IAS 12.81(f), for which no deferred tax liabilities were recognised, amount to EUR 0.0m (prior year: EUR 0.0m). All deferred taxes are non-current.

The Group does not have any unused corporate income tax or trade tax losses.

The following table shows the development of net deferred taxes as well as their recognition:

EUR m	As of 1 January	Recognised in the statement of profit or loss	Recognised in OCI	As of 31 December
2023				
Intangible assets	(13.0)	(1.7)	-	(14.7)
Property, plant and equipment	(179.3)	(21.9)	-	(201.2)
Derivatives	(38.8)	-	106.2	67.4
Other receivables and assets	1.2	(5.0)	-	(3.8)
Loans and borrowings	23.2	(0.1)	-	23.1
Employee benefits	4.1	1.8	0.8	6.6
Provisions	32.6	3.9	-	36.5
Anticipatory liabilities	(1.1)	(0.1)	-	(1.2)
Regulatory items	3.1	(15.4)	-	(12.3)
Off-balance corrections	11.6	(1.4)	-	10.2
Other items	0.2	8.3	-	8.5
Total	**(156.2)**	**(31.6)**	**107.0**	**80.8**
2024				
Intangible assets	(14.7)	(24.9)	-	(39.6)
Property, plant and equipment	(201.2)	(37.5)	-	(238.7)
Derivatives	67.4	0.1	(70.9)	(3.4)
Other financial assets	-	-	(1.8)	(1.8)
Other receivables and assets	(3.8)	10.7	-	6.9
Loans and borrowings	23.1	(3.7)	-	19.4
Employee benefits	6.6	0.0	(0.6)	6.1
Provisions	36.5	0.6	-	37.1
Anticipatory liabilities	(1.2)	0.0	-	(1.2)
Regulatory items	(12.3)	(1.0)	-	(13.3)
Off-balance corrections	10.2	(1.5)	-	8.7
Other items	8.5	(12.8)	-	(4.3)
Total	**(80.8)**	**(70.0)**	**(73.3)**	**(224.1)**

Of the deferred tax assets and liabilities recognised, a total of EUR 73.3m (prior year: EUR 107.0m) was recorded in other income. EUR 70.9m relate to the fair value changes of the derivatives booked within other income as well as the the fair-value valuation of other financial assets amounting to EUR 1.8m. The remaining deferred taxes (EUR 0.6m) relate to the actuarial gains and losses for defined pension obligations and similar obligations booked in other income.

6.6. Inventories

EUR m	2024	2023
Raw materials and consumables	12.4	9.0
Write-downs	-	-
Work in progress	195.9	17.9
Total	**208.3**	**26.9**

Inventories mainly include work in progress for offshore platforms, which are reported there until acceptance by the wind farm operator. The increase in work in progress is due to the construction progress of these platforms.

In 2024, expenses of EUR 16.3m (prior year: EUR 42.8m) were incurred due to the consumption of raw materials and supplies.

6.7. Trade receivables and other receivables (and anticipatory items)

EUR m	2024	2023
Trade receivables	370.4	1,016.9
Prepayments	7.6	24.9
VAT and other taxes	166.5	77.9
Contract assets	2.0	4.0
Securities and other	259.0	443.6
Subtotal	**805.5**	**1,567.3**
Anticipatory items	24.9	8.6
Total	**830.4**	**1,575.9**

Trade receivables are due within 12 months.

The decrease in trade receivables compared to the previous year is mainly due to the decrease in the compensation claim in accordance with Section 6 EnFG for EEG financing. The change underlines the unchanged high volatility that also results from the analysis of the earnings situation for the grid business, which largely does not affect profit or loss.

Prepayments include EUR 6.2m (prior year: EUR 23.6m) for a short-term construction contract.

Collaterals and other receivables primarily comprise claims in connection with the settlement of the cost allocations (EUR 197.m; prior year: EUR 148.3m) as well as margins at EEX electricity exchange (EUR 50.3m; prior year: EUR 289.5m).

The maturities of trade receivables and prepayments break down as follows:

EUR m	2024	2023
Not past due	368.3	1,029.7
0 to 30 days past due	2.8	8.1
31 to 60 days past due	0.1	0.1
61 days up to one year past due	4.1	1.5
More than one year past due	2.9	2.7
Total (excluding valuation allowances)	**378.2**	**1,042.1**
Doubtful debts	202.4	201.5
Valuation allowances	(202.4)	(201.5)
Provision for expected credit losses	(0.2)	(0.3)
Total	**378.0**	**1,041.8**

Trade receivables and prepayments of EUR 378.0m (prior year: EUR 1,041.8m) were fully recoverable as of 31 December 2024. As of 31 December 2024, trade receivables of EUR 9.9m (prior year: EUR 12.4m) in total were past due but not impaired. The amount of receivables of 61 days up to one year past due has remained stable. For non-impaired trade receivables, there were no indications of a need for impairment. The maximum credit exposure on the reporting date corresponds to the recorded net value of the receivables. All valuation allowances were recognised on individual basis.

The Group's exposure to credit and currency risks as well as expected credit losses related to trade and other receivables are shown in note 8.1. “Credit risk” at the end of the notes.

The Group received security deposits of EUR 11.0m (prior year: EUR 10.5m).

6.8. Tax assets and liabilities

EUR m	2024	2023
Tax receivables	47.5	47.9
Tax payables	(4.0)	(1.5)
Total	**43.5**	**46.4**

Current tax assets consist of prior year trade tax receivables (EUR 6.3m), corporation tax receivables (EUR 22.4m) and capital gains tax receivables (EUR 18.8m). Income tax liabilities relate solely to trade tax liabilities (EUR 4.0m).

6.9. Cash and cash equivalents

Cash and cash equivalents relate to bank balances, largely in the form of overnight or weekly deposits.

EUR m	2024	2023
Call deposits	1,154.0	660.3
Balance at bank	128.4	101.0
Total	**1,282.4**	**761.3**

Cash and cash equivalents contain EUR 360.5m restricted cash (prior year: EUR 352.6m) for the EEG and KWK processes and for handling the electricity price brake. The previous year's figure was adjusted accordingly.

6.10. Equity

The share capital of Eurogrid is fully paid in, split in 25,000 shares of EUR 1 and therefore amounts to EUR 25,000. 80% of the shares are held by Eurogrid International and 20% by Selent.

Changes in equity as well as comprehensive income are presented separately in the consolidated statement of changes in equity and the consolidated statement of comprehensive income.

In fiscal year 2023, Eurogrid International and Selent made other additional payments of EUR 120.0m to Eurogrid's capital reserves. In fiscal year 2024, both shareholders made an other payments of EUR 600.0m to Eurogrid's capital reserves

Other reserves comprise actuarial gains and losses from defined benefits plans and related deferred taxes as well as changes in the fair value of other investments.

Hedging reserves contain the fair-value measurement of open derivatives for the Group's grid loss procurement for the years 2025 and 2026. The resulting deferred taxes are recognised directly in equity.

Other reserves include the effects of changes in the fair value of other financial assets as well as actuarial gains and losses from defined benefit plans and the deferred taxes recognized on these.

In 2024, there was an amount remaining from the net profit of the Group for 2023 (EUR 220.5m) of EUR 40.5m in the revenue reserves following a distribution to the shareholders in fiscal year 2024 of EUR 180.0m (prior year: EUR 120.0m).

For fiscal year 2024, there was a consolidated net income of EUR 309.8m.

Deferred taxes recorded directly in equity relate to the effect from the measurement of the pension provisions recognised in comprehensive income as well as the changes in fair value from cash flow hedge.

EUR m	2024	2023
Actuarial gains/losses recognised in other comprehensive income from defined benefit pension plans	6.1	4.0
Deferred taxes on actuarial gains/losses recognised in other comprehensive income	(1.7)	(1.1)
Changes in fair value of other financial assets designated at fair value through OCI	121.6	55.7
Deferred taxes on changes in fair value of other financial assets designated at fair value through OCI	(1.8)	-
Cashflow hedge: Effective portion of changes in fair value	11.5	(224.8)
Cashflow hedge: Deferred taxes on effective portion of changes in fair values	(3.5)	67.4
Closing balances of hedging and other reserves on 31.12.	**132.2**	**(98.8)**

We refer to the Group's statement of changes in equity and the statement of comprehensive income.

6.11. Loans and borrowings

The composition of financial liabilities is presented in the following table:

EUR m	2024	2023
Bonds	6,968.8	4,474.8
Lease liabilities	45.6	51.1
Liabilities to banks	870.0	870.0
Total non-current loans and borrowings	**7,884.4**	**5,395.9**
Bonds	499.6	-
Lease liabilities	8.1	8.0
Deferred interest	114.4	50.8
Total current loans and borrowings	**622.1**	**58.8**
Total	**8,506.5**	**5,454.7**

In fiscal year 2024, EUR 131.2m (prior year: EUR 88.5m) was paid for liabilities to banks and bonds.

We refer to 6.19. for more details on lease liabilities.

