Annual financial statements for 2025

Stadtwerke Leipzig GmbH

Leipziger Stadtwerke

Management report for the 2025 business year

Stadtwerke Leipzig GmbH, Leipzig

Table of Contents

1 Company principles

1.1 Business model

Stadtwerke Leipzig GmbH, Leipzig (Stadtwerke) is a municipal energy supply company that provides electricity, natural gas and district heating as well as energy services as a wholly owned subsidiary of LVV Leipziger Versorgungs- und Verkehrsgesellschaft mbH, Leipzig (LVV). In view of the different demands of the markets being worked on and the resulting customer needs, Stadtwerke has focused on the business areas of the end-customer market, regulated markets and the system market. In these three markets, the Stadtwerke are active with seven business fields.

The business fields have different characteristics and complement each other in terms of the opportunities and risks. In the end-customer market, the marketing of the Stadtwerke's products for the media electricity and gas as well as a range of energy services is carried out in the business fields of private and commercial customers as well as key accounts. In addition to the sale of heating products the end-customer market also includes the business field of Leipzig district heating generation plants and the district heating grid.

In the system market, proprietary trading of Stadtwerke takes place in the commodities of electricity, gas and CO_2. This market requires real-time risk monitoring, access to various trading platforms and trading partners, the handling of regulatory requirements and a very wide range of daily business processes and extensive IT support. In addition, renewable energies are marketed, structured and distributed in the system market by the midstream segment markets for wholesale customers and self-generators, and market access is provided.

The regulated markets comprise the regulated electricity, gas and telecommunications grids (broadband cable), the regulated generation with the development and operation of renewable energy plants. In addition, Gdańskie Przedsiębiorstwo Energetyki Cieplnej Sp. z o.o., Gdańsk (GPEC) and its subsidiaries, with the grid business for district heating, gas-fired combined heat and power (CHP) plants for the generation of heat and electricity, photovoltaics (PV) and other energy-related services for customers, inter alia in Gdańsk, Sopot, Tczew and Starogard Gdański, are assigned to the regulated market.

Stadtwerke is also supported in the business fields above all by the Leipzig subsidiaries Netz Leipzig GmbH, Leipzig (Netz Leipzig), LAS GmbH, Leipzig (LAS) as well as the Polish subsidiary GPEC, in which Stadtwerke holds 82.86% of the shares.

Netz Leipzig ensures the readiness of the grid infrastructure for the supply of electricity, gas and district heating in the City of Leipzig as well as the expansion and operation of the broadband grid in Leipzig.

The sales activities as well as customer service of the municipal utilities for private and commercial customers are carried out by LAS. In addition, billing is carried out for key accounts, the real estate sector and grid customers.

GPEC is involved in the fields of planning, construction and operation of grids and plants for the generation, distribution and supply of district heating to end-customers. Furthermore, the GPEC Group generates and distributes electricity from renewable energy sources, mainly from hydropower plants and from photovoltaics, offers services in the field of energy and facility management and selectively uses its capabilities in the implementation of construction projects in the residential and commercial real estate sector.

1.2 Objectives and strategies

As part of the Leipzig Group, Stadtwerke makes a significant contribution to the quality of life of the people in Leipzig and the region in its energy business field. Stadtwerke is structuring a sustainable and secure form of energy supply in Leipzig at the cornerstones of the energy policy target triangle (security of supply, economic efficiency and ecology). This triangle of goals is extended by the 3D strategy of Stadtwerke: Decarbonisation, diversification and digitalisation set the strategic framework for Stadtwerke.

Building on the owner’s objectives, Stadtwerke has developed a strategic corporate concept. This defines their long-term positioning and structural resources on the basis of the owner’s goals. As part of the 2024 strategy process, common strategic guidelines were defined for all business fields, which set the priorities for the company’s further development over the coming years. The next strategy process is scheduled for the year 2026.

These strategic guidelines will set the focus on the company’s further development in the coming years. These are formulated as strategic measures in the business fields and are summarised below.

Securing of the main pillars of business

The main pillars of business help to finance growth through the stable operating results. Therefore, it is important to strategically develop the main pillars of business here. Here the focus is on the following measures:

- Implement the transformation of district heating
- Defend and efficiently manage Leipzig grid concessions
- Hold and develop GPEC

Growth fields in the markets

A secure operating result in the main pillars of business will enable Stadtwerke to implement the growth strategy, focusing on the following measures:

- Expand the cultivation of the market for both private and commercial customers as well as for key accounts
- Moderate development of economically viable wind and photovoltaic projects as well as
- Further develop the Smart Grid + X.

Strategic prospects

In addition to the strategy of the core business, part of the further development of Stadtwerke also includes the examination of strategic perspectives and further development of them for expansion into new business areas. Here the focus is on the following measures:

- Sector coupling technologies and
- Digital and innovative products

Decarbonisation and sustainability

On its own initiative, in the interest of our customers, but also in compliance with the climate protection targets adopted by the city council, Stadtwerke is committed to climate protection and sustainable corporate development. Co-responsibility for the environment is firmly anchored in the corporate mission statement. The City of Leipzig has been expressly committed to the Global Sustainability Goals since 2017 and Stadtwerke wants to promote the implementation of these goals. Stadtwerke views a great lever for implementing Germany's greenhouse gas neutrality by 2045 to be especially in the transformation sector of energy efficiency and climate protection. In the spring of 2022, the first sustainability report of the Leipzig Group was published, which has since been published annually. The current sustainability statement (the report for the 2024 financial year) is a further development of the previous reporting towards the Corporate Sustainability Reporting Directive (CSRD). For the first time, it includes the group of companies that are consolidated in the consolidated financial statements of LVV. 2024 results are therefore largely omitted. This report supplements the financial reporting. The Sustainability Atlas also reports on selected current and future sustainable measures of Stadtwerke. The main fields of action are:

- Climate-neutral provision of public services
- Needs-based solutions and products
- Future-oriented technology and infrastructure
- Reliable partnerships
- Competent staff
- Commitment to the region

2 Economic report

2.1 Macroeconomic and industry-specific framework conditions

According to preliminary data from the Statistisches Bundesamt (Federal Statistical Office), the German economy registered a price-adjusted increase in gross domestic product (GDP) of 0.2% in 2025. GDP development was characterised by rising private and public consumption expenditure, which were offset by continued investment weakness and the negative growth contribution of foreign trade. For 2026, the German government forecasts real economic growth of 1.0%. The economic recovery is to be supported primarily by domestic economic impulses as well as economic and fiscal policy measures of the German government.[1]

European framework conditions

The political course for the years 2025 to 2029 was defined using the competitiveness compass published by the European Commission. The aim is to strengthen European competitiveness through investments in future technologies, the reduction of energy prices and the simplification of sustainability regulation. Initial legal implementation measures were adopted in the form of an omnibus act, which is intended to simplify reporting obligations in the EU taxonomy and the Corporate Sustainability Reporting Directive (CSRD). At the same time, extensions of deadlines for CSRD and Corporate Sustainability Due Diligence Directive (CSDDD) reporting obligations were adopted, whereby large companies will only be affected from the year under review of 2027 onwards.

In the area of security of supply, the extension of the EU Gas Storage Regulation remains a point of contention, as mandatory minimum filling levels may continue to cause market distortions. The Bidding Zone Review (BZR) was also widely discussed: The proposal to divide Germany into five electricity price zones was met with broad criticism, due to the fact market liquidity and regional value creation for renewable plants would be jeopardised. Also of importance is the Commission’s proposal for a new EU climate target for 2040, which envisages a 90% reduction in emissions compared to 1990 – a target that would entail significant adjustments in European emissions trading and initially did not find a majority in the European Council.

National framework conditions

At a national level, the legislative package on energy law adjustments shaped the beginning of the year. The amendments to the Kraft-Wärme-Kopplungsgesetz (German Combined Heat and Power Act, KWKG) extend transitional periods and ensure planning security for ongoing projects until 2030. Running in parallel with this, adjustments were implemented in the Emissionshandelsrecht (Fuel Emissions Trading Act, BEHG) in order to initiate the transition to the Europäische Emissionshandelssystem 2 (European Emissions Trading System 2, ETS II) for buildings and transport.

With the amendment to the Energiewirtschaftsgesetz (German Energy Industry Act, EnWG), new regulations were created for the flexibilisation of electricity generation plants in order to avoid grid congestion. At the same time, the Bundesnetzagentur (Federal Network Agency, BNetzA) launched a consultation on the reorganisation of grid charges and the phase-out of avoided grid usage charges, which met with significant criticism from the industry due to the risk of revenue losses.

