Consolidated financial statements

Income statement for the STEAG Group

in € million	Note	2022	2021
			Year
Sales	(5.1)	5,714.0	2,766.5
Change in inventories of finished goods		18.3	8.8
Other own work capitalized		0.2	1.4
Other operating income	(5.2)	1,646.2	1,197.5
Cost of materials	(5.3)	-4,091.2	-1,964.7
Personnel expenses	(5.4)	-342.8	-387.9
Depreciation/amortization and impairment losses	(5.5)	-200.9	-386.8
Other operating expenses	(5.6)	-569.2	-884.9
Income before the financial result and income taxes		**2,174.6**	**349.9**
Interest income	(5.8)	39.1	15.3
Interest expense	(5.8)	-113.5	-85.5
Result from investments recognized at equity	(5.9)	17.7	2.2
Other financial income	(5.10)	0.1	0.1
Financial result		**-56.6**	**-67.9**
Income before income taxes		**2,118.0**	**282.0**
Income taxes	(5.11)	-209.1	25.6
Income after taxes		**1,908.9**	**307.6**
Thereof attributable to			
Non-controlling interests		107.5	52.5
Shareholders of STEAG GmbH (net income)		1,801.4	255.1

Statement of comprehensive income for the STEAG Group

in € million	Note	Year 2022	2021
Income after taxes		**1,908.9**	**307.6**
Thereof attributable to			
Non-controlling interests		107.5	52.5
Shareholders of STEAG GmbH (net income)		1,801.4	255.1
Comprehensive income to be reclassified subsequently to profit or loss		**38.1**	**34.8**
Thereof attributable to			
Valuation of financial instruments in hedging relationships		8.7	29.8
Differences arising from currency translation		24.4	18.3
Investments recognized at equity		6.4	-0.8
Deferred taxes		-1.4	-12.5
Comprehensive income that will not be reclassified subsequently to profit or loss		**275.2**	**129.3**
Thereof attributable to			
Remeasurement of the net defined benefit liability from defined benefit plans		327.7	83.4
Valuation of other investments		-	-11.5
Deferred taxes		-52.5	57.4
Other comprehensive income after taxes	**(6.9)**	**313.3**	**164.1**
Thereof attributable to			
Non-controlling interests		18.4	25.6
Shareholders of STEAG GmbH		294.9	138.5
Total comprehensive income		**2,222.2**	**471.7**
Thereof attributable to			
Non-controlling interests		125.9	78.1
Shareholders of STEAG GmbH		2,096.3	393.6

Balance sheet for the STEAG Group

in € million	Note	**Dec. 31, 2022**	Dec. 31, 2021
Intangible assets	(6.1)	132.7	139.4
Property, plant and equipment	(6.2)	1,102.2	1,160.1
Investment property		7.0	7.1
Investments recognized at equity	(6.3)	87.8	67.9
Financial assets	(6.4)	282.3	343.0
Deferred taxes	(6.14)	133.6	154.9
Contract assets	(6.6)	37.5	22.9
Other receivables	(6.6)	72.3	17.2
Non-current assets		**1,855.4**	**1,912.5**
Inventories	(6.5)	721.0	260.2
Current income tax assets	(6.14)	1.8	12.3
Trade accounts receivable	(6.6)	879.7	587.8
Contract assets	(6.6)	76.6	42.1
Other receivables	(6.6)	110.9	195.1
Financial assets	(6.4)	2,082.1	814.7
Cash and cash equivalents	(6.7)	678.8	340.9
		4,550.9	**2,253.1**
Assets held for sale	(6.8)	323.2	325.3
Current assets		**4,874.1**	**2,578.4**
Total assets		**6,729.5**	**4,490.9**

Issued capital		128.0	128.0
Reserves		1,060.1	-363.8
Equity attributable to shareholders of STEAG GmbH		**1,188.1**	**-235.8**
Equity attributable to non-controlling interests		292.9	236.4
Equity	**(6.9)**	**1,481.0**	**0.6**
Provisions for pensions and other post-employment benefits	(6.10)	891.2	1,229.7
Other provisions	(6.11)	207.1	221.7
Deferred taxes	(6.14)	182.9	26.9
Financial liabilities	(6.12)	549.4	759.6
Contract liabilities	(6.13)	13.2	12.6
Other liabilities	(6.13)	24.3	5.0
Non-current liabilities		**1,868.1**	**2,255.5**
Other provisions	(6.11)	1,115.4	684.7
Current income tax liabilities	(6.14)	63.7	48.8
Financial liabilities	(6.12)	1,407.8	968.2
Trade accounts payable	(6.13)	377.1	264.4
Contract liabilities	(6.13)	207.2	68.5
Other liabilities	(6.13)	59.3	47.2
		3,230.5	**2,081.8**
Liabilities associated with assets held for sale	(6.8)	149.9	153.0
Current liabilities		**3,380.4**	**2,234.8**
Total equity and liabilities		**6,729.5**	**4,490.9**

Statement of changes in equity for the STEAG Group

Note 6.9

in € million	Issued capital	Reserves: Capital reserve	Reserves: Accumulated income/loss	Reserves: Accumulated other comprehensive income	**Equity attributable to shareholders of STEAG GmbH**	Equity attributable to non-controlling interests	**Total equity**
As at January 1, 2021	**128.0**	**77.5**	**-637.1**	**-37.6**	**-469.2**	**360.3**	**-108.9**
Capital increases/decreases	-	-	-	-	**-**	-15.8	**-15.8**
Profit transfer/dividend distribution	-	-	-134.9	-	**-134.9**	-51.8	**-186.7**
Changes in shareholdings in subsidiaries without loss of control	-	-	-20.9	0.0	**-20.9**	-134.2	**-155.1**
Income after taxes	-	-	255.1	-	**255.1**	52.5	**307.6**
Other comprehensive income after taxes	-	-	126.3	12.2	**138.5**	25.6	**164.1**
Total comprehensive income	**-**	**-**	**381.4**	**12.2**	**393.6**	**78.1**	**471.7**
Other changes	-	-	-4.4 [1]	-	**-4.4**	-0.2	**-4.6**
As at December 31, 2021	**128.0**	**77.5**	**-415.9**	**-25.4**	**-235.8**	**236.4** [2]	**0.6**
Capital increases/decreases	-	-	-	-	**-**	-	**-**
Profit transfer/dividend distribution	-	-	-676.9	-	**-676.9**	-48.3	**-725.2**
Changes in shareholdings in subsidiaries without loss of control	-	-	-	-	**-**	-	**-**
Income after taxes	-	-	1,801.4	-	**1,801.4**	107.5	**1,908.9**
Other comprehensive income after taxes	-	-	265.6	29.3	**294.9**	18.4	**313.3**
Total comprehensive income	**-**	**-**	**2,067.0**	**29.3**	**2,096.3**	**125.9**	**2,222.2**
Other changes	-	-	4.5 [1]	-	**4.5**	-21.1	**-16.6**
As at December 31, 2022	**128.0**	**77.5**	**978.7**	**3.9**	**1,188.1**	**292.9** [2]	**1,481.0**

[1] This amount includes obligations to make compensation payments to non-controlling interests totaling minus € 2.9 million, recognized outside of profit or loss (prior year: minus € 4.6 million).

[2] As at December 31, 2022, accumulated other comprehensive income of € 1.5 million (prior year: minus € 7.4 million) was attributable to non-controlling interests.

Cash flow statement for the STEAG Group

in € million	Note	January 1 - December 31 **2022**	2021
Income before the financial result and income taxes		2,174.6	349.9
Depreciation, amortization, impairment losses/reversal of impairment losses on non-current assets		183.8	378.0
Gains/losses on disposal of non-current assets		-39.0	-58.3
Change in inventories		-474.9	-142.3
Change in trade accounts receivable		-381.5	-251.4
Change in trade accounts payable and current advance payments received from customers		100.5	57.2
Change in provisions for pensions and other post-employment benefits		-26.6	-18.9
Change in other provisions		439.9	317.1
Change in miscellaneous assets/liabilities		-1,122.2	-195.6
Cash outflows for interest payments		-87.8	-69.5
Cash inflows from interest		9.0	3.4
Dividend payments received		0.6	6.2
Cash outflows for income taxes		-66.6	-52.9
Cash flow from operating activities	(7.1)	**709.8**	**322.9**
Cash outflows for investments in intangible assets, property, plant and equipment and investment property		-95.2	-90.7
Cash outflows for investments in shareholdings		-3.6	-6.7
Cash inflows from divestments of intangible assets, property, plant and equipment and investment property		9.5	49.7
Cash inflows from divestments of shareholdings		9.2	148.5
Cash outflows for securities, deposits and loans		-30.5	-16.7
Cash inflows from securities, deposits and loans		-	96.6
Cash flow from investing activities	(7.2)	**-110.6**	**180.7**
Capital inflows/outflows		-	-15.8
Cash outflows to non-controlling interests		-48.3	-51.8
Cash inflows/outflows relating to changes in shareholdings in subsidiaries without loss of control		-	-155.1
Cash inflows from additions to financial liabilities		524.9	67.9
Cash outflows for repayment of financial liabilities		-578.6	-487.4
Cash flow from financing activities	(7.3)	**-236.9**	**-642.2**
Change in cash and cash equivalents		**362.3**	**-138.6**
Cash and cash equivalents as at January 1		**340.9**	**466.0**
Change in cash and cash equivalents		362.3	-138.6
Changes in exchange rates and other changes in cash and cash equivalents		-24.4	13.5
Cash and cash equivalents as at December 31	(6.7)	**678.8**	**340.9**

(1) General information

STEAG GmbH is an energy corporation headquartered in Germany which operates internationally. As one of Germany's largest electricity producers, its business focuses on planning, building, acquiring and operating energy generating facilities and the related services. Further core competencies include procurement, marketing, sale and trading of energy, energy sources and other process media, as well as the production, acquisition and provision of the plants required for this purpose and the related services.

The company's registered office is Rüttenscheider Straße 1-3, Essen (Germany), and it is registered in the Commercial Register at Essen Local Court under no. HRB 19649.

STEAG GmbH is a wholly owned subsidiary of KSBG Kommunale Beteiligungsgesellschaft GmbH & Co. KG (KSBG KG), a consortium of six municipal utility companies in the Rhine-Ruhr region. A profit and loss transfer agreement has been in place between KSBG KG and STEAG GmbH since July 1, 2011.

The present consolidated financial statements for STEAG GmbH and its consolidated affiliated companies (referred to jointly as the "STEAG Group") have been prepared on a voluntary basis and are not published in the Federal Gazette (Bundesanzeiger).

The consolidated financial statements were authorized for issue by the Board of Management of STEAG GmbH on May 12, 2023.

As at December 31 of each year, STEAG GmbH and its subsidiaries are fully consolidated in the consolidated financial statements of KSBG KG, as the main parent company of the Group, which are prepared in accordance with the International Financial Reporting Standards (IFRS), as applicable for use in the European Union, and in conformance with Section 315e Paragraph 3 of the German Commercial Code (HGB). The consolidated financial statements of KSBG KG are published in the electronic Federal Gazette.

Taking into account the debt restructuring agreement concluded in 2021 and the related agreements, as well as the company's current liquidity planning, the consolidated financial statements have been prepared on the unchanged assumption of a continuation of the company's business activities.

Through the Sunrise project, the STEAG Group pursued the legal and operational split into two independent subgroups. The coal activities of the STEAG Group have beenbundled in STEAG Power GmbH (formerly STEAG 1. Beteiligungs-GmbH) since December 1, 2022 (with economic effect from July 1, 2022). The division of the STEAG Group into two entities was successfully completed as of January 1, 2023 when the growth businesses were transferred to Iqony GmbH (formerly STEAG 2. Beteiligungs-GmbH).

(2) Basis of preparation of the financial statements

(2.1) Compliance with IFRS

These consolidated financial statements have been prepared voluntarily on the basis of the IFRS adopted by the European Union. The IFRS comprise the standards (IFRS, IAS) issued by the International Accounting Standards Board (IASB), London (UK) and the interpretations (IFRIC, SIC) of the IFRS Interpretations Committee.

(2.2) Presentation of the financial statements

The consolidated financial statements cover the period from January 1 to December 31, 2022 and are presented in euros. To enhance clarity and comparability, all amounts are stated in millions of euros (€ million) except where otherwise indicated.

The consolidated financial statements provide a true and fair view of the actual situation as regards the company's net assets, financial position and results of operations.

The recognition and valuation principles and items presented in the consolidated financial statements are in principle consistent from one period to the next. To enhance the clarity of presentation, some items are combined in the income statement, statement of comprehensive income, balance sheet and statement of changes in equity and explained in detail in the Notes.

The income statement has been prepared using the total cost format.

The statement of comprehensive income is a reconciliation from income after taxes as shown in the income statement to the Group's total comprehensive income, taking into account other comprehensive income (OCI) after taxes.

On the balance sheet, assets and liabilities are classified by maturity. They are classified as current if they are due or expected to be realized within twelve months from the reporting date. Accordingly, assets and liabilities are classified as non-current if they remain in the company for more than one year. Deferred tax assets and liabilities and provisions for defined benefit pension plans and other post-employment benefits are classified as non-current.

The statement of changes in equity shows changes in the issued capital and reserves attributable to shareholders of STEAG GmbH and non-controlling interests in the reporting period.

The cash flow statement provides information on the Group’s cash flows. Cash flows from operating activities are calculated using the indirect method; cash flows from investing activities and financing activities are calculated using the direct method.

The Notes contain basic information on the financial statements, supplementary information on the above components of the financial statements and additional disclosures.

(2.3) Newly issued IFRS

Accounting standards applied for the first time

The IASB regularly issues new and amended standards and interpretations. These have to be officially adopted into EU law by endorsement by the European Commission before they can be applied.

In 2022, the European Commission did not endorse any new or amended standards or interpretations that had to be applied for the first time in the fiscal year and would have had a material impact on the consolidated financial statements of the STEAG Group.

The new and amended standards and interpretations listed in the following table, which became mandatory for the first time in fiscal 2022, did not have a material impact on the consolidated financial statements for the STEAG Group.

Standard	Content
Amendments to IFRS 3 *Business Combinations*	Amendments to references to the conceptual framework
Amendments to IAS 16 *Property, Plant and Equipment*	Amendments relating to proceeds before intended use
Amendments to IAS 37 *Provisions and Contingent Liabilities*	Amendments relating to the cost of fulfilling a contract.
Annual Improvements 2018 - 2020	Annual improvements to IFRSs, 2018-2020 cycle.

Accounting standards that are not yet mandatory

Up to December 31, 2022, the IASB had issued further accounting standards and amendments to accounting standards that had not yet become mandatory in the EU in the reporting period. The standards and amendments to standards and interpretations presented in the following table are not expected to have a material impact on the consolidated financial statements of the STEAG Group.

Standard	Content	Application	Endorsement
IFRS 17 *Insurance Contracts*	New standard relating to the provision of insurance services	Jan. 1, 2023	Yes
Amendments to IAS 1 *Presentation of Financial Statements*	Classification of liabilities as current or non-current and disclosure of accounting policies Current liabilities with covenants	Jan. 1, 2024	No
Amendments to IAS 1 *Presentation of Financial Statements*	Amendment of the accounting policy information to be disclosed and the definition of “material”	Jan. 1, 2023	Yes
Amendments to IAS 8 *Accounting Policies*	Amendment of the definition of “accounting estimates”	Jan. 1, 2023	Yes
Amendments to IAS 12 *Income Taxes*	Amendments relating to deferred taxes arising from a single transaction	Jan. 1, 2023	Yes

Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	Presentation of comparative information	Jan. 1, 2023	Yes
Amendments to IFRS 16 *Leases*	Lease Liability in a Sale and Leaseback	Jan. 1, 2024	No

(2.4) Scope of consolidation and consolidation methods

Scope of consolidation

Alongside STEAG GmbH, the consolidated financial statements include all material subsidiaries in Germany and abroad that are directly or indirectly controlled by STEAG GmbH. STEAG GmbH controls a company if it is exposed to, or has rights to, variable returns from its involvement with the company and has the ability to affect those returns through its power over the subsidiary.

Associates and joint ventures are generally recognized using the equity method if the Group is able to exert a significant influence or exercises joint control.

Initial consolidation or deconsolidation takes place as at the date on which the company gains or loses control.

Changes in the scope of consolidation are outlined in Note (4.1).

Consolidation methods

The financial statements of the consolidated German and foreign subsidiaries are prepared using uniform accounting and valuation principles.

Capital is consolidated at the time of acquisition by offsetting the carrying amount of the business acquired against the pro rata revalued equity of the subsidiary. In accordance with IFRS 3 "Business Combinations", ancillary acquisition costs are recognized as expenses in the income statement rather than in the carrying amount of the subsidiary. The assets and liabilities (net assets) of the subsidiary are generally included at fair value. If shares in the subsidiary are held before acquiring control, they must be revalued and any resultant change in value must be recognized through profit or loss in the income statement or in other comprehensive income, depending on the classification of the stake already held. Any remaining excess of the acquisition cost over the fair value of the net assets is recognized as goodwill. Negative differences are included in the income statement following a renewed examination of the fair value of the net assets.

Changes in shareholdings in a previously consolidated subsidiary that do not result in a loss of control are recognized directly in equity as a transaction between owners. In this case, the shares attributable to the owners of the parent company and the other shareholders are adjusted to reflect the changes in their respective stakes in the subsidiary. Any difference between this adjusted amount and the fair value of the consideration paid or received is recognized directly in equity and allocated to the shares attributable to the owners of the parent company. Directly related transaction costs are also accounted for in other comprehensive income as a transaction between owners, with the exception of costs for the issuance of debt or equity instruments, which are still measured in accordance with the criteria for recognizing financial instruments.

The subsidiary must be deconsolidated as at the date on which control is lost. This involves derecognition of the net assets of the subsidiary and non-controlling interests (proportionate net assets of the subsidiary). The gain or loss on the divestments must be calculated from the Group viewpoint. This is derived from the difference between the proceeds of the divestment (selling price less costs to sell) and the proportionate divested net assets of the subsidiary (including the remaining hidden reserves and liabilities, and any goodwill shown on the balance sheet). The shares in the former subsidiary still held by the STEAG Group are revalued at fair value as at the date on which control is lost. This comprises the fair value on initial recognition of the financial asset in accordance with IFRS 9 or the cost of the investment in the associate or joint operation in the event of downward consolidation. All gains and losses resulting from measurement of the shares still held are recognized in the income statement as other operating income or other operating expenses. Currency translation differences and other amounts attributable to the subsidiary being disposed of that were recognized in OCI and not through profit and loss while the subsidiary was part of the Group, must be deconsolidated as part of the equity being disposed of and are therefore recognized in profit or loss unless a different standard requires direct transfer to retained earnings.

Intragroup income and expenses, profits, losses, receivables and liabilities between consolidated subsidiaries are eliminated. Write-downs and write-ups of balance sheet items in consolidated affiliated companies recognized in the separate financial statements are reversed.

Shares in associates and joint ventures accounted for using the equity method are initially recognized at cost of acquisition, see Note (2.6) “Investments recognized at equity”.

(2.5) Currency translation

Foreign currency transactions are measured at the exchange rate on the transaction date. Any gains or losses resulting from the valuation of monetary assets and liabilities in foreign currencies as at the reporting date are recognized in other operating income or other operating expenses.

The financial statements of foreign subsidiaries outside the euro zone are translated on the basis of their functional currency. In the consolidated financial statements, the assets and liabilities of all foreign subsidiaries are translated from the functional currency of the company into euros at closing rates on the reporting date, since they conduct their business independently in their functional currency. The equity of foreign investments accounted for at equity is translated analogously. As an asset pertaining to an economically autonomous foreign sub-entity, goodwill is translated at the closing rate. Income and expense items are translated at average exchange rates for the year. The average annual exchange rates comprise the mean of the exchange rates at month-end over the past 13 months. Translation differences compared to the prior year and translation differences between the income statement and balance sheet are recognized in OCI.

The exchange rates used for currency translation included:

	Annual average rates		Closing rates	
€1 corresponds to	**2022**	2021	**Dec. 31, 2022**	Dec. 31, 2021
Botswana pula (BWP)	13.07	13.14	13.67	13.31
Brazilian real (BRL)	5.47	6.38	5.64	6.31
British pound (GBP)	0.85	0.86	0.89	0.84
Indian rupee (INR)	82.83	87.49	88.17	84.23
Indonesian rupiah (IDR)	15,674.50	16,945.92	16,519.82	16,100.42
Qatari riyal (QAR)	3.88	4.33	3.92	4.14
Colombian peso (COP)	4,508.15	4,436.43	5,194.90	4,627.06
Philippine peso (PHP)	57.23	58.38	59.32	57.76
Polish zloty (PLN)	4.68	4.57	4.68	4.60
Turkish lira (TRY)	17.29	10.68	19.96	15.23
US dollar (USD)	1.06	1.19	1.07	1.13

(2.6) Accounting policies and valuation principles

Revenue recognition

Revenues from the sale of goods and services that constitute part of the company's normal business activity and other revenues are recognized as follows:

(a) Sales

The STEAG Group generates sales principally through the operation of power plants in Germany and abroad, the operation of energy supply facilities based on renewable energy resources, coal trading and the marketing of related products and services. In addition, interest and variable payments from finance leases and revenue from modifications of finance leases are recognized as sales if the STEAG Group is the lessor.

Revenue is recognized at the amount of the contractually agreed consideration that the STEAG Group expects to receive in return for transfer of the corresponding goods and services to the customer (transaction price). This involves allocating the transaction price for the goods transferred or services provided arising from the contract with the customer among the individual performance obligations using the relative stand-alone selling prices of each individual good or service.

