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Umsetzen.



Perspectives 2025: Shaping the Climate Transition Together



2020 Annual and Sustainability Report

Key Figures for the 2020 Business Year

Trianel GmbH Individual Financial Statements

in € m	2020	2019	Changes in %	Changes absolute
Turnover	3,186.4	2,321.4	37.3	865.0
EBT	11.0	6.7	64.2	4.3
Net profit for the year	4.7	5.9	-20.3	-1.2
Equity	94.2	93.5	0.7	0.7
Equity ratio	24.1 %	23.6 %	2.1	0.5
Balance sheet total	390.8	395.6	-1.2	-4.8
Investments	11.3	15.0	-24.7	-3.7
Employees	315	296	6.4	19.0

Trianel GmbH Consolidated Financial Statements

in € m	2020	2019	Changes in %	Changes absolute
Group external turnover	3,198.4	2,330.5	37.2	867.9
Net profit for the year	7.7	6.0	28.3	1.7

Trianel GmbH Three-year comparison

in € m	2020	2019	2018
Turnover	3,186.4	2,321.4	2,726.4
Net profit for the year	4.7	5.9	2.1
Equity	94.2	93.5	87.6

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Climate Change calls for new answers – shaping the Climate Transition with municipal utilities

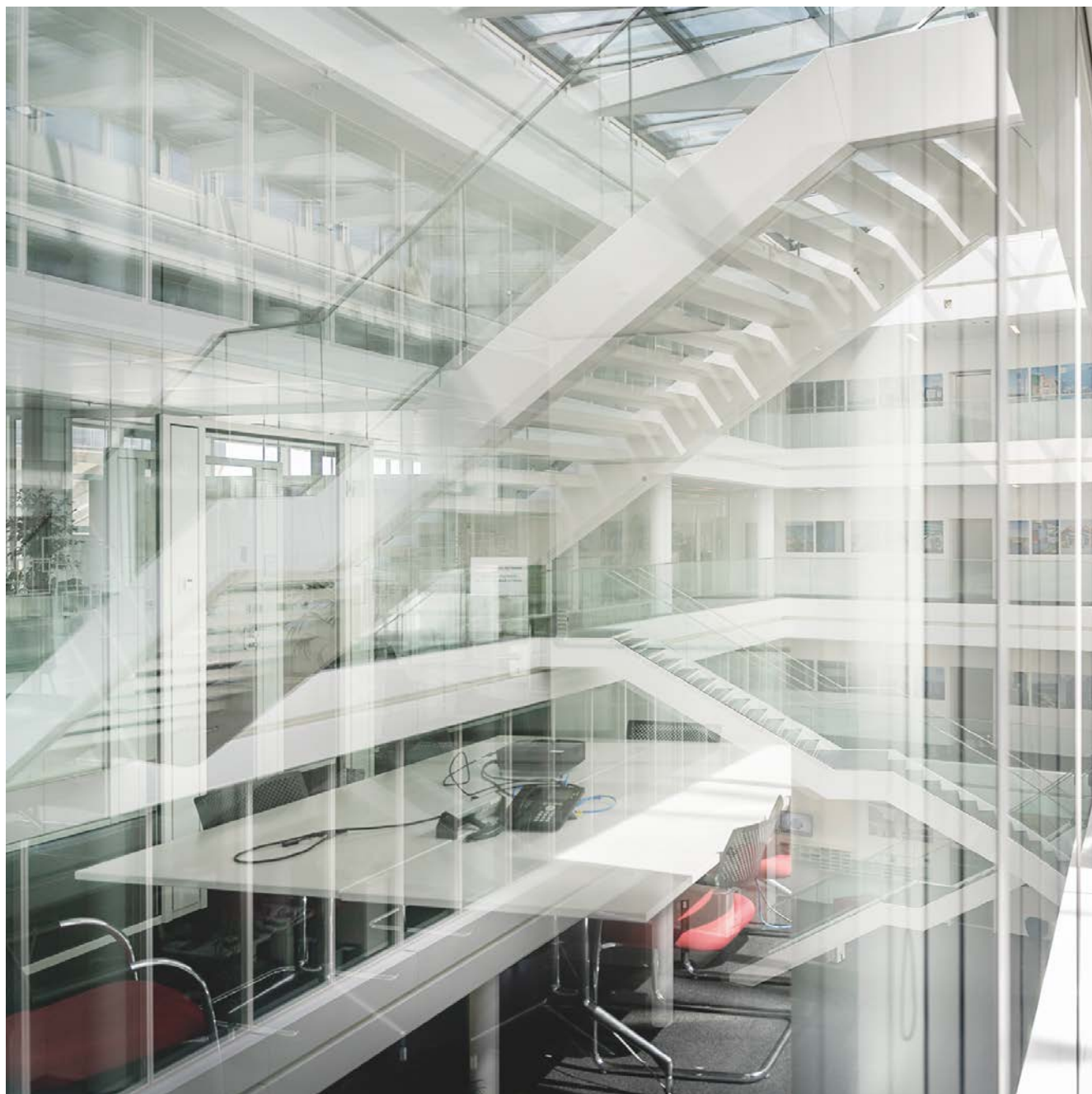
While the causes of climate change – emissions such as CO₂, methane, nitrous oxide – cannot be seen, smelled or tasted, the consequences of climate change are becoming increasingly obvious. In 2020, Europe experienced the third year of drought in a row, with grave effects on vegetation, rivers and lakes, and people living in overheated cities or disaster areas. North America was hit by an unusually hard hurricane season, reaching a new record of 30 storms. Of the 14 hurricanes, seven were severe, more than ever before. 2020 was also a year of fire, with one fire season followed by another; as first in Australia, then Siberia, and finally California and the forests in Europe burst into flames.

The fires in Siberia also highlighted the Arctic's transition to a climate change hot-spot. On 20 June 2020, a temperature of 38 degrees Celsius was measured in the Siberian city of Verkhoyansk, which is considered one of the coldest inhabited places on earth. From January to June, the temperatures were five degrees Celsius above the average from 1981 to 2010, with June alone ten degrees above the average. A report by the Arctic Council warns that the region is heating up three times faster than the rest of the planet. In 2020, the ice pack reached the second lowest surface area since measurements began, at less than four million square kilometres. Global warming is melting glaciers and the ice sheets of Greenland and the Antarctic, leading to rising sea levels. Melting ice is currently responsible for half of the global rise in sea levels, with the rest caused by expansion as the water heats up.

Research shows that increased efforts to protect the climate can slow melting of ice, as well as its devastating effects, by up to 70 percent. The declared international goal of restricting global warming to around 1.5 degrees Celsius will change society and entire sectors in the years to come.

This transformation hits the Energy Business hardest. At the same time, this industry can send the strongest signals and make the greatest contribution. In this transformation, we must not only shape the technological change, but also find solutions for efficient sector coupling and preserve their cost-effectiveness and competitiveness. Municipal utilities play a special role as local energy suppliers, shaping climate change locally and regionally. Together with the municipal utilities, Trianel aims to tackle this once-in-a-generation challenge by expanding renewables and flexibility options, harnessing the opportunities offered by energy trading as well as optimising portfolios and solutions to bring cities closer to their goal of climate neutrality.

From the Company



Clear sign of an
extraordinary year:

An orphaned Trianel
building is waiting for
the employees ...

Photo: Trianel

“We want to proactively shape the transformation.”

The COVID-19 pandemic left its mark around the world in 2020, and this development is forecast to continue in 2021. What impact does COVID have on Trianel?

Sven Becker: As a whole, the energy industry is certainly one of the privileged sectors during this health, societal and economic crisis, and Trianel is no exception. Thanks to our workforce's commitment and performance, great discipline and above all their willingness to change, we managed to remain fully operational throughout 2020 and achieve excellent results. By leveraging the outstanding management of the crisis unit, we assembled immediately and the great solidarity among our staff, as well as our corporate culture, we managed to enable our entire organisation to work from home almost from a standing start.

From a commercial perspective, we did so without incurring any losses. Of course, without customer contact, sales proved much more challenging during this crisis, as did tackling new topics. We experienced no drops in our core business, trade and procurement, or in project management. On the contrary, particularly in these areas, we were able to help municipal utilities to adapt their procurement and generation portfolios, for example, to the reduced power demand due to the pandemic.

Dr Oliver Runte: With our rapid transition to working from home, we were able to benefit from the fact that we have really been driving digitalisation in recent years, both within our organisation and for our customers. As a result, we were able to let our staff work from home almost immediately. But no matter how functional the system is, the social aspect of working with others is something we are missing.

The pandemic also stimulated digitalisation at municipal utilities. In this area, our IT consulting and the work of our Digital Lab makes us a strong partner for municipal utilities in times like these. The pandemic gave a fresh impetus to the digital transformation.

Trianel reported excellent business figures for 2019. How was Trianel's business performance in 2020?

Sven Becker: 2020 was one of the most successful years in Trianel's 22-year history. The actual earnings before tax of € 11 million outstripped our projected result of € 3.1 million by € 7.9 million. In the consolidated financial statements, the earnings before tax were even a little higher at € 14 million. The excellent results allowed us to pay dividends to our shareholders again this year, once again providing financial proof of the added value in the network.

Our strong operative performance enabled us to use our provisions to compensate for the continued liabilities from conventional generation and invest in the future. We are focusing on expanding renewable energies and boosting flexibility, which is becoming increasingly important. We built solid foundations for the future in

2020 by establishing Trianel Wind und Solar GmbH & Co. KG and launching the Trianel FlexStore. We consciously consider increasing flexibility as a cross-cutting topic for the energy industry. We don't just define it as options for storage or hydrogen projects, but as an opportunity to increase flexibility on the generation and consumption sides with energy trading instruments.

Dr Oliver Runte: Our strong results once again reflect our excellent position in project development and in energy trading. In 2020, we successfully continued our cooperation with Trianel Erneuerbare Energien GmbH & Co. KG, while our subsidiary, Trianel Energieprojekte GmbH & Co. KG, has also proven to be a top performer.

“We remain well positioned in the energy trading sector and benefit from our trading strategy, our AI-backed forecasting tools as well as the transition to automated short-term trading.”

We remain well positioned in the energy trading sector and benefit from our trading strategy, our AI-backed forecasting tools as well as the transition to automated short-term trading. Our marketing of municipal power station segments was extremely successful in 2020, and we have expanded our generation portfolio to 2,470 MW and extended our direct marketing activities.

We are also pleased with the developments of our digital services at the Trianel Digital Lab and IT consulting. We added more functions to the Trianel DESK and now also offer our customers sales portfolio management services.

2020 once again showed that we have done our homework in recent years and are in a strong position. The excellent result highlights the sustainable impact of our digitalisation roadmap and our decision to increase flexibility and focus on renewable energy sources. We also managed to comprehensively hedge the risks of the coal phase-out and our asset portfolio.

“We added more functions to the Trianel DESK and now also offer our customers sales portfolio management services.”

We will continue to follow this course in the years to come, with the comprehensive strategy process in 2020 marking a milestone in our progress. We want to align Trianel even better with the requirements of an increasingly decarbonised and digital energy industry and offer our customers and shareholders the instruments they need to bring about consistent change in our sector.

What are the results of your strategy process? How is Trianel preparing for the future?

Sven Becker: Our Strategy 2025 grew out of our activities in the past. The ‘Horizon’ restructuring programme focused on our mainstays: energy trading and project development. ‘Trianel 2025’ aims to expand these activities in particular in response to the key challenges of the energy transition: decarbonisation and increasing flexibility. Specifically, this means that we will be investing primarily in renewable energy sources and flexibility assets and optimising them via our trade activities.

Combining project development and trade in this way gives us a valuable USP – as is apparent in our ability to help municipal utilities make the transition to climate-neutral cities. Our economic aims are largely focused on growing operative revenues in a highly challenging competitive environment and enhancing our ability to invest and innovate.

In cooperation with our shareholders and customers, we want to be a compass, pointing the way forward to global technical and economic transformation to a climate-neutral municipal supply using digital instruments.

Dr Oliver Runte: How value is added in the energy industry is changing in an increasingly decentralised and renewable system, and shifting towards regional business models. We want to actively shape this transformation process with our strategic orientation. We are guided by superordinate climate protection goals and strive to achieve them as cost-effectively and efficiently as possible with municipal utilities.



Sven Becker
Speaker of the
Management of
Trianel GmbH
Dr Oliver Runte
Managing Director of
Trianel GmbH

It is already clear that we need to work more interactively with our customers and business partners, and that sharing and analysing data is the key to our economic success. To achieve our goals, we are going to expand Trianel's role as a hub and platform for data sharing with our customers.

How will Trianel structure its core business in the years to come?

Dr Oliver Runte: For our core business of trade and procurement, that means focusing even more on serving as a process and service provider. One mainstay in this is focusing our systems and our customers' systems on real-time functions in response to increasing volatility. We already benefit from our systems in intraday trading and maximum automation to comply with ever stricter reporting obligations, balancing group compliance and portfolio optimisation. We are intensifying our (digital) procurement services, optimisation of large and small generation facilities and intraday management in this segment, as well as expanding the Trianel DESK and our sales portfolio management.

At the same time, we are intensifying the focus of our trading activities on Europe and above all concentrating on optimising our electricity and gas portfolios overall for maximum energy efficiency and minimum risk. To this end, we will continue to invest in our IT infrastructures in order to increase the digital integration with our customers.

Sven Becker: Above and beyond this, we are intensifying our project development and flexibility boosting efforts, by following the same successful course we have taken in recent years. In the new Trianel Wind und Solar, we have already laid the groundwork for the years to come, and also with Trianel Energieprojekte's project management, which focuses on PV projects, also creating a solid foundation. The new combinations of PV and storage help ensure a constant supply of energy from renewable sources for innovation tenders, just like our direct marketing activities.

We are considering a longer time frame for the Trianel FlexStore. Through its shared expertise upgrading and pilot projects, we are laying the foundations to create new business models in the flexibility and storage spaces, which will become increasingly important in the 2030s, when conventional generation is no longer the cornerstone of supply security. Technically, solutions like large-scale batteries or



Dr Oliver Runte
Managing Director of
Trianel GmbH

hydrogen projects are already taking shape today. We want to be ready when they reach economic maturity.

Especially when it comes to increasing flexibility, we are not just focusing on projects, but viewing the energy industry system as a whole. That means efficiently synchronising generation and consumption via trade instruments. We hope that the



next few years will see the creation of a level playing field for ways to increase flexibility in the future. Flexibility is likely to become a valuable asset to ensure supply security and regulate energy efficiency.

As flexibility is also required decentrally in a decentralised system, municipal utilities can further enhance their role as providers in the local energy supply. We want to use the planned hydrogen project in Hamm to showcase one potential solution. We also succeeded in taking first steps towards this in 2020 but are dependent on the overall regulatory framework.

Sven Becker
Speaker of the
Management of
Trianel GmbH

In 2020, Trianel completed another major project, fully commissioning the Trianel wind farm Borkum II. Will Trianel continue to engage in the offshore sector in future?

Sven Becker: Together with EWE AG, a joint venture involving Zurich's electricity utility and Fontavis AG as well as 17 municipal utilities, we managed to commission this project successfully in the summer of 2020 after just two years of construction – in spite of plant manufacturer Senvion's insolvency, a real challenge in the middle of the construction phase. We could not have found solutions to complete the project rapidly and practically with Senvion without our colleagues in Hamburg and at EWE AG. That highlights our offshore project development expertise and the motivation of all involved to complete this project. We are also satisfied with the initial production figures. While COVID put paid to any major celebrations until now, we are of course very proud of this project.

However, a bitter pill we have had to swallow with this project is that Trianel wind farm Borkum II is not eligible for political hardship mechanisms. Major investments in particular have to be able to rely on stable general conditions. The Offshore Wind Energy Act was amended in 2020, adding of a hardship mechanism in the event of a plant manufacturer becoming insolvent. However, the wind farm that actually inspired this practical amendment is not covered by this provision.



Photo: Trianel

In the near future, we will be focusing on operational management of the Trianel wind farms I and II and the shared transformer platform. The general conditions for offshore are difficult for municipal investors, even if the expansion cap has been expanded in a positive development. We do not have any specific plans, but of course we have the expertise to potentially resume our activities in this area in future.

The coal phase-out dominated energy policy coverage in the first half of 2020. Are you satisfied with the German Federal Government's resolutions?

Sven Becker: 2020 once again showed that regulatory interventions have a greater influence on our activities in the energy industry than free enterprise within a binding framework.

“2020 once again showed that regulatory interventions have a greater influence on our activities in the energy industry than free enterprise within a binding framework.”

For us, the coal phase-out is an inevitable step towards a climate-neutral energy industry, and one we expressly support. Unfortunately the wording of the Coal Phase-out Act (Gesetz zur Beendigung der Kohleverstromung, KVBG) does not fully implement the proposals of the Coal Commission, as had originally been promised. From a climate policy perspective, it is incomprehensible why electricity from hard coal is

being phased-out faster than generation from lignite – a disastrous signal for climate protection.

The unequal treatment of hard coal- and lignite-fired power stations in terms of compensation is unfortunate. It contravenes the principle of equal treatment and undermines protection of investments and trust. This procedure harms companies that have only just connected new, high-efficiency hard coal-fired power stations to the grid in recent years. That affects municipal investors more than most, as it is primarily they who operate the latest-generation power stations.

The tender design introduced for hard coal-fired power stations does not allow for equitable compensation for newer stations. There are few incentives for newer power stations to participate in these tenders, as they have no chance of winning at the predefined upper limits, because they would need to start at much higher bids. New power stations also have a good CO₂ balance, which is yet another reason why it makes no sense to disconnect them from the grid earlier than necessary, while leaving old power stations running. The compensation available in the tender rounds does not compensate the economic impact on new, highly efficient power stations, as these plants have yet to recoup significant proportions of their investment costs.

The legislators have recognised this and are planning what are known as evaluation rounds to compensate newer power stations appropriately. However, the draft is still very vague, and does not give the companies in question any planning certainty.

This results in significant planning uncertainty for the Trianel coal-fired power station in Lünen and a loss of trust in the stability of the energy policy framework.

Besides the coal phase-out, the amendment of the German Renewable Energy Sources Act also played a large part in political discussions. Do you think it will be a great success?

Sven Becker: The ongoing discussions on further adjustments show that the amendment is not the solution to all problems yet. We had hoped for more planning certainty and a bolder approach to climate protection.

The German Renewable Energy Sources Act is reaching its limitations. In the medium term, we need a new funding program to better integrate renewables in the market. The current changes have some positive aspects, but continue to slow down the necessary expansion. We view the ability to allow municipalities to participate financially as a positive move, allowing us to add value for municipalities that host wind farms. The German Renewable Energy Sources Act levy exemption for green hydrogen, which will play a key role in decarbonisation for all sectors, is also an example of genuine progress.

One of the biggest missed opportunities is the electricity consumption forecast underlying the act. It has not been adapted to the higher demand from electromobility, heat pumps and hydrogen production as part of sector coupling, and the stricter EU climate target for 2030 also was not incorporated. As a result, the tender volumes for photovoltaics and wind have not been increased sufficiently.

We also believe that it represents a significant deterioration of the situation for photovoltaics. The many planned new regulations are going to fragment PV subsidies. In this segment at least, the amendment is far from a big success; in fact, it loses its way in the minutia. For onshore wind energy, the amendment is passing up an opportunity to integrate wind turbines that are not eligible for funding under the German Renewable Energy Sources Act into the market. The German Renewable Energy Sources Act needs further adaptation to bring about the essential acceleration of renewables growth.

What role do renewables play in your sustainability strategy?

Sven Becker: Expanding renewables is an important part of our sustainability efforts and our strategic orientation. However, our approach goes far above and beyond

“Our aim is to become more sustainable as an organisation and also support our customers and shareholders in this area.”

that. Our aim is to become more sustainable as an organisation and also support our customers and shareholders in this area. As an energy company, we focus on protecting the climate. By implementing a sustainability strategy, we have identified climate balances as an important starting point for identifying potential to improve energy efficiency and areas in which we need to improve. We make this expertise available to municipal utilities. In a first step, we help customers

identify potential in their own organisation, and the next step is to accompany cities on their path to climate neutrality. Expanding renewable energy sources is just one of many modules. We aim to develop a roadmap to climate neutrality, not only for ourselves, but also to take our customers and shareholders along with us. Climate protection is not only an obligation for us to restrict global warming, but also an opportunity to set a new course as an energy company and service provider for municipal utilities.

Dr Oliver Runte: We view sustainability as a continuous process in our development as an organisation. This includes climate protection and our own climate balance, as well as developing our staff and aligning the organisation with superordinate values. We need efficient processes, risk minimisation, transparency and sustainable management. We are laser-focused on sustainable growth with our Strategy 2025 and our sustainability efforts. For us that means considering the long-term impacts of our decisions and we are well on the way to achieving our goals.

Mr Becker, Dr Runte, thank you very much.



Report of the Supervisory Board



Dietmar Spohn
Chairman of the
Supervisory Board
Trianel GmbH.
Photo: Sascha Kreklau

The 2020 financial year was dominated by the political debate on the planned phase-out of power generation from coal by 2038 and the associated insecurities for new hard coal-fired power stations and the question of appropriate compensation solutions. In the second half of 2020, the debates on the amended German Renewable Energy Sources Act and the future regulatory framework for balancing energy markets and their liquidity took on a more important role in the political sphere. The opportunities offered by digitalisation for the various stages of the value chain in the energy industry and consolidation of trading and project development for renewable energy projects determined strategic roadmaps and were actively developed in 2020 and worded and adopted in 'Strategy 2025'. The pandemic situation in 2020 did not adversely affect Trianel commercially. The organisation was transitioned to mobile working rapidly and purposefully.

In the 2020 financial year, the Supervisory Board focused routinely and intensively on the company's situation and development and discussed the consequences of the significant changes in the general conditions. We fulfilled all tasks and obligations required of us by law, articles of association and rules of procedure, comprehensively and diligently.

In accordance with the articles of association, we continuously monitored the Management Board of Trianel GmbH in its management of the company. We also advised the general meeting on resolutions and recommended resolutions. We were directly involved in decisions by the general meeting that were of significant importance for the company, and regularly discussed the current strategic concerns of the company with the Management Board.

The Management Board reported regularly and in a timely manner to the Supervisory Board both in writing and orally on all key aspects of business development. The Supervisory Board convened for four ordinary Supervisory Board meetings on 7 February, 5 June, 10 September and 26 November 2020. While the first meeting was held in person in Düsseldorf, the following meetings were held as video conferences or hybrid events as appropriate to the pandemic situation. The Supervisory Board was informed of the current operative development of the company, the primary business transactions, the development of the financial figures and relevant pending decisions at all times.

The Supervisory Board reached a quorum at every meeting of the Supervisory Board. The Management Board informed the Supervisory Board in writing and orally on important occasions and also between the meetings.

The Supervisory Board was involved in all main decision-making processes. One focus was on monitoring the consolidation and efficiency measures and development of the strategies for onshore project development and the wholly owned Trianel subsidiary Trianel Energieprojekte GmbH & Co. KG as well as founding Trianel Wind und Solar GmbH & Co. KG and Trianel's participating interests in

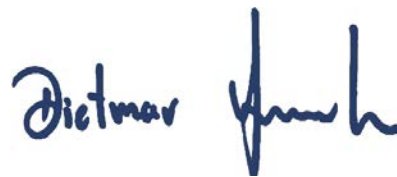
the new company. The Supervisory Board also concentrated on the realignment of the Digital Energy Solutions unit and the reform of basic remuneration. Other topics covered at the Supervisory Board meeting on 5 June 2020 included the presentation of the results of the 'Strategy 2025' strategic process and measures to hedge balance sheet risks. Work in this area focused in particular on the effects of the coal phase-out for the future of Trianel's coal-fired power station in Lünen. Furthermore, the Supervisory Board assessed the 2019 annual financial statements, the management of the company's trading activities and the 2021 business plan.

The twelve members of the Supervisory Board reflect the diversity of the group of partners. Dietmar Spohn, Management Spokesman of Stadtwerke Bochum Holding GmbH is Chairman of the Supervisory Board. Michael Lucke, Managing Director of Allgäuer Überlandwerk GmbH, holds the office of Deputy Chairman. The other members of the Supervisory Board in the reporting year are Dr Christian Becker (Stadtwerke Aachen AG), Martin Heun (RhönEnergie Fulda GmbH), Ulrich Koch (Stadtwerke Herne AG), Dr Jens Meier (Stadtwerke Lübeck Holding GmbH) and Marco Westphal (Stadtwerke Bonn GmbH) as Supervisory Board members delegated by the shareholders, and Dr Achim Grunenberg (Stadtwerke Lünen GmbH), Christian Meyer-Hammerström (Osterholzer Stadtwerke GmbH & Co. KG), Dr Leonhard Schitter (Salzburg AG für Energie, Verkehr und Telekommunikation), Prof. Dr Rudolf Irmscher (Stadtwerke Heidelberg GmbH) and Dr Branka Rogulic (Stadtwerke Tuttlingen GmbH) as elected members of the Supervisory Board. Mr Jürgen Schäffner left Stadtwerke Lübeck Holding GmbH on 31 December 2019 and is therefore no longer a member of the Management Board of Trianel GmbH. From 1 January 2020, he was succeeded by Dr Jens Meier.

The annual financial statements and consolidated financial statements of Trianel GmbH for the year ending 31 December 2020, as well as the Management Report, were audited by PKF Fasselt Partnerschaft mbB Auditing, Tax Consulting and Law Firm, Duisburg, and received an unqualified Auditor's Certificate.

On behalf of the entire Supervisory Board, I would like to thank all Trianel employees who worked so energetically and loyally again to ensure the company's future success in a busy and productive year that was dominated by special challenges caused by the COVID-19 pandemic. The fact that 2020 was highly profitable proves that the company is well positioned. For the current financial year, I wish the company every success in continuing to overcome the challenges of the market and political environment.

Bochum, May 21, 2021

A handwritten signature in dark blue ink, reading "Dietmar Spohn". The signature is written in a cursive style, with the first name "Dietmar" clearly legible and the last name "Spohn" written in a more stylized, flowing script.

Dietmar Spohn
Chairman of the Supervisory Board

Summary Management Report for the Individual and Consolidated Financial Statements of Trianel GmbH for the 2020 Financial Year

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A. Company Situation

I. Business Model

1. Legal corporate structure

In the 2020 reporting year, Trianel GmbH's shareholder structure did not change compared with the previous year. Trianel GmbH has 57 shareholders. In the reporting year, it holds own shares transferred to it by Trianel Suisse AG in 2019.

As of 31 December 2020, the company's share capital remains unchanged at € 20,152,575.

The following diagram gives an overview of the shareholders with participating interests in Trianel GmbH as of the balance sheet date.

Shareholder of Trianel GmbH

Stadtwerke Bochum Holding GmbH	Bochum	14.07 %
Stadtwerke Aachen AG (STAWAG)	Aachen	11.97 %
RhönEnergie Fulda GmbH	Fulda	7.44 %
Stadtwerke Herne AG	Herne	6.86 %
Stadtwerke Bonn GmbH	Bonn	5.81 %
Stadtwerke Lübeck Holding GmbH	Lübeck	5.12 %
SWU Energie GmbH	Ulm	4.78 %
Stadtwerke Witten GmbH	Witten	3.75 %
Stadtwerke Energie Jena-Pößneck GmbH	Jena	2.99 %
NEW Niederrhein Energie und Wasser GmbH	Mönchengladbach	2.87 %
N.V. HVC	Alkmaar, Niederlande	2.48 %
enwor – energie und wasser vor Ort GmbH	Herzogenrath	2.21 %
Salzburg AG für Energie, Verkehr und Telekommunikation	Salzburg, Österreich	1.76 %
Allgäuer Überlandwerk GmbH	Kempten im Allgäu	1.74 %
Stadtwerke Halle GmbH	Halle an der Saale	1.57 %
SWT Stadtwerke Trier Versorgungs-GmbH	Trier	1.49 %
Stadtwerke Heidelberg GmbH	Heidelberg	1.24 %
Nvb Nordhorner Versorgungsbetriebe GmbH	Nordhorn	1.19 %
Trianel GmbH	Aachen	1.18 %
Stadtwerke Hamm GmbH	Hamm	1.12 %
Stadtwerke Solingen GmbH	Solingen	0.99 %
Stadtwerke Lindau GmbH & Co. KG	Lindau (Bodensee)	0.97 %
GSW Gemeinschaftsstadtwerke GmbH Kamen Bönen Bergkamen	Kamen	0.83 %
Stadtwerke Aalen GmbH	Aalen	0.74 %
Stadtwerke Borken/Westf. GmbH	Borken	0.74 %
Stadtwerke Lünen GmbH	Lünen	0.66 %
Energie- und Wasserversorgung Rheine GmbH	Rheine	0.57 %
Hertener Energiehandelsgesellschaft mbH	Herten	0.54 %
Stadtwerke Fröndenberg Wickede GmbH	Fröndenberg	0.53 %
BeSte Stadtwerke GmbH	Steinheim	0.50 %
ENNI Energie & Umwelt Niederrhein GmbH	Moers	0.50 %
Gemeindewerke Steinhagen GmbH	Steinhagen	0.50 %
GWS Stadtwerke Hameln GmbH	Hameln	0.50 %
Osterholzer Stadtwerke GmbH & Co. KG	Osterholz-Scharmbeck	0.50 %
Schleswiger Stadtwerke GmbH	Schleswig	0.50 %
Stadtwerke Bad Salzuflen GmbH	Bad Salzuflen	0.50 %
Stadtwerke Dachau	Dachau	0.50 %
Stadtwerke Elmshorn	Elmshorn	0.50 %
Stadtwerke Gronau GmbH	Gronau	0.50 %
Stadtwerke Mosbach GmbH	Mosbach	0.50 %
Stadtwerke Rüsselsheim GmbH	Rüsselsheim	0.50 %
Stadtwerke Sindelfingen GmbH	Sindelfingen	0.50 %
Stadtwerke Tuttlingen	Tuttlingen	0.50 %
Stadtwerke Wedel GmbH	Wedel	0.50 %
T.W.O. Technische Werke Osning GmbH	Halle in Westfalen	0.50 %
Stadtwerke Bad Pyrmont Beteiligungs und Bäder GmbH	Bad Pyrmont	0.37 %
Stadtwerke Uelzen GmbH	Uelzen	0.37 %
Stadtwerke Detmold GmbH	Detmold	0.36 %
Stadtwerke Unna GmbH	Unna	0.33 %
Stadtwerke EVB Huntetal GmbH	Diepholz	0.30 %
Regio Energie Solothurn	Solothurn, Schweiz	0.30 %
Stadtwerke Soest GmbH	Soest	0.29 %
Stadtwerke Schwäbisch Hall GmbH	Schwäbisch Hall	0.26 %
Stadtwerke Georgsmarienhütte GmbH	Georgsmarienhütte	0.25 %
Stadtwerke Herford GmbH	Herford	0.25 %
Stadtwerke Lengerich GmbH	Lengerich	0.25 %
Stadtwerke Verden GmbH	Verden	0.25 %
Teutoburger Energie Netzwerk e.G.	Hagen am Teutoburger Wald	0.25 %

Status: 31/12/2020

Taking into account the annual net income of € 4,719 thousand for the 2020 financial year, Trianel GmbH has equity of € 94,150 thousand on the balance sheet date.

