

# Annual results conference call for investors and analysts 2022

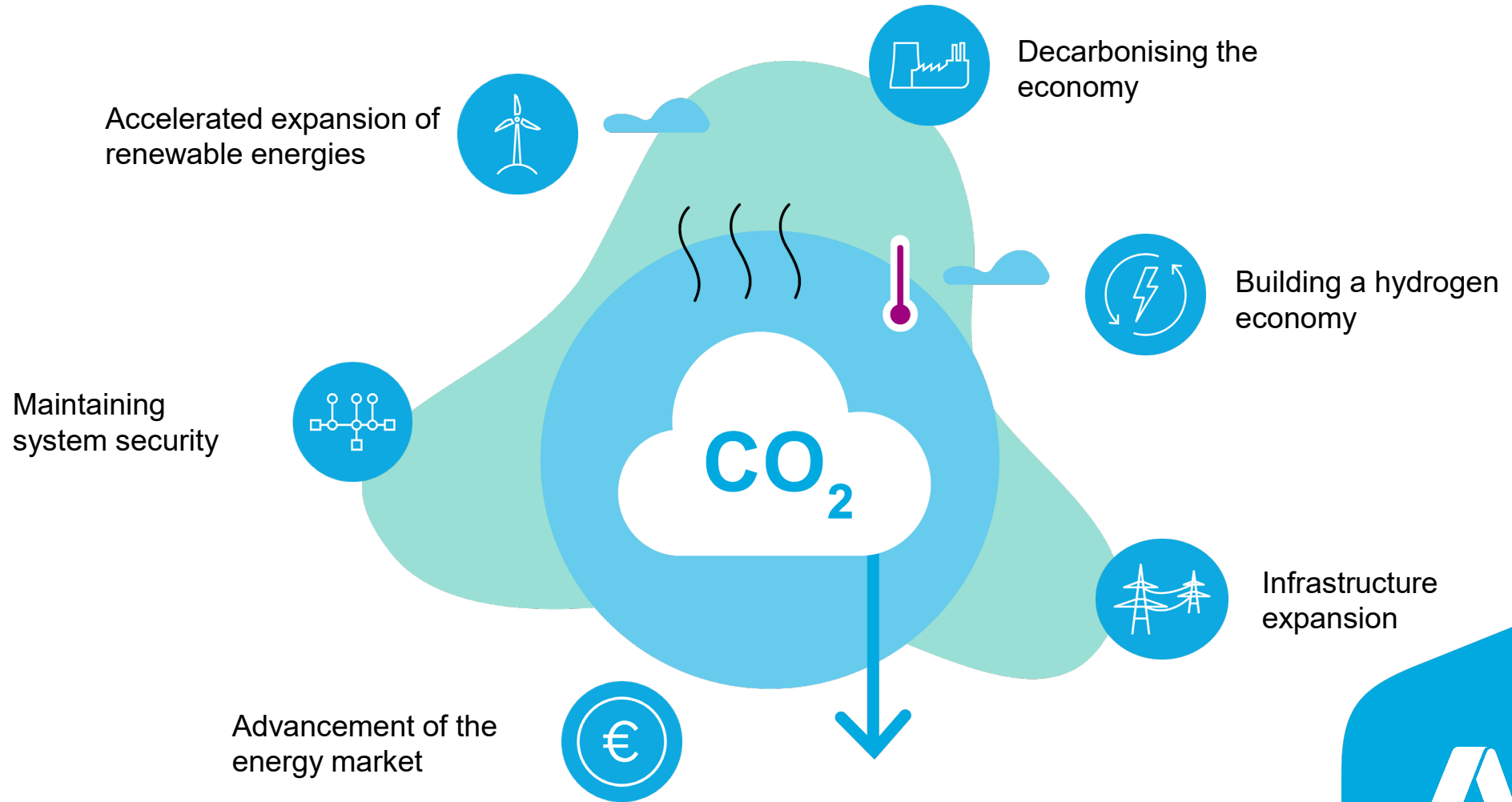
4th May 2022

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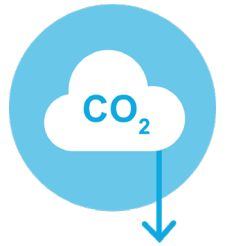
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# On the way to a secure and climate-neutral energy system