In the coalition agreement adopted in April for the 21st legislative period, the main focus was placed upon the security of supply, system efficiency and the development of firm capacity. In addition to the target of

[1] Source: Federal Ministry for Economic Affairs and Climate Protection (BMWK) - Annual Economic Report 2025

climate neutrality by 2045, the construction of up to 20GW of gas-fired power plant capacity by 2030 was stipulated, combined with the prospect of a capacity mechanism and a fundamental reform of the KWKG. The promotion of renewable energies is to be much more strongly aligned in future with grid compatibility and market efficiency.

New developments in the Geothermie-Beschleunigungsgesetz (German Geothermal Acceleration Act, GeoBG) and in the area of the EnWG amendment also indicated the political will for faster approval procedures and a higher classification of energy storage and grid infrastructure as being of “overriding public interest”.

Outlook

In 2026, electricity market design, the heat transition and grid charges will form the main focus of energy policy. At the European level, the further implementation of the competitiveness agenda will be central in order to ensure that energy supply remains affordable and secure. In Germany, a reform of renewable energy support as well as new rules for buildings and heat supply are planned among other things. In addition, grid charges and capacity mechanisms are to be further developed in such a way that the security of supply and system efficiency will form long-term focal points of future energy policy decision-making.

2.2 Business development

Business performance remained below expectations in overall terms. The financial key performance indicators for the business development are as follows:

Figures				in €m
	2025	2024	Change absolute	Forecast 2025
Sales revenues	1,630.3	1,981.6	-351.3	2,238.5
Operating result (EBIT)	107.1	116.1	-9.0	122.3
Result before profit transfer	93.5	102.8	-9.3	98.8
Investments	131.8	145.8	-14.0	267.5

For the 2025 business year, Stadtwerke achieved a result of €93.5m, which undershot the forecast of €98.8m made within the scope of the economic plan of €5.3m. This is essentially due to a significantly lower result from ordinary activities before interest, taxes and depreciation (EBITDA), which is offset by reduced depreciation and a higher net interest result. In accordance with the profit/loss transfer agreement, the result before profit transfer will be transferred in full to LVV.

The results before profit transfer of €93.5m decreased by 9.0% compared to the **same period in 2024**. Lower other operating income and increased personnel expenses had a negative impact, which exceeded the improved gross margin and the higher result from participations. The level of other operating income in 2024 was characterised by one-off effects and now reflects a normal level. The much lower sales revenues than in 2024 mainly result from the price-related developments in the system and end-customer market.

Investments of €131.8m in the 2025 business year include investments of €128.8m in tangible fixed assets. These mainly comprise investments in the replacement and expansion of the electricity, gas and district heating grid as well as in decentralised generation plants. The deviation from the forecast essentially results from significant shifts in the construction schedule and the associated delayed onward charging of investments from Netz Leipzig to the Stadtwerke. In addition, shifts in completion and payment dates into the subsequent year had an impact.

The biomass (heating) power plants in Piesteritz and Bischofferode were decommissioned at the beginning of 2026 for economic reasons.

The performance of Stadtwerke is not only reflected in key economic figures. In accordance with their relevance for the management of the operating business, sales and production volumes serve as important non-financial performance indicators. The number of employees also plays an important part here.

Non-financial performance indicators

	Unit	2025	2024	Change absolute	Forecast 2025
Sales volume electricity	GWh	929	1,116	-187	1,048
Sales volume gas	GWh	1,060	1,048	12	1,290
Sales volume district heating	GWh	1,390	1,286	104	1,394
Electricity generation	GWh	1,087	961	126	1,354
District heating generation	GWh	1,101	1,098	3	1,285
Staff	FTE*	749	727	22	762

* Full-time employees (without apprentices)

In the year under review of 2025, electricity sales amounted to 929 gigawatt hours (GWh) and are thus 11.4% below the forecast of 1,048 GWh made in the context of the business plan. By comparison with 2024, sales decreased by 16.8%.

The degree-day number (DD) in the current business year is 3,149 and this represents a decrease of 367 DD compared to the figure in 2024 as well as a decrease of 21 DD set against the forecast. This leads to a weather-related decrease in sales volumes for gas (1,060 GWh) and district heating (1,390 Gwh) compared to 2024.

Electricity generation of the Stadtwerke's plants increased to 1,087 GWh compared to 2024. The deviation from the forecast of 267 GWh is essentially due to the unplanned unavailability of the biomass heating power stations in Bischofferode and Piesteritz as well as the shift in district heating supply sources, which led to reduced utilisation of our own generation plants.

District heating generation in 2025 was at the levels of the same period of 2024. Through the optimisation of the use of district heating supply sources in terms of energy efficiency, heat generation fluctuates in line with market prices while end customer sales remain constant.

In the year under review, staffing levels averaged 749 FTE, and thus mark an increase of 22 FTE over 2024. Stadtwerke respond to the additional staff requirements by successfully recruiting staff in the commercial and technical areas. In order to ensure better comparability over time, the number of employees is converted into full-time equivalents (FTE). Part-time employees are taken into account according to their share of the regular annual working hours.

2.3 Income situation

Income situation	2025	2024	Change absolute
			in €m
Sales revenues	1,630.3	1,981.6	-351.3
Inventory changes	0.3	0.1	0.2
Internally produced and capitalised assets	1.6	1.4	0.2
Cost of materials	-1,271.0	-1,636.7	365.7
Other operating income	18.8	46.6	-27.8
Personnel expenses	-72.0	-63.0	-9.0
Other operating expenses	-132.0	-134.7	2.7
Depreciation and amortisation	-80.8	-82.7	1.9
Financial result	-1.2	-9.4	8.2
Result after taxes	**94.0**	**103.2**	**-9.2**
Other taxes	-0.5	-0.4	-0.1
Expenses from a profit/loss transfer agreement	-93.5	-102.8	9.3
Net income	**0.0**	**0.0**	**0.0**

In the 2025 business year, Stadtwerke achieved a result before profit transfer of €93.5m and thus a decrease of €9.3m compared to the level in 2024. Both sales revenues and the costs of materials decreased compared to the same period of 2024. Due to the fact that the costs of materials decreased at a disproportionately high rate compared to the sales revenues, this development has led to an increase in the gross margin.

The developments are presented below on the basis of the business areas described in Chapter 1.1 Business Model, according to which Stadtwerke organise their business activities.

The system market considerably influences the level of sales revenues and the cost of materials. In the system market, a volume-related reduction in sales revenues (€181.2m) was offset by lower expenses for energy procurement from electricity and gas (€181.9m) meaning expenses from the purchase of electricity and gas decreased disproportionately compared to sales revenues. Furthermore, increased other operating income, in particular from the release of provisions, as well as reduced other operating expenses led to an increase in the result in the system market of €3.5m.

In the end-customer market for private and commercial electricity customers, lower sales revenues of €5.6m due to volume and price effects have an impact. With increasing sales volumes, lower sales revenues of €1.7m due to price effects also have an impact in gas. As material expenses decreased disproportionately compared to sales revenues, this development leads to an improvement in operating profit compared to 2024 of €16.7m in the end-customer market for private and commercial customers.

In the end-customer market for key accounts, both sales revenues decreased by €68.7m and material expenses by €73.4m. In addition, lower other operating income, in particular from the release of provisions, had an effect compared to the comparable period of 2024. This development leads to a decrease of €3.8m in the operating result compared to 2024.

In the business area of district heating the sales volumes increased slightly primarily due to the prevailing weather conditions. Nevertheless, total sales revenues across sales, generation and grids decreased by €114.0m compared to 2024. This was offset by €96.9m lower material costs. In overall terms, this development led to a decrease in the operating result in the district heating business area of €25.9m.

In the regulated market for grids, higher sales revenues of €12.4m and an improved investment result from participations of €5.9m had an impact. The increase in sales revenues mainly results from the rise in revenues from leasing and rental.

In the regulated market of generation, the use of plants generated sales revenues that were increased by €5.0m, which were offset by a €13.0m increase in the costs of materials. This was offset by a €5.7m increase in depreciation and amortisation, meaning that the operating result for the regulated market of generation fell by €13.2m compared to 2024.

The increase in personnel expenses by €9.0m is due to remuneration adjustments in the energy tariff group of the Arbeitgeberverband energie- und versorgungswirtschaftlicher Unternehmen e.V. (Employers' Association of Energy and Utility Companies, AVEU) and the increased number of employees, as well as social plan measures in accordance with a works agreement.