On the reporting date of 31 December 2020, Trianel GmbH had direct shares in 14 subsidiaries and participating interests, as shown in the following overview.

Participating interests of Trianel GmbH

Trianel Gaskraftwerk Hamm GmbH & Co. KG	6.12 %	Trianel Gaskraftwerk Hamm Verwaltungs GmbH	100 %
Trianel Gasspeicher Epe GmbH & Co. KG	7.60 %	Trianel Gasspeicher Epe Verwaltungs GmbH	100 %
Trianel Kohlekraftwerk Lünen GmbH & Co. KG	6.34 %	Trianel Kohlekraftwerk Lünen Verwaltungs GmbH	100 %
Trianel Windkraftwerk Borkum GmbH & Co. KG	2.69 %	Trianel Windkraftwerk Borkum Verwaltungs GmbH	100 %
Trianel Onshore Windkraftwerke GmbH & Co. KG	5.35 %		
Trianel Erneuerbare Energien GmbH & Co. KG	5.00 %		
Trianel Windkraftwerk Borkum II GmbH & Co. KG	2.00 %		
Trianel Energieprojekte GmbH & Co. KG	100 %		
Trianel Wind und Solar GmbH & Co. KG	2.02 %		
Trianel Energie B.V.	100 %		

Status: 31/12/2020

Gaskraftwerk Hamm GmbH & Co. KG (TGH), domiciled in Aachen, has operated the first municipal gas and steam turbine power plant with a capacity of 840 MW since 2008 in Hamm-Uentrop (North Rhine-Westphalia). Trianel Gasspeicher Epe GmbH & Co. KG (TGE), domiciled in Aachen, manages a natural gas storage facility located in Epe in the district of Borken (North Rhine-Westphalia) since 2009/2010. Trianel Kohlekraftwerk Lünen GmbH & Co. KG (TKL), domiciled in Lünen, has been operating a modern, highly efficient 750 MW hard coal-fired power station in Lünen (North Rhine-Westphalia) since 2013. Trianel Windkraftwerk Borkum GmbH & Co. KG (TWB), with a registered office in Aachen, is the operator of the first expansion stage of 200 MW of the total 400 MW project Trianel offshore wind farm Borkum (formerly Borkum-West II) roughly 40 km off the coast of the North Sea island of Borkum (Lower Saxony). Commercial regular operation commenced there in 2015.

Trianel Onshore Windkraftwerke GmbH & Co. KG (TOW), domiciled in Aachen and founded in 2013 as a standard limited partnership (Einheits-KG), plans, builds and operates systems for generating electricity from renewable sources. It is also responsible for participating interests in companies domiciled in Germany that operate systems for generating electricity from renewable sources. Trianel Erneuerbare Energien GmbH & Co. KG (TEE) was founded in the 2015 calendar year, also as a standard limited partnership (Einheits-KG) domiciled in Aachen, with the same business purpose as Trianel Onshore Windkraftwerke GmbH & Co. KG. In the reporting year, Trianel Windkraftwerk Borkum II GmbH & Co. KG (TWB II) completed the second expansion stage comprising a further 200 MW and commissioned the last of 32 wind turbines in the summer.

Trianel Energieprojekte GmbH & Co. KG (TEP) pools the project activities of Trianel GmbH, initially in the onshore and photovoltaics (PV) sectors and is a wholly owned subsidiary of Trianel GmbH domiciled in Aachen. Continuing the joint renewable energy sources project activities with municipal utilities, Trianel Wind und Solar GmbH & Co. KG (TWS), domiciled in Aachen, was founded on 23 November 2020, also as a standard limited partnership (Einheits-KG). The business purpose of Trianel Wind und Solar GmbH & Co. KG is also to develop, build and operate renewable generation and storage plants in Germany, and to hold participating interests in companies with this purpose or objective. As a limited partner, Trianel GmbH holds a share of 2.02 percent in Trianel Wind und Solar GmbH & Co. KG.

The Dutch sales and distribution company Trianel Energie B.V. domiciled in Maastricht was forced to apply for insolvency at the end of 2012 due to customer default. The insolvency proceedings are still ongoing.

As general partners, the personally liable companies Trianel Gaskraftwerk Hamm Verwaltungs GmbH, Trianel Gasspeicher Epe Verwaltungs GmbH, Trianel Kohlekraftwerk Lünen Verwaltungs GmbH, as well as Trianel Windkraftwerk Borkum Verwaltungs GmbH assume the management for the above limited partnerships as the general partners. All companies are domiciled in Aachen.

2. Business Fields

Trianel GmbH's business activities aim to enhance the competitiveness and therefore independence of municipal utilities. As the largest European municipal utilities cooperation, Trianel GmbH utilises the potential of liberalised energy markets by pooling shared interests from the municipal environment. For example, this opens up business fields which would not be economically viable for individual municipal utilities.

Trianel GmbH operates in multiple business fields in the energy industry throughout the entire value chain. Its core business is trading, procurement and supply of energy. These activities are organised in our 'Midstream' profit centre. The company purchases energy on wholesale markets for redistributors and municipal utilities, providing easy market access and optimising procurement for customers via its services. In this way, Trianel helps municipal utilities supply their end customers. In addition, Trianel optimises energy industry management of conventional and renewable energy generation systems for municipal utilities and industrial customers. For existing renewable energy projects and major electricity generation and gas storage facilities, Trianel takes on the energy business and commercial management and optimisation of the systems.

Trianel is also active in project development for renewable energy sources (onshore wind, photovoltaic systems). In this area, Trianel identifies and secures potential sites and readies them for construction, finances them and passes them on to the investor in the case of PV projects. In the wind segment, Trianel works for the two asset companies Trianel Erneuerbare Energien GmbH & Co. KG (TEE) and Trianel Wind & Solar GmbH & Co. KG (TWS). To ensure the capacity required to operate in this field, Trianel founded the subsidiary Trianel Energieprojekte GmbH & Co. KG (TEP). Trianel develops projects in this segment by taking its own opportunities and risks.

As a third element, Trianel conceives and supports municipal utilities in digitalising their processes in the Digital Energy Solutions unit and develops pilot projects with municipal utilities.

The further expansion of renewable energies, the increasing decentralisation and decarbonisation of the energy industry and the innovation potential due to digitalisation and automation are currently dominating all business fields of Trianel.

All activities of Trianel GmbH are developed in close coordination with the business aims of the shareholder companies and tailored for their needs and circumstances.

3. Important products and services, business processes and projects

Trianel GmbH is active in many trading markets for electricity and gas products, both as a trading partner for bilateral transactions (OTC market) and as a member of, or participant in the most important energy exchanges. Activities in the electricity sector include the German, Dutch, Belgian, Austrian, Swiss and French market areas as well as Spain and the Nordic countries (Nordpool). In the gas sector, Trianel covers the German market areas, for H-gas and L-gas, as well as the liquid TTF market. CO₂ certificates and coal (API2) are also traded. Many sales products in

the delivery sector are based on activities on the market that allow Trianel's customers to purchase trade products. The electricity trading volume in 2020 totalled 244 TWh (previous year: 240 TWh), while the gas trading volume was 134 TWh (previous year: 303 TWh).

Energy business products and services

In 2020, portfolio management on the procurement and generation side continued to form a main pillar of the energy business activities. It consists of optimised electricity and gas procurement, marketing and securing electricity from own generation plants and management of storage facilities for our customers. Customer response to consulting activities in sales portfolio management, delivering key processes and value chain steps through a sales and distribution company, was strong.

Trianel has developed a central interface for pooling trade and sales information for municipal utilities and industrial customers, the integrated, web-based monitoring and control platform Trianel DESK. Apart from integrating more customers, the priority for the development of Trianel DESK is to optimise the internal processes to expand the platform and the processes that are digitally handled on it. Digitalisation via Trianel DESK gives portfolio management and energy sales efficiency boosts and process excellence, creating more scope for more individual customer care and market consulting. Trianel DESK aims to optimise processes in interaction with customers and within the Trianel organisation.

With Trianel DESK, Trianel is expanding its energy industry services to IT managed services. Accordingly, Trianel can provide services like licence, application and infrastructure management for municipal utilities. Trianel is expanding its role as a comprehensive service provider for revenue-optimised marketing of generation plants of all types. In 2020, Trianel managed roughly 2,500 MW of conventional power station capacity. This represents an increase of 200 MW compared with the previous year. A new key account contract commenced on 1 October 2020. Additional reporting and consulting services were also provided. Marketing activities in the spot, intraday and balancing energy markets generated an additional € 2.7 million for management of the Lünen coal-fired power station (TKL). In addition to this, € 0.7 million was saved as part of shortfall management compared with the failure reserve contract. The 28 shareholders in TKL benefit directly from both. Trianel also benefits as part of the contractually defined variable remuneration of these results achieved.

For Gaskraftwerk Hamm, the marketing strategy agreed with the TGH shareholders generated a net income of roughly € 20.0 million. Trianel receives a share in this profit via performance-related compensation. For 2021, most of the valuable hours on the futures market (90 percent) were marketed at a very good spread level. The marketing level for 2022–23 is roughly 40, respectively 10 percent.

The business field of direct marketing of electricity from plants under the Renewable Energy Sources Act (EEG) was further optimised in 2020 to reduce marketing risks and cut marketing costs. As of 1 January 2021, the direct marketing portfolio contains plants with a capacity of approx. 2,600 MW. Most of the direct marketing portfolio consists of wind energy.

Municipal utilities support services

Trianel helps municipal utilities harness opportunities and overcome the challenges arising from digitalisation, operation of modern municipal infrastructures and implementation of municipal climate action projects. To this end, Trianel benefits from its integrated trend scouting capabilities, as well as the Trianel Digital Lab and the Trianel Academy.

Project Development and projects

Trianel GmbH's project development business now focuses entirely on renewable energy projects.

The second expansion stage of the Borkum offshore wind farm (TWB II) was launched successfully back in 2015. Together with 18 municipal utilities from the Trianel environment, as well as EWE Offshore Service & Solutions GmbH (EWE OSS) and ewz from Switzerland, Trianel GmbH is implementing another 200 MW. Trianel's offshore segment was responsible for construction processing with EWE OSS. The insolvency of Senvion, the wind turbine supplier, in 2019 had a significant adverse effect on 2020. In spite of this insolvency, production was completed after conclusion of a new framework agreement with Senvion's insolvency administrator, and the wind farm was fully built and commissioned in August 2020 after Trianel acquired old contracts and reached new agreements with the construction companies.

Trianel Energieprojekte GmbH & Co. KG (TEP), founded in 2018 as a subsidiary, had already established itself successfully on the market since 2019 by participating successfully in tenders via project companies founded for the purpose (winning 17 contracts), as well as with cooperation models and transactions. By the end of 2020, TEP had 15 subsidiaries, each implementing one or more PV projects. Ten of the subsidiaries have won contracts as part of the tenders under the German Renewable Energy Sources Act. A company was also founded to build and operate three transformer stations, slated for commissioning in 2021 and 2022 (TEP Netze GmbH & Co. KG).

The joint subsidiary (TAP Windprojekte GmbH & Co. KG) with Trianel Erneuerbare Energien GmbH & Co. KG (TEE), in which TEP holds 33.3 percent, received permits for nine wind turbines in 2020.

Trianel Wind und Solar GmbH & Co. KG (TWS) was founded in 2020 as the fifth municipal company for projects supported under the German Renewable Energy Sources Act (EEG). 20 municipal utilities and Trianel GmbH hold shares in this company. White space development was expanded as a preparatory measure and site acquisitions were concluded.

The option on the Krefeld site for a CHP plant, which had already been fully written off in the previous years, was terminated in 2020.

4. Management and control

In addition to Sven Becker as Management Spokesman, Dr Oliver Runte has been appointed as Managing Director of Trianel GmbH. The Trianel Shareholders' Committee and the twelve-strong Supervisory Board are among the other corporate bodies.

II. Strategy and management of the company

1. Corporate Strategy

Current orientation

Trianel is building on its role as a hub between generation and consumption for the increasingly digital and renewable energy worlds. To achieve this goal, Trianel offers municipal utilities and other customers solutions for a renewable, decentralised and flexible energy industry, one which will continue to become significantly more volatile. Trianel is increasingly dovetailing the services in the various business fields, harnessing synergies.

After an extended phase of strong growth lasting until 2014, and consolidation and restructuring completed successfully in 2018, Trianel now operates in the business fields midstream, project development and digital energy solutions. Expansion and market integration of renewable energy sources, management of energy industry portfolios and assets, amalgamating a wide range of data from generation and consumption and testing and implementing digital solutions to support operations of modern municipal infrastructures are key fields for the future alignment of the company. Trianel sees prospects in the targeted development of these business fields. The aim is to develop solutions for decarbonisation, expansion of renewable energy generation, integration of renewables in the energy markets as well as digitalisation and modernisation of municipal infrastructures together with the municipal utilities.

Via trend scouting, Trianel and its shareholders pursue the goal of identifying business opportunities resulting from the changing general conditions at an early stage, to develop new products and services from them given the right potential.

Based on trend scouting activities, ideas are trialled jointly in pilot projects by the Trianel Digital Lab and the Trianel FlexStore.

- In the Trianel Digital Lab, digital solutions can be piloted efficiently with municipal utilities and assessed for marketability.
- With the FlexStore network founded in 2020, the company is developing new business fields and transitioning them to potential business models in four different areas (use of large-scale batteries, power-to-X, intelligent grid operation and demand-side management).

Products and services

Trianel is continuously adapting its range of products and services to the latest general conditions. The adaptations are made on the basis of an in-house market appraisal and energy industry expert know-how, taking strategic focuses into consideration. The diversified product portfolio stabilises the business development and facilitates comprehensive support of shareholders and customers.

Customers

Trianel is supported exclusively by municipal utilities and views itself as an independent company that in turn supports the interests of municipal utilities, which are also independent. Independent municipal utilities and regional suppliers of various sizes are Trianel's typical customers. Trianel offers them efficient solutions for their respective requirements. High quality services can be implemented at competitive prices thanks to the economies of scale and specialisation advantages. In individual cases, Trianel also works for institutional investors and major industrial companies who are looking for energy industry services outside classic deliveries of commodities.

Employees

Trianel GmbH's employees are among the company's most important assets. Trianel relies on expert and dedicated teams to gain an advantage in innovation, product depth and maturity, as well as market penetration, over competitors in a tough environment.

Trianel GmbH's headcount totalled 315 employees on 31 December 2020. That corresponds to an increase headcount by 19 compared to the end of 2019. This change is largely due to the structure of the workforce in the core business fields of energy trading and project development. Women accounted for 33 percent of the staff, with five women in management functions. The average age of employees in 2020 was 41.

A new personnel management system was introduced and implemented in 2020 as a key part of our HR activities. It pools employee information, also allowing various processes to be streamlined and optimised, while further stabilising the underlying structure.

HR activities in 2020 also continued to focus on filling key positions. In addition, strategic employee loyalty and organisational development projects were prioritised, with development of a new mission statement and evaluation of results from the TOP JOB employee survey playing a key role.

In 2020, Trianel GmbH again positioned itself as a fair, respectful and attractive company in Germany, once again earning the 'Fair Company' label from trade journal 'Junge Karriere' (Young Career) of the Handelsblatt publishing group, as so many times before. This quality mark is an important indicator of a fair working environment, especially with regard to career starters and young professionals.

In 2019, Trianel GmbH also participated in the top employer award with the 'TOP JOB' quality mark and was honoured with the TOP JOB 2020 quality mark in February 2020. Trianel GmbH will participate in the survey again next year, benchmarking itself against other companies. In this way, Trianel highlights its ambition to position itself as an attractive employer and present its strengths in this area externally.

In 2020, the company developed guiding principles in a series of workshops with strong staff participation, forming the framework for activities and the guiding vision for the organisation. While developing the guiding principles, many members of the workforce contributed to development of a highly strategically driven mission statement with a more external-focused impact. With its values, the company vision has a greater impact internally and is rooted in 'eternal values'. The mission statement and guiding principles are key cornerstones for future human resources activities for development of the organisation as whole and positioning as an employer brand. The company vision is now being rolled out in an implementation process led by the human resources department.

Capable and professional managers are a key factor in our success, and play an essential role in employee satisfaction and loyalty within the teams. As a result, close coordination between managers was promoted as part of the TOP JOB project in a 'best practice' exchange, and training courses were held on 'organisational energy' – as a central construct of the TOP JOB survey. Development of third and fourth-level junior staff with management potential continues.

Building on the positive and successful results of 2020, HR activities are also focusing on development of individual staff and optimisation of the remuneration system for 2021, in addition to the previously launched executive programme and monitoring of culture and organisational development processes.

Society and the environment

Trianel GmbH was established as a result of the liberalisation of the energy markets. It is therefore wholly dedicated to competition and strives to promote it. With its shareholders, Trianel pursues the common goal of ensuring sustainable, decentralised citizen and customer-oriented energy supply. Strong municipal utilities and regional suppliers shape the competition on the energy markets. Trianel views the

energy transition as an entrepreneurial opportunity. Accordingly, Trianel and its shareholders are jointly and actively influencing the energy transition – also as a critical dialogue partner for a more consistent energy policy.

Trianel is expressly committed to the targets of the Paris Climate Agreement of 12 December 2015, which prescribes a restriction of anthropogenic global warming to significantly less than two degrees compared with pre-industrial values. To achieve this, Trianel and its shareholders are investing in expanding renewable energy sources and modernising the German power generation mix. In the last 16 years, Trianel and the municipal utility companies made investment decisions totalling roughly € 5.5 billion. Over 50 percent of the invested funds went towards renewable energy sources. Trianel has focused exclusively on renewable energy sources for several years.

Renewable energy investments also form part of the sustainability efforts introduced in 2019, as can be read in our Sustainability Report. Trianel aims to make its own organisation more sustainable with regard to climate protection, profitability and social matters and support customers and shareholders in their sustainability efforts with its services and products.

2. Internal corporate control system

The Management Board uses a variety of systems and processes to control and monitor the company and to analyse and document the company's risks and opportunities. The control system focuses on the development of profit and liquidity of the company and monitoring risks. To measure these developments, profit contributions, structure costs and result figures, among others, are calculated.

By determining the need for risk capital for the relevant risk types and continuous measurement of the current need for risk capital, Trianel ensures that risks and opportunities are dealt with appropriately. Extreme value considerations provide findings on events not covered by standard processes (see also Risk Report, C III). Auditors commissioned by the shareholder companies confirm compliance with the risk guideline on a quarterly basis.

The product development strategy is characterised by careful observation of customer requirements as well as the latest market developments and the evaluation of the resulting future developments. Important investment decisions are made on the basis of discounted cashflow models. The Management Board regularly checks the progress of the main projects and monitors compliance with project plans and targets. The management and control mechanisms are adapted to the growing company structures on an ongoing basis. The Supervisory Board is regularly informed of all major economic developments at Trianel GmbH.

The internal audit tasks are performed by an employee of Trianel GmbH and external service providers who each report directly to the Management Board.

Financial targets

Trianel GmbH's business model is aimed at contributing to creating value for its customers with its services. At the same time, Trianel strives to earn pretax profits which are an appropriate return on equity. Boosting the equity basis is another important financial target, in order to finance the investments required to implement the energy transition and put development projects into practice.

Non-financial targets

Shareholder and customer satisfaction is Trianel's main non-financial target. For this purpose, Trianel aims to anticipate the needs of its customers as early and well as possible. Trianel continuously and intensively observes and analyses market and industry developments together with its shareholders. With a rapid development of potential business fields and products to market maturity, Trianel also strives to keep its shareholders and customers one step ahead of its competitors, both in terms of time and technology. Trianel also attempts to support and shape the relevant energy policy topics to benefit an independent municipal energy supply.

Trianel strives to reach as many shareholders as possible with its products and services. At the same time, Trianel also aims to achieve above-average customer satisfaction. Both goals require high process quality and security as the foundations for Trianel's service provision.

Trianel pursues and promotes socially acceptable, sustainable and reliable power generation. In this context, Trianel wants to continue the path it has taken and continue to make the energy transition a reality through entrepreneurial means.

Trianel's workforce plays an essential part in achieving our goals. Their high level of qualifications and far above-average commitment make successful business activity possible. Trianel has set itself the goal of putting in place conditions that optimally empower and enable its employees while ensuring high employee satisfaction.

3. Innovation Management

The changes in the conventional energy industry retain disruptive characteristics. As an innovative service company, Trianel views the changes as a result of the implementation of the energy transition and the development of the energy markets as an entrepreneurial opportunity. Trianel considers it important to continually bolster the trust of our shareholders and customers with sustainable and modern services. The good relationship between Trianel and its customers is also based on

close cooperation in the early phase of product development. We strive to stay one step ahead of the competition at all times with the market-oriented and customised solutions we develop. Based on our special market knowledge when it comes to innovative services, Trianel assists the STADTWERKE AWARD, among other things, in the annual selection of innovation projects from the municipal utilities landscape.

Innovation management at Trianel is part of trend scouting and the Trianel Digital Lab, and involves the shareholders of Trianel GmbH specifically in market and trend monitoring as well as pilot projects. In a multi-stage process, new trends are identified, evaluated and piloted systematically using agile working methods. Examples of these new approaches include in particular the now regular 'Innovation Days' (bringing start-ups and municipal utilities together), 'Smart City Days' (developments in modernisation of municipal infrastructure) and 'Lab Days' (experience in piloting digital solutions). The Trianel Digital Lab, founded for this purpose in 2017, now operates permanently.

B. Business Report

I. General conditions

Energy consumption continued to decline in Germany in 2020. In 2020, the primary energy consumption in Germany decreased by approx. 8.7 percent compared with the previous year, having already decreased by 2.1 percent in 2019. The Energy Balance working group (AG Energiebilanzen, AGEB) attributes the lower energy consumption to the decline in energy consumption in the industrial and transport sectors in particular due to measures taken to restrict the spread of the pandemic, changes in consumer behaviour, as well as further improvements in energy efficiency and substitutions in the energy mix.

According to AGEB, the gross power generation decreased from 603.5 billion kWh to 564.5 billion kWh. The balance of the electricity exchange with other countries was –20.9 billion kWh. The share of renewables in German gross power generation rose by 4.8 percent to 44.9 percent in 2020. That is equivalent to 254.7 billion kWh. That makes renewable energy sources the most important source of energy. Of the renewables, wind energy accounted for the highest percentage of gross power generation at roughly 23.7 percent and 134.5 billion kWh. This was followed by photovoltaics at 51.0 billion kWh, which corresponds to a share of 9.0 percent.

The gross power generation from natural gas rose from 90.5 billion kWh to 91.6 billion kWh, and thus to a share of 16.1 percent. Power generation from hard coal and lignite decreased significantly from 171.5 billion kWh to 134.2 billion kWh. With a share of 23.7 percent of the total electricity mix, hard coal and lignite also remain an important element in the energy supply. Gross power generation from nuclear energy fell slightly from 75.1 billion kWh to roughly 64.3 billion kWh, but still accounted for a share of 11.3 percent.

Due to the Covid-19 pandemic, electricity consumption declined significantly overall – even though the total electricity consumption of private households has likely increased due to social distancing restrictions. In the period relevant to the German Renewable Energy Sources Act allocation forecast leading up to 30 September 2020, electricity consumption decreased roughly 4 percent.

At a national level, Germany's energy policy focused on phasing out power generation from coal in 2020. Based on the recommendations of the Growth, Structural Change and Employment Commission ("Kommission für Wachstum, Strukturwandel und Beschäftigung", known as the Coal Commission (Kohlekommission)) in 2019, the German Bundestag and Bundesrat passed the Coal Phase-out and Structural Development Acts in July 2020. While operators of lignite-fired power stations were able to come to compensation arrangements with the Federal

Government based on individual contracts, operators of hard coal-fired power stations only received offers to participate in a multi-stage auction process with falling maximum prices and volumes. If there are not enough participants in a round of tenders, there is also a risk of compulsory decommissioning of the power stations by regulatory authorities. From Trianel's point of view, these requirements deviate fundamentally from the Coal Commission's recommendations and disadvantage operators of new hard coal-fired power stations in particular. Given the changed general conditions, they have no chance now of recouping the investments they made trusting in the energy policy frameworks at the time. Against this background, Trianel continues to advocate a fair and constitutional phase-out of power generation from coal and calls on the Federal Government to flesh out the evaluation clause included in the Coal Phase-out Act to prevent undue hardships (Section 54) for new hard coal-fired power stations in 2021.

The phase-out of power generation from coal also necessitates a structural change. To attenuate the consequences of the phase-out of power generation from coal in the affected regions and accelerate the structural change, the Federal Government promised financial aid as part of the Structural Development Act. Under the Coal Region Investment Act (Investitionsgesetz Kohleregionen), the lignite producing regions are to receive financial aid totalling up to € 14 billion by 2038 for particularly significant investments by states and municipalities. Structurally weak hard coal power station locations, in whose economies hard coal plays a particularly significant role, are to receive support of up to € 1 billion.

The Bundestag and Bundesrat passed the amended German Renewable Energy Sources Act (EEG 2021) in December 2020. The aim of ensuring that all electricity used in Germany from 2050 on is greenhouse gas-neutral is anchored in the law. That applies both to electricity generated domestically and electricity imports. The intermediate goal for 2030 is to meet 65 percent of the electricity demand from renewable energy sources. However, this is a missed opportunity to increase the technology-specific tender quantities. The electricity consumption forecast underlying the act was not adapted to the higher demand from electromobility, heat pumps and hydrogen production as part of sector coupling, and the more ambitious EU climate target for 2030 was not incorporated. However, the amendment does contain minor advances towards reaching the goal for 2030: the specification of follow-on regulations for wind and solar energy systems, which lose their eligibility for support under the German Renewable Energy Sources Act after 20 years, significant improvements in tenant electricity and municipal participation in wind farms and an additional reference level for onshore wind energy.

In adopting the 2021 German Renewable Energy Sources Act, the Bundestag also passed a resolution proposal comprising 16 items. It is to be implemented in the current legislation period. One of the most pressing tasks for the Federal Government is to reformulate the expansion roadmaps based on the European climate targets for 2030. The new expansion roadmap was to be defined in the first quarter

of 2021. As the current version of the German Renewable Energy Sources Act (Erneuerbare-Energien-Gesetz, EEG) is not expected to result in significant construction of new capacities in 2021 either, there is likely to be another amendment after the German Parliamentary (Bundestag) elections on 26 September 2021.

II. Business Development

The pre-tax result of € 11.0 million earned in the 2020 financial year significantly exceeded the projected result of € 3.1 million by € 7.9 million. Due to the inadequate marketing prices, the result incorporates significant losses from marketing of our long-term energy supply segments in the Lünen coal-fired power station and the storage bundle of Epe natural gas storage facility. These losses were more than compensated in particular by the continued great success of our trading and optimisation business, renewable project development activities, comprehensive services, some of which also include considerable performance-dependent remuneration components, as well as reduced other operating expenditures in 2020.

