

AMPRION
ANNUAL REPORT

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To expedite the decarbonisation of our society in such a way that 29 million people and thousands of companies in our grid area will in future still enjoy the benefits of a reliable power supply at all times - this is how we understand our legal mandate as a transmission system operator. Every day we implement this mandate with the help of our highly efficient workforce and host of partners in society, politics and business. Together, we have advanced ideas, innovations and projects in 2020 that will pave the way to the energy system of the future.

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DR HANS-JÜRGEN BRICK
Chief Commercial Officer (CCO) and
Chief Executive Officer (CEO)

Dear Readers,

Amprion GmbH can look back on a challenging and successful financial year 2020. The company's revenues increased to 15,504 million euros, 8.1 per cent higher than the previous year. The main driver of this growth - which amounted to 12,294 million euros - can be attributed to the EEG (Renewable Energy Sources Act) equalisation mechanism, which had no effect on net income. Revenues from the power grid side of the business grew to 3,210 million euros (2019: 2,888 million euros). In total, the annual profit achieved in 2020 was on a par with the previous year at 217 million euros.

The Covid-19 pandemic had a major impact on business in 2020 in general. We at Amprion also had to adjust to take account of the spread and rates of infection and adapt our

work processes accordingly. Our main focus was on protecting the health of our employees and keeping our processes running stably. Thanks to an effective protection concept, we succeeded in achieving both of these goals. Work continued successfully in the grid control rooms, in operations, on the projects and in all other areas of the company. And despite the difficult environment, we have successfully fulfilled our legal mandate.

To ensure that we can continue to integrate an increasing share of renewable energies and operate the transmission grid reliably in the future, we are in the process of upgrading it in line with demand. For the first time, Amprion has invested more than a million euros (1,052 million euros) over a 12-month period in this upgrade and expansion work. The focus of investments in 2020 was on the north-south axes of our grid, such as the A-Nord and Ultranet DC links, the Kruckel - Dauersberg, Rommelsbach - Herbertingen and the Diele - Niederrhein AC projects, as well as on power factor correction (PFC) equipment that stabilises the voltage in the grid.

We have made visible progress in this respect: In November 2020, the ALEGrO underground DC cable link between Aachen and Liège went into operation - a milestone for

Europe's internal electricity market. For the first time, the German and Belgian electricity grids are directly interconnected. Thanks to the new underground cable, renewable energies can now be exchanged more easily across borders, while the security of supply in the region can be improved at the same time.

All of our plans and projects have one objective: to help shape the transition to a climate-friendly energy system by keeping our transmission grid and therefore the electricity supply secure and stable. To this end, we view the energy system in its entirety and are working to connect our part of the grid with our partners'. One example of this is the Eurobar concept that we initiated last year: a concept for the international, modular networking of offshore platforms with the aim of making the enormous potential of wind power generated at sea accessible to the whole of Europe. Connecting across grid levels is equally important to us. That's why in December we agreed with E.ON to further intensify our existing collaboration and to jointly drive innovation.

2020 was a year in which we set the course for the future. This is also demonstrated by the grid-expansion investments we will be making through to 2030, which we will be expanding to more than 24 billion euros. With the support of

our shareholders and thanks to our strong financial base, we will be able to finance and shoulder these investment needs. One important indicator of this is our investment grade rating.

All this allows us to be optimistic about the financial year 2021 – especially because we have a strong team we can count on: a workforce that yet again continued on a positive trend, growing to 2,037 last year. On behalf of the entire management team, I would like to take this opportunity to thank them in particular for their contribution to the positive development of our company and for their continued commitment in a challenging environment.



DR HANS-JÜRGEN BRICK
Chief Commercial Officer (CCO) and
Chief Executive Officer (CEO)



REPORT OF THE SUPERVISORY BOARD

Ladies and gentlemen,

Amprion GmbH can look back on a very good financial year 2020. Even under the conditions prevailing as a result of the Covid-19 pandemic, the company has successfully fulfilled its legal mandate to expand and upgrade the power grid in line with demand and has set a course for its future. In addition to an overall increase in the size of our workforce, the management team was expanded to include the post of Chief Financial Officer (CFO). Peter R uth took up this role on 1 April 2020 and assumed responsibility for ensuring both Amprion's continued economic stability as well as the efficient financing of the company's investments in grid expansion. In addition to his function as Chief Commercial Officer (CCO), Dr Hans-J rgen Brick took over as Chief Executive Officer (CEO). The background behind this change are Amprion's growing responsibilities in the efforts to restructure Germany's energy system. These are reflected in the increasing number of projects, such as offshore developments, as well as in new technologies and the large number of new employees who have joined the company.

On 25 August 2020, the Supervisory Board resolved to appoint Dr Hendrik Neumann to the management team to replace Dr Klaus Kleinekorte as Chief Technical Officer (CTO). Dr Neumann took up his role on 1 January 2021, with Dr Kleinekorte set to retire during the course of the year. We would therefore like to take this opportunity to thank Dr Kleinekorte for his magnificent contribution to Amprion's success and for his support in successfully managing the generational change in the company's management team.

The Supervisory Board monitored the company's development throughout 2020. The Supervisory Board fulfilled all duties incumbent upon it under the law and articles of association and, in particular, performed its supervisory and advisory functions vis- -vis the management. To this end, the Board requested written and verbal reports from the managing directors regarding the status of commercial operations, fundamental issues of business policy and the position and development of the company. Furthermore, the Board discussed significant business transactions with the Management Board in depth and took all necessary decisions. Moreover, the Chairman of the Supervisory Board also discussed important individual transactions and matters of corporate strategy and business policy in meetings held with management outside the Supervisory Board meetings, in preparation for the committee meetings. Furthermore, the Audit Committee performed all duties and responsibilities required of it by company articles and, in particular, carried out all preparations for approval of the annual financial statements by the Supervisory Board.

The Supervisory Board held four meetings over the course of the reporting period. These meetings focused on the detailed reports submitted by the managing directors relating to the position of the company, including the sales trends, earnings performance and the company's strategic goals. In addition, the Supervisory Board engaged in intensive discussions regarding the financial budget submitted for 2021 and approved said budget. Furthermore, the company's long-term investment plans through to 2030 were likewise debated in great detail and approved by the Supervisory Board. The Supervisory Board has also concerned itself with the regulatory environment in which the company operates and the pending or effected changes of the legal framework.

Additionally, in the period under review, the Supervisory Board changed from a Supervisory Board in accordance with the German One-Third Participation Act ("Drittelbeteiligungsgesetz") to a Supervisory Board with equal numbers of shareholder and employee representatives in accordance with the German Co-Determination Act ("Mitbestimmungsgesetz"). This is required when a company's workforce surpasses 2,000 employees, which was the case at Amprion as of July 2020. The necessary preparations for the changeover to a Supervisory Board with equal representation were made in the second half of 2020. These included, for example, amending some of the articles of association in line with the applicable statutory regulations. In addition, with the new composition of the Supervisory Board, the employee representatives should be appointed by court order with the consent of all parties involved. The main reason for this court appointment is the various statutory time limits. On the one hand, the law stipulates certain time limits for the election of employee representatives that must be met. On the other hand, there is a rigid transition period within which the company must switch to a Supervisory Board with equal representation of shareholders and employees. In order to ensure that this changeover can be carried out within the stipulated period, thereby guaranteeing a Supervisory Board with a quorum throughout, the parties have mutually agreed to appoint the employee representatives by court order. The employee representatives proposed by this method were then appointed as members of the Supervisory Board by court order at the end of October 2020. The shareholder representatives were appointed by the shareholders in mid-October 2020 at an extraordinary shareholders' meeting at which the amendments to the articles of association were also adopted. The constituent meeting of the new Supervisory Board with equal representation of shareholders and employees was then held on 1 December 2020 in the context of the fourth ordinary Supervisory Board meeting of the reporting period. In the course of this changeover, Dr Brick was also appointed Chief Human Resources Director at the Supervisory Board meeting on 1 December 2020, in accordance with the German Co-Determination Act.

BDO AG Wirtschaftsprüfungsgesellschaft of Düsseldorf, the auditors selected in accordance with the resolution of the shareholders passed on 15 April 2020 and appointed by the company's Supervisory Board to carry out the audit, have audited the annual financial statements and the management report of Amprion GmbH for financial year 2020, including the accounting records, and issued an unqualified auditors' opinion.

The auditors' report, the annual financial statements and the management report were delivered to the members of the Supervisory Board in good time, prior to the Supervisory Board meeting held on 13 April 2021, and discussed in depth at this meeting. The auditors participated in the meetings of the Supervisory Board and reported on the fundamental results of their report. Furthermore, the auditors were also available to provide supplementary information as required. The Supervisory Board has endorsed the results of the audit. For its part, the Board has studied the annual financial statements and the management report prepared by the Management Board. In accordance with the final results of its review, the Supervisory Board confirms that no objections are to be raised. The Supervisory Board has approved the management report and the annual financial statements for financial year 2020, and the financial statements are thus adopted.

The following changes were made to the composition of the Supervisory Board in financial year 2020:

Supervisory Board member Dr Rolf Martin Schmitz resigned from his post as a member of the Supervisory Board of Amprion GmbH with effect from 30 April 2020. A shareholders' resolution adopted on 17 March 2020 elected Uwe Tigges, former member of the Management Board of innogy SE, Essen, as a member of the Supervisory Board of Amprion GmbH effective from 1 May 2020.

On the date of entry in the Commercial Register (15 October 2020) of the amendments to the articles of association required as a consequence of the changeover to a Supervisory Board with equal representation in accordance with the German Co-Determination Act, the term of office of the Supervisory Board that had been in office up to that point ended and thus, too, the term of office of all its members. At the same time, the shareholder representatives who were appointed to the newly constituted Supervisory Board at the extraordinary shareholders' meeting held on 8 October 2020 officially became members of the newly constituted Supervisory Board with this entry in the Commercial Register. Uwe Tigges, Christian Mosel, Dr Peter-Henrik Blum-Barth, Dr Thomas Mann, Christoph Manser, Dr Michael Müller, Robert Pottmann and

Fred Riedel were thus appointed as the shareholder representatives on the Supervisory Board as of 15 October 2020. Upon service of the aforementioned order of the Dortmund Local Court dated 28 October 2020, Gudrun Janßen (ver.di), Dagmar Paasch (ver.di), Nerima Uzeirovic, Natalie Kornowski, Detlef Börger-Reichert, Wolfgang Hölzle, Patrik Riehm and Frank Lefebler became new members of the Supervisory Board appointed to represent the employees.

At the Supervisory Board meeting held 1 December 2020, Uwe Tigges was unanimously elected as the new Chair of the Supervisory Board by its members.

The Supervisory Board wishes to acknowledge and express its thanks and appreciation to the management and all employees of Amprion GmbH for their commitment and the work they have performed during financial year 2020.

Special thanks also go to Heinz-Werner Ufer, who was Chair of the Supervisory Board until the changeover in October 2020 and who helped shape Amprion's success since 2010.

Dortmund, 13 April 2021



UWE TIGGES
Chairman of the Supervisory Board



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FUNDAMENTALS OF THE COMPANY

Business activities of the company

Amprion GmbH, headquartered in Dortmund, is one of four transmission system operators (TSOs) in Germany. In a control area that stretches from Lower Saxony to the Alps, Amprion operates its network at voltage levels of 220 and 380 kilovolts (kV) and is expanding it in accordance with market requirements. The extra-high-voltage grid links the generation units to the main centres of consumption and is a vital component of the transmission network in both Germany and Europe. Amprion uses its grid to serve industrial customers, distribution system operators, electricity traders and power utilities.

In addition, Amprion controls and monitors the safe transport of electricity within the EHV grid in its control area. For this purpose, the grid operations managers in Brauweiler/Pulheim ensure that electricity consumption and generation are kept in balance at all times. The system services required (primary control, secondary control and tertiary control (minute reserve)) and the electricity necessary to compensate grid losses are sourced using transparent tender procedures in line with regulations. The company also coordinates the exchange programmes and the subsequent volume balancing, both for the entire transmission network in Germany and for the northern section of the integrated European grid.

Thanks to its central location within Europe, Amprion's network is a vital hub for the European electricity trade between north and south and east and west. Amprion provides transmission grid capacities at the interconnecting feeder lines to France and Belgium, the Netherlands, Switzerland and Austria by means of market-based auctions.

Amprion's shareholders are M31 Beteiligungsgesellschaft mbH & Co. Energie KG, a consortium of primarily German institutional investors from the insurance industry and pension funds that holds 74.9% of the shares, and RWE AG, with the remaining 25.1% of the shares.

FINANCIAL REPORT

Political and energy regulatory environment

The “Act Amending the Energy Industry Act and on Market-based Procurement of System Services” came into force on 27 November 2020. Section 12h of **EnWG** (Energy Industry Act) obliges TSOs to give priority to procuring non-frequency-based system services on the market. The Federal Network Agency (**FNA**) is empowered to implement its content more extensively. This is the first step towards implementing Internal Electricity Market Directive 2019/44 in national legislation.