The **financial result** increased by €8.2m compared to the same period of 2024. This is due to an improved result from participations, which significantly exceeds the reduced net interest result. The result from participations, which increased by €8.4m, was mainly affected by the profit/loss transfer agreements concluded with the subsidiaries. Netz Leipzig ended the 2025 business year with a positive result before profit transfer of €1.2m (2024: Income before profit transfer of €3.1m), which impacts the regulated market of grids. LAS posts a positive result before profit transfer of €0.2m (2024: Expense from the absorption of losses of €0.2m) and thus influences the results of the end-customer and the regulated market. This was offset by earnings of €0.4m from profit transfer agreements in the end-customer market, which resulted from the profit/loss transfer agreement concluded with Leipziger Kommunale Energieeffizienz GmbH (2024: €0.5M). In addition, Stadtwerke report expenses from the absorption of losses of €0.2m (2024: Expenses from the absorption of losses of €0.9m) resulting from the profit/loss transfer agreements with Brillant Energie GmbH. In addition, Stadtwerke received income from participations of €9.8m (2024: €7.8m), which was mainly generated by the GPEC in the regulated market.
The decrease in the interest result by €0.2m compared to the same period in 2024 is mainly due to increased interest expenses for loans.

2.4 Financial position

In the cash flow statement, Stadtwerke reports cash and cash equivalents of €25.0m as of 31 December 2025 based on cash on hand with credit institutions. Compared to the beginning of the business year, this has increased by €5.0m.

The changes in the financial resources and the resulting cash movements are presented in the following summarised cash flow statement in accordance with Deutscher Rechnungslegungsstandard (German Accounting Standard, DRS) 21.

Financial position — in €m

	2025	2024	Change absolute
Net cash from company activities	192.9	185.7	7.2
Change in the working capital	13.2	47.3	-34.1
Cash flow from operating activities	**203.1**	**233.0**	**-29.9**
Cash flow from investing activities	**-120.5**	**-117.4**	**-3.1**
Cash flow from financing activities	**-77.6**	**-130.6**	**53.0**
Change in financial resources	**5.0**	**-15.0**	**-15.0**
Financial resources at beginning of period	20.0	35.0	-15.0
Financial resources at end of period	**25.0**	**20.0**	**5.0**

The cash flow from operating activities is €29.9m below the level of 2024. This results in particular from the decrease in other liabilities, the reduction in short-term provisions and the increase in other assets.

The cash flow from investing activities mainly comprises investments in non-current assets, in particular in the utilisation of industrial waste heat and the expansion of the district heating grid, including the replacement and expansion investments in the regulated grids sector. In addition, interest and dividends received of €7.4 million had an impact.

The cash flow from financing activities mainly includes the profit transfer to the shareholder of €74.1m during the year, repayments of loans of €54.9m and interest paid of €15.3m. In addition, shareholder loans of €119.7m were taken out in the current business year.

Liquidity was secured throughout the business year. Financing is provided through operating activities, integration within the shareholder’s cash pool and through loans. Unused credit lines of €20.0m are available as of the balance sheet date.

2.5 Net worth position

The balance sheet total of €1,300.8m decreased by €26.2m compared with 31 December 2024. The asset structure is dominated by long-term assets, primarily fixed and financial assets.

Net worth position			in €m
	31.12.2025	**31.12.2024**	**Change absolute**
Assets			
Fixed assets	984.9	935.4	49.5
Long-term assets	**984.9**	**935.4**	**49.5**
Inventories	51.1	55.2	-4.1
Receivables from deliveries and services	81.9	169.3	-87.4
Receivables from affiliated companies	81.5	85.0	-3.5
of which: Cash Pool	50.0	32.0	18.0
Receivables from companies in which a participating interest is held	0.3	0.5	-0.2
Other short-term assets	75.4	58.9	16.5
Cash and cash equivalents	25.0	20.0	5.0
Short-term assets	**315.2**	**388.9**	**-73.7**
Prepaid expenses	**0.7**	**2.7**	**-2.0**
	1,300.8	**1,327.0**	**-26.2**
Liabilities			
Equity	**260.6**	**260.6**	**0.0**
Special items	**92.6**	**75.4**	**17.2**
Long-term provisions	68.3	68.2	0.1
Long-term liabilities due to affiliated companies	544.2	494.1	50.0
Long-term provisions and liabilities	**612.5**	**562.3**	**50.1**
Short-term provisions	107.9	125.2	-17.3
Payments received on account of orders	7.7	7.1	0.6
Liabilities from deliveries and services	58.8	83.8	-25.0
Long-term liabilities due to affiliated companies	142.1	130.2	11.9
of which: Cash Pool	35.1	37.5	-2.4
Short liabilities due to companies in which a participating interest is held	0.5	0.2	0.3
Other short-term liabilities	18.1	82.1	-64.0
Short-term provisions and liabilities	**335.1**	**428.6**	**-93.6**
Deferred income	**0.1**	**0.1**	**0.0**
	1,300.8	**1,327.0**	**-26.2**

The long-term assets recorded on the assets side show high fixed assets common in the industry which mainly reflects the electricity, gas and district heating grids as well as the generation plants. Compared with 2024, the share of fixed assets in the balance sheet total rose to 75.7% (2024: 70.5%). This is mainly due to the increase in property, plant and equipment of €49.7m as a result of higher advance payments on property, plant and equipment and the increase in assets under construction. The investments in tangible fixed assets that were made in the 2025 business year of €128.8m (2024: €95.0m) exceeded the depreciation. Intangible fixed assets are carried at €5.6m as at 31 December 2025 (2024: €6.4m).

The short-term assets, which mainly comprise the current assets, decreased by 19.0%. This is due to the decrease in trade receivables of 51.6%, inventories of 7.5% and receivables from affiliated companies of 4.2%. In contrast, higher other current assets of 28.0% and the increase in cash and cash equivalents of 25.0% had an offsetting impact. Cash and cash equivalents relate to bank balances.

The profitability on equity is 35.9% (2024: 39.4%). The decline is due to the €9.3m decrease in the result before profit transfer and the unchanged equity. As a result of the slight reduction in the balance sheet total, the equity ratio remained at approximately the same level as in the same period of 2024 (20.0%, 2024: 19.6%).

The reduction in short-term provisions compared to the balance-sheet date of 2024 is characterised by the reversal and utilisation of provisions for energy and grids as well as outstanding invoices. The long-term provisions show an increase, which relates in particular to decommissioning obligations.

The development of the long-term liabilities due to affiliated companies is characterised by taking out of new loans and scheduled repayments. In the 2025 business year, shareholder loans totalling €119.7m were raised.

2.6 Employees and employment policy

On 31 December 2025, Stadtwerke had 819 employees.

In 2025, the Leipziger Stadtwerke Group continued to pursue a forward-looking and future-oriented HR policy. The alignment of the HR strategy with the strategic objectives of the company formed the central basis for fields of action such as recruitment, retention and development of personnel. Against this background, including municipal responsibility and the ongoing transformation of the energy supply, securing skilled workers and competencies was of particular importance.

To this end, the further development of personnel planning as a central data basis for ensuring the long-term performance of the company was intensified. Qualitative aspects of personnel planning were operationally anchored in the functions of recruiting and training planning. At the same time, knowledge transfer, particularly in the context of succession planning, was further systematised in order to permanently secure critical expertise within the company. According to its own assessment, the Leipziger Stadtwerke Group continues to be perceived in the region as an attractive, reliable and crisis-proof employer. This is evidenced in particular by consistently high application figures of more than 6,000 and an unchanged low fluctuation rate of 2.6%. From the perspective of the Leipziger Stadtwerke Group, this positive positioning forms an essential basis for successfully meeting increasing requirements in the future, particularly in the recruitment of highly specialised skilled workers in sectors facing labour shortages. In addition, measures to promote equal opportunities within the Group were examined and evaluated. On this basis, potential fields of action were identified and initial implementation approaches, such as equality in management, were developed, and the women’s network “EnerSHE” was established.

In the fields of occupational health and safety, the holistic prevention approach forms the basis for entrepreneurial action. Compliance with the state and professional association requirements for the design of workplaces and plants is monitored by means of risk assessments. In order to maintain and continuously improve the level of safety achieved, the focus is on targeted further training, the active transfer of knowledge to employees. In 2025, the number of reportable accidents at work per 1,000 employees was 9.8‰ at Stadtwerke, and thus once again significantly below the average rate of accidents at the statutory accident insurer of 11.5‰ in 2024.

2.7 Activity statements

Stadtwerke fulfils its reporting obligation in accordance with Section 6b EnWG by publishing its activity statements as at 31 December 2025. The business areas cover the activities of electricity and gas distribution and other activities inside and outside the electricity and gas sector.

Additional activity-related account assignments, which are added to all entries, form the basis for assignment of all bookings to the activities.

Measured against the company's total turnover of €1,630,273k the electricity distribution (€50,432k) and gas distribution (€27,662k) business fields reported comparatively low turnover levels in the year under review.

