

# Management Report

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# Condensed Management Report

## Background information about the Group

The SEEHG Securing Energy for Europe Holding Group (SEFE Group or the Group) is an international energy company headquartered in Berlin, Germany. The SEFE Group's main business activities are divided into the Trading and Sales business area, which includes the origination, trading and sale of natural gas, liquefied natural gas (LNG), power and environmental products, and the Infrastructure business area, which includes the transport and storage of physical energy products. Hydrogen infrastructure is expected to be a future business activity in this business area. The SEFE Group currently operates globally, with more than 20 companies and their operating facilities in over ten countries. Its most important markets include Germany, the United Kingdom, France and the Benelux countries, as well as several Asian countries.

SEEHG Securing Energy for Europe Holding GmbH (SEEHG or the company) was founded as a shell company for the purpose of acquiring the shares in SEFE Securing Energy for Europe GmbH, Berlin, Germany (SEFE). SEEHG is the parent holding company and must therefore prepare Consolidated Financial Statements. SEEHG, in its capacity as a holding company, is significantly influenced by the performance of its investments. SEEHG's Management Report is therefore combined in the following commentary with the Group's Management Report.

## Trading and Sales

The SEFE Group manages its trading and sales activities in an integrated manner within the framework of an overarching business model. The integration of origination, trading and sales is intended to enable optimised portfolio management and risk warehousing, increase the Group's flexibility to adapt to the dynamics of the market environment, and enable better hedging and balancing services for the SEFE Group's customers. The structure is designed to reduce the negative influence of market volatility and promote sustained value creation with the aim of optimally serving the SEFE Group's customers.

The energy origination and trading business includes both the origination and marketing, as well as the trading of energy products, including natural gas, LNG, power and environmental products. The energy trading business also develops services related to decarbonisation and offers power purchase agreements for renewable energy, the purchase of green certificates and flexible asset management. In addition, the Group in 2025 began trading in metals to diversify its raw materials portfolio. This decision created new business opportunities. The SEFE Group makes a significant contribution to Europe's energy supply by trading in physical natural gas, LNG, as well as in regasification and freight capacities.

The energy sales business is the SEFE Group's platform for shaping the European energy transition. The SEFE Group currently supplies its customers with natural gas and power, and it plans to offer hydrogen solutions as well in the future. The Group's account management and retail activities are geared to the individual needs of different customer groups. These include small and medium-sized companies, large industrial corporations, municipal utilities, regional gas supply companies and power plants.

## Infrastructure

The SEFE Group combines its capital-intensive, semi-regulated and regulated businesses in the Infrastructure business area. This business area includes the ownership and operation of gas transport networks and gas storage facilities, as well as the marketing of the corresponding gas transport and gas storage capacities. The tasks in the Infrastructure business area include the planning, construction and technical operation of the necessary facilities, as well as the marketing of the available capacity.

The SEFE Group's gas transport activities are concentrated mainly in WIGA Transport Beteiligungs-GmbH & Co. KG (WIGA) and its subsidiaries (together, the WIGA Group), which has been fully consolidated within the SEFE Group since its complete acquisition by SEFE in August 2024. The subsidiaries GASCADE Gastransport GmbH (GASCADE) and NEL Gastransport GmbH (NGT) operate a long-distance gas pipeline network of around 4,200 kilometres in Germany and thus play an important role in securing the supply of natural gas to Germany and Europe.

AquaDuctus Pipeline GmbH is working on the planning of the AquaDuctus offshore pipeline to utilise the potential for hydrogen production in the North Sea and connect neighbouring countries.

Gas storage facilities are an important component of the energy infrastructure in Germany and Europe – whether to ensure the security of supply (as a cornerstone of an affordable energy supply) or as energy storage of the future. Cavern storage facilities are technically suitable for storing pure hydrogen and are very efficient because they enable rapid injection and withdrawal. The Jemgum site therefore offers the SEFE Group opportunities to invest in hydrogen storage.

As one of the largest storage operators in Europe, SEFE Storage GmbH markets a storage volume of around six billion cubic metres in the Jemgum, Rehden and Haidach storage facilities. In addition, the SEFE Group has a one-third stake in the highly flexible Etzel cavern storage facility. The Group thus holds around a quarter of the total storage capacity for natural gas in Germany.

## Strategy

The SEFE Group enhanced its Group-wide strategy in the 2025 financial year and aligned it consistently with the changing European and global energy markets. The goal remains to ensure competitiveness and the security of supply, support the decarbonisation of the economy and customers' own decarbonisation efforts, and simultaneously create sustainable value for the owner.

The operating foundation is the Group's integrated business model. Origination, trading and sales are closely intertwined; regulated and semi-regulated infrastructure creates predictable, steady cash flows and substantial credit quality, while the trading and sales business leverages opportunities from liquidity, optionality and data intelligence. Scalability and a robust earnings profile are ensured through a digital trading platform, data- and process-oriented operations, and a unified, centrally managed control and risk management system.

## Vision

The SEFE Group's vision is to be a globally active, Europe-based energy company that offers its customers a secure energy supply and energy solutions and accelerates the transformation to a decarbonised economy. When doing so, the Group remains true to its original mission and ensures affordable energy for Europe through its global network and within the applicable regulatory framework. The core business in natural gas and LNG will play a key role in securing the energy supply for the coming years. At the same time, the SEFE Group is investing in the development of decarbonised energy solutions while taking customer needs into account.

## Privatisation

A central theme for SEFE is preparing the company to fulfil the German federal government's obligation, as required by the European Commission, to scale back its ownership interest in the SEFE Group to a maximum of 25 % plus one share by the end of 2028. The Group is in discussions with its shareholder regarding the privatisation process. An intra-Group project is dedicated to the corresponding preparation and implementation.

## Framework conditions

The SEFE Group's strategy is based on the following assumptions regarding energy markets, the global economy and its decarbonisation.

Energy demand is increasing amid the growth of the global economy and the expansion of new energy-intensive technologies. While the security and affordability of the energy supply are becoming increasingly important internationally, cost barriers are hindering the progress of decarbonisation. Complex regulatory frameworks are also slowing the ramp-up of and investment in decarbonised technologies. Although decarbonisation remains a stated goal, the trilemma between decarbonisation, security of supply and the affordability of energy is being reassessed to the detriment of decarbonisation.

The speed of the electrification of the economy and industrial processes will play a key role in this regard, leading to a corresponding increase in the share of power in energy consumption.

## Natural gas as a relevant bridge technology

The SEFE Group is convinced that natural gas and LNG will continue to play a key role in the global energy supply, even in an increasingly decarbonised economy. As a bridging technology, it offers the necessary flexibility – especially in Europe – to promote the energy transition amid a continuous increase in the share of intermittent renewables-based generation. Natural gas is currently indispensable as an efficient energy source for ensuring the security of supply in Europe. The SEFE Group therefore plans to enhance its natural gas trading and sales business at an international level in a demand-oriented manner, including through new partnerships in the LNG sector.

The Group also continues to work in parallel on the development of hydrogen solutions, carbon storage and biogas, which in the long-term could have the potential to replace fossil fuels or neutralise their impact on climate change.