# Our contribution to a secure and climate-neutral energy system



## Maintain system stability during transformation

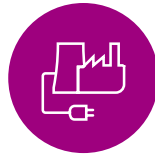


Maintaining system security



Infrastructure expansion

## Develop future energy system



Development of a cross-sectoral target system



Further development towards a system market

## Driving innovation

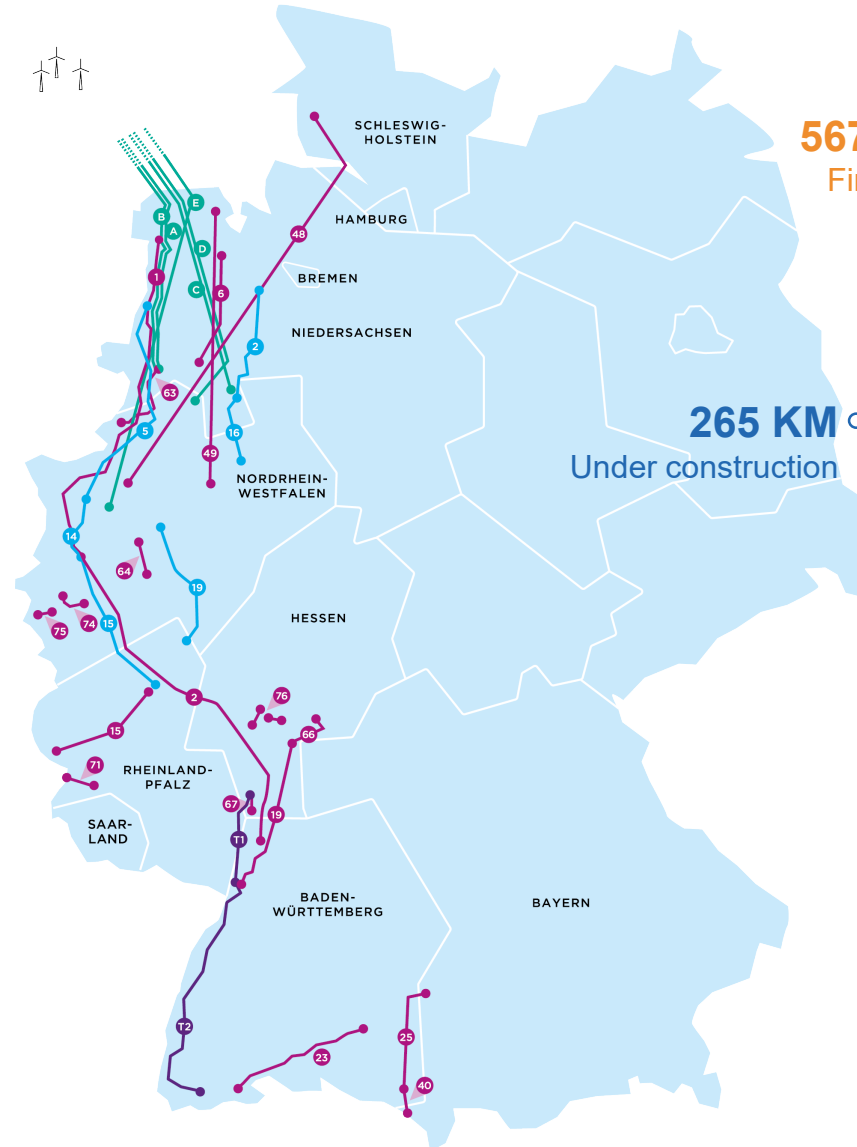


# Focus: expansion of infrastructure

## Status Quo

≈1,800  
KM

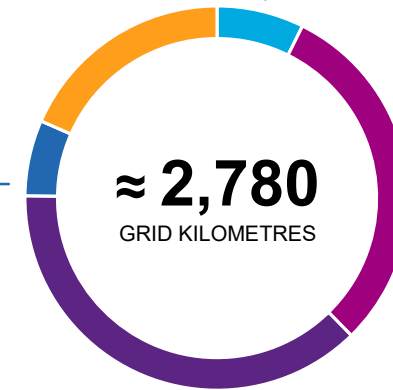
Offshore  
connections\*



567 KM  
Finished

92 KM  
Internal planning

265 KM  
Under construction



≈ 2,780  
GRID KILOMETRES

818 KM  
1<sup>st</sup> Approval phase

1,040 KM  
2<sup>nd</sup> Approval phase

\* As per NEP2035 (Version 2021) approved in January 2022

\*\*Amprion's grid extension projects secured by EnLAG and BBPIG, 30.06.2022

Map of selected projects

# Focus: System security during the transformation



## GRID STABILITY

for 29 Mio. people  
ensured



## COORDINATION OF POWER FLOWS

in Germany and  
northern Europe



## ELECTRICITY TRADING

physically handled  
in Germany and the EU



## ENERGY SYSTEM

of the future controlled

# 2021: A demanding financial year

## High financial strength despite increasing investments

rounded, in EUR million, local GAAP (HGB)	2021	2020	Change in %
<b>Revenues</b>	<b>12,502</b>	<b>15,504</b>	<b>-19.4</b>
Thereof grid business	4,035	3,210	25.7
Thereof EEG	8,467	12,294	-31.1
