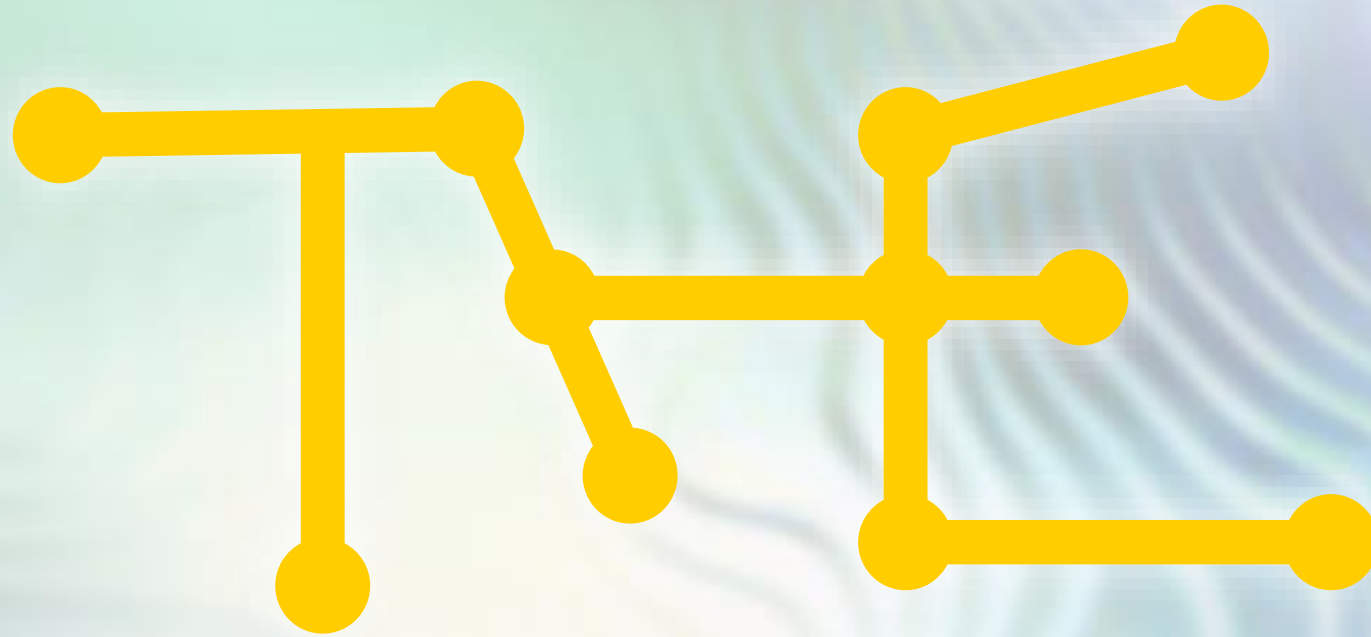




Welcome

Customer Forum for BGMs

October 2025

Agenda

1. Brief review

- Security of supply
- System balancing and conversion
- Biogas-related abuse proceedings
- Balancing authority in Austria
- Amortisation account

2. Outlook

- Abolition of the gas storage neutrality charge
- Expiry of the GasNZV
- WasABi ruling