As a precaution, the participation book values and loans to Trianel Windpark Borkum GmbH & Co. KG were depreciated as primary one-off effects (€ 13.4 million in total) and the provisions for anticipated losses from marketing the long-term energy supply segment in the Lünen coal-fired power station and marketing the storage bundle at Epe natural gas storage were increased further (€ 7.6 million in total). The equity ratio increased slightly over the previous year, reaching approximately 24 percent. As in previous years, the balance sheet total is also characterised by the high level of accounts receivable with simultaneously high liabilities. Both reflect the established process in energy wholesale trade of invoicing and paying for energy accounts on a monthly basis. This means that at the end of the year, the accounts receivable and payable from deliveries in December – one of the months with the highest turnover – must be stated regularly. Since our customers are mainly municipal utilities with a good credit rating and/or their subsidiaries, both with very low default risks, we continue to regard the equity level as stable and conservative.

For the 2020 financial year, we had sufficient financial scope and were adequately resourced both for exchange transactions and for unforeseen developments. Compared with the reporting date in the previous year, the company's liquidity increased by € 14.3 million to € 41.7 million, which was largely due to increased use of sureties to cover margins.

III. Company Situation

1. Earnings Situation

With earnings before tax of € 11.0 million, Trianel GmbH once again achieved a positive result that significantly exceeds both the budget (€ 3.1 million) and the previous year's totals (€ 6.7 million). The fact that a positive result was achieved despite continuing significant losses from the management of our long-term energy supply segment at the coal-fired power station in Lünen (Trianel Kohlekraftwerk Lünen, TKL) and our storage bundle in the Epe gas storage facility (Trianel Gasspeicher Epe, TGE) is due to numerous operational effects. The following developments in particular must be emphasised:

- + 'Midstream' profit centre (energy industry services and trading): Continuing losses from marketing our assets (TKL, TGE) were more than compensated especially by income from commercial energy industry management contracts containing significant levels of variable compensation, as well as optimised energy trading and portfolio management activities, so that the profit centre could achieve a significant positive net income even taking direct and attributed expenditures from cross-cutting functions into account.
- + 'Project Development' profit centre: The activities broken down into onshore and offshore segments made significant contributions to net income and exceeded the budget targets. In the onshore segment, the wholly owned subsidiary Trianel Energieprojekte GmbH & Co. KG (TEP), whose revenues due for disbursement were incorporated in the same period, generated very good results with partial settlement, especially with successful photovoltaic activities. In our offshore activities, the insolvency of a major service provider/turbine manufacturer of TWB II resulted in a greater workload for the project team, which also contributed to the company's ability to exceed the forecast. Construction of the TWB II offshore wind farm in 2020 was completed successfully thanks to the great commitment of the project development team.
- + 'Digital Energy Solutions' profit centre: Having concluded activities to develop services related to smart meter applications and reduced the staffing levels in 2019, partial restructuring and development of new activities should improve results in 2020. Delays in development of new business activities and restrictions in on-site service provision due to the Covid-19 pandemic prevented the company reaching its targets in this area. Taking the other activities into account, such as support services for municipal utilities in new strategic and operative areas (trend scouting and Digital Lab) in particular as well as attributable expenditures, the profit centre still generated a negative net income, and requires renewed realignment efforts, for which projects are to be initiated in 2021.

In contrast to the very good net operating income, the necessary depreciations on the financial assets (€ 13.4 million in total) and the increase in provisions for anticipated losses from marketing of the TKL and TGE assets (€ 7.6 million in total) had a negative effect on the annual net income. Without the effects described above, earnings before tax of roughly € 32.0 million would have been achieved instead of the reported pre-tax result of € 11.0 million.

Taxes on income accrued to the amount of € 6,200 thousand (previous year: € 801 thousand) and other taxes amounted to € 49 thousand (previous year: € 9 thousand) resulting in an overall annual net income of € 4,719 thousand (previous year: € 5,913 thousand).

An analysis of the consolidated net income, which includes Trianel Energieprojekte GmbH & Co. KG in particular in addition to Trianel GmbH, reveals the following components of net income:

The earnings after tax were € 7,762 thousand (previous year: € 6,033 thousand) and are dominated by the results of Trianel GmbH and Trianel Energieprojekte GmbH & Co. KG. Taking into account the financial result of € -11,345 thousand (previous year: € -2,063 thousand) and the tax on income of € -6,210 thousand (previous year: € -809 thousand), the Group annual net income amounted to € 7,713 thousand (previous year: € 6,024 thousand).

Trianel GmbH's turnover largely reflects its function as a trader and provider of the associated market access for customers, short-term optimisation transactions and proprietary trading activities. Added to this are the activities for third parties in procuring and marketing energy, which in turn are associated with corresponding back-to-back transactions on the wholesale market. The resulting energy purchases are mapped in the costs of materials of the profit and loss statement of Trianel GmbH. Fundamentally, the absolute turnover total and the associated total material expenditures do not allow any significant conclusions to be drawn on the economic success of the company.

The sales proceeds amounted to € 3,186 million in the 2020 financial year (previous year: € 2,321 million) and thus increased by 37 percent compared with the previous year. In order to increase the clarity, the turnover from proprietary trading was balanced with the corresponding material expenditures in the reporting year, totalling € 3,168 million (previous year € 4,055 million).

Other operating income rose slightly by € 94 thousand to € 2,843 thousand (previous year: € 2,749 thousand). It primarily consists of revenue from passing on the cost of materials in the amount of € 337 thousand (previous year: € 721 thousand) and the reversal of provisions in the amount of € 345 thousand (previous year: € 912 thousand).

At 98.0 percent, the cost of materials remained at the same level as the previous year. Personnel expenses rose from € 31,522 thousand to € 35,085 thousand in particular as a result of provisions for bonuses. Other operating expenditures totalled € 13,383 thousand, down from € 14,539 thousand in the previous year.

The non-adjusted financial result amounted to € –6,137 thousand (previous year: € 6,066 thousand). Adjusted for the neutral effects from discounting accounts receivable and compounding provisions totalling € –1,799 thousand (previous year: € –595 thousand), the resulting adjusted financial result is € –9,742 thousand (previous year: € 6,661 thousand). The result from participating interests, at € 9,764 thousand (previous year: € 12,107 thousand), decreased compared with the previous year due to lower dividends paid by affiliated companies.

2. Financial situation

The 2020 financial year was also influenced by the Covid-19 pandemic from the point of view of liquidity. During March 2020, against the background of the uncertainty regarding the effects of the pandemic on the real and financial economy, we temporarily drew down a credit line of € 25 million as a precaution. The line was returned in full as early as July 2020. We found that we did not need the additional funds and, in contrast to the 2008 financial crisis, no negative implications were apparent for us on the financial market.

Even though the additional liquidity was ultimately not required, the concept we had prepared in the previous years of expanding our surety and credit lines as a precaution was confirmed. On one hand, these efforts are intended to increase our resilience to unpredicted liquidity-intensive events, while on the other, they enable us to take opportunities at short notice by using liquidity or lines that can subsequently be substituted with long-term financing if necessary.

Due to the adequate liquidity situation and postponement of investments until subsequent years, a capital measure to a total of € 10 million incorporated in the budget was not implemented. The very good annual net income and the adequate liquidity were also used to replace two smaller portfolio loans totalling € 1.4 million early, at the end of the year 2020, with corresponding interest swaps.

Sureties play an important role for us, as we can use them as a liquidity surrogate for margin requirements with our clearing bank for the exchange business. To date only the initial margins have been substituted with sureties. In the 2020 financial year, we also succeeded in covering the variation margins with sureties via a financial market partner, reducing the need to maintain liquidity.

In the reporting year, the operating cashflow of Trianel GmbH was € 11,303 thousand, up from € 1,554 thousand in the previous year. The change in cashflow was clearly influenced by a positive development in trade business. The cashflow from investment activities totalling € 893 thousand (previous year: € –8,537 thousand) primarily related to investments in intangible fixed assets and financial assets (especially TEP) and the received disbursement of the 2019 annual net income from TEP in 2020. The cashflow from financing activities, totalling € 2,179 thousand (previous year € 22,187 thousand), contains in particular margins deposited with our clearing bank totalling € 11.5 million in the form of sureties. Scheduled repayments of portfolio loans were also made, and two bank loans were also repaid in full before their due dates. Overall, the total financial resources increased to € 41,683 thousand (previous year: € 27,411 thousand) as of the balance sheet date. The overall financial situation in the 2020 financial year was adequate at all times.

3. Asset Situation

In 2020, the inventories of Trianel GmbH decreased by € 2,683 thousand (Group: € 1,730 thousand) to € 8,086 thousand (Group: € 10,824 thousand). The inventories largely pertain to gas inventories and the emission certificates purchased in 2020 for the expected power purchase in 2021 from Trianel Kohlekraftwerk Lünen GmbH & Co. KG.

The accounts receivable and other assets totalling € 237,649 thousand (31 December 2019: € 248,541 thousand) remained unchanged at 60.8 percent (31 December 2019: 62.8 percent) of the balance sheet total, and are the largest item on the assets side, and have decreased significantly. Trade receivables account for the highest percentage of this development, having decreased by € 28,444 thousand to € 105,887 thousand. The reduction in accounts receivable and other assets is partially compensated by an increase in accounts receivable from participating interests by € 21,539 thousand to € 57,280 thousand. The liquid funds increased by € 14,271 thousand from € 27,411 thousand to € 41,683 thousand, largely due to incoming funds from the successful trade business.

In the financial year, Trianel GmbH's equity ratio increased to 24.1 percent (previous year: 23.6 percent). The equity ratio for the Group rose to 24.6 percent. In absolute figures, the equity rose by € 658 thousand to € 94,150 thousand. This change is the result of the annual net income for 2020 of € 4,719 thousand (consolidated annual net income for 2020: € 7,713 thousand) and the dividend payout of € 4,061 made in 2020.

Compared with the previous year, the balance sheet total decreased by € 4,771 thousand to € 390,790 thousand (consolidated balance sheet total: € 394,372 thousand) due to the unscheduled depreciation on financial assets.

C. Report on forecast, opportunities and risks

I. Forecast

1. Direction of Trianel GmbH

In the next few years, Trianel GmbH's business activities will be affected by the following factors:

- Expansion of European energy trading
- Advancing expansion of renewable energy sources
- Increasing importance of climate protection and sustainability
- Advances in decentralisation
- Great flexibility in demand and supply
- More volatile energy markets and
- Digitalisation of energy industry processes and services.

That creates opportunities for Trianel to develop renewable energy sources and integrate them in the market, and to expand energy trading. It is becoming increasingly difficult to synchronise supply and demand, adding yet another challenge for energy industry services and energy trading. Digital processes are the basis both for optimising processes in municipal utilities, interaction of municipal utilities with their customer and to implement future (detailed and decentralised) business models. Trianel enables municipal utilities to digitalise energy industry processes and harness economies of scale by using interfaces between the system architectures via software-as-a-service solutions like Trianel DESK as a central platform.

Trianel sees itself as a holistic provider, supporting and accompanying municipal utilities and industrial customers in the digitalisation of their trading, procurement and sales processes. Trianel supplements services to optimise and transition energy industry processes to digital applications with continuous extension of its trading processes towards Algotrading and automated trading processes. In particular, Trianel can offer new services like district heat forecasts or sales forecasts by developing new forecasting systems.

With its Digital Energy Solutions business unit, Trianel has also created a way to generate innovative ideas, evaluate them and test them rapidly in pilot projects with the municipal utilities. The Trianel Digital Lab and the Trianel Academy are also involved in these activities.

As in the previous years, the consolidation of the price level for direct marketing based on the market bonus model continued in 2020. In spite of the continued strong competition, Trianel succeeded in securing a marketing portfolio of roughly 2,600 MW focusing on onshore wind, PV and biogas plants for 2021. As before, the obligatory direct marketing continues to create good preconditions for the development of this business sector. Even if market models in the renewables sector change, such as Power Purchase Agreements (PPA) or continued operation of plants whose eligibility for support under the Renewable Energy Sources Act (EEG) has expired, short-term marketing remains a decisive success factor. As a result, Trianel digitalised and automated the relevant processes in recent years, based on its extensive experience in direct marketing.

In future, Trianel expects high demand from municipal utilities for renewable generation capacities. Accordingly, Trianel GmbH has continued to focus its project development on developing renewable generation plants since 2014. The offshore team established for the operation phase will be working on the TWB and TWB II projects and also for the shared infrastructure company IWB, including in operations management, over the next few years.

Trianel's purpose is to secure, develop and procure attractive renewable energy projects for its shareholders. In this way, Trianel uses its group company TEP to lay the foundations for market access of wind projects with the aim of ensuring minimum profitability of the respective asset company. Another objective is to serve the asset companies and buyer market with further PV projects. Work is underway to ensure that TEE's mature wind projects, some of which have been subject to lawsuits, can be built soon. To advance white space development for TWS, a second office will be established in Kassel in 2021. The aims for PV in 2021 are to drive efforts to secure new locations, build initial transformer stations and establish further projects around them. Roughly 100 MW of new PV projects are to be built and commissioned in 2021. Trianel will participate in additional tender rounds in both the wind and PV segments in 2021.

2. Anticipated Earnings Situation

The focal points defined in 2020 as part of the "Trianel 2025" strategy project were specified in the budget for 2021 to 2025. The measures defined in the budget are intended to enhance Trianel's operative capabilities and create potential to progressively expand the balance sheet precautions for potential risks, safeguarding Trianel's robustness. The budget we adopted for the 2021 financial year forecasts earnings before tax of € 4.5 million taking the activities already successfully underway and the strategic measures into account.

Key aspects of operative development and implementation of strategic measures in the budget can be summarised as follows in relation to Trianel's profit centre:

- + Midstream (Energy Industry Services and Trading): While 2021 will also be marked by persistent losses from marketing of our assets (Trianel Kohlekraftwerk Lünen GmbH & Co. KG, Trianel Gasspeicher Epe GmbH & Co. KG), these losses will be offset by revenues from commercial operational management contracts, largely comprising variable, risk-intensive remuneration shares in our 'Midstream' profit centre and revenue growth in the core services trading and delivery and portfolio management. To implement the 'Trianel 2025' strategy, six projects were defined that entail expanding CHP management, optimising market access for spot and intraday activities, intensifying direct marketing and Flexpool activities, extension of energy trading to Great Britain and Italy and enhanced integration of data analyses, in particular to reduce balancing energy costs. The contributions of these measures to the net income are expected to more than compensate from declines in highly competitive business fields.
- + Project Development: In this segment, the strategic development in 2018 and founding of Trianel Energieprojekte GmbH & Co. KG (TEP) marked the successful completion of restructuring away from conventional power station activities to renewable generation projects. Since 2019, the successful photovoltaic and wind power projects (onshore and offshore) have been a key source of revenue. To implement the 'Trianel 2025' strategy, five projects were defined to tap contribution margin potential to compensate for reduced specific project margin expectations and new business fields. The strategic measures relate to expansion of photovoltaic project developments, entry into international renewable energy generation projects, start of a network to assess gas storage facility projects (including those based on hydrogen) and development of new services.
- + Digital Energy Solutions: The 'Trianel 2025' strategy also fleshed out the business model for digital energy solutions developed in 2019 with additional services, which are intended to advance the developments identified in the trend scouting and Trianel Digital Lab network groups.

Opportunities and risks result largely from marketing power station capacities and, in that area, from the development of CO₂ prices, the speed of reducing existing excess capacities in the conventional power station mix and from the development of renewable generation capacities. In the years to come, Trianel will not be able to extricate itself from the general development in the power station market. By nature, trading activities and securing of early project rights in TEP are associated with more volatile income development than service activities. There are also risks from further changes and developments in the IT environment (especially the trading systems) and the loss of expertise and/or high achieving employees. Section C. III. discusses the risks and the measures taken by Trianel GmbH in greater detail.

The key performance figures which guide Trianel's business indicate a gross margin (revenues less cost of materials) of roughly € 48.6 million, earnings before taxes of roughly € 4.5 million, investments of roughly € 3.4 million for the 2021 budget year. The budgeted staff level was around 346 employees: converted to full time equivalents (FTE) and taking dates of joining into account, the FTE value is 317.2.

3. Anticipated financial situation

For 2021, Trianel expects inflows of financial assets totalling roughly € 3.4 million, largely comprising deferred interest payments (TWB) and capital contributions to participating interests (TEE and TWS). A smaller portion of the investments is earmarked for intangible fixed assets as well as furniture and fixtures. The liquid assets required for this will be covered from inventory liquidity. In addition, sufficient lines are available for potential interim financing requirements. If required, follow-up medium- to long-term refinancing could be implemented via a capital measure totalling € 10 million assumed in the budget for 2021. In accordance with our long-term financing strategy, we plan suitable refinancing measures with a term of roughly seven years depending on the prospective investment development.

The short-term liquidity developments in connection with the trading activities are largely dependent on the price developments on the energy markets and therefore cannot be budgeted reliably. In order to cover liquidity fluctuations in this area, we maintain both credit lines and sureties, which can be used in place of liquidity for exchange trading. Our short-term financing instruments will also offer sufficient scope in future to cope as required with volatility in trading activities. As part of the extension of our financing strategy, we will continue to refine our methods of determining the minimum availabilities of short-term financing instruments in 2021, taking the planned business orientation into consideration.

We cannot currently estimate what liquidity requirements will occur in conjunction with the Covid-19 pandemic. However, based on our experience of recent years, we do not anticipate any major liquidity effects on Trianel.

In summary, Trianel is sufficiently resourced with lines and frameworks that appropriately reflect the uncertainties described. Long-term bound capital can be re-financed suitably with matching maturities as required. On this basis, we consider the liquidity situation positive and adequate for the years to come.

II. Opportunity Report

The energy transition requires municipal utilities to expand and adapt existing procurement strategies. They must take into account topics like integration of renewables in the energy market and distribution grids, stricter climate protection requirements and implementation of local climate protection programmes, increasing volatility on the energy market, rising flexibility in demand and supply, ever stricter requirements for synchronisation of generation and consumption and digitalisation of internal and external processes. Trianel views these developments as good opportunities to support municipal utilities in these challenges over the coming years with attractive services and products. The Trianel FlexStore network is to consider potential business models to increase flexibility in the energy system at all levels and in all sectors, and was launched in October 2020. The FlexStore is also studying the key hydrogen production segment, and Trianel sees rising demand for advice and implementation support in this area, too.

The arrival of digitisation in the energy business and thus also into the operative business of municipal utilities offers Trianel GmbH opportunities to help municipal utilities realign internal processes, the interface to end customers and advanced data analyses in the IoT environment as close to real time as possible.

Trianel plays a pioneering role in digitisation and aims to remain the market leader in automation of energy business processes and customer interfaces. The Trianel DESK platform takes energy business services to a new dimension that offers customers new benefits and efficiency potential. As a result, Trianel expects to expand its market share in the saturated market of energy services with continued high margin pressure, and increase its profitability. Trianel will also expand the IT consulting for municipal utilities business field.

In 2020, Trianel sought to develop processes in the rapid-growth intraday trading sector, to boost its short-term trading activities. These activities focused not only on delivery up to five minutes before physical fulfilment, but also provision of optimisation options to harness further potential in Trianel's own positions and especially in customers' positions.

For 2021, we see opportunities to consolidate the good business development from 2020 in energy trading, and project development for PV and onshore wind. We can win additional contracts from the existing PV project pipeline and potential revenue can be earned from further sales. The mature TEE projects are also to be prepared for construction, adding more value by building them. The founding of TWS enhances our activities in in-house development of white spaces.

III. Risk Report

The business activity of Trianel GmbH demands that risks are consciously entered into in order to achieve the company's financial goals. According to Trianel's definition, and therefore also for this Risk Report, risks are viewed as negative unexpected deviations from the projected result.

1. Risk Management System

Trianel GmbH's risk-bearing capacity forms the framework for the Risk Management System. This is aligned with the equity capital and liquid funds available, and derived from the company's risk and business strategy.

Risk Management Organisation

In order to enable effective risk management, there is an organisational separation between those areas, posts and functions that enter into risks in the course of their activities and those that monitor the risks entered into and limit and report them where necessary.

Risk Management is responsible for the creation, development and implementation of guidelines, methods and processes for assessing, managing and monitoring the main risk classes, and for reporting on the risk situation. Central Risk Management also monitors compliance with risk guidelines and defined risk limits. In order to support the central unit, the Management Board appoints Risk Officers for every organisational unit with responsibility for implementing the risk guidelines in their sectors. With the risk inventory tools, Trianel pursues the goal of attaining a comprehensive overview of all significant risks to the company at all times.

Central Risk Management at Trianel GmbH is supplemented with the compliance function. The compliance management system (CMS) implemented at Trianel pursues the goal of identifying compliance risks in good time and ensuring that employees are aware of these risks. In addition, this is intended to prevent violations of rules. Should violations of rules nevertheless occur, the incident will be handled by the Compliance Department. Regular exchanges by all Compliance Officers and monitoring of the effectiveness and systematic development of the CMS are guaranteed by the Compliance Committee. To limit tax risks, the existing CMS was supplemented in with a tax-specific internal control system ('Tax ICS').

The Trianel GmbH Risk Committee regularly meets to discuss the implementation of and need for changes to the Risk Management System. The suitability and functionality of the Risk Management System are monitored by internal audit, currently performed by two audit service providers, as well as by the external auditors commissioned by the shareholders.

The project, started in 2019 to further expand the (market price, credit and operative risk-focused) Risk Management to an Enterprise Risk Management System, was continued consistently in 2020 and is to result organisationally in the founding of a new department 'Enterprise Risk and Participating Interest management' within the Risk Management division. A company-wide risk aggregation model was also introduced to determine the need for risk capital based on a Monte Carlo simulation, and a consistent, verifiable consideration of risks for decisions.

Risk Management Process

The Risk Management process at Trianel GmbH contains the systematic identification, evaluation, aggregation, control and monitoring of risks and internal and external reporting.

Risk control comprises all measures and tools used for avoiding, reducing or shifting detected risks, as well as consciously entering into certain (residual) risks. In order to evaluate the effectiveness of the risk control measures which have been put in place, the target and actual risk situations are regularly compared as part of risk monitoring.

Internal and external addressees are informed on a regular basis of the current results, liquidity and risk situation as well as concerning the accounting precautions taken. The frequency, type and scope of the reporting vary according to the type and the significance of the risk. During the Covid-19 pandemic, monitoring of credit, market and liquidity risks, as well as additional operative risks was intensified.

2. Risk Areas and individual risks

Risks are managed at Trianel via Trianel GmbH's risk-bearing capacity and the provision of risk capital derived from this. The risk capital approved by the Shareholders' Meeting represents the upper limit of the overall risk accepted. The Supervisory Board and the Shareholders' Meeting also receive reports on distribution of the risk capital to the major risk classes market, project, credit, participating interests and operational and other risks.

Market Risks

Market risks can significantly influence the results situation at Trianel GmbH in the form of market price fluctuations, market liquidity changes and quantity deviations.

The trading activities of Trianel GmbH are monitored each working day for compliance with the value-at-risk limit and supplementary limits. In addition, the risk

resulting from the entire portfolio of Trianel GmbH is regularly determined and compared with the approved market risk capital as part of the overall risk.

Market price changes lead to fluctuations in the company's short-term cashflow in the exchange business and via margining agreements. At Trianel GmbH, the associated liquidity risk is monitored each working day and taken into account as part of liquidity control.

Credit Risks

Unlike exchange transactions, with non-exchange energy trading transactions (OTC), Trianel GmbH is exposed to the risk that trading partners do not fulfil their contractual duties to deliver or pay for a commodity, or do so late.

In order to limit these credit risks, every potential trading partner of Trianel GmbH is subjected to a multi-stage credit standing evaluation process. The credit standing evaluation of the trading partners is reviewed once a year. Depending on this credibility evaluation, an individual credit limit is granted to every trade partner.

Compliance with the credit limits granted is monitored and reported on every working day by calculating the credit risks and the remaining flexibility for each business partner. In addition, the risk resulting from the entire loan portfolio of Trianel GmbH is regularly simulated and compared with the risk capital available as part of the overall risk.

Participation Risks

Participation risks arise in particular as a result of possible deviations from the budget for affiliated companies and/or the development of asset projects. Trianel holds minority participating interests in the key operating project companies and is regularly informed about the development and the risk situation of the companies via the project company boards.

The risks of participating interests are mapped individually in the company-wide risk aggregation model and thus part of the Monte Carlo simulation to determine the risk capital requirement. A separate value for risks from participating interests is also reported.

Operational and other risks

Risks arising from the legal, personnel, process and systems areas are generally referred to as operational and other risks.

Legal risks are defined as the risk that contracts entered into do not include the legal items that Trianel GmbH requires. Trianel GmbH counteracts these risks for

example by early involvement of its own Legal Department and the Commercial Department in all relevant procedures, through a mandatory market and product clearance process, and by the use of standardised contracts wherever possible. Regulatory risks in energy trading are monitored and controlled by the Compliance Department. The electronic monitoring of trading activities, required under the European Market Abuse Regulation, and related guidelines play a key role in this.

Risks of damage due to changes in legal or regulatory general conditions are also attributed to operative risks.

Communication and information systems are of key importance for the business processes at Trianel GmbH. In particular the IT security, data security and data protection aspects have to be taken into account in this respect. An IT Security and Data Privacy Officer has been appointed. Employees are regularly made aware of IT security issues on training courses and via the Intranet. Regulations on this issue are also an integral part of the corporate guidelines.

Since spring 2020, the spread of SARS-CoV-2 must be considered a global danger. Trianel took all possible precautions to protect its employees in good time. The staff working inhouse was adapted to the hazard situation and reduced to a skeleton crew to ensure that operation could continue even in the event of potential illnesses. IT provided the employees with equipment to work from home, so that all activities and trade-related processes could be continued without significant restrictions. At the highest level of risk assessment, meetings are only held via video conference and business travel activities are put on hold.

For Trianel, the global spread of SARS-CoV-2 and the measures taken by the German national and state governments did not have any significant negative economic impact. The corporate Controlling Department tracks and reports on potential commercial effects.

The use of financial instruments

The financial instruments include original and derivative financial instruments. The original financial instruments on the assets side fundamentally include accounts receivable, liquid funds and financial assets. On the liabilities side, the original financial instruments fundamentally include the liabilities valued at the amount repayable. The level of the financial assets in the balance sheet indicates the maximum default risk for the items mentioned. When default risks exist, they are taken into account by value adjustments. Trianel GmbH uses derivative financial instruments to hedge against market risks, for optimisation and proprietary trading. These include financial swaps, options and energy- or emission certificate-related futures.

To analyse the overall risk situation for Trianel GmbH, a possible interaction of risk classes is calculated with a confidence level of 99 percent and compared with

the approved risk capital. Based on this analysis, it is assessed that the company's overall risk situation does not represent a going concern risk. Precautions were taken in the balance sheet for risks that are likely to occur.

**D. Reporting pursuant to Section 108 para. 3 no. 2
of the North Rhine-Westphalian Local Government Ordinance
(GO NRW)**

The purpose of the company is national and international energy trading, with the objective of improving local energy supply. The company may undertake the following tasks to implement this objective:

1. Trading in
 - a) Energy (electricity, gas, oil, coal)
 - b) Energy derivatives and energy-related financial derivatives
(pursuant to the German Banking Act (Kreditwesengesetz, (KWG)
proprietary trading).
 - c) Financial products relating to energy supply, such as weather derivatives
and emission certificates
(pursuant to the German Banking Act (KWG): proprietary trading)
2. Energy Sales
3. Provision of consulting and other fee-based services directly related to
energy supply

The company is entitled to conduct all measures and business transactions through which the purpose of the company can directly or indirectly be promoted. It may, in order to fulfil its tasks, operate other companies, participate in them or establish, acquire and lease such companies as well as auxiliary and ancillary companies, furthermore it may enter into joint ventures and establish subsidiary branches.

The comments and data in the Notes and the Management Report illustrate that we have conformed fully to the public purpose based on our terms of reference as per the Articles of Association.