<b>EBITDA</b>	<b>608</b>	<b>577</b>	<b>5.4</b>
<b>Net profit</b>	<b>184</b>	<b>217</b>	<b>-15.2</b>
<b>Investments**</b>	<b>1,240</b>	<b>1,069</b>	<b>16.1</b>
<b>Number of employees*</b>	<b>2,062</b>	<b>1,953</b>	<b>5.6</b>
<b>Regulated Asset Base (RAB)**</b>	<b>5,148</b>	<b>4,205</b>	<b>22.4</b>

\*in FTE as at 31st December 2021

\*\*including Amprion Offshore GmbH

# Income Statement

## Increasing revenues from grid business

rounded, in EUR million, local GAAP (HGB)	2021	2020	Change abs.
<b>Revenues</b>	<b>12,502</b>	<b>15,504</b>	<b>-3,002</b>
Thereof grid business	4,035	3,210	825
Change in inventory of work in progress	0	-1	1
Other own work capitalised	100	93	7
Other operating income	35	52	-18
Cost of materials	-11,619	-14,731	3,111
Personnel expenses	-257	-224	-32
Depreciation	-244	-209	-35
Other operating expenses	-154	-118	-36
Financial result	-100	-73	-27
<b>Profit before taxes</b>	<b>264</b>	<b>295</b>	<b>-31</b>
Taxes on income and earnings	-80	-79	-2
<b>Profit after taxes / net profit</b>	<b>184</b>	<b>217</b>	<b>-33</b>

- Revenues from grid business increased by roughly EUR 825m (25.7% YoY).
- Declined revenues from the EEG-mechanism are reflected in lower cost of materials (EUR -3.1bn)
- Personnel expenses increased to EUR 257m due to staff increase
- Necessary financing measures lead to higher interest expenses in the financial result
- Decreased net income of EUR 184m as expected within the usual fluctuation range