3. Announcements

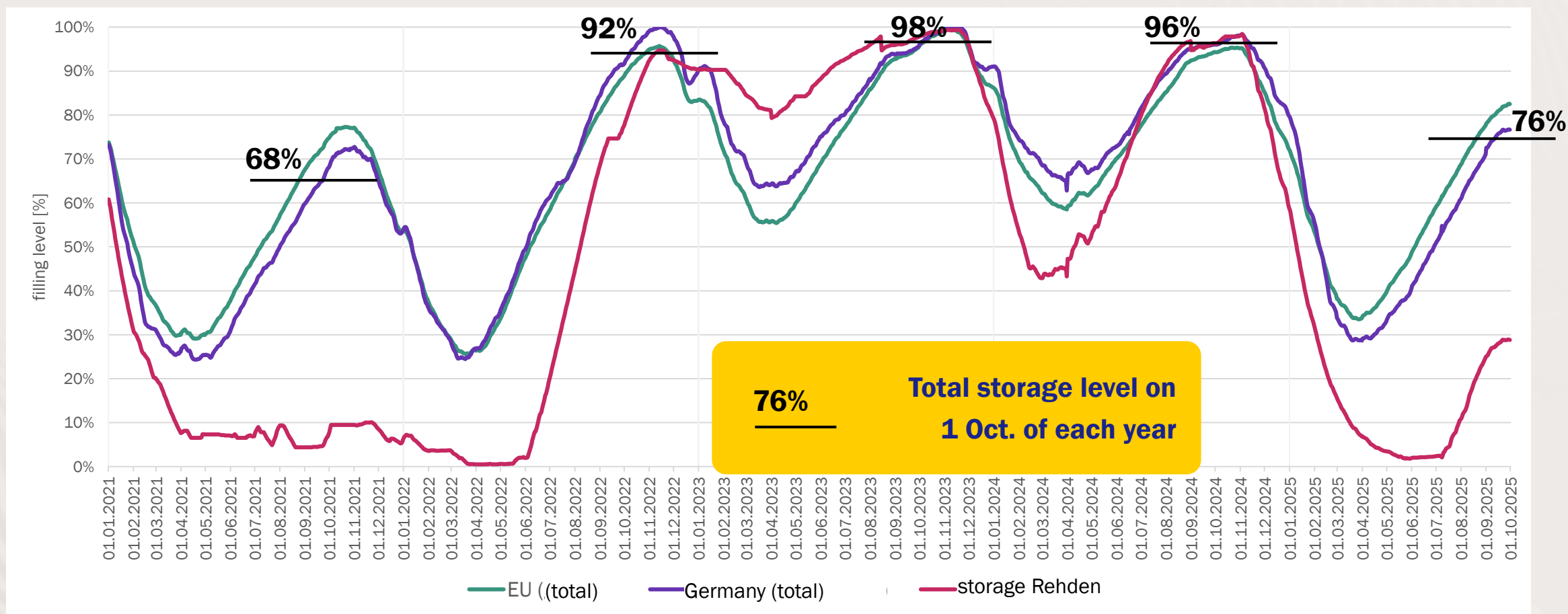
4. Time schedule for today's event

Security of supply

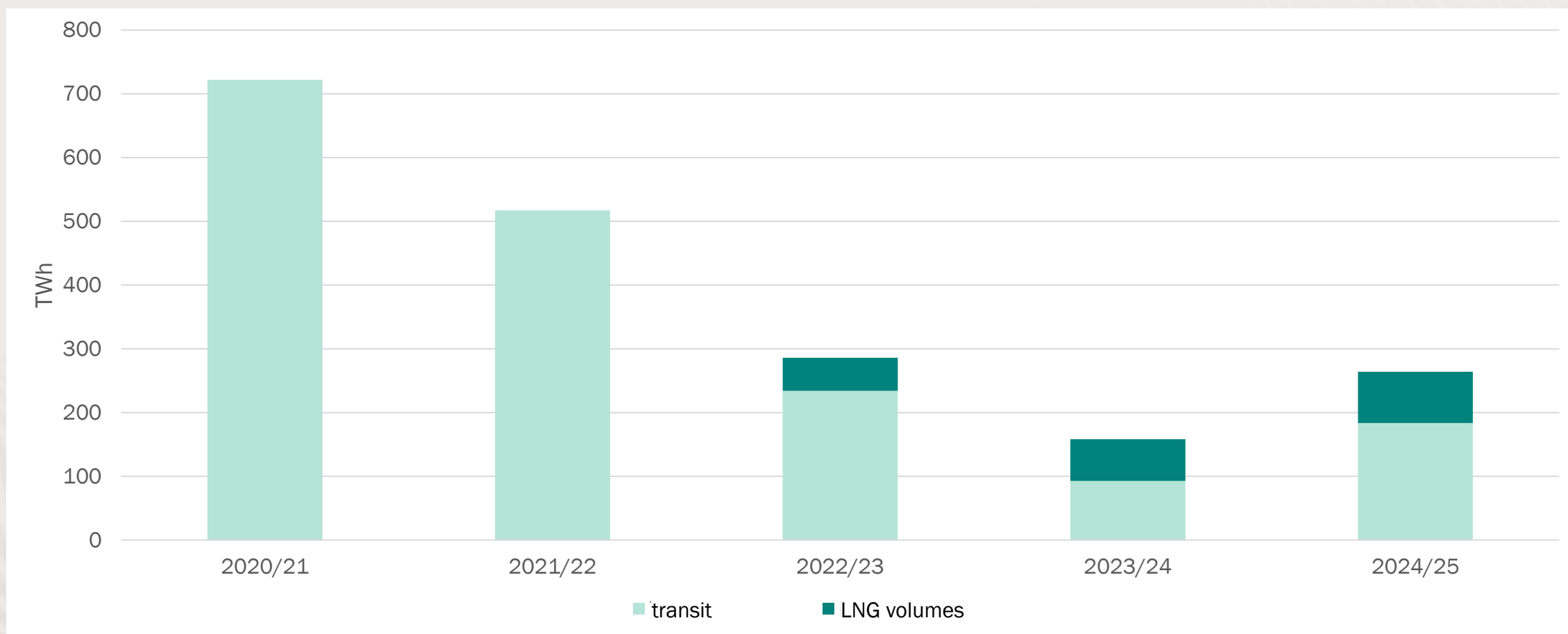
- The Federal Ministry for Economic Affairs and Energy (BMWE) has lifted the alert level of the Emergency Plan for Gas in Germany, which had been in place since 23 June 2022. Since 1 July 2025, the early warning level has again been in effect.
- The discontinued gas transit through Ukraine and the abolition of the gas storage neutrality charge at the border points may have caused the increase in gas transits through Germany.
- Gas storage levels are continuing to rise, but are lower than in the previous two years.
- THE did not have to take any steps to secure minimum storage levels in the current gas year.