## Strategic priorities

Under its updated strategy, the SEFE Group pursues the following three priorities, which have been specified in the strategies of the business areas.

**Strengthening and expansion of the core business:** The SEFE Group aims to consolidate and consistently expand its position in the European and international markets for natural gas and LNG. It focuses on the geographic diversification of its origination sources, the growth of the LNG portfolio and the expansion of transport capacity.

SEFE makes an important contribution to the security of Europe's supply by combining long-term supply contracts, a global trading platform and digitised processes. Strategic partnerships as well as the enhancement of digital trading solutions strengthen competitiveness and create resilience in a geopolitically volatile environment.

**Scaling of decarbonisation solutions:** The SEFE Group is evolving from an energy company into an integrated multi-commodity platform. In addition to natural gas and LNG, it is gradually developing new value creation areas and expanding existing ones, including biogas, power, environmental products and strategically important metals. The goal is to meet the changing energy needs of customers with affordable and, wherever possible, decarbonised solutions. The Group is leveraging its digital trading infrastructure to offer its customers flexibility and optimisation services and to position itself as a reliable partner for the decarbonisation of the European economy.

**Targeted investments in high-quality assets:** The SEFE Group plans to focus its investments on regulated and regulation-adjacent infrastructure projects with strategic added value and stable income. This includes primarily the expansion of Germany's hydrogen core network. Furthermore, the preparation of carbon transport and storage solutions as well as the development of hydrogen storage facilities are also potential areas of investment. These projects aim to secure the energy flows of today and create options for the future.

## Implementation of the strategy

The SEFE Group prioritises key success factors to achieve its strategic goals. Investments in targeted training programmes, talent development and a collaborative culture empower the organisation to develop new business activities. The comprehensive modernisation of the IT landscape ensures efficiency, security and scalability. Digital trading and optimisation tools provide the foundation for automated processes and innovative customer solutions.

A unified management model ensures the integration of the business areas and accelerates decision-making processes. Ensuring financial stability through selected investment-grade rating criteria is the top priority to secure funding for growth and infrastructure projects.

SEFE is also actively committed to a pragmatic and investment-friendly regulatory framework to secure the energy supply, harmonise markets, promote the infrastructure for hydrogen as well as carbon capture and storage (CCS), and reduce regulatory complexity.

## Environmental commitments

The SEFE Group aims to support adherence to the climate targets of the European Union (EU) and Germany. The Group is already rigorously reducing its own emissions and supporting its customers in their decarbonisation efforts. The Group's most important environmental commitments and targets are published in its voluntarily prepared sustainability statement. The speed of the energy transition and thus adherence to the climate targets is, however, subject to considerable political, regulatory, macro-economic and technological uncertainties. The reporting obligations regarding sustainability, due diligence and taxonomy are monitored and implemented by the SEFE Group within the framework of its sustainability reporting.

## The Group's management system

The Group's strategy focuses on growth, digitalisation and sustainability, with the aim of achieving a long-term and sustainable increase in the Group's value.

To this end, the SEFE Group is developing a unified planning, management and control system based on strategic financial key performance indicators (KPIs). These financial KPIs are currently being reviewed to ensure that they adequately reflect all necessary adjustments to the Group's strategy, current business developments, as well as the applicable regulatory and market environment. The Group will therefore continue to be managed based on the existing system of strategic financial KPIs, which is based on gross operating profit, EBITDA and the result for the period. For SEEHG, the result for the period has been defined as the KPI. These financial KPIs are presented and explained in the "Business performance" section of this report. This system is supplemented by a range of non-financial KPIs, particularly regarding the environmental, social and governance (ESG) aspects of the Group's operations. These KPIs are intended to reflect, in particular, how SEFE supports its customers with their decarbonisation efforts.

The introduction of additional financial and non-financial KPIs is intended to ensure the ongoing alignment of the Group's growth strategy with the different interests of its stakeholders. The SEFE Group attaches particular importance to its commitments to customers, employees and the shareholder, while at the same time fulfilling its environmental, social and corporate governance responsibilities.

## Economic and regulatory conditions

### Energy policy and regulatory environment

#### International

Energy policy priorities are currently changing. While decarbonisation remains a key long-term goal worldwide, affordability and the security of supply have become significantly more important.

Energy markets are currently a central arena of geopolitical competition, with the aim of gaining location based competitive advantages through low energy prices. Political interventions increase the volatility of commodity markets and complicate long-term planning. At the same time, the global economy faces growing uncertainty – caused, among other factors, by unclear regulatory frameworks.

Under the new administration, the USA's strategic focus on energy independence and exports has evolved. Energy exports are being actively used as a tool to reduce the US trade deficit. Simplified permitting processes have accelerated increased natural gas production and the build-up of LNG infrastructure. Under the US-EU trade agreement concluded in July 2025, the EU intends to purchase oil, LNG as well as nuclear power technology and fuels worth USD 750 billion by the end of 2028.

Despite the focus on fossil fuels, investments in hydrogen projects remain on the political agenda worldwide. These include US programmes such as the Clean Hydrogen Production Tax Credit Programme introduced under the Inflation Reduction Act, as well as various subsidy programmes in Asia, Australia and Canada.

Economic and regulatory conditions

**Europe**

The regulatory environment in the EU continued to have a significant impact on the SEFE Group's business in 2025. The EU's Clean Industrial Act, which was published in February 2025, aims to combine the decarbonisation of energy-intensive industries with the strengthening of competitiveness. This is intended to achieve the goals of climate neutrality by 2050 and a 90 % reduction in greenhouse gas emissions by 2040. Key elements include affordable energy, the expansion of renewable energy and the creation of green energy markets.

**Security of supply:** The EU's security of supply will remain a central focus of EU policy in the future. The AggregateEU platform for the joint origination of LNG has been expanded even further to strengthen the EU's independence from Russian gas supplies. In October 2025, the EU resolved to completely ban the import of Russian LNG starting from January 2027, supplemented by stricter transaction restrictions for large Russian energy companies.

The European regulations regarding the filling of gas storage facilities were eased in 2025 to avoid price spikes and nevertheless safeguard the security of supply. Germany fully utilised the resulting leeway, with a minimum fill level target that averaged less than 69 %. This easing, together with the ongoing expansion of LNG import capacity, will likely lead, at a minimum, to a stable supply situation.

**Reform of the power market:** The EU's power market reform aims to make the market more crisis-proof and consumer-friendly. It introduces choices between fixed-price contracts and dynamic tariffs and strengthens protection against sudden contract changes. Long-term investments in renewable energy are promoted through power purchase agreements and bilateral contracts for difference

(CFDs). In addition, the dependence on gas prices is to be scaled back to reduce price fluctuations. Network flexibility and storage solutions are also being expanded to accelerate the integration of renewable energy.

**Regulations in the hydrogen sector:** The EU's new policy is to pursue a close link between competitiveness and decarbonisation, with security of supply and the development of hydrogen infrastructure playing a key role. The EU's natural gas and hydrogen internal market package has created a new legal framework that aims to support the ramp-up of the hydrogen market. The key points are the unbundling and certification of network operators and non-discriminatory access to infrastructure. In addition, a delegated legal act specifies the methodology for low-carbon hydrogen. The start of the ramp-up, however, continues to be hindered by restrictive requirements, such as ensuring greenhouse gas savings of at least 70 % compared to fossil fuels.