The result of Stadtwerke's electricity distribution activity is determined by the sales revenues from the leasing of the electricity grid to Netz Leipzig, the revenues from the leasing of land and buildings required for the operation of the electricity grid and revenues from the charging of the concession fees. These items are offset by other operating expenses, mainly the concession fee, contributions to connection costs, and depreciation on tangible assets. Electricity distribution shows a result after taxes of €11,187k for the year under review (2024: €5,254k). The balance sheet total of the business area of electricity distribution amounts to €162,824k (2024: €173,245k). This corresponds to 12.5% (2024: 13.1%) of the balance sheet total of Stadtwerke. The fixed assets decreased by €6,557k compared to the balance-sheet date of 2024 to €161,431k. The inventory of receivables and other assets decreased by €3,864k to €1,393k. On the liabilities side, the allocated equity decreased from €58,037k to €42,876k. Liabilities increased from €79,375k to €80,632k.

The result of the gas distribution activity includes sales revenues from the leasing of the gas grid to Netz Leipzig, revenues from the leasing of land and buildings required for the operation of the gas grid and revenues from the charging of the concession fees to Netz Leipzig. These items are essentially offset by depreciation on tangible assets, expenses incurred in connection with concession fees and contributions to connection costs in other operating expenses. The activity field gas distribution generated a result after taxes of €5,854k (2024: negative result after tax €1,785k) in the year under review. The balance sheet total of the gas distribution activity accounts for €91,847k (2024: €106,630k) and a share of 7.1% (2024: 8.0 %) of the balance sheet total of Stadtwerke. The fixed assets decreased by €13,844k compared to the balance-sheet date of 2024 to €91,518k. The inventory of receivables and other assets decreased by €940k to €329k. On the liabilities side, the allocated equity decreased from €27,051k to €6,422k. The liabilities increased from €65,583k to €72,179k.

3 Risk report, opportunities report, forecast report

3.1 Risk report

Stadtwerke Leipzig counteracts company-wide risks by using a risk management system that covers the risks Stadtwerke believes exist in the regulatory, industry-specific and financial field. The relevance for the continued existence or the impact of the aforementioned risks on earnings depends on the extent of the external influences. No risks have been identified which could jeopardise the continued existence of Stadtwerke, or which vary greatly from 2024.

3.1.1 Risk management system

Stadtwerke have a risk management system for the ongoing identification and tracking of company-wide risks, the processes and structures of which cover the entire company and are aimed towards the management as the recipient of condensed information.

The company group’s risk portfolio contains all the identified risks and is reviewed and updated during the annual risk inventory. This includes, among other things, the classification of the risks, based on the possible amount of damage taking into account risk-controlling measures and the weighting with the likelihood of occurrence, as well as the extent of the risk limitation, on the basis of uniformly determined investigation steps for deriving risk-specific early warning indicators and measurement methods.

The risks registered in the risk portfolio are tracked in the risk reporting. The subject matter and frequency of the report are based on the analytical requirements of the risk portfolio. Proceeding from the risk specialists, the information is reported to Stadtwerke management and to LVV in aggregated form.

Stadtwerke has appointed risk control committees which meet regularly. The Stadtwerke Group’s risk committee of the corporate risk management meets at least once a year. Its task is to pass resolutions and make decisions on the structure of the company group’s risk management system and on content and issues that affect the majority of the organisational areas, in particular also the preparation and setting of priorities of the annual risk inventory.

The task of the risk committee as an instrument of the market control business area, is to ensure the implementation of the specified strategy and risk policy in the system market and in the value chain.

3.1.2 Regulatory risks

Regulatory risks arise from the provisions of the EnWG as well as the determinations and decisions of the Bundesnetzagentur (Federal Network Agency) and the state regulatory authorities, which replace the previous regulatory framework. The regulatory framework and the incentive regulation method (RAMEN) determinations of the Bundesnetzagentur (Federal Network Agency) will in future shorten regulatory periods from five to three years. This increases the risk for electricity and gas grid operation, as in future regulatory inefficiencies must be eliminated more quickly and efficiency gains will be realised more rapidly. On the other hand, risks also arise from a potentially higher frequency of regulatory interventions. Through the introduction of the Weighted Average Cost of Capital (WACC) for capital remuneration, capital market risks are shifted unilaterally to grid operators. Moreover, further risks can stem from new tasks that were not known about at the time of the base years for the remuneration approvals – and from the costs related to these tasks.

Another risk arises from the transformation of heat supply towards a climate-neutral heat supply. In the course of this transformation, adjustments in the gas grid are likely, which will lead to new cost structures. Whether transformation costs and decommissioning expenses and similar items can be adequately reflected in the grid costs to be approved will only become apparent over time.

3.1.3 Environment and industry risks

Environment and industry risks are primarily to be found in the assessment of changes in the economic, political and legal environment, and in the reactions to it.

In the energy policy environment, performance-related risks can arise, in particular, from short-term changes in the legal framework.

These risks are counteracted by systematically observing both the market and competition.

In the system market, the volatility of the market prices for electricity, gas and emission rights lead to general market price risks from trading transactions. Changing market prices lead in the event of price increases to a significant increase in volatility from the collateral to be deposited on the stock exchange for purchase and sale transactions concluded and a resulting short-term liquidity flow. This is where the influence of renewable energies in price formation has a constantly growing impact. Furthermore, the systemically high demands on balancing-group management and the provision of collateral at the various trading venues must be taken into account. Resources from the integration within the shareholder’s cash pool are available to cover short-term liquidity requirements.

The market-price risk resulting from falling generation margins for conventional generation plants is being counteracted by the continuous optimising of plant deployment and by the use of access to the futures market, in the spot market as well as system services.

The operation of complex energy generation plants includes the risk of operational disturbances, production losses and supply interruptions. These risks are limited through regular servicing, maintenance and insurance for significant consequences of potential damage claims. In the case of the new generation plants to be built, there are risks in construction delays and successful lawsuits against building permits as well as the general market price increase of the construction costs.

In the end-customer market, the still greatly reduced construction and sales activity in the property sector may have a negative impact on the acquisition performance of Stadtwerke in this segment on the one hand, while the risk of insolvency among property developers and project developers remains high on the other. In the retail, manufacturing and catering sectors, it is still difficult to push through higher producer prices. There is a risk that customers may not fulfil their contractual payment obligations or not fulfil them on time. In order to limit the counterparty default risk, especially in the case of key accounts, a credit-rating analysis is carried out in principle before agreement negotiations begin and before submitting a binding offer. In addition, a consistent receivables management system has been implemented so that the risk of bad debts and insolvencies can be countered promptly and, if necessary, provisions can be made.

Stadtwerke have responded to the increasing complexity on the market and the customers' desire for support in the development towards CO_2 neutrality by, among other things, pursuing an increasingly consultancy-oriented sales policy and offering customer-oriented products and services.

In addition, there are risks of being crowded out of the market due to actions by the competitors. To mitigate this, customer interface developments (customer portals, among other things) are ongoing. Collaboration with market partners enables Stadtwerke to successfully participate in larger tenders in the commodity area and to realise planned margins even where large volumes are involved. Follow-up orders for projects that have been successfully implemented reduce the competitive pressures to some extent, which is why comprehensive customer support and dedication is increasingly a decisive criterion for successful market development. Collaboration with potential competitors expands Stadtwerke's expertise on the one hand and makes it possible to enter into existing project structures and drive developments forward more quickly on the other. Opportunities for acquisitions are selectively examined in order to expand the depth of value creation.

Risks in the grid sector may occur in connection with supply interruptions and malfunctions of the technical plants. These risks are countered by regular maintenance work and investments in the grids and plants. For the construction of the district heating pipeline for the utilisation of industrial waste heat, there are also risks in the construction process and in successful legal actions against building permits as well as the general market price increase in construction costs.

In the case of the wind-energy and photovoltaics power stations, risks may arise from insufficient wind levels or low levels of solar radiation and interruptions due to operational disturbances. In addition, for new plants there are marketing risks due to statutory changes in funding opportunities, an increasing number of negative exchange prices, operational restrictions imposed by the grid operator or declining market prices. The accelerated expansion of renewable energies increases the price pressures on these plants, which leads to economic risks. This is counteracted by active management of the renewable energy segment and risk diversification through a variety of technologies and locations.

There may be risks in terms of the feasibility where the project development in the field of renewable energies is concerned. These can result from delays regarding the conclusion of utilisation contracts for the locations of the technical facilities, cable routes and access roads as well as from building permits that become available later, the search for partners or the financing options for these projects. Further possible risks may relate to profitability. These are influenced by the success of achieving an appropriate EEG surcharge or other electricity marketing measures in the wholesale market as well as the general cost increases in the construction industry and the plant engineering sector.