Recognition of revenue over time for the construction and conversion of plants is based on progress towards satisfying the performance obligation as at the reporting date. Normally, the percentage of completion or progress is measured as the cost incurred as at the reporting date relative to the estimated total cost. If revenue is recognized at a point in time, revenue is recognized when the customer obtains control of the promised assets.

To enhance the information on the company's earnings position, for energy-related commodity derivatives from own-account trading, sales and the cost of materials are presented on a net basis per commodity, i.e. only the net result of the respective commodity derivative is recognized. Commodity derivatives used to optimize clean dark spread trading are also presented on a net basis, analogously to own-account trading. For management purposes, net amounts are also used in internal reporting.

(b) Other revenues

Other revenues are only recognized if they can be determined reliably, there is a legal claim to the receivable and it is sufficiently probable that the economic benefit will flow to the company.

To enhance the information on the company's earnings position, for certain types of derivatives used for own-account trading and to optimize clean dark spread and clean spark spread trading, the change in fair value is presented in other income and expenses on a net basis.

Interest income is recognized on a pro rata temporis basis using the effective interest method. Income from royalties is accrued on the basis of the commercial terms of the underlying contract and recognized on a pro rata basis. Dividend income is recognized as at the date of the right to receive the payment. Unrealized and realized income from interest rate swaps, options, currency forward agreements and commodity forward agreements are recognized in other income if they are stand-alone instruments and are not included in a valuation unit with the associated hedged item (hedge accounting).

Intangible assets

Intangible assets are capitalized at acquisition or production cost. Intangible assets with a finite useful life are amortized and an impairment test is conducted if there are specific indications of a possible impairment, see Note (2.6) “Impairment test”. Intangible assets with an indefinite useful life are not amortized; instead they are tested for impairment at least once a year. The assumptions regarding their indefinite useful life are also reviewed annually.

(c) Goodwill

Goodwill has an indefinite useful life and is tested for impairment at least once a year.

(d) Other intangible assets

Other intangible assets mainly comprise licenses and computer software. These are amortized over their estimated useful life of 3-30 years using the straight-line method.

Property, plant and equipment

Property, plant and equipment are carried at acquisition or production cost and depreciated over their expected useful life using the straight-line method. Expected useful lives and residual values are reviewed periodically.

If there are indications that an impairment loss needs to be recognized, an impairment test is conducted on the items of property, plant and equipment, see Note (2.6) “Impairment test”.

The cost of acquisition includes all expenses directly attributable to the acquisition. The cost of production of assets manufactured within the Group comprises all direct costs of materials and labor, plus the applicable proportion of material and manufacturing overheads, including depreciation. Costs relating to obligations to dismantle or remove non-current assets at the end of their useful life are capitalized as acquisition or production costs as at the date of acquisition or production. Acquisition and production costs may also include transfers from gains and losses on cash flow hedges entered into in connection with the purchase of property, plant and equipment in foreign currencies and recognized in OCI.

Borrowing costs that can be allocated directly to the acquisition, construction or production of a qualifying asset are included in the cost of acquisition or production. A qualifying asset is an asset for which more than a year is required to get it ready for its intended use or for sale.

Property, plant and equipment are depreciated using the straight-line method over the expected useful life of the assets.

in years	
Buildings	7 - 50
Plant and machinery	
Power plants and related components	12 - 40
Distributed energy supply facilities	8 - 15
Other technical plant and machinery	3 - 25
Other plant, office furniture and equipment	3 - 25

For information on the remaining useful life of the power plants in Germany, see Note (3b).

Expenses for overhauls and major servicing (major repairs) are generally capitalized if it is probable that they will result in future economic benefits from an existing asset. They are then depreciated over the period until the next major repair date. Routine repairs and other maintenance work are expensed in the period in which they are incurred.

If there is a high probability that the project will be realized, costs incurred for planning and pre-engineering work for capital expenditure projects are capitalized. Depreciation is recognized in line with the useful life of the project.

If major components of an asset have different useful lives, they are recognized and depreciated separately.

Gains and losses from the disposal of assets are calculated as the difference between the net proceeds of sale and the carrying amount and recognized in other operating income or other operating expenses.

Investments recognized at equity

Associates and joint ventures are recognized using the equity method if the Group is able to exert a significant influence or exercises joint control.

Initially they are measured at cost of acquisition. The cost of acquisition also contains all ancillary acquisition costs directly attributable to the investment.

As the basis for the measurement of the investment in subsequent periods, the difference between the cost of acquisition and the proportionate equity must be determined. This is analyzed to see to what extent it contains hidden reserves or hidden liabilities. Any positive difference remaining after allocation of hidden reserves or liabilities is treated as goodwill and taken into account in the carrying amount of the investment.

Starting from the acquisition cost of the investment, in subsequent periods its carrying amount is increased or reduced by the proportionate net income. The financial statements of the companies recognized at equity are prepared using uniform accounting and valuation principles for the STEAG Group.

Further adjustments to the carrying amount of the investment are necessary if the equity of the investment alters as a result of items contained in OCI. Subsequent measurement must take into account depreciation of hidden reserves on depreciable assets identified at the time of initial consolidation and deducted from the proportionate net income. To avoid dual recognition, any dividends received must be deducted from the carrying amount.

The investment must be tested for impairment if there are indications of impairment see Note (2.6) “Impairment test”. No separate impairment test is performed for the proportionate goodwill. The impairment test is performed for the entire carrying amount of the investment. Accordingly, impairment losses are not allocated to the proportionate goodwill included in the carrying amount of the investment and can be reversed in full in subsequent periods.

Impairment test

If there are indications of possible impairment, an impairment test in accordance with IAS 36 "Impairment of Assets" is conducted on intangible assets, property, plant and equipment, investment property and investments recognized at equity. The impairment test on such assets is generally conducted for a cash-generating unit (CGU), which is the smallest identifiable group of assets that generates independent cash flows, or for a group of CGUs. Goodwill is allocated to the segments, in other words, to a group of CGUs, that are expected to benefit from the synergies from the business combination to which the goodwill refers. Goodwill is tested for impairment at least once a year. In addition, in accordance with IAS 36 impairment tests are carried out on certain assets as at the reporting date as a result of indications of possible impairment.

The impairment test comprises comparing the recoverable amount of the CGU or group of CGUs with its carrying amount. The recoverable amount is determined as the higher of the fair value less costs to sell and the value in use of the CGU or group of CGUs. An impairment loss is recognized if the recoverable amount of a CGU or group of CGUs is less than its carrying amount. The impairment loss is reversed – except in the case of goodwill – if the reason for the original impairment charge no longer applies, but the increased carrying amount may not be above the carrying amount less depreciation or amortization that would apply if no impairment loss had been recognized in previous years.

When testing goodwill for impairment, the recoverable value of goodwill is determined from the fair value less costs to sell of the segments in the STEAG Group. The fair value is the present value of future cash flows determined using a valuation model. The future cash flows are derived from the current five-year mid-term planning. The mid-term planning is based on a mixture of experience of past market trends and expectations of future market trends. The main economic data that affect the impairment test include the development of interest rates, exchange rates, market prices for CO_2 allowances, renewable energy certificates, electricity, coal and gas and the regulatory environment. The mid-term planning is based on the corresponding market expectations, which are set centrally by STEAG GmbH. Specific growth rates applied after the medium-term planning period, if applicable, are derived from experience and future expectations. They do not exceed the average long-term growth rates for the relevant markets.

The cost of capital used to discount the expected cash flows is calculated as the weighted average of equity and debt on the basis of a capital market-based model. The cost of equity is determined by the risk-free interest rate and a risk premium. The risk premium is the product of the beta factor and market risk premium plus a country risk premium. The beta factor is obtained from the capital market by comparison with the values for comparable companies (peer group). A terminal growth rate is assumed. The cost of debt for individual CGUs is derived from an analysis of the gearing and creditworthiness analysis of peer group companies. The discount rates are determined after taxes and refer to cash flow after taxes. As required by IAS 36, the recoverable amount determined on this basis corresponds to the value that would have been derived by discounting future cash flows before taxes using a pre-tax discount rate.

For the impairment test on goodwill, the following parameters are applied for the weighted average cost of capital:

	Risk-free interest rate		Risk-adjusted interest rate (WACC)		Growth discount	
Segment	**2022**	2021	**2022**	2021	**2022**	2021
	%	%	%	%	%	%
Coal Power	2.00	0.10	7.38	5.75	1.00	0.25
Green Power & Energy Solutions	2.00	0.10	7.38	5.75	1.00	0.25

For the purpose of impairment testing of property, plant and equipment, specific discount rates ranging from 5.6 percent to 9.3 percent (prior year: 4.1 percent to 9.1 percent) are applied. For information on the method used and principal assumptions, please see the comments on the impairment testing of groups of CGUs to which goodwill is allocated.

Inventories

Inventories are measured at the lower of the cost of acquisition or production and net realizable value. The net realizable value corresponds to the net selling price that could be achieved in normal business operation less the production and selling expenses incurred prior to sale. To ensure risk-free valuation of inventories, adjustments are applied to inventories that have become obsolete.

If impairment losses are no longer applicable, they are reversed, but only up to the historical acquisition or production cost.

The cost of inventories of similar structure or for similar applications is determined uniformly as an average. The production cost of finished goods and work in progress comprises the cost of raw materials and supplies, further directly attributable production expenses such as production-related wages and general overheads that can be assigned to production (based on normal operating capacity). The cost of inventories may also contain gains and losses for qualifying cash flow hedges for the purchase of raw materials which have been reclassified from OCI.

Purchased emission allowances are recognized at the cost of acquisition. They are not depreciated but the provisions of IAS 36 “Impairment of Assets” and IAS 2 “Inventories” still need to be applied. Analogously to IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance", a token amount is recognized for each power plant for emission allowances allocated free of charge. Provisions are recognized for the obligation to surrender emission allowances, insofar as such allowances are available, at the amount capitalized for such allowances. If this obligation exceeds the allowances capitalized, the difference is recognized at the market price on the reporting date.

To ensure that recognition reflects the accounting period, allocated renewable energy certificates are recognized in the income statement at fair value as at the date of allocation in accordance with IAS 20 “Accounting for Government Grants and Disclosure of Government Assistance” and IAS 38 “Intangible Assets". For subsequent measurement, the fair value of allocated renewable energy certificates at initial recognition is taken to be the cost of acquisition. They are subsequently measured at the lower of the acquisition or production cost and net realizable value. Therefore, the value may be written down if the net realizable value is below the cost of acquisition.

Cash and cash equivalents

The cash and cash equivalents comprise balances held at banks, checks, cash, securities that can be sold in the short term and overnight and time deposits with original terms of less than three months. Bank deposits held for a specific purpose and margining are not included in cash and cash equivalents; they are disclosed in other financial assets.

Provisions for pensions and other post-employment benefits

Provisions for pensions and other post-employment benefits are measured using the projected unit credit method for defined benefit obligations in accordance with IAS 19 "Employee Benefits". This method takes account of expected future salary and pension increases as well as pension obligations and accrued entitlements as at the reporting date. For German companies valuation is generally based on the biometric data in the 2018 G mortality tables published by Dr. Klaus Heubeck. The probability of disability is based on modified data derived from company-specific factors. Pension obligations outside Germany are determined using country-specific accounting parameters and measurement principles. The fair value of plan assets is deducted from the benefit obligation.

The present value of the defined benefit obligation is the fair value of expected future payments without deduction of the plan assets. These payments are required to fulfill obligations arising from employees' services in the reporting period or previous periods.

Actuarial gains and losses relating to the present value of defined benefit obligations and income from plan assets (apart from interest income) are derived from the difference between the expected pension obligations and the actual obligation calculated at year end, and from deviations between the present value of the defined benefit obligation and the fair value of plan assets. The gains and losses from the remeasurement of the net benefit obligation are recognized in OCI in the year in which they arise.

The STEAG Group recognizes current and past service cost and any gains or losses resulting from changes in plans and plan curtailments in personnel expense, while the net interest expense on the net benefit obligation is recognized in the interest result.

The benefit obligations at year end are compared with the fair value of the plan assets (funded status). Pension provisions are derived from the funded status, taking the asset ceiling into account.

Defined contribution plans exist for both company pension plans and state pension plans (statutory pension insurance). Risks arising from the investment of the contributions and actuarial parameters are not borne by the STEAG Group but by its employees. Defined contribution plans result in an expense in the period in which the contribution is made.

Other provisions

Other provisions are liabilities of uncertain timing or amount. They are established if there are legal or constructive obligations to third parties as at the reporting date, based on past events, that will probably lead to an outflow of resources. It must also be possible to reliably estimate the level of the obligation.

If there are several obligations of the same type, the probability of an outflow of resources is calculated for these obligations as an aggregate. Restructuring provisions are only established if constructive obligations exist on the basis of a formal, detailed plan and those affected have been given justifiable expectations before the reporting date that the restructuring will be carried out.

Provisions are based on settlement obligations and take account of future cost increases. Non-current provisions are discounted using the specific discount rate for the provision. Current provisions and the current portion of non-current provisions are not discounted.

Deferred taxes, current income taxes

STEAG GmbH and KSBG KG form a single entity for income tax purposes. Consequently, STEAG GmbH is not a separate entity for income tax purposes. The presentation in the consolidated financial statements represents the economic view.

In compliance with IAS 12, deferred tax assets and liabilities are established for temporary valuation and recognition differences between the assets and liabilities recognized in the balance sheets prepared for tax purposes and those prepared in accordance with IFRS. Tax-deductible loss carryforwards that will probably be utilized in the future are capitalized at the amount of the deferred tax asset.

Deferred tax assets are recognized on the assumption that sufficient future taxable income is likely to be realized to cover these temporary differences. Where the realization of deferred tax assets is unlikely, they are written down.

Deferred tax assets and liabilities are offset if the company is permitted to net current income tax assets and liabilities and if the deferred tax assets and liabilities relate to income taxes in the same tax jurisdiction.

The tax rates used to calculate deferred taxes are those valid under current legislation or that have been announced as being applicable as at the date when the temporary differences will probably be settled. In view of the profit and loss transfer agreement with KSBG KG, the aggregate tax rate used to calculate deferred taxes for German companies in the tax entity is 16.0 percent. Since the main company in the tax entity is a partnership, the tax entity is not subject to corporation tax and the associated solidarity surcharge. The tax rates used for foreign companies and companies that do not form part of the tax entity are their national tax rates. The foreign tax rates are between 19.0 percent (Great Britain) and 34.0 percent (Brazil).

Current income taxes for the reporting period and prior periods are recognized on the basis of the expected payment or refund. They are derived from the company-specific tax rates applicable on the reporting date.

Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized as soon as the STEAG Group becomes a contractual party to the instrument. Financial instruments recognized as financial assets and financial liabilities are not netted. Exceptions are made if there is a netting right for the amounts at the present time and net settlement is planned.

A distinction is made between derivative and non-derivative financial instruments. Non-derivative financial instruments recognized as assets comprise, for example, trade accounts receivable, loans, cash and cash equivalents and equity instruments held. Financial instruments are carried at amortized cost or fair value on the reporting date, depending on their classification. On the liabilities side, non-derivative financial instruments comprise liabilities measured at amortized cost, e.g. trade accounts payable, loans, and liabilities to banks. Financial derivatives within the scope of IFRS 9 “Financial Instruments” are measured at their fair value on the reporting date.

Financial instruments are initially measured at fair value or the transaction price. Directly attributable transaction costs are included in the financial assets and financial liabilities, providing that these assets and liabilities are not subsequently measured at fair value through profit or loss. Subsequent measurement is based on the classification of the financial instruments mentioned above.

The fair value of financial instruments is normally the amount that the Group would receive or pay if the financial instruments were exchanged or settled on the reporting date. To determine the fair value, the default risk of the Group or the counterparty is taken into account. The fair value of financial instruments on the reporting date is allocated among three levels depending on the input factors used to determine the fair value. Financial instruments are allocated to the highest level (Level 1) if unadjusted quoted prices are available for identical financial instruments in an active market. The second level (Level 2) comprises financial instruments whose price can be derived from the price of similar financial instruments in an active market or an inactive market for identical or similar financial instruments. Further, other observable inputs from the market can be included in their valuation, for example, the development of interest rates, for which generally quoted ranges are observable, implicit volatilities, and credit spreads. For these financial instruments, future cash flows may be discounted using, for example, market interest rates that reflect the remaining term to maturity.

In all other cases, the valuation methods use one or more parameters that are not based on observable market data (Level 3). Discounted cash flow analyses or option pricing models have been selected as established valuation methods. To measure non-current financial instruments that do not bear interest at market rates, the expected future cash flows are discounted to the date of acquisition using the effective interest rate (present value). The effective interest rate takes account of all directly attributable/incremental transaction costs. Where the inputs used to value the financial instrument are drawn from different levels, the significant valuation factor with the lowest classification determines the classification of the financial instrument.

The fair value of standardized linear derivatives and of index-based electricity sales are derived from quoted price indicators. For coal and emissions trading products and for the gas product TIF, the prices on the Intercontinental Exchange (ICE) in London are used. For gas (THE) and electricity products, the prices on the European Energy Exchange (EEX) in Leipzig are used. The decision to use the ICE or EEX is based on maximum liquidity of the underlying products. For the valuation of the index-based electricity sales, the listed price indicators on the specified exchanges are also used.

The valuation of structured and non-linear products (options) as well as fixed-price power purchase agreements for electricity from renewable energy sources are based on recognized valuation models. These models use observable market parameters. In addition, internal assumptions and estimates are made. These are regularly validated. Validation takes place quarterly through external benchmarking and past data.

The use and valuation of financial derivatives in the STEAG Group is subject to stringent controls and regular monitoring based on guidelines, and is part of regular reporting. A regular market conformance test ensures the market conformity of financial statements in the STEAG Group.

Non-derivative financial instruments

IFRS 9 introduced a new model for the classification and measurement of financial assets in the STEAG Group. Financial assets are classified in the following three categories on the basis of the business model used to manage them:

- At amortized cost
- At fair value through OCI
- At fair value through profit or loss

Where the cash flows from financial assets solely comprise payments of interest and repayments of principal, the financial assets are classified on the basis of the business model. Financial assets are measured at amortized cost if they are held within a business model whose objective is to collect the contractual cash flows. If the business model comprises holding but also trading the financial assets, e.g. to meet specific liquidity requirements, the assets are measured at fair value through other comprehensive income; so far the STEAG Group has not applied this business model.

Financial assets whose cash flows are not composed solely of payments of interest and repayments of the principal, for example, securities and derivatives, are measured at fair value through profit or loss. For equity instruments, IFRS 9 allows the option of measurement at fair value through other comprehensive income. The STEAG Group applied this option for equity instruments held as at the reporting date. If the equity instruments are sold, the gains and losses recognized in other comprehensive income up to this point are not reclassified to the income statement.

The impairment rules applied by the STEAG Group are based on expected credit losses, using the future-oriented prospective expected credit loss model set out in IFRS 9. This model is applied to all financial assets (debt instruments) measured at amortized cost.

Based on the impairment requirements of IFRS 9, the STEAG Group applies either

- the general approach for loans, securities and similar rights, other financial assets, lease receivables, credit commitments and financial guarantees, or
- the simplified approach for trade accounts receivable and contract assets.

The general approach uses a three-step procedure to determine impairment losses. For regular new financial assets and those where the credit risk has not increased significantly since initial recognition, the STEAG Group recognizes a provision for the 12-month expected credit losses (level 1). For contracts where the credit risk has increased significantly since initial recognition, a provision is recognized on the basis of the lifetime expected credit losses (level 2). At the next level (level 3), risk provisioning is also based on the lifetime expected credit losses. Unlike level 2, at level 3 the loss allowance is recognized on the basis of the actual default event. Objective indications of this comprise information that a debtor is in significant financial difficulties.

Establishing whether the credit risk associated with a financial asset has increased significantly is based on the assessment of the probability of default, taking into account both external ratings and internal information on the credit quality of the financial asset. A financial asset is transferred to level 2 if the credit risk has increased significantly since initial recognition.

The STEAG Group determines the expected credit risk for levels 1 and 2 using the logic for the expected loss model with respect to the probability and level of default based on counterparty ratings.

The simplified method is used for trade accounts receivable and contract assets. These receivables are allocated to level 2 when they are initially recognized. Therefore, for both initial recognition and on each subsequent reporting date, a loss allowance is recognized at an amount equal to the lifetime ECL. A simplified method is used to determine the loss allowance on the basis of an impairment matrix, which is based on historical default ratios for portfolios of customer receivables and which can be adjusted using appropriate prospective estimates.

Impairment losses are recognized in the income statement. If the original reason for the impairment loss no longer applies, it is reversed to income, but only up to the amortized cost.

Financial assets are derecognized when the contractual rights to receive payments lapse or are transferred and the STEAG Group has transferred substantially all opportunities and risks associated with ownership. There were no instances where the STEAG Group sold financial assets through securitization or a repurchase agreement and the assets were still reported in full or in part in the financial statements.

Derivative financial instruments

Derivatives are normally used to hedge the risk of changes in exchange rates, the price of goods and interest rates relating to existing or forecast transactions. For this purpose, interest rate swaps, forward exchange contracts, commodity futures, and options on standardized and structured products are used as hedging instruments. Derivatives are always measured at the fair value that corresponds to the price quoted on an active and accessible market. If no stock exchange or market price is available for the derivative from an active market, the fair value is determined using capital market pricing methods. For forward exchange contracts, the forward exchange rate as at the reporting date is used. Commodity derivatives are valued with the aid of spot prices and forward rates while interest rate derivatives are valued by discounting future cash flows using current market interest rates that are congruent with their remaining term.

