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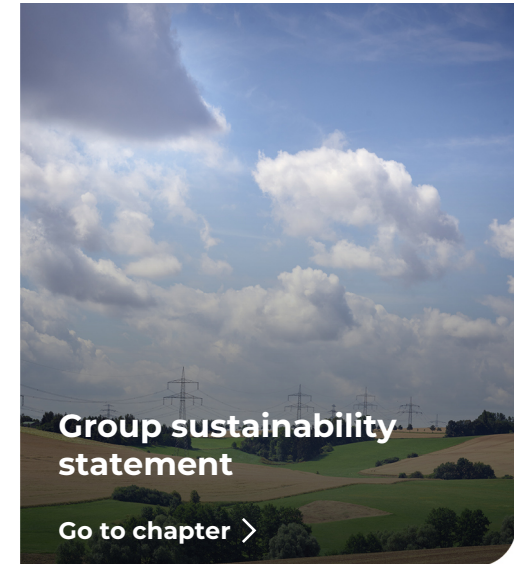
Eurogrid GmbH  
Berlin  
Translation from the German language

# Group Management Report for the fiscal year 2025 and Consolidated financial statements

# Key Highlights

<b>Finances</b>	 <p><b>3.8 bn. €</b> Investment Amount</p>	 <p><b>100 %</b> EU Taxonomy aligned Capex</p>	 <p><b>486 Mio. €</b> Result (IFRS after taxes)</p>	 <p><b>19.1 bn. €</b> Balance sheet total</p>	 <p><b>3.7 bn. €</b> <b>(3.1 bn. €)</b> Funds raised, thereof green financing</p>
<b>Technology and Environment</b>	 <p><b>10,708 km</b> Circuit length</p>	 <p><b>701.2 kt CO<sub>2</sub>eq</b> Scope 1 and 2 emissions (-16% compared to 2019)</p>	 <p><b>97 %</b> Share of grid losses in Scope 1 and 2 emissions</p>	 <p><b>98 %</b> Ecological line management</p>	 <p><b>74 %</b> Share of renewables in electricity consumption (control zone, full year)</p>
<b>Social</b>	 <p><b>ca. 2.500</b> Number of employees</p>	 <p><b>362</b> New colleagues (netto)</p>	 <p><b>31 %</b> Women in leadership positions</p>	 <p><b>2.59</b> TRIR (own employees)</p>	 <p><b>97 %</b> Attendance Rate</p>

# Contents





# Group Management Report

for the fiscal year 2025



# Fundamentals of the Group

# Fundamentals of the Group

The Eurogrid GmbH Group (hereinafter referred to as the Group, Eurogrid Group) consists of Eurogrid GmbH (Eurogrid) as well as 50Hertz Transmission GmbH (50Hertz Transmission), 50Hertz Offshore GmbH (50Hertz Offshore) and 50Hertz Connectors GmbH (50Hertz Connectors; together with 50Hertz Transmission and 50Hertz Offshore also referred to as 50Hertz) as affiliated companies of Eurogrid and additionally from investments by 50Hertz Transmission. Among other things, there is an investment in Elia Grid International NV/SA, which is accounted for as an associated company using the equity method. The affiliated companies are based in Berlin, while Elia Grid International NV/SA, in which 50Hertz Transmission holds a direct stake, is based in Brussels.

Eurogrid's group management report is expanded to include by a non-financial Group statement in a separate section. Although reporting in accordance with the EU Sustainability Reporting Directive (CSRD) is not yet mandatory under German law, Eurogrid decided in the 2024 financial year to prepare its non-financial statement on the basis of the European Sustainability Reporting Standards (ESRS). In addition, a voluntary group statement on corporate governance is also included.

## 1 Elia Group

Elia Group NV/SA, as a listed holding company and ultimate controlling company, holds all shares in Elia Transmission Belgium NV/SA and Eurogrid International NV/SA (Eurogrid International) and thus indirectly holds a majority stake in Eurogrid and 50Hertz Transmission and in Elia Grid International NV/SA.

Under the name Elia Group, Elia Transmission Belgium NV/SA and 50Hertz Transmission work closely together as two strong European transmission system operators (TSOs), as well as all other Group companies. This cooperation is strengthened organizationally within the Group, particularly through the establishment joint Group functions for IT, purchasing, strategy, finance, human resources, and EU affairs. About their financing activities and refinancing on the capital market, the two national parts of the Group act independently of each other, partly due to the regulatory framework; there is no cross-border financing relationship.

## 2 Eurogrid

Elia Group NV/SA holds 100 percent of the shares in Eurogrid International, which in turn holds 80 percent of the shares in Eurogrid. KfW hold the remaining 20 percent of Eurogrid indirectly through its wholly owned subsidiary Selent Netzbetreiber GmbH (Selent), based in Frankfurt am Main.

Eurogrid holds 100 percent of the shares in 50Hertz Transmission, which in turn holds 100 percent of the shares in 50Hertz Offshore and 50Hertz Connectors. Profit and loss transfer agreements and control and profit transfer agreements exist between the companies along the investment chain. 50Hertz Transmission also holds other investments, such as in Elia Grid International SA, European Energy Exchange AG (EEX), Joint Allocation Office S.A. (JAO), TSCNET Services GmbH (TSCNET), Coreso SA (Coreso), and LINK digital GmbH.

Both Eurogrid and its subsidiaries 50Hertz Transmission, 50Hertz Offshore, and 50Hertz Connectors are included in the Elia Group's consolidated financial statements as affiliated companies. Due to Eurogrid's capital market orientation, the consolidated financial statements of Elia Group NV/SA do not have an exempting effect on the consolidated financial statements and group management report to be prepared by Eurogrid. Eurogrid therefore prepares its own consolidated financial statements and group management report.

The business purpose of Eurogrid is to acquire, hold, and operate investment activities, primarily its investment in 50Hertz Transmission. In the Financial year, Eurogrid essentially arranged and secured the financing for 50Hertz's construction and operating activities.

As part of the uniform financial management, there is a cash pooling agreement that includes the current business accounts of Eurogrid, 50Hertz Transmission, 50Hertz Offshore, and 50Hertz Connectors. In accordance with legal requirements, 50Hertz Transmission maintains separate accounts for the EEG and CHP processes and for handling the electricity price cap, which are not included in the cash pool.

## 3 50Hertz

As a TSO, 50Hertz Transmission operates the extra-high voltage grid in northern and eastern Germany over a circuit length of approx. 10,708 km. 50Hertz is continuously involved in the successful implementation of the energy transition – as a grid owner, system operator, market developer, and trustee. As a grid owner, 50Hertz expands and upgrade the transmission grid in the control area in line with demand, continuously optimizes it, and carries out maintenance and repairs. As a system operator, 50Hertz Transmission is responsible for maintaining the balance between generation and consumption within the entire electricity supply system of the control area, ensuring optimal power flow and a smooth transition to neighboring transmission and distribution grids. 50Hertz Transmission is committed to the market development of a common European electricity market – and is not only part of the German electricity grid, but also the European electricity grid with interconnectors to Denmark, Poland, and Czechia. In its role as trustee, 50Hertz also carries out billing in accordance with the legal requirements of the Energy Transition Financing Act (EnFG), the Renewable Energy Sources Act (EEG), the Combined Heat and Power Act (KWKG) and certain levies under the Energy Industry Act (EnWG), the Electricity Grid Fee Ordinance (StromNEV) and the Electricity Price Brake Act (StromPBG). These transactions have no impact on the TSO's earnings; however, their cash flow effects can have a significant impact on the Group's balance sheet.

The business activities of 50Hertz Offshore include the planning, construction, and provision of lines for electrical power as well as the associated systems and equipment for connecting offshore wind turbines and offshore wind farms (OWPs) constructed in the Baltic Sea and the North Sea.

50Hertz Connectors was founded for the purpose of planning, constructing, acquiring, maintaining, operating, transferring, and selling lines and facilities in connection with electrical grids, in particular interconnectors (including offshore interconnectors and

interconnectors with hybrid functions). 50Hertz Offshore and 50Hertz Connectors serve the transparent presentation within the regulated framework with regard to the planning, construction, and provision of offshore grid connection systems and interconnectors. Neither company employs its own staff, but instead uses the staff of the direct parent company on the basis of general contractor and service agreements. Both companies are integrated into the group-wide financing system via loan and cash pooling agreements.

## 4 Management system

The supervision of the German Group activities is the responsibility of the Supervisory Board of Eurogrid and the Supervisory Board of 50Hertz Transmission, which is co-determined on a parity basis. The operational management of the Group is carried out by the management of 50Hertz Transmission as the leading company in the Group.

The management defines the Group's goals as the basis for Group management. The Group's goals for the 2025 reporting year and the previous year consist of the following three pillars:

- "Sustainable growth,"
- "Sustainable operation,"
- "Economic performance."

In order to manage value creation within the Group in an even more targeted manner and to place greater emphasis on the high priority of occupational health and safety and personnel development, these will be expanded to four pillars from the following fiscal year 2026 and structured as follows: "Value-adding growth," "Sustainable operations and digitalization," "Occupational health and safety and human resources," and "Economic performance."

The key performance indicators for group management are derived from these group targets. The performance indicators include both financial and non-financial elements and are recorded and continuously analyzed using a key performance indicator system.

**Sustainable growth** is assessed based on the progress of grid expansion and project milestones. The financial assessment is based on the investment volume for the transmission grid. In addition, the kilometers of routes achieved in the construction and approval of line projects, the expansion of substation and reactive power capacity, and the specific project milestones achieved are evaluated as non-financial performance indicators. This objective will be renamed "Value-adding growth" from 2026. The performance indicators will remain largely unchanged, but the measurement of newly approved route kilometers will be discontinued and a more detailed weighting of specific value-added contributions will increase the focus in the future.

In addition, personnel growth and the achievement of diversity targets will be assessed as non-financial performance indicators. The success of personnel growth will be measured by the net increase in the number of employees, while diversity will be measured by the proportion of women, which reflects the ratio of women employed in the Group as a whole to the total workforce. In the 2025 reporting year, the performance indicators of personnel growth and diversity are assigned to the target category "Sustainable Growth."

The goal of **sustainable operations** is to achieve stable network availability and a high level of occupational health and safety. When assessing network availability, both the absolute number of network events (unforeseen deviations from normal operation) in relation to the system cycle length and the ratio of avoidable (preventable) network disruptions to all network events are included as non-financial performance indicators. The Group continuously implements measures to ensure a high level of quality and a low "disruption rate."

Occupational health and safety is assessed on the basis of the accident frequency among our own employees and those of external companies. Electrical accidents at work, which are characterized as injuries caused by the effects of electric currents on humans, and fatal accidents at work were reported separately up to and including the 2024 financial year. From the 2025 reporting year onwards, they will also be included in the assessment of the Total Recorded Injury Rate (TRIR) as a non-financial performance indicator, which represents the ratio between the number of accidents and productive hours. Furthermore, the health rate is calculated as the ratio between scheduled working days minus days lost in relation to scheduled working days.

The ongoing progress of digital transformation is a key factor in ensuring sustainable operations; this is assessed as a non-financial performance indicator within this target pillar, which will be renamed "Sustainable Operations and Digitalization" from the 2026 fiscal year onwards. Target achievement is determined on the basis of qualitative targets for IT project progress.

Starting in fiscal year 2026, the non-financial performance indicators for occupational health and safety, personnel development, and the proportion of women will be combined in the fourth pillar, "Occupational Health and Safety and Personnel," in order to reflect their importance within the Group.

High quality standards are set for non-financial performance indicators and ongoing efforts are made to achieve sustainable improvements.

The Group's **economic performance** is assessed based on the earnings after tax in accordance with IFRS and the onshore OPEX value, which is made up of personnel-related and other non-energy-related expenses. In addition, the diversification of financing via alternative financing sources such as listed bonds was defined as a supplementary financial performance indicator in the reporting year. Starting in fiscal year 2026, the financial performance indicators will be adjusted to include securing external financing as an explicit target. Additional qualitative targets for the further development of strategic options, such as hedging strategy and the identification of new financing instruments, have been defined. Furthermore, maintaining the existing rating level will be included as a target in financial year 2026.

The Group's financial position is assessed and managed through ongoing liquidity planning, which takes into account in particular the status of investment billing.

Eurogrid has a Funding and Dividend policy that sets out the key points of a separate financing strategy for the Group. In particular, this includes a cumulative payout ratio of up to 70 percent of net income over the regulatory period to ensure sufficient internal financing for Eurogrid. The goal is to secure a sustainable financing structure through a solid investment grade rating.



# Business Report

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# 1. Economic and industry-specific environment

The German economy is currently in a challenging phase, characterized by weak growth, persistent inflation, and a general slowdown in investment activity. Global uncertainties and geopolitical tensions are weighing on numerous industries and leading to increased pressure to adapt. At the same time, industrial policy issues, rising energy prices, and Germany's innovative ability are increasingly coming into focus.

The German energy industry – and TSO in particular – has a special responsibility and dynamic. The energy transition and the massive expansion of renewable energies are placing greater demands on the electrical system and thus also significantly increasing investment requirements as a result of ongoing grid development planning. TSOs are key players in ensuring a stable, affordable, and sustainable energy supply. They must hold their own in volatile markets, regulatory uncertainties, and highly competitive procurement markets, and implement modern infrastructure projects quickly and reliably. Investment decisions are increasingly being made in the context of current macroeconomic conditions, but at the same time, there are growing social and political expectations to actively drive forward the transformation of the energy system. In this area of tension, it is important to further develop regulations, mobilize private and public investment, and strengthen innovative capacity so that both economic stability and the goals of the energy transition, including the increasingly important issue of affordability, can be achieved.

The energy transition and climate change continue to be central topics in political and social debate. Europe aims to reduce greenhouse gas emissions by at least 55 percent by 2030 compared to 1990 levels and then become climate neutral by 2050. Germany is sticking to its goal of achieving climate neutrality by 2045. One component of this is to cover 80 percent of gross electricity consumption with renewable energies by 2030. The financial viability of the energy transition while keeping energy prices affordable is a major challenge. 50Hertz is aligning its strategy with this macroeconomic objective with the goal "100 percent by 2032: Affordable energy for a strong economy," which is described in more detail in the "Business Performance" section. Furthermore, strengthening energy sovereignty to become more resilient to external influences is of great importance, especially considering the experiences from Russia's ongoing war of aggression against Ukraine and the conflict in the Middle East. The key foundations for achieving both the climate targets and growing energy sovereignty are the decarbonization of the electricity sector through the addition of large capacities of renewable energies and the further expansion of the grid infrastructure to integrate these safely into the electricity system.

In 2025, the BMW E presented a monitoring report on the energy transition and conducted a comprehensive review of the energy transition. According to this report, a gross electricity consumption of 600 to 700 TWh is expected by 2030. 50Hertz will proactively support the necessary conclusions.

With the share of renewable energies continuing to increase, Germany is entering a new phase of the energy transition for the electricity system. Further developing the rules for this changing electricity system while maintaining cost efficiency, security of supply, and sustainability together with other players in the industry is another important social task for 50Hertz in its role as the system-responsible TSO. One focus of 50Hertz's activities is to promote the provision of system services by renewable energies, integrate new technologies, and design future-proof processes together with TSOs and other partners. Frequent situations with generation surpluses in Germany and other European countries, primarily due to the volatile generation of renewable energies, also characterized the year 2025. The strong expansion of photovoltaics since 2023 (approx. 5 GW annually) is amplifying this effect. 50Hertz recognized this situation early on, addressed it proactively within the industry, and is therefore playing a leading role in shaping regulatory and procedural frameworks that relate, among other things, to the management and stronger market response to renewable energies. The focus here was on both the energy efficiency of the expansion and system security in 2025.

The enormous increase in grid connection requests, especially from large-scale battery storage facilities, was one of the major challenges of 2025. The clarification in December 2025 that the Power Plant Grid Connection Ordinance (KraftNAV) does not apply to battery storage facilities is therefore a milestone on the way to a new grid connection procedure. Another focus for 50Hertz and the industry is the design of incentive mechanisms for the construction of urgently needed controllable capacity. These include both the Power Plant Security Act and the introduction of a capacity market to ensure sufficient controllable generation capacity in the longer term.

As the system manager, 50Hertz is continuously working to ensure system security in the face of a steadily increasing share of renewable energies and less controllable conventional generation. The goal is to keep the system in a stable state at all times, both now and in the future. To achieve this goal, 50Hertz, together with the other German TSOs, presented the current status of the individual stability aspects for the first time in the 2025 System Stability Report in accordance with Section 12 i of the Energy Industry Act (EnWG) and identified the necessary actions for secure grid operation on the path to renewable energy-based power generation.

The year before last, 50Hertz also participated, together with the other TSOs and numerous other companies and associations, in the initiative of the Federal Ministry for Economic Affairs and Climate Protection (now: BMW E) to develop the "System Stability Roadmap" and will continue to promote and support its implementation. Due to their system responsibility, a large number of processes from almost all fields of action fall within the remit of the grid operators. In addition, grid operators play an essential role in the area of technical regulations and guidelines, with process coordination in this area being the responsibility of VDE FNN.

A digital transformation is also necessary for a more efficient and intelligent grid infrastructure.

The energy transition is leading to changes in dynamic system behavior. The stability limits must be regularly reviewed by system management. 50Hertz is planning to introduce a dynamic security analysis (DSA) and is exploring current market solutions for this purpose. In order to avoid stability bottlenecks and tap into new sources of ancillary services – in accordance with the requirements of the Federal Network Agency (BNetzA) – 50Hertz has pushed ahead with the design of the ancillary services markets for reactive power and instantaneous reserve. Following the publication of the first stability report in 2025, the commissioning of the instantaneous reserve market in January 2026 will complete the final component of the market-based tendering of system services for the time being. In addition, 50Hertz is continuously developing the grid control system.

In order to achieve the goal of climate neutrality in 2045, the scenario framework for the electricity grid development plan (NEP 2037/2045 (2025)) approved by the BNetzA provides for a significant expansion of installed renewable energy capacity. Depending on the scenario, an increase to around 530 to 700 gigawatts is expected by 2045. The forecasts for electricity consumption in 2045 confirmed by the BNetzA are in the middle range between various exploratory and normative scenarios, based on the expected electricity demand in each case.

In the 50Hertz grid area, renewable energies could already cover 74 percent of electricity consumption (on balance) in 2025. In order to achieve the climate targets of the European Union (EU), a total of approximately 111 GW of renewable offshore wind energy is to be installed in all EU sea basins by 2030 and 300 GW by 2050. 50Hertz supports the ambitious European and national expansion targets for offshore wind energy and is the only German TSO operating in both the Baltic Sea and the North Sea. Offshore hybrid connections such as the current Kriegers Flak - Combined Grid Solution or Bornholm Energy Island, both of which are being implemented in cooperation with the Danish TSO Energinet, as well as the planned Baltic-German PowerLink between Germany, Estonia, Latvia, and Lithuania are examples of cross-border projects whose significance and impact extend far beyond the Baltic Sea. Together with other TSOs, 50Hertz supports the implementation of the commitment made by the governments of the North Sea coastal states in the Esbjerg and Ostend Declarations and based on the Vilnius Declaration, is supporting a similar process for the Baltic Sea coastal states.

# 2. Regulatory framework of the energy industry

## 2.1 European law

In 2025, legislation at European level continued to be largely determined by the goal of transforming the EU into a climate-neutral energy union.

The European Court of Justice has established a broad interpretation of the Birds Protection Directive. According to this interpretation, logging is generally prohibited during the breeding season, even if no rare or endangered species are affected. This makes logging during the breeding season considerably more difficult.

Back in September 2024, the ECJ also ruled that when setting conservation objectives for European bird sanctuaries, bird species that were not decisive for the designation of the area must also be taken into account. As a result, numerous project approval authorities are now requiring project developers to extend their impact assessments to include species that are not designated as conservation objectives. An adjustment of area designations is also not unlikely as a result of the ECJ ruling.

Based on the EU directive on corporate sustainability reporting (CSRD, EU 2022/2464), capital market-oriented companies – including Eurogrid – have been required to report on sustainability in accordance with this standard since the 2024 financial year. This directive has not yet been transposed into national law in Germany. This is planned for 2026.

At the beginning of the 2025 reporting year, the EU Commission published the Omnibus I initiative to reduce the bureaucracy of sustainability and supervisory obligations for companies. As part of this, postponements of reporting obligations ("stop-the-clock") were already adopted in April 2025. This was followed in December 2025 by an adjustment to the scope of application of the CSRD and the Corporate Sustainability Due Diligence Directive (CSDDD). Eurogrid will continue to fall within the scope of the CSRD, but no longer within the scope of the CSDDD.

## 2.2 National law

At the national level, the legal framework for 50Hertz was again determined by supreme court rulings and the entry into force of various planning, environmental, and tax regulations.

The dissolution of the Bundestag and the early elections led to delays, particularly in the implementation of European legal requirements.

In January 2025, the former Bundestag was still able to pass a number of legislative amendments with an amendment to energy law, such as regulations on flexible grid connections, the rollout of smart meters, and the avoidance of temporary generation surpluses. Other projects, such as amendments to the Federal Requirements Plan Act, could no longer go through the legislative process as planned. At the beginning of

December 2025, the implementation of the NIS 2 Directive was finally completed. The Act implementing the NIS 2 Directive and regulating the essential principles of information security management in the federal administration came into force on December 6, 2025.

The implementation of the Resilience Directive through the KRITISDachG made significant progress with the decision of the Bundestag on January 29, 2026. However, it still needs to be considered by the Bundesrat, which is not scheduled until the beginning of March, and the law must come into force for full implementation. The federal government has decided to introduce a federal subsidy for transmission grid fees for 2026 by way of Section 24c EnWG. This will reduce grid fees by more than half. With its decision on the applicability of construction cost subsidies to battery storage facilities, the Federal Court of Justice has clarified the long-contested legal question of whether the levying of construction cost subsidies on storage facilities is also non-discriminatory. Storage facilities will thus contribute to the costs of grid expansion on a legally secure basis.

At the end of 2025, the German government passed the ordinance amending the Power Plant Grid Connection Ordinance, which came into force on December 24, 2025. This clarified that the special grid connection rules of the KraftNAV do not apply to battery storage systems (BESS). The applicability had been argued by BESS operators. On this basis, they had brought several lawsuits against 50Hertz before the Berlin Regional Court and abuse proceedings before the BNetzA. The decisions in these proceedings are now expected to be in favor of 50Hertz.

In addition, in a resolution calling for the submission of a draft regulation in the first quarter of 2026, the Bundestag called on the federal government to "fundamentally improve and digitize the grid connection procedure in the electricity grid for generation plants, consumers, and storage facilities in order to increase transparency and planning security, to resolve the backlog of connection requests, particularly from large battery storage facilities, industrial customers, and data centers, and to enable grid operators to deal with the acute situation of increasingly scarce grid connection capacities in a way that makes sense from an overall economic perspective." In addition, the Federal Court of Justice (BGH), in a decision based on a preliminary ruling by the European Court of Justice (ECJ), has called into question the provisions in the Energy Industry Act (EnWG) relating to customer installations. Clarification by the legislature is awaited in order to define the legal nature of potential connection customers of 50Hertz as grid operators, end consumers, or in another role. Here, too, the federal government was called upon in a resolution to develop regulations that comply with European law.

With the enactment of the REDIII Implementation Act, the planning and approval regulations of the Renewable Energy Directive, RED III, for onshore wind energy were transposed into German law.

Further implementations, particularly for the offshore sector and electricity grids, were carried out with the Act Implementing the EU Renewable Energy Directive in the areas of offshore wind energy and electricity grids. This resulted in amendments to the WindSeeG, the EnWG, and the NABEG in particular. The aim is to further accelerate planning and approval procedures.

The Act Amending Energy Industry Law to Strengthen Consumer Protection in the Energy Sector and Amending Other Energy Law Provisions, which came into force on December 23, 2025, introduced extensive changes to a large number of laws that are also relevant to 50Hertz. In addition to requirements for the operation of a joint internet platform for grid connection applicants and new regulations on the scope of grid fee exemptions for storage facilities, this also affects planning, regulatory, and unbundling regulations.

In a ruling, the Higher Regional Court of Düsseldorf confirmed the contractual cost allocation rule according to which a connection applicant must also bear the costs for operating resources that become the property of the grid operator. This also confirms the cost allocation applied in 50Hertz's contracts.

In two rulings, the Federal Administrative Court strengthened the position of project developers in the accelerated expansion of high-voltage lines by placing the preparatory work for the construction measures under the protection of overriding public interest.

The Federal Administrative Court also confirmed the admissibility of partial underground cabling in several proceedings in favor of transmission system operators.

In July 2025, the German government enacted the law for an immediate tax investment program to strengthen Germany as a business location. This resulted in tax relief, which in turn can be used for investments, particularly from the reintroduction and increase of declining balance depreciation from July 2025 to the end of 2027 and from the gradual reduction of the corporate income tax rate from the current 15% to 10% between 2028 and 2032.

## 2.3 Network development plans

Grid planning is the main basis of the strong growth program for the Group's investments.. This is based on the Electricity Grid Development Plan (NDP), which is drawn up by the TSOs and confirmed by the Federal Network Agency. It is based on the scenario framework, which covers the range of likely developments within the framework of the German government's climate and energy policy goals and, for offshore wind energy, takes up the specifications of the Area Development Plan (FEP).

On April 30, 2025, the Federal Network Agency approved the scenario framework for the upcoming NDP 2037/2045 (2025). Subsequently, on December 10, 2025, the TSOs published the first draft of the network development plan. The publication of the second draft by the TSOs is planned for March 2026. As in the last NDP 2037/2045 (2023), the demand assessment in this process refers to the target years 2037 and 2045.

The approval of the scenario framework for the NDP 2037/2045 (2025) took into account the current legal framework and the medium- and long-term goals of the German government, so that, in line with the climate protection goals of the Climate Protection Act, a climate-neutral energy system in Germany is the subject of planning for the second time in 2045. The scenario framework depicts three development paths, each with a scenario for 2037 and 2045, showing different transformation paths and different transformation

speeds for the path to greenhouse gas neutrality. Compared to the previous NDP, the NDP 2037/2045 (2025) contains a number of changes: With the amendment of the Energy Industry Act (EnWG), the processes for the electricity network development plan and the gas/hydrogen network development plan are synchronized in terms of timing and the assumptions of a common scenario are coordinated. The framework for this is provided by the BMW's system development strategy.

In the current scenario framework for the NDP 2037/2045 (2025), the scenarios are broader in scope than in the previous scenario framework with regard to the expansion of renewable energies and electricity consumption, thus presenting more options for possible developments: These include

- decarbonization with lower or delayed electrification, relatively high use of hydrogen in the energy system, and limited availability of renewable electricity,
- decarbonization based on direct electrification as the key transformation strategy, with rising electricity consumption in all sectors and renewable expansion in line with the legally defined expansion targets, and
- decarbonization through strong electrification as the most ambitious transformation of the energy system with a strong expansion of domestic electrolysis capacities and a moderate increase in renewable energy capacity that exceeds the statutory targets.

All scenarios are based on a significant increase in gross electricity consumption to varying degrees, which is due to the increasing electrification of the heating, transport, and industrial sectors. With higher gross electricity consumption, the assumed installed capacities for renewable energies increase significantly. A particularly strong expansion in photovoltaics (315-440 GW in 2045) is anticipated. As is the case today, onshore wind energy remains the most important renewable source of electricity generation in the scenarios depicted, with approximately 145-176 GW. In addition, offshore wind energy is expected to reach a capacity of 60-70 GW by 2045. Compared to the NDP 2037/2045 (2023), the current NDP 2037/2045 (2025) does not achieve the energy policy targets for the expansion of renewable energies in all scenarios. Scenario A describes a more conservative transformation path, which continues to pursue the overarching goal of climate neutrality by 2045, but falls short of the expansion targets for renewable energies laid down in the EEG and WindSeeG. In total, the NDP 2037/2045 (2025) scenario framework results in an installed renewable energy capacity of up to 700 GW.

In its current version, the WindSeeG stipulates that a total of at least 70 gigawatts (GW) of installed capacity from offshore wind turbines should be achieved in the Federal Republic of Germany by 2045. The discussion about the achievability of these ambitious expansion targets in the context of economic efficiency and affordability has already reached the industry, and efforts to amend the law are being discussed. The construction of offshore wind turbines and offshore grid connection systems is in the overriding public interest and serves public health and safety (Section 1 (3) WindSeeG). In order to meet the expansion targets, the Federal Maritime and Hydrographic Agency (BSH) announced and published the Area Development Plan (FEP) 2025 and the associated environmental reports for the North Sea and Baltic Sea on January 30, 2025. One of the objectives of the FEP 2025 is to define expanded areas and zones in the SN10 shipping route specified in the 2021 Regional Planning Plan (ROP) as well as new areas to the west of it in order to identify sufficient areas for an installed capacity of at least 70 GW by 2045. The FEP 2025 also sets deadlines for the commissioning of areas and ONAS by 2034.

For 50Hertz, the update of the FEP 2025 means a consolidation of previous grid expansion activities in the North Sea and Baltic Sea. The ONAS NOR-12-3, which was only specified for information purposes in the FEP 2023, is now defined in the FEP 2025 as 50Hertz's second grid connection system in the North Sea. For ONAS NOR-11-1 and NOR-12-3, the option of a diagonal crossing of the North Sea artillery firing range is no longer available; instead, a bypass is required. In the first draft of the NDP 2037/2045 (2025), measures for offshore optimization in the North Sea will be applied for the first time for all offshore grid connection systems (ONAS) from 2035 onwards. This will increase energy yield and reduce the number of ONAS required by reallocating areas with lower power density, overbuilding OWP capacity in relation to ONAS capacity, and temporarily increasing ONAS utilization. As a result, the number of ONAS required by 2045 will decrease compared to the previous NEP 2037/2045 (2023) by seven ONAS in scenario A, by four ONAS in scenario B, and by five ONAS in scenario C. As a result, the number of ONAS in the North Sea will also be reduced for 50Hertz from five to four.

In order to integrate the described increase in renewable energies into the German transmission grid, additional grid expansion is required nationwide, beyond the projects already included in the Federal Requirements Plan Act. In general, it can be seen that the grid expansion requirements in the first draft of the NDP 2037/2045 (2025) are lower than those in the climate-neutral grid of the previous NDP 2037/2045 (2023) and are also spread out over a longer period of time until 2045. Specifically, in the first draft of the NDP 2037/2045 (2025), 50Hertz proposes approximately 1,350 km of additional AC projects and approximately 360 km of additional DC projects by 2045 compared to the BBPIG 2024. The newly identified projects largely correspond to those already confirmed by the Federal Network Agency in the last NDP 2037/2045 (2023). In the area of DC projects, the SüdWestLink with a transmission capacity of 4 GW (DC42 and DC42plus) is once again being designated by the TSOs. Further DC projects are being reviewed as part of this NDP process.

Another new feature is that the TSOs will now propose new DC projects as DC overhead lines within the framework of the NDP, which will reduce the costs of grid expansion.

Confirmation of the NDP 2037/2045 (2025) by the Federal Network Agency is expected at the end of 2026.

In addition, pursuant to Section 12i of the Energy Industry Act (EnWG), TSOs are required to provide information every two years in a separate stability report on the security, reliability, stability, and performance of their energy supply network and the electricity supply system, and to implement any necessary measures. The 2025 stability report was published by the Federal Network Agency on July 31, 2025, and contains recommendations for action and measures to ensure stable operation of the system in the period under review from 2027 to 2037.

# 3. Business performance

## 3.1 Strategic goal "100 percent by 2032: Affordable energy for a strong economy"

As a group of companies with a high level of social responsibility for the success of the energy transition, 50Hertz has set itself the strategic goal of covering the entire electricity consumption in the 50Hertz control area from renewable energies by 2032. In addition to an energy policy dimension through a clear and unambiguous commitment to a rapid energy transition, this also includes an economic policy dimension, as the availability of renewable energies is increasingly seen as competitive advantage for a location and is increasingly being seen as a key factor in industrial location decisions. At the same time, the costs of current and future electricity supply are becoming increasingly important. That is why affordability is an important part of 50Hertz's strategy. Only if energy remains affordable in the future, there will continue to be broad acceptance of the energy transition project among citizens and companies. Providing the necessary electricity grid infrastructure for the energy transition is one of the key challenges facing 50Hertz in the coming decades and goes far beyond mere grid expansion. In addition to this massive expansion and conversion of the electricity grid, driven in part by the connection of renewable energies onshore and offshore on a new scale, as well as the connection of large industrial consumers and battery storage facilities, other areas of action are also being actively addressed.

As the generation structure continues to change away from conventional generators toward renewable energies, the identification and realization of flexibility potential will be of system-relevant importance in the future, both on the generation and consumption sides. This also applies to the provision of system services such as the provision of reactive power and instantaneous reserve or the integration of new market players into the redispatch process. In this context, 50Hertz sees itself as a designer of the necessary market design and as a sparring and cooperation partner for new market players such as electrolysis and large-scale batteries, as well as energy-intensive industry. This goes hand in hand with the continuous modernization of measurement and control technology to ensure the necessary transparency and availability of measurement data for the control capability of the electric grid and with the expansion of the grid to include active components such as phase shifters. Digital solutions are an important tool in this modernization.

This is done in compliance with the requirements of non-discriminatory and transparent grid access in the regulatory environment. In 2025, the share of renewable energies in relation to electricity consumption in the 50Hertz grid area was approximately 74 percent (previous year: approximately 73 percent).

The Elia Group has set up the ActNow program to systematically integrate sustainability and corporate activities, which is also being implemented by Eurogrid as a subgroup of the Elia Group.

## 3.2 ActNow – 50Hertz sustainability program

The ActNow sustainability program embeds sustainability into the core strategy and business activities of the Eurogrid Group by setting transparent and quantifiable targets for the entire Elia Group, which are implemented through company-specific measures and monitored at the Eurogrid Group level. ActNow comprises five dimensions, which are listed below. Dimension 1, "Climate Protection," focuses in particular on achieving climate neutrality, a carbon neutral supply chain, and strengthening climate resilience, while Dimension 2, "Environment and Circular Economy," focuses on ecosystems, biodiversity, and improving environmental performance. The development of a safety culture and employee well-being is described in Dimension 3, "Health and Safety," while Dimension 4, "Diversity, Equal Opportunities & Inclusion," encompasses, among other things, an inclusive corporate culture and the appreciation of differences. Responsible rules, compliance with external requirements, and effective stakeholder dialogs are presented in Dimension 5, "Business Conduct & Dialogue." A detailed list of the respective dimension targets can be found in Section 1.3 Strategy of the non-financial Group statement in this Group management report.

## 3.3 Grid expansion Onshore

50Hertz plans to launch projects for around 75 grid connections by the end of 2029, thereby generating a connection capacity for the feed-in and feed-out of electricity of just under 30 gigawatts (GW). The projects include wind and photovoltaic parks, large-scale battery storage facilities, data centers, and electrolyzers.

The urgent grid expansion projects specified in the Federal Requirements Plan Act (BBIP) and specified in the Energy Line Expansion Act (EnLAG) affect a total of 4,080 kilometers of lines in the 50Hertz Transmission control area. Of these, 1,020 kilometers of lines had already been completed by the end of 2025, 950 kilometers of lines are under construction, and projects for a total of 1,594 kilometers of line construction are in the approval phase. Due to the complexity and scope of the infrastructure projects to be implemented, a wide range of aspects such as nature conservation, route alignment, and expected impacts must be taken into account during the planning and approval process, which prolongs the approval processes. Numerous significant line expansion projects have already been approved, are about to be approved, or are in the approval phase. The accelerated approval procedures are supporting the achievement of the expansion targets set out in the NDP.

Infrastructure measures at several substation locations, as well as the cable diagonal in Berlin and the SuedOstLink, continued as planned. Measures under the pylon reinforcement program in the control area, for weather-dependent overhead line operation and to increase the current-carrying capacity, which contribute to the intended higher utilization of the existing grid, were also continued.

In the Pulgar-Vieselbach project, the central and western sections were commissioned. In addition, two phase shifters in Güstrow were successfully connected to the grid.

For the SuedOstLink (SOL) project, the outstanding planning approval decisions for sections A1 and A2 were issued in March, supplementing the planning approval decision already issued in December 2024 for section B (§ 24 NABEG). All planning approval decisions will be final by the end of 2025. In the meantime, a lawsuit has been filed with the Federal Administrative Court against the planning approval decision in section A1. Based on an out-of-court settlement between 50Hertz and the plaintiff and the resulting withdrawal declaration by the plaintiff, the proceedings were discontinued.

After receiving the planning approval decision and completing all archaeological preparatory work on the route, construction of stations and underground cable laying and installation began in all sections, and ongoing activities from the early start of construction in 2024 were intensified. All six cable monitoring, cable section, and cable transition stations required on the route are now under construction. In addition, 70 km of a total of 995 km of cables have already been pulled in and 16 of a total of 620 cable joints have been installed. For the SuedOstLink+ (SOL+) project, the notices of completion of federal technical planning (§12 NABEG) were issued for sections E and F. The regional planning procedure for this project has thus been completed in all sections. Due to the delayed implementation of the Renewable Energy Directive III (REDIII) into German law and the simultaneous expiry of the EU Emergency Regulation, the project's approval strategy was adjusted to minimize risk and the original plan to waive the submission of applications for planning approval (§ 19 NABEG) was abandoned. As a substitute for the REDIII regulations that were not implemented in time, the procedural simplifications of the EU Emergency Regulation (Section 43m NABEG) were secured. However, the adjustment is expected to delay the commissioning of the entire system until 2032.

Following the successful award of NorthSeaConnector1 (multi-terminal converter pair DC31/LanWin3), the tender for NorthSeaConnector2 (multi-terminal converter pair DC32/LanWin6) was launched for the NordOstLink project, which comprises the converters in Mühlenbeck in Mecklenburg-Western Pomerania and on the platform for the LanWin6 grid connection. As with DC31/LanWin3, an innovative electricity hub (multi-terminal hub) is to be built in Schleswig-Holstein in collaboration with TenneT, as well as an onshore DC connection to Mecklenburg-Western Pomerania (DC32).

The approval process for the TraveBilleLink (TBL) project began with the submission of applications for planning approval (Section 19 NABEG), waving prior federal planning (Section 5a NABEG). The project benefits from the procedural simplifications of the EU Emergency Regulation (Section 43m NABEG).

### 3.4 Interconnector projects

With the lines from Vierraden to Krajnik (PL), Hagenwerder to Mikulowa (PL), Röhrsdorf to Hradec (CZ) and the cable connections KONTEK (DK) and Kriegers Flak - Combined Grid Solution (DK), 50Hertz has five interconnectors in regular operation. The Hansa PowerBridge project involves the construction of an interconnector between Sweden and Germany. The Swedish government withdrew from the project in 2024. Nevertheless, the planning approval decision for the land lines and the German territorial sea from 2023 remains valid, and the project is still included in the current NDP draft 2037/2045 (2025) due to the clearly positive results of the cost-benefit analyses.

In the Bornholm Energy Island project, 50Hertz is continuing its cooperation with the Danish TSO Energinet and plans to connect Denmark to the Danish main island of Zealand

by linking the island of Bornholm to the 50Hertz control area using a hybrid interconnector. With the signing of the contracts for the joint procurement of a total of four HVDC converters and the handover of the funding decision from the Connecting Europe Facility (CEF) program in the amount of EUR 645m to Energinet, the project reached further important milestones on September 4, 2025.

50Hertz has signed a joint letter of intent with the involved TSOs for the further development of another potential interconnector project between Germany, Estonia, Latvia, and Lithuania. The Baltic-German PowerLink is a planned hybrid interconnector that has been included in the European TYNDP process. It is intended to integrate offshore wind in the Baltic counties and to provide additional cross-border trading capacities of 2 GW.

### 3.5 Grid expansion offshore

For the offshore grid connections in the Ostwind 3 project (ONAS OST-1-4; OWP Windanker) and the OST-6-1 project (ONAS OST-6-1; OWP Gennaker), 50Hertz is constructing offshore transformer platforms that will serve, among other things, as grid connections for the offshore wind farms. Both the offshore transformer platforms and the grid connection cables have been secured by contract. The implementation work for the two offshore grid connections is proceeding according to plan.

In the Ostwind 3 project, the OSS Jasmund was successfully installed at its destination off the coast of Rügen on December 17, 2025.

The Ostwind 4 (ONAS OST-2-4) project to connect the O-2.2 area will be 50Hertz's first offshore grid connection using direct current technology in the German Baltic Sea.

The LanWin3 project (ONAS NOR-11-1) will see 50Hertz build its first offshore grid connection in the North Sea. Together with TenneT, an innovative multi-terminal hub is also to be built in Schleswig-Holstein, as well as an onshore DC connection to Mecklenburg-Western Pomerania.

For the LanWin6 project (NOR-12-3), the tender for the offshore converter platform and the onshore converter for the DC32 project was launched in 2025. As with LanWin3, LanWin6 will also involve the creation of an innovative power hub (multi-terminal hub) in Schleswig-Holstein and an onshore DC connection to Mecklenburg-Western Pomerania (DC32) in collaboration with TenneT.

### 3.6 Financing

In the financial year 2025, the shareholders carried out a capital increase by injecting EUR 600m into Eurogrid's capital reserve.

In addition, Eurogrid raised EUR 3.1 billion in new funds for the Group, which will be used primarily to finance the investment program. This consists of the issuance of green bonds in the amount of EUR 1,900m (including EUR 1,100m as EU green bonds for the first time), the increase of an existing green bond by EUR 200m, and the syndication of a further green loan in the amount of EUR 1,000m.

These funds were made available within the Group for the business operations of 50Hertz and to finance the investment program. Eurogrid's debt issuance program has a total volume of EUR 15,000m. Of this, Eurogrid had raised a total of EUR 10,290m by the end of 2025. In December 2025, a further green loan of EUR 850m was syndicated.

In February 2026, a green revolving credit facility of EUR 5,250.0m was concluded, replacing two existing credit facilities with a total volume of EUR 3,750,0m. It serves to secure the investment volume. No utilization is currently anticipated.

The objectives of financial management include ensuring the solvency of the Group companies at all times and minimizing the potentially negative effects of developments on the financial markets. In the medium and long term, the financing capability of the extensive investment activities and a good credit rating should be ensured. Ongoing monitoring serves to achieve these goals.

In the second half of 2025, the rating agencies Standard & Poor's and Moody's published reports on the Eurogrid Group, confirming the ratings of BBB and Baa2 respectively, both with a stable outlook. In February 2026, Standard & Poor's reaffirmed this rating. Both rating agencies continue to emphasize that Eurogrid will have to finance a very high investment volume from 50Hertz in the foreseeable future, accompanied by increasing debt. The corresponding generation of funds from revenues is not increasing at the same rate as the financing volumes.

50Hertz has secured the supply and installation of essential equipment for the planned grid expansion measures through long-term contracts with a total volume of EUR 14.5 billion. This is an early response to the increasingly tight supplier market.

### 3.7 Grid charges and regulatory framework

Due to the Grid Fee Modernization Act, transmission grid fees have been charged uniformly throughout Germany since 2023. In the 2025 financial year, average grid fees amounted to 6.65 cents per kilowatt hour, while<sup>1</sup>, average grid fees in 2026 will only amount to 2.86 cents (previous year: 6.65 cents) per kilowatt hour. Transmission grid fees will be significantly reduced in 2026 by a nationwide subsidy of EUR 6.5 billion and will be published on December 5, 2025, in the joint price list of the four transmission system operators. The methodology for determining grid fees as well as the balancing of volume and cost deviations via the regulatory account, lead to earnings effects and corresponding liquidity impacts in subsequent periods.

The transition to the fourth regulatory period (2024 to 2028) of incentive regulation was linked to several adjustments: The revenue cap for 50Hertz Transmission was redefined by the Federal Network Agency, taking into account the cost level in the base year 2021, the equity interest rate set at 5.07 percent before taxes and 4.13 percent after taxes, the general sectoral productivity factor set at 0.86 percent, and the company-specific efficiency value of 100 percent determined by the Federal Network Agency.

With regard to the regulatory treatment of investments, a change was made in the fourth regulatory period to the capital cost reconciliation mechanism, thereby aligning it with the system used by distribution system operators. With the capital cost surcharge determined annually in accordance with Section 10a ARegV, all onshore investments (new construction and replacement) are now taken into account in the revenue cap without delay and subsequently adjusted by means of a plan/actual comparison. The capital cost surcharge is offset by the capital cost deduction determined by the Federal Network Agency as part of the cost review in accordance with Section 6 (3) ARegV, which reflects the declining remuneration for capital costs for existing plants. The investment measures instrument

pursuant to Section 23 ARegV, which was previously applied to expansion and restructuring investments, expired at 50Hertz Transmission on December 31, 2023.

Investments made since 2024 receive a different return on equity in the cost of capital premium. The equity interest rate, which is determined annually, is based on the current risk-free base rate and a risk premium of 3 percent. For 2024, the final equity interest rate for new investments was 5.65 percent after taxes. For 2025, the equity interest rate is 5.72 percent. A similar rule applies to offshore investments.

Various voluntary commitments (FSV) were renegotiated with the Federal Network Agency for the fourth regulatory period. These include, in particular, the FSV network losses, the FSV ReDem (redispatch), the FSV higher utilization, and the establishment of effective procedural regulations for control power. In addition, there are new FSVs such as the FSV Nutzen statt Abregeln (benefit instead of curtailment) § 13k EnWG, the FSV for dealing with additional expenses from the pre-financing of system service costs in 2022, the FSV systemically relevant gas-fired power plants, and the establishment of effective procedural regulation for the market-based procurement of reactive power as volatile costs.

In 2025, the Federal Network Agency made further determinations for the fourth regulatory period. These include, among other things, the specifications for instantaneous reserves and the specification of fees for singularly used operating resources in accordance with Section 19 (3) StromNEV. In addition, a procedure was initiated for the recognition of costs arising from the extended decommissioning of the Jänschwalde A lignite-fired power plant.

In the course of implementing the ECJ ruling on the independence of the Federal Network Agency, the regulations that have been decisive for network regulation to date, the Incentive Regulation Ordinance (ARegV) and the Electricity Network Charges Ordinance (StromNEV), will expire at the end of 2028. The legal regulatory framework under the EnWG will then be further specified and developed exclusively by the Federal Network Agency. As part of its expanded powers, the Federal Network Agency launched an industry dialogue in early 2024 to review and further develop regulation (the "NEST process"), which was primarily aimed at distribution and transmission system operators. The consultation process on the future regulation of TSOs began on March 5, 2025, with the publication of a Federal Network Agency key issues paper, following which the key issues and possible designs were discussed with the Federal Network Agency in several expert exchanges. In December 2025, the Federal Network Agency draft for a framework for TSO regulation was put out for consultation. According to this draft, a planned cost-based cost-plus regulation with efficiency incentives is to apply to onshore and offshore grids from 2029. An internationally accepted WACC (weighted average cost of capital) approach is to be used to calculate the capital costs. The Federal Network Agency also intends to introduce acceleration incentives in the form of bonus payments to TSOs for reducing redispatch volumes, as well as further efficiency incentives. Once the framework definition process has been completed, the individual instruments are to be further developed in methodological specifications. These procedures may continue until 2027.

In addition to the process for further developing the regulatory framework, on May 12, 2025, the Federal Network Agency opened a process for establishing the framework for the general electricity network tariff system (AgNes), which is to contain the successor

<sup>1</sup> Calculated using the average grid fees for the extra-high voltage and transformer levels with 1,000, 3,000, and 5,000 hours of use

regulations for tariff formation. The aim is to create a transparent, cost-oriented, and implementable network fee system that enables appropriate and fair cost distribution among all network users, takes new players and storage facilities into account, and better reflects actual network loads. In particular, it takes into account the increasing decentralized feed-in, changed grid usage patterns, and additional loads from electromobility and heat pumps. 50Hertz is actively involved in the consultation process.

### 3.8 Balancing group management

50Hertz settles all balancing groups in its control area on a monthly basis. At the end of 2025, this included 2,597 balancing groups of 755 traders, electricity distributors, generators, and grid operators operating in the control area.

### 3.9 System services

50Hertz procures ancillary services to balance the system, among other things. As a result of the decoupling of balancing energy procurement from the provision of balancing capacity in accordance with the Electricity Balancing Guideline, it is possible to change supply volumes and energy prices until shortly before real time. Since 2022, the national balancing reserve markets have been increasingly linked internationally.

The challenges of the energy transition also require further developments in the processes for balancing the system. In order to give market partners an overview of the planned changes to the balancing reserve markets by 2030, the four TSOs have prepared a Green Paper on balancing Reserves, which is currently being presented to the market partners.

The costs for procuring balancing power at 50Hertz have risen from EUR 105.5m (2024) to EUR 154.5m (2025) and are passed on via grid fees as part of the FSV control power.

The FSV "Utilization instead of curtailment- Power-to-Heat" was established on the basis of section 13 (6a) EnWG to finance and cover the costs of power-to-heat plants in order to use them more efficiently and at the same time avoid bottleneck-related shutdowns of renewable generation plants. Between 2023 and 2025, ten plants with a capacity of 240 MW were commissioned. Six further projects with a capacity of 265 MW are currently being implemented. To date, contracts worth a total of EUR 272m have been concluded for the financing of power-to-heat plants.

A new "Utilization instead of curtailment" instrument was introduced into the EnWG in December 2023. In accordance with section 13k EnWG, the German TSOs are to forecast redispatch-related curtailments of renewable energy plants in the morning of the previous day and allocate the corresponding electricity volumes to additional consumers in regions with a surplus of renewable energy. This new instrument was implemented by the TSOs and introduced on time on October 1, 2024. In Q1 2025, the first participant in the 50Hertz control area with a capacity of 20 MW was prequalified. Two further participants are currently undergoing prequalification at 50Hertz.

### 3.10 EEG settlement

The volume of EEG electricity within the 50Hertz grid area increased by 3 percent in 2025 compared to the previous year, mainly due to higher availability of onshore wind energy and solar energy. Of the total volume, 50Hertz marketed just under 9 percent of the EEG electricity generated in the 50Hertz control area.

Since January 1, 2023, EEG financing has been secured by federal subsidies to the TSOs. It is stated by law and contract that the EEG accounts of the TSOs must remain within a liquidity corridor. In 2025, the EEG accounts of the TSOs were therefore predominantly within this corridor, with only a few isolated cases where it was temporarily exceeded, mainly due to one-off effects in the annual settlement. The EEG account balance of 50Hertz Transmission rose from EUR 0.181 billion as of December 31, 2024, to EUR 0.352 billion as of December 31, 2025. For 2025, 50Hertz Transmission received subsidies totaling EUR 3.397 billion.

On October 24, 2025, the four German TSOs forecast an EEG financing requirement of EUR 14.567 billion for 2026, which is to be covered by the above-mentioned federal subsidy.

### 3.11 Other energy-related levies

In addition to settling the EEG process, the TSOs also handle the levies under the EnFG (KWKG and offshore grid levies). The changeover from a forecast-based approach to a cost-based approach for the handling of the KWKG levy and subsidy, as provided for in the EnFG, was successfully implemented. As a result, a significant reduction in the differences between the subsidy payments to the DSOs during the year and the audited data in the annual statement was already recorded for the 2024 subsidy year.

The "surcharge for special grid usage" (formerly § 19 StromNEV levy) included a component for the first time in 2025 whereby distribution system operators that integrate renewable energy plants to a particularly high degree receive financial compensation for the additional costs incurred (so-called supraregional passing on of additional costs due to RE integration). This contributed to a further harmonization of nationwide grid fees at the distribution system level.

### 3.12 Electricity price brake

The Electricity Price Brake Act provided for relief for companies and households through reduced electricity prices throughout 2023. The TSOs played a central role in the statutory compensation mechanism, as they handled both revenues and expenditures via accounts set up specifically for this purpose. The mechanism has since been in the settlement phase.

### 3.13 Network operation and system management

50Hertz ensures secure grid operation and the availability of the electricity grid in the entire control area. In addition to the ongoing management of the entire grid, taking into account new construction and maintenance projects, the grid operator regularly intervenes in power generation to maintain system stability. This concerns both interventions to maintain the current carrying capacity of operating equipment and measures to maintain the voltage bands. The challenges of voltage stability in particular continue to increase. This is primarily due to the increasing reactive power requirements of the grid. Reactive power is necessary for voltage stability, which is why reactive power and voltage stability are closely linked. In addition to an increasing demand for reactive power, there is also a simultaneous shortage of reactive power sources. This is partly due, the declining availability of conventional power plants for the provision of reactive power (displacement from the market by renewable energies) and the highly volatile feed-in of renewable energies, which on the one hand influence the demand for reactive power; on the other hand, the provision of reactive power by renewable energy plants is also

dependent on their active power feed-in. 50Hertz counters this imbalance on the one hand by building its own compensation system (primarily compensation reactors and STATCOM) and on the other hand by tapping reactive power potential from directly and subordinately connected customer systems and, in future, through the newly introduced reactive power market.

In 2025, trading with 15-minute products was expanded. A significant step was the switch to quarter-hourly intraday trading with some neighboring European countries and the possibility of trading 15-minute products in the cross-border day-ahead market from June 11, 2025. This harmonization of market processes will result in greater flexibility in electricity trading. 15-minute products are already an integral part of intraday electricity trading in the German bidding zone. Compared to 60-minute products, they enable a more precise representation of generation and consumption patterns, which is central to the integration of volatile feed-in profiles from renewables and beneficial for grid stability. These cross-border advantages now also apply across borders and represent a further building block in the integration of the European electricity market.

In 2025, a total of 15 PV peaks with a feed-in capacity of over 13 GW occurred in the 50Hertz control area. Two of these peaks exceeded 14 GW. On June 20, 2025, PV feed-in reached a new all-time high of 14.5 GW. On that day, redispatch measures amounting to 6.4 GWh were carried out, 4.5 GWh of which were measures involving renewable energy plants. The PV share of the grid load was 120 percent, while the total renewable energy share was 135 percent. On the wind side, a wind peak of over 17 GW and five wind peaks of over 16 GW were recorded in 2025. The annual maximum for total renewable energy feed-in was 20.8 GW on October 30, 2025; the peak value of 22.5 GW from April 2, 2024, remained unchanged. As in the previous year, the share of renewable energy in the grid load exceeded 100 percent for more than 1,900 hours during the financial year.

On April 28, 2025, there was a frequency dip in the European electricity grid. This resulted in a widespread power outage in Spain and Portugal, as well as parts of France. The planned disconnection of the systems between France and Spain, as well as Morocco, meant that the impact on the rest of the European grid was kept to a minimum. Apart from the frequency dip around the time of the disruption, 50Hertz did not identify any consequences that impaired system operation. 50Hertz is using the event to learn from the identified causes and implement its own measures to prevent similar incidents. At the European level, ENTSO-E conducted a comprehensive investigation and reported on this major disruption.

At 6.98 percent, avoidable grid disturbances as a proportion of all grid events are well below the target value of less than 8 percent. With only 86 disturbances recorded, the figures were significantly lower than in the previous year.

### 3.14 Grid loss energy

In 2025, grid losses amounted to 2.3 terawatt hours (TWh). 50Hertz covers its own grid loss energy requirements as part of a risk-averse procurement strategy based on the existing FSV grid loss regulations. Internal forecasting models are used to determine the expected grid loss requirements and initiate price hedging for the coming years. To minimize risk from the procurement of grid losses, futures with a volume of approximately 2.4 TWh have already been procured on the EEX electricity exchange for 2026. For 2027, 0.6 TWh had already been procured by the balance sheet date.

### 3.15 Employees

Compared to the previous year, the number of employees in the Group rose from 2,175 (including 52 trainees and 34 inactive employees) to 2,537 employees (including 70 trainees and 43 inactive employees) as of December 31, 2025, an increase of 16.6 percent.

The number of apprentices/dual is 70. 19 employees are completing a trainee program with stations in various departments at 50Hertz as well as at European TSOs and non-governmental organizations.

This year, employees had the opportunity to subscribe for up to 20 discounted Elia Group shares in order to participate in the success of the last financial year. Around 44 percent of those eligible took up the offer.

### 3.16 Occupational health and safety

The primary goal is to ensure safe and healthy conditions in the workplace and working environment and to prevent accidents at work and work-related illnesses.

