

# 2023 half-year report



## Index

DIRECTORS' REPORT		
01	Building the new Netherlands	4
02	Key figures	6
03	General	7
04	Economic value creation	8
05	Social value creation	12
HALF-YEAR REPORT		
06	Consolidated interim financial statements	16
07	Signature	37
DISCLAIMER		
08	Disclaimer	38



# 2023 half-year report

## Directors' report



# 01 Building the new Netherlands

**The first six months of the year have again been challenging for us. The change in the direction of the flow of natural gas through Europe brought about by the drastic plunge in Russian imports and the expansion of LNG imports is now a fact of life. Our TSO subsidiaries in the Netherlands and Germany have adapted to the new situation and optimised their flow management accordingly.**

Looking back over the first half of the year, we can conclude that there was no physical shortage of natural gas over the winter of '22/'23. However, vigilance and energy conservation are still required. Stocks in the EU are currently at a healthy level. But should the winter of '23/'24 turn out to be very cold, additional measures will be needed in most EU countries to fill the storage facilities again during the summer to ensure security of supply for the winter of '24/'25. Gasunie is contributing by further expanding capacity at the LNG import ports Gate and EemsEnergyTerminal.

The findings of the parliamentary inquiry into gas extraction from the Groningen field are food for thought, in general and for us as well. The closure of the Groningen field is now rapidly approaching and will be facilitated by the completion of the new nitrogen plant in Zuidbroek. Together with the residents of the province of Groningen, we hope to be able to build a new sustainable energy supply for the Netherlands, one that can also bring prosperity and well-being to the province.

## Energy transition

Turning to the energy transition, we took major steps in the first six months of the year in implementing our Vision 2030. The first steps for the Delta Rhine Corridor have been taken. And we took the final investment decision for the construction of the hydrogen pipeline at the Port of Rotterdam. This is the first section of the national hydrogen network that will position the Netherlands as the first country in Europe to have the infrastructure for the import and transmission of hydrogen up and running, and, this way, launch an international market. We are in the starting blocks for the Porthos project while awaiting the ruling of the Council of State. In addition, the construction of WarmtelinQ is on schedule and SKW Alkmaar fed green gas into GTS's network for the first time.

## GTS methodology decision ruling

We welcome the ruling by the Dutch Trade and Industry Appeals Tribunal in a long-running court case on the current methodology decision for GTS, as it makes regulation more transparent. The ruling improves the position of GTS - and that of other, future network operators within Gasunie, such as those for heat and hydrogen.

## Building further smartly

Continuing to build the new Netherlands is a matter of working together and taking a smart approach to building on what we already have. Gasunie plays a natural, central role in this. We are responsible for the Dutch main network that supplies feedstock for the production of energy and chemicals. By taking our impressive network of pipelines and repurposing this for the transmission of hydrogen, biogas and other sustainable flows, we are giving the energy transition a flying start.



This transition will not simply happen of its own accord: it takes decisiveness and the will to work it out together. Gasunie continues to take the lead in connecting parties, making plans and, literally, rolling up our sleeves. That demands a lot from all our staff. And it demands a lot from society too. Together we must take an industrial legacy spanning close to two centuries and, in barely two decades, transform this into our future world.

So, there is no time to lose. We hope that, now that the government has collapsed, Dutch politicians will take responsibility in the coming months. Delays in decision-making and legislation needed to meet the 2030 climate targets must be kept to a minimum.

The Executive Board,

Han Fennema, Janneke Hermes, Bart Jan Hoevers and Hans Coenen

Groningen, 18 July 2023



*Han Fennema*



*Janneke Hermes*



*Bart Jan Hoevers*



*Hans Coenen*

## 02 Key figures

	First half-year of 2023	First half-year of 2022
Revenu	€ 1,103 mln	€ 897 mln
EBITDA	€ 570 mln	€ 474 mln
Result after taxation	€ 266 mln	€ 227 mln
Transported volume	516 TWh	573 TWh
TRFI (as per end of June)	3.4	2.6
Uncontrolled events	-	-
Transport disruptions	-	1
Capital invested	€ 10,040 mln	€ 9,782 mln



## 03 General

### Changes to the Board

Willemien Terpstra will assume her position as the CEO of Gasunie on 1 March 2024. She succeeds Han Fennema, who is stepping down on his own initiative on 1 November 2023 after having chaired the Executive Board for almost ten years. In the intervening months, CFO Janneke Hermes will serve as Interim Chair of the Gasunie Executive Board.

Hans Coenen joined the Executive Board on 1 April, succeeding Ulco Vermeulen, who stepped down on 1 July, on his own initiative, as the board member responsible for business development and participating interests. Vermeulen will continue to advise Gasunie on the development of international hydrogen chains until the end of 2024.

Tim van der Hagen joined the Supervisory Board on 1 April and was appointed Vice-Chair. Van der Hagen chairs the Executive Board of Delft University of Technology. On the Supervisory Board, he has succeeded Dirk-Jan van den Berg, who stepped down after serving two full four-year terms.

Pieter Duisenberg, who has been appointed President of the Netherlands Court of Audit, will be stepping down as Chair of the Supervisory Board in the third quarter of 2023 to take up his new position. The procedure for finding a successor is underway. Duisenberg joined the Supervisory Board in September 2019 and was appointed Chair in March 2020.

### Parliamentary inquiry

The parliamentary committee of inquiry into natural gas extraction in Groningen presented its final report in February. In Gasunie's view, the fact that the committee has now published its findings is important for the residents of the province of Groningen. While the Netherlands has gained a lot through gas extraction in the province of Groningen, in recent years it has become painfully clear that this has also caused a lot of damage locally.

Gasunie cooperated extensively with the parliamentary committee of inquiry into natural gas extraction in Groningen. We shared information and organised working visits, and various Gasunie officials, both past and present, were heard by the committee. Together with the residents of the province of Groningen, we hope to be able to build a new sustainable energy supply, one that can bring prosperity and well-being to the province.

### Growing payroll

Gasunie is getting busier and busier. With our investments in the energy transition, the number of sustainable energy projects we are working on is increasing. Additional regulatory requirements we intend to meet, for example in the area of cutting emissions and in compliance and governance, as well as our ambition, are also driving growth in our workforce.

### 60 years of Gasunie

In April we celebrated the 60th anniversary of Gasunie's founding. On 5 April, we held a reception for our government/administrative partners and our business partners and on 6 April we invited all our staff to an anniversary celebration.