The “Act to Reduce and End Coal-fired Power Generation and to Amend Other Laws (Coal Phase-out Act)” came into force on 14 August 2020. It includes the “Coal-fired Power Generation Phase-out Act (KVBG)”, the purpose of which is to reduce and end the use of coal in a socially responsible manner, gradually and as consistently as possible. The aim of this is to reduce emissions while ensuring a secure, affordable, efficient and climate-friendly supply of electricity to the general public. The particular objective of the act is to reduce the remaining net electrical capacity of power generation plants to 15 GW for hard coal and 15 GW for lignite in 2022, 8 GW for hard coal and 9 GW for lignite in 2030, and 0 GW for both hard coal and lignite by the end of 2038 at the latest. Operators of lignite-fired power plants will be financially compensated for prematurely taking their plants offline by means of a contract under public law. Conversely, operators of hard coal-fired plants will only receive compensation if they offer to take their plants offline in tenders up to and including 2027. The KVBG contains a number of points and examination obligations of relevance to the TSOs. The TSOs issue a joint statement regarding which of the hard coal-fired plants participating in the tendering process were required to increase active power feed-in in accordance with Section 13a EnWG in the latest system analysis that was conducted. To ensure network security, the TSOs examine which of the submitted hard coal-fired plants are system-relevant in order to give appropriate consideration to the technical constraints of system conversion. Alternatives to continued operation must also be taken into account. Parts of the Coal Phase-out Act (particularly the regulation regarding hard coal tendering and the contract under public law concerning the reduction and termination of lignite-fired power generation) are subject to state aid approval by the EU Commission.

The “Ordinance on the Implementation of Pandemic-related and Other Adjustments in Legal Ordinances Based on the Energy Industry Act” came into force on 6 November 2020. One essential amendment in the StromNEV (Electricity Grid Fee Regulation Ordinance) is that a transitional regulation for individual network charges has been included. As an exception, the year 2019 can be used to guarantee individual network charges if a customer is unable to meet the conditions for a network charge reduction in 2020 as a result of the pandemic because the total electricity consumption and the number of usage hours are too low.

The amended Renewable Energy Sources Act ([EEG 2021](#)) was published in the Federal Law Gazette on 28 December 2020 and came into effect on 1 January 2021. The EEG 2021 establishes the new framework conditions for the continued expansion of renewable energies in Germany and therefore serves to implement the Climate Protection Programme 2030. The objective is to achieve the goals of a renewable energy share of 65% by 2030 and greenhouse gas neutrality in Germany’s electricity supply before 2050 as a central contribution to the energy revolution. Besides new regulations concerning conditions for fostering the individual technologies, including measures for increasing the acceptance of wind turbines in the form of financial participation options for the affected municipalities, the EEG 2021 has established regulations for the continued operation of turbines whose funding has come to an end after 20 years of statutory funding. In terms of processing the EEG surcharge, changes have also arisen in the area of self-supply from EEG plants up to 30 kW and highly efficient new CHP plants as well as newly established privileged status circumstances related to the production of green hydrogen. A supplement to the regulation of the right to refuse payment of Section 104 (4) EEG 2017 (so-called capacity lease amnesty) was additionally included. Section 104 (5) EEG 2021 gives electricity utilities a legal right to conclude a settlement against their TSO that is responsible for the control area if the specific requirements are met according to which no EEG surcharge is payable with regard to disputed electricity volumes up to and including 31 December 2020, but only for electricity volumes that are supplied from 1 January 2021 onwards and arise from the same contractual model. This regulation is subject to state aid approval by the European Commission. Pursuant to Section 105 EEG 2021, subsidy claims for electricity from plants that justify a claim according to EEG 2021 after 31 December 2020 as well as recast limitation circumstances for special equalisation scheme customers, in particular, continue to be subject to approval in line with the law on state aid.

Regulatory environment

Productivity factor for the third regulatory period

The individual and sectoral productivity factors are elements used to determine the revenue cap. The portions of the costs that can be influenced within the revenue cap of the grid operators are adjusted to a level deemed efficient from the point of view of the **ARegV** (Incentive Regulation Ordinance) with the aid of these two factors. For this reason, the Federal Network Agency (**FNA**) carries out an efficiency comparison for the TSOs prior to each regulatory period.

The individual productivity factor concerns the efficiency of the respective company and has been determined for the third regulatory period from 2019 to 2023 by the Federal Network Agency with the aid of a relative reference grid analysis. On 20 December 2018, the Federal Network Agency set the individual productivity factor for Amprion at 100.0%.

The general sectoral productivity factor (Xgen) affects all electricity grid operators and represents a correction factor for the consumer price index. A positive general sectoral productivity factor demands greater progress on productivity from the power grid industry than from the economy as a whole and compensates deviating price increases in relation to the general consumer price index. In turn, greater productivity gains will lead to additional efficiency demands on grid operators. On 28 November 2018, the Federal Network Agency set the general sectoral productivity factor for electricity (Xgen electricity) at 0.9%. Amprion submitted an appeal against this decision to the Düsseldorf Higher Regional Court on 18 January 2019. The Federal Network Agency fixed the general sectoral productivity factor for gas (Xgen gas) at 0.49%. The Düsseldorf Higher Regional Court overturned this determination for gas. The Federal Network Agency appealed against the ruling to the Federal Court of Justice, which overturned the decision of the Düsseldorf Higher Regional Court on 26 January 2021.

Hearing concerning the regulatory account for the years 2013 to 2016

The regulatory account is used to post the differences between the generated and the permissible revenues under consideration of the actual growth in volume. The differences between planned and actual costs of individual cost items that cannot be permanently influenced are additionally recorded here. The regulatory account balance determined by the grid operator and its distribution through increases in or reductions of the revenue caps are approved by the

Federal Network Agency (**FNA**). The Federal Network Agency hearing for approving the regulatory account for 2013 to 2016 as well as distribution through increases in or reductions of the revenue caps for the years 2018 to 2023 took place in 2020. Amprion issued a comment on this. The decision of the Federal Network Agency has not yet been received.

Operating cost fixed rate

On 19 January 2021, the Federal Network Agency decided to specify an operating cost fixed rate for the period up to the date of commissioning of fixed assets within an approved investment measure for TSOs. According to this, an operating cost fixed rate of 0.2% is assumed for the period up to the date on which the investment measure starts operation. The operating cost fixed rate will be applied for the first time in calculating the annual operating costs as at 1 January 2021.

Calculation of capital and operating costs resulting from approved investment measures

With its decision of 15 December 2020, the Federal Network Agency amended its specification for calculating capital and operating costs resulting from approved investment measures. Amongst other aspects, this amendment of the specification limits the basis for calculating the imputed trade tax to the notional equity ratio of 40%. Amprion has lodged an appeal against this decision.

Redispatch 2.0

On 6 November 2020, the Federal Network Agency published its specification concerning the balancing of redispatch measures, which will apply from 1 October 2021. This specification is aimed at optimising the system and costs through more intensive coordination of redispatch measures and the efficient exchange of data between grid operators.

Business performance

Grid business

In 2020, the second step towards introducing uniform grid fees throughout Germany was implemented based on the German Grid Fee Modernisation Act (NEMoG) which came into force in July 2017. It provides for the gradual standardisation of transmission grid fees over a period of five years starting from 2019, with the result that grid fees will be completely standardised as of 2023. The 2020 grid fees consisted of a 60% company-specific grid fee and a 40% grid fee that is uniform throughout Germany.

On 20 December 2018, the Federal Network Agency fixed the revenue cap for the third regulatory period from 2019 to 2023 on the basis of the costs in the 2016 financial year. Amprion submitted an appeal against this decision on 25 January 2019. The Düsseldorf Higher Regional Court rejected the appeal in its decision of 13 May 2020. Amprion has submitted an appeal against this decision to the Federal Court of Justice. This initial base level, the development of the permanently non-controllable costs, the general consumer price index, the general productivity factor and the individual efficiency value constitute the basis for the revenue cap and consequently the grid charges published on 11 December 2019. The revenue cap for 2020 has increased due to the following changes:

- Higher costs from approved investment measures for further grid expansion
- Higher costs from the introduction of the capacity reserve and the transfer of further lignite-fired power plants to security readiness

The aforementioned changes are not or only partially within Amprion's sphere of influence and lead to an increase in the grid charges in the extra-high-voltage grid level of between 14.7% and 15.8% in the usage hour range between 5,000 and 8,760 that is relevant to the majority of customers.

Amprion's customers are industrial companies, distribution network operators and power stations connected directly to the extra-high-voltage grid. The sales and revenue structure is characterised largely by major distribution network operators, from whom Amprion receives around 85% of its grid fees. Some 13% of the grid fees come from enterprises in the chemicals, steel and aluminium industries. The remaining grid fees result from the own requirements of the power stations connected to the transmission grid.

The volume consumed by directly connected grid customers fell by around 8% during the financial year, largely as a result of the coronavirus pandemic. This drop is mainly due to an 8% decrease in consumption in the redistributor customer segment. Volumes for industrial customers directly connected to the Amprion grid fell by 4%.

EEG surcharge

The EEG equalisation scheme operates on the basis of the Renewable Energy Sources Ordinance (EEV) and the Renewable Energy Sources Implementation Ordinance (EEAV). The electricity generated and fed in under the EEG outside of direct marketing and self-supply measures is marketed by the TSOs on the electricity exchange, with the difference between their marketing revenues and expenditure for the EEG subsidy payments being passed on to the power utilities, end consumers and certain self-suppliers via the EEG surcharge.

The German Federal Government had already decided back in 2019 in its "Climate Protection Programme 2030" to reduce the EEG surcharge pursuant to Section 60 EEG from 1 January 2021 through payments from the economic plan of the Energy and Climate Fund. The legal basis for giving consideration to Federal Government payments to the TSOs when determining the EEG surcharge was established with the revenue element of Section 3 (3) no. 3a EEV. In 2021 and 2022, the budget estimates consist of the revenues from CO₂ pricing and from the coronavirus stimulus package. In passing the supplementary budget for 2020, an amount of €10.8 billion was bindingly reserved in the budget for 2021 via the instrument of commitment appropriation. The modalities and the breakdown of the payments by the German Federal Government to the TSOs' EEG accounts as at 1 January 2021 are regulated by a contract under public law concluded in January 2021 between the TSOs and the Federal Republic of Germany, represented by the Federal Ministry for Economic Affairs and Energy (BMWi), pursuant to Section 3 (9) EEV.

On 15 October 2020, the TSOs published the EEG surcharge for 2021 in the amount of 6.5 cents/kWh as politically prescribed. This is around 4% lower than the EEG surcharge for 2020. Disregarding the supplementary payment from the German Federal Government, the EEG surcharge would have increased to around 9.6 cents/kWh. This development is attributable mainly to the drop in electricity exchange prices and the decline in electricity consumption, essentially due to the coronavirus pandemic. A liquidity reserve of around € 2.6 billion was included in the EEG surcharge. This is equivalent to around 10% of the shortfall.

Offshore grid surcharge

On 15 October 2020, the TSOs published the offshore grid surcharge for 2021, which will be 0.395 cents/kWh. This is around 5% less than the previous year's level. It includes the costs for expanding the offshore grid in the North Sea and the Baltic Sea (grid connection costs) as well as compensation payments to plant operators that may be incurred due to disruptions or delays in grid connections.

Hard coal reserve

In the context of the initial tendering procedure for reducing hard coal-fired power generation, the Federal Network Agency ([FNA](#)) notified the TSOs of which hard coal plants had been awarded a contract on 1 December 2020 and made them public. Five hard coal-fired power plants with a total capacity of two GW have been awarded a contract within Amprion's control zone. These plants are subject to the marketing ban with effect from 1 January 2021. Until the ban on coal firing comes into effect on 1 July 2021, the plant operators must continue to maintain the operational readiness of the plants for adjustments pursuant to Section 13a (1) [EnWG](#) and for undertaking redispatch measures. The system operators have an entitlement via-à-vis Amprion for the reimbursement of maintenance expenses, operational readiness expenses and generation expenses; these can be refinanced via the grid fees. Pursuant to Section 26 (2) KVBG, Amprion will additionally check the system relevance of the hard coal plants that have been awarded contracts.

System services

In 2020, the German TSOs completed introducing the procedure for dynamically dimensioning the control reserve demand. This ensures that only temporary fluctuations in demand can be taken into consideration when purchasing control reserve.

On 2 November 2020, the control power market was launched, enabling the German TSOs to access additional offers for control reserve with separate tendering of control reserve and control power. This is one of the objectives of the “Guideline Electricity Balancing”, in which the EU Commission has defined the regulations for system balancing in Europe and which are now being implemented. The launch went hand-in-hand with increased prices for control reserve, which stabilised by the end of the financial year. Since 19 January 2021, the price for control power has been capped at €9,999/MWh.