Geopolitical tensions in the Middle East, particularly in connection with Iran, may lead to increased volatility in international energy and commodity markets. However, short-term effects on the economic position of Leipziger Stadtwerke are limited, as a significant portion of the energy required for the current and coming business year has already been secured within the framework of the long-term procurement strategy. Further developments are continuously monitored within the framework of risk management.

3.1.4 Financial risks

Financial risks exist primarily with regard to the financing-cost risk. Stadtwerke's financing portfolio exclusively consists of shareholder loans from LVV, which are agreed on a fixed-interest basis and are therefore not subject to any risk of a change in the interest rates. The risk of limited availability of credit funds is countered by budget at LVV Group level, which is geared to the debt ratio and takes into account possible debt financing.

GPEC's financing portfolio is characterised by bank loans and bonds that have been agreed on a variable interest rate basis (3M WIBOR) and are therefore subject to a risk of a change in interest rates. Since 2024, GPEC also diversifies its financing portfolio with fixed-interest shareholder loans from LVV in order to reduce the interest rate risk. In addition, GPEC plans in future to focus on longer maturities when raising new loans and to take out part of these as fixed-interest loans. GPEC counters the interest rate risk that additionally exists by means of the continuous monitoring of interest rate developments and active cash management.

To limit the counterparty default risk, credit checks are generally carried out before agreement negotiations with trading partners and customers in energy trading begin, as well as in the preparation of binding offers. The creditworthiness of all trading partners and customers in energy trading is reviewed or updated at least annually following the initial assessment. Risk management uses external and internal ratings analyses in this context. The trader default risk is countered by the allocation and monitoring of credit lines and a diversified procurement portfolio.

Exchange rate risks, which result from the GPEC's annual dividend payments, are met by continuous observation of the exchange rate between the euro and the zloty. If the amount and timing of the distribution are known, the forward exchange rate is hedged.

In the case of financial derivatives with positive market values, default risks of a corresponding amount may arise in the case of counterparties with a low credit standing. For this reason, Stadtwerke only concludes financial derivatives with selected European financial institutions on whose behalf the Group financing department has issued a recommendation. Here, the selection is based on uniform diversification and credit rating criteria throughout the Group.

3.1.5 Other risks

The other risks mainly relate to risks that may result from the failure of IT systems. These include the non-availability of systems, the unauthorised use of data and the vulnerability of systems from outside. As a result, negative impacts on results and liquidity are possible, such as a delay in the presentation of accounts or non-closable trading positions. In order to maintain and extend the high standard of IT security, security analyses and emergency exercises, as well as penetration tests, which check the vulnerability of the IT systems from outside, are continuously carried out. As a result of this, the safety systems are being expanded and adapted.

The implementation of the Network and Information Security Directive 2 (NIS2) into German law was intensively monitored and supported within the Leipziger Stadtwerke Group in 2025. With regard to the expected registration, reporting and control obligations, analyses were conducted in the areas of generation, energy trading, IT and grids with the aim of ensuring consistent and appropriate risk treatment.

Activities which, under current legal provisions, are not subject to certification requirements under DIN ISO 27001 (district heating, electricity and gas supply, operation of charging stations and others) were able to draw on the experience of the certified risk management systems Information Security Management System (ISMS) Grids and ISMS Generation and make use of synergies. Concrete results include the establishment of a company-wide Information Security Board with KRITIS representatives from all affiliated companies, the implementation of security best practices and the comprehensive renewal of emergency and crisis management within the Leipziger Stadtwerke Group.

The existing certifications in accordance with ISO 27001 (telecommunications), the IT security catalogue of the Bundesnetzagentur (Federal Network Agency) for electricity and gas distribution system operators and for generation plants were confirmed in 2025 through surveillance audits. Likewise, the operation of intrusion detection systems in the ISMS application areas was confirmed in accordance with the specifications of the Bundesamt für Sicherheit in der Informationstechnik (Federal Office for Information Security, BSI).

3.2 Opportunities report

From the perspective of Stadtwerke, there are opportunities in the regulatory, sector-specific as well as the performance and financial fields, and a favourable market development. The relevance for the impact of the aforementioned opportunities on earnings depends on the extent of the external influences.

3.2.1 Regulatory opportunities

The future development of the Netz Leipzig subsidiary is essentially determined by the already adopted and forthcoming stipulations of the regulatory authorities. Further adjustments to the regulatory framework to enable the heating transition are also anticipated in the Energiewirtschaftsgesetz (German Energy Industry Act, EnWG). This is intended to create framework conditions on the revenue side.

Despite increasing regulatory requirements, substantial regulatory opportunities also arise for electricity and gas grid operation. In the area electricity grid operation in particular, it will be possible to expand a long-term stable revenue base. Shorter regulatory periods, in addition to the risks described in 3.1.2, offer the opportunity to adapt the regulatory framework more quickly to the challenges of the energy sector transformation.

Through dedicated association work and regulatory management, Netz Leipzig seeks to minimise in advance the entrepreneurial risks, which may arise in particular in relation to the interpretative practice of the stipulations by the regulatory authority, and actively seize opportunities.

The regulatory authorities will also continue to pursue the goal of keeping the grid operators’ fees at a low level or reducing them further against the background of the current price development on the energy markets. The decoupling of permissible revenues from the actual costs creates both opportunities and risks with regard to realising efficiency potentials.

3.2.2 Environmental and industry opportunities

If the ambitious climate protection goals are consistently accompanied by legislative action, opportunities fundamentally result from the shaping of energy and climate policy. This applies in particular if the objectives of an increased expansion of renewable energies, the prospective use of green hydrogen and a strengthening of combined heat and power generation are flanked and reviewed by the legal regulations at federal level. In order to implement the energy and climate policy objectives within the necessary time frame, stable framework conditions are necessary against the backdrop of long-term investments in the infrastructure and supply sector.

Market and asset utilisation opportunities can be found in the energy market design as well as in contractual and regulatory market developments. The further flexibilisation of the marketing and control of the plant park and the addition of new emission-free district heating plants provides moderate opportunities in an increasing electricity/gas/CO_2-spread in the generation of electricity and heat.

In the system market, opportunities arise from digitisation, new trading venues and trading products on the wholesale markets, the leveraging of automation potential and new revenue opportunities in the context of renewable energies. In addition, a volatile wholesale market offers opportunities from the exploitation of price differences on the markets.

For renewable energy plants, opportunities arise from market price developments. When electricity prices on the wholesale markets are high, there are also opportunities from unsubsidised direct marketing. The weather-dependent heating business can be influenced equally in both directions by temperature fluctuations.

In the end-customer market, opportunities are to be found in the faster realisation of the transfer of the heat supply to renewable technologies. Municipal heat planning acts as a catalyst for the energy transition and opens up new market opportunities in the form of implementation projects. Decentralised heat supply solutions in the form of building grids and on-site supply systems further complement the Stadtwerke's heating business.

Opportunities arise to strengthen the market position through services such as consultancy on energy management and energy efficiency, as customers must reduce energy costs and consumption. Topics such as decentralisation, local energy production, renewable technologies and digitisation also play a key role on the customer side. In order to tap into new potential in a volatile market environment, agile strategies are continuously developed to respond flexibly to both customer needs and market requirements. Cooperation with market partners is expanded, partnerships are concluded and business fields are broadened.

Additional opportunities arise from the planned diversification in the renewable energy portfolio.

The GPEC Group meets the challenges of heat supply security in relation to fuels in the Pomerania region by means of an early and multi-supplier purchasing strategy for the input materials for its generation sources. There is also a close exchange and coordination with the heat supplier in Gdańsk. In 2025, GPEC will expand its heat procurement by supplying heat from the waste incineration plant. In future, additional decentralised generation plants are to diversify the portfolio.

3.2.3 Financial opportunities

Due to the relatively stable interest rates, it is occasionally possible to take out shareholder loans from LVV at conditions below the planned interest rate. However, opportunities to reduce planned interest expenses arise from the taking out of loans that are lower in terms of their amount and are taken out later than planned if the actual financing requirements make this possible.

3.2.4 Other opportunities

Digitisation is regarded as an important strategic basis for continuous growth within the company. For this reason, new conditions are constantly being created that continue to drive ideas and innovative technologies in the company. The integrated ideas and innovation management offers the opportunity to implement creative solutions, suggestions and improvements in a targeted way and ensure success. In addition, access to optimal resources and methods is enabled and decision-making processes are supported. Artificial intelligence is increasingly regarded as a complementary key technology to make processes more efficient, improve data-based decision-making and systematically exploit innovation potential.

3.3 Forecast report

Based on the budget prepared in 2025 and confirmed by the Supervisory Board, Stadtwerke forecasts results before profit transfer of €83.5m for the 2026 business year. Compared to the 2025 business year, a significantly higher investment result and lower depreciation are expected, alongside a reduced gross margin. Before deduction of a reduced net interest result, EBIT of €103.2m is forecast. A slightly increasing result is anticipated for the subsequent year.