The market price of options is determined using established valuation methods, based on internal models. All market factors that other market participants would use to determine the price are taken into account. Alongside market parameters, valuation based on the option pricing model uses parameters that are not directly observable in the market. Plausible assumptions are used for these parameters. Where physical delivery takes place, the realized revenues are recognized in sales. Changes in the fair value of options are recognized in other operating income or other operating expenses. In the event that no or only immaterial amounts are physically delivered, option premiums are presented retrospectively in other operating income. Derivatives are initially recognized on the trading date.

The market price of energy contracts with fixed-price agreements and index-based price agreements is determined using established valuation methods, based on internal models. All market factors that other market participants would use to determine the price are taken into account. Alongside market parameters, parameters that are not directly observable on the market such as assumptions on the expansion of renewable energy and expected feed-in volumes are used in the assessment of pricing models for which power volumes are modeled. The results realized when the contracts mature are accounted for in sales or the cost of materials. Changes in the fair value of structured contracts are recognized in other operating income or other operating expenses.

Contracts relating to the receipt or delivery of non-financial assets or non-financial liabilities, based on the company's expected purchase, sale or usage requirements, are accounted for as executory contracts and not as derivative financial instruments as per IFRS 9. If these contracts contain embedded derivatives that are not closely related to the economic characteristics and risks of the host contract, they are valued and accounted for separately from the host contract.

Stand-alone derivatives and derivatives that do not form part of an effective hedging relationship (hedge accounting) are classified at fair value through profit or loss and are therefore recognized at fair value through profit or loss.

Provided that certain criteria are met, IFRS 9 still permits the use of special rules for hedge accounting (fair value hedges, cash flow hedges and hedges of a net investment) to reduce the volatility of the income statement. Formal documentation of a hedging relationship is based on the STEAG Group's risk management activities and comprises a description of the risk management strategy, determination of the hedge ratio, designation of the hedging instrument, the hedged item and details of determination of the effectiveness of the hedging relationship. The derivatives included in hedge accounting are not allocated to any category.

When recognizing currency hedges as cash flow hedges, the interest component and the cross-currency basis spread are not designated as part of the hedging relationship and are recognized in the income statement.

The purpose of fair value hedges is to hedge the fair value of assets or liabilities recognized in the balance sheet or of an off-balance-sheet firm commitment. Changes in the fair value of the hedging instrument are recognized in the income statement together with the change in the value of the hedged item. These changes must relate to the hedged risk. If off-balance-sheet firm commitments are hedged, changes in the fair value of the firm commitment relating to the hedged risk give rise to recognition of a financial asset or financial liability that impacts profit or loss. In view of this method, in the case of a perfect hedge changes in the value of the hedged item and the hedge cancel each other out in the income statement.

The purpose of cash flow hedges is to minimize the risk of volatility of future cash flows from a recognized asset or liability or a forecast transaction that is considered highly probable. The effective portion of changes in the fair value of a hedging instrument is recognized in other comprehensive income (OCI) and the ineffective portion of the change in value is recognized in the income statement. Amounts recognized in OCI are reclassified to the income statement as soon as the hedged item has an impact on the income statement or the forecast transaction is no longer probable. In the case of interest rate hedges, such amounts are included in net interest income or expense, while in the case of sales hedges they are included in the corresponding sales revenues and for procurement hedges in the cost of sales. If the hedged future transaction comprises a non-financial asset or liability, the profit or loss previously recognized in OCI is included in the cost of acquisition of the asset or liability when it is initially recognized and is reflected in income e.g., as a result of use.

The purpose of a hedge of a net investment is to reduce the foreign currency risk involved in an investment in a company whose functional currency is not the euro. Such hedges are treated as cash flow hedges. Gains and losses recognized in OCI are reclassified to the income statement when the foreign subsidiary is divested or investment in it is reduced.

Investment property

Property held as a financial investment to generate rental revenues or for capital appreciation is valued at the cost of acquisition or production, taking directly attributable transaction costs into account, and – insofar as it is subject to wear and tear – is depreciated over its useful life of 25-50 years using the straight-line method. If there are indications of a possible impairment, an impairment test is conducted, see Note (2.6) “Impairment test”.

The fair values of investment property are essentially based on average land values, depending on the specific land use, and are assigned to level 2 of the fair value hierarchy.

At the balance sheet date, all investment properties are subject to other restrictions on disposal within the scope of land charge registrations.

In the event of an increase (decrease) in the ground rent, the estimated fair value would rise (fall).

Leasing

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. The STEAG Group is party to leases as both lessee and lessor (finance and operating leases).

A lease is classified as a finance lease if, under the lease agreement, the lessee bears substantially all opportunities and risks associated with ownership of the asset. In addition to contractually agreed finance leases, lease agreements relating to the use of assets, for example, long-term power distribution agreements, may be classified as finance leases if they meet certain cumulative criteria.

If the STEAG Group is the lessee, the corresponding right-of-use asset is recognized in the lessee's property, plant and equipment at the present value of the lease payments. Concurrently, a corresponding lease liability is recognized. This is discounted at the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be determined, the lessee's incremental borrowing rate is used. In the STEAG Group, the right-of-use assets are not presented in a separate line item; they are included in the line items on the balance sheet in which the underlying assets would be recognized if they were owned by the company. Accordingly, the lease liabilities are not presented separately, but together with other financial liabilities.

The STEAG Group has elected to apply the recognition exemption for short-term leases (<12 months). The related lease payments are recognized as expenses in the income statement on a straight-line basis. Further, the STEAG Group uses the recognition exemption for leases for intangible assets, which are recognized in accordance with the provisions of IAS 38. Similarly, the Group uses the practical expedient allowing leases of a similar nature to be combined in a portfolio.

The STEAG Group does not apply the exemptions permitting the recognition of leases for low-value assets as expense and the separation of lease and non-lease components.

Assets held for sale and the associated liabilities

Non-current assets are classified as "held for sale" if the corresponding carrying amount is to be realized mainly through a sale transaction rather than through continued use. They are recognized separately if the sale is considered to be highly probable and the assets are available for immediate sale. If the associated liabilities are to be sold with the asset as part of the transaction, these must also be presented separately.

The non-current assets or disposal groups classified as “held for sale” must be measured at the lower of their carrying amount and fair value less disposal costs. The carrying amount of an asset or disposal group is determined using the applicable IFRSs immediately prior to initial classification.

Unless the assets are classified as a discontinued operation, the results of the valuation and the sale of the assets are still included in income from continuing operations.

Government grants

Government grants for the purchase or construction of property, plant and equipment reduce the acquisition or production cost of such assets. They are recognized in profit or loss over the useful life of the assets through lower depreciation. Other grants are accrued in other liabilities and recognized as income over the same period as the expenses for which they are expected to compensate.

Contingent liabilities and other financial commitments

Contingent liabilities are possible or present obligations arising from past events, where an outflow of resources is not probable and the level of the obligation cannot be estimated with sufficient reliability. They are only recognized on the balance sheet if they are acquired as part of a business combination.

Other financial commitments result from non-onerous executory contracts, continuous obligations, statutory requirements and other commercial obligations that are not already included in the liabilities shown on the balance sheet or in contingent liabilities and that are of significance for an assessment of the company's financial position.

(2.7) Changes in accounting policies

The STEAG Group applied the same accounting policies as in the 2021 fiscal year, taking into account those IFRS standards and interpretations that had to be applied for the first time in 2022, which did not have any material effect.

(3) Discussion of assumptions and estimation uncertainties

The preparation of consolidated financial statements involves management assumptions and estimates about the future. Evidently, the subsequent circumstances do not always match the estimates made. Adjustments to estimates are taken into account in the appropriate period as soon as better information is available. The estimates and assumptions that constitute a material risk that the carrying amounts of assets and liabilities may have to be adjusted within the next fiscal year are discussed below. In addition, the higher volatility on the commodity markets, the increase in inflation and interest rates, the general economic situation and politically initiated regulations result in higher estimation uncertainties.

(a) Goodwill impairment

Intangible assets, especially goodwill, are tested for impairment on the basis of the best possible assumptions and estimates regarding, for example, future cash flows, sustained earnings prospects, expected growth rates, exchange rates and discount rates.

The lowest positive difference (comparison between the recoverable amount and carrying amount of a CGU or group of CGUs to which goodwill is allocated) is € 246.4 million (afternon-controlling interests) for the Green Power & Energy Solutions segment. A sensitivity analysis was conducted for the parameters to which the recoverable amount reacts most sensitively. The recoverable amount would correspond to the carrying amount of the assets and liabilities assigned to the segment if the discount rate used for the valuation were just over 2.2 percent higher. Even if the EBITDA used in the terminal value were 10 percent lower, there would still be a clear positive difference.

(b) Impairment testing of German power plants

The impairment test on the German power plants is based on management assumptions and estimates regarding, for example, future cash flows, sustained earnings prospects, expected growth rates, operational lifetime and the expected future development of market prices.

The phasing out of hard coal-fired power generation in Germany came into effect in 2020 with the enactment of the Coal-Fired Power Generation Termination Act (Kohleverstromungsbeendigungsgesetz - KVBG). As a result, in 2020 an impairment loss was recognized for the full carrying amount of the property, plant and equipment of the coal-fired power plants in Germany. Due to the short residual lifetime of these power plants, even the improvement in the market conditions and the German Substitute Power Plant Availability Act (EKBG) did not result in a reversal of impairment losses in 2021 and 2022. As a result of a contractual agreement with the former project partner concluded in 2021 and the coalition agreement of 2021, an impairment loss of € 215.9 million was recognized on the Walsum 10 power plant in 2021. The measurement parameters and estimation uncertainties outlined above, especially with regard to the operational lifetime, also apply to this power plant.

(c) Measurement of provisions for pensions and other post-employment benefits

The measurement of provisions for pensions and other post-employment benefits is based, inter alia, on assumptions about discount rates, expected future salary and pension increases and mortality tables. These assumptions may deviate from the actual data due to changes in economic or market conditions.

The sensitivity analysis for the main actuarial parameters is shown in Note (6.11).

(d) Measurement of other provisions

Other provisions, especially provisions for recultivation and environmental protection, dismantling obligations, litigation risks and restructuring, are naturally exposed to significant forecasting uncertainties regarding the level and timing of the obligation. The management has to make assumptions about the probability of occurrence of an obligation or future trends, such as the cost of obligations, on the basis of experience. Non-current provisions, in particular, are exposed to forecasting uncertainties. In addition, the level of non-current provisions depends to a large extent on the selection and development of the market-oriented discount rate and the estimate of the overall costs. The STEAG Group uses different interest rates for different currencies and terms to maturity. For further details, please refer to Note (6.12).

(e) Measurement of financial instruments

To hedge future transactions relating to the distribution of energy from STEAG Group's power plants, the marketing of third-party power plant output, trading in renewable energies and coal trading, assumptions are made about the probability that the forecast transactions will take place. The STEAG Group hedges clean dark spread (CDS) and clean spark spread (CSS) trading volumes in order to successively hedge expected future cash flows from the distribution of power. Expected distribution volumes are estimated by modeling expected future hourly power prices on the basis of historical data and expected market trends. Marketing is based on energy contracts with an index-based price agreement for electricity and the sale of virtual shares of the power generated by power plants to third parties, which are valued using an in-house option pricing model. The assumptions and parameters used are regularly reviewed and adjusted to ensure the highest possible hedge quality. Alongside the futures price curve for power, a major factor influencing the volume to be hedged is the underlying power supply model. Expected electricity volumes are modeled for trading in renewables. For fuel trading, assumptions are made regarding the probability of sourcing and distribution volume for both long-term master agreements and shorter-term coal and sea freight contracts.

The STEAG Group does not use hedge accounting to recognize the hedging relationships described above. For further information, please refer to Note (8.1).

(f) Measurement of development projects

In view of their long-term nature and the large amount of capital involved, investment decisions involve complex and wide-ranging risks.

Growth projects, in particular, are exposed to considerable uncertainty with regard to the estimates of future opportunities and risks due to the early project phase. At the same time, commercialization may depend on uncertain future events that can currently only be estimated on the basis of a sound opportunity/risk assessment.

(g) Assumptions regarding joint ventures

The STEAG Group holds more than 50 percent of the capital and half of the voting rights in the following companies:

- Fernwärmeschiene Rhein-Ruhr GmbH (in liquiditation)
- STEAG O&M Company Pvt. Ltd. (India).

In addition, stakes of less than 50 percent are held in the following companies that the Group controls jointly with several partners or with one partner, where the Group has more than half of the voting rights:

- ENNI RMI Windpark Kohlenhuck GmbH
- Projektgesellschaft "Radbod" mbH
- Windkraft Lohberg GmbH
- GREEN SOURCE Holding Korlátolt Felelösségü Társaság (Hungary).

All of these companies are classified as joint ventures because the STEAG Group controls them jointly with one or more partners.

(4) Scope of consolidation

(4.1) General

Alongside STEAG GmbH, the consolidated financial statements include all material subsidiaries in Germany and abroad that are directly or indirectly controlled by STEAG GmbH. Associates and joint ventures are recognized at equity.

The scope of consolidation changed as follows:

Number of companies	Germany	Other countries	Total
STEAG GmbH and consolidated subsidiaries			
As at December 31, 2021:	51	34	85
Acquisitions/newly established companies	1	-	1
Other companies consolidated for the first time	-	-	-
Divestments	-	1	1
Intragroup mergers	3	1	4
Other companies derecognized	-	-	-
As at December 31, 2022:	**49**	**32**	**81**
Investments recognized at equity:			
As at December 31, 2021:	30	16	46
Acquisitions/newly established companies	1	-	1
Other companies recognized for the first time using the equity method	-	-	-
Divestments	-	3	3
Intragroup mergers	-	-	-
Other companies derecognized	-	-	-
As at December 31, 2022:	**31**	**13**	**44**
	80	**45**	**125**

(4.2) Acquisitions and divestments

As in the previous year, the addition of consolidated companies did not have a material impact on the Group's assets, financial position and results of operations.

Moreover, the divestments had no significant impact on the net assets, financial position and results of operations in the reportingperiod.

In the previous year, STEAG divested a total of 15 subsidiaries to streamline its portfolio. These included a Romanian and a Turkish wind farm with their operating companies, a project company in Indonesia and the Steag Power Minerals Group.

(4.3) Non-controlling interests

There are non-controlling interests of 49.0 percent in each case in the following subsidiaries, which are material for the STEAG Group: Iqony Fernwärme GmbH (formerly STEAG Fernwärme GmbH) (Germany), Iskenderun Enerji Üretim ve Ticaret A.S. (Turkey) and STEAG State Power Inc. (Philippines).

Condensed financial information for these subsidiaries is given below. It has been prepared in accordance with IFRS and adjusted for differences in the accounting policies used by the Group and any adjustment of the fair value as at the acquisition date. The amounts shown reflect the perspective of each subsidiary before intragroup elimination.

			2022
in € million	Iskenderun Enerji Üretim ve Ticaret A.S.	STEAG State Power Inc.	Iqony Fernwärme GmbH (formerly STEAG Fernwärme GmbH)
Non-current assets as at December 31	142.3	174.2	94.7
Current assets as at December 31	335.4	88.2	57.6
Non-current liabilities as at December 31	12.5	61.2	60.9
Current liabilities as at December 31	171.5	34.4	41.3
Net assets	**293.7**	**166.8**	**50.1**
Sales	943.0	144.4	129.8
Income after taxes	138.5	24.2	6.1
Other comprehensive income after taxes	0.3	31.0	-9.0
Total comprehensive income	**138.8**	**55.2**	**-2.9**
Net assets attributable to non-controlling interests	143.9	81.7	24.6
Income after taxes attributable to non-controlling interests	67.9	11.9	3.0
Dividends attributable to non-controlling interests	31.5	-	-

			2022
in € million	Iskenderun Enerji Üretim ve Ticaret A.S.	STEAG State Power Inc.	STEAG Fernwärme GmbH
Non-current assets as at December 31	110.2	170.3	91.8
Current assets as at December 31	147.1	59.7	46.4
Non-current liabilities as at December 31	6.8	67.2	83.0
Current liabilities as at December 31	42.8	29.0	30.0
Net assets	**207.7**	**133.8**	**25.2**
Sales	364.9	60.4	116.6
Income after taxes	45.0	17.8	3.9
Other comprehensive income after taxes	-15.8	22.3	-27.8
Total comprehensive income	**29.2**	**40.1**	**-23.9**
Net assets attributable to non-controlling interests	101.7	65.6	12.4
Income after taxes attributable to non-controlling interests	22.1	8.7	1.9
Dividends attributable to non-controlling interests	17.5	21.5	-

(5) Notes to the income statement

(5.1) Sales

in € million	2022	2021
Revenues from the sale of goods	5,037.1	2,144.4
Revenues from services	538.7	490.8
Revenues from long-term contracts	113.0	107.6
Revenues from finance leases	25.2	23.7
	5,714.0	**2,766.5**

The increase in revenues from the sale of goods was mainly due to the significant increase in commodity prices compared with the previous year and an increase in power generation in Germany. All revenues apart from the revenues from finance leases are within the scope of IFRS 15. Revenues from long-term contracts mainly comprise long-term contracts for the construction and conversion of plants.

The revenues from finance leases, which include interest income of an immaterial amount, exclude both variable lease payments, which were not taken into account in the valuation of the net investment in the lease, and income from reassessment or modification of finance leases.

(5.2) Other operating income

in € million	2022	2021
Income from the valuation of derivatives (excluding interest rate derivatives)	1,302.3	400.0
Income from currency translation of monetary assets and liabilities	81.9	68.0
Income from the disposal of assets	40.5	65.3
Income from the reversal of provisions	13.6	6.5
Income from the reversal of impairment losses	4.2	5.1
Income from non-core operations	2.0	2.0
Income from insurance refunds	0.5	1.1
Miscellaneous income	201.2	649.5
	1,646.2	**1,197.5**

The increase in income from the valuation of derivatives is mainly attributable to the significant decline in commodity prices as of the balance sheet date, which led to significant changes in market prices.

The income from the disposal of assets contains gains of € 3.2 million (prior year: € 31.4 million) from the disposal of property, plant and equipment, intangible assets and investment property. This item also contains gains of € 37.3 million (prior year: € 33.9 million) from the disposal of subsidiaries, investments recognized at equity and other investments.

The income from the reversal of provisions mainly resulted from the reversal of other provisions, see Note (6.11).

The income from the reversal of impairment losses comprises income of € 4.1 million (prior year: € 4.0 million) from the reversal of impairment losses on loans and other receivables and € 0.1 million (prior year: € 1.1 million) from the reversal of impairment losses on trade accounts receivable and finance leases.

The income from non-core operations contains rental income of € 2.0 million (prior year: € 1.9 million) from operating leases.

The miscellaneous income comprises a large number of operating revenues. In particular, the compensation received in 2022 for the premature termination of a contractual agreement is reported here. In the previous year, this item included compensation from a contractual agreement concluded with the former project partner for the Walsum 10 power plant and revenues from decommissioning auctions.

The nominal value of receivables from future minimum lease payments for assets leased under operating leases have the following payment terms:

in € million	Dec. 31, 2022	Dec. 31, 2021
Due within 1 year	0.8	1.0
Due within 1-2 years	0.6	0.9
Due within 2-3 years	0.3	0.2
Due within 3-4 years	0.2	0.2
Due within 4-5 years	0.2	0.2
Due in more than 5 years	0.6	0.6
	2.7	**3.1**

(5.3) Cost of materials

in € million	2022	2021
Expenses for raw materials and supplies and goods and services sourced	4,089.6	1,957.2
Impairment losses on raw materials, supplies and goods sourced	4.5	8.0
Reversal of impairment losses on raw materials, supplies and goods sourced	-2.9	-0.5
	4,091.2	**1,964.7**

The expenses for raw materials, supplies, goods and services sourced mainly contain expenses for the coal used in power plants, CO_2 allowances and expenses for electricity purchased for trading.

Like the rise in revenues, the increase in the cost of materials is attributable to the sharp hike in commodity prices and to higher capacity utilization at the power plants in Germany.

(5.4) Personnel expenses

in € million	2022	2021
Wages and salaries	277.6	319.3
Social security contributions	49.5	49.9
Pension expenses	13.7	17.4
Other personnel-related expenses	2.0	1.3
	342.8	**387.9**

Personnel expenses were € 45.1 million lower than in the previous year.

The average number of employees in the STEAG Group decreased from 5,754 to 5,529. The reduction was mainly in the Coal Power division.

Net interest cost for pensions is reported in the interest result; see Note (5.8).

(5.5) Depreciation/amortization and impairment losses

This item includes depreciation and amortization resulting from the systematic allocation of the cost of acquisition or production over the useful life of assets. It also includes impairment losses on assets where the recoverable amount (see Note 2.6) was below the carrying amount.

in € million	**2022**	2021
Depreciation and amortization	136.3	135.8
Impairment losses	64.6	251.0
	200.9	**386.8**

Depreciation and amortization

Depreciation and amortization refer to the following groups of assets:

in € million	**2022**	2021
Intangible assets	9.4	10.0
Property, plant and equipment	126.9	125.8
	136.3	**135.8**

Impairment losses

Impairment losses refer to the following groups of assets:

in € million	**2022**	2021
Impairment losses pursuant to IAS 36:	**51.5**	**245.9**
Intangible assets	7.6	11.0
Property, plant and equipment	43.9	234.9
Impairment losses pursuant to IFRS 9:	**13.1**	**5.1**
Financial assets	0.1	2.0
Trade accounts receivable and other receivables	13.0	3.1
	64.6	**251.0**

(a) Impairment losses pursuant to IAS 36:

In the reporting period, impairment losses of € 47.5 million (prior year: € 26.3 million) were recognized on non-current assets at companies held for sale. The impairment losses on non-current assetsin the previous year included € 212.6 million relating to the Walsum 10 power plant (see Note 3(b)).

The fair values were determined on the basis of recoverable value models, see the section on "Impairment test" in Note (2.6).