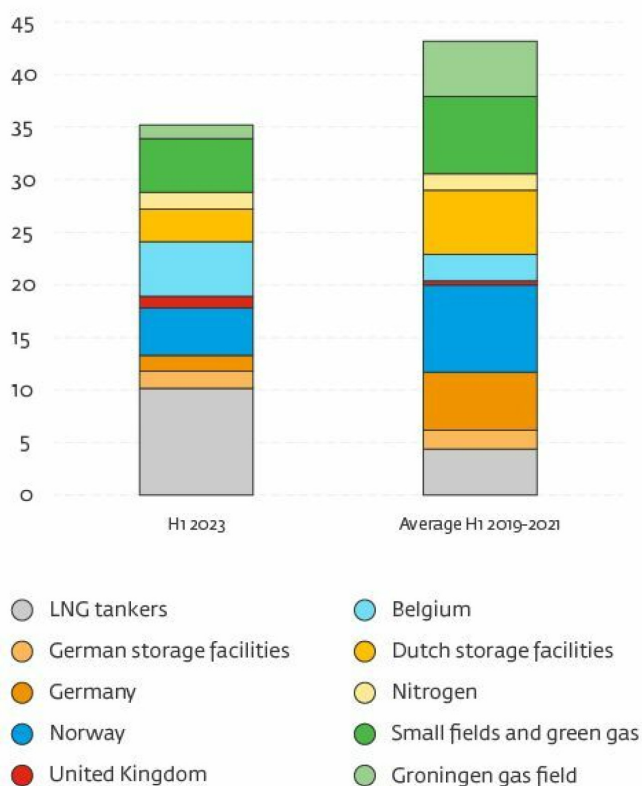
## 04 Economic value creation

By economic value creation we mean adding measurable financial value to society and our operations. We create this value through and during the execution of our natural gas infrastructure core tasks. Market parties contract capacity in our gas networks and use our services like gas storage, contract trading and certification. While managing our infrastructure, financial value is created for suppliers, financiers and our shareholder. In addition, the company is worth more because we invest responsibly and carry out maintenance, minimise costs and risks, improve our business processes and accumulate knowledge.

### Figures for GTS/GUD/participating interests

GTS transported 377 TWh of natural gas in the first half of 2023, which is 3% less than the 389 TWh transported in the first half of 2022. This is also the lowest volume GTS has ever transported over the first six months of a year. The high level of West-to-East transport of high-calorific gas (H-gas), first observed in early 2022, has continued. Previously gas flows in Europe mainly ran from East to West, with the Netherlands importing gas from the UK and Belgium and exporting this to Germany. Entry (i.e. gas fed into the GTS network) from LNG tankers reached record highs, increasing by an additional 54%. This was partly thanks to the new EemsEnergyTerminal.

Source of gas in the GTS network (in bln m<sup>3</sup>)

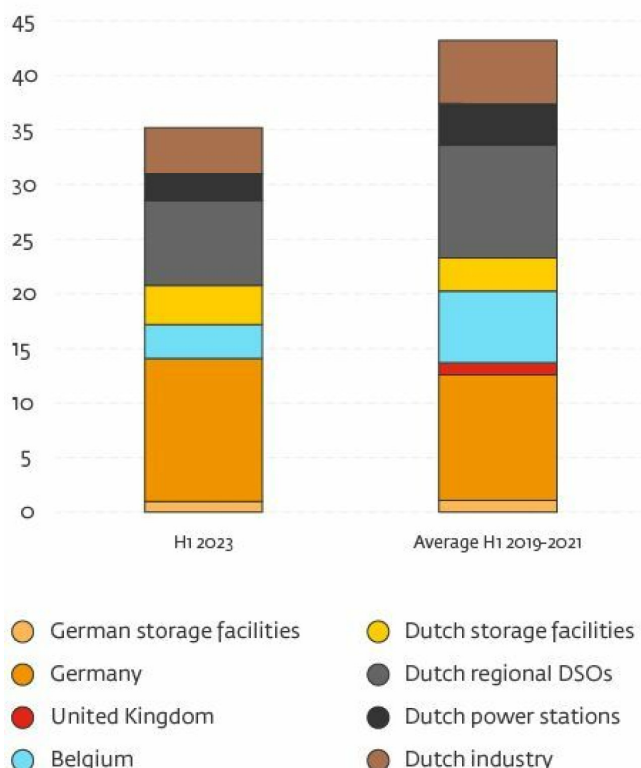


The volume of G-gas supplied to industry, power stations and regional DSOs in the Netherlands decreased by 32%, 4% and 11%, respectively, compared to the first half of 2022. With the impending closure of the Groningen field and, with this, the dwindling of export contracts, the supply of G-gas to Belgium and Germany has seen a drastic decline, down 17% and 30%, respectively.



In the first half of the year, 2.6 bcm of G-gas (-38%) and 2.0 bcm of H-gas (-31%) were delivered to storage facilities and caverns connected to the GTS network (both Dutch and German). These lower volumes are due to the gas reserves in the facilities being much smaller at the end of the winter of 2022 compared to the end of the winter of 2023. The H-gas leaving the GTS network for destinations abroad ('exit') increased considerably, by +94%, which is entirely attributable to Germany. H-gas exits to Belgium and the UK, on the other hand, fell sharply.

### Destination of gas from the GTS network (in bln m<sup>3</sup>)



In the first half of 2023, GTS blended 152 TWh of high-calorific gas (H-gas) with nitrogen to produce low-calorific Groningen-quality gas (pseudo G-gas). This is 20% less than in the first half-year of 2022 (190 TWh) and is due to decreased demand for pseudo-G gas. The amount of nitrogen used for conversion decreased from 2.0 bcm to 1.6 bcm.

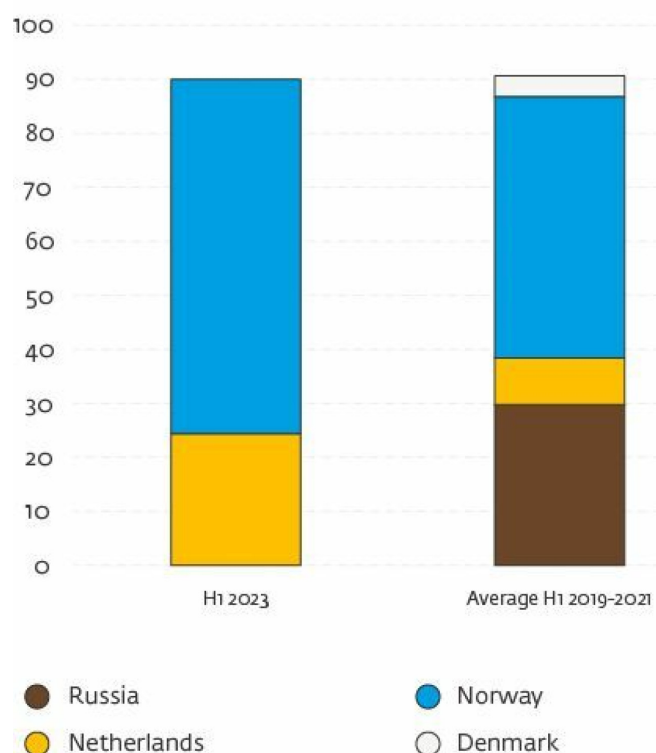
In the period from January to the end of May 2023, market parties traded a total of 19,123 TWh of gas on the TTF, an increase of more than 3% above the 18,487 TWh traded during the same period in 2022. Gasunie's TTF natural gas exchange continued to be Europe's largest hub by far. In May 2023, 163 market parties were active on the TTF, the same number as in May 2022.

### GUD figures

Over the first six months of the year, GUD transported 139 TWh of natural gas, down 24% on the 184 TWh transported over the first half of 2022. The decrease in volume can be attributed to a 40 TWh drop in the supply from Norway and the total collapse of Russian gas imports (29 TWh). The remainder of the change comes from an 11 TWh increase in supply from the Netherlands and changes in the direction of the flow of natural gas across the entire THE market area.

GUD has been receiving a large volume of requests for new connections from parties wanting to ensure security of supply, including for the connection of (leased) Floating Storage Regasification Units (FSRUs) needed to offset the loss of Russian gas.