Storage levels until August 2025

EU, Germany and Rehden



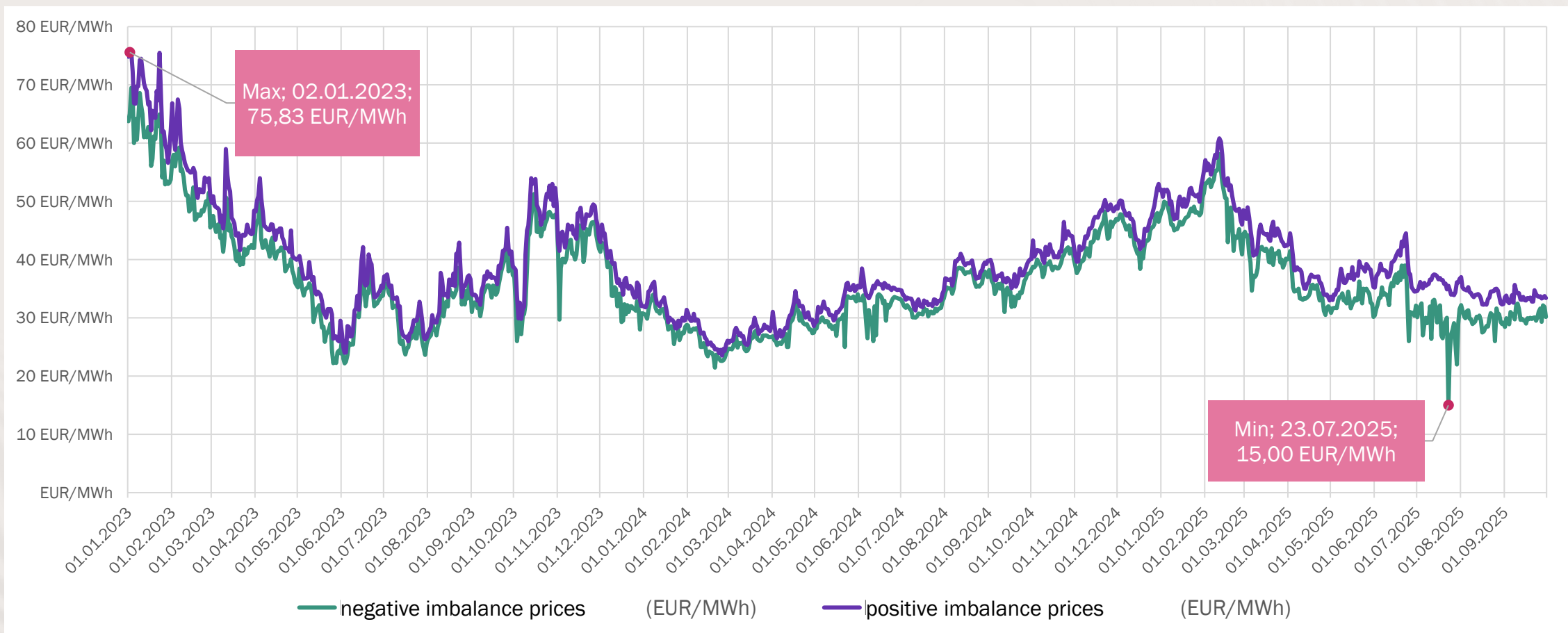
Development of transit and LNG volumes in THE's market area