Aachen, Germany, 23 April 2021

Trianel GmbH

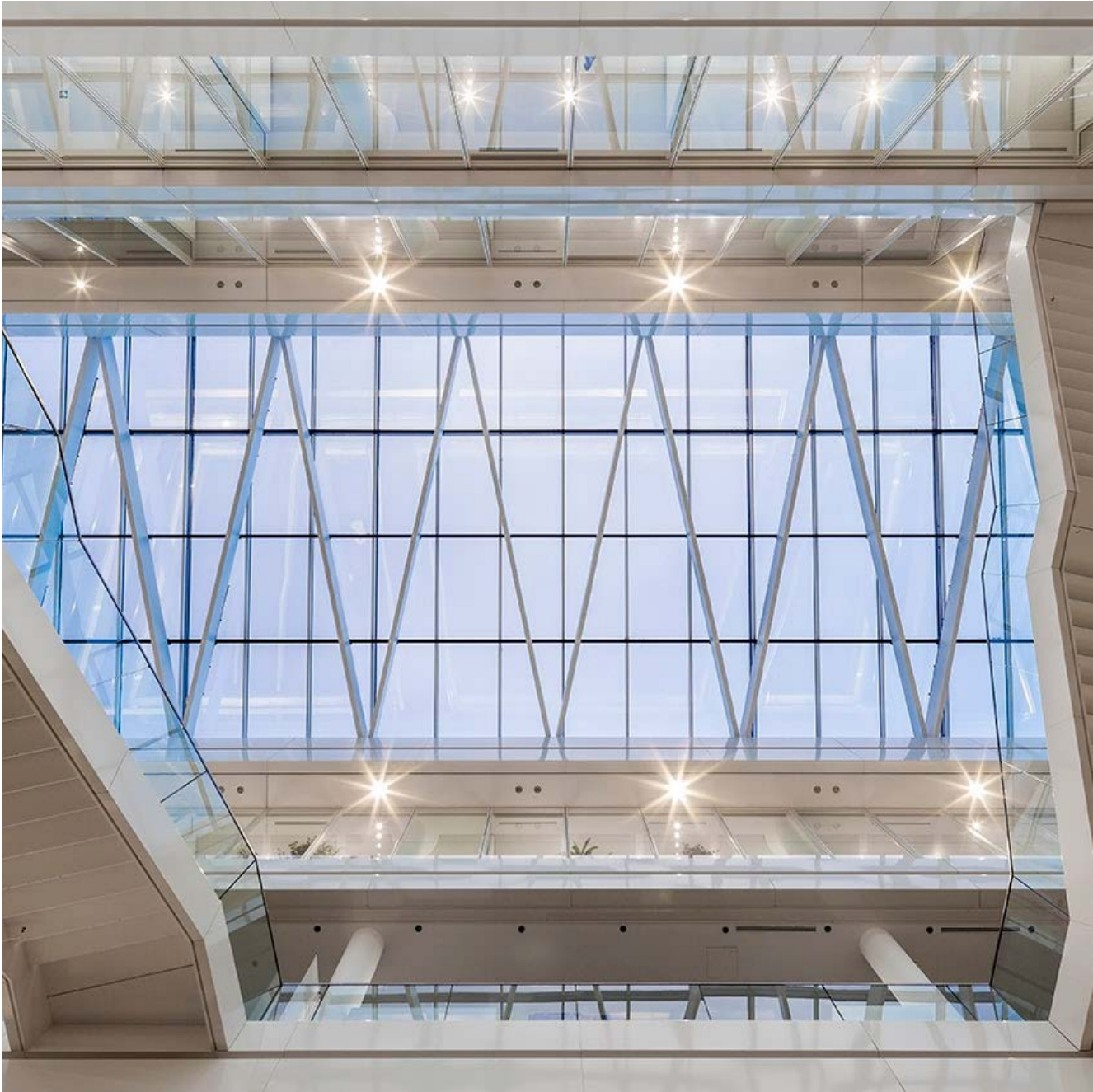


Sven Becker



Dr Oliver Runte

Management Board of Trianel GmbH



Annual Financial Statements

Separate Financial Statements of Trianel GmbH

for the financial year from 1 January 2020 to 31 December 2020

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Balance Sheet of Trianel GmbH as of 31 December 2020

Assets Side	31/12/2020	31/12/2019
	€	€
A. Fixed assets		
I. Intangible assets		
1 Internally generated intangible assets	2,020,565.63	2,144,270.95
2 Purchased rights of use and similar rights	200,000.50	587,266.50
3 Down payments made	136,039.11	102,052.43
	<u>2,356,605.24</u>	<u>2,833,589.88</u>
II. Tangible assets		
1 Real estate, rights equivalent to real estate and buildings including buildings on third-party real estate	15,853,946.00	16,474,891.00
2 Technical plant and machinery	2,967.00	49,585.00
3 Furniture and fixtures	1,070,768.00	1,304,579.00
4 Down payments made and assets under construction	1,406.01	0.00
	<u>16,929,087.01</u>	<u>17,829,055.00</u>
III. Financial assets		
1 Shares in affiliated companies	15,100,000.00	8,395,174.00
2 Participating interests	23,016,241.90	27,013,017.65
3 Loans to companies in which a participating interest exists	45,265,095.46	51,061,887.85
	<u>83,381,337.36</u>	<u>86,470,079.50</u>
	<u>102,667,029.61</u>	<u>107,132,724.38</u>
B. Current assets		
I. Inventories		
1 Work in progress	1,025,066.63	850,931.99
2 Merchandise	7,060,484.74	9,917,169.47
	<u>8,085,551.37</u>	<u>10,768,101.46</u>
II. Accounts receivable and other assets		
1 Trade receivables	105,887,416.30	134,331,413.10
2 Accounts receivable from affiliated companies	6,416,095.42	8,676,515.33
3 Accounts receivable from shareholders	20,674,914.72	27,693,304.89
4 Accounts receivable from companies in which a participating interest exists	57,280,194.40	35,741,190.92
5 Other assets	47,390,418.49	42,098,517.60
	<u>237,649,039.33</u>	<u>248,540,941.84</u>
III. Cash in hand, cash at credit institutions	41,682,545.24	27,411,385.32
	<u>287,417,135.94</u>	<u>286,720,428.62</u>
C. Accruals and deferrals	706,138.93	1,708,168.20
	<u>390,790,304.48</u>	<u>395,561,321.20</u>

Liabilities Side

A. Equity

	31/12/2020 €	31/12/2019 €
I. Capital stock	20,152,575.00	20,152,575.00
Nominal value of own shares	<u>-237,400.00</u>	<u>-237,400.00</u>
	19,915,175.00	19,915,175.00
II. Capital reserves	26,129,469.24	26,129,469.24
III. Earnings reserves		
1 Reserve for shares	237,399.00	237,399.00
2 Other earnings reserves	<u>43,148,894.12</u>	<u>41,795,066.46</u>
	43,386,293.12	42,032,465.46
IV. Loss carried forward	0.00	-497,683.64
V. Annual net income	<u>4,719,419.37</u>	<u>5,912,992.56</u>
	94,150,356.73	93,492,418.62

B. Provisions

1 Provisions for taxes	6,980,588.37	743,717.33
2 Other provisions	<u>64,252,475.68</u>	<u>51,772,445.86</u>
	71,233,064.05	52,516,163.19

C. Liabilities

1 Amounts due to credit institutions	51,804,888.88	40,584,459.04
2 Trade accounts payable	96,764,140.85	139,416,124.15
3 Accounts payable to affiliated companies	284,124.36	44,591.33
4 Accounts payable to shareholders	10,144,972.62	10,382,662.01
5 Accounts payable to companies in which a participating interest exists	41,337,214.40	20,748,623.72
6 Other accounts payable	<u>25,071,542.59</u>	<u>38,307,276.89</u>
	225,406,883.70	249,483,737.14

D. Accruals and deferrals

	<u>0.00</u>	<u>69,002.25</u>
	<u>390,790,304.48</u>	<u>395,561,321.20</u>

Profit and loss statement for the financial year from 1 Januar 2020 to 31 December 2020

	2020 €	2019 €
1 Sales proceeds	3,186,367,864.39	2,321,354,357.44
2 Increase in stocks of finished and semi-finished products	174,134.64	645,033.81
3 Other internally produced and capitalised assets	65,533.46	36,427.46
4 Other operating income <i>Of which from currency conversion</i>	2,842,816.20 360,215.51	2,748,643.95 125,286.73
5 Cost of materials Expenditure on goods purchased	3,121,560,244.89	2,275,808,253.36
6 Personnel expenditures		
a) Wages and salaries	31,097,341.96	27,796,536.43
b) Social contributions and expenditure on pension provision and support	3,988,062.06 35,085,404.02	3,725,340.82 31,521,877.25
7 Depreciation on intangible assets and fixed assets	2,315,833.18	2,257,185.23
8 Other operating expenditure <i>Of which from currency conversion</i>	13,383,110.63 439,464.58 17,105,755.97	14,539,510.06 76,059.36 657,636.76
9 Revenue from participating interests	5,714,989.63	8,016,900.03
10 Revenue from loans of financial assets	4,049,135.95	4,090,113.84
11 Other interest and similar income <i>Of which from discounting</i>	332,156.20 329,852.03	577,660.81 353,476.32
12 Depreciation on financial assets	11,793,554.69	3,800,000.00
13 Interest and similar expenditure <i>Of which from compounding</i>	4,439,698.20 1,979,715.39 -6,136,971.11	2,819,027.09 780,143.44 6,065,647.59
14 Tax on income	6,200,486.20	801,230.70
15 Earnings after tax	4,768,298.66	5,922,053.65
16 Other taxes	48,879.29	9,061.09
17 Annual net income	4,719,419.37	5,912,992.56

Notes for the 2020 financial year

1. Form and presentation of the annual financial statements

Trianel GmbH is domiciled in Aachen and entered in Commercial Register B of Aachen District Court under number HRB 7729.

The annual financial statements have been prepared in accordance with the regulations of the German Commercial Code (HGB) for large incorporated companies in conjunction with the supplementary provisions of the German Limited Liability Companies Act (GmbH-Gesetz).

To improve the clarity of the presentation we have provided details on affiliations to other items in the balance sheet in the Notes.

The profit and loss statement is structured according to the expenditure format.

Separate explanatory notes have been provided in respect of the main items in the balance sheet and the profit and loss statement.

For better presentation of the earnings situation, the sales proceeds and costs of materials for proprietary business transactions are balanced against one another for reporting.

2. Accounting and valuation methods

The accounting and valuation were performed based on the assumption that company activities would be continued.

The intangible assets and tangible fixed assets were valued at acquisition cost less depreciation.

Depreciation was scheduled on a straight-line method of depreciation based on the normal useful life of the capital assets.

The financial assets are evaluated at acquisition cost, taking account of repayment, depreciation and write-ups. Interest receivables which have not been subjected to interest with a residual term of more than one year are discounted using a market interest rate adequate for the residual term. The evaluation of the value retention of the participation book value and the shareholder loans of Trianel Windkraftwerk Borkum GmbH & Co. KG was made in summarised form due to the close contractual link of the participating interests and loans.

Inventories are valued at acquisition cost using the lower of cost or market principle for depreciation.

Accounts receivable and other assets are shown in the balance sheet at their nominal value; necessary value adjustments were taken into account.

Accounts receivable and payable in foreign currencies are converted at the applicable exchange rate on the posting date unless a fixed exchange rate for the Euro exists. Profits and losses incurred due to exchange rate movements up to the balance sheet date are taken into account per Section 256a of the German Commercial Code (HGB).

Liquid funds are stated at nominal value in the balance sheet.

The option of capitalising deferred taxes was not exercised.

The subscribed capital is included at nominal value.

In the net income use resolution on 25 June 2020, a decision was made to distribute from the annual net income totalling € 5,912,992.56, after offsetting it against the loss carried forward of € 497,683.64, a dividend totalling € 4,061,481.69 to the participating interests entitled to dividends for the 2019 financial year proportionally based on the ratio of their nominal values on 03/07/2020. The remaining annual net income for 2019 totalling € 1,353,827.23 is to allocated to the earnings reserves.

The provisions are reported at the settlement value necessary according to prudent commercial assessment. Provisions took into account all identifiable risks and contingent liabilities. Provisions with a residual term of over one year were discounted at the average market interest rate of the last seven financial years in accordance with their residual term as per the German Bundesbank's provision discounting regulations.

Accounts payable are stated at the settlement value.

In order to evaluate the trade transactions, the posted and pending transactions and gas inventories are always combined in an annual consideration with the corresponding financial transactions to the seven portfolios Asset Electricity, Asset Gas, Trade and Market Access, Electricity Supply Management, Gas Supply Management, Origination, and Commission Business, i.e. in the event of the use of the option to form an accounting valuation unit. In addition, micro-hedges consisting of pairs of contracts are managed in the sleeves mandate.

Derivative financial instruments were used to secure bank loans, which form a valuation unit together with the debt item.

The freezing method was used to represent the effective parts of all formed valuation units in the accounts.

3. Notes to the Balance Sheet

3.1. Fixed assets

The development of fixed assets and depreciation during the financial year under review is shown in the fixed-asset movement schedule, which is enclosed as a separate document with the Notes.

In 2020, energy industry systems were developed, and Trianel DESK was expanded and extended. They were capitalised as internally generated intangible fixed assets. eLearning modules for the Trianel Academy were also capitalised as internally generated intangible fixed assets. There is a payout block per Section 268 (8) of the German Commercial Code (HGB) to a total of the current book value of € 2,021 thousand; however, there is sufficient freely available equity.

Shares to the amount of € 15,100,000.00 are held in the following affiliated companies:

<u>Company</u>	<u>Registered office</u>	<u>Level of participation</u>	<u>Participation book value</u>	<u>Equity</u>	<u>Annual result</u>
		%	€	€	€
Trianel					
Gaskraftwerk Hamm					
Verwaltungs GmbH	Aachen	100.0	25,000	26,053*	1,053*
Trianel					
Gasspeicher Epe					
Verwaltungs GmbH	Aachen	100.0	25,000	48,571*	23,571*
Trianel					
Kohlekraftwerk Lünen					
Verwaltungs GmbH	Aachen	100.0	25,000	26,054*	1,054*
Trianel					
Windkraftwerk					
Borkum					
Verwaltungs GmbH	Aachen	100.0	25,000	37,629*	12,629*
Trianel					
Energieprojekte					
GmbH & Co. KG	Aachen	100.0	15,000,000	23,403,583*	8,403,583*

* The Shareholders' Meeting has not yet adopted the annual financial statements for the financial year ending 31/12/2020.

Shares to the amount of € 23,016,241.90 are held in the following participating interests:

<u>Company</u>	<u>Registered office</u>	<u>Level of participation</u>	<u>Participation book value</u>	<u>Equity</u>	<u>Annual net income/deficit</u>
		%	€	€	€
Trianel					
Gaskraftwerk Hamm					
GmbH & Co. KG	Aachen	6.1	3,258,353	-33,159,343	-30,632,083
Trianel					
Gasspeicher Epe					
GmbH & Co. KG	Aachen	7.6	788,186	26,256,635	3,231,466
Trianel					
Kohlekraftwerk					
Lünen					
GmbH & Co. KG	Lünen	6.3	9,373,445	-179,707,122	-40,574,303
Trianel					
Windkraftwerk					
Borkum					
GmbH & Co. KG	Aachen	2.7	0	308,522,530	9,503,395
Trianel					
Windkraftwerk					
Borkum II					
GmbH & Co. KG	Oldenburg	2.0	1,803,269	41,940,672	-18,055,076
Trianel Onshore					
Windkraftwerke					
GmbH & Co. KG	Aachen	5.4	2,389,374	50,780,589*	1,722,252*
Trianel					
Erneuerbare Energien					
GmbH & Co. KG	Aachen	5.0	5,132,447	89,720,325*	5,654,183*
Trianel					
Wind und Solar					
GmbH & Co. KG	Aachen	2.0	271,167	13,366,791	-31,553
Trianel Energie B.V.** Maastricht,					
	NL	100.0	1	- **	- **

* Status: 31/12/2019.

** Trianel Energie B.V. applied for insolvency on 27 December 2012 and therefore did not prepare annual financial statements for 31 December 2020. As such, the participation book value was written down to a reminder value of € 1.

Financial assets were capitalised at acquisition cost less unscheduled depreciation, taking account of write-ups.

3.2. Current assets

The current assets comprise stored quantities of gas, CO₂ emission rights and work in progress as a result of performances for project developments and rights.

Trade receivables mainly consist of outstanding payments for electricity and gas supplies, which were offset against similar liabilities to the value of € 249,497 thousand (previous year: € 340,122 thousand).

Of the accounts receivable from affiliated companies, € 933 thousand (previous year: € 850 thousand) are trade receivables and a dividend from Trianel Energieprojekte GmbH & Co.KG in the amount of € 5,404 thousand (previous year: € 7,785 thousand).

Of the accounts receivable from shareholders, € 20,576 thousand (previous year: € 27,693 thousand) are trade accounts receivable. Similar accounts payable totalling € 2,805 thousand (previous year: € 4,697 thousand) were offset against accounts receivable.

In addition to trade receivables from energy supplies and service provision, the accounts receivable from affiliated companies include receivables from the insolvent Trianel Energie B.V. (TEBV) totalling € 13,851 thousand, which have been adjusted individually at € 9,946 thousand.

The other assets mainly consist of initial margins provided totalling € 18.2 million, variation margins totalling € 7.2 million value-added tax receivables of € 7.7 million and option bonuses of € 11.8 million.

All receivables and other assets are due within one year. Due to time-consuming proceedings, the claims against TEBV and from EinsMan are outstanding indefinitely. The indefinite term was taken into account by means of value adjustments.

3.3. Provisions

The other provisions totalling € 64,252 thousand (previous year: € 51,772 thousand) include provisions for contingent liabilities totalling € 18,194 thousand (previous year: € 13,490 thousand). They primarily concern provisions for bonuses for personnel (€ 12,588 thousand). Provisions were also formed for open invoices, totalling € 2,137 thousand.

Otherwise, provisions are included for anticipated losses from pending transactions to the amount of € 46,059 thousand (previous year: € 38,283 thousand). As of the balance sheet date, provisions for anticipated losses totalling € 40,894 thousand (previous year: € 33,326 thousand).

3.4. Accounts payable

The accounts payable to credit institutions include long-term bank loans and accrued interest as well as accounts payable from provision of initial margins by a credit institution.

Trade accounts payable predominantly result from energy procurement and consulting services.

Accounts payable to shareholders mainly relate to trade accounts payable resulting from energy supplies.

Accounts payable to companies with which a participating interest exists are primarily trade accounts payable.

Other accounts payable include liabilities from wages and church tax totalling € 404 thousand (previous year: € 407 thousand) and from social security totalling € 159 thousand (previous year: € 156 thousand). The other accounts payable also include accounts payable from option bonuses in totalling € 11.3 million and a bonded loan in the amount of € 10.1 million including accrued interest.

Liabilities schedule

	31/12/2020				31/12/2019	
	Total	Residual terms			Residual term	
		Up to 1 year	Over 1 year	Of which over 5 years	Up to 1 year	Over 1 year
	€	€	€	€	€	€
Accounts payable to credit institutions	<u>51,804,888.88</u>	<u>30,804,888.88</u>	<u>21,000,000.00</u>	<u>17,000,000.00</u>	<u>17,203,125.79</u>	<u>23,381,333.25</u>
Trade payables	<u>96,764,140.85</u>	<u>96,764,140.85</u>	<u>0.00</u>	<u>0.00</u>	<u>139,416,124.15</u>	<u>0.00</u>
Accounts payable to affiliated companies	<u>284,124.36</u>	<u>284,124.36</u>	<u>0.00</u>	<u>0.00</u>	<u>44,591.33</u>	<u>0.00</u>
Accounts payable to shareholders	<u>10,144,972.62</u>	<u>10,144,972.62</u>	<u>0.00</u>	<u>0.00</u>	<u>10,382,662.01</u>	<u>0.00</u>
Accounts payable to companies in which a participating interest exists	<u>41,337,214.40</u>	<u>41,337,214.40</u>	<u>0.00</u>	<u>0.00</u>	<u>20,748,623.72</u>	<u>0.00</u>
Other accounts payable	<u>25,071,542.59</u>	<u>15,071,542.59</u>	<u>10,000,000.00</u>	<u>0.00</u>	<u>28,296,733.95</u>	<u>10,010,542.94</u>
Total	<u>225,406,883.70</u>	<u>194,406,883.70</u>	<u>31,000,000.00</u>	<u>17,000,000.00</u>	<u>216,091,860.95</u>	<u>33,391,876.19</u>

Accounts payable to credit institutions of € 12 million are collateralised by a mortgage.

3.5. Deferred taxes

The trade and tax law value assessments of the internally generated intangible assets, the financial assets and other provisions result in differences, which are compensated in subsequent financial years. These differences led to latent tax accruals and deferrals. A tax rate of 32.45 percent is applied when determining the tax accrual.

The calculation results in a surplus of latent tax accruals. The option under Section 274 para. 1 no. 2 of the German Commercial Code (HGB) is not used, and thus no latent tax accrual is formed.

3.6. Valuation units/derivative financial instruments

The option of forming balance sheet valuation units per Section 254 of the German Commercial Code (HGB) was utilised to the extent stated below. The effectiveness is documented by measuring the physical delivery equivalents or compliance with specified rules, such as VaR limits as part of the existing Risk Management System.

Trianel GmbH's operative business is managed and controlled in mandates. Control via mandates does not exclude the possibility of individual contract groups being shown and valued separately in partial portfolios within the mandates, to enable more detailed mapping as well as the delegation of partial tasks if necessary. The

items in the electricity asset mandate which cannot be grouped in a valuation unit must be evaluated according to classic rules under balance sheet aspects. Provisions for potential losses were formed for negative valuation balances for the year.

The figures specified on the risks secured via valuation units and losses reported limited via balancing are theoretical, as all individual transactions were evaluated here, while mandatespecific controlling means that open trade items are restricted appropriately at all times.

Individually, the following valuation units existed on the balance sheet date:

3.6.1. Valuation unit: Electricity asset mandate

This valuation unit (VU) combines the existing electricity procurement contracts (PPA) with power station companies with the corresponding hedging transactions as a portfolio hedge. The risk of price changes from market price fluctuations is hedged. Pending transactions and assets are incorporated in the VUs, which are each considered on an annual basis.

The 2021 VU contains base transactions totalling € 9,295 thousand and hedge transactions totalling € 2,587 thousand and a balance sheet stock value of € 3,434 thousand. The VU hedges risks from an individual transaction perspective to a total of € 11,491 thousand for 2021. A provision was also formed for 2021 for valuation units totalling € 9,190 thousand. The 2022 VU contains base transactions totalling € 11,642 thousand and hedge transactions totalling € 2,197 thousand. The VU hedges risks from an individual transaction perspective to a total of € 9,688 thousand for 2022. A provision was also formed for 2022 for valuation units totalling € 8,990 thousand. A provision was formed for potential losses from pending transactions totalling € 17,739 thousand for purchase obligations after the managed periods.

Expected portfolio effects were incorporated in the evaluation for 2021 to 2023. This results in a nominal reduction of the provision of € 2,615 thousand in total. The opposing value changes compensate one another as a result of the existing spread hedging in the respective years in question.

3.6.2. Valuation unit: Gas asset mandate

This VU combines contractual obligations from storage facility use contracts including gas stocks with the corresponding hedge transactions as a portfolio hedge. The risk of price changes from market price fluctuations is hedged. Pending transactions and assets are incorporated in the VUs, which are each considered on an annual basis.

The 2021 VU contains base transactions totalling € 2,098 thousand and hedge transactions totalling € 431 thousand and a balance sheet stock value of € 1,849 thousand. The VU hedges risks from an individual transaction perspective to a total of € 2,098 thousand for 2021. A provision was also formed for 2021 for valuation units totalling € 1,289 thousand. The 2022 VU contains base transactions totalling € 2,087 thousand and hedge transactions totalling € 83 thousand. The VU hedges risks from an individual transaction perspective to a total of € 2,087 thousand for 2022. A provision was also formed for 2022 for valuation units totalling € 1,611 thousand. The 2023 VU contains base transactions totalling € 2,089 thousand and hedge transactions totalling € 135 thousand. The VU hedges risks from an individual transaction perspective to a total of € 2,089 thousand for 2023. A provision was also formed for 2023 for valuation units totalling € 1,552 thousand. A provision was formed for potential losses from pending transactions totalling € 1,466 thousand for storage facility use obligations after the managed periods.

The inclusion of expected portfolio effects results in a nominal reduction of provisions for the years 2021-2023 of € 1,063 thousand in total. The opposing value changes compensate one another as a result of the existing spread hedging in the respective years in question.

3.6.3. Valuation unit: Trade and market access mandate

This VU combines the existing wholesale energy transactions with the corresponding hedging transactions as a portfolio hedge. The risk of price changes from market price fluctuations is hedged. Pending transactions, assets and liabilities are incorporated in the VUs, which are each generally considered on an annual basis.

The 2021 VU contains base transactions totalling € 4,930,981 thousand and hedge transactions totalling € 4,955,729 thousand and a balance sheet stock value of € 1,778 thousand. The VU hedges risks from an individual transaction perspective to a total of € 815,458 thousand for 2021. The 2022 VU contains base transactions totalling € 1,634,081 thousand and hedge transactions totalling € 1,621,498 thousand. The VU hedges risks from an individual transaction perspective to a total of € 186,240 thousand for 2022. The 2023 VU contains base transactions totalling € 497,750 thousand and hedge transactions totalling € 493,311 thousand. The VU hedges risks from an individual transaction perspective to a total of € 52,450 thousand for 2023. The 2024 VU contains base transactions totalling € 11,616 thousand and hedge transactions totalling € 11,855 thousand. The VU hedges risks from an individual transaction perspective to a total of € 1,128 thousand for 2024. A provision was also formed for 2024 for valuation units totalling € 312 thousand.

The opposing value changes compensate one another as a result of the existing hedging relationships in the respective years in question.

3.6.4. Valuation unit: Electricity supply management mandate

This VU combines the existing electricity contracts with customers with the corresponding hedging transactions as a portfolio hedge. The risk of price changes from market price fluctuations is hedged. Pending transactions are incorporated in the VUs, which are each considered on an annual basis.

The VU contains neither base transactions nor hedge transactions. The VU hedges risks from an individual transaction perspective to a total of € 0 thousand for 2021. The opposing value changes largely offset one another as a result of the existing hedging relationships in the respective years in question.

3.6.5. Valuation unit: Gas supply management mandate

This VU combines the existing gas contracts with customers with the corresponding hedging transactions as a portfolio hedge. The risk of price changes from market price fluctuations is hedged. Pending transactions are incorporated in the VUs, which are each considered on an annual basis.

The 2021 VU contains base transactions totalling € 331 thousand and hedge transactions totalling € 0 thousand. The VU hedges risks from an individual transaction perspective to a total of € 0 thousand for 2021.

The opposing value changes largely offset one another as a result of the existing hedging relationships in the respective years in question.

3.6.6. Valuation unit: Origination mandate

This VU combines the existing contracts with customers with the corresponding hedging transactions as a portfolio hedge. The risk of price changes from market price fluctuations is hedged. Pending transactions are incorporated in the VUs, which are each considered on an annual basis.

The 2021 VU contains base transactions totalling € 300 thousand and hedge transactions totalling € 188,008 thousand. The VU hedges risks from an individual transaction perspective to a total of € 13 thousand for 2021. The 2022 VU contains base transactions totalling € 2 thousand and hedge transactions totalling € 3 thousand. The VU hedges risks from an individual transaction perspective to a total of € 1 thousand for 2022. The 2023 VU contains base transactions totalling € 1 thousand and hedge transactions totalling € 1 thousand. The VU hedges risks from an individual transaction perspective to a total of € 0 thousand for 2023.

The opposing value changes largely offset one another as a result of the existing hedging relationships in the respective years in question.

3.6.7. Valuation unit: Commission mandate

This VU combines the existing financial commission business with customers with the corresponding hedging transactions as a portfolio hedge. The risk of price changes from market price fluctuations is hedged. Pending transactions are incorporated in the VUs, which are each considered on an annual basis.

The 2021 VU contains base transactions totalling € 143,912 thousand and hedge transactions totalling € 144,479 thousand. The VU hedges risks from an individual transaction perspective to a total of € 34,533 thousand for 2021. The 2022 VU contains base transactions totalling € 81,249 thousand and hedge transactions totalling € 81,388 thousand. The VU hedges risks from an individual transaction perspective to a total of € 10,249 thousand for 2022. The 2023 VU contains base transactions totalling € 29,921 thousand and hedge transactions totalling € 29,976 thousand. The VU hedges risks from an individual transaction perspective to a total of € 2,882 thousand for 2023.

The opposing value changes largely offset one another as a result of the existing hedging relationships in the respective years in question.

3.6.8. Valuation unit: Sleeves mandate

For the sleeves, opposing purchase and sales transactions are presented in pairs. Some of the corresponding transactions are combined as micro-hedges to VUs. The base transactions and hedge transactions of the delivery contracts treated as VUs totalled € 138,894 thousand. The VU hedges risks from an individual transaction perspective to a total of € 33,494 thousand. Where the option of forming valuation units was not used, provisions for impending losses from pending transactions were formed in the amount of € 4,853 thousand.