The costs for procuring the electricity necessary to compensate grid losses increased significantly due to higher tender prices for the long-term component.

Costs for redispatch activities rose sharply during the financial year. Redispatch activities for maintaining system stability were particularly necessary during the final quarter of 2020. One reason was limited power plant availability abroad, which impacted on the German control area due to high exports and led to increased call-offs. The majority of these redispatch activities were called off from the processes coordinated by the four TSOs.

Feed-in management costs increased moderately due to higher offshore wind energy feed-in at the Emsland lines operated together with TenneT. As hardly any redispatch measures utilising conventional power plants are feasible for these lines, it is necessary for TenneT to lower feed-in from offshore wind farms in order to guarantee system stability. The compensation payments to the wind farm operators for the reduced feed-in due to measures for the Emsland lines will be borne equally by TenneT and Amprion.

Network reserve

Every year, the Federal Network Agency (**FNA**) checks and confirms the network’s reserve needs for the following winter half-year based on analyses conducted by the TSOs. The remaining additional needs that cannot be covered by domestic network reserve power plants must be covered via the expression-of-interest procedure. On 29 February 2020, the TSOs submitted their system analysis and the resulting need for network reserve power plants to the Federal Network Agency for confirmation. In its report dated 30 April 2020, the Federal Network Agency disclosed a need for reserve power station capacities of 6,596 MW (with around 27 %

of this in Amprion's control zone) for the 2020/2021 winter half-year, as determined by the TSOs. The determined requirement is therefore 1,470 MW higher than that for the 2019/2020 winter half-year. The need for network reserve can be covered by domestic power plants that are already contractually or legally bound. The costs of the network reserve are fully refunded through grid fees.

Capacity reserve

The plants included in the capacity reserve are used to balance the system in the event of exceptional and unforeseeable situations. They can also be used by the TSOs to eliminate grid bottlenecks. The German TSOs have conducted the first joint tender for the capacity reserve pursuant to Section 13e (2) **EnWG** and the Capacity Reserve Ordinance. Since 1 October 2020, a reserve capacity of 1,056 MW has been available to the German TSOs for a period of two years. Within Amprion's control zone, two power plant blocks with a total output of 680 MW have been transferred to the capacity reserve. The capacity reserve costs are fully refunded through grid fees.

Special technical grid operating facilities

Special technical grid operating facilities are one element for maintaining system security. A total requirement of 1,200 MW for special technical grid operating facilities was ascertained by the TSOs and approved by the Federal Network Agency in 2017. In November 2020, Amprion awarded RWE Generation SE the contract to construct and operate a gas-fired power plant with an output of 300 MW at the Biblis site. It is scheduled to enter operation by 1 October 2022. It will be used exclusively in emergency situations to maintain grid stability in Germany; the special technical grid operating facilities are not available to the market.

System operation and control

Amprion did not record any extensive disruptions in the extra-high-voltage grid during the financial year. However, system operation has become more complex due to the further addition of renewable energy plants and the simultaneous elimination of conventional generation as well as increasing cross-border transmission capacity in line with the "Clean Energy Package". The German TSOs have developed integrated models for the efficient design of redispatch measures. In low-load periods, particularly during the spring and the summer months, high voltages

occurred in the German and European transmission grid at weekends and on public holidays. This trend was further exacerbated due to the reduction in load as a result of the coronavirus pandemic. In continental Europe, deterministic frequency deviations, i.e. deviations between the measured grid frequency and the specified nominal frequency, were increasingly observed at the change of the hour.

Offshore company

Amprion Offshore GmbH commenced operation on 1 January 2020. This company is wholly owned by Amprion. The purpose of the company is the establishment, operation, acquisition, marketing and use of network facilities for offshore connections, associated transport and distribution systems for electricity and facilities for information transmission as well as the provision and marketing of services in these areas. The company will be the owner of the grid connections. It will act as the project developer for the related approval procedures. Amongst others, Amprion GmbH will be commissioned to provide services for implementing the grid connections. To structure the legal relationships between the two companies, the mutual rights and obligations have been regulated in a control and profit transfer agreement, an operating agreement and a construction and leasing agreement.

Innovative projects

Amprion has signed a Memorandum of Understanding with Siemens Energy AG for the joint evolution of a rotating asynchronous phase shifter. The phase shifter serves as a technical solution for all important stabilisation functions and offers the option of solving one of the structural problems of the energy revolution within Germany.

Amprion has signed a Memorandum of Understanding with Smart Wires Inc. to investigate the use of modular power electronic-controlled components. The effect of this "SmartValve" can be compared to the use of a phase shifter transformer and is used to control the energy flows (load flows) for more consistent line capacity utilisation.

Asset management

Amprion has been certified in accordance with the requirements of International Standard ISO 55001 “Asset Management / Management systems” since 2015. Compliance with these requirements is regularly verified by external auditors, most recently in August 2020.

Workforce

Amprion continued to expand its workforce as planned throughout the 2019 financial year. The number of permanent employees rose by 20.6% year-on-year from 1,619 FTE (full-time equivalent) at the end of 2019 to 1,953 FTE on 31 December 2020. This is 3.1% higher than the value forecast for this performance indicator in the 2019 management report. Based on the assumption of event- and process-related assignment analyses and especially the establishment of off-shore activities, Amprion’s personnel requirements for 2021 have been adjusted to 2,118 permanent FTE.

During the financial year, the number of participants in internal and external advanced training courses and events designed to reinforce their occupational and personal skills increased by around 33% from roughly 3,750 to almost 5,000. Due to the coronavirus pandemic, the majority of these advanced training measures took place online from March 2020 onwards. The company has also established a system designed to assess employees’ potential, with a view to ensuring that the majority of future management positions are filled by candidates from within the company. The potential candidates identified in this way then undergo further training as executives in needs-based programmes. These potential assessments take place every two years.

At 1.5% (previous year: 1.8%), the fluctuation rate remained at a low level. The average age of the workforce fell by almost one year compared with the previous year due to new appointments and amounted to 39.7 years on 31 December 2020. As a result, the average length of service fell from 11.1 years to 9.5 years. The proportion of women in the workforce increased again and was 20.4% at the end of the reporting year (previous year: 19.3%).

In 2019, Amprion continued its employee equity participation scheme based on the issue of profit-sharing rights. At around 84.0%, the participation rate was slightly higher than the previous year’s level of 79.9%.

Occupational health and safety

Occupational health and safety are given high priority by Amprion. The coronavirus pandemic proved particularly challenging in 2020. As the operator of a critical infrastructure, Amprion implemented preventive measures to protect the health of its employees and to maintain business and system operations. The protective measures were regularly adjusted to the latest specifications issued by the Federal Ministry of Labour and Social Affairs and the coronavirus protection ordinances of the federal states.

The planned connection of the North Sea offshore wind farms DolWin 4 and BorWin 4 to the grid will give rise to new occupational health and safety requirements. Central contents for a protection and safety concept have been developed so that future offshore activities can be carried out safely for man and the environment. This will contribute to ensuring that the high standard of occupational health and safety established throughout the company can also be guaranteed when undertaking offshore projects.

Environmental protection

After being in operation for three years, the environmental management system that was introduced at Amprion in 2017 in accordance with the ISO 14001 standard and certified for the first time the very same year had to undergo recertification in 2020. The award of the certificate for a further three years confirms the implementation, improvement and evolution of Amprion's environmental management system in compliance with the standard. It will be re-audited on an annual basis. Recertification is next scheduled in 2023.

Information security

Information security is a key factor in ensuring robust business processes within our company. This is particularly true for the areas of system operation and control, project management and the running of Amprion's power transmission network. This assessment is confirmed by the Federal Office for Information Security. The operation and continuous improvement of an information security management system are vital prerequisites for achieving an appropriate level of information security. Successful recertification of the information security management system in 2020 demonstrates that Amprion implements and complies with the provisions of the IT Security Act and, in particular, the requirements of the Federal Network Agency's (FDA) IT security catalogue.

FINANCIAL SITUATION

Earnings

in € million	1 Jan.- 31 Dec. 2020	1 Jan.- 31 Dec. 2019	Change
Revenues and income	15,649.4	14,518.3	1,131.1
Operating expenses	-15,281.1	-14,154.3	-1,126.8
Operating result	368.3	364.0	4.3
Financial result	-73.0	-51.1	21.9
Profit before taxes	295.3	312.9	-17.6
Tax result	-78.7	-92.7	14.0
Net profit	216.6	220.2	-3.6

Revenues increased by 8.1% to €15,504.1 million (previous year: €14,344.6 million). This performance indicator is slightly higher than the level anticipated in the previous year's management report. The increase essentially relates to the income-neutral **EEG** equalisation mechanism amounting to €12,294.0 million (previous year: €11,456.7 million). This is attributable to increased revenues from sales subject to the surcharge as well as power utilities as a result of the increased EEG surcharge (2020: 6.76 cents/kWh; 2019: 6.41 cents/kWh) plus the compensation of the shortfall. The lower revenues from marketing on the electricity exchange due to the drop in electricity exchange prices have a contrary effect. Revenues from grid business amount to €3,210.1 million (previous year: €2,887.9 million). The €322.2 million increase in grid revenues is due to increased grid fees, from the surcharge pursuant to Section 19 StromNEV and also from control power and balancing group invoicing. The lower revenues from the KWKG (Combined Heat and Power Act) surcharge and the offshore grid surcharge have a contrary effect. These surcharge revenues correspond to expenditures of the same amount.

The €4.3 million increase in the operating result essentially stems from higher revenues from capital costs for investment measures. This was offset by reduced reversals of provisions, higher personnel expenses due to the planned workforce expansion and investment-related, higher depreciation.

The financial result decreased by €21.9 million, largely due to the further development of the contractual trust arrangement fund as well as higher costs for long-term borrowing and interest accretion pension provisions.

The tax result primarily includes expenses for current taxes on income as well as deferred taxes. The change is largely attributable to the decrease in profit before taxes and tax income not relating to the financial year.

The aforementioned effects led to a 1.6% decrease in net profit to €216.6 million. A slight decline in profit was forecast for this performance indicator in last year's management report.

Financial situation

in € million	1 Jan.- 31 Dec. 2020	1 Jan.- 31 Dec. 2019	Change
Cash flow from operating activities	-1,565.5	-72.0	-1,493.5
Cash flow from investing activities	-1,057.2	-747.3	-309.9
Cash flow from financing activities	1,943.5	-75.9	2,019.4
Change in cash and cash equivalents	-679.2	-895.2	216.0
Cash and cash equivalents at the end of the period	0.0	679.2	-679.2

The cash flow from operating activities is primarily influenced by the **EEG** equalisation mechanism, which led to a considerable outflow of cash due to the sharp drop in electricity prices.

Cash flow from investing activities is characterised by investments primarily in the transmission network, which increased by 35.0%. Lower fixed asset disinvestments additionally impacted negatively on the cash flow.

The significant increase in cash flow from financing activities is due largely to long-term borrowing, particularly to secure liquidity in the context of the EEG equalisation mechanism, as well as the additional payment of the shareholders into the capital reserve in the amount of €400.0 million.

The financial resources fund for covering future expenses arising from the **EEG** equalisation mechanism was completely diminished due to the sharp drop in electricity prices.

Financing

A consortium loan agreement with a bank consortium consisting of a total of five commercial and regional banks exists to cover operating processes, the interim financing of investments and the cash requirements for the EEG equalisation mechanism. The consortium loan agreement includes a customary financial covenant. Its compliance is audited annually on the closing date of 31 December. As at the closing date, there are no indications that this financial covenant is not being met.

The grid credit tranche of the consortium loan agreement amounts to €850.0 million and expires in March 2023. The interest rate is based on the EURIBOR reference interest rate plus a maturity-based margin. As at the closing date, €119.9 million of the credit line (of which €4.5 million in sureties) had been utilised. In October 2020, a commercial paper programme with an emission volume of up to €900.0 million was implemented. It offers Amprion access to the short-term capital market. As at the closing date, Amprion had not emitted any commercial papers.

The EEG credit tranche of the consortium loan agreement amounts to €350.0 million and expires in March 2022. The interest rate is also based on the EURIBOR reference interest rate plus a maturity-based margin. As at the closing date, €262.9 million of the credit line had been utilised. To ensure the necessary liquidity in the context of the EEG equalisation mechanism, five additional bilateral lines of credit with a total volume of €1,550.0 million were concluded with commercial and regional banks in 2020. The interest rates are oriented to EONIA or EURIBOR plus a margin, whereby different zero-floor regulations apply. The bilateral loan agreements each have a term of one year and end as scheduled between May and August 2021. They can be unilaterally terminated at short notice by Amprion. As at the closing date, €1,150.2 million of the bilateral lines of credit had been utilised. In January 2021, Amprion reduced the five bilateral loan agreements to one remaining bilateral line of credit with a volume of €100.0 million in conjunction with the receipt of an initial compensation payment based on the agreement concluded under public law between the TSOs and the Federal Republic of Germany to reduce the EEG surcharge in 2021.