Information concerning the terms and conditions of the bonds is given below:

EUR m	Maturity	Nominal value	Carrying amount	Coupon
Bond as part of Debt Issuance Programme 2015	2025	500.0	504.7	1,875% p.a. (fixed)
Bond as part of Debt Issuance Programme 2016	2030	140.0	140.0	2,625% p.a. (fixed)
Bond as part of Debt Issuance Programme 2020	2028	750.0	756.3	1,500% p.a. (fixed)
Bond as part of Debt Issuance Programme 2020	2040	200.0	199.7	0,875% p.a. (fixed)
Bond as part of Debt Issuance Programme 2021	2032	750.0	753.2	1,113% p.a. (fixed)
Bond as part of Debt Issuance Programme 2021	2033	500.0	501.0	0,741% p.a. (fixed)
Bond as part of Debt Issuance Programme 2021	2031	750.0	755.6	3,279% p.a. (fixed)
Bond as part of Debt Issuance Programme 2023	2030	800.0	814.4	3,722% p.a. (fixed)
Bond as part of Debt Issuance Programme 2023	2038	50.0	50.5	4,065% p.a. (fixed)
Total bonds as part of Debt Issuance Programm as of 31 December 2023		**4,440.0**	**4,475.4**	
Registered bond 2014	2044	50.0	50.1	3,000% p.a. (fixed)
Total as of 31 December 2023		**4,490.0**	**4,525.5**	

EUR m	Maturity	Nominal value	Carrying amount	Coupon
Bond as part of Debt Issuance Programme 2015	2025	500.0	505.1	1,875% p.a. (fixed)
Bond as part of Debt Issuance Programme 2016	2030	140.0	140.1	2,625% p.a. (fixed)
Bond as part of Debt Issuance Programme 2020	2028	750.0	756.7	1,500% p.a. (fixed)
Bond as part of Debt Issuance Programme 2020	2040	200.0	199.7	0,875% p.a. (fixed)
Bond as part of Debt Issuance Programme 2021	2032	750.0	753.4	1,113% p.a. (fixed)
Bond as part of Debt Issuance Programme 2021	2033	500.0	501.2	0,741% p.a. (fixed)
Bond as part of Debt Issuance Programme 2021	2031	750.0	755.9	3,279% p.a. (fixed)
Bond as part of Debt Issuance Programme 2023	2030	800.0	815.3	3,722% p.a. (fixed)
Bond as part of Debt Issuance Programme 2023	2038	50.0	50.5	4,065% p.a. (fixed)
Bond as part of Debt Issuance Programme 2024	2027	650.0	652.3	3,075% p.a. (fixed)
Bond as part of Debt Issuance Programme 2024	2029	700.0	721.3	3,598% p.a. (fixed)
Bond as part of Debt Issuance Programme 2024	2034	800.0	826.1	3,915% p.a. (fixed)
Bond as part of Debt Issuance Programme 2024	2035	850.0	853.8	3,732% p.a. (fixed)
Total bonds as part of Debt Issuance Programm as of 31 December 2024		**7,440.0**	**7,531.4**	
Registered bond 2014	2044	50.0	50.1	3,000% p.a. (fixed)
Total as of 31 December 2024		**7,490.0**	**7,581.5**	

From 2024, the carrying amount is shown including accrued interest. The previous year's table has been adjusted accordingly.

Bonds as part of the Debt Issuance Programme 2021 and 2024 amounting to EUR 4,500.0m were issued for a special purpose (green financing).

Information concerning the contractual maturities of the Group's interest-bearing loans and borrowings (current and non-current) is given in detail in note 8.1. "Financial risk management and factors".

All bonds (excepted the registered bond 2014 and the bond 2023 amounting EUR 50m) are placed on the Luxembourg Stock Exchange (Bourse de Luxembourg, LuxSE) and measured at amortised cost using the effective interest method.

The non-current liabilities to banks relate to a syndicated loan agreement.

Information concerning the maturity profile of the Group's financial liabilities based on contractual undiscounted payments is given in note 8.1. "Liquidity Risk".

6.12. Provisions for employee benefits

General description of existing plans in the Group

In addition to the benefits provided by state pension insurance institutions and private pension provision, there are also company pension benefits in place for employees in the Group. Company pensions are based on collective bargaining and works agreements as well as on individual contract regulations. In place are defined benefit and contribution obligations, which grant old age, disability and surviving dependants' pensions.

Defined contribution plans

In the case of externally financed defined contribution plans, the Company's obligation consists solely of paying the contributions. For those defined contribution plans recognised in the form of direct guarantees there are pledged congruent employer's liability insurance policies in place.

The defined contribution plans which are financed via a congruent reinsured benefit fund and congruent reinsured direct guarantees grant old age, disability and surviving dependants' pensions.

The following defined contribution plans exist in the Group:

Pension obligations for executives as a result of the agreement with the spokesmen of officers from 2003

This relates to individual contractual pension obligations based on an agreement with the spokesmen of officers in the version from 10 November 2015 valid as of 1 January 2015.

Pension obligations for executives as a result of the agreement with the spokesmen of officers from 19 August 2008

This relates to individual contractual pension obligations based on an agreement with the spokesmen of officers on a company pension plan with the Vattenfall Europe Group on 19 August 2008 in the version from 10 November 2015 valid as of 1 January 2015.

Collective bargaining agreement on the company pension scheme

This relates to pension obligations based on the collective bargaining agreement on 50Hertz Transmission's company pension scheme on 28 November 2007. These only apply to employees that had joined the Company by 31 December 2006.

Direct insurance

This relates to direct insurance policies for all former employees that worked at Vereinigte Energiewerke AG (VEAG) from 1993 to 31 December 2004, with the exception of managers.

Individual commitments

There are individual commitments in place which are financed exclusively by external pension funds (welfare fund and pension fund).

In fiscal year 2024, expenses related to defined contribution plans amounted to EUR 2.9m (prior year: EUR 3.8m).

Defined benefit plans

Defined benefit plans give rise to direct pension claims of the employees against the Company; provisions are recognised in the statement of financial position for this purpose. If plan assets are created, which solely serve to fulfil pension obligations, the amount is offset against the present value of the obligation.

For one individual contractual obligation, a plan asset was recognised in the form of a congruent, pledged employer's liability insurance policy.

The following defined benefit plans exist within the Group:

Group works agreement on the company pension scheme

In accordance with the group works agreement on the company pension scheme, employees are granted a company pension plan on the basis of a defined contribution plan (effective 1 January 2007). This agreement applies to all employees within the meaning of Sec. 5 (1) BetrVG ["Betriebsverfassungsgesetz": German Works Constitution Act] and joined the Company on or after 1 January 2007. Participation in the scheme is voluntary. The scheme grants pension benefits upon reaching the statutory retirement age, upon taking early retirement from the statutory pension insurance, in the event of occupational disability as well as in the event of death. Current pension benefits are increased by 1% p.a.

The scheme is based on a defined building block approach and comprises:

— Building block A: Employee contribution

— Building block B: Employer's contribution

— Building block C: Additional employee contribution

Individual contractual and other contribution plans

Individual contractual contribution plans are in place for management board members and executives. These include old age, disability and surviving dependants' pensions. The contribution plans are based on the 1996 pension scheme for head management ["Ruhegeldordnung leitender Führungskreis 1996"] from 10 May 1996 as well as on pension agreements with individual employees. They all relate to pension obligations that depend on years of service and remuneration. Plan assets were recognised for one of these commitments in the form of a pledged pension insurance policy. These plan assets solely serve to fulfil pension obligations; the present value of the corresponding obligation was therefore offset against the plan assets. Pension obligations also still exist for individual employees that were acquired as a result of their employment at Vattenfall Europe (e.g., 1991 pension scheme, additional regulation to the old-age and life provident scheme for pension fund members).

TVV Energie

This relates to direct guarantees resulting from the collective bargaining agreement from 16 October 1992 (collectively bargained agreement on the termination of the collectively bargained agreement on the company's additional agreement concerning the AVEU's ["Arbeitgeberverband energie- und versorgungswirtschaftlicher Unternehmen"] tariff category "energy" (TVV Energie) dated 20 July 1990/9 October 1990/8 November 1990. This pension plan was closed for new hires from 1 January 1993. These contribution plans apply to employees that worked at Vereinigte Energiewerke AG until 30 November 2001 and whose vested benefits are allocable to Vattenfall Europe Transmission GmbH upon its formation (now 50Hertz Transmission GmbH). This relates to pension obligations that depend on years of service and remuneration and that grant old age and disability pensions, but none for surviving dependants. The indexation of current post-employment benefits due for the first time after 1 January 1993 is not possible.

The Group also has following obligations that are included under other provisions:

– Obligations from long-service benefits

– Obligations from working lifetime accounts.

– Obligations to shift workers

Not all of these benefits are funded and, in accordance with IAS 19, these post-employment benefits are classified as defined-benefit plans.

Existing plan assets serve only to fulfil pension commitments and are not available to creditors even in the event of insolvency. The plan assets for working lifetime accounts are based on a contractual trust agreement which also provides insolvency protection. For this reason, the present value of the obligation is offset against the value of the plan assets.

The total net liability for employee-benefit obligations contains:

EUR m	2024	2023
Defined benefit plans	26.9	26.0
Post-employment benefits other than pensions, thereof:	6.7	7.9
Obligations from long-service benefits	0.7	0.7
Obligations from working lifetime accounts	5.4	6.8
Obligation to shift workers	0.6	0.4
Total provisions for employee benefits	**33.6**	**33.9**

Of the total obligations, an amount of EUR 3.5m is current (prior year: EUR 3.2m).

In the following tables, details are given of the outstanding provision for employee benefits, with the split between pension cost ("Pensions") and non-pension costs ("Other"), which encompasses long-service benefits, shift work and working lifetime accounts.

EUR m	Pensions 2024	2023	Other 2024	2023
Present value of defined benefit obligation	(26.9)	(26.1)	(60.1)	(53.2)
Fair value of plan assets	0.1	0.1	53.4	45.3
Net obligation	**(26.9)**	**(26.0)**	**(6.7)**	**(7.9)**

Movement in the present value of the defined benefit obligation

EUR m	Pensions 2024	2023	Other 2024	2023
As of 1 January	**(26.1)**	**(20.9)**	**(53.2)**	**(42.2)**
Current service cost	(2.8)	(2.1)	(5.4)	(9.8)
Interest expenses	(0.8)	(0.8)	(1.7)	(1.4)
Gains/losses recognised in other comprehensive income	0.0	0.0	0.0	0.0
Change in actuarial parameters:	**2.0**	**(2.9)**	**(7.1)**	**(11.2)**
1) Change in financial assumptions	2.3	(2.4)	-	-
2) Change from experience adjustments	(0.3)	(0.4)	-	-
3) Demographic changes	-	-	-	-
Benefits paid	0.7	0.6	0.2	0.2
As of 31 December	**(26.9)**	**(26.1)**	**(60.1)**	**(53.2)**

Movement in the fair value of the plan assets

EUR m	Pensions 2024	2023	Other 2024	2023
As of 1 January	**0.1**	**0.1**	**45.3**	**36.8**
Employer payments	0.0	0.0	9.1	8.9
Benefits paid	0.0	0.0	(1.0)	(0.3)
As of 31 December	**0.1**	**0.1**	**53.4**	**45.3**

All plan assets comprise insurance agreements.