Occupational safety is understood as a continuous improvement process and is systematically developed in order to consistently implement high standards in occupational health and safety. The occupational health and safety management system in accordance with DIN ISO 45001 provides a suitable framework that enables occupational health and safety to be integrated into the organizational and operational structure, occupational health and safety performance to be continuously reviewed and targeted improvement measures to be taken. In July 2025, the effectiveness of the existing occupational health and safety management system was reviewed by an external recertification audit and compliance with the standard was confirmed without any major issues. Regularly carrying out and updating activity-related risk assessments for all work areas, identifying potential sources of danger and assessing the risks as well as implementing suitable protective measures are also part of the preventive measures to avoid accidents.

With a view to establishing a continuously improving safety culture and open and constructive cooperation to prevent accidents at work, joint occupational safety issues were critically discussed with the external companies commissioned by 50Hertz for construction, overhead lines, and electrical installation work, and solutions were developed which were then put into practice. This cooperation was supported by joint workshops in the projects and a joint brochure entitled "Germany's transmission system operators – a common safety culture."

In order to recover from potentially stressful and challenging situations, overcome them, and emerge stronger, all employees have access to a range of resilience measures.

With Psychological First Aid (PFA), 50Hertz has created a structured support service that provides early assistance and initial stabilization for people in acute stress situations. As part of its duty of care, PFA complements existing occupational safety measures.

### 3.17 Research and development

The integration of renewable energies and the necessary development of the electrical system continue to be reflected in a series of research and development projects and studies at 50Hertz. In the areas of energy markets, system security, and new technologies a total of around EUR 159.4m (previous year: EUR 74.2m) was spent on research and development projects in 2025. Of this amount, the development costs for internally

generated intangible fixed assets currently under development were capitalized in the financial year. EUR 70.0m (previous year: EUR 38.3m) relates to intangible assets still under development and EUR 83.6m (previous year: EUR 30.3m) to completed self-created intangible assets. The remaining expenses mainly relate to personnel expenses and other expenses.

Last year, the 50Hertz Scientific Advisory & Project Board worked on three interdisciplinary research projects in cooperation with universities. Firstly, an analysis was carried out on the causes and effects of price spikes on the electricity market in times of renewable energy shortages, including research into the causes and recommendations for action. On a related topic, an analysis was also carried out on short-term load forecasts, with a particular focus on the effects of the behavior of large battery storage systems on load forecasts and the potential for improvement at the interface between the market and the system. In addition, a study was conducted on the possible introduction of a granular system of guarantees of origin in Germany.

Numerous publicly funded research projects were also carried out in collaboration with universities and other partners. These include, for example, the ProMetheUs project – the development of probabilistic methods for forecasting power flows and grid utilization, Graph Neural Networks for Grid Control – the acceleration of load flow calculations using AI to change the grid topology as an alternative to redispatch, and SysStab2030 – the development of market-based system services and minimum technical requirements for future electrical installations to maintain system stability.

# 4. Net assets, financial position, and results of operations of the Group

**Instead of the minus sign, a bracket is placed around the negative amounts in the tables. In the number representations, rounding differences are disregarded.**

The figures for financial year 2025 and the prior year refer to the calendar year for all Group companies.

## 4.1 Income statement

EUR m	2025	2024
Revenue	8,076.9	7,727.3
Cost-matching income	(5,640.8)	(5,456.8)
<b>Revenue from grid business and other revenue</b>	<b>2,436.1</b>	<b>2,270.5</b>
Other income	284.8	249.6
Cost of materials and purchased services	(6,917.3)	(6,823.1)
Income-matching cost	5,640.8	5,456.8
Cost of materials and purchased services, grid business	(1,276.5)	(1,366.3)
Personnel expenses	(275.9)	(233.0)
Amortisation and depreciation	(420.3)	(374.4)
Changes in provisions and other expenses	(21.0)	(14.4)
Result from equity investments accounted for using the equity method	0.5	1.9
Financial result	(91.7)	(81.8)
Income taxes	(150.1)	(142.3)
<b>Group profit</b>	<b>486.0</b>	<b>309.8</b>

In addition to the earnings from the core business, the "Grid business" segment, the Group's income and expenses are significantly influenced by the settlement of the EEG, the surcharge for special network usage, and the KWKG, which do not affect earnings ("non-earnings-related business"). Income and expenses from non-profit-business are included in the items "Cost-matching income" and "income-matching cost".

The TSOs market the renewable electricity fed into the grid by downstream grid operators and generators directly connected to the transmission grid, insofar as this is not subject to direct marketing, on an electricity exchange

50Hertz Transmission handles the following allocation mechanisms:

EUR m	2025	2024
EEG income	4,049.1	4,506.1
Income from surcharge for special grid usage (previously Sec. 19 StromNEV)	1,234.2	330.1
KWKG income	310.3	277.4
Energy price brake income	47.1	343.2
<b>Total non-profit business of the group</b>	<b>5,640.8</b>	<b>5,456.8</b>

The EEG is financed in accordance with the EnFG from funds from the federal budget. Every October, the TSOs forecast the EEG's financial requirements for the following year, thereby ensuring that the necessary funds are available from the federal budget. In addition to the above-mentioned federal subsidies (EUR 3,397.6m), the proceeds from the EEG settlement result from the marketing of the continuing high feed-in volume of renewable energies (EUR 374.1m). The expenses from the EEG settlement include, in particular, the market premiums to be paid out, which have risen due to the level of electricity prices – as the difference between the fixed price and the volatile exchange price.

The surcharge for special grid usage refers to the procedure formerly known as the levy under Section 19 of the Electricity Network Charges Ordinance (Strom NEV) for financially compensating for the shortfall in revenue from reduced grid usage fees paid by end consumers with high electricity consumption. This surcharge on grid usage fees is forecast by the TSOs and published in October for the following year. As a result of a Federal Network Agency ruling, DSOs were able to claim compensation for additional costs arising from the integration of renewable energies for the first time. The surcharge on grid usage fees rose to 1.558 ct/kWh in 2025 (previous year: 0.643 ct/kWh), resulting in a significant increase in levy revenues.

Revenues from the CHP levy increased to 0.277 ct/kWh (previous year: 0.275 ct/kWh), mainly due to higher revenues from horizontal burden sharing and an increase in the CHP levy.

The skimming mechanism under the Electricity Price Brake Act only applied to the 2023 calendar year and has since been in the winding-up phase. This led to skimming revenues of EUR 44.8m (previous year: EUR 336.1m) and interest and investment income of EUR 2.3m (previous year: EUR 7.0m).

The income and expenses from the individual levy mechanisms have no impact on the Group's overall results.

The Group provides services to third parties for whom procurement and sales transactions are concluded on the electricity market, but these do not have any economic impact on the Group. Income and expenses are therefore not reported. This billing volume amounts to EUR 1,593.8m in the 2025 financial year (previous year: EUR 1,475.4m).

The core segment "Network Provision" with revenues from the network business presents the following picture:

EUR m	2025	2024
Revenue from incentive regulation	1,442.7	1,438.0
Revenue from offshore regulation	525.0	417.7
Revenue from ancillary services and balancing management	451.5	402.1
Construction cost subsidies	1.1	1.5
Other revenue	15.7	11.2
<b>Revenue</b>	<b>2,436.1</b>	<b>2,270.5</b>

Revenue from incentive regulation includes the grid usage fees of EUR 1,830.6m (previous year: EUR 1,733.5m) for the financial year 2024, determined through the revenue cap, to which the TSO is entitled. These grid usage fees are influenced by catch-up and compensation effects, due to existing rolling mechanisms, which are recognized in the balance sheet as regulatory claims or obligations. In the 2025 financial year, these period effects (excluding interest and taxes attributable to them) led to an overall reduction in grid revenue and thus in the Group result for the period of EUR 387.9m (previous year: EUR 295.6m).

The income from offshore regulation includes the Germany-wide mechanism to offset the costs of compensation or disruptions as well as the costs of construction and operation of offshore connection lines. The income from offshore grid levy amounted to EUR 525.0m (previous year: EUR 417.7m), which increased further due to the higher offshore grid levy of 0.816 ct/kWh (previous year: 0.656 ct/kWh). Expenses from offshore regulation include chargeable grid connection costs for 50Hertz Offshore and 50Hertz Connectors in the amount of EUR 455.7m (previous year: EUR 380.8m).

The Revenue from system services and balancing group management (EUR 451.5m; previous year: EUR 402.1m) increased slightly, corresponding to the associated electricity procurement items.

In addition, the Group generated other income of EUR 284.8m (previous year: EUR 249.6m). This corresponds to the increased investment volume and the corresponding rise in capitalized own work.

Cost of materials and purchased services include expenses for electricity procurement and purchased services totalling EUR 934.9m (previous year: EUR 1,051.3m). Expenses for grid loss procurement show a sharp decline (-EUR 193.1m), after the electricity market effects from 2022 continued to have an impact on price hedging until 2024. This was offset by cost increases in the area of control energy procurement (+EUR 75.8m), among other things.

Personnel expenses amounted to EUR 275.9m (previous year: EUR 233.0m). The increase is due to the continued expansion of the workforce.

Depreciation and amortization accounted for EUR 420.3m (previous year: EUR 374.4m). The development of depreciation and amortization corresponds to the steady progress of investment activity.

Other expenses of EUR 21.0m (previous year: EUR 14.4m) were impacted by an increase in asset disposals compared with the previous year.

Onshore OPEX amounted to EUR 236m in the financial year 2025 (previous year: EUR 243m). This figure reflects an aggregate of various items from personnel-related and other non-energy-related expenses. The Actual costs were below the target corridor of EUR 254m to EUR 280m. This was mainly due to lower costs as a result of ongoing efficiency measures.

The result from investments accounted for using the equity method is mainly attributable to Elia Grid International NV/SA.

The financial result amounted to EUR -91.7m (previous year: EUR -81.8m). It includes financial income (EUR 96.8m; previous year: EUR 60.6m) and financial expenses (EUR -188.5m; previous year: EUR -142.4m). Rising interest rates and an increase in external financing led to a significant increase in financial expenses of debt, with compensatory effects from the capitalization of construction period interest (EUR 124.4m; previous year: EUR 78.0m).

Earnings before taxes reached EUR 636.1m (previous year: EUR 452.1m). After deducting income taxes (EUR 150.1m, previous year: EUR 142.3m), consolidated net profit amounted to EUR 486.0m (previous year: EUR 309.8m). The IFRS after-tax result is above the target corridor of EUR 380m to EUR 420m. The target corridor was exceeded mainly due to one-time effects from the calculation of deferred taxes as a result of the corporate income tax reduction from 2028 (EUR 46.5m) and financing effects in connection with an offshore grid connection system.

## 4.2 Net assets and financial position

EUR m	2025	2024
<b>Assets</b>		
Non-current assets	15,837.1	12,032.4
Current assets	3,224.0	2,378.6
	<b>19,061.1</b>	<b>14,411.0</b>
<b>Equity and liabilities</b>		
Equity	3,972.2	3,103.9
Non-current liabilities	11,916.1	8,437.5
Current liabilities	2,215.3	2,294.1
Regulatory items (net)	957.5	575.5
	<b>19,061.1</b>	<b>14,411.0</b>

Non-current assets mainly comprise property, plant, and equipment, including assets under construction, and are covered by equity to 25.1 percent (previous year: 25.8 percent). Continued investment activity and further equity contributions by shareholders have had a

significant impact on the balance sheet. The Group achieved an investment volume of EUR 3,787m (previous year: EUR 3,627m), which exceeds the previous year's figure as a result of accelerated project implementation and commissioning, accompanied by continued personnel growth in the supporting areas. The target value of EUR 3,800m was almost achieved.

Non-current liabilities consist mainly of liabilities to bondholders. The increase is due to further bond issues in the amount of EUR 2,100m. In addition, green loans totaling EUR 1,850m were taken out to finance the investment measures, of which EUR 850m was not drawn down. For the first time, medium- and long-term contractual liabilities of EUR 503.9m (previous year: EUR 36.0m) in connection with the construction of grid connections are also reported separately.

Current assets mainly comprise trade receivables, other receivables, and cash and cash equivalents. Current liabilities mainly comprise trade payables.

The high billing volumes from the grid business are reflected in current assets and liabilities. As of the balance sheet date, there were higher receivables from levies, including in particular the compensation claim against the federal government for EEG financing pursuant to Section 6 of the Energy Industry Act (EnFG), as well as a significant increase in cash and cash equivalents.

The Group uses hedge accounting to recognize derivative financial instruments that result from the equivalent value of the contractually contracted portfolio of futures traded on the EEX. On the balance date, derivative financial instruments (EUR -7.2m; previous year: EUR 11.5m) are recognized in other comprehensive income and reported in equity, considering deferred taxes at fair value. The measurement effects remain in equity until the financial realization of these contracts occurs in subsequent years. In the financial year 2025, the Group generated a result of EUR -9.1m (previous year: EUR -233.6m) from the long-term price hedging of grid loss procurement. This development is due to the significant decline in electricity prices compared with previous years. The daily revaluation of the futures and the daily financial settlement of the security deposits with electricity exchange result can lead to liquidity effects for the group, depending on the dynamics of the electricity price development, due to incoming or outgoing payments by the EEX clearing house, the current balance of which EUR 6,9m is included in current assets (previous year: current liabilities EUR -11.5m)

Regulatory obligations show an increase of EUR 382.0m to EUR 957.5m (previous year: increase of EUR 290.7m to EUR 575.5m). In addition to the settlement of balance carryovers from previous periods, a large part is attributable to the allocation to the regulatory account (+EUR 155.1m) and return obligations from congestion management (+EUR 90.2m) for the reporting year. This was offset by returns for past regulatory account periods (EUR -87.0m), for congestion management (EUR -25.2m) and the FSV unwanted exchange (EUR -39.7m), among other things. The changes in the regulatory account are attributable to various individual effects, which are subject to interest and compensation via the regulatory account and are reversed in subsequent billing periods in accordance with regulatory requirements and offset via grid fees.

Equity increased significantly by EUR 868.3m. This was due to an equity injection of EUR 600m and the high consolidated net income of EUR 486.0m. On the other hand, the profit distribution of EUR -210m to shareholders and the effects within other comprehensive income (OCI) from hedge accounting had a negative impact.

## 4.3 Cash flow statement

EUR m	2025	2024
Cash flow from operating activities	1,172.1	609.8
Cash flow from investing activities	(3,607.1)	(3,492.8)
Cash flow from financing activities	2,925.4	3,404.0
<b>Change in cash and cash equivalents</b>	<b>490.4</b>	<b>521.0</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,772.8</b>	<b>1,282.4</b>

Cash flow from operating activities shows a clearly positive trend. Cash flow from investing activities mainly reflects payments in connection with the ongoing expansion of the network, which is reflected in additions to property, plant, and equipment.

Cash flow from financing activities includes inflows from an equity injection of EUR 600m and from burrowing additional funds (EUR 3,100.3m). Cash outflows resulted from the profit distribution to shareholders of EUR 210m and the repayment of financial liabilities of EUR 564.9m.

Cash and cash equivalents increased compared with 2024. This was mainly due to various one-off effects within working capital and positive cash flow from operating activities. Cash and cash equivalents include restricted amounts of EUR 453.4m (previous year: EUR 360.5m), which are held for the EEG and CHP processes and for the settlement of the electricity price cap.

In addition to the reported cash and cash equivalents, Eurogrid has undrawn loans and credit lines with several banks totaling EUR 4,750m.

## 4.4 Overall statement on the economic situation

Overall, the Group generated an extremely successful result in the financial year 2025. At EUR 486.0m, the target corridor for IFRS after-tax earnings of EUR 380 to EUR 420m was significantly exceeded. This was mainly due to special effects from the revaluation of deferred taxes in connection with the planned reduction in corporate income tax from 2028 onwards, as well as positive financing effects. In addition, the continuing increase in investments in grid expansion continues to make a positive contribution to the overall result through its impact on revenue.

The financial obligations due in the financial year 2025 were covered at all times by the available liquidity.

# 5. Forecast, opportunity and risk report

## 5.1 Forecast report

The Group will continue to invest in the development of the transmission network, in particular to be able to safely and efficiently absorb the growing share of electricity from renewable energies and transport it to the centers of consumption. The requirements of the current network development plan are aimed at ensuring a large number of measures and their rapid implementation. This is also evident from the investment volume target achieved in 2025 compared with the business plan.

The investment volume, which has already increased significantly in recent years, will rise again from 2026 onwards. This will also lead to a sustained high level of financing and resource requirements in future financial years. As the Group's cash generation continues to fall short of its financing requirements, borrowing and equity injections by shareholders are also planned as strengthening measures in the future. Financing on the capital market is secured via an investment grade rating for Eurogrid, providing its subsidiaries financial resources. In addition, other sources of financing are to be utilized. Active cash and financial performance management complements and supports these capital measures. In order to cope with the growing investment volume, further staff recruitment and the conclusion of additional long-term supply and service partnerships with companies in the supplier industry are planned.

The Group continuously pursues measures to ensure the efficiency of processes and cost structures, thereby limiting the cost increases caused by the energy transition as much as possible. Staffing levels are being increased primarily to implement investment projects and meet system requirements in the context of the energy transition, which is associated with high capitalization of personnel costs. Only moderate staff growth is planned in administrative areas, as digitalization and process simplification are expected to enable additional efficiency gains.

In 2025, the OPEX target for onshore activities was exceeded. The main drivers were lower costs as a result of ongoing efficiency measures. Overall, operating expenses are expected to rise steadily in the coming years. The main drivers for this are the growing investment volume and new regulations and requirements for system operation. The costs of system services such as redispatch measures and grid loss energy are significantly influenced by electricity price developments, the expansion of renewable energies in conjunction with weather conditions, and grid topology.

The financial performance indicators show the following development:

(in EURm)	2024	2025	2026
<b>Investment volume</b>	<b>3,627</b>	<b>3,787</b>	
Target corridor/target value (plan)	3,215 - 3,365	3,800	5,100
<b>IFRS after-tax result (actual)</b>	<b>310</b>	<b>486</b>	
Target corridor (plan)	230 - 270	380 - 420	585 - 625
<b>OPEX value onshore</b>	<b>243</b>	<b>236</b>	
Target corridor (plan)	255 - 278	254 - 280	303-335
<b>Securing external financing (actual)</b>		<b>3,954</b>	
Target corridor (plan)			>=2,200

In the financial year 2025, diversification of financing was used as a supplementary financial performance indicator. The goal was to raise more than 40 percent of new funds through alternative financing sources other than listed bonds. This was clearly achieved with 55 percent, as a total of EUR 1,854m of the necessary financing was secured outside the bond market.

The above planning for financial year 2026 is based on the following assumptions:

- Stability of the regulatory framework in line with the current legal situation,
- largely stable interest rate environment,
- implementation of the ambitious investment program as planned,
- Maintain a solid investment grade,
- 50Hertz's normal course of business with no unusual weather conditions and no major technical disruptions.

The key non-financial performance indicators show the following development:

Assessment of grid expansion	2024	2025	2026
<b>Line kilometers with newly received planning approval decision in km (actual)</b>	<b>176</b>	<b>170</b>	
Target corridor (plan)		>212	—
<b>Newly constructed lines in km (actual)</b>	<b>126</b>	<b>94</b>	
Target corridor (plan)		>69	>112
<b>Commissioned transformer station capacity in MVA (actual)</b>	<b>1,000</b>	<b>4,000</b>	
Target corridor (plan)		>5,600	>7,200
<b>Commissioned reactive power in Mvar (actual)</b>	<b>678</b>	<b>1,072</b>	
Target corridor (plan)		>1,477	>755
<b>Completed connection installation contracts (actual)</b>			
Target value (plan)			4
<b>Number of achieved predefined priority project milestones (actual)</b>	<b>7</b>	<b>4.5</b>	
Target value (plan)	9	6	6

In order to evaluate the grid expansion, the progress made in obtaining approvals for routes was also taken into account in the 2025 financial year, in addition to the equipment that was actually installed or commissioned. As approvals should no longer represent a significant bottleneck in the future, this target will be removed for the 2026 financial year and replaced by the connection construction contracts that have been concluded. The target values set are based on annual project planning and may vary from year to year. In 2026, the target value for route kilometers to be constructed will rise sharply with the increase in investments. In terms of substation capacity, a significantly higher expansion of transformers, phase shifters, and similar equipment is planned, whereas for reactive power, the current project status indicates a reduction in the target value compared with the previous year.

Assessment of network availability	2024	2025	2026
<b>Network events in relation to 100 km system circuit length (actual)</b>	<b>1.12</b>	<b>0.8</b>	
Target corridor (plan)	1.2	1.2	1.2
<b>Ratio of avoidable grid events to all grid events (actual)</b>	<b>8.4 percent</b>	<b>7 percent</b>	
Target corridor (plan)	<15 percent	≤8 percent	≤8 percent

Overall, there were only 0.80 grid incidents per 100 km of system circuit length in the reporting year, which is lower than the target value of 1.2. At 7 percent avoidable grid disruptions in relation to all grid incidents are below the planned value of less than 8 percent. As in the previous year, grid availability exceeds the target value overall.

Evaluation of occupational health and safety	2024	2025	2026
<b>Accident frequency</b>			
<b>TRIR (Total Recorded Injury Rate) own employees (actual)</b>	<b>2</b>		
Target corridor (plan)	<4.2		
<b>TRIR (Total Recorded Injury Rate) own employees &amp; external company employees (actual)</b>	<b>4.6</b>	<b>6.3</b>	
Target corridor (plan)		<4.7	<6.3
<b>Health rate</b>			
<b>Ratio of planned working days minus the number of days lost due to illness in relation to the planned working days (actual)</b>	<b>96.7 percent</b>	<b>96.8 percent</b>	
Target value (plan)	>96.8 percent	>96.8 percent	>96.8 percent

Starting in financial year 2025, the combined TRIR for our own employees and employees of external companies was introduced as a non-financial performance indicator that represents the ratio between the number of accidents and productive hours in order to obtain a more accurate picture of the overall accident frequency and to eliminate the previous distinction between our own employees and the employees of external companies. The prevention of fatal and electrical accidents is a top priority for all employees.

During the reporting period, there were 4 workplace accidents with a total of 10 days of absence and 5 further workplace accidents related to electricity without any days of absence. None of the accidents resulted in serious injuries. Among external companies working for 50Hertz, there were 52 accidents at work, 22 of which did not result in any days lost. Although the high standards of occupational safety also apply to external companies working for 50Hertz and are monitored both prospectively (quality assurance on construction sites) and retrospectively (evaluation of incidents), the accident rate in this group is higher. Since 2025, a digital EHS tool has been available that makes it much easier for employees and contracted partner companies to report accidents and environmental incidents and greatly shortens reporting channels. In addition, measures for the continuous improvement of occupational health and safety have been implemented and further steps are planned. Overall, the accident frequency, which is measured using the common TRIR and stands at 6.3 in 2025, has exceeded the target value of 4.7. For the 2026 financial year, a TRIR of 6.3 has been set as the target, which is slightly lower than in 2025 but still ambitious. The announced health rate was achieved in 2025, and the target level for 2026 remains high.

Diversity	2024	2025	2026
<b>Increase in personnel (net)(actual)</b>	<b>343</b>	<b>362</b>	
Target corridor (plan)		400	290 - 360
<b>Women's quota</b>	<b>26.4 percent</b>	<b>28.2 percent</b>	
Target corridor (plan)	>27 percent	>27 percent	>28 percent

Net personnel growth within the Group continued in 2025 but remained below target due to the ongoing challenges in the labor market and, in some cases, very long notice periods for new hires. Nevertheless, numerous employment contracts for 2026 have already been concluded. In order to further advance grid expansion and the energy transition, a net increase of 290-360 employees is planned for 2026. A long-term target of 30 percent is being pursued for the proportion of women. In 2025, the proportion of women increased further, exceeding the target of 27 percent by 1.2 percentage points. The target for the 2026 financial year has been adjusted to > 28 percent.

Overall, the Group expects positive business development with a solidly financed balance sheet structure in 2026. The IFRS earnings after tax significantly increases in line with the massive investment activity, which will lead to an increasing return on assets.

## 5.2 Risk management system

The goals of risk management are the fundamental avoidance of risks that endanger the existence of the Group, the reduction of existing risk positions, and the optimization of the risk-opportunity profile. Risks are recorded, evaluated and monitored in a standardized manner using the existing risk guidelines. Risk dimensions are derived based on the Group's objectives. Risks are categorized according to their main impact, which can be one of the following: protection of life and limb, security of supply, reputation, liquidity and earnings.

Risks are categorized into relevance classes from 1 to 5 in terms of their impact, with the relevance classes being graded in 5 levels. Depending on their severity, these range from "low" to "going concern." The assessment of potential damage and probability of occurrence is based on scenarios. The financial effects are calculated using the 95 percent confidence level, which includes the probability of occurrence and the extent of loss as value-at-risk or cash flow-at-risk. Relevance class 1 assumes a low level of cash flow at risk of between EUR 1m and EUR 5m and an earnings risk of up to EUR 1m; relevance class 5, on the other hand, assumes a level of cash flow at risk of over EUR 6,800m and an earnings risk of over EUR 1,600m.

Aggregation is used to determine the company's overall risk and risk-bearing capacity, which can arise in relation to risks to profit and loss or the group's liquidity situation. The following section reports on the main risks in relevance class 3, which are within the ranges of EUR 50m to EUR 1,300m for cash flow-at-risk and EUR 5m to EUR 50m for earnings risks and are marked accordingly. In addition, the following section reports on existing material risks in relevance class 3, which are not quantified in monetary terms, and on material strategic risks. Serious risks (relevance class 4) or going concern risks (relevance class 5) were not identified either individually or in aggregate.

The Group continuously monitors the risk situation, in particular for the early identification of potential risks to the company as a going concern. As part of the strategic orientation of risk management, the selection and implementation of countermeasures is ensured as required. The management of significant corporate risks is monitored as part of the systematic preparation and central tracking of action plans. Relevant individual risks and the overall risk situation are reported regularly to the Executive Board, the supervisory board, and the shareholders of the Eurogrid Group. In the event of significant changes, the responsible decision-makers are informed on an ad hoc basis. The functionality and effectiveness of the risk management system are subject to regular reviews.

## 5.3 Opportunities and risks

The Group operates within a regulated framework that is characterized to a limited extent by opportunities and risks. Opportunities generally arise from incentive regulation and from the possibility of earning additional regulatory remuneration to a certain extent, e.g., through efficiency gains or cost savings. Structural advantages may result from more favorable refinancing than the financing costs granted by the regulator; however, rising refinancing costs are increasingly leading to disadvantages from potentially insufficient regulatory remuneration. The Group's main opportunity lies in strengthening its regulated asset base (operating assets in the calculatory sense) and achieving organic growth while maintaining efficiency and ensuring timely and requirement-oriented investments in the transmission grid and grid connections. Further opportunities exist in that 50Hertz, as an independent TSO in the European environment, can actively shape the changes and requirements of the energy transition while at the same time acting as a reliable and powerful partner for customers supplied in the grid area. The European positioning is to be further strengthened through joint activities with the Elia Group. This should create a positive regulatory framework for the company's further development and limit the economic burdens in terms of ensuring economic viability in line with requirements. The Group's opportunities therefore lie in its "network provision" operating segment. In the "non-revenue-generating business" segment, which primarily comprises the legally compliant, non-revenue-generating processing of the EEG, the StromPBG and grid fee-based levies, there are no significant opportunities, but liquidity risks may arise to a limited extent.

## 5.4 Opportunities and risks from political, regulatory and legislative matters

The Group's business activities are largely determined by regulation and the legal framework, which in turn are influenced by energy policy objectives. Changes in the regulatory and legal framework can have a lasting positive or negative impact on the Group's earnings and liquidity situation.

As a transmission system operator, 50Hertz Transmission and its numerous tasks are subject to regulation by the Federal Network Agency. The influence of this regulation also extends to the subsidiaries 50Hertz Offshore and 50Hertz Connectors. The approval of the revenue cap and the collection of grid usage fees, as well as the handling of cost allocation for offshore grid connection systems within the framework of the offshore grid surcharge, are subject to supervision by the Federal Network Agency. Decisions made by the Federal Network Agency within the current regulatory framework, as well as changes to the regulatory framework through amendments to the relevant regulations, could have a

significant positive or negative impact on 50Hertz. As part of the implementation of the ECJ ruling on the independence of the Federal Network Agency, the ARegV and StromNEV, which have been decisive for network regulation to date, will expire at the end of 2028. The legal regulatory framework under the EnWG will then be further developed and specified exclusively by the Federal Network Agency.

In December 2025, the Federal Network Agency published its draft framework for regulating TSOs from 2029 onwards. Until the consultation process is completed and the final framework is established, there will continue to be risks arising both from the fundamental uncertainty about the final regulations and from the structure of the regulatory return on capital. Depending on the specific design, the outlined acceleration and efficiency incentives may present both opportunities and risks for TSOs. Risks due to uncertainty about the development of the regulatory rate of return also exist in the short and medium term in the capital cost surcharge system that has been in place since 2024. The equity interest rate for new investments from 2024 onwards will be adjusted annually and only finalized at the end of the year. In the event of falling interest rates, the regulatory equity interest rate would be reduced, and with it the return on tied-up capital. For earlier investments, the constant interest rate for existing investments in the fourth regulatory period will be applied. Both the variable interest rate and the differentiated treatment of investments according to the time of investment carry the risk of reducing the attractiveness for investors and the conditions for the provision of capital.

Energy policy legislation and guidelines on renewable energies have a strong influence on 50Hertz transmission's liquidity and allocation-related billing processes. Changes in the relevant legislation or the interpretation of this legislation can improve or worsen the liquidity situation. The implementation of the EEG may result in significant quantified financing risks if the promised federal funds are not sufficient and additional federal funds cannot be provided or cannot be provided in time. Thus, the TSO's could have to provide necessary interim financing.

Costs arising from energy industry processes of control reserve provision, grid loss procurement and the elimination of grid congestion (congestion management costs), which were assessed as significant, are subject to regulatory incentive mechanisms. The incentive mechanisms can result in both opportunities and risks for 50Hertz through the achievement of bonuses or penalties. The amount of the achievable bonuses/penalties is capped.

In the area of energy billing, planned data and estimates are processed on an ongoing basis and then replaced by the corresponding actual values in subsequent periods when they become available. These estimation processes may result in deviations and consequences that affect liquidity and/or earnings. Furthermore, these planned data may deviate significantly from the actual values due to unforeseeable circumstances or weather conditions, or because changed standards are applied in connection with regulatory rollover, or because the Federal Network Agency (BNetzA) makes new determinations. Deviations have a direct impact on the Group's results for the year in which they are identified or, in the context of offsetting against the revenue cap, on the results for subsequent years. Increased volatility on the energy markets is leading to greater forecasting risks when determining planned energy costs. The refinancing of differences is largely guaranteed by a plan/actual comparison in the regulatory account. However, any interim financing that may be necessary can lead to liquidity and interest rate effects.

The rapid development of renewable energies and the fact that grid expansion is not proceeding at the same pace may also make it necessary in the future for grid operators to intervene to a greater extent resulting in correspondingly high-cost burdens and thus possibly to significant interim financing requirements.

In addition to the effects on grid expansion due to high volatility of generation, the increasing integration of renewable energies significantly affects system stability. 50Hertz is responsible for identifying the necessary system requirements to ensure safe and stable system operation and to take the necessary measures at all times. The necessary system interventions can result in significantly quantifiable risks from the recognition of cost allocation. Since 2023, the number of grid connection requests from battery storage facilities has grown enormously, leading to bottlenecks in the allocation of grid connections. With the clarification of the scope of application of the KraftNAV at the end of 2025, the first and essential step was taken towards the urgently needed reform of the grid connection procedure away from "first come, first served." On April 1, 2026, the four German TSOs will therefore introduce a new grid connection procedure in which projects will no longer be evaluated according to the date of submission of their grid connection application, but according to their respective project maturity.

The ongoing energy transition presents numerous challenges that transmission system operators must face. On the one hand, the realization of continuously high investment volumes and their refinancing, and on the other hand, the better, more targeted design and meshing of the electricity grid to ensure system security at all times and, if possible, reduce redispatch costs. Acceptance and affordability are important aspects in the further integration of renewable energies into the existing grid, but they are also at odds with the still lengthy approval procedures and rising raw material and procurement costs, which also have an impact on the level of grid fees. In addition to the switch from EEG financing to funds from the federal budget, federal subsidies are also increasingly being used to reduce grid usage fees.

In terms of the international cooperation between European TSOs in the further development of European electricity grids, opportunities arise from the realization of additional investment potential. However, there are also possible legal uncertainties and, possibly, risks that arise from the realization and refinancing in the German and European regulatory framework. A political dimension also arises from the need to create international treaty or legal regulations and the energy policy objectives of the participating countries.

## 5.5 Opportunities and risks from technology and infrastructure

50Hertz's fixed assets are geographically dispersed throughout the control area and may be a potential target for theft, terrorism, and sabotage. The KRITIS umbrella law regulates measures to ensure the security and resilience of this critical infrastructure. Furthermore, the facilities are exposed to environmental influences, which can lead to considerable damage in certain weather conditions or to faster wear and tear.

As an infrastructure operator responsible for safe and reliable power supply for around 18m people, 50Hertz is obliged to be well prepared for crisis situations. Disruptions within the European electricity grid can also affect 50Hertz, depending on their scope. These risks are countered through close communication between those responsible in the control centers

and targeted training programs for the employees responsible there. In addition, crisis tools are continuously developed and crisis exercises are carried out regularly to train our own skills and identify potential for improvement.

In the event of voltage fluctuations or interruptions, grid failure, or failure to implement legally required emergency measures, 50Hertz may, under certain circumstances, be held liable for damages to its customers and/or third parties. This can result in reputational and quantifiable cost risks for the TSO, which must be addressed appropriately.

The connection and operation of OWP is a business field with additional technical and organizational challenges, as the legislator has decided to allow wind farms to be built relatively far off the German coast. Despite careful preparation and analysis, technical problems are often only discovered in the implementation and operation phase and must then be solved immediately. Delays and changes in the planning and construction phase, as well as unplanned changes in the operational phase, are therefore possible. 50Hertz also independently constructs offshore platforms and enters into cooperation models with OWF operators. In addition to opportunities arising from the assumption of project responsibility and control, this also results in realization risks and, in some cases, additional liability towards the OWP. If 50Hertz is held responsible for a delay or interruption in the establishment of an offshore grid connection, the company must essentially compensate the wind farm operator for the financial loss. The expenses associated with the compensation can be partially offset by compensation amounts through recourse to the suppliers. According to the EnWG, the risks for the TSO are limited: in the event of a culpable, non-intentional delay or disruption of the connection, the TSO only has to bear part of the damages itself. Nevertheless, significant assessed risk remain with the connecting TSO.

High-voltage systems, and high-voltage cables in particular, increasingly represent a considerable value in the company's fixed assets. The proportion of onshore direct current cables will also increase significantly in the coming years on a project related basis. As a result of the prospective increase in the use of direct current connections, complex converter stations will be installed both on land and at sea. As there is as yet no comprehensive long-term operating experience with these technologies, there is a risk of design errors that are only discovered during operation. As a preventive measure, various tests are carried out between the start of production and commissioning. However, it cannot be completely guaranteed that all causes of faults, including combined causes, can be identified. In extreme cases, this can lead to the need to replace an entire cable system. This would result in high unscheduled depreciation, compensation payments, e.g., to offshore wind farm operators, and investment costs. The risk is mitigated by, among other things, close cooperation with suppliers, extensive functional tests prior to commissioning, case-by-case insurance, warranty guarantees after commissioning, monitoring of the cables during operation, and the possibility of passing on costs via the regulatory framework. The cost risks no longer necessarily and completely affect the grid operator, but there are still significant quantifiable recognition risks in the event that the BNetzA classifies certain costs as not covered by regulation.

The construction of power lines is associated with acceptance risks among local stakeholders and with complex administrative procedures. Despite intensive efforts by 50Hertz's approval and participation experts and the application of legal regulations to accelerate grid expansion, delays in line construction are therefore still possible. In addition, the high number of parallel procedures harbors the risk of resource bottlenecks at the

federal and state authorities concerned. The market for required services (experts, environmental planning and route planning offices, engineering offices, mapping experts) is also extremely tight throughout Germany due to the high demand for construction in the infrastructure sector. Timely access to suitable resources and suppliers who can provide services that meet requirements is becoming increasingly important and can reduce time constraints as well as cost effects. In addition, due to the complexity of the projects, there are other possible causes for delays and additional costs, which can be reduced with project management but not completely eliminated. Delays in network expansion can lead to an increase in operating costs to cope with grid bottlenecks and also to an increase in critical situations in grid operation. The reason for this is that the new lines are urgently needed to transport the constantly growing variable feed-in of renewable energies in the 50Hertz control area to areas with higher consumption, and planned shutdowns of conventional power plants near the consumption centers in the south and west are approaching.

To ensure the secure operation of its transmission grid, 50Hertz uses a highly available grid control system that is continuously being developed to guarantee reliable and secure grid operation at all times.

The safe operation of grid systems, maintenance, and the construction of new grid systems can be impaired by developments in the geopolitical situation (such as trade restrictions). This can result in risks in the supply chain and consequently in the timely and high-quality delivery of essential equipment and services. High standards for quality, delivery reliability, and long-term contractual relationships are applied when selecting suppliers and awarding contracts. A consistent dual-vendor strategy is pursued for system-critical components in order to reduce dependencies and the risk of errors.

The construction of new plants offers opportunities through accelerated completion and early commissioning of plants. Earlier transfer to fixed assets enables higher returns, which frees up additional capital for further investments. Overall, however, opportunities in this area remain limited due to the regulatory framework.

As an operator of critical infrastructure, 50Hertz is exposed to the risk of targeted cyber-attacks. To protect against such attacks and to ensure information security, 50Hertz is required by the IT Security Act to design the processing, storage, and communication of information in such a way that the availability, confidentiality, and integrity of the information and systems are sufficiently ensured. The regulatory requirements for this are set out in the IT Security Catalog for Network Operators of the Federal Network Agency (BNetzA) in accordance with Section 11 (1a) of the Energy Industry Act (EnWG). According to this requirement, 50Hertz Transmission, as a network operator, is obliged to maintain an information security management system in accordance with ISO 27001 and have it certified. IT risks are systematically identified and addressed through the established security process. In particular, the security notices and warnings issued by the BSI are recorded and evaluated. Where necessary, appropriate protective measures were derived and implemented. In the reporting year, no targeted cyber attacks on 50Hertz were recorded, nor was any damage caused by information security incidents.

## 5.6 Risks from health, occupational safety and personnel

The prevention of accidents and work-related illnesses is a top priority at 50Hertz. Occupational health and safety are firmly integrated into the corporate strategy. Despite all preventive measures, accidents at 50Hertz workplaces or in connection with the construction and use of 50Hertz facilities cannot be completely ruled out. Accidents can result in injuries or, in extreme cases, loss of human life, as well as financial or reputational damage for 50Hertz.

The high occupational safety also apply to external companies commissioned by 50Hertz. The "Regulations for ensuring occupational safety when using external companies in the transmission grid area of 50Hertz Transmission GmbH (OAFN)" and the "Agreement on quality assurance on construction sites" are fixed contractual components of the assignment. Within this framework, regular checks are carried out on construction sites to ensure occupational safety, environmental protection, and quality assurance.

Any incidents (near accidents, accidents at work, accidents involving contractors) are systematically evaluated in a standardized process, and measures are derived to eliminate the hazards. Safety instructions are drawn up for relevant incidents and communicated to employees and external parties. Quality assurance on construction sites, including inspections (prospective) and the process for evaluating incidents (retrospective), have established themselves as effective tools for improving occupational safety at external companies.

## 5.7 Risks from markets and finances

Despite ongoing geopolitical tensions, particularly in the Middle East and Eastern Europe, the energy and financial markets were generally more stable in 2025 than in previous years. Inflation in the eurozone remained at a moderate level, which continued to give the European Central Bank room for maneuver in terms of monetary policy. Further key interest rate cuts were made in the course of 2025, which had a dampening effect on the Eurogrid Group's borrowing costs.

Market price movements on the electricity markets can lead to high fluctuations in the costs of control and grid loss energy as well as redispatch measures and can be considered significant. Any effects on earnings are greatly mitigated by the regulatory framework. 50Hertz uses standard electricity products to cover its grid loss energy requirements. Based on a risk-averse procurement strategy and taking into account the regulatory framework for cost compensation, 50Hertz actively manages its portfolios.

Price and liquidity risks are monitored on an ongoing basis. Due to volatile market movements, there were significant balance sheet effects from the market valuation and realization of hedging transactions and the collateral to be deposited with the exchanges.

For 2026, the TSOs forecast a Germany-wide EEG financing requirement of EUR 14.6 billion (previous year: EUR 16.5 billion), which must be covered by federal funds. Depending on developments in the electricity market, further financing requirements cannot be ruled out in the course of the year.

The Group finances itself on the banking and capital markets. Financing requirements are determined on the basis of long-term planning and, if necessary, targeted capital market measures and the necessary capital market communication are carried out to secure sustainable access to the financial markets. Risks arising from financing bottlenecks are

countered by ongoing liquidity planning and the provision of suitable sources of financing. A downgrade in the rating could increase financing costs and restrict access to financing in the future. Potential risks in the context of follow-up financing for investments in the future may arise from unforeseeable bottlenecks in the context of government financing in Europe and high volatility on the capital markets.

Interest rate risk is countered by continuous market observation and gradual capital procurement. Funds are generally raised on a long-term basis and at fixed interest rates.

Counterparty risks associated with term deposits are countered by a cautious, diversified investment strategy, constant market monitoring, and strict compliance with investment guidelines.

## 5.8 Overall opportunities and overall risk situation

The overall opportunity situation is characterized by the regulatory framework, which can favor organic growth of the Group. Solid ratings support an optimal financing structure. In the 2025 financial year, neither individual risks nor the aggregate risk position posed a threat to the Group as a going concern. No risks to the Eurogrid Group's continued existence are expected for 2026 either.

# 6. Accounting-related internal control and risk management system

To enable the Eurogrid Group to operate successfully in its complex business environment, it has created an effective and integrated internal control system that covers all relevant business processes in their entirety. It regulates the identification, recording, assessment, documentation, and reporting of risks and is integrated into the Group's strategy, planning, and budgeting processes as well as its management and reporting systems.

The internal control system forms an integral part of the risk management system. This system comprises reports for the Supervisory Board of 50Hertz Transmission GmbH, for the Supervisory Board and Audit Committee of Eurogrid, as well as for the respective management teams, and is aligned with the company-specific requirements in terms of scope and structure.

Key elements of the internal control system relating to accounting processes are the consistently application of the dual control principle, an audit-proof document management system, and the consistent separation of functions between and within departments and within the Group. The processing of data in the accounting system is organized uniformly for all companies included in the Eurogrid consolidated financial statement and is based on the same processes with regard to account assignment and the processing of invoices and receipts. Furthermore, there is uniform handling of the preparation of the financial statements with regard to the preparation processes and scheduling. Data processing in the accounting system is organized uniformly for all companies included in the Eurogrid consolidated financial statements, and the same procedures are used for account assignment and the processing of invoices and documents. Furthermore, there is a uniform approach to the preparation of financial statements in terms of the preparation processes and scheduling.

The standard business software used for accounting is audited annually with regard to the correctness of the IT procedures used, including the structural and procedural environment of the system deployment, taking into account the requirements for an effective internal control system. An authorization concept adequate for the purpose of proper accounting and reducing the risk of fraudulent actions has been established. All companies in the Eurogrid Group use uniform ERP software. The business transactions of all Group companies are processed centrally in the Accounting/Tax department of 50Hertz Transmission.

Consolidation at group level is based on guidelines for accounting and the preparation of financial statements in order to ensure uniform application of the recognition, measurement and disclosure of balance sheet and income statement items, in particular with regard to the correct presentation of regulatory issues for the TSO business in the appropriate period.

Each monthly report is accompanied by plausibility checks between Financial Reporting, Controlling, and Regulatory Management. These checks and compliance with all relevant commercial and tax law standards, the corresponding energy law requirements, and the IFRS rules, ensure that the accounting and reporting in the individual financial statements and the group financial statement are compliant.

To further limit accounting-related risks, responsibilities and approval processes are clearly defined and access rights are specified. In addition, uniform guidelines for the organization, scheduling, and valuation of business transactions provide additional security. The effectiveness of the internal control system is reviewed by the internal audit department both on an ad hoc basis and regularly as part of a coordinated audit program. The management is monitored on an ongoing basis by the supervisory boards of Eurogrid and 50Hertz Transmission, which base their assessments on regular reports from management, the results of internal audits, and the audits of the financial statements. In addition, the Group companies and their risk areas are continuously recorded and evaluated as part of risk management.

# 7. Corporate Governance Statement

The following declaration in accordance with Section 315d HGB in conjunction with Section 289f (4) HGB is made voluntarily by the company:

## **Increasing the proportion of women in management positions**

The Group promotes diversity and equal opportunities. On December 1, 2020, the management therefore voluntarily agreed to increase the share of women in the total workforce and in management to 30 percent by 2030. Compared to the previous year, the share of women in 2025 has already increased by 1.8 percentage points to a total of 28.2 percent.

In a resolution dated February 6, 2024, the management of 50Hertz Transmission set itself the goal of filling 30 percent of all management positions at the first and second levels below the management board with women by June 30, 2027. As of December 31, 2025, the share of women at the first management level is 37 percent and at the second management level 23 percent.

On February 23, 2024, the supervisory board of 50Hertz Transmission passed a resolution that the share of women on the supervisory board and the share of women in the management board should be 30 percent by June 30, 2027.

On December 31, 2025, the share of women on the Supervisory Board of 50Hertz Transmission will be 42 percent. The share of women in the management of 50Hertz is currently 50 percent.



# Group sustainability statement

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# 1. General disclosures

## 1.1. Basis for preparation

### BP1 - General basis for preparation of the sustainability statements

Eurogrid GmbH and the Eurogrid Group are obliged to publish a non-financial statement in accordance with Section 315b and Section 289b of the German Commercial Code (HGB). These statements are summarised. Any differences between the statements in the two declarations are emphasised in the text. The summarised non-financial statement (hereinafter referred to as the 'sustainability report') is prepared in accordance with Section 315 c (3) in conjunction with Section 289 d of the German Commercial Code (HGB). § 289 d HGB on the basis of the European Sustainability Reporting Standards (ESRS).

This is Eurogrid GmbH's 10<sup>th</sup> annual Sustainability Report and the second sustainability statements in line with the ESRS, covering the period from 1 January 2025 to 31 December 2025.

The Eurogrid Group consists of Eurogrid GmbH (Eurogrid) and the companies of the 50Hertz Group (50Hertz) as subsidiaries (see "Scope of reporting").

Elia Group NV/SA (hereinafter: Elia Group) as the listed holding company and ultimate holding company holds all shares in Eurogrid International NV/SA (Eurogrid International) and thus Elia Group indirectly holds the majority of shares in Eurogrid and 50Hertz Transmission and in Elia Grid International NV/SA. Please see section ('1. Fundamentals of the Group') of the Management Report for a full overview of Eurogrid Group's legal structure.

Being part of the Elia Group has a material impact on the Eurogrid Group's sustainability activities and sustainability reporting. Material activities in the area of sustainability are developed, implemented and monitored at Elia Group level. As a rule, these activities are adapted to the specific circumstances of the country level of the Eurogrid Group, such as the German regulatory framework and German legislation, as well as the specific circumstances of the respective entity. Please see section 1.2 Governance and 1.3 Strategy for more information.

The statement covers the Eurogrid Group's entire value chain: own operations and material upstream and downstream information. See the overview of the material impacts, risks and opportunities arising from the value chain in section ESRS2 General information [SBM-3. Material impacts, risks and opportunities and their interaction with strategy and business model](#).

### Scope of reporting

The Eurogrid Group's sustainability reporting was prepared on a consolidated basis and is aligned with the scope of the financial consolidated statements.

The correspondence with the financial consolidation and the exceptions to this can be seen in the table below.

Legal Entity	Financial statements	Sustainability statements
50Hertz Transmission GmbH*	included	included
50Hertz Offshore GmbH*	included	included
50Hertz Connectors GmbH*	included	included
Eurogrid GmbH	included	included
Elia Grid International NV/SA	Included as investments accounted for using the equity method	Not included
LINK digital GmbH	Included as investments accounted for using the equity method	Not included.
Other shareholdings	Included as investments accounted for using IFRS 9	Not included.

\*50Hertz Transmission GmbH, 50Hertz Offshore GmbH and 50Hertz Connectors GmbH form the 50Hertz Group.

An overview of the ESRS that were determined as material for Eurogrid Group can be found in [SBM3 – Material impacts, risks and opportunities and their interaction with strategy and business model](#). The list of disclosure requirements which are associated with each of these material topical standards and are covered in these statements can be found in [5.2. ESRS content index](#).

No omissions were made regarding material topical standards for reasons of intellectual property or innovation results.

### Measurement basis

Metrics for 2025 are reported on a consolidated Group level.

Any deviation from this structure - either due to data unavailability, segment specificity or ESRS application requirements - is stated below the respective table.

## Phased-in metrics

For the 2025 Sustainability statements, phased-in provisions from the European Quick Fix Directive were taken into consideration and implemented.

## Changes in presentation of the statements

The following changes occurred compared to the Eurogrid Group Sustainability statement 2024:

- the text was reviewed, to simplify and to reduce duplication of information;
- Comparables are provided for 2024 and these were also subject to limited assurance engagement in the previous year, with the following exceptions:
  - E1 Climate change: the total scope 3 GHG emissions for Eurogrid Group (the 2024 values were restated this year);
  - E5 Resource use and circular economy: the steel inflow for Eurogrid Group (the 2024 value was restated this year);
  - S1 Own workforce: the gender pay gap and the remuneration ratio for Eurogrid Group (the 2024 values were restated this year).

## External assurance

The sustainability statement 2025 of the Eurogrid Group are subject to a voluntary limited assurance engagement. Comparables are provided for 2024 and these were also subject to limited assurance review in the previous year.

## BP2 - Disclosures in relation to specific circumstances

### Time horizons

Throughout these statements, time horizons (short, medium and long- term) are used based on their definitions from ESRS 1.

### Targets

When providing forward-looking information, its essential to acknowledge the inherent uncertainty involved. This type of information involves projections or expectations about future events and the potential actions a company might take. However, due to the unpredictable nature of the future, these anticipated events and actions may not occur as expected.

### Double materiality process

Eurogrid Group will regularly challenge its double materiality assessment (DMA) process, which may change in time due to new insights, sector-specific discussions and developments. Note that thresholds and judgements were and will be used along this process.

## Financial resources for key sustainability actions

Significant financial resources allocated during 2025 for actions related to E1 Climate change and E4 Biodiversity and ecosystems are presented in the respective sections. No significant financial allocation was identified for E5 Resource use and circular economy. The analysis for the remaining standards is phased-in.

## Assumptions and sources of measurement uncertainty

Some data related to disclosure requirements are based on estimations and assumptions and may therefore be subject to measurement uncertainty.

Quantitative datapoints for which assumptions or estimation are used	Section	Level of measurement uncertainty	Resulting level of accuracy	Sources of measurement uncertainty
Scope 3	<a href="#">E1-6 - Gross Scopes 1,2,3 and Total GHG emissions</a>	Low	High	Use of spend-base assumptions
Resource inflows	<a href="#">E5-4 - Resource inflows</a>	High	Low	Use of spend-base assumptions
Waste data	<a href="#">E5-5 - Resource outflows</a>	High	Low	The data is based partially on estimations, not on actuals
Total Recordable Injury Rate (TRIR) for contractors	<a href="#">S1-14 - Health and safety metrics</a>	High	Low	The denominator of worked hours is calculated based on assumptions starting from types of work

A 'low' level of measurement uncertainty and a resulting 'high' level of accuracy means that there is no material impact over the data resulting from use of assumptions.

## Incorporation by reference

ESRS Disclosure requirement	Datapoints incorporated by reference	Report and section for the incorporation by reference
GOV 1 - The role of the administrative, management and supervisory bodies	21 a and 21 d -e	<a href="#">Eurogrid Management report - 1. Fundamentals of the group</a> <a href="#">7. Corporate Governance Statement - Increasing the proportion of women in management positions</a>
SBM1 - Strategy, business model and value chain	40 a-i and ii	<a href="#">Eurogrid Management report - Fundamentals of the group</a>
	42 a and b	<a href="#">Eurogrid Management report - Fundamentals of the group</a>

## Other certifications

Various standards published by the International Organization for Standardization (ISO) are used for 50Hertz Transmission. The 'environmental management' criterion is used by 50 Hertz Transmission, which is certified in accordance with ISO 14001. The 'occupational health and safety management' criterion is used by 50Hertz Transmission in accordance with ISO 45001. The 'energy management' criterion is used by 50Hertz Transmission in accordance with ISO 50001. As the management systems apply to all locations, their effectiveness and scope is the Eurogrid Group. The corresponding management systems are implemented and recertified in accordance with the respective audit programmes.

None of the metrics from these Sustainability statements were subject to validation of an external body other than the auditors. The 2025 financial-related values that were used to calculate some sustainability datapoints (GHG intensity, Taxonomy alignment) were subject to the validation of the same auditors.

## Other sustainability reporting frameworks used

From the 2024 financial year, reporting will be based exclusively on the European Sustainability Reporting Standards (ESRS).

## 1.2. Governance

### GOV1 - The role of the administrative, management and supervisory bodies

Sustainability is embedded in Elia Group's business activities. The Elia Group wide ActNow programme furthers this, explicitly embedding sustainability into the strategy and operations.

Specific sustainability-related roles and responsibilities, outlined in detail in the table below, have been designated throughout the Group. Elia Group's CEO carries ultimate responsibility for sustainability-related issues across the whole of the company.

The Group Sustainability Committee shapes its sustainability programme, ActNow, and ensures that the Group makes steady and consistent progress on it. Eurogrid has its own roles and structures that implement both its own and the group's objectives in close coordination with the Elia Group at the local level of the Eurogrid Group. 50Hertz Transmission, the operational management company, assumes a substantive leadership role for the implementation in Germany for the Eurogrid Group as well as monitoring progress against targets.

ActNow comprises five dimensions, each of which includes specific targets for Elia Group companies to reach. In addition to ActNow, 50Hertz has set itself the goal of driving forward the energy transition in its 2020 strategy '100 per cent by 2032: New energy for a strong economy', 50Hertz has set itself the task of driving forward the energy transition. The aim is to enable a stable electricity supply from 100 percent renewable energy in the 50Hertz grid area by 2032.

At the local level, the respective Sustainability departments and their Sustainability Committees are responsible for putting the programme ActNow into operation. These enable sustainability-related targets and activities to be managed and monitored across 50Hertz. Elia Group officers have been put in place at Elia Group level for a number of key areas, including Security and Safety, Risk Management, Talent, Procurement, Strategy and EU Affairs.

At 50Hertz, the Chairman of the Management Board (CEO - Stefan Kapferer) is responsible for the local implementation of the ActNow programme and the strategy '100 per cent by 2032: New energy for a strong economy'. The topics of environmental management, corporate governance and human rights are operationally anchored under the responsibility of the Director Corporate Services (CCO - Sylvia Borcherding).

The Management Board also consists of the Chief Financial and Portfolio Management Officer (CFO- Christine Janssen) and the Chief Operations Officer (CMO - Dirk Biermann).

The key decision-makers of the Eurogrid Group are the Supervisory Board and the shareholders' meeting of Eurogrid. The Supervisory Board and the shareholders' meeting have delegated most of the operational decisions to the management of 50Hertz Transmission and Eurogrid.

For information about the roles and diversity of the Board of Directors, see Management report - [7. Corporate Governance Statement](#) - Increasing the proportion of women in management positions' and [1. Fundamentals of the Group - Control System](#)'. More information about the representation of employees and other workers and ways of interacting with these governance bodies is available in ['S1-2 - Processes for engaging with own workforce and workers' representatives about impacts](#).