# Cash Flow Statement

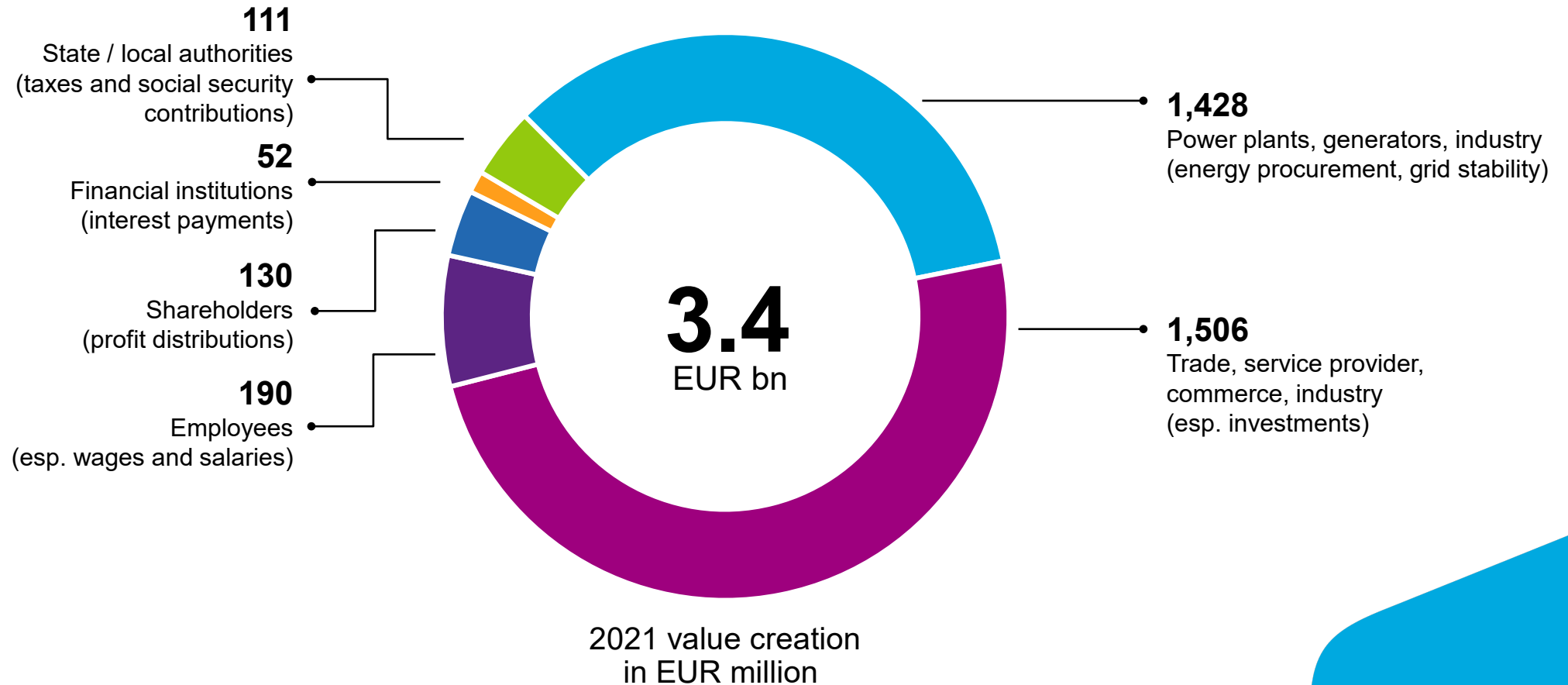
## Stable cash flows in the core business