**Emissions:** The EU's Methane Regulation 2024/1787 stipulates that operators of fossil-fuel-based energy infrastructure must regularly measure, report and reduce methane emissions. From 2027, the requirements will also apply to imports, so that international supply chains will be included. This regulation, which is a key component of the Fit for 55 package, requires significant investment in monitoring and repair processes, which could considerably complicate gas imports into the EU.

The EU's net greenhouse gas emissions are to be reduced by 90 % (compared to 1990) by 2040 on the path to climate neutrality by 2050. This target complements the existing 2030 target of at least a 55 % emissions reduction and includes flexibility mechanisms such as the use of five percentage points of international carbon allowances. This possibility could create further business opportunities for SEFE.

**Germany**

The German Federal Network Agency (Bundesnetzagentur) approved the hydrogen core network in October 2024. It then published further fundamental regulations, such as the determination procedure for the "Hydrogen Balancing and Balancing Base Model" (Festlegungen für das Wasserstoff Ausgleichs- und Bilanzierungsgrundmodell, WasABi), and the determination procedure "Hydrogen Capacities Basic Model and Processing of Network Access" (Wasserstoff Kapazitäten Grundmodell und Abwicklung des Netzzugangs, WaKandA). These regulations are supplemented by the Bundesnetzagentur's ruling titled "Determination of Provisions to Represent Costs of Certain Transport Services of the Hydrogen Core Network and Modify Network Tariffs Accordingly" (Bestimmungen zur Abbildung der Kosten bestimmter Transportleistungen des Wasserstoffkernnetzes und zur entsprechenden Modifikation der Netzentgelte, KOSMO). The amendment to the German Energy Industry Act (Energiewirtschaftsgesetz, EnWG) planned for 2026 will, among other things, create an integrated network development plan for natural gas and hydrogen.

In addition to the hydrogen core network, sufficient storage capacity is required to ensure a constant supply of hydrogen to customers. A regulatory framework for the transition of natural gas storage facilities to hydrogen operations is still pending. In April 2025, the German Federal Ministry for Economic Affairs and Energy (Bundesministerium für Wirtschaft und Energie, BMWI) published a document titled White Paper on Hydrogen Storage (Weißbuch Wasserstoffspeicher), which outlines the guiding principle of a competitively organised storage market.

The import strategy for hydrogen and hydrogen derivatives, which was adopted by the German federal cabinet in July 2024, remains the regulatory framework for imports into Germany. It focuses on pipeline imports of green hydrogen, supplemented by imports by ship and the integration of low-carbon alternatives. The H2Global Foundation plays a key role in this regard by promoting imports through a competitive auction procedure. In the second auction round, up to EUR 3 billion will be awarded in upcoming auctions to accelerate the industrial ramp-up of global hydrogen production. The SEFE Group can apply together with partners from potential producing countries.

Strengthening the national purchasing aspect of the energy transition is also crucially important. Industry is already being supported in its transition to hydrogen through extensive funding programmes. The Federal Funding Guideline for Industry and Climate Protection (Bundesförderung Industrie und Klimaschutz, BIK) provides additional fundings through 2030 to accelerate the transformation towards renewable power and hydrogen. In September 2025, the German federal government announced ten key measures to promote the growth and competitiveness. These measures include reducing complex requirements for hydrogen production and use, as well as enabling CCS.

This technology offers significant opportunities for the production of low-carbon hydrogen. In addition, 12 gigawatts (GW) of new power plant capacity will be tendered, which must be "H2ready". The introduction of a clean gas quota could also give companies like the SEFE Group the opportunity to source hydrogen in the long term. The sum of these measures will help orient Germany's energy supply towards a decarbonised future and contribute to the achievement of climate targets.

## United Kingdom

The UK is currently working on its energy transition using several tools. First, the Labour government presented the revised Carbon Budget and Growth Delivery Plan in October 2025 to meet the legal requirements for emissions reduction. In addition, the Great British Energy Act 2025 was adopted in May 2025. This law established the legal framework for Great British Energy, a newly established, state-owned energy company. It aims to promote projects for the production, storage and distribution of decarbonised energy, as well as to strengthen local energy initiatives. The government has additionally decided to maintain the national pricing model, rather than opting for zonal pricing. Instead, it pursues a Reformed National Pricing approach, including a reform of network charges (TNUoS) and the introduction of the Strategic Spatial Energy Plan from 2026 onwards. This plan aims to optimise the energy system by determining where generation, storage and network capacities can be developed most efficiently in the future.

## France and Benelux

The energy sector in France and the Benelux countries is facing regulatory and infrastructure-related challenges as a result of the energy transition and rising costs. In France, several factors are creating uncertainty regarding pricing, including new hedging obligations, the expiry of the Regulated Access to Incumbent Nuclear Electricity (ARENH) tariff and planned tax increases on regulated tariffs. In the Netherlands, the government has proposed to combine the existing power and gas law into a single energy law so that it can act more flexibly to achieve climate targets. In addition, tariffs for gas customers are expected to rise significantly in the future in connection with the ETS2 legislation (2027) and the biogas supply obligation (2026), which are intended to further advance the switch from natural gas to power.

## Market environment

The current forecasts by the European Commission indicate global economic growth in 2025 nearly matched the previous year's level, with global gross domestic product (GDP) increasing by around 3.1 %. Within the EU, however, growth was significantly weaker at 1.4 %, although this rate exceeded the meagre growth of the previous year. Germany's economy again expanded marginally. Despite recent slight declines in key interest rates and inflation, the weak economic performance was also attributable to uncertain tariff requirements and geopolitical tensions. In addition, structural factors, such as demographic change and declining competitiveness, weighed on Germany's standing as a business location. Other relevant sales markets developed as follows:

GROWTH IN GROSS DOMESTIC PRODUCT (IN %)		
	2025 *	2024
Global gross domestic product	3.1	3.3
<b>European Union (EU)</b>	<b>1.4</b>	<b>1.1</b>
Germany	0.2	-0.5
France	0.7	1.2
United Kingdom	1.8	1.1
China	4.8	5.0
Japan	1.0	2.0
South Korea	1.4	1.1

\* Figures for 2025 are provisional.

## Europe

The price developments of energy products differed. Persistently high supply caused the price of Brent crude oil to fall below the previous year's level. While the natural gas price on the Dutch Title Transfer Facility (TTF) rose due to stronger demand in Europe, the LNG price on the Japan Korea Marker (JKM) index declined as a result of weaker demand in Asia. These opposing price developments led to a narrowing of the spread between TTF and JKM. The prices on the TTF are also the basis for the pricing of European imports of LNG.

The price of power on the spot market of the European Energy Exchange (EEX) showed a recovery after the decline in the previous year.

AVERAGE ANNUAL PRICES		
	2025	2024
Brent oil price (USD/bbl)	67.3	79.2
Natural gas price at TTF spot market (EUR/MWh)	36.6	34.1
LNG price at JKM (EUR/MWh)	36.4	40.5
Power price at EEX spot market (EUR/MWh)	90.3	79.8

Unlike in previous years, European gas demand increased in 2025, driven by cold weather, lower power generation from renewable energy sources and gas storage. According to the Bundesnetzagentur, German gas consumption rose by 2.2 % compared to the previous year. This increase was due primarily to lower energy production from renewable sources. Net natural gas imports increased in 2025 to 810 TWh compared with 775 TWh in the previous year.