The plan asset for one individual contractual obligation under a defined benefit plan discloses an actual return of XX%.

Amounts recognised in the statement of comprehensive income

EUR m	Pensions 2024	2023	Other 2024	2023
Service cost				
Current service cost	(2.8)	(2.1)	3.7	(1.5)
Benefits paid	0.7	0.6	0.2	0.0
Utilisations	0.0	0.0	(1.0)	(0.3)
Net interest expense				
Interest expense	(0.8)	(0.7)	(1.7)	(1.4)
Amounts recognised in the statement of profit or loss	(2.9)	(2.3)	1.2	(3.2)
Actuarial gains/losses				
Actuarial gains/losses				
1) Change in financial assumptions	2.3	(2.4)	-	-
2) Change from experience adjustments	(0.3)	(0.4)	-	-
3) Demographic changes	-	-	-	-
Remeasurements of net defined benefit liability/asset recognised in other comprehensive income (OCI)	**2.0**	**(2.9)**	**-**	**-**
Total	**(0.9)**	**(5.1)**	**1.2**	**(3.2)**

Actuarial gains and losses from defined benefit plans for pensions are accrued and recognised in full. They are recognised outside of the statement of profit or loss in the statement of comprehensive income and cumulative within equity.

Expected payments for defined benefit plans in 2025 amount to EUR 0.6m (prior year: EUR 0.6m).

Breakdown of defined benefit obligations

EUR m	2024	2023
By type of plan participants:	**(87.0)**	**(78.9)**
Active plan participants	(79.1)	(70.3)
Terminated plan participants with defined benefit entitlement	(0.6)	(0.5)
Retired plan participants and beneficiaries	(7.3)	(8.1)
By type of benefits:	**(87.0)**	**(78.9)**
Retirement and death benefits	(26.9)	(26.1)
Working lifetime accounts	(58.8)	(52.1)
Long-service awards	(0.7)	(0.7)
Shift work	(0.6)	(0.4)

Risks

The Group is exposed to various risks: falling interest rates, an increase in life expectancy as well as rising wages and salaries cause the defined benefit obligations to increase. There are no concentrations of risk.

Actuarial parameters

(in %)	2024	2023
Discount rate	3.45	3.13
Future expected wage and salary increase	5.25	5.25
Expected inflation rate	2.00	2.25
Expected increase in social security costs	2.00	2.25
Future expected pension increase	0,0/1,0/2,08	0,0/1,0/2,5
Average retirement age (in years)	65	65
Biometrics	2018 G Heubeck mortality tables	2018 G Heubeck mortality tables
Life expectancy for a 65-year-old on 31 December		
(in years):		
male	20.9	20.8
female	24.3	24.2

Sensitivity analysis

	Effect on defined benefit obligation	
	Increase	**Decrease**
Discount rate (+/- 0.5%)	(6.6)	7.6
Wage and salary increase (+/- 0.5%)	3.9	(0.1)
Pension increase (+/- 0.25%)	0.2	(0.2)
Life expectancy of a pensioner (+1 year), male and female	0.9	-

Maturity of defined benefit obligations

The average term of defined benefit pensions plans is 24.8 years, of working lifetime accounts obligations 13.4 years, of long-service benefits obligations 9.8 years and to shift worker of 5 years. The maturities of the benefit payments break down as follows:

EUR m	< 12 Monate	1-5 Jahre	6-10 Jahre	> 10 Jahre
Pensions	0.6	2.5	2.7	65.2
Other	3.5	13.5	13.7	69.5
Total	**4.1**	**16.0**	**16.4**	**134.7**

6.13. Derivatives

Derivatives instruments measured at fair value in the consolidated statement of financial position

The following table gives an overview of the carrying amount of all derivatives instruments by category as defined by IFRS 9, all of them being measured at fair value (carrying amount = fair value).

EUR m	Classification	Level	2024	2023
Assets				
Commodity risk (grid losses)	Fair value through other comprehensive income	Level 1	2.3	-
Non-current derivatives			**2.3**	
Commodity risk (grid losses)	Fair value through other comprehensive income	Level 1	9.2	-
Commodity risk (grid losses)	Fair value through profit and loss	Level 1	0.8	-
Current derivatives			**10.0**	
Liabilities				
Commodity risk (grid losses)	Fair value through other comprehensive income	Level 1	-	8.6
Non-current derivatives			**0.0**	**8.6**
Commodity risk (grid losses)	Fair value through other comprehensive income	Level 1	-	216.3
Commodity risk (grid losses)	Fair value through profit and loss	Level 1	0.9	-
Current derivatives			**0.9**	**216.3**

The Group is exposed to certain risks relating to its ongoing business operations, especially utility risks.

The Group recognises derivatives to hedge the price for the future procurement of the physical requirement for grid losses that is expected in subsequent periods and is covered in each case by short-term procurement transactions on the spot market.

These derivatives are measured at fair value in OCI with no effect on profit or loss as part of cash flow hedge accounting. They fall under level 1 of the measurement hierarchy. Their value is determined on the basis of the reporting date valuation of the existing futures contracts, which are fully contracted via the EEX electricity exchange and quoted there. As a result of de-designation, futures must be treated as stand-alone derivatives and measured in full through profit or loss. It is then necessary to remove cumulative effects on profit or loss from OCI accordingly and recognize them in profit or loss.

Credit and default risks are avoided with this form of price hedging via exchange transactions. They serve as price hedging of the physical demand for electrical energy to cover grid losses (underlying transaction). Due to the availability and liquidity of futures trading, the hedging period for intended price hedging covers a period of up to two years from the balance sheet date. In this context, the Group pursues a conservative hedging strategy oriented towards the regulatory framework and the ability to roll over the electricity procurement costs incurred, which enables timely and predictable price hedging.

The critical term match method measures effectiveness. If the valuation-relevant parameters of the hedged item and hedging instrument match, it is assumed that an effective hedging relationship exists and that changes in value from both items offset each other. The Group strives for full price hedging of the expected volume of grid loss energy (hedge ratio 1:1).

As at December 31, 2024, the Group reported derivative financial instruments with a positive net amount of EUR 11.5 m (previous year: negative net amount of EUR 224.8 m) as part of hedge accounting. The forward contracts were concluded in the financial year at prices between EUR 73.37 and EUR 115.51 per MWh.

As a result of the shortfall in the price hedging volume to hedge grid losses for 2025, it was decided to remove some futures contracts from hedge accounting. These contracts will be recognized as freestanding derivatives on the liabilities side for the first time on the 2024 balance sheet date. As part of the de-designation, OCI was adjusted by EUR 0.4 m. The subsequent measurement of these freestanding derivatives as at December 31, 2024 results in an effect on profit or loss for the period of EUR 0.4 m, i.e. a total of EUR 0.806 m in 2024.

In the financial year, a negative result of EUR 233.6m was realised from hedging with futures contracts (prior year: negative result of EUR 89.3m), which is included in the cost of materials.

Income and expenses of financial instruments recognized in the consolidated income statement and in other comprehensive income

EUR m	2024	2023
As of 1 January	**(224.8)**	**129.6**
Effective portion of changes in fair value of cash flow hedge	235.9	(354.4)
De-designated derivatives	0.4	-
As of 31 December	**11.5**	**(224.8)**

Notional amounts

Notional amounts and maturities of cash flow hedges are as follows:

As of 31 December 2024	Unit	2025	2026	Total at 31 December 2024
Commodities - grid losses	TWh	2.4	0.6	3.0

As of 31 December 2023	Unit	2024	2025	Total at 31 December 2023
Commodities - grid losses	TWh	2.6	0.6	3.2

6.14. Other provisions

Other provisions break down as follows:

EUR m	2024	2023
Provisions for environmental protection measures	1.1	1.2
Provision for dismantling obligations	136.1	130.7
Provision for archiving costs	0.1	0.1
Other non-current provisions	**137.3**	**132.0**
Provisions for environmental protection measures	0.7	0.6
Provision for litigation risks	3.4	3.4
Other current provisions	**4.1**	**4.0**
Total other provisions	**141.4**	**136.0**
Current portion of other personnel obligations	3.5	3.2
Total provisions	**144.9**	**139.2**

The item litigation risks contains anticipated burdens from current lawsuits which take into account the principal claim as well as any interest payable.

Dismantling provisions: As part of the Group's CAPEX programme, the Group is exposed to decommissioning obligations, which mostly relate to offshore platforms, sea cables and several substations. These provisions take into account the effect of discounting and the expected cost of dismantling and removing the equipment from sites or from the sea. The carrying amount of the provision as at 31 December 2023 is EUR 136.1 million. The provision increased due a lower discount rate. The Group has applied a case-by-case approach to estimate the cash outflow needed to settle the liability. Eurogrid uses corporate bond rates (minimum AA rating) and sets them out to match the lifetime of the provisions in order to discount the dismantling provisions. In case the discount rate is below 0%, the rate is floored at 0%. The discount rates used in 2024 ranged between 2.86% to 3.47%, depending on the lifetime of the asset to dismantle. Should the discount rate increase by 1%, the dismantling provisions would decrease by EUR 16.3 million. If the pre-tax discount rate had been 0%, the carrying amount of the provision would have been EUR 79.4m higher.