4. Notes on the profit and loss statement

4.1. Sales proceeds

The gross sales less electricity tax can be broken down into the following areas of activity:

Business field	31/12/2020		31/12/2019	
	Sales in € thousand	Sales in %	Sales in € thousand	Sales in %
Electricity (unbalanced)	4,362,725	68.7	3,822,967	60.0
Balancing	<u>-1,998,493</u>	<u>63.1</u>	<u>-2,053,747</u>	<u>50.6</u>
Electricity	2,364,232	74.2	1,769,220	76.2
Gas (unbalanced)	1,696,394	26.7	2,396,591	37.5
Balancing	<u>-1,169,172</u>	<u>36.9</u>	<u>-2,001,521</u>	<u>49.4</u>
Gas	527,222	16.5	395,070	17.0
Certificates trading (unbalanced)	213,807	3.4	82,986	1.3
Balancing	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>
Emissions trading	213,807	6.7	82,986	3.6
Coal (unbalanced)	40,057	0.6	32,184	0.5
Balancing	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>
Coal	40,057	1.2	32,184	1.4
Services (unbalanced)	41,113	0.6	41,946	0.7
Balancing	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>
Services	41,113	1.3	41,946	1.8
Total (unbalanced)	<u>6,354,096</u>	<u>100.0</u>	<u>6,376,674</u>	<u>100.0</u>
Total (balancing)	<u>-3,167,665</u>	<u>100.0</u>	<u>-4,055,268</u>	<u>100.0</u>
Total (balanced)	3,186,431	100.0	2,321,406	100.0

In the financial year, customer discounts of € 64 thousand (previous year: € 53 thousand) were granted. These have not been taken into account in the list.

Sales not relating to the period totalled € 2,284 thousand (previous year: € 5,167 thousand).

Like all energy trading companies, Trianel GmbH's sales depend on multiple factors that do not permit direct conclusions to be made on the economic situation of this kind of company. The cost of materials remained at the same level as the previous year.

4.2. Other operating revenue

The other operating revenue largely results from passing on the cost of materials to a total of € 337 thousand (previous year: € 721 thousand) and from the reversal of provisions to a total of € 345 thousand (previous year: € 912 thousand). They include earnings not relating to the period totalling € 1,320 thousand (previous year: € 1,011 thousand). The other operating revenue also includes revenue from currency conversion totalling € 360 thousand (previous year: € 125 thousand).

4.3. Cost of materials

Non-period cost of materials totalled € 2,611 thousand (previous year: € 5,176 thousand).

4.4. Personnel expenditures

Personnel expenditures were incurred in respect of an average of 300 employees (previous year: 300). Personnel expenses include costs for pension provision to the amount of € 300 thousand (previous year: € 296 thousand).

4.5. Other operating expenditure

Other operating expenditure includes non-period expenditure totalling € 40 thousand (previous year: € 151 thousand) and expenditures from currency conversion to a total of € 439 thousand (previous year: € 76 thousand).

4.6. Revenue from participating interests

Revenues from participating interests primarily comprise partial incorporation of the annual net income of Trianel Energieprojekte GmbH & Co. KG for 2020 in the same period in the amount of € 5,404 thousand.

4.7. Revenue from loans of financial assets

The revenue from loans of financial assets includes interest from loans to associate companies.

4.8. Depreciation on financial assets

Due to the enduring reduction in value per Section 253 para. 3 no. 5 of the German Commercial Code (HGB), the values of the shares in Trianel Windkraftwerk Borkum GmbH & Co. KG and the loans to Trianel Windkraftwerk Borkum GmbH & Co. KG were adjusted by € 4.9 million and € 6.9 million respectively.

4.9. Interest expenditures

The interest expenditures totalling € 4,440 thousand (previous year: € 2,819 thousand) include expenditures for compounding provisions or discounting of receivables totalling € 1,980 thousand (previous year: € 780 thousand).

4.10. Tax on income

Tax expenditure for the current financial year totals 6,124 thousand (previous year: € 800 thousand). € 76 thousand (previous year: € 1 thousand) of the tax expenditures in the reporting year were incurred for corporation tax, the solidarity surcharge and trade tax for previous years.

5. Supplementary report

No events of particular relevance occurred after the balance sheet date.

6. Other information

6.1. Other financial obligations

	€ thousand	€ thousand
Obligations from power purchase agreements	4,903,370	(3,405,537)
• Of which to shareholders	142,905	(102,861)
Obligations from gas supply agreements	927,613	(728,515)
• Of which to shareholders	4,601	(4,601)
Obligations from emissions certificates	278,638	(204,199)
• Of which to shareholders	1,426	(1,426)
Obligations from coal swaps	10,863	(10,223)
• Of which to shareholders	779	(688)
Obligations from certificates	45	(16)
• Of which to shareholders	0	(0)
Obligations from lease and rental contracts	1,567	(313)

() = Of which due in 2021

There are granted lines of credit totalling € 37,591 thousand. Of this total, € 33,193 thousand was drawn down by contract partners.

6.2. Contingencies

As collateral for bank loans to Trianel Kohlekraftwerk Lünen GmbH & Co. KG, Trianel Gasspeicher Epe GmbH & Co. KG, Trianel Windkraftwerk Borkum GmbH & Co. KG and Trianel Windkraftwerk Borkum II GmbH & Co. KG, Trianel GmbH has pledged its participating interests in these companies, and in Trianel Kohlekraftwerk Lünen Verwaltungs GmbH, including dividends, to the banks concerned.

As a result of the companies' financial situation, it is not expected that this loan will be drawn down.

6.3. Auditor's fees

In accordance with Section 285 no. 17 of the German Commercial Code (HGB), this information is provided in the consolidated financial statements of Trianel GmbH.

6.4. Supervisory Board

In the 2020 financial year, the Supervisory Board was composed of the following members:

Dietmar Spohn, Bochum,
Management Spokesman of Stadtwerke Bochum Holding GmbH (Chairman)

Michael Lucke, Kempten,
Managing Director of Allgäuer Überlandwerk GmbH (Deputy Chairman)

Dr Christian Becker, Aachen,
Member of the Management Board of Stadtwerke Aachen Aktiengesellschaft

Dr Achim Grunenberg, Lünen,
Managing Director of Stadtwerke Lünen GmbH

Martin Heun, Fulda, Management
Spokesman of RhönEnergie Fulda GmbH

Prof. Dr Rudolf Irmscher, Heidelberg,
Managing Director of Stadtwerke Heidelberg GmbH

Ulrich Koch, Herne,
Member of the Management Board of Stadtwerke Herne AG

Dr Jens Meier, Lübeck,
Managing Director of Stadtwerke Lübeck Holding GmbH, from 1 January 2020

Christian Meyer-Hammerström, Lilienthal,
Managing Director of Osterholzer Stadtwerke GmbH & Co. KG

Dr Branka Rogulic, Tuttlingen,
Managing Director of Stadtwerke Tuttlingen GmbH

Dr Leonhard Schitter, Salzburg,
Member of the Management Board of Salzburg AG für Energie, Verkehr
und Telekommunikation

Marco Westphal, Bonn,
Managing Director of Stadtwerke Bonn GmbH.

Trianel GmbH made no reimbursements for expenses in the 2020 financial year
(previous year: € 1 thousand).

6.5. Member of Management Board

As of the balance sheet date 31/12/2020, the Managing Directors of the company were Dipl.-Volkswirt Sven Becker, certified economist (Spokesman) and Dr Oliver Runte (Dipl.-Chemiker, certified chemist).

The total remuneration of the Managing Directors consists in each case of a fixed annual salary, a performance-based bonus as well as benefits in kind and other benefits. In the financial year, the Managing Directors received total remuneration of € 1,346 thousand, broken down as follows:

Name	Fixed salary ¹ T€	Bonus ² T€	Remuneration in kind and miscellaneous services ¹ T€	Total T€
Sven Becker	330	250	104	683
Dr Oliver Runte	300	300	63	663
Total	630	550	167	1,346

¹ performance-independent remuneration

² success-related remuneration 2020

6.6. Annual financial statements

The annual financial statements are published in the Electronic Federal Bulletin under number HRB 7729.

6.7. Appropriation of earnings

The Management Board will recommend the following resolution to the Shareholder Meeting: distributing the annual net income for 2020 in totalling € 4,719,419.37 to the participating interests entitled to dividends for the 2020 financial year proportionally based on the ratio of their nominal values on 02/07/2021.

Aachen, 23 April 2021

Trianel GmbH

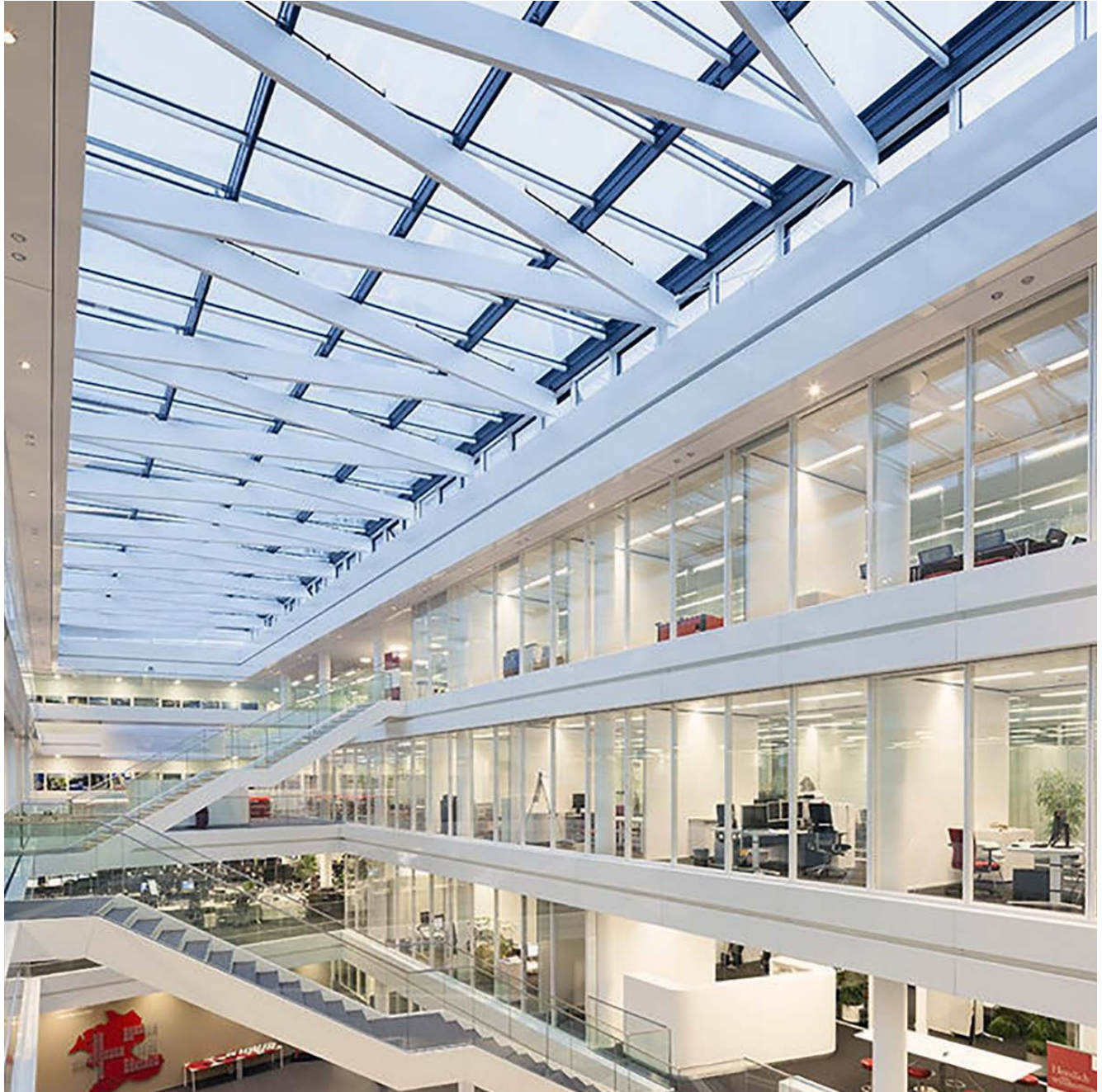


Sven Becker



Dr Oliver Runte

Management Board of Trianel GmbH



Development of fixed assets for the financial year from 1 January to 31 December 2020

	Acquisition and manufacturing costs					<u>31/12/ 2020</u>
	<u>1/1/ 2020</u>	<u>Additions</u>	<u>Write-ups</u>	<u>Cross entries</u>	<u>Divestitures</u>	
	€	€	€	€	€	€
Fixed assets						
I. Intangible assets						
1 Internally generated intangible assets	3,623,372.15	659,590.09	0.00	0.00	0.00	4,282,962.24
2 Purchased rights of use and similar rights	11,575,870.16	27,045.56	0.00	19,226.57	0.00	11,622,142.29
3 Down payments made	<u>102,052.43</u>	<u>53,213.25</u>	<u>0.00</u>	<u>-19,226.57</u>	<u>0.00</u>	<u>136,039.11</u>
	<u>15,301,294.74</u>	<u>739,848.90</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>16,041,143.64</u>
II. Tangible assets						
1 Real estate, rights equivalent to real estate and buildings including buildings on third-party real estate	19,996,832.42	2,118.90	0.00	0.00	0.00	19,998,951.32
2 Technical plant and machinery	117,926.24	0.00	0.00	0.00	-113,328.97	4,597.27
3 Furniture and fixtures	4,076,390.24	252,566.74	0.00	0.00	-83,178.26	4,245,778.72
4 Down payments made and assets under construction	<u>0.00</u>	<u>1,406.01</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,406.01</u>
	<u>24,191,148.90</u>	<u>256,091.65</u>	<u>0.00</u>	<u>0.00</u>	<u>-196,507.23</u>	<u>24,250,733.32</u>
III. Financial assets						
1 Shares in affiliated companies	8,779,204.57	6,704,826.00	0.00	0.00	0.00	15,484,030.57
2 Participating interests	30,906,145.55	1,171,166.64	0.00	0.00	-197,942.39	31,879,369.80
3 Loans to companies in which a participating interest exists	<u>51,061,887.85</u>	<u>2,407,122.86</u>	<u>67,997.72</u>	<u>0.00</u>	<u>-1,448,358.28</u>	<u>52,088,650.15</u>
	<u>90,747,237.97</u>	<u>10,283,115.50</u>	<u>67,997.72</u>	<u>0.00</u>	<u>-1,646,300.67</u>	<u>99,452,050.52</u>
	<u>130,239,681.61</u>	<u>11,279,056.05</u>	<u>67,997.72</u>	<u>0.00</u>	<u>-1,842,807.90</u>	<u>139,743,927.48</u>

	Depreciation			Book values		
	1/1/ 2020	Additions	Divestitures	31/12/ 2020	31/12/ 2020	31/12/ 2019
	€	€	€	€	€	€
Fixed assets						
I. Intangible assets						
1 Internally generated intangible assets	-1,479,101.20	-783,295.41	0.00	-2,262,396.61	2,020,565.63	2,144,270.95
2 Purchased rights of use and similar rights	-10,988,603.66	-433,538.13	0.00	-11,422,141.79	200,000.50	587,266.50
3 Down payments made	0.00	0.00	0.00	0.00	136,039.11	102,052.43
	<u>-12,467,704.86</u>	<u>-1,216,833.54</u>	<u>0.00</u>	<u>-13,684,538.4</u>	<u>2,356,605.24</u>	<u>2,833,589.88</u>
II. Tangible assets						
1 Real estate, rights equivalent to real estate and buildings including buildings on third-party real estate	-3,521,941.42	-623,063.90	0.00	-4,145,005.32	15,853,946.00	16,474,891.00
2 Technical plant and machinery	-68,341.24	-14,744.00	81,454.97	-1,630.27	2,967.00	49,585.00
3 Furniture and fixtures	-2,771,811.24	-461,191.74	57,992.26	-3,175,010.72	1,070,768.00	1,304,579.00
4 Down payments made and assets under construction	0.00	0.00	0.00	0.00	1,406.01	0.00
	<u>-6,362,093.90</u>	<u>-1,098,999.64</u>	<u>139,447.23</u>	<u>-7,321,646.31</u>	<u>16,929,087.01</u>	<u>17,829,055.00</u>
III. Financial assets						
1 Shares in affiliated companies	-384,030.57	0.00	0.00	-384,030.57	15,100,000.00	8,395,174.00
2 Participating interests	-3,893,127.90	-4,970,000.00	0.00	-8,863,127.90	23,016,241.90	27,013,017.65
3 Loans to companies in which a participating interest exists	0.00	-6,823,554.69	0.00	-6,823,554.69	45,265,095.46	51,061,887.85
	<u>-4,277,158.47</u>	<u>-11,793,554.69</u>	<u>0.00</u>	<u>-16,070,713.16</u>	<u>83,381,337.36</u>	<u>86,470,079.50</u>
	<u>-23,106,957.23</u>	<u>-14,109,387.87</u>	<u>139,447.23</u>	<u>-37,076,897.87</u>	<u>102,667,029.61</u>	<u>107,132,724.38</u>

Independent Auditor's Report

To Trianel GmbH

Audit opinions

We have audited the annual financial statements of Trianel GmbH – consisting of the balance sheet as of 31 December 2020 and the profit and loss statement for the financial year from 01 January 2020 to 31 December 2020, as well as the notes, including the description of the accounting and valuation principles. In addition, we audited the Management Report of Trianel GmbH, for the financial year from 01 January 2020 to 31 December 2020.

In our opinion, based on the information gained in the audit,

- the enclosed annual financial statements are in conformity with the German Commercial Code as applicable for incorporated companies in all material respects and, in compliance with the generally accepted accounting principles, they give a true and fair view of the net assets and financial situation of the company as of 31 December 2020 and of its results of operations for the financial year from 01 January 2020 to 31 December 2020, and
- the enclosed Management Report conveys an accurate representation of the company situation overall. In all material respects, this Management Report tallies with the annual financial statements, complies with the German statutory requirements and conveys an accurate representation of the opportunities and risks of future developments.

In conformance with Section 322 para. 3 sentence 1 of the German Commercial Code (HGB) we declare that our audit did not lead to any objections regarding the regularity of the annual financial statements and the Management Report.

Basis for the audit opinions

We conducted our audit of the annual financial statements and Management Report in accordance with Section 317 of the German Commercial Code (HGB) and observing the auditing principles generally accepted in Germany as stipulated by the German Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW). Our responsibilities in accordance with these requirements and principles are described further in the section “Auditor’s responsibility for the audit of the annual financial statements and the Management Report” of our Auditor’s Certificate. We are independent of the company in accordance with the German Commercial Code and professional law provisions and have fulfilled our other professional duties under German law in accordance with these requirements. In our view, the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and Management Report.

Responsibility of the legal representatives and Supervisory Board for the annual financial statements and Management Report

The legal representatives are responsible for preparing the annual financial statements which in all material respects are in conformity with the German Commercial Code as applicable for incorporated companies, and for the Management Report in compliance with the generally accepted accounting principles giving a true and fair view of the net assets, financial situation and results of operations of the company. Furthermore, the legal representatives are responsible for the internal controls which they have determined to be necessary in accordance with the German generally accepted accounting principles in order to enable the preparation of annual financial statements that are free from material misstatements, whether intentional or unintentional.

In the preparation of the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue as a going concern. Furthermore, they are responsible for disclosing relevant facts relating to the ability to continue as a going concern. In addition, they are responsible for preparing accounts based on the going concern accounting principle, unless actual or legal circumstances dictate otherwise.

Moreover, the legal representatives are responsible for preparing the Management Report that conveys an accurate representation of the situation of the company overall and tallies with the annual financial statements in all material respects, conforms to the German statutory requirements and conveys an accurate representation of the opportunities and risks of future developments. Furthermore, the legal representatives are responsible for the precautions and measures (systems) which they have considered necessary in order to enable the preparation of a Management Report in accordance with the applicable German statutory requirements and in order to be able to provide sufficient appropriate evidence for the statements in the Management Report.

The Supervisory Board is responsible for monitoring the company's accounting processes for preparing the annual financial statements and the Management Report.

Auditor's responsibility for auditing the annual financial statements and the Management Report

Our objective is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material misstatements, whether intentional or not, and whether the Management Report as a whole conveys an accurate representation of the situation of the company overall and in all material respects tallies with the annual financial statements as well as with the information gained in the audit, conforms to the German statutory requirements, and conveys an accurate

representation of the opportunities and risks of future developments, and also to issue an Auditor's Certificate that contains our audit opinions on the annual financial statements and Management Report.

Reasonable assurance is a high degree of certainty but not a guarantee that an audit conducted in accordance with Section 317 of the German Commercial Code and observing the auditing principles generally accepted in Germany as stipulated by the Institute of Public Auditors (IDW) will always discover a material misstatement. Misstatements may result from irregularities or errors and are regarded as material if it could reasonably be expected that individually or together, they would influence business decisions taken on the basis of these annual financial statements and this Management Report.

During the audit, we exercise due discretion and maintain professional scepticism. In addition,

- we identify and evaluate the risks of material misstatements, whether intentional or not, in the annual financial statements and Management Report, plan and perform audit procedures in response to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk that material misstatements will not be detected is greater in the case of violations than in the case of inaccuracies, as violations may involve fraudulent interaction, falsification, intentional incompleteness, misrepresentation or the abrogation of internal controls.
- we gain an understanding of the internal control system relevant to the audit of the annual financial statements and the precautions and measures relevant to the audit of the Management Report to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems at the company.
- we evaluate the appropriateness of accounting methods used by the legal representatives and the reasonableness of the estimated values presented and related disclosures made by the legal representatives.
- we draw conclusions about the appropriateness of the going concern accounting principle applied by the legal representatives and, on the basis of the audit evidence obtained, whether there is a material uncertainty in connection with events or circumstances that could cast significant doubt on the company's ability to continue as a going concern. If we conclude that there is a material uncertainty, we are required to draw attention in our Auditor's Certificate 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 opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Certificate. However, future events or circumstances may result in the company no longer being able to continue as a going concern.

- we assess the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in such a way that the annual financial statements in compliance with the generally accepted accounting principles give a true and fair view of the net assets, financial situation and results of operations of the company.
- we assess the consistency of the Management Report with the annual financial statements, its legal conformity and the representation conveyed by it of the situation of the company.
- we perform audit procedures on the forward-looking statements made by the legal representatives in the Management Report. On the basis of sufficient and appropriate audit evidence, we particularly verify the significant assumptions underlying the forward-looking statements made by the legal representatives and assess the proper derivation of the forward-looking statements from these assumptions. We do not express an independent opinion on the forward-looking statements or the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

We communicate with those responsible for monitoring the audit regarding, among other matters, the planned scope and timing of the audit and significant findings of the audit, including any deficiencies in the internal control system that we identify during our audit.

Duisburg, 23 April 2021

PKF Fasselt
Partnerschaft mbB
Auditing Tax Consulting
and Law Firm



Jahn

Hesse

Certified Public Accountant Certified Public Accountant

(The above Auditor's Certificate refers to the annual financial statements as of 31 December 2020 (balance sheet total EUR 390,790,304.48; annual net income EUR 4,719,419.37) and the Management Report of Trianel GmbH, Aachen for the financial year.)



Consolidated Financial Statements of Trianel GmbH for the financial year 2020

86	Consolidated Balance Sheet
88	Consolidated profit and loss statement

Consolidated Balance Sheet as of 31 December 2020

Assets Side	31/12/2020 €	31/12/2019 €
A. Fixed assets		
I. Intangible assets		
1 Internally generated industrial property rights and similar rights and values	2,020,565.63	2,144,270.95
2 Purchased licenses, industrial property rights and similar rights and values as well as licences to such rights and values	200,000.50	587,266.50
3 Down payments made	136,039.11	102,052.43
	<u>2,356,605.24</u>	<u>2,833,589.88</u>
II. Tangible assets		
1 Real estate, rights equivalent to real estate and buildings including buildings on third-party real estate	15,853,946.00	16,474,891.00
2 Technical plant and machinery	2,967.00	49,585.00
3 Other assets, furniture and fixtures	1,070,768.00	1,304,579.00
4 Down payments made and assets under construction	169,856.31	0.00
	<u>17,097,537.31</u>	<u>17,829,055.00</u>
III. Financial assets		
1 Participating interests	23,017,241.90	27,014,017.65
2 Loans to companies in which a participating interest exists	47,995,604.51	52,992,917.30
	<u>71,012,846.41</u>	<u>80,006,934.95</u>
	90,466,988.96	100,669,579.83
B. Current assets		
I. Inventories		
1 Work in progress	3,551,784.00	2,636,225.29
2 Merchandise	7,060,484.74	9,917,169.47
3 Down payments made	211,473.80	0.00
	<u>10,823,742.54</u>	<u>12,553,394.76</u>
II. Accounts receivable and other assets		
1 Trade receivables	115,380,637.83	143,275,853.26
2 Accounts receivable from shareholders	20,674,914.72	27,693,304.89
3 Accounts receivable from affiliated companies	1,822,030.97	817,583.80
4 Accounts receivable from companies in which a participating interest exists	57,369,363.15	35,807,224.57
5 Other assets	50,184,701.53	44,282,865.96
	<u>245,431,648.20</u>	<u>251,876,832.48</u>
III. Securities	37,500.00	20,000.00
IV. Cash in hand and cash at credit institution	46,906,281.19	29,058,759.95
	<u>303,199,171.93</u>	<u>293,508,987.19</u>
C. Accruals and deferrals	<u>706,138.93</u>	<u>1,708,168.20</u>
	<u>394,372,299.82</u>	<u>395,886,735.22</u>

Liabilities Side

A. Equity

	31/12/2020 €	31/12/2019 €
I. Capital stock	20,152,575.00	20,152,575.00
Nominal amount of own shares	<u>-237,400.00</u>	<u>-237,400.00</u>
	19,915,175.00	19,915,175.00
II. Capital reserves	26,129,469.24	26,129,469.24
III. Earnings reserves		
1 Reserve for shares	237,399.00	237,399.00
2 Other earnings reserves	<u>43,367,952.35</u>	<u>41,975,861.95</u>
	43,605,351.35	42,213,260.95
IV. Loss carried forward	-171,059.31	-741,606.14
V. Group annual net income	<u>7,713,338.76</u>	<u>6,024,118.47</u>
	97,192,275.04	93,540,417.52

B. Difference from capital consolidation

	3,099.29	3,099.29
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C. Provisions

1 Provisions for taxes	6,984,472.37	745,232.03
2 Other provisions	<u>64,537,890.68</u>	<u>51,843,926.46</u>
	71,522,363.05	52,589,158.49

D. Liabilities

1 Amounts due to credit institutions	51,805,033.78	40,584,613.56
2 Trade accounts payable	97,009,896.87	139,639,587.78
3 Accounts payable to shareholders	10,144,972.62	10,382,662.01
4 Accounts payable to affiliated companies	276,718.72	11,876.69
5 Accounts payable to companies in which a participating interest exists	41,337,317.37	20,748,623.72
6 Other accounts payable	25,080,623.08	38,317,693.91
– of which from taxes € 570,460.30 (previous year: € 493,263.72)		
– of which for social security € 159,356.95 (previous year: € 156,443.58)		
	<u>225,654,562.44</u>	<u>249,685,057.67</u>

E. Accruals and deferrals

	<u>0.00</u>	<u>69,002.25</u>
	<u>394,372,299.82</u>	<u>395,886,735.22</u>

Consolidated profit and loss statement for the financial year from 1 January 2020 to 31 December 2020

	2020 €	2019 €
1 Sales proceeds	3,198,394,962.38	2,330,480,127.29
2 Increase in the stock of finished and semi-finished products	915,558.71	2,280,192.11
3 Other internally produced and capitalised assets	65,533.46	36,427.46
4 Other operating income Of which from currency conversion: € 360,215.51, prev. year € 125,286.73	2,843,570.55	2,764,979.38
5 Cost of materials Expenditures associated with raw materials and supplies and for purchased goods and services	3,124,254,186.98	2,278,322,984.34
6 Personnel expenditures a) Wages and salaries b) Social contributions and expenditure on pension provision and support Of which from pension provision: € 300,245.14; previous year € 295,907.35	31,097,341.96 3,988,062.06 35,085,404.02	27,796,536.43 3,725,340.82 31,521,877.25
7 Depreciation on intangible assets and fixed assets	2,315,833.18	2,257,185.23
8 Other operating expenditure Of which from currency conversion: € 439,464.58, previous year € 76,059.36	15,246,850.06	14,578,207.43
9 Revenue from participating interests	273,143.74	193,921.82
10 Revenue from loans of financial assets	4,228,642.61	4,090,113.84
11 Other interest and similar income Of which from discounting: € 329,852.03; previous year € 353,476.32	468,399.70	617,797.90
12 Depreciation on financial assets and securities held as financial assets	11,874,351.28	4,145,762.81
13 Interest and similar expenditure Of which from compounding: € 1,981,537.28; previous year € 782,240.84	4,440,602.60 -11,344,767.83	2,819,533.19 -2,063,462.44
14 Profit from deconsolidation	0.00	24,302.42
15 Tax on income	6,210,364.98	809,132.41
16 Earnings after tax	7,762,218.05	6,033,179.56
17 Other taxes	48,879.29	9,061.09
18 Group annual net income	7,713,338.76	6,024,118.47



Trianel GmbH Sustainability Report

for the year from 1 Januar 2020 to 31 December 2020

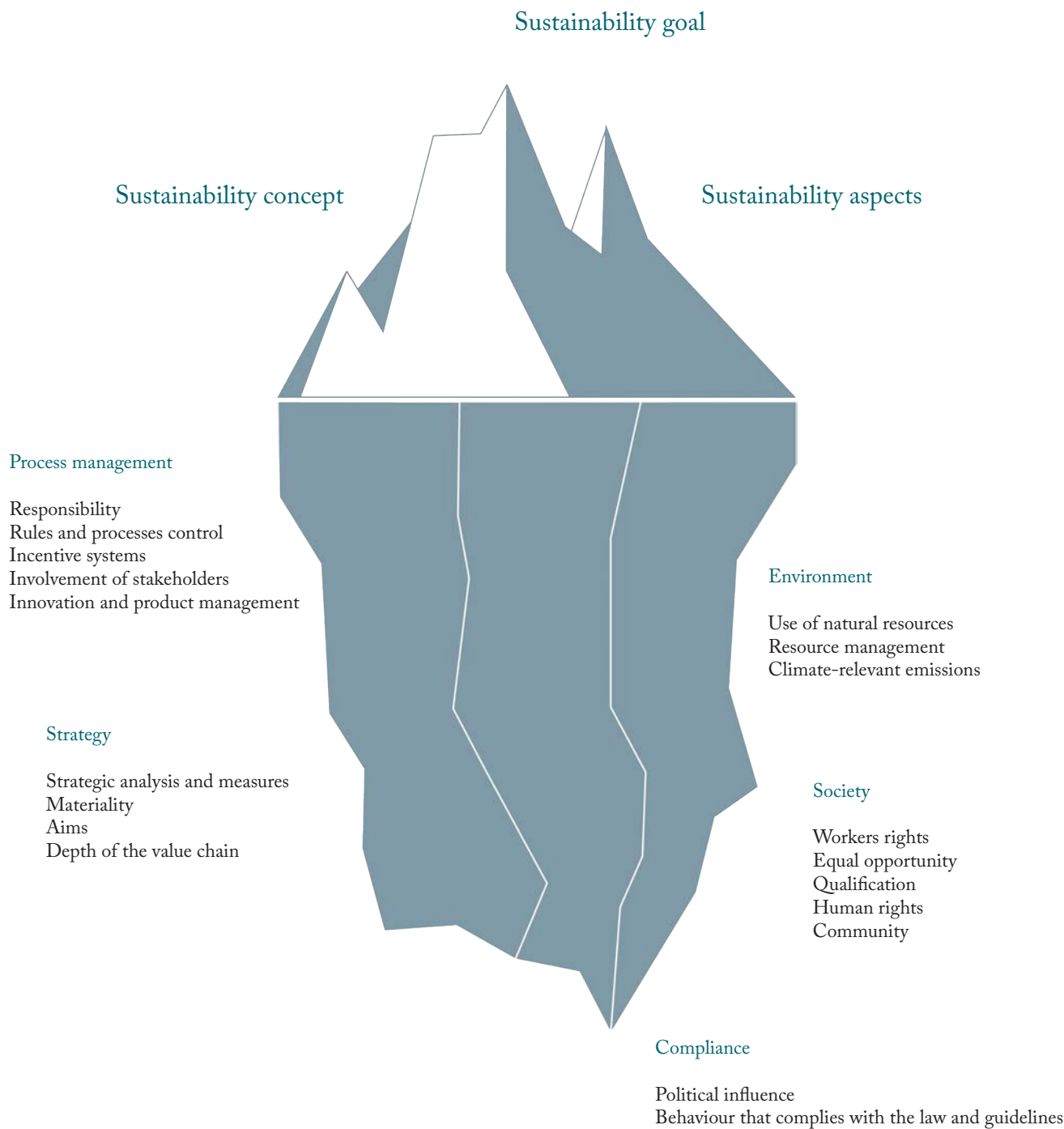


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1 General: Municipal Utilities Cooperation Trianel

Our guiding principle is ‘Working towards our common vision’

Trianel, a cooperation of municipal utilities stands for independence and new approaches. Trianel GmbH (abbreviated to Trianel below) was established by municipal utilities in 1999 with the aim of pooling the interests of municipal utilities and regional energy suppliers and boosting their independence and competitiveness on the energy market.