The increase in the global LNG supply in 2025 offset lower pipeline gas deliveries from Russia only partially. At the same time, high storage levels in the EU led to a further increase in demand. This rise caused European LNG prices to align with Asian markets.

### Asia

Natural gas demand in Asia remained virtually unchanged compared to the previous year. This stagnation was attributable to declining industrial consumption and increased power generation from renewable energy sources. The JKM LNG spot price index therefore also continued to fall after its decline in the previous year. According to current estimates, China's natural gas demand rose by 1 %, while LNG imports declined sharply. Gas demand in the Asia-Pacific region will probably increase by less than 1 % in 2025, which is the weakest growth rate since 2022.

## Material events in the financial year

### Conclusion of extensive pipeline and LNG supply contracts

To ensure Europe's energy supply, the SEFE Group strengthened and diversified its origination portfolio in 2025 by concluding new medium- and long-term pipeline and LNG supply contracts with additional strategic partners. When doing so, the Group also agreed appropriate contractual terms to maintain the necessary flexibility for a rapid adaptation to a low-carbon economy. This flexibility allows the Group to secure the energy supply now and to adjust regional import volumes if demand changes.

## Hydrogen and clean energy

A significant milestone within the "Flow – making hydrogen happen" project was reached in the reporting year regarding the development of new business activities in the fields of hydrogen and renewable energy. Specifically, GASCADE achieved a pioneering technical accomplishment in 2025 by successfully converting around 400 kilometres of existing natural gas pipelines, stretching from the Baltic Sea region to Saxony-Anhalt, to transport hydrogen. Via GASCADE, the SEFE Group thus currently operates the largest hydrogen transport pipeline in Europe. This project, which is a crucial component of Germany's hydrogen transport network, highlights the SEFE Group's role as a key player in shaping the European hydrogen economy and as a provider of clean energy solutions.

## Reduction in the KfW credit line

The Group's most important financing instrument since 2022 has been a revolving credit line between SEFE and the Kreditanstalt für Wiederaufbau (KfW), which is firmly committed until June 2028. In 2025, SEFE reduced the credit facility ahead of schedule in two steps, each time by EUR 2.5 billion. These reductions scaled back the credit facility from an initial EUR 7.5 billion to now EUR 2.5 billion.

## Business performance

### Group performance

In the 2025 financial year, the SEFE Group operated in a dynamic market environment that was significantly impacted by geopolitical and regulatory uncertainties. These conditions influenced the earnings performance of several business activities and placed increased demands on the Group's operating management.

Overall, the SEFE Group achieved its second-highest result for the period in its history in the 2025 financial year, despite challenging external influences. This underscores the effectiveness of its increasingly diversified business model, which enables the Group to offset fluctuations in individual business activities with stable earnings contributions in other areas.

The SEFE Group manages a significant portion of its sales and trading transactions, which involve both physical deliveries and financial settlement on a net basis, as an integrated portfolio that is subject in its entirety to hedging and optimisation activities. The Group has therefore combined the revenue and cost of materials from transactions that are physically and financially settled, as well as foreign currency translation effects, together with the net result from trading, hedging and foreign currency translation and the result from loss allowances on trade receivables, and has disclosed the resulting total as gross operating profit within the consolidated statement of comprehensive income. The EBITDA key performance figure is the result for the period before income tax expense, interest, depreciation and amortisation.

The following is an overview of the SEFE Group's key financial performance indicators.

KEY PERFORMANCE INDICATORS			
€ million	2025	2024	2023
Gross operating profit	1,439	1,697	864
EBITDA	789	1,127	430
Result for the period	289	637	-187

### Comparison of actual and forecasted business performance

The SEFE Group's forecast for 2025 included a slight increase in gross operating profit compared to 2024, as well as a marginal decline in both EBITDA and the result for the period. While the sales and regulated infrastructure business activities performed as expected, the aforementioned market uncertainties and price developments negatively impacted the trading and storage business. Compared to the previous year, which was characterised by exceptionally strong results, gross operating profit, EBITDA and the result for the period were therefore lower overall. The performance of the business areas is presented below.

## Trading and Sales

Driven by a challenging market environment, the trading result in the reporting year was below the previous year's forecast. Against this backdrop, the Group pursued a risk-averse approach. A key component in this regard was risk-adjusted portfolio and trading management, which was characterised by a cautious approach, particularly in the first half of 2025. The Group's objective in this regard was to avoid potential losses in a difficult-to-predict market environment and to safeguard the sustainability of profitability.

The Trading and Sales business area nevertheless achieved a positive gross operating profit, which resulted primarily from bilateral trading in natural gas and power and was supported by both new and existing strategic partnerships as well as further pipeline supply contracts. The Group contributes to increased security of supply thanks to its broader European origination base and reliably predictable origination volumes from existing supply contracts. With 173 cargoes (around 180 TWh) of LNG, the SEFE Group once again significantly exceeded the previous year's figure of 132 cargoes (about 135 TWh). The increase in power trading volumes also underscores the Group's diversification and the central role it plays in the European energy market.

Furthermore, the Group successfully established its metals trading business. This business activity contributes to decarbonisation measures by making strategic raw materials available, and in parallel adds additional growth potential to the Group's portfolio.

In energy sales, the Group bolstered its market position through contract extensions and the expansion of its customer base for natural gas and power. Despite weather-related influences, higher sales volumes led to an overall positive performance and offset the slightly lower margins. The resulting earnings offset the subdued result in the trading business.

## Infrastructure

The transport system operators GASCADE and NGT continued to make a significant contribution to the security of supply in Germany and neighbouring markets with their pipeline capacities, while their stable positive earnings contributed to the Group's earnings. Furthermore, the completed conversion of around 400 kilometres of existing natural gas pipelines to transport hydrogen was a key focus.

In the storage business activity, the commercial results in the reporting year were impacted by low and sometimes inverted seasonal gas price spreads, which squeezed margins from the marketing of storage capacity. In addition, not all available working gas capacity could be fully marketed.

## Result of operations

### KEY ITEMS OF THE STATEMENT OF COMPREHENSIVE INCOME

€ million	2025	2024
Revenue	15,494	13,547
Cost of materials	-14,208	-12,497
Net result from trading, hedging and foreign currency translation	158	653
<b>Gross operating profit</b>	<b>1,439</b>	<b>1,697</b>
Employee benefits	-456	-399
Other operating expense	-247	-257
Result from investments accounted for using the equity method	-1	88
<b>EBITDA</b>	<b>789</b>	<b>1,127</b>
Depreciation, amortisation and impairment of fixed assets	-579	-267
Income taxes expense	149	-189
<b>Result for the period</b>	<b>289</b>	<b>637</b>
Other comprehensive income	90	-786
<b>Comprehensive income</b>	<b>379</b>	<b>-149</b>

The SEFE Group's result of operations in 2025 was influenced primarily by the considerable expansion of LNG trading, successful hedging activities and the contribution of the transport activities of the WIGA Group, which was fully consolidated for the entire financial year for the first time.