For 2026, investments in fixed assets affecting the balance sheet worth a total of €210.3m are planned. Of this amount, 94.8% equating to €199.3m relates to investments in tangible fixed assets. The investment is mainly characterised by the heating supply future concept which includes investments in industrial waste heat projects, decentralised generation plants for various energy sources (e.g. renewable energy plants and solar thermal plants) and in additional storage capacities to secure the supply of district heating interaction. Investments are also planned for the expansion and extension of the district heating grid, local heating solutions, media-independent energy services as well as for the submetering product segment.

A constant level is expected for the sales volumes in the area of district heating in the subsequent year. In the electricity and gas sector, slightly increasing sales volumes are forecast for 2026.

Due to the planned expansion of generation capacities, a marked increase in the generation volumes for electricity and district heating is forecast for the subsequent year despite the development of the generation margins. In addition, the phase-out of heating procurement from Lippendorf and the implementation of the heating market concept as well as alternative technologies will increase the self-generation of electricity and heating in the medium term.

For 2026, a constant level of 749 FTEs is assumed.

Taking into account the political-regulatory and competitive framework conditions, which have significant influence on the market-related business areas of the system market and end-customer market, sales revenues in the coming year will be slightly below the levels achieved in the 2025 business year.

The growing volatility and diversification of generation continues to be viewed as a significant factor. Fundamental elements are the focus of energy policy on successive decarbonisation, the further increasing decentralisation of generation and digitisation.

In 2025, wholesale electricity and gas prices fell slightly compared to 2024. In the future, a period of price stabilisation can be anticipated, meaning the negative difference between the electricity price earned and the fuel and emission costs used (Clean Spark Spread) in conventional district heating generation plants will continue to decrease in the long term.

The main basis for the development of the regulated grids is the current ordinance on the incentive regulation of energy supply grids and, for electricity, the decision for the fourth regulatory period (as of May 2025) and, for gas, the starting level provisionally agreed with the state regulatory authority of Saxony for the fourth regulatory period (as of September 2025).

In the end-customer market, the expansion of acquisition for private and commercial customers is to be further driven through targeted customer approach and product development. In the key account segment, the focus is on expanding the energy services business alongside stabilising volumes in electricity and increasing volumes in gas. Digital integration across the product portfolio forms a focus for the forthcoming years. The focus will continue to be on the expansion of district heating and the strategic decisions on the future generation structure in the context of the heating transformation.

In order to arrive at an appropriate structuring of the electricity prices in the basic service rates, Stadtwerke regularly reviews the composition of the price components. Accordingly, from 1 January 2026, the consumption charge in the basic electricity tariff decreases. The basic price of electricity has risen slightly. At the same time, the unit price for gas is decreasing, while the basic charge is increasing.

GPEC expects stable development in revenue, results and new connections in 2026.

Further price developments for the raw materials are difficult to predict. They depend on the duration of the conflict in the Middle East as well as war-related damage to LNG and crude oil infrastructure. These effects will extend beyond the temporary closure of the Strait of Hormuz. Therefore, high and volatile energy prices are expected to persist in the coming months. Due to the increase in global LNG export capacities this year and next, Stadtwerke subsequently anticipate an easing in global commodity markets.

Due to the current geopolitical situation, the forecasts made are subject to increased uncertainty and the quantitative effects are not yet fully foreseeable. At present, however, no immediate significant effects are discernible, meaning the economic plan is being adhered to.

4 Declaration on corporate governance

By means of the shareholder resolution dated 18 November 2024 (effective as of 1 January 2025), a target was set that at least seven women should sit on the Supervisory Board. A deadline of 31 December 2029 was set for the achievement of the targets. Furthermore, where the appointments of managing positions is concerned – when vacancies arise due to personal or age reasons, or when renewals are declined – women of equal qualification are to be given preference. With effect from 1 January 2025, a target of 50.0% was set for the proportion of women on the Management Board and the deadline for achieving this target was 31 December 2029.

By means of the executive management resolution of 2 October 2024, targets for the period from 1 January 2025 to 31 December 2029 were established of 30.0% women in upper management and 35.0% in middle management of Leipziger Stadtwerke.

Leipzig, 13 March 2026

Management

Karsten Rogall Dr. Maik Piehler

Balance sheet at 31 December 2025

Stadtwerke Leipzig GmbH, Leipzig

Assets in €

		31.12.2025	31.12.2024
A.	**Fixed Assets**		
I.	**Intangible fixed assets**		
1.	Purchased concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets	5,566,096.08	6,437,514.14
2.	Payments on account	53,237.09	0.00
		5,619,333.17	**6,437,514.14**
II.	**Tangible fixed assets**		
1.	Land, leasehold rights and buildings including buildings on leased land	91,340,540.77	95,133,790.56
2.	Technical equipment and machines	548,981,930.75	557,214,098.50
3.	Other equipment, factory and office equipment	11,129,582.09	10,589,700.48
4.	Payments on account and assets under construction	131,624,317.01	70,443,930.53
		783,076,370.62	**733,381,520.07**
III.	**Financial assets**		
1.	Shares in affiliated companies	178,184,723.85	177,441,165.16
2.	Participations	13,128,686.36	12,575,118.35
3.	Loans to companies in which a participating interest is held	4,577,579.39	5,008,206.28
4.	Other loans	312,924.42	562,143.21
		196,203,914.02	**195,586,633.00**
		984,899,617.81	**935,405,667.21**
B.	**Current assets**		
I.	**Inventories**		
1.	Raw materials and supplies	47,491,923.80	53,679,454.19
2.	Unfinished services	1,760,638.00	551,711.27
3.	Finished goods and goods for resale	1,360,771.63	0.00
4.	Payments on account	480,904.79	981,700.53
		51,094,238.22	**55,212,865.99**
II.	**Receivables and other assets**		
1.	Receivables from deliveries and services	81,874,455.39	169,254,754.43
2.	Receivables from affiliated companies	81,461,420.96	85,044,104.93
3.	Receivables from companies in which a participating interest is held	304,707.40	534,953.90
4.	Other assets	75,432,966.73	58,893,373.54
		239,073,550.48	**313,727,186.80**
III.	**Cash in hand, bank balances and cheques**	**25,038,241.44**	**20,016,551.41**
		315,206,030.14	**388,956,604.20**
C.	**Prepaid expenses**	**722,969.12**	**2,670,673.62**
		1,300,828,617.07	**1,327,032,945.03**

Liabilities in €

		31.12.2025	31.12.2024
A.	**Equity**		
I.	**Subscribed capital**	**22,000,000.00**	**22,000,000.00**
II.	**Capital reserve**	**184,410,675.21**	**184,410,675.21**
III.	**Revenue reserves**	**54,190,323.88**	**54,190,323.88**
	Other revenue reserves	54,190,323.88	54,190,323.88
		260,600,999.09	**260,600,999.09**
B.	**Special items**		
	1. Special item for emission rights issued free of charge	4.00	4.00
	2. Special item with an equity portion	1,034,710.21	1,178,633.06
	3. Special item for investment grants for fixed assets	31,817,266.62	18,889,900.58
	4. Special items for building-cost grants	59,707,307.94	55,290,735.27
		92,559,288.77	**75,359,272.91**
C.	**Provisions**		
	1. Provisions for pensions and similar obligations	10,908,785.00	11,918,933.00
	2. Provisions for taxation	0.00	49,887.80
	3. Other provisions	165,339,021.21	181,423,376.18
		176,247,806.21	**193,392,196.98**
D.	**Liabilities**		
	1. Payments received	7,673,685.80	7,058,271.19
	2. Liabilities from deliveries and services	58,743,423.93	83,848,496.59
	3. Liabilities due to affiliated companies	686,208,850.75	624,369,002.53
	4. Liabilities due to companies in which a participating interest is held	535,484.90	192,540.05
	5. Other liabilities	18,129,329.21	82,144,411.91
	of which tax liabilities: €350,471.70 (2024: €4,068,051.67)		
		771,290,774.59	**797,612,722.27**
E.	**Prepaid expenses**	**129,748.41**	**67,753.78**
		1,300,828,617.07	**1,327,032,945.03**

Profit and loss statement
for the business year from 1 January until 31 December 2025