System balancing & conversion

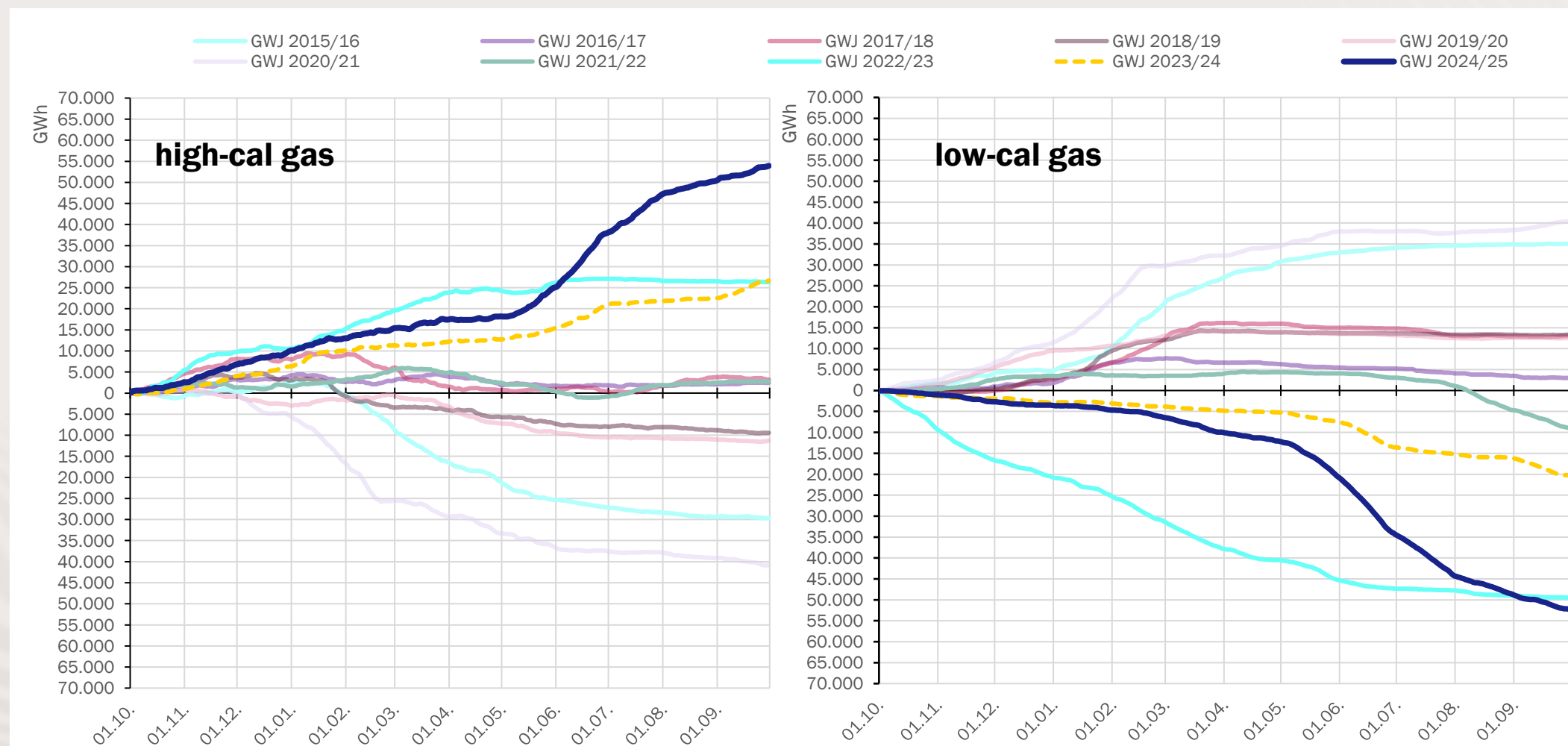
- In the period from May to August, THE had to use large quantities of balancing gas for conversion, which occurred almost exclusively in the direction from L-gas to H-gas.
- The conversion measures were mainly attributable to a handful of BGMs. THE reported the transactions to the BNetzA's Market Transparency Unit for further investigation.
- System balancing actions (without conversion) in the current gas year were within the normal range.
- Imbalance prices have fallen from just under EUR 60/MWh in February 2025 to currently around EUR 33/MWh.