The concept has found followers among over 100 shareholders and partners in the public utilities sector. All together, the Trianel shareholders supply energy to more than six million people in Germany, the Netherlands, Austria and Switzerland.

Together with the municipal utilities, Trianel has systematically built new business fields with and for municipal utilities in the last 21 years: initially in electricity and gas trading and procurement, followed by joint project development of a gas storage facility and conventional and renewable power generation plants.

Trianel regards itself as a think-tank for municipal utilities:

- With its trend scouting approach, Trianel systematically identifies and analyses market trends with the shareholders. Trianel’s Digital Lab studies digital solutions for municipal utilities and implements pilot projects.
- FlexStore monitors technical innovations that enhance the flexibility of generation and consumption, helping to integrate the growing supply of energy from renewable sources into the market.

In the same way that the significance of the energy transition and climate protection led to its joint efforts to build modern and efficient power plants and expand renewables, Trianel also sees significant synergies and economies of scale for municipal utilities in the digitalisation of energy industry processes. Trianel is contributing to advances towards climate neutrality by growing and managing renewable energy sources, through short-term management of portfolios and generation facilities, as well as services that build towards a climate-neutral city.

As a horizontal cooperation of municipal utilities, our 57 shareholders are more than just holders of stocks in Trianel. They are a strong community of municipal companies with the common goal of building a modern and independent energy industry using entrepreneurial means.

The annual report contains an overview of the Trianel GmbH’s 57 shareholders.

Overview of the 57 shareholders of Trianel GmbH

Stadtwerke Bochum Holding GmbH	Bochum	14.07 %
Stadtwerke Aachen AG (STAWAG)	Aachen	11.97 %
RhönEnergie Fulda GmbH	Fulda	7.44 %
Stadtwerke Herne AG	Herne	6.86 %
Stadtwerke Bonn GmbH	Bonn	5.81 %
Stadtwerke Lübeck Holding GmbH	Lübeck	5.12 %
SWU Energie GmbH	Ulm	4.78 %
Stadtwerke Witten GmbH	Witten	3.75 %
Stadtwerke Energie Jena-Pößneck GmbH	Jena	2.99 %
NEW Niederrhein Energie und Wasser GmbH	Mönchengladbach	2.87 %
N.V. HVC	Alkmaar, Niederlande	2.48 %
enwor – energie und wasser vor Ort GmbH	Herzogenrath	2.21 %
Salzburg AG für Energie, Verkehr und Telekommunikation	Salzburg, Österreich	1.76 %
Allgäuer Überlandwerk GmbH	Kempten im Allgäu	1.74 %
Stadtwerke Halle GmbH	Halle an der Saale	1.57 %
SWT Stadtwerke Trier Versorgungs- GmbH	Trier	1.49 %
Stadtwerke Heidelberg GmbH	Heidelberg	1.24 %
Nvb Nordhorner Versorgungsbetriebe GmbH	Nordhorn	1.19 %
Trianel GmbH	Aachen	1.18 %
Stadtwerke Hamm GmbH	Hamm	1.12 %
Stadtwerke Solingen GmbH	Solingen	0.99 %
Stadtwerke Lindau GmbH & Co. KG	Lindau (Bodensee)	0.97 %
GSW Gemeinschaftsstadtwerke GmbH Kamen Bönen Bergkamen	Kamen	0.83 %
Stadtwerke Aalen GmbH	Aalen	0.74 %
Stadtwerke Borken/Westf. GmbH	Borken	0.74 %
Stadtwerke Lünen GmbH	Lünen	0.66 %
Energie- und Wasserversorgung Rheine GmbH	Rheine	0.57 %
Hertener Energiehandelsgesellschaft mbH	Herten	0.54 %
Stadtwerke Fröndenberg GmbH	Fröndenberg	0.53 %
BeSte Stadtwerke GmbH	Steinheim	0.50 %
ENNI Energie & Umwelt Niederrhein GmbH	Moers	0.50 %
Gemeindewerke Steinhagen GmbH	Steinhagen	0.50 %
GWS Stadtwerke Hameln GmbH	Hameln	0.50 %
Osterholzer Stadtwerke GmbH & Co. KG	Osterholz-Scharmbeck	0.50 %
Schleswiger Stadtwerke GmbH	Schleswig	0.50 %
Stadtwerke Bad Salzuflen GmbH	Bad Salzuflen	0.50 %
Stadtwerke Dachau	Dachau	0.50 %
Stadtwerke Elmshorn	Elmshorn	0.50 %
Stadtwerke Gronau GmbH	Gronau	0.50 %
Stadtwerke Mosbach GmbH	Mosbach	0.50 %
Stadtwerke Rüsselsheim GmbH	Rüsselsheim	0.50 %
Stadtwerke Sindelfingen GmbH	Sindelfingen	0.50 %
Stadtwerke Tuttlingen	Tuttlingen	0.50 %
Stadtwerke Wedel Beteiligungs GmbH	Wedel	0.50 %
T.W.O. Technische Werke Osning GmbH	Halle in Westfalen	0.50 %
Stadtwerke Bad Pyrmont Beteiligungs und Bäder GmbH	Bad Pyrmont	0.37 %
Stadtwerke Uelzen GmbH	Uelzen	0.37 %
Stadtwerke Detmold GmbH	Detmold	0.36 %
Stadtwerke Unna GmbH	Unna	0.33 %
Stadtwerke EVB Huntetal GmbH	Diepholz	0.30 %
Regio Energie Solothurn	Solothurn, Schweiz	0.30 %
Stadtwerke Soest GmbH	Soest	0.29 %
Stadtwerke Schwäbisch Hall GmbH	Schwäbisch Hall	0.26 %
Stadtwerke Georgsmarienhütte GmbH	Georgsmarienhütte	0.25 %
Stadtwerke Herford GmbH	Herford	0.25 %
Stadtwerke Lengerich GmbH	Lengerich	0.25 %
Stadtwerke Verden GmbH	Verden	0.25 %
Teutoburger Energie Netzwerk e.G.	Hagen am Teutoburger Wald	0.25 %

Status: 31/12/2020

On the reporting date of 31 December 2020, Trianel GmbH had direct shares in 14 subsidiaries and participating interests, as shown in the following overview.

Participating interests of Trianel GmbH

Trianel Gaskraftwerk Hamm GmbH & Co. KG	6.12 %	Trianel Gaskraftwerk Hamm Verwaltungs GmbH	100 %
Trianel Gasspeicher Epe GmbH & Co. KG	7.60 %	Trianel Gasspeicher Epe Verwaltungs GmbH	100 %
Trianel Kohlekraftwerk Lünen GmbH & Co. KG	6.34 %	Trianel Kohlekraftwerk Lünen Verwaltungs GmbH	100 %
Trianel Windkraftwerk Borkum GmbH & Co. KG	2.69 %	Trianel Windkraftwerk Borkum Verwaltungs GmbH	100 %
Trianel Onshore Windkraftwerke GmbH & Co. KG	5.35 %		
Trianel Erneuerbare Energien GmbH & Co. KG	5.00 %		
Trianel Windkraftwerk Borkum II GmbH & Co. KG	2.00 %		
Trianel Energieprojekte GmbH & Co. KG	100 %		
Trianel Wind und Solar GmbH & Co. KG	2.02 %		
Trianel Energie B.V.	100 %		

Status: 31/12/2020

We help our shareholders and customers fulfil their supply responsibilities by procuring electricity and gas jointly, offering joint access to the electricity and gas markets and joint power generation, gas storage and planning of generation facilities. In addition to this, we create synergies via digital processes and joint development of business models.

Together with municipal utilities, we have invested over € 5 billion in municipal generation, focusing exclusively on renewable energy sources since 2010, with investments of almost € 3 billion. By further expanding renewable energy sources, for example in the most recent founding of Trianel Wind & Solar GmbH & Co. KG, we are going to continue our renewables growth path in the years to come. In addition to this, we want to further reduce Trianel's CO₂ footprint with additional efficiency measures at the Trianel administration building and the small external sites. With our energy efficiency services and our new services helping municipal utilities progress towards climate-neutral cities, we support our customers and shareholders, to help them continue to reduce their CO₂ footprint with their customers.

Trianel backs the energy transition and the decarbonisation required to reach the climate targets. Trianel and its roughly 300 employees see the challenges of a dynamic market as an opportunity. They see themselves as designers of a new energy world to meet the requirements of the 21st century.

German Sustainability Code [DNK] Criteria 1–10

2 Our Sustainability Concept

2.1 Strategy

DNK Criterion 1 2.1.1 Strategic analysis and measures

Climate protection, transparency and fairness to our partners, responsible management and the well-being of our employees have guided Trianel’s actions from the outset. We aim to consolidate these values by developing a sustainability strategy, and make our commitment more quantifiable and comprehensible.

We view our sustainability strategy as an ongoing and holistic management process to continuously improve our organisation, our products and the capabilities of our employees. We believe that sustainability complements and drives strategic development at Trianel and its affiliated stakeholders.

Trianel endorses the United Nations’ Agenda 2030 of 2015 and its 17 global Sustainable Development Goals (SDGs). As an energy company, we consider it our responsibility to make the most of our capacity to act sustainably, especially in terms of climate protection and environmental action. In terms of human rights and social affairs, we believe it is our duty to hone our awareness and do what we can as an organisation in a societal context. We back the German Federal Government’s sustainability strategy and willingly accept the requirements and recommendations of the German Council for Sustainable Development. Accordingly, we apply the criteria of the German Sustainability Code (DNK) to our Sustainability Report. As a result, we also base the development of our sustainability strategy on the guidelines for social responsibility laid out in standard DIN ISO 26000.

As a company in the energy sector, we support the European Green Deal initiative and want to contribute to making the continent climate neutral by 2050. The national stipulations to reach the climate targets are an opportunity for us to develop as an energy company and achieve the threefold goals for the energy industry: profitability, supply security and environmental compatibility. We are monitoring upcoming legislative amendments associated with the Green Deal and their impacts on our business activities just as attentively as the national changes.

Decarbonisation of our energy system, new regulations and changing work processes, as well as new needs present our customers and employees with new challenges. Conventional electricity generation is becoming less important and generating less revenue. At the same time, the expansion, marketing and management of renewable energy sources, as well as flexibility options in trading and optimisation of generation systems result in new opportunities. Digitalisation creates new opportunities by allowing us to systematically tap synergies in trading, procurement and sales.

We can also see ways to actively support municipal utilities in providing public services digitally and without adversely impacting the climate.

We want to serve as a compass for a future-proof energy supply for municipal utilities, and make this change an economic success, doing so with ecological and social responsibility.

2.1.2 Materiality

DNK Criterion 2

Key areas of our sustainability strategy are profitability, climate protection and climate neutrality, as well as the responsibility to our employees, which we fulfil through sustainable personnel management. Furthermore, we want to help our customers and shareholders progress towards decarbonisation with our services and products. As good neighbours, we also want to do what we can to support our home town of Aachen, taking social responsibility for public welfare.

With regard to the UN's 17 Sustainable Development Goals, Trianel's initial analysis identified ten goals we can influence, either directly or indirectly, as a company. The main goals for us are:



Health and well-being of our employees, which we promote with active health management, compliance with and monitoring of health and safety regulations. Of course, the health and well-being of citizens who live near our generation and storage facilities are also close to our heart. Accordingly, compliance with all environmental and safety standards is a major priority for us, and we have taken comprehensive precautions.



We believe in **quality education** as a precondition for innovation and technical and societal advancements. That is why we support further education for our employees and work with universities and colleges.



Gender equality is part of our personnel policy and also guides our personnel planning.



Affordable and clean energy is a key goal for us as a company in the energy sector. We are already contributing to this goal as a procurement company for municipal utilities. We also invest in renewable energy sources and flexibility options to increase the share of renewable energy sources and maintain supply security in an increasingly decarbonised energy system.



Industry, innovation and infrastructure are major drivers for us to advance sector coupling towards a climate-neutral future. With our shareholders, we want to use the opportunities offered by the hydrogen industry and see further potential for innovation, especially in the digital infrastructures segment.



We believe that [sustainable cities](#) are the key to making the climate transition a success. As local providers of energy and infrastructure services, municipal utilities can make a valuable contribution. We want to support municipal utilities in doing so. We are already developing services today to support cities and municipalities on their way to CO₂ neutrality together with the municipal utilities.



[Climate protection measures](#) are a key aspect of the company's development. We invest in renewable energy sources and seek to compensate any CO₂ emissions that cannot be avoided based on our climate assessment. Further efforts to bring about energy efficiency are a key element of our climate change mitigation measures.



As holders of shares in the Trianel wind farms Borkum I and II in the North Sea, [life below water](#) is of particular interest to us. Construction of the Trianel wind farm Borkum I saw the first sound insulation system installed as standard to protect marine mammals during ramming work. In conjunction with this, Trianel wind farm Borkum is involved in evaluations of sound data being carried out throughout the North Sea to protect harbour porpoises. Alongside other companies operating offshore wind farms, Trianel is supporting research into the effects of offshore wind farms on loons. Studies of the fish and benthos stocks are conducted regularly in our own wind farm area. Due to the complex interactions in the maritime space, Trianel cooperates with other wind farm operators and scientific experts.



[Life on land](#) is particularly relevant to us as holders of interests in conventional and renewable power stations, and as project developers. We always ensure compliance with all biodiversity conservation and immission control legislation when building and operating plants. Our state-of-the-art conventional plants significantly undercut mandatory legal limits and meet the strictest safety standards. In project development, we also ensure compliance with environmental standards above and beyond the legally mandated levels, and aim to further expand our commitment.



As a municipal utilities cooperation, entering into [partnerships to reach goals](#) is part of Trianel's corporate DNA: we are convinced that you can only achieve great things together. That is true for us as a company and also for our many projects implemented jointly with municipal utilities. Partnerships outside our business purpose are also a key part of our strategy to better live up to our social responsibility.

2.1.3 Objectives

DNK Criterion 3

We decided to document and monitor our commitment and understanding of sustainability in a voluntary Sustainability Report from 2019 on in order to honour our employees' impressive commitment to climate protection, technological change and sustainable and social management. A company is always the sum of its employees, who develop and shape it.

Trianel takes responsibility

- for protection of our climate and our environment
- for supply security in an increasingly decarbonised energy world
- for the development and protection of its employees
- for credibility vis-à-vis its stakeholders
- and not least for the stabilisation of its business success as a basis for sustainable development.

Based on this responsibility, Trianel is developing a sustainability strategy that defines specific goals. These goals are based on the UN's sustainable development goals and our capabilities. In the medium term, constant development of our strategy will result in quantifiable targets. However, they cannot be defined until our analysis has been concluded.

We are focusing on reducing our carbon footprint with energy efficiency and, in the medium term, compensation. Our long-term corporate goal is climate neutrality. As part of our work towards this objective, we produced our first climate assessment in 2020 to analyse our immissions and our environmental consumption. We are going to build our goals around this basis.

However, our primary goal as a company is not only to meet our responsibilities in protecting the climate and environment; we also strive to support our customers with our services and products as they move towards climate neutrality.

Other targets for us include developing our HR management and expanding our social responsibility programme. We will develop a target from our evaluation of the key figures.

The Management Board and the Sustainability Officers are responsible for developing the sustainability targets.

DNK Criterion 4 2.1.4 Depth of the Value Chain

Trianel's core business is trade in electricity and gas for municipal utilities and services to optimise procurement and generation by municipal utilities.

We also develop renewable energy projects, giving us a presence in another section of the energy industry value chain. There is currently no analysis of the supply chains for construction of wind and solar projects. As plant operators, we are already meeting our responsibilities for dismantling and recycling.

Trianel is a service company exclusively and does not operate in the production sector. Accordingly, raw materials procurement and recycling of products are not of direct relevance to us. However, we are going to intensify our monitoring and analysis activities with regard to our value chains and fulfil our resulting responsibility.

2.2 Process Management

DNK Criterion 5 2.2.1 Responsibility

As the executive body, the Management Board oversees Trianel's operations, develops and implements the strategic orientation. The Management Board consists of two people: Sven Becker, Management Spokesman, and Dr Oliver Runte, Managing Director. The responsibilities of the two managing directors (distribution-of-business plan) are confirmed by the Shareholder Meeting. Both managing directors share responsibility for and oversee the sustainability portfolio. They are supported in this by the Sustainability Officer and Sustainability Ambassadors from all departments. The Sustainability Officer draws up the Sustainability Report and develops the Sustainability Strategy in cooperation with the divisions and Management Board. The Management Board reviews and approves the Sustainability Report.

The Shareholders' Meeting and the twelve-strong Supervisory Board are among Trianel's other corporate bodies.

The Management Board reports regularly and comprehensively to the Supervisory Board in accordance with legal and internal requirements on the business policy, profitability, business development, relevant transactions and risks. The rules of procedure for the Management Board govern the modalities of decision-making and other aspects of the cooperation.

The Supervisory Board of Trianel GmbH is not subject to the Co-Determination Act, it is a voluntary controlling body for the company that roots the company's cooperation concept in the decision-making structures. The diversity-related direc-

tives of the German Corporate Governance Codex (DCGK) were taken into consideration when determining the composition. The term of the Supervisory Board is five years. The Chairperson of the Supervisory Board and the other current members of the Supervisory Board are representatives of the shareholders.

2.2.2 Rules and Processes

DNK Criterion 6

Trianel views the development of the Sustainability Strategy as a continuous improvement process. As Trianel has already implemented many internal standards, rules and processes as part of Sustainability Management, Trianel focuses on and may develop other processes for the areas that are not covered yet or have to be adapted for sustainability reasons.

Both managing directors share responsibility for and oversee the sustainability portfolio. They are supported by the Sustainability Officer and Sustainability Ambassadors from all departments. The Sustainability Officer draws up the Sustainability Report and develops the sustainability strategy in cooperation with the divisions and Management Board.



Sustainability management is anchored in Trianel's organisation as shown below.

Trianel has already put in place many internal rules and processes with a direct impact on the topic, e.g. for compliance, employee health and safety (energy audit to DIN-EN 16247-1). The specialist departments in question will retain the existing processes and responsibilities. Development of sustainability management will entail implementing any additional standards and processes necessary with the responsible divisions and, where appropriate, with the Works Council.

DNK Criterion 7 2.2.3 Control

The present report refers to the 2020 business year from 1 January to 31 December, and is Trianel's second Sustainability Report. This report is a voluntary commitment on the part of Trianel, which is not legally obliged to submit a Sustainability Report.

In the years to come, the annual Sustainability Report will be developed with the Management Board and the internal Sustainability Ambassador Committee of as part of our sustainability management. We are using the German Sustainability Code and the international GRI standards it contains as a guideline. We have not yet identified all indicators that are relevant for Trianel and can be implemented for a small organisation. However, we have already decided to use a climate assessment as an initial indicator and we will also introduce other key figures in HR. We do not have any clear indicators yet, as we are still developing the status quo. We want to establish reliability and comparability by publishing the report annually and incorporating recognised indicators. In addition to this, we also base our actions on the guidelines for social responsibility laid out in standard DIN ISO 26000.

Our values

Through its technology transition to renewable energy sources, the increasing importance of digital processes and the regulatory framework, the energy industry is undergoing a fundamental transformation. These external change processes are necessary to enable our industry and us as a company to respond to the challenges of protecting the climate and environment. We are convinced that the energy industry and Trianel as a part of this industry are meeting their responsibility today and will continue to do so in the future.

The external changes in recent years have also changed the company. Accordingly, we implemented a comprehensive vision finding process with the employees in 2020 to analyse the company's value system and adapt it to the new requirements.

As part of the vision finding process, Trianel defined its mission and the values and standards for our working relationship.

Our mission

We are a compass guiding municipal utilities on the way to the energy world of tomorrow.

We stand for climate-friendly energy and point our partners in the right direction. We are the platform for innovations and we drive them forward with passion and foresight as a high-performance team.

Performance
Indicator
GRI SRS-102-16

Our vision

We add value.

- We understand our customers and markets, enabling us to develop future-proof solutions.
- We are shaping the digital energy transition and taking the opportunities offered to us.
- We pool our expertise in the Trianel network and share it with our customers.
- We take on new challenges all the time and get better every day.

We break new ground.

- We act boldly and responsibly in a dynamic environment.
- We think outside the box and are always learning.
- We invest in sustainability and factor resources into our decisions.
- We deal openly and constructively with mistakes and grow in this way.

We all practice and influence Trianel's culture.

- We treat each other with respect and as equal partners at all levels.
- We are reliable and keep our promises.
- We define goals together and give each other scope to take personal responsibility and achieve personal development.
- We promote open dialogue to make the best possible decisions.
- We practice a culture of diversity and respect individual needs.

We decided to document and monitor our commitment and understanding of sustainability in a voluntary Sustainability Report from 2019 on in order to honour our employees' great commitment to climate protection, technological change and sustainable and social management. A company is always the sum of its employees, who develop and shape it. Their curiosity for new topics, their commitment to climate protection and social cohesion, and their responsibility for the company shape Trianel.

Trianel takes responsibility

- for protection of our climate and our environment
- for the supply security in an increasingly decarbonised energy world
- for the development and protection of its employees
- for credibility vis-à-vis its stakeholders
- and not least for the stabilisation of our business success as a basis for sustainable development.

With our 2020 annual financial statements, we are submitting a voluntary report on our ecological and social footprint based on the German Sustainability Code and the international GRI standards it contains as a guideline. The Sustainability Report is intended as an initial stock take, and to form the basis for development of our Sustainability Strategy.

DNK Criterion 8 2.2.4 Incentive Schemes

Performance-dependent remuneration

Target agreement is a key management instrument for Trianel. Taking into account individual strengths and weaknesses, the managers agree challenging goals with the employees for every business year and thus promote motivation and employee development. Target agreements define the relevant priorities and responsibilities in the business year, creating clear expectations and a guiding framework.

Based on the agreed targets, constructive feedback and appropriate performance appraisal is ensured. Everyone receives individual targets tailored for their responsibilities and team, as well as a share of the corporate goals. Agreement of targets is mainstreamed at Trianel as the foundation for additional variable remuneration components.

Achievement of sustainability targets is not mainstreamed in the remuneration system. However, its inclusion is currently being discussed as part of Trianel's sustainability deliberations.

Collective agreements

All employees at Trianel are subject to collective agreements in the shape of company agreements developed with the Works Council. Trianel is not subject to collective wage agreements.

Company Pension Provision

Our company pension as a direct insurance policy with our partner, Swiss Life, has been an important cornerstone of our provision of financial security for our employees after retirement for many years. We conclude a direct insurance policy for every employee after completion of their probation period, and contribute € 600 per annum. This greatly exceeds the legal requirements. In addition, we also contribute, in line with the statutory requirements, to direct insurance policies taken out by employees themselves, with what is known as deferred compensation.

Performance
Indicator
GRI SRS-102-35

Remuneration Policy

Remuneration Policy for controlling body, managers and employees

The Members of the Supervisory Board, as Trianel's superior controlling body, take on this duty on a voluntary basis, and do not receive annual remuneration or attendance fees. Trianel reimburses appropriate expenses.

The total remuneration of the Managing Directors consists in each case of a fixed annual salary, a performance-based bonus as well as benefits in kind and other benefits. The management emoluments are published each year in Trianel GmbH's annual report.

Trianel's managers and employees are paid based on the various job descriptions and the capabilities of the holder of the position, and on the remuneration system developed by Trianel with the Works Council.

Performance-dependent remuneration

Target agreement is a key management instrument for Trianel. Taking into account the individual strengths and weaknesses, the managers agree goals with the employees for every business year and thus promote motivation and employee development. Target agreements define the relevant priorities and responsibilities in the business year, creating clear expectations and a guidance framework. Everyone receives individual targets tailored for their responsibilities and team.

Besides a bonus system for the individual targets, employees also indirectly participate in achievement of the corporate targets via the company bonus. In recent years, Trianel has always been able to pay the company bonus as a result of the positive business development.

Agreement of targets is also mainstreamed at Trianel as the foundation for additional variable remuneration components.

Retirement Benefits

Trianel does not provide any dedicated retirement benefits for managers. Trianel relies on the same direct insurance-based company pension provision for its entire workforce. We conclude a direct insurance policy for every employee after completion of their probation period, and contribute € 600 per annum. This greatly exceeds the legal requirements. In addition, we also contribute, in line with the statutory requirements, to direct insurance policies taken out by employees themselves, with what is known as deferred compensation. Our expenditures for company pension provision amount to roughly € 180,000 annually.

Performance Criteria for the remuneration policy in relation to the targets for the superior controlling body and management.

Trianel's remuneration policy is based on achievement of economic targets. There are no generally binding performance criteria for achievement of social or ecological indicators. However, performance criteria of this kind could form part of individual performance evaluation, if they are achievable for the employees as part of their work.