**Elia Group Board of Directors**

Audit Committee



**Elia Group Executive Committee**

Sponsorship for ActNow



**Elia Group Sustainability Committee**

Group Strategy

Local Sustainability Managers

Various Group Functions

**Elia Transmission Belgium Executive Committee**

Sustainability sponsorship: CEO

**Eurogrid Group / 50Hertz Executive Committee**

Sustainability sponsorship: CEO

**Sustainability Manager**  
Sustainability Committee ETB: Department heads of relevant line organisation

**Sustainability at Affiliates**

**Sustainability Manager**  
Sustainability Committee 50Hertz: CFO, CCO, department heads of relevant line organisation

**Dimensions of the ActNow Sustainability programme**



Governance body	Roles for management of sustainability matters	Frequency and sustainability-related agenda
Elia Group level	<b>Board of Directors (BoD) // Audit Committee</b> <ul style="list-style-type: none"> <li>- Is accountable for validating Elia Group's sustainability strategy.</li> <li>- Is accountable for validating Elia Group and local Business Plan and the Integrated Annual Report.</li> <li>- Is accountable for issuing general recommendations and guidance.</li> </ul>	Frequency: 10 times  Key topics from the agenda <ul style="list-style-type: none"> <li>- Access to affordable and low carbon energy</li> <li>- CSRD and Sustainability report follow-up</li> <li>- Supervisory role over ESG performance</li> <li>- Sustainable finance</li> <li>- Environmental compliance</li> <li>- Internal audit of the ActNow programme</li> </ul>
	<b>Elia Group Management Board (EGMB)</b> <ul style="list-style-type: none"> <li>- Is accountable for sustainable performance and reputation.</li> <li>- Is accountable for validating, on yearly bases, the ActNow programme (dimensions, objectives, Group key result areas and key ambitions)</li> <li>- Is responsible to report to the Board of Directors and its committees.</li> <li>- Is responsible for sponsoring the sustainability strategy</li> </ul>	Frequency: at least every 2 weeks  Key topics from the agenda <ul style="list-style-type: none"> <li>- Elia Group Double materiality exercise</li> <li>- Collective targets 2025 and 2026 (including ESG)</li> <li>- Leadership &amp; talent management</li> <li>- Optimisation of the organization of security</li> <li>- Mobility policy</li> <li>- Results of the internal audit of the ActNow programme</li> <li>- Affordability of the energy transition</li> </ul>
	<b>Group Sustainability Committee (GSC)</b> <ul style="list-style-type: none"> <li>- Is accountable for deciding on Elia Group sustainability matters (that are not relevant to the EGMB according to statutory)</li> <li>- Is accountable for defining Elia Group key result areas and key ambitions.</li> <li>- Is accountable for monitoring sustainability trends, regulations and risks linked to the realization of the sustainability strategy</li> <li>- Is accountable for developing respective approaches/positions to respond and anticipate legislative requirements, reporting standards, application of voluntary frameworks, etc.</li> <li>- Is accountable for ensuring alignment at Elia Group level via aligned local roadmaps</li> <li>- Is responsible for reporting to the EGMB via the CFO the progress on ActNow</li> <li>- Is responsible for steering and monitoring of overall group-wide sustainability targets, including progress on Elia Group key ambitions</li> <li>- Is consulted for sustainability communication</li> <li>- Is informed by the Elia Group sustainability reporting team about CSRD legislative evolutions</li> </ul>	Frequency: quarterly  Key topics from the agenda <ul style="list-style-type: none"> <li>- Regular updates on CSRD implementation</li> <li>- ActNow communication and governance improvements</li> <li>- Stakeholder expectations and update of ActNow ambitions, especially for Dimension 5</li> <li>- Target validation for SF6 leakage rate and Scope 3 targets</li> <li>- Circularity strategy</li> </ul>
	<b>ActNow Dimension Leaders</b> <p>Each ActNow Dimension is managed locally by a Leader. One of them is in charge of carrying also responsibilities for Elia Group, such as:</p> <ul style="list-style-type: none"> <li>- Proposing Elia Group objectives, Key Result Areas and Key Ambitions</li> <li>- Aim for streamlining Elia Group objectives through the local roadmaps and ensuring the consistency among them towards reaching Elia Group targets.</li> </ul>	Monthly exchanges take place between Dimension Leaders and the Sustainability Managers.

	Governance body	Roles for management of sustainability matters	Frequency and sustainability-related agenda
Eurogrid Group level	<b>Supervisory Board</b>	<ul style="list-style-type: none"> <li>– Is accountable for validating the Eurogrid Group sustainability strategy.</li> <li>– Is accountable for validating the Eurogrid Group Business Plan (including budgets for sustainability actions) and the Eurogrid Group Annual Report</li> <li>– Is accountable for issuing general recommendations and guidance.</li> </ul>	<p>Frequency: 6 times</p> <p>Key topics from the agenda</p> <ul style="list-style-type: none"> <li>– Results of internal audit on onboarding procedures (HR)</li> <li>– Results of internal audit on Occupational Health&amp;Safety</li> </ul>
	<b>Executive Management Committee (ExCo)</b>	<ul style="list-style-type: none"> <li>– Is accountable for validating Eurogrid Group key ambition</li> <li>– Is accountable for validating Eurogrid Group roadmap and appropriate resources</li> <li>– Is accountable for validating Eurogrid Group performance and reporting to the GSC</li> <li>– Is accountable for solving local issues that cannot be decided upon by the Local Sustainability Committee</li> </ul>	<p>Frequency: weekly</p> <p>Key topics from the agenda</p> <ul style="list-style-type: none"> <li>– Green Finance framework</li> <li>– Scope 3 target</li> <li>– HSEE policy</li> <li>– New composition of the Compliance Committee</li> </ul>
	<b>Local Sustainability Committee (LSC)</b>	<ul style="list-style-type: none"> <li>– Is accountable for taking decisions on Eurogrid Group sustainability matters that do not need to be decided by the ExCo according to statutory</li> <li>– Is accountable for ensuring alignment with the Elia Group level for defining and executing the local roadmap</li> <li>– Is accountable for issuing general recommendations, guidance and support on Eurogrid Group sustainability matters</li> <li>– Is responsible for defining Eurogrid Group key ambition</li> <li>– Is responsible for reporting local performance to the ExCo</li> </ul>	<p>Frequency: 3 times</p> <p>Key topics from the agenda</p> <ul style="list-style-type: none"> <li>– Scope 3 target</li> <li>– Simplifications in the annual report</li> <li>– Review of the ActNow sustainability programme</li> <li>– Risk analysis for the LkSG</li> </ul>
	<b>Sustainability Manager</b>	<ul style="list-style-type: none"> <li>– Is accountable for leading the Eurogrid Group Sustainability Committee</li> <li>– Is responsible for ensuring alignment with Elia Group level for defining and executing the local roadmap.</li> <li>– Is responsible for monitoring the execution of the local roadmap and the data collection.</li> <li>– Is responsible for reporting performance to LSC and GSC</li> <li>– Is consulted and provides support to Elia Group Dimension leaders for defining objectives, Key result area, Elia Group and Eurogrid Group key ambitions.</li> <li>– Is consulted for organisation of internal and external communication campaigns</li> </ul>	<p>Operational interactions take place regularly with the Dimension Leaders and with members of the GSC or the LSC.</p>

## GOV2 - Information provided to and sustainability matters addressed by the administrative, management and supervisory bodies

For an overview of the sustainability-related matters that were addressed by the different Group and local administrative, management and supervisory bodies in 2025 see the last column in the table in section [GOV1. The role of the administrative, management and supervisory bodies](#). The frequency is dictated by the frequency of the meetings of the respective governance body.

## GOV3 - Integration of sustainability-related performance in incentive schemes

The remuneration of the Management Board and senior management includes fixed and variable remuneration components that are linked to specific targets. At least 30% of the yearly variable remuneration of the Management Board takes sustainability targets into account. This also applies to the variable remuneration of senior management.

The variable components are calculated according to the degree of target achievement across the following three strategic pillars:

1. Sustainable growth (grid expansion progress 33.3%, project milestones 33.3%, recruiting & diversity 33.3%)
2. Financial performance (net profit 50%, diversification of funding 50%)
3. Sustainable operations (safety 33.3%, grid quality 33.3%, digital transformation 33.3%)

Each of the three pillars contains a proportionate element of the overarching goal of "Transformation & Culture".

In addition, longer-term variable components with a term of 3 years are taken into account for the board of directors, which are based on the three pillars

- Increase in network capacity
- Financial and regulatory performance as well as a
- Individual component.

Further information can be found in the section '4 Control system' in '[Fundamentals of the Group](#)' in the Eurogrid management report.

The remuneration of the Supervisory Board does not include any variable components related to sustainability.

## GOV4 - Statement on sustainability due diligence

Eurogrid Group undertakes due diligence on an ongoing basis; the core elements of this process and the section were they are described in these statements are listed in the table below. For the description of the specific due diligence process that is in place for the suppliers in the upstream value chain, see [G1-2 Management of relationships with suppliers](#).

Core elements of due diligence	Section in the Sustainability statements
<b>Embedding due diligence in governance, strategy and the business model</b>	<a href="#">ESRS 2 GOV-2</a> <a href="#">ESRS 2 GOV-3</a> <a href="#">ESRS 2 SBM-3</a>
<b>Engaging with affected stakeholders in all key steps of the due diligence process</b>	<a href="#">ESRS 2 GOV-2</a> <a href="#">ESRS 2 SBM-2</a> <a href="#">ESRS 2 IRO-1</a> <a href="#">S1-2 - Processes for engaging with own workforce and workers' representatives about impacts</a> <a href="#">S2-2 - Processes for engaging with value chain workers about impacts</a> <a href="#">S3-2 - Processes for engaging with affected communities about impacts</a> ESRS 2 MDR-P reflected in: <a href="#">E1-2 Policies related to climate change mitigation and adaptation</a> <a href="#">E4-2 - Policies related to biodiversity and ecosystems</a> <a href="#">E5-1 - Policies related to resource use and circular economy</a> <a href="#">S1-1 - Policies related to own workforce</a> <a href="#">S2-2 - Policies related to value chain workers</a> <a href="#">S3-1 - Policies related to affected communities</a> <a href="#">G1-1 - Corporate culture and business conduct policies</a>
<b>Identifying and assessing adverse impacts</b>	<a href="#">ESRS 2 IRO-1</a> <a href="#">ESRS 2 SBM-3</a>
<b>Taking actions to address those adverse impacts</b>	ESRS 2 MDR-A reflected in: <a href="#">E1-3 - Actions and resources in relation to climate change policies</a> <a href="#">E4-3 - Actions and resources in relation to biodiversity and ecosystems</a> <a href="#">E5-2 - Actions and resources related to resource use and circular economy</a> <a href="#">S1-4 - Taking action on material impacts, risks and opportunities related to own workforce</a> <a href="#">S2-4 - Taking action on material impacts, risks and opportunities related to value chain workers</a> <a href="#">S3-4 - Taking action on material impacts, risks and opportunities related to affected communities</a>
<b>Tracking the effectiveness of these efforts and communicating</b>	ESRS 2 MDR-M reflected in: <a href="#">E1-5 to E1-8</a> ; <a href="#">E4-5 - Impact metrics related to biodiversity and ecosystems change</a> <a href="#">E5-4 and E5-5</a> <a href="#">S1-9 to S1-17</a>  ESRS 2 MDR-T reflected in: <a href="#">E1-4 - Targets related to climate change mitigation and adaptation</a> <a href="#">E4-4 - Targets related to biodiversity and ecosystems</a> <a href="#">E5-3 - Targets related to resource use and circular economy</a> <a href="#">S1-5 - Targets related to own workforce</a> <a href="#">S2-5 - Targets related to value chain workers</a> <a href="#">S3-5 - Targets related to affected communities</a>

## GOV5 - Risk management and internal control over sustainability reporting

Sustainability reporting for the Eurogrid Group is embedded in sustainability reporting and sustainability management through the Elia Group's ActNow sustainability programme. The table in section [1.2 Governance GOV1](#) lists the sustainability-related responsibilities.

The sustainability reporting of the Eurogrid Group is supported by an interdisciplinary project team of CSRD reporting specialists from the companies of the Elia Group, as well as the ActNow Dimension Leaders and the implementation managers at the operational level. The project team develops the framework for the collection of qualitative and quantitative sustainability information, which is collected and reported at the respective local level.

The Eurogrid Group's sustainability reporting is exposed to the risk of incorrect information being provided due to human error or incomplete data. Non-financial accounting manuals (NFAM) have been created for all metric data points as a central element for the reliable collection and transformation of data. They ensure the accuracy and consistency of data collection and transformation. The NFAMs specify the respective quantitative data point in terms of

- Definition of the key figure and its input parameters
- Collection and calculation methods
- Determining and mitigating the risk
- Responsibilities, controls and approvals

Feedback loops and a dual control principle with internal employees and external experts are key components of risk mitigation. In addition, selected processes for calculating key figures are reviewed annually by the internal audit department.

## 1.3. Strategy

### SBM1 - Market position, strategy, business model and value chains

#### Business model and value chain

Eurogrid Group's business strategy and business model are explained in section [Fundamentals of the Group](#) in Eurogrid Management Report. It also describes the cooperation within the Elia Group and the various tasks of the Eurogrid Group companies.

"Deliver the infrastructure of the future and develop and operate a sustainable power system" (first pillar of Elia's Group Strategy) remains the core business of Elia Group and is carried out in Germany mainly by the transmission system operator 50Hertz. The transmission of electricity activities shape Eurogrid Group's business model and its key

value chain (as outlined in the two diagrams below). Most sustainability matters are related to those activities. Through the ActNow programme Elia Group ensures the commitment to embed sustainability across the operations and business areas of its companies (see section Eurogrid Group Management Report "[3. Business Performance - 50Hertz Sustainability Programme](#)").

The geographical and regulatory specificities of Germany, where Eurogrid Group operates, are analysed and operationalised via the local committees and local sustainability managers, as explained in section [GOV-1. The role of the administrative, management and supervisory bodies](#).

## Eurogrid Group activities and associated revenue

Eurogrid Group is not active in operations related to chemical production, controversial weapons, or the cultivation or production of tobacco.

Less than 1% of the Eurogrid Group's total annual revenue is generated through the direct grid connection of fossil fuel-fired power plants. For revenue from Taxonomy-aligned economic activities, see section [2.1.5 Substantial contribution to climate mitigation](#).

## Sustainability-related goals and geographical areas

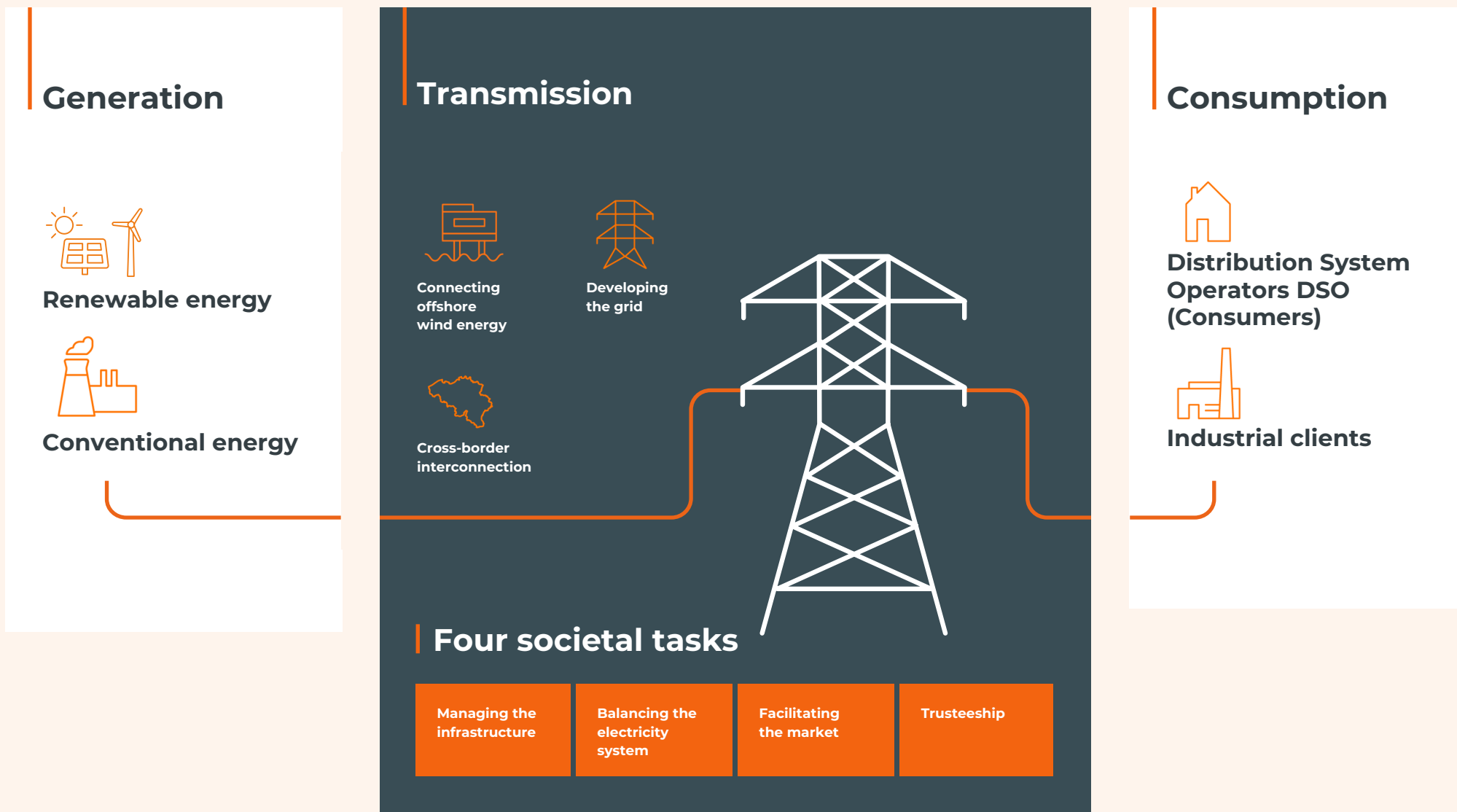
The ActNow sustainability programme covers five dimensions and multiple objectives. These are described in the diagram below. The measures and targets for the ActNow sustainability program are decided at Elia Group level. The sustainability manager at 50Hertz adapts these to the German legal, regulatory and company-specific circumstances.

The sustainability-related targets included in ActNow are described in:

- [E1-4 - Targets related to climate change mitigation and adaptation](#)
- [E4-4 - Targets related to biodiversity and ecosystems](#)
- [E5-3 - Targets related to resource use and circular economy](#)
- [S1-5 - Targets related to own workforce](#)
- [S2-5 - Targets related to value chain workers](#)

For the Eurogrid Group headcount, see section [S1-6. Characteristic of the undertaking's employees](#).

# 50Hertz Business model



Stakeholders

# Presence across the value chain

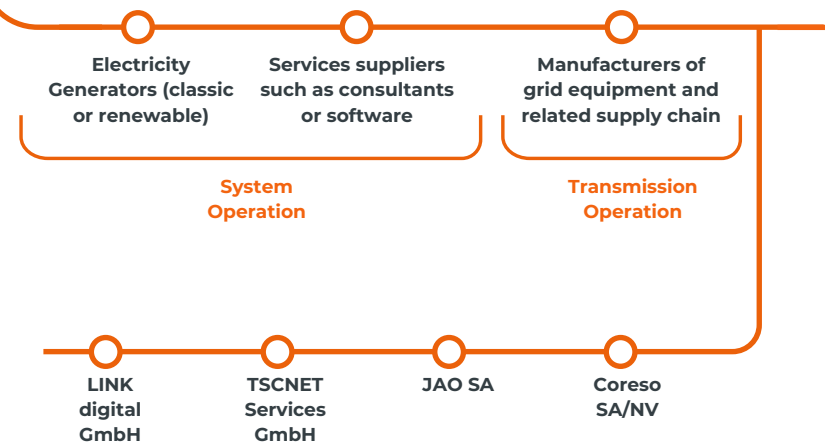
Governments & regulators  
Shareholders/investors

Press/ general public  
European system operator

Local Communities

Stakeholders

## Upstream



Stakeholders

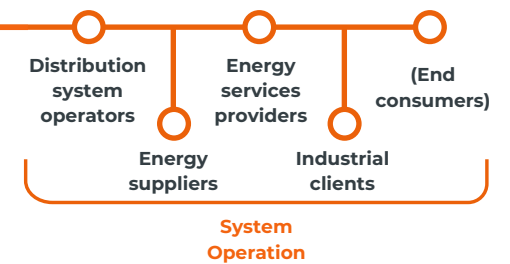
## Own operations

**Employees**  
(Engineers, technicians, data analysts, project managers, support staff...)

**Executives and leadership**  
responsible for strategic planning, decision-making and overall TSO operations.

Stakeholders

## Downstream



### Upstream Activities

- Education of labour force
- Generation of electricity
- Provision of Ancillary Services and Congestion management services
- Manufacturing electricity
- Logistics and transportation
- Reinsurance

### Own operations Activities

- Operating the electricity system
- Developing and managing the electricity transmission grid infrastructure on- and offshore
- Facilitating the electricity market
- Selected Trusteeship activities

### Downstream Activities

- Distribution of electricity
- Consumption of electricity
- Generation of electricity
- Activities in other energy sectors (gas, heat...)
- recycling of material

# ActNow - Sustainability objectives



## Climate Action

# 01



- Speed up decarbonisation of the power sector.
- Reach carbon neutrality in system operation by 2040.
- Reach carbon neutrality in own activities by 2030.
- Move towards carbon neutral value chain for assets & construction works.
- Increase climate resilience

## Environment & Circular Economy

# 02



- Preserve and strengthen ecosystems and biodiversity.
- Reduce environmental impact of our asset needs.
- Improve environmental performance through an effective and efficient environmental management system.

## Health & Safety

# 03



- We go for zero accidents
- We build a strong safety culture.
- We are all safety leaders.
- Ensure and promote health and wellbeing of our staff.
- Leading TSO in H&S

## Diversity, Equity & Inclusion

# 04



- Establish inclusive leadership across the organization.
- Appreciation of differences internally and externally to show public commitment on DEI.
- Belonging - People feel that they belong.
- Reinforce fairness in our processes and practices to show commitment to DEI.
- Participation in decision-making and feedback.

## Business Conduct & Dialogue

# 05



- Governance: Accountable rules & processes.
- Ethics: Integrity & Role modeling.
- Compliance: Conformity with external & internal rules
- Transparency: Openness & meaningful stakeholder dialogue.

## SBM2 - Interests and views of stakeholders

**Eurogrid Group interacts with its stakeholders on a regular basis, forming transparent and effective relationships with each relevant group. They inform its business activities in multiple ways: their feedback is incorporated into Eurogrid Group's daily work; their needs and interests are reflected in its activities.**

The main categories of stakeholders with whom Eurogrid Group companies engage are reflected in this graph.

The different stakeholders provide crucial support, feedback, and resources along Eurogrid Group's entire value chain needed to operate efficiently, comply with regulations, innovate and meet the demands of a dynamic energy landscape.

Their involvement ensures that Eurogrid Group's strategy is aligned with broader economic, social and environmental goals, ultimately leading to a more secure and effective energy system.

Therefore, the feedback from the different stakeholder groups is continuously taken into account in Eurogrid Group's annual strategic planning process and operational processes in order to remain responsive, resilient and aligned with broader societal goals.

The strategy for further connecting the existing stakeholder's engagement processes and Eurogrid Group's double materiality assessment is part of future improvements.

### Public and social stakeholders

- Local communities
- Press and general public
- Federations, NGO and academics

### Operating and business environment

- Electricity system operators
- Employees
- Suppliers
- Energy producers
- Government and public authorities
- Customers and consumers

### Financial stakeholders

- Shareholders and investors



eurogrid  
Group

The following table outlines a detailed description of the engagement methods for each category.

Stakeholder group	Why Eurogrid Group interacts	Key interaction along the value chain	How Eurogrid Group interacts		
			Methods	Frequency	Results of the engagement
<b>Customers and consumers</b>	<ul style="list-style-type: none"> <li>- To ensure the reliable, efficient and affordable transmission of electricity and to facilitate the seamless integration of the energy needs of our directly connected customers</li> <li>- To ensure that our operating practices are open and transparent and meet consumers' and customers' needs</li> <li>- To unlock additional flexibility in the system coming from industry and households</li> </ul>		<ul style="list-style-type: none"> <li>- Direct contact via system planning and consumer departments</li> <li>- Consumer surveys</li> <li>- Working groups</li> <li>- Project-specific meetings</li> </ul>	<ul style="list-style-type: none"> <li>- On-demand with directly connected customers</li> <li>- 1-2 times per year during conferences and information sessions</li> </ul>	<ul style="list-style-type: none"> <li>- Understanding consumers' and customers' needs means that business activities can meet these early on, thus contributing to efficient and effective grid planning, socioeconomic welfare and reputation enhancement</li> <li>- Unlocking flexibility in the system supports the balancing of the grid</li> </ul>
<b>Electricity system operators</b>	<ul style="list-style-type: none"> <li>- To safeguard system stability by aligning the TSO activities with those of neighbouring DSOs and TSOs</li> <li>- To develop joint solutions for the (European) grid, system and market as electrification spreads</li> </ul>		<ul style="list-style-type: none"> <li>- Direct contact through control and regional centres</li> <li>- Membership in associations</li> <li>- Conferences and events</li> </ul>	<ul style="list-style-type: none"> <li>- Daily through system operations staff</li> <li>- Regular interactions</li> <li>- 1-2 times per year during main events</li> </ul>	<ul style="list-style-type: none"> <li>- Grid stability is maintained in real time around the clock</li> <li>- System operation activities are enhanced, particularly given the increasing amounts of RES</li> </ul>
<b>Energy producers</b>	<ul style="list-style-type: none"> <li>- To facilitate security of supply, maintain system reliability and coordinate the provision of system services</li> <li>- To connect them to the grid</li> </ul>		<ul style="list-style-type: none"> <li>- Direct contact through control and regional centres</li> <li>- Working groups</li> <li>- Information sessions</li> <li>- Conferences and events</li> </ul>	<ul style="list-style-type: none"> <li>- Daily through system operations staff</li> <li>- 1-2 times per year during main events</li> </ul>	<ul style="list-style-type: none"> <li>- Grid stability is maintained in real time round the clock</li> <li>- Their needs are considered early on when planning the system and grid development</li> <li>- Better system and grid operations, e.g. ensuring reliability, reducing down-time during maintenance</li> </ul>
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>- To secure Eurogrid Group's future growth and expansion</li> </ul>		<ul style="list-style-type: none"> <li>- External publications</li> <li>- Investors' meetings and events</li> </ul>	<ul style="list-style-type: none"> <li>- Regularly via Eurogrid's team and 50Hertz CFO</li> <li>- At regular intervals, in line with external publication dates</li> <li>- 1-2 times per year during main events</li> </ul>	<ul style="list-style-type: none"> <li>- The financing needed to carry out the business activities and to secure the realisation of investment projects</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>- To strengthen cooperation and enhance effectiveness</li> <li>- To foster a shared sense of purpose and ensure that the importance of our role in the energy transition is understood</li> </ul>		<ul style="list-style-type: none"> <li>- Performance management and training sessions</li> <li>- Internal communication campaigns</li> <li>- Internal events</li> <li>- Surveys ('Pulse', wellbeing etc.)</li> </ul>	<ul style="list-style-type: none"> <li>- Daily</li> </ul>	<ul style="list-style-type: none"> <li>- Eurogrid Group's employees share a strong sense of purpose, enhancing their work</li> <li>- They are committed and contribute to the Eurogrid Group's performance</li> </ul>

Stakeholder group	Why Eurogrid Group interact	Key interaction along the value chain	How Eurogrid Group interact		
			Methods	Frequency	Results of the engagement
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>- To ensure Eurogrid Group has access to high-quality materials, tools and services at affordable prices</li> <li>- To meet the future needs for new materials and tools</li> </ul>		<ul style="list-style-type: none"> <li>- Direct interactions, including through tenders and contracts</li> <li>- Meetings</li> </ul>	<ul style="list-style-type: none"> <li>- Regularly through procurement and project team</li> </ul>	<ul style="list-style-type: none"> <li>- Access is obtained to the needed technology at the time when it is needed and at affordable prices</li> <li>- The sustainability of the upstream value chain is enhanced</li> </ul>
<b>Local communities</b>	<ul style="list-style-type: none"> <li>- To design projects with the needs and interests of local communities in mind</li> <li>- To keep local communities informed of the status of projects and their relevance to the energy transition</li> </ul>		<ul style="list-style-type: none"> <li>- In-person and virtual information and consultation sessions during projects</li> <li>- Dedicated project websites and external publications</li> </ul>	<ul style="list-style-type: none"> <li>- Regularly via the project communication teams</li> </ul>	<ul style="list-style-type: none"> <li>- Feedback from communities impacted by 50Hertz's projects is taken into consideration as it carries out its activities</li> <li>- Regular interactions with local communities ensure they better understand the societal value of its activities</li> </ul>
<b>Governments and public authorities</b>	<ul style="list-style-type: none"> <li>- To align 50Hertz's activities with government policy and act as a trusted advisor to policymakers</li> <li>- To ensure regulatory frameworks deliver value for end consumers and a fair return for the investors</li> </ul>		<ul style="list-style-type: none"> <li>- Meetings with regulatory authorities and policymakers</li> <li>- Publications and studies</li> </ul>	<ul style="list-style-type: none"> <li>- Frequent through the departments Communication, Politics and Reputation Management as well as Nature Conservation and Permits</li> </ul>	<ul style="list-style-type: none"> <li>- Governments and regulatory authorities are provided with trusted advice and research related to decarbonisation and the energy system</li> <li>- Their feedback is taken on board and integrated into the companies activities.</li> </ul>
<b>Press and the general public</b>	<ul style="list-style-type: none"> <li>- To maintain alignment with the interests of society and provide progress updates</li> <li>- To inform public debate about the best methods for reaching net zero</li> </ul>		<ul style="list-style-type: none"> <li>- Press conferences and site visits</li> <li>- External publications</li> <li>- Digital channels</li> </ul>	<ul style="list-style-type: none"> <li>- Daily with the press via direct contact with external communications team or digital channels</li> <li>- Regular publications</li> </ul>	<ul style="list-style-type: none"> <li>- The general public is kept informed of our work and its importance to the energy transition, thus securing their commitment to 50Hertz's activities.</li> </ul>
<b>Federations, NGOs and academics</b>	<ul style="list-style-type: none"> <li>- Ensure that research is conducted as thoroughly as possible and that innovative technologies and new approaches are tested.</li> <li>- Explore solutions to minimize the negative impacts of our activities.</li> </ul>		<ul style="list-style-type: none"> <li>- Membership in organisations and associated meetings</li> <li>- Specific projects and studies</li> </ul>	<ul style="list-style-type: none"> <li>- Daily contact during specific projects</li> <li>- Monthly or quarterly membership or partnership meetings</li> </ul>	<ul style="list-style-type: none"> <li>- 50Hertz's activities are enhanced through innovation. Enriched expertise and perspective, due to co-creation and exchanges.</li> </ul>

Upstream

Own Operations

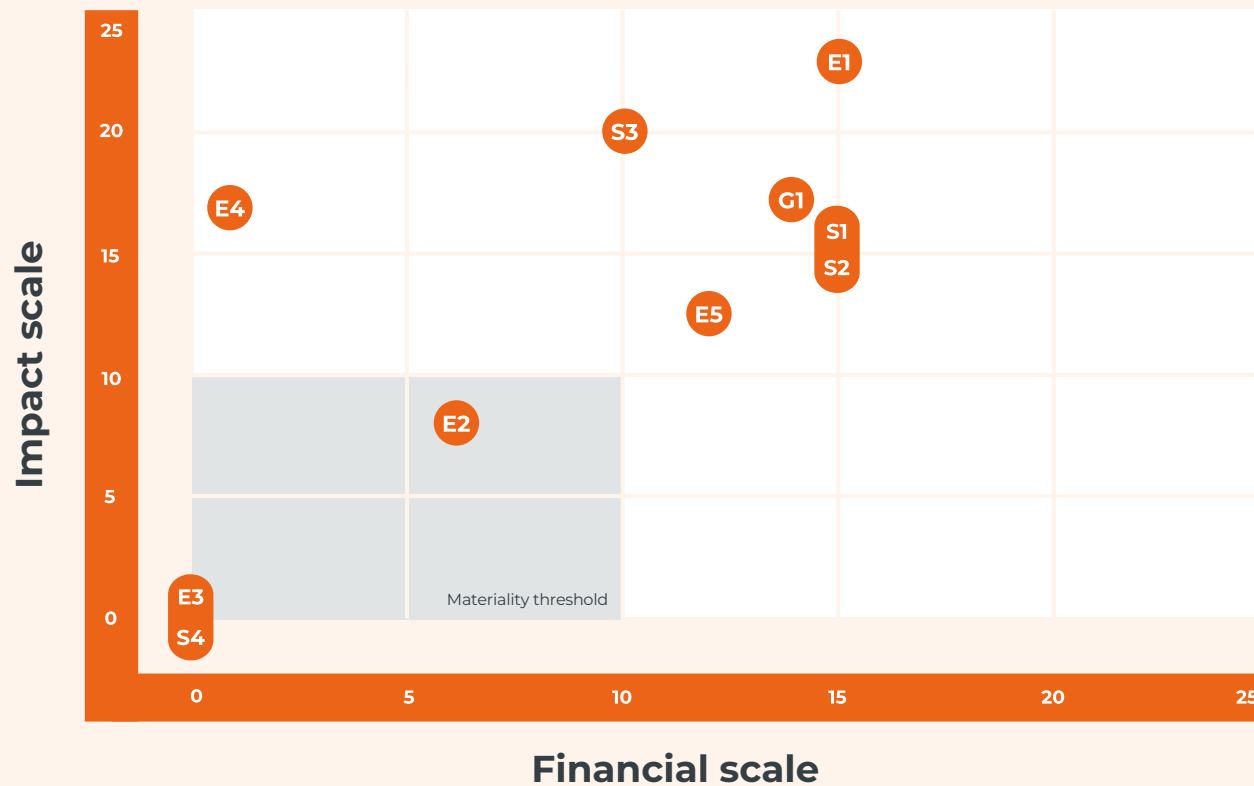
Downstream

## SBM3 - Material impacts, risks and opportunities and their interaction with strategy and business model

During the double materiality assessment, the Eurogrid Group identified impacts, risks and opportunities (IROs) related to each of the ESRS.

The description of the methodology and process can be consulted in the section [IRO1 - Description of the processes to identify and assess material impacts, risks and opportunities](#). Furthermore, in the topical standards information is available about how these IROs relate to Elia Group's and Eurogrid Group's policies, targets, actions and metrics.

The result of Eurogrid Group's double materiality assessment is summarised in the matrix below. The correspondence table explains the connection between the ESRS and how these are integrated in the business material topics of Eurogrid Group.



Standard	Material
<b>E1</b> Climate change	yes
<b>E2</b> Pollution	no
<b>E3</b> Water and marine resources	no
<b>E4</b> Biodiversity and ecosystems	yes
<b>E5</b> Resource use and circular economy	yes
<b>S1</b> Own workforce	yes
<b>S2</b> Workers in the value chain	yes
<b>S3</b> Affected communities	yes
<b>S4</b> Consumers and end-users	no
<b>G1</b> Business conduct	yes

## Current financial effect

In 2025, no stand alone sustainability-related risk generated a financial impact affecting Eurogrid Group's financial reporting and performance.

## Time horizons

During the double materiality assessment, the impacts, risks and opportunities detailed in the following pages resulted material in the short, medium and long term. The few exceptions to this are indicated in the table.








## Management of material topics

Eurogrid Group's impacts, risks and opportunities (IROs) corresponding to each ESRS are managed through policies, targets, actions and metrics. Due to their overarching character, a single policy can be representative for multiple material topics and/or multiple IROs. For example, the Supplier Code of Conduct is relevant for managing "GHG emissions" - material topic for E1 Climate change - "Working conditions" - material topic for S2 Workers in the value chain - and "Waste" - material topic for E5 Circular economy).

The few exceptions of IROs not covered by any formal policy are transparently marked.

The following tables show the overview for a selection of key policies, actions, targets, metrics corresponding to each ESRS. For a complete understanding, see the respective topical chapter.

## E1 Climate change-related material impacts, risks and opportunities

Material topics	<ul style="list-style-type: none"> <li>— Energy transition</li> <li>— GHG emissions</li> <li>— Transition to a low-carbon economy</li> <li>— Climate change and physical adaptation</li> </ul>	Value chain
<b>Impact +</b>	<ul style="list-style-type: none"> <li>— Climate ambitions trigger a substantial investment programme to deliver the energy transition, including grid investments that will be beneficial for society for several decades.*</li> <li>— By proactively planning and building a grid that can withstand extreme weather events, Eurogrid Group helps ensure continued reliable power transmission and minimises potential disruptions caused by climate change.*</li> <li>— In the electricity sector, the transmission grid has a critical role to play in harvesting the potential of renewable energy resources that are often located far away from consumption centres. This includes the need to go offshore but also to develop stronger interconnections with neighbouring countries to accommodate the intermittent nature of the major renewable energy sources to make the green supply cheaper and safer.*</li> </ul>	
<b>Impact -</b>	<ul style="list-style-type: none"> <li>— Increasing grid tariffs due to extensive investments in electricity grid expansion are leading to concerns about energy poverty among end consumers and declining competitiveness among companies.</li> <li>— Indirect greenhouse gas emissions generated within Eurogrid Group's value chain (scope 3) related to our grid construction and maintenance activities.</li> <li>— Greenhouse gas emissions arise due to grid losses (scope 2) during electricity transmission linked to 50Hertz Transmissions system operation activities</li> <li>— Greenhouse gas emissions arise from Eurogrid Group's own operations, i.e. cars, heating, SF6 leakages and backup systems (scope 1)</li> <li>— If the costs of the energy transition continue to rise, grid tariffs will increase, which may lead to a loss of competitiveness for industry and businesses.</li> </ul>	  
<b>Risks</b>	<ul style="list-style-type: none"> <li>— Size of local grid development plans in Germany questions the feasibility of its delivery without delay and Eurogrid Group's ability to keep a healthy balance sheet.*</li> <li>— The occurrence of extreme weather events such as storms, cold snaps, heatwaves, flooding, drought and wildfires may lead to asset damages and activation of contingencies for business continuity.*</li> <li>— Costs for technical assets has significantly increased due to a tight supplier market, high inflation and a surge in interest rates and scarcity of raw material (also in supply chain).*</li> <li>— Financing risk: The ability to access global sources of financing to cover their financing needs to fund plans and refinance existing debt is a key component of the Eurogrid Group's business and strategic plan.*</li> <li>— Regulatory risk: Allowed return on equity in order to achieve investment plans may not reflect nor anticipate macro-economic environment.*</li> <li>— Risk of delay of the development and delivery of several major projects (Bornholm Energy Island) related to infrastructure, market development and system operations to achieve climate targets.*</li> </ul>	 
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>— Develop innovative solutions including proposals to lower overall grid costs.**</li> <li>— Showcase how to run a system dominated by variable RES (Demonstrate that regions with high RES-penetration are attractive to future-proof businesses).**</li> </ul>	

\*This IRO is not formally covered by a policy. This is due to the fact that these topics are integrated into our core mission and strategy and translated into actions and implementation plans.

\*\*This IRO is material starting with medium/long term

## Policies

### GHG emissions

- Purchasing conditions
- Supplier code of conduct
- Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz

## Actions

### Energy transition

- Grid development and RES integration
- Market development and system operations
- Electrification and sector coupling

### GHG emissions

- Reduction of grid losses-related GHG emissions
- Low-carbon technologies for SF6
- Low-carbon mobility
- Increasing the application of an Internal Carbon Price (ICP)

## Targets

### GHG emissions

- SBTi
- Low carbon mobility
- SF6 leakage rate

## Key metrics

### Energy transition

- EU Taxonomy-aligned CAPEX

### GHG emissions

- SF6 leakage rate
- Scope 1-2-3 GHG emissions

### Climate change and physical adaptation

- CAPEX allocated to grid resilience projects

## Resilience of the business model

The resilience of Eurogrid Group's business model was tested in 2024 with the use of a robust climate scenario analysis framework. The outcome of this exercise, which included an exploration of how likely the Group would be able to adapt to risks based on different mitigation measures, indicate that climate physical risks will not have a significant impact on the Group's activities.

Eurogrid Group has a rigorous system in place for continually assessing, planning for, managing and adapting to climate-related risks and their potential impacts; the Group's relevant policies and action plans are regularly updated as a consequence. In the event of unexpected incidents, the Group addresses them as a matter of priority in order to ensure the resilience of its business model.

## E4 Biodiversity and ecosystems-related material impacts, risks and opportunities

Material topics	<ul style="list-style-type: none"> <li>— Climate change</li> <li>— Land-use change, fresh water-use change and sea-use change</li> <li>— Soil sealing</li> <li>— Impact on the state of species</li> </ul>	Value chain
<b>Impact +</b>	<ul style="list-style-type: none"> <li>— Eurogrid Group facilitates the integration of renewable energy and thus can contribute to mitigating climate change, benefiting biodiversity in the long term.</li> <li>— Through multiple investments with several partners in long-lasting projects on both land and sea (including research and studies on impacts on biodiversity and landscapes) Eurogrid Group can have a positive net contribution on both biodiversity and the ecosystems surrounding their infrastructure</li> <li>— As part of the construction and maintenance activities, invasive species are removed, which leads to an improvement in local biodiversity.</li> </ul>	
<b>Impact -</b>	<ul style="list-style-type: none"> <li>— Mining activities to extract metals and minerals for grid components (e.g., copper, aluminium) can destroy natural habitats, impacting plant and animal life*</li> <li>— The electricity grid infrastructure has an impact on the local flora and fauna by repurposing the soil.</li> </ul>	
	<ul style="list-style-type: none"> <li>— Greenhouse gas emissions generated within Eurogrid Group's value chain affect indirectly the biodiversity.</li> <li>— Construction and presence of grid infrastructure can lead to habitat loss and fragmentation, negatively impacting biodiversity.</li> </ul>	
	<ul style="list-style-type: none"> <li>— Building or expanding existing substations can decrease the permeability of surfaces. In some locations (due to mandatory obligations), re-use and infiltration solutions that can reduce/mitigate the negative impact on biodiversity are tested.</li> </ul>	
<b>Risks</b>	<ul style="list-style-type: none"> <li>— N/A</li> </ul>	
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>— N/A</li> </ul>	

<p><b>Policies</b></p> <ul style="list-style-type: none"> <li>— Purchasing conditions</li> <li>— Supplier code of conduct</li> <li>— Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz</li> <li>— Policy for approval-compliant construction and maintenance measures - overhead lines</li> <li>— Policy for planning, implementation and maintenance of compensation measures</li> <li>— Manual for obtaining approvals</li> <li>— Policy for the management of overhead lines</li> <li>— Marine Grid Declaration</li> <li>— HSE Plan offshore</li> </ul>	<p><b>Actions</b></p> <p><b>Climate change</b></p> <ul style="list-style-type: none"> <li>— Climate change-related actions</li> </ul> <p><b>Land-use-change, fresh water-use change and sea-use change</b></p> <ul style="list-style-type: none"> <li>— Ecological corridors</li> </ul> <p><b>Soil sealing</b></p> <ul style="list-style-type: none"> <li>— Vegetation management in substations</li> </ul> <p><b>Impact on the state of species</b></p> <ul style="list-style-type: none"> <li>— Bird protection</li> <li>— Compensation measures/Actions required under the permit (including offshore)</li> </ul>	<p><b>Targets</b></p> <ul style="list-style-type: none"> <li>— Ecological corridors %</li> </ul>	<p><b>Resilience of the business model</b></p> <p>In order for projects to be undertaken, they must be granted approval from the relevant permitting authorities. As part of this, 50Hertz continually assesses the impact of its activities on the environment and ensures that they adhere to relevant laws and regulations.</p> <p>In the event of unexpected incidents, the Eurogrid Group addresses them as a matter of priority to ensure the resilience of its business model.</p>
		<p><b>Key metrics</b></p> <ul style="list-style-type: none"> <li>— Sites in/near protected zones</li> </ul>	

\* This IRO is not formally covered by a policy

## E5 Resource use and circular economy-related material impacts, risks and opportunities

Material topics	— Resource inflows — Waste	Value chain
<b>Impact +</b>	<ul style="list-style-type: none"> <li>— Reuse of decommissioned assets and discarded materials leads to a reduction in the use of primary materials and contributes to the protection of resources as well as the reduction of costs.</li> </ul>	
<b>Impact -</b>	<ul style="list-style-type: none"> <li>— Eurogrid Group's activities rely on non-renewable resources, whose availability is subject to some uncertainty and whose extraction is expected to increase the use of energy.*</li> <li>— 50Hertz construction and maintenance activities generate waste (that may harm the environment if not properly handled).</li> </ul>	
<b>Risks</b>	<ul style="list-style-type: none"> <li>— Simultaneous climate action (and related grid investments) questions the availability of raw materials needed for transmission infrastructure and creates price pressure on equipment costs.</li> </ul>	
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>— Implementing circular economy principles like waste prevention, reuse, and recycling; innovating in equipment design for greater durability and capacity of recycling; and collaborating with partners to manage waste more effectively.</li> </ul>	

### Policies

- Purchasing conditions for electrical equipment and works
- Supplier code of conduct
- Instructions on guaranteeing occupational safety when contracting with external companies
- Asset management policies for grid equipment
- Waste management policy and procedure

### Actions

- Resource inflows**
- Grid optimisation
  - Preventive maintenance
  - Condition-based maintenance of assets
- Waste**
- Contractors evaluation

### Targets

- Resource inflows**
- % recycled steel in lattice towers
- Waste**
- % recycled waste

### Key metrics

- Resource inflows**
- Inflows volumes
- Waste**
- Waste volumes

### Resilience of the business model

The principles of circularity are embedded in the business practices of Eurogrid Group. Following the validation of its circular strategy in 2025, Eurogrid Group focuses on reducing the environmental impact of its asset needs through grid design, maintenance, and supply chain improvements.

By extending asset lifetime and promoting the use of recycled materials - such as steel and copper - Eurogrid Group ensures resource efficiency and long-term adaptability to material-related risks and opportunities, and hereby the resilience of its business model.

\* This IRO is not formally covered by a policy

## S1 Own workforce-related material impacts, risks and opportunities

Material topics	— Working conditions in the value chain — Health and safety — Equal treatment and opportunities for all	Value chain
<b>Impact +</b>	<ul style="list-style-type: none"> <li>— In a culture of safety, well-being, and innovation, top talent is attracted, developed, and retained. This enables the Eurogrid Group to build a skilled workforce that ensures the implementation of the energy transition and the stability of the grid.</li> <li>— A diverse workforce with equal opportunities fosters an innovation culture that enables the development of creative solutions for integrating renewable energy sources, addressing challenges related to grid resilience, and managing the complexity of the energy transition as well as ongoing digitalization.*</li> </ul>	
	<ul style="list-style-type: none"> <li>— Safety Culture: Eurogrid Group prioritises safety, aiming for zero accidents, which benefits both its own workforce and public trust by a strong safety culture.</li> </ul>	
<b>Impact -</b>	<ul style="list-style-type: none"> <li>— Eurogrid Group has a strong engineering focus with a predominantly male driven workforce, hence reaching gender diversity goals is a challenge</li> </ul>	
	<ul style="list-style-type: none"> <li>— Working with high-voltage equipment, at heights, and in offshore environments exposes employees to potential accidents and injuries (physical safety risks)</li> </ul>	
<b>Risks</b>	<ul style="list-style-type: none"> <li>— By not having adequate working conditions, Eurogrid Group risks slowing down ongoing activities and negatively impacting the mental wellbeing of the employees.</li> <li>— Health &amp; Safety events can delay or disrupt operations on construction and operational sites, extend project working hours, damage assets and harm severely employees, which can lead to negative financial effects.</li> </ul>	
	<ul style="list-style-type: none"> <li>— Talent attraction &amp; retention: if onboarding does not happen efficiently Eurogrid Group risks slowing down ongoing activities and negatively impacting the mental wellbeing of the employees.</li> </ul>	
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>— N/A</li> </ul>	

Policies	Actions	Targets	Key metrics	Resilience of the business model
<ul style="list-style-type: none"> <li>— Code of Ethics</li> <li>— Human Rights Policy</li> <li>— Health and Safety Guidelines</li> <li>— DEI Charter</li> <li>— Company agreements and Working rules</li> <li>— Whistleblowing Framework</li> </ul>	<p><b>DEI</b></p> <ul style="list-style-type: none"> <li>— Awareness campaigns and training</li> <li>— Internal networks</li> <li>— Partnerships</li> </ul> <p><b>Health and safety</b></p> <ul style="list-style-type: none"> <li>— Awareness campaigns</li> <li>— Personal protective equipment</li> <li>— Trainings</li> </ul>	<p><b>DEI</b></p> <ul style="list-style-type: none"> <li>— Women in total workforce</li> <li>— Female Inflow</li> </ul> <p><b>Health and safety</b></p> <ul style="list-style-type: none"> <li>— Total Recordable Injury Rate - Employees</li> <li>— Health Rate</li> </ul>	<p><b>DEI</b></p> <ul style="list-style-type: none"> <li>— Number of employees per gender</li> <li>— Gender distribution at top management level</li> </ul> <p><b>Health and safety</b></p> <ul style="list-style-type: none"> <li>— Total Recordable Injury Rate - Employees</li> </ul> <p><b>Working conditions</b></p> <ul style="list-style-type: none"> <li>— Employees covered by collective bargaining agreements</li> </ul>	<p><b>Resilience of the business model</b></p> <p>Eurogrid Group invests in its workforce to ensure that it holds the right skills to manage an increasingly complex electricity system.</p> <p>In addition to providing staff with regular learning and development opportunities, Eurogrid Group fosters a supportive environment and a strong organisational culture which focuses on health and safety, diversity, equity and inclusion. In the event of unexpected incidents, Eurogrid Group addresses them as a matter of priority in order to ensure the resilience of its business model.</p>

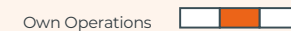
\* This IRO is not formally covered by a policy

## S2 Workers in the value chain-related material impacts, risks and opportunities

Material topics	— Working conditions in the value chain — Health and Safety	Value chain
<b>Impact +</b>	— Eurogrid Group implements the Elia Group Supplier Code of Conduct (SCoC) requiring adherence to international standards in ethical conduct, Health & Safety. This, along with encouraging suppliers to obtain Ecovadis certification, fosters a responsible supply chain promoting safe working conditions.	
<b>Impact -</b>	— Increased risk of work-related injuries and fatalities for workers throughout the value chain due to activities involving high-voltage equipment, working at heights.	
<b>Risks</b>	— Health & Safety events may harm one of Eurogrid Group's contractors.	
<b>Opportunities</b>	— N/A	

<p><b>Policies</b></p> <ul style="list-style-type: none"> <li>— Supplier Code of Conduct</li> <li>— Human Rights Policy</li> <li>— Code of Ethics</li> <li>— Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz</li> <li>— Purchasing Conditions</li> </ul>	<p><b>Actions</b></p> <p><b>Health and safety</b></p> <ul style="list-style-type: none"> <li>— Operational monitoring</li> <li>— External certifications</li> <li>— Awareness campaigns</li> </ul>	<p><b>Targets</b></p> <p><b>Health and safety</b></p> <ul style="list-style-type: none"> <li>— Total Recordable Injury Rate - Contractors</li> </ul>	<p><b>Resilience of the business model</b></p> <p>The Group works with different contractors as part of its business activities.</p> <p>As outlined in <a href="#">G1 Business conduct</a>, Eurogrid Group ensures that individuals involved in its supply chain operations are protected and treated fairly, and that the standards laid out in Elia Group's 'Supplier Code of Conduct' are met. The health and safety policies in place for Eurogrid Group's own workforce equally apply to contractors working on sites.</p> <p>Eurogrid Group regularly assesses and updates these policies to ensure they are aligned with the latest laws and best practice standards. In the event of unexpected incidents, Eurogrid Group addresses them as a matter of priority in order to ensure the resilience of its business model.</p>
		<p><b>Key metrics</b></p> <p><b>Health and safety</b></p> <ul style="list-style-type: none"> <li>— Total Recordable Injury Rate - Contractors</li> </ul>	

\*\*This IRO is material starting with medium/long term



### S3 Affected communities-related material impacts, risks and opportunities

Material topics	— Land-related impacts — Communities' civil and political rights – Freedom of expression	Value chain
<b>Impact +</b>	<ul style="list-style-type: none"> <li>— The development of a sustainable infrastructure brings benefits to the local value chain and economic growth.*</li> <li>— Stakeholder engagement: Eurogrid Group is in an ongoing dialogue with public and regulatory authorities to ensure the legal environment and regulatory framework necessary to achieve its climate objectives.</li> </ul>	
<b>Impact -</b>	<ul style="list-style-type: none"> <li>— N/A</li> </ul>	
<b>Risks</b>	<ul style="list-style-type: none"> <li>— N/A</li> </ul>	
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>— Close collaboration with local communities and industrial players allow a better understanding and anticipation of the needs and allow a faster grid development and to identify growth opportunities**.</li> </ul>	

<p><b>Policies</b></p> <ul style="list-style-type: none"> <li>— Engagement Policy</li> <li>— Compensation Policy</li> <li>— Protocol – Business</li> <li>— Protocol - Farms &amp; Forests</li> </ul>	<p><b>Actions</b></p> <ul style="list-style-type: none"> <li>— Community engagement and project communication</li> <li>— Compensation &amp; mitigation measures</li> </ul>	<p><b>Targets</b></p> <p>N/A</p>	<p><b>Resilience of the business model</b></p> <p>As part of the legal obligations and societal role that 50Hertz has, to build, maintain and operate the electricity grid, it must engage in a transparent manner with the communities affected by the grid infrastructure.</p> <p>The responsible project teams seek to build trusted relationships with local communities as early as possible throughout each project lifecycle. To ensure that 50Hertz activities are carried out in society's best interest, promote sustainability and any potentially negative impacts are compensated for via appropriate measures.</p> <p>50Hertz engages on a regular basis with affected communities to anticipate and answer to any issues arising and to ensure the resilience of the business model.</p>
		<p><b>Key metrics</b></p> <p>N/A</p>	

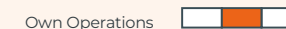
\*This IRO is not formally covered by a policy  
 \*\*This IRO is material starting with medium/long term

## G1 Business conduct-related material impacts, risks and opportunities

Material topics	<ul style="list-style-type: none"> <li>— Management of relationship with suppliers</li> <li>— Protection of whistle-blowers</li> <li>— Corporate Culture</li> <li>— Political influence and lobbying activities</li> <li>— Corruption and bribery - Prevention and detection including training</li> </ul>	Value chain
<b>Impact +</b>	<ul style="list-style-type: none"> <li>— Good corporate governance is aimed at ensuring the responsible conduct of corporate affairs and management of resources. The CSRD sets a new, very comprehensive ESG standard in Europe. By complying with CSRD, Eurogrid Group will improve its business conduct.</li> <li>— Eurogrid Group is expected to disclose its political contributions and lobbying activities, ensuring that these actions align with their sustainability goals and ethical standards.</li> </ul>	
<b>Impact -</b>	<ul style="list-style-type: none"> <li>— The procurement of equipment and services is essential to ensuring the maintenance and grid expansion needed to achieve Eurogrid Group's strategic objectives. The extensive competition from European TSOs and other industries which have similar expansion plans leads to higher prices for critical equipment, which increases the cost of the energy transition for society.</li> <li>— Lack of strong preventive measures and whistle-blower protection can lead to corrupt practices within the organisation.</li> </ul>	
<b>Risks</b>	<ul style="list-style-type: none"> <li>— The current competition and high pressure on supply chain (equipment for large TSO infrastructure projects), is leading consequently to longer delivery times and limited room for negotiation, which in turn drives prices up. This all can affect the realisation of the delivery of the project portfolio and the investment plan.</li> <li>— Failure to comply with ethical standards as well as internal and external regulations may lead to reputational damage.**</li> </ul>	
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>— N/A</li> </ul>	

<p><b>Policies</b></p> <ul style="list-style-type: none"> <li>— Code of Ethics</li> <li>— Anti-Bribery and Corruption Policy</li> <li>— Human Rights Policy</li> <li>— Code of Conduct</li> <li>— Supplier Code of Conduct</li> <li>— Purchasing Conditions</li> <li>— Whistleblowing Framework</li> <li>— Instructions on guaranteeing occupational safety when contracting with external companies</li> </ul>	<p><b>Actions</b></p> <p><b>Corporate Culture</b></p> <ul style="list-style-type: none"> <li>— Training of employees</li> <li>— Internal audit procedures</li> </ul> <p><b>Management of relationship with suppliers</b></p> <ul style="list-style-type: none"> <li>— Supplier due diligence</li> <li>— Supplier interaction &amp; purchasing conditions</li> </ul> <p><b>Corruption and bribery – prevention and detection</b></p> <ul style="list-style-type: none"> <li>— Anti-corruption measures</li> </ul>	<p><b>Targets</b></p> <p>N/A</p> <p><b>Key metrics</b></p> <ul style="list-style-type: none"> <li>— Fraud, corruption and non-compliance infractions</li> <li>— Indirect political contributions</li> </ul>	<p><b>Resilience of the business model</b></p> <p>See <a href="#">ESRS G1 Business conduct</a> for how Eurogrid Group's governance arrangements, internal controls, internal and external audits, policies and staff training courses ensure it complies with legal, regulatory and internal requirements whilst preventing fraud and maintaining transparency.</p> <p>Eurogrid Group regularly assesses and updates where available all the above to ensure they are aligned with the laws and best practice standards. In the event of an unexpected incident, Eurogrid Group addresses it as a matter of priority in order to ensure the resilience of its business model.</p>
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\*\*This IRO is material starting with medium/long term



# 1.4. Impact, risks and opportunity management

## IROI - Description of the processes to identify and assess material impacts, risks and opportunities

### Overview

50Hertz's core business is the transmission of electricity in the north and east of Germany. Consequently, most material impacts, risks and opportunities (IROs) are related to the electricity transmission activity.