Excerpts*, rounded, in EUR million, local GAAP (HGB)	2021	2020	Change abs.
Profit after taxes / net profit	184	217	-33
Adjustments change in net working capital / non-cash items	5,317	1,782	3,535
<b>Net cash flow from operating activities</b>	<b>5,501</b>	<b>-1,565</b>	<b>7,066</b>
<i>Thereof from grid business</i>	521	524	-3
<i>Thereof from EEG redistribution mechanism</i>	4,980	-2,089	7,069
<b>Net cash flow from investing activities</b>	<b>-1,206</b>	<b>-1,057</b>	<b>-149</b>
<i>Thereof from grid business</i>	-1,211	-1,056	155
<i>Thereof from EEG redistribution mechanism</i>	5	-1	6
<b>Net cash flow from financing activities</b>	<b>-719</b>	<b>1,943</b>	<b>-2,662</b>
<i>Thereof from grid business</i>	692	530	162
<i>Thereof from EEG redistribution mechanism</i>	-1,411	1,413	-2,824
Changes in cash and cash equivalents	3,576	-679	4,255
<b>Cash and cash equivalents at the end of period</b>	<b>3,576</b>	<b>0</b>	<b>3,576</b>
<i>Thereof from grid business</i>	2	0	2
<i>Thereof from EEG redistribution mechanism</i>	3,574	0	3,574

- Stable Cash Flow from the grid business (EUR 521m) compared to prior year
- EEG-mechanism heavily affects the cash flow
- Grid investments lead to a negative cash flow from investing activities of EUR 1.2bn
- The payout in 2021 amounted to EUR 123m (incl. a special payment to RWE in the amount of EUR 23.2m)

# Benefits for the economy

## Our value creation



# Solid starting position for grid investments

## 2021 new sources of funding tapped

### Shareholders

- Stable shareholder structure since 2011 with M 31 Beteiligungsgesellschaft mbH & Co. Energie KG (74.9%) and RWE AG (25.1%).
- Equity injections in 2015 and 2020 of EUR 400m each
- The Supervisory Board approved our long term plan

### DEBT ISSUANCE PROGRAMM (DIP)

- Implementation of the DIP in May 2021 – EUR 6bn volume
- First benchmark bond with EUR 800m successfully issued
- Great interest of the capital market with triple oversubscribed order book

### SYNDICATED LOAN

- New syndicated loan agreement signed in October 2021 with a new EUR 1.5bn credit facility
- Expansion of the core banking group

### COMMERCIAL PAPER PROGRAMME (CP)

- First-time use of CPs (total traded volume above EUR 1bn)