(b) Impairment losses pursuant to IFRS 9:

in € million	2022	2021
Financial assets	**0.1**	**2.0**
Loans	0.1	1.5
Other financial assets	-	0.5
Trade accounts receivable and other receivables	**13.0**	**3.1**
	13.1	**5.1**

Impairment losses totaling € 13.0 million (prior year: € 3.1 million) were recognized for trade accounts receivable and other receivables. The impairment losses on loans totaled € 0.1 million (prior year: € 1.5 million). As in the previous year, impairment losses on loans outside Germany were negligible.

(5.6) Other operating expenses

in € million	**2022**	2021
Losses on the valuation of derivatives (excluding interest rate derivatives)	200.2	601.7
Losses on currency translation of monetary assets and liabilities	82.2	67.6
Legal and consulting expenses	64.7	44.8
Administrative expenses	59.4	46.8
Expenses for additions to other provisions	31.8	17.6
Insurance provisions	29.2	28.9
IT expenses	15.4	10.9
Miscellaneous tax expense	11.8	11.3
Travel and hospitality expenses	8.3	7.2
Expenses for leases	5.4	4.4
Expenses for maintenance and repairs	3.0	2.3
Losses on the disposal of assets	1.5	7.8
Miscellaneous other operating expenses	56.3	33.6
	569.2	**884.9**

As well as general administrative expenses, the administrative expenses contain the auditor's fees.

The losses on the disposal of assets in the previous year were mainly due to losses from the divestment of subsidiaries.

The expenses for leases are broken down as follows:

in € million	2022	2021
Expenses for leases with a term of up to 12 months	1.5	0.9
Variable lease expenses that cannot be capitalized	1.6	1.9
Other expenses for leases	2.3	1.6
Expenses from the reassessment of leases	0.0	0.0
	5.4	4.4

The miscellaneous other operating expenses comprise a large number of other expenses such as expenses for external services, advertising expenses, disposal costs and marketing expenses.

(5.7) Research and development expenses

Research and development expenses amounted to € 0.9 million in 2022 (prior year: € 1.1 million). In the reporting period, as in the prior year, the majority of these expenses are included in the cost of materials.

(5.8) Interest result

in € million	2022	2021
Interest income from financial assets	15.7	11.2
Interest and similar income from interest rate derivatives	0.3	0.9
Other interest-type income	23.1	3.2
Interest income	**39.1**	**15.3**
Interest expense for financial liabilities	-64.3	-64.5
Net interest expense for pensions	-14.8	-9.4
Interest expense from lease liabilities	-4.2	-4.8
Interest expense on accrued interest on other provisions	-1.5	-0.4
Interest and similar expenses for interest rate derivatives	-0.3	-
Other interest-type expenses	-28.4	-6.4
Interest expense	**-113.5**	**-85.5**
	-74.4	**-70.2**

The interest income from financial assets contains € 6.3 million (prior year: € 6.3 million) from the up-stream loan granted by STEAG GmbH to KSBG KG; see Note (6.4).

Other interest-type income includes € 20.1 million from the discounting of long-term provisions.

The interest expense for financial liabilities comprises € 8.6 million (prior year: € 8.2 million) in connection with the bonded loans taken out by STEAG GmbH; see Note (6.12).

Borrowing costs of € 0.2 million (prior year: € 0.2 million) were capitalized.

The average cost of capital for capitalized borrowing costs in the STEAG Group is 5.3 percent (prior year: 4.2 percent).

(5.9) Result from investments recognized at equity

in € million	2022	2021
Equity-method income	20.1	9.9
Equity-method expenses	-1.9	-1.4
Reversal of impairment losses	-	-
Impairment losses	-0.5	-6.3
	17.7	**2.2**

The impairment losses in the prior year contain further impairment losses of € 5.9 million on a joint venture in the USA, which was presented in assets held for sale, see Note (6.8).

(5.10) Other financial income

In contrast to the previous year, the other financial income of € 0.1 million (prior year: € 0.1 million) results entirely from income from other investments.

(5.11) Income taxes

in € million	**2022**	2021
Current income taxes	85.0	56.0
(thereof relating to other periods)	(1.9)	(2.4)
Deferred taxes	124.1	-81.6
(thereof relating to other periods)	(3.8)	(0.6)
	209.1	**-25.6**

The tax reconciliation shows the development of expected income taxes relative to the effective income taxes stated in the income statement.

The expected current income taxes are based on an aggregate tax rate of 16.0 percent (prior year: 16.0 percent). This comprises the average domestic trade tax. The effective income taxes include income taxes and deferred taxes.

in € million	**2022**	2021
Income before income taxes	**2,118.0**	**282.0**
Expected income taxes	338.9	45.1
Variances/changes in tax rates	34.0	16.1
Change in the impairment of deferred taxes	2.0	-59.4*
Effects of the income tax entity with KSBG GmbH & Co. KG	-168.9	-34.9
Non-deductible expense	12.6	7.5
Tax-free income	-6.4	-11.7
Other	-3.1	11.7
Effective income taxes	**209.1**	**-25.6**

The variances between expected and effective income taxes are mainly due to deviations in foreign tax rates and to German companies that are subject to corporation taxes as well as to trade tax. The change in the impairment of deferred taxes of minus € 2.0 million (previous year minus € 59.4 million) relates to losses for which no deferred taxes were recognized. The variance resulting from the income tax entity with KSBG GmbH & Co. KG was minus € 168.9 million (prior year: minus € 34.9 million). The other effects include current taxes of € 1.9 million relating to other periods (prior year: € 2.4 million), deferred taxes of € 3.8 million relating to other periods (prior year: € 0.6 million) and deferred taxes of € 13.7 million resulting from the remeasurement of non-current assets for tax purposes at Iskenderun Enerji Üretim ve Ticaret A.S. (Turkey) (prior year: € 8.3 million due to exchange rate fluctuations).

As a result of the Sunrise project, the intragroup transfer of the coal activities of STEAG GmbH to STEAG Power GmbH (formerly STEAG 1. Beteiligungs-GmbH) took place for tax purposes at fair value, including the disclosure of hidden reserves. The resulting current taxes were offset by deferred tax assets. By contrast, the tax basis for the transfer of the growth businesses from STEAG GmbH to Iqony GmbH (formerly Steag 2. Beteiligungs-GmbH)was their carrying amount. Overall, this had no significant effect on the tax rate.

(6) Notes to the balance sheet

(6.1) Intangible assets

in € million	Goodwill	Other intangible asset	Total
Acquisition/production cost			
As at January 1, 2021	**82.3**	**232.8**	**315.1**
Currency translation	0.3	3.4	3.7
Additions from business combinations	0.2	-0.3	-0.1
Other additions	-	1.8	1.8
Divestment of businesses	-	-22.7	-22.7
Disposals	-	-0.3	-0.3
Reclassifications	0.1	0.3	0.4
Reclassification to assets held for sale	-1.1	-27.3	-28.4
As at December 31, 2021	**81.8**	**187.7**	**269.5**
Currency translation	-0.1	0.2	0.1
Additions from business combinations	-	-	-
Other additions	-	1.8	1.8
Divestment of businesses	-0.4	-	-0.4
Disposals	-	-25.1	-25.1
Reclassifications	-	4.7	4.7
Reclassification to assets held for sale	-	-	-
As at December 31, 2022	**81.3**	**169.3**	**250.6**
Amortization and impairment losses			
As at January 1, 2021	**-**	**153.2**	**153.2**
Currency translation	-	2.5	2.5
Amortization	-	10.0	10.0
Impairment losses	-	4.4	4.4
Reversal of impairment losses	-	-	-
Disposals	-	-0.2	-0.2
Divestment of businesses	-	-22.7	-22.7
Reclassifications	-	-	-
Reclassification to assets held for sale	-	-17.1	-17.1
As at December 31, 2021	**-**	**130.1**	**130.1**
Currency translation	-	0.1	0.1
Amortization	-	9.4	9.4
Impairment losses	-	2.9	2.9
Reversal of impairment losses	-	-	-
Disposals	-	-24.6	-24.6
Divestment of businesses	-	-	-
Reclassifications	-	-	-
Reclassification to assets held for sale	-	-	-
As at December 31, 2022	**-**	**117.9**	**117.9**
Carrying amounts as at December 31, 2021	**81.8**	**57.6**	**139.4**
Carrying amounts as at December 31, 2022	**81.3**	**51.4**	**132.7**

The reported goodwill results from acquisitions of shares in subsidiaries and business operations.

The goodwill is allocated to the Coal Power (formerly Power) and Green Power & Energy Solutions (formerly Renewable Energies and Distributed Facilities) CGUs. Due to the change in the management structure, the composition of the CGUs has changed. In accordance with IAS 36.87, goodwill has been reallocated on the basis of the relative fair values.

The table provides a breakdown of goodwill:

Goodwill

in € million	**Dec. 31, 2022**	Dec. 31, 2021
Coal Power	32.7	69.8
Green Power & Energy Solutions	48.6	12.0
	81.3	**81.8**

On the reporting date, there were other restrictions on the use of intangible assets totaling € 3.5 million (prior year: € 19.6 million). As in the prior year, there were no commitments to purchase intangible assets.

(6.2) Property, plant and equipment

in € million	Land, land rights and buildings	Plant and machinery	Other plant, office furniture and equipment	Advance payments and construction in progress	Total
Acquisition/production cost					
As at January 1, 2021	**679.0**	**4,120.8**	**163.3**	**101.9**	**5,065.0**
Currency translation	4.7	3.2	2.9	2.9	13.7
Additions from business combinations	-	-	-	-	0.0
Other additions	11.9	48.4	8.1	39.9	108.3
Disposals	-11.2	-13.5	-2.0	-3.2	-29.9
Divestment of businesses	0.0	-	-0.6	-56.2	-56.8
Reclassifications	2.4	21.3	0.4	-24.3	-0.2
Reclassification to assets held for sale	-65.7	-111.3	-18.1	-3.2	-198.3
As at December 31, 2021	**621.1**	**4,068.9**	**154.0**	**57.8**	**4,901.8**
Currency translation	3.7	2.4	1.2	0.1	7.4
Additions from business combinations	-	-	-	-	0.0
Other additions	6.3	34.6	8.5	45.8	95.2
Disposals	-22.0	-65.6	-17.9	-1.4	-106.9
Divestment of businesses	-1.6	-20.8	-3.3	-14.3	-40.0
Reclassifications	1.2	26.9	0.1	-33.2	-5.0
Reclassification to assets held for sale	-	-	-	-	0.0
As at December 31, 2022	**608.7**	**4,046.4**	**142.6**	**54.8**	**4,852.5**
Depreciation and impairment losses					
As at January 1, 2021	**347.5**	**3,032.3**	**131.7**	**72.3**	**3,583.8**
Currency translation	1.4	0.8	2.1	2.5	6.8
Additions from business combinations	-	-	-	-	0.0
Depreciation	19.5	96.1	10.2	0.0	125.8
Impairment losses	11.1	202.8	0.6	0.7	215.2
Reversal of impairment losses	-	-	-	-	0.0
Disposals	-2.1	-6.6	-1.7	-1.2	-11.6
Divestment of businesses	-	-	-0.6	-56.0	-56.6
Reclassifications	0.1	-0.1	-	-	0.0
Reclassification to assets held for sale	-34.8	-71.8	-15.1	-	-121.7
As at December 31, 2021	**342.7**	**3,253.5**	**127.2**	**18.3**	**3,741.7**
Currency translation	1.1	0.3	0.7	-	2.1
Additions from business combinations	-	-	-	-	0.0
Deconsolidation	-	-	-	-	0.0
Depreciation	17.7	100.4	8.8	-	126.9
Impairment losses	-	0.1	-	1.0	1.1
Reversal of impairment losses	-	-	-	-	0.0
Disposals	-9.8	-63.1	-16.1	-	-89.0
Divestment of businesses	-0.9	-14.5	-2.4	-14.3	-32.1
Reclassifications	-0.1	-0.1	-0.1	-0.1	-0.4
Reclassification to assets held for sale	-	-	-	-	0.0
As at December 31, 2022	**350.7**	**3,276.6**	**118.1**	**4.9**	**3,750.3**
Carrying amounts as at December 31, 2021	**278.4**	**815.4**	**26.8**	**39.5**	**1,160.1**
Carrying amounts as at December 31, 2022	**258.0**	**769.8**	**24.5**	**49.9**	**1,102.2**

The impairment losses on property, plant and equipment contained in the previous year contained € 212.6 relating to STEAG Walsum 10 Kraftwerksgesellschaft mbH; see Note 3(b).

The carrying amounts of property, plant and equipment pledged as collateral for Group liabilities amounted to € 112.2 million (prior year: € 158,7 million). A further € 144.6 million (prior year: € 136.1 million) are subject to other restrictions on use.

The Group has commitments of € 34.8 million (prior year: € 28.8 million) to purchase property, plant and equipment.

In the STEAG Group, leases are mainly for land, office premises and plant. The following table shows the development of the carrying amounts of the right-of-use assets recognized in accordance with IFRS 16.

in € million	Land, land rights and buildings	Plant and machinery	Other plant, office furniture and equipment	Total
Acquisition/production cost				
As at January 1, 2021	**105.9**	**92.9**	**18.8**	**217.6**
Currency translation	0.2	-	0.4	0.6
Additions from business combinations	-	-	-	0.0
Deconsolidation	-	-	-	0.0
Change due to IFRS 16	-	-	-	0.0
Other additions	9.5	7.3	1.7	18.5
Disposals	-4.1	-	-0.2	-4.3
Reclassifications	-	-	-	0.0
Reclassification to assets held for sale	-2.8	-1.8	-	-4.6
As at December 31, 2021	**108.7**	**98.4**	**20.7**	**227.8**
Currency translation	-	-	0.3	0.3
Additions from business combinations	-	-	-	0.0
Deconsolidation	-	-	-0.3	-0.3
Other additions	5.6	1.2	2.3	9.1
Disposals	-13.2	-0.5	-2.1	-15.8
Reclassifications	-	-	-0.2	-0.2
Reclassification to assets held for sale	-	-	-	0.0
As at December 31, 2022	**101.1**	**99.1**	**20.7**	**220.9**
Depreciation and impairment losses				
As at January 1, 2021	**17.7**	**41.3**	**9.3**	**68.3**
Currency translation	0.1	-	-	0.1
Additions from business combinations	-	-	-	0.0
Deconsolidation	-	-	-	0.0
Depreciation	9.1	5.9	3.8	18.8
Impairment losses	-	-	-	0.0
Reversal of impairment losses	-	-	-	0.0
Disposals	-0.4	-	-	-0.4
Reclassifications	-	-	-	0.0
Reclassification to assets held for sale	-0.8	-0.4	-	-1.2
As at December 31, 2021	**25.7**	**46.8**	**13.1**	**85.6**
Currency translation	-	-	0.1	0.1
Additions from business combinations	-	-	-	0.0
Deconsolidation	-	-	-	0.0
Depreciation	8.7	6.8	3.2	18.7
Impairment losses	-	-	-	0.0
Reversal of impairment losses	-	-	-	0.0
Disposals	-1.2	-0.2	-0.2	-1.6
Reclassifications	-	-0.3	-0.2	-0.5
Reclassification to assets held for sale	-	-	-	0.0
As at December 31, 2022	**33.2**	**53.1**	**16.0**	**102.3**
Carrying amounts as at December 31, 2021	83.0	51.6	7.6	142.2
Carrying amounts as at December 31, 2022	**67.9**	**46.0**	**4.7**	**118.6**

(6.3) Investments recognized at equity

The STEAG Group holds shares in a number of associates and joint ventures. Apart from the joint venture GuD Herne GmbH, Essen (Germany), these are not material for the Group.

Through the joint venture GuD Herne GmbH, STEAG and Siemens Project Ventures GmbH, Erlangen (Germany) have built a gas and steam turbine power plant in Herne.The power plant was commissioned in the second half of 2022.

The carrying amount of investments recognized at equity (€ 87.8 million; prior year: € 67.9 million) comprises € 50.4 million (prior year: € 49.2 million) for associates and € 37.4 million (prior year: € 18.7 million) for joint ventures.

On the reporting date, as in the previous year, € 2.6 million of investments recognized at equity are subject to restrictions on disposal.

The material financial information for the joint venture GuD Herne GmbH is presented below:

in € million	**Dec. 31, 2022**	Dec. 31, 2021
Non-current assets	469.4	290.3
Current assets	225.6	29.8
Non-current liabilities	507.0	312.4
Current liabilities	149.8	3.1
Equity	38.2	4.6
Interest in percent	50.0	50.0
Equity interest	19.1	2.3
Group adjustments	-	-
Carrying amount of the joint venture	**19.1**	**2.3**

in € million	**2022**	2021
Sales	558.5	-
Income after taxes	20.1	-0.6
Other comprehensive income after taxes	13.5	2.1
Total comprehensive income	33.6	1.5
Dividends distributed	-	-
Interest in percent	50.0	50.0
Pro rata income after taxes	10.1	-0.3
Pro rata other comprehensive income after taxes	6.8	1.1
Group adjustments	-	-
Pro rata total comprehensive income	**16.8**	**0.8**

A loan of € 76.7 million (prior year: € 41.9 million) was granted to the joint venture GuD Herne GmbH.

The following table shows the combined financial data from the latest available financial statements of the non-material investments recognized at equity:

in € million	Associates 2022	Associates 2021	Joint ventures 2022	Joint ventures 2021
Income after taxes	16.8	15.8	1.3	-9.6
Other comprehensive income after taxes	-	-	-	-
Total comprehensive income	**16.8**	**15.8**	**1.3**	**-9.6**

(6.4) Financial assets

in € million	Dec. 31, 2022 Total	Dec. 31, 2022 thereof non-current	Dec. 31, 2021 Total	Dec. 31, 2021 thereof non-current
Other investments	0.4	0.4	0.4	0.4
Loans	257.0	234.7	206.1	198.3
Receivables from finance leases	34.4	26.8	39.5	31.1
Receivables from derivatives	1,248.4	10.9	487.0	103.9
Other financial assets	824.2	9.5	424.7	9.3
	2,364.4	**282.3**	**1,157.7**	**343.0**

(a) Other investments

Other investments comprise investments in unlisted equity instruments that are recognized at fair value through other comprehensive income.

(b) Loans

Loans are exposed to an interest rate risk, which can affect their fair value or future cash flows. They are carried at amortized cost. Impairment losses on loans are outlined in Note (8.1).

(c) Receivables from finance leases

The reconciliation from gross investment to the present value of outstanding minimum lease payments and their due dates are as follows:

in € million	Dec. 31, 2022	Dec. 31, 2021
Gross investment	**39.7**	**47.4**
(thereof non-guaranteed residual value)	(-)	(-)
Due within 1 year	10.0	11.2
Due within 1-2 years	12.0	10.6
Due within 2-3 years	9.1	8.7
Due within 3-4 years	8.2	8.6
Due within 4-5 years	0.4	7.9
Due in more than 5 years	-	0.4
Interest included therein	-5.4	-7.8
Net investment	**34.3**	**39.6**
Accumulated impairment losses	-	-0.1
Carrying amount of receivables from finance leases	**34.3**	**39.5**
Less present value of non-guaranteed residual values	-	-
Present value of outstanding minimum lease payments	**34.3**	**39.5**
Due within 1 year	7.6	8.4
Due within 1-5 years	26.8	30.8
Due in more than 5 years	-	0.3

Receivables from finance leases include € 23.5 million (prior year: € 26.2 million) relating to the lease agreement for STEAG´s refinery power plant in the federal state of Saxony-Anhalt. This agreement runs until November 2026.

(d) Receivables from derivatives

The breakdown of receivables from derivatives is as follows:

in € million	**Dec. 31, 2022**	Dec. 31, 2021
Receivables from currency derivatives	7.0	3.4
Receivables from interest rate derivatives	1.4	-
Receivables from commodity derivatives	1,240.0	483.6
	1,248.4	**487.0**

The change in the reporting period results from price changes and from the significant increase in hedging volume.

(e) Other financial assets

Financial assets include cash and cash equivalents of € 678.4 million (prior year: € 383.7 million) where there are restrictions on use. Among other things, these include margining for exchange-traded forward contracts and security for guarantee facilities. Moreover, as at the reporting date, current assets invested at banks totaled € 10.3 million (prior year: € 10.2 million).

(f) Collateral pledged

Total financial assets pledged as collateral for Group liabilities amounted to € 87.4 million (prior year: € 56.6 million). A further € 431.7million (prior year: € 138.3 million) was subject to other restrictions on use.

The collateral can only be utilized by the financing banks in the event of permanent non-performance of contractual obligations, for example, non-payment of interest and repayment installments, or failure to achieve agreed financial covenants. Utilization of the collateral is not anticipated.

(6.5) Inventories

in € million	**Dec. 31, 2022**	Dec. 31, 2021
Raw materials and supplies	626.7	202.7
Work in progress	13.1	9.7
Finished goods and merchandise	81.2	47.8
	721.0	**260.2**

The year-on-year increase of € 424.0 million in raw materials and supplies was mainly due to higher inventories of coal and increased procurement prices. The € 3.4 million increase in work in progress was mainly due to a higher level of services that had not yet been completed. The € 33.4 million increase in finished goods and merchandise is attributable to higher inventories of merchandise.

Inventories totaling € 17.6 million (prior year: € 16.7 million) are recognized at net realizable value.

Inventories include € 0.3 million (prior year: € 1.1 million) for allocated renewable energy certificates.

Inventories of € 4.2 million (prior year: € 4.2 million) were pledged as collateral for Group liabilities. Inventories totaling € 1.0 million (prior year: € 0.4 million) are subject to other restrictions on use.