The development of other provisions can be seen in the statement of changes in provisions below (without the current portion of other personnel obligations):

EUR m	Environmental protection measures	Litigation risks	Dismantling obligations	Other	Total
As of 1 January 2023	**1.9**	**3.5**	**114.2**	**0.1**	**119.7**
Addition	-	0.5	12.1	-	12.6
Reversal	-	(0.5)	-	-	(0.5)
Utilisation	(0.2)	(0.1)	-	-	(0.3)
Unwinding of the discount/change in interest rate	0.1	-	4.4	-	4.5
As of 31 December 2023	**1.8**	**3.4**	**130.7**	**0.1**	**136.0**
Non-current	1.2	-	130.7	0.1	132.0
Current	0.6	3.4	-	-	4.0

EUR m	Environmental protection measures	Litigation risks	Dismantling obligations	Other	Total
As of 1 January 2024	**1.8**	**3.4**	**130.7**	**0.1**	**135.9**
Addition	-	0.8	2.1	-	2.9
Reversal	-	(0.7)	0,0	-	(0.7)
Utilisation	0,0	(0.1)	-	-	(0.1)
Unwinding of the discount/change in interest rate	0.0	-	3.3	-	3.4
As of 31 December 2024	**1.8**	**3.4**	**136.1**	**0.1**	**141.4**
Non-current	1.1	-	136.1	0.1	137.3
Current	0.7	3.4	-	-	4.1

The expected utilization of other provisions (without the current portion of other personnel obligations) is summarised below:

EUR m	Carrying amount as of 31 December 2023	2024	2025 to 2028	From 2029
Environmental protection measures	1.8	0.6	1.2	-
Litigation risks	3.4	3.4	-	-
Dismantling obligations	130.7	-	-	130.7
Other	0.1	-	-	0.1
Total	**136.0**	**4.0**	**1.2**	**130.8**

EUR m	Carrying amount as of 31 December 2024	2025	2026 to 2029	From 2030
Environmental protection measures	1.8	0.7	1.1	-
Litigation risks	3.4	3.4	-	-
Dismantling obligations	136.1	-	-	136.1
Other	0.1	-	-	0.1
Total	**141.4**	**4.1**	**1.1**	**136.2**

6.15. Other non-current liabilities

EUR m	2024	2023
Grants and subsidies	128.6	133.3
Other	34.1	34,7
Total	**162.7**	**168.0**

Investment grants are spread over several assets. The most significant projects are Suedwestkuppelleitung and Kriegers Flak Combined Grid Solution. Both were subsidised by the European Union. The grants are released in profit and loss based on the useful lives of the assets to which they relate. The terms and conditions of the grants were monitored and met as per 31 December 2024.

Sundry other non-current liabilities mainly comprise construction cost subsidies (2024: EUR 27.5m; prior year: EUR 29.0m) and liabilities from the pension plan (2024: EUR 4.1m; prior year: EUR 2.6m).

6.16. Trade payables and other liabilities

EUR m	2024	2023
Trade payables due to third parties	712.7	911.1
VAT and other taxes	10.1	8.7
Other liabilities, personnel	6.1	8.1
Other liabilities, sundry	102.1	69.4
Accruals and deferrals	823.8	1,519.4
Total	**1,654.8**	**2,516.7**

Sundry other liabilities relate primarily to liabilities from compensation mechanisms of EUR 63.6m (prior year: EUR 56.4m) as well as margins at the energy stick exchange for an amount of EUR 11.9m..

Accruals and deferrals primarily comprise obligations resulting from the settlement of the EEG of EUR 253.7m (prior year: EUR 1,053.0m) as well as additional cost allocations of EUR 325.6m (prior year: EUR 304.7m).

All trade payables and other liabilities are current.

6.17. Anticipatory equity and liabilities

Deferred income relates to a cost reimbursement and income received in advance for the use of the German section of a high-voltage direct current transmission link.

6.18. Financial instruments - fair values

Based on the consolidated statement of financial position, the recognised financial instruments refer to the following measurement categories:

				Carrying amount				Fair value
EUR m	**Fair value through OCI**	**Amortised cost**	**Other financial liabilities at amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Other financial assets	76.7	-	-	76.7	-	-	76.7	76.7
Trade and other receivables	-	1,464.5	-	1,464.5	289.5	-	-	289.5
Cash and cash equivalents	-	761.4	-	761.4	-	-	-	-
Loans and borrowings	-	-	(5,395.6)	(5,395.6)	(4,919.2)	(93.9)	-	(5,013.1)
Derivatives with negative value	(224.8)			(224.8)	(224.8)	-	-	(224.8)
Lease liabilities			(59.1)	(59.1)	-	-	-	-
Trade and other payables	-	-	(2,500.5)	(2,500.5)	-	-	-	-
Total as of 31 December 2023	**(148.1)**	**2,225.8**	**(7,955.1)**	**(5,877.4)**	**(4,854.5)**	**(93.9)**	**76.7**	**(4,871.7)**

					Carrying amount				Fair value
EUR m	**Designated at fair value through profit and loss**	**Fair value through OCI**	**Amortised cost**	**Other financial liabilities at amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Other financial assets	-	142.6	-	-	142.6	-	-	142.6	142.6
Derivatives with positive value	0.8	11.5	-	-	12.3	12.3	-	-	12.3
Trade and other receivables	-	-	631.4	-	631.4	50.3	-	-	50.3
Cash and cash equivalents	-	-	1,282.4	-	1,282.4	-	-	-	-
Loans and borrowings	-	-	-	(8,452.7)	(8,452.7)	(8,008.3)	(93.8)	-	(8,102.1)
Derivatives with negative value	(0.9)	0.0	-	-	(0,9)	(0,9)	-	-	(0.9)
Lease liabilities	-	-	-	(53.8)	(53,8)	-	-	-	-
Trade and other payables	-	-	-	(1,640.7)	(1640,7)	(11,9)	-	-	(11.9)
Total as of 31 December 2024	**(0.1)**	**154.1**	**1,913.7**	**(10,147.1)**	**(8079,4)**	**(7,958.4)**	**(93.8)**	**142.6**	**(7,909.7)**

Derivatives in the "at fair value through profit or loss" measurement category were created for the first time in the reporting year. As at the balance sheet date, there were derivatives of EUR 0.8 m and derivative liabilities of EUR -0.9 m, which are to be allocated to level 1.

This table excludes information about the fair value of financial assets and liabilities that are not measured at fair value, such as trade receivables and other receivables, cash and cash equivalents, and trade and other payables, as their carrying amounts are largely equal to their fair values. As specifically states in paragraph 29 of IFRS 7, disclosures of fair values are not required for lease liabilities and are therefore an excluded item for fair value disclosure.

Fair value is the amount for which an asset could be exchanged or a liability settled in an arm's-length transaction. IFRS 7 requires, for financial instruments that are measured in the statement of financial position at fair value, the disclosure of fair-value measurements by level in the following fair value measurement hierarchy:

Level 1: The fair value of a financial instrument that is traded in an active market is measured based on quoted (unadjusted) prices for identical assets or liabilities. A market is considered active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis.

The derivatives from the price hedging of grid loss procurement measured at fair value through other comprehensive income fall into level 1 of the measurement hierarchy. The value is determined from the valuation of the existing futures contracts on the reporting date, which are contracted in full via the EEX electricity exchange and quoted there. Level 1 also includes financial assets (EUR 50.3 m; prior year: EUR 289.5 m) and financial liabilities (EUR 11.8 m) from cash collateral in connection with trading transactions on the electricity exchange, which are reported under other receivables and other liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to assess the fair value of an instrument are observable, either directly (i.e., as prices) or indirectly (i.e., derived from prices), the instrument is included in level 2.

Level 3: If one or more of the significant inputs used in applying the valuation technique is not based on observable market data, the financial instrument is included in level 3.

Other financial assets

On the reporting date, other participations at FVOCI had a total fair value of EUR 142.6m and fall under level 3 in the fair value hierarchy. The fair value has been determined applying the capitalized earning values method and therefore using non-observable market data. The Group uses third party qualified valuers to perform the valuation. The expert opinion is commissioned by EEX every two years. The valuation was performed using a risk-free rate of 2.70%, a marked risk premium of 7.50% and a terminal growth rate of 1.00%. In fiscal year 2024, the new valuation led to a remeasurement result of EUR 65.9m booked within other income. In fiscal year 2024, the Group received a dividend from other participations at FVOCI for an amount of EUR 1.4m (prior year: EUR 1.2m).

Trade and other receivables

Level 1 also includes financial assets (EUR 50.3m; prior year: EUR 289.5m) and financial liabilities (EUR 11.8m) from cash collateral in connection with trading transactions on the electricity exchange, which are reported under other receivables and other liabilities, respectively.

The credit quality of financial assets that are neither past due nor impaired is determined based on available credit ratings or past experience of default rates of business partners. No new terms were negotiated in the fiscal year for an asset that would otherwise have been impaired or past due. No financial assets deemed to be material by the Group are past due or impaired.

Derivatives

The fair values of the derivative is reported in level 1 based the reporting date valuation of the existing futures contracts, which are fully contracted via the EEX electricity exchange and quoted there. We refer to note 6.13 for further details.

Loans and borrowings

The fair value of the bonds amounted to EUR 7,138.3 m on the balance sheet date (prior year: EUR 4,049.2m). The fair value is based on the market price published on an active market (classified in level 1 of the measurement hierarchy). As at the reporting date, the fair value of the registered bond amounted to EUR 43.16m and the fair value of the private placement from 2023 amounted to EUR 50.7m, which were derived from observable prices for comparable bonds (categorized in level 2 of the fair value hierarchy). The nominal value of liabilities to banks amounts to EUR 870.0 m and corresponds to the fair value.

6.19. Leasing

The Group as a lessee

The Group leases buildings, cars, optical fibres, a portion of an overhead line and other equipment.