As at 31 December 2020, total fixed-interest borrower's note loans and registered bonds amounted to €865.0 million. Fixed-interest promissory note loans and registered debentures with a total volume of €200.0 million and a value date in January 2021 were additionally taken out in 2020. Moreover, a long-term, fixed-interest consortium loan of €200.0 million with a maturity of 15 years exists with two banks, including a development bank. This consortium loan includes a customary financial covenant. Its compliance is audited annually on the closing date of 31 December. As at the closing date, there are no indications that this financial covenant is not being met. In addition, the borrowing of long-term outside capital via the capital and bank market for the financing of investments is planned for 2021.

Amprion was also rated by the two independent rating agencies Moody's Investors Service Ltd and Fitch Ratings Ltd during the financial year. In its annual review, Moody's Investors Service Ltd downgraded Amprion's rating to "Baa1" and simultaneously changed its outlook from "negative" to "stable". Fitch Ratings Ltd reiterated last year's rating of "BBB+" with an unchanged, stable outlook. Both ratings remain in the sound investment grade range. The commercial paper programme initiated during the financial year was given a "Prime-2" rating by Moody's. At the same time, Moody's assigned Amprion a short-term rating of "Prime-2".

Investments

Demands on the transmission network have risen significantly in the past few years. Increases in feed-ins from renewable energy sources and changes to the power stations mean that increased electrical output needs to be transported over increasingly greater distances. In addition, the energy transports throughout the European area have increased considerably due to trading resulting from the liberalisation of the European energy market.

The deadlines specified for decommissioning nuclear power stations, the shutdown of lignite- and hard coal-fired power plants as well as the expansion of renewable energies are driving the need for grid expansion. During the financial year, despite the constraints of the coronavirus pandemic, Amprion expanded its investment activities to increase transport capacity and stabilise the transmission network so that system security can be assured. The north-south axes of the transmission network, above all, are being steadily expanded to integrate the growing feed-in of renewable energies into the grid and ensure the provision of the required transmission capacities once all nuclear power stations go offline. The largest investments during the financial year were undertaken in the A-Nord, ALEGrO, Kruckel - Dauersberg, Ultranet, Rommelsbach - Herbertingen, Diele - Niederrhein projects and additional reactive power compensation measures.

The ALEGrO project was completed in November 2020 and the extra-high-voltage direct current transmission technology connection from Oberzier east of Aachen to Lixhe in the province of Liège entered operation with a rated transmission capacity of one GW. ALEGrO is the first interconnector that connects the German grid directly to the Belgian electricity grid. This connection fosters the integration of the European energy market, increases supply security and contributes to the stabilisation of grid operations throughout the entire region.

Together with the Ultranet project in the south from Osterath to Philippsburg, the A-North DC connection from Emden/East to Osterath forms West German DC corridor A from Lower Saxony to Baden-Württemberg via North Rhine-Westphalia and Rhineland-Palatinate. Amprion has submitted the planning approval documents for the new construction of Ultranet section A (Riedstadt - Wallstadt) to the Federal Network Agency ([FNA](#)) for a completeness review and subsequent public participation. The Federal Network Agency has carried out a subsequent consultation for the federal sectoral planning in section D (Weißenthurm - Riedstadt). The hearings for the federal sectoral planning in sections C (Osterath - Rommerskirchen) and E (Rommerskirchen - Weißenthurm) took place.

The so-called reactive power, which was previously provided by the generators of the major power plants, is indispensable for voltage regulation in the transmission grid. During the course of the energy revolution, many of the large power plants will be taken offline, with the result that their reactive power potential will no longer be available to ensure stable voltage. Capacity utilisation of the transmission grid is additionally increasing, particularly due to the transport of offshore wind power to the south, and thus also the demand for reactive power as a whole. To continue to enable the unhindered transport of the supply-dependent renewable energy feed-in and flexible electricity trading, a sufficient number of reactive power compensation systems will be needed in Amprion's control area to keep the voltage stable in any situation. In 2020, Amprion put an additional three systems into operation, the rotating phase shifter system in Uchtelfangen and the two STATCOM systems in Kusenhurst and Dauersberg. Planning was additionally completed and contracts awarded for a three further reactive power compensation systems for the Hoheneck, Gersteinwerk and Opladen sites.

The total volume of investments during the financial year came to €1,051.8 million and was thus on a par with the value forecast in the management report for 2019. Of this amount, €910.5 million related to investments in expansion and €141.3 million to investments in the renovation of the transmission network and other investments. Investments increased by 35% year-on-year.

Assets and liabilities

ASSETS

in € million	31 Dec. 2020	31 Dec. 2019	Change
Non-current assets	5,427.3	4,596.7	830.6
Current assets	2,816.9	1,805.9	1,011.0
	8,244.2	6,402.6	1,841.6

LIABILITIES AND SHAREHOLDERS' EQUITY

in € million	31 Dec. 2020	31 Dec. 2019	Change
Equity	2,466.4	1,946.3	520.1
Non-current liabilities	2,218.5	1,910.2	308.3
Current liabilities	3,559.3	2,546.1	1,013.2
	8,244.2	6,402.6	1,841.6

At 65.3% (previous year: 71.4%), tangible fixed assets make up the largest portion of the company's assets and are covered up to 87.0% (previous year: 84.4%) by equity and long-term debt.

The assets from the EEG equalisation mechanism of €2,146.0 million (previous year: €1,387.9 million) represent 76.2% of current assets (previous year: 76.9%). This essentially involves a receivable arising from the entitlement in the context of the EEG equalisation mechanism. This is in contrast to current liabilities of €2,140.5 million (previous year: €1,385.3 million). These are largely financial liabilities.

The equity ratio is 29.9% (previous year: 30.4%). The decrease results mainly from the increase in current liabilities due to the increase in liabilities arising from the EEG equalisation mechanism and the provision for the obligation from the regulatory account. This is offset by the additional payment of the shareholders in the amount of €400.0 million to the capital reserve and the transfer of €120.2 million from the net income for 2019 to the revenue reserve during the financial year.

General statement on the development of business and the financial situation

The Amprion Management Board assesses the course of business and the financial situation as positive. The overall financial situation can be regarded as sound and provides the basis for further investments in the transmission network.

OUTLOOK, OPPORTUNITIES AND RISK REPORT

Outlook

Grid business

The third step towards introducing uniform grid fees throughout Germany will be implemented in 2021. Accordingly, the 2021 grid fees will consist of a 40 % company-specific grid fee and a 60 % grid fee that is uniform throughout Germany.

The resolution of the Federal Network Agency ([FNA](#)) from 20 December 2018 specified the revenue cap for the third regulatory period from 2019 to 2023 on the cost basis of the year 2016. Amprion submitted an appeal against this decision on 25 January 2019. The Düsseldorf Higher Regional Court rejected the appeal in its decision of 13 May 2020. Amprion has submitted an appeal against this decision to the Federal Court of Justice. This initial base level, the development of the permanently non-controllable costs, the general consumer price index, the general productivity factor and the individual efficiency value constitute the basis for the grid charges published on 11 December 2020. The revenue cap for 2021 has decreased due to the following developments:

- Reimbursement of additional revenue that has been generated through the regulatory account system
- Lower costs for feed-in management

This has been offset by:

- Higher costs from approved investment measures for further grid expansion

The aforementioned changes are not or are only partially within Amprion's sphere of influence and lead to a minor increase in the grid charges in the extra-high-voltage grid level of between 1.1 % and 1.3 % in the usage hour range between 5,000 and 8,760 that is relevant to the majority of customers.

System services

As before, Amprion will source the control reserve together with the other German TSOs according to the Federal Network Agency (**FNA**) guidelines. A slight increase in expenses is assumed.

The tender for the long-term component for grid losses has been completed in full for 2021. Slightly reduced costs due to lower prices and quantities are anticipated.

On 1 October 2021, the redispatch measures and feed-in management measures will be merged due to the amended Grid Expansion Acceleration Act (NABEG 2.0). This is likely to lead to a significant increase in costs for redispatch measures.

Investments

The grid development plan (**NEP**) constitutes the basis for the project planning of the four German TSOs. The projects contained in the NDP confirm the energy industry necessity and the prevailing need. The 2019 version of the NEP 2030 safeguards approximately €21.2 billion of Amprion's investments for the next ten years. The NEP is prepared in a two-yearly cycle in order to prevent overlaps in successive grid development plans. In June 2020, the Federal Network Agency published the scenario framework for the 2021 version of the NEP 2035. This looks at the time horizons of 2035 and 2040 with a total of four scenarios.

The investment volume planned by Amprion up to 2030 consists of investments in expansion, renovation and other investments, and amounts to around €15.9 billion, €1.1 billion of which are allocated to 2021. An investment volume of around €8.4 billion is planned for the subsidiary company Amprion Offshore GmbH up to 2030.

This therefore results in a total investment volume of around €24.3 billion for both companies.

Revenues and profit or loss

A slight decrease in overall revenues is anticipated in the 2021 financial year, particularly from Amprion's income-neutral processing of the EEG equalisation mechanism. Revenues from the grid business are set to increase particularly due to higher revenues from the allocations for combined heat and power generation and electricity-intensive customers. These revenues correspond to expenditures of the same amount.

A moderate decrease in net income is anticipated for the 2021 financial year due to the impact of one-off effects in the previous year, for example from the reversal of provisions, as well as the expected increase of staff costs due to additional recruiting required for the grid expansion.

Overall statement on future development

Despite the continuing coronavirus pandemic, the Management Board expects business to continue developing positively and anticipates that the company's asset, financial and earnings situation will remain stable during the 2021 financial year thanks to the prevailing regulatory conditions.

Opportunities and risk report**Risk management**

The risk management process aims to strengthen risk awareness in the company, enable the early detection of all risks and create transparency in the risk situation. Amprion's risk management includes extensive organisational measures pertaining to the company's processes and structure with the aim of ensuring that risks are identified, analysed and controlled at an early stage and that they are reported, thereby taking into account the requirements of the German Corporate Sector Supervision and Transparency Act. The primary objectives of risk management are the avoidance and control of risks which impact the financial result and liquidity or even endanger the existence of the company and the optimisation of the overall portfolio of opportunities and risks.

Risk identification includes the structural recording of possible risks in all operational processes and functional divisions. As part of the risk analysis, the risks identified are assessed in terms of their origin, early warning indicators, risk control and preventive measures, the amount of any loss and the probability of their occurrence. The objective of risk control is to reduce the potential amount of any loss and the probability of its occurrence or – insofar as this is possible – to avoid risks by not carrying out high-risk activities.

As part of regular risk reporting, the Management Board and the Supervisory Board are kept informed of the current risk situation. In addition, material adverse changes are immediately reported to the decision-makers. Risk management is an integral component of the business, planning and control processes and is reviewed regularly for its functional capability and its effectiveness.

In addition, a risk-oriented approach is used as part of internal audits to ensure a comprehensive appraisal of risks. The existing risk portfolios and the resulting areas for action are specified as early as during the preparation stage for auditing schedules and the specific auditing activities.

Significant opportunities and risks

System services

Market opportunities and risks result from supplying the control area. The voluntary self-obligations for the control reserve, grid losses and redispatch for the third regulatory period were effectively introduced by the Federal Network Agency ([FNA](#)). The costs for procuring these system services are therefore considered permanently non-controllable in accordance with Section 11 (2) [ARegV](#) (Incentive Regulation Ordinance) and can be recognised at the target costs in the revenue cap.

Opportunities and risks result from changes in the cost of procurement of control reserve based on unforeseeable volume effects. The voluntary self-obligation for the control reserve provides for price indexation resulting in opportunities and risks for the company's income due to volume effects, which are limited by an incentive regulation. Only around 25.0% of the cost savings or cost increases generated from unforeseen volume effects influence Amprion's income up to an absolute cap of 2.5% of the target costs. Any remaining difference arising from volume and price changes in excess of this amount is recognised with interest in the regulatory account and is taken into account in the grid charges with a time lag.

In the case of the voluntary self-obligation for grid losses, a risk or opportunity arises from the price development because the settlement price is fixed. Moderate risks or opportunities exist from the procurement of grid losses. Around 50.0% of the cost savings or cost increases influence Amprion's income up to an absolute cap of 2.5% of the target costs. Any remaining difference arising from volume changes in excess of this amount and the complete difference resulting from price changes are recognised with interest in the regulatory account and are taken into account in the grid charges with a time lag.

The voluntary self-obligation for redispatch results in periodic risks from the difference between the planned costs set in the revenue cap and the actual costs incurred due to redispatch measures. This is recognised with interest in the regulatory account and is taken into account in the grid charges with a time lag.

Periodic risks also arise for the feed-in management activities because, while planned costs are set in the revenue cap for the relevant year, the actual costs required can fluctuate significantly due to the weather. The difference between planned costs and actual costs is reported with interest in the regulatory account and taken into account in the grid charges with a time lag.