50Hertz's key value chain (transmission of electricity) is presented in section '[Strategy - SBM1 - Market position, strategy, business model and value chains](#)' in this report.

### Assessment of the impacts, risks and opportunities

The 2025 DMA was conducted using the methodology established in 2024.

The assessment involved the following steps:

1. Scope definition: clarifying the boundaries and objectives;
2. Value chain: ensure comprehensive coverage of sustainability impacts and dependencies.
3. Topic identification: compiling a list of potentially material sustainability matters using as a starting basis the risks and opportunities identified through the enterprise risk management (ERM) system

While the identification of material sustainability matters was initiated using the risks and opportunities captured in the ERM system, Eurogrid Group performed an additional completeness check to ensure that significant impacts not reflected as ERM risks were also assessed. Examples of additional checks performed are stakeholder input and value chain impact screening as well as internal workshops held with sustainability experts. This complementary review ensured that the DMA covered all relevant impacts, irrespective of whether they currently generate a risk or an opportunity.

In addition, a sector benchmark exercise was conducted to compare the findings over materiality, providing valuable context and validation.

While the scoring methodology remained unchanged compared to previous year, greater emphasis was placed on ensuring consistent application across all topics. This led to numerous minor adjustments in the final output.

The materiality of each sustainability-related topic was determined based on the maximum scores among the IROs of the same ESRS. These highest scores also determine the position in the double materiality matrix of the corresponding ESRS.

Each score of each IRO from each dimension - impact/risk & opportunities - was compared with the determined threshold (>10) to conclude the materiality of the IRO and the material sustainability matters. The threshold was set at 10 to keep the consistency with previous year and with other business practices.

The same scales and thresholds were used for the assessment of sustainability risks as well as for other types of risk.

### Stakeholder engagement

Eurogrid Group engages frequently with its stakeholders, gaining insight into and onboarding their concerns and needs. For more information about how Eurogrid Group interacts with stakeholders, see section [SBM 2 - Interests and views of stakeholders](#). Due to natural processes of onboarding the views of external stakeholders through representatives of internal departments, the double materiality matrix reflected in this report is based on only insights from internal stakeholders.

Targeted enhancements in expert involvement occurred throughout the year on a set of topics: biodiversity, pollution and circular economy. The objective was to challenge the conclusions of last year's DMA and to gather findings that might have deepened and improved or support the argumentation for it.

### Approval and management review

The outcome of the double materiality exercise was approved by Eurogrid Group's Management Board in alignment with the relevant bodies at Elia Group level (e.g. Elia Group's Sustainability Committee and Elia Group's Management Board).

### Integration in the overall management process

The topics of the double materiality exercise were embedded into Eurogrid Group's current management practices.

The main impacts, risks and opportunities reflected in the double materiality exercise are embedded in Eurogrid Group's corporate strategy and in the management practices through the strategic business review exercise.

### Key findings and evolution

Eurogrid Group has been publishing a double materiality matrix since 2022 and since 2024 this was adapted to follow the guidelines stemming from the ESRS. The comparison of the materiality matrix 2025 is therefore only possible with the matrix 2024.

The list of material and not-material ESRS is stable and in line with the benchmark among the sector's peers.

The reduction of the financial risk linked to delays in processes due to participation procedures led to a reconsideration of the materiality for S3 Affected communities in the 2025 reporting year.

Other minor adjustments have their source in either improved consistency in the list of IROs, allocation errors, corrections and formatting.

## IRO2 - Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

The list of disclosure requirements that were found 'material' as a result of the double materiality assessment is available in section [5.2. ESRS Index](#).

For an explanation of how the material information to be disclosed was identified and which thresholds were used, see section [IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities](#).

The following standards and their corresponding sustainability-related topics were found to be 'not material' during the double materiality assessment:

Standard	Explanation
E2 Pollution	The IROs related to pollution have been reassessed this year through a dedicated and broader exercise. They were considered not material.
E3 Water and marine resources	Eurogrid Group's operations do not involve the withdrawal, discharge or consumption of water. 50Hertz' primary role as an electricity transmission operator does not directly impact marine resources.
S4 Consumers and end-users	The operations of Eurogrid Group do not involve direct engagement with end-users due to the specific of the activity of transmission of electricity.

The list of datapoints that are reported on in this sustainability statements and that are derived from other EU legislation can be consulted in section [5.3. Index for the data points in cross-cutting and topical standards that derive from other EU legislation](#).

## 2. Environmental information

### 2.1. Eligibility and alignment for EU Taxonomy regulation

#### 2.1.1 Context

The Taxonomy regulation 2020/852 established a European classification system that defines which economic activities can make a substantial contribution to the environment.

The EU Taxonomy - and its disclosure requirements - allows financial and non-financial undertakings to share a common definition of environmentally sustainable economic activities. On the one hand it provides companies with the opportunity to demonstrate that their economic activities are aligned with Europe's decarbonisation goals and are resilient in the long run. On the other hand it allows investors to make informed investment decisions on what environmentally sustainable economic activities are. The goal of the Taxonomy is to redirect capital flows to said economic activities.

#### 2.1.2 Eurogrid Group's eligibility and alignment

The EU Taxonomy has provided Eurogrid Group with an opportunity to fine-tune its strategic approach.

##### Eurogrid Group Eligibility KPIs in 2025

**100.0%**

Taxonomy-eligible turnover

**100.0%**

Taxonomy-eligible CAPEX

**100.0%**

Taxonomy-eligible OPEX

##### Eurogrid Group Alignment KPIs in 2025

**99.4%**

Taxonomy-aligned turnover

**100.0%**

Taxonomy-aligned CAPEX

**99.7%**

Taxonomy-aligned OPEX

Eurogrid Group's detailed EU Taxonomy disclosures for 2025 are elaborated on in the rest of this chapter.

#### 2.1.3 Process

The assessments of Eurogrid Group's eligibility and alignment with the EU Taxonomy have been prepared in line with the following:

- the EU Taxonomy Regulation 2020/852 of 18 June 2020
- the Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139) and its amendments (Commission Delegated Regulation (EU) 2023/2485);
- the Complementary Climate Delegated Act (Commission Delegated Regulation (EU) 2022/1214);
- the Environmental Delegated Act (Commission Delegated Regulation (EU) 2023/2486);
- the Disclosure Delegated Act (Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021);
- the Report on Minimum Safeguards published on the Platform on Sustainable Finance in July 2022;
- a series of EU Commission FAQ documents on the EU Taxonomy (latest issue: March 2025);

— from 2025 onwards Eurogrid Group also implements the 'Cut the Red Tape Delegated Act' and Annexes to the Delegated Act amending the Taxonomy Disclosures, Climate and Environmental Delegated Acts of 4th of July 2025.

Assessing Eurogrid Group's eligibility and alignment with the EU Taxonomy comprises the five-step approach outlined below. Economic activities that meet the requirements outlined in the first four steps are considered to be 'aligned' with the EU Taxonomy. Step 5 of the assessment is calculating the KPIs for the EU Taxonomy (Turnover, CAPEX, OPEX).

## Methodology – 5-step approach

1. Eligibility: Eurogrid Group's economic activities are assessed to check whether they are 'Taxonomy eligible'. To be considered eligible, activities should be covered by the definition of one or more of the activities described in the Delegated Acts. The activities described in the Delegated Acts are linked to one of the following six environmental objectives:
  - a. Climate change mitigation;
  - b. Climate change adaptation;
  - c. Sustainable use and protection of water and marine resources;
  - d. Transition to a circular economy;
  - e. Pollution prevention and control;
  - f. Protection and restoration of biodiversity and ecosystems.
2. Substantial contribution: Eurogrid Group's eligible economic activities are assessed as to whether they make a 'substantial contribution' to the relevant environmental objective(s).
3. Do No Significant Harm analysis: Eurogrid Group's eligible economic activities are assessed as to whether they do not cause any significant harm to any of the other environmental objectives while contributing substantially to one.
4. Compliance with Minimum Safeguards: Eurogrid Group's economic activities are assessed as to whether they comply with the minimum safeguards outlined by the Taxonomy Regulation.
5. KPIs calculation: the proportion of Eurogrid Group's environmentally sustainable economic activities (identified in steps 1-4) is then calculated by identifying Eurogrid Group's Taxonomy-eligible and aligned turnover, CAPEX and OPEX.

## 2.1.4 Taxonomy-eligible and non-eligible economic activities

Decisions regarding the eligibility or non-eligibility of Eurogrid Group's economic activities are taken by comparing the economic activities of each of Eurogrid Group's entities in

scope of the Taxonomy regulation with the definition of the activities described in the Delegated Acts of the EU Taxonomy. Note ['Fundamentals of the Group'](#) of the Management Report provides a full overview of Eurogrid Group's legal structure.

Based on Taxonomy guidelines and notices published by the European Commission, 50Hertz's legal entities JAO, Coreso, TSCNET, EEX and Kurt-Sanderling-Akademie des Konzerthausorchesters Berlin and LINK digital GmbH were excluded from the eligibility and alignment assessment (both from the numerators and denominators of the KPIs), as they qualify as other shareholdings (joint ventures and associates) accounted at fair value or using IFRS 9 in the consolidated financial statements.

The eligibility analysis on the entities included in the assessment showed that Eurogrid Group's main economic activity - 'Transmission of electricity' - is Taxonomy eligible, more specifically for activity "4.9. Transmission and distribution of electricity" under the environmental objectives of climate change mitigation (from here on CCM) and climate change adaptation (from hereon CCA). From FY25, Eurogrid Group will also be utilizing the de minimis threshold of 10% to identify potential new eligible economic activities.

In compliance with art. 1.2.2.2. of the Disclosure Delegated Act "Where an economic activity contributes to several environmental objectives, non-financial undertakings shall, [...] only count once the turnover [red. and CAPEX or OPEX] from that activity in the numerator of the KPIs in point 1.1 of this Annex [I] to avoid double counting" .

Eurogrid Group looks to avoid double counting between environmental objectives, so it allocates all of its turnover, and corresponding CAPEX and OPEX, to the climate change mitigation objective.

Regarding the CAPEX KPI, the nature and scope of CAPEX in an activity that contributes substantially to CCM could in some cases be differentiated from CAPEX that makes that activity adapted to climate change. This could be the case in situations where the adaptation solution is external to the CCM-aligned asset (i.e. a separately identifiable and implemented measure/project) or where a solution is specified in the adaptation plan of the existing activity/asset. For example, the CAPEX to build a new HTLS-line<sup>2</sup> to strengthen the interconnected grid, which in 50Hertz's case is assessed for CCM, could be distinguished from the CAPEX that is specifically allocated to the reinforcement of the pylons to withstand higher future windspeeds, which could be assessed for CCA.

Eurogrid Group differentiates a small portion of its CAPEX under CCM as being eligible under CCA. This is the CAPEX linked to the climate change adaptation features embedded into the construction of its infrastructure following the climate risk and vulnerability assessment performed by Eurogrid Group. Climate change adaptation features are embedded into the construction of 50Hertz Transmission grids from the design phases onwards to increase reliability. Eurogrid Group identified all of the CAPEX that is associated with tower reinforcements projects that increase the resilience of its grid to storms and strong winds, corresponding to a value of m.€ 21.9.

<sup>2</sup> HTLS stands for High Temperature Low Sag

## Eurogrid Group

Entity	NACE code / description	Activity description	Correspondence with the Climate Delegated Acts	Decision on eligibility (Yes / No)
50Hertz Transmission GmbH	3513 Transmission of electricity	50Hertz Transmission is the transmission system operator which operates the extra-high-voltage grid in the north and east of Germany.	4.9 'Transmission and distribution of electricity'	Yes
50Hertz Offshore GmbH	3513 Transmission of electricity	The business activities of 50Hertz Offshore cover the planning, construction and maintenance of electricity lines as well as the associated plants and facilities for connecting offshore wind turbines/farms primarily erected in the Baltic Sea to the grid.	4.9 'Transmission and distribution of electricity'	Yes
50Hertz Connectors GmbH	3513 Transmission of electricity	Entity that controls a few transmission of electricity assets handed over from the other entities from within the German segment.	4.9 'Transmission and distribution of electricity'	Yes
Eurogrid GmbH	6421 Holding company	80% of this is owned by Elia Group; it comprises the activities of 50Hertz. The remaining 20% is held by the German state-owned Bank Kreditanstalt für Wiederaufbau («KfW») via Selent Netzbetreiber GmbH.	No perfect fit identified with the activities described in the Climate Delegated Regulation	No

### 2.1.5 Substantial contribution to climate change mitigation (SC)

As outlined above, the Taxonomy regulation requires non-financial undertakings to assess whether their eligible economic activities make a 'substantial contribution' to one or more of the six environmental objectives whilst not harming any of the remaining five.

The Group's main activity – the transmission of electricity – is eligible for the environmental objectives of CCM and CCA and is assessed for alignment under the CCM objective for activity 4.9 'Transmission and distribution of electricity'.

#### Substantial contribution to climate change mitigation

The contribution that the transmission of electricity makes to climate change mitigation is assessed using the relevant criteria included in Annex I of the Climate Delegated Act<sup>3</sup>.

In this, the transmission of electricity is considered to make a substantial contribution to climate change mitigation if the "Transmission and distribution infrastructure or equipment is in an electricity system that complies with at least one of the following criteria:

- the system is the interconnected European system, i.e. the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems;

- more than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100 gCO<sub>2</sub>e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period;
- the average system grid emissions factor, calculated as the total annual emissions from power generation connected to the system, divided by the total annual net electricity production in that system, is below the threshold value of 100 gCO<sub>2</sub>e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period."

Eurogrid Group's transmission activities meet criterion (a). Interconnectors that link energy transmission grids in different countries together contribute to the sustainability of the European energy sector by enabling the trading of energy and increasing energy efficiency. Interconnectors do this by reducing the cost of meeting electricity demand while improving security of supply and facilitating the cost-effective integration of the growing amount of renewable energy sources into the system.

Furthermore, the Climate Delegated Act highlights two additional points:

- "Infrastructure dedicated to creating a direct connection or expanding an existing direct connection between a substation or network and a power production plant that is more greenhouse gas intensive than 100 gCO<sub>2</sub>e/kWh measured on a life cycle basis is not compliant."

Eurogrid Group's revenues, CAPEX and OPEX associated with these identified connection parts were assessed as not making a substantial contributing to the environmental objective of climate change mitigation and were eliminated from the numerators of the alignment KPIs during the assessment process.

<sup>3</sup> Consolidated TEXT: 32021R2139 — EN — 08.01.2025

2) "Installation of metering infrastructure that does not meet the requirements of smart metering systems of Article 20 of Directive (EU) 2019/944 is not compliant". Elia Group's electricity transmission business activities in Belgium and Germany comply with European and national regulatory requirements regarding smart meter rollout and meet the criteria for substantial contribution.

Based on the above, all of Eurogrid Groups activities contribute substantially to CCM for activity '4.9 Transmission and distribution of electricity' except for the turnover derived from direct connections to polluting power plants that are more greenhouse gas intensive than 100 gCO<sub>2</sub>e/kWh measured on a life cycle basis, and the CAPEX and OPEX linked to these operations.

## 2.1.6 Do No Significant Harm (DNSH)

For the Group's activities confirmed as making a 'substantial contribution' to climate change mitigation, the Group needs to assess that in making its substantial contribution it does not cause any harm to the other environmental objectives.

Note that no DNSH criteria for the environmental objective covering 'sustainable use and protection of water and marine resources' has been defined for the transmission and distribution of electricity, hence, it is not evaluated.

### Climate change adaptation

To ensure no harm is done to the environmental objective of climate change adaptation (CCA) Eurogrid Group should assess how its activities could be affected by physical climate risks and how it plans to mitigate these risks by formulating and implementing adaptation measures.

To comply with this DNSH criterion, a climate risk and vulnerability assessment was carried out in line with the requirements of Appendix A in Annex I of the EU Taxonomy Climate Delegated Act. This assessment highlighted the possible harmful effect of heatwaves, cold snaps/winter incidents, storms, flooding, droughts and wildfires. With the support of climatologists from the University of Hamburg (Hereon Climate Research Centre), local climate scenarios were developed for Germany for the middle and long term for RCP 2.6 and RCP 8.5. More information about the scenarios and the conclusions drawn can be found in section [ESRS E1 - IRO-1-Description of the processes to identify and assess material impacts, risks and opportunities](#).

All physical climate risks identified are acute physical risks, which could lead to less favourable operating conditions for Eurogrid Group's assets or lead to damage. Such circumstances may trigger business continuity disruption and may need contingency plans to be activated. Given the critical nature of Eurogrid Group's infrastructure and the fact that its assets are spread over a wide territory (in particular its overhead line infrastructure), it is considered that Eurogrid Group's assets face heightened vulnerability to physical climate risks, as is the case for other system operators and utilities.

Eurogrid Group has determined individual and local adaptation measures for these physical climate risks to ensure the robustness of its assets against the most acute physical climate risks. More concretely these measures consist (not exhaustively) of:

- Tower reinforcements
- Flooding protection measures

- defining stringent climate parameters in electrical equipment specifications;
- developing enhanced climate scenarios for assessments of future grid and market needs;
- aligning with the risk preparedness plan for the electricity sector and with preventive, preparedness and emergency response measures (business continuity plan and restoration plan);
- implementing regular crisis exercises.

Eurogrid Group ensures readiness for climate change adaptation related risks by continuously following up on any new physical climate risks that could affect the Groups activities and constantly monitoring specific and generic adaptation measures.

### Transition to a circular economy

To ensure compliance with this DNSH criterion, Eurogrid Group has to have a waste management plan in place and ensure maximum reuse and recycling of materials within its value chain.

Eurogrid Group complies with relevant laws that cover their respective operating areas and adhere to the waste hierarchy. Waste management practices are in place with regards to separation of (non-) hazardous materials, and the reusability and recyclability of materials in their value chain. 50Hertz Transmission works with registered waste collectors and has used the ISO 14001 standard framework as a reference when drafting these policies.

Eurogrid Group complies with relevant laws that cover their respective control areas and adhere to the waste hierarchy (see [ESRS E5 - Resource use and circular economy](#)).

### Pollution prevention and control

To comply with the DNSH criterion for Pollution prevention and control, the overhead voltage lines should align with the IFC general environmental, health, and safety guidelines, respect legal electromagnetic field exposures and do not use any PCB in its activities.

50Hertz Transmission has implemented its environmental health and safety system, and through its certifications (ISO 14001 and ISO 45001), compliance with the International Finance Corporation (IFC) guidelines and legal requirements is confirmed. The scope of the certified premises will gradually increase in the coming years.

For electromagnetic fields (EMF), the activities of 50Hertz Transmission complies with the applicable standards and regulations to limit the effects of electromagnetic radiation on human health. Thanks to the criteria applied in the design of the assets, the levels of electric and magnetic fields are kept below those recommended by law and regulation.

Finally, 50Hertz has any PCB in its assets, hence all criteria to meet this DNSH criterion are met.

### Protection and restoration of biodiversity and ecosystems

For this environmental objective, Eurogrid Group should make sure that they have considered the potential negative effect they could have on nature and the environment during its activities. As outlined in the chapter on biodiversity, Eurogrid Group seeks to

protect and preserve biodiversity and mitigate and compensate for the impacts of its activities on the environment.

In general, 50Hertz Transmission conducts Environmental Impact Assessments (EIA) in the early stages of infrastructure projects as part of the permitting requests and project planning. This process enables the systematic identification, prediction, and analysis of the potential impacts and threats on the physical environment and biodiversity during both the construction and operation phases.

Please refer to section [E4-3 - Actions and resources related to biodiversity and ecosystems](#) for more details on biodiversity efforts.

## 2.1.7 Requirements of the Minimum Social Safeguards

As outlined in [G1-1 Corporate culture and business conduct policies and G1-2 Management of relationships with suppliers](#), Eurogrid Group's policies are aligned with national and international guidelines including:

- the Core Labour Standards of the International Labour Organization (ILO: C87, C98 and C135);
- workers' rights set out in the UN Global Compact;
- rules pertaining to good governance practices which are applicable to listed companies.

Elia Group's Code of Ethics as well as Eurogrid Group's Supplier Code of Conduct, the Human Rights Policy, Tax guidelines and Corporate Governance are available online.

Strategic suppliers entering into new framework agreements are required to have an EcoVadis rating, which evaluates how well a company has integrated the principles of sustainability and corporate social responsibility into its business activities. Purchasing policies are also developed in accordance with the basic principles of the UN Global Compact with respect to human rights, terms of employment and anti-corruption.

In addition, Eurogrid Group has developed the necessary processes in terms of due diligence to ensure integrity and human rights, both for its own activities and in its relations with third parties.

A supplier due diligence process has been defined for 50Hertz transmission to comply with the supply chain law in Germany (Lieferkettensorgfaltspflichtengesetz - LkSG), to seek alignment with the Minimum Safeguards and with the potential requirements of the future Corporate Sustainability Due Diligence Directive (CSDDD). It consists of a risk assessment of the supplier base rooted on external indices and internal parameters. All suppliers flagged as 'potential high risk' as a result of this screening process are then further evaluated by the responsible buyer. If their high-risk status is confirmed, measures will be taken in accordance with a mitigation plan and follow-up in the next reporting periods. For more information on the supplier due diligence please see the section on supplier due diligence under [G1-2 Management of relationships with suppliers](#).

Similar efforts are also made for Eurogrid Group's own employees and workers in the value chain (contractors) to ensure compliance with the same standards. Please refer to sections

[S1-1 - Policies related to own workforce](#) and [S2-1 - Policies related to value chain workers](#) for more information on this.

Eurogrid Group confirmed it has good governance practices in place, in particular with respect to:

- sound management structures, as described on the 'Corporate governance' pages of 50Hertz Transmission's website;
- employee relations: Eurogrid Group is committed to freedom of association, collective bargaining and the protection of employee representatives; particular emphasis is placed on trust and ongoing cooperation with all trade unions;
- tax compliance and transparency as outlined in the company's Tax Guidelines, with a particular focus on a risk-averse tax strategy, which always aligns with our general conduct of business.

## 2.1.8 Taxonomy KPIs and accounting methods

The accounting methods for calculating the shares of eligible and aligned activities were based on the provisions of Annex 1 of Delegated Regulation 2178/2021.

The concepts of 'numerator' and 'denominator' apply as follows: if  $X/Y$ , then  $X$  = numerator and  $Y$  = denominator.

Double counting in the allocation in the numerator of turnover, CAPEX and OPEX across economic activities was avoided as each entity undertakes one economic activity only. Consequently, turnover, OPEX and CAPEX cover economic activities that are either completely Taxonomy-eligible or not at all.

The expenditure funded by the issuance of green bonds (at the level of Eurogrid GmbH) is consolidated in the numerators and the denominators of the Eurogrid Group's CAPEX.

The adjusted aligned CAPEX for use by financial undertakings was calculated according to the guidelines set out in the European Commission FAQs on EU Taxonomy from December 2022.

### Turnover

The turnover used in the KPI calculation is based on the accounting policies mentioned in section [3.4.1 Income](#) of the Financial Report and the consolidated results reported in [4. Segment reporting](#) which report the revenues under which the following items are considered:

	Numerator(*)	Denominator
Revenues (including grid revenues, last mile connection and other revenue)	Yes	Yes
Net income (expense) from settlement mechanism	Yes	Yes

(\*) Numerator is adjusted for the legal entities / activities not qualifying as taxonomy-eligible and for the legal entities / activities qualifying as Taxonomy-eligible but not Taxonomy-aligned.

Therefore, the total considered turnover in 2025 which was included in the denominator of the turnover KPI was m.€ 2,436.1.

## CAPEX

The CAPEX used in the KPI calculation is based on general accounting policies, as mentioned in sections [3.3.1 Property, plant and equipment](#) (IAS 16) und [3.3.2 Intangible assets](#) of the Financial Report.

The movements related to these assets are disclosed in section [6.1. Property, plant and equipment](#) and [6.2. Intangible assets](#) from the Financial Report, under the subtitle 'capital expenditures' and are included in the calculation as follows:

	Numerator(*)	Denominator
Additions for PPE (including leases)	Yes	Yes
Additions for intangible assets (including leases)	Yes	Yes

(\*) Numerator is adjusted for the legal entities / activities not qualifying as taxonomy-eligible and for the legal entities / activities qualifying as Taxonomy-eligible but not Taxonomy-aligned.

The total considered CAPEX in 2025 which was included in the denominator of the CAPEX KPI was m.€ 3,906.3.

In line with the guidelines provided by the European Commission in December 2022, please find below the figures prepared for the use by financial undertakings:

- m.€ 1,518.5
- were allocated for CAPEX in 2025 from Eurogrid GmbH Green Bond 2022/2031
- the adjusted Taxonomy aligned CAPEX KPI is 61.1%

## OPEX

To determine the OPEX KPI, the definition as described in the Reporting Delegated Regulation and the ESMA final report entitled 'Advice on Article 8 of the Taxonomy Regulation' is applied. The OPEX covers direct non-capitalised costs that relate to research

and development, building renovation measures, short-term leases, maintenance and repairs, and any other direct expenditures relating to the day-to-day servicing of items of property, plant and equipment that are necessary to ensure the continued and effective functioning of such assets.

The denominator of the OPEX KPI in 2025 was € 70.2 million.

## 2.1.9. Breakdown of Eurogrid Group's KPIs for EU Taxonomy eligibility and alignment in 2025

The last steps taken as part of the Taxonomy analysis was the calculation of the KPIs: Taxonomy-eligible and aligned turnover, CAPEX and OPEX.

A top-down approach was applied when calculating the KPIs, meaning non-eligible or non-aligned turnover, CAPEX and OPEX were excluded from the total figures disclosed in the financial statements.

Denominator	Section Consolidated Financial Statements	Reconciliation
Eurogrid Group 2025 turnover	<a href="#">5.2. Revenue from the grid business and other income</a>	Revenue from contracts with customers
Eurogrid Group 2025 CAPEX	<a href="#">6.1. Property, plant and equipment</a> and <a href="#">6.2. Intangible assets</a>	Summation of total additions to PP&E and additions to intangible assets

Eurogrid Group's alignment with DNSH criteria and its compliance with the Minimum Social Safeguards lead to the conclusion that the KPIs are mainly impacted by: The non-alignment of the eligible transmission of electricity activities, which is due in particular to existing direct connections to power plants that do not meet the TSC.

The KPIs had previously been prepared in accordance with the reporting requirements of the Disclosures Delegated Act that were applicable before the amendments introduced by the Omnibus Delegated Act. Elia has chosen to adopt these amendments for FY2025.

KPI	Reporting year 2025				Breakdown by environmental objectives of Taxonomy aligned activities							Reporting year N-1			
	Total (millions€)	Proportion of Taxonomy eligible activities (%)	Taxonomy aligned activities (millions€)	Proportion of Taxonomy aligned activities (%)	Climate change mitigation (%)	Climate change adaptation (%)	Water (%)	Pollution (%)	Circular economy (%)	Biodiversity and ecosystems (%)	Proportion of Enabling activities (%)	Proportion of transitioning activities (%)	Not assessed activities considered non-material (%)	Taxonomy aligned activities in previous financial year N-1 (millions€)	Proportion of Taxonomy aligned activities in previous financial year (N-1) (%)
Turnover	2,436.1	100.0 %	2,420.4	99.4 %	99.4 %	— %	— %	— %	— %	— %	99.4 %	— %	— %	2,257.0	99.4 %
CAPEX	3,906.3	100.0 %	3,905.8	100.0 %	100.0 %	— %	— %	— %	— %	— %	100.0 %	— %	— %	3,702.7	99.8 %
OPEX	70.2	100.0 %	70.0	99.7 %	99.7 %	— %	— %	— %	— %	— %	99.7 %	— %	— %	57.5	99.2 %

Please find below an overview of the proportion of eligible CAPEX and aligned CAPEX per objective<sup>4</sup>.

Eurogrid Group	Proportion of CAPEX/Total CAPEX	
	Aligned by objective	Eligible by objective
CCM	100.0 %	100.0 %
CCA	0.6 %	— %
WTR	— %	— %
CE	— %	— %
PPC	— %	— %
BIO	— %	— %

<sup>4</sup> CCM: Climate Change Mitigation; CCA: Climate Change Adaptation; WTR: Water and Marine Resources; CE: Circular Economy; PPC: Pollution Prevention and Control; BIO: Biodiversity and Ecosystems

## 2.2. E1 Climate change

**The Eurogrid Group's business activities are inextricably linked to the energy transition and climate protection. It plays a central role in reducing the carbon footprint of the societies in which it operates: through the integration of renewable energy sources (RES)<sup>5</sup> into the electricity system, through supporting broader electrification by means of substantial investments in grid expansion, and through contributing to the development of new markets.**

### E1-1 - Transition plan for climate change mitigation

Elia Group has set itself the target of decarbonising its own operations by 2030, meaning that it is seeking to avoid, reduce or offset its Scope 1 and Scope 2 Greenhouse gases (GHG) emissions, excluding grid losses, by this date. It has also committed to achieving a 28% reduction in absolute Scope 1 and Scope 2 (location-based) GHG emissions including grid losses by the same year (compared with 2019). This target is aligned with a 'well-below 2°C' trajectory (see [E1-4 - Targets related to climate change mitigation and adaptation](#)) and has been validated by the Science Based Targets initiative (SBTi). Furthermore, Elia Group aims to make its system operations carbon neutral by 2040. These targets also apply at the level of the Eurogrid Group, which contributes to the achievement of the targets with its activities - especially through 50Hertz.

Grid losses are by far the biggest driver of 50Hertz' Scope 1 and 2 carbon footprint. These losses occur because some electrical energy is inevitably lost when transporting power through the grid, primarily dissipated as heat as conductors warm up when current flows through them. As a result, less energy exits the system than enters it - this difference is

referred to as grid loss. To compensate for these losses, additional electricity must be generated, leading to greenhouse gas (GHG) emissions if fossil fuels are used for production. The total emissions depend therefore on the carbon intensity of the electricity consumption mix, which is determined by the mix of energy sources in use and falls outside our area of responsibility as a TSO<sup>6</sup>. In absolute values, grid losses (measured in GWh) tend to increase as the grid expands and transmits greater volumes of dispersed renewable energy across longer distances. As the electricity consumption mix gets 'greener', total emissions from grid losses decline.

Moreover, Eurogrid Group's carbon footprint is relatively low when compared with the emissions it saves through its projects, such as the commissioning of a new offshore connection or the integration of higher levels of renewable energy into the system by increasing transformer capacity (see [E1-3 - Actions and resources in relation to climate change policies](#) below).

With regard to Scope 3 GHG emissions, see [E1-3 - Actions and resources in relation to climate change policies](#) and [E1-4 - Targets related to climate change mitigation and adaptation](#) for information about Elia Group's Scope 3 target and the improvements that its suppliers will apply to their CO<sub>2</sub> accounting methods.

### Transition plan (including drivers)

Through the Elia Group ActNow sustainability programme, Eurogrid Group is working to achieve these targets via its five-year business roadmaps and plans, that are revised regularly. These targets are set at Elia Group level and the way in which the targets are achieved is adjusted at the level of the national entities, including Eurogrid Group.

As described in section 1.3. Strategy [SBM1 - Market position, strategy, business model and value chains](#), Climate Action is both the first and most consequential dimension of the sustainability programme. The table below outlines the objectives included in this dimension and the decarbonisation drivers that were identified. See [E1-3 - Actions and resources in relation to climate change policies](#) for more details regarding the actions.

<sup>5</sup> Renewable energy sources (RES): energy which is generated from natural processes or sources that are continuously replenished, such as wind energy, solar energy or hydropower. Some of these sources - such as wind and solar energy - are intermittent.

<sup>6</sup> Since the EU's adoption of the Third Energy Package in 2009, and the unbundling of energy generation and transmission activities, electricity mixes lie outside of TSO responsibilities.

## Objectives of the ActNow Programme - Dimension 1 Climate action

	<b>SOCIETAL CHALLENGE</b> Decarbonisation of the power sector	<b>CORPORATE CHALLENGE</b> Decarbonisation of own activities			
	<b>Objective 1</b> Speed up the decarbonisation of the power sector	<b>Objective 2</b> Reach carbon neutrality in system operations by 2040	<b>Objective 3</b> Reach carbon neutrality in own activities by 2030	<b>Objective 4</b> Move towards carbon-neutral value chain for assets and works	<b>Objective 5</b> Increase climate resilience
<b>Environmental objective</b>	<b>Climate change mitigation</b>				<b>Climate change adaptation</b>
<b>Material topic</b>	<ul style="list-style-type: none"> <li>Energy transition</li> <li>Transition to a low-carbon economy</li> </ul>	GHG emissions			Climate change and physical adaptation
<b>Actions</b>	<ul style="list-style-type: none"> <li>Grid development and RES integration</li> <li>Market development and system operations</li> <li>Electrification and sector coupling</li> </ul>	Reduction of grid losses-related GHG emissions	<ul style="list-style-type: none"> <li>SF<sub>6</sub> mitigation</li> <li>Sustainable substations</li> <li>Low-carbon mobility</li> </ul>	<ul style="list-style-type: none"> <li>Supplier engagement</li> <li>Tailored CO<sub>2</sub> accounting platform for suppliers</li> <li>Internal Carbon Price (ICP)</li> </ul>	Institutionalisation of climate risk management and integration of climate adaptation into processes.
<b>Targets</b>	Federal development plans	SBTi alignment <2°C (-28% by 2030) (Scope 2, location-based)	<ul style="list-style-type: none"> <li>SF<sub>6</sub> leakage rate (&lt; 0.25%, yearly target)</li> <li>Solar panels and control heating/cooling installation (Scope 2)</li> <li>Reduction of fleet-related GHG emissions (Scope 1) (-90% in 2030)</li> </ul>	Scope 3 Intensity reduction of additional transformer capacity	/

### Locked-in GHG emissions

For locked-in GHG emissions related to grid losses, see the text above.

Due to the long lifespan of the Gas Insulated Switchgear (GIS) assets, SF<sub>6</sub><sup>7</sup> gas will still be in use by Eurogrid Group in 2030, 2040 and beyond. Since SF<sub>6</sub> is the most potent greenhouse gas (GHG), the Group's SF<sub>6</sub> strategy focuses on leakage management and on limiting its level of installed volume (see [E1-3 - Actions and resources in relation to climate change policies](#) below).

Regarding locked-in GHG emissions related to the electricity consumption of 50Hertz' substations (elements making it possible to operate the grid) these will be decreased over

<sup>7</sup> Chemical formula of 'sulphur hexafluoride'. SF<sub>6</sub> is used as an insulation and switching gas in gas-insulated high-voltage switchgear. It has excellent electrical properties, is non-toxic and is chemically stable. However, the global warming potential of SF<sub>6</sub> is 24,300 times higher than CO<sub>2</sub>.

time as energy efficiency measures and RES production are implemented (see [E1-3 - Actions and resources in relation to climate change policies](#) below). In time, just as for grid losses, the emissions associated with the 50Hertz' substations will decrease in line with the decarbonisation of the electricity consumption mix.

## Financial resources

Eurogrid Group's activities have been identified as highly aligned with the EU Taxonomy; see [2.1.2 Eurogrid Group's eligibility and alignment](#) for details. During the period 2025-2028, Eurogrid Group's CAPEX plans amount to €19.3 billion. No significant CAPEX amounts (<1%) were invested in coal, oil or gas-related economic activities during 2025.

## Embedding the transition plan in the overall strategy and financial planning

Eurogrid Group does not fall under the exclusion for EU Paris-aligned benchmarks<sup>8</sup>.

Since Eurogrid Group's core business is linked to the energy transition, its executive bodies carry sustainability and climate-related responsibilities: they drive the implementation of its strategy, including ActNow, and oversee Eurogrid Group's progress. As outlined in [GOV-1 - The role of the administrative, management and supervisory bodies](#), [GOV-2 - Information provided to and sustainability matters addressed by the administrative, management and supervisory bodies](#) and [GOV-3 - Integration of sustainability-related performance in incentives schemes](#), specific governance structures ensure that ActNow measures are embedded across the organisation, that progress on these is tracked, and that associated targets are met.

The Elia Group first presented ActNow and its climate transition plan to its stakeholders during its 2021 Capital Markets Day. Since then, the Elia Group as well as the Eurogrid Group have used their numerous online and in-person events (a.o. annual general meetings (AGMs) and annual online events held by Executive Management for the investors community) to collect feedback from and provide updates about ActNow to their different stakeholder groups.

Processes and controls have been established to ensure regular monitoring, measuring, validating and reporting. In addition, during the Capital Market Day events, Elia Group's Executive Management presents the sustainability strategies to shareholders.

The progress made in implementing the transition plan is overseen by Elia Group's Sustainability Office and the local Sustainability Committee at 50Hertz and is tracked through KPIs.

See [E1-4 - Targets related to climate change mitigation and adaption](#) for information about the progress on ActNow targets.

## SBM3 E1 - Material impacts, risks and opportunities and their interaction with strategy and business model

Eurogrid Group has assessed its risks and opportunities on climate change. Information regarding the processes to identify and assess these impacts, risks and opportunities can be found in [IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities](#).

The climate change-related material impacts, risks and opportunities identified in [1.3. Strategy](#) - 'Energy transition', 'GHG emissions' and 'Transition to a low-carbon economy' - are all considered as climate-related transition risks. Only the climate change-related material impact 'Climate change and physical adaptation' is considered as a climate-related physical risk.

The scope of the analysis regarding the resilience of the strategy and business model in relation to climate-related physical risks includes the TSO activities of 50Hertz.

The analysis, referred to as the vulnerability assessment, has been performed in 2023 - and updated thereafter - as described in [IRO-1 E1 - Description of the processes to identify and assess material climate-related impacts, risks and opportunities](#). The physical climate-related risks to which 50Hertz is subject fall into two categories: chronic and acute. This assessment highlighted the possible harmful effect of heatwaves, cold waves/winter incidents, storms, flooding and wildfires.

Regarding the climate-related opportunity 'Energy transition' identified in [1.3. Strategy](#), it has been assessed in the grid development plans, published at regular intervals as described in [IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities](#). The outcome of the exercise is the development plan containing a detailed estimate of transmission capacity requirements, indicating the underlying assumptions, and sets out the investment programme that the system operator pledges to implement to meet those requirements.

## IRO-1 E1 - Description of the processes to identify and assess material climate-related impacts, risks and opportunities

### Climate-related physical risks

All countries in the Central Europe System Operation region (including Germany) work together closely in connection with the risk preparedness plan for the energy sector. A list of 31 regional electricity crisis scenarios were identified, including those linked to extreme weather conditions. The assessment specifically highlighted potential impacts from heatwaves, cold snaps, winter incidents, storms, flooding and wildfires — all identified as acute physical risks.

<sup>8</sup> In accordance with the exclusion criteria stated in Articles 12.1 (d) to (g) 53 and 12.2 of Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmark Standards Regulation).

Eurogrid Group's assets and business activities were thoroughly analysed to assess their exposure and sensitivity to these identified climate-related hazards, considering factors such as likelihood, magnitude and duration. In line with the criteria for EU Taxonomy alignment, Eurogrid Group carried out a climate risk and vulnerability assessment for its core activity 'transmission of electricity'. The insights gathered from this assessment were used as an input for identifying climate-related physical risks. With support from climatologists at GERICS (Climate Service Center Germany) – an institute at Helmholtz-Zentrum Hereon – local climate scenarios were developed for Germany based on time horizons 2050 and 2085, and aligning with the expected lifetimes of Eurogrid Groups' assets, strategic planning horizons and capital allocation plans. Two state-of-the-art climate scenarios were considered: RCP<sup>9</sup> 2.6, and RCP 8.5. RCP 2.6 represents a low-emission scenario with stringent policies, while RCP 8.5 represents a high-emission scenario with the least stringent policies.

## Climate-related transition risks and opportunities

Climate change and the subsequent energy transition represent an opportunity for Eurogrid Group as integration of renewables requires significant grid reinforcement and expansion, both onshore and offshore. This opportunity materialises in the short and extends to the long-term as Eurogrid Group is both responsible for aligning its activities with the ambitions of the German government respectively (known as the Nationally

Determined Contributions), as reflected in the Grid Development Plan for Germany. Those plans are published at regular intervals<sup>10</sup>. In parallel, Eurogrid Group has initiated closer exchanges with RES developers and industry to better anticipate their grid needs that often materialise within fewer years than the target dates of the Grid Development Plans.

In order to develop a grid which is suitable for meeting future challenges, multiple scenarios were analysed to better understand the impact on the network and to better foresee the investments needed. The scenarios used by 50Hertz for the Grid Development Plan are informed by ENTSO-E's scenarios.

## EI-2 - Policies related to climate change mitigation and adaptation

Elia Group has developed and applies the following policies related to climate change on Elia Group level. These guidelines have been adapted for 50Hertz at Eurogrid Group level in accordance with local legislation and regulation and are applied. Note that all of the policies are made available to the Group's employees via its intranet and, where relevant, to contractors, suppliers and external stakeholders via its website or other electronic tools.

Policy	Monitoring process	Scope	Function accountable	Related Framework
<b>Purchasing Conditions</b>	Contractual agreement		Chief Procurement Officer / Elia Group	n/a
<b>Supplier Code of Conduct</b>	Annual risk analysis by the Procurement department and process compliance monitoring by Internal Audit		Chief Procurement Officer / Elia Group	n/a
<b>Instructions on guaranteeing occupational safety when contracting with external companies for work</b>	Operational monitoring		Head of Corporate Governance	n/a

## Policies targeting our suppliers

Several policies are directed at suppliers - the upstream value chain - and include climate change mitigation aspects:

- The **Purchasing Conditions for Electrical Equipment and Works**: these documents describe the conditions that apply to suppliers for specific purchasing categories. In the ones for Electrical Equipment and Works, 50Hertz' expectations of its suppliers are expressed regarding the reduction of the environmental impacts of greenhouse gases emissions arising from its services.
- The **Supplier Codes of Conduct** list a set of sustainable principles 50Hertz require its suppliers to follow, including making a rational use of energy and reducing GHG emissions.

- The **Instructions on guaranteeing occupational safety when contracting with external companies for work**: this document is aimed at suppliers who carry out work for 50Hertz or within the TSO's infrastructure. It requires them to make rational use of energy and to reduce GHG emissions.

These requirements are integral to every contract 50Hertz enters into with its suppliers.

See [G1-1 - Corporate culture and business conduct policies](#) for a more detailed description of the documents listed above.

<sup>9</sup> RCP stands for "Representative Concentration Pathways", which are climate change scenarios to project future greenhouse gas concentrations

<sup>10</sup> [Network Development Plan 2037/2045](#)

## E1-3 - Action and resources in relation to climate change policies

[E1-4 Targets related to climate change mitigation and adaptation](#) describes how these actions have been translated into targets.

### Activities related to the core business

Action	Related policy objective or target	Scope	Time horizon
Grid development and RES integration			
Market development and system operations	Core business activities		continuous action
Electrification and sector coupling			

Eurogrid Group's core activities and the societal mission of 50Hertz are the decarbonisation of the electricity sector and, subsequently, the electricity consumption mix emission factor (downstream value chain).

#### Grid development and RES integration

This includes forecasting future developments in the energy sector in Germany; defining the needs of the power system; as well as planning and constructing facilities that can integrate higher volumes of renewable energy into the system.

#### Market development and system operations

This covers the facilitation of demand-side flexibility and the adoption of new digital tools that are able to manage the increasing complexity of electricity systems which carry high levels of renewable energy.

#### Electrification and sector coupling

A core element of European decarbonisation involves the electrification of industry and society at large. Leveraging the enabler role in the European power sector, 50Hertz is collaborating with industrial players such as Linde, ArcelorMittal and Total (who are active players in 50Hertz's grid region) to assess electrification potential and to identify the best possible ways to meet their growing electricity needs.

50Hertz is also proactively developing and promoting suitable locations for new data centres, industrial sites, hydrogen production facilities, etc. in order to speed up their deployment and ensure the system is ready to cope with those loads.

These efforts are underlined by the strategic initiative '100 per cent by 2032: Affordable energy for a strong economy', which was developed specifically for the 50Hertz grid area. See chapter '[3. Business Performance](#)' for more details.

Neither the achieved, nor the expected GHG emission reductions from these actions have been calculated yet.

For more details, see [2.1.5 Substantial contribution to climate change mitigation](#).

### Climate-related actions for own operations and value chain

Action	Related policy objective or target	Scope	Time horizon
Reduction of grid losses-related GHG emissions	Reduction of grid losses-related GHG emissions (scope 2 location-based)		2040
SF <sub>6</sub> mitigation	SF <sub>6</sub> leakage rate (scope 1)		2030
Low-carbon mobility	Reduction of fleet-related GHG emissions (scope 1)		2030
Tailored CO <sub>2</sub> accounting platform for suppliers			
Internal Carbon Price (ICP)	Intensity reduction of scope 3 per additional transformer capacity (scope 3)		continuous action
Green works			

### Own operations

#### Reduction of grid losses-related GHG emissions

As explained above, grid losses - the electrical energy lost during transmission across power grids - are an inherent and inevitable aspect of transporting electricity. See [E1-1 Transition plan for climate change mitigation](#) for a detailed explanation of how the setting of strict reduction pathways is at odds with a TSO's role of decarbonising society via electrification and the integration of renewable energy into the system, and how it depends on national policy decisions taken about electricity mixes.

See [E1-4 Targets related to climate change mitigation and adaptation](#) for data related to the achieved and expected Elia Group's GHG emission reductions.

#### SF<sub>6</sub> mitigation

As outlined above, 50Hertz employs SF<sub>6</sub> in its assets as it has excellent electrical properties, is non-toxic and is chemically stable. However, the gas has a very high global warming potential. 50Hertz designed and approved new asset policies that favour alternatives to SF<sub>6</sub>. Resources are allocated to proof of concept projects to test these alternatives.

In the long term, the Elia Group will fully phase out the use of SF<sub>6</sub> in new installations in line with the EU F-gas Regulation. As of 2025, SF<sub>6</sub>-free options for electrical assets remain limited, and are not yet available for the highest voltage levels. 50Hertz is actively engaged in

research and development programmes to advance these alternatives. With the ongoing EU debate on a potential PFAS ban, the Elia Group is prioritising PFAS-free solutions in its R&D activities and, in some cases, has chosen not to adopt PFAS-based alternatives.

For existing assets containing SF<sub>6</sub>, enhanced monitoring systems are being implemented to enable faster detection of leaks. 50Hertz's installations are already equipped with digital SF<sub>6</sub> monitoring. Dedicated resources have been allocated to support the installation of these sensors on all relevant SF<sub>6</sub> systems.

Given the above, and the fact that SF<sub>6</sub> leakages are unpredictable, neither the achieved nor expected GHG emission reductions related to the phase-out of SF<sub>6</sub> can be calculated. Nevertheless, Eurogrid Group strives to keep the SF<sub>6</sub> leakage rate below the threshold mentioned in [E1-4 Targets related to climate change mitigation and adaptation](#).

### Low-carbon mobility

Eurogrid Group is currently electrifying its fleet of company cars and technical vehicles. A budget is allocated to the replacement of the vehicles and the installation of charging stations on the technical sites.

See [E1-4 Targets related to climate change mitigation and adaptation](#) for achieved and expected GHG emission reductions related to Eurogrid Group's fleet of vehicles.

## Supplier Engagement

### Tailored CO<sub>2</sub> accounting platform for suppliers

Upstream value chain GHG emissions from new assets and construction work are classified under Scope 3 Category 1 (Purchased Goods and Services) and Scope 3 Category 2 (Capital Goods). Accurately collecting data for these categories is challenging, as it relies on obtaining detailed information directly from suppliers.

In late 2023, Elia Group launched a supplier-focused CO<sub>2</sub> accounting platform (named 'Upstream') to increase the maturity of its Scope 3 GHG emissions data through close collaboration with suppliers. This allows 50Hertz to more effectively assess the GHG reduction efforts of its suppliers in design, production, and project execution, the resulting impact on Scope 3 emissions, and the key levers for improvement. Elia Group's Scope 3 GHG emissions target, outlined in [E1-4 Targets related to climate change mitigation and adaptation](#), is based on this information. The resources allocated to this action are related to the development of the software solution.

### Increasing the application of an Internal Carbon Price (ICP)

See [E1-8 Internal carbon pricing](#).

### Green works

To complement the data collected via 'Upstream', 50Hertz, together with several of its infrastructure suppliers, quantified the emissions from construction projects in initial pilot projects covering the main infrastructure types of the Elia Group. A large amount of data was gathered, ranging from waste to transport. Subsequently, the main drivers of the Elia Group's Scope 3 emissions were identified.

The three actions described above are enablers to estimate more accurately the supply chain-related GHG emissions as an initial step to targeting possible emissions reductions.

## Related resources

This year, Eurogrid Group refined its methodology for identifying significant operational expenditures (OPEX) and/or capital expenditures (CAPEX) linked to its sustainability action plans. The analysis focused on the actions included in the local roadmap that contributes to the ActNow program. CAPEX or OPEX related to 'significant actions' are considered material when one of these amounts exceeds the threshold defined in the double materiality assessment (0.5% of the total CAPEX or, respectively, total OPEX of the TSO that performed that action).





Action	Description	CAPEX/OPEX	Amount (€ million)
Climate resilience	Investments related to projects that strengthen the resilience of the Eurogrid Group infrastructure against climate change.	CAPEX	21.9

See [2.1.6 Do No Significant Harm \(DNSH\) - Climate change mitigation](#) for more information about climate change adaptation and the resources (CAPEX) allocated to these actions.

Eurogrid Group will continue to monitor its actions linked to the ActNow program and will report updated conclusions and additional actions, if they exceed the defined materiality thresholds.

## E1-4 - Targets related to climate change mitigation and adaptation

Please refer to the Objectives of Elia Group's [ActNow programme Climate action](#) to understand how these targets relate to its objectives.

Target name	Scope	Related policy	Actuals 2025	Unit of measure	Baseline value	Base year	Target value	Target year	Achieved performance	
Reduction of grid losses-related GHG emissions (scope 2)		Elia Group*	Greening the electricity consumption mix through grid reinforcement and expansion	742,884.2	tCO <sub>2</sub> eq	897,948.3	2019	646,522.8	2030	Reduction achieved through ongoing grid losses improvements.
				82.7	%	100.0		72.0		
Reduction of fleet-related GHG emissions (scope 1)		Eurogrid Group	Fleet (company cars and technical vans) electrification	1,941.8	tCO <sub>2</sub> eq	1,521.0	2019	152.1	2030	Increase through fleet growth; fleet electrification is expected to drive reductions by 2030.
				127.7	%	100.0		10.0		
SF <sub>6</sub> leakage rate (scope 1)		Eurogrid Group	0.09	%	0.11	2019	below 0.25%	2030	Low level maintained despite continuous increase in total installed volume, thanks to effective emission reduction efforts.	
Intensity reduction of scope 3 per additional transformer capacity (scope 3)		Elia Group*	/	330.2	tCO <sub>2</sub> eq/ MVA	824.4	2024	277.6	2035	Not applicable (the first developments to occur in 2025)
				40.1	%	100.0		33.7		

The boundaries of the GHG emissions-reduction target are the same as the ones from [E1-6 - Gross scopes 1, 2, 3 and Total GHG emissions](#).

The target-setting process involved both internal stakeholders - including asset and grid development experts as well as procurement teams - and external stakeholders, such as SBTi and the regulator.

Unless stated otherwise, the targets are monitored by Elia Group and local Sustainability Committees and via the Eurogrid Group's annual carbon accounting.

### Reduction of GHG emissions related to grid losses

As outlined in [E1-1 Transition plan for climate change mitigation](#), Elia Group is committed to reducing its absolute Scope 1 and Scope 2 (location-based) emissions by 28% by 2030 (in comparison with 2019). The target was set following SBTi methodology that is aligned with best practice in climate science and validated, in line with a 'well-below 2°C trajectory'.

### Reduction of fleet-related GHG emissions

This target relates to 'low-carbon mobility' outlined above (see [E1-3 - Actions and resources in relation to climate change policies](#)). Eurogrid Group is aiming to achieve a 90% reduction in scope 1 GHG emissions related to gasoline and diesel consumption for fleet by 2030,

primarily by electrifying its vehicles. The target was set based on an achievable pace of electrification and takes into account practical staff requirements.

### SF<sub>6</sub> leakage rate

The amount of SF<sub>6</sub> which is leaked throughout the year is calculated based on the weight registration of SF<sub>6</sub> bottles and containers when manipulations (such as refills) are carried out. The leakage rate is calculated as the amount of SF<sub>6</sub> which is leaked during the year divided by the average amount of SF<sub>6</sub> gas stored in assets. The target threshold is based on the industry threshold. It is monitored by the Executive Committee. 50Hertz is also investigating alternatives to SF<sub>6</sub> equipment by taking part in proof of concept projects to test SF<sub>6</sub>-free solutions.

### Scope 3 intensity reduction target

Elia Group commits to reducing Scope 3 GHG emissions by 66.4% per mega volt-ampere (MVA) of additional transformer capacity by 2035, using 2024 as the base year. 67% of the baseline scope 3 GHG emissions are covered by this target. Progress will be measured by dividing Scope 3 GHG emissions from categories 1 and 2 (partly) - identified as significant for our activities - by the additional transformer capacity. Transformer capacity serves as a meaningful proxy for electrification capacity and supports our supply chain decarbonisation efforts. The base year 2024 was selected because the 'Upstream platform'

\* These values and targets refer to the Elia Group and are not broken down to the Eurogrid Group.

began providing sufficiently robust data for target setting. Elia Group has committed to set near-term company-wide emission reductions in line with climate science with the SBTi, preparations to enter the validation process are ongoing.

Regarding the targets already disclosed for the previous period, no changes were made to the targets, metrics, measurement methodologies, significant assumptions, limitations, sources or data collections processes in 2025.

## EI-5 - Energy consumption and mix

Energy consumption and mix		2025	2024
(1) Fuel consumption from coal and coal products (MWh)		Not applicable	Not applicable
(2) Fuel consumption from crude oil and petroleum products (MWh)		7,385.4	6,682.1
(3) Fuel consumption from natural gas (MWh)		710.0	805.3
(4) Fuel consumption from other fossil sources (MWh)		Not applicable	Not applicable
(5a) Consumption of purchased or acquired electricity from fossil sources (MWh)	Measured	21,697.6	20,403.2
	Estimated	0.0	0.0
(5b) Consumption of purchased or acquired heat/steam/cooling from fossil sources (MWh)	Measured	1,531.5	1,393.0
	Estimated	Not applicable	Not applicable
<b>(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)</b>		<b>31,324.5</b>	<b>29,283.6</b>
Share of fossil sources in total energy consumption		44.5 %	42.7 %
<b>(7) Consumption from nuclear sources (MWh)</b>	Measured	<b>2,169.8</b>	<b>2,684.6</b>
	Estimated	Not applicable	Not applicable
Share of consumption from nuclear sources in total energy consumption		3.1 %	3.9 %
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)		Not applicable	Not applicable
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	Measured	36,919.5	36,564.4
	Estimated	0.0	0.0
(10) The consumption of self-generated non-fuel renewable energy (MWh)		Not applicable	Not applicable
<b>(11) Total renewable and low carbon energy consumption (MWh) (calculated as the sum of lines 8 to 10)</b>		<b>36,919.5</b>	<b>36,564.4</b>
Share of renewable and low carbon sources in total energy consumption		52.4 %	53.4 %
<b>Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)</b>		<b>70,413.7</b>	<b>68,532.7</b>

### ► Calculation method

Petrol (gasoline) and diesel consumption are converted to MWh using conversion factors from the IEA Statistics Manual.