(6.6) Trade accounts receivable and other receivables

	Dec. 31, 2022		Dec. 31, 2021	
in € million	**Total**	thereof non-current	**Total**	thereof non-current
Trade accounts receivable	879.7	-	587.8	-
Contract assets	114.1	37.5	65.0	22.9
Advance payments made	27.5	0.7	27.2	0.3
Miscellaneous other receivables	143.4	70.1	179.1	16.3
Deferred expenses	12.3	1.5	6.0	0.6
	1,177.0	**109.8**	**865.1**	**40.1**

(a) Trade accounts receivable

Trade accounts receivable increased considerably compared with the prior year, mainly due to an increase in contracts for energy supply in Germany and abroad.

Trade accounts receivable include claims to reimbursement from third parties amounting to € 160.7 million (prior year: € 143.9 million). These relate to other provisions established for obligations to surrender emission allowances, see Note (6.12).

Impairment losses on trade accounts receivable are outlined in Note (8.1). The geographic split of trade accounts receivable by location of the STEAG Group companies was as follows:

in € million	**Dec. 31, 2022**	Dec. 31, 2021
Germany	730.8	463.4
Turkey	102.9	20.3
Other countries in the European Union	24.3	22.4
Other regions	21.7	81.7
	879.7	**587.8**

(b) Contract assets/contract liabilities

The revenues recognized in 2022 for contract liabilities reported in the prior year totaled € 68.5 million (prior year: € 71.8 million).

The transaction price for unsatisfied or partially unsatisfied performance obligations under construction contracts recognized over time, which are expected to run until 2023 or beyond, amounted to € 199.8 million. This amount will probably be recognized in sales in 2023 (€ 90.6 million), 2024 (€ 66.6 million), 2025 (€ 18.7 million), 2026 (€ 12.8 million), 2027 (€ 4.3 million) and between 2028 and 2030 (€ 6.9 million).

(c) Miscellaneous other receivables

As in the prior year, miscellaneous other receivables do not include any claims to reimbursement from third parties relating to other provisions for recultivation and environmental protection; see Note (6.12).

(d) Collateral pledged

Receivables pledged as collateral for Group liabilities amounted to € 15.4 million (prior year: € 120.8 million).

A further € 9.6 million (prior year: € 2.6 million) was subject to other restrictions on use.

(6.7) Cash and cash equivalents

The cash and cash equivalents totaling € 678.8 million (prior year: € 340.9 million) include balances with banks, checks and cash. This item also includes financial securities with high liquidity and terms of no more than three months on the date of acquisition.

The carrying amounts of cash and cash equivalents pledged as collateral for Group liabilities amounted to € 193.4 million (prior year: € 216.0 million). A further € 294.1 million (prior year: € 9.6 million) are subject to other restrictions on use.

(6.8) Assets and liabilities held for sale

The assets and liabilities held for sale as at December 31, 2022 comprise the assets and liabilities of the SFW Energia Group (Poland) and STEAG State Power Inc. (Philippines).

On 15 September 2022, STEAG GmbH and Aboitiz Power Corporaton signed an agreement on the sale of 35.4% of STEAG's shares in STEAG State Power Inc (SPI). The closing of the transaction is scheduled for the second quarter of 2023 and is subject to the approval of various authorities in the Philippines (including the antitrust authority and the energy authority).

On 23 December 2022, STEAG 2. Beteiligungsgesellschaft mbH and Remondis Energy & Services sp. z o.o., a subsidiary of Remondis SE & Co. KG, signed a contract for the sale of the SFW Energia Group. The closing of the transaction is planned for the second quarter of 2023 and is still subject to various legal and operational closing conditions.

As part of the valuation as at 31 December 2022, further impairment losses totalling € 47.5 million (prior year: € 26.3 million) were recognized on the assets of the SFW Energia Group and STEAG State Power Inc.

The accumulated comprehensive income and accumulated other comprehensive income contain a total amount of € 12.3 million (prior year: minus € 7.4 million) relating to the assets held for sale and the associated liabilities. This includes € 0.1 million (prior year: minus € 0.3 million) that will not be reclassified to profit or loss.

The following overview shows the main groups of assets and liabilities that were recognized as held for sale as at the reporting date:

in € million	Dec. 31, 2022	Dec. 31, 2021
Intangible assets	0.7	4.7
Property, plant and equipment	16.2	56.8
Investments recognized at equity	-	1.1
Financial assets	158.5	156.8
Deferred taxes	4.6	3.9
Inventories	44.6	42.9
Trade accounts receivable	38.9	20.7
Cash and cash equivalents	43.4	29.3
Miscellaneous assets	16.3	9.1
Total assets	**323.2**	**325.3**
Provisions for pensions and other post-employment benefits	0.2	1.2
Other provisions	26.6	24.2
Financial liabilities	73.2	83.0
Deferred taxes	24.5	21.7
Trade accounts payable	5.0	4.5
Miscellaneous liabilities	20.4	18.4
Total liabilities	**149.9**	**153.0**

(6.9) Equity

(a) Issued capital

The company's fully paid-up capital stock was unchanged at €128,000,000 on the reporting date.

(b) Capital reserve

As in the prior year, the capital reserve of STEAG GmbH totaling € 77.5 million contains all other payments received from shareholders pursuant to Section 272 Paragraph 2 Nos. 1 and 4 of the German Commercial Code (HGB).

(c) Accumulated income/loss

The accumulated income of € 996.8 million (prior year: accumulated loss of € 415.9 million) comprises Group earnings from the fiscal year and prior years. It also includes the remeasurement of the net defined benefit liability from defined benefit plans after taxes and the valuation of other investments. Income after taxes corresponds to the net income attributable to shareholders of STEAG GmbH, as stated in the income statement for the 2022 fiscal year. As at December 31, 2022, STEAG GmbH's profit reserves (HGB) were unchanged at € 272.8 million. Earnings of € 676.9 million (prior year: € 134.9 million) will be transferred under the profit and loss transfer agreement between STEAG GmbH and KSBG KG.

(d) Accumulated other comprehensive income

Accumulated other comprehensive income contains gains and losses that are not recognized in the income statement.

The reserve for changes in the fair value of financial instruments used in hedging relationships comprises net gains or losses resulting from changes in the fair value of the effective portion of hedging instruments that are accounted for as cash flow hedges or net investment hedges.

The reserve for differences arising from currency translation comprises differences arising from the translation of foreign financial statements to the euro, which is the Group's reporting currency.

The reserve for investments recognized at equity contains the pro rata change in the equity of the companies that is recognized without any impact on profit or loss.

The changes in accumulated other comprehensive income were as follows:

in € million	Changes in the fair value of financial instruments used in hedging relationships	Differences arising from currency translation	Investments recognized at equity	Total
As at January 1, 2021	**-9.8**	**-26.0**	**-1.8**	**-37.6**
Other comprehensive income after taxes	**5.9**	**7.1**	**-0.8**	**12.2**
Gains/losses recognized in OCI	-1.4	11.1	-0.9	8.8
Amounts reclassified to the income statement	14.0	-4.0	0.1	10.1
Deferred taxes on OCI	-6.7	-	-	-6.7
Changes in shareholdings in subsidiaries without loss of control	**-**	**0.0**	**-**	**0.0**
As at December 31, 2021	**-3.9**	**-18.9**	**-2.6**	**-25.4**
Other comprehensive income after taxes	**6.4**	**16.5**	**6.4**	**29.3**
Gains/losses recognized in OCI	7.7	8.0	6.4	22.1
Amounts reclassified to the income statement	-0.2	8.5	0.0	8.3
Deferred taxes on OCI	-1.1	-	-	-1.1
Changes in shareholdings in subsidiaries without loss of control	**-**	**0.0**	**-**	**0.0**
As at December 31, 2022	**2.5**	**-2.4**	**3.8**	**3.9**

(e) Equity attributable to non-controlling interests

Non-controlling interests comprise shares in the issued capital and reserves of consolidated subsidiaries that are not attributable to the shareholders of STEAG GmbH.

The change in other comprehensive income after taxes relating to non-controlling interests was € 18.4 million (prior year: € 25.6 million) and contains the change in accumulated profit/loss and accumulated other comprehensive income. The change in accumulated income/loss contains income of € 9.6 million (prior year: income of € 3.1 million) from remeasurement of the net defined benefit liability from defined benefit pension plans after taxes in the reporting period.

The changes in accumulated other comprehensive income relating to non-controlling interests were as follows:

in € million	Changes in the fair value of financial instruments used in hedging relationships	Differences arising from currency translation	Total
As at January 1, 2021	**-11.9**	**-18.0**	**-29.9**
Other comprehensive income after taxes	**11.3**	**11.2**	**22.5**
Gains/losses recognized in OCI	1.4	11.2	12.6
Amounts reclassified to the income statement	15.8	-	15.8
Deferred taxes on OCI	-5.9	-	-5.9
Changes in shareholdings in subsidiaries without loss of control	**-**	**0.0**	**0.0**
As at December 31, 2021	**-0.6**	**-6.8**	**-7.4**
Other comprehensive income after taxes	**0.9**	**8.0**	**8.9**
Gains/losses recognized in OCI	1.2	8.0	9.2
Amounts reclassified to the income statement	0.0	-	0.0
Deferred taxes on OCI	-0.3	-	-0.3
Changes in scope of consolidation	**-**	**0.0**	**0.0**
Changes in shareholdings in subsidiaries without loss of control	**-**	**-**	**-**
As at December 31, 2022	**0.3**	**1.2**	**1.5**

Furthermore, the change in accumulated income/loss is due to changes in shareholdings in subsidiaries without loss of control in the amount of € 0.0 million (prior year: € 0.0 million).

(6.10) Provisions for pensions and other post-employment benefits

As in the prior year, German companies accounted for most of the pension provisions on the reporting date.

At the German companies, occupational pension plans are predominantly defined benefit plans. They are primarily funded by provisions.

The main defined benefit pension plans for the German companies in the STEAG Group comprise the “Ruhegeldordnung” pension regulation, the Bochumer Verband benefit plan (Bochumer Verband old), the Bochumer Verband benefit plan for employer-financed pension commitments (Bochumer Verband II – employer-financed) and the Bochumer Verband benefit plan – deferred compensation (Bochumer Verband – employee-financed).

The Bochumer Verband II employer- and employee-financed plans are defined contribution plans. Most of these plans are based on a company agreement. The Bochumer Verband II benefit plan was closed to new entrants on December 31, 2019. The employer recognizes pension provisions for the associated commitments.

Under the“"Ruhegeldordnun”" and“"Bochumer Verband ol”" plans, all employees were granted rights to lifelong retirement pension benefits, disability benefits and surviving dependent’' benefits by way of direct commitments. These are final-salary plans. Benefits depend on pensionable income, the contribution ceiling for statutory pension insurance and the number of eligible years of service. The “Ruhegeldordnung” and “Bochumer Verband old” plans were closed to new entrants on June 30, 2002.

Starting on January 1, 1982, the“"Ruhegeldordnun”" granted non-managerial employees a company pension plan. Employees hired prior to January 1, 1982 have salary-based vested rights from a previous company agreement. Current benefits are reviewed regularly in accordance with Section 16 Paragraph 1 of the German Company Pensions Improvement Act (BetrAVG). Therefore, the benefit obligation for these pension commitments is dependent on inflation.

The“"Bochumer Verband ol”" pension plan provides pensions for exempt and managerial employees through individual contractual arrangements. The contributions made by these groups are set by the Bochumer Verband, taking into account the general development of salaries for exempt employees, by applying a salary trend for valuation purposes. Current benefits are reviewed by Bochumer Verband and adjusted at its discretion, with due consideration being given to the interests of the beneficiaries and the economic situation of the members. The adjustments to the benefits are indirectly related to inflation.

The Bochumer Verband II–- employer-financed–- and Bochumer Verband II–- employee-financed–- plans grant employees covered by collective agreements, exempt employees and senior management staff rights to lifelong retirement benefits, disability benefits and surviving dependents’ benefits. For the employer-financed Bochumer Verband II plan, rights are granted as direct commitments, while the employee-financed Bochumer Verband II plan is financed through deferred compensation. The employer and employee contributions are converted into pension increments on the basis of age using conversion factors set out in the relevant actuarial tables. The pension benefits payable are derived from the sum of all pension increments accrued up to the date of eligibility. The guaranteed annual pension increase of 1 percent p.a. based on current benefits relieves the employer from the additional review in accordance with Section 16 of the German Company Pensions Improvement Act (BetrAVG). Therefore, the present value of the defined benefit obligation used for valuation purposes is not dependent on inflation. Furthermore, the valuation is based on the present value of the benefits earned in accordance with Section 2 Paragraph 5a BetrAVG, so it is not dependent on salary either.

The pension rules for the employee-financed Bochumer Verband II plan allow employees to opt for a lump-sum payment rather than lifelong pension benefits. Unlike the employer-financed commitments under the Bochumer Verband II plan, the deferred compensation plan does not provide for disability benefits.

For all four of the plans outlined above, the quantified benefit obligation depends to a large extent on the discount rate applied. In addition, the benefit obligations for the “Ruhegeldordnung” and the commitments under the “Bochumer Verband old” plan also depend on a salary trend and pension trend. By contrast, the benefit obligation under the Bochumer Verband II plans does not.

From the Grou''s perspective, the pension plans of foreign subsidiaries are only of minor significance. They relate to the subsidiaries in India, Poland, Italy, the Philippines and Turkey. The benefit obligations vary depending on the legal and economic circumstances in the various countries in which the companies operate.

The table shows the weighted average assumptions used for the actuarial valuation of the obligations:

in %	2022	2021
Discount rate as of December 31	3.75	1.22
Future salary increases	2.74	2.04
Future pension increases	2.10	1.50

The pension provisions included in the balance sheet were as follows:

in € million	Dec. 31, 2022	Dec. 31, 2021
Present value of all defined benefit obligations as of December 31	892.9	1,231.7
Less fair value of plan assets as of December 31	1.7	2.0
Pension provisions included in the balance sheet	**891.2**	**1,229.7**

The present value of the defined benefit obligation and the fair value of the plan assets changed as follows in the reporting period:

in € million	Present value of defined benefit obligations	Fair value of plan assets	Net benefit obligation
As at January 1, 2022	**1,231.7**	**-2.0**	**1,229.7**
Current service cost	13.5	-	13.5
Interest expense (+)/interest income (-)	14.6	0.2	14.8
Employee contributions	1.2	-	1.2
Employer contributions	0.0	-	0.0
Remeasurement	-326.7	0.0	-326.7
thereof: return on plan assets excluding interest income	-	0.0	0.0
thereof: actuarial gains (-) / losses (+) from changes in demographic assumptions	-	-	-
thereof: actuarial gains (-) / losses (+) from changes in financial assumptions	-336.9	-	-336.9
thereof: actuarial gains (-) / losses (+) from changes empirical adjustments	10.2	-	10.2
Past service cost	-	-	-
Benefits paid	-41.3	0.1	-41.2
Reclassification pursuant to IFRS 5	-0.6	-	-0.6
Changes in the scope of consolidation/transfer of employees	-	-	-
Carried forward	0.5	-	0.5
Currency translation	-	0.0	0.0
As at December 31, 2022	**892.9**	**-1.7**	**891.2**

in € million	Present value of defined benefit obligations	Fair value of plan assets	Net benefit obligation
As at January 1, 2021	**1,330.3**	**-9.0**	**1,321.3**
Current service cost	16.8	-	16.8
Interest expense (+)/interest income (-)	9.6	-0.3	9.3
Employee contributions	3.1	-	3.1
Employer contributions	-	-0.6	-0.6
Remeasurement	-80.8	-0.1	-80.9
thereof: return on plan assets excluding interest income	-	-0.1	-0.1
thereof: actuarial gains (-) / losses (+) from changes in demographic assumptions	0.0	-	0.0
thereof: actuarial gains (-) / losses (+) from changes in financial assumptions	-88.7	-	-88.7
thereof: actuarial gains (-) / losses (+) from changes empirical adjustments	7.9	-	7.9
Past service cost	0.2	-	0.2
Benefits paid	-39.4	0.7	-38.7
Reclassification pursuant to IFRS 5	-8.7	7.5	-1.2
Changes in the scope of consolidation/transfer of employees	-	-	-
Carried forward	0.6	-	0.6
Currency translation	0.0	-0.2	-0.2
As at December 31, 2021	**1,231.7**	**-2.0**	**1,229.7**

The composition of plan assets valued at fair value is as follows:

			Dec. 31, 2022			Dec. 31, 2021
in € million	Quoted market price in an active market	Other	Total	Quoted market price in an active market	Other	Total
Investments	-	-	-	-	-	-
Bonds	-	-	-	-	-	-
Insurance contracts	0.8	0.9	1.7	0.8	1.2	2.0
Other investments	-	-	-	-	-	-
	0.8	**0.9**	**1.7**	**0.8**	**1.2**	**2.0**

The sensitivity analysis below illustrates the effects of changes in the key valuation parameters on the benefit obligation.

The chosen range represents increments that, in the opinion of STEAG GmbH, are reasonable for the expected changes in the respective parameters up to the next reporting date. The effects were determined separately for each of the valuation parameters.

The actuarial method used to determine the expected changes is the same as the method used for the valuation as at the reporting date. The effects shown are therefore subject to the same reservations regarding their information value as the calculation of the benefit obligation as at the reporting date. Alongside possible deviations in the actuarial assumptions applied, this applies in particular to uncertainty with regard to the possible duration of the obligations. The statements should therefore only be regarded as a trend, not as changes that will occur with unrestricted certainty.

Change in € million	Dec. 31, 2022	Dec. 31, 2021
Actuarial interest rate		
+ 100 basis points	-108.9	-186.4
- 100 basis points	136.6	244.6
Pension adjustment		
+ 25 basis points	18.9	27.8
- 25 basis points	-18.1	-26.8
Salary trend		
+ 50 basis points	4.4	7.1
- 50 basis points	-4.2	-6.8

Employer contributions to plan assets of € 0.1 million are expected for 2023.

The average weighted duration of the pension obligations for the STEAG Group is 14 years (prior year: 17 years).

The total expense for the defined benefit plans is broken down as follows:

in € million	2022	2021
Service cost	13.5	17.2
Net interest cost	14.8	9.4
Net pension expense recognized in the income statement	**28.3**	**26.6**

in € million	2022	2021
Actuarial gains and losses	-328.3	-80.8
Return on plan assets excluding interest income	0.6	-0.1
Expense from the remeasurement of the net defined benefit obligation from defined benefit plans recognized in OCI	**-327.7**	**-80.9**

Interest cost is included in the interest result, see Note (5.8). Service cost is included in the personnel expenses, see Note (5.4).

€ 0.2 million (prior year:€ 0.2 million) was paid into defined contribution plans. This amount is also recorded in personnel expenses (pension expenses).

Further, € 23.7 million (prior year: € 24.0 million) was paid into defined contribution state plans (statutory pension insurance) in Germany and abroad. This is reported in personnel expenses (expenses for social security contributions).

(6.11) Other provisions

Other provisions comprise the following items:

in € million	Dec. 31, 2022 Total	Dec. 31, 2022 thereof non-current	Dec. 31, 2021 Total	Dec. 31, 2021 thereof non-current
Personnel-related	65.4	17.5	72.4	25.7
Recultivation and environmental protection	6.7	5.7	8.0	7.2
Restructuring	72.8	60.0	107.1	65.4
Dismantling obligations	106.2	102.4	103.4	99.5
Obligations to surrender emission allowances	763.5	-	464.0	-
Other obligations	307.9	21.5	151.5	23.9
	1,322.5	**207.1**	**906.4**	**221.7**

(a) Personnel-related provisions

Personnel-related provisions are established for, among other things, bonuses and variable remuneration, statutory and other early retirement arrangements, redundancy plans, unused vacation entitlements, lifetime worktime arrangements and anniversary bonuses.

(b) Provisions for recultivation and environmental protection

Provisions are established for recultivation and environmental protection on the basis of contracts, laws and regulatory requirements. They cover soil reclamation obligations, water protection, the recultivation of landfills and site decontamination obligations. The majority of the non-current portion of provisions will only result in payments between 2024 and 2027.

(c) Provisions for restructuring

Provisions for restructuring may only be established on the basis of defined restructuring measures. Such measures are defined as a program that is planned and controlled by the company and will materially alter one of the company's areas of business activity or the way in which a business activity is carried out. Provisions for restructuring may only be established for costs that are directly attributable to the restructuring program. The provisions mainly relate to measures at the power plants affected by the termination of coal-fired power generation in Germany. Provisions were mainly established for expenses relating to agreed personnel instruments such as topping up adjustment payments, severance payments and other measures included in the redundancy plan. The non-current portion of the provisions is expected to be used mainly between 2024 and 2027.

(d) Provisions for dismantling obligations

Provisions for dismantling obligations relate to dismantling that is not part of a restructuring program for which a provision for restructuring has been established. These provisions are almost all non-current. The majority of the payments will not be made until after 2027.

(e) Provisions for obligations to surrender emission allowances

Provisions for the obligation to surrender emission allowances are established on the basis of Section 7 Paragraph 1 of the German Greenhouse Gas Emissions Trading Act (TEHG). Under this law, companies are required to surrender allowances by April 30 of the following year equivalent to the emissions generated in reporting period (calendar year). These provisions will be utilized in the following year. Trade accounts receivable contain claims for reimbursement relating to the obligation to surrender emission allowances under agreements with electricity clients amounting to € 160.7 million (prior year: € 143.9 million); see Note (6.7).

(f) Provisions for other obligations

Provisions for other obligations relate to provisions for outstanding invoices, decommissioning of power plants that are scheduled for shutdown and measures to safeguard the future of the sites, price discounts and price adjustment risks relating to sales and procurement, impending contract losses, other taxes, litigation risks, legal and consultancy expenses, and audit fees. Most of these provisions will be utilized within one year and the remainder will mainly result in payments between 2024 and 2027.