The valuation period is used according to the contractual term. Where no fixed term is agreed and an ongoing prolongation is subject to the contract, a termination date has been assumed by the responsible department. In case the lease contract contains a lease extension option, the Group assesses whether it is reasonably certain to exercise the option and makes its best estimation of the termination date.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Right-of-use assets are presented separately within property, plant and equipment in note 6.1 and break down as follows:

EUR m	Use of land and overhead lines	Rent of buildings/ offices	Cars	Optical fibres	Other	Total
As of 1 January 2023 before corrections	**40.2**	**12.7**	**6.0**	**1.3**	**1.3**	**61.5**
Other changes	0.8	—	0.2	(0.1)	(0.2)	0.8
Additions	-	0.1	3.2	0.6	—	3.9
Depreciations	(1.3)	(3.8)	(2.9)	(0.6)	(0.2)	(8.8)
Disposals	-	-	0.0	(0.1)	—	(0.1)
As of 31 December 2023	**39.7**	**9.0**	**6.5**	**1.1**	**1.0**	**57.3**

EUR m	Use of land and overhead lines	Rent of buildings/ offices	Cars	Optical fibres	Other	Total
As of 1 January 2024	**39.7**	**9.0**	**6.5**	**1.1**	**1.0**	**57.3**
Additions	(0.5)	0.1	3.8	0.4	(0.6)	3.2
Depreciations	(1.3)	(3.9)	(3.0)	(0.3)	(0.2)	(8.7)
As of 31 December 2024	**37.9**	**5.2**	**7.3**	**1.2**	**0.2**	**51.8**

Lease liabilities

Information concerning the maturity of the contractual undiscounted cash flows is given below:

Maturity analysis - contractual undiscounted cash flows in EURm	2024	2023
< 1 year	9.3	8.8
1-5 years	14.2	18.1
> 5 years	41.1	42.0
Total undiscounted lease liabilities at 31 December	**64.6**	**68.9**
Lease liabilities in the statement of financial position at 31 December	**53.7**	**59.1**
Current	8.1	8.0
Non-current	45.6	51.1

Amount recognised in consolidated profit or loss

In addition to the depreciation disclosed above, the following amounts were recognised in profit or loss during the current fiscal year:

EUR m	2024	2023
Depreciation expense of right-of-use assets	8.7	8.9
Interest on lease liabilities	0.9	0.8
Expenses relating to short-term leases	0.4	0.1
Expenses relating to low-value assets	0.1	0.1
Total	**10.1**	**9.9**

There are not any contracts with variable rents.

Amounts recognised in the consolidated statement of cash flows

The total cash outflow for leases amounts to EUR 8.6m in 2024 (prior year: EUR 7.5m) and is disclosed within cash flows from financing activities under the item “Repayment of borrowings”.

The Group as a lessor

The Group leases out optical fibres, land and buildings presented as part of property, plant and equipment. The leasing business only represents an ancillary business, however.

Contracts that do not relate to separately identifiable assets or in which the customer cannot direct the use of the asset or does not obtain substantially all the economic benefits associated with the use of the asset do not contain a lease.

The Group has classified these leases as operating leases as they do not transfer substantially all the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Group during 2024 was EUR 1.9m (prior year: EUR 2.1m).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date and considering the best estimation of the contractual term:

EUR m	2024	2023
within 1 year	2.0	2.4
1 to 2 years	0.8	1.6
2 to 3 years	0.5	1.3
3 to 4 years	0.4	1.0
4 to 5 years	0.4	0.5
more than 5 years	2.4	3.5
Total	**6.5**	**10.3**

6.20. Regulatory items

On the reporting date, the Group has an obligation surplus resulting from comparison of regulatory claims and obligations.

EUR m	2024	2023
Regulatory claims	339.4	323.0
Regulatory obligations	(914.9)	(607.8)
Total	**(575.5)**	**(284.8)**

The obligation surplus as of 31 December 2024 of EUR 575.5m (prior year: EUR 284.8m) is the nominal amount of EUR 659.5m (prior year: EUR 361.3m) less an interest effect of EUR 84.0m (prior year: EUR 76.5m).

On the basis of current assumptions, the nominal figures reported at year-end spread over the subsequent periods as follows:

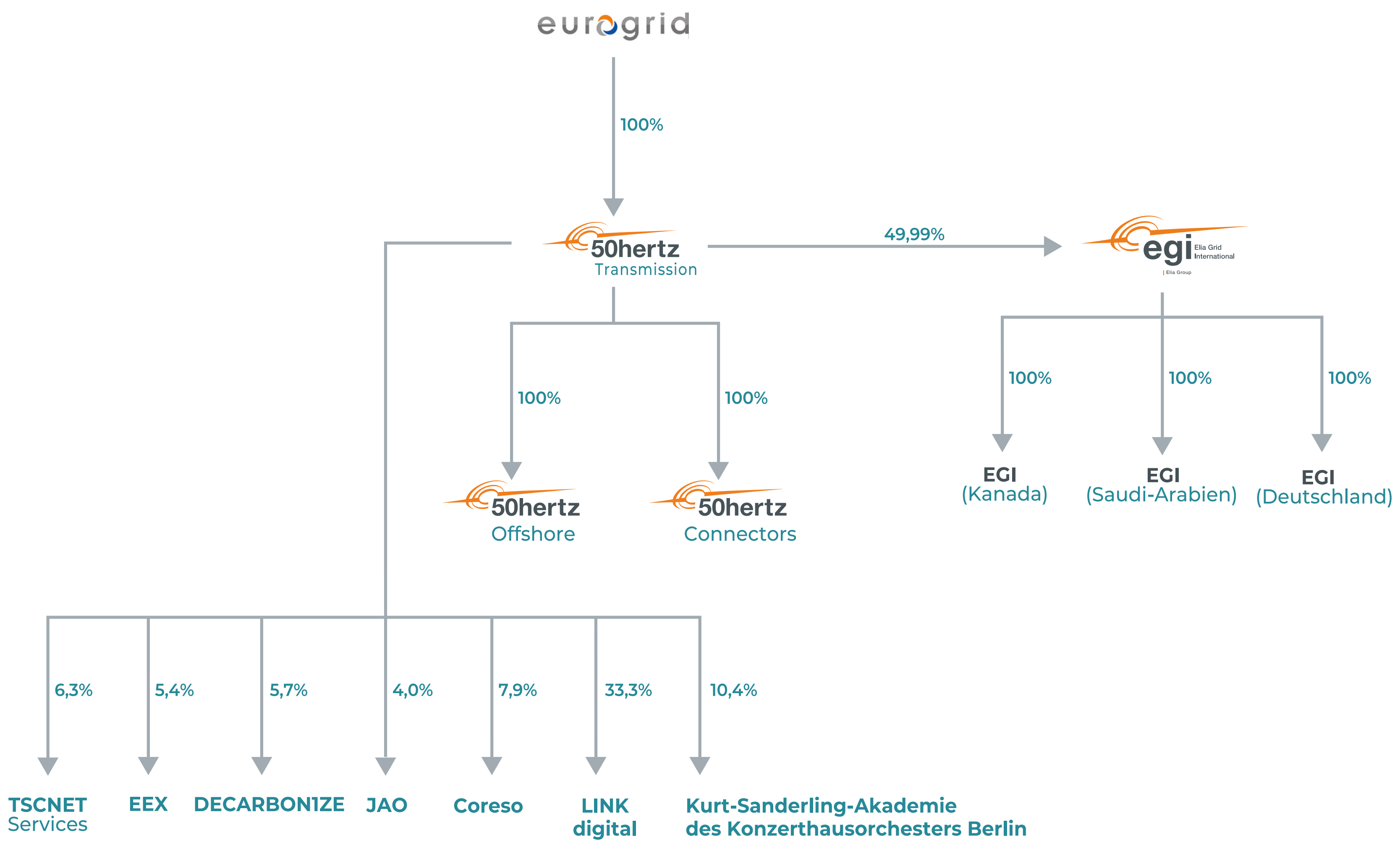
EUR m	Nominal account 2023	Less than 1 year	1-5 years	More than 5 years
regulatory items	361.3	73.8	41.6	245.9

EUR m	Nominal account 2024	Less than 1 year	1-5 years	More than 5 years
regulatory items	659.5	(60.6)	431.4	288.7

EUR m	Regulatory claims	Regulatory obligations	Total
As of 1 January 2023	**274.2**	**(405.5)**	**(131.3)**
Increase	55.9	(328.0)	(272.1)
Decrease	(8.5)	130.5	122.0
Unwinding of discount/interest rate change	1.4	(4.8)	(3.4)
As of 31 December 2023	**323.0**	**(607.8)**	**(284.8)**

EUR m	Regulatory claims	Regulatory obligations	Total
As of 1 January 2024	**323.0**	**(607.9)**	**(284.8)**
Increase	15.4	(411.5)	(396.1)
Decrease	(0.4)	101.0	100.6
Unwinding of discount/interest rate change	1.4	3.5	4.9
As of 31 December 2024	**339.4**	**(914.9)**	**(575.5)**

7. List of shareholdings as of 31 December 2024



Name	Country of establishment	Headquarters	Commercial register number	Equity (EUR m)	Net result (EUR m)	Stake (%) 2024	Stake (%) 2023
Full consolidated companies							
50Hertz Transmission GmbH	Germany	Heidestraße 2 10557 Berlin	HRB 84446 B			100.0	100.0
50Hertz Offshore GmbH	Germany	Heidestraße 2 10557 Berlin	HRB 108780 B			100.0	100.0
50Hertz Connectors GmbH	Germany	Heidestraße 2 10557 Berlin	HRB 256198 B			100.0	100.0
Associated companies accounted for using the equity method							
Elia Grid International NV/SA	Belgium	Boulevard de l Empereur 1000 Brussels	549,780,459			50.0	50.0
LINK digital GmbH	Germany	Friedrichstraße 10 a 97082 Würzburg	HRB 17500			33,3	-
Other participations							
JAO Joint Allocation Office S.A.	Luxembourg	Rue de Bitbourg 2	B0142282	8,3 (annual report 31.12.2023)	1,0 (annual report 31.12.2023)	4.0	4.0
CORESO S.A.	Belgium	Avenue de Cortenberg 71 1000 Brussels	808,569,630	6,0 (annual report 31.12.2023)	0,7 (annual report 31.12.2023)	7,9	7,9
European Energy Exchange AG	Germany	Augustusplatz 9 04109 Leipzig	HRB 18409	935,5 (consolidated annual report 31.12.2023)	222,7 (consolidated annual report 31.12.2023)	5,4	5.4
TSCNET Services GmbH	Germany	Dingolfinger Strasse 3 81673 Munich	HRB 214951	12,0 (annual report 31.12.2023)	1,4 (annual report 31.12.2023)	6,3	6.3
decarbon1ze GmbH	Germany	Msriendorfer Damm 1 12099 Berlin	HRB 233212 B	1,4 (annual report 31.12.2023)	-0,3 (annual report 31.12.2023)	5,7	6.6
Stiftung Kurt-Sanderling-Akademie des Konzerthausorchesters Berlin	Germany	Gendarmenmarkt 10117 Berlin		basic assets EUR m 0,1	basic assets EUR m 0,1	10,4	10,4

Eurogrid GmbH only holds the shares in 50Hertz Transmission GmbH directly; the remaining shares are held indirectly via 50Hertz Transmission GmbH. The change in the scope of consolidation compared to the previous year relates to the first-time consolidation at equity of LINK digital GmbH, which was founded in 2024. The company has not yet commenced operations. The change does not materially affect comparability with the previous year. The share capital of decarbon1ze was increased by resolution of the Annual General Meeting on 10. September 2024. With a constant participation, 50Hertz Transmission's share now amounts to 5.7 %.