A location-based approach was adopted for splitting the electricity, as this methodology aligns best with the role and responsibilities of a TSO.

## Energy intensity based on net revenue

Energy intensity per net revenue	2025	2024	%2025/2024
<b>Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/€ million)</b>	<b>28.9</b>	<b>30.2</b>	<b>95.8 %</b>

Net revenue	2025	2024
Net revenue from activities in high climate impact sectors (€ million)	2,436.1	2,270.5
Net revenue (other) (€ million)	0.0	0.0
<b>Total net revenue (financial statements) (€ million)</b>	<b>2,436.1</b>	<b>2,270.5</b>

The activity of 50Hertz is transmission of electricity, meaning that it belong in the category of high climate impact sectors. The net revenue used in the calculation above is based on the accounting policies outlined in section [3.4.1 Income](#) (IFRS 15 Revenues) of the Financial Report.

## Sector-specific energy-related metrics

Absolute values of grid losses		2025	2024
<b>Total grid losses (GWh)</b>		<b>2,377.3</b>	<b>2,438.8</b>
fossil sources	(GWh)	950.9	926.7
	Share	0.4	0.4
nuclear sources	(GWh)	95.1	121.9
	Share	0.0	0.1
renewable sources	(GWh)	1,331.3	1,390.1
	Share	0.6	0.6

## EI-6 - Gross Scopes 1, 2, 3 and Total GHG emissions

See [BP 1 - General basis for preparation of the sustainability statements](#) for a description of the scope of sustainability reporting. Note: There are no biogenic emissions of CO<sub>2</sub> from the combustion or biodegradation of biomass to disclose.

### Scopes 1, 2, 3 GHG emissions

Scope 1, 2 and 3 GHG emissions are quantified using the Greenhouse Gas Protocol methodology. Scope 1 and 2 activity data is collected and converted into CO<sub>2</sub> equivalents using relevant emission factors. Scope 3 data is collected from different sources, after which appropriate emission factors are applied to estimate CO<sub>2</sub> equivalents.

#### ► Definitions and calculation method

##### Scope 1 GHG emissions

As outlined in [EI-4 Targets related to climate change mitigation and adaptation](#), the amount of SF<sub>6</sub> which is leaked throughout the year is calculated based on the weight registration of SF<sub>6</sub> bottles and containers when manipulations (such as refills) are carried out.

The emission factors used in the calculations are as follows:

- SF<sub>6</sub>: Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (2024) (AR6).
- gasoline, diesel – German Environment Agency (UBA); natural gas – German Federal Office for Economic Affairs and Export Control (BAFA).

Note: The methodology for calculating fleet-related GHG emissions has been updated to ensure greater accuracy.

##### Scope 2 GHG emissions

- Location-based Scope 2 GHG emissions are calculated using the emission factors which are based on Germany's annual electricity consumption mix, which is published on the [Green Grid Compass](#)<sup>11</sup>
- Market-based Scope 2 GHG emissions are calculated using the [AIB European Residual Mixes](#) emission factor for Germany. Note that, since the residual emission factors for 2025 were not published in time by AIB, the previous year emission factors have been used.

Note: Eurogrid Group uses bundled instruments for the purchase of energy for its administrative sites.

#### Scope 3 GHG emissions

Three categories of Scope 3 GHG emissions are considered significant for Eurogrid Group's activities: 'Purchased Goods and Services', 'Capital Goods' and 'Fuel and energy-related Activities (not included in Scope 1 or Scope 2) (FERA)'. This last category was identified as significant following recalculation and is now being disclosed from this reporting exercise onward. The motivation for the non-disclosed Scope 3 categories is detailed in the table below.

The two first categories of scope 3 GHG emissions are calculated using two methods: first, the spend-based approach with external, category-specific emission factors when no supplier data is available; and second, a method that uses physical values based on information provided by suppliers.

The emissions related to the FERA category are calculated based on collected activity data multiplied by well-to-tank emission factors.<sup>12</sup>

Currently, 14.1% of Eurogrid Group's Scope 3 GHG emissions is calculated using primary data.

The 2024 Eurogrid Group scope 3 GHG emissions for the two first categories were updated based on new information that improves the accuracy of the data points.

<sup>11</sup> The Green Grid Compass is a joint project of the transmission system operators 50Hertz and TenneT and the "Forschungsstelle für Energiewirtschaft e.V. (FfE)". The aim is to provide free information on electricity generation and consumption and the associated CO<sub>2</sub> emissions in European bidding zones. At the time this report was prepared, the emission factors used were sourced from a CSV file uploaded to the GGC website, as certain calculation adjustments were still being processed.

<sup>12</sup> A country average mix is used for the upstream electricity and distribution losses are not calculated as they represent a negligible part of these emissions.

Non-disclosed Scope 3 categories	Motivation
<b>[Optional sub-category: Cloud computing and data centre services]</b>	Not applicable
<b>Upstream transportation and distribution</b>	There are no significant upstream transportation and distribution activities.
<b>Upstream leased assets</b>	No upstream leased assets are identified.
<b>Waste generated in operations</b>	This is not a significant Scope 3 GHG emissions category for Eurogrid Group's activities.
<b>Processing of sold products</b>	Eurogrid Group's business does not include the sale of products. Electricity transported is used directly with no further processing.
<b>Use of sold products</b>	Eurogrid Group's business does not include the sale of products.
<b>End-of-life treatment of sold products</b>	Eurogrid Group's business does not include the sale of products.
<b>Downstream leased assets</b>	There are no downstream leased assets within Eurogrid Group's financial control boundary for which emissions can be identified.
<b>Franchises</b>	There are no franchises within Eurogrid Group's financial control boundary for which emissions can be identified.
<b>Upstream transportation and distribution</b>	There are no significant upstream transportation and distribution activities.
<b>Business travel</b>	This is not a significant Scope 3 GHG emission category for Eurogrid Group's activities.
<b>Downstream transportation and distribution</b>	No downstream transportation and distribution activities could be identified. Eurogrid Group's does not sell any physical product that is not distributed through the electrical grid.
<b>Employee commuting</b>	This is not a significant Scope 3 GHG emissions category for Eurogrid Group's activities.
<b>Investments</b>	This is not a significant Scope 3 GHG emission category for Eurogrid Group's activities.

GHG emissions		Retrospective				Milestones and target years		
		Base year 2019	2024	2025	% 2025/2024	2030	Annual % target / Base year	
<b>Scope 1 GHG emissions</b>								
<b>Gross Scope 1 GHG emissions (tCO<sub>2</sub>eq)</b>	<b>Total Gross Scope 1 GHG emissions (tCO<sub>2</sub>eq)</b>	<b>5,925.0</b>	<b>6,601.2</b>	<b>6,314.4</b>	<b>95.7 %</b>	<b>No target</b>	<b>Not applicable</b>	
	SF <sub>6</sub> leakages	4,257.00	4,482.38	4,229.90	94.37 %	No target	Not applicable	
	Fleet	1,521.0	1,957.0	1,941.8	99.2 %	152.1	10.0 %	
	Other	147.0	161.9	142.7	88.2 %	No target	Not applicable	
<b>Percentage of Scope 1 GHG emissions from regulated emission trading</b>		Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
<b>Scope 2 GHG emissions</b>								
<b>Gross location-based Scope 2 GHG emissions (tCO<sub>2</sub>eq)</b>	<b>Total Gross location-based Scope 2 GHG emissions (tCO<sub>2</sub>eq)</b>	<b>828,034.0</b>	<b>712,069.7</b>	<b>694,892.2</b>	<b>97.6 %</b>	<b>No target</b>	<b>Not applicable</b>	
	Grid losses	806,820.0	695,052.4	677,542.4	97.5 %	Target at Elia Group-level	Not applicable	
	Electricity consumption	Measured	20,950.0	17,000.9	17,324.2	101.9 %	No target	Not applicable
		Estimated	0.0	0.0	0.0	0.0 %	No target	Not applicable
	Heating	264.0	16.5	25.5	154.9 %	No target	Not applicable	
<b>Gross market-based Scope 2 GHG emissions (tCO<sub>2</sub>eq)</b>	<b>Total Gross market-based Scope 2 GHG emissions (tCO<sub>2</sub>eq)</b>	<b>1,413,200.0</b>	<b>1,806,955.5</b>	<b>1,762,939.4</b>	<b>97.6 %</b>	<b>No target</b>	<b>Not applicable</b>	
	Grid losses	1,377,176.0	1,767,042.6	1,722,526.8	97.5 %	No target	Not applicable	
	Electricity consumption	Measured	35,760.0	38,903.6	39,303.0	101.0 %	No target	Not applicable
		Estimated	0.0	0.0	0.0	0.0 %	No target	Not applicable
	Heating	264.0	1,009.3	1,109.7	109.9 %	No target	Not applicable	
<b>Significant Scope 3 GHG emissions</b>								
		Retrospective						
		Base year 2024	2025	% 2025/2024	2030	Annual % target / Base year		
<b>Total Gross indirect (Scope 3) GHG emissions (tCO<sub>2</sub>eq)</b>		<b>1,164,685.4</b>	<b>2,217,558.39</b>	<b>190.4 %</b>	<b>Target at Elia Group-level</b>	<b>Not applicable</b>		
Purchased goods and services	Spend-based	215,602.4	218,505.2	101.3 %		Not applicable		
	Physical value	71.6	913.5	1276.4 %		Not applicable		
Capital goods	Spend-based	784,554.2	1,691,950.3	215.7 %		Not applicable		
	Physical value	25,521.8	170,522.8	668.1 %		Not applicable		
Fuel and energy-related Activities (not included in Scope 1 or Scope 2) (FERA)		Physical value	138,935.5	135,666.5	97.6 %	Not applicable		

Total GHG emissions (Scope 1, Scope 2, Scope 3)	2024	2025	% 2025/2024	2030	Annual % target / Base year
<b>Total GHG emissions (location-based) (tCO<sub>2</sub>eq)</b>	<b>1,883,356.4</b>	<b>2,918,765.0</b>	<b>155.0 %</b>	<b>Not applicable</b>	<b>Not applicable</b>
<b>Total GHG emissions (market-based) (tCO<sub>2</sub>eq)</b>	<b>2,978,242.2</b>	<b>3,986,812.2</b>	<b>133.9 %</b>	<b>Not applicable</b>	<b>Not applicable</b>

## GHG Intensity based on net revenue

GHG intensity per net revenue	2024	2025	% 2025/2024
<b>Total GHG emissions (location-based) per net revenue (tCO<sub>2</sub>eq/€ million)</b>	<b>829.5</b>	<b>1,198.1</b>	<b>144.4 %</b>
<b>Total GHG emissions (market-based) per net revenue (tCO<sub>2</sub>eq/€ million)</b>	<b>1,311.7</b>	<b>1,636.6</b>	<b>124.8 %</b>

Net revenue	2024	2025
Net revenue used to calculate GHG intensity (€ million)	2,270.5	2,436.1
Net revenue (other) (€ million)	0.0	0.0
<b>Total net revenue (Financial statements) (€ million)</b>	<b>2,270.5</b>	<b>2,436.1</b>

## E1-7 - GHG removals and GHG mitigation projects financed through carbon credits

Eurogrid Group does not undertake any GHG removal (and subsequently no reversal) or storage as part of projects that fall within the scope of its own operations or in its upstream and downstream value chains.

Eurogrid Group purchases high-quality project-based carbon credits on the voluntary market according to its own compensation principles.

	2025	2024
<b>Total (tCO<sub>2</sub>eq) removed through GHG removals and GHG mitigation projects financed through carbon credits</b>	<b>6,100.0</b>	<b>3,648.0</b>
Share from removal projects (%)	0.0	0.0
Share from reduction projects (%)	100.0	100.0
Recognised quality standard Gold Standard (%)	100.0	100.0
Share from projects within the EU (%)	0.0	0.0
Share of carbon credits that qualify as corresponding adjustments (%)	0.0	0.0

## E1-8 - Internal carbon pricing

Elia Group uses an internal carbon pricing (ICP) mechanism for internal decisions related to:

- investments: when developing internal policies and standards, the CO<sub>2</sub> impact is considered by incorporating Internal Carbon Pricing (ICP) into the relevant cost-benefit analyses;
- its supply chain: for tenders for electrical equipment and large infrastructure projects (with exceptions); the ICP influences the total cost of ownership, which may in turn influence the ranking of suppliers.

Elia Group uses shadow pricing which is aligned with the price of allowances under the EU Emissions Trading Scheme and the social cost of carbon. The activities of Eurogrid Group is covered by Elia Group's ICP mechanism, meaning that it covers Scope 1, 2 and 3 emissions. Elia Group has opted for a flat pricing model that uses a constant (after actualisation of future costs) price, which amounts to €200/tCO<sub>2</sub>eq.

Two models are currently used:

- a status quo model for high-voltage equipment: the CO<sub>2</sub> footprint is priced in awarding criteria as surplus and suppliers must provide a certified footprint estimation.
- an anticipation model for large infrastructure projects: suppliers price their CO<sub>2</sub> footprint during the tendering process and provide real figures after they have been awarded a contract and have executed the project in question, resulting in a financial bonus or malus.

Notes: No data can currently be disclosed relating to the Scope 1, 2 and 3 emission volumes covered by the ICP. No ICP is used in the Group's financial statements.

## 2.3. E4 Biodiversity and ecosystems

**Eurogrid Group contributes on a continuous basis towards the realisation of the energy transition by expanding and strengthening the high-voltage grid. These activities and assets have an impact on biodiversity and the ecosystems of the natural environments in which they are located. The ActNow sustainability programme aims to protect and preserve biodiversity.**

### E4-1 - Transition plan and consideration of biodiversity and ecosystems in strategy and business model<sup>13</sup>

The construction, upgrading, and operation of the grid of 50Hertz — as well as the presence of these infrastructures — can affect biodiversity and ecosystems.

Elia Group has conducted a materiality assessment to identify its impacts on biodiversity, they are outlined in the table below. Information regarding the processes to identify and assess these impacts, risks and opportunities can be found in [IRO-1 - ESRS E4 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities](#).

Impact driver on biodiversity loss	Associated site type	Scope
Climate change	– Onshore and offshore substations – Overhead lines and cables	
Land-use change, fresh water-use change and sea-use change	– Onshore and offshore substations	
Soil sealing	– Onshore substations	
Impact on the state of species	– Onshore and offshore substations – Overhead lines	

Climate change impacts aspects are already covered in the previous section, see [2.2. ESRS E1 Climate change](#).

The use of land and sea by 50Hertz depends on policy decisions taken by the German governments about the energy transition and the subsequent grid development, having also soil sealing as a consequence. During the construction and operation of transmission

infrastructure, biodiversity and ecosystems can be negatively impacted, which can lead to habitat disturbance and a potential threat to species. Specific impacts at site level are also identified as part of the Environmental Impact Assessments (EIA) that are carried out for infrastructure projects.

The dependencies identified for the activities of 50Hertz are flood and storm mitigation services for both onshore and offshore assets; and mass stabilisation and erosion control for overhead lines, cables and substations. The identified dependencies are generic to the TSO activity and need to be confirmed via specific operational data.

### Our biodiversity strategy

Objectives to reduce the impact of TSO activities on biodiversity and ecosystems are an integral part of Dimension 2 – Environment and Circularity within the ActNow programme (see [SBM1 - Market position, strategy, business model and value chain](#)). The overarching goal is to preserve and strengthen ecosystems and biodiversity, addressed in two main ways. First, by reducing the impact of our activities on species and habitats, and second, by actively improving biodiversity on properties managed by 50Hertz.

50Hertz implement avoidance, mitigation, and compensation measures to address the negative effects of their projects and operations. These actions include habitat restoration, replanting, and the establishment of ecological corridors and bird markers. When affected species are identified at a site, targeted measures are adopted — such as adjusting project timelines to avoid sensitive breeding seasons and restoring habitats after construction to their original state. To further reduce negative impacts, 50Hertz seeks to limit soil sealing during infrastructure development by incorporating permeable surfaces wherever possible, since the use of impermeable materials (such as concrete in substations) can affect local hydrology. See [E4-3 - Actions and resources related to biodiversity and ecosystems](#) for more details.

The biodiversity strategy has been aligned with the vision and targets of the Kunming-Montreal Global Biodiversity Framework (GBF) and 50Hertz' biodiversity policies. The specific GBF targets<sup>14</sup> that correspond to our current actions are referenced in section [E4-3 - Actions and resources related to biodiversity and ecosystems](#).

<sup>13</sup>It should be noted that the information disclosed in this section is related to the consideration of biodiversity and ecosystems in strategy and business model. Information related to the biodiversity transition plan is a voluntary disclosure requirement in the ESRS. Nevertheless, the reporting team preferred to keep the complete title of the disclosure requirement.

<sup>14</sup> [Kunming-Montreal Global Biodiversity Framework 2030 Targets](#)

## SBM3 E4 - Material impacts, risks and opportunities and their interaction with strategy and business model

The biodiversity impacts and dependencies of 50Hertz are outlined in the previous section. They apply equally to all of the onshore and offshore sites owned by 50Hertz, whether these are located near to or cross biodiversity-sensitive areas or protected areas. The only driver of biodiversity loss which is not relevant when considering specifically biodiversity-sensitive areas is climate change, since this is a global impact rather than one which is specific to 50Hertz. Information about 50Hertz' sites located in or near biodiversity-sensitive areas is provided in [E4-5 Impact metrics related to biodiversity and ecosystems change](#).

50Hertz acknowledges that their activities can contribute to land degradation and soil sealing, particularly during the construction of new infrastructure and substations. Indeed, soil compaction and vegetation removal can lead to erosion or reduced soil quality, whilst the use of impermeable materials (e.g. concrete) can affect local hydrology. In some cases, depending on the location of our sites, threatened species and their habitats can be affected. These impacts are identified at site-level.

## IRO-1 E4 - Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities

### Identification and assessment processes

The biodiversity-focused materiality analysis relies on industry data from relevant databases, such as ENCORE, to identify likely impacts and dependencies based on 50Hertz' activities and value chain. Actual and potential impact on biodiversity and ecosystems from 50Hertz' own sites are also structurally assessed through Environmental Impact Assessments (EIAs), required for permit requests. This encompasses further analysis on land-use changes, proximity to protected areas, and biodiversity-related elements.

50Hertz has conducted assessments to identify transition and physical risks and opportunities related to biodiversity and ecosystems. Transition risks are identified through monitoring of regulations on biodiversity protection, aiming to reduce the ecological footprint of infrastructure projects. Additionally, stakeholder consultations and collaboration with environmental experts, local conservation authorities and NGOs are performed to ensure compliance with biodiversity regulations and alignment with conservation priorities. Physical risks are identified based on dependencies.

50Hertz recognises the impact of systemic risks on the energy systems. To address these interconnected risks, 50Hertz participates in worldwide experts' forum in the sector of electricity transmission (e.g. CIGRE<sup>15</sup>) on the impacts of climate change on energy systems, supporting the energy transition to mitigate environmental pressures.

Note: The assessments currently do not extend to raw material production and sourcing (upstream value chain).

### Consultation with affected communities

50Hertz ensures that communities affected by its activities are engaged with and consulted as part of their sustainability assessments. See [3.3. ESRS S3 Affected communities](#) for more information.

### Sites located in or near biodiversity-sensitive areas

50Hertz operates sites located in or near biodiversity-sensitive areas and have identified these locations through geospatial analyses. Detailed information on the process and its results is provided in [E4-5 Impact metrics related to biodiversity and ecosystems change](#).

<sup>15</sup> CIGRE stands for International Council on Large Electric Systems

## E4-2 - Policies related to biodiversity and ecosystems

Elia Group has a number of policies and guidelines in place related to biodiversity and ecosystems. These guidelines have been adapted for 50Hertz at Eurogrid Group level in accordance with local legislation and regulation. See [E1-2 Policies related to climate change mitigation and adaptation](#) for matters concerning climate change related impacts. Note that all of the policies are made available to Eurogrid Group's employees via its intranet and, where relevant, to contractors, suppliers and external stakeholders via 50Hertz' website or other electronic tools.

Policy	Monitoring process	Scope	Function accountable	Related Framework
<b>Purchasing Conditions</b>	Contractual agreement		Chief Procurement Officer/ Elia Group	not applicable
<b>Supplier Code of Conduct</b>	Annual risk analysis by the Procurement department and process compliance monitoring by Internal Audit		Chief Procurement Officer/ Elia Group	not applicable
<b>General safety, health and environmental regulations for contractors</b>	Continuous meetings, regular reports, supervised on the site by supervisors		Chief Human Resources Officer	not applicable
<b>Instructions on guaranteeing occupational safety when contracting with external companies</b>	Operational monitoring;s Contractual agreement, continuous meetings, regular reports, supervised on the site by supervisors		Head of Corporate Governance	not applicable
<b>Policy for approval-compliant construction and maintenance measures - overhead lines</b>	Internal/external audit to check if the policy is live and well known		High-level management	Legal requirements
<b>Policy for planning, implementation and maintenance of compensation measures</b>				
<b>Manual for obtaining approvals</b>				
<b>Policy for the management of overhead lines</b>	Internal monitoring per SAP		Chief Assets Officer	not applicable
<b>Marine Grid Declaration (external declaration)</b>	not applicable		High-level management	Renewables Grid Initiative (RGI) is a collaboration of NGOs and TSOs
<b>HSE Plan Offshore</b>	Project follow-up		High-level management	not applicable

## Policies targeting our suppliers

Several policies are directed at suppliers - the upstream value chain - and these include biodiversity and ecosystems-related aspects:

- The **Purchasing Conditions for Electrical Equipment and Works**: these documents describe the conditions that apply to suppliers for specific purchasing categories. The General Purchasing Conditions: This document describes Elia Group's expectations regarding our suppliers' environmental management, including biodiversity aspects. In the ones for Electrical Equipment and Works, 50Hertz' expectations of their suppliers are expressed regarding the reduction of the environmental impacts of greenhouse gases emissions arising from their services; including the requirement to reduce and monitor the biodiversity impacts of their services.
- The **Supplier Code of Conduct** lists a set of sustainable principles 50Hertz requires its suppliers to follow, including paying attention to and controlling the impact on biodiversity and natural habitats.
- The **Instructions on guaranteeing occupational safety when contracting with external companies for work** in the scope of 50Hertz: These document is aimed at suppliers who carry out work for 50Hertz or within 50Hertz' infrastructure. It sets out the environmental protection rules that suppliers are required to follow, starting with full compliance with all regional environmental legislation. This includes specific requirements related to biodiversity and the reporting of environmental incidents. 50Hertz' suppliers are required to keep noise and dust emissions to a minimum.

These requirements are integral to every contract 50Hertz enters into with its suppliers.

See [G1-1 - Corporate culture and business conduct policies](#) for a detailed description of all the documents listed above.

## Mandatory and site-specific policies

In the geographical areas where 50Hertz operates as TSO, an environmental impact assessment (EIA) is required for permitting and is conducted early in infrastructure projects. This process systematically identifies, predicts, and analyses potential impacts on the environment and biodiversity throughout construction and operation. Permits include mandatory, site-specific biodiversity actions for both the construction phase and ongoing operation, which must be implemented. For sites owned, leased, or managed in or near protected or biodiversity-sensitive areas, strict compliance with legal requirements is mandatory. Environmental protection — including consideration for protected areas — is ensured as outlined in the 'Manual for obtaining approvals'. Additionally, for overhead line or cable projects in Natura 2000 areas, an appropriate impact assessment must be carried out and added as an appendix to the EIA study. For major infrastructure projects, an expert is appointed to oversee the implementation of environmental recommendations during the construction phase. The implementation is therefore a legal requirement that is monitored by 50Hertz.

## Policies regarding sustainable land practices and impacts on species

Regarding 50Hertz' own operations, sustainable land practices are embedded in the following policies:

- The **Asset management policy for overhead line management** covers the management of ecological corridors, a concept developed in partnership with ecological consultants to maintain vegetation and address deforestation. Their expertise also supports the implementation process (for further information, see [E4-3 Actions and resources related to biodiversity and ecosystems](#)).
- 50Hertz has policies specifying the placement of bird beacons.

## Offshore policies

To enable sustainable marine practices, 50Hertz carries out its offshore activities on the basis of the following guidelines:

- 50Hertz has endorsed the **Marine Grid Declaration**, a voluntary policy setting key principles to respect the marine environment —available via the [Renewables Grid Initiative \(RGI\)](#), a collaboration between TSOs and NGOs.
- The **HSE Plan Offshore** defines minimum requirements for occupational health, safety, and environmental protection across all phases of offshore projects, with binding rules from preparation to completion. For further details, see [E4-3 - Actions and resources related to biodiversity and ecosystems](#).

None of the policies support the traceability of products, components and raw materials with significant actual or potential impacts on biodiversity and ecosystems throughout the value chain. None address production, sourcing or consumption from ecosystems that are managed in order to maintain or enhance conditions for biodiversity.

Note: For policies addressing the social consequences of biodiversity and ecosystems-related impacts on local communities, please see sec [S3-1 - Policies related to affected communities](#).

## E4-3 - Actions and resources related to biodiversity and ecosystems

The biodiversity and ecosystem-related actions carried out by 50Hertz are outlined in the table below.

Action	Related policy objective or target	Scope	Time-horizon	GBF Target
Climate change-related actions	See <a href="#">E1-3 - Action and resources in relation to climate change policies</a>			8
Bird protection	Compliance with the bird risk map		Continuous action	1, 4
Ecological corridors	See <a href="#">E4-4 Targets related to biodiversity and ecosystems</a>		Continuous action	1, 2, 3, 10, 11
Vegetation management in substations	Asset management policy for sites and buildings		Continuous action	1, 2, 12
Compensation measures/Actions required under the permit (including offshore)	Compliance with the permitting conditions		Continuous action	1, 2, 3, 4, 10, 11, 12

None of the actions described below uses biodiversity offsets.

### Climate change-related actions

See [E1-3 Action and resources in relation to climate change policies](#).

### Bird protection

Overhead lines pose a collision risk for birds. Aided by local and European environmental organisations, 50Hertz drew up 'bird risk maps' which assigned collision risk levels to different grid areas across their control zones. This bird risk map is the basis for gradually fitting these sections with bird markers where it is technically possible. Additionally, nesting boxes are installed on pylons for different species.

### Ecological corridor management

50Hertz implements targeted management practices beneath its overhead lines that cross forested areas, ensuring safe operation of the grid. Traditionally, vegetation in these zones was cleared entirely through mulching - everything within a specific buffer zone underneath an overhead line was razed to the ground-, leading to biodiversity loss.

50Hertz decided to shift to less intensive management practices and either minimise interventions to allow natural habitats to thrive under its lines or implement management measures that support biodiversity.

For 50Hertz, 'ecologically managed' means cutting only selected high growing trees or switching to open habitat vegetation management (with grazing or grass mowing). In both cases, the goal is to keep a stable low vegetation cover. Such management includes targeted thinning, single tree removal and mowing. Mulching (removing all vegetation) is used as an exception for maintenance paths, owner agreements regarding keeping corridors free and in the case of uncontrollable vegetation for example, due to alien species.

For information about how these actions translate into specific targets for the Group, see [E4-4 Targets related to biodiversity and ecosystems](#).

### Vegetation management in substations

50Hertz fosters the growth of green areas in and around our existing assets to reduce their negative impacts on the environment and support biodiversity. Since 2022, 50Hertz banned the use of all herbicides across all our sites. Exceptions are only permitted due to occupational safety regulations and/or construction-related considerations.

### Compensation measures/actions required under the permit (including offshore)

As outlined in [E4-2- Policies related to biodiversity and ecosystems](#), 50Hertz must include site-specific measures in their project permitting requests which are aimed at avoiding and mitigating the impact of its activities on biodiversity. These measures can include a variety of actions, such as the implementation of ecological features (e.g. ponds, branch piles), the installation of bird markers, or scheduling construction activities to avoid the nesting and migration seasons of specific species.

Mitigation measures implemented as part of our offshore projects are generally carried out during the construction phase, for example to limit the impact of any noise created and acoustic deterrents to prevent marine life from coming close to its assets during their construction.

### Other actions

In the future, supplier engagement will be strengthened to better understand biodiversity-related remediations.

## Related resources

This year, Eurogrid Group refined its methodology for identifying significant operational expenditures (OPEX) and/or capital expenditures (CAPEX) linked to its sustainability action plans. The analysis focused on the actions included in the local roadmap that contributes to the ActNow program. CAPEX or OPEX related to 'significant actions' are considered material when one of these amounts exceeds the threshold defined in the double materiality assessment (0.5% of the total CAPEX or, respectively, total OPEX of the TSO that performed that action).


Action	Description	CAPEX/ OPEX	Amount (€ million)
Compensation measures	Investments associated with compensation and replacement measures, that are a consequence of unavoidable impacts. These are required by the permits for new construction projects.	CAPEX	24.2

See "Our biodiversity strategy", "Compensation measures/actions required under the permit (including offshore)" and "Policy for planning, implementation and maintenance of compensation measures " in this chapter for more information about this type of actions.

Eurogrid Group will continue to monitor its actions linked to the ActNow programme and will report updated conclusions and additional actions, if they exceed the defined materiality thresholds.

## E4-4 - Targets related to biodiversity and ecosystems

Elia Group currently has one biodiversity-related target which is aligned with the actions explained in section [E4-3 - Actions and resources related to biodiversity and ecosystems](#) which is valid for 50Hertz.

Target name	Biodiversity IRO	Scope	Geographical scope	Mitigation hierarchy layer allocation
Ecological corridors implemented in forests	Land-use change		Respective grid areas	Restore

Ecological corridor management is aligned with the Kunming-Montreal Global Biodiversity Framework (see [E4-3 - Actions and resources related to biodiversity and ecosystems](#) for the mapping with the GBF targets) and the derived German biodiversity frameworks.

Neither ecological thresholds nor biodiversity offsets were used to set the targets.

### Definition and calculation method

The suppliers responsible for maintaining the vegetation in the corridors under the lines in forested areas apply an ecology-driven approach to this; see [E4-3 - Actions and resources related to biodiversity and ecosystems](#).

The indicator is calculated by dividing the total surface under the overhead lines in forested areas that have been subject to ecological maintenance by the total surface under the overhead lines maintained during a specific year. For 2025 the target was raised to 95 % and was exceeded.

	2024	2025	Annual target	Achieved performance
Ecological corridors managed in forests (based on maintenance)	97.8 %	97.5 %	95.0 %	High rate maintained through contractor collaboration and constant awareness raising.

## E4-5 - Impact metrics related to biodiversity and ecosystems change

### Sites located in or near biodiversity-sensitive areas

The sites that 50Hertz operates are include both substations and transmission lines. Given their number, whilst an exhaustive list of all of the 50Hertz' sites and biodiversity-sensitive areas which are impacted by their activities is not listed here, a breakdown per type of site - rather than per site has been preferred.

### Definition and calculation method

50Hertz has conducted a comprehensive mapping of all the sites under their operational control, including transmission lines and substations, along with associated land occupation data. To identify sites located in or near biodiversity-sensitive areas, 50Hertz uses a Geographic Information System (GIS) analysis to overlay our grid map with layers representing various types of protected areas.

The protected areas which were taken into account are the following:

- International: Biosphere Reserves, Natura 2000 (FFH areas, SPA areas), Ramsar areas
- Germany: Landscape conservation areas, National parks, Nature parks, Nature protection areas, Water protection areas

The 'near protected areas' were defined by delineating a buffer of 30 metres around overhead lines (the average safety distance) and 500m around substations.

The results are presented in the table below.

Sites located in or near biodiversity-sensitive areas	In	Near
<b>Onshore substations</b>		
Number of sites (#)	9	21
Area of sites (ha)	41.4	140.3
<b>Offshore substations</b>		
Number of sites (#)	0	0
Area of sites (ha)	0.0	0.0
<b>Overhead lines (length in km)</b>	1,708.2	56.1
<b>Offshore substations</b>	15.3	2.0
<b>Offshore cables (length in km)</b>	342.1	0.8

Note: Substations that have parts "in" and "near" are counted "in".

## Other metrics

The implementation of ecological corridors in forested areas is a realisation-bound target (see [E4-4 - Targets related to biodiversity and ecosystems](#)), so enabling the effective monitoring of its onsite implementation. The effects of such corridors are only observable in the medium to long term.

Alongside ecological experts, 50Hertz is investigating to identify appropriate impact metrics.

## 2.4. E5 Resource Use and Circular Economy

**The principles of circularity have long been integrated into the business practices of Eurogrid Group, as grid optimisation and equipment reliability are key for the security of electricity supply. Circularity practices also support climate actions, nature preservation, and supply chain resilience for strategic materials facing scarcity risk.**

### IRO-1 E5 - Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

Objectives to reduce the impact of TSO activities on resource use are an integral part of Dimension 2 - Environment and Circularity within the ActNow programme (see [business report 3. Business performance - 3.2 ActNow](#)). The overarching goal is to reduce the environmental impact of our asset needs.

To establish a circularity programme, Elia Group conducted a comprehensive screening of activities across its value chain, with internal experts identifying risks and opportunities based on a market analysis to enhance circularity within its operations. Building on its existing approach, Elia Group continues to optimise the grid through thoughtful design, construction, and operation by applying key principles in decision-making, and maintains its focus on extending the lifetime of assets through robust maintenance practices. In addition, particular attention is now being given to reducing the environmental impact of the supply chain.

See [E5-2 - Actions and resources in relation to climate change policies](#) for more details regarding the actions associated to this objective and [E5-3 Targets related to resource use and circular economy](#) for the targets.

The assessment relied on input from internal subject matter experts who are well-informed and experienced in understanding stakeholder concerns and the company's related impacts. In parallel, internal experts take part in CIGRE (International Council on Large Electric Systems) working groups to clarify and support the implementation of eco-design for assets.

## E5-1 - Policies related to resource use and circular economy

For matters related to resource use and circular economy, Elia Group has developed the following policies on Elia Group level. These guidelines have been adapted for 50Hertz at Eurogrid Group level in accordance with local legislation and regulation and are applied. Note that all of the policies are made available to the Group's employees via its intranet and, where relevant, to contractors, suppliers and external stakeholders via its website or other electronic tools.

Policy	Monitoring process	Scope	Function accountable	Related Framework
<b>Purchasing Conditions for electrical equipment and works</b>	<ul style="list-style-type: none"> <li>Contractual agreement</li> <li>Post-contract scoring</li> </ul>		Chief Procurement Officer / Elia Group	Applicable laws regarding waste
<b>Supplier Code of Conduct</b>	<ul style="list-style-type: none"> <li>Annual risk analysis by the Procurement department and process compliance monitoring by Internal Audit</li> <li>Post-contract scoring</li> <li>Site visits</li> </ul>		Chief Procurement Officer / Elia Group	Applicable laws regarding waste
<b>Instructions on guaranteeing occupational safety when contracting with external companies</b>	Operational monitoring; <ul style="list-style-type: none"> <li>Contractual agreement</li> <li>Site visits</li> </ul>		Head of Corporate Governance	Applicable laws regarding waste
<b>Asset management policies for grid equipment</b>	<ul style="list-style-type: none"> <li>Health (of equipment) indicators</li> <li>End-of-life indicators</li> </ul>		Head of Asset	not applicable
<b>Waste Management Policy and Procedure</b>	Environmental management system		Head of Corporate Governance	<ul style="list-style-type: none"> <li>Applicable laws regarding waste</li> <li>ISO14001 Environmental Management Standard</li> </ul>

### Policies targeting our suppliers

Several policies outline the resource and waste management practices that the Eurogrid Group suppliers - our upstream value chain - must adhere to.

- The **Supplier Code of Conduct** lists a set of sustainable principles the suppliers are required to follow, including waste minimisation and favouring recycling and circular models.
- The **Purchasing Conditions for Electrical equipment and for Works** outline the expectations regarding supplier compliance with waste management legislation.
- The **Instructions on guaranteeing occupational safety when contracting with external companies for work** in the scope of 50Hertz require suppliers to comply with waste management legislation, apply the waste hierarchy and pay attention to the use of recycled materials or materials which have a long service life.

These elements form an integral part of every contract that 50Hertz conclude with suppliers. See [GI-1 - Corporate culture and business conduct policies](#) for a detailed description of the documents listed above.

At the end of projects undertaken by one of 50Hertz' contractors, the latter are assigned a score that takes into account their compliance with environmental legislation.

### Asset management policies

The **asset management policies** of 50Hertz prioritise the avoidance and minimisation of waste above its treatment to promote cost optimisation, operational excellence and safety – with the added bonus of circularity benefits.

Ensuring that 50Hertz' assets are operating reliably is key to the role it plays in security of supply. Failures must be anticipated, maintenance and repairs scheduled, and particular attention is placed on the end of an asset's lifetime and how it can be extended. See [E5-2 - Actions and resources related to resource use and circular economy](#) below.

Moreover, 50Hertz complies with the waste management laws and regulations that apply across their control zones. It applies the waste hierarchy and remove, sort and arrange for the collection of the waste it generates. This covers 50Hertz's own operations and a part of the upstream value chain: its construction sites, where its contractors are responsible for waste removal.

## Waste guidelines and procedure in 50Hertz Transmission's Environmental Management System

Waste prevention and disposal procedures and responsibilities according to the applicable laws are outlined in 50Hertz's 'Waste Management Policy'. The ISO 14001 standard framework was used as a reference for these policies. Prior to infrastructure construction projects, a waste volumes estimation assessment is performed.

None of the policies address transitioning away from the extraction of virgin resources or the use of sustainable, renewable or recycled resources. However, the use of recycled resources is permitted for most materials, provided that electrical transmission and mechanical resistance are guaranteed. The market for this is not yet mature enough for the Elia Group to publish a policy document on this matter.

## E5-2 - Actions and resources related to resource use and circular economy

Action	Related policy objective or target	Scope	Time horizon
<b>Grid Optimisation</b>	Core business activities		Continuous action
<b>Preventive maintenance</b>	Asset management policies		Continuous action
<b>Condition-based maintenance of assets</b>	Asset management policies		Continuous action
<b>Higher usage of existing assets</b>	Asset management policies		Continuous action
<b>Spare parts stock management</b>	Asset management policies		Continuous action

### Grid Optimisation

The primary approach to reducing resource use is to focus on grid optimisation when designing, constructing, and operating the grid. This involves applying the NOVA principle — optimising existing assets before reinforcement, and reinforcing before new build-out — reevaluating investments when key parameters change, and continuously improving planning processes. Adherence to these principles is reviewed annually.

## Asset management-related actions

50Hertz applies circularity business practices in the management of its cables, lines and other high-voltage assets and has optimised its approach to their replacement. As previously mentioned, the primary reason for these practices is cost efficiency. They also address the identified lack of resources risk by reducing the demand for new materials and easing pressures on the supply chain. Consequently, these practices are fully embedded into the Group's asset management activities, meaning that no additional resources are allocated to them.

### Preventive maintenance

Asset management teams closely monitor the condition of 50Hertz's assets using health indicators and adjusting their lifetimes in line with the data.

### Condition-based maintenance of assets

Grid impact scores are assigned to 50Hertz's assets, reflecting the level of risk associated with these and equipment failure rates are closely monitored for equipment in service, so that the most appropriate actions can be taken at the right time. These practices allow high-scoring assets to be kept in use for longer and guide maintenance and replacement decisions.

### Higher usage of existing assets

As 50Hertz's assets reach the end of their lifetimes, its maintenance teams explore whether the latter can be extended through retrofitting<sup>16</sup> or upgrade<sup>17</sup> work. 50Hertz is deploying digital technologies to monitor its assets in near real time, so maximising their efficiency.

### Spare parts stock management

Functional parts of assets which have been decommissioned, as well as entire assets, are stored and made available for use in another of 50Hertz's assets.

## Related resources

This year, Eurogrid Group refined its methodology for identifying significant operational expenditures (OPEX) and/or capital expenditures (CAPEX) linked to its sustainability action plans. The analysis focused on the actions included in the local roadmap that contributes to the ActNow program. CAPEX or OPEX related to 'significant actions' are considered material when one of these amounts exceeds the threshold defined in the double materiality assessment (0.5% of the total CAPEX or, respectively, total OPEX of the TSO that performed that action).

The analysis revealed that no actions relevant for "E5 Resource use and circular economy" exceeded this threshold.

Eurogrid Group will continue to monitor its actions linked to the ActNow program and will report updated conclusions and additional actions, if they exceed the defined materiality thresholds.

<sup>16</sup> Retrofitting involves replacing old or end-of-life components (overhead lines and transformers) with newer ones, generally using more recent technology, while retaining the same function.

<sup>17</sup> Upgrading involves adapting the existing infrastructure to transport more power

## E5-3 - Targets related to resource use and circular economy

For Dimension 2 of the ActNow sustainability programme relating to Environment & Circular Economy, the following voluntary targets have been set.

Target name	Resource use and Circular economy IRO	Waste hierarchy layer	Scope	Description
<b>Recycled steel</b>	Inflows - Circular material use rate	Reuse		Elia Group Achieve at least 39% recycled steel in new assets by 2030.
<b>Recycled copper</b>	Inflows - Circular material use rate	Reuse		Elia Group Aim to increase the use of recycled copper in assets by 2030.
<b>Waste management</b>	Outflows - Waste management	Recycle		Eurogrid Group Reduce final waste to below 5% by 2030.

Note that the boundaries of the targets are the same as those in [E5-4 - Resource Inflows](#) and [E5-5 Resource outflows](#).

The targets are based on an analysis of existing data, market realities, and future projections — including demand, supply, and prices. We have chosen to focus initially on copper and steel, while also maintaining our already high waste recycling rate, in order to support supply chain resilience and reduce our carbon footprint.

### Recycled materials

The percentage of recycled material varies by asset type and supplier. To determine the total recycled share of a material, the process begins at the lowest level by calculating the recycled proportion of each individual facility. Subsequently, the amount of all recycled material is divided by the total material inflow. Gathering information on recycled material percentages is a slow and complex process due to the sheer volume and granularity of data required. Obtaining this information involves significant effort from the company and active engagement with suppliers. In order to move forward effectively, data collection is currently focused on the most relevant material used in high-consumption assets, this is the reason why only recycled steel in lattice towers will be disclosed in the current report.

Target name	Baseline year 2024	2025	Target 2030
<b>Recycled steel in lattice towers</b>	53.7 %	43.0 %	At least 39 %

The percentage of recycled copper will be calculated as part of future data collection efforts.

## Waste management

The final waste percentage is the Non-recycled percentage (see [E5-5 Resource outflows](#)). It is calculated by dividing the total weight of non-recycled waste by the total weight of waste.

Target name	Baseline year 2024	2025	Target 2030
<b>Final waste</b>	1.5 %	0.8 %	Below 5 %

The proper application of waste management is monitored within the Environmental management systems adopted by 50Hertz Transmission (that is ISO 14001-certified.)

## E5-4 - Resource inflows

### ► Definition and calculation method

Resource inflows cover the weight in tonnes of raw material used for the electrical parts and assets that are integrated into 50Hertz grids during infrastructure projects. The calculation focusses on the most significant assets for 50Hertz, which are transformers, conductors, cables, lattice towers and gas-insulated switchgear. The principal materials involved are metals (aluminium, copper and steel).

Suppliers provide 50Hertz with figures outlining the weight of the raw materials used in the assets that the Group purchases. These data are sourced from direct measurement i.e. the invoices from the received assets and datasheets from the Original Equipment Manufacturers (OEMs). These figures are then multiplied by the number of assets delivered by each supplier during the reporting period.

Resource Inflows per material (in tons)	2025	2024
Copper	1,374.0	220.2
Aluminium	3,527.0	71.5
Steel	18,187.3	11,172.8
Magnetic steel	1,695.7	475.0

Upstream

Own Operations

Downstream

## Notes:

- As described above in [E5-3 Targets related to resource use and circular economy](#), it is currently not possible to calculate either the weight or percentage of secondary reused or recycled components used to manufacture the inflows in all assets. There is therefore no overlap between categories of reused and recycled to be disclosed. For now, only the percentage of recycled steel in lattice towers can be disclosed.
- Eurogrid Group does not use any biological materials (or biofuels used for non-energy purposes). The percentage of biological materials (and biofuels used for non-energy purposes) therefore equals 0%.
- The 2024 steel inflow was restated this year due to the later discovery that a part of the delivered steel had not been taken into account during the previous reporting exercise.

As mentioned above, the Upstream platform mentioned in [E1-3 Actions and resources in relation to climate change policies](#) will be expanded in future to include the resource material inflow volumes generated by construction work.

## E5-5 - Resource outflows

Eurogrid Group does not generate any outflows other than waste from its administrative, technical and infrastructure sites<sup>18</sup>. Infrastructure projects generate Eurogrid Group's biggest waste volumes, with non-hazardous waste streams mainly consisting of excavated soil, concrete, demolition waste and (to a lesser extent) metals; hazardous waste streams mainly consist of soil, rubble and waste from electrical and electronic equipment.

### ► Definition and calculation method

Eurogrid Group collects its data from a mix of direct measurement (waste weight) and estimations (legal requirement to do prior an infrastructure project). The estimated volumes are not adjusted or revised in the following reporting period.

Hazardous and non-hazardous waste is identified based on its EURL/CED (European waste classification), which must by law be stated on the relevant waste collection documents. Waste collectors and contractors are responsible for recovering and/or disposing of the waste offsite and for recording their actions. They must report on the absolute values and percentages of non-recycled waste.

Resource outflows: waste (in tonnes)		2025	2024	
<b>Total amount of waste generated</b>		<b>661,340.8</b>	<b>257,191.7</b>	
<b>Hazardous waste</b>	diverted from disposal	due to preparation for reuse	462.6	113.3
		due to recycling	10,586.8	4,820.8
		due to other recovery operations	225.9	539.2
		<b>total</b>	<b>11,275.3</b>	<b>5,473.3</b>
	directed to disposal	due to incineration	0.0	0.0
		due to landfilling	217.3	3,744.4
		due to other disposal operations	5,046.2	131.7
		<b>total</b>	<b>5,263.4</b>	<b>3,876.2</b>
	<b>total</b>		<b>16,538.7</b>	<b>9,349.5</b>
	<b>Non-hazardous waste</b>	diverted from disposal	due to preparation for reuse	0.0
due to recycling			11,097.1	13,346.1
due to other recovery operations			633,705.1	234,496.1
		<b>total</b>	<b>644,802.1</b>	<b>247,842.2</b>
directed to disposal		due to incineration	0.0	0.0
		due to landfilling	0.0	0.0
		due to other disposal operations	0.0	0.0
		<b>total</b>	<b>0.0</b>	<b>0.0</b>
<b>total</b>		<b>644,802.1</b>	<b>247,842.2</b>	
<b>Non-recycled waste</b>		absolute	5,263.4	3,876.2
	percentage	0.8 %	1.5 %	
<b>Radioactive waste</b>		0.0	0.0	

<sup>18</sup> Our core business is the transmission of electricity. Eurogrid Group does not release tangible products on the market.

# 3. Social information

## 3.1. S1 Own Workforce

**The Eurogrid Group's workforce is due to grow significantly over the next few years; this year, it increased by 16% through organic growth. Eurogrid Group is bolstering its onboarding, engagement and development processes to promote a strong, shared understanding of its culture, operating procedures and compliance framework – ultimately, helping it to realise its strategy and master future challenges.**

### **SBM3 S1 - Material impacts, risks and opportunities and their interaction with strategy and business model**

All of the Eurogrid Group's own workforce – employees and non-employees alike – is subject to material impacts. Eurogrid Group's mix of operations lead to different types of own workforce.

Own workforce of the regulated entities:

- work on the construction and maintenance of the Group's grid, technical sites, substations and their surroundings;
- work on the operational management and development of the Group's grid, ensuring it is balanced at all times and designing its infrastructure and assets;
- work in the Group's corporate service departments, from human resources through to finance, IT, communications, and risk and governance.

Employees and non-employees are distributed across these categories to support the operations.

#### **Positive material impact**

Physical safety of Eurogrid Group's own workforce (employee and non-employee alike) is of paramount importance. A safety culture is instilled through numerous campaigns, communications, return of experience and trainings all year long.

Staff are also provided with wider continuous professional development opportunities, such as training sessions, workshops and online courses.

Eurogrid Group promotes good working conditions, opportunities for development and a positive and inclusive work environment for its staff, so supporting them to thrive.

#### **Negative material impact**

Staff involved in infrastructure design and construction and grid operations and maintenance activities work in sites which carry inherent health and safety risks that arise on an individual (rather than a systemic) basis.

To ensure the continued high performance of the grid in the context of rising demand, the Eurogrid Group's workforce is increasingly required to provide greater flexibility and availability.

Eurogrid Group's activities require staff who hold science, technology, engineering or mathematics (STEM) qualifications or backgrounds – areas in which women have been and continue to be under-represented. This has an impact on gender equality and means Eurogrid Group's talent pool is more restricted.

#### **Risks, opportunities and dependencies on the workforce**

Eurogrid Group does not have operations at significant risk of incidents of forced labour or compulsory labour nor child labour.

Dependency from negative impact from health and safety relate more specifically to workforce involved in Infrastructure Design and Construction, and Grid Operations and Maintenance (see information disclosed as negative material impact above).

The significant growth of Eurogrid Group and the power sector in general created a scarcity of skilled profiles, potentially limiting an acceleration of delivery of the grid.







ActNow, the Group's sustainability programme as detailed in section [SBM1 market position, strategy, business model & value chains](#), includes five dimensions. Two of these – Health & Safety and Diversity, Equity & Inclusion (DEI) – cover areas which are considered to carry material impacts, risks and opportunities for the Group's staff.

An overview of how certain members of staff may be at a greater risk of harm is provided in section [S1-2 Processes for engaging with own workforce and workers representatives about impacts](#) and the actions presented in section [S1-4 Taking action on material impacts, risks and opportunities related to own workforce](#).

## S1-1 - Policies related to own workforce

For matters related to own workforce, Elia Group has developed the following policies on Elia Group level. These guidelines have been adapted for 50Hertz at Eurogrid Group level in accordance with local legislation and regulation and are applied.

Note that all of the policies are made available to the Eurogrid Group's employees via its intranet and, where relevant, to contractors, suppliers and external stakeholders via its website or other electronic tools:

Policy	Monitoring process	Scope	Function Accountable	Related Framework
<b>Health, occupational safety and environment protection policy + Internal specific health and safety regulations</b>	Operational monitoring; Health and safety target (see section <a href="#">S1-5 Targets related to own workforce</a> )		Head of Corporate Governance	<ul style="list-style-type: none"> <li>– Applicable health and safety regulations;</li> <li>– ISO 45001:2023</li> </ul>
<b>Diversity, Equity and Inclusion Charter</b>	Business target (see section <a href="#">S1-5 Targets related to own workforce</a> )		Chief Human Resources Officer /Elia Group	– ILO C111
<b>Company agreements</b>	/		Chief Corporate Officer	– Applicable social regulations
<b>Human rights policy</b>	See section <a href="#">G1-1 Corporate culture and business conduct policies</a>		Chief Human Resources Officer /Elia Group	<ul style="list-style-type: none"> <li>– Universal Declaration of Human Rights of the United Nations and the two Covenants that implement it;</li> <li>– International Labour Organization's Declaration on Fundamental Rights and Principles at Work;</li> <li>– United Nations Global Compact.</li> </ul>
<b>Code of Ethics</b>	See section <a href="#">G1-1 Corporate culture and business conduct policies</a>		Chief Human Resources Officer /Elia Group	/
<b>Whistleblowing Framework</b>	See section <a href="#">G1-1 Corporate culture and business conduct policies</a>		Compliance Officer	<ul style="list-style-type: none"> <li>– Applicable law transposing Directive (EU) 2019/1937</li> <li>– Supply Chain Due Diligence Act (LkSG)</li> </ul>

## Health and safety policies

Health and safety are key topics for Elia Group. These Elia Group Policies are fully effective at Eurogrid Group level.

### Health and Safety at Work Guidelines

This document defines the core principles of 50Hertz Transmission Germany's approach to managing and mitigating impacts stemming from health and safety matters, including the prevention of workplace accidents. On top of these guidelines, the company has a number of complementary internal health and safety regulations, such as the 'Guideline on First Aid', 'Accidents and Incidents' and the 'Directive on Fire and Explosion Protection'.

## Diversity, equity and inclusion policies

In accordance with Convention 111 of the International Labour Organization (ILO), Elia Group is committed to promoting diversity and strongly condemns all discriminatory act at work. These Elia Group Policies are fully effective at Eurogrid Group level.

### Diversity, Equity and Inclusion Charter

This Charter outlines how the Group is committed to ensuring that all staff are supported to flourish and contribute to its sustainable success regardless of gender, country of origin, age, physical and mental abilities, ethnicity, religion and sexual orientation; the only areas that members of staff are evaluated on are their performance, leadership, behaviour, skills and competencies. See [SI-4 Taking action on material impacts, risks and opportunities related to own workforce](#) for more insights on how discrimination is prevented in the Eurogrid Group.

Note that the Group's Code of Ethics underlines this same commitment; see [GI-1 Corporate Culture and business conduct policies](#) for more details.

## Policies for working conditions of own workforce

Policies for working conditions are designed to ensure a safe, inclusive, and supportive environment for all employees.

### Company agreements

At 50Hertz Transmission, practicalities related to the ways of working of the employees and interactions with the employer are established in the collective bargaining agreements (Tarifvertrag) and the company agreement (Betriebsvereinbarung). These policies are closely designed together with the representatives of the workers.

## Policies for ethical behaviour and human rights

See section [GI-1 Corporate culture and business conduct policies](#) for descriptions of Elia Group's Code of Ethics, Whistleblowing Framework and Human Rights Policy.

These Elia Group Policies are fully effective at Eurogrid Group level.

## SI-2 - Processes for engaging with own workforce and workers' representatives about impacts

### Collective bargaining approach

Eurogrid Group is committed to freedom of association, collective bargaining and the protection of workers' representatives. Emphasis is placed on trust and ongoing cooperation with trade unions.

### Employee consultation, negotiation and information on organisational changes

Information about relevant impacts is shared with staff via direct channels (the intranet and email campaigns) and through workers' representatives, who are part of works councils: the two local works councils and (national-level) General Works Council at 50Hertz; and the Elia Group European Works Council.

Employee representatives regularly meet with senior management to ensure that employment-related decisions are made in an impartial and non-discriminatory manner. 50Hertz' Chief Corporate Officer is responsible for facilitating this engagement.

In addition to these formal bodies and representatives, which are outlined below, different networks (focusing on areas such as DEI and the women's network) exist throughout the 50Hertz, whose members meet regularly to discuss management, operational and leadership topics.

More information about interactions between Eurogrid Group and its workforce is included in section [SBM-2 Interests and views of stakeholders](#).

### Works council

The company is subject to collective bargaining and has its own company-level labour agreement that governs many of the working and remuneration conditions. This collective labour agreement is negotiated between the employer association (AVEU) and the union (IGBCE).

The Works Council is responsible for representing the interests of employees and ensures that the company adopts transparent corporate governance practices, in line with the Works Constitution Act. It also has co-determination rights over social matters such as working time regulations, recruitment practices, leave, and occupational health and safety. It is regularly informed about economic matters and work processes; ensures that 50Hertz adheres to legal and social regulations; and is consulted when changes occur at the company. The management of 50Hertz is controlled by the 12-member Supervisory Board. The Supervisory Board of 50Hertz has an equal number of employee and employer representatives (50%).

The Works Council has several working groups which cooperate closely with the company's HR Department and the senior management to ensure that both employee interests and the operational needs of the company are covered. It organises an annual

convention (Gesamtbetriebsversammlung) for Eurogrid Group's staff, in line with Section 80 (2) of the German Works Constitution Act.