Other provisions changed as follows in fiscal 2022:

in € million	Personnel-related	Recultivation, environmental protection	Restructuring	Dismantling obligations	Obligations to surrender emission allowances	Other obligations	**Total**
As at January 1, 2022	**72.4**	**8.0**	**107.1**	**103.4**	**464.0**	**151.5**	**906.4**
Additions	49.8	0.9	1.2	14.9	763.5	253.4	1,083.7
Utilization	-46.8	-0.1	-19.3	-0.1	-463.7	-70.7	-600.7
Reversal	-8.1	0.0	-15.3	-0.2	-0.3	-20.3	-44.2
Addition of accrued interest / interest rate adjustments	-1.3	-2.1	-0.9	-14.3	-	-0.9	-19.5
Other	-0.6	0.0	-	2.5	-	-5.1	-3.2
As at December 31, 2022	**65.4**	**6.7**	**72.8**	**106.2**	**763.5**	**307.9**	**1,322.5**

(6.12) Financial liabilities

	Dec. 31, 2022		Dec. 31, 2021	
in € million	**Total**	thereof non-current	**Total**	thereof non-current
Liabilities to banks	333.4	220.6	447.6	297.7
Loans from non-banks	172.2	169.9	186.9	174.6
Lease liabilities	133.1	114.7	157.5	139.3
Liabilities from derivatives	358.8	34.1	597.0	132.8
Other financial liabilities	959.7	10.1	338.8	15.2
	1,957.2	**549.4**	**1,727.8**	**759.6**

(a) Liabilities to banks

The largest item within liabilities to banks is STEAG GmbH's bonded loan. In addition, various Group companies have liabilities arising from project financing and refinancing of intragroup loans.

Liabilities with variable interest rates are exposed to an interest rate risk. This risk may affect future cash flows.

(b) Loans from non-banks

Liabilities resulting from loans from non-banks decreased slightly year-on-year in the reporting period.

(c) Lease liabilities

All leases held as lessee are recognized on the balance sheet as a right-of-use asset and a corresponding liability, with the exception of short-term leases with a term of less than 12 months; see Note (2.3).

The due dates of the lease liabilities are as follows:

in € million	Dec. 31, 2022	Dec. 31, 2021
Future minimum lease payments	153.0	185.1
Due within 1 year	22.0	22.0
Due within 1-5 years	63.8	71.4
Due in more than 5 years	67.2	91.7
Interest included therein	-19.8	-27.6
Present value of future lease liabilities	**133.1**	**157.5**
Due within 1 year	18.4	18.2
Due within 1-5 years	54.0	59.5
Due in more than 5 years	60.7	79.8

(d) Liabilities from derivatives

The breakdown of liabilities from derivatives is as follows:

in € million	Dec. 31, 2022	Dec. 31, 2021
Liabilities from currency derivatives	3.8	1.8
Liabilities from interest rate derivatives	0.6	5.4
Liabilities from commodity derivatives	354.4	589.8
	358.8	**597.0**

The change in the reporting period results from price changes and from a significant increase in hedging volume.

(e) Other financial liabilities

The increase in other financial liabilities was principally attributable to the liability of € 676.9 million relating to the profit and loss transfer agreement with KSBG KG. Liabilities relating to margining were around the prior-year level at € 148.7 million (prior year: € 168.4 million).

Furthermore, other financial liabilities include compensation payments to other shareholders and non-controlling interests in German partnerships.

(6.13) Trade accounts payable, other liabilities

	Dec. 31, 2022		Dec. 31, 2021	
in € million	**Total**	thereof non-current	**Total**	thereof non-current
Trade accounts payable	377.1	-	264.4	-
Contract liabilities	220.4	13.2	81.1	12.6
Advance payments received from customers	-	-	1.1	1.0
Miscellaneous other liabilities	80.8	23.2	47.1	2.2
Deferred income	2.8	1.1	4.0	1.8
	681.1	**37.5**	**397.7**	**17.6**

For further information on contract liabilities, see Note (6.6).

(6.14) Deferred taxes, current income taxes

The breakdown of deferred taxes and current income taxes reported on the balance sheet by due date is shown in the table:

	Dec. 31, 2022		Dec. 31, 2021	
in € million	**Total**	thereof non-current	**Total**	thereof non-current
Deferred tax assets	133.6	133.6	154.9	154.9
Current income tax assets	1.8	-	12.3	-
Deferred tax liabilities	182.9	182.9	26.9	26.9
Current income tax liabilities	63.7	-	48.8	-

In accordance with IAS 1, the current elements of deferred taxes are reported on the balance sheet under non-current assets and liabilities.

Deferred taxes relate to the following items:

	Deferred tax assets		Deferred tax liabilities	
in € million	**Dec. 31, 2022**	Dec. 31, 2021	**Dec. 31, 2022**	Dec. 31, 2021
Assets				
Intangible assets	2.4	0.5	2.9	5.7
Property, plant and equipment, investment property	75.3	23.9	43.5	58.1
Financial assets	7.9	1.3	255.9	78.5
Inventories	47.5	40.2	18.2	7.0
Receivables, other assets	5.9	7.3	14.9	6.4
Liabilities				
Provisions	77.5	132.4	10.9	4.0
Liabilities	78.9	85.0	7.4	7.9
Special reserves with an equity portion (based on local law)	4.5	-	4.2	1.2
Loss/interest carryforwards / tax credits after allowances	9.2	6.2	-	-
Other	-	-	-	-
Deferred taxes (gross)	**309.1**	**296.8**	**357.9**	**168.8**
Changes in value (temporary differences)	-0.5	-	-	-
Offsetting	-175.0	-141.9	-175.0	-141.9
Deferred taxes (net)	**133.6**	**154.9**	**182.9**	**26.9**

Deferred tax assets of € 9.2 million (prior year: € 6.2 million) were recognized for companies with tax loss carryforwards / tax credits as they are expected to generate sufficient taxable income in the future.

In addition to tax loss carryforwards for which deferred taxes were recognized, there are tax loss carryforwards that are not utilizable and for which no deferred taxes are recognized. These are shown in the following table:

	Corporation taxes (Germany and foreign)		Local taxes (Germany and foreign)	
in € million	**2022**	2021	**2022**	2021
Loss carryforwards	**17.2**	73.1	**9.1**	73.7
thereof with no expiration date	17.1	72.7	9.1	73.7

No deferred tax liabilities were recognized for temporary differences of € 51.7 million (prior year: € 49.9 million) between net assets and the carrying amount of subsidiaries as determined for tax purposes (outside basis differences). 5 percent of gains from profit distributions or the divestment of shareholdings would be subject to German taxation; in some cases, foreign withholding taxes would also be applicable. In addition, in the event of profit distributions from a subsidiary to an intermediate holding company, further income tax effects would have to be taken into account. Consequently, profit distributions and divestments generally result in additional tax expense. Calculating deferred taxes on the taxable temporary differences would therefore involve an unreasonable amount of work.

(7) Notes to the cash flow statement

The cash flow statement shows the changes in cash and cash equivalents of the STEAG Group in the reporting period. It is broken down into cash flows from operating, investing and financing activities. The impact of changes in the scope of consolidation has been eliminated.

Interest paid and interest and dividends received are included in operating activities while dividends paid and profit and loss transfers are assigned to financing activities.

(7.1) Cash flow from operating activities

The cash flow from operating activities is calculated using the indirect method. Income before the financial result and income taxes from the continuing operations is adjusted for the effects of non-cash income and expenses and items that are allocated to investing or financing activities. Certain other changes in amounts shown on the balance sheet are calculated and added to the result.

(7.2) Cash flow from investing activities

As at the reporting date, cash and cash equivalents totaling € 10.3 million were held in current fixed-term bank deposits (prior year: € 10.2 million).

(7.3) Cash flow from financing activities

The table shows the reconciliation of the cash flow from financing activities to balance sheet items:

in € million	Non-current liabilities	Current liabilities	Lease liabilities	Profit transfer	Assets used to hedge liabilities	**Components of financing activities**
As at January 1, 2022	**508.5**	**396.0**	**168.6**	**-**	**-**	**1,073.1**
Repayments of principal and profit transfer	-1.4	-553.6	-23.6	-134.9	-	-713.5
Borrowing	11.3	513.6	-	-	-	524.9
Changes affecting cash flow	**9.9**	**-40.0**	**-23.6**	**-134.9**	**-**	**-188.6**
Changes due to business combinations	-	-	-	-	-	-
Currency translation	-0.7	1.5	0.2	-	-	1.0
Interest, discounting, changes in fair value	0.7	30.7	3.9	-	-	35.3
Reclassifications	-90.8	223.9	9.1	-	-	142.2
Other changes	-	-	-11.9	-	-	-11.9
Changes not affecting cash flow	**-90.8**	**256.1**	**1.3**	**-**	**-**	**166.6**
As at December 31, 2022	**427.6**	**612.1**	**146.3**	**-134.9**	**0.0**	**1,051.1**

in € million	Non-current liabilities	Current liabilities	Lease liabilities	Profit transfer	Assets used to hedge liabilities	**Components of financing activities**
As at January 1, 2021	**844.9**	**372.0**	**173.6**	**-**	**-**	**1,390.5**
Repayments of principal and profit transfer	-3.4	-462.8	-21.2	-	-	-487.4
Borrowing	-	67.9	-	-	-	67.9
Changes affecting cash flow	**-3.4**	**-394.9**	**-21.2**	**-**	**-**	**-419.5**
Changes due to business combinations	-	-	-	-	-	-
Currency translation	1.3	5.6	0.4	-	-	7.3
Interest, discounting, changes in fair value	0.7	15.3	4.5	-	-	20.5
Reclassifications	-335.0	398.0	14.9	-	-	77.9
Other changes	-	-	-3.6	-	-	-3.6
Changes not affecting cash flow	**-333.0**	**418.9**	**16.2**	**-**	**-**	**102.1**
As at December 31, 2021	**508.5**	**396.0**	**168.6**	**-**	**0.0**	**1,073.1**

(8) Other disclosures

(8.1) Additional information on financial instruments

Net result from financial instruments

The income and expenses, gains and losses from financial instruments reflected in the income statement are reported as the net result for each of the valuation categories defined in IFRS 9.

	Result by valuation category						
	Debt instruments						
in € million	At amortized cost	At fair value through profit or loss	Derivatives at fair value	Equity instruments at fair value	Liabilities at amortized cost	Not allocated to any category	**2022**
Gains on disposal	0.1	-	-	-	-	-	0.1
Valuation result	-	-	1,102.1	-	-	-	1,102.1
Impairment losses/reversals of impairment losses	-8.9	-	-	-	-	0.0	-8.9
Interest income	15.7	-	0.3	-	-	1.2	17.2
Interest expense	-	-	-0.3	-	-64.4	-5.4	-70.1
Income from other investments	-	-	-	0.1	-	-	0.1
	6.9	**-**	**1,102.1**	**0.1**	**-64.4**	**-4.2**	**1,040.5**

	Result by valuation category						
	Debt instruments						
in € million	At amortized cost	At fair value through profit or loss	Derivatives at fair value	Equity instruments at fair value	Liabilities at amortized cost	Not allocated to any category	2021
Valuation result	-	-	-201.7	-	-	-	-201.7
Impairment losses/reversals of impairment losses	0.0	-	-	-	-	0.0	0.0
Interest income	9.8	1.4	0.9	-	-	0.5	12.6
Interest expense	-	-	-1.1	-	-63.7	-5.5	-70.3
Income from other investments	-	-	-	0.1	-	-	0.1
Result from current fixed-term bank deposits	-	0.0	-	-	-	-	0.0
	9.8	**1.4**	**-201.9**	**0.1**	**-63.7**	**-5.0**	**-259.3**

The valuation result comprises the valuation of foreign exchange and commodity derivatives and contains all valuation effects up to the expiration date. Impairment losses/reversals of impairment losses comprises impairment losses and income from the reversal of impairment losses on financial assets (e.g. loans, finance leases, trade accounts receivable), excluding current securities and current fixed-term bank deposits, as IFRS 9 specifies that impairment losses/reversals of impairment losses for these must be recognized separately in the result from current securities. Income from other investments comprises income from investments and the effect of changes in the fair value of an option on equity instruments.

Carrying amounts and fair values of financial instruments

In the following table, financial instruments are allocated to groups (classes) in accordance with their underlying characteristics. In the STEAG Group, the classification is based on the presentation on the balance sheet. The carrying amounts of each class have to be presented at fair value on the reporting date on the basis of the valuation categories defined in IFRS 9. This includes receivables from finance leases and receivables and liabilities relating to derivatives for which hedge accounting is applied, which do not belong to any of the valuation categories defined in IFRS 9. They are presented separately. The carrying amount of financial assets is also the maximum default risk.

The following tables show the classification of financial assets:

	Valuation category					
	Equity instruments	Debt instruments and derivatives			**Dec. 31, 2022**	
in € million	At fair value through OCI	Financial assets at amortized cost	At fair value through profit or loss	Not allo-cated to any category	Carrying amount	Fair value
Financial assets	**0.4**	**1,081.2**	**1,245.9**	**36.9**	**2,364.4**	**2,391.5**
Other investments	0.4	-	-	-	0.4	0.4
Loans	-	257.0	-	-	257.0	282.0
Receivables from finance leases	-	-	-	34.4	34.4	36.5
Receivables from derivatives	-	-	1,245.9	2.5	1,248.4	1,248.4
Other financial assets	-	824.2	-	-	824.2	824.2
Trade accounts receivable	**-**	**879.7**	**-**	**-**	**879.7**	**879.7**
Cash and cash equivalents	**-**	**678.8**	**-**	**-**	**678.8**	**678.8**
	0.4	**2,639.7**	**1,245.9**	**36.9**	**3,922.9**	**3,950.0**

	Valuation category					
	Equity instruments	Debt instruments and derivatives			Dec. 31, 2021	
in € million	At fair value through OCI	Financial assets at amortized cost	At fair value through profit or loss	Not allo-cated to any category	Carrying amount	Fair value
Financial assets	**0.4**	**630.8**	**487.0**	**39.5**	**1,157.7**	**1,210.0**
Other investments	0.4	-	-	-	0.4	0.4
Loans	-	206.1	-	-	206.1	254.0
Receivables from finance leases	-	-	-	39.5	39.5	43.9
Receivables from derivatives	-	-	487.0	-	487.0	487.0
Other financial assets	-	424.7	-	-	424.7	424.7
Trade accounts receivable	**-**	**587.8**	**-**	**-**	**587.8**	**587.8**
Cash and cash equivalents	**-**	**340.9**	**-**	**-**	**340.9**	**340.9**
	0.4	**1,559.5**	**487.0**	**39.5**	**2,086.4**	**2,138.7**

The following tables show the classification of financial liabilities:

	Valuation category				Dec. 31, 2022	
	At fair value through profit or loss					
in € million	Liabilities held for trading	Other liabilities	Liabilities at amortized cost	Not allocated to any category	Carrying amount	Fair value
Financial liabilities	**358.2**	**-**	**1,465.3**	**0.6**	**1,824.1**	**1,829.3**
Liabilities to banks	-	-	333.4	-	333.4	335.4
Loans from non-banks	-	-	172.2	-	172.2	175.4
Liabilities from derivatives	358.2	-	-	0.6	358.8	358.8
Other financial liabilities	-	-	959.7	-	959.7	959.7
Trade accounts payable	**-**	**-**	**377.1**	**-**	**377.1**	**377.1**
	358.2	**-**	**1,842.4**	**0.6**	**2,201.2**	**2,206.4**

	Valuation category				Dec. 31, 2021	
	At fair value through profit or loss					
in € million	Liabilities held for trading	Other liabilities	Liabilities at amortized cost	Not allocated to any category	Carrying amount	Fair value
Financial liabilities	**591.5**	**8.0**	**965.3**	**5.5**	**1,570.3**	**1,638.3**
Liabilities to banks	-	-	447.6	-	447.6	467.9
Loans from non-banks	-	-	186.9	-	186.9	234.6
Liabilities from derivatives	591.5	-	-	5.5	597.0	597.0
Other financial liabilities	-	8.0	330.8	-	338.8	338.8
Trade accounts payable	**-**	**-**	**264.4**	**-**	**264.4**	**264.4**
	591.5	**8.0**	**1,229.7**	**5.5**	**1,834.7**	**1,902.7**

Wherever possible the fair value of a financial instrument is determined using observable market data. Based on the input parameters used in the valuation methods, the fair values are allocated to the following levels in the valuation hierarchy:

- Level 1: The inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted price in an active market (e.g. exchange markets, dealer markets) provides the most reliable evidence of fair value and should be used without adjustment whenever available, apart from a few exceptional cases.

- Level 2: The inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These are, for example, quoted prices for identical or similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, input factors other than quoted prices that are observable for an asset or liability (e.g. interest rates, yield curves, volatilities or credit spreads) and market-corroborated inputs derived from observable market data by correlation or another technique.

- Level 3: The inputs are unobservable inputs for the asset or liability and take account of situations where there is little, if any, market activity for the asset or liability. Unobservable inputs must reflect the assumptions that market participants would use when pricing the asset or liability (e.g. assumptions about risk). Unobservable inputs are developed using the best information available (including internal information).

There were no reclassifications between the various levels of the valuation hierarchy in the reporting period.

The following table shows the assignment of the financial instruments carried at fair value to the three levels of the hierarchy:

in € million	Fair value of financial instruments based on Level 1	Level 2	Level 3	Dec. 31, 2022
Financial assets	**-**	**332.9**	**915.9**	**1,248.8**
Other investments	-	-	0.4	0.4
Receivables from derivatives	-	332.9	915.5	1,248.4
Financial liabilities	**-**	**357.4**	**1.4**	**358.8**
Liabilities from derivatives	-	357.4	1.4	358.8
Other financial liabilities	-	-	-	0.0

in € million	Fair value of financial instruments based on Level 1	Level 2	Level 3	Dec. 31, 2021
Financial assets	**-**	**482.3**	**5.1**	**487.4**
Other investments	-	-	0.4	0.4
Receivables from derivatives	-	482.3	4.7	487.0
Financial liabilities	**-**	**601.0**	**4.0**	**605.0**
Liabilities from derivatives	-	593.0	4.0	597.0
Other financial liabilities	-	8.0	-	8.0

The fair values of other investments are determined using discounted income amounts and are based on planning data discounted using the cost of capital for discounting expected cash flows. These are assigned to Level 3 in the above table.

In addition to the planning values mentioned above, another significant unobservable input used to determine the fair value of other investments is the following parameter:

Significant unobservable input	**Spread (weighted average)**
Country-specific weighted average cost of capital before taxes (WACC)	9 percent to 16 percent

A higher (lower) weighted average cost of capital (WACC) before taxes decreases (increases) the fair value of other investments. A hypothetical shift in the country-specific WACC of 100 basis points would decrease the fair value by € 0.0 million (prior year: € 0.0 million) or increase it by € 0.0 million (prior year: € 0.0 million).

The fair values of energy contracts with an agreed fixed price for electricity from renewable resources are determined using a valuation model based on mathematical methods taking into account the electricity price as at the reporting date, the cannibalization effect of renewables and the expected amount of electricity. The amount of electricity and modeled feed expectations are based on weather scenarios. These energy contracts are assigned to Level 3 in the above table as receivables from derivatives.

Assuming the other relevant parameters are unchanged, a hypothetical reduction of 10 percent in the electricity price in € per MWh would reduce the fair value by € 0.0 million (prior year: € 2.0 million). Assuming the other relevant parameters are unchanged, a hypothetical increase of 10 percent in the electricity price in € per MWh would increase the fair value by € 0.0 million (prior year: € 2.0 million). No calculation is made for a hypothetical reduction or increase in the cannibalization effect of renewables, as this has a direct effect on the price of electricity.

Assuming other parameters are unchanged, a hypothetical reduction of 10 percent in the modeled feed expectations would decrease the fair value by € 0.1 million (prior year: increase it by € 0.1 million). Assuming other parameters are unchanged, a hypothetical increase of 10 percent in the price of modeled feed expectations would increase the fair value by € 0.1 million (prior year: decrease it by € 0.1 million).

The fair values of the energy contracts with an index-based price agreement for electricity are determined as the difference between the electricity base price as at the reporting date and an index price, which contains both a fixed component and prices for hard coal (API2) and CO_2 allowances. As receivables and liabilities from derivatives, in the above table the energy contracts with an index-based price agreement are allocated to Level 3.

Assuming the other relevant price parameters are unchanged, a hypothetical reduction of 10 percent in the electricity price in € per MWh would increase the fair value by € 119.4 million (prior year: € 5.8 million). Assuming the other relevant price parameters are unchanged, a hypothetical increase of 10 percent in the electricity price in € per MWh would reduce the fair value by € 119.4 million (prior year: € 5.8 million).

Assuming other parameters are unchanged, a hypothetical reduction of 10 percent in the API2 price in € per mt would reduce the fair value by € 39.6 million (prior year: € 0.9 million). Assuming other parameters are unchanged, a hypothetical increase of 10 percent in the API2 price in € per mt would increase the fair value by € 39.6 million (prior year: € 0.9 million).

Assuming other parameters are unchanged, a hypothetical reduction of 10 percent in the price of CO_2 allowances in € per EUA would reduce the fair value by € 45.0 million (prior year: € 1.7 million). Assuming other parameters are unchanged, a hypothetical increase of 10 percent in the price of CO_2 allowances in € per EUA would increase the fair value by € 45.0 million (prior year: € 1.7 million).

The fair values of options for energy contracts (especially virtual shares of power generated by the Group's power plants) were determined using valuation models based on mathematical methods, using market prices, especially the clean dark spread, which represents revenues from the sale of power after the cost of inputs and their volatility. As receivables from derivatives, they are assigned to Level 3 in the above table. As at December 31, 2021, there were no options for energy contracts.

