



**TRADING
HUB
EUROPE**

keep in balance

1st THE Customer Event for balancing gas supplier

Introductory presentation



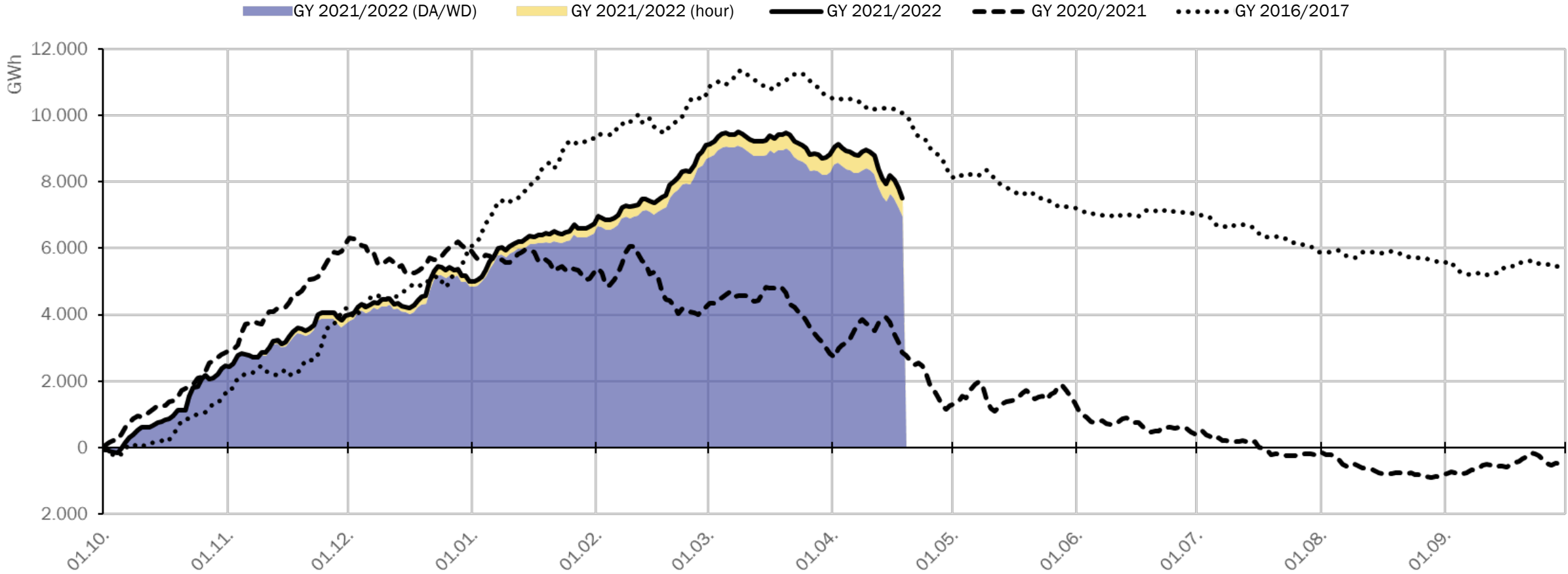
Review of GY 2021/2022

- Market area merger
 - Germany's new joint market area Trading Hub Europe (THE) was launched on 01.10.2022 at 06:00 a.m. The launch marks the successful completion of an implementation process spanning more than two years.
- Charges
 - The balancing and conversion neutrality charges in the THE market area were set at 0 EUR/MWh, the conversion fee was set at 0.45 EUR/MWh and the VTP fee at 0.001 EUR/MWh.
- System balancing
 - The gas year has been characterised by a consistently high price level which is unprecedented. In October 2021, gas storage levels were just under 70% and thus significantly lower than in previous years.
 - In the period from October 21 to April 22, THE spent some EUR 800 million (net) on balancing gas (without LTO).
 - THE, in consultation with the Federal Network Agency (BNetzA) and the Federal Ministry for Economic Affairs and Climate Action (BMWK), issued six special LTO tenders to safeguard the existing storage levels. In total, more than 45 GWh/h were contracted for around EUR 280 million (demand charge).
- LNG procurement
 - In February, THE issued tenders for LNG volumes on behalf of the Federal Government. The contracted volumes belong to the Federal Government and will be injected into storage facilities connected to the German pipeline transmission system.