## Other guidelines

Eurogrid Group is committed to internationally established guidelines, such as the labour standards and rights laid out by the International Labour Organization and the UN Global Compact, of which 50Hertz is a member. It is committed to promoting diversity out of conviction and in accordance with ILO Convention 111. Every employee pledges to comply with these standards and principles when signing their employment contract. For more information on how the company mitigates impacts on workers through policies, see section [S1-1 "Policies related to own workforce"](#).

## S1-3 - Processes to remediate negative impacts and channels for own workers to raise concerns

### Breaches of integrity

See [G1-1 Corporate culture and business conduct policies](#) for information about the Group's Whistleblowing Framework.


### Health and safety topics

For specific negative impacts related to health and safety at work, staff at Eurogrid Group can use dedicated tools for reporting incidents or high-risk situations to their local health and safety teams. These processes enable precise data on the safety situation, help management monitor trends and eventually adapt policies.

Such impacts can also be raised by workers' representatives, particularly if they relate to working conditions; see [S1-2 Processes for engaging with own workers and workers' representatives about impacts](#).

## S1-4 - Taking action on material impacts, risks and opportunities related to own workforce

The Elia Group sustainability program ActNow provides a framework for actions related to sustainability topics. As outlined above, two dimensions of ActNow – Health & Safety and Diversity, Equity & Inclusion (DEI) - relate to the Eurogrid Group's workforce.

Actions	Related policy objective or target	Scope	Time-horizons
<b>Health and safety</b>			
Awareness campaigns			
Personal protective equipment	See health and safety targets in section <a href="#">S1-5 Targets related to own workforce</a>		Continuous action
Health and safety projects			
Well-being projects			
Health and safety trainings			
<b>Diversity, equity and inclusion</b>			
Awareness campaigns			
Internal networks	See Diversity, Equity and Inclusion targets in section <a href="#">S1-5 Targets related to own workforce</a>		Continuous action
Partnerships			

### Actions for health and safety

Given that the 50Hertz activities involve staff working with electrical equipment, at height, and in marine environments, this dimension is crucial. The aim is to have zero accidents across its sites, maintain a strong culture of safety across the organisation, and for staff's health and wellbeing to be protected.

Developments in the 50Hertz approach to health and safety can be triggered by ad hoc incidents, which are reported on and tracked; suggestions from expert managers; site audits; structural risk assessments undertaken before a project, or changes to project tasks; and working groups which are responsible for specific projects. See also [S1-2 Processes for engaging with own workers and workers' representatives about impacts](#).

#### Health and safety projects and awareness campaigns

At 50Hertz, employees have been made aware of the importance of prevention for health and safety through the "gib8" campaign since 2018. The campaign illustrates that safety at work is a corporate value. The primary objective is to prevent work-related accidents and illnesses. To achieve this, safety at work is seen as a continuous improvement process, transparently supported by "gib8".

In accordance with ISO 45001:2023, 50Hertz Transmission employs an occupational health and safety management system that covers the operation, maintenance, planning and expansion of its grid. The certificate is available on the [company's website](#).

50Hertz also works closely with the other German TSOs to establish uniform safety standards. A first project was implemented in 2025 with the introduction of a joint

brochure which offers practical guidelines for identifying safety risks early on sites and taking preventive actions.

### Personal protective equipment

Eurogrid Group has strict personal protective equipment guidelines in place. Technical teams are expected to undertake risk analyses in order to clearly determine which pieces of protective equipment they need to wear whilst working.

### Wellbeing projects and initiatives

The Eurogrid Group has introduced Psychological First Aid – a program that trains employees to become psychological first responders who support colleagues in challenging situations. In addition, the Eurogrid Group collaborates with a professional external partner, providing employees and their family members with anonymous access to qualified support in times of crisis.

### Training

All newly-hired staff at Eurogrid Group must undergo training about health and safety, with additional levels of training offered to employees throughout their careers, depending on their roles and exposure to risk. Extra training is also offered to staff when their responsibilities change, when a workplace accident or near-miss has occurred, or when staff have not complied with Eurogrid Group's regulations.

## Actions for diversity, equity and inclusion

Dimension 4 of ActNow is essential for ensuring that Eurogrid Group has the skilled employees it needs to drive the energy transition: DEI involves the development of an inclusive work environment that promotes diversity and provides equal opportunities for all staff. The Elia Group's DEI charter covers age, ethnic background and nationality, gender identity, physical and mental abilities, religion and sexual orientation.

DEI actions are determined by internal experts who are supported by external advisory teams. With regards to effectiveness, information on DEI targets can be found in [S1-5 Targets related to own workforce](#).

### Awareness campaigns and training

Eurogrid Group regularly organizes actions and events to increase awareness of its workforce regarding diversity, equity and inclusion topics. They aim to develop an open and inclusive working culture and increase DEI awareness amongst own workers. Ad-hoc awareness events are also organized throughout the year, for specific occasions like International Day for the Elimination of Racial Discrimination, International Women's Day, Diversity Day, Christopher Street Day, etc. The awareness campaigns are carried out every year and aim to shed light on a broad range of diversity, equity and inclusion topics.

### Internal networks

The Elia Group has several DEI-related networks that also operate at Eurogrid Group level. For example, the DEI network is made up of ambassadors who champion DEI, meet regularly to discuss ways in which the Group's DEI policy could be developed, and provide staff with opportunities to share their personal experiences of working at the Group.

To foster gender-based diversity more specifically, 50Hertz has its own Women's Network. This network is a platform for female workers to exchange and share about their work experience. The Women's Network meet several times in the year.

At 50Hertz, the governance of raising concerns related to diversity, equity and inclusion is carried out by the Equal Opportunities Officer (Gleichstellungsbeauftragte).

Moreover, in accordance with German Social Code IX, 50Hertz has established a Representative Body for Severely Disabled Employees (Schwerbehindertenvertretung), with staff being elected every four years to serve on this, supervising the implementation of measures to promote healthy working conditions.

### Partnerships

To enhance the impact of their diversity, equity and inclusion actions, 50Hertz has formed partnerships with external stakeholders.

50Hertz is partnered with organisations including Annedore-Leber-Berufsbildungswerk, Klischeefrei, Charta der Vielfalt, Gemeinsam gegen Sexismus and EnterTechnik, which focus on areas such as supporting young people with disabilities in the corporate world and fighting sexism in the workplace.

## S1-5 - Targets related to own workforce

### Diversity, equity and inclusion

For Dimension 4 of the ActNow sustainability programme relating to diversity, equity and inclusion, the following targets have been set on Eurogrid Group's and Elia Group's level:

Target name	Scope	Related policy	Value 2025	Target value 2025	Target value 2030	Achieved performance	
Women in total workforce		Eurogrid Group	Diversity, Equity and Inclusion Charter	28.2 %	27 %	30 %	In 2025, the share of women in the company rose above the annual target, driven by strong female recruitment inflow
Female inflow		Elia Group*	Diversity, Equity and Inclusion Charter	33.9 %	30 %	/	

These targets were set by Eurogrid Group's management (Women in total workforce) and Elia Group's management (Female inflow) and aim to increase the balance between male and female employees in the company. The level of the target was set based on historical performance, the context of a traditionally male-dominated industry and taking into consideration performance of peers in this area. Eurogrid Group's performance in respect of this target is closely monitored by the business and reported to senior management.

#### ► Definition and calculation method

- **Women in total workforce = (female contractual headcount/total contractual headcount)**

Employee headcount = total contractual headcount at December 31st of the reporting year. Contractual headcount refers to the overall count of individuals holding active contracts within an organization on a specified date, encompassing all employees, including those on sick leave and directors but does not encompass suspended contracts to avoid double counting. Gender is accounted as specified by the employees themselves.

- **Female inflow = (female new hires/total new hires)**

New hires = workers who have joined any entity in scope during the reporting year. New hires are accounted for on their start date.

\* These values and targets refer to the Elia Group and are not broken down to the Eurogrid Group.

## Health and safety

For Dimension 3 of our ActNow sustainability program relating to health and safety, the following targets have been set on Eurogrid Group's level:

Target name	Scope	Related policy	Value 2025	Target value 2025	Achieved performance
Total Recordable Injury Rate (TRIR) of employees and contractors		Eurogrid Group Health and Safety Guidelines	6.30	4.70	The TRIR target was defined in this manner for the first time for 2025 and was based on assumptions.
Health Rate		Eurogrid Group Health and Safety Guidelines	96.8 %	96.8 %	The health rate slightly increases from an already high level.

These targets have been set by the management of Eurogrid Group based on historical performance, the context of operations, increasing CAPEX and workforce. The targets are reviewed yearly. Eurogrid Group's performance in respect of this target is closely monitored by the business and reported to senior management. In addition, the TRIR is reported monthly to the Safety committee and quarterly to the respective management boards.

### ► Definition and calculation method

#### — Total Recordable Injury Rate (TRIR)

TRIR = [(total number of recordable work-related injury/number of hours worked) x1.000.000]

Recordable injury = any work-related injury or illness that requires more than first-aid treatment and/or restriction of work motion.

For contractors, the worked hours are estimated starting from actual invoices and based on an allocation key for labour cost and a monthly indexed hourly rate (average rate for FY2025: € 65.50/hour).

#### — Health Rate

Health Rate = 1 - Absenteeism Rate

The Absenteeism Rate measures for all active employees the hours not worked due to illnesses and work accidents against the theoretical number of working hours. The theoretical number of working hours is defined as contractual hours without overtime.

Absenteeism Rate = Number of hours not worked / Theoretical number of working hours

More information on how Eurogrid Groups's own workers and their representatives are involved in setting and monitoring the targets as well as in proposing and identifying improvements can be found in section [SI-2 Processes for engaging with own workers and workers' representatives about impacts](#).

## SI-6 - Characteristics of the undertaking's employees

### Number of employees (headcount) per gender

	2025	2024
Male	1,774	1,566
Female	696	561
Other	0	0
Not reported	1	0
<b>Total employees</b>	<b>2,471</b>	<b>2,127</b>

### ► Definition and calculation method

— Gender is specified by the employees themselves.

Employee headcount = total contractual headcount on 31 December of the reporting year. Contractual headcount refers to the overall count of individuals holding active contracts within an organisation on a specified date, encompassing all employees, including those on sick leave and directors, but does not encompass suspended contracts to avoid double counting.

The definition of "employees" according to the ESRS slightly differs from the definition of employee numbers used in financial reporting. Consequently, there are minor differences in the total number.

## Breakdown of type of employees per gender

	2025					2024				
	Male	Female	Other	Not disclosed	Total	Male	Female	Other	Not disclosed	Total
<b>Total number of employees</b>	<b>1,774</b>	<b>696</b>	<b>0</b>	<b>1</b>	<b>2,471</b>	<b>1,566</b>	<b>561</b>	<b>0</b>	<b>0</b>	<b>2,127</b>
Number of permanent employees	1,730	657	0	1	2,388	1,530	527	0	0	2,057
Number of temporary employees	44	39	0	0	83	36	34	0	0	70
Number of non-guaranteed employees	0	0	0	0	0	0	0	0	0	0

### ► Definition and calculation method

Employee headcount = total contractual headcount on 31 December of the reporting year. Contractual headcount refers to the overall count of individuals holding active contracts within an organisation on a specified date, encompassing all employees, including those on sick leave and directors, but does not encompass suspended contracts to avoid double counting.

No non-guaranteed employees are working for Eurogrid Group in the scope of the reporting. For this reason, all corresponding values for this category are also set to zero.

## Turnover rate

	2025	2024
Number of leavers	100	93
Turnover rate	4.3 %	4.7 %

### ► Definition and calculation method

The methodology includes workers who have left any entity in the reporting scope without distinguishing if they were exiting Eurogrid Group or transitioning to another entity within the Group. For intercompany ins and outs, each legal entity must categorise them as either inflows or outflows. The inaccuracy induced is considered negligible and immaterial.

**Formula: Turnover rate (%) = (annual number of leavers) / ((number of employees beginning of year + number of employees end of year)/2) \* 100**

Where the annual number of leavers relate to all employees (defined as contractual headcount from 1 January to 31 December) leaving the company due to voluntary and involuntary reasons - resignation, end of temporary contract, dismissal, retirement or death - for 1 January to 31 December of the reporting year. Employees are counted as leavers on the first calendar day after the last day of their employment contract.

Where number of employees beginning of the year = contractual headcount on 1 January of the reporting year

Where number of employees end of the year = contractual headcount on 31 December of the reporting year.

## S1-8 - Collective bargaining coverage and social dialogue

At Eurogrid Group, only senior managers and directors are covered by a specific regime for working conditions that are based on negotiation and rely on national guidelines. Other employees of the TSO activities are covered by collective bargaining agreements of the electrical trade (Elektrohandwerk) sector and by social dialogue. Working conditions of the employees of the non-regulated entities are not defined by a collective bargaining agreement but are aligned on those of the TSO activities.

The collective agreement coverage rate of the Eurogrid Group is between 80% and 100%.

For more information on collective bargaining and social dialogue processes at Eurogrid Group, including the representation of employees by a European Works Council, see section [S1-2 Processes for engaging with own workforce and workers' representatives about impacts](#).

## S1-9 - Diversity metrics

### Gender distribution at top management level

		2025		2024	
		Headcount	Percentage	Headcount	Percentage
<b>Directors</b>	Total	4	100.0 %	4	100.0 %
	Male	2	50.0 %	3	75.0 %
	Female	2	50.0 %	1	25.0 %
	Other	0	— %	0	— %
<b>Senior managers</b>	Total	74	100.0 %	63	100.0 %
	Male	52	70.3 %	47	74.6 %
	Female	22	29.7 %	16	25.4 %
	Other	0	— %	0	— %
<b>Women in leadership positions</b>		24	30.8 %	17	25.4 %

#### ► Definition and calculation method

Employee headcount = total contractual headcount on 31 December of the reporting year. Contractual headcount refers to the overall count of individuals holding active contracts within an organisation on a specified date, encompassing all employees, including those on sick leave and directors, but does not encompass suspended contracts to avoid double counting.

### Age distribution amongst employees

	2025		2024	
	Headcount	Percentage	Headcount	Percentage
<b>&lt;30</b>	277	11.2 %	258	12.1 %
<b>30-50</b>	1,760	71.2 %	1,457	68.5 %
<b>&gt;50</b>	434	17.6 %	412	19.4 %

#### ► Definition and calculation method

Employee headcount = total contractual headcount on 31 December of the reporting year. Contractual headcount refers to the overall count of individuals holding active contracts within an organisation on a specified date, encompassing all employees, including those on sick leave and directors, but does not encompass suspended contracts to avoid double counting.

## S1-10 - Adequate wages

All employees of Eurogrid Group are paid an adequate wage for their work, in line with national and sectoral benchmarks. The national benchmark considers the level of minimum wage guaranteed at country level and the sectoral benchmarks relate to the minimum wage level set by collective bargaining agreements for each sector of operation.

## S1-14 - Health and safety metrics

	2025	2024
<b>Employees</b>		
<b>Health and safety management system</b>		
Percentage of employees covered by health and safety management system	100 %	100 %
<b>Fatalities</b>		
Total number of fatalities	0	0
Fatalities from work-related injuries	0	0
Fatalities from work-related ill-health	Not available for legal reasons	Not available for legal reasons
<b>Total recordable injury rate (TRIR)</b>		
Number of recordable work-related injury (TRI)	9	6
Rate of recordable work-related injury (TRIR)	2.59	2.01
<b>Ill-health</b>		
Number of cases of recordable work-related ill-health	Not available for legal reasons	Not available for legal reasons
<b>Days lost</b>		
Total number of days lost	10	67
Number of days lost from work-related accidents	10	67
Number of days lost from work-related ill health	Not available for legal reasons	Not available for legal reasons
<b>Non-employees</b>		
<b>Total recordable injury rate (TRIR)</b>		
Number of recordable work-related injury (TRI)	Not available	Not available
Rate of recordable work-related injury (TRIR)	Not available	Not available
<b>Contractors</b>		
<b>Fatalities</b>		
Total number of fatalities	0	0
Fatalities from work-related injuries	0	0
Fatalities from work-related ill-health	Not available for legal reasons	Not available for legal reasons
<b>Total recordable injury rate (TRIR)</b>		
Number of recordable work-related injury (TRI)	52	37
Rate of recordable work-related injury (TRIR)	8.37	5.87

All workers of the Eurogrid Group are covered by 50Hertz Transmission's health and safety management system. Please see [S1-4 - 'Actions for health and safety'](#) for further information about ISO45001:2018.

### ► Definition and calculation method

No distinction is made in the system between work-related illness and non-work-related illnesses for confidentiality reasons (as per legal requirements). All information related to those data points has thus been marked as 'non-available for legal reasons' in the table.

**TRIR = number of recordable injuries\*1,000,000/number of hours worked.**

Recordable injury = any work-related injury or illness that requires more than first-aid treatment and/or restriction of work motion.

## S1-16 - Remuneration metrics (pay gap and total remuneration)

### Gender pay gap

	2025	2024
Gender pay gap	2.5 %	3.5 %

### ► Definition and calculation method

The gender pay gap is reported for all employees with an active contract at year-end, including directors. This means that employees on long-term sick leave or full-time suspension are not included as they are not active on the payroll systems at year-end.

It also means that new joiners who are active as per 31 December are included in the scope of the datapoint: their remuneration is extrapolated to full-year. This is a change compared with last year, where new joiners were not included.

Pay levels at individual level includes fixed and variable remuneration. The variable remuneration is standardised across employee groups according to the company agreement.

The 2024 value of the gender pay gap was restated this year due to a change in calculation method.

Formula: Gender pay gap = ((Average gross hourly pay level of male employees – average gross hourly pay level of female employees)/ Average gross hourly pay level of male employees)\*100

## Annual total remuneration ratio

	2025	2024
Annual total remuneration ratio	10.0	11.0

### ► Definition and calculation method

The annual total remuneration ratio is reported for all employees with an active contract at year-end, including directors. This means that employees on long-term sick leave or full-time suspension are not included as they are not active on the payroll systems at year-end.

It also means that new joiners who are active as per 31 December are included in the scope of the datapoint: their remuneration is extrapolated to full-year. This is a change compared with last year, where new joiners were not included.

Total remuneration at individual level includes fixed and variable remuneration. The variable remuneration is standardised across employee groups according to the company agreement.

The 2024 value of the annual total remuneration ratio was restated this year due to a change in calculation method.

Formula: Annual total remuneration ratio = Annual total remuneration of highest paid individual/Median individual annual total remuneration excluding highest-paid

## S1-17 - Incidents, complaints and severe human rights impacts

This section aims to allow an understanding of the extent to which work-related incidents and severe cases of human rights impacts are affecting Eurogrid Group's workforce.

	2025		
	Total	Breakdown	
		Pending	Resolved
Number of discrimination incidents	0	0	0
Number of complaints filed through channels for own workforce to raise concerns	0	0	0

	2025
Total amount of fines, penalties and compensation for damages of discrimination incidents	€0.00

	2025
Number of severe human rights incidents	0
<b>Breach breakdown</b>	
UN Guiding Principles on Business and Human Rights	0
ILO Declaration on Fundamental Principles and Rights at Work	0
OECD Guidelines for Multinational Enterprises	0

	2025
Total amount of fines, penalties and compensation for damages of severe human rights incidents	€0.00

## 3.2. S2 Workers in the value chain

Ensuring safe and fair working conditions in our upstream value chain is critical for the realisation of the Eurogrid Group's project activities.

### SBM3 S2 - Material impacts, risks and opportunities and their interaction with strategy and business model

In line with the ESRS nomenclature, two categories of value chain workers are applicable for the Eurogrid Group:

- i. workers in the value chain directly involved in 50Hertz's sites but who are not part of its own workforce, especially related to Infrastructure Design and Construction, and Grid Operations and Maintenance (contractors);
- ii. workers in the value chain working for entities in the upstream value chain of Eurogrid Group (Upstream workers).

#### Negative material impact

The contractors involved in Infrastructure Design and Construction, and Grid Operations and Maintenance are operating in an industrial environment carrying inherent health and safety risks, which are not systemic but rather pertain to individual incidents.

#### Positive material impact

The safety culture that Eurogrid Group promotes also extends to workers in the value chain. See [G1-2 Management of relationship with suppliers](#) for information about the Eurogrid Group's Supplier Code of Conduct and the EcoVadis rating system.

#### Risks, opportunities and dependencies for workers in the value chain

Eurogrid Group does not have a significant risk of forced labour or compulsory labour or child labour among workers in the value chain in any geography or commodities it purchases.

As named before dependencies from negative impacts in the area of health and safety relate more specifically to value chain workers involved in Infrastructure Design and Construction, and Grid Operations and Maintenance.

Sections [S2-2 Processes for engaging with value chain workers about impacts](#) and [S2-4 Taking action on material impacts, risks and opportunities related to value chain workers](#) provide an overview of how certain value chain workers may be at a greater risk of harm. Note that the material risks identified pertain to Eurogrid Group's TSO activities, and not to a specific group of value chain workers.

### S2-1 - Policies related to value chain workers

Unless otherwise specified, the policies described in this section cover contractors (see ESRS nomenclature in section [ESRS 2 SBM-3 S2](#) above) carrying out duties on the sites of the 50Hertz.

The health and safety policies developed for Eurogrid Group's own workforce equally apply to contractors, see section [S1-1 Policies related to own workforce](#).

For workers in the value chain, Elia Group has developed the following policies on Elia Group level. These guidelines have been adapted for 50Hertz at Eurogrid Group level in accordance with local legislation and regulation and are applied:

Policy	Monitoring process	Scope	Function Accountable	Related Framework
<b>Supplier Code of Conduct</b>	Risk analysis by Procurement department and process compliance monitoring by Internal audit See <a href="#">S2-3 Process to remediate negative impacts and channels for value chain workers to raise concerns</a>		Chief Procurement Officer /Elia Group	<ul style="list-style-type: none"> <li>– Ten principles of the United Nations Global Compact;</li> <li>– United Kingdom Anti-Corruption Act;</li> <li>– United Nations Convention against Corruption;</li> <li>– OECD principles against corruption and bribery;</li> <li>– Principles and conventions of the United Nations in the area of Human Rights and Decent Work;</li> <li>– ILO convention for the prohibition of child and forced labour</li> </ul>
<b>Human Rights Policy</b>	See <a href="#">S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns</a>		Chief Human Resources Officer /Elia Group	<ul style="list-style-type: none"> <li>– Universal Declaration of Human Rights of the United Nations and the two Covenants that implement it</li> <li>– International Labour Organization's Declaration on Fundamental Rights and Principles at Work;</li> <li>– United Nations Global Compact.</li> </ul>
<b>Code of Ethics</b>	See <a href="#">S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns</a>		Chief Human Resources Officer /Elia Group	/
<b>Instructions on guaranteeing occupational safety when contracting with external companies</b>	Operational monitoring; See <a href="#">S2-5 Targets related to value chain workers</a>		Head of Corporate Governance	Applicable laws on labour, working conditions and safety.
<b>Purchasing Conditions</b>	Operational monitoring; See <a href="#">S2-5 Targets related to value chain workers</a>		Chief Procurement Officer / Elia Group	Applicable regulations

## Policies for ethical behaviour and human rights

See [G1-1 Corporate culture and business conduct policies](#) and [G1-2 Management of relationships with suppliers](#) for descriptions of the Elia Group's Code of Ethics, Human Rights Policy and Supplier Code of Conduct.

## Policies for health and safety

For information on the 'Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz' see [G1-1 Corporate culture and business conduct policies](#).

For information about the health and safety requirements included in the Elia Group-wide Purchasing Conditions for contracts with suppliers see [G1-2 Management of relationships with suppliers](#).

More information on the Eurogrid Group's general approach to engaging with value chain workers can be found in [S2-2 Processes for engaging with value chain workers about impacts](#), whilst [S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns](#) covers measures that remedy negative human rights impacts.

In reporting year 2025, Eurogrid Group reported no cases of non-compliance with the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises involving suppliers. At 50Hertz, a yearly process has been established since 2024 to reach compliance with the German Supply Chain Due Diligence Act (LkSG).

Upstream

Own Operations

Downstream

## S2-2 - Processes for engaging with value chain workers about impacts

### Health and safety

50Hertz engages with its value chain workers as follows:

<b>weekly</b>	The TSO conducts site meetings every week, during which the project leader discusses health and safety matters; specific auditing tools have been set up to support this. Coordinators from the company occasionally attend these meetings.
<b>periodically</b>	Inspections of the company's sites are carried out, with examiners auditing health and safety procedures and contractors' working practices.
<b>yearly</b>	The procurement department holds supplier meetings on an annual basis with support from the health and safety department. Accidents and incidents are discussed during these meetings, and participants agree on specific measures to prevent these.

Due to the increasing number of electricity grid projects, the number of contractors is rising. A pre-qualification procedure is used to compare contractor performance with Eurogrid Group's requirements, including those related to health and safety. Health and safety information included in the tender documents are carefully examined before contractors are appointed.

At 50Hertz, the most senior position responsible for ensuring that dialogue and continuous improvement on health and safety take place is the CCO.

### Sustainable procurement

The sustainability practices of strategic suppliers are assessed by an external service provider: EcoVadis. For more information on the use of EcoVadis, see section [G1-2 - Management of relationships with suppliers](#).

## S2-3 - Processes to remediate negative impacts and channels for value chain workers to raise concerns

### Breaches of integrity

Value chain workers can express their concerns regarding negative material impacts or alleged breaches of Elia Group's Code of Ethics or Human Rights Policy or laws and regulations without fear of reprisal or unfair treatment. See [G1-1 Corporate Culture and business conduct policies](#) for information about whistleblowing procedures and Elia Group's EthicsAlert tool, which is available to all stakeholders on the [company website](#).

Alongside the electronic EthicsAlert whistleblowing system, workers in the value chain of Eurogrid Group can reach out to an external and independent ombudsman to raise their concerns. Contact information is available to all stakeholders on the [company website](#).

### Health and safety topics

The Supplier Code of Conduct sets out the general principles for contractors regarding health and safety impacts (see section [S2-1 - Policies related to value chain workers](#) for more details). Sanctions can be imposed in instances where violations to health and safety rules are found to have occurred. Measures and action plans designed to prevent such risks are then implemented, primarily through discussions with the partners involved. More information on actions taken to mitigate health and safety risks for contractors can be found in section [S2-4 - Taking action on material impacts, risks and opportunities related to value chain workers](#). Contractors of 50Hertz can also report incidents to the company.

There are clear processes in place when accidents at work occur. Every accident triggers a reactive process to understand and report on each accident. Based on the learnings from these accidents, appropriate measures are developed.

## S2-4 - Taking action on material impacts, risks and opportunities related to value chain workers

Actions	Related policy objective or target	Scope	Time-horizons
Safety with Contractors	See <a href="#">health and safety target in section S2-5 Targets related to value chain workers</a>		Continuous action
Occupational safety dialogues	See <a href="#">health and safety target in section S2-5 Targets related to value chain workers</a>		Continuous action
"gib8" awareness campaign	See <a href="#">health and safety target in section S2-5 Targets related to value chain workers</a>		Continuous action
ISO 45001 certification	See <a href="#">health and safety target in section S2-5 Targets related to value chain workers</a>		Continuous action

The effectiveness of the actions described in this section is ultimately assessed through the performance of the TRIR Contractors indicator, as described in section [S2-5 -Targets related to value chain workers](#).

## Health and safety

At 50Hertz, the health and safety team takes actions to promote and protect the health and safety of workers, including contractors.

Every year, 50Hertz holds occupational safety dialogues with occupational safety specialists from the construction, overhead line and electrical installation sectors. At these events, common occupational safety topics are discussed in an open atmosphere, critically debated and possible solutions exchanged. At 50 Hertz, contractors have an obligation to provide information and training related to safety, health and environment with the goal of managing any related risks. 50Hertz has been awarding the HSEQ prize to its best contractors since 2022. They are assessed on the basis of health, safety, environmental and quality criteria, e.g. based on the results of inspections and accident statistics. This enables the company to value contractors who implement projects effectively and safely.

The gib8 awareness campaign was launched in 2018 and illustrates that occupational safety is a corporate value. Since 2022, the new support structure Simo (Sicherheitsmoment - safety moment) has been guiding workers through the campaign topics. The content of the campaigns is shared and communicated with the customers of 50Hertz.

50Hertz Transmission also holds a certification in the area of operation, maintenance, planning and expansion of the transmission grid at its sites, stating that it has introduced and maintains an occupational health and safety management system in accordance with ISO 45001:2018. As the management system applies to all sites, it applies to the entire Eurogrid Group. The processes covered by this certification also aim to mitigate the health and safety impacts of workers in the value chain working on the sites of 50Hertz. The principle of constant improvement (continuous improvement process) includes annual monitoring audits and recertification by an accredited external company every three years.

## S2-5 -Targets related to value chain workers

The Eurogrid Group defines a combined Total Recordable Injury Rate (TRIR) target for employees and contractors, as specified in [S1-5 - Targets related to own workforce](#).

## 3.3. S3 Affected communities

**Eurogrid Group is committed to driving the energy transition forward in a way that benefits society as a whole while proactively managing the potential impacts of its activities, projects, and assets**

### S3 - Material impacts, risks and opportunities and their interaction with strategy and business model Impact, risk and opportunity management

Affected communities' are communities which live and work around the 50Hertz's electrical operating sites and facilities. They can be grouped into the following categories:

- Local residents: individuals living near infrastructure projects who may be impacted by construction or operational activities.
- Agricultural and forestry community: farmers and landowners whose lands and activities may be affected by infrastructure development or presence.
- Businesses: companies operating in the vicinity of infrastructure projects whose operations may be disrupted by infrastructure projects.
- Local communities: communities near infrastructure projects that may be impacted by construction or operational activities.

No one community is at greater risk of harm than any other.

#### Positive material impact

By building out its grid to integrate increasing amounts of renewable energy into the system, 50Hertz make the areas across their grid areas attractive to industrial players. The TSO also stimulate growth by subcontracting companies to undertake some of their construction work. Moreover, as outlined below, 50Hertz proactively engage with affected communities about its projects in order to ensure that their feedback is integrated.

#### Negative material impact





The infrastructure owned by 50Hertz covers wide areas in Germany. Given that 50Hertz is due to reinforce and expand its grid in the future, and despite the aim to use existing infrastructure when expanding its grid, more communities will be affected by its activities in the future. Negative impacts of the 50Hertz's infrastructure persist once projects are completed: its electricity assets can impact the use of the land, cause noise, impact the visual appearance of landscapes, and may pose health concerns. 50Hertz aims to mitigate and compensate for these issues, and works closely with its affected communities as part of this.

#### Risks, opportunities and dependencies on affected communities

The construction of electricity infrastructure is highly dependent on support from affected communities, especially during the permitting phase. The timely approval of infrastructure projects is key for 50Hertz. No material risks or opportunities linked to a specific group of affected communities were identified.

## S3-1 - Policies related to affected communities

For matters related to affected communities, Elia Group has developed the following policies on Elia Group level. These guidelines have been adapted for 50Hertz at Eurogrid Group level in accordance with local legislation and regulation and are applied:

Policy	Monitoring process	Scope	Function accountable	Related Framework
<b>Engagement Policy</b>	Multiple indicators are in place (e.g. the number of public information sessions, publications, questions and answers provided, etc.).		Head of Nature Conservation and Permits	Applicable regulation regarding regional planning
<b>Compensation Policy</b>	Category and cost reporting is in place.		Head of Nature Conservation and Permits	Bundeskompensationsverordnung (Federal Compensation Regulation)
<b>Protocol - Farms &amp; Forests</b>	Category and cost reporting is in place. Regular meetings (round tables) are organised with farming associations to monitor the implementation of the agreement, to discuss new or existing issues (e.g. changes in working methods).		Head of Community Relations	/
<b>Protocol - Business</b>	Category and cost reporting is in place. This protocol is being discussed and drafted in 2024/2025 with business associations. Monitoring will be decided in due time.		Head of Community Relations	/

The planning and construction of extra-high-voltage grid assets are subject to strict legal requirements, which vary depending on the federal state in which the project is being realised.

### Stakeholder dialogue

50Hertz believes that the early involvement of different stakeholders in its projects is vital for minimising the impact of its activities on affected communities, for ensuring that its projects are successful and, ultimately, for driving the energy transition forward.

50Hertz communicates openly with affected communities in line with the legal requirements in the federal state as well as in Germany and with Elia Group's 'Code of Ethics' and 'Human Rights Policy' (see [G1-1 Corporate culture and business conduct policies](#)).

50Hertz is founding member of the Renewables Grid Initiative (RGI) to promote fair, transparent and sustainable grid development and to ensure that best practice shared through RGI is incorporated into its approaches. Furthermore, 50Hertz acknowledges its responsibility regarding respect for human rights and the rights of its affected communities. Elia Group's 'Human Rights Policy' specifies this objective and sets out the underlying frameworks. These include the ten principles of the UN Global Compact, the United Nations Universal Declaration of Human Rights and the International Pact on Civil and Political Rights.

50Hertz has a dedicated department which is responsible for managing its relationship with affected communities and raising public acceptance of its projects. The Head of Nature Protection and Permits leads this work; 50Hertz's approach is outlined in its project management guidelines and modular implementation toolkit. It applies the principles of the Diverse Democracy Alliance in approach, and has developed an internal toolbox of measures that lays out the minimum expected standard of actions for each project; teams build on these depending on the project in question and its location. Moreover, 50Hertz Transmission has signed agreements with the states of Brandenburg, Mecklenburg-Western Pomerania, Saxony and Saxony-Anhalt which highlight its voluntary commitment to communication with affected communities.

See '[S3.3 - Processes for engaging with affected communities about impacts](#)' for further information.

### Electromagnetic fields (EMFs) and noise regulation

In Germany, the recommended values for EMFs are defined by decrees. 50Hertz complies with these limits, by taking stakeholder concerns seriously and monitoring levels via regular on-site measurements. The Competence Centre for Electromagnetic Fields (KEMF) of the Federal Office for Radiation Protection (BFS) is regularly consulted by 50Hertz in the project-related stakeholder dialogue.

Moreover, 50Hertz must adhere to environmental regulations which stipulate that it cannot create any noise pollution. Transformers are the main source of noise pollution; it therefore undertakes soundproofing measures during the design phase of projects so that its assets meet the noise standards.

### Maximum use of existing infrastructure

50Hertz prioritises project approaches that reduce its impact on affected communities, landscapes and the environment as far as possible; this means that new infrastructure is only built after all other options for increasing the grid's capacity have been exhausted. Moreover, when new infrastructure is considered necessary, 50Hertz aims to use existing grid corridors or build new sections in the same place as old ones.

### Compensation measures

50Hertz adopts mitigation and compensation measures for its projects and activities in cases where impacts are unavoidable. Compensation measures implemented by 50Hertz Transmission are outlined in its policy and are undertaken in line with the Federal Nature Conservation Act (BNatSchG). Financial compensation measures are undertaken in line with the Electricity Grid Charges Ordinance (StromNEV §5 Para. 4). See ['S3-4 - Taking action on material impacts, risks and opportunities related to affected communities'](#).

## S3-2 - Processes for engaging with affected communities about impacts

As mentioned above, 50Hertz systematically communicate with affected communities about its grid development and construction projects from an early stage onwards, ensuring that their feedback and concerns are addressed and used to guide strategic and operational decisions. Mutual understanding based on open discussions is key.

### Methods and frequency of communication

To maximise accessibility and participation, 50Hertz uses a mix of traditional and digital engagement methods – from in-person information meetings, newsletters and community information buses through to webinars, virtual one-to-one consultation sessions, digital maps and 3D models. The 50Hertz website provides information about its ongoing infrastructure projects.

Public consultations about the grid development plans are launched up to 10 years in advance of their implementation. As projects in these plans become more concrete, information and dialogue sessions are organised for local citizens and communities about them and their associated environmental assessment results, which cover information about project impacts and associated mitigation and compensation measures.

During the very early stages of a project's design phase, 50Hertz works with civil society, local authorities, NGOs and representatives from academia on its plans.

In Germany, the rise in the number of overhead line projects and grid acceleration measures introduced by the government in the year 2024 have triggered an increase in the number of public participation activities that TSOs are required to carry out. For example, the construction measures that 50Hertz adopts for its projects must be

communicated to local authorities, local residents and the media, meaning that it receives more external queries and tasks that have to be managed. In addition to nature conservation measures, affected communities must be kept informed of developments linked to planning approval and authorisation procedures.

As project work is undertaken, 50Hertz keeps affected communities informed about impacts on local transport infrastructure, the environment and noise.

50Hertz monitors the effectiveness of its communication with the different stakeholders of its infrastructure projects. This evaluation is carried out internally in the regular project meetings as well as in direct contact with the specific stakeholders. Results are fed into refining engagement approaches for subsequent projects.

## S3-3 - Processes to remediate negative impacts and channels for affected communities to raise concerns

In addition to the methods outlined in the previous section, 50Hertz has specific measures and remediation processes in place for encouraging affected communities to report any needs or concerns they might have and for addressing the impacts of its activities.

50Hertz proactively engages with landowners whose land is being used temporarily during construction or for the long-term relocation of infrastructure. This engagement takes place both before and after the project works to assess the impact and ensure fair treatment.



Affected communities can voice their concerns or needs during public information sessions; through specific (free) project telephone number and email address; or by phoning or emailing the dedicated contact person for each project. Moreover, stakeholders can report violations of laws, regulations or the Group's 'Code of Ethics' via the 'EthicsAlert' reporting tool; see ["GI-1 Corporate culture and business conduct policies"](#) for information about 'EthicsAlert' and the Group's 'Whistleblowing Framework'. Data is collected and centralised for each project and discussed during internal meetings.

50Hertz keeps a close eye on the issues raised through the channels above and employs media monitoring tools to keep abreast of community and public concerns.

Moreover, a dedicated social media team analyses online conversations to gain insights into community perspectives.

## S3-4 - Taking action on material impacts, risks and opportunities related to affected communities

See sections above for information about how 50Hertz engages with affected communities about its projects, including any associated negative impacts, in a proactive and open manner. At this point in time 50Hertz is not yet publishing an external indicator to track the effectiveness of its actions and initiatives in delivering the intended outcomes.

Actions	Related policy objective or target	Scope	Time horizon
Public information sessions	Reach mutual understanding and limit the potential impact of new infrastructure projects by engaging in transparent, clear and constructive dialogue with the stakeholders	Own operations 	Continuous action
Compensation measures	Compensate affected communities (land and property owners, farmers, other businesses and communities/ municipalities) for negative impact resulting from new infrastructure projects	Own operations 	Continuous action

### Mitigation measures

50Hertz seeks to minimise the impact its projects and assets have on affected communities by building these within the framework of the applicable regulations as far away as possible from areas which are inhabited or protected and by using existing infrastructure pathways. Internal and external experts weigh up different options and identify appropriate mitigation measures.

### Compensation measures

In line with its compensation policies (see above), 50Hertz adopts appropriate measures for different affected stakeholders, including landowners, residents, farmers, forest owners and local authorities, and also adopt nature-based compensation measures. Teams proactively communicate with individuals who are eligible for compensation. Factors such as proximity to overhead lines, voltage level and project type, are assessed by certified valuation experts.

For agricultural and commercial activities specifically, possible impacts are assessed by experts in connection with a relevant framework agreement.

Project-related information events are held for farmers to provide information on offsets and structural impacts. The interests of companies are also surveyed in the strategic stakeholder dialogue and included as information in further planning.

## Findings – Breaches 2025

No severe human rights issues or incidents connected to affected communities were reported in 2025.

Eurogrid Group reported no cases of non-compliance with the UN 'Guiding Principles on Business and Human Rights', the ILO 'Declaration on Fundamental Principles and Rights at Work', or the OECD 'Guidelines for Multinational Enterprises' involving affected communities within its own operations. In addition, adherence to these standards was evaluated in the context of the EU Taxonomy assessment.

In the context of the requirements for the Minimum Safeguards (EU Taxonomy regulation), a group-wide due diligence assessment is implemented to check for human rights incidents throughout Eurogrid Group's supply chain. See section [G1-2 - Management of relationship with suppliers](#) for more details.

## S3-5 - Targets related to affected communities

Eurogrid Group has not set any measurable time-bound outcome-oriented targets regarding affected communities so far.

See [S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns](#), for information related to the ways 50Hertz tracks the effectiveness of its work with affected communities.

# 4. Governance information

## 4.1. G1 Business conduct

**Eurogrid Group commits to conducting business with integrity throughout all of its operations and to act in compliance with all laws and regulations. We continually strive to enhance our compliance programme and encourage our own employees and contractors, as well as suppliers to propagate the same message.**

### G1-1 - Corporate culture and business conduct policies

Eurogrid Group has high professional and ethical standards in place for the way its employees undertake their activities and interact with partners and stakeholders. As part of this, in addition to its solid governance structure, the Eurogrid Group's internal controls, audit procedures and management of risks all ensure that it operates in line with its internal, legal and regulatory requirements.

As part of the Elia Group, the Eurogrid Group is bound by a number of group-wide policies on business conduct. These policies are developed, managed and monitored at Elia Group level. In addition, there are policies that have been adapted to the regulatory framework, legislation and the special circumstances of the German business model and are developed, managed and monitored at Eurogrid Group level.

The sections that follow outline the relevant documents in this regard. Unless otherwise stated, these documents are made available to all of Eurogrid Group's staff via its intranet or to its staff and external stakeholders via its website.

Policy	Monitoring process	Scope	Function Accountable	Related Framework
<b>Code of Conduct</b>	Compliance with the Code of Conduct by Eurogrid Group's employees is mainly done by Elia Group's Internal Audit and by the Secretary General as process owner.		Secretary General / Elia Group	/
<b>Code of Ethics</b>	Compliance with the Code of Ethics by Eurogrid Group's employees is mainly done by Elia Group's Internal Audit.		Chief Human Resource Officer / Elia Group	/
<b>Human Rights Policy</b>	Compliance with the Human Rights policy is mainly monitored by Elia Group's Internal Audit.		Chief Human Resource Officer / Elia Group	<ul style="list-style-type: none"> <li>– Universal Declaration of Human Rights of the United Nations and the two Covenants that implement it;</li> <li>– International Labour Organization's Declaration on Fundamental Rights and Principles at Work;</li> <li>– United Nations Global Compact.</li> </ul>
<b>Whistleblowing Framework</b>	Process monitoring is performed by the respective Whistleblowing Commissions.		Compliance Officer	<ul style="list-style-type: none"> <li>– Applicable law transposing Directive (EU) 2019/1937</li> <li>– Supply Chain Due Diligence Act (LkSG)</li> </ul>
<b>Supplier Code of Conduct</b>	Annual risk analysis by Elia Group's procurement department and process compliance monitoring by Elia Group's Internal Audit		Chief Procurement Officer / Elia Group	<ul style="list-style-type: none"> <li>– Ten principles of the United Nations Global Compact;</li> <li>– United Kingdom Anti-Corruption Act;</li> <li>– United Nations against Corruption;</li> <li>– OECD principles against corruption and bribery;</li> <li>– Principles and conventions of the United Nations in the area of Human Rights and Decent Work;</li> <li>– ILO convention for prohibition of child and forced labour</li> </ul>
<b>Purchasing Conditions</b>	Contractual agreement at Eurogrid Group level		Chief Procurement Officer / Elia Group	Applicable regulations
<b>Instructions on guaranteeing occupational safety when contracting with external companies</b>	Operational monitoring		Head of Corporate Governance	Applicable laws on labour, working conditions and safety.
<b>Anti-Bribery and Corruption Policy</b>	Compliance with the Anti-Bribery & Corruption policy by Eurogrid Group's employees is mainly monitored by Elia Group's Internal Audit.		Head of Internal Audit & Risk Management / Elia Group	Anti-bribery and –corruption laws such as the Foreign Corrupt Practices Act, UK Bribery Act, as well as all other applicable legislation. For the German Eurogrid Group in particular, the StGB § 331 - 335, the Anti-Corruption Act and the Administrative Offenses Act (OWiG) should be mentioned.

Upstream

Own Operations

Downstream

The following policies are also included in other topical standards:

Policy	Reference to topical standard
<b>Human Rights Policy</b>	<a href="#">ESRS S1 Own Workforce</a>
	<a href="#">ESRS S2 Workers in the value chain</a>
<b>Supplier Code of Conduct</b>	<a href="#">ESRS E1 Climate Change</a>
	<a href="#">ESRS E4 Biodiversity and ecosystems</a>
	<a href="#">ESRS E5 Resource Use and Circular Economy</a>
	<a href="#">ESRS S2 Workers in the value chain</a>
<b>Purchasing Conditions</b>	<a href="#">ESRS E1 Climate Change</a>
	<a href="#">ESRS E4 Biodiversity and ecosystems</a>
	<a href="#">ESRS E5 Resource Use and Circular Economy</a>
	<a href="#">ESRS S2 Workers in the value chain</a>
<b>Instructions on guaranteeing occupational safety when contracting with external companies for work in the scope of 50Hertz</b>	<a href="#">ESRS E1 Climate Change</a>
	<a href="#">ESRS E4 Biodiversity and ecosystems</a>
	<a href="#">ESRS E5 Resource Use and Circular Economy</a>
	<a href="#">ESRS S2 Workers in the value chain</a>

To be able to steer the strategy Eurogrid Group relies on a solid governance structure (see ['Fundamentals of the group - 4. Management system'](#)). 50Hertz Transmission's Board of Directors provides oversight and internal controls are in place alongside a solid approach to risk management. Elia Group and Eurogrid Group carry out audits ensuring Eurogrid Group to comply with relevant legal, regulatory and internal requirements while also preventing and avoiding fraud.

Eurogrid Group's commitment to responsible corporate governance is also described in Elia Group's sustainability programme, ActNow (see [1.2. Governance](#)).

As a transmission system operator, 50Hertz Transmission is subject to a large number of legal and regulatory regulations in Germany. These outline three fundamental principles that its staff must adhere to:

- non-discriminatory conduct;
- confidential treatment of information;
- transparency towards all electricity market participants with regard to non-confidential market information

## Code of Ethics

Elia Group's 'Code of Ethics' is based on the core labour standards of the International Labour Organization and the ten principles of the UN Global Compact (UNGC), of which 50Hertz Transmission is participant. The document outlines what constitutes acceptable corporate behaviour for Elia Group and emphasises legal compliance and a zero-tolerance approach to corruption. A dedicated e-learning has been developed and launched in 2025 to train its staff and long-term contractors on the core principles of our 'Code of Ethics' and the main corporate policies.

## Human Rights Policy

This document outlines the Eurogrid Group's commitment to upholding and promoting human rights, including associated laws and regulations, when undertaking its activities. It was drawn up based on guidance from the UNGC.

The policy lays out Eurogrid Group's support for international principles, such as the Universal Declaration of Human Rights and supplementing covenants, and the International Labour Organization's Declaration on Fundamental Rights and Principles at Work. It also outlines Eurogrid Group's priority areas, which are related to its sustainability programme, ActNow: Health & Safety; Diversity, Equity & Inclusion; and Business Conduct & Dialogue.

For further information about Eurogrid Group's measures related to providing or enabling remedies for impacts on human rights, see [S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns](#). Moreover, [S1-2 Processes for engaging with own workers and workers representatives about impacts](#) provides information about Eurogrid Group's engagement with its own staff.

To achieve these commitments in its value chain and integrate their monitoring within its business processes, 50Hertz anchored these principles regarding human rights and corporate sustainability in its Supplier Code of Conduct.

Eurogrid Group's direct operations take place in Germany where strict national and European laws regarding environment, health and safety as well as human rights are enforced. Eurogrid Group requires its suppliers to behave lawfully and ethically to protect human and labour rights.

This is set out in the Supplier Code of Conduct of 50Hertz. See section [G1-2 Management of relationships with suppliers](#) for more information on the Code of Conduct.

## Whistleblowing Framework

Eurogrid Group has implemented mechanisms to identify, report and investigate concerns about unlawful behaviour or actions that contradict Elia Group's code of conduct or similar internal rules of Eurogrid Group. These mechanisms ensure transparency, accountability and trust within the organization and among external stakeholders.

Elia Group and Eurogrid Group employ audits to detect any irregularities or suspicious activities.

Elia Group's 'Whistleblowing Framework', which complies with European and national laws<sup>19</sup>, outlines the approach to enabling internal and external stakeholders to express their concerns about alleged breaches of its 'Code of Ethics' and 'Human Rights Policy', and this without fear of reprisal and/or unfair treatment.

Where possible, the Eurogrid Group encourages stakeholders to express concerns about alleged breaches with their immediate superior, line manager, HR Business Partner or local Internal Auditor. If this is not possible, or if the whistleblower feels that the discussion does not lead to an acceptable course of action, they are invited to use EthicsAlert. This external system, managed by an independent third party, enables both internal and external stakeholders to report any violations of laws, regulations or the 'Code of Ethics' confidentially and securely. Reports can be submitted anonymously, and whistleblowers are protected from retaliation or unfair treatment.

At Eurogrid Group, the whistleblower system has been expanded to include the requirements of the Supply Chain Due Diligence Act (LkSG) for establishing a grievance procedure for human rights and environmental violations. In addition to the web-based platform, a legal ombudsman is available as external contact. This independent lawyer, bound by professional secrecy, only shares information with the internal reporting office with the whistleblower's express consent, ensuring confidentiality and protection of the whistleblower's identity.

Once a report has been submitted, its validity and severity are then assessed. Inadmissible reports are rejected, with clear reasons supplied, and irrelevant reports are redirected to the correct channel. Valid reports are officially accepted, with further information gathered about them. The report and associated follow-up actions may be assigned to another relevant unit, such as one of the Internal Audit teams, and may involve the Audit Committee. If reports are urgent, preventive or remedial measures are taken immediately. The Whistleblowing Commission provides the reporter feedback, except in case of an anonymous report, about the follow-up of the report in writing within three months following the receipt confirmation on the taken or planned actions and measures; and the main reasons for such actions and measures.

The status of in-depth investigations is tracked, as they are generally legally required to be completed within three months. All final reports must be anonymised, and are submitted to the senior management team, which then implements any necessary actions in line with the investigation's results. Furthermore, Eurogrid Group publishes annual KPIs that cover the number of reports received and their outcomes. The final reports are also discussed with the 50Hertz works councils.

## Internal controls

Eurogrid Group has a number of mechanisms in place which enable unlawful behaviour or actions which contravene the policies above to be identified, reported and investigated. In addition to the whistleblowing procedure (see below), compliance with business conduct policies is a standard part of the audit procedures performed by the Eurogrid Group's Internal Audit teams. These teams report to the Audit Committee of 50Hertz respectively, in order to avoid any possible influence from the Executive Management Board. Depending on the nature and/or complexity of the incidents being investigated, these teams may choose to seek assistance from external experts.

## Corporate culture

Elia Group has six Make A Difference (MAD) behavioural anchors that applies to Eurogrid Group and which are embedded into its HR processes (including recruitment processes and performance reviews) and are aimed at promoting a shared culture across the company and so facilitating the delivery of its strategy. These are:

- Simplification
- Impact
- Co-Creating the future
- One Voice
- One Company
- Feedback.

Eurogrid Group also aims to create a culture where people feel safe to speak out.

## Training on policies and awareness

The mutual rights and responsibilities of Eurogrid Group and its staff are (regularly) communicated to new and existing employees and are included in labour agreements.

A Group-wide staff training programme is available, which covers the 'Code of Ethics' and the main policies referred to in this chapter. Completing this programme is mandatory for all newcomers. Moreover, employees and long-term contractors of the Group must complete it on an annual basis.

Training attendance is monitored to ensure compliance.

A compliance training is established at Eurogrid Group level. For more Information see '[G1-3 Prevention and detection of corruption/bribery](#)'.

## G1-2 - Management of relationships with suppliers

Suppliers and contractors are required to adhere to several conditions when tendering for work with the Eurogrid Group and once they have been officially contracted.

### Procurement stage

#### Tender criteria

Suppliers and contractors must meet certain criteria when applying to undertake work on behalf of the Eurogrid Group as follows:

- Environmental and Health and Safety pass/fail criteria are included in the pre-qualification questionnaire that interested parties must fill out in order for their suitability to be assessed ahead of tendering processes managed by the Elia Group Procurement.

<sup>19</sup> Directive (EU) 2019/1937 and its transposition in Belgian and German Law and the German' Act on Corporate Due Diligence Obligations in Supply Chains

- Environmental and/or social criteria are often included in requests for proposals which are overseen by the Elia Group Procurement. They are invited to review and score responses to such requests when environmental criteria are involved.
- Internal carbon pricing is considered as part of the award criteria or is included as a contractual requirement for projects managed by the Elia Group Procurement team. See [EI-8 - Internal carbon pricing](#) for further information.

## Supply Chain Due diligence

Elia Group has developed a supply chain due diligence process aiming to comply with both the German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz - LkSG) as well as the EU Taxonomy regulation. The supply chain due diligence encompasses an annual analysis of all the suppliers of Elia Transmission Belgium and 50Hertz Transmission Germany.

The due diligence process consists of a risk assessment of the supplier base rooted on external indices and internal parameters. Most of Elia Group's suppliers are located inside the EU, which usually leads to a lower risk of violations of human and labour rights and environmental infractions. The risk assessment identifies four risk areas related to the direct supply chains: health and safety at work; environmental protection and health; employment and working conditions; and freedom of assembly and expression. An assessment of these risk areas alongside an analysis of the EcoVadis ratings (where available) forms the risk inventory. All suppliers flagged as 'potential high risk' as a result of this screening process are then further evaluated by the responsible buyer. If their high-risk status is confirmed, measures will be taken in accordance with a mitigation plan that was rolled out as from 2025 and which includes among other things:

- asking suppliers to sign a binding code of conduct before starting their assignment;
- requesting suppliers to undertake a self-declaration;
- requesting an EcoVadis rating;
- carrying out additional risk assessments;
- carrying out on-site (incident) inspections.

Based on this, 1.0% of Eurogrid Group suppliers<sup>20</sup> were subjected to further analysis: they were assigned to the relevant Procurement teams, where they are subjected to a more detailed risk assessment and put on a remediation trajectory of mitigating actions. Every year, the mitigation measures per high-risk supplier are evaluated to see whether the supplier has actually implemented the measure. Should this not be the case there is an escalation procedure in place to address this, based on the risk profile of the supplier.

## Contract execution stage

### Supplier Code of Conduct

Eurogrid Group's 'Supplier Code of Conduct', based on the United Nations Global Compact (UNGC), outlines the requirements that all the Eurogrid Group's suppliers must sign and

adhere to upon receipt of a contract with 50Hertz. New suppliers must also confirm their adherence to the 'Code of Conduct' when registering via Eurogrid Group's system.

The document includes details of local and international legal frameworks related to anti-bribery and money laundering measures, conflicts of interest, the confidentiality of information, fair competition, and the fair handling of intellectual property rights. It explicitly mentions the UN Convention against Corruption and relevant principles outlined by the Organisation for Economic Co-operation and Development.

Regarding social considerations, suppliers must comply with relevant local laws and international principles, including those related to the human rights and decent work from the UN. Should no local laws exist, suppliers are required to follow the standards of the International Labour Organization. Suppliers are also required to ensure that their subcontractors adhere to these same rules.

Concerning health and safety considerations, the 'Supplier Code of Conduct' includes clear guidelines which support the Group's zero-accident goal. Suppliers which have excellent safety records and associated management systems are highly valued. 50Hertz value suppliers with high safety records and therefore it recognizes the benefits of the implementation of a certified management system, such as ISO 45001 or similar.

Suppliers are required to comply with environmental and site-specific regulations in the areas they operate in. Furthermore, suppliers are strongly encouraged to mitigate their environmental impacts and implement management systems to measure, manage and report on them (eg. ISO 14001, EMAS or similar). 50Hertz is in the process of requesting some of their current suppliers to complete a CO<sub>2</sub> passport via Elia Group's Upstream Platform; see [EI-3 - Actions and resources in relation to climate change policies](#).

Eurogrid Group may either terminate their relationship with a supplier who does not adhere to the 'Code of Conduct' or with a supplier whose risk exposure is considered to be too high based on the supply chain due diligence process. Most often, 50Hertz will establish an action plan alongside clear deadlines with them to keep working with them.

### Purchasing conditions

The requirements of the 'Supplier Code of Conduct' are integrated into the Elia Group-wide 'Purchasing Conditions'. The payment terms for all of Elia Groups' suppliers and late payments are defined in the 'Group's General Terms and Conditions' or in individual purchase orders; the Group has 30-day payment terms policy.