The SEFE Group's revenue developed positively in the 2025 financial year. The main reason for this growth was a significant increase in the volume of LNG sold, with solid volume increases also being achieved in the sale of power. The decline in the average price level had an offsetting effect on revenue. In addition, the transport companies, which were fully consolidated for the first time, contributed EUR 680 million (previous year: EUR 157 million) to revenue.

Gross operating profit, one of the Group's key financial performance indicators, was lower than the previous year's level. The Group was able to partially offset the impact of adverse market conditions on its trading business in 2025, primarily through successful risk management of its origination and sales positions.

In addition, a well-diversified product portfolio as well as solid margins from both the LNG business and trading in emission allowances contributed to the trading result.

The decline in EBITDA reflects the development of gross operating profit and is influenced by both the employee benefits expense and the other operating expense of the WIGA Group, which was consolidated for the full year for the first time.

The increase in depreciation, amortisation and impairment of intangible assets and property, plant and equipment is primarily attributable to the WIGA Group being fully consolidated over an entire year for the first time, as well as to impairment losses recognised on natural gas storage facilities triggered by low capacity prices and utilisation rates.

The tax income resulted in part from tax refunds and the reversal of tax provisions for prior years due to the exercise of tax-related accounting options and the capitalisation of deferred taxes, which the Group has deemed to be recoverable based on positive forecasts for subsequent years.

Other comprehensive income increased the total comprehensive income. The primary cause of the positive result was the increase in the cash flow hedge reserve in the amount of EUR 288 million (decrease in the previous year: EUR 890 million). The main reason for this increase was the realisation of hedged items and the recycling of negative market values into the income statement.

## Net assets

### KEY BALANCE SHEET ITEMS

€ million	31 December 2025	31 December 2024
<b>Current assets</b>	<b>6,972</b>	<b>8,999</b>
Thereof cash and cash equivalents	409	1,218
Thereof trade and other receivables	4,255	4,543
Thereof inventories	1,300	2,298
<b>Non-current assets</b>	<b>6,106</b>	<b>5,680</b>
Thereof property, plant and equipment incl. right-of-use assets	4,073	4,371
Thereof long-term derivative financial assets	1,008	314
<b>Total assets</b>	<b>13,078</b>	<b>14,679</b>
<b>Current liabilities</b>	<b>3,917</b>	<b>6,501</b>
Thereof short-term trade and other payables	2,915	3,736
Thereof short-term financing liabilities	207	1,242
Thereof short-term derivative financial liabilities	693	1,274
<b>Non-current liabilities</b>	<b>3,276</b>	<b>2,229</b>
Thereof long-term financing liabilities	1,952	751
<b>Equity</b>	<b>5,885</b>	<b>5,949</b>
<b>Total equity and liabilities</b>	<b>13,078</b>	<b>14,679</b>

The SEFE Group's balance sheet structure in the financial year was characterised, among other factors, by the optimisation of working capital and the refinancing of the transport business.

Current assets decreased primarily due to lower trade receivables and inventories as at the reporting date, resulting from a decline in energy product prices and lower inventory levels. The decrease in cash and cash equivalents was offset by an increase in short- and long-term advance payments made primarily for gas purchases, which the Group reported as other receivables and non-current derivative financial assets.

Derivative financial assets and liabilities resulted in a net asset position totalling EUR 905 million as at the reporting date (previous year: net liability position of EUR 442 million). This change is attributable to two factors. On the one hand, this is the result of the realisation of contracts during the financial year. On the other hand, the market values of derivative positions are determined by price quotations as at 31 December 2025.

Current liabilities declined, with trade payables decreasing in line with receivables. In addition, the Group refinanced the expiring financing of its transport business through a new long-term term loan facility, which led to changes in short- and long-term financing debt.

Net assets, financial position and result of operations of SEEHG

A payment of EUR 434 million was made during the financial year to the shareholder from the capital reserve. Due to the positive total comprehensive income, equity remained almost at the previous year's level. As a result of the lower total assets, the equity ratio was 45 % (previous year: 41 %).

The Group complied with EU Commission state aid requirements regarding the restructuring of some of its business activities by selling several investments during the financial year. In addition, it concluded a contract for the sale of an investment in this context and initiated proceedings for the liquidation of other investments. These measures will not have a material impact on the Group's result of operations or net assets.

## Financial position

### Principles of financial management

The Treasury, Corporate Finance and Insurance (TCFI) department manages the Group's finances centrally based on internal guidelines and risk requirements. In addition to securing liquidity, its primary responsibilities include cash management, the management of interest and currency risks, insurance management and the provision of guarantee instruments. The SEFE Group raises financial resources centrally in most cases and makes them available within the Group through intra-Group loans, changes in equity or cash pooling agreements.

The Group has at its disposal bilateral guarantee lines totalling EUR 2.5 billion as at the end of 2025 to support its activities. Any bank instruments are applied for and managed using system-supported processes. In addition, the Group itself also issues guarantees to its commercial counterparties.

## Financing instruments and financing strategy

The most important financing instrument since 2022 has been a revolving credit line between SEFE and KfW, under which draw-downs of up to EUR 2.5 billion are possible. The credit line is firmly committed until June 2028. The KfW line has not been used since April 2023. In 2025, SEFE reduced the credit facility twice, each time by EUR 2.5 billion. These reductions scaled back the credit facility from an initial EUR 7.5 billion to now EUR 2.5 billion. In return, loan collateral was partially released.

In line with the centralised financing strategy, SEFE, as borrower, concluded in January 2025 a new term loan facility totalling EUR 1.8 billion with an international banking consortium. This term loan facility, which is being used to repay the existing WIGA loans payable and finance further investments by GASCADE and NGT, is available to the Group until May 2030. The Group hedges a significant portion of its associated interest rate exposure through interest rate hedging instruments (caps and swaps). Under the financing agreements, a leverage covenant ratio has been defined that the Group must meet as at the end of every quarter. The covenant ratio is significantly below the specified maximum value in both the financial year under review and in the planning period. The prepayment risk associated with financing liabilities is therefore deemed to be very low.

The Group aims to make its financing more efficient. The KfW credit facility is to be replaced and fully scaled back in 2026 by concluding a revolving credit facility with a banking consortium and securing other financing sources. The Group has several bilaterally agreed money market lines with banks to cover short-term liquidity needs.

To optimise working capital, SEFE implemented in 2025 a receivables factoring programme at one of its subsidiaries, with the aim of gradually extending this programme to other Group companies. In addition, SEFE plans to utilise commodity-based transactions.

The table below shows the Group's cash and cash equivalents and their year-on-year change.

CASH FLOW STATEMENT (SHORT)		
€ million	2025	2024
Cash and cash equivalents on 1 January	1,218	880
Cash flow from operating activities	-189	1,904
Cash flow from investing activities	-182	-1,354
Cash flow from financing activities *	-429	-571
Other changes	-10	359
<b>Total changes</b>	<b>-809</b>	<b>339</b>
Cash and cash equivalents on 31 December	409	1,218

\* In the previous year, interest and financing cost payments were presented within cash flows from operating activities.