Development of imbalance prices



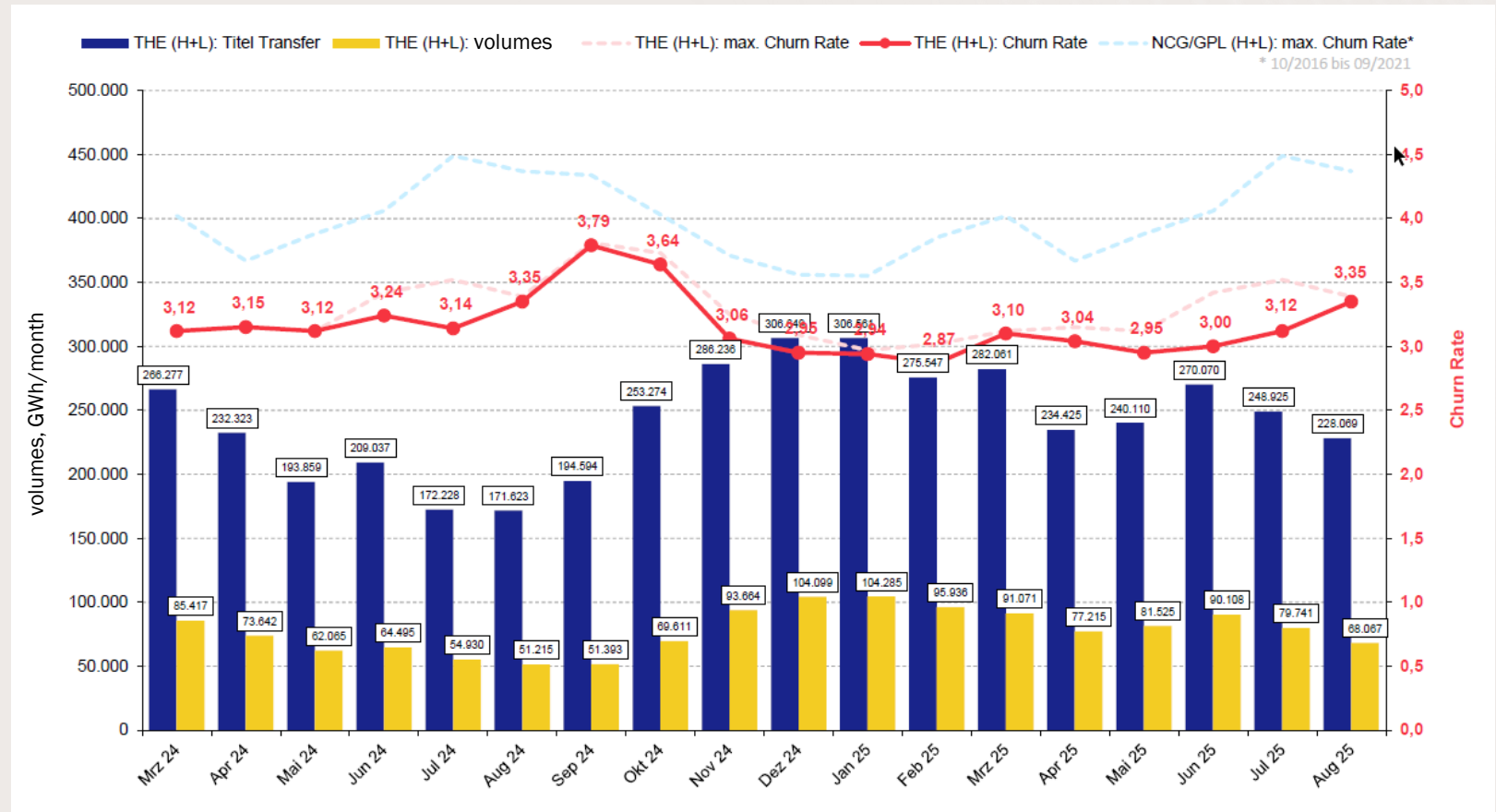
Cumulative system balancing actions

Net quantities, annual comparison by gas quality



Development of quantities at the THE VTP

- **THE hub:**
- Increase in traded volumes by **8.25 %**
 - GY 23/24: 2,916 TWh
 - GY 24/25: 3,157 TWh
- Traded volumes grew faster than gas consumption.
- Up to **500 traders** from all over the world traded at the VTP throughout the year.
- **Biogas:**
 - Increase in physical input volumes by more than **10 %**