Financing

As a TSO, Amprion is responsible for the implementation of the EEG equalisation mechanism in its control area. In principle, the implementation of the EEG is income-neutral based on the statutory provisions. In the event of developments that differ from the forecast, however, income from the EEG allocation and the actual revenues from sales on the electricity exchange may not be sufficient to cover the volatile feed-in remuneration to EEG plant operators. This leads to a periodic liquidity risk which is countered by the maintenance of sufficient lines of credit.

Credit risks arise if business partners fail to meet their payment obligations or meet them inadequately. Credit risks are largely avoided through creditworthiness checks, continuous receivables management and, if necessary, the use of collateral security.

Regulation

Regulatory risks arise from changes in European and national laws. Amprion follows and assists in legislative processes in order to use any possible opportunities for financial stability in the regulated grid business and to limit costs to the company.

The grid charges are subject to regulatory supervision by the Federal Network Agency (FNA). The Federal Network Agency's approvals or decisions can impact positively or negatively on the asset, financial and earnings situation. This particularly includes the determination of the equity interest rate, which has a material influence on economic development, or the specification of the productivity factors. One central point is the approval practice for the cost reviews, since this is where the basis for the grid charges for a regulatory period is determined. The grid charges are calculated based on forecast sales quantities. In the event of unscheduled quantity deviations resulting from external factors (e.g. weather, economy, local generation), revenue surpluses or shortfalls occur; they are recorded in the regulatory account and taken into consideration for future grid charges.

Further risks may arise if the investment measures applied for are only partially accepted by the Federal Network Agency because these may lead to lower imputed costs and thus to lower revenues from grid charges. The company reduces this risk by controlling costs and justifying the costs of investments to the Federal Network Agency.

Overall statement on risks

During the 2020 financial year, there were no identifiable risks that threatened the existence of the company, either individually or in their entirety, or that might directly and significantly impair the company's asset, financial and earning situation. The coronavirus pandemic only had a minor influence on the risk situation. No such existential risks are foreseeable in the future based on current knowledge.

ACCOUNTING-RELATED INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The objective of the accounting-related internal control and risk management system is to ensure that the company's accounting activities comply with the legal provisions and the generally accepted accounting principles. Amprion's accounting-related internal control and risk management system defines principles, procedures and measures that ensure the integrity of the accounting process. The system is based on the international "Enterprise Risk Management - Integrated Frameworks" standard of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the COSO model named after it.

The regulations are summarised in a guideline that is supplemented by work instructions. In addition, the guideline presents the specific accounting-related risks in a control matrix with the areas of activity and responsibilities. This is regularly updated. Risk identification and risk assessment take place in compliance with the accounting processes and the risk management system in consultation with all of the operating accounting units.

Each identified risk is assigned to one or more specific manual and/or system-based controls. The quantitative (materiality per balance sheet item) and qualitative (complexity and discretionary powers) assessment of the risks determine the intensity of the controls. Some of these controls are used for subsequent audits, i.e. to maintain the accuracy of the content and the completeness of the annual financial statements (ex post controls). By contrast, other control activities are of a preventive nature in order to secure risky processes in advance and reduce the system's susceptibility to errors (ex ante controls). The combination of ex post and ex ante controls ensures a more robust overall accounting process.

Important control measures of the accounting-related internal control and risk management system are:

- A continuously applied dual-control principle
- Separation of functions and assignment of responsibilities
- Tiered release strategies

- Use of standard business software for accounting with a comprehensive authorisation concept to prevent fraud
- IT access restrictions set up according to the principle of the separation of functions to prevent unauthorised access to data

The accounting-related internal control and risk management system includes the central documentation of the control activities and reporting to the Head of Accounting, who is responsible for introducing any necessary additional measures. Moreover, regular discussions are held with the staff operating the internal control system and with the Amprion risk management department.

Corporate governance declaration pursuant to Section 289f (4) HGB (German Commercial Code)

In 2017, target quotas of 0.0% were stipulated for the Management Board and 6.7% for the two management levels directly below the Management Board as targets for the proportion of women to be achieved by 30 June 2022. A new target quota of 25.0% was stipulated for the proportion of women in the Supervisory Board and is to be achieved by 1 December 2025.

Dortmund, 15 March 2021

The Management Board



DR HANS-JÜRGEN BRICK



DR HENDRIK NEUMANN



PETER RÜTH

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BALANCE SHEET

of Amprion GmbH as at 31 December 2020

ASSETS

in € million	Notes	31 Dec. 2020	31 Dec. 2019
Non-current assets	(1)		
Intangible assets		27.9	19.1
Tangible assets		5,385.0	4,571.0
Financial assets		14.5	6.6
		5,427.4	4,596.7
Current assets			
Inventories	(2)	74.7	61.1
Accounts receivable and other assets	(3)	2,741.4	1,064.6
Cash and cash equivalents	(4)	0.0	679.2
		2,816.1	1,804.9
Prepaid expenses		0.7	1.0
		8,244.2	6,402.6

LIABILITIES AND SHAREHOLDERS' EQUITY

in € million	Notes	31 Dec. 2020	31 Dec. 2019
Equity	(5)		
Subscribed capital		10.0	10.0
Jouissance rights capital		20.4	16.9
Additional paid-in capital		1,403.0	1,003.0
Retained earnings		816.4	696.2
Net profit		216.6	220.2
		2,466.4	1,946.3
Special items	(7)	28.0	29.5
Provisions and accruals	(8)	1,062.4	756.8
Liabilities	(9)	4,202.0	3,244.1
Deferred income	(10)	318.4	287.0
Deferred tax liabilities	(11)	167.0	138.9
		8,244.2	6,402.6

INCOME STATEMENT

of Amprion GmbH from 1 January to 31 December 2020

in € million	Notes	1 Jan.- 31 Dec. 2020	1 Jan.- 31 Dec. 2019
Revenues	(13)	15,504.1	14,344.6
Change in inventory of work in progress		-0.5	3.1
Other own work capitalised		93.4	83.9
Other operating income	(14)	52.4	86.7
Cost of materials	(15)	-14,730.5	-13,656.8
Personnel expenses	(16)	-224.3	-182.0
Depreciation		-208.8	-184.6
Other operating expenses	(17)	-117.5	-130.9
Financial result	(18)	-73.0	-51.1
Profit before taxes		295.3	312.9
Taxes on income and earnings	(19)	-78.7	-92.7
Profit after taxes / net profit		216.6	220.2

NOTES TO THE FINANCIAL STATEMENTS

of Amprion GmbH as at 31 December 2020

Basis of presentation

The company, based in Dortmund, is entered in the Commercial Register of the District Court of Dortmund under registration number HRB 15940. The annual financial statements have been prepared in accordance with the provisions of the German Commercial Code (HGB) for a large capital corporation as required by Section 267 (3) HGB and pursuant to the supplementary provisions of the Act Regarding Limited Liability Companies (GmbHG) and the Energy Industry Act ([EnWG](#)). To reflect the specific nature of the company's business activities, certain items of the financial statements have been adjusted pursuant to Section 265 (5) HGB.

To ensure clarity of presentation, individual items have been combined in the balance sheet and in the income statement and are explained separately in the notes. The income statement has been prepared according to the nature of expense method. The amounts disclosed in the annual financial statements are stated in millions of euros (€ million) and thousands of euros (€ thousand), which may lead to rounding differences.

Accounting policies

Non-current assets

Separately acquired intangible assets are initially recognised at acquisition costs and are amortised using the straight-line method over their normal useful lives of two to five years; if their value is likely to be permanently impaired, they are written down.

Tangible assets are measured at acquisition or manufacturing costs less accumulated scheduled straight-line depreciation and any unscheduled write-offs. Manufacturing costs include direct costs and any applicable overhead costs. If the reasons for the unscheduled write-offs cease to exist, appropriate reversals are recorded, but not in excess of the amortised cost. Depreciation pro rata temporis begins in the year of the addition. Scheduled write-offs are based on the lower range of useful life pursuant to Annex 1 to Section 6 (5) StromNEV (Electricity Network Fee Regulation Ordinance). Pursuant to Section 6 (2) EStG (German Income Tax Act), low-value assets whose acquisition costs do not exceed €250 are recognised as costs in the year of

their acquisition. If the acquisition costs exceed €250, but do not exceed €800, they are capitalised at the point in time of their addition; at the end of the financial year, they are fully depreciated and recognised as disposals.

Financial assets are recognised at acquisition costs and measured at the lower fair value if there is a presumably permanent loss of value.

Current assets

Raw materials and supplies are recognised at acquisition or manufacturing costs measured by applying moving average prices according to the strict lower of cost or market principle. Inventory risks arising from reduced exploitability are given consideration in the form of appropriate allowances. Work in progress is measured at manufacturing costs. Direct costs as well as reasonable amounts of overhead costs for material and production are included in these measurements. The receivables and other assets are recognised at nominal value or acquisition costs. All discernible specific risks and the general credit risk are given consideration in the form of reasonable value allowances. Securities are measured at costs of acquisition or at the lower fair value.

Cash and cash equivalents are reported at nominal value.

Special items

Special items include advances and contributions in aid of construction and building connection that were received from 1 January 2003 to 31 December 2010, and are reversed in line with the useful lives of the related assets.

Provisions

Provisions for pensions and similar obligations are created on the basis of actuarial calculations, taking into account company-specific adjusted Klaus Heubeck 2018 G reference tables and using the projected unit credit method. They are discounted by 2.30 % per year, based on the 10-year-average market interest rate as at 31 December 2020 published by the German central

bank with an assumed residual term of 15 years. Other calculation assumptions include a 3.50 % per year increase in wages and salaries and pension increases of 1.00 % and 2.10 % per year.

In the assessment of other provisions, all identifiable risks and contingent liabilities have been taken into account. They are recognised at the amount required for settlement based on reasonable commercial judgement. Provisions with a residual term of more than one year are discounted in accordance with their residual term using the average market interest rate for the previous seven financial years published by the German central bank. Interest accretion on these provisions is calculated using the interest rate at the end of the financial year. The effects of the change in the discounting rate or in the estimation of the residual term are shown in the financial result.

Provisions for service anniversaries are accrued on the basis of an actuarial analysis, taking into account company-specific adjusted Klaus Heubeck 2018 G reference tables. They are discounted using the average market interest rate for the previous seven financial years as at 31 December 2020 of 1.60 % per year published by the German central bank. Furthermore, depending on the relevant service anniversary regulations, wage and salary increases of 2.75 % and 3.50 % per year are used as actuarial assumptions.

Provisions for pre-retirement part-time employment are accrued on the basis of actuarial calculations, taking into account company-specific adjusted Klaus Heubeck 2018 G reference tables. They are discounted using the average market interest rate for the previous seven financial years as at 31 December 2019 of 0.54 % per year for potential and concluded pre-retirement part-time employment agreements. Furthermore, wage and salary increases of 3.50 % per year are used as actuarial assumptions.

Provisions for pensions and similar obligations are covered in full by assets held in trust as part of a contractual trust arrangement. Credits from the block model pre-retirement part-time employment in accordance with Section 8a of the German Partial Retirement Act

(Altersteilzeitgesetz – AltTZG) and credits on long-term working time accounts under Section 7e of the German Social Code Vol. IV (Sozialgesetzbuch – SGB IV) are likewise secured by assets held in trust as part of a contractual trust arrangement. These assets held in trust are recognised at fair value and are offset against the respective underlying obligations in accordance with Section 246 (2) sentence 2 HGB. Expenses associated with the interest accretion to provisions are netted against income and expenses from the related assets in the financial result.

Liabilities

Liabilities are generally measured at their settlement amount. Exceptions concern the liabilities to the Pensions Security Association and those arising from early retirement obligations which are stated at present value.

Deferred income

The advances and contributions in aid of construction and building connection accrued up until 31 December 2002 and after 1 January 2011 reported as deferred items are reversed through profit and loss using the straight-line method over a period of 20 years. The income from congestion management is used for maintenance or expansion of cross-border transmission capacities and is, in the same way as the construction grants, recognised in the balance sheet as deferred income.

Deferred tax liabilities

Deferred taxes arise from temporary differences in accounting treatment under commercial and tax law and are calculated using the current applicable tax rate and shown net.

Currency conversion

Transactions in foreign currency are valued at the current exchange rate at the time of their initial posting. Assets and liabilities quoted in foreign currency are converted at the mean spot rate of exchange prevailing on the accounting date.

Notes to the balance sheet

(1) Non-current assets

The development of non-current assets during the financial year and their composition as at 31 December 2020 are described in the appendix.

The following table provides information on the company's stockholdings.