The decrease in cash flow from operating activities is attributable primarily to short- and long-term advance payments made to strengthen the origination portfolio, as well as changes in working capital including derivative assets and liabilities.

The cash outflow from investing activities reflects the Group's investments in its transport infrastructure and the modernisation of its IT landscape.

The cash flow from financing activities includes a payment from the capital reserve to the shareholder in the amount of EUR 434 million, inflows and outflows from the refinancing of the transport business, and lease payments made.

## Net assets, financial position and result of operations of SEEHG

The focus of SEEHG's business activity is holding and managing the investment in SEFE. Beyond that, SEEHG has no operating business activity. The result for the period serves as the only key financial performance indicator. The result for the period and the main balance sheet line items are shown below.

NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS OF SEEHG		
€ million	31 December 2025	31 December 2024
Result for the period	-8	-5
Cash and cash equivalents	10	3
Financial assets	4,175	4,625
Equity	4,182	4,624
<b>Total assets</b>	<b>4,185</b>	<b>4,628</b>

SEEHG's negative result for the period according to the German Commercial Code (Handelsgesetzbuch, HGB), at EUR 8 million (previous year's negative result for the period: EUR 5 million), is influenced mainly by income tax expense. The reason for the high tax expense is a different accounting treatment of the payment from SEFE's capital reserve to SEEHG in the tax-based balance sheet. As a consequence, the result for the period is also below the previous year's forecast.

The investment in SEFE is shown in the financial assets. The reduction of EUR 450 million is the result of the payment from SEFE's capital reserve. SEEHG, for its part, paid EUR 434 million from the capital reserve to the shareholder, as a consequence of which its equity was likewise reduced.

## Report on expected developments

The SEFE Group anticipates that its results in the 2026 financial year will be roughly in line with the previous year. The Group anticipates that its gross operating profit will increase slightly compared to 2025, but EBITDA and the result for the period will probably be moderately lower. This estimate is based on the following assumptions about the performance of the business activities.

In the Trading business area, the Group is targeting an increase in earnings compared to 2025. This forecast is based on the market stabilisation during the year, which allows for a higher risk appetite and thus expanded trading activity. The Group expects to generate additional earnings from the optimisation of existing LNG contracts, in particular through expanded flexibility options regarding origination volumes and sales markets, as well as through increased regasification capacity. In the Sales business area, the Group anticipates it will probably fall somewhat short of the strong results it realised in 2025. This shortfall will be due primarily to declining margins, which can be offset only partially by the increase in sales volumes and the expanded offering of power and biogas.

The Group anticipates that the Infrastructure business area will continue to make a significant contribution to the financial key performance indicators in 2026. The SEFE Group will continue to focus on regulated and partially regulated infrastructure activities to ensure stable cash flows, maintain strategic flexibility and contribute to the security of the European energy supply. Revenue from the marketing of storage capacities will probably remain low, however, because seasonal spreads are expected to stay narrow or even inverted. In the transport business,

GASCADE and NGT will continue to expand the regulated hydrogen infrastructure and contribute to strengthening the security of the gas supply. This includes, in particular, pipeline conversions to bolster the German hydrogen core network and other measures in accordance with the requirements of the network development plan. Going forward, GASCADE plans to begin developing carbon transport concepts to position itself early in the field of decarbonised energy systems.

SEEHG, in its capacity as the parent company of the SEFE Group, conducts holding functions and otherwise does not perform operating activities. Dividend payments to SEEHG in 2026 are not planned. Due to a lower tax expense, the company expects that the result for the period in the 2026 financial year will be slightly higher than the level achieved in the year under review.

## Report on opportunities and risks

### Opportunities for the SEFE Group

The SEFE Group sees growth opportunities in a dynamic market driven by the changes in demand due to the energy transition, electrification and digitalisation. The Group is also strategically well-positioned to meet the increased need for secure supply sources and stable infrastructure resulting from geopolitical developments. Expected new regulations for hydrogen, carbon capture and storage, updated requirements regarding the security of supply and national market reforms will result in further investment opportunities for the Group.

The balanced sales and origination strategy as well as the Group's expertise in the global LNG and European natural gas and power markets form the basis for long-term growth and enable a dynamic response to short-term market opportunities. This makes it possible to build long-term customer relationships and exploit origination advantages. Established partnerships and a diversified customer base enable the Group to further expand its pipeline gas and LNG portfolios through medium- and long-term transactions, thereby contributing to the security of supply in Europe. In the short term, the SEFE Group can exploit the flexibility of its portfolio to generate margins and create added value for the shareholder and customers.

In the medium term, the SEFE Group has opportunities to drive growth and strengthen its market position. The further expansion of digital trading with increasing use of artificial intelligence and the implementation of algorithmic strategies will provide the Group with the opportunity to optimise its trading activities.

In the power markets, the focus is on flexibility, balancing group management and risk services. The SEFE Group can develop options to diversify its revenue by optimising its digitalisation, expanding its portfolio of embedded power purchase agreements, boosting its trading in green certificates and entering new commodity markets. This includes metals trading, which enables access to important raw materials and strategic supply chains that are a prerequisite for technologies related to the energy transition.

The SEFE Group's long-term strategy is in line with the goals of ensuring the security and affordability of the energy supply and supporting decarbonisation. The regulated infrastructure activities offer long-term opportunities regarding the future hydrogen network. Key projects in this regard include "Flow – making hydrogen happen, which envisages the development of hydrogen transport capacity in Germany and the Netherlands, and AquaDuctus, which aims to facilitate offshore hydrogen production and transport from wind farms in the North Sea. This enables predictable income and positions the Group as a driver of new technologies and decarbonisation. Given the dynamic development in the technological, economic and regulatory framework, the Group is examining various ways to achieve these goals. This also includes developing partnerships and internal expertise in carbon-related value chains.

The SEFE Group's diverse capabilities also enable the effective management of risks and the exploitation of opportunities in volatile markets. The Group relies on advances in trading, portfolio management and product innovation to ensure long-term growth and competitiveness.

## Risk management system of the SEFE Group

The SEFE Group's risk management, which is an integral component of the Group's business processes, adapts continuously to evolving market conditions, regulatory changes, strategic priorities and overarching business objectives. It is based on a consistent, Group-wide system for identifying, assessing and managing financial and non-financial risks. This system, which is supplemented when needed by appropriate mitigation measures, ensures uniform and effective monitoring of operating and financial activities.