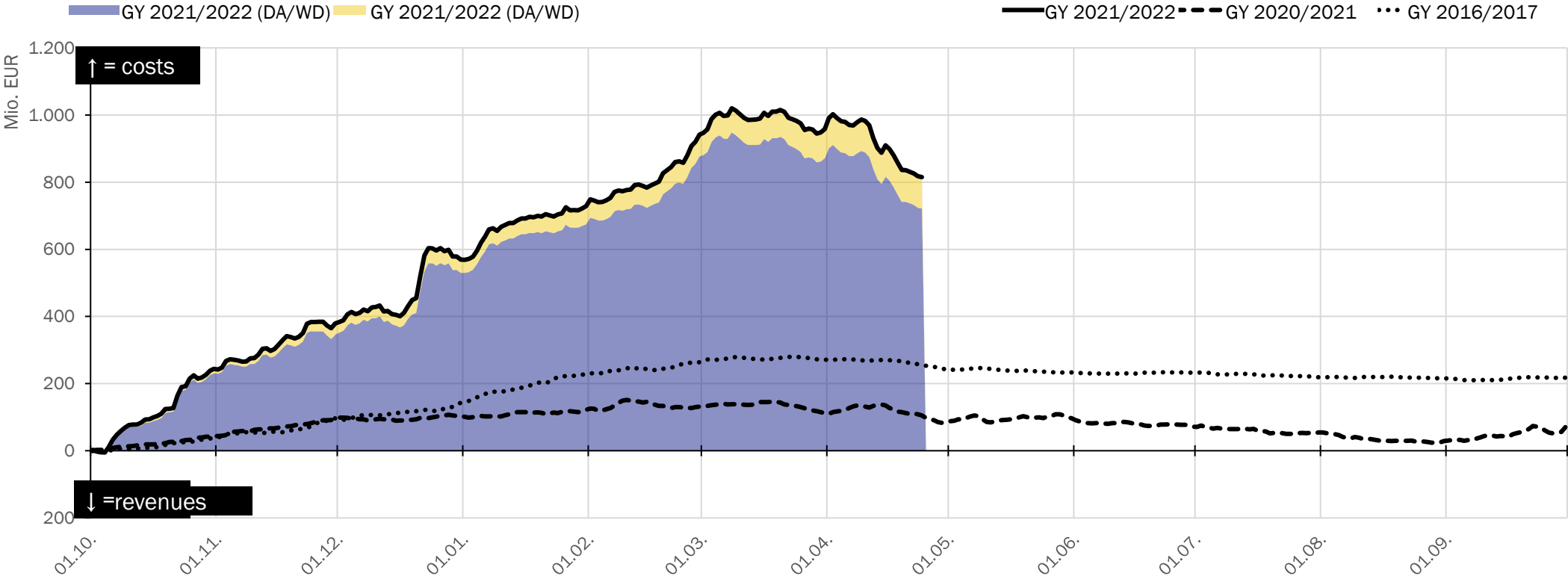
Review of GY 2021/2022

- GeLi Gas consultation
 - BNetzA conducted a GeLi Gas consultation at the end of the year. THE participated in this consultation, commenting on the topics of central database, electronic data exchange and application of the asynchronous model.
- Verification obligation for SLP network operators
 - In April 2022, THE requested the 61 network operators whose SLP allocation quality had been found be inadequate to provide an explanation and to demonstrate that any optimisation would not have been a significant improvement.
- Keep in Balance AG
 - THE had applied some time ago to become the Balancing Entity in Austria for the new gas market model from October 2022. In August 2021, E-Control appointed Keep in Balance AG (fully owned THE subsidiary). The other contender, an Austrian company, has appealed against the decision.

System Balancing volumes (net)



Costs of System Balancing (net)



Outlook (I/II)

- In May 2022, the act on minimum gas storage levels (Gas Storage Act) will come into force.
 - THE will have the task of ensuring that the mandated levels are achieved by tendering or transferring unused capacities at the storage facility. The costs for this will be covered by a charge, which will be collected in addition to the balancing neutrality charge from all BGMs.
- H2Global:
 - HINT.CO, which has been tasked by the Federal Government with the procurement of green hydrogen, has signed a memorandum of understanding with THE. Under the terms of the MoU, the partners will in particular work together, in questions about storage, balancing and the transfer of ownership of the PtX products,

Outlook (II/II)

- Cooperation Agreement XIII (“KoV XIII”)

Changes implemented as part of KoV XIII from October 2022 onwards include:

- Use of the average price of a given month for the network balancing account process.
- Inclusion of an option for the SBGs (subordinate balancing groups) to pay the balancing and conversion neutrality charges directly to the MAM. This option can be exercised on the MAM portal.
- Review of the introduction of a fixed time horizon for reconciliation quantity corrections by the network operator. This review will also explore the aspect of non-collectible receivables against the MAM.

- SLP Evaluation Report

- The 3rd SLP Evaluation Report will be published in March 2023. Among other things, it will examine how the process of settling imbalances in the NOs' network balancing accounts and the SLP allocation quality have developed.

Schedule for today's event

10.00 – 10.15 Introductory presentation

10.15 – 10.45 Use of balancing gas MBI, capacity buy-back, long/short products

10.45 – 11.15 Balancing gas products, Product design since October 2021

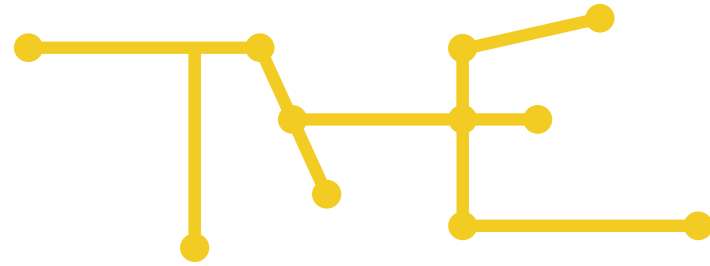
11.15 – 11.45 Update on future of LTOs

11.45 – 13.00 (Lunch)Break

13.00 – 14.00 Security of supply: design of SSBOs and implementation of law

14.00 – 14.30 Platform

14.30 - 14:45 End of event



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