

PRESS RELEASE

VNG / VNG financial statements / financial year 2024

Financial statements for 2024: VNG remains on track with strong results

Market conditions flexibly exploited – Adjusted EBIT of EUR 321 mn – Strategic focus remains on roll-out of green gases in Eastern Germany – Investments in the region require stable political and economic conditions – Bad Lauchstädt Energy Park: Commissioning planned for the end of 2025 – Geopolitical developments influence energy markets: Looking ahead, uncertainties are greater than ever

Leipzig, 2 April 2025. “Looking back, 2024 was an eventful and turbulent year that brought with challenging conditions not only for the energy sector but for the entire German and wider European economy. Nevertheless, we responded flexibly to dynamic market conditions across all business divisions, guaranteeing the security of gas supplies and closing the financial year with another strong result. VNG was able to achieve this success with a healthy balance between continued implementation of the “VNG 2030+” strategy and seizing market opportunities as and when they arose,” summarised Ulf Heitmüller, Chairman of the Executive Board of VNG AG, at this year’s annual press conference.

VNG closed the 2024 financial year with an adjusted EBIT (adjusted operating earnings before interest and taxes) of EUR 321 mn (2023: EUR 447 mn). At EUR 232 mn (2023: EUR 380 mn) the consolidated result also significantly exceeded expectations. “The very good results from 2023 and 2024 create a stable foundation on which we are building the VNG of the future. We intend to invest up to EUR 5 billion in Central and Eastern Germany by 2035, subject to favourable framework conditions. Last but not least, we want to significantly boost our own decarbonisation efforts and those of our customers in order to strengthen industrial value creation in the region at the same time. To this end, we have invested EUR 329 mn across all divisions in 2024, not only in our existing business but also specifically in the renewable and decarbonised gases business,” pointed out Bodo Rodestock, Member of the Executive Board for Finance, Human Resources and IT at VNG AG. In the 2024 financial year, VNG generated invoiced sales of around EUR 16.1 billion (2023: around EUR 23.2 billion), the reduction being due to a significant fall in market prices. The VNG Group employed a total of 1,939 persons as of 31 December 2024.

“In 2024, political developments, whether at national, European or geopolitical level, had a significant influence on the energy markets. In addition, essential regulatory framework conditions, such as reliable pricing of CO₂ emissions and aspects of financing on international capital markets, have yet to be established. This in turn delays investment in decarbonisation. Although we are maintaining our strategic commitment to green gases, we will continue to face major uncertainties until this regulatory framework is in place. This requires a high degree of flexibility and a constant review of our strategic framework,” noted Heitmüller.

Success factor: Broad positioning – all business divisions contribute to good result

In the Trading & Sales division, gas sales to key accounts and the trading business on the European gas markets continued to make a major contribution. VNG Handel & Vertrieb GmbH (VNG H&V) was once again able to provide a secure energy supply to over 400 customers, including municipal utilities, redistributors, industrial customers and power plants. “On the way to a climate-neutral energy system, natural gas will remain an important source of energy for some time to come. VNG contributes to security of supply in Germany, particularly for an efficient and competitive manufacturing industry as well as for private households. We are continuing to work on new supply contracts as part of our

VNG AG

diversification strategy. In 2024, we achieved this by means of a gas supply contract with Sonatrach, for example. VNG was the first German company to procure pipeline gas from Algeria. However, we always focus on decarbonisation options in discussions with our international cooperation partners,” said Heitmüller. Accordingly, the diversification of the procurement portfolio, for example through long-term Norwegian and medium-term Algerian gas supply contracts and the purchase of LNG, was further advanced. Gas sales totalled around 352 billion kWh in the 2024 financial year. VNG H&V significantly expanded its biomethane trading business with the acquisition of bmp greengas GmbH in 2024, representing an important investment in the future. In total, VNG H&V generated earnings in the low three-digit million range.

In our Storage division, we were able to capitalise on the market situation with agility and flexible marketing activities. VNG Gasspeicher GmbH (VGS) benefited in 2024 from higher value contributions from the summer-winter spread as a result of the continued importance of storage capacities for security of supply. VGS achieved an adjusted EBIT in the low three-digit million range from its operating business.

In the 2024 financial year, the independent transmission system operator ONTRAS Gastransport GmbH (ONTRAS) made a significant contribution in the upper double-digit million range to VNG’s overall result despite a decline in transport revenue and the general increase in costs.

In the Digital Infrastructure division, significant investments were again made in the expansion of fibre optics in 2024 and the infrastructure services business also grew. The division’s adjusted EBIT was stable in the low double-digit million range at the end of the financial year.