Name and headquarters of the company	Share of capital	Equity in € million	Net profit in € million
Amprion Offshore GmbH, Dortmund*	100.0 %	9.0	*
Holding des Gestionnaires de Réseau de Transport d'électricité SAS, Paris/France**	5.0 %	91.7	10.7
Joint Allocation Office S.A., Luxembourg/Luxembourg**	4.0 %	6.5	0.3
TSCNET Services GmbH, Munich**	7.1 %	6.8	0.5

* Equity and profit of financial year 2020; profit-and-loss transfer agreement

** Equity and profit of financial year 2019

Due to the subordinate significance of Amprion Offshore GmbH for the true and fair presentation of Amprion Group, the parent company Amprion GmbH is exempt from preparing consolidated financial statements in accordance with Section 290 (5) HGB in conjunction with Section 296 (2) HGB as at 31 December 2020.

(2) Inventories

in € million	31 Dec. 2020	31 Dec. 2019
Raw materials and supplies	69.2	55.2
Work in progress	5.5	5.9
	74.7	61.1

(3) Accounts receivable and other assets

in € million	31 Dec. 2020	31 Dec. 2019
Trade receivables	2,657.4	1,035.9
Receivables from affiliated companies	14.6	-
Receivables from companies in which participations are held	0.5	0.3
Other assets	68.9	28.4
	2,741.4	1,064.6

Trade receivables largely result from the **EEG** allocation mechanism.

Receivables from affiliated companies arise entirely from cash pooling and profit transfers (incl. tax levy) with Amprion Offshore GmbH.

(4) Cash and cash equivalents

Cash and cash equivalents consist largely of cash balances.

(5) Equity

The company's authorised capital has been paid in full; 74.9% is held by M 31 Beteiligungsgesellschaft mbH & Co. Energie KG, Düsseldorf, and 25.1% by RWE AG, Essen.

The jouissance rights, which are not securitised, are held by the company's employees and are not transferable. They can be redeemed after a minimum holding period of five years. The jouissance rights entitle to a limited interest claim on the nominal amount which is prioritised over the shareholders' interests. The amount of the interest yield is dependent on the company's profit. They do not entitle to any participation in returns from liquidation of the company. The yield on the jouissance rights capital in the financial period amounted to €1.2 million. In total, jouissance rights in the following denominations have been issued.

Nominal amount	Quantity 31 Dec. 2020
€ 180	108,006
€ 360	16
€ 720	285
€ 1,220	67
€ 1,720	366
	108,740

In December 2020, an amount of €400 million was allocated to additional paid-in capital by the shareholders.

The retained earnings are entirely composed of the item “other retained earnings” within the meaning of Section 266 (3) A. III, no. 4 HGB.

By resolution of the Supervisory Board dated 7 April 2020, €100.0 million of the net profit of €220.2 million for the 2019 financial year was distributed to the owners. The remainder of €120.2 million was transferred to other retained earnings.

(6) Payout block

The total amount of non-distributable profits in accordance with Section 268 (8) HGB of €11.8 million results from the measurement of covering assets at their fair value pursuant to Section 253 (1) sentence 4 HGB. The fair value exceeds the cost of acquisition by €17.3 million. The deferred tax liability due on this amount totals €5.4 million.

The non-distributable amount of €58.6 million (previous year: €48.7 million) in accordance with Section 253 (6) HGB arises from discounting the provisions for pension obligations using the 10-year-average market interest rate instead of the previous 7-year average.

The freely disposable reserves of €2,219.4 million exceed the non-distributable amounts of €70.4 million.

(7) Special items

Advances and contributions in aid of construction and building connection received from 1 January 2003 to 31 December 2010 are recognised under special items for investment grants associated with fixed assets.

(8) Provisions and accruals

in € million	31 Dec. 2020	31 Dec. 2019
Tax provisions	43.4	44.8
Other provisions	1,019.0	712.0
<i>- thereof for regulatory obligations</i>	<i>894.5</i>	<i>553.6</i>
<i>- thereof for miscellaneous obligations</i>	<i>124.5</i>	<i>158.4</i>
	1,062.4	756.8

Due to the offsetting rule pursuant to Section 246 (2) sentence 2 HGB, the provisions for pensions and similar obligations reported under other provisions are netted against plan assets.

in € million	Historical cost	Fair value	Settlement amount
Netted assets			
Securities	229.1	246.4	
Other assets	57.4	57.4	
	286.5	303.8	
Netted liabilities			
Provisions for pensions and similar obligations			303.8
			303.8
Difference from offsetting			-

The fair value corresponds to the market value as at 31 December 2020. The corresponding offsetting of expenses and income is disclosed in the notes to the financial result.

Tax provisions relate to tax periods not yet irrevocably closed.

Other provisions include regulatory obligations, which substantially result from the regulatory account. The remaining miscellaneous provisions are accrued essentially for personnel-related obligations as well as obligations for the overhaul of pylons.

In accordance with the consolidation requirement pursuant to Section 246 (2) sentence 2 HGB, the provisions for pre-retirement part-time employment and long-term working hour accounts disclosed under other provisions are offset against the plan assets.

in € million	Historical cost	Fair value	Settlement amount
Netted assets			
Other assets	12.5	12.5	
	12.5	12.5	
Netted liabilities			
Provisions for pre-retirement part-time employment and long-term working time accounts			31.4
			31.4
Difference from offsetting			18.9

The fair value corresponds to the market value as at 31 December 2020. The corresponding offsetting of expenses and income is disclosed in the notes to the financial result.

(9) Liabilities

in € million (prior-year figures in brackets)	31 Dec. 2020 (31 Dec. 2019)	Of which, residual term		
		≤ 1 year	> 1 year	> 5 years
Liabilities to credit institutions	2,604.5 (962.2)	1,724.5 (47.2)	9.0 (185.0)	871.0 (730.0)
Prepayments received	17.1 (8.5)	12.2 (4.1)	4.9 (4.4)	- (-)
Trade payables	1,511.4 (2,121.0)	1,511.4 (2,121.0)	- (-)	- (-)
Liabilities to companies with participation interest	* (0.1)	* (0.1)	- (-)	- (-)
Other liabilities	69.0 (152.3)	62.2 (151.3)	6.8 (1.0)	- (-)
- of which taxes	10.1 (4.6)	10.1 (4.6)	- (-)	- (-)
- of which for social security	* (-0.1)	* (-0.2)	- (0.1)	- (-)
	4,202.0 (3,244.1)	3,310.3 (2,323.7)	20.7 (190.4)	871.0 (730.0)

* Negligible amount

Liabilities to credit institutions chiefly comprise short-term liabilities resulting from the EEG allocation mechanism amounting to €1,413.1 million and long-term promissory note loans and registered debentures totalling € 680 million as well as a long-term syndicated loan amounting to €200 million.

Other liabilities primarily comprise liabilities for regulatory obligations.

(10) Deferred income

Deferred income includes €16.7 million (previous year: €19.3 million) in advances and contributions in aid of construction and building connection received up to 31 December 2002 and from 1 January 2011; appropriated advances from congestion management according to Article 16 (6) Regulation (EC) No 714/2009 amounting to €285.2 million (previous year: €246.2 million) as well as various other advances for income in subsequent years amounting to €16.5 million (previous year: €21.5 million).

(11) Deferred tax liabilities

in € million	31 Dec. 2020	Change	31 Dec. 2019
Deferred tax assets	173.1	19.1	154.0
Deferred tax liabilities	340.1	47.2	292.9
Net deferred tax liability	167.0	28.1	138.9

The deferred tax liabilities arise essentially from valuation differences with regard to land and buildings as well as technical plant and machinery. These liabilities exceed the deferred tax assets, which stem mainly from differences in the valuation of provisions for pensions and similar obligations, other provisions and deferred income. The calculation was based on a tax rate of 31.54% (previous year: 31.62%).

(12) Guarantees and other financial obligations

The guarantees consist exclusively of liabilities from guarantee contracts totalling €203.2 million (previous year: €192.4 million), with €198.6 million of this amount (previous year: €187.2 million) relating to the joint liability for pension obligations stated in the partner RWE AG's accounts. Amprion is responsible for the economic burdens and relief.

Guarantees are provided only after a thorough review of the related risks and are restricted to the company's scope of business activities. Based on all indications available up until the preparation of the annual financial statements, it is assumed that the main debtors will be able to fulfil the obligations underlying the guarantees and that the guarantees will therefore not be called upon.

The aggregate total of other financial liabilities amounts to €383.2 million and relates to the following issues:

Order commitments in the amount of €370.3 million related to submitted investment and maintenance orders and to framework agreements regarding purchase obligations.

Non-discounted financial obligations of €7.5 million (thereof < 1 year: €2.6 million) are related primarily to long-term property leases.

A payment obligation in the amount of €5.4 million results from contracts for the purchase of land that will be legally and commercially conveyed after 31 December 2020.

Due to the transfer of certain pension scheme liabilities to RWE Pensionsfonds AG which took place in previous years, the company – in its capacity as employer – has a legally mandated funding obligation in the event of a possible shortfall in the pension fund in the future. There is no shortfall as at the balance sheet date. Although there is no such deficit to be expected, future shortfalls cannot be completely ruled out.

Notes to the income statement

(13) Revenues

in € million	1 Jan.- 31 Dec. 2020	1 Jan.- 31 Dec. 2019
Electricity	15,454.8	14,296.2
Other	49.3	48.4
	15,504.1	14,344.6

Electricity revenues essentially include revenues from the passing on of **EEG** expenses, network charges and income-neutral allocations. They are generated mainly within Germany.

(14) Other operating income

in € million	1 Jan.- 31 Dec. 2020	1 Jan.- 31 Dec. 2019
Reversal of provisions	41.8	73.1
Profits from disposal of non-current assets	1.4	1.8
Other	9.2	11.8
	52.4	86.7

Other operating income includes income related to other periods in the amount of €48.2 million (previous year: €76.8 million). Income of €15.3 thousand (previous year: €0.3 thousand) resulted from currency conversion.

(15) Cost of materials

in € million	1 Jan.- 31 Dec. 2020	1 Jan.- 31 Dec. 2019
Cost of raw materials, supplies and purchased goods	-14,123.5	-13,043.4
Cost of purchased services	-607.0	-613.4
	-14,730.5	-13,656.8

The cost of materials essentially consist of charges resulting from EEG and expenses for system services as well as other income-neutral allocations.

(16) Personnel expenses

in € million	1 Jan.- 31 Dec. 2020	1 Jan.- 31 Dec. 2019
Wages and salaries	-165.6	-138.3
Costs of social security, pensions and other benefits	-58.7	-43.7
<i>- of which relating to pensions</i>	-32.5	-22.3
	-224.3	-182.0

	1 Jan.- 31 Dec. 2020	1 Jan.- 31 Dec. 2019
Executive employees	34	32
Non-tariff employees	389	317
Employees covered by collective wage agreements	1,614	1,234
	2,037	1,583

The figures stated above are related to the average employee equivalents employed during the financial year. Part-time employees are taken into account proportionally to their regular weekly working hours.

(17) Other operating expenses

in € million	1 Jan.- 31 Dec. 2020	1 Jan.- 31 Dec. 2019
Services	-52.9	-47.7
Losses from disposal of non-current assets	-6.0	-13.9
Impairments or losses from disposal of current assets	-0.1	-3.9
Miscellaneous	-58.5	-65.4
	-117.5	-130.9

Expenses related to other periods in the amount of €6.2 million (previous year: €15.7 million) included in the other operating expenses largely result from the disposal of non-current assets. Losses of €2.1 thousand (previous year: €1.4 thousand) resulted from currency conversion.

Expenses for services relate largely to data processing and real estate management.

Miscellaneous other operating expenses essentially include expenses for fees, consulting services, rent as well as other taxes amounting to €3.0 million (previous year: €2.4 million).

(18) Financial result

in € million	1 Jan.- 31 Dec. 2020	1 Jan.- 31 Dec. 2019
Income from profit and loss transfer agreements	0.3	
Income from other participations	0.5	0.8
Other interest and similar income	0.4	2.3
- of which from affiliated companies	*	-
Interest and similar expenses	-74.2	-54.2
- of which interest accretion	-39.7	-35.9
- of which remuneration from jouissance rights	-1.2	-1.0
	-73.0	-51.1

* Negligible amount

Expenses and earnings from plan assets were netted against expenditures from interest accretion in accordance with Section 246 (2) sentence 2 HGB. The resulting net amount is included in the item "Interest and similar expenses".

in € million	
Netted income	
Other operating income	-1.4
Other interest and similar income	-0.1
	-1.5
Netted expenses	
Interest and similar expenses	-35.5
	-35.5
Difference from offsetting	-37.0

(19) Taxes on income and earnings

Expenses arising from taxes on income and earnings relating to the current financial year and not yet irrevocably assessed tax periods amount to €65.5 million (previous year: €106.5 million). Deferred tax expenses amount to €28.1 million (previous year: € -9.2 million). Additionally, tax income related to other periods amounts to €14.9 million (previous year: € 4.6 million).

Additional information

Directors and officers

The option pursuant to Section 286 (4) HGB was exercised. Therefore, no disclosure of the total remuneration paid to the Management Board in the financial period pursuant to Section 285 no. 9a HGB was made.