## Source of gas in the GUD network (in TWh)



## EemsEnergyTerminal

In April, Gasunie and Vopak concluded an agreement in principle, under which Vopak will acquire 50% of the shares in EemsEnergyTerminal. If the transaction is approved by the competition authorities, the agreement will be finalised by no later than October. The partners are investigating whether the annual capacity of 8 bcm can be expanded further. Vopak and Gasunie want to eventually use the site at the port of Eemshaven for the import of green hydrogen.

## Gate terminal

Vopak and Gasunie are the co-founders/co-owners of Gate terminal in Rotterdam, which has been operating since 2011. The terminal currently has a capacity of 16 bcm of natural gas per year. BP and PetroChina have committed to booking an additional 4 bcm (in total) of natural gas capacity per year. A fourth tank is being developed to handle this additional capacity and should be operational by the end of 2026. The target is to take the final investment decision in September.

## Looking into an extra terminal at Terneuzen

Since Russia's invasion of Ukraine, Gasunie has been alert to opportunities to increase LNG imports to the Netherlands. In this context, together with Vopak, we studied the feasibility of installing a Floating Storage Regasification Unit (FSRU) for the regasification of LNG at the Port of Terneuzen on a temporary basis. As this turned out not to be feasible from a technical and commercial standpoint, the project was terminated.



## LNG terminals in Germany

GUD has decided to go ahead with the construction of two connecting pipelines (3 and 55km) for an FSRU installed in Brunsbüttel on a temporary basis. GUD may include the costs of the investment in its network tariffs. Together with KfW and RWE, Gasunie is developing its own permanent LNG import terminal in Brunsbüttel, which will be made suitable for the import of hydrogen in the more distant future.

## GTS tariff decision

Based on the [tariff decision](#) published by ACM at the end of May, the average transport tariff GTS may charge its customers in 2024 will decrease by around 20% compared to 2023. Given the minor share of the GTS transport costs in the total energy bill, this cut in GTS' tariffs will only have a limited impact on the customer's gas bill.

## Tribunal ruling

At the beginning of July, in a long-running court case the Dutch Trade and Industry Appeals Tribunal [ruled](#) on the methodology decision for GTS for the current regulatory period (2022-2026). This is a very significant ruling for GTS, and for Gasunie as a whole. With this ruling, it has become clear that requirements with regard to transparency and explainability of a regulatory methodology apply to both GTS and the regulator ACM.

As a result of the ruling, it is expected that GTS will be in a better position to cover its costs in the coming years. The ruling also has a positive impact for the longer term, given that the Tribunal has attached a number of new conditions to the regulation of GTS that will improve its position, as well as that of other, future network operators under Gasunie, such as those for heat and hydrogen.

## 05 Social value creation

To Gasunie, social value creation means to add value to society and the company that cannot instantly be captured in financial figures. In the long run, social value can turn into economic value or other kinds of value. The billions of euros we will be investing over the coming years to enable the energy transition, for example, will contribute to future security of supply, climate targets, and help our customers continue their operations in a sustainable way. We are also creating social value by making our own day-to-day operations more sustainable and social.

### Delta Rhine Corridor

The [Delta Rhine Corridor](#) is a planned multiple-pipeline underground corridor that would link the Port of Rotterdam to Chemelot and the Ruhr area. In the envisioned joint arrangement, Gasunie wants to operate the pipelines for hydrogen and natural gas and own/co-own the envisioned CO<sub>2</sub> pipeline. By laying as much future-proof underground infrastructure as possible all at once, the project will cause less disruption and the permit process will be easier. Information meetings were held in June in places located along the envisioned corridor.

### FID on Rotterdam section of hydrogen network

In the second half of 2023, Gasunie subsidiary Hynetwork Services will [build](#) the first 30 kilometres of the Dutch hydrogen network. This first section will run between the Maasvlakte 2 port area and Pernis. Industrial parties in Rotterdam should be able to connect to this in two years' time. Shell Netherlands will be the first company to use the pipeline.

Gasunie is investing more than € 100 million in the construction of this section, the first in what will become a Dutch hydrogen transmission network stretching out over 1,200 kilometres. This hydrogen network will connect the large industrial clusters with the seaports and storage facilities in the Netherlands and will also have connections with Germany and Belgium. The Rotterdam investment was approved in June.

### Denmark-Germany hydrogen network connection

Gasunie envisions connecting its future hydrogen network in the north-western part of Germany to the Danish Energinet grid. This is very promising for the economy, according to a [new market assessment](#) carried out jointly by the two network operators. Denmark expects to be a major net exporter of green hydrogen, with the hydrogen export forecast to increase from 15 TWh in 2030 to 79 TWh in 2050 based on the national scenarios, or even up to 100 TWh considering the European scenarios. On the other hand, Germany expects to become a net importer of green hydrogen. It is estimated that the demand for low-carbon hydrogen will increase from 93 TWh in 2030 to more than 500 TWh in 2050.



## Spain-Netherlands hydrogen corridor

Cepsa and Iberdrola plan to export green ammonia to the Netherlands and supply this as green hydrogen to their European customers via the national hydrogen network of Gasunie subsidiary Hynetwork Services. To establish this green hydrogen supply chain from Spain to the Netherlands, the Spanish energy companies signed letters of intent with Gasunie and ACE Terminal over the past six months.

## Match & Connect

The Match & Connect platform offers potential end users, producers and traders (shippers) from all over the world the opportunity to connect the supply of hydrogen with demand. Gasunie intends to use this to get the international hydrogen value and supply chain going. Once the market parties have connected, it is up to them to reach agreements outside Match & Connect: contracts are concluded between the parties without the mediation or involvement of Gasunie.

## WarmtelinQ

The work at WarmtelinQ aimed at having the heat transmission pipeline between Vlaardingen and The Hague operational in 2025 and the branch to Leiden transmitting heat in 2027 is on schedule. In May, the province of Zuid-Holland gave final approval in the first part of the permit process for the branch to Leiden.

In May, the Dutch Council of State Administrative Law division ruled on the objections lodged concerning the pipeline section between Vlaardingen and The Hague, declaring all objections inadmissible or unfounded. With this ruling, the integration plan and the permits granted for this project are now irrevocable and construction on land belonging to the City of The Hague can start after the summer. Construction is already underway in the other municipalities along the pipeline route.

## Alkmaar SCW gasification plant

Early in February, SCW Systems fed green gas produced through the demo supercritical water (SCW) gasification plant in Alkmaar into GTS' high-pressure pipeline. This milestone is the result of years of perseverance and a firm belief that this technology would succeed. In the meantime, SCW Systems has continued testing, and several tens of thousands of cubic meters of green gas have been fed in to the grid. A lot of experience has been gained with the plant and, based on this and the data collected, further optimisations can be implemented. All gasifiers are now technically ready. In the coming period, a second gasifier will be commissioned and the Alkmaar SCW gasification plant will switch to other feedstocks. The simultaneous use of multiple gasifiers is hampered, however, by congestion on the electricity grid in Boekelermeer.

## Emmen-Ommen green gas pipeline

Gasunie has taken the decision to convert 60km of natural gas pipeline running between Emmen and Ommen for the transmission of locally produced green gas to the Gasunie network starting from early 2024. This conversion should help reduce the increasing congestion in the regional networks. The first green gas is expected to be flowing through the pipeline by August 2025.