The purchasing conditions also includes, a.o., health and safety, environmental, permitting and confidentiality requirements for contracting parties.

### Health and safety

Contractors working for 50Hertz must adhere to its 'Instructions related to guaranteeing occupational safety' when working with the company, which are based on German laws and working conditions, and part of which focus specifically on offshore operations work.

<sup>20</sup> The annual observation period goes from 01.10.2024 to 30.09.2025.

## G1-3 - Prevention and detection of corruption/bribery

As described earlier in this chapter, Elia Group and Eurogrid Group have established channels for internal and external stakeholders to report violations of guidelines outlined in the 'Code of Ethics', the 'Code of Conduct', and the 'Human Rights Policy'.

All policies are accessible in a dedicated section on the intranet. The policies which are relevant to Eurogrid Group's external stakeholders are publicly available on the website.

When whistleblowing notifications are investigated regarding a (suspected) breach of the internal anti-bribery and corruption policy and/or external laws and regulations on this matter, the nature of the notification, the outcome and any proposed actions will be submitted anonymously to the 50Hertz Compliance Committee by the 50Hertz' Compliance Officer, if applicable. The Compliance Committee has the function of the internal reporting centre. It can inform the Executive Board or the Chairman of the Supervisory Board in serious cases on a case-by-case basis, while maintaining the anonymity of the whistleblower.

The Compliance Officer leads the investigation of the report and chairs the Committee. The Compliance Officer is separate from the company's operational management chain.

The following roles and departments have been identified as being most at risk of corruption or bribery:

- Senior managers of the Group and its subsidiaries;
- The Procurement Department;
- Communication, Public Affairs & Reputation Management;
- Customer management roles;
- Individuals who occupy commercial positions within the Group's non-regulated subsidiaries, or who work in 50Hertz Transmission Germany's front office (or Stromhandel).

The 'Code of Ethics' e-learning, which also covers the topics of bribery and corruption, covers all of the employees and long term contractors working in these functions-at-risk.

In 2025 the Compliance Officer also organised training on the US Foreign Corrupt Practices Act (FCPA) for all people involved in (commercial) activities in the USA.

No violations of the Elia Group's 'Anti-Bribery and Corruption Policy' were reported throughout 2025 relating to the Eurogrid Group or their employees. Furthermore, no supplier contracts were terminated or reviewed in connection to such issues.

As stated in section [G1-1 - Corporate culture and business conduct policies](#) Eurogrid Group has developed a Group-wide interactive training programme covering various business conduct matters, including Anti-Bribery and Corruption. All functions-at-risk are covered by the training programme.

Tracked metrics	2025			2024	
	Total	Breakdown		Total	Breakdown
<b>Fraud, non-compliance with internal policies and procedures</b>	4	Pending 4	Resolved 0	1	Pending 1 Resolved 0
<b>Non-compliance with laws and regulations</b>	1	1	0	4	0 4
<b>Corruption</b>	0			0	0 0

## G1-5 - Political influence and lobbying activities

As legal monopoly within its respective geographical area that carry significant public duties, 50Hertz is responsible for conducting research and contributing to debates about energy sector developments whilst keeping the best interest of society in mind. As stated in the Elia Group Code of Ethics, "We make sure that we have a comprehensive understanding of each of our different stakeholders, and we constantly ask ourselves what society wants and what value we are offering it.". 50Hertz is listed in the EU Transparency Register, the entry can be found [here](#).

The Elia Group's Communication and Reputation Department, the Elia Group EU & International Public & Policy Affairs and the 50Hertz Political Communications Team lead on activities in this regard. They build strong relationships with external stakeholders, closely monitor legislative and regulatory developments, and regularly publish position statements and research papers in order to strengthen Elia Group's position as a leading European energy company.

Elia Group's positions are communicated transparently on the respective website, please see below an overview:

Entity	Topic	Main Positions
Elia Group	International Offshore Collaboration	Support international cooperation and innovative solutions for offshore wind and grid development to achieve Europe's Green Deal goals.
50Hertz	Germany's Energy Policies	Support regulations for converting decommissioned plants, grid stability, and expanding renewable energy regulations.
50Hertz	Equity Interest Rate Methodology	Call for thorough discussions on scientific approaches to equity interest rates.
50Hertz	Electricity Market Design	Favour proposals to enhance market design and demand flexibility.
50Hertz	Renewable Energy Directive (RED III)	Support national implementation to simplify grid expansion and stabilize regulations.

Throughout 2025 no direct financial contributions were made to political parties by 50Hertz.

To support and accelerate grid expansion to integrate the steadily increasing share of renewable energies in the electricity mix in its grid area, the Political Communication department of 50Hertz provides information at the political level beyond its position papers. 50Hertz provides speakers for panels on topics related to the energy transition and information stands at events organised by non-party associations, which are open to both members of political parties and interested business representatives. Participation fees are usually charged for information stands, please see an overview of these for 2025:

Political Party	Contribution	Expenditure
CDU Christian Democratic Union	Company presentation and participation at the Economic Day of CDU Economic Council	€9,000.-
CDU Christian Democratic Union	Company presentation and participation on the 23rd Retreat on Energy and Environmental Policy	€5,000.-
SPD Social Democratic Party	Sponsorship of the General Assembly of the SPD Economic Forum	€3,000.-
SPD Social Democratic Party	Sponsorship of the General Assembly of the SPD Economic Forum	€5,000.-

# 5. Appendices

## 5.1. CSR-RUG content index

In the past, Eurogrid has issued a summarised non-financial statement for Eurogrid GmbH and the Eurogrid Group in accordance with Section 315b and Section 289b HGB. In the 2025 financial year, we will use the European Sustainability Reporting Standards (ESRS) as the basis for our combined non-financial statement in accordance with Section 315c (3) and Section 289d HGB. For this purpose, we include the summarised non-financial statement

in the 'Group Sustainability Statement' section of the management report and refer to the management report for individual disclosures. For the impacts, risks and opportunities required in the double materiality assessment and by law, we fulfil the disclosure requirements for policies, results and measures, key figures as well as opportunities and risks.

Double materiality assessment (ESRS 2 IRO-1)					
Aspect	Section	Page	Opportunities and Risks	Targets	Outlook
<b>Environmental aspects</b>	<a href="#">Eligibility and alignment for EU Taxonomy regulation</a>	62 ff.	/	/	/
	<a href="#">E1 - Climate change</a>	69 ff.	S. 71	S. 70	/
	<a href="#">E4 - Biodiversity and ecosystems</a>	81 ff.	S. 82	S. 86	/
	<a href="#">E5 - Ressource use and circular economy</a>	88 ff.	S. 88	S. 91	/
<b>Employee aspects</b>	<a href="#">S1 - Own workforce</a>	93 ff.	S. 93	S. 98	/
<b>Social aspects</b>	<a href="#">G1 - Business conduct</a>	112 ff.	/	/	/
<b>Human rights</b>	<a href="#">S1 - Own workforce</a>	93 ff.	S. 93	S. 98	/
	<a href="#">S2 - Workers in the value chain</a>	104 ff.	S. 104	S. 107	/
	<a href="#">S3 - Affected communities</a>	108 ff.	S. 108	S. 111	/
<b>Fighting corruption and bribery</b>	<a href="#">G1 - Business conduct</a>	117 ff.	/	/	/

We provide the non-financial statement for Eurogrid and the Eurogrid Group together. The scope of consolidation of the Group includes all companies included in the scope of consolidation of the consolidated financial statements prepared in accordance with IFRS. Differences in the statements for the Group and Eurogrid GmbH are indicated in the text where necessary.

We describe our business model in the sections '[Fundamentals of the Group](#)' on p. 6 ff. and '[Regulatory framework of the energy industry](#)' on p. 12 ff. of the management report. The

diversity concept is described on p. 95ff of section [S1 - Own workforce](#) and in the [Corporate Governance Statement](#) on p. 31.

## 5.2. ESRS content index

The tables below list the ESRS Disclosure Requirements that this sustainability statement complies with, pursuant to the outcome of the materiality assessment and the section where these can be found if they are material.

### Cross-cutting standards

ESRS 2 General disclosures		Included (Yes/Partially/No and comment)
BP-1	<a href="#">General basis for preparation of the sustainability statement</a>	Yes
BP-2	<a href="#">Disclosures in relation to specific circumstances</a>	Yes
GOV-1	<a href="#">The role of the administrative, management and supervisory bodies</a>	Yes
GOV-2	<a href="#">Information provided to and sustainability matters addressed by the company's administrative, management and supervisory bodies</a>	Yes
GOV-3	<a href="#">Integration of sustainability-related performance in incentive schemes</a>	Yes
GOV-4	<a href="#">Statement on due diligence</a>	Yes
GOV-5	<a href="#">Risk management and internal controls over sustainability reporting</a>	Yes
SBM-1	<a href="#">Strategy, business model and value chain</a>	Yes
SBM-2	<a href="#">Interests and views of stakeholders</a>	Yes
SBM-3	<a href="#">Material impacts, risks and opportunities and their interaction with strategy and business model</a>	Yes
IRO-1	<a href="#">Description of the processes to identify and assess material impacts, risks and opportunities</a>	Yes
IRO-2	<a href="#">Disclosure Requirements in ESRS covered by the undertaking's sustainability statement</a>	Yes

## Environmental standards

ESRS E1 Climate change		Included (Yes/Partially/No and comment)
ESRS 2 GOV-3	<a href="#">Integration of sustainability-related performance in incentive schemes</a>	Yes- Included in the general information section
E1-1	<a href="#">Transition plan for climate change mitigation</a>	Yes
ESRS 2 SBM-3 E1	<a href="#">Material impacts, risks and opportunities, and their interaction with strategy and business model</a>	Yes
ESRS 2 IRO-1	<a href="#">Description of the processes to identify and assess material climate-related impacts, risks and opportunities</a>	Yes- Included in the general information section
E1-2	<a href="#">Policies related to climate change mitigation and adaptation</a>	Yes
E1-3R	<a href="#">Actions and resources in relation to climate change policies</a>	Yes
E1-4	<a href="#">Targets related to climate change mitigation and adaptation</a>	Yes
E1-5	<a href="#">Energy consumption and mix</a>	Yes
E1-6	<a href="#">Gross Scopes 1, 2, 3 and total GHG emissions</a>	Yes
E1-7	<a href="#">GHG removals and GHG mitigation projects financed through carbon credits</a>	Yes
E1-8	<a href="#">Internal carbon pricing</a>	Yes
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	No, it is phased-in in the ESRS
ESRS E2 Pollution		Included (Yes/Partially/No and comment)
ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	No, this topic is not material
E2-1	Policies related to pollution	No, this topic is not material
E2-2	Actions and resources related to pollution	No, this topic is not material
E2-3	Targets related to pollution	No, this topic is not material
E2-4	Pollution of air, water and soil	No, this topic is not material
E2-5	Substances of concern and substances of very high concern	No, this topic is not material
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	No, this topic is not material

ESRS E3 Water and marine resources		Included (Yes/Partially/No and comment)
ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	No, this topic is not material
E3-1	Policies related to water and marine resources	No, this topic is not material
E3-2	Actions and resources related to water and marine resources	No, this topic is not material
E3-3	Targets related to water and marine resources	No, this topic is not material
E3-4	Water consumption	No, this topic is not material
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	No, this topic is not material
ESRS E4 Biodiversity and ecosystems		Included (Yes/Partially/No and comment)
E4-1	<a href="#">Transition plan and consideration of biodiversity and ecosystems in strategy and business model</a>	Yes
ESRS 2 SBM-3 E4	<a href="#">Material impacts, risks and opportunities and their interaction with strategy and business model</a>	Yes
ESRS 2 IRO-1	<a href="#">Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities</a>	Yes- Included in the general information section
E4-2	<a href="#">Policies related to biodiversity and ecosystems</a>	Yes
E4-3	<a href="#">Actions and resources related to biodiversity and ecosystems</a>	Yes
E4-4	<a href="#">Targets related to biodiversity and ecosystems</a>	Yes
E4-5	<a href="#">Impact metrics related to biodiversity and ecosystems change</a>	Yes
E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	No, it is phased in in the ESRS
ESRS E5 Resource use and circular economy		Included (Yes/Partially/No and comment)
ESRS 2 IRO-1	<a href="#">Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities</a>	Yes - Included in the general information section
E5-1	<a href="#">Policies related to resource use and circular economy</a>	Yes
E5-2	<a href="#">Actions and resources related to resource use and circular economy</a>	Yes
E5-3	<a href="#">Targets related to resource use and circular economy</a>	Yes
E5-4	<a href="#">Resource inflows</a>	Yes
E5-5	<a href="#">Resource outflows</a>	Partially, only waste
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	No, it is phased in in the ESRS

## Social standards

ESRS S1 Own workforce		Included (Yes/Partially/No and comment)
ESRS 2 SBM-2	<a href="#">Interests and views of stakeholders</a>	Yes - Included in the general information section
ESRS 2 SBM-3 S1	<a href="#">Material impacts, risks and opportunities and their interaction with strategy and business model</a>	Yes
S1-1	<a href="#">Policies related to own workforce</a>	Yes
S1-2	<a href="#">Processes for engaging with own workers and workers' representatives about impacts</a>	Yes
S1-3	<a href="#">Processes to remediate negative impacts and channels for own workers to raise concerns</a>	Yes
S1-4	<a href="#">Taking action on material impacts, risks and opportunities related to own workforce</a>	Yes
S1-5	<a href="#">Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities</a>	Yes
S1-6	<a href="#">Characteristics of the undertaking's employees</a>	Yes
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	No, it is phased in in the ESRS
S1-8	<a href="#">Collective bargaining coverage and social dialogue</a>	Yes
S1-9	<a href="#">Diversity metrics</a>	Yes
S1-10	<a href="#">Adequate wages</a>	Yes
S1-11	Social protection	No, it is phased in in the ESRS
S1-12	Persons with disabilities	No, this topic is not material
S1-13	Training and skills development metrics	No, it is phased in in the ESRS
S1-14	<a href="#">Health and safety metrics</a>	Yes
S1-15	Work-life balance metrics	No, it is phased in in the ESRS
S1-16	<a href="#">Compensation metrics (pay gap and total compensation)</a>	Yes
S1-17	<a href="#">Incidents, complaints and severe human rights impacts</a>	Yes

ESRS S2 Workers in the value chain		Included (Yes/Partially/No and comment)
ESRS 2 SBM-2	<a href="#">Interests and views of stakeholders</a>	Yes - Included in the general information section
ESRS 2 SBM-3 S2	<a href="#">Material impacts, risks and opportunities and their interaction with strategy and business model</a>	Yes
S2-1	<a href="#">Policies related to value chain workers</a>	Yes
S2-2	<a href="#">Processes for engaging with value chain workers about impacts</a>	Yes
S2-3	<a href="#">Processes to remediate negative impacts and channels for value chain workers to raise concerns</a>	Yes
S2-4	<a href="#">Taking action on material impacts on value chain workers and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action</a>	Yes
S2-5	<a href="#">Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities</a>	Yes
ESRS S3 Affected communities		Included (Yes/Partially/No and comment)
ESRS 2 SBM-2	<a href="#">Interests and views of stakeholders</a>	Yes- Included in the general information section
ESRS 2 SBM-3 S3	<a href="#">Material impacts, risks and opportunities and their interaction with strategy and business model</a>	Yes
S3-1	<a href="#">Policies related to affected communities</a>	Yes
S3-2	<a href="#">Processes for engaging with affected communities about impacts</a>	Yes
S3-3	<a href="#">Processes to remediate negative impacts and channels for affected communities to raise concerns</a>	Yes
S3-4	<a href="#">Taking action on material impacts on affected communities and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions</a>	Yes
S3-5	<a href="#">Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities</a>	Yes

ESRS S4 Consumers and end users		Included (Yes/Partially/No and comment)
ESRS 2 SBM-2	Interests and views of stakeholders	No, this topic is not material
ESRS 2 SBM-3 S4	Material impacts, risks and opportunities and their interaction with strategy and business model	No, this topic is not material
S4-1	Policies related to consumers and end-users	No, this topic is not material
S4-2	Processes for engaging with consumers and end-users about impacts	No, this topic is not material
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	No, this topic is not material
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	No, this topic is not material
S4-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	No, this topic is not material

### Governance standards

ESRS G1 Business Conduct		Included (Yes/Partially/No and comment)
ESRS 2 GOV-1	<a href="#">The role of the administrative, supervisory and management bodies</a>	Yes - Included in the general information section
ESRS 2 IRO-1	<a href="#">Description of the processes to identify and assess material impacts, risks, and opportunities</a>	Yes - Included in the general information section
G1-1	<a href="#">Corporate culture and business conduct policies</a>	Yes
G1-2	<a href="#">Management of relationships with suppliers</a>	Yes
G1-3	<a href="#">Prevention and detection of corruption and bribery</a>	Yes
G1-4	Confirmed incidents of corruption or bribery	No, this topic is not material
G1-5	<a href="#">Political influence and lobbying activities</a>	Yes
G1-6	Payment practices	No, this topic is not material

## 5.3. Index for the datapoints in cross-cutting and topical standards that derive from other EU legislation (ESRS 2 Appendix B)

The table below includes the datapoints that derive from other EU legislation as listed in ESRS 2, Appendix B, indicating where these can be found in the Annual Report and which data points were deemed 'not material' during the double materiality assessment.

Disclosure requirement	Data point and description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section where the datapoint is available
ESRS 2 GOV-1	§21d) – Board gender diversity	X		X		<a href="#">Eurogrid management report - Corporate Governance Statement</a>
ESRS 2 GOV-1	§21e) – Percentage of board members who are independent			X		<a href="#">Eurogrid management report - Background of the Group</a>
ESRS 2 GOV-4	§30) – Statement on due diligence	X				<a href="#">GOV4 - Statement on due diligence</a>
ESRS 2 SBM-1	§40d) i. – Involvement in activities related to fossil fuel activities	X	X	X		Negative statement in <a href="#">SBM -1 - Strategy, business model and value chain</a>
ESRS 2 SBM-1	§40d) ii. – Involvement in activities related to chemical production	X		X		Negative statement in <a href="#">SBM -1 - Strategy, business model and value chain</a>
ESRS 2 SBM-1	§40d) iii. – Involvement in activities related to controversial weapons	X		X		Negative statement in <a href="#">SBM -1 - Strategy, business model and value chain</a>
ESRS 2 SBM-1	§40d) iv. – Involvement in activities related to the cultivation and production of tobacco			X		Negative statement in <a href="#">SBM -1 - Strategy, business model and value chain</a>
ESRS E1-1	§14) – Transition plan to reach climate neutrality by 2050				X	<a href="#">E1-1 - Transition plan for climate change mitigation</a>
ESRS E1-1	§16g)– Undertakings excluded from Paris-aligned Benchmarks	X	X			Negative statement in <a href="#">E1-1 - Transition plan for climate change mitigation</a>
ESRS E1-4	§34) – GHG emission reduction targets	X	X	X		<a href="#">E1-4 - Targets related to climate change mitigation and adaptation</a>
ESRS E1-5	§38) – Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	X				Table at <a href="#">E1-5 - Energy consumption and mix</a>
ESRS E1-5	§37) – Energy consumption and mix	X				<a href="#">E1-5 - Energy consumption and mix</a>
ESRS E1-5	§40-43) – Energy intensity associated with activities in high climate impact sectors	X				Energy intensity based on net revenue

Disclosure requirement	Data point and description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section where the datapoint is available
ESRS E1-6	§44) –Gross Scope 1, 2, 3 and Total GHG emissions	X	X	X		<a href="#">E1-6 - Gross Scopes 1,2, 3 and Total GHG emissions</a>
ESRS E1-6	§53-55) – Gross GHG emissions intensity	X	X	X		GHG intensity based on net revenue
ESRS E1-7	§56) – GHG removals and carbon credits				X	<a href="#">E1-7 - GHG removals</a>
ESRS E1-9	§56) – Exposure of the benchmark portfolio to climate-related physical risks			X		This datapoint is phased in according to the ESRS
ESRS E1-9	§66) – Exposure of the benchmark portfolio to climate-related physical risks		X			This datapoint is phased in according to the ESRS
ESRS E1-9	§66a) – Disaggregation of monetary amounts by acute and chronic physical risk		X			This datapoint is phased in according to the ESRS
ESRS E1-9	§67c) – Breakdown of the carrying value of its real estate assets by energy-efficiency classes			X		This datapoint is phased in according to the ESRS
ESRS E2-4	§28) – Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	X				The E2 standard is not material for Eurogrid Group
ESRS E3-1	§9) – Water and marine resources policies	X				The E3 standard is not material for Eurogrid Group
ESRS E3-1	§13) – Dedicated policy	X				The E3 standard is not material for Eurogrid Group
ESRS E3-1	§14) – Sustainable oceans and seas	X				The E3 standard is not material for Eurogrid Group
ESRS E3-4	§28c) – Total water recycled and reused	X				The E3 standard is not material for Eurogrid Group
ESRS E3-4	§29) – Total water consumption in m3 per net revenue on own operations	X				The E3 standard is not material for Eurogrid Group
ESRS 2 SBM-3 E4	§16a)	X				<a href="#">ESRS 2 SBM3 E4 - Material impacts, risks and opportunities and their interaction with strategy and business model</a>
ESRS 2 SBM-3 E4	§16b)	X				<a href="#">ESRS 2 SBM3 E4 - Material impacts, risks and opportunities and their interaction with strategy and business model</a>
ESRS 2 SBM-3 E4	§16c)	X				<a href="#">ESRS 2 SBM3 E4 - Material impacts, risks and opportunities and their interaction with strategy and business model</a>
ESRS E4-2	§24b) – Sustainable land/agriculture practices or policies	X				Not a material topic
ESRS E4-2	§24c) – Sustainable oceans/seas practices or policies	X				Not a material topic
ESRS E4-2	§24d) – Policies to address deforestation	X				<a href="#">E4-2 - Policies related to biodiversity and ecosystems</a>

Disclosure requirement	Data point and description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section where the datapoint is available
ESRS E5-5	§37d) – Non-recycled waste	X				<a href="#">E5-5 - Resource outflows</a>
ESRS E5-5	§39) – Hazardous waste and radioactive waste	X				<a href="#">E5-5 - Resource outflows</a>
ESRS 2- SBM3 – S1	§14f) – Risk of incidents of forced labour	X				No identified risk
ESRS 2- SBM3 – S1	§14g) – Risk of incidents of child labour	X				No identified risk
ESRS S1-1	§20) – Human rights policy commitments	X				<a href="#">S1-1 - Policies related to own workforce</a>
ESRS S1-1	§21) – Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8			X		<a href="#">S1-1 - Policies related to own workforce</a>
ESRS S1-1	§22) – Processes and measures for preventing trafficking in human beings	X				No identified risk
ESRS S1-1	§23) – Workplace accident prevention policy or management system	X				<a href="#">S1-1 - Policies related to own workforce</a>
ESRS S1-3	§32c) – Grievance/complaints handling mechanisms	X				<a href="#">S1-3 - Processes to remediate negative impacts and channels for own workers to raise concerns</a>
ESRS S1-14	§88b&c) – Number of fatalities and number and rate of work-related accidents	X		X		<a href="#">S1-14 - Health and safety metrics</a>
ESRS S1-14	§88e) – Number of days lost to injuries, accidents, fatalities or illness	X				<a href="#">S1-14 - Health and safety metrics</a>
ESRS S1-16	§97a) – Unadjusted gender pay gap	X		X		<a href="#">S1-16 - Remuneration metrics</a>
ESRS S1-16	§97b) – Excessive CEO pay ratio	X				<a href="#">S1-16 - Remuneration metrics</a>
ESRS S1-17	§103a) – Incidents of discrimination	X				<a href="#">S1-17 - Incidents, complaints and severe human rights incidents</a>
ESRS S1-17	§104a) – Non-compliance with UNGPs on Business and Human Rights and OECD	X		X		<a href="#">S1-17 - Incidents, complaints and severe human rights incidents</a>
ESRS 2- SBM3 – S2	§11b) – Significant risk of child labour or forced labour in the value chain	X				No identified risk
ESRS S2-1	§17) – Human rights policy commitments	X				<a href="#">S2-1 - Policies related to value chain workers</a>
ESRS S2-1	§18) – Policies related to value chain workers	X				<a href="#">S2-1 - Policies related to value chain workers</a>

Disclosure requirement	Data point and description	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section where the datapoint is available
ESRS S2-1	§19) Non-compliance with UNGPs on Business and Human Rights principles and OECD guidelines	X		X		<a href="#">S2-1 - Policies related to value chain workers</a>
ESRS S2-1	§19) – Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8			X		<a href="#">S2-1 - Policies related to value chain workers</a>
ESRS S2-4	§36) – Human rights issues and incidents connected to its upstream and downstream value chain	X				<a href="#">S2-4 - Taking action on material impacts, risks and opportunities related to value chain workers</a>
ESRS S3-1	§16) – Human rights policy commitments	X				<a href="#">S3-1 - Policies related to affected communities</a>
ESRS S3-1	§17) – Non-compliance with UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	X		X		<a href="#">S3-1 - Policies related to affected communities</a>
ESRS S3-4	§36) – Human rights issues and incidents	X				<a href="#">S3-4 - Taking action on material impacts, risks and opportunities related to affected communities</a>
ESRS S4-1	§16) – Policies related to consumers and end-users	X				The S4 standard is not material for Eurogrid Group
ESRS S4-1	§17) – Non-compliance with UNGPs on Business and Human Rights and OECD guidelines	X		X		The S4 standard is not material for Eurogrid Group
ESRS S4-4	§35) – Human rights issues and incidents	X				The S4 standard is not material for Eurogrid Group
ESRS G1-1	§10b) – United Nations Convention against Corruption paragraph	X				<a href="#">G1-1 - Corporate culture and business conduct policies</a>
ESRS G1-1	§10d) – Protection of whistle-blowers	X				<a href="#">G1-1 - Corporate culture and business conduct policies</a>
ESRS G1-4	§24a) – Fines for violation of anti-corruption and anti-bribery laws	X		X		Not material topic
ESRS G1-4	§24b) – Standards of anti-corruption and anti- bribery	X				Not material topic

## 5.4. Acronyms

Below is a list of the acronyms used throughout the Sustainability Report.

Acronym	Full form expression
AA	Appropriate Assessment
AGM	Annual General Meeting
AIT	Average Interruption Time
AR	Application Requirement
BBEMG	Belgian BioElectroMagnetics Group
BoD	Board of Directors
CAPEX	Capital Expenditure
CEO	Chief Executive Officer
CIGRE	International Council on Large Electric Systems
CR Pass	Community Relations Passport
CREG	Commission for Electricity and Gas Regulation
CSDDD	Corporate Sustainability Due Diligence Directive
CSRD	Corporate Sustainability Reporting Directive
DEI	Diversity, Equality and Inclusion
DNSH	Do No Significant Harm
DR	Disclosure Requirement
DSO	Distribution System Operator
EGMB	Elia Group Management Board
EIA	Environmental Impact Assessments
EMFs	Electric and Magnetic Fields
ENTSO-E	European Network of Transmission System Operators for Electricity
ENTSO-G	European Network of Transmission System Operators for Gas

Acronym	Full form expression
EPRI	Electric Power Research Institute
ESG	Environmental, Social and Governance
ESMA	European Securities and Markets Authorities
ESRS	European Sustainability Reporting Standards
EU	European Union
EV	Electric Vehicle
ExCo	Local Executive Management Committees
GERICS	Climate Service Center Germany
GES	Gaz à Effet de Serre
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
GSO	Group Sustainability Office
H&S	Health and Safety
HR	Human Resources
HSE	Health, Safety & Environment
HV	High-Voltage
HVDC	High-Voltage Direct Current
ICP	Internal Carbon Price
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
ILO	International Labour Organization
IPCC	Intergovernmental Panel on Climate Change
ISO	International Organization for Standardization

Acronym	Full form expression
KfW	Bank Kreditanstalt für Wiederaufbau
KPI	Key Performance Indicator
LIFE	L'Instrument Financier pour l'Environnement
MCCS	Modular Control Center System
NACE	Nomenclature of Economic Activities
NGO	Non-governmental organisation
NID	Nature Inclusive Design
OECD	Organisation for Economic Co-operation and Development
OPEX	Operational Expenses
PCB	Polychlorinated Biphenyls
PFAS	Per-and Polyfluoroalkyl Substances
PPE	Property, Plant and Equipment
RCP	Representative Concentration Pathway
RES	Renewable Energy System
SBTI	Science Based Targets Initiative
SCoC	Supplier Code of Conduct
SEPPs	Standardised Emergency Preparedness Plans
TCFD	Task Force on Climate-related Financial Disclosures
TCO	Total Cost of Ownership
TRIR	Total Recordable Injury Rate
TSC	Technical Screening Criteria
TSO	Transmission System Operator
TYNDP	Ten-Year Network Development Plan
UNGC	United Nations Global Compact

Berlin, 6 March 2026

The management of Eurogrid GmbH

Stefan Kapferer

Yannick Dekoninck



# Consolidated financial statements

for the fiscal year 2025

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## Consolidated statement of profit or loss

EUR m - Period endend 31 December	Note	2025	2024
Revenue	5.2.1.	8,076.9	7,727.3
Cost-matching income	5.1.	(5,640.8)	(5,456.8)
Revenue from contracts with customers	5.2.1.	2,436.1	2,270.5
Other income	5.2.2.	284.8	249.6
<b>Revenue and other income</b>	5.2.	<b>2,720.9</b>	<b>2,520.1</b>
Cost of materials and purchased services	5.3.1.	(6,917.3)	(6,823.1)
Income-matching cost	5.1.	5,640.8	5,456.8
Cost of materials and purchased services, grid business	5.3.1.	(1,276.5)	(1,366.3)
Personnel expenses	5.3.2.	(275.9)	(233.0)
Depreciation and amortisation		(420.3)	(374.4)
Other expenses		(21.0)	(14.4)
Result from equity investments accounted for using the equity method	6.4.	0.5	1.9
<b>Earnings before financial result and taxes</b>		<b>727.7</b>	<b>533.9</b>
<b>Financial result</b>		<b>(91.7)</b>	<b>(81.8)</b>
Finance income	5.4.	96.8	60.6
Finance expenses	5.4.	(188.5)	(142.4)
<b>Earnings before taxes</b>		<b>636.1</b>	<b>452.1</b>
Income taxes	5.5.	(150.1)	(142.3)
<b>Group profit</b>		<b>486.0</b>	<b>309.8</b>

## Consolidated statement of comprehensive income

EUR m - Period ended 31 December	Note	2025	2024
<b>Group profit</b>		<b>486.0</b>	<b>309.8</b>
<b>Other comprehensive income (OCI):</b>			
<b>Items that will not be reclassified to the statement of profit or loss in the future:</b>		<b>5.4</b>	<b>65.5</b>
Actuarial gains and losses	5.6.	6.8	2.1
Deferred taxes on actuarial gains and losses recognised directly in equity	5.6.	(2.0)	(0.6)
Changes in fair value of other financial assets designated at fair value through OCI	5.6.	0.2	65.9
Deferred taxes on changes in fair value of other financial assets designated at fair value through OCI		0.3	(1.8)
Currency translation recognised directly in equity		-	(0.1)
<b>Items that may be reclassified to the statement of profit or loss in the future:</b>		<b>(13.1)</b>	<b>165.4</b>
Cash-flow hedge - effective portion of fair value changes	5.6.	(18.7)	236.3
Deferred taxes on changes recognised directly in equity	5.6.	5.6	(70.9)
<b>Other comprehensive income after taxes</b>	5.6.	<b>(7.7)</b>	<b>230.9</b>
<b>Total comprehensive income</b>	5.6.	<b>478.3</b>	<b>540.7</b>

## Consolidated statement of financial position

EUR m	Note	31 December 2025	31 December 2024
<b>Non-current assets</b>		<b>15,837.1</b>	<b>12,032.4</b>
Property, plant and equipment	6.1.	14,960.0	11,582.4
Intangible assets	6.2.	375.6	298.4
Other financial assets	6.3.	142.8	142.6
Other receivables	6.8.	351.4	0.0
Derivatives	6.4.	0.0	2.3
Investments accounted for using the equity method	6.5.	7.3	6.7
<b>Current assets</b>		<b>3,224.0</b>	<b>2,378.6</b>
Inventories	6.7.	363.0	208.3
Trade and other receivables	6.8.	1,031.0	805.5
Receivables from income taxes	6.9.	23.4	47.5
Derivatives	6.3.	-	10.0
Cash and cash equivalents	6.4.	1,772.8	1,282.4
Prepayments	6.8.	33.9	24.9
<b>Total assets</b>		<b>19,061.1</b>	<b>14,411.0</b>

EUR m	Note	31 December 2025	31 December 2024
<b>Equity</b>		<b>3,972.2</b>	<b>3,103.9</b>
Issued capital	6.11.	0.0	0.0
Capital reserve	6.11.	2,034.6	1,434.6
Hedging Reserve	6.11.	(5.1)	8.0
Other reserves	6.11.	129.4	124.1
Retained earnings	6.11.	1,813.2	1,537.2
<b>Non-current liabilities</b>		<b>11,916.1</b>	<b>8,437.5</b>
Loans and borrowings	6.12.	10,851.0	7,884.4
Provisions for employee benefits	6.13.	18.6	30.1
Derivative liabilities	6.4.	1.1	0.0
Other provisions	6.14.	136.2	137.3
Deferred tax liabilities	6.6.	248.7	224.1
Contract liabilities	6.15.	502.8	34.9
Other liabilities	6.16.	157.7	126.7
<b>Current liabilities</b>		<b>2,215.3</b>	<b>2,294.1</b>
Loans and borrowings	6.12.	218.5	622.1
Other provisions	6.14.	8.9	7.7
Derivative liabilities	6.4.	6.1	0.9
Trade payables and other liabilities	6.17.	1,934.0	1,654.8
Liabilities from income taxes	6.9.	43.9	4.0
Contract liabilities	6.15.	1.1	1.1
Anticipatory equity and liabilities	6.18.	2.9	3.5
<b>Regulatory items</b>	6.21.	<b>957.5</b>	<b>575.5</b>
<b>Total equity and liabilities</b>		<b>19,061.1</b>	<b>14,411.0</b>

In fiscal year 2025, new items for contract liabilities were added. The previous year's figures have been adjusted.

## Consolidated statement of changes in equity

EUR m	Issued capital	Capital reserve	Hedging reserve	Other reserves	Retained earnings	Total
<b>As of 1 January 2024</b>	<b>0.0</b>	<b>834.6</b>	<b>(157.4)</b>	<b>58.6</b>	<b>1,407.4</b>	<b>2,143.2</b>
Group profit	-	-	-	-	309.8	309.8
Other comprehensive income (OCI)	-	-	165.4	65.5	-	230.9
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>165.4</b>	<b>65.5</b>	<b>309.8</b>	<b>540.7</b>
Distribution	-	-	-	-	(180.0)	(180.0)
Increase	-	600.0	-	-	-	600.0
<b>As of 31 December 2024</b>	<b>0.0</b>	<b>1,434.6</b>	<b>8.0</b>	<b>124,1</b>	<b>1,537.2</b>	<b>3,103.9</b>

EUR m	Issued capital	Capital reserve	Hedging reserve	Other reserves	Retained earnings	Total
<b>As of 1 January 2025</b>	<b>0.0</b>	<b>1,434.6</b>	<b>8.0</b>	<b>124,1</b>	<b>1,537.2</b>	<b>3,103.9</b>
Group profit	-	-	-	-	486.0	486.0
Other comprehensive income (OCI)	-	-	(13.1)	5.4	-	(7.7)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(13.1)</b>	<b>5.4</b>	<b>486.0</b>	<b>478.3</b>
Distribution	-	-	-	-	(210.0)	(210.0)
Increase	-	600.0	-	-	-	600.0
<b>As of 31 December 2025</b>	<b>0.0</b>	<b>2,034.6</b>	<b>(5.1)</b>	<b>129.4</b>	<b>1,813.2</b>	<b>3,972.2</b>

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

Changes in equity are explained in more detail in 6.11 Equity in the notes.

## Consolidated statement of cash flows

EUR m - Period ended 31 December	Note	2025	2024
<b>Cash flow from operating activities</b>			
<b>Group profit</b>		<b>486.0</b>	<b>309.8</b>
<b>Adjusted for:</b>			
Net finance expenses	5.4.	91.7	81.8
Income tax expenses	5.5.	121.4	72.3
Depreciation of property, plant and equipment and amortisation of intangible assets		420.3	374.4
Result from the disposal of intangible assets and property, plant and equipment	6.1., 6.2.	7.5	7.3
Impairment of current assets		0.0	(0.5)
Change in provisions	6.14.	(6.1)	(0.5)
Change in deferred taxes	5.5., 6.5.	28.7	70.0
Share of profit of associates accounted for using the equity method, after tax	6.5.	(0.5)	(1.9)
<b>Cash flow from operating activities without changes in working capital</b>		<b>1,149.0</b>	<b>912.7</b>
Change in inventories	6.7.	(154.7)	(181.4)
Changes in trade receivables and other receivables	6.8.	(629.2)	732.3
Change in trade payables and other liabilities	6.17.	695.7	(999.8)
Change in regulatory items	5.4., 6.21.	401.5	295.5
<b>Change in working capital</b>		<b>313.3</b>	<b>(153.4)</b>
Interest paid		(265.4)	(131.2)
Interest received		57.6	42.7
Income taxes paid		(82.4)	(61.0)
<b>Cash flow from operating activities</b>		<b>1,172.1</b>	<b>609.8</b>
Cash flow from investing activities			
Cash paid for the procurement of property, plant and equipment and intangible assets	6.1., 6.2.	(3,616.3)	(3,496.0)
Cash paid for the acquisition of equity accounted investees		-	(0.1)
Net cash flow from disposals of property, plant and equipment	6.1.	7.6	1.9
Cash received from dividends from participations		1.6	1.4
<b>Cash flow from investing activities</b>		<b>(3,607.1)</b>	<b>(3,492.8)</b>

EUR m - Period ended 31 December	Note	2025	2024
<b>Cash flow from financing activities</b>			
Cash received from the equity contribution of shareholders		600.0	600.0
Distribution	6.11.	(210.0)	(180.0)
Repayment of borrowings	6.12.	(564.9)	(8.6)
Proceeds from withdrawal of borrowings		3,100.3	2,992.6
<b>Cash flow from financing activities</b>		<b>2,925.4</b>	<b>3,404.0</b>
Change in cash and cash equivalents		490.4	521.0
Cash and cash equivalents as of 1 January		1,282.4	761.4
Cash and cash equivalents as of 31 December	6.10.	1,772.8	1,282.4
<b>Change in cash and cash equivalents</b>		<b>490.4</b>	<b>521.0</b>

# Notes to the consolidated financial statements for fiscal year 2025

## 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](http://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](http://www.eliagroup.eu).

The company established a supervisory board by resolution of its shareholders dated 23 November 2017. Since 2025, the supervisory board contains twelve 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 IASB has announced the publication of a new IFRS standard for 2026.

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 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- IFRS 18 Presentation and Disclosure in Financial Statements (applicable for annual periods beginning on or after 1 January 2027, endorsed on 13 February 2026);
- 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 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 IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments (applicable for annual periods beginning on or after 1 January 2026, endorsed on 27 May 2025);

- Annual Improvements – Volume 11 (applicable for annual periods beginning on or after 1 January 2026, endorsed on 9 July 2025);
- Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity (applicable for annual periods beginning on or after 1 January 2026, endorsed on 30 June 2025)
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (issued on 13 November 2025, applicable for annual periods beginning on or after 1 January 2027, but not yet endorsed in the EU)

The Group does not expect that the above-listed standards and amendments will have a material impact on its consolidated financial statements, except for IFRS 18. We detailed below the impact of IFRS 18 adoption we identified at the date of this report.

Elia Group assessed possible impacts of this new IFRS Accounting Standards as well as related amendments to other applicable IFRS Accounting Standards on our financial statements at initial application.

IFRS 18 introduces a new classification system that will affect the presentation of the consolidated income statement as follows:

- The operating category will include all items of income or expense that are not classified in one of the other four categories. Most items currently included in our EBIT will be allocated to this operating category;
- The investing category will mainly include income and expenses from investments accounted for using the equity method as well as from cash and cash equivalents. Those items are currently presented within our financial result and will be moved to the investing category;
- The financing category will mainly comprise income and expenses arising from transactions that involve only the raising of finance or items that arise from transactions that do not involve only the raising of finance. This will mainly include items that are currently presented in our financial result, e.g. interest expenses on convertible bonds and lease liabilities.

Foreign exchange differences (currently reported in financial result) will be allocated based on nature to the underlying item:

- Foreign exchange differences (income and expenses) related to financing items will be presented in the financing category;
- Foreign exchange differences related to cash and cash equivalents will be presented in the investing category;
- Foreign exchange differences related to trade receivables or trade payables will be classified in the operating category;

The income taxes category will include those items currently presented as income taxes.

This all will result in 3 new subtotals:

- The operating profit or loss shall comprise all income and expenses classified in the operating category;
- The profit before financing and interest expenses will include all income and expenses classified in the operating or investing category. This is not equivalent to our EBIT due to

the items that will be moved from the financial result into the operating or investing category;

- The profit or loss subtotal which is equal to our net income/loss for the period.

Additionally, amendments to IAS 7 will affect the consolidated statement of cash flows. Under the indirect method, the cash flow from operating activities will no longer be based on net income/loss for the period but will be calculated on the new subtotal operating profit or loss. In addition, interests paid and received currently presented solely in the cash flow from operating activities will be shifted to cash flow from financing activities (interest paid) or to cash flow from investing activities (interests and dividends received). With these reclassifications, the free cash flow currently derived from the cash flow from operating activities will be affected.

The Group will apply IFRS 18 and related amendments of other standards for the annual reporting period beginning on 1 January 2027. The standard will be applied retrospectively according to IAS 8, which requires a reconciliation for each line item of the prior period presented in the annual report 2027. We will also prepare our interim financial statements in financial year 2027 in accordance with the new standard.

Expected impacts are based on reasonable information available before this annual report was authorised for issue. They may evolve due to new information available at a later date.

In addition, the Group is closely monitoring the developments related to the upcoming IFRS 20 standard for rate-regulated activities. The final standard is expected to be published in Q2 2026.

## 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 6.21.
- 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 6.5).
- 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 6.13: The Group has defined benefit plans and defined contribution plans which are disclosed in Note 6.13. 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 6.19).
- 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 6.20).
- 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 6 March 2026. On 20 March 2026, 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 24 February 2025.

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.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of the individual property, plant and equipment. The calculation of the useful lives used is based on the requirements of the Federal Network Agency on the imputed recognised useful lives in order to be able to better take account of the increasing regulatory requirements for accounting and to increase the informative value of the consolidated financial statements with regard to the applicable regulatory framework. The use of imputed useful lives accurately reflects the actual depreciation of the fixed assets

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%
Industrial buildings	Land and buildings	2.00 – 4.00%
High-voltage grid	Machinery and equip.	2.50%
Switchgear and substation	Machinery and equip.	2.00 – 5.00%
Transformer stations	Machinery and equip.	2.90 – 5.00%
Grid onshore	Machinery and equip.	2.50%
Grid offshore	Machinery and equip.	5.00%
Other grid assets	Machinery and equip.	2.90 – 5.00%
Vehicles	Furniture and vehicles	12.50 – 20.00%
Tools and office furniture	Furniture and vehicles	6.67 – 20.00%
Hardware	Furniture and vehicles	20.00%
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	3.70 – 20.00 %

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 levies approved by the regulator or by the State. 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. In addition, restricted amounts for the EEG and KWK processes and for handling the electricity price brake are shown under this item.

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.

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 2025, no impairment losses or reversals of impairment losses were recognised on non-financial assets.

### 3.3.7. Financial instruments

#### Initial 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  $ECL = EAD \times PD \times LGD$ , 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. Contract assets and liabilities

A contract asset is an entity's right to consideration in exchange for goods or services that have been transferred to a customer but for which payment is not yet due or is contingent on the satisfaction of a specific condition stipulated in the contract. When an amount becomes due, it is transferred to receivables.

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has already received consideration from the customer. The liability is derecognized upon recognition of the corresponding revenue.

The Group's main contract assets and liabilities arise from contracts related to consultancy activities, for which performance obligations are fulfilled over time. The net contract position may be either an asset or a liability depending on the timing of customer payments. In addition, contract liabilities result from last mile connection agreements, where consideration is paid upfront while revenue is recognized over the lifetime of the underlying asset.

### 3.3.14. 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 (acquisition cost under EUR 5,000) and short-term leases (contractual duration shorter than one year).

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.

### 3.3.15. 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 2025 can be summarised as follows:

Revenue stream	Nature and timing of satisfaction of performance obligations	Contract – Price setting
<b>Revenues from contracts with customers resp. levies</b>		
<b>Revenues from incentive regulation</b>	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 performed continuously throughout the contractual term.	Standard contract and grid tariffs defined by the regulator.
<b>Revenues from offshore regulation</b>	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.
<b>Energy revenues</b>	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.
<b>Construction cost subsidies</b>	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 through profit or loss or directly in equity in the appropriate equity item.

For the measurement of deferred taxes, the tax rates of future years are applied insofar as they have already been enacted into law or the legislative process has been substantially completed.

## 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-profit business" segment comprises the levy mechanisms under Renewable Energy Sources Act (EEG), under the KWKG and from the settlement of the levy for special grid use (previously Section 19 StromNEV). Furthermore, income from the levy mechanism under the Electricity Price Brake Act is also presented there.

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 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
<b>Revenue and other income</b>	<b>5,456.8</b>	<b>2,520.1</b>	<b>7,976.9</b>
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)
<b>Profit before tax</b>	<b>-</b>	<b>452.1</b>	<b>452.1</b>
Income taxes	-	(142.3)	(142.3)
<b>Profit for the year from continuing operations</b>	<b>-</b>	<b>309.8</b>	<b>309.8</b>
<b>Group profit</b>	<b>-</b>	<b>309.8</b>	<b>309.8</b>
<b>Timing of revenue recognition</b>			
At a point in time	5,456.8	413.3	5,870.1
Over time	-	1,857.2	1,857.2

### Segment reporting by business segment for the period from 1 January 2025 to 31 December 2025

EUR m	Non-profit business	Grid business	Total
Revenue	5,640.8	2,436.1	8,076.9
Other income	-	284.8	284.8
<b>Revenue and other income</b>	<b>5,640.8</b>	<b>2,720.9</b>	<b>8,361.7</b>
Cost of materials and purchased services	(5,640.8)	(1,276.5)	(6,917.3)
Personnel expenses	-	(275.9)	(275.9)
Depreciation and amortisation	-	(420.3)	(420.3)
Other expenses	-	(21.0)	(21.0)
Result from equity investments accounted for using the equity method	-	0.5	0.5
Financial result	-	(91.7)	(91.7)
Finance income	-	96.8	96.8
Finance expenses	-	(188.5)	(188.5)
<b>Profit before tax</b>	<b>-</b>	<b>636.1</b>	<b>636.1</b>
Income taxes	-	(150.1)	(150.1)
<b>Profit for the year from continuing operations</b>	<b>-</b>	<b>486.0</b>	<b>486.0</b>
<b>Group profit</b>	<b>-</b>	<b>486.0</b>	<b>486.0</b>
<b>Timing of revenue recognition</b>			
At a point in time	5,640.8	467.3	6,108.1
Over time	-	1,968.8	1,968.8

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 (2025: EUR 5.9m, prior year: EUR 4.8m), IT (2025: EUR 1.1m, prior year: EUR -0.1m) and other expenses (2025: EUR 0.5m, prior year: EUR 0.4) which are allocated to the non-profit business.

All revenue were generated with external customers. In fiscal year 2025, there are 6 customers in the grid use segment with which revenue of more than 10% each of total revenue from grid use is generated (EUR 204.5m, EUR 212.8m, EUR 255.2m, EUR 356.9m, EUR 385.0m and EUR 415.1m, in total 1,829.5m; prior year: 3 customers). Revenue generated with external customers from other countries is immaterial in terms of amount.

### 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	2,096.6	2,378.6
Non-current liabilities	-	8,438.6	8,438.6
Current liabilities	614.8	1,678.2	2,293.0
Equity and regulatory items	-	3,679.4	3,679.4

### Segment reporting by business segment as of 31 December 2025

EUR m	Non-profit business	Grid business	Total
Non-current assets	-	15,837.1	15,837.1
Current assets	406.0	2,818.1	3,224.0
Non-current liabilities	-	11,916.1	11,916.1
Current liabilities	855.9	1,359.5	2,221.3
Equity and regulatory items	-	4,929.7	4,929.7

Of the current assets and liabilities from the non-profit business, EUR 192.3m (prior year: EUR 83.4m) and EUR 543.1m (prior year: EUR 266.0m) relates to the development of the EEG business, respectively. .

Additions to non-current assets relate primarily to property, plant and equipment (EUR 3,804.7m, prior year: EUR 3,396.5m) and grid business.

The carrying amount of the equity-accounted investee EGI (EUR 7.3m, prior year: EUR 6.7m) is allocated to the grid business.

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

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

The following explanations are based on the consolidated 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, settlement of the levy for special grid use and energy price brake.

This revenue is matched by expenses of the same amount.

EUR m	2025	2024
EEG income	4,049.1	4,506.1
KWKG income	310.3	277.4
Income from surcharge for special grid usage (previously Sec. 19 StromNEV)	1,234.2	330.1
Energy price brake income	47.1	343.2
<b>Cost-matching income</b>	<b>5,640.8</b>	<b>5,456.8</b>
EEG expenses	(4,049.1)	(4,506.1)
KWKG expenses	(310.3)	(277.4)
Expense for surcharge for special grid usage (previously Sec. 19 StromNEV)	(1,234.2)	(330.1)
Energy price brake expenses	(47.1)	(343.2)
<b>Income-matching costs</b>	<b>(5,640.8)</b>	<b>(5,456.8)</b>

## 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	2025	2024
Revenue from incentive regulation	1,442.7	1,438.0
Revenue from offshore regulation	525.0	417.7
Revenue from ancillary services and balancing management	451.5	402.1
Construction cost subsidies	1.1	1.5
Other revenue	15.7	11.2
<b>Revenue</b>	<b>2,436.1</b>	<b>2,270.5</b>

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 2025, the period effects resulting from regulatory items excluding the interest portion led to a EUR 387.9m decrease in consolidated net income (prior year: decrease of EUR 295.6m). Considering the interest portion and a tax rate of 30.11%, the recognition of regulatory issues led to a change in group result of EUR -257.4m (prior year: EUR -203.3m).

Opening and closing balances of trade receivables (under 6.8) result primarily from contracts with customers.

## 5.2.2. Other income

EUR m	2025	2024
Services and technical expertise	61.1	53.2
Own work capitalised	196.9	154.0
Communication income	2.9	3.0
Sundry other income	23.9	39.4
<b>Total</b>	<b>284.8</b>	<b>249.6</b>

Sundry other income contains primarily income from cost charges (EUR 8.8m) and IT cost charges (EUR 10.5m).

## 5.3. Operating expenses

### 5.3.1. Cost of materials and services grid business

EUR m	2025	2024
Cost of materials	9.7	15.9
Electricity expenses	934.9	1,051.3
Third-party services and other operating expenses	69.4	36.8
Other operating expenses	262.5	262.3
<b>Total</b>	<b>1,276.5</b>	<b>1,366.3</b>

Third-party services mainly include third-party maintenance (EUR 29.7 m) and construction services (EUR 27.3 m). Other operating expenses consisted primarily of consulting costs (EUR 25.6 m), insurance premiums (EUR 14.2 m) and various services.

Electricity expenses contain the following items:

EUR m	2025	2024
Expenses for system services	164.0	117.8
Expenses to cover grid losses	227.8	420.9
Expenses for measures pursuant to Sec. 13 EnWG	318.7	289.1
Expenses for Sec. 14/15 EEG compensation	0.0	(4.3)
Expenses for balance energy	193.0	170.1
Expenses for unwanted exchange	(18.5)	11.3
Expenses for reserve costs	27.1	20.5
Expenses for cross-border redispatch	2.7	5.5
Other electricity expenses	20.0	20.4
<b>Electricity expenses</b>	<b>934.9</b>	<b>1,051.3</b>

### 5.3.2. Personal expenses

Personnel expenses comprise the following components:

EUR m	2025	2024
Salaries and wages	224.8	184.1
Social security contributions	39.4	31.8
Pension and welfare expenses	6.3	6.0
Other personnel expenses	2.2	1.8
Change in personnel provisions	3.2	9.3
<b>Total</b>	<b>275.9</b>	<b>233.0</b>

	2025	2024
Administrative employees	753	652
Technical employees	1,517	1,307
<b>Total</b>	<b>2,270</b>	<b>1,959</b>
Trainees	58	47

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

## 5.4. Financial result

EUR m	2025	2024
<b>Finance income</b>	<b>96.8</b>	<b>60.6</b>
Interest income	30.0	46.4
Interest income on regulatory items	25.2	12.7
Other finance income	41.7	1.5
<b>Finance expenses</b>	<b>(188.5)</b>	<b>(142.4)</b>
Interest portion of euro bonds and other interest expenses	(298.2)	(204.9)
Capitalised borrowing costs	124.4	78.0
Interest portion of provisions	(8.2)	(6.7)
Interest portion of regulatory items	(5.6)	(7.9)
Interest cost on leasing	(0.9)	(0.9)
Foreign currency translation	0.0	0.0
<b>Financial result</b>	<b>(91.7)</b>	<b>(81.8)</b>

The total net gain relating to the measurement category "loans and receivables" amount to EUR 29.7m (prior year: EUR 46.8m). Finance income relating to the measurement category "measured at fair-value through OCI" amounts to EUR 1.6m (prior year: EUR 1.4m). Financial expenses of EUR 0.1m were attributable to the "at fair value through profit or loss" measurement category for the first time in 2024 (2025: none). Interest expenses relating to other financial liabilities amount to EUR 280.6m (prior year: EUR 189.6m).

## 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	2025	2024
Tax expenses for current year	126.0	72.5
Tax expenses for prior years	(4.6)	(0.1)
<b>Current taxes</b>	<b>121.4</b>	<b>72.4</b>
Deferred taxes	28.7	70.0
<b>Deferred taxes</b>	<b>28.7</b>	<b>70.0</b>
<b>Income taxes recognised in the consolidated statement of profit or loss</b>	<b>150.1</b>	<b>142.4</b>

The deferred tax expense of EUR 28.7m (prior year: expense: EUR 70.0m) 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	2025	2024
<b>Profit/loss before income taxes</b>	<b>636.1</b>	<b>452.1</b>
Group tax rate	30.11 %	30.05 %
Expected income taxes	191.5	135.9
Changes in tax rates	(46.5)	0.3
Non-deductible expenses	10.2	7.1
Adjustment for prior years	(4.7)	(0.2)
Other tax-free income	(0.1)	(0.1)
Other	(0.2)	(0.7)
<b>Effective tax expenses</b>	<b>150.1</b>	<b>142.3</b>

Deferred taxes were calculated using an overall tax rate of 30.11%. 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 14.28%, which reflects the

weighted levy rate of all the municipalities within Eurogrid's consolidated tax group for 2025. The increase in the trade tax rate results from higher municipal assessment rates.

In assessing deferred taxes, it was taken into account that from 2028 through 2032, due to the "Act on an Immediate Tax Investment Program to Strengthen Germany as a Business Location," adopted in July 2025 (Federal Law Gazette 2025 I No. 161 of 18 July 2025), the corporate income tax rate will be reduced annually by one percentage point. The effect is disclosed in the table as change in tax rate.

The effective tax rate amounts to 23.60% (prior year: 31.47%). 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). In fiscal year 2025, legislative changes were enacted (Act to Amend the Minimum Tax Act and to Implement Additional Measures, Federal Law Gazette 2025 I No. 353 of 23 December 2025). Under this law, the parent company in Germany is required to pay an additional tax on the profits of its subsidiaries that are taxed at an effective group 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 2025.