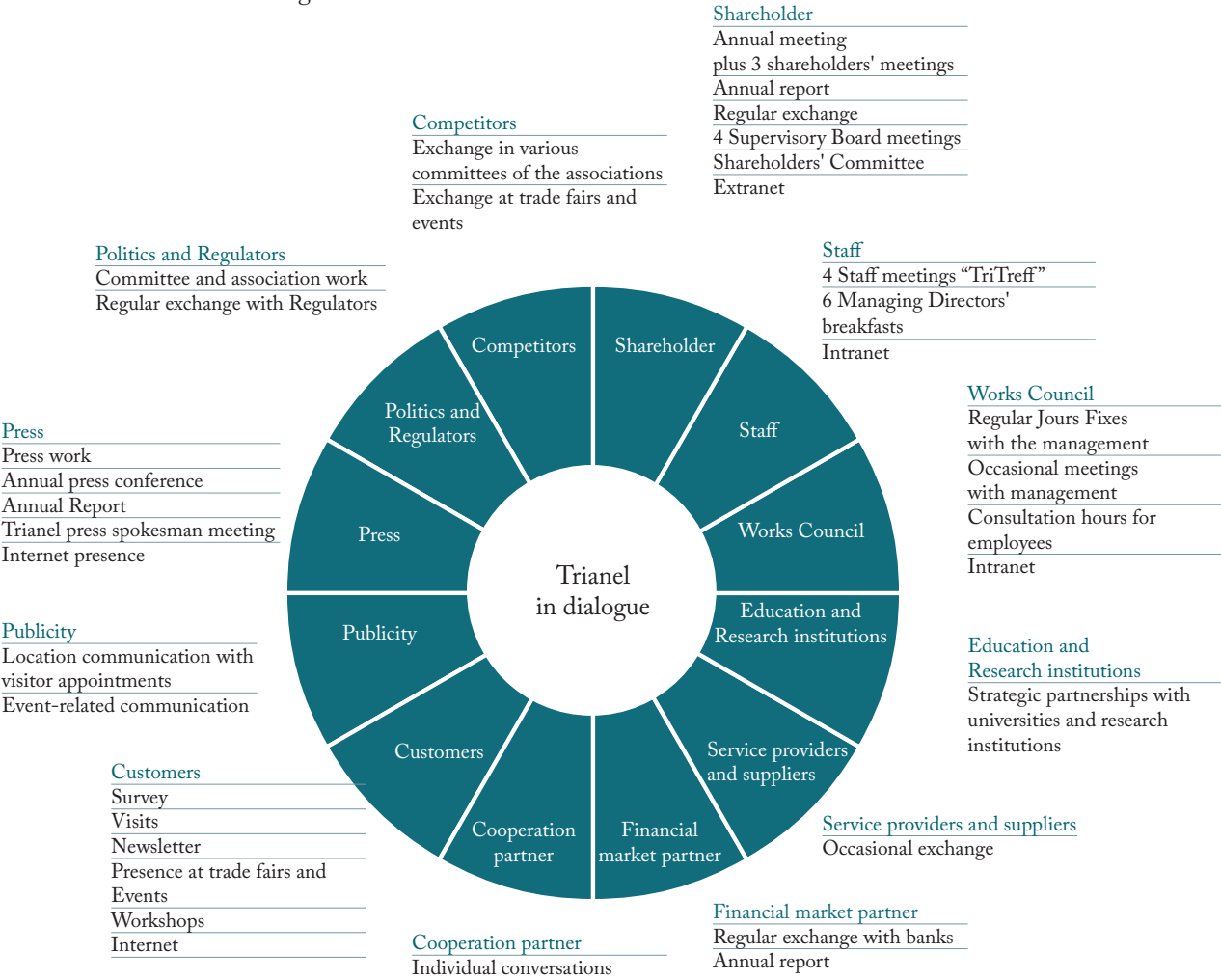
DNK Criterion 9 2.2.5 Stakeholder Engagement

Entirely in line with its cooperative concept, Trianel stands for an open and transparent dialogue with all stakeholder groups. We always attempt to live up to the requirements and expectations of our stakeholders. We rely on dialogue, to achieve more together, fairly and openly. This ambition raises the topic of sustainability for incorporation of the stakeholder groups, too.

Identifying stakeholders is the responsibility of Corporate Communications, and such stakeholders are always assessed together with the Management Board. As Trianel does not operate in the B2C sector, Trianel's communication does not target the broader public or end customers, focusing instead on municipal utilities, politicians, trade partners and financial market partners. In addition to this, we also maintain an open dialogue at the power plant locations and the administrative headquarters in Aachen, and throughout project development.

Trianel in dialogue

Constructive and continuous exchange with relevant internal and external stakeholders and corresponding forms of dialogue at Trianel GmbH:



Other topics and concerns

Performance
Indicator
GRI SRS-102-44

In 2020, the dominating topics were the challenges arising from the coal phase-out and the amendment to the German Renewable Energy Sources Act. In 2020, political representatives at national and state levels, as well as the BDEW and VKU associations, involved Trianel in the discussions as a company significantly affected by the coal phase-out. In addition to this, Trianel also faced up to a wide range of questions from the media, banks and financial market partners.

In its role as a project developer, Trianel sought to enter into dialogue with politicians in 2020 to discuss barriers to the expansion of renewable energy sources. In this area too, Trianel answered questions from the media.

When developing our renewables projects, we always reach out to the responsible local stakeholders (mayors, municipal committees) as well as the affected local residents to enable us to implement our projects in line with local interests.

DNK Criterion 10 2.2.6 Innovation and Product Management

Trianel Trend Scouting

One of the principal elements of innovation management at Trianel is the trend scouting processes we have established for our shareholders. Our trend scouts continuously monitor the market, the regulatory environment and new technologies and trends that could be relevant for municipal utilities. In this way, Trianel makes a key contribution for municipal utilities who could not provide market monitoring and analyses of this scope from their own resources. Trend scouting also offers a broad-based forum to discuss topical subjects with experts and analyse opportunities for own business. The results are presented regularly in workshops and discussed in-depth in the steering committee established for the purpose.

When highlighting market trends, the main criteria are achievement of climate protection targets and cost-effectiveness.

All Trianel employees are called upon to contribute good ideas to the trend scouting process. Suggestions can simply be sent to the trend scouts, who will review them and develop them with their colleagues where appropriate.

Trianel Digital Lab and Trianel FlexStore

The energy industry, and municipal utilities in particular, have a special responsibility for the essential restructuring of the energy supply on the path to CO₂ neutrality. Trianel sees itself as an engine and stakeholder in a dynamic energy system. Besides expanding renewable energy sources, we rely on digitalisation to

optimise our processes and the processes of our customers and shareholders. We view digitalisation as an instrument for more cost-effective business and implementation of the energy transition. The transition from a centralised energy system to a decentralised one with many small generators and controllable loads requires a high level of flexibility. We want to manage this flexibility intelligently with our customers, to identify and harness synergies in processes and workflows.

Trianel relies on shared knowledge building and transfer with its customers and shareholders to sustainably develop digitalisation and increase flexibility. In the Trianel Digital Lab, we analyse, trial and develop digital solutions for implementation of smart and CO₂-neutral cities. Using agile methods, we work with the municipal utilities to implement pilot projects to learn from these projects together. To this end, regular workshops are held to develop the projects together.

By founding the Trianel FlexStore, we have created an instrument to develop ways to increase the flexibility of the energy system technically and cost-effectively with the municipal utilities. Here, a pool of Trianel experts analyses flexibility options and regularly presents new findings to the participating municipal utilities. There are already specific project ideas, with a hydrogen project planned for Hamm. Other project ideas relate to battery storage facilities and intelligent trading options. The FlexStore was motivated by the desire to influence the technical and commercial topic of increasing flexibility as part of the energy transition.

Product Management

Trianel offers a wide variety of services for municipal utilities related to generation, procurement and trade in electricity and gas, in direct marketing of renewable energy sources, for balancing group management and in IT consulting. To continuously improve our services, we are in constant communication with our customers. We are happy to consider their ideas and suggestions to adapt our products to current customer needs. Our services are not subject to quality requirements per the DIN standard. We focus on the satisfaction of our customers and are continuously developing our services, including IT services, via the Trianel DESK.

Expansion of renewable energy sources

Trianel has been focusing on expanding renewables since 2008. In the Trianel wind farm Borkum, Trianel and several municipal utilities built the first municipal offshore wind farm roughly 40 km off the coast of the North Sea island of Borkum. 200 MW were installed in each of the first and second expansion phases. The second expansion phase was completed successfully in 2020. Trianel has also been driving expansion of renewable energy sources on land since 2013. Together with Trianel Onshore Windkraftwerke GmbH & Co. KG and Trianel Erneuerbare Energien GmbH & Co. KG, over 320 MW had been built by the end of 2020. We established a new company, Trianel Wind und Solar GmbH & Co. KG, in

2020 to continue this successful progress. Another roughly 300 MW is to be built together with the municipal utilities.

Project development is also part of Trianel's renewables engagement. We develop wind and solar projects throughout Germany with our subsidiary Trianel Energieprojekte GmbH & Co. KG.

Joint municipal power generation for more climate protection

By building the first exclusively municipal gas-fired power station in Hamm, Trianel made an early commitment to modern, exclusively municipal electricity generation. This power station, commissioned in 2007, was another signal of increased competition in the energy industry. Trianel has continued down this path with the municipal utilities and contributed to modernising the German power plant network with the Trianel coal-fired power station in Lünen. Together, 1,550 MW of highly flexible and efficient conventional power station capacity were built.

Since 2012, Trianel has been concentrating on expanding renewables and had built 800 MW of offshore wind, onshore wind and photovoltaics capacity by 2020.

German
Sustainability
Code [DNK]
Criteria 11–20

3 Our Sustainability Aspects

3.1 Environment

Our business model is based on responsible, economically and ecologically resource-friendly use of energy, and they are a strong focus for our business segments. We trade in electricity and gas, supplying municipal utilities and industrial customers with energy. We generate electricity from conventional and renewable energy sources, manage generation facilities and offer energy efficiency services. In addition to this, we are increasingly focusing on services to help our customers and shareholders move towards a climate-neutral future.

We serve municipal utilities with our energy efficiency services business segment, helping the municipal utilities provide their own energy efficiency services. We are going to expand this area in 2021, adding producing climate assessments and climate strategies for municipal utilities as a service.

Trianel also consumes energy itself to offer its services. We strive to manage our own energy consumption actively, to reduce both costs and our own CO₂ emissions. In the medium term, we also aim to compensate the CO₂ emissions that we cannot currently avoid.

Overview of the environmental indicators reported:

		2020
Performance Indicator	Energy consumption	
GRI SRS-302-1	Total consumption, of which	1,800,908 kWh
	Fuels	156,207 kWh
	Electricity consumption	908,080 kWh
	Electricity consumption, PV	48,621 kWh
	Heating energy consumption, district heating	677,000 kWh
	Heating energy consumption, geothermal energy	11,000 kWh
Performance Indicator	Water use	
GRI SRS-303-3	Total water use, of which	1.541 MI
	Drinking water, sourced from third parties	1.541 MI
Performance Indicator	Waste (GRI SRS306-2)	
GRI SRS-306-2	Total volume of waste, of which	130.1 t
	Paper, cardboard, waste paper	70.4 t
	Plastic waste	1.1 t
	Residual refuse	53.9 t
	Organic waste	3.6 t
	Electronic waste	1.1 t
	Total volume of waste, of which	55.8 t
	Preparation for recycling of paper, cardboard, waste paper	54.9 t
	Recycling of plastic waste	0.5 t
	Recycling of electronic waste	0.4 t
	Overall volume of waste forwarded for burning with energy recovery, of which	74.3 t
	Paper, cardboard, waste paper	15.5 t
	Plastic waste	0.6 t
	Residual refuse	53.9 t
	Organic waste	3.6 t
	Electronic waste	0.7 t
Performance Indicator	GHG Emissions Scope 1	
GRI SRS-305-1	Total volume	40.53 t
Performance Indicator	GHG Emissions Scope 2	
GRI SRS-305-2	Total volume	293.07 t
Performance Indicator	GHG Emissions Scope 3	
GRI SRS-305-2	Total volume	13,933,697.45 t

DNK Criterion 11 3.1.1 Use of Natural Resources

As a service company, Trianel does not have any production processes that directly use natural resources. When providing the employees in our administrative headquarters with the conditions they need to work, we prioritise energy efficiency and a responsible use of waste that occurs or water consumption.

Via its energy industry value chain, Trianel is indirectly involved in production processes of wind and PV plants through its project development activities, and uses land to build these plants. We are committed to complying with strictest environmental standards above and beyond the usual approval processes in these areas. We face up to this responsibility every day and are interested in exceeding environmental standards, rather than just fulfilling them, wherever possible. As part of our sustainability efforts, we will in future continue to look for new solutions to avoid interference with nature as far as possible, or compensate what cannot be avoided.

Our influence on the current electricity mix is limited due to our engagement in expanding renewable energy sources, in which we are investing very actively.

Our influence in fuel procurement for our long-term energy supply segments in Hamm and Lünen is minimal, as the cost-effectiveness of these plants is guaranteed by optimising procurement on the respective wholesale markets. Sustainability criteria are of course taken into consideration when procuring coal for Trianel's coal-fired power station in Lünen.

DNK Criterion 12 3.1.2 Resource Management

Our goal is to continuously reduce, avoid where possible, or compensate the negative effects of our business operations on the environment. We can only reduce our ecological footprint if we systematically document our environmental impact. To this end, we drew up Trianel's first climate assessment for the 2020 financial year. Due to the COVID-19 pandemic, it is unclear how meaningful the data collected in it for the first time is. However it remains a key step for us as we move towards climate neutrality.

To increase our resource efficiency, we not only want to gradually increase the efficiency of our business operations, we also want to focus on expanding renewables and develop new business models to foster climate protection.

In a first step, we aim to produce a climate assessment for 2020 and to formulate specific further reduction targets on the basis. Our long-term goal is to achieve climate neutrality and to help municipal utilities reach their climate targets with our services and products.

In 2019, we started using our roof surface to build a PV plant, to meet our own consumption from electricity generated in-house. Together with our shareholder STAWAG, we commissioned a PV plant on the roof of the Trianel premises in 2020. With a peak capacity of roughly 100 kW and 840 hours of sunshine on average, the solar roof will produce roughly 84,000 kWh of environmentally friendly electricity every year in future. 100 percent of this will be used for internal supply, covering roughly 7 percent of the building's total energy consumption.

In 2020, we also decided to transition to green electricity for Trianel's administration in Aachen. From 2021 on, we will source green electricity only from our shareholder STAWAG. According to preliminary findings, that will reduce the CO₂ emissions of our premises by more than half.

Besides the specific measures to optimise our direct business operations, Trianel also continues to invest in expanding renewable energy sources. To achieve this, another company, Trianel Wind und Solar GmbH & Co. KG, was founded in 2020 to advance municipal expansion of renewable energy sources with municipal utilities.

Trianel has been focusing on expanding renewables since 2008. In the Trianel wind farm Borkum, Trianel and several municipal utilities built the first municipal off-shore wind farm roughly 40 km off the coast of the North Sea island of Borkum. 200 MW were installed in the first expansion phase. The second expansion phase, with a further 200 MW, was commissioned in 2020. Trianel has also been driving expansion of renewable energy sources on land since 2013. Together with Trianel Onshore Windkraftwerke GmbH & Co. KG and Trianel Erneuerbare Energien GmbH & Co. KG, over 400 MW had been built by the end of 2020.

At the end of 2019, a decision was made to focus even more intensely on sustainability at Trianel and to develop an appropriate strategy. The first Sustainability Report was used to clarify the status quo, to identify approaches for further development. One of the initial findings was that the company lacked a comprehensive climate assessment. We produced one for 2020, allowing us to identify reliable figures for our future development.

In 2021, we are focusing on mobility. In 2020, we resolved to equip the Trianel building with two charging stations. By doing so, we want to incentivise the gradual transition of Trianel's small fleet of company cars to electric vehicles. Other measures will follow.

Our climate assessment considers resource and ecosystem risks arising from our business operations. As a service provider, we have no plans to further analyse our ecosystems.

Materials used

Performance

Indicator

GRI SRS-301-1

Trianel does not manufacture products by processing materials. Our employees provide our services personally, without requiring any packaging. The materials used to send information in print form are minimal.

Energy Consumption

Performance

Indicator

GRI SRS-301-1

In 2020, Trianel's energy consumption totalled 1,800,908 kWh. All energy was consumed at Trianel's administrative headquarters with its fleet. Energy sources used include diesel, petrol, electricity from the grid and our PV plant, district heating and geothermal energy. Renewable energy sources account for 3.31 percent of the total energy consumption,

with electricity consumption making up a majority of that. 80 percent of energy consumption is attributable to the technical building equipment, with roughly equal shares used for heating technology/hot water, ventilation technology, cooling/air conditioning technology and lighting. The remaining 20 percent is attributed to the operational workflows (IT equipment, canteen, office equipment).

Heating energy is consumed for use of district heating and geothermal energy for room heating. The fuel is consumed by the 28 passenger cars in the company fleet.

Energy Consumption

2020

Performance

Indicator

GRI SRS-301-1

Total consumption, of which	1,800,908 kWh
Fuels	156,207 kWh
Electricity consumption	908,080 kWh
Electricity consumption, PV	48,621 kWh
Heating energy consumption, district heating	677,000 kWh
Heating energy consumption, geothermal energy	11,000 kWh

Information on the standards, data sources and emission factors:

The data is prepared and analysed based on a dedicated calculation tool. The energy consumptions are calculated in accordance with the principles of DIN EN 16247-1.

Source and values of the conversion factors used

Energy Source	Conversion Factor	Unit	Quelle
Petrol	9.02	kWh/l	BAFA: Leaflet on calculating overall energy consumption
Diesel	9.96	kWh/l	BAFA: Leaflet on calculating overall energy consumption

Performance
Indicator

GRI SRS-303-3

Water Use

Water is used in the kitchenettes and canteen to meet water needs, for drinking water taps and hot drink vending machines. Water is also used for general cleaning work and to water green spaces.

Water Use (GRI SRS3033)	2020
Total water use, of which	1.541 Ml
Drinking water, sourced from third parties	1.541 Ml

To reduce the drinking water consumption, the building is equipped with a rain-water system used to flush the toilets. However, it was out of order in the 2020 calendar year under consideration due to a defect. As a result, all water used in 2020 was sourced from third parties.

DNK Criterion 13 3.1.3 Climate-Relevant Emissions

GHG emissions

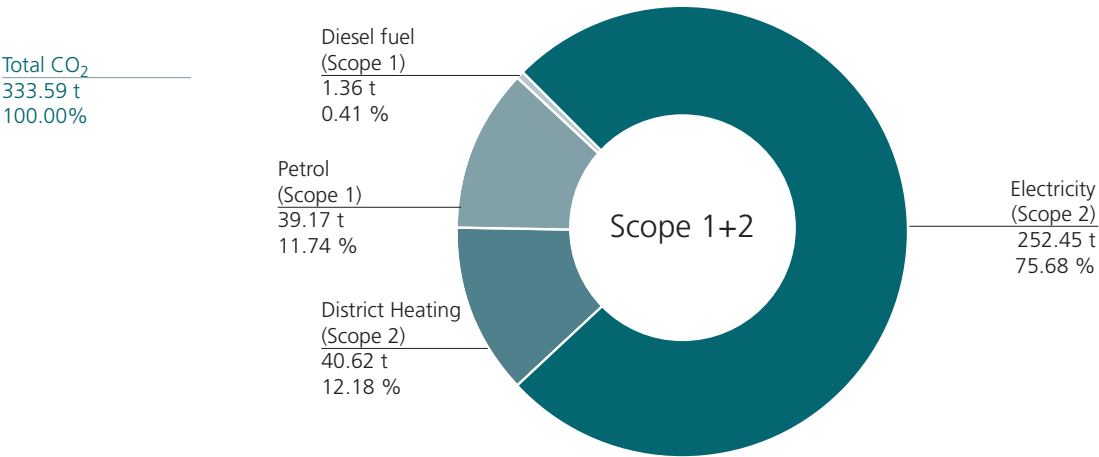
Performance
Indicator
GRI SRS-305-1
to -3

Trianel produced its first climate assessment for 2020. The assessment incorporates the greenhouse gas emissions (GHG emissions) of all companies over which Trianel has 100-percent financial control. That includes Trianel’s wholly-owned subsidiaries (see Section 1), which are all located in Aachen.

The assessment was produced in line with the principles of the Greenhouse Gas Protocol. Besides Scope 1 and Scope 2, the assessment also includes the Scope 3 categories 3 (Fuel and energy-related emissions), 5 (Waste), 6 (Business travel) and 15 (Investments).

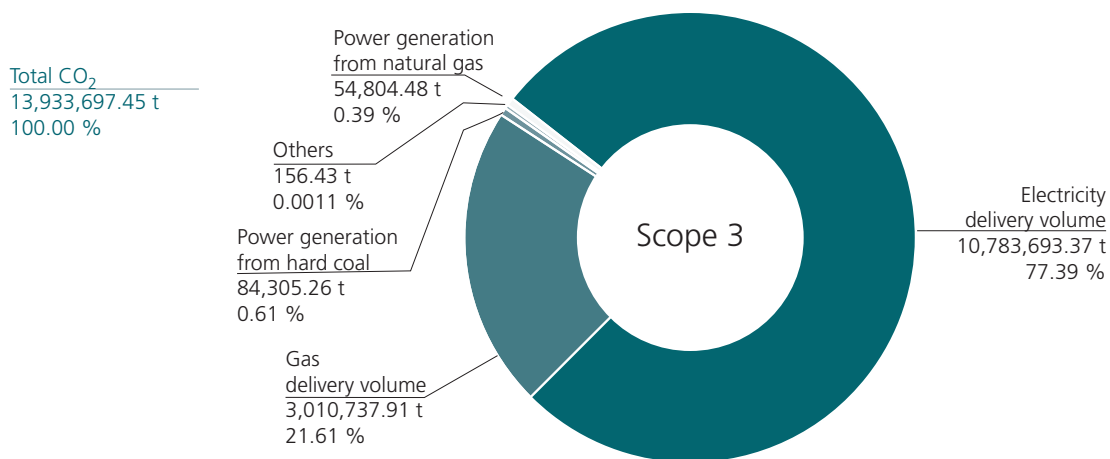
Categories 3 and 15 are particularly relevant:

- Category 3 includes the emissions from the energy (electricity and gas) delivered to customers to meet their demand as part of Trianel’s energy trading activities.
- Category 15 includes the emissions from energy generated or stored by Trianel GmbH’s minority interests (see Section 1) in proportion with the respective participating interests.



The Scope 1 and Scope 2 emissions total 333.59 t and are entirely attributable to the use of fuels by Trianel's fleet of 28 passenger cars as well as district heating and electricity in the administration building.

Unlike the estimated calculations from 2019, the 2020 calculations are based on the individual emission factors of our electricity and district heating supply rates. As a result, the 2020 emissions are lower.



The indirect emissions from Scope 3 total 13,933,697.45 t. 99 percent of these emissions derive from electricity and natural gas delivered to customers to meet their demand. Accordingly, these totals map the emissions from all energy consumed by supplying all commercial and private end customers.

Another approx. 1 percent of the indirect Scope 3 emissions is caused by Trianel's share of energy generation in the Hamm and Lünen power plants and the Epe gas storage facility.

Power-generating system	Energy generated and/or stored [MWh], Trianel share only	Emissions [tCO ₂]
Trianel Gaskraftwerk Hamm GmbH & Co. KG	150,299	54,804
Trianel Kohlekraftwerk Lünen GmbH & Co. KG	107,191	84,305
Trianel Gasspeicher Epe GmbH & Co. KG	192,014	73

Notes: As the power stations in Hamm and Lünen ran for different numbers of hours in the different years, the emission levels also fluctuate.

The other emissions from the waste and business travel categories add up to less than 0.001 percent.

Trianel also holds interests in renewables sector investments. The plants generate energy for third parties without direct emissions. Compared with the overall German electricity mix, total emissions of 25,521.41 t were avoided in 2020 by the generation facilities in which Trianel has participating interests:

Power-generating system	Energy generated [MWh], Trianel share only	Emissions avoided [tCO ₂]
Trianel Windkraftwerk Borkum GmbH & Co. KG	19,529.40	7,831.29
Trianel Windkraftwerk Borkum II GmbH & Co. KG	9,640.00	3,865.64
Trianel Onshore Windkraftwerke GmbH & Co. KG	13,375.00	5,363.38
Trianel Erneuerbare Energien GmbH & Co. KG	21,100.00	8,461.10

Reduction of GHG emissions

Performance
Indicator
GRI SRS-305-5

Our goal is to continuously reduce and even avoid the negative effects of our business operations on the environment, like emissions of climate-damaging gases. We can only reduce our ecological footprint if we systematically document our environmental impact. By compiling a climate assessment, we are creating a suitable data basis for this purpose. We want to derive our targets and measures from it.

As we produced our first climate assessment in 2020, we do not have any figures for comparison yet. However we are already working on reducing emissions.

The goals of reducing emissions and ensuring that the energy and climate transition are successful guide the expansion of the company.

We are already contributing to climate protection in electricity generation by operating our own and our customers' long-term energy supply segments efficiently. We are also expanding our investments in renewable energy sources and new business models for better climate protection.

Avoidance of emissions at our own premises

On one hand, we cause direct and indirect emissions along our value chain through our business operations. On the other hand, we avoid emissions by investing in renewable energy sources and through our services to optimise generation facilities or energy efficiency.

We are progressively transitioning our lighting to LEDs to increase the efficiency of our administrative premises in Aachen. To date, the eastern and western stairwells, and the Trade department have been retrofitted. That results in annual savings of roughly 62 MWh, equivalent to emissions avoidance of roughly 17 tCO₂.

In spring 2020, a PV plant was commissioned on the roof of the Trianel building. The plant has a peak capacity of 100 kW, and is used exclusively for internal consumption. Along with using heat from geothermal energy, using renewable energy sources avoids emissions of roughly 14 tCO₂ annually compared with emissions from the current electricity and district heating rates.

Our electricity contracts with STAWAG were also switched to certified green electricity on 1 January 2021. From 2021 on, our electricity consumption will no longer cause any direct emissions, reducing the emissions incurred by electricity as an energy source by 293 tCO₂ annually.

We identified mobility as another area where we can reduce our direct emissions. To reduce emissions in our small fleet of vehicles, we will install two charging stations at Trianel's administrative headquarters in 2021, to further incentivise employees eligible for company cars to gradually transition their vehicles to climate-friendly drives.

The aim is to further reduce the direct and indirect energy emissions incurred in Scope 1 and Scope 2 and compensate emissions that cannot be avoided.

3.2 Society

DNK Criterion 14 3.2.1 Employee Rights

Full compliance with employee rights is a matter of principle for Trianel. As Trianel operates exclusively in Germany, the company aligns itself with its requirements under German legislation, complying with all relevant laws.

Trianel has established a Works Council to safeguard employee rights and a committee to review and guarantee occupational health and safety.

Dialogue as the basis for a high-performance organisation

It is very important to us that employees feel at home at Trianel. As a result, Trianel is a family-friendly company and prioritises dialogue with employees and involves them in decision-making processes.

Trianel views dialogue with and among the workforce as the basis for a high-performance and liveable organisation. Dialogue between the Management Board and employees, as well as between the managers, and their departments and divisions is considered an important management tool for us. Fixed and agile structures in the form of committees and events, as well as communication channels across all levels not only guarantee the flow of information, but also promote social cohesion.

The workforce comes together four times a year for ‘TriTreff’, and the Management Board hosts a breakfast six times a year. Trianel also holds a big company event, its annual New Year’s party. Trianel’s biennial summer party is a traditional event aimed primarily at staff families. A large-scale offsite is held every second summer (alternating with the summer party). Due to the COVID-19 pandemic, these events were held digitally in 2020.

The ‘OE Team’ also contributes to an open and vibrant corporate culture. It is a highly diverse team taken from all hierarchy levels and departments dedicated to developing the culture at Trianel.

Freedom of association and right to collective bargaining

We view it as a matter of course that employees can get together and join interest groups. We protect these rights and continuously review our company agreements and corresponding processes for any potential discrimination. Trianel’s workforce is represented by a Works Council.

Incorporation of employees in sustainability management

We are focusing on sustainability in the organisation based on requests by many employees. Workforce participation is a key foundation of sustainability management. All areas of Trianel have nominated one or more colleagues as Sustainability Ambassadors to advance aspects of sustainability in the company. The initiatives and ideas are submitted to the Management Board and discussed. Implementation of individual topics is the responsibility of the individual specialist departments, and is supervised by the Sustainability Officer.

Risks for employee rights arising from business operations

The needs of employees and their employee rights are very important to Trianel. No risks to employee rights derive from our business operations.

3.2.2 Employee Health

DNK Criterion 14

Performance Indicator

GRI SRS-403-9

Work-related injuries

The safety of our employees and protection of their health are valuable assets for Trianel. That applies across the board for all employees, irrespective of the legal obligations on which occupational health and safety regulations are based. Our aim is to minimise risks for our workforce and Trianel.