8. Other notes

8.1. Financial risk management and factors

Principles of risk management

Group-wide risk management focuses on the uncertainty of developments on financial markets and aims at minimizing potential adverse effects on the cash flows of the Group. Risk management is performed in accordance with the policies issued by management. It identifies, assesses and hedges financial risks in close cooperation with the operating units of the Group. Management defines principles for cross-functional risk management and issues policies for the handling of currency, interest and credit risks, the use of derivative and non-derivative financial instruments as well as the use of liquidity surpluses.

As a result of the Group's operations, Eurogrid and its subsidiaries are generally exposed to a variety of financial risks.

Market risk

The market risk takes into account negative effects on the financial position and cash flows of the Group arising as a result of price changes on the market which cannot be avoided otherwise. The activities of the Group extend to the electricity market – in particular as part of selling the electricity generated from renewable energies as well as procurement of energy to cover grid energy losses – as well as to the market for short-term deposits. The Group counteracts the procurement price risk for grid loss energy by hedging prices at an early stage using futures contracts on the EEX electricity exchange.

The Group is not subject to any foreign currency risks for its investments. The procurement of commodities relates only to electricity in a regulated volume.

Risks from energy procurement

The Group counters the procurement price risk for grid loss energy by hedging prices at an early stage using futures contracts on the EEX power exchange. To cover the required grid loss volumes, the Group enters into daily day ahead transactions on the spot market (EPEX Spot). Due to the availability and liquidity of futures trading, the hedging period for the intended price hedging covers a period of up to two years from the balance sheet date. Credit and default risks are avoided with this form of price hedging via exchange transactions.

Spot market procurement is a highly probable transaction, because the actual occurrence of grid losses is physically determined and must necessarily be compensated for by the grid operator through the purchase of energy. The Group pursues a conservative recovery strategy aligned with the regulatory framework and regulatory recognition of the electricity procurement costs incurred, which enables timely and predictable price hedging. The Group aims at fully hedging the price of the expected volume of grid loss energy.

Price hedging of future required spot market procurement of grid loss energy volumes using futures provides a highly effective hedging method. The price development of the settlement price of EEX fully reflects the price change of the spot price on the EPEX spot market, so that a 100% effectiveness of the hedging relationship can be assumed in this respect.

As the volume of electricity required for the grid losses that will arise in the future is not known at the time the hedging transactions are entered into, the Group determines the highly probable volume required (expected value) and derives the procurement strategy for price hedging from this; this expected value forms the basis for the hedging transactions under hedge accounting.

The forecast of the future volume of electricity required to cover grid losses is naturally subject to uncertainties relating to external factors, in particular wind feed-in, the electricity generation mix and the respective grid situation (influenced by generation, consumption and interventions such as redispatch measures). The expected value for grid loss procurement determined with the aid of a model is based on historical experience values, taking into account as best as possible any future changes in the relevant factors and foreseeable events on the basis of available information at the time of procurement planning. Changes in the forecast quantity are monitored on an ongoing basis and lead to an adjustment of the procurement strategy as far as possible.

Foreign currency risk

The Group is only exposed to an insignificant foreign currency risk as a result of the very limited volume of transactions it performs in foreign currency.

Interest rate risk

The interest rate risk takes into account any negative consequences (e.g. due to a fall in market liquidity and/or the rating) as a result of changes in the interest rate achievable on the market. In this respect, it reflects the risk that the Group will be able to obtain funding at less favorable conditions. The Group actively manages interest rate risks by monitoring the market on an ongoing basis and regularly updating its short and medium-term financial planning, which enables it to manage risk and optimize its cash and cash equivalents. Due to the long-term financial strategy, the fixed-interest bonds issued for a total of EUR 7,440.0 m, which protect the Group from short-term interest rate risks, as well as the registered bond of EUR 50 m taken out in 2014 and the loans taken out in 2016 and 2023 serve as the main basis for the Group's external financing.

Liquidity risk

The liquidity risk can generally arise at any time as a result of a major deviation between incoming and outgoing cash flows. Liquidity risks can arise from the core business of the group entities 50Hertz Transmission and 50Hertz Offshore if the actual financial requirements deviate significantly from the underlying financial planning in the short term. In particular in connection with the obligation to accept and provide payment for electricity generated from renewable energies as well as the sale of this electricity on the electricity exchange, there are considerable liquidity fluctuations that arise which the Group tries its best to anticipate. The Group may also be exposed to risks from necessary interim financing and short-term influences on liquidity management from the settled allocations.

The high volume of contracted futures contracts also has an impact on the Group's liquidity management. The daily cash settlement of futures contracts with the exchange can have short-term effects on liquidity, which largely follow the general price trend on the electricity market.

In accordance with agreed maturity dates and interest due, the contractually agreed cash outflows from financial liabilities will be as follows in the future:

EUR m	Carrying amount	Expected cash outflows	6 months or less	´6 to 12 months	1-2 years	2-5 years	> 5 years
Unsecured bonds	4,525.6	(5,198.0)	(62.5)	(33.5)	(596.0)	(1,009.8)	(3,496.2)
Unsecured bank loans and other loans	870.0	(1,133.6)	(7.6)	(20.5)	(27.7)	(228.6)	(849.2)
Total as of 31 December 2023	**5,395.6**	**(6,331.6)**	**(70.1)**	**(54.0)**	**(623.7)**	**(1,238.4)**	**(4,345.4)**
Unsecured bonds	7,582.7	(8,952.0)	(619.0)	(85.2)	(194.8)	(2,633.2)	(5,419.8)
Unsecured bank loans and other loans	870.0	(1,113.2)	(18.9)	(18.9)	(187.8)	(80.3)	(807.3)
Total as of 31 December 2024	**8,452.7**	**(10,065.2)**	**(637.9)**	**(104.1)**	**(382.6)**	**(2,713.5)**	**(6,227.1)**

The Group's short-term and medium-term liquidity position is regularly monitored to manage liquidity risks. The Group is soundly equipped with funds and credit lines that can also be drawn at short notice for any liquidity needs that arise. The credit lines available to the Group but not drawn total EUR 3,904.4m and are provided by various banks.

Details of the used and unused back-up credit facilities are set out below:

EUR m	Maturity	Available amount	Amount used	Amount not used
Confirmed credit line	26 February 2027	750.0	0.0	750.0
Overdraft facility	unlimited	150.0	0.0	150.0
Confirmed credit line	14 December 2026	150.0	150.0	0.0
Confirmed credit line	31 March 2033	600.0	600.0	0.0
Confirmed credit line	25 November 2033	120.0	120.0	0.0
Confirmed credit line	30 June 2032	4.4	0.0	4.4
Confirmed credit line	26 February 2027	3,000.0	0.0	3,000.0

The solvency of the Group and its Group entities was secured at all times in fiscal year 2024.

Following table shows the changes in financial liabilities including changes in cash and non-cash transactions:

EUR m	Loans and borrowings
Balance at 1 January 2023	**4,623.7**
Changes in cash flow from financing activities	
Cashflow: Repayment of borrowings	(757.5)
Cashflow: Proceeds from withdrawal of borrowings	1,564.3
Total changes in cash flow from financing activities	**806.8**
Other changes	
Changes in interest accruals	18.9
Increase in lease liabilities	3.6
Transaction costs	1.7
Total other changes	**24.2**
Balance at 31 December 2023	**5,454.7**
Balance at 1 January 2024	**5,454.7**
Changes in cash flow from financing activities	
Cashflow: Repayment of borrowings	(8.6)
Cashflow: Proceeds from withdrawal of borrowings	2,992.6
Total changes in cash flow from financing activities	**2,984.0**
Other changes	
Changes in interest accruals	63.6
Increase in lease liabilities	6.2
Transaction costs	(2.0)
Total other changes	**67.8**
Balance at 31 December 2024	**8,506.5**

Credit risk

The credit risk is managed across the Group. When entering into contractual relationships as well as concluding transactions, the credit rating and creditworthiness are reviewed as standard practice. Business transactions are generally only conducted with partners recognised as being creditworthy. To limit the credit risk on a case-by-case basis, suitable measures are taken to prevent any damage to the Group or subsidiaries. The long-standing customer relationships in some areas and the resulting partnerships also allow the Group to manage potential credit risks.

Observing an investment policy, the Group participates in the short-term investment of freely available funds with various banks with good credit ratings. Investments are only made up to the deposit protection limit. As such, there are no significant risks posed for the Group as a result of the short-term nature of the term deposits and the high rating requirements placed on the banks. No credit limit was exceeded during the reporting period.

The Group considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal and external information indicates that the individual assessment of the customer or contractual relationship could have a negative impact on the group profit.

The maximal credit risk on the reporting date was equivalent to the carrying amount for each financial asset. On the basis of past experience of actual defaults, the actual credit risk is deemed to be low.