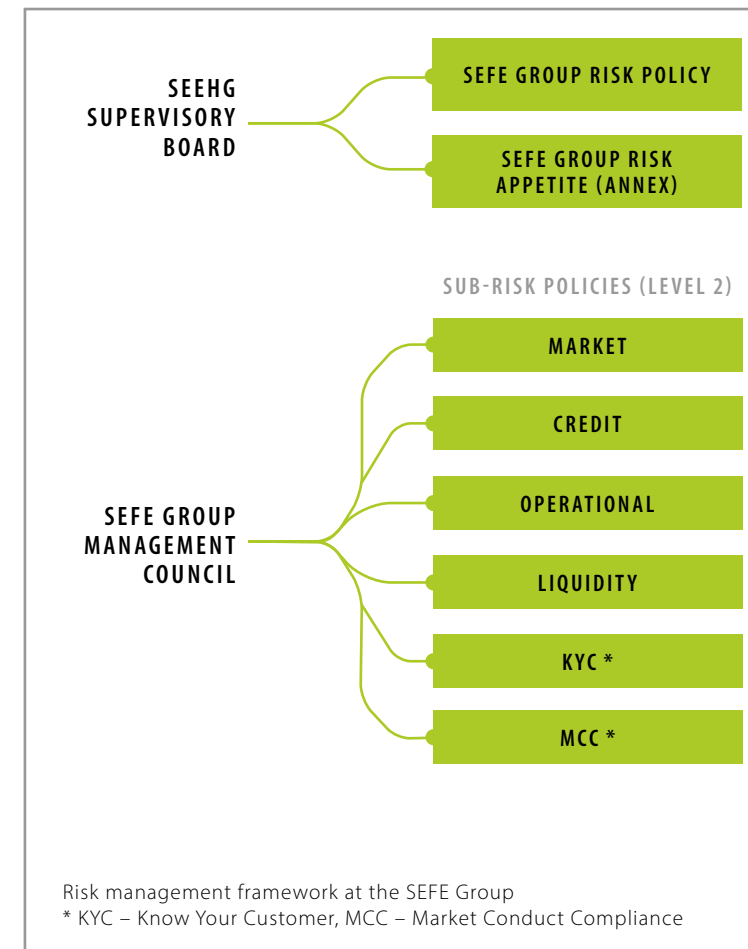
The risk management system, which takes into account organisation-wide unbundling requirements, is a key component for achieving the Group's objectives. The Group expanded the risk management framework in the 2025 reporting year to include ESG aspects. This expansion included implementing processes for the systematic identification and assessment of environmental risks, aligning risk considerations more closely with financial planning periods, and conducting scenario analyses to quantify significant transition and physical risks.

## Risk management

The SEFE Group's risk management system, which is documented in internal guidelines and methods, ensures a structured approach to risk management. The overarching risk framework is defined by the risk policy and risk appetite established by the SEEHG Supervisory Board, while the detailed implementation is governed by subordinate guidelines and supporting documents issued by the Management Council – a body comprised of key members of management– and by the central Group Risk Management function.

The SEFE Group's risk appetite comprises quantitative limits for financial risks and qualitative statements on risk tolerance for non-financial risks. The system is therefore designed to ensure the continuous and consistent implementation of controlled risk management across the entire Group. The Group has established two risk committees to ensure an effective governance structure. These committees, one appointed by the Supervisory Board and one by the Management Council, monitor compliance with the defined risk limits, provide advice on risk-related issues, and support the ongoing enhancement of the system.

The operating and supporting units act as risk owners and manage risks within their operating activities. The SEFE Risk Management function acts as a second line of defence and provides advisory services, independent control functions, reporting and monitoring, thereby ensuring the consistent application of risk policies.



## Risk identification and evaluation

The assessment of potential impacts and likelihoods forms the risk management framework that enables the Group to set priorities and manage risks effectively. The SEFE Group distinguishes between financial and non-financial risks to take into account the direct impact of certain risks on the Group's financial position.

The probability of occurrence is determined based on historical data or qualitative assessments and ranges from minimal to high. Potential risks impacting the financial key performance indicators, ESG-related focal points and business operations are classified on a scale from minimal to high.

IMPACT CLASSES		
Level	Likelihood in %	Impact in € million
Minimal	0–25	0–5
Low	25–60	5–50
Medium	60–80	50–250
High	80–100	> 250

Report on opportunities and risks

The risk exposures for the SEFE Group are classified into nine categories. The classification of each risk category is determined by a qualitative assessment based on the average assessment of all individual risks within that category.

RISK ASSESSMENT		
Risks	Likelihood	Impact
Market and portfolio risks	Low	High
Liquidity risks	Minimal	High
Credit risks	Minimal	Medium
IT and resilience risks	Medium	High
Strategic risks	Low	High
Political and regulatory risks	Low	High
Operational risks	Medium	Medium
Legal risks	Medium	Low
Compliance risks	Medium	Low

The observation horizon depends on the type of risk and is usually one year. Medium- to long-term periods are included in the assessment in individual cases.

**Financial risks**

The SEFE Group’s business activities result in market and portfolio risks, as well as credit and liquidity risks. The Group uses numerical models to quantify and control these financial risks. These risks are managed in accordance with the parameters defined in the Group-wide risk appetite.

**Market and portfolio risks** result from the main risk drivers in the commodity portfolio, such as the development of commodity and derivatives prices, exchange rates, interest rates and price volatility in trading and sales, supplemented by the dynamics of the emerging markets for low-emission energy sources. The long-term LNG contract portfolio represents the dominant risk exposure in this regard.

In the Infrastructure business area, market prices are influenced primarily by summer/winter price spreads. Current challenges include persistently low volatility in commodity markets, decreasing or even inverted seasonal price differentials, and the need for continuous strategic adaptation to the pace of the energy transition.

Market risk is measured using the metric market value at risk (MVaR), which is determined through Monte Carlo simulation and supplemented by stress tests, sensitivity analyses, correlation/ diversification models, risk limits and scenario analyses for long-term risks. Market risk is accepted within defined limits, with risk management supported by a Group-wide EBITDA monitoring framework and a stringent cost management programme.

The assessment of the SEFE Group’s market risks remained unchanged compared with the previous year.

**Liquidity risks** arise primarily from potential negative deviations from planned cash flows resulting from the risks of the SEFE Group. Liquidity is monitored through the ongoing comparison of financial obligations with the available cash and committed credit lines.

To manage these risks, the Group identifies the maturity-dependent obligations that must be covered by available liquidity, including committed credit lines. The Group’s financing is secured through available credit lines, even under challenging market conditions. The assessment of the SEFE Group’s liquidity risk remained unchanged compared to the previous year.

**Credit risks** result from the possibility that counterparties do not fulfil their contractual obligations, which can negatively impact the SEFE Group’s financial performance. These risks arise mainly from the Group’s sales and trading activities, where credit risks are continuously monitored and managed.

In 2025, the SEFE Group’s overall exposure to credit risk decreased compared to the previous year. This improvement resulted from several factors, including a decrease in the overall exposure due to falling commodity prices and lower market volatility, as well as upgrades in the credit ratings of insurers, which cover a large part of the retail portfolio.

The Group’s approach to credit risk management includes the assessment of counterparties’ creditworthiness, processes for monitoring credit exposures and the application of credit limits.

**Non-financial risks**

The SEFE Group manages non-financial risks through central controls that are based on the qualitative risk definitions of the risk appetite. Operational risks are minimised to an acceptable level, taking economic efficiency into account. Strategic risks are integrated into decision-making processes to limit their impact. The Group also proactively implements measures to minimise health, safety and environmental (HSE) risks. A zero-tolerance policy applies to regulatory violations.

The following section provides an overview of the SEFE Group’s approach to managing non-financial risks. It also describes the significant developments during the reporting period in the respective risk categories.