Based on the Group's income tax projections and currently available information, a similar conclusion can be drawn for the foreseeable future (2026 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	2025	2024
Recognised actuarial gains/losses	6.8	2.1
Deferred taxes on changes in provisions for employee benefits recognised directly in equity	(2.0)	(0.6)
Changes in the fair value of other investments	0.2	65.9
Deferred taxes on changes in changes in the fair value of other investments recognised directly in equity	0.3	-1.8
Currency translation recognised directly in equity	0.0	-0.1
Cashflow hedge - Effective portion of changes in fair value	(18.7)	236.3
Cashflow hedge - Deferred taxes on effective portion of changes in fair value	5.6	(70.9)
<b>Other income after tax</b>	<b>(7.7)</b>	<b>230.9</b>

## 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
<b>Cost</b>						
<b>As of 1 January 2024</b>	<b>293.3</b>	<b>6,392.1</b>	<b>385.5</b>	<b>92.6</b>	<b>3,238.8</b>	<b>10,402.3</b>
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
<b>As of 31 December 2024</b>	<b>356.7</b>	<b>7,903.5</b>	<b>418.9</b>	<b>94.6</b>	<b>5,120.6</b>	<b>13,894.3</b>
<b>As of 1 January 2025</b>	<b>356.7</b>	<b>7,903.5</b>	<b>418.9</b>	<b>94.6</b>	<b>5,120.6</b>	<b>13,894.3</b>
Additions	47.7	156.6	39.3	1.3	3,503.2	3,748.1
Disposals	(0.5)	(8.0)	(36.5)	(2.0)	(1.5)	(48.5)
Reclassifications	79.2	316.7	22.6	-	(399.2)	19.4
<b>As of 31 December 2025</b>	<b>483.1</b>	<b>8,368.8</b>	<b>444.3</b>	<b>93.9</b>	<b>8,223.2</b>	<b>17,613.3</b>

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
<b>Amortisation and impairment</b>						
<b>As of 1 January 2024</b>	<b>(39.5)</b>	<b>(1,731.6)</b>	<b>(203.6)</b>	<b>(35.3)</b>	-	<b>(2,009.9)</b>
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
<b>As of 31 December 2024</b>	<b>(43.6)</b>	<b>(1,999.2)</b>	<b>(226.3)</b>	<b>(42.7)</b>	-	<b>(2,311.9)</b>
<b>As of 1 January 2025</b>	<b>(43.6)</b>	<b>(1,999.2)</b>	<b>(226.3)</b>	<b>(42.7)</b>	-	<b>(2,311.9)</b>
Depreciation of the year	(6.0)	(304.2)	(56.5)	(8.4)	-	(375.0)
Disposals	0.0	(4.6)	36.2	2.0	-	33.6
<b>As of 31 December 2025</b>	<b>(49.6)</b>	<b>(2,308.0)</b>	<b>(246.6)</b>	<b>(49.1)</b>	-	<b>(2,653.3)</b>

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 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
As of 1 January 2025	313.1	5,904.3	192.5	51.9	5,120.6	11,582.4
As of 31 December 2025	433.5	6,060.8	197.7	44.8	8,223.2	14,960.0

Borrowing costs totalling EUR 120.9m (prior year: EUR 76.1m) were recognised in the fiscal year in accordance with IAS 23. The weighted average interest rate amounted to 3.0% (prior year: 2.8%).

In the fiscal year, disposals of fixed assets amounting to EUR 14.9m were recognized. These relate to dismantling measures as well as sunk costs from infrastructure projects.

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 development	Total
<b>Cost</b>				
<b>As of 1 January 2024</b>	<b>177.5</b>	<b>33.4</b>	<b>77.7</b>	<b>288.7</b>
Additions	66.0	-	103.1	169.1
Disposals	(63.6)	-	-	(63.7)
Reclassifications	24.4	-	(28.1)	(3.7)
<b>As of 31 December 2024</b>	<b>204.3</b>	<b>33.4</b>	<b>152.7</b>	<b>390.4</b>
<b>As of 1 January 2025</b>	<b>204.3</b>	<b>33.4</b>	<b>152.7</b>	<b>390.4</b>
Additions	60.3	16.6	81.3	158.2
Disposals	(19.7)	-	(8.3)	(28.0)
Reclassifications	27.3	2.4	(49.0)	(19.4)
<b>As of 31 December 2025</b>	<b>272.1</b>	<b>52.4</b>	<b>176.7</b>	<b>501.2</b>

EUR m	Software	Licences	Intangible assets in development	Total
<b>Amortisation and impairment</b>				
<b>As of 1 January 2024</b>	<b>(106.9)</b>	<b>(19.7)</b>	<b>-</b>	<b>(126.6)</b>
Amortisation of the year	(27.5)	(1.5)	-	(28.9)
Disposals	63.6	-	-	63.5
<b>As of 31 December 2024</b>	<b>(70.8)</b>	<b>(21.2)</b>	<b>-</b>	<b>(92.0)</b>
<b>As of 1 January 2025</b>	<b>(70.8)</b>	<b>(21.2)</b>	<b>-</b>	<b>(92.0)</b>
Amortisation of the year	(42.8)	(2.5)	-	(45.3)
Disposals	11.7	-	-	11.7
<b>As of 31 December 2025</b>	<b>(101.9)</b>	<b>(23.7)</b>	<b>-</b>	<b>(125.6)</b>

Carrying amount	Software	Licences	Intangible assets in development	Total
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
As of 1 January 2025	133.5	12.2	152.7	298.4
As of 31 December 2025	170.2	28.7	176.7	375.6

Borrowing costs totalling EUR 3.5m (prior year: EUR 1.5m) were recognised in the fiscal year in accordance with IAS 23. The weighted average interest rate amounted to 3.0% (prior year: 2.8%).

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 83.9m are reported under "Software" (prior year: EUR 29.6). Additions to internally generated intangible assets in the financial year amounted to EUR 55.2m (prior year: EUR 30.3m), which were reduced by amortization in the amount of EUR 11.9m (prior year: EUR 0.7m). The amortization for the period corresponds to the accumulated amortization. Additions to internally generated intangible assets under development amounted to EUR 42.9m (prior year: EUR 38.3m).

In the fiscal year, expenses for research and development amounted to EUR 153.6m (prior year: EUR 68.6m).

As of 31 December 2025 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 10.8 million (with a remaining useful life of 8 years (until 2033) and the ERP system (with a net book value at EUR 31.1m, prior year: EUR 28.2 million with a remaining useful life of 5 years - until 2030). In addition, (i) EUR 67.2m is attributable to an internally developed system platform for controlling and operating the electricity grid, and (ii) EUR 65.8m is attributable to a data platform. Both are still under development as of 31 December 2025. Otherwise, the Group does not have any other individual intangible assets that are material to the financial statements.

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 decarbonize 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.

## 6.3. Other financial assets

EUR m	2025	2024
Other financial assets	142.8	142.6
<b>Total</b>	<b>142.8</b>	<b>142.6</b>

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 3.85% shareholding in JAO Joint Allocation Office S.A.,

## 6.4. 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	2025	2024
<b>Assets</b>				
	Fair value through other comprehensive income	Level 1		
Commodity risk (grid losses)			-	2.3
<b>Non-current derivatives</b>			<b>-</b>	<b>2.3</b>
	Fair value through other comprehensive income	Level 1		
Commodity risk (grid losses)			-	9.2
	Fair value through profit and loss	Level 1		
Commodity risk (grid losses)			-	0.8
<b>Current derivatives</b>			<b>-</b>	<b>10.0</b>
<b>Liabilities</b>				
	Fair value through other comprehensive income	Level 1		
Commodity risk (grid losses)			1.1	-
<b>Non-current derivatives</b>			<b>1.1</b>	<b>-</b>
	Fair value through other comprehensive income	Level 1		
Commodity risk (grid losses)			6.1	-
	Fair value through profit and loss	Level 1		
Commodity risk (grid losses)			-	0.9
<b>Current derivatives</b>			<b>6.1</b>	<b>0.9</b>

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, 2025, the Group reported derivative financial instruments with a negative net amount of EUR 7.2 m (previous year: positive net amount of EUR 11.5 m) as part of hedge accounting. The forward contracts were concluded in the financial year at prices between EUR 84.97 and EUR 86.95 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 resulted in an effect on profit or loss for the period of EUR -0.1 m.

In the financial year 2025, a negative result of EUR 9.1m was realised from hedging with futures contracts (prior year: negative result of EUR 233.6m), 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	2025	2024
<b>As of 1 January</b>	<b>11.5</b>	<b>(224.8)</b>
Effective portion of changes in fair value of cash flow hedge	(18.7)	235.9
De-designated derivatives	-	0.4
<b>As of 31 December</b>	<b>(7.2)</b>	<b>11.5</b>

## Notional amounts

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

As of 31 December 2025	Unit	2026	2027	Total at 31 December 2025
Commodities - grid losses	TWh	2.4	0.6	3.0

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

## 6.5. 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.

EUR m	Elia Grid International NV/SA	
	2025	2024
Shareholding in %	49.99	49.99
Non-current assets	0.9	1.0
Current assets	29.0	26.8
Non-current liabilities	(0.2)	0.3
Current liabilities	15.5	14.0
Equity	14.6	13.5
<b>Investment carrying amount</b>	<b>7.3</b>	<b>6.7</b>

EUR m	2025	2024
Revenue and other income	19.7	19.5
<b>Profit before tax</b>	<b>2.0</b>	<b>5.1</b>
Income taxes	(1.1)	(1.3)
Net profit for the year	1.0	3.8
Total comprehensive income	1.0	3.8
<b>Dividends received from associates</b>	<b>-</b>	<b>-</b>

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.

## 6.6. Deferred taxes

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

	2025		2024	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	-	(56.6)	-	(39.6)
Property, plant and equipment	24.6	(260.8)	22.0	(260.7)
Derivatives	2.2	-	0.3	(3.7)
Other participations	-	(1.5)	-	(1.8)
Other receivables and assets	3.5	-	6.9	-
Loans and borrowings	12.6	(6.5)	25.9	(6.5)
Employee benefits	3.4	-	6.1	-
Provisions	28.5	-	37.1	-
Anticipatory liabilities	-	0.0	-	(1.2)
Regulatory items	15.8	(19.2)	-	(13.3)
Other items	0.0	(1.7)	0.0	(4.3)
Off-balance corrections	7.0	-	8.7	-
<b>Deferred tax assets/liabilities before netting</b>	<b>97.6</b>	<b>(346.3)</b>	<b>107.0</b>	<b>(331.1)</b>
Offsetting	(97.6)	97.6	(107.0)	107.0
<b>Deferred tax assets/liabilities after netting</b>	<b>-</b>	<b>(248.7)</b>	<b>-</b>	<b>(224.1)</b>

In 2025, deferred tax assets of EUR 97,6m (prior year: EUR 107.0m) are netted with deferred tax liabilities. Deferred tax assets on off-balance corrections of EUR 7.0m were recognised (prior year: EUR 8.7m). 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
<b>2024</b>				
Intangible assets	(14.7)	(24.9)	-	(39.6)
Property, plant and equipment	(201.2)	(37.5)	-	(238.7)
Other financial assets	67.4	0.1	(70.9)	(3.4)
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	-	(0.6)	6.1
Provisions	36.5	0.6	-	37.1
Anticipatory liabilities	(1.2)	-	-	(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)
<b>Total</b>	<b>(80.8)</b>	<b>(70.0)</b>	<b>(73.3)</b>	<b>(224.1)</b>
<b>2025</b>				
Intangible assets	(39.6)	(17.0)	-	(56.6)
Property, plant and equipment	(238.7)	2.5	-	(236.2)
Other financial assets	(3.4)	-	5.6	2.2
Financial assets	(1.8)	-	0.3	(1.5)
Other receivables and assets	6.9	(3.4)	-	3.5
Loans and borrowings	19.4	(13.4)	-	6.0
Employee benefits	6.1	(0.8)	(1.9)	3.4
Provisions	37.1	(8.6)	-	28.5
Anticipatory liabilities	(1.2)	1.2	-	-
Regulatory items	(13.3)	9.9	-	(3.4)
Off-balance corrections	8.7	(1.7)	-	7.0
Other items	(4.3)	2.6	-	(1.7)
<b>Total</b>	<b>(224.1)</b>	<b>(28.7)</b>	<b>4.0</b>	<b>(248.7)</b>

Of the deferred tax assets and liabilities recognised, a total of EUR -0.4m (prior year: EUR 73.3m) was recorded in other income. EUR -5.6m relate to the fair value changes of the derivatives booked within other income as well as the the fair-value valuation of other

participations amounting to EUR -0.3m. The remaining deferred taxes (EUR 1.9m) relate to the actuarial gains and losses for defined pension obligations and similar obligations booked in other income.

The reduction in the corporate tax rate results in a one-off effect of EUR 46.5m.

## 6.7. Inventories

EUR m	2025	2024
Raw materials and consumables	12.2	12.4
Write-downs	0.0	0.0
Work in progress	350.8	195.9
<b>Total</b>	<b>363.0</b>	<b>208.3</b>

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 2025, expenses of EUR 3.4m (prior year: EUR 16.3m) were incurred due to the consumption of raw materials and supplies.

## 6.8. Trade receivables and other receivables (and anticipatory items)

EUR m	2025	2024
Trade receivables	368.8	370.4
Prepayments	22.3	7.6
VAT and other taxes	187.8	166.5
Contract assets	0.0	2.0
Securities and other	452.1	259.0
<b>Subtotal</b>	<b>1,031.0</b>	<b>805.5</b>
Anticipatory items	33.9	24.9
<b>Total</b>	<b>1,064.9</b>	<b>830.4</b>

Trade receivables are due within 12 months.

Prepayments include EUR 20.5m (prior year: EUR 6.2m) for a construction contract.

Collaterals and other receivables primarily comprise claims in connection with the settlement of the cost allocations (EUR 391.4m; prior year: EUR 197.4m) as well as margins at EEX electricity exchange (EUR 35.6m; prior year: EUR 50.3m).

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

EUR m	2025	2024
Not past due	389.4	368.3
0 to 30 days past due	0.4	2.8
31 to 60 days past due	0.6	0.1
61 days up to one year past due	0.0	4.1
More than one year past due	0.9	2.9
<b>Total (excluding valuation allowances)</b>	<b>391.3</b>	<b>378.2</b>
Doubtful debts	202.4	202.4
Valuation allowances	(202.4)	(202.4)
Provision for expected credit losses	(0.2)	(0.2)
<b>Total</b>	<b>391.1</b>	<b>378.0</b>

Trade receivables and prepayments of EUR 391.1m (prior year: EUR 378.0m) were fully recoverable as of 31 December 2025. On reporting date, trade receivables of EUR 1.9m (prior year: EUR 9.9m) 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 10.8m (prior year: EUR 11.0m).

## 6.9. Tax assets and liabilities

EUR m	2025	2024
Tax receivables	23.4	47.5
Tax payables	(43.9)	(4.0)
<b>Total</b>	<b>(20.5)</b>	<b>43.5</b>

Current tax assets consist of prior year trade tax receivables (EUR 4.8m), corporation tax receivables (EUR 9.7m) and capital gains tax receivables (EUR 8.9m). Income tax liabilities relate solely to trade tax liabilities (EUR 43.9m).

## 6.10. Cash and cash equivalents

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

EUR m	2025	2024
Call deposits	1,639.6	1,154.0
Balance at bank	133.2	128.4
<b>Total</b>	<b>1,772.8</b>	<b>1,282.4</b>

Cash and cash equivalents contain EUR 453.4m restricted cash (prior year: EUR 360.5m) for the EEG and KWK processes and for handling the electricity price brake. The previous year's figure was adjusted accordingly.

## 6.11. 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 years 2024 and 2025, both shareholders made an other payments of EUR 600.0m to Eurogrid's capital reserves in total each year.

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 2026 and 2027. 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 2025, there was an amount remaining from the net profit of the Group for 2024 (EUR 309.8m) of EUR 99.8m in the revenue reserves following a distribution to the shareholders in fiscal year 2025 of EUR 210.0m (prior year: EUR 180.0m).

For fiscal year 2025, there was a consolidated net income of EUR 486.0m.

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	2025	2024
Actuarial gains/losses recognised in other comprehensive income	12.9	6.1
Deferred taxes	(3.7)	(1.7)
Changes in fair value of other financial assets designated at fair value through OCI	121.8	121.6
Deferred taxes on changes in fair value of other financial assets designated at fair value through OCI	(1.5)	(1.8)
Cashflow hedge: Effective portion of changes in fair value	(7.2)	11.5
Cashflow hedge: Deferred taxes on effective portion of changes in fair values	2.2	(3.5)
<b>Closing balances of hedging and other reserves on 31.12.</b>	<b>124.5</b>	<b>132.2</b>

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

## 6.12. Loans and borrowings

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

EUR m	2025	2024
Bonds	9,066.6	6,968.8
Liabilities to banks	1,742.2	870.0
Lease liabilities	42.1	45.6
<b>Total non-current loans and borrowings</b>	<b>10,851.0</b>	<b>7,884.5</b>
Bonds	-	499.6
Liabilities to banks	75.6	0.0
Lease liabilities	4.6	8.1
Deferred interest	138.3	114.4
<b>Total current loans and borrowings</b>	<b>218.5</b>	<b>622.1</b>
<b>Total</b>	<b>11,069.5</b>	<b>8,506.5</b>

In fiscal year 2025, EUR 265.4m (prior year: EUR 131.2m) was paid for liabilities to banks and bonds.

We refer to 6.20. 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	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)
<b>Total bonds as part of Debt Issuance Programme as of 31 December 2024</b>		<b>7,440.0</b>	<b>7,531.4</b>	
Registered bond 2014	2044	50.0	50.1	3,000% p.a. (fixed)
<b>Total as of 31 December 2024</b>		<b>7,490.0</b>	<b>7,581.5</b>	

EUR m	Maturity	Nominal value	Carrying amount	Coupon
Bond as part of Debt Issuance Programme 2016	2030	140.0	140.2	2,625% p.a. (fixed)
Bond as part of Debt Issuance Programme 2020	2028	750.0	757.1	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	753.7	1,113% p.a. (fixed)
Bond as part of Debt Issuance Programme 2021	2033	500.0	501.3	0,741% p.a. (fixed)
Bond as part of Debt Issuance Programme 2021	2031	750.0	756.2	3,279% p.a. (fixed)
Bond as part of Debt Issuance Programme 2023	2030	800.0	816.2	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	652.9	3,075% p.a. (fixed)
Bond as part of Debt Issuance Programme 2024	2029	700.0	721.7	3,598% p.a. (fixed)
Bond as part of Debt Issuance Programme 2024	2034	800.0	826.3	3,915% p.a. (fixed)
Bond as part of Debt Issuance Programme 2024	2035	1,050.0	1,056.2	3,732% p.a. (fixed)
Bond as part of Debt Issuance Programme 2025	2037	800.0	816.7	4,056% p.a. (fixed)
Bond as part of Debt Issuance Programme 2025	2029	500.0	501.7	2,885% p.a. (fixed)
Bond as part of Debt Issuance Programme 2025	2040	600.0	603.2	4,165% p.a. (fixed)
<b>Total bonds as part of Debt Issuance Programm as of 31 December 2025</b>		<b>9,040.0</b>	<b>9,153.7</b>	
Registered bond 2014	2044	50.0	50.1	3,000% p.a. (fixed)
<b>Total as of 31 December 2025</b>		<b>9,090.0</b>	<b>9,203.8</b>	

Bonds as part of the Debt Issuance Programme 2021, 2024 and 2025 amounting to EUR 6,600.0m 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".

## 6.13. 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 2.8m (prior year: EUR 2.9m).

### 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	2025	2024
Defined benefit plans	23.6	26.9
Post-employment benefits other than pensions, thereof:	(0.6)	6.7
Obligations from long-service benefits	0.7	0.7
Obligations from working lifetime accounts	(1.9)	5.4
Obligation to shift workers	0.6	0.6
<b>Total provisions for employee benefits</b>	<b>23.1</b>	<b>33.6</b>

Of the total obligations, an amount of EUR 4.5m is current (prior year: EUR 3.5m).

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		Other	
	2025	2024	2025	2024
Present value of defined benefit obligation	(23.7)	(26.9)	(63.6)	(60.1)
Fair value of plan assets	0.1	0.1	64.2	53.4
<b>Net obligation</b>	<b>(23.6)</b>	<b>(26.9)</b>	<b>0.6</b>	<b>(6.7)</b>

## Movement in the present value of the defined benefit obligation

EUR m	Pensions		Other	
	2025	2024	2025	2024
<b>As of 1 January</b>	<b>(26.9)</b>	<b>(26.1)</b>	<b>(60.1)</b>	<b>(53.2)</b>
Current service cost	(3.1)	(2.8)	(1.7)	(5.4)
Interest expenses	(0.9)	(0.8)	(2.0)	(1.7)
Gains/losses recognised in other comprehensive income				
<b>Change in actuarial parameters:</b>	<b>6.7</b>	<b>2.0</b>	-	-
1) Change in financial assumptions	5.5	2.3	-	-
2) Change from experience adjustments	1.2	(0.3)	-	-
3) Demographic changes	-	-	-	-
Benefits paid	0.5	0.7	0.2	0.2
<b>As of 31 December</b>	<b>(23.7)</b>	<b>(26.9)</b>	<b>(63.6)</b>	<b>(60.1)</b>

## Movement in the fair value of the plan assets

EUR m	Pensions		Other	
	2025	2024	2025	2024
<b>As of 1 January</b>	<b>0.1</b>	<b>0.1</b>	<b>53.4</b>	<b>45.3</b>
Employer payments	0.0	0.0	10.8	9.1
Benefits paid	0.0	0.0	(0.1)	(1.0)
<b>As of 31 December</b>	<b>0.1</b>	<b>0.1</b>	<b>64.2</b>	<b>53.4</b>

All plan assets comprise insurance agreements.

The plan asset for one individual contractual obligation under a defined benefit plan discloses an actual return of 6.69%.

## Amounts recognised in the consolidated statement of comprehensive income

EUR m	Pensions		Other	
	2025	2024	2025	2024
<b>Service cost</b>				
Current service cost	(3.1)	(2.8)	9.2	3.7
Benefits paid	0.5	0.7	0.2	0.2
Utilisations	0.0	0.0	(0.1)	(1.0)
Net interest expense				
Interest expense	(0.9)	(0.8)	(2.0)	(1.7)
<b>Amounts recognised in the statement of profit or loss</b>	<b>(3.5)</b>	<b>(2.9)</b>	<b>7.3</b>	<b>1.2</b>
<b>Actuarial gains/losses</b>				
Actuarial gains/losses	6.7	2.0	-	-
1) Change in financial assumptions	5.5	2.3	-	-
2) Change from experience adjustments	1.2	(0.3)	-	-
3) Demographic changes	-	-	-	-
<b>Remeasurements of net defined benefit liability/asset recognised in other comprehensive income (OCI)</b>	<b>6.7</b>	<b>2.0</b>	-	-
<b>Total</b>	<b>3.2</b>	<b>(0.9)</b>	<b>7.3</b>	<b>1.2</b>

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

Expected payments for defined benefit plans in 2026 amount to EUR 0.5m (prior year: EUR 0.6m).

## Breakdown of defined benefit obligations

EUR m	2025	2024
<b>By type of plan participants:</b>	<b>(87.3)</b>	<b>(87.0)</b>
Active plan participants	(81.7)	(79.1)
Terminated plan participants with defined benefit entitlement	(0.5)	(0.6)
Retired plan participants and beneficiaries	(5.1)	(7.3)
<b>By type of benefits:</b>	<b>(87.3)</b>	<b>(87.0)</b>
Retirement and death benefits	(23.7)	(26.9)
Working lifetime accounts	(62.2)	(58.8)
Long-service awards	(0.7)	(0.7)
Shift work	(0.6)	(0.6)

## 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 %)	2025	2024
Discount rate	4.29	3.45
Future expected wage and salary increase	5.00	5.25
Expected inflation rate	2.00	2.00
Expected increase in social security costs	2.00	2.00
Future expected pension increase	0,0/1,0/2,00	0,0/1,0/2,08
Average retirement age (in years)	65	65
	2018 G Heubeck mortality tables	2018 G Heubeck mortality tables
Biometrics		
Life expectancy for a 65-year-old on 31 December		
(in years):		
male	21.1	20.9
female	24.4	24.3

## Sensitivity analysis

EUR m	Effect on defined benefit obligation	
	Increase	Decrease
Discount rate (+/- 0.5%)	(6.2)	7.1
Wage and salary increase (+/- 0.5%)	3.9	(0.1)
Pension increase (+/- 0.25%)	0.1	(0.1)
Life expectancy of a pensioner (+1 year), male and female	0.7	-

## Maturity of defined benefit obligations

The average term of defined benefit pensions plans is 24.6 years, of working lifetime accounts obligations 12.7 years, of long-service benefits obligations 9.4 years and to shift worker of 5 years. The maturities of the benefit payments break down as follows:

EUR m	< 12 months	1-5 years	6-10 years	> 10 years
Pensions	0.5	2.1	3.0	74.1
Other	4.6	15.5	15.6	82.0
<b>Total</b>	<b>5.1</b>	<b>17.7</b>	<b>18.7</b>	<b>156.1</b>

## 6.14. Other provisions

Other provisions break down as follows:

EUR m	2025	2024
Provisions for environmental protection measures	1.0	1.1
Provision for dismantling obligations	135.0	136.1
Provision for archiving costs	0.1	0.1
<b>Other non-current provisions</b>	<b>136.2</b>	<b>137.3</b>
Provisions for environmental protection measures	0.7	0.7
Provision for litigation risks	3.6	3.4
<b>Other current provisions</b>	<b>4.4</b>	<b>4.1</b>
<b>Total other provisions</b>	<b>140.5</b>	<b>141.4</b>
Current portion of other personnel obligations	4.5	3.5
<b>Total provisions</b>	<b>145.0</b>	<b>144.9</b>

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 2025 is EUR 135.0 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 2025 ranged between 2.89% to 4.39%, depending on the lifetime of the asset to dismantle. Should the discount rate increase by 1%, the dismantling provisions would decrease by EUR 15.5 million. If the pre-tax discount rate had been 0%, the carrying amount of the provision would have been EUR 86.5m 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
<b>As of 1 January 2024</b>	<b>1.8</b>	<b>3.4</b>	<b>130.7</b>	<b>0.1</b>	<b>136.0</b>
Addition	-	0.8	2.1	-	2.9
Reversal	-	(0.7)	-	-	(0.7)
Utilisation	0.0	(0.1)	-	-	(0.1)
Unwinding of the discount/change in interest rate	0.0	-	3.3	-	3.3
<b>As of 31 December 2024</b>	<b>1.8</b>	<b>3.4</b>	<b>136.1</b>	<b>0.1</b>	<b>141.4</b>
Non-current	1.1	-	136.1	0.1	137.3
Current	0.7	3.4	-	-	4.1

EUR m	Environmental protection measures	Litigation risks	Dismantling obligations	Other	Total
<b>As of 1 January 2025</b>	<b>1.8</b>	<b>3.4</b>	<b>136.1</b>	<b>0.1</b>	<b>141.4</b>
Addition	-	0.5	1.5	-	2.0
Reversal	-	(0.2)	-	-	(0.2)
Utilisation	0.0	(0.1)	-	-	(0.1)
Unwinding of the discount/change in interest rate	0.0	-	(2.6)	-	(2.6)
<b>As of 31 December 2025</b>	<b>1.8</b>	<b>3.6</b>	<b>135.0</b>	<b>0.1</b>	<b>140.5</b>
Non-current	1.1	0.0	135.0	0.1	136.2
Current	0.7	3.6	-	-	4.4

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 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
<b>Total</b>	<b>141.4</b>	<b>4.1</b>	<b>1.1</b>	<b>136.2</b>

EUR m	Carrying amount as of 31 December 2025	2026	2027 to 2030	from 2031
Environmental protection measures	1.9	0.7	1.1	-
Litigation risks	3.6	3.6	-	-
Dismantling obligations	135.0	-	-	135.0
Other	0.1	-	-	0.1
<b>Total</b>	<b>140.6</b>	<b>4.4</b>	<b>1.1</b>	<b>135.1</b>

## 6.15. Contract liabilities

EUR m	2025	2024
< 1 year	1.1	1.1
1-5 years	471.6	4.1
> 5 years	31.2	30.8
<b>Total contract liabilities at 31 December</b>	<b>503.9</b>	<b>36.0</b>

The contract liabilities include an offshore customer project as well as construction cost subsidies that were previously presented as other long-term liabilities. The prior-year figures have been adjusted.

## 6.16. Other non-current liabilities

EUR m	2025	2024
Grants and subsidies	153.1	92.6
Other	4.6	34.2
<b>Total</b>	<b>157.7</b>	<b>126.7</b>

Investment grants are spread over several assets. The most significant projects are Suedwestkuppelleitung, Kriegers Flak Combined Grid Solution and South-East-Link. All three 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 2025.

Until 2024, customer contributions were reported under other non-current liabilities. Starting in 2025, they will be presented separately as contract liabilities.

Sundry other non-current liabilities mainly comprise liabilities from the pension plan (2025: EUR 3.6m; prior year: EUR 4.1m).

## 6.17. Trade payables and other liabilities

EUR m	2025	2024
Trade payables due to third parties	1,045.9	712.7
VAT and other taxes	17.5	10.1
Other liabilities, personnel	0.7	6.1
Other liabilities, sundry	183.1	102.1
Accruals and deferrals	686.8	823.8
<b>Total</b>	<b>1,934.0</b>	<b>1,654.8</b>

Sundry other liabilities relate primarily to liabilities from compensation mechanisms of EUR 132.5m (prior year: EUR 53.6m).

Accruals and deferrals primarily comprise obligations resulting from the settlement of the EEG of EUR 166.8m (prior year: EUR 253.7m) as well as additional cost allocations of EUR 180.7m (prior year: EUR 325.6m).

All trade payables and other liabilities are current.

## 6.18. Anticipatory equity and liabilities

Deferred income relates to a cost reimbursement and income received in advance.

## 6.19. Financial instruments - fair values

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

EUR m	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through OCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Other financial assets	0.0	142.6	-	142.6	-	-	142.6	142.6
Derivatives with positive values	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)	-	(8,102.0)
Derivatives with negative value	(0.9)	-	-	(0.9)	0.9	-	-	(0.9)
Lease liabilities	-	-	(53.8)	(53.8)	-	-	-	-
Contract liabilities	-	-	(36.0)	(36.0)	-	-	-	-
Trade and other payables	-	-	(1,604.7)	(1,604.7)	11.9	-	-	(11.9)
<b>Total as of 31 December 2024</b>	<b>(0.1)</b>	<b>154.1</b>	<b>(8,233.4)</b>	<b>(8,079.4)</b>	<b>(7,958.4)</b>	<b>(93.8)</b>	<b>142.6</b>	<b>(7,909.7)</b>

EUR m	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through OCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Other financial assets	-	142.8	-	142.8	-	-	142.8	142.8
Trade and other receivables	-	-	1,173.4	1,173.4	35.6	-	-	35.6
Cash and cash equivalents	-	-	1,772.8	1,772.8	-	-	-	-
Loans and borrowings	-	-	(11,022.7)	(11,022.7)	(10,533.9)	(88.8)	-	(10,622.7)
Derivatives with negative value	-	(7.2)	-	(7.2)	(7.2)	-	-	(7.2)
Lease liabilities	-	-	(46.8)	(46.8)	-	-	-	-
Contract liabilities	-	-	(503.9)	(503.9)	-	-	-	-
Trade and other payables	-	-	(1,883.5)	(1,883.5)	-	-	-	-
<b>Total as of 31 December 2025</b>	<b>-</b>	<b>135.6</b>	<b>(10,510.7)</b>	<b>(10,375.1)</b>	<b>(10,505.5)</b>	<b>(88.8)</b>	<b>142.8</b>	<b>(10,451.5)</b>

Derivatives in the "at fair value through profit or loss" measurement category were created for the first time in the prior year. As at the balance sheet date of the prior year, there were derivatives of EUR 0.8 m and derivative liabilities of EUR -0.9 m, which were 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 35.6 m; prior year: EUR 50.3 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 142.8m 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 the prior year, the new valuation led to a remeasurement result of EUR 65.9m booked within other income. In the reporting year,, the Group received a dividend from other participations at FVOCI for an amount of EUR 1.4m (prior year: EUR 1.4m).

## Trade and other receivables

Level 1 also includes financial assets (EUR 35.6m; prior year: EUR 50.3m) and financial liabilities (prior year: 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 6.4 for further details.

## Loans and borrowings

The fair value of the bonds amounted to EUR 8,716.5 m on the balance sheet date (prior year: EUR 7,138.3m). 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 39.9m and the fair value of the private placement from 2023 amounted to EUR 48.9m, 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 1,817.8 m and corresponds to the fair value.

## 6.20. 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
<b>As of 1 January 2024</b>	<b>39.7</b>	<b>9.0</b>	<b>6.5</b>	<b>1.1</b>	<b>1.0</b>	<b>57.3</b>
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)
<b>As of 31 December 2024</b>	<b>37.9</b>	<b>5.2</b>	<b>7.3</b>	<b>1.2</b>	<b>0.2</b>	<b>51.8</b>

EUR m	Use of land and overhead lines	Rent of buildings/offices	Cars	Optical fibres	Other	Total
<b>As of 1 January 2025</b>	<b>37.9</b>	<b>5.3</b>	<b>7.3</b>	<b>1.1</b>	<b>0.2</b>	<b>51.8</b>
Additions	(0.3)	-	0.6	1.0	0.0	1.3
Depreciations	(1.3)	(3.9)	(2.8)	(0.5)	0.0	(8.4)
Disposals	-	-	-	-	-	-
<b>As of 31 December 2025</b>	<b>36.3</b>	<b>1.4</b>	<b>5.1</b>	<b>1.7</b>	<b>0.2</b>	<b>44.8</b>

## Lease liabilities

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

Maturity analysis - contractual undiscounted cash flows in EURm	2025	2024
< 1 year	5.5	9.3
1-5 years	11.5	14.2
> 5 years	40.1	41.1
<b>Total undiscounted lease liabilities at 31 December</b>	<b>57.1</b>	<b>64.6</b>
<b>Lease liabilities in the statement of financial position at 31 December</b>	<b>46.8</b>	<b>53.7</b>
Current	4.6	8.1
Non-current	42.1	45.6

## 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	2025	2024
Depreciation expense of right-of-use assets	8.4	8.7
Interest on lease liabilities	0.9	0.9
Expenses relating to short-term leases	0.5	0.4
Expenses relating to low-value assets	0.1	0.1
<b>Total</b>	<b>9.9</b>	<b>10.1</b>

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 2025 (prior year: EUR 8.6m) 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 2025 was EUR 1.9m (prior year: EUR 1.9m).

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	2025	2024
within 1 year	1.2	2.0
1 to 2 years	0.8	0.8
2 to 3 years	0.7	0.5
3 to 4 years	0.7	0.4
4 to 5 years	0.6	0.4
more than 5 years	2.1	2.4
<b>Total</b>	<b>6.0</b>	<b>6.5</b>

## 6.21. Regulatory items

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

EUR m	2025	2024
Regulatory claims	208.0	339.4
Regulatory obligations	(1,165.5)	(914.9)
<b>Total</b>	<b>(957.5)</b>	<b>(575.5)</b>

The obligation surplus as of 31 December 2025 of EUR 957.5m (prior year: EUR 575.5m) is the nominal amount of EUR 1,061.0m (prior year: EUR 659.5m) less an interest effect of EUR 103.5m (prior year: EUR 84.0m).

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

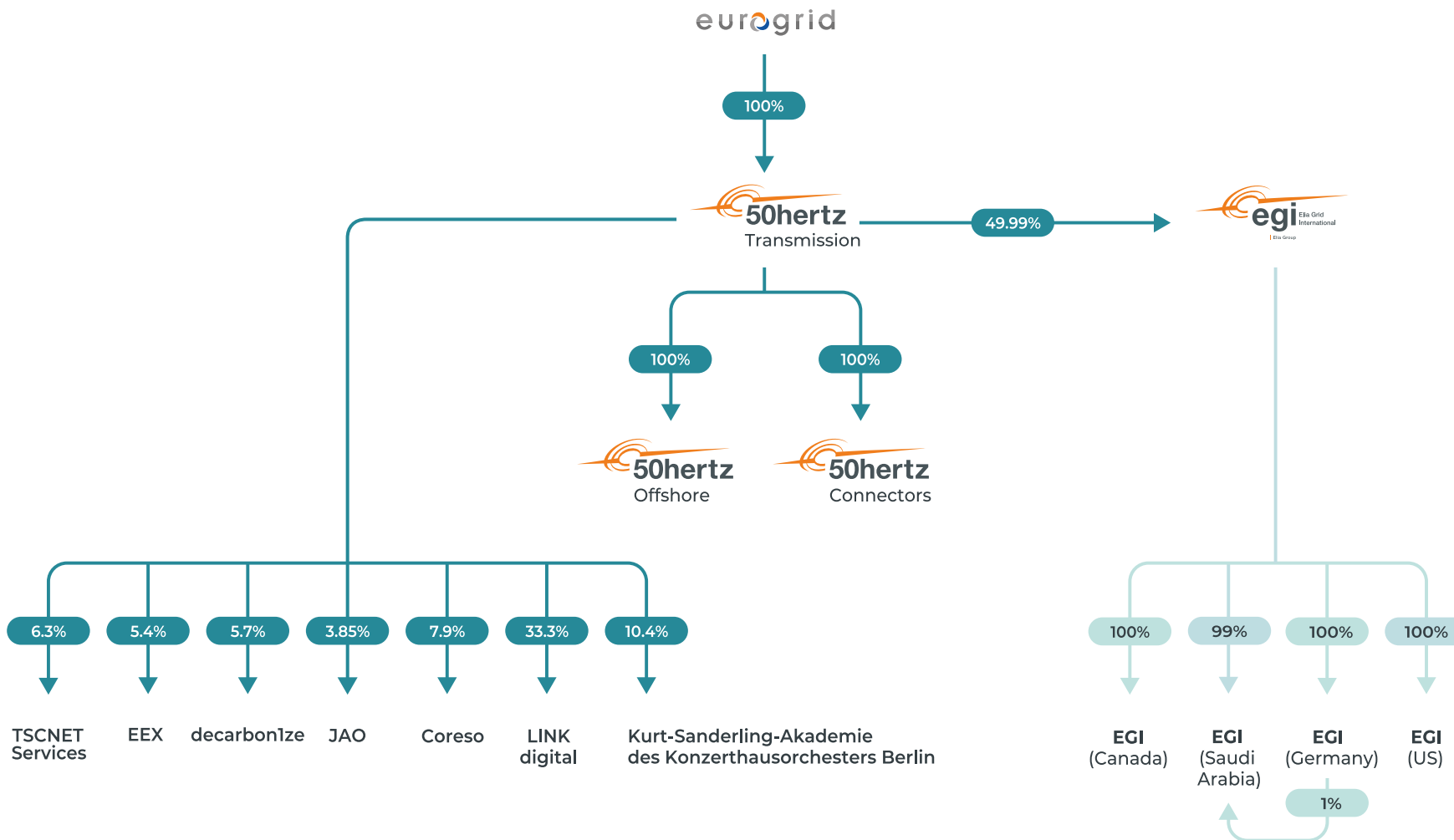
EUR m	Nominal account 2024	Less than 1 year	1-5 years	More than 5 years
regulatory items	659.5	(60.6)	431.4	288.7

EUR m	Nominal account 2025	Less than 1 year	1-5 years	More than 5 years
regulatory items	1,061.0	70.9	650.7	339.5

EUR m	Regulatory claims	Regulatory obligations	Total
<b>As of 1 January 2024</b>	323.0	(607.8)	(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
<b>As of 31 December 2024</b>	339.4	(914.9)	(575.5)

EUR m	Regulatory claims	Regulatory obligations	Total
<b>As of 1 January 2025</b>	339.4	(914.9)	(575.5)
Increase	4.5	(326.3)	(321.8)
Decrease	(136.5)	56.8	(79.7)
Unwinding of discount/interest rate change	0.6	18.9	19.5
<b>As of 31 December 2025</b>	208.0	(1,165.5)	(957.5)

# 7. List of shareholdings as of 31 December 2025



Name	Country of establishment	Headquarters	Commercial register number	Equity (EUR m)	Net result (EUR m)	2025	2024
<b>Full consolidated companies</b>							
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
<b>Associated companies accounted for using the equity method</b>							
Elia Grid International NV/SA	Belgium	Boulevard de l'Empereur 1000 Brussels	549,780,459			49.99	49.99
LINK digital GmbH	Germany	Friedrichstraße 10 a 97082 Würzburg	HRB 17500			33,3	-
<b>Other participations</b>							
JAO Joint Allocation Office S.A.	Luxembourg	Rue de Bitbourg 2	B0142282	9,4 (annual report 31.12.2024)	1,1 (annual report 31.12.2024)	4.0	4,0
CORESO S.A.	Belgium	Avenue de Cortenberg 71 1000 Brussels	808,569,630	7.2	1.2	7,9	7,9
				(annual report 31.12.2024)	(annual report 31.12.2024)		
European Energy Exchange AG	Germany	Augustusplatz 9 04109 Leipzig	HRB 18409	1,154,1	247.4	5,4	5,4
				(consolidated annual report 31.12.2024)	(consolidated annual report 31.12.2024)		
TSCNET Services GmbH	Germany	Dingolfinger Strasse 3 81673 Munich	HRB 214951	12.8	0.9	6,3	6,3
				(annual report 31.12.2024)	(annual report 31.12.2024)		
decarbonize GmbH	Germany	Mariendorfer Damm 1 12099 Berlin	HRB 233212 B	2.4	(0.4)	5,7	5,7
				(annual report 31.12.2024)	(annual report 31.12.2024)		
Stiftung Kurt-Sanderling-Akademie des Konzertthausorchesters 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 decarbonize 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 9,040.0 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, 2023 and 2025 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	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)
<b>Total as of 31 December 2024</b>	<b>8,452.7</b>	<b>(10,065.2)</b>	<b>(637.9)</b>	<b>(104.1)</b>	<b>(382.6)</b>	<b>(2,713.5)</b>	<b>(6,227.1)</b>
Unsecured bonds	9,204.9	(11,324.6)	(142.0)	(132.1)	(924.1)	(3,645.0)	(6,481.4)
Unsecured bank loans and other loans	1,817.8	(2,208.2)	(77.7)	(227.2)	(271.3)	(752.6)	(879.4)
<b>Total as of 31 December 2025</b>	<b>11,022.7</b>	<b>(13,532.8)</b>	<b>(219.7)</b>	<b>(359.3)</b>	<b>(1,195.4)</b>	<b>(4,397.6)</b>	<b>(7,360.8)</b>

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 4,750.0m 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	-	750.0
Overdraft facility	unlimited	150.0	-	150.0
Loan	14 December 2026	150.0	150.0	-
Loan with bank consortium	31 March 2033	600.0	600.0	-
Loan	25 November 2033	120.0	120.0	-
Loan	30 June 2032	4.4	4.4	-
Confirmed credit line	26 February 2027	3,000.0	-	3,000.0
Loan with bank consortium	30 December 2034	1,000.0	1,000.0	-
Loan with bank consortium	30 December 2035	850.0	-	850.0

The solvency of the Group and its Group entities was secured at all times in fiscal year 2025.

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

EUR m	Loans and borrowings
<b>Balance at 1 January 2024</b>	<b>5,454.7</b>
<b>Changes in cash flow from financing activities</b>	
Cashflow: Repayment of borrowings	(8.6)
Cashflow: Proceeds from withdrawal of borrowings	2,992.6
<b>Total changes in cash flow from financing activities</b>	<b>2,984.0</b>
<b>Other changes</b>	
Changes in interest accruals	63.6
Increase in lease liabilities	6.2
Transaction costs	(2.0)
<b>Total other changes</b>	<b>67.8</b>
<b>Balance at 31 December 2024</b>	<b>8,506.5</b>
<b>Balance at 1 January 2025</b>	<b>8,506.5</b>
<b>Changes in cash flow from financing activities</b>	
Cashflow: Repayment of borrowings	(564.9)
Cashflow: Proceeds from withdrawal of borrowings	3,100.3
<b>Total changes in cash flow from financing activities</b>	<b>2,535.4</b>
<b>Other changes</b>	
Changes in interest accruals	24.1
Decrease in lease liabilities	(7.0)
Transaction costs	10.6
<b>Total other changes</b>	<b>27.6</b>
<b>Balance at 31 December 2025</b>	<b>11,069.5</b>

## 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
<b>As of 1 January 2024</b>	<b>201.5</b>	<b>(201.5)</b>	-
Changes in the fiscal year	0.9	(0.9)	-
<b>As of 31 December 2024</b>	<b>202.4</b>	<b>(202.4)</b>	-
<b>As of 1 January 2025</b>	<b>202.4</b>	<b>(202.4)</b>	-
Changes in the fiscal year	(0.4)	0.4	-
<b>As of 31 December 2025</b>	<b>202.0</b>	<b>(202.0)</b>	-

Total expected credit loss amounts to EUR 0.2m as of 31 December 2025 (prior year: EUR 0.2m).

## 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	2025	2024
Total financial liabilities	13,456.9	10,147.1
Less: cash and cash equivalents	(1,772.8)	(1,282.4)
<b>Net debt</b>	<b>11,684.0</b>	<b>8,864.6</b>
Equity	3,972.2	3,103.9
<b>Total capital</b>	<b>15,656.2</b>	<b>11,968.6</b>
<b>Debt ratio*</b>	<b>75 %</b>	<b>74 %</b>

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

## 8.3. Commitment and contingencies

On 31 December 2025, there was a purchase obligation for investments measures of EUR 14,459.5m (prior year: EUR 15,090.3m). The increase is mainly related to onshore projects.

The purchase commitment for maintenance measures amounts to EUR 32.4m as of 31 December 2025 (prior year: EUR 23.1m).

## 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 2025.

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 2025, revenue of EUR 60.5m was generated (prior year: EUR 52.1m), while expenses amounted to EUR 64.0m (prior year: EUR 57.4m). On the reporting date,

there were receivables of EUR 6.2m (prior year: EUR 20.8m) and liabilities of EUR 6.4m (prior year: EUR 5.4m).

Service agreements on general management and service functions are in place between Eurogrid and Eurogrid International. In fiscal year 2025, this resulted in expenses for purchased services of EUR 0.4m for the Group (prior year: EUR 0.3m). Trade and other payables remained at EUR 0.1m (prior year: EUR 0.1m).

Furthermore, the Group distributed EUR 210.0m (prior year: EUR 180.0m) 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 2025 (31 December 2024: EUR 11.2m). Furthermore various service agreements have been in place between EGI and 50Hertz. Expenses amount to EUR 0.4m (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 2025, the general managers of 50Hertz Transmission received EUR 2,604,270.65 (prior year: EUR 2,917,901.35) in consideration, which breaks down as follows:

- Fixed basic salaries EUR 1,269,915.42
- Variable salary components – short-term EUR 442,371.00
- Variable salary components – long-term EUR 347,474.00
- Pension scheme (company pension scheme and direct insurance) EUR 313,785.63
- Other benefits and allowances (including share subscription programme) EUR 230,724.60.

Pensions liabilities relating to former members of the Board of Directors amounts to EUR 3.6m (prior year: EUR 3.8), 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 0.4m).

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 17.0m (expenses) and 2.2m (income) in the fiscal year 2025. No other material transactions with related parties took place.

## 8.5. Subsequent events

In February 2026, a green revolving credit facility of €5,250.0 million was concluded to secure the investment volume. No utilization is currently anticipated..

## 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 393.3k in the fiscal year (previous year: EUR 389k). 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 281.2k (previous year: EUR 195k) for other consulting services and EUR 12.5k (previous year: EUR 12k) 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 (until 29 June 2025)

**Markus Berger**, Chief Infrastructure Officer, Elia Transmission Belgium NV/SA and Elia Asset NV/SA, Braine- l'Alleud, Belgium (until 2 July 2025)

**Bernard Gustin**, Chairman, Chief Executive Officer Elia Group NV/SA, Brussels, Belgium (since 3 July 2025)

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

**Peter Michiels**, Chief Alignment Officer of Elia Group NV/SA and Chief Corporate Affairs of Elia Transmission Belgium NV/SA and Elia Asset NV/SA, Antwerp, Belgium

**Bert Maes**, CEO of Nemo Link Ltd. & Eurogrid International NV/SA, Beveren-Waas, Belgium

**Marco Nix**, Chief Financial Officer Elia Group NV/SA, Berlin, Germany ( since 3 July 2025)

**Gabriele Eggert**, Director of Hamburger Energienetze GmbH, Hamburg, Germany (since 26 August 2025)

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**, Head of Group Corporate Financing der 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, 6 March 2026

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	2025	2024
Result from operating activities	727.2	532,1
Result from equity investments accounted for using the equity method	0.5	1.9
<b>EBIT</b>	<b>727.7</b>	<b>534,0</b>

### 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	2025	2024
Result from operating activities	727.2	532,1
Add:		
Amortisation, depreciation and impairment	420.3	374,4
Changes in provisions	0.3	(0.9)
Result from equity investments accounted for using the equity method	0.5	1.9
<b>EBITDA</b>	<b>1,148.4</b>	<b>907.5</b>

### 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	2025	2024
Net cash flow from operating activities	1,172.1	609.8
Deduct:		
Net cash used in investing activities	(3,607.1)	(3,492.8)
<b>Free cash flow</b>	<b>(2,435.0)</b>	<b>(2,883.0)</b>

### 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 453.4m). 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	2025	2024
Non-current loans and borrowings	10,851.0	7,884.4
Add:		
Current loans and borrowings	218.5	622.1
Deduct:		
Cash and cash equivalents	1,772.8	1,282.4
<b>Net financial debt</b>	<b>9,296.7</b>	<b>7,224.0</b>
EEG and similar mechanisms	453.4	360.5
<b>Net financial debt, excl. EEG and similar mechanisms</b>	<b>9,750.1</b>	<b>7,584.6</b>

# INDEPENDENT AUDITOR'S REPORT<sup>21</sup>

To Eurogrid GmbH, Berlin

## QUALIFIED OPINIONS

We have audited the consolidated financial statements of Eurogrid GmbH, Berlin, and its subsidiaries (the Group) — consisting of the consolidated balance sheet as of December , the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the financial year from January 1, 2025 to December 31, 2025, and the notes to the consolidated financial statements, including significant information on 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, 2025 to December 31, 2025. 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, 2025, and of its financial performance for the financial year from January 1, 2025 to December 31, 2025, 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 957.5 million (prior year: EUR 575.5 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, 2025 to December 31, 2025, the change in claims and obligations arising from regulatory matters resulted in revenues that were EUR 387.9 million too low (previous year: EUR 295.6 million too low) and the financial result that was EUR 19.6 million too high (previous year: EUR 4.8 million too high). In this respect, earnings before taxes are by EUR 368.4 million too low (previous year: EUR 290.7 million too low) for the financial year 2025.

With reference to IAS 8.10 et seq., 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

<sup>21</sup> Note: This is a convenience translation of the German original. Solely the original text in German is authoritative.

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, 2025 to December 31, 2025. 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 operations

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

### Matter

The consolidated financial statements of Eurogrid as of December 31, 2025, contain property, plant, and equipment which account for 78% of total assets. The property, plant, and equipment almost exclusively comprise grid connection 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 2025, the Eurogrid Group reports revenues from the grid business in the amount of EUR 2,436.1 million. These are generally based on the revenue cap for the calendar year 2025 notified to the responsible regulatory authority. The revenue cap is based, among other things, on budget cost estimates for the regulatory activities of the Eurogrid Group. At the 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 an increase or decrease 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 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.

## RESPONSIBILITY 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 judgement 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.

## **FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION**

We were elected as group auditor by the consolidated general meeting on March 24, 2025. We were engaged by the supervisory board on November 3, 2025. 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 audit is André Hackbarth.

Berlin, March 6, 2026

BDO AG

Auditing company

signed Klaus Eckmann  
Wirtschaftsprüfer  
(German Public Auditor)

signed André Hackbarth  
Wirtschaftsprüfer  
(German Public Auditor)

# ASSURANCE REPORT OF THE INDEPENDENT GERMAN PUBLIC AUDITOR ON A LIMITED ASSURANCE ENGAGEMENT IN RELATION TO THE GROUP SUSTAINABILITY STATEMENT<sup>22</sup>

To the Eurogrid GmbH, Berlin

## ASSURANCE CONCLUSION

We have conducted a limited assurance engagement on the Group Sustainability Statement as included in section "Group Sustainability Statement" of the combined management report, of Eurogrid GmbH, Berlin, (hereinafter referred to as "the Company") for the financial year from January 1, 2025 to December 31, 2025. The Group Sustainability Statement was prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as Articles 315b and 315c HGB [Handelsgesetzbuch: German Commercial Code] for a combined non-financial statement.

The references to other information of the company outside the combined management report are not subject to our assurance engagement.

Based on the procedures performed and the evidence obtained as part of our limited assurance engagement, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, Articles 315b and 315c HGB for a combined non-financial statement and the supplementary criteria presented by the executive directors of the Company.

This assurance conclusion includes that nothing has come to our attention that causes us to believe that

- the accompanying Group Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the entity to identify information to be included in the Group Sustainability Statement (the materiality assessment) is not, in all material respects, in accordance with the description set out in section „IRO-1 – Description of the processes

to identify and assess material impacts, risks, and opportunities" in the Group Sustainability Statement, or

- the disclosures in the Group Sustainability Statement in section "2.1 Eligibility and alignment for EU Taxonomy regulation)" do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

We do not express an assurance conclusion on the references to other information of the company outside the combined management report.

## BASIS FOR THE ASSURANCE CONCLUSION

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the section "German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement".

We are independent of the Company 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. Our audit firm has

<sup>22</sup> This is a convenience translation of the German original. Solely the original text in the German language is authoritative.

applied the requirements for a system of quality control as set forth in the IDW Quality Management Standard issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS1 (09.2022)). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion and opinion.

## RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE GROUP SUSTAINABILITY STATEMENT

The executive directors are responsible for the preparation of the Group Sustainability Statement in accordance with the requirements of the CSRD and the applicable German legal and other European requirements as well as with the supplementary criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control that they have considered necessary to enable the preparation of the Group Sustainability Statement in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e., fraudulent sustainability reporting in the Group Sustainability Statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Statement, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The Supervisory Board is responsible for overseeing the process for the preparation of the Group Sustainability Statement.

## INHERENT LIMITATIONS IN PREPARING THE GROUP SUSTAINABILITY STATEMENT

The CSRD and the applicable German legal and other European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. Therefore, the executive directors have disclosed their interpretations of such wording and terms in the Group Sustainability Statement. The executive directors are responsible for the reasonableness of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Group Sustainability Statement.

## GERMAN PUBLIC AUDITOR'S RESPONSIBILITIES FOR THE ASSURANCE ENGAGEMENT ON THE GROUP SUSTAINABILITY STATEMENT

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Statement, has not been prepared, in all material respects, in accordance with the CSRD, the applicable German legal and other European requirements and the supplementary criteria presented by the Company's executive directors, and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Statement.

As part of an assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process used to prepare the Group Sustainability Statement, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Group Sustainability Statement.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. 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 control. In addition, the risk of not detecting a material misstatement in information obtained from sources not within entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's executive directors and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

## SUMMARY OF THE PROCEDURES PERFORMED BY THE GERMAN PUBLIC AUDITOR

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgment.

In performing our limited assurance engagement, we:

- a) evaluated the suitability of the criteria as a whole presented by the executive directors in the Group Sustainability Statement.
- b) inquired of the executive directors and relevant employees involved in the preparation of the Group Sustainability Statement about the preparation process, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Group Sustainability Statement, and about the internal controls relating to this process.
- c) evaluated the reporting policies used by the executive directors to prepare the Group Sustainability Statement.
- d) evaluated the reasonableness of the estimates and related information provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors were unable to obtain.
- e) performed analytical procedures and made inquiries in relation to selected information in the Group Sustainability Statement.
- f) considered the presentation of the information in the Group Sustainability Statement.
- g) considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Statement.

## RESTRICTION OF USE

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the assurance report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the assurance report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

## ENGAGEMENT TERMS

This engagement is based on the "Special Terms and Conditions of BDO" dated July 1, 2025, agreed with the Company as well as the „General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)“ dated January 1, 2024, issued by the IDW.

Berlin, March 6, 2026

BDO AG

Wirtschaftsprüfungsgesellschaft

gez. Wolfgang Funke  
German Public Auditor

gez. Arne Stratmann  
German Public Auditor