## Porthos

In March, the Dutch Council of State held a hearing in the nitrogen case on the Porthos carbon capture and storage (CCS) project. The Council of State will rule on whether the ecological assessment sufficiently demonstrates that the nitrogen deposition during the construction of Porthos will have no significant impact on protected nature areas, and whether the necessary permits for the project should therefore become irrevocable. The ruling is expected in August 2023.

The nitrogen case has delayed the construction of Porthos. To avoid further delays, Porthos is continuing to make preparations for the project. The Dutch Senate and House of Representatives approved a guarantee scheme for Porthos, enabling Porthos to order materials in anticipation of obtaining irrevocable permits. If and when the permits become irrevocable, Porthos will make a final investment decision and construction will start. The infrastructure is expected to be operational from 2026, making Porthos the first large-scale CCS project in the Netherlands.

## Groningen gas field closure

The Dutch government has announced that it will end the extraction of natural gas from the Groningen field on 1 October 2023 and close the field permanently in 2024. According to the Ministry of Economic Affairs and Climate Policy, gas will only be extracted from the Groningen field next winter if the Netherlands faces extremely cold temperatures and the gas storage facilities are empty. When making its decision, the Ministry weighed up various recommendations, including advice from GTS.

Partly behind the decision to end production from the Groningen field is the fact that GTS' new nitrogen plant in Zuidbroek, where imported high-calorific gas will be converted into low-calorific gas, will be commissioned on 1 October 2023. Equipment in Dutch homes is set up for use of this low-calorific Groningen gas. In the first six months of 2023, gas from the Groningen field accounted for only 4% of all natural gas entering the GTS grid.



# 2023 half-year report

## Half-year report



## 06 Consolidated interim financial statements

### Condensed consolidated statement of financial position as at 30 June 2023

(before appropriation of result)

<i>In millions of euros</i>	<i>Notes</i>	<b>30 June 2023</b>	<b>31 Dec. 2022</b>
<b>Assets</b>			
Fixed assets			
- tangible fixed assets	4	9,566.7	9,457.0
- investments in joint ventures	5	412.4	372.3
- investments in associates		0.6	0.6
- other equity interests		7.0	7.0
- deferred tax assets		235.9	239.2
<b>Total fixed assets</b>		<b>10,222.6</b>	<b>10,076.1</b>
<b>Total current assets</b>		<b>816.6</b>	<b>996.9</b>
<b>Assets held for sale</b>	5	<b>53.7</b>	<b>32.2</b>
<b>Total assets</b>		<b>11,092.9</b>	<b>11,105.2</b>

<i>In millions of euros</i>	<i>Notes</i>	<b>30 June 2023</b>	<b>31 Dec. 2022</b>
<b>Liabilities</b>			
<b>Total equity</b>			
<b>attributable to shareholder</b>	<b>1</b>	<b>6,370.2</b>	<b>6,304.4</b>
Non-current liabilities			
- interest-bearing loans	6, 7	2,776.4	2,775.5
- lease liabilities		375.0	411.0
- contract liabilities	2	99.0	60.7
- deferred tax liabilities		186.5	170.2
- other non-current liabilities and provisions		182.2	183.2
- derivative financial instruments		23.1	15.9
<b>Total non-current liabilities</b>		<b>3,642.2</b>	<b>3,616.5</b>
Current liabilities			
- current financing liabilities	6	225.0	225.0
- lease liabilities		69.8	70.1
- trade payables, corporate income tax, other payables and contract liabilities		785.7	889.2
<b>Total current liabilities</b>		<b>1,080.5</b>	<b>1,184.3</b>
<b>Total liabilities</b>		<b>11,092.9</b>	<b>11,105.2</b>

## Condensed consolidated statement of profit and loss for the first half of 2023

<i>In millions of euros</i>	<i>Notes</i>	<b>First half-year of 2023</b>	<b>First half-year of 2022</b>
<b>Continuing operations</b>			
Revenues	2, 3	1,102.8	896.9
Capitalised expenses		47.6	32.6
Personnel expenses and other operating expenses		-580.3	-455.7
Depreciation expenses		-210.4	-167.0
Total expenses		-743.1	-590.1
<b>Operating result</b>		<b>359.7</b>	<b>306.8</b>
Finance income and expenses		-30.5	-20.1
Share in result of joint ventures	5	19.4	18.1
<b>Result before taxation</b>		<b>348.6</b>	<b>304.8</b>
Income taxes		-82.5	-77.3
<b>Result after taxation</b>		<b>266.1</b>	<b>227.5</b>



## Consolidated statement of other comprehensive income for the first half of 2023

<i>In millions of euros</i>	<i>Notes</i>	<b>First half-year of 2023</b>	<b>First half-year of 2022</b>
<b>Result after taxation according to consolidated statement of profit and loss</b>		<b>266.1</b>	<b>227.5</b>
Sum of actuarial gains and losses on employee benefits,		-2.3	29.8
of which corporate income tax		0.7	-8.8
Changes in other participating interests measured at fair value	7	-	-267.8
<b>Total of results taken to equity which will not be reclassified subsequently to profit and loss</b>		<b>-1.6</b>	<b>-246.8</b>
Changes in the cash flow hedge reserve concerning joint ventures and associates	5	1.4	14.0
<b>Total of results taken to equity which will be reclassified subsequently to profit and loss</b>		<b>1.4</b>	<b>14.0</b>
<b>Total comprehensive income for the year</b>		<b>265.9</b>	<b>-5.3</b>
Attributable to shareholder		265.9	-5.3

## Consolidated statement of changes in equity for the first half of 2023

<i>In millions of euros</i>	Share capital	Fair value reserve	Other reserves	Unappropriated result	Total
<b>First half-year of 2023</b>					
Balance as at 1 January 2023	0.2	-172.7	5,922.1	554.9	6,304.4
Total of comprehensive income for the financial year	-	-	-0.2	266.1	265.9
Dividend paid for 2022	-	-	-	-200.0	-200.0
Added to other reserves	-	-	354.9	-354.9	-
<b>Balance as at 30 June 2023</b>	<b>0.2</b>	<b>-172.7</b>	<b>6,276.8</b>	<b>266.1</b>	<b>6,370.2</b>
<b>First half-year of 2022</b>					
Balance as at 1 January 2022	0.2	335.4	5,782.9	310.7	6,429.2
Total of comprehensive income for the financial year	-	-267.8	35.0	227.5	-5.3
Dividend paid for 2021	-	-	-	-217.5	-217.5
Added to other reserves	-	-	93.2	-93.2	-
<b>Balance as at 30 June 2022</b>	<b>0.2</b>	<b>67.6</b>	<b>5,911.1</b>	<b>227.5</b>	<b>6,206.2</b>

## Condensed consolidated cash flow statement for the first half of 2023

<i>In millions of euros</i>	<i>Notes</i>	<b>First half-year of 2023</b>	<b>First half-year of 2022</b>
<b>Cash flow from business operations</b>		<b>669.3</b>	<b>799.7</b>
Net amount of interest paid and received, corporate income tax and dividends received	5	-124.3	-57.3
<b>Cash flow from operating activities</b>		<b>545.0</b>	<b>742.4</b>
<b>Cash flow from investing activities</b>	4, 5	<b>-416.7</b>	<b>-227.6</b>
<i>Cash flow from financing activities</i>			
Lease payments		-39.0	-4.2
Uptake of short-term financing		215.0	1,035.1
Repayment of short-term financing		-215.0	-1,270.0
Dividend paid	1	-200.0	-217.5
<b>Cash flow from financing activities</b>		<b>-239.0</b>	<b>-456.6</b>
<b>Net cash flow for the financial year</b>		<b>-110.7</b>	<b>58.2</b>
Cash and cash equivalents at previous year-end		435.9	38.3
Effects of exchange rate changes on cash and cash equivalents		-0.2	-
<b>Cash and cash equivalents at year-end</b>		<b>325.0</b>	<b>96.5</b>

# Notes to the condensed consolidated interim financial statements for 2023

## General

### Preparation of the interim financial statements

The 2023 interim financial statements were prepared by the Executive Board on 18 July 2023.