**IT security and resilience risks** occur in connection with the availability, security and adequacy of IT systems and technological resources. As privatisation progresses, there is an elevated risk of targeted attacks by state-sponsored actors. Such attacks could jeopardise business continuity and cause significant financial losses and operating disruptions.

To mitigate these risks, the SEFE Group is continuously improving the resilience of its IT infrastructure by migrating to cloud environments and implementing robust disaster recovery and high-availability solutions. Furthermore, the Group has deployed a new security programme to enhance existing security controls and minimise exposure to ransomware, insider threats and regulatory non-compliance.

Key measures include Group-wide security policies and a strengthened security and incident response framework, which incorporates intelligent monitoring and insider threat mitigation. In addition, contingency and resilience plans are regularly updated to ensure a consistent and resilient level of security across the entire Group. The assessment of the SEFE Group's IT security and resilience risks remained unchanged compared to the previous year.

**Strategic risks** result from the SEFE Group's long-term objectives, including safeguarding the security of supply through the conclusion of long-term gas supply contracts and securing regasification capacity. The interplay between the requirements of supply security, weaker gas demand in Europe and accelerated decarbonisation poses significant challenges. The benefits of long-term supply contracts, for example, could be offset by the need for decarbonisation, thereby negatively affecting trading revenue through lower prices and reduced volatility.

The long-term profitability in the Infrastructure business area is subject to uncertainties that result primarily from the currently low and sometimes inverted seasonal price spreads in the storage business, the gradual substitution of natural gas with alternative energy sources, and the significant investments necessary in connection with the planned conversion to hydrogen-ready applications. At the same time, the strategic provision of storage capacity and the gradual transformation of the infrastructure to hydrogen offer substantial value creation potential for the SEFE Group in the future.

EU-imposed restrictions in connection with the state ownership structure currently limit the Group's strategic options.

In the Sales business area, the Group faces ongoing challenges in keeping the existing business resilient while meeting growing customer demands for digitalisation, decarbonisation, compliance with high ESG standards and adaptation to the energy transition. To mitigate risk, the SEFE Group conducts ongoing market analyses and regular contract reviews, supplemented by quarterly updates to the long-term market and risk framework. The assessment of the SEFE Group's strategic risks remained unchanged compared to the previous year.

**Political and regulatory risks** encompass both geopolitical risks and risks arising from regulatory changes, which are assessed in a Group-wide risk matrix. Geopolitical risks are a significant driver within this category, as their importance for strategic decision-making in the context of global political dynamics continues to grow. This includes the risk of further military escalation in the Middle East, which could lead to significant disruptions in global supply chains and result in rising energy prices, additional inflationary pressure, tightened sanctions, and a deterioration of the economic growth outlook.

One political risk that was particularly relevant during the reporting year was the EU's implementation of a complete import ban on LNG from Russia, which will lead to a reduction in future earnings. To prepare for potential sanctions-related impacts, the Group performs scenario analyses, conducts intensive dialogue with stakeholders, and maintains a diversified origination portfolio. The Group considers the uncertainties arising from global tariffs policy to represent only indirect exposures that are immaterial to the Group.

The comparatively low risk of regulatory changes results from existing and planned regulations that necessitate additional infrastructure investments, increase the costs of trading strategies, and may challenge the resilience of IT systems.

While the SEFE Group actively monitors global political and regulatory developments, it also takes measures to mitigate potential impacts by working with policymakers and industry associations and by diversifying its supply portfolio. The assessment of the SEFE Group's political and regulatory risks remained unchanged compared to the previous year.

**Operational risks** encompass financial and non-financial risks that may result from inadequate or faulty processes, human error, system failures and external events. The increase compared to the previous year is mainly due to the transfer of certain risks from other risk categories. As a result of this reclassification, operational risk is reported separately in the 2025 financial year; it was included under Other Risks in the previous year.

The increase in operational risk is also attributable to the Group's ongoing organisational and IT transformation. To manage operational risks, the SEFE Group is strengthening the governance in its IT portfolio, aligning initiatives more consistently with strategic priorities, and developing contingency plans with corresponding reserve capacity. The implementation of these plans is scheduled to be finalised in 2026.

The expansion of the LNG portfolio also entails additional risks related to potential incidents on chartered LNG vessels. The Group addresses these risks by implementing specific contingency and crisis response plans and establishing appropriate insurance coverage to limit the impact on the Group's operations and financial stability.

**Legal risks** within the SEFE Group are assessed in the reporting year as having an increased likelihood of occurrence and a slightly reduced impact. The increase in the likelihood of risk occurrence is attributable primarily to the risk that a change of control could have on existing contracts. The potential loss amount decreased, however, because several arbitration proceedings were concluded during the year.

The Group recognises provisions if legal proceedings exist and it is likely that financial commitments will materialise as a result.

**Compliance risks** arise from complex and rapidly changing regulatory requirements, fragmented and regionally different compliance standards and mounting regulatory oversight.

The risk increased during the reporting year and, due to its greater relevance, is reported for the first time as a separate risk category. This increase results from related aspects of the risk management system that can be improved, including compliance processes, control mechanisms and governance structures, as well as from stricter regulatory enforcement measures, particularly in connection with French energy efficiency certificates. These measures had a financial impact in 2025 and led to an adjustment in the risk assessment, thereby increasing the likelihood of occurrence compared to the previous year.

The risk stems fundamentally from the high complexity and dynamism of regulatory requirements, which are further amplified by differing national and regional requirements and mounting supervisory activities.

To mitigate this risk, the SEFE Group has established a second line of defence within its Compliance function, which is responsible for Group-wide regulatory oversight. Active monitoring and enhanced governance measures increase the transparency of regulatory risks and sustainably strengthen the Group's resilience to compliance violations.

**Other risks** encompass additional, continuously monitored risk areas that are typically encountered in the energy sector. These include financial, personnel and transformation risks. All risks included in this category are classified as low.

The Group manages these risks in the same way as other non-financial risks and ensures that even minor risks are adequately considered and addressed promptly. It does not, however, apply special features that surpass the industry standard.

Potential risks related to the Group's infrastructure, as well as HSE and ESG risks, are distributed across the risk categories mentioned above.

## Overall assessment of opportunities and risks

The SEFE Group's current risk and opportunity profile reflects the dynamic transformation of the energy sector, which is driven primarily by the global transition to a low-carbon economy and ongoing technological innovation. Strategic risks arise in particular from the challenge of reconciling long-term gas supply contracts with declining European gas demand and accelerated decarbonisation. In the Management's assessment, however, there are no existential risks at the date when this annual report was prepared.

Despite these challenges, strategic opportunities are also emerging for the SEFE Group. Long-term LNG contracts and alternative pipeline sources strengthen the security of supply and resilience, while the Group's transport infrastructure ensures stable margins and operating flexibility. Targeted investments in decarbonised energy solutions create further growth opportunities. Factors that enhance the Group's efficiency and competitiveness include the use of digital technologies and the increased deployment of artificial intelligence, algorithmic optimisation and scalable processes. Furthermore, the planned development of trading platforms for strategically important metals creates additional value creation potential in an increasingly electrified economy.

Overall, the SEFE Group considers itself well positioned to help shape the decarbonisation of the economy through its integrated business model, forward-looking risk management and targeted investments in low-carbon technologies.