Members of the Supervisory Board received remuneration in the amount of € 300.0 thousand during the financial year.

The members of the Supervisory Board are listed below:

— **Uwe Tigges (since 1 May 2020)**

Former Executive Board Chairman (CEO), innogy SE
Chairman

— **Detlef Börger-Reichert***

Chairman of Amprion GmbH's Works Council at its Dortmund site and Deputy Chairman of the General Works Council of Amprion GmbH
1st Deputy Chairman

— **Christian Mosel**

Chief Executive Officer of Ärzteversorgung Westfalen-Lippe (Corporation under public law)
2nd Deputy Chairman

— **Dr Peter-Henrik Blum-Barth**

Head of Capital Investments Liquid Assets, SV SparkassenVersicherung Holding AG

— **Wolfgang Hölzle***

Chairman of Amprion GmbH's Works Council at its Hoheneck site and member of the General Works Council of Amprion GmbH

— **Gudrun Janßen* (since 28 October 2020)**

Deputy ver.di District Manager for Westphalia, responsible for the Supply and Waste Management Department

— **Natalie Kornowski***

Chairwoman of Amprion GmbH's Works Council at its Brauweiler site and Chairwoman of the General Works Council of Amprion GmbH

*Employees' Representative

- **Frank Lefeber* (since 28 October 2020)**
 Member of Amprion GmbH's Works Council at its Dortmund site and member of the General Works Council of Amprion GmbH
- **Dr Thomas Mann**
 Executive Board Spokesman at Ampega Investment GmbH, Managing Director of Ampega Asset Management GmbH
- **Christoph Manser**
 Head of Infrastructure Investments at Swiss Life Asset Managers
- **Dr Michael Müller (since 8 October 2020)**
 Member of the Executive Board of RWE Supply & Trading GmbH and designated Chief Financial Officer of RWE AG
- **Dagmar Paasch* (since 28 October 2020)**
 ver.di Regional Department Manager, North Rhine-Westphalia Supply and Waste Management Department
- **Robert Pottmann**
 Head of Portfolio Management Illiquid Assets of MEAG MUNICH ERGO AssetManagement GmbH
- **Fred Riedel**
 Financial auditor and tax consultant
- **Patrik Peter Riehm* (since 28 October 2020)**
 Deputy Chairman of the Company Spokesman Committee of Amprion GmbH, Head of Accounting, Taxes, Insurance at Amprion GmbH
- **Dr Rolf Martin Schmitz (until 30 April 2020)**
 Chairman of the Management Board and Chief Executive Officer of RWE AG
- **Professor Heinz-Werner Ufer (until 15 October 2020)**
 Former Chairman of the Management Board of RWE Energy AG and Honorary Professor at the Technical University of Dortmund
- **Nerima Uzeirovic***
 Member of the General Works Council at Amprion GmbH and member of the Works Council at Amprion in Dortmund

* Employees' Representative

The members of the Management Board are listed below:

- **Dr Hans-Jürgen Brick**
Chief Commercial Officer
Chief Executive Officer

- **Dr Klaus Kleinekorte (until 31 December 2020)**
Chief Technical Officer

- **Dr Hendrik Neumann (since 1 January 2021)**
Chief Technical Officer

- **Peter RÜth (since 1 April 2020)**
Chief Financial Officer

Auditor's fee

The auditor's fee breaks down as follows.

in € thousand		of which for previous years
Auditing services	122.1	0.7
Other assurance services	296.4	0.6
Miscellaneous services	2.9	-
	421.4	1.3

Appropriation of net profit

The net profit for the financial year amounts to €216.6 million. Pursuant to Section 16 (1) of the company's Articles of Association, the Management Board proposes to the Supervisory Board a distribution of €100.0 million. Furthermore, the Management Board proposes to allocate the surplus amount of €116.6 million to other retained earnings according to Section 266 (3) A. III. no. 4 HGB for the purpose of creating appropriate reserves for future investments.

Events after the end of the reporting period

No significant events occurred during the period between the end of the reporting period and the preparation of the company's annual financial statements.

Information pursuant to EnWG

The company's business activities are related exclusively to the area "transport of electricity". Consequently, the activity report required pursuant to Section 6b (3) **EnWG** is equivalent to the financial statements.

In accordance with Section 6b (2) EnWG, substantial transactions with affiliated and associated companies shall be described in the notes. During the financial year, Amprion GmbH assigned Amprion Offshore GmbH with the construction, commissioning, maintenance and servicing as well as leasing of offshore grid connection systems as stipulated in the Construction and Leasing Contract, in which Amprion GmbH acts as the lessee. The resulting expenses amounted to €3.9 million.

Inversly, Amprion GmbH was contracted by Amprion Offshore GmbH to render commercial and technical services during the construction and operating phase of the offshore grid connection systems as specified in the Operating Agreement. On this basis, Amprion Offshore GmbH was charged €19.7 million during the financial year.

Dortmund, 15 March 2021

The Management Board



DR HANS-JÜRGEN BRICK



DR HENDRIK NEUMANN



PETER RÜTH

DEVELOPMENT OF FIXED ASSETS (APPENDIX TO THE NOTES)

of Amprion GmbH from 1 January to 31 December 2020

in € million	Costs of acquisition or production				as of 31 Dec. 2020
	as of 1 Jan. 2020	Additions	Transfers	Disposals	
Intangible assets					
Purchased concessions, patent rights and similar rights and assets as well as licences in such rights and assets	51.0	15.0	0.7	1.3	65.4
Prepayments	1.0	4.8	-0.7	-	5.1
	52.0	19.8	-	1.3	70.5
Tangible assets					
Land, land rights and buildings including buildings on third-party land	702.4	60.4	20.0	5.0	777.8
Technical plant and machinery	7,921.2	586.7	206.9	53.8	8,661.0
Other equipment, factory and office equipment	71.0	10.5	-	2.2	79.3
Advance payments and construction in progress	553.4	366.4	-226.9	0.9	692.0
	9,248.0	1,024.0	-	61.9	10,210.1
Financial assets					
Shares in subsidiaries	1.0	8.0	-	-	9.0
Other participations	5.2	-	-	-	5.2
Other loans	0.4	-	-	0.1	0.3
	6.6	8.0	-	0.1	14.5
	9,306.6	1,051.8	-	63.3	10,295.1

Accumulated depreciation			Carrying amounts		
as of 1 Jan. 2020	Depreciation during the reporting period	Disposals	as of 31 Dec. 2020	as of 31 Dec. 2020	as of 31 Dec. 2019
32.9	10.7	1.0	42.6	22.8	18.1
-	-	-	-	5.1	1.0
32.9	10.7	1.0	42.6	27.9	19.1
193.3	11.6	1.8	203.1	574.7	509.1
4,439.6	179.0	46.0	4,572.6	4,088.4	3,481.6
44.1	7.5	2.2	49.4	29.9	26.9
-	-	-	-	692.0	553.4
4,677.0	198.1	50.0	4,825.1	5,385.0	4,571.0
-	-	-	-	9.0	1.0
-	-	-	-	5.2	5.2
-	-	-	-	0.3	0.4
-	-	-	-	14.5	6.6
4,709.9	208.8	51.0	4,867.7	5,427.4	4,596.7

INDEPENDENT AUDITOR'S REPORT

To Amprion GmbH, Dortmund

Report on the audit of the financial statements and the management report

Audit opinions

We have audited the annual financial statements of Amprion GmbH, Dortmund, which comprise the balance sheet as of 31 December 2020 and the income statement for the financial year from 1 January 2020 to 31 December 2020 as well as the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the Amprion GmbH management report for the financial year from 1 January 2020 to 31 December 2020. In accordance with the German legal requirements, we have not audited the content of the corporate governance declaration pursuant to Section 289f (4) HGB (German Commercial Code).

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

- the accompanying annual financial statements comply in all material respects with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the company as of 31 December 2020 and of its financial performance for the financial year from 1 January 2020 to 31 December 2020 in compliance with the German principles of proper accounting and
- the accompanying management report as a whole provides an appropriate view of the company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the contents of the aforementioned corporate governance declaration.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the audit opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and in compliance with the German Generally Accepted Standards for Financial Statement Audits set out by the Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW). Our responsibilities under those requirements and principles are further described in the “**Auditor’s responsibilities for the audit of the annual financial statements and the management report**” section of our auditor’s report. We are independent of the company in accordance with the requirements of German commercial and professional law and have fulfilled our other German professional responsibilities in accordance with these requirements.

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

Other information

The executive directors are responsible for the other information. The other information comprises the corporate governance declaration pursuant to Section 289f (4) HGB.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of audit conclusion regarding this.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

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

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

Responsibilities of the executive directors and the Supervisory Board for the annual financial statements and the management report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and for the fact that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the company in compliance with the German principles of proper accounting. In addition, the executive directors are responsible for such internal controls as they have deemed necessary in accordance with the German principles of proper accounting to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the company's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to the company's continuation as a going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict with this.

Furthermore, the executive directors are responsible for the preparation of the management report which, as a whole, provides an appropriate view of the company's position and is consistent with the annual financial statements in all material respects, 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 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 management report.

The Supervisory Board is responsible for overseeing the company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's responsibilities for the audit of the annual financial statements and of the management report

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

Reasonable assurance is a high level of assurance, but is not a guarantee, that an audit conducted in accordance with Section 317 HGB and in compliance with the German Generally Accepted Standards for Financial Statement Audits set out 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 on the whole, they could reasonably be expected to influence the economic decisions of stakeholders taken on the basis of these annual financial statements and this management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures in response to these 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

- obtain an understanding of the internal control system relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these company systems.
- assess the appropriateness of accounting policies used by executive directors and the reasonableness of estimates made by executive directors and related disclosures.
- draw conclusions regarding the appropriateness of executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the company'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 annual financial statements and in the 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 circumstances may cause the company to cease to be able to continue as a going concern.
- assess the overall presentation, structure and content of the annual financial statements, including the disclosures and whether the annual financial statements present the underlying transactions and events in such a manner, in compliance with the German principles of proper accounting, that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the company.
- assess the consistency of the management report with the annual financial statements, its conformity with German law and the portrayal of the company's position which it provides.
- perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient, appropriate audit evidence we particularly assess 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 audit opinion on the prospective information or on the assumptions used as a basis. There is a significant, unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any deficiencies in internal control that we identify during our audit.

Other legal and regulatory requirements

Report on the audit of the fulfilment of the accounting duties pursuant to Section 6b (3) EnWG

Audit opinions

We have audited whether the company has complied with its obligations pursuant to Section 6b (3) sentences 1 to 5 **EnWG** to maintain separate accounts for the financial year from 1 January 2020 to 31 December 2020. In addition, we have audited the activity report for the activity of electricity transmission pursuant to Section 6b (3) sentence 1 EnWG, consisting of the balance sheet as of 31 December 2020 of the annual financial statements, which also represents the balance sheet of the activity report, and the income statement for the financial year from 1 January 2020 to 31 December 2020 of the annual financial statements, which also represents the income statement of the activity report.

- In our opinion, the obligations pursuant to Section 6b (3) sentences 1 to 5 EnWG to maintain separate accounts have been complied with in all material respects.
- In our opinion, based on the findings of our audit, the enclosed activity report complies in all material respects with the German regulations of Section 6b (3) sentences 5 to 7 EnWG.

Basis for the audit opinions

We conducted our audit of compliance with the obligations to maintain separate accounts and of the activity report in accordance with Section 6b **EnWG**, taking into account the *IDW auditing standard: Audit pursuant to Section 6b (5) of the Energy Industry Act (IDW PS 610 as amended)*. Our responsibilities under those requirements and principles are further described in the **“Auditor’s responsibilities for the audit of the fulfilment of the accounting duties pursuant to section 6b (3) EnWG”** section. We are independent of the company in accordance with the requirements of German commercial and professional law and have fulfilled our other German professional responsibilities in accordance with these requirements. As an auditing company, we apply the requirements of the *IDW quality assurance standard: Requirements for quality assurance in auditing practice (IDW QA 1)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion concerning compliance with the accounting requirements pursuant to Section 6b (3) EnWG.

Responsibilities of the executive directors and the Supervisory Board for the fulfilment of the accounting duties pursuant to Section 6b (3) EnWG

The executive directors are responsible for compliance with the obligations to maintain separate accounts pursuant to Section 6b (3) sentences 1 to 5 EnWG. The executive directors are also responsible for the preparation of the activity report pursuant to the German regulations of Section 6b (3) sentences 5 to 7 EnWG.

In addition, the executive directors are responsible for the internal controls they have deemed necessary to comply with the obligations to maintain separate accounts.

The responsibility of the executive directors for the activity report corresponds to the responsibility described in the **“Responsibilities of the executive directors and the Supervisory Board for the annual financial statements and the management report”** section with regard to the annual financial statements.

The Supervisory Board is responsible for monitoring compliance with the company’s accounting obligations pursuant to Section 6b (3) EnWG.