The Group uses bank guarantees and cash collateral to hedge default risks.

Valuation allowances on trade receivables break down as follows:

EUR m	Doubtful debts	Valuation allowances	Balance
As of 1 January 2023	**198.2**	**(198.2)**	**-**
Changes in the fiscal year	3.3	(3.3)	-
As of 31 December 2023	**201.5**	**(201.5)**	**-**
As of 1 January 2024	**201.5**	**(201.5)**	**-**
Changes in the fiscal year	0.9	(0.9)	-
As of 31 December 2024	**202.4**	**(202.4)**	**-**

Total expected credit loss amounts to EUR 0.2m as of 31 December 2024 (prior year: EUR 0.3m).

8.2. Capital management

As part of its medium to long-term planning, the Group uses a projected statement of financial position, taking into account the requirements of capital maintenance. Management of the Group's equity ratio is aimed at maintaining its financing capability and credit rating. This objective is constantly monitored, actively managed and supported by the Group's regulatory management. The Group is not subject to any statutory or other such provisions on capital maintenance.

No changes were made in the objectives, policies or processes for managing capital in fiscal year 2024.

EUR m	2024	2023
Total financial liabilities	10,147.1	7,955.1
Less: cash and cash equivalents	(1,282.4)	(761.4)
Net debt	**8,864.7**	**7,193.7**
Equity	3,103.9	2,143.2
Total capital	**11,968.6**	**9,336.9**
Debt ratio*	**74.00%**	**77.00%**

* Debt ratio calculated as ratio of net debt to total capital

8.3. Commitment and contingencies

On 31 December 2024, there was a purchase obligation for investments measures of EUR 15,090.3m (prior year: EUR 9.485,5m). The increase is mainly related to onshore projects.

The purchase commitment for maintenance measures amounts to EUR 23.1m as of 31 December 2024 (prior year: EUR 12.0m).

8.4. Related party disclosures

Within the meaning of IAS 24, the Group defines the following entities and bodies as related parties:

Controlling entities

Via Eurogrid International, Elia Group holds an 80% stake in Eurogrid and thus obtained control in 2018. KfW contributed its 20% shareholding to Eurogrid GmbH to Selent in 2019.

No business transactions were entered into with Kfw in fiscal year 2024.

Various service agreements have been in place between Elia Transmission Belgium and 50Hertz Transmission GmbH. Costs for consulting projects and other services are also cross-charged. In fiscal year 2024, revenue of EUR 52.1m was generated (prior year: EUR 25.9m), while expenses amounted to EUR 57.4m (prior year: EUR 34.6m). On the reporting date, there were receivables of EUR 20.8m (prior year: EUR 4.7m) and liabilities of EUR 5.4m (prior year: EUR 3.7m).

Service agreements on general management and service functions are in place between Eurogrid and Eurogrid International. In fiscal year 2024, this resulted in expenses for purchased services of EUR 0.3m for the Group (prior year: EUR 0.3m). Trade and other payables remained at EUR 0.1m.

Furthermore, the Group distributed EUR 180.0m (prior year: EUR 130.0m) to the shareholders Eurogrid International and the Kfw (via its subsidiary Selent).

Associates

Elia Grid International NV/SA, Brussels, Belgium, is an associate company of the Group and is consolidated at equity in the Group. Assets under construction based on service agreements with EGI for consulting and engineering services in the area of grids and system services have been recognised in the amount of EUR 11.2m as of the end of the fiscal year 2024 (31 December 2023: EUR 11.2m). Furthermore various service agreements have been in place between EGI and 50Hertz. Expenses amount to EUR 0.2m (prior year: EUR 0.1m).

Key management personal

Key management personal includes Eurogrid International´s board of directors, who are responsible for monitoring the activities of Eurogrid. Key management personal also includes management of the subsidiaries and the supervisory boards of Eurogrid and 50Hertz Transmission. Key management personnel did not receive stock options, special loans or other advances from the Group during the year. The management of 50Hertz Transmission was offered the option to purchase Elia Group shares at a discount. In fiscal year 2024, the general managers of 50Hertz Transmission received EUR 2,917,901.35 (prior year: EUR 3,135,039.01) in consideration, which breaks down as follows:

- Fixed basic salaries EUR 1,488,825.03
- Variable salary components – short-term EUR 521,748.18
- Variable salary components – long-term EUR 429,520.68
- Pension scheme (company pension scheme and direct insurance) EUR 363,557.04
- Other benefits and allowances (including share subscription programme) EUR 114,250.42.

Pensions liabilities relating to former members of the Board of Directors amounts to EUR 3.8m (prior year: EUR 2.6), thereof EUR 0.0m (prior year: EUR 0.0m) are funded. Pension payments were made in the amount of EUR 0.4m (prior year: EUR 1.6m).

There were transactions with entities in which the members of Eurogrid International board of directors, the board of management of 50Hertz Transmission or the supervisory boards exercise a significant influence (e.g., holding positions such as CEO, CFO or members of the management committee) in the amount of EUR 11.2m (expenses) and 1.5m (income) in the fiscal year 2024. No other material transactions with related parties took place.

8.5. Subsequent events

In February 2025, a further green loan in the amount of EUR 1,000m was syndicated. In addition, an existing bond was increased by EUR 200m.

8.6. Auditor's fees in accordance with sec. 314 (1) no. 9 HGB

The auditors of the Eurogrid consolidated financial statements, BDO AG Wirtschaftsprüfungsgesellschaft, Berlin, received fees for auditing services of EUR 389k in the financial year (previous year: EUR 352k), including EUR 31k for the 2023 financial year. The fees for auditing services include, in particular, fees for the statutory audit of the consolidated financial statements and the annual financial statements of the Eurogrid Group companies. In addition, the auditor received EUR 195k (previous year: EUR 137k) for other consulting services and EUR 12k (previous year: EUR 11k) for other services.

8.7. Exemption options pursuant to sec. 264 (3) hHGB

The German subsidiaries with the legal form of a corporation do not make use of the exemption regulations in accordance with Sec. 264 (3) HGB.

8.8. Supervisory board

During the fiscal year the supervisory board contained the following members:

Catherine Vandenborre, Chairwoman, Chief Financial Officer, Elia Group NV/SA, Rixensart, Belgium

Dr. Lutz-Christian Funke, Vice Chairman, Secretary General of KfW Banking Group, Oberursel, Germany

Peter Michiels, Chief HR and Internal Communication Officer, Elia Group NV/SA, Elia Transmission Belgium NV/SA and Elia Asset NV/SA, Antwerp, Belgium

Markus Berger, Chief Infrastructure Officer, Elia Transmission Belgium NV/SA and Elia Asset NV/SA, Braine- l´Alleud, Belgium

Bert Maes (since 1 January 2024), Head of Nemo Link Ltd. & Eurogrid International NV/SA, Beveren-Waas, Belgium

According to the articles of association of Eurogrid no remuneration is paid to members of the supervisory board for their activities.

8.9. Management

Management comprised the following members during the fiscal year:

Stefan Kapferer, Managing Director/CEO of 50Hertz Transmission GmbH, Berlin, Germany

Yannick Dekoninck, Group Head Capital Markets & Investor Relations of Elia Group NV/SA, Beersel, Belgium

The managing directors were not employed at the Company. No remuneration was paid. With regard to the disclosures pursuant to Sec. 314 (1) No. 6a and 6b HGB, please refer to Note 8.4.

Berlin, 10 March 2025

The management of

Eurogrid GmbH

Stefan Kapferer

Yannick Dekoninck

Appendix to the notes

Financial terms or alternative performance measures

The consolidated financial statements and group management report contain certain financial performance measures based on the IFRS but not defined by IFRSs and used by management to assess the financial and operational performance of the Group. The most important alternative performance measures used by the Group are explained below.

The following APMs are explained in this document if not defined in the Group management report:

- EBIT
- EBITDA
- Free cash flow
- Net finance costs
- Net financial debt

EBIT

EBIT (Earnings Before Interest and Taxes) = Earnings from operating activities used for the operational performance of the Group. The EBIT is calculated from the consolidated result plus income tax expenses and less the financial result or net financing costs (see definition of net finance costs).

EUR m	2024	2023
Result from operating activities	532.1	378.7
Result from equity investments accounted for using the equity method	1.9	1.9
EBIT	**534.0**	**380.6**

EBITDA

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) = EBITDA is used as a measure for the operational performance of the Group, thereby extracting the effect of amortization, depreciation, the changes in provisions and the result from equity investments accounted for using the equity method of the Group.

EUR m	2024	2023
Result from operating activities	532.1	378.7
Add:		
Amortisation, depreciation and impairment	374.4	332.2
Changes in provisions	(0.9)	0.0
Result from equity investments accounted for using the equity method	1.9	1.9
EBITDA	**907.5**	**712.8**

Free cash flow

Cash flow from operating activities minus cash flows from investing activities. Free cash flow gives an indication of the cash flows generated by the Group. Cash flow from operating activities is largely characterized by the settlement of surcharges.

EUR m	2024	2023
Net cash flow from operating activities	609.8	(1,823.1)
Deduct:		
Net cash used in investing activities	(3,492.8)	(1,580.6)
Free cash flow	**(2,883.0)**	**(3,403.7)**
EEG and similar mechanisms-surplus	7.9	-
EEG and similar mechanisms-deficit	-	(2,588.7)
Free Cashflow, excl. EEG and similar mechanisms	**(2,890.9)**	**(815.0)**

Finance costs

Net finance costs represent the net financial result (finance costs minus finance income) of the Company.

Net financial debt

Net Financial Debt = Non-current and current interest-bearing loans and borrowings (incl. lease liabilities under IFRS 16) minus cash and cash equivalents. Cash and cash equivalents include restricted cash from EEG and similar mechanisms (EUR 360.5m). Net financial debt is an indicator of the amount of interest-bearing debt of the Group that would remain if readily available cash or cash instruments were used to repay existing debt.