### Reporting entity

N.V. Nederlandse Gasunie (hereinafter also 'Gasunie', 'the company' and 'we') is a European energy infrastructure company. The company is domiciled in Groningen, the Netherlands.

The company's primary activity is to provide regulated transport services in the Netherlands and Germany. Alongside this, Gasunie is making extensive use of its infrastructure and knowledge for the further development and integration of alternative energy sources and carriers, such as hydrogen, heat and green gas, as well as the development of CCS. Gasunie is moreover involved in joint arrangements for pipelines that connect the Gasunie transmission network with markets outside the Netherlands. Gasunie also provides other energy infrastructure services, like for the storage of gas and LNG, and the certification of green gas and hydrogen.

The company is a public limited company and has its registered and actual office at Concourslaan 17, Groningen, the Netherlands, and is registered with the Dutch Chamber of Commerce under number 02029700. N.V. Nederlandse Gasunie is the ultimate parent of the group. All shares in N.V. Nederlandse Gasunie issued as at the balance sheet date are held by the Dutch State.

### Reporting period

These condensed consolidated interim financial statements (hereinafter called 'the interim financial statements') relate to the first six months of the 2023 financial year, with 30 June 2023 being the balance sheet date.

### Presentation and functional currency

We present the interim financial statements in euros, which is also the company's functional currency. Unless otherwise specified, all amounts are in millions of euros.

### Going concern

These interim financial statements have been prepared on a going concern basis.

### Seasonal influence

Gasunie's revenue and costs are not spread out evenly over the year, due to seasonal influences. The company's core activity is the transmission of natural gas through the gas transport network. Revenues consist largely of the sale of the available transmission capacity and transmission-related services. Over the winter months, our customers book considerably more capacity than over the summer period. As a result, revenue is higher in the winter months than in the other months of the year. While a substantial part of the costs of network operations is fixed, another part is variable and depends on actual volumes of gas transmitted. Larger gas transmission volumes in the winter months lead to higher costs over those months compared to the other months of the year.



### **Management judgements and estimates**

In preparing the interim financial statements, management has used estimates and assessments that could affect the assets and liabilities presented as at the balance sheet date and the result for the first six months of the financial year. The actual results may differ from these estimates. Management reviews the estimates and underlying assumptions on a periodic basis. We recognise revisions to estimates in the period in which the estimate is revised and in future periods affected by the review.

The effect of management's judgements and estimates is significant for the:

- measurement and determination of the service life of fixed assets;
- measurement of other participating interests;
- measurement and determination of the provision for abandonment costs and redevelopment;
- measurement of deferred tax assets;
- measurement of pension obligations;
- measurement of derivative financial instruments;
- classification of equity interests.

In certain cases, developments in the area of the energy transition and tightened environmental and climate targets also affect the judgements and estimates as stated above. We take these developments into account in our judgements and estimates.

### **Basis for preparation**

#### **Statement of compliance**

The interim financial statements capture the company's periodic interim information and were prepared in compliance with IAS 34 'Interim Financial Reporting', as adopted by the European Union. Since these interim financial statements do not contain all notes that are normally included in the financial statements for a full year, they must be read in conjunction with N.V. Nederlandse Gasunie's 2022 consolidated financial statements.

The interim financial statements have not been audited or reviewed by an independent auditor.

#### **Accounting policies for the consolidation, measurement of assets and liabilities and the determination of the results**

The company prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. In this context, IFRS comprises the International Accounting Standards (IAS) published by the International Accounting Standards Board and the interpretations of IFRS and IAS published by the IFRS Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC) respectively.

The accounting policies used in preparing the 2023 interim financial statements are the same as those used to prepare the 2022 consolidated financial statements, except for the new and amended standards detailed in the next section.

### **New and amended standards for financial reporting**

The following amendments to standards came into effect at the start of the 2023 financial year:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- IFRS 17 Insurance Contracts; including Amendments to IFRS 17
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information.

Furthermore, the standards or amendments to them listed below are expected to become effective in the near future. EU endorsement has not yet been given for these standards:

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements
- Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules
- Amendments to IAS 1 Presentation of Financial Statements:
  - Classification of Liabilities as Current or Non-current (including deferral of Effective Date)
  - Non-current Liabilities with Covenants
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback.

An analysis by the company revealed that the already adopted standards and those still to be endorsed have or will have no material impact on the company's equity and result and that there are no significant additional disclosures required. For that reason, the consequences of these amendments for the company have not been described in detail in these interim financial statements.

## Further notes to the condensed consolidated financial statements

### 1. Significant matters and transactions in the first half of 2023

#### Acquisition of Uniper Ruhrgas BBL B.V.

Founded by Gasunie, Fluxys and Uniper (formerly Ruhrgas), BBL Company has been operating a gas pipeline between Balgzand in the Netherlands and Bacton in the United Kingdom since 2006. To fulfil conditions set under EU state aid law, Uniper was required to divest its 20% interest in BBL Company by the end of 2022. Under the contractual arrangement for BBL Company, Gasunie and co-owner Fluxys each have the option of exercising their pre-emptive right in the event that a co-owner wishes or is required to dispose of its interest.

Gasunie exercised this pre-emptive right early 2023 and as of May 2023 holds a 75.0% interest in BBL Company (year-end 2022: 60.0%). Fluxys holds the remaining 25.0% (year-end 2022: 20.0%). The carrying amount of the additional shares acquired comes out at around € 50.0 million. The impact on the consolidated result, the consolidated cash flows and the consolidated financial position is relatively limited.

#### Ruling on the GTS 2022-2026 methodology decision

On 4 July 2023 (thus after the balance sheet date of these interim financial statements), the Dutch Trade and Industry Appeals Tribunal ruled on the methodology decision for GTS for the current regulatory period (2022-2026). More information on this matter can be found in [note 4 'Tangible fixed assets'](#).

#### Dividend payment and transactions with related parties

In the first half of 2023, Gasunie paid out € 200.0 million (first half of 2022: € 217.5 million) in dividend to its sole shareholder, the Dutch State. This was the appropriation of the result for the 2022 financial year following a decision by the General Meeting of 29 March 2023.

The nature of other transactions with related parties in the first half of 2023 is the same as reported in the 2022 consolidated financial statements. Transactions with related parties in the first half of 2023 were on an arm's length basis.