Auditor's responsibilities for the audit of the fulfilment of the accounting duties pursuant to Section 6b (3) EnWG

Our objectives are to obtain reasonable assurance about

- whether the executive directors have complied in all material regards with their obligations to maintain separate accounts pursuant to Section 6b (3) sentences 1 to 5 EnWG and
- whether the activity report complies in all material regards with the German regulations of Section 6b (3) sentences 5 to 7 EnWG.

In addition, our objectives encompass the inclusion of a note in the auditor's report documenting our audit opinions on compliance with the accounting obligations pursuant to Section 6b (3) EnWG.

The audit of compliance with the obligations to maintain separate accounts pursuant to Section 6b (3) sentences 1 to 5 EnWG includes an assessment of whether the allocation of accounts to activities pursuant to Section 6b (3) sentences 1 to 4 EnWG has been carried out in a proper and comprehensible manner and whether the principle of consistency has been observed.

Our responsibility for auditing the activity report corresponds to the responsibility described in the **"Auditor's responsibilities for the audit of the annual financial statements and the management report"** section.

Düsseldorf, 16 March 2021

BDO AG
Wirtschaftsprüfungsgesellschaft

Signed Reese
Auditor

Signed Engel
Auditor

GLOSSARY

ARegV

The Ordinance on Incentive Regulation (Anreizregulierung – ARegV) is an official instrument for the regulation of monopolistic markets. As grids are seen as natural monopolies, grid operators theoretically have no incentive to maintain their efficiency and thus keep the costs of their services low. The Federal Network Agency therefore sets a revenue cap for network operators via the Incentive Regulation which is stipulated on the basis of the efficiency ratings of the least expensive grid operator. Within this framework, grid operators are allowed some leeway, for example for investments in the grid. The difference between the revenue cap and actual revenues is placed in a regulatory account by the Federal Network Agency. The revenue cap is implemented through the transmission charges. If revenues exceed the cap by more than 5%, the transmission charges must be adjusted.

BBPIG

The Federal Requirement Plan Act (Bundesbedarfsplangesetz, BBPIG) contains grid expansion projects confirmed as necessary by the Federal Network Agency which must be implemented by the transmission system operators. They are deemed necessary for the energy industry and are urgently required. The Federal Network Agency normally carries out federal planning for these projects.

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Federal Network Agency (FNA)

The Federal Network Agency (Bundesnetzagentur, BNetzA) is a regulatory body that supervises, maintains and promotes competition in the grid markets (electricity, gas, railway tracks). Every two years, the Federal Network Agency reviews and approves the Power Grid Development Plan and its basis as produced by transmission system operators and the scenario parameters for the development of electricity generation for the next ten to twenty years.

EEG

The Renewable Energy Sources Act (Erneuerbare-Energien-Gesetz, EEG) regulates the preferential feed-in of electricity from renewable sources such as wind, sun, water or biomass into the German electricity grid. This is intended to enable the operation of regenerative generation facilities on a financially sustainable basis. According to the EEG, grid operators are obliged to accept electricity from these facilities and market it on the spot market on the electricity exchange. The law also lays down fixed rates of remuneration for electricity from renewable sources. The difference between the remuneration and the price achieved on the spot market is balanced out via the EEG allocation.

EEV

The Renewable Energies Regulation (Erneuerbare-Energien-Verordnung) regulates the marketing of electricity generated from renewable sources. This electricity must be sold at the level of transmission grid operators and no longer has to be purchased from energy utilities which supply end customers. In addition, the EEV contains provisions on calculating the EEG allocation.

EnLAG

The Power Grid Expansion Act (Energieleitungsausbau-gesetz, EnLAG) regulates the expansion of power lines in the extra-high-voltage transmission grid. Attached to the law as an appendix is a project overview which contains the planned construction projects for the expansion of the transmission grids.

EnWG

The Energy Industry Act (Energiewirtschaftsgesetz, EnWG) contains fundamental regulations on the law on power-line-based energies. The objective of EnWG, amongst others, is to ensure a “best possible secure, affordable, consumer-friendly, efficient and environmentally sustainable” energy supply to the general public. This includes safeguarding effective and transparent competition on the energy market. The law also contains regulations on the supervision of grid operations by the regulatory authorities.

Underground cables

The use of underground cables is widespread amongst lines for supplying towns and in regional electricity grids. On the other hand, in sections with 380 kilovolts, underground cables are unusual. Since 2015, however, the German government has been focusing increasingly on underground cables for grid expansion. In the future, the major direct current connections are to be designed primarily as underground cables. In the field of alternating current, the cable technology is being tested in pilot projects. Cabled sections are essentially more cost-intensive than overhead lines. The additional costs are passed on to the consumer through grid use charges.

Overhead line

Overhead lines – also known as overhead transmission lines – are electrical lines whose conductor cables – unlike underground cables – are insulated by the surrounding air. For the foreseeable future, overhead lines will continue to be the most economical form of power transmission, particularly over long distances.

NEP

The Power Grid Development Plan (Netzentwicklungsplan, NEP) sets out the expansion projects in the German transmission grid in the following ten years. The Power Grid Development Plans are developed by the four transmission system operators on the basis of assumptions about the development of electricity generation and consumption, the scenario parameters. The plan was created for the first time in 2012, and is to be further developed in a 2-year cycle as of 2017.

Substation

This is a junction in the electricity grid. Several high-voltage and extra-high-voltage transmission lines converge at a substation. In these facilities, individual electricity circuits can be selectively switched on or off. It is also possible to direct the electricity via the transformers – voltage converters – to be distributed further on grids with lower voltage.

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PHOTOS

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Daniel Schumann (p. 9)

NOTE

This is a translation of the German version. In cases of uncertainty or conflict, the German version shall prevail.

CONNECTED TO EUROPE

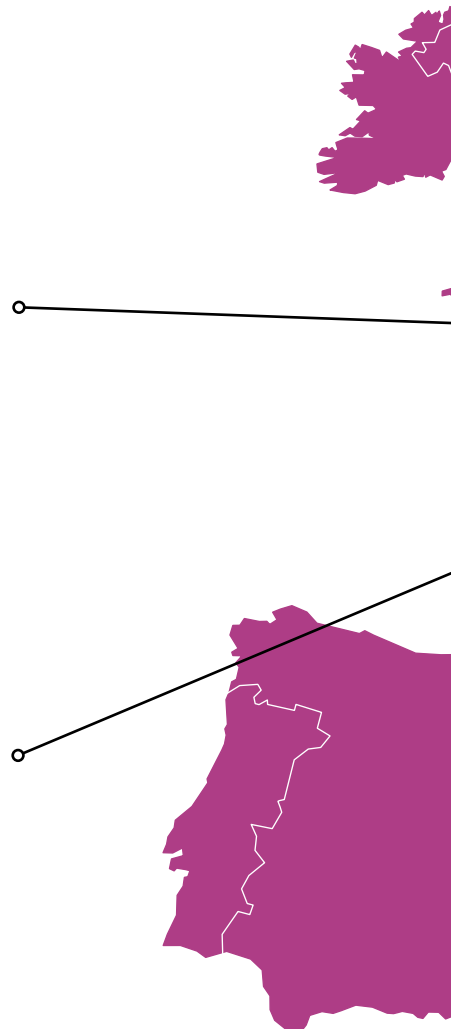
The Amprion grid is located in the heart of Europe and is connected to the grids in the Netherlands, Luxembourg, France, Austria, Switzerland and Belgium through cross-border interconnecting feeder lines. Amprion is working towards making the European electricity grid even more secure and efficient through numerous cooperations and projects.

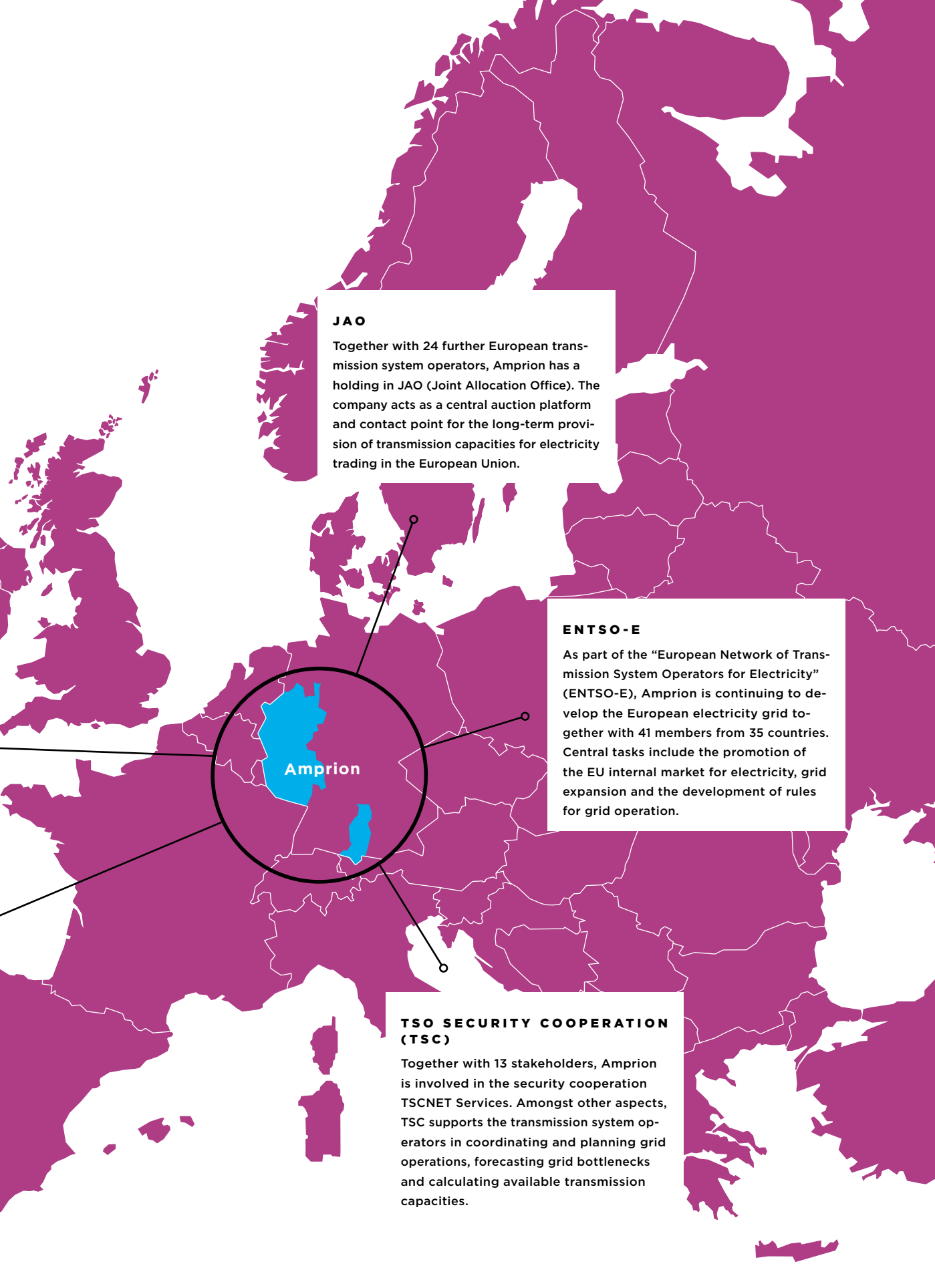
COOPERATION WITH EUROPEAN PARTNERS

Amprion works intensively in many areas with other European transmission system operators. Our focus here is on the issues of system security, market integration and grid planning as well as the continued development of transmission technologies.

SECURITY SERVICE CENTRE (SSC)

In the SSC in Rommerskirchen near Cologne, a joint team of experts from Amprion, TenneT Netherlands and Germany supports the security management of the extra-high-voltage grids in Germany and the Netherlands.



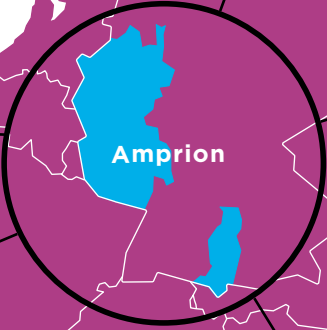


JAO

Together with 24 further European transmission system operators, Amprion has a holding in JAO (Joint Allocation Office). The company acts as a central auction platform and contact point for the long-term provision of transmission capacities for electricity trading in the European Union.

ENTSO - E

As part of the “European Network of Transmission System Operators for Electricity” (ENTSO-E), Amprion is continuing to develop the European electricity grid together with 41 members from 35 countries. Central tasks include the promotion of the EU internal market for electricity, grid expansion and the development of rules for grid operation.



TSO SECURITY COOPERATION (TSC)

Together with 13 stakeholders, Amprion is involved in the security cooperation TSCNET Services. Amongst other aspects, TSC supports the transmission system operators in coordinating and planning grid operations, forecasting grid bottlenecks and calculating available transmission capacities.

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