EUR m	2024	2023
Non-current loans and borrowings	7,884.4	5,395.9
Add:		
Current loans and borrowings	622.1	58.8
Deduct:		
Cash and cash equivalents	1,282.4	761.4
Net financial debt	**7,224.1**	**4,693.3**
EEG and similar mechanisms-surplus	360.5	352.6
Net financial debt, excl. EEG and similar mechanisms	**7,584.6**	**5,045.9**

INDEPENDENT AUDITOR´S REPORT

Note: This is a convenience translation of the German original. Solely the original text in German is authoritative.

To Eurogrid GmbH, Berlin

QUALIFIED OPINIONS

We have audited the consolidated financial statements of Eurogrid, Berlin, and its subsidiaries (the group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1, 2024 to December 31, 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In addition, we have audited the group management report (report on the position of the company and of the group) of Eurogrid GmbH for the financial year from January 1, 2024 to December 31, 2024. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in section "OTHER INFORMATION".

In our opinion, on the basis of the knowledge obtained in the audit,

- with the exception of the effects of the matter described in section "Basis for the qualified opinions", the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (referred to subsequently as 'IFRS Accounting Standards') as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, with the exception of these effects, give a true and fair view of the assets, liabilities, and financial position of the group as at December 31, 2024, and of its financial performance for the financial year from January 1, 2024 to December 31, 2024, and
- with the exception of the effects of the matter described in section "Basis for the qualified opinions", the accompanying group management report as a whole provides an appropriate view of the group's position. In all material respects, with the exception of these effects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the group management report does not cover the content of those parts of the group management report listed in section "OTHER INFORMATION".

Pursuant to § 322 (3) sentence 1 HGB (German Commercial Code), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

BASIS FOR THE AUDIT OPINIONS

Claims and obligations from regulatory issues of EUR 575.5 million (prior year: EUR 284.8 million) have been recognized in the consolidated statement of financial position as well as the associated deferred tax assets/ liabilities. In the financial year from January 1, 2024 to December 31, 2024, the change in claims and obligations arising from regulatory matters resulted in revenues that were EUR 295.6 million too low (previous year: EUR 150.1 million) and the financial result that was EUR 4.9 million too high (previous year: 3.4 million too low). In this respect, earnings before taxes are by EUR 290.7 million too low (previous year: EUR 153.5 million) for the financial year 2024.

With reference to IAS 8.10 et seq., the management is convinced that the regulatory items should be recognized in the consolidated financial statements to present the Group's net assets, financial position and results of operations appropriately and deems it necessary to enable users of the financial statements to make economic decisions. In management's opinion, without the recognition of regulatory items, the regulatory framework significant for the Group and its actual impact on the Group's economic situation would not be adequately taken into account in the consolidated financial statements.

The IASB has been developing accounting principles for regulatory claims and obligations since 2014, but it has not published any final standard at the time that these consolidated financial statements were issued. According to the IFRS interpretations applied in Germany, it is currently not allowed to recognize claims or obligations from regulatory issues.

This matter also has a negative effect on the presentation of the development of business in the management report, including the business result and the Group's position, and the presentation of opportunities and risks of future development.

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

In addition, in accordance with Article 10 (2) letter (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1, 2024 to December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In addition to the matter described in section "Basis for the audit opinions", we have identified the following matters as key audit matters to be disclosed in our audit opinion:

We have identified the following matters as key audit matters to be disclosed in our auditor's report:

1. capitalization of property, plant and equipment with special consideration of the determination of useful lives
2. revenue recognition from network business

RECOGNITION OF PROPERTY, PLANT AND EQUIPMENT WITH PARTICULAR REGARD TO THE DETERMINATION OF USEFUL LIVES

Matter

The consolidated financial statements of Eurogrid GmbH as of December 31, 2024 contain property, plant and equipment which account for around 80 % of total assets. The property, plant and equipment almost exclusively comprise grid systems, in particular high-voltage overhead lines and high-voltage cables, offshore grid connection systems as well as substations including transformers and switchgear systems; this also includes related land and buildings as well as prepayments and assets under construction.

The correct differentiation and allocation of investment and maintenance expenses is of high importance for the Eurogrid Group's net assets and results of operations. On the one hand, recognition of property, plant and equipment results in expenses in the form of depreciation only after their customary useful life - some of which can comprise up to several decades. On the other hand, costs for maintenance measures represent the full amount of immediate expenses in the financial year in which they are incurred. On account of the associated effects on the Group's net assets and results of operations, we identified the recognition of property, plant and equipment as a key audit matter.

Besides the cost of materials, depreciation represents the most significant expense item. The decisive factor for the amount of depreciation is the underlying useful life of the fixed assets. The determination of useful lives is also one of the most significant matters for our audit.

The accounting policies applied regarding property, plant and equipment are contained in the notes to the consolidated financial statements in section "3.3.1. Property, plant and equipment". For the disclosures relating to property, plant and equipment, we refer to section "6. Notes to the statement of financial position", sub-section "6.1. Property, plant and equipment" in the notes to the consolidated financial statements.

Auditor's response and observations

As part of our audit, we assessed the process of capitalizing property, plant and equipment with the responsible employees and examined the process, in particular with regards to the differentiation of maintenance expenses, based on documentation provided to us. In this context, we obtained an understanding of the relevant internal controls and assessed their adequacy and implementation. We also tested the effectiveness of the accounting-related internal controls.

We also performed other substantive audit procedures on a sample-basis for both fixed asset additions and maintenance expenses. These procedures included assessing the proper allocation of costs to capital expenditure and maintenance projects based on the statutory requirements for capitalization, reconciling additions to property, plant and equipment with the corresponding invoices, and reconciling capitalization of finished assets with the corresponding acceptance and commissioning records. We also examined whether the useful lives reflected general and industry-specific expectations.

The basis for our audit of the classification of such investments/maintenance expenses was the criteria of IAS 16 Property, Plant and Equipment.

Our audit procedures with respect to the capitalization of property, plant and equipment revealed that the process applied is appropriate and that the determination of useful lives is in accordance with the relevant valuation principles.

REVENUE RECOGNITION FROM THE GRID BUSINESS

Matter

For the financial year 2024, the Eurogrid Group reports revenues from the grid business in the amount of EUR 2,270.5 million. These are generally based on the revenue cap for the calendar year 2024 notified to the responsible regulatory authority. The revenue cap is based, among other things, on budgeted cost estimates for the regulatory activities of the Eurogrid Group. At the end of the financial year, there are regular deviations between the actual values and the cost estimates taken into account in the revenue cap, as well as due to excess or shortfall volumes compared with the budgeted values. Regulatory claims and obligations are recognized in the consolidated financial statements for these deviations, resulting in a correction of the revenue from the grid business.

The regulatory peculiarities that have to be taken into account, which result from various legal and official requirements and include a wide variety of determination requirements, lead to a high level of complexity in revenue determination, which is associated with an increased risk of incorrect accounting. Due to the high significance of revenue from the network business for the earnings situation of the Eurogrid Group and the complexity of revenue recognition, we have identified revenue recognition from the network business as a particularly important matter for our audit.

The accounting policies applied regarding revenue are contained in the notes to the consolidated financial statements in section “3.4.1. Revenue and income”.

For the disclosures relating to revenue from the grid business, we refer to section “5. Notes to the statement of profit or loss”, sub-sections “5.2. Revenues and other income”, thereof “5.2.1. Revenue from the grid business” in the notes to the consolidated financial statements.

Auditor’s response and observations

As part of our audit, we assessed the accounting policies applied in the consolidated financial statements of Eurogrid GmbH for the recognition of revenue from the grid business based on the criteria defined in IFRS 15.

In particular, we traced the process of revenue recognition from the network business, including the related IT environment, on the basis of the documents made available to us on the individual process steps and discussed them with the responsible employees of the departments involved. In doing so, we obtained an understanding of the relevant internal controls and assessed their adequacy and implementation. We also tested the effectiveness of the internal controls relevant to accounting.

In addition, we performed analytical audit procedures on the recognition of revenue from the network business. This included analyses of the correlation of revenue entries with the related balance sheet items. Furthermore, we methodically verified the determination of the revenue cap for the reporting year. In this context, we also relied in particular on the revenues approved by the regulatory authority responsible for 50Hertz Transmission GmbH on the basis of the regulatory framework conditions.

Furthermore, we compared the recognition of regulatory obligations and claims based on the estimated cost approaches included in the revenue cap compared to actual development.

Except for the objection presented in the "Basis for the qualified opinions" section of this report on the audit of the consolidated financial statements and the group management report, we consider the revenue recognition from the network business to be appropriate based on our audit procedures.

OTHER INFORMATION

The executive directors or the Supervisory Board are responsible for the other information. The other information comprises:

- the 'Group Corporate Governance Statement' contained in the notes to the Group management report
- the unaudited non-financial Group statement contained in section III 'Sustainability report' of the Group management report in the non-financial Group statement
- the 'Key Highlights' in the annual report

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and thereby acknowledge whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report, or our knowledge obtained in the audit or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated 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 consolidated financial statements, the executive directors are responsible for assessing the group'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 unless there is an intention to liquidate the group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the group's position and is, in all material respects, consistent with the consolidated 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 group 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 group management report.

The supervisory board is responsible for overseeing the group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the group's position and, in all material respects, is consistent with the consolidated 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 opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation 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 consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and of the group 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 consolidated financial statements and of arrangements and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control or on the effectiveness of these arrangements and measures.
- 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 group'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 consolidated financial statements and in the group 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 group to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB.
- we plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit activities performed for the purpose of the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions.
- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the group's position it provides.

— perform audit procedures on the prospective information presented by the executive directors in the group 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 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.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor by the consolidated general meeting on February 26, 2024. We were engaged by the supervisory board on September 27, 2024. We have been the group auditor of the Eurogrid GmbH without interruption since the financial year 2021.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Julia Wirth.

Berlin, March 10, 2025

BDO AG
Wirtschaftsprüfungsgesellschaft

signed Eckmann	signed Wirth
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)