In the 2024 financial year, BALANCE Erneuerbare Energien GmbH (BALANCE) grew to become one of Germany’s leading biogas plant operators with 42 facilities in Northern and Eastern Germany. BALANCE currently operates a total installed rated thermal output of around 197 MW_{RTO}. This means that more than 180,000 households can be supplied with green energy every year. “As a flexible renewable energy source, biogas is a regional driver of added value and creates sustainable jobs, particularly in rural regions. We will continue to expand our involvement via BALANCE in the coming years and intend to invest in further plant acquisitions,” said Hans-Joachim Polk, Member of the Executive Board for Infrastructure and Technology at VNG AG. The Biogas division achieved a positive EBIT in a very challenging market environment.

Investing in Central Germany’s decarbonised energy future: Hydrogen Core Network, Bad Lauchstädt Energy Park and GreenRoot

“In summer 2024, we decided to pave the way for the largest single investment in our 65-year company history with the participation of ONTRAS in the national Hydrogen Core Network. With this important decarbonisation project, we want to drive forward the conversion of existing infrastructure and invest directly in the future viability of Eastern Germany as a business location,” commented Rodestock. In the joint core network application of the gas network operators, ONTRAS has put itself forward as the company responsible for an initial 600 kilometres of hydrogen transport pipelines in Central Germany. Just over 80% of these are existing natural gas pipelines that are being converted to hydrogen. Slightly under 20% are to be newly built. In October 2024, the German Federal Network Agency (BNetzA) approved the application to establish the Germany-wide Hydrogen Core Network. “In the federal state of Saxony alone, we want to invest more than EUR 100 mn in its development over the coming years via ONTRAS. This network connects important industrial centres in the region with other international producers. This not only allows us to anchor value creation in the region but also to actively create a competitive advantage via ONTRAS,” Rodestock added.

Further important milestones were achieved in 2024 at the Bad Lauchstädt Energy Park, where the entire green hydrogen value chain is being built on an industrial scale for the first time together with six consortium partners: The first wind power was fed into the grid in January 2024, and the wind farm, in which eight wind turbines generate 50 megawatts (MW) of renewable electricity, was completed in the spring. “Work on the Energy Park is proceeding at full speed, as is the conversion of the existing natural gas pipeline to hydrogen. In April, ONTRAS will commission a further value-added stage of the Energy Park with a 25 km pipeline from Bad Lauchstädt to Leuna. This will also be the first section of the Hydrogen Core Network in Central Germany. Another major highlight will be the commissioning and pilot operation of the 30 MW electrolyser in the third quarter of 2025, which will feed 2,700 tonnes of green hydrogen per year into the grid for commercial use and supply it to the key account, TotalEnergies Raffinerie Mitteldeutschland,” reported Polk.

In order to expand the green gas business in Eastern Germany, VNG AG is also pushing ahead with another project with VNG H&V and the Dutch hydrogen company HyCC to build an electrolyser for the production of green hydrogen in Lutherstadt Wittenberg. From 2029, around 50,000 tonnes of green hydrogen will be produced annually in order to support local industry, such as the chemical company SKW Stickstoffwerke Piesteritz GmbH, as well as supra-regional customers through the connection to the Hydrogen Core Network in gradually replacing natural gas and reducing CO₂ emissions.

Investments require a stable and legally secure energy policy framework

With a view to decarbonisation, Heitmüller said: “In order for us to implement our ‘VNG 2030+’ strategy and the associated ambitious targets for biogas and hydrogen, we need an policy framework that is stable and legally secure, creating the basis for long-term investment decisions. That is why we are looking for a clear political commitment to hydrogen: At national level, we would like to see stronger funding instruments and the exemption from grid fees for electrolysers beyond 2030; at EU level, we are hoping for pragmatic regulations governing the production of green and decarbonised hydrogen.”

“Reliability and stability have been the hallmarks of VNG for more than 65 years, guaranteeing a secure supply of gas at all times. To ensure that we can continue to provide energy that is needed today and into the future, the new German government must now quickly make forward-looking decisions. This concerns, among other things, the maintenance and expansion of biogas and biomethane plants, the power generation strategy, the law on the storage and transport of carbon dioxide and the legal framework regarding the roll-out of the hydrogen economy,” Heitmüller concluded.

About VNG

VNG is a Group of over 20 companies active in the European energy industry with more than 1,900 employees. As a gas importer and distributor as well as an operator of critical gas infrastructure, the Leipzig-based Group is central to assuring the security of the gas supply in Germany. With its “VNG 2030+” strategy, VNG is pursuing an ambitious programme to roll out renewable and decarbonised gases, such as biogas and hydrogen, and pave the way for the sustainable, secure energy supplies and, in the long term, the climate-neutral energy system of the future. VNG’s investments in infrastructure and green gas projects are primarily in Central and Eastern Germany, with the aim of making a significant contribution to structural change as a company firmly anchored in its home region. More at: www.vng.de