### 2. Financial information by operating segment

#### Segmentation

We segment the financial information in line with the Group's activities. The operating segments reflect the Group's management structure and the business units. Gasunie differentiates between the following segments:

- **Gasunie Transport Services**

This segment covers network operations in the Netherlands and is responsible for managing natural gas transmission, developing the natural gas network and related plants, and helping to facilitate a well functioning market.

- **Gasunie Deutschland**

This segment covers network operations in Germany and is responsible for managing natural gas transmission, developing the natural gas network and related plants, and helping to facilitate a well functioning market.

- **Participations**

This segment focuses on developing energy transition projects, utilising existing participating interests to the full and facilitating new gas flows to north-western Europe using an LNG connection and long-distance pipelines. This segment also includes a number of joint arrangements for pipelines that connect the Gasunie transport network with markets outside the Netherlands.

The accounting policies for measurement of assets and liabilities and the determination of the results of the operating segments used to prepare the 2023 interim financial statements are the same as the accounting policies used in preparing the 2022 consolidated financial statements.

The assets, revenue and results of a segment comprise items directly related to the segments and items that we can reasonably attribute to them. Because the financing of Gasunie mainly takes place at group level, liabilities are not segmented and so we do not report on these separately. Transactions between companies which belong to the segments are on arm's length basis. Transactions between the segments have been eliminated in the financial information by operating segment.

## Information on revenue and results by operating segment

Each operating segment's revenue and result are as follows:

<i>In millions of euros</i>	Net revenue		Result	
	First half-year of 2023	First half-year of 2022	First half-year of 2023	First half-year of 2022
Operating segments				
- Gasunie Transport Services	717.6	658.0	236.5	218.2
- Gasunie Deutschland	194.9	171.4	96.4	68.2
- Participations	263.1	121.3	26.7	20.4
Inter-segment adjustments	-72.8	-53.8	-	-
<b>Operating segments total</b>	<b>1,102.8</b>	<b>896.9</b>	<b>359.6</b>	<b>306.8</b>
Unallocated financial income and expenses			-11.0	-2.0
<b>Result before taxation</b>			<b>348.6</b>	<b>304.8</b>
Income taxes			-82.5	-77.3
<b>Revenue and result after taxation for the year</b>	<b>1,102.8</b>	<b>896.9</b>	<b>266.1</b>	<b>227.5</b>

Consolidated net revenue rose by 23.0% compared to the first half of 2022 (first half of 2022: increase of 25.1%). The increased revenue in the GTS segment can mainly be explained by the increase in transport tariffs. However, this did not lead to a correspondingly higher result given that network and energy costs and personnel expenses also increased. The revenue of the Gasunie Deutschland segment was also up thanks to higher transport tariffs. The activities of EemsEnergyTerminal had a significant impact on the revenue of the Participations segment. Because this terminal was only commissioned in the second half of 2022, it was not yet contributing to net revenue in the first half of that year. The payment schedule for certain EemsEnergyTerminal contracts is not synchronous with the way in which we are required to allocate revenues to the financial years. This is also the main explanation for the increase in the contract liabilities recognised in the balance sheet as at 30 June 2023.

Inter-segment services represented a total value of € 72.8 million in the first half of 2023 (first half of 2022: € 53.8 million). During the first half of 2023, the Gasunie Transport Services segment provided inter-segment services to the value of € 32.6 million (first half of 2022: € 18.8 million), the Gasunie Deutschland segment provided inter-segment services to the value of € 0.3 million (first half of 2022: € 0.1 million) and the Participations segment provided inter-segment services to the value of € 40 million (first half of 2022: € 34.9 million).

## Information on assets by operating segment

Each operating segment's assets are as follows:

<i>In millions of euros</i>	<b>Assets</b>	
	<b>30 June 2023</b>	<b>31 Dec. 2022</b>
Operating segments		
- Gasunie Transport Services	6,547.4	6,573.9
- Gasunie Deutschland	1,635.3	1,560.8
- Participations	1,857.7	1,734.4
<b>Operating segments total</b>	<b>10,040.4</b>	<b>9,869.1</b>
Unallocated assets	1,052.5	1,236.1
<b>Total consolidated assets</b>	<b>11,092.9</b>	<b>11,105.2</b>

Unallocated assets comprise deferred tax assets and current assets. Assets held for sale are recognised under the Participations segment. The main investments are described in [note 4 'Tangible fixed assets'](#).



### 3. Revenue recognition

In addition to [note 2 'Financial information by operating segment'](#), the following will provide further details and analysis of revenue.

#### Information about operating activities

The company categorises its revenues according to the way in which economic factors influence the nature, amount, timing and uncertainty of the cash flows. A distinction can be made between two categories in the case of Gasunie. The first revenue stream is revenue from regulated transmission and related services, as generated by the Gasunie Transport Services and Gasunie Deutschland business units. The Dutch and German regulatory authorities set the permitted income for this revenue stream for the long term.

The second revenue stream is generated through non-regulated services and/or those exempt from regulation. The market determines the income for these services based on supply and demand and it is generally subject to greater volatility in revenue compared to the regulated services. Our Participations business unit generates almost the entire revenue from the non-regulated services and/or those exempt from regulation.

Revenue for each operating activity is as follows:

<i>In millions of euros</i>	Net revenue	
	First half-year of 2023	First half-year of 2022
Regulated services	862.1	786.6
Non-regulated and/or exempt services	240.7	110.3
<b>Total net revenue</b>	<b>1,102.8</b>	<b>896.9</b>

The increase in revenue from non-regulated services and/or those exempt from regulation is mainly explained by the commissioning of the EemsEnergyTerminal. Because this terminal was only commissioned in the second half of 2022, it was not yet contributing to net revenue in the first half of that year.

#### Information on products and services

Looking at revenue, we can divide this into revenue from gas transport and related services and from other activities. Gas transport and related services covers revenue from regulated gas transport and from non-regulated and/or exempt gas transport. Other activities include revenue from gas storage, LNG import and regasification, and other services to third parties.

The breakdown is as follows:

<i>In millions of euros</i>	Net revenue	
	First half-year of 2023	First half-year of 2022
Gas transport and related services	927.9	849.2
Other services	174.9	47.7
<b>Total net revenue</b>	<b>1,102.8</b>	<b>896.9</b>

The increase in revenue from other activities is mainly attributable to the commissioning of the EemsEnergyTerminal, as explained above.

## Geographical information

We determine revenue per geographical area based on the area where the activities take place (in or outside the Netherlands). The geographical distribution of the revenue is as follows:

<i>In millions of euros</i>	Net revenue	
	First half-year of 2023	First half-year of 2022
Netherlands	838.1	675.1
Outside the Netherlands	264.7	221.8
<b>Total net revenue</b>	<b>1,102.8</b>	<b>896.9</b>

## 4. Tangible fixed assets

### Investments

Investments in tangible fixed assets in the first half of 2023, not including additions on account of right-of-use assets, represented a total value of € 269.6 million (first half of 2022: € 132.5 million). The investments mainly relate to the construction of GTS' nitrogen installation in Zuidbroek, the development of EemsEnergyTerminal in the port of Eemshaven and to the investments relating to the conditional investment commitments described below.

Gasunie entered into conditional investment commitments to the tune of € 248.0 million as of 30 June 2023 (year-end 2022: € 120.3 million). The commitments in the Netherlands mainly relate to investments in WarmtelinQ and commitments on behalf of Porthos. In Germany, the commitments mainly concern the construction of connector pipelines for the LNG terminals in Stade and Brunsbüttel.