2020 presented new challenges for the organisation in protecting employee health in the shape of the Covid-19 pandemic. When the pandemic broke out, a 'Corona' working group was established, which initially discussed the latest developments daily, then three times a week during the year, and implemented comprehensive hygiene standards and health and safety measures. We quickly succeeded in enabling many employees to work from home, minimising direct contacts. A core team continued to work on-site in the administrative headquarters to ensure that the necessary IT infrastructure, business operations and facility management were maintained. Strict hygiene standards were introduced for the administrative headquarters, such as requiring masks, ventilation instructions, spacing requirements and occupancy restrictions for conference rooms and open-plan offices. An official audit confirmed the high standards. Thanks to outstanding cooperation by our employees, we succeeded in keeping the entire workforce healthy through the pandemic. There were no infections in 2020 due to contacts in the office.

We implemented all Covid regulations decreed by the Federal Government and the state government of North Rhine-Westphalia. We always interpreted the rules very conservatively to maximise safety. Our measures also included coordinating closely with the company physician.

In response to the special psychological requirements of employees due to the pandemic and the double strains of work and family life, Trianel commissioned 'Viva FamilienService' to promote the well-being of its employees. In this way, Trianel offers its employees consultation services to prevent burnout, help with psychological challenges, family conflicts, as well as support in caring for children and older family members or looking for school holiday programmes for children.

Beyond the pandemic situation, occupational health and safety of the workforce were ensured with a range of measures. Risk assessments were drawn up for all jobs and regularly updated. All risks are determined systematically, and the required measures are also implemented. Almost all jobs at Trianel are computer-based, which is why we pay such close attention to the ergonomic design of the workstation and also cater to specific needs of employees. This includes adjustable desks, ergonomic office chairs, multi-monitor set-ups or provision of special screen eyeglasses.

Trianel supports flexible working with comprehensive mobile work options and a modern, adaptable working time model. The average contractual working hours of full-time employees is 40 hours per week. Trianel offers full-time employees 30 days of leave, as well as full days off on Christmas Eve, New Year's Eve and Carnival Monday. Working time is recorded using a trust-based system at Trianel. Compliance with the working time is ensured via a digital timekeeping form.

Trianel meets the need for instruction and training in health and safety with a dedicated e-learning application. All employees must receive instructions on occupational health and safety.

Trianel is advised and supported by internal and external occupational safety specialists. In cooperation with the company physician, they take care of all aspects of occupational health and safety. In line with the legal provisions, safety officers, first aiders and evacuation assistants support occupational safety workflows. For rapid assistance in emergencies, 20 employees present at all times in all locations are equipped with an automatic external defibrillator (AED).

In 2020, Trianel reported two commuting accidents that were subject to mandatory reporting.

No work-related injuries occurred in 2020. No deaths were reported as a result of work-related illnesses. To the present day, there have been no indications for specific recording of work-related illnesses, and none have occurred in Trianel's relatively small workforce to date.

Performance
Indicator

GRI SRS-403-10

Work-related illnesses

The safety of our employees and protection of their health are valuable assets for Trianel. That applies across the board for all employees, irrespective of the legal obligations on which occupational health and safety regulations are based.

Trianel is not aware of any work-related fatalities or documented work-related illnesses.

Performance
Indicator

GRI SRS-403-4

Employee Involvement in occupational health and safety

In accordance with the Occupational Health and Safety Act, the Trianel Health and Safety Committee (Arbeitsschutzausschuss, ASA) consists of a representative of the Management Board, two representatives of the Works Council, the company physician, one external and one internal specialist for occupational health and safety, and the Safety Officer. Where necessary, the Committee is supported by colleagues from the specialist departments or property management.

The ASA meets on a quarterly basis, to discuss all aspects of occupational health and safety. Their responsibilities include developing proposals for outstanding health and safety measures and analysing and evaluating the accidents occurring in the company.

Planning and coordination of recurring incidents like auditing equipment subject to mandatory audits or conducting annual instructions and/or training courses are initiated and monitored here. The ASA is also responsible for discussing the results and measures of hazard assessments and coordinating the planning and implementation of medical check-ups, health days and evacuation drills. Specific measures are developed and documented and tracked as an activity plan.

Formal agreements

At Trianel, occupational health and safety are not documented in a separate company agreement.

3.2.3 Equal Opportunities

DNK Criterion 15

We follow the European Union's general equal treatment requirement and comply with the fundamental rights rooted in the German constitution. Treating all employees and business partners equally is part of our self-image.

We protect the rights of our employees, avoid and prohibit any form of discrimination. Those are the values we practice, as defined in our Code of Conduct. We promote diversity and a culture of mutual understanding.

Our professional culture is based on mutual respect and esteem for every individual. All vacancies are advertised to persons of all genders, the severely disabled and persons treated as such are preferred where applicants have the same qualification and capabilities. We expect the same from our business partners.

We were not aware of any violations of guaranteed rights and the prohibition of discrimination by Trianel in the reporting year.

Development of equal opportunities and diversity is a matter of principle for Trianel, and is implemented in close cooperation with the Works Council. Work-life balance is a key aspect of Trianel's corporate philosophy.

Ensuring the health of our employees is another important concern of ours. We not only ensure compliance with occupational health and safety requirements, we also provide additional health services for employees, such as a fitness room, back-health and yoga, a company physician and ergonomic workstations.

Diversity

We respect equal opportunities. As an employer, we avoid discrimination of all kinds based on gender, sexual identity, religion or ideology, ethnic or national origin, disability or age. If there is any misconduct in spite of this, we will correct it and managers or the HR department can be consulted at any time.

At Trianel, equal opportunities are an important precondition in order to future-proof the company. Only balanced teams, in which personalities from both genders, as well as different cultural and social backgrounds and different age groups work together on key topics can develop creative ideas for the future.

Workforce Structure

Women accounted for 32 percent of the staff, with five women in management functions. The average age of employees in 2020 was 41.

Development of the ratio of women	2018	2019	2020
Percentage of women, 2nd level	0	0	0
Percentage of women, 3rd level	2	2	2
Percentage of women, 24th level	3	3	3
Overall percentage of women at management level	5	5	5
Percentage of women overall	33 %	32 %	32 %

Workforce Structure by age

Women	2018	2019	2020
<30 years	10	9	14
30 to 50 years	80	73	75
>50 years	13	12	15

Men	2018	2019	2020
<30 years	17	10	16
30 to 50 years	161	164	171
>50 years	28	28	32

Workforce Structure by hierarchy level

	2018	2019	2020
Management Board	2	2	2
2nd level/Division heads	13	13	13
3rd level/Team and department heads	36	38	43
Employees	257	243	265

Wage Equality

Gender equality is important at Trianel, and is also promoted in the Works Council. We will continue to develop this area specifically in the years to come.

Performance
Indicator
GRI SRS-406-1

Cases of discrimination

We were not aware of any violations of guaranteed rights and the prohibition of discrimination by Trianel in the reporting year.

DNK Criterion 16 3.2.4 Qualifications

The working environment is changing. Digitalisation is having a strong impact on what we do, how we do it and our work processes. Trianel, too, is facing up to these challenges and tackling them proactively, as the classic business models in the energy industry should be questioned and redesigned regularly in the context of the energy transition.

Further education is a key tool to prepare our employees for the requirements of this new, increasingly complex and dynamic working environment. The key question is which abilities and skills do our employees need to remain successful for the company in future? Further education promotes both the personal and professional development of our employees. That gives them prospects, boosts loyalty and motivates them. Even if the working environment is currently changing very quickly for the Trianel workforce, we do not currently see any risks that the job descriptions will change so completely that employees will no longer be able to work for the company.

The HR department is responsible for the conceptual design and organisation of continuing professional development measures. For personnel development, Trianel continued to focus on active communication between employees and managers, and deriving individual offers for employees on this basis. There is a central annual budget for our employees' continuing professional development (CPD) activities. That enables us to offer tailored CPD measures to all employees.

In 2020, we focused on re-introducing internal formats.

As job descriptions at Trianel are very specific, there are no uniform targets for all employees. In future, further education requirements and further education opportunities are to be identified and implemented to a greater degree.

Another focus for personnel development is on fostering development of managers. Trianel offers an internal executive programme, via which third and fourth-level junior staff are specifically schooled and trained in management methods.

Another important element in further education at Trianel, with which we are also following our requirements for digital change, is continuous training of our employees using our e-learning services and the corresponding platform. We use the internal specialist expertise and technical opportunities, by establishing a dedicated modular digital learning system. This harnesses synergies from the external focus and the internal focus of the specialist departments that provide the contents. It is currently largely used to instruct employees, for example in compliance, data protection and occupational health and occupational health and safety, as well as for IT security, which has become significantly more important.

Promotion of young talent

Trianel trains junior lawyers as part of their legal studies, but does not offer any other forms of vocational training. In spite of this, encouraging junior staff is very close to our hearts. We also foster students who support Trianel in all areas of the company and gain first insights into the world of work. We involve our undergraduate assistants actively in processes. They are integral parts in their departments. They enjoy many of the same benefits as the permanent staff, for example using the in-house gym, participation in employee events or free use of the car park.

Our engagement for students is regularly recognised with the 'Fair Company' award. Fair Company is Germany's largest and best-known employer initiative that sustainably promotes a fair working environment. The Fair Company initiative specifically targets career starters and young professionals and recognises businesses that offer young people fair working conditions and development prospects.

3.2.5 Human Rights

DNK Criterion 17

Foundations and principles

We are committed to the general foundations and catalogue of principles for responsible investment in Germany. Compliance with human rights is a matter of principle for Trianel. Agreements we make with our business partners comply with the laws applicable in the respective countries. Our key investment agreements were concluded with contract partners located in Germany and other European countries. The venue for investment agreements is generally Germany and other European countries. Human rights are protected by law in these countries.

As a service company, we do not have supply chains like a producing company. When buying products and services for Trianel, we pay close attention to their supply chains, where possible. We do not see any particular risks for the company due to this situation.

Child, forced and compulsory labour

Trianel guarantees that its activities do not entail any forced, compulsory or child labour. We expect the same from our suppliers.

Procurement

We can only be sustainable if our procurement chain is, too. Most of the ecological and social effects of our business operations come from the supply chain. Sustainability in procurement is therefore a subject that is becoming more and more

important in public on one hand, and, on the other hand, represents a reasonable, commercial calculation on grounds of risk alone. We take responsibility within our supply chain, by expecting our suppliers to ensure that their supply chain complies with human and employee rights, environmental protection and occupational safety and anti-corruption regulations and to promote and intensify the relationships to regionally located suppliers. We have not developed targeted principles of conduct for our suppliers, but they are taken into account as part of compliance when commissioning vendors.

As we are just starting to develop our sustainability management systems, we cannot at present provide any further details on human rights, even though they are a factor we always consider when making investment decisions and when working with partners. Trianel only works in Germany, and cooperates only with German and European partners, so we do not see any risks for the company due to failure to observe human rights. However, this topic will be considered along with compliance as part of sustainability management.

Investment Agreements assessed for human rights aspects

Performance
Indicator

GRI SRS-412-3

As Trianel's investment agreements are generally made with and for municipal utilities, compliance with human rights is a matter of principle for all of our investment decisions.

We define our participating interests as significant investment agreements (see the overview in Section 1).

Premises assessed for human rights aspects

Performance
Indicator

GRI SRS-412-1

Trianel has offices in Aachen, Hamburg and Berlin and does not have any premises outside Germany. Accordingly, Germany's high human rights standards apply in all premises, and compliance is ensured.

New vendors assessed for human rights aspects

Performance
Indicator

GRI SRS-414-1

As Trianel is not a producing company, our only suppliers are of office equipment. When commissioning suppliers, we must observe compliance regulations, including auditing vendors for integrity and incorruptibility with regard to legal and ethical obligations.

Social impacts in the supply chain

Performance
Indicator

GRI SRS-414-2

This reporting item is not particularly relevant for Trianel as a non-producing company. However, we will continue to analyse this item as part of sustainability management.

3.2.6 Corporate Citizenship

DNK Criterion 18

Sustainable business

We view the energy transition and digitalisation as an opportunity. At the same time, decarbonisation of our energy system, new regulations and changing work processes, as well as the new needs of our customers and employees, present new challenges. Conventional electricity generation is becoming less important and generating less revenue. At the same time, the expansion, marketing and management of renewable energy sources, as well as flexibility options in trading and optimisation of generation systems result in new opportunities. Digitalisation creates new opportunities by allowing us to systematically tap synergies in trading, procurement and sales.

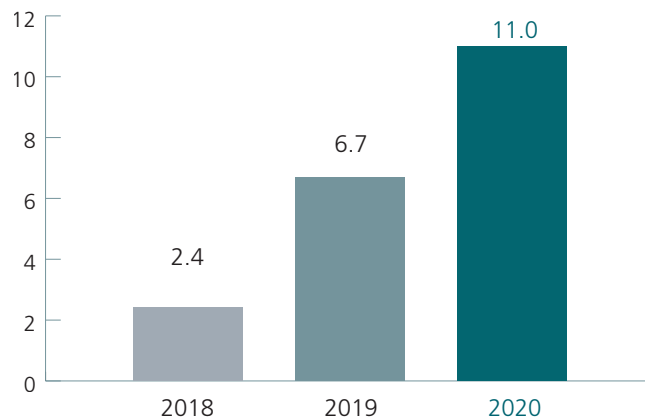
We also identify ways to actively help municipal utilities provide public services digitally. We want to serve as pioneers for a future-proof energy supply for municipal utilities, and shape this change economically successfully and ecologically and socially responsibly.

What counts for Trianel are the commercial performance of the financial year and the long-term economic stability. The company's commercial management is primarily based on two key figures:

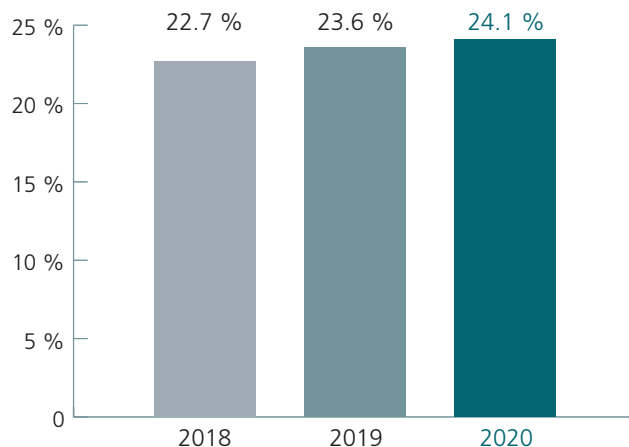
- Earnings before tax (EBT)
- Equity ratio

They are used for internal management and form the basis for evaluation of our economic stability by our shareholders, rating agencies and financial market partners. They also influence the satisfaction of our customers and shareholders, the employees and other stakeholders. We base our strategic and operative planning, right up to internal reporting, on the above key figures. Any deviations are identified and analysed to introduce appropriate measures. This process is conducted in a regular exchange with corporate controlling the financial department, company development and the responsible persons in the respective departments and Management Board. We focus on reliable planning in operative business combined with an early warning system for developments that do not appear in the balance sheet and P&L yet.

Development of EBT in € million over the past three years



Equity ratio development over the past three years



Considering the last three years, both key figures show a positive development in spite of a challenging market environment.

We were able to continue this positive development in 2020. With earnings before tax of € 10,969 thousand, Trianel achieved a positive net income that significantly exceeds both the target and the previous year's value. At € 11.0 million, the EBT was significantly higher than the figure in the previous year, at 63 percent. This result was achieved exclusively from business operations without one-off effects, and shows the organisation's new-found commercial strength.

The 57 municipal shareholders benefit from the operative strength via distributed profits.

Trianel contributes to the local community in Aachen as an employer and via minor donations to charities based in Aachen.

Performance

Indicator

GRI SRS-201-1

Economic value generated directly and distributed

Creation of added value

In 2020, Trianel generated an overall income (sales proceeds, changes in inventories and other company-produced and capitalised activities) of € 3,187 million (previous year: € 2,322 million). The sales proceeds increased by 37 percent compared with the previous year. In 2020, the cost of materials also rose to € 3,122 million (previous year: € 2,276 million). Other operating income rose by € 94 thousand to € 2,843 thousand (previous year: € 2,749 thousand). At 98 percent, the cost of materials remained at the same level as the previous year.

Creation of added value

<u>Added value created in € thousand</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Overall income	2,726,293	2,322,036	3,186,608
Other revenues	7,636	2,749	2,843
Cost of materials	2,679,949	2,275,808	3,121,560
Depreciation incl. depreciation on financial assets	2,260	6,057	14,109
Other expenditures	21,191	14,540	13,383

Use of value added

Personnel expenses rose from € 31,522 thousand to € 35,085 thousand in particular as a result of provisions for bonuses for successful business development.

At the same time, the number of employees increased from 296 to 315 as of 31 December 2020 (+6.4 percent). The structure is largely due to the structure of personnel in the core business fields of energy trading and project development. Other operating expenditures totalled € 13,383 thousand, down from € 14,540 thousand in the previous year.

Trianel GmbH's non-adjusted financial net income in the individual financial statements amounted to € 6,137 thousand (previous year: € 6,066 thousand). Adjusted for the neutral effects from discounting accounts receivable and compounding provisions totalling € -1,799 thousand (previous year: € -595 thousand), the resulting adjusted financial result is € 4,338 thousand (previous year: € 6,661 thousand). The result from participating interests, at € 9,764 thousand (previous year: € 12,107 thousand), decreased compared with the previous year due to lower dividends paid by associated companies.

Trianel GmbH's recurring positive results and the trend of the past three years underscores the sustainability of the economic positioning and is a result of the entrepreneurial course set as part of the restructuring in 2018.

Use of value added

Use of value added in € thousand	2018	2019	2020
To employees (wages, salaries, social security)*	29,581	31,522	35,085
To lenders (interest expenditure)*	2,345	2,039	2,460
To the government (taxes and charges)*	233	810	6,249
Consolidated net income	1,933	6,024	7,713

* for individual financial statements of Trianel GmbH

Public-sector Subsidies

In 2020, Trianel did not receive any public sector subsidies.

Ensuring public service and the competitiveness of municipal utilities

Via our services for municipal utilities in purchasing and trading electricity and gas, we support municipal utilities in providing electricity and gas supply services locally and economically. Via our 57 shareholders, Trianel indirectly supplies roughly 6 million people with electricity and gas. Our service provision enables municipal utilities to use the advantages of joint procurement of electricity and gas via the exchanges, thus enabling them to offer competitive prices to customers. The electricity trading volume in 2020 totalled 244 TWh (previous year: 240 TWh), while the gas trading volume was 134 TWh (previous year: 303 TWh).

Trianel as a reliable municipal project developer

Our technical expertise in building and operating generation facilities is the basis for driving the expansion of renewable energy sources with the municipal utilities. To the best of our knowledge, no-one was relocated against their will due to our investments in renewable and conventional power stations made with municipal utilities, and operation of these facilities, nor did anyone have to move due to our investment measures. We also strive to protect biodiversity above and beyond the legal requirements.

Procurement

We believe that sustainable action includes our procurement chains. As a service company, our procurement structure is primarily aimed at securing the infrastructure for our administration building. We also depend on service providers to provide our services. We procure electricity and gas for our customers and shareholders on the wholesale markets, and our procurement corresponds to the respective electricity or gas mix.

Trianel also takes responsibility within its supply chains. We already rely on local suppliers and service providers to operate the administration building where this is possible.

As a service company, raw materials and input products play a very minor role in our economic output. Our furnitures and fixtures are purchased centrally. Our Hamburg and Berlin subsidiaries are free to source the fixtures locally. Where necessitated by the legal framework conditions, orders are tendered throughout Europe. The Trianel commissioning guideline, which enters into force for order volumes of € 25,000 and higher, applies when commissioning service providers and consultants. The aim of the commissioning guidelines is to avoid corruption in particular and ensure a high level of transparency when commissioning third parties. The Compliance Team and the Internal Auditing department monitor compliance with the commissioning guidelines.

As an electricity and gas wholesaler and service provider for procurement and marketing of electricity and gas, we focus on the electricity and gas wholesale markets when procuring electricity and gas for our customers. Among other sources, we are active on the European energy exchanges for our customers.

3.3 Compliance

3.3.1 Political Influence

DNK Criterion 19

Failure to comply with laws and other regulations

In the reporting year, no fines or non-monetary penalties for non-compliance with laws (e.g. Environmental laws and regulations, legal provisions with regard to providing and using products and services), as well as labelling regulations and voluntary rules of conduct with regard to advertising (including print ads, sales promotion and sponsorship) were imposed against Trianel.

External principles and committees

Trianel is committed to transparency and bases its actions and reporting on generally acknowledged national and international directives and standards, above and beyond the regulatory requirements.

Trianel is involved in multiple associations dedicated to climate protection and the energy transition. We are in close contact with scientific institutions like the Institute of Energy Economics at the University of Cologne (EWI), and accompany and support the ZO.RRO – Zero Carbon Cross Energy System: Transformation of the energy system with Thuringia as a model research project, or the Foundation

2°(Stiftung Zwei Grad). We are also closely affiliated with the Aachen Technical University (RWTH Aachen).

Trianel is represented in the following associations and active in many committees:

Network of Wind Energy Industries (WAB e.V.)
Association of Energy Market Innovators (Bundesverband Neue Energiewirtschaft, bne)
German Association of Energy and Water Industries (BDEW e.V.)
Federal Association of Wind Farm Operators Offshore (BWO e.V.)
German Wind Energy Association (BWE e.V.)
German Energy Agency (Deutsche Energie-Agentur, dena)
European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest (CEEP) / German Association of Public Ser- vices – German Section of CEEP e.V. (Bundesverband Öffentliche Dienst- leistungen, bvö)
European Federation of Energy Traders (EFET)
NRW Energy Agency (EnergieAgentur.NRW)
Natural Gas Campaign (Erdgaskampagne e.V.)
Forum for Future Energies (Forum Zukunftsenergien e.V.)
International Energy Credit Association (IECA)
VGB PowerTech e.V.
Association for Local Public Utilities (Verband kommunaler Unternehmen e. V., VKU)

Trianel is represented on the national board and state boards for North Rhine-Westphalia of BDEW and VKU. The Management Spokesman, Sven Becker, is currently also Chairman of the NRW State Board of BDEW and on the Board of Trustees of the Forum for Future Energies.

Political activities

The energy industry is highly dependent on regulatory requirements. In 2020, Trianel was particularly active in the VKU and BDEW committees, representing the interests of the renewables sector and influencing the coal phase-out process. In addition to this, Trianel observed and commented on the political initiatives related to the hydrogen strategy.

Trianel also works on energy policy topics on behalf of its 57 shareholders and pools the interests of municipal utilities.

One major aim of Trianel's work is to make the energy transition an economic, social and ecological success. Trianel also raises the interests of small and medium-sized municipal utility companies in particular in the debates. Furthermore, Trianel

represents the perspectives of the energy trading sector and advocates for competition and diversity in the energy industry.

Performance
Indicator

GRI SRS-415-1

Party Donations

We promote neither political parties nor individuals, interest groups, religious movements or projects with elevated risks for humans and the environment. Every charitable campaign is subjected to an in-depth assessment as to whether the supported measure is compatible with our orientation as a sustainable company. The use of funds must be transparent. Our commitment does not necessarily have to be publicly visible. Trianel still does not have sponsorship guidelines, as sponsorship is primarily left up to the local municipal utilities. However, it will be taken into consideration this year in the 'Gratuities guideline'.

In the reporting year, we did not make any donations to parties or politicians.

3.3.2 Conduct that Complies with the Law and Policy

DNK Criterion 20

Conflicts of interests

German law, the German Corporate Governance Codex (DCGK) applied by Trianel and the rules of procedure for the Supervisory Board contain regulations designed to avoid conflicts of interests among members of the Supervisory Board. Moreover, point 5.5 of DCGK covers conflicts of interests among members of the Supervisory Board. Any deviations from the DCGK are disclosed in the annual compliance declaration. In practice, this means that any conflicts of interests in the Supervisory Board are disclosed and resolved via a committee depending on the intensity. The Supervisory Board reports on conflicts of interest in its meetings.

Our aim

Compliance with laws and regulations as well as fundamental ethical principles is a matter of course for Trianel. However, we also see it as our obligation to continuously assess our actions in this regard. In order to comply with all rules in internal and external relationships, vis-à-vis employees, customers, business partners and other stakeholders, and to avoid violations of rules, Trianel has established a comprehensive compliance management system in recent years.

To ensure compliance with taxation obligations, an additional tax compliance management system (IKS Steuern) was implemented. The ethical bases for the actions of all Trianel employees are defined in the Code of Conduct available to employees on the Intranet.

The Trianel compliance management system defines the rules for conduct towards business partners and government bodies. Numerous internal guidelines provide detailed instructions on the topics specified there. For example, they govern how to respond to invitations and gifts, commissioning external companies, preventing money laundering or avoiding insider trading and market abuse.

We assume that all employees at Trianel strive to obey the rules. The compliance management system serves to support employees in ethically complex situations and help them when in doubt. The Compliance Team is constantly developing this system and regularly conducts training events.

All Trianel employees can consult the three-strong Compliance Team at any time and on all matters of compliant behaviour. If necessary, the Compliance Officer can also conduct internal investigations on potential infringements. The Compliance Team regularly reports to the Management Board.

Besides the anti-corruption, money laundering prevention and avoidance of market abuse managed by the Compliance Team, there are other compliance areas like data protection, IT security, HR compliance, energy law compliance and tax compliance, which have been transferred to Compliance delegates in the respective specialist departments.

The Compliance delegates and the Compliance Team come together twice a year for Compliance Committee meetings with the Management Board and guests from other areas. It is used to discuss current matters and incidents. Any steps necessary are taken. In the run-up to a meeting of the Compliance Committee, a risk assessment is conducted with all Compliance delegates to identify and evaluate compliance risks at Trianel. This risk assessment forms the basis for all additional compliance measures at Trianel.

The Compliance Officer reports annually to the Management Board on the full range of activities of the Compliance Department, as well as on important developments, future projects and key incidents.

Training

All employees are obliged to take part in compliance training courses. These courses teach the contents of the Code of Conduct, dealing with gratuities, commissioning and preventing money laundering in theory and based on practical examples.

In the 2020 reporting year, all employees took part at least in an online training course on compliance and corruption risks. In addition to this, all new hires took part in a classroom training course on Trianel's compliance rules, which gave them an opportunity to get to know the Compliance Team personally. Due to the

COVID-19 pandemic, the majority of events could only be held as video conferences.

In addition to this, employees and business partners receive continuous information at specific times on compliance topics that are relevant to their work.

Regular training courses are held for all employees involved in energy trading. In special events, they learn about the regulatory general conditions to prevent market abuse and insider trading.

Compliance in dialogue

All employees must base their actions on the Code of Conduct and its annexes with numerous examples of compliant behaviour. In addition, the Compliance Team provides regular updates on recurring examples from everyday business practice. The team is available to all employees personally, by telephone and by e-mail for questions and consultations.

No significant violations of the Code of Conduct or individual guidelines have been identified in the 2020 reporting year.

Performance Indicator

GRI SRS-205-1

Combating corruption

One focal point of the compliance work is preventing corruption. Trianel's prevention system distinguishes between guidelines that apply for internal employees, and protection against corruption from business relationships with third parties.

The Gratuities guideline defines for all employees the extent to which invitations and gifts may be accepted and given. Clear stipulations and an approval process for uncertain cases are designed to avoid even the appearance of dishonest conduct. In particular with regard to working with public officials, proper behaviour of all employees is of utmost importance.

The commissioning guidelines are intended to help avoid corruption when employees commission third companies, by stipulating a clearly structured approval and documentation process, that also includes appraisal of the third company for indications of a lack of reliability and susceptibility to corruption.

Trianel has established a comprehensive Know-Your-Customer process ('KYC'). All potential business partners have to pass it once, and existing business partners are subjected to it periodically. It entails collecting comprehensive information and evaluation via a scoring model. Only business partners whose integrity has been reviewed to the best of our knowledge and in good conscience are accepted for energy trading with Trianel.

As Trianel only has one permanent establishment, in Aachen, all corruption risks were reviewed at the Aachen location.

Cases of corruption

Performance
Indicator
GRI SRS-205-3

There were no incidents of corruption in the company during the reporting year, nor was any legal action taken against Trianel or individual employees due to corruption.

Non-compliance with statutory requirements

Performance
Indicator
GRI SRS-419-1

In the reporting year, no fines or non-monetary penalties for non-compliance with laws (e.g. Environmental laws and regulations, legal provisions with regard to providing and using products and services), as well as labelling regulations and voluntary rules of conduct with regard to advertising (including print ads, sales promotion and sponsorship) were imposed against Trianel.

4 Report Profile

The present report refers to the 2020 business year from 1 January to 31 December and is Trianel's second Sustainability Report. It is a voluntary commitment on the part of Trianel, which is not legally obliged to submit a Sustainability Report. The contact for the Trianel Sustainability Report is the Sustainability Officer, Dr Nadja Thomas (n.thomas@trianel.com).

This report was produced largely in compliance the standards of the German Sustainability Code (DNK) and the GRI SRS set of performance indicators defined in it. Our Sustainability Strategy is aligned with the recommendations of the German Sustainability Code (DNK) and the guidelines for social responsibility laid out in standard DIN ISO 26000.

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