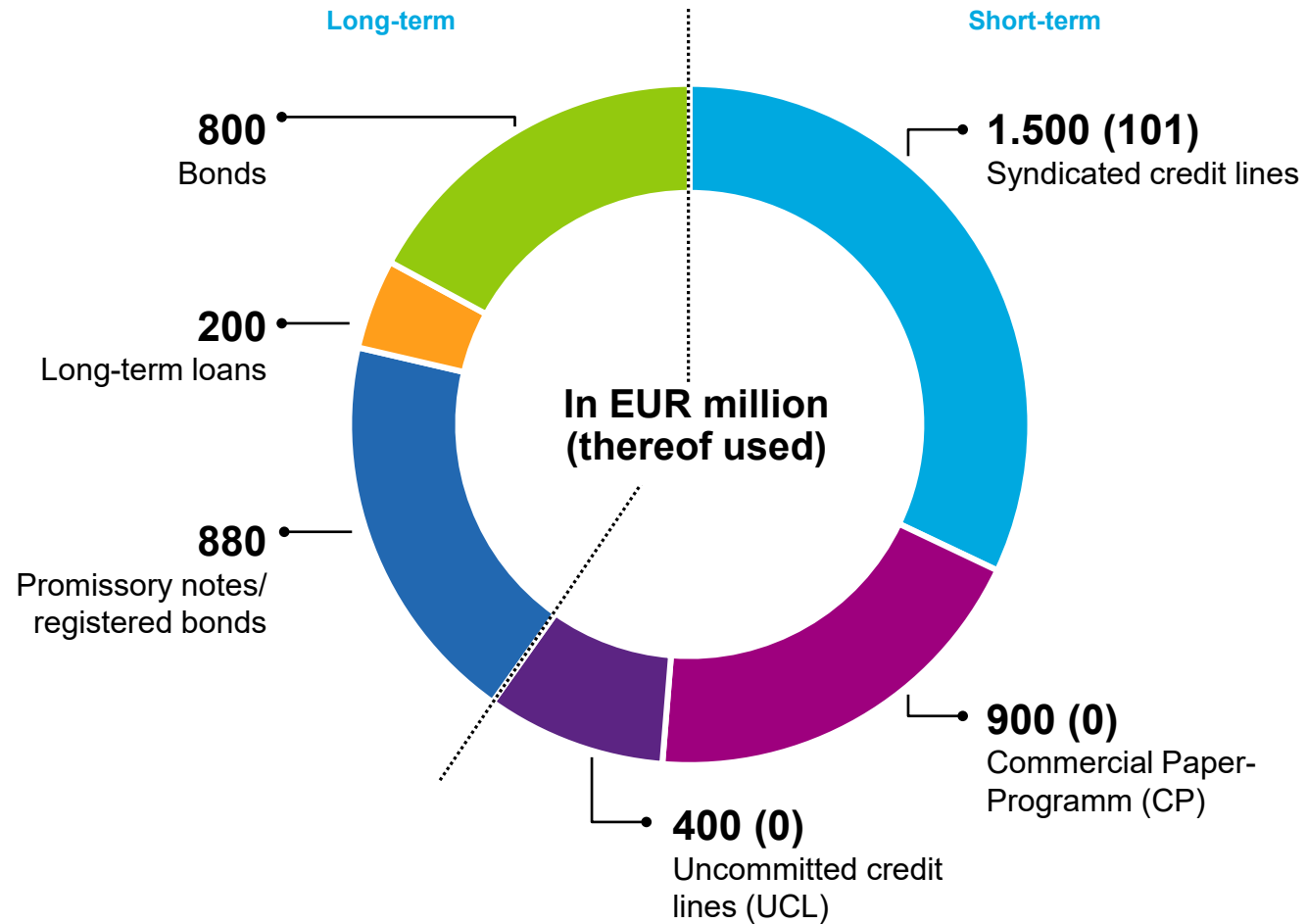
### INVESTMENT GRADE RATING

- Investment Grade Rating of Baa1, neg. (Moody's); BBB+, stab. (Fitch)
- Moody's short-term rating of P-2