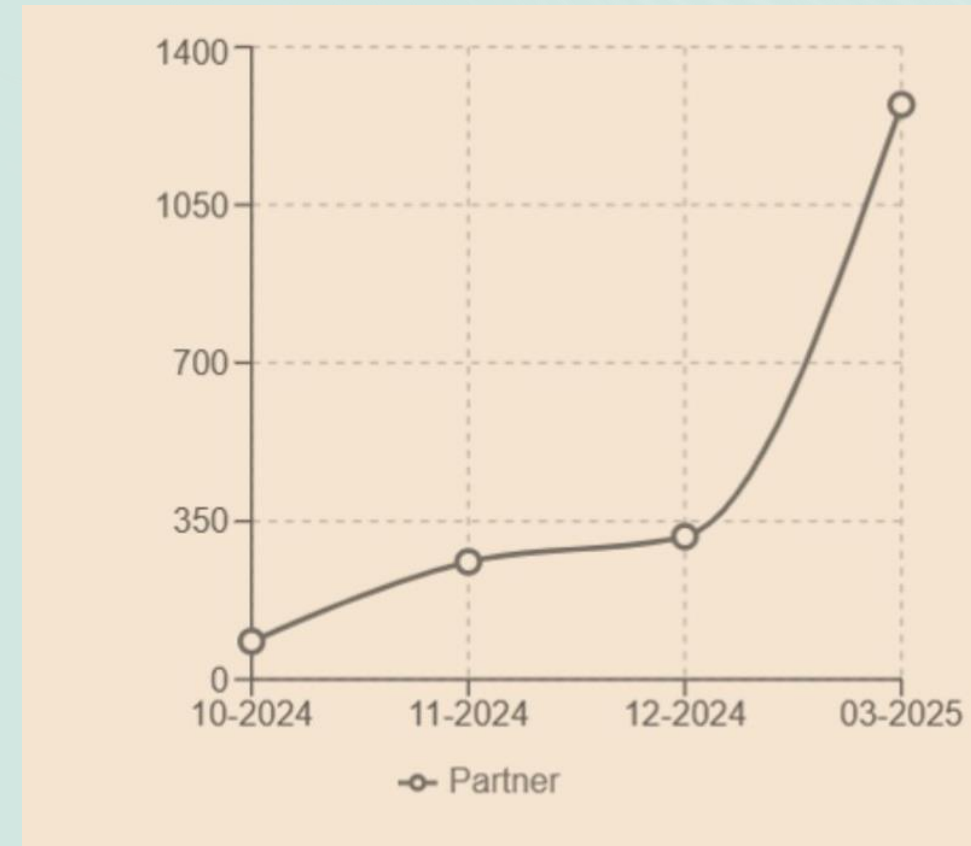


Abuse proceedings relating to biogas

- In October 2024, a total of eight BGMs/suppliers affected by the termination of the Landwärme balancing group-initiated abuse proceedings with the BNetzA in accordance with Section 31 of the German Energy Industry Act (EnWG).
- The BNetzA followed THE's legal opinion and dismissed all applications.
- The applicants are entitled to appeal against the BNetzA ruling in accordance with Section 75 EnWG, and six of the eight companies have brought the matter before the Düsseldorf Higher Regional Court.
- The proceedings have highlighted the following risks:
 - Quantity risks in a biogas balancing group cooperation: Upon termination of the master balancing group (MBG), all subordinate balancing groups (SBG) become MBGs themselves. It is not possible to transfer quantities or take flexibility quantities from the old SBG.
 - Liability in the event of default by the MBG: If the MBG is terminated, all SBGs are liable for outstanding receivables that can be allocated to their SBG.

Switch to AS4

- Since 1 April 2025, all electronic data exchange must take place exclusively via AS4.
- THE has switched approx. 1,350 market partners to the AS4 communication protocol on time.



Austrian balancing authority

- In June 2020, THE competed in the tender for the balancing entity (BE) in Austria.
- In July 2021, E-Control announced that THE had won the tender and was to be appointed as the balancing entity in Austria.
- The legal proceedings subsequently initiated by AGCS dragged on and went through several instances until April 2025.
- In the end, the Higher Administrative Court in Vienna ruled that the tendering procedure conducted by E-Control had serious flaws, which meant that E-Control's decision was no longer valid.
- It remains uncertain whether there will be a new tender.

Amortisationskonto GmbH

Purpose:

- Given the cap on ramp-up fees and the small number of initial users, there will be a significant gap between the high initial CAPEX and low revenues from network fees in the early ramp-up phase.

Principle of the amortisation account (*'Amortisationskonto'*)

- The difference between the CAPEX and the revenues will be temporarily bridged by the amortisation account (loan from KfW Bank)
- As soon as more users are connected to the network and the revenues from network fees exceed the costs, the amortisation account deficit will be balanced.

AMKG

- In addition to Trading Hub Europe GmbH, a total of 23 hydrogen core network operators have become AMKG shareholders.
- The first payment to the hydrogen core network operators from the amortisation account was made on 25 March 2025. A total of around € 172 million was paid out to 18 hydrogen core network operators.

Brief outlook

Abolition of gas storage neutrality charge

- The German government is currently preparing an amendment to the German Energy Industry Act (EnWG) to abolish the gas storage neutrality charge with effect from 1 January 2026.

Expiry of the GasNZV

- The decisions were published on 24 September.
- Compared to the draft versions of operative parts, some topics have been removed or left to be decided at a later stage.

Cooperation Agreement (KoV) XV

- Due to the BNetzA's decisions, there will be an "interim KoV" in October.
- The next regular KoV (XV) will come into force on 1 October 2026.

THE to charge default interest

- From 1 November, THE is expected to charge default interest on amounts from balancing group/VHP invoices which are overdue

WasABI determination – When is the start?

- The determination proceedings began in July 2024 and ended after the 2nd consultation in February 2025.
- On the association side, activities for a "Hydrogen KoV" began in May 2025.
- The BNetzA's decision is expected in early November.
- According to the latest draft operative part, the start for the H2 market area will be 1 October 2026.

Announcements

2025 customer survey

- In late October/early November, THE will conduct another customer survey among all network operators and balancing group managers.
- The aim is to record the status quo of customer satisfaction and identify topics with areas for improvement.

Online seminars offered by THE

- In November, THE will offer a series of free online events and explain topics relating to gas balancing, billing and the Customer Portal in detail.
- The aim is to ensure practical and comprehensible knowledge transfer.
- The number of registrations was very high and all places were quickly booked out.
- THE is currently examining how this series of events could be continued.



Thank you!



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