Investments in right-of-use assets represented a total value of € 1.7 million (first half of 2022: € 77.7 million). The figure for investments was considerably higher in the first half of 2022 as a result of substantial lease liabilities in Eemshaven relating to EemsEnergyTerminal operations.

## Impairment of fixed assets

At regular intervals, management determines whether there is any incidence or indication of impairment of fixed assets. The following will provide further analysis of impairment tests for each significant cash-generating unit.

### Gas transport network in the Netherlands

At the end of 2022, we reviewed the value in use of the gas transport network in the Netherlands. From this value-in-use calculation, we determined that the recoverable amount of the gas transport network in the Netherlands is virtually the same as its carrying amount. The valuation of the gas transport network in the Netherlands partly depends on the company's regulated income. In early 2022, Gasunie's group company GTS B.V. and market parties separately filed appeals with the Dutch Trade and Industry Appeals Tribunal against ACM's methodology decision for GTS for the current regulatory period (2022-2026). GTS's objections relate to the robustness of the benchmark analysis, including how static efficiency is determined, how the regulated return is determined, and the regime of offsetting energy procurement costs in future tariffs. The objections of the market parties concerned in particular no longer being able to charge for inactive network components, the use of a declining balance depreciation model, and the application of a nominal WACC.

The Tribunal considered the grounds of the appeal at the end of 2022 and published its final ruling on 4 July 2023. In a general sense, on virtually all points the Tribunal ruled in favour of GTS and, again on virtually all points, against the market parties. The Tribunal concluded that ACM should adjust the methodology decision on a number of points and annulled the current GTS 2022-2026 methodology decision. The Tribunal has given ACM six months to comply. In the second half of 2023, we expect more clarity on the new methodology decision and its effects on future cash flows and thus the valuation of our gas transport network.

### Gas transport network in Germany

At the end of 2022, we reviewed the value in use of the gas transport network in Germany. Based on the value-in-use calculation, we reduced the carrying amount of the gas transport network in Germany by around € 117 million at year-end 2022. There was no evidence of any other facts or circumstances in the first six months of 2023 which provided significantly different information about the assumptions and estimates as at year-end 2022. This also applies to the determination of the general efficiency factor ('X-gen'), as explained below.

Early in 2022, German regulator BNetzA started on the evaluation of a new general efficiency factor ('X-gen') that will apply to all network operators in the 2023-2027 regulatory period. BNetzA requested all relevant data from the German network operators so that it can determine the parameters for the efficiency model. However, final decision-making on the level of the X-gen has been delayed and we do not expect it now until the second half of 2023 or in 2024. For the year-end 2022 value-in-use calculation and in preparing the 2023 interim financial statements, we have assumed an X-gen of 0.49%, i.e. the same as the X-gen for the previous regulatory period (2018-2022).

### BBL Company

At the end of 2022, we reviewed the valuation of our (then) 60% share in the BBL interconnector and, based on the value-in-use calculation, we reduced the carrying amount by around € 50 million for year-end 2022. There was no evidence of any other facts or circumstances in the first six months of 2023 which provided significantly different information about the assumptions and estimates as at year-end 2022.

## EemsEnergyTerminal

Management's assessment has not revealed any incidence or indication of an impairment of EemsEnergyTerminal's tangible fixed assets as at 30 June 2023.

## EnergyStock

Management's assessment has not revealed any incidence or indication of an impairment of EnergyStock's tangible fixed assets as at 30 June 2023.

## Other tangible and financial fixed assets

Management's assessment has not revealed any incidence or indication of an impairment of other tangible and financial fixed assets as at 30 June 2023.

## 5. Investments in joint ventures

### Joint ventures

The movements in joint ventures over the first half of 2023 were as follows:

<i>In millions of euros</i>	<b>First half-year of 2023</b>	<b>2022</b>
Balance as at 1 January	371.9	284.0
Investments	60.8	90.0
Changes in equity	1.4	23.7
Result from joint ventures	19.4	42.3
Impairments	-	-8.0
Dividend received	-20.0	-27.9
Transferred to 'assets held for sale'	-21.5	-32.2
<b>Closing balance as at 30 June and 31 December respectively</b>	<b>412.0</b>	<b>371.9</b>
Loans to joint ventures	0.4	0.4
<b>Total investments in joint ventures as at 30 June and 31 December respectively</b>	<b>412.4</b>	<b>372.3</b>

The main investments in the first half of 2023 relate to Porthos (a project to store CO<sub>2</sub> produced by industry at the Port of Rotterdam in an empty gas field below the North Sea bed) and German LNG (a project to build a permanent LNG terminal in Brunsbüttel, Germany).

In 2022, Gasunie acquired all shares in German LNG from the former shareholders Royal Vopak and Oiltanking. Gasunie has signed a declaration of intent with Kreditanstalt für Wiederaufbau (KfW, on behalf of the German government) and RWE for the construction of an LNG terminal. Gasunie is the envisioned operator of the terminal and plans to transfer the majority of its shares to KfW and RWE in the second half of 2023 – pending the results of EU state aid assessments – with the result that the three parties will again have joint control of the entity after the share transfer. Given that Gasunie did not obtain full control of German LNG, the remaining shareholding still qualifies as a joint venture, and measurement based on the equity method has been maintained. We have added the movement in the carrying amount of the shareholding to be transferred to assets held for sale.

The direct movements in equity relate to the remeasurement of the interest in Gate terminal as a consequence of the change in fair value of one of Gate terminal's cash flow hedges. Gasunie has recognised this change in equity in other comprehensive income.

## 6. Interest-bearing loans

On 30 June 2023, the nominal amount of € 3,015.0 million (year-end 2022: € 3,015.0 million) in non-current loans comprised € 2,250.0 million (year-end 2022: € 2,250.0 million) in bond loans and € 765.0 million (year-end 2022: € 765.0 million) in private loans. The transaction costs and discount still to be amortised amounted to € 13.6 million (year-end 2022: € 14.5 million).



Movements in interest-bearing loans are as follows:

<i>In millions of euros</i>	First half-year of 2023	2022
Principal amount as at 1 January	3,015.0	3,140.0
Total repayments as at 1 January	-	-130.8
Remaining principal amount as at 1 January	3,015.0	3,009.2
Costs and discounts on loans to be amortised	-14.5	-9.0
<b>Balance as at 1 January</b>	<b>3,000.5</b>	<b>3,000.2</b>
Movements in the first half-year and the financial year respectively		
Repayments	-	-494.2
Loans and bonds issued	-	500.0
Amortisation of costs and discounts on loans	0.9	1.5
Addition of costs and discounts	-	-6.9
<b>Total movements in the first half-year and the financial year respectively</b>	<b>0.9</b>	<b>0.3</b>
Principal amount as at 30 June and 31 December respectively	3,015.0	3,015.0
Total repayment as at 30 June and 31 December respectively	-	-
Remaining principal amount as at 30 June and 31 December respectively	3,015.0	3,015.0
Costs and discounts on loans to be amortised	-13.6	-14.5
<b>Balance as at 30 June and 31 December respectively</b>	<b>3,001.4</b>	<b>3,000.5</b>
Included under current liabilities	-225.0	-225.0
<b>Total</b>	<b>2,776.4</b>	<b>2,775.5</b>

We did not repay or draw on any interest-bearing loans in the first half of 2023 (first half of 2022: the same).