# Solidly funded

## Diversified financing instruments

As at reporting date 31st March 2022

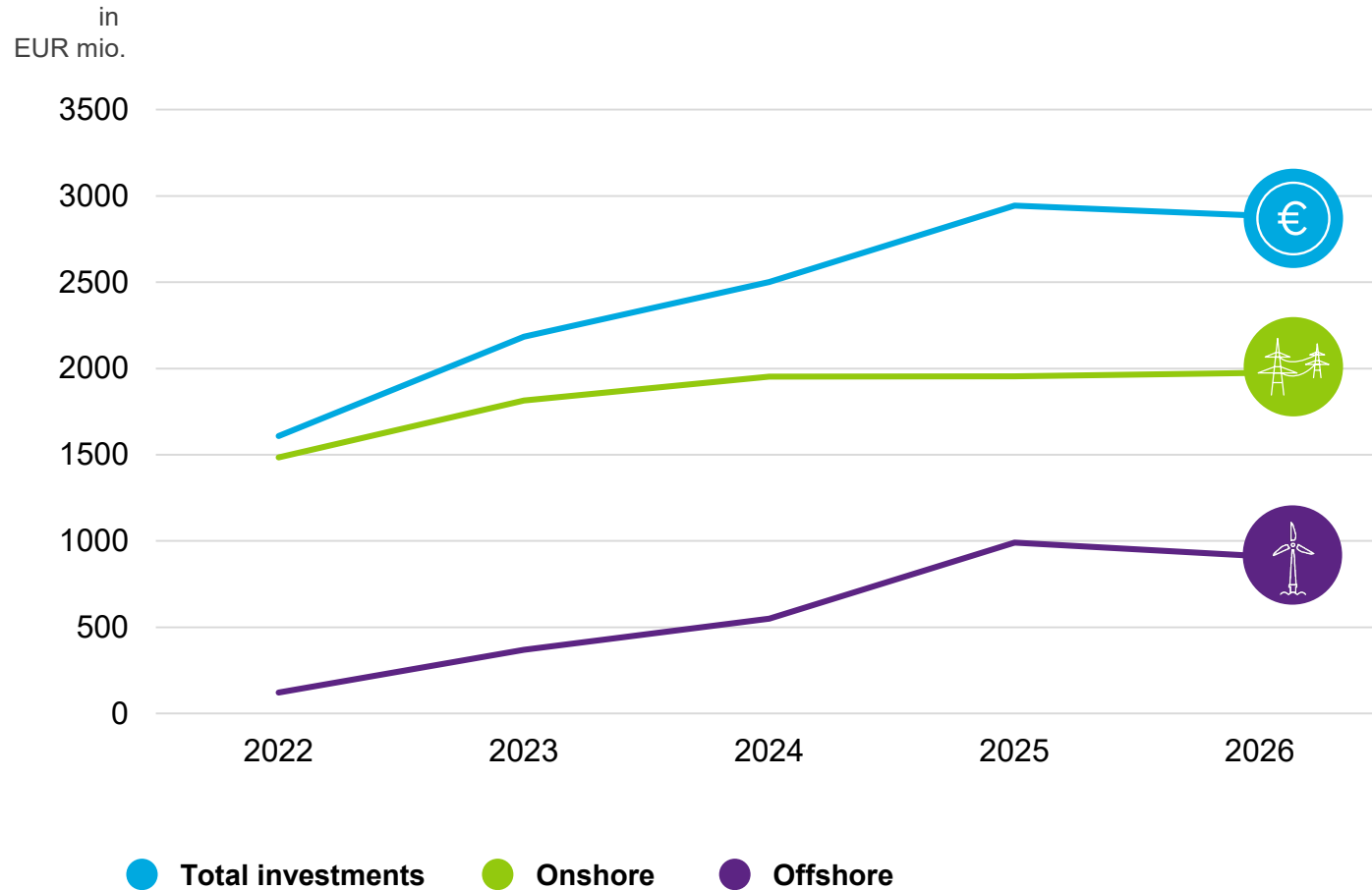


### Goal:

Financing the investments through an efficient mix of equity and debt

# We continue to grow successfully

## Investments decarbonise the energy system



**12.1**  
EUR bn

Total investment volume\*  
in the next 5 years

# Outlook 2022



## Revenues

We expect slightly increasing revenues in our grid business.



## Net profit

We guide a net profit for the year at the previous year's level.



## Growth in staff

We plan to increase the number of employees\* in the financial year by around 12 %\*.  
\*in FTE



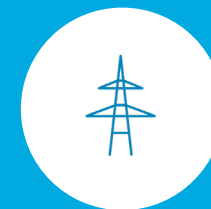
## IFRS accounting

We will present IFRS consolidated financial statements for the first time.



## Green bond

In future, we will essentially issue bonds within the scope of a Green Finance Framework.



## Investments

We intend to invest around EUR 1.6bn in our grid in 2022.

Thank you very much for  
your attention.

Q&A Session

# Contact

For any further queries



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# Annual results conference call for investors and analysts 2022

4th May 2022 - Appendix

# Balance Sheet

## Equity ratio remains high

### ASSETS

Rounded, in EUR million	2021	2020	Change abs.
<b>Non-current assets</b>			
Intangible assets	37	28	9
Tangible assets	6,299	5,385	914
Financial assets	32	15	17
	<b>6,368</b>	<b>5,427</b>	<b>941</b>
<b>Current assets</b>			
Inventories	64	75	-11
Accounts receivable and other assets	1,319	2,741	-1,423
Cash and cash equivalents	3,576	0	3,576
	<b>4,959</b>	<b>2,816</b>	<b>2,143</b>
Prepaid expenses	4	1	3
	<b>11,331</b>	<b>8,244</b>	<b>3,087</b>