Stadtwerke Leipzig GmbH, Leipzig

in €

		2025	2024
1.	Sales revenues		
	a) Sales revenues incl. electricity and energy tax	1,652,411,660.68	2,004,492,900.05
	b) Electricity and energy tax	-22,138,644.95	-22,901,114.39
		1,630,273,015.73	1,981,591,785.66
2.	Increase or decrease in unfinished goods and services	267,525.52	154,403.14
3.	Other internally produced and capitalised assets	1,572,443.06	1,407,689.46
4.	Other operating income	18,846,963.43	46,650,302.37
5.	Cost of materials		
	a) Costs of raw materials and supplies and purchased goods	1,218,954,039.31	1,586,560,179.23
	b) Costs of purchased services	52,088,084.02	50,161,825.70
		1,271,042,123.33	1,636,722,004.93
6.	Personnel expenditure		
	a) Wages and salaries	60,432,531.78	52,555,773.98
	b) Social security contributions and expenses for pension schemes and support of which for pension schemes: €682,472.20 (2024: €919,575.18)	11,544,385.50	10,422,507.81
		71,976,917.28	62,978,281.79
7.	Depreciations of intangible and tangible fixed assets		
	of intangible and tangible fixed assets	80,750,142.37	82,747,699.64
8.	Other operating expenses of which from currency translation: €1,258.57 (2024: €2,026.59)	131,962,096.91	134,749,358.78
9.	Income from participations of which from affiliated companies: €9,252,807.83 (2024: €7,395,846.17)	9,766,313.47	7,763,007.32
10.	Income from profit transfer agreements of which from affiliated companies: €1,891,621.65 (2024: €536,501.55)	1,891,621.65	536,501.55
11.	Income from loans from financial assets	420,482.70	449,680.82
12.	Other interests earned and similar income of which from affiliated companies: €1,972,709.01 (2024: €1,043,898.50)	2,961,039.68	2,312,729.74
13.	Depreciations on financial assets and marketable securities	0.00	1,063,441.76
14.	Interest and related expenses of which to affiliated companies: €15,667,783.45 (2024: €14,588,940.19)	16,036,812.11	15,151,580.06
15.	Expenses from loss assumption of which from affiliated companies: €205,793.53 (2024: €4,202,434.43)	205,793.53	4,202,434.43
16.	**Result after taxes**	**94,025,519.71**	**103,251,298.67**
17.	Other taxes	537,380.92	444,077.17
18.	Expenses from a profit/loss transfer agreement	-93,488,138.79	-102,807,221.50
19.	**Net income**	**0.00**	**0.00**

Notes to the financial statements for the 2025 business year

Stadtwerke Leipzig GmbH, Leipzig

Table of Contents

1 Information on the form and presentation of the balance sheet and the profit and loss account

Stadtwerke Leipzig GmbH, Leipzig (Stadtwerke) has its head office in Leipzig. It is registered in the commercial register of Amtsgericht Leipzig (District Court) under the commercial registration number HRB 3058.

The present annual financial statements of Stadtwerke were based on the regulations of the Handelsgesetzbuch (German Commercial Code, HGB), the Einführungsgesetz zum Handelsgesetzbuch (Introductory Act to the German Commercial Code, EGHGB), the Gesetz über die Eröffnungsbilanz in Deutscher Mark und die Kapitalneufestsetzung (German Mark Balance Sheet Act, DMBilG), as well as the relevant regulations of the Gesetz betreffend die Gesellschaften mit beschränkter Haftung (German Limited Liability Companies Act, GmbHG) as well as the Gesetz über die Elektrizitäts- und Gasversorgung (German Energy Industry Act, EnWG).

The layout of the balance sheet is in accordance with the regulations in Section 266 et sqq. HGB. The regulations of the Energiewirtschaftsgesetz (German Energy Industry Act, EnWG) were also taken into account. The profit and loss account was prepared in accordance with the total cost accounting method according to Section 275 (2) HGB.

Stadtwerke and its subsidiaries are included in the exempting consolidated financial statements of LVV Leipziger Versorgungs- und Verkehrsgesellschaft mbH, Leipzig (LVV) (smallest and largest consolidated companies). These annual financial statements are published in the electronic Federal Gazette.

2 Information on the items of the balance sheet and the profit and loss account in terms of posting, accounting and valuation

2.1 Accounting and valuation methods

In accordance with the going concern assumption, the following accounting and valuation methods have been applied in preparing the annual financial statements.

2.1.1 Fixed Assets

Purchased intangible and tangible fixed assets are valued at acquisition or production cost minus scheduled, if depreciable, and non-scheduled depreciation and amortisation, in the event of an impairment that is likely to be permanent. If necessary, reversals of impairment losses on assets depreciated in a non-scheduled manner in previous years are taken into account through write-up. If fixed assets are constructed internally, not only the direct costs but also appropriate portions of material overheads and production overhead costs are included in the production costs.

Real-estate additions within the meaning of the Vermögenszuordnungsgesetz (German Assets Allocation Act, VZOG) are shown on the balance sheet at a flat-rate land value. Fixed assets taken over free of charge are reported at their fair market value on the date of transfer.

As a rule, depreciation is calculated using the straight-line method based on the following useful lives:

	Years
Intangible fixed assets	2 - 30
Land and buildings	2 - 55
Technical plants	2 - 49
Factory and office equipment	3 - 23

Furthermore, performance-related depreciation based on operating hours is applied to a gas turbine.

Declining-balance depreciation is applied at the thermal power station Süd. In addition, during the business year selected parts of the gas network were switched from the previously applied straight-line depreciation method to the declining-balance depreciation method. Moreover, the standard useful life of these assets was redefined. Depreciation is now carried out on the basis of a remaining useful life until 31 December 2039. The change in the depreciation method and the adjustment of the useful life were carried out while applying the statement issued by the Institut der Wirtschaftsprüfer in Deutschland e.V. (Institute of Public Auditors in Germany, Incorporated Association, IDW) IDW EFA 27-KANU-2-0. The change in the depreciation method results in an increase in depreciation expense in the business year of €5,678k.

Scheduled depreciation by components is used if physically separable and economically significant components of a uniform asset can be identified. If the option of determining the scheduled depreciation on a component basis is used, the replacement of a component is not an extension or significant improvement, but falls within the scope of production or acquisition as a replacement of a significant physical substance.

Low-value assets with acquisition and production costs of up to €250.00 are always written off with effect on expenses in the year of acquisition.

For low-value assets with acquisition costs of between €250.00 and €800.00, the option of immediate write-off in the year of acquisition is performed.

Advance payments on fixed assets are valued at their nominal value.

Financial assets are stated at acquisition cost. Loans were based on the nominal value. Where necessary, if reductions in value are expected to be permanent, items were depreciated at the lower fair value on the balance-sheet date.

2.1.2 Current assets

In principle, all raw materials and supplies are reported at average cost prices, while applying the lowest value principle. Current procurement market-oriented prices are used as the fair value.

Finished goods and merchandise are generally valued at acquisition or production cost. Loss-free valuation is ensured by determining the lower of cost or market based on conditions in the sales market.

Emission certificates allocated free of charge are posted under inventories at their memo value. Purchased emission certificates are also shown on the balance sheet at acquisition cost under inventories. Where necessary, devaluation was stated at the lower fair value on the balance-sheet date.

Unfinished services are valued loss-free at production cost. The production costs include not only direct material and manufacturing costs but also proportionate parts of overhead costs for materials and manufacturing.

Advance payments made are recognised at nominal value.

Receivables and other assets are valued at their nominal value, while recognisable risks have been taken into account by making appropriate value adjustments. For general default risks, the focus is on general individual value adjustments based on the ageing structure of receivables. In addition, general value adjustments are recognised for general credit risks. Receivables from deliveries and services include electricity, gas and district heating deliveries to end-customers. Unbilled services have been accrued on a customer-specific basis as at the balance-sheet date. The accrual is determined while applying the current tariffs and also, in the case of gas and district heating deliveries, temperature influences. The progress payments received are deducted from these receivables.

Receivables and liabilities have been offset where netting contracts have been agreed with wholesale trading partners.

In cases where the other assets are special-purpose assets to cover the hedging of partial retirement or pension obligations, they are netted against the provisions for semi-retirement obligations in accordance with Section 246 (2), Sentence 2 HGB.

Cash resources (cash in hand, cash at banks and cheques) are valued at their nominal value.

2.1.3 Prepaid expenses

Prepaid expenses are posted as disbursements on the asset side of the balance sheet prior to the balance-sheet date, insofar as they represent expenses for a particular time after the balance sheet date.

2.1.4 Equity

The subscribed capital is valued at its nominal amount.

2.1.5 Special items

The rights shown under the special item for emission rights issued free of charge are set at a memo value in accordance with the emission rights issued free of charge.

The retention and continuation option in accordance with Article 67 (3) Sentence 1 EGHGB is used for the special item with an equity portion.

The special item with an equity portion, formed for special depreciations under Section 4 of the Fördergebietsgesetz (German Development Area Act, FöGbG), is released to income according to plan.