N.V. Nederlandse Gasunie provided no security to its credit providers for the interest-bearing loans or other facilities. The existing loan conditions remained unchanged compared to year-end 2022. The repayment schedule is as follows:

<i>In millions of euros</i>	First half-year	Second half-year	Total
Repayment in			
2023		225.0	225.0
2024	-	175.0	175.0
2025	-	125.0	125.0
2026	650.0	-	650.0
2027	-	-	-
after 2027			1,840.0
<b>Total repayment obligations</b>			<b>3,015.0</b>

The company has a non-committed overdraft facility of € 45.0 million (year-end 2022: € 45.0 million), a committed credit facility of € 600.0 million (year-end 2022: € 600.0 million), a € 750.0 million Euro Commercial Paper (ECP) programme (year-end 2022: € 750.0 million) and a € 7.5 billion Euro Medium Term Note (EMTN) programme (year-end 2022: € 7.5 billion). The committed credit facility runs until April 2027. Over the past six months, no funds have been drawn on the committed credit facility or under the ECP programme (first half of 2022: the same). However, as part of its normal operational activities, Gasunie has regularly raised short-term loans on the money market in the form of deposit loans. As of 30 June 2023, we had not taken any deposits or issued ECP with terms of less than one year (year-end 2022: the same).

Under the EMTN programme, € 2,250.0 million was issued in loans as at 30 June 2023 (year-end 2022: € 2,250.0 million). The base prospectus of the EMTN programme was valid until 17 June 2023 and is expected to be updated in the second half of 2023.

The long and short-term credit ratings by S&P and Moody's did not change over the first half of 2023.

## 7. Financial instruments

In these interim financial statements, the following financial instruments are recognised:

- Other participating interests
- Derivative financial instruments
- Interest-bearing loans
- Other primary financial instruments

Gasunie uses the following hierarchy of measurement methods to determine the fair value of financial instruments:

Level 1:	Based on quoted prices on active markets for the same instrument.
Level 2:	Based on prices on active markets for comparable instruments, or based on other valuation methods, with all required key data being derived directly or indirectly from publicly available market information.
Level 3:	Based on measurement methods, with all the required key data not being derived from publicly available market information.

## Other participating interests

The other participating interests are as follows:

Company name	Registered office	Interest	
		30 June 2023	31 Dec. 2022
Energie Data Services Nederland (EDSN) B.V.	Arnhem	12.5%	12.5%
Nord Stream AG	Zug, Switzerland	9.0%	9.0%
PRISMA European Capacity Platform GmbH	Leipzig, Germany	12.7%	12.7%
SCW Systems B.V.	Schoorl	4.9%	4.9%

The fair value of the other participating interests was € 7.0 million as at 30 June 2023 (year-end 2022: € 7.0 million). This is a level-3 fair value measurement (year-end 2022: level-3). The assumption for the interests in PRISMA, EDSN and SCW Systems is that, partly on account of their relatively small size, the carrying amount is an estimate of the fair value. For Nord Stream, we maintain our fair value measurement of € zero as at 30 June 2023 (year-end 2022: € zero). In the first half of 2023, regarding the valuation of our interest in Nord Stream, no facts or circumstances have come to our attention which provided significantly different information about the assumptions and estimates as at year-end 2022.

## Derivative financial instruments

The derivative financial instruments are forward exchange contracts and a gas price swap. We use the forward exchange contracts to hedge the currency risk on the lease of two floating storage and regasification units (FSRUs). We are required to pay the costs of the lease of these FSRUs in US dollars. Gasunie has entered into investment obligations in a joint venture, the amount of which may vary depending on gas price developments. To limit the cash flow risk on these expected capital expenditures, we use a gas price swap, this way effectively fixing the future variable investment obligation – in terms of our share in the joint venture – over the term of the investment obligation (until 31 December 2027).

We determine the fair value of the forward exchange contracts based on the present value of projected future cash flows. For this purpose, we make use of forward exchange rates with a comparable term and a zero-coupon discount rate that matches the currency and the term of the transactions, taking into account Gasunie's credit risk and that of the relevant counterparties. This is a level-2 fair value measurement (year-end 2022: level-2). As at 30 June 2023, the fair value of the forward exchange contracts was € 4.8 million negative (year-end 2022: € 0.5 million negative).

We determine the fair value of the gas price swap based on the present value of quoted commodity prices for gas price swaps. For this purpose, we made use of the closing prices for gas forward products with a comparable term and a zero-coupon discount rate that matches the currency and the term of the transactions, taking into account Gasunie's credit risk and that of the relevant counterparties. This is a level-2 fair value measurement (year-end 2022: level-2). As at 30 June 2023, the fair value of the gas price swap was € 18.3 million negative (year-end 2022: € 15.4 million negative).

The carrying amount of the current part of the derivative financial instruments as at 30 June 2023 was € 4.8 million negative (year-end 2022: € 1.8 million negative). We have not presented this amount separately under current liabilities.

## Interest-bearing loans

The interest-bearing loans comprise bond loans with a listing on the Amsterdam stock exchange, and private loans.

The fair value of listed bonds is the same as the year-end exit price. This concerns a level-1 fair value measurement (year-end 2022: level-1). The fair value of the private loans has been determined by calculating the present value of the expected future cash flows at a discount rate equal to the applicable risk-free market interest for the remaining term, plus credit and liquidity surcharges. Account has been taken of the company's risk profile. This concerns fair value measurement according to level 2 (year-end 2022: level 2).

The carrying amount and the fair value of the interest-bearing loans as at 30 June 2023 were:

In millions of euros	30 June 2023			31 Dec. 2022		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Bonds	2,236.4	1,943.8	-292.6	2,235.5	1,899.1	-336.4
Private loans	765.0	723.0	-42.0	765.0	723.8	-41.2
<b>Total interest-bearing loans</b>	<b>3,001.4</b>	<b>2,666.8</b>	<b>-334.6</b>	<b>3,000.5</b>	<b>2,622.9</b>	<b>-377.6</b>

## Other primary financial instruments

Other primary financial instruments comprise trade and other receivables, cash and cash equivalents, current financing liabilities (excluding current repayment obligations on non-current loans), trade and other payables. Given the short term of these instruments, their carrying amount approximates their fair value.

The balance of cash and cash equivalents as part of current assets was € 325.0 million as at 30 June 2023 (year-end 2022: € 435.9 million).

## 8. Events after the balance sheet date

On 4 July 2023, the Dutch Trade and Industry Appeals Tribunal ruled on the methodology decision for GTS for the current regulatory period (2022-2026). More information on this matter can be found in [note 4 'Tangible fixed assets'](#).

No further significant events occurred between the balance sheet date and the date of these interim financial statements that should be recognised or noted in the interim financial statements.

## 07 Signature

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The Executive Board,

Mr J.J. Fennema\*, Chair

Ms J. Hermes\*

Mr B.J. Hoevers

Mr J.A.F. Coenen

Groningen, 18 July 2023

\* Director under the Articles of Association

## 08 Disclaimer

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In the event of inconsistencies or differences of interpretation between the original Dutch report and the translated English report, the Dutch report shall prevail.