A hypothetical reduction in the clean dark spread of € 1 per MWh would increase the fair value by € 1.4 million (prior year: none). A hypothetical increase in the clean dark spread of € 1 per MWh would decrease the fair value by € 1.4 million (prior year: none).

The following table shows the development of Level 3 financial instruments recognized at fair value:

in € million	**Jan. 1, 2022**	Recognized in profit or loss	Recognized in OCI	Disposals	Issues	Changes Adjustments	**Dec. 31, 2022**
Other investments	0.4	-	-	-	-	-	0.4
Receivables from derivatives	4.7	910.8	-	-	-	-	915.5
Liabilities from derivatives	4.0	-2.6	-	-	-	-	1.4

in € million	Jan. 1, 2021	Recognized in profit or loss	Recognized in OCI	Disposals	Issues	Changes Adjustments	Dec. 31, 2021
Other investments	12.4	-	-12.0	-5.2	5.2	-	0.4
Receivables from derivatives	7.3	-2.6	-	-	-	-	4.7
Liabilities from derivatives	-	4.0	-	-	-	-	4.0

The issues presented for other investments in the prior year comprised amounts paid into capital reserves.

Gains and losses assigned to Level 3 were recognized as follows in the income statement:

in € million	**2022**	Thereof attributable to financial instruments still held on the reporting date	2021	Thereof attributable to financial instruments still held on the reporting date
Gains and losses, level 3	**913.4**	**914.1**	**-6.6**	**0.7**
Other operating income	919.5	915.5	4.7	4.7
Other operating expenses	-6.1	-1.4	-11.3	-4.0

The following overview shows the financial assets and financial liabilities that are offset in accordance with IAS 32:

in € million	Recognized gross amount	Offsetting	Reported net amount	Corresponding non-offset amounts: Financial instruments	Corresponding non-offset amounts: Cash collateral received/ posted	**Net amount Dec. 31, 2022**
Derivatives (positive fair values)	1,341.9	-93.5	1,248.4	-	-70.9	1,177.5
Derivatives (negative fair values)	460.8	-102.0	358.8	-	-358.8	-

in € million	Recognized gross amount	Offsetting	Reported net amount	Corresponding non-offset amounts: Financial instruments	Corresponding non-offset amounts: Cash collateral received/ posted	Net amount Dec. 31, 2021
Derivatives (positive fair values)	1,151.8	-664.8	487.0	-	-168.4	318.6
Derivatives (negative fair values)	1,339.1	-742.1	597.0	-	-266.4	330.6

The amounts offset comprise the variation margin that has to be deposited by both parties in connection with stock exchange transactions. The associated amounts that are not offset comprise the margin payments (initial margin and non-offset variation margin) amounting to € 358.8 million that had to be provided upfront (prior year: € 266.4 million) and other collateral that is not offset amounting to € 70.9 million (prior year: € 168.4 million) and which, in the event of negative price trends, can be offset at any time against the cash collateral received.

Other investments are investments in equity instruments and are recognized at fair value through other comprehensive income because they are neither held for trading nor do they constitute contingent consideration in connection with a business combination pursuant to IFRS 3 and are assigned to this category by the Board of Management of STEAG GmbH.

These are shown in the following table:

in € million	**Fair value as at Dec. 31, 2022**	Dividends received
Hinduja National Power Corporation Limited	-	-
Other investments in equity instruments	0.4	0.1
	0.4	**0.1**

in € million	Fair value as at Dec. 31, 2021	Dividends received
Hinduja National Power Corporation Limited	-	-
STEAG ENSIDA Energy Services Enerji Sistemleri Danışmanlık Mühendislik Tesis ve Ticaret Limited Şirketi	-	-
Other investments in equity instruments	0.4	0.1
	0.4	**0.1**

Fair value measurement of financial instruments that are not included in the balance sheet at fair value is based on the following method:

Non-current receivables are valued using a variety of parameters. Impairment losses are recognized for any expected defaults on receivables. Accordingly, the net carrying amount of these receivables basically corresponds to their fair value. For receivables from finance leases, the fair value is the country-specific weighted average cost of capital before taxes. For loans granted, liabilities to banks and loans from non-banks, the fair value is determined as the present value of future cash inflows or outflows on the assumption that they are valued using the appropriate interest rate for their term.

In view of their short maturity, in all other cases the carrying amounts of trade accounts receivable and payable, other financial assets, other financial liabilities, and cash and cash equivalents on the reporting date do not differ significantly from their fair values.

The following table shows the assignment of the fair values of financial instruments that are not recognized on the balance sheet at fair value. It does not contain information on financial assets and financial liabilities if their carrying amount is an appropriate approximation of their fair value.

in € million	Fair value of financial instruments based on Level 1	Level 2	Level 3	**Dec. 31, 2022**
Financial assets	**447.0**	**659.2**	**36.5**	**1,142.7**
Loans	-	282.0	-	282.0
Receivables from finance leases	-	-	36.5	36.5
Other financial assets	447.0	377.2	-	824.2
Financial liabilities	**148.7**	**537.6**	**107.3**	**793.6**
Liabilities to banks	-	335.4	-	335.4
Loans from non-banks	-	175.4	-	175.4
Other financial liabilities	148.7	26.8	107.3	282.8

in € million	Fair value of financial instruments based on Level 1	Level 2	Level 3	Dec. 31, 2021
Financial assets	**276.8**	**401.9**	**43.9**	**722.6**
Loans	-	254.0	-	254.0
Receivables from finance leases	-	-	43.9	43.9
Other financial assets	276.8	147.9	-	424.7
Financial liabilities	**168.4**	**727.3**	**2.7**	**898.4**
Liabilities to banks	-	467.9	-	467.9
Loans from non-banks	-	234.6	-	234.6
Other financial liabilities	168.4	24.8	2.7	195.9

The significant unobservable input used to determine the fair value of lease receivables is as follows:

Significant unobservable input	Spread (weighted average)
Country-specific weighted average cost of capital before taxes (WACC)	6 percent to 8 percent

A higher (lower) weighted average cost of capital (WACC) before taxes decreases (increases) the fair value of receivables from finance leases. A hypothetical shift in the country-specific WACC of 100 basis points decreases their fair value by 1 percent (prior year: 2 percent) or increases it by 1 percent (prior year: 2 percent).

Notional value of derivatives

The notional value of currency derivatives is the foreign exchange amount converted into euros. The notional value of interest derivatives is the sum of the present nominal value of the hedged items translated in euros, while the notional value of commodity derivatives is the hedged cost of acquisition translated into euros. The changes in the absolute level of the notional value of financial derivatives cannot be transferred to the level of the net risk position as some risk positions offset each other. Consequently, there is not necessarily a direct correlation between the sensitivities derived from the net risk position and the development of notional value.

The notional amount of the derivatives used in hedge accounting and those not used in hedge accounting is as follows:

						Dec. 31, 2022
in € million	**Total**	thereof current	thereof 1-3 years	thereof 4-5 years	thereof 6-10 years	thereof > 10 years
Currency derivatives	471.6	466.4	5.2	-	-	-
Interest rate derivatives	89.2	-	3.8	25.2	60.2	-
Commodity derivatives	1,452.8	1,378.7	74.1	-	-	-
	2,013.6	**1,845.1**	**83.1**	**25.2**	**60.2**	**-**

						Dec. 31, 2021
in € million	**Total**	thereof current	thereof 1-3 years	thereof 4-5 years	thereof 6-10 years	thereof > 10 years
Currency derivatives	364.2	364.2	-	-	-	-
Interest rate derivatives	93.9	-	-	28.6	65.3	-
Commodity derivatives	3,394.4	2,994.3	400.1	-	-	-
	3,852.5	**3,358.5**	**400.1**	**28.6**	**65.3**	**-**

Interest rate derivatives with a residual term of more than one year are stated in the period in which they mature at their present notional value, even if the notional value increases or decreases over their total term.

The notional amount does not contain any energy contracts with a fixed price agreement for electricity from renewable energy sources or index-based price agreement for electricity from power plants or options on energy contracts. Energy purchase contracts containing a fixed-price agreement for electricity from renewable resources total3.5 MW (prior year: 155 MW) and have terms running until the end of 2027. Energy contracts with an index-based price agreement for electricity from power plants amount to up to 1,322 MW per month (prior year: 250 MW) and have terms running until the end of 2023. Options on energy contracts amount to up to 250 MW per month and end in the fourth quarter of 2023.

The year-on-year change in the notional value of commodities mainly results from the sharp reduction in volumes compared with the previous year.

The table shows the respective average prices:

in € million	**Dec. 31, 2022**	Dec. 31, 2021
Currency forward agreements		
USD / EUR	1.052	1.149
EUR / USD	-	-
TRY / EUR	-	17.391
PLN / EUR	4.986	4.667
Interest rate swaps		
EUR	2.72%	2.69%
USD	-	0.00%
PLN	2.79%	2.79%
Commodity derivatives		
Power € / MWh	126.29	104.86
CO_2 allowances € / EUA	80.44	62.65
Coal € / mt	182.79	95.30
Gasoil € / t	-	515.94
Gas € / MWh	25.21	18.30

Financial risk management

The objective of capital management at STEAG is to achieve a long-term increase in value in the interests of its customers, employees and shareholders. Securing financial flexibility in order to implement the growth strategy is very important. For this reason, STEAG's capital management is geared to guaranteeing long-term equity and debt financing. The focus is on ensuring adequate liquidity. As part of opportunity and risk management at STEAG, the members of the Board of Management receive monthly reports on the company's earnings performance. In addition, a weekly report on the liquidity situation was submitted to the Board of Management in the 2022 fiscal year. In view of the very satisfactory liquidity situation, since the first quarter of 2023 the reporting interval has been fortnightly. The equity situation at subsidiaries is monitored regularly.

Since it operates internationally, the STEAG Group is exposed to financial risks in the course of its operating business. A major objective of corporate policy is to minimize the impact of market, liquidity and default risks on the value of the company and on the profitability of the STEAG Group in order to check adverse fluctuations in cash flows and earnings without forgoing the opportunity to benefit from positive market trends. For this purpose, a systematic financial and risk management system has been established as a central element of the management of the company. This is geared specifically to securing present and future potential for success and avoiding, preventing, countering and minimizing risks. Due to its fields of activity, the STEAG Group is exposed to constantly changing political, social, demographic, legal and economic operating conditions. The resultant risks are addressed by monitoring and analyzing the entire operating environment and anticipating the associated market developments. The findings are used to systematically develop STEAG's portfolio in accordance with the strategy for the Group. That includes strategic and operational planning, preparations for investment decisions, monthly reporting and projections, and, from a certain level, immediate reporting of risks. The organizational units conduct an extensive annual inventory of opportunities and risks in connection with the mid-term planning process. All relevant factors are systematically identified and documented and the probability of the risks occurring and the potential damage are evaluated.

Interest rate and currency risks are managed centrally at STEAG GmbH. In principle, a large proportion of debt is structured in a manner that ensures that – apart from limited exceptions – liability is confined to the relevant project company.

Financial derivatives are used to reduce financial risks. They are entered into in connection with an underlying transaction (hedged item) relating to normal operating business, which provides a risk profile directly opposite to that of the hedge. The instruments used to manage exchange rate and interest rate risks are customary products found on the market such as currency forwards and interest rate and currency swaps. To hedge commodity risks arising from power, gas, coal, freight, oil and emission allowances, forward contracts are used (forwards, futures, swaps, structured products, options).

An appropriate, documented and functioning risk management system monitors financial risks and the efficiency of measures taken to minimize risk. The scope, accountability and controls are defined in binding internal directives.

The parameters used to control commodity trading in the STEAG Group are the daily calculation of changes in market prices and their impact on the pending result, value at risk (VaR), and a sensitivity analysis. Limits are set centrally and monitored and reported daily, thus effectively limiting the risk of changes in market prices.

(a) Market risk

Market risk can basically be subdivided into exchange rate, interest rate and commodity risks.

Exchange rate risks arise from both the sourcing of raw materials and the sale of end-products in currencies other than the functional currency of the company concerned. The aim of currency management is to protect the company's operating business from negative fluctuations in earnings and cash flows resulting from changes in exchange rates. Account is taken of the opposite effects arising from procurement and sales activities. The remaining currency risks to the STEAG Group chiefly relate to changes in the exchange rate of the euro versus the US dollar and the Polish zloty.

The aim of interest rate management is to protect net income from the effects of fluctuations in market interest rates. Interest rate risk is managed through derivative and non-derivative financial instruments, especially interest rate swaps. The aim is to achieve an appropriate ratio of fixed rates (with interest rates fixed for more than one year) and variable rates (terms of less than one year), taking costs and risks into account. Around 57.0 percent of floating rate loan liabilities (with an original term to maturity of more than one year) were hedged by interest rate swaps on December 31, 2022 (prior year: around 55.0 percent).

Several scenario analyses were carried out to measure exchange rate, interest rate and commodity risk as at December 31, 2022. The following tables show the impact on income before taxes and on OCI. The impact on equity, including the result for the period, is derived from the sum of the individual effects.

With regard to currency risk, the exchange rates for the most important currencies for the STEAG Group, the US dollar versus the euro, and the Polish zloty versus the euro, were altered by 1 percent, 5 percent and 10 percent. In this way, the possible loss of value of derivative and non-derivative financial instruments is simulated.

The results are summarized in the table:

US dollar vs. euro	**Dec. 31, 2022**		Dec. 31, 2021	
in € million	Impact on income	OCI	Impact on income	OCI
+1 percent	-2.9	-0.3	-1.7	-0.3
-1 percent	3.0	0.3	1.7	0.3
+5 percent	-13.8	-1.2	-8.2	-1.2
-5 percent	15.5	1.4	8.9	1.3
+10 percent	-26.2	-2.4	-16.0	-2.3
-10 percent	33.1	2.9	18.3	2.8

Polish zloty vs. euro	**Dec. 31, 2022**		Dec. 31, 2021	
in € million	Impact on income	OCI	Impact on income	OCI
+1 percent	-0.6	-	-0.6	-
-1 percent	0.6	-	0.6	-
+5 percent	-2.9	-	-2.8	-
-5 percent	3.2	-	3.1	-
+10 percent	-5.5	-	-5.4	-
-10 percent	6.7	-	6.5	-

Several scenarios were also simulated for interest rates. These analyzed shifts of 0.5 percent, 1 percent and 1.5 percent in interest rates or the interest rate curve. The changes modeled relate to the interest rate curves for all foreign currencies and for the euro. In this way, the possible loss of value of derivative and non-derivative financial instruments is simulated. The results are shown in the table:

	Dec. 31, 2022		Dec. 31, 2021	
in € million	Impact on income	OCI	Impact on income	OCI
+0.5 percent	0.0	1.3	0.0	1.8
-0.5 percent	0.1	-1.0	0.1	-1.4
+1 percent	-0.1	2.4	-0.1	3.3
-1 percent	0.1	-2.2	0.1	-3.1
1.5 percent	-0.2	3.4	-0.1	4.8
-1.5 percent	-0.2	-6.1	-0.2	-7.2

Commodity risks arise from changes in the market price of power, emission allowances and raw materials, including the sea freight required for logistics purposes. The market price risk from the marketing of own and third-party power plant output results from a change in the clean dark spread or clean spark spread as a combination of the market prices used (electricity price less currency-adjusted raw material costs and costs for the procurement of CO_2 allowances). Raw materials are purchased both to meet in-house requirements and for resale on the external market. Other factors of importance for the STEAG Group's risk position are the physical availability of raw materials and dependence on their price. The STEAG Group uses broadly based, all-round portfolio management for the procurement of fuel to reduce price dependency and procurement risks on the sourcing market.

The price risks arising from procurement and resale are logged and effective measures to minimize the risks are defined. These include, for example, agreeing sliding price clauses and hedging via forward contracts. The principle is that financial derivatives and the corresponding hedged transaction must have opposite profiles.

To measure the market risk arising from commodity derivatives, which are accounted for at fair value and assigned to Level 2 in the valuation hierarchy, the sensitivity of the fair value of these instruments to an increase or decrease of 10 percent in their market price was determined. The results are shown in the table:

in € million	Dec. 31, 2022 Impact on income	Dec. 31, 2022 OCI	Dec. 31, 2021 Impact on income	Dec. 31, 2021 OCI
CDS trading				
Power				
+10 percent	-	-	-34.1	-
-10 percent	-	-	44.0	-
CO_2 allowances				
+10 percent	-	-	14.0	-
-10 percent	-	-	-10.1	-
Coal				
+10 percent	-	-	4.4	-
-10 percent	-	-	-3.7	-
Gasoil				
+10 percent	-	-	0.2	-
-10 percent	-	-	-0.2	-
CSS trading				
Power				
+10 percent	-33.7	-	-18.9	-
-10 percent	33.7	-	20.0	-
CO_2 allowances				
+10 percent	4.3	-	4.7	-
-10 percent	-4.3	-	-4.2	-
Gas				
+10 percent	22.3	-	11.9	-
-10 percent	-22.3	-	-11.5	-
Other trading				
Power	-	-	-	-
+10 percent	-2.3	-	3.6	-
-10 percent	2.3	-	-3.9	-
CO_2 allowances	-	-	-	-
+10 percent	59.8	-	30.4	-
-10 percent	-59.8	-	-29.8	-
Coal	-	-	-	-
+10 percent	-8.3	-	-0.5	-
-10 percent	8.3	-	0.6	-
Trading in renewable energies				
Power	-	-	-	-
+10 percent	-14.4	-	-9.1	-
-10 percent	14.4	-	9.2	-

The table does not show the opposite change in the value of the corresponding physical transactions.

Hedge accounting

Where the criteria for hedge accounting are fulfilled, currency derivatives used to hedge the net assets of foreign power plants are accounted for as hedges of a net investment and interest rate derivatives are normally accounted for as cash flow hedges.

Depending on the type of transaction and the associated hedging strategy, the following distinctions are made in accordance with the applicable policies and procedures:

Interest rate hedges

To hedge financing costs against future interest rate rises, variable rate debt instruments are swapped for fixed-interest payments. The risk strategy includes rebalancing interest hedging transactions in the event of major deviations in forecast cash flows by adjusting the notional amount and interest payments in the interest hedging contract. The adjustment is reflected in a change in the fixed interest rate or a cash settlement. Alternatively, a further hedge may be entered into. Wherever possible, these are accounted for as cash flow hedges.

Currency hedging

Currency hedges have been concluded to hedge the currency gains and losses resulting from currency translation of the net assets of foreign power plant projects in the course of consolidation. They are accounted for as hedges of a net investment.

STEAG GmbH's hedging policy only allows economically effective hedging relationships. The effectiveness of the hedging relationship is determined at the date of initial recognition. To ensure an effective hedging relationship, the first step comprises documenting the economic relationship between the hedged item and the hedging instrument at STEAG GmbH. The contractual terms of the hedging transactions are those of the forecast, highly probable transactions or firm commitments. The underlying risk of the hedging instrument must be identical to the hedged risk components. Consequently, the hedge ratio for the Group's hedging relationship and the hedge ratio for the hedged item and hedging instrument is normally 100 percent.

The effectiveness of the hedging relationships is proven prospectively at every reporting date using the hypothetical derivatives method. A regression analysis is used for this. For interest rate hedges where option-type instruments are used as the hedging instrument, evidence of effectiveness is provided using the intrinsic value method.

Any ineffectiveness is determined using the dollar offset method. Ineffectiveness of a hedge of a net investment may occur if the amount of the investment in the foreign power plant project is below the amount of the forward currency agreement. Ineffectiveness of an interest rate hedge may be influenced by (partial) derecognition of hedged items, for example, one-time payments under agreed repayment schedules or by taking into account different default risks.

As at the reporting date, the impact of the hedging transactions outlined above on the balance sheet was as follows:

Cash flow hedge accounting

The option of hedge accounting provided for by IFRS 9 prevents an accounting mismatch by ensuring that highly effective economic hedging relationships do not result in the recognition of income or loss. In hedge accounting, the change in the value of the derivatives used as hedging instruments is therefore recognized in equity, while the change in the value of the physical underlying is not recognized in the financial statements until the expiration date.

At the expiration date, the compensatory changes in the value of the hedged item and hedging instrument are shown in income or as part of the cost of acquisition in the carrying amount of the related non-financial asset. If a hedging relationship is highly effective, it has no or only little impact on income.

Most interest payments relating to the financing of power plant projects have been hedged up to 2031 via interest rate swaps.

The following table shows the changes in the value of the hedged items:

			Dec. 31, 2022
		Cash flow hedge reserve	
in € million	Change in the value of the hedged item as the basis of ineffectiveness	From hedging relationships still in effect	From hedging relationships no longer in effect
Financing costs with variable interest rates	-2.6	-0.7	-1.9
	-2.6	-0.7	-1.9

			Dec. 31, 2021
		Cash flow hedge reserve	
in € million	Change in the value of the hedged item as the basis of ineffectiveness	From hedging relationships still in effect	From hedging relationships no longer in effect
Financing costs with variable interest rates	4.6	5.7	-1.1
	4.6	5.7	-1.1

The impact of hedging instruments designated in hedging relationships on the balance sheet, other comprehensive income and the income statement, including any resulting ineffectiveness, is as follows:

							Dec. 31, 2022
	Carrying amount of the hedging instrument				In the fiscal year		
in € million	Financial assets	Financial liabilities	Change in the value of the hedge as the basis of ineffective-ness	Notional value	Gains and losses from hedging relationships recognized in OCI	Amount reclassified to profit or loss or assets	Item showing reclassified amount
Interest rate derivatives	1.1	0.6	0.5	84.8	7.3	-0.2	Interest income
	1.1	0.6	0.5	84.8	7.3	-0.2	

							Dec. 31, 2021
	Carrying amount of the hedging instrument				In the fiscal year		
in € million	Financial assets	Financial liabilities	Change in the value of the hedge as the basis of ineffective-ness	Notional value	Gains and losses from hedging relationships recognized in OCI	Amount reclassified to profit or loss or assets	Item showing reclassified amount
Interest rate derivatives	-	5.3	-5.3	88.8	5.3	33.3	Interest ex-pense
	-	5.3	-5.3	88.8	5.3	33.3	

The hedging instruments are recognized as receivables from derivatives or liabilities from derivatives in the balance sheet item financial assets or financial liabilities. The corresponding basis for determining ineffectiveness is the change in the carrying amount of the hedging instruments before offsetting of the variation margin to be provided by both parties in connection with stock exchange transactions. € 0.2 million was recognized as interest income (prior year: € 0.3 million recognized as interest expense) for the ineffective portion of the valuation of cash flow hedges.