### LIABILITIES AND SHAREHOLDERS' EQUITY

Rounded, in EUR million	2021	2020	Change abs.
<b>Equity</b>			
Subscribed capital	10	10	0
Jouissance rights capital	24	20	4
Additional paid-in capital	1,403	1,403	0
Retained earnings	910	816	93
<b>Net profit</b>	<b>184</b>	<b>217</b>	<b>-33</b>
	<b>2,531</b>	<b>2,466</b>	<b>64</b>
Special items	27	28	-1
<b>Provisions and accruals</b>	<b>905</b>	<b>1,062</b>	<b>-158</b>
Liabilities	7,300	4,202	3,098
Deferred income	358	318	40
<b>Deferred tax liabilities</b>	<b>211</b>	<b>167</b>	<b>44</b>
	<b>11,331</b>	<b>8,244</b>	<b>3,087</b>

- Increase in tangible assets to approximately EUR 6.3bn due to the grid investments made
- Around EUR 3.6bn in cash and cash equivalents due to EEG-mechanism – corresponding increase in liabilities of around EUR 3.1bn
- Equity positions essentially unchanged



# Cash Flow Statement

## EEG-mechanism shapes cash flows

Rounded, in EUR million, local GAAP (HGB)	2021	2020	Change abs.
<b>Net profit</b>	<b>184</b>	<b>217</b>	<b>-33</b>
Depreciation	244	209	35
Changes in Provisions	-158	305	-463
Income from participations	-1	-1	0
Changes in Special items	-1	-1	0
Changes in Deferred tax liabilities	44	28	16
Changes in Net working capital	5,141	-2,359	7,500
Changes in Deferred Income and Prepaid expenses	36	32	4
Result from disposals of assets	12	5	7
<b>Net cash flow from operating activities</b>	<b>5,501</b>	<b>-1,565</b>	<b>7,066</b>
<i>Thereof from grid business</i>	<i>521</i>	<i>524</i>	<i>-3</i>
<i>Thereof from EEG redistribution mechanism</i>	<i>4,980</i>	<i>-2,089</i>	<i>7,069</i>
Investments	-1,204	-1,044	-160
Divestments	26	7	19
Changes in Financial assets	-27	-21	-6
<b>Net cash flow from investing activities</b>	<b>-1,206</b>	<b>-1,057</b>	<b>-149</b>

Rounded, in EUR million, local GAAP (HGB)	2021	2020	Change abs.
<b>Net cash flow from investing activities</b>	<b>-1,206</b>	<b>-1,057</b>	<b>-149</b>
<i>Thereof from grid business</i>	<i>-1,211</i>	<i>-1,056</i>	<i>155</i>
<i>Thereof from EEG redistribution mechanism</i>	<i>5</i>	<i>-1</i>	<i>6</i>
Profit distribution	-123	-100	-23
Equity increase	4	403	-399
Changes in Financial liabilities	-600	1,640	-2,240
<b>Net cash flow from financing activities</b>	<b>-719</b>	<b>1,943</b>	<b>-2,662</b>
<i>Thereof from grid business</i>	<i>692</i>	<i>530</i>	<i>162</i>
<i>Thereof from EEG redistribution mechanism</i>	<i>-1,411</i>	<i>1,413</i>	<i>-2,824</i>
Changes in Cash and cash equivalents	3,576	-679	4,255
Cash and cash equivalents at the beginning of period	0	679	-679
<b>Cash and cash equivalents at the end of period</b>	<b>3,576</b>	<b>0</b>	<b>3,576</b>
<i>Thereof from grid business</i>	<i>2</i>	<i>0</i>	<i>2</i>
<i>Thereof from EEG redistribution mechanism</i>	<i>3,574</i>	<i>0</i>	<i>3,574</i>