Hedge of a net investment

Currency derivatives are used to hedge the foreign exchange risk of currency gains and losses from currency translation of the net assets of foreign power plant projects, which have to be recognized in the course of consolidation. The following table shows the changes in the value of the hedged items:

in € million	Change in the value of the hedged item as the basis of ineffectiveness	Reserve for hedges of a net investment: From hedging relationships still in effect	Reserve for hedges of a net investment: From hedging relationships no longer in effect
			Dec. 31, 2022
Currency gains and losses on foreign power plant projects	-0.9	-1.4	0.5
	-0.9	**-1.4**	**0.5**

in € million	Change in the value of the hedged item as the basis of ineffectiveness	Reserve for hedges of a net investment: From hedging relationships still in effect	Reserve for hedges of a net investment: From hedging relationships no longer in effect
			Dec. 31, 2021
Currency gains and losses on foreign power plant projects	0.7	0.2	0.5
	0.7	**0.2**	**0.5**

The impact of the hedging instruments designated in hedging relationships on the balance sheet, other comprehensive income and the income statement is as follows:

in € million	Carrying amount of the hedging instrument: Financial assets	Carrying amount of the hedging instrument: Financial liabilities	Change in the fair value of the hedge as the basis of ineffectiveness	Notional value	in million	Hedging gains or losses recognized in the reserve for hedges of anet investment	In the fiscal year: Gains and losses from hedging relationships recognized in OCI	In the fiscal year: Amount reclassified to profit or loss	In the fiscal year: Item showing reclassified amount
									Dec. 31, 2022
Currency derivatives	1.4	-	1.4	28.7	USD	0.9	1.6	-	-
	-	-	-	-	COP	-	-	-	
	1.4	**-**	**1.4**			**0.9**	**1.6**	**-**	

									Dec. 31, 2021
	Carrying amount of the hedging instrument						In the fiscal year		
in € million	Financial assets	Financial liabilities	Change in the fair value of the hedge as the basis of ineffectiveness	Notional value	in million	Hedging gains or losses recognized in the reserve for hedges of a net investment	Gains and losses from hedging relationships recognized in OCI	Amount reclassified to profit or loss	Item showing reclassified amount
Currency derivatives	0.0	-0.2	0.2	29.1	USD	-0.7	-4.9	-4.0	Other operating income
	-	-	-	-	COP	0.0	0.0	-	
	0.0	**-0.2**	**0.2**			**-0.7**	**-4.9**	**-4.0**	

(b) Liquidity risk

The liquidity risk comprises a risk that there might not be sufficient cash and cash equivalents to meet financial obligations. To ensure that it remains solvent, the STEAG Group has adequate means to meet capital requirements for day-to-day business, investments and payments of principal and interest on financial debt. A key focus is optimizing net working capital.

The bonded loans taken out in 2014 and 2019 are another major aspect. Here, STEAG GmbH is required to meet certain covenants. There is a basic risk that it will not meet the financial indicators defined for these covenants. Under the agreements, failure to meet these covenants constitutes grounds for termination with the possible consequence that the outstanding loans would be repayable immediately. That would result in an immediate outflow of funds. All agreed covenants and the resulting information obligations were met as at December 31, 2022. The liquidity risk to STEAG GmbH of non-fulfillment of the financial covenants is classified as low.

In connection with forward marketing, STEAG GmbH concludes trading agreements, some of which contain financial covenants that have to be fulfilled; if the indicators are below the level set, the contractual party has a right to additional collateral. In principle, there is a risk that this would have to be paid in the form of cash margin payments or guarantees. Not all agreed covenants were met as at December 31, 2022. The related information obligations were met and the necessary collateral was provided. The amount of relevance for margining was € 5.6 million on the reporting date. As a result of changes in market prices and the counter-effect of liquidity inflows from exchange trading, the risk is considerably lower as at the date of preparation of these financial statements. The total risk to STEAG GmbH of non-fulfillment of the financial covenants is therefore classified as low.

Liquidity risk is managed through business planning to ensure that that the funds required to finance the current operating business and current and future investments at all Group companies are available at the right time and in the right currency at optimum cost. Liquidity requirements for business operations, investments and other financial activities are derived from rolling monthly liquidity planning with a planning horizon of 13 weeks and 24 months, based on suitable risk management. In light of the debt restructuring agreement, in particular, an additional working group was established. This also examines liquidity on a weekly basis. Liquidity is pooled in a central cash management pool at STEAG GmbH where this makes economic sense and is legally permissible. Central liquidity risk management facilitates low-cost borrowing and advantageous offsetting of financial requirements. These measures ensure that the Group has sufficient liquidity to cover payments at all times. Based on the present liquidity planning and taking the measures outlined above and the restructuring agreement into account, the

STEAG Group is fully financed over the planning periods of 13 weeks and 24 months. The liquidity risk of STEAG GmbH is therefore classified as low.

The table shows the remaining maturity of the non-derivative financial instruments based on the agreed dates for payment as the sum of the expected payments of interest and repayments of principal.

				Payments due in	
in € million	up to 1 year	more than 1 - 3 years	more than 3 - 5 years	more than 5 years	**Dec. 31, 2022**
Financial liabilities	**1,121.5**	**273.3**	**152.4**	**216.0**	**1,763.2**
Liabilities to banks	139.7	171.1	75.6	58.5	444.9
Loans from non-banks	10.2	65.9	47.9	81.5	205.5
Lease liabilities	22.0	35.4	28.4	67.2	153.0
Other financial liabilities	949.6	0.9	0.5	8.8	959.8
Trade accounts payable	**377.1**	**-**	**-**	**-**	**377.1**

				Payments due in	
in € million	up to 1 year	more than 1 - 3 years	more than 3 - 5 years	more than 5 years	Dec. 31, 2021
Financial liabilities	**569.8**	**321.6**	**206.0**	**270.1**	**1,367.5**
Liabilities to banks	177.8	220.2	107.1	69.6	574.7
Loans from non-banks	21.2	55.0	67.2	100.1	243.5
Lease liabilities	21.9	40.4	31.1	91.7	185.1
Other financial liabilities	348.9	6.0	0.6	8.7	364.2
Trade accounts payable	**264.4**	**-**	**-**	**-**	**264.4**

The above presentation is based on the contractual agreements on the payment of interest and repayments of principal valid at the reporting date. At the end of September 2021, the STEAG Group concluded a restructuring agreement with the guarantee providers, the creditors of the bonded loans, the creditors of a money market loan and the other financial creditors. This agreement runs until December 31, 2023 and contains changes to payments of interest and repayments of principal, insofar as there are claims to payments out of auction proceeds or strategy-driven divestments of equity investments.

The breakdown of payments of interest and repayments of principal by residual maturity in the following tables relates to derivative financial instruments with positive and negative fair values. The tables show the net value of cash inflows and outflows. Since netting was not agreed for currency derivatives, they are presented as gross amounts:

in € million	up to 1 year	more than 1 - 3 years	more than 3 - 5 years	more than 5 years	Dec. 31, 2022
	Payments due in				
Receivables from derivatives	**450.9**	**45.1**	**0.3**	**0.1**	**496.4**
Currency derivatives	6.9	0.3	-	-	7.2
Cash inflows	243.4	10.5	-	-	253.9
Cash outflows	-236.5	-10.2	-	-	-246.7
Interest rate derivatives	1.0	1.3	0.3	0.1	2.7
Commodity derivatives	443.0	43.5	-	-	486.5
Liabilities from derivatives	**-857.6**	**-31.1**	**-0.4**	**-0.3**	**-889.4**
Currency derivatives	-5.2	-0.1	-	-	-5.3
Cash inflows	267.5	5.1	-	-	272.6
Cash outflows	-272.7	-5.2	-	-	-277.9
Interest rate derivatives	-	-0.4	-0.4	-0.3	-1.1
Commodity derivatives	-852.4	-30.6	-	-	-883.0

in € million	up to 1 year	more than 1 - 3 years	more than 3 - 5 years	more than 5 years	Dec. 31, 2021
	Payments due in				
Receivables from derivatives	**1,301.1**	**212.5**	**0.1**	**-**	**1,513.7**
Currency derivatives	3.4	-	-	-	3.4
Cash inflows	197.5	-	-	-	197.5
Cash outflows	-194.1	-	-	-	-194.1
Interest rate derivatives	0.2	0.6	0.1	-	0.9
Commodity derivatives	1,297.5	211.9	-	-	1,509.4
Liabilities from derivatives	**-1,442.9**	**-189.2**	**-1.9**	**-1.9**	**-1,635.9**
Currency derivatives	-2.7	-	-	-	-2.7
Cash inflows	212.2	-	-	-	212.2
Cash outflows	-214.9	-	-	-	-214.9
Interest rate derivatives	-0.1	-1.0	-1.9	-1.9	-4.9
Commodity derivatives	-1,440.1	-188.2	-	-	-1,628.3

(c) Default risk

Credit risk management divides default risk into three categories, which are analyzed separately on the basis of their specific features. The three categories are debtor and creditor risk, country risk and the risk of default by financial counterparties.

The debtor and creditor default risks are analyzed and monitored continuously with the aid of an internal limit system. The payment obligations of the state customer of the Philippine project company are also secured through a state guarantee. Political risk (country risk) is also taken into account in foreign investment and export orders so that the overall risk assessment takes account of both political and economic risk factors.

Wherever it makes sense, equity is insured against political risks (expropriation, transfer risks, etc.). On the basis of this analysis, a maximum limit is set for the risk exposure of each contractual party.

In addition, a specific limit is set for financial and trading counterparties for each type of risk (money market, capital market and derivatives). Maximum limits for each contracting party are set on the basis of the creditworthiness analyses. These are predominantly based on the rating issued by international rating agencies and external credit analyses and are updated continuously. In the case of funds deposited with banks, the bank's liable capital and insurance limits in the deposit insurance system are also taken into account in the creditworthiness and risk analysis. In addition, the prospective expected credit loss (ECL) model is used. This model has a strong focus on the future. It is applied to amortized cost, loan valuations, securities and similar rights, lease receivables, trade accounts receivable and contract assets, using one of the following approaches:

- the general approach, which is applicable for most loans, securities and similar rights, and lease receivables, and

- the simplified approach, which is applicable for most trade accounts receivable and contract assets.

The probability of default by individual customers, which is required for the general approach, is determined centrally at STEAG GmbH. The general approach is used to calculate the loss allowance for individual instruments in the categories of financial assets listed above.

Whether there has been a significant increase (or decrease) in the credit risk is assessed at every reporting date on the basis of the change in the lifetime expected credit loss of the financial instrument. Risk provisioning for a fully secured asset is based on the lifetime ECL, even if no loss is expected. The assessment of whether the credit risk has increased significantly is performed on an aggregated basis, taking into account the type of instrument, the characteristics of the financial instrument, the characteristics of the borrower and geographical factors.

In certain circumstances, qualitative rather than quantitative factors can be used to determine whether a financial instrument meets the criteria for recognition of a lifetime ECL. In such cases, a statistical model or credit rating process is not applied to assess whether there has been a significant increase in the credit risk. In other cases the assessment can be based on quantitative factors or a mixture of quantitative and qualitative factors.

When assessing whether it is necessary to recognize a lifetime expected credit loss, various factors or indicators have to be taken into account, including significant changes in price indicators, in the economic, financial and business conditions of the market or borrower, changes in payment behavior or breach of contract.

For classification as significant, the credit risk at the time of initial recognition and the expected maturity structure are decisive.

When applying the general approach, there are various practical expedients and assumptions that help a company assess whether there has been a significant increase in the credit risk since initial recognition. These include a global “investment grade” credit rating, payments that are more than 30 days past-due, changes in the default risk within the next twelve months and an assessment at the level of the portfolio or the counterparty.

The credit risk for a financial instrument is classified as low if the financial instrument has a low default risk, the borrower is able to satisfy the contractually agreed cash flow obligations in the near future and adverse long-term changes in the economic and business conditions could but would not necessarily impair the borrower's ability to meet the contractually agreed cash flow obligations. The existence of collateral does not normally have any influence on the determination of whether a financial instrument has a low credit risk. The description of a low credit risk largely corresponds to the rating agencies' definition of the investment-grade range. This corresponds to a BBB- or higher rating from Standard &

Poor's and Fitch or a rating of Baa3 or above from Moody's. However, it should be noted that the default ratios used by the rating agencies are based on historical data. To assess expected credit losses or to assess whether credit quality has deteriorated, it is necessary to consider the origin of the data. Where necessary, the present and future-oriented information must be updated and expected changes in the ratings must be taken into account.

The development of the loss allowance is presented below, based on a comparison of the situation at the beginning and end of the year for risk provisioning for assets carried at amortized cost.

	General approach				
in € million	Level 1	Level 2	Level 3	Simplified approach	**31.12.2022**
Gross carrying amount as at January 1	869.1	170.6	-	659.6	1,699.3
Loss allowance as at January 1	-5.8	-22.7	-	-6.8	-35.3
Net carrying amount as at January 1	863.3	147.9	-	652.8	1,664.0
Foreign currency translation differences	9.4	-	-	-	9.4
Impairment losses	-0.1	-	-	-1.2	-1.3
Reversal of impairment losses	0.0	4.1	-	-13.0	-8.9
Accrued interest	3.1	6.2	-	0.1	9.4
Reclassifications	-	-	-	-	0.0
to/from Level 1	-	-	-	-	0.0
to/from Level 2	-	-	-	-	0.0
to/from Level 3	-	-	-	-	-
Newly issued or acquired financial assets	30,286.2	-	-	2,409.9	32,696.1
Financial assets derecognized during the period due to repayment, sale, etc.	-29,506.9	-0.9	-	-2,054.7	-31,562.5
Gross carrying amount as at December 31	1,655.6	175.9	-	1,006.1	2,837.6
Loss allowance as at December 31	-0.6	-18.6	-	-12.2	-31.4
Net carrying amount as at December 31	1,655.0	157.3	-	993.9	2,806.2

	General approach				
in € million	Level 1	Level 2	Level 3	Simplified approach	31.12.2021
Gross carrying amount as at January 1	786.0	164.1	0.5	423.5	1,374.1
Loss allowance as at January 1	-0.6	-26.5	-0.5	-9.3	-36.9
Net carrying amount as at January 1	785.4	137.6	0.0	414.2	1,337.2
Foreign currency translation differences	17.6	-	-	2.4	20.0
Impairment losses	-2.1	-	-0.0	-3.1	-5.2
Reversal of impairment losses	0.3	-	-	1.1	1.4
Accrued interest	1.6	-	-	-	1.6
Reclassifications	-0.3	0.3	-	-	0.0
to/from Level 1	-0.3	-	-	-	-0.3
to/from Level 2	-	0.3	-	-	0.3
to/from Level 3	-	-	-	-	-
Newly issued or acquired financial assets	15,118.5	0.3	-	2,074.5	17,193.3
Financial assets derecognized during the period due to repayment, sale, etc.	-15,057.7	-0.3	0.0	-1,836.3	-16,894.3
Gross carrying amount as at December 31	869.1	170.6	-	659.6	1,699.3
Loss allowance as at December 31	-5.8	-22.7	-	-6.8	-35.3
Net carrying amount as at December 31	863.3	147.9	-	652.8	1,664.0

The simplified method is used for trade accounts receivable and contract assets without significant financing components. The loss allowance of € 12.2 million (prior year: € 6.8 million) determined using the simplified approach contains around € 6.9 million (prior year: around € 0.7 million) in each case relating to receivables that are up to 90 days past due.

(8.2) Related parties

In addition to the affiliated companies included in the consolidated financial statements, the STEAG Group maintains relationships with related parties.

Related companies within the meaning of IAS 24 are KSBG KG and its partner Dortmunder Stadtwerke AG, together with the companies under its control.

The transactions between the STEAG Group and these companies are shown in the table:

	KSBG KG		STEAG affiliates		Joint ventures		Associates		Other related parties	
in € million	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Goods and services:										
supplied	0.1	0.1	-	-	509.5	25.5	19.0	11.8	0.1	0.2
sourced	-	-	0.1	-	560.4	0.7	6.1	3.2	-	-
Other income	-	6.9	-	0.1	4.6	2.8	6.8	5.5	-	-
Other expense	5.4	-	-	0.2	0.4	0.1	0.6	0.2	-	-
Receivables as at Dec. 31	156.7	146.3	-	-	84.2	42.8	100.2	1.7	-	-
Liabilities as at Dec. 31	781.6	160.3	-	0.3	111.7	5.7	1.4	0.4	-	-

The receivables from KSBG KG mainly comprise the upstream loan granted to this company. As at December 31, 2022, the loan amounted to € 157.7 million (prior year: € 146.3 million). The liabilities to KSBG KG mainly result from the profit and loss transfer agreement and a loan.

In the reporting period, write-downs in an unchanged amount of € 7.7 million were recognized for uncollectable and doubtful financial receivables from companies classified as related parties. As in the prior year, the write-downs related to joint ventures.

Related parties also include members of the management who are directly or indirectly responsible for corporate planning, management and oversight of the activities of the STEAG Group, and close family members. Within the STEAG Group these are the Board of Management and Supervisory Board of STEAG GmbH, KSBG GmbH, which is the managing partner of KSBG KG, and other members of the management of the STEAG Group. The other management members comprise the management of Iqony Fernwärme GmbH (formerly STEAG Fernwärme GmbH), Iqony Solar Energy Solutions (formerly STEAG Solar Energy Solutions), Iqony Solutions GmbH (formerly STEAG Energy Services GmbH), Iqony Energies GmbH (formerly STEAG New Energies GmbH) and STEAG Technischer Service GmbH. They also include members of the management of STEAG Power GmbH (formerly STEAG 1. Beteiligungs-GmbH) and Iqony GmbH (formerly STEAG 2. Beteiligungs-GmbH), who are identical to the management of STEAG GmbH.

The supervisory boards of the subsidiaries are not able to exercise any material influence on the STEAG Group.

The remuneration paid to related parties is shown in the table:

	Board of Management of STEAG GmbH		Other management members	
in € million	**2022**	2021	**2022**	2021
Short-term remuneration	2.4	7.5	2.6	2.8
Long-term incentive (LTI) plans	-	1.2	0.2	0.6
Current service cost for pensions and other post-employment benefits	0.3	0.4	0.1	0.2

Remuneration comprises both amounts not related to performance and performance-related components.

The present value of defined benefit obligations is € 1.8 million for the Board of Management (prior year: € 2.0 million) and € 7.2 million (prior year: € 10.4 million) for other management members.

The total remuneration of members of the Supervisory Board of STEAG GmbH was € 0.5 million (prior year: € 0.5 million).

In the reporting period, Schmitz & Partner Unternehmensberater provided services amounting to € 4.0 million to STEAG GmbH. Apart from the relationships stated above, the STEAG Group did not have any other significant business relationships with related parties.

(8.3) Contingent liabilities and other financial commitments

Contingent liabilities were as follows on the reporting date:

in € million	**Dec. 31, 2022**	Dec. 31, 2021
Guarantee obligations	81.2	82.5
Obligations under warranties and indemnity agreements	136.5	161.7
	217.7	**244.2**

Obligations under warranties and indemnity agreements include letter of comfort, some of which were issued jointly with third parties.

There are legal liabilities in respect of investments in partnerships, collectively owned enterprises and as the general partner of limited liability partnerships.

The disclosure of uncertainties regarding the amounts and maturity dates of the reported guarantee obligations and obligations under warranties and indemnity agreements is omitted for cost-benefit reasons.

There are administrative, regulatory, court, and arbitration proceedings concerning STEAG GmbH and/or its affiliated companies. Their outcome could affect the future economic and financial situation of these companies. In some cases, out-of-court claims are also being pursued. However, these are not expected to have a material impact on the assets, financial position and results of operations of the STEAG Group.

(8.4) Events after the reporting date

STEAG has been preparing a sale process since autumn 2022. The shareholder of STEAG GmbH publicly announced at the end of December that it intended to sell 100 percent of the shares in STEAG GmbH as a whole. In the first months of 2023, various sales documents were prepared (including vendor due diligence reports, an information memorandum, etc.). In the meantime, various potential investors have registered for the envisaged sale process. The confidential information memorandum was distributed at the end of April 2023 on the basis of a signed confidentiality agreement. Based on this information memorandum, the potential investors are to submit indicative valuations by the end of May 2023. This will be followed by a due diligence process with selected parties. The overall objective is to sign a share purchase agreement in the summer of 2023 and to complete the transaction by the turn of 2023/2024.

The sale of the Polish district heating company SFW Energia sp. z o.o. and its subsidiaries to Remondis Energy & Services sp. z o.o., a subsidiary of Remondis SE & Co. KG, was concluded on April 20, 2023.

Essen, May 12, 2023
STEAG GmbH
Board of Management

Dr. Reichel Dr. Schiele Schmitz