The special item is always released to income at the end of each preferential period on a straight-line basis, either for the remaining useful life of the fixed asset or on disposal of the subsidised tangible assets in favour of other operating income.

Investment grants are shown on the liabilities side as a special item for fixed assets and fully liquidated in favour of other operating income over the useful life of the fixed asset.

The annual release of the special item for building cost subsidies in favour of sales revenues will take place over the useful life of the subsidised assets.

2.1.6 Provisions

Wherever possible, the retention and continuation options in accordance with Article 67 (1) and (3) EGHGB are used for provisions existing since 1 January 2010.

Selected provisions for personnel and provisions for pensions and similar obligations are calculated on the basis of actuarial expert opinions based on the 2018 G guideline tables compiled by Prof. Dr. Klaus Heubeck using the projekt unit credit method. The underlying actuarial interest for the discounting of provisions for pension obligations, assuming a remaining term of 15 years, amounts to 2.06% in accordance with Section 253 (2) Sentences 1 and 2 HGB as at 31 December 2025 and in the case of other provisions to 2.22%. From the discounting of provisions for pension obligations using the average market interest rate of the last ten years, a negative difference of €70k results compared to the discounting of the average market interest rate of the last seven years.

The annual financial statements have been prepared in application of the wording of the law without taking into account the transfer lock of the positive differential amount, where present.

The provision for retired and other former employees corresponds to the present value of the obligation.

The provisions for pensions and similar obligations were based on assumed increases in salaries and pensions (or increases in expenditure) of up to 5.0%.

Obligations arising from partial retirement or pension agreements are secured by reinsurance policies. The receivables from this time-accounts reinsurance policy, measured at fair value in accordance with Section 253 (1) Sentence 4 HGB, are netted against the obligations in accordance with Section 246 (2) Sentence 2 HGB.

In other provisions, emission certificates allocated free of charge are recognised at the memo value, purchased emission certificates allocated in the portfolio at their book value and emission certificates still to be acquired against payment at their market value in order to meet the return obligation.

The valuation of other provisions took account of a cost increase of up to 6.0%. Other provisions with a term of more than one year are discounted at interest rates that are in line with the respective time span and have been announced by the Deutsche Bundesbank (German Federal Bank). The interest rates for discounting the provisions are between 1.88% to 2.22% for 2025, depending on the remaining term.

Recognisable risks and uncertain liabilities are taken into account in the determination of the other provisions. Other provisions and tax provisions are valued at the settlement amount.

2.1.7 Liabilities

Liabilities are posted at their settlement amount and advance payments received at nominal value on the liability side.

2.1.8 Deferred income

Deferred income is posted as deposits on the liability side of the balance sheet prior to the balance-sheet date, insofar as it represents income for a particular time after this date.

2.1.9 Deferred taxes

The shareholder of the Stadtwerke as the controlling company is the sole tax debtor. Actual and deferred taxes of the controlled companies are to be shown in full in the annual financial statements of the controlling company, as they alone are subject to the taxation consequences. Accordingly, deferred taxes are not recognised in the company's financial statements.

2.1.10 Foreign currency conversion

Transactions in foreign currencies are recognised at the exchange rate at the time of the initial booking. Short-term foreign currency receivables and liabilities (remaining term of one year or less) and cash and cash equivalents in foreign currencies are translated at the mean spot exchange rate on the balance-sheet date. Profits and losses arising are recognised in profit or loss.

2.2 Notes to the balance sheet

2.2.1 Fixed assets

The development of fixed assets is presented in the overview of 'Development of fixed assets' of Stadtwerke, which is included in the appendix to these notes, alongside amortisations in the business year.

2.2.2 Inventories

The inventories on the balance-sheet date include returnable emission rights issued free of charge for the emission of CO_2; they were posted at a memo value of €1.00 per plant (market value on 31 December 2025: €3,124k).

2.2.3 Receivables and other assets

The receivables from deliveries and services mainly concern claims from consumption accrual from electricity, gas and district heating supplies with rolling consumption billing of €412,535k (2024: €430,947k), which were netted with the advance payments received thereon of €341,637k (2024: €323,779k).

The receivables from affiliated companies contain receivables from deliveries and services of €28,736k (2024: €22,316k) as well as other receivables of €52,725k (2024: €35,098k). The receivables include claims from the consumption accrual for electricity, gas and district heating supplies with rolling consumption billing of €20,936k (2024: €29,432k), which were netted with the advance payments received thereon of €2,312k (2024: €1,802k). Receivables from affiliated companies include receivables from the shareholder LVV of €52,111k (2024: €34,561k) and consist of €367k (2024: €803k) are liabilities from deliveries and services and €51,744k (2024: €33,758k) are other receivables.

The receivables from associated companies in which a participating interest amount to €234k (2024: €281k) of the trade receivables and €71k (2024: €254k) are other receivables.

Other assets include receivables relating to tax prepayments not yet deducted amounting to €20,343k (2024: €15,558k) (deferred items).

All receivables in the current business year are due in up to one year. Other assets include receivables of €64k (2024: €64k) with a term of up to one year.

2.2.4 Equity

Revenue reserves include the special-purpose reserve of €43.7m in accordance with Section 27 (2) DMBilG.

The net profit for the year before profit/loss transfer amounts to €93,488k. In accordance with the profit/loss transfer agreement, the result will be transferred in full to LVV. In the business year, an advance profit/loss transfer of the 2025 result totalling €74,136k was exercised. The difference of €19,352k is reported as liabilities from profit transfer as at 31 December 2025.

2.2.5 Provisions

Claims from the reinsurance policy relating to semi-retirement are netted against obligations in accordance with Section 246 (2) Sentence 2 HGB. The fair value of the netted assets, which corresponds to the acquisition costs, is €1,500k. The settlement amount of the offset debts is €2,548k. Interest income from semi-retirement agreements by a reinsurance policy with Allianz AG amounts to €19k (2024: €0k). These are netted with interest expenses from provisions for semi-retirement agreements of €76k (2024: €102k).

Claims from the reinsurance policy relating to the pensions are netted against obligations in accordance with Section 246 (2) Sentence 2 HGB. The fair value of the netted assets, which corresponds to the acquisition costs, is €1,562k. The settlement amount of the offset debts is €5,607k.

Other provisions include in particular provisions for obligations to return CO_2 certificates (€38,445k), provisions for decommissioning obligations (€30,716k), provisions for outstanding invoices (€21,048k), personnel-related provisions (€11,730k) and provisions for anticipated losses (€10,439k).

Other provisions include provisions for expenses in the amount of €8,945k (2024: €8,945k): for which the right of retention in accordance with Article 67 (3) Sentence 1 EGHGB was used.

2.2.6 Liabilities

The following table shows the remaining terms of liabilities:

Liabilities in €k

		Remaining term			Total
		Up to one year	From one up to five years	Over five years	31.12.2025
		(2024)	(2024)	(2024)	(2024)
1.	Payments received on account of orders	7,674	0	0	7,674
		(7,058)	(0)	(0)	(7,058)
2.	Liabilities from deliveries and services	58,743	0	0	58,743
		(83,848)	(0)	(0)	(83,848)
3.	Liabilities due to affiliated companies	142,095	187,192	356,922	686,209
		(130,224)	(186,788)	(307,357)	(624,369)
	of which: to the shareholder	88,311	187,192	356,922	632,425
		(87,496)	(186,788)	(307,357)	(581,641)
4.	Liabilities due to companies in which a participating interest is held	536	0	0	536
		(193)	(0)	(0)	(193)
5.	Other liabilities	18,129	0	0	18,129
		(82,144)	(1)	(0)	(82,145)
		227,177	**187,192**	**356,922**	**771,291**
		(303,467)	**(186,789)**	**(307,357)**	**(797,613)**

Of the liabilities to affiliated companies €17,046k (2024: €3,338k) are liabilities from deliveries and services and €669,163k (2024: €621,031K) are other liabilities. Receivables to affiliated companies include receivables from the shareholder LVV of €632,425k (2024: €581,641k) and consist of €9k (2024: €954k) as liabilities from deliveries and services and €632,416k (2024: €580,687k) as other liabilities.

The shareholder loans of €612,121k contained in the liabilities due to affiliated companies are unhedged and had negative declarations attached.

The liabilities to companies in which a participating interest is held relate, as in 2024, to liabilities from deliveries and services.

2.3 Notes to the profit and loss statement

2.3.1 Sales revenues

The sales revenues of €1,630,273k that were generated exclusively within Germany are composed as follows:

Sales revenues		in €k
	2025	**2024**
End-customer market electricity	254,182	311,876
Electricity tax	-13,965	-17,038
End-customer market electricity (minus electricity tax)	240,217	294,838
End-customer market gas	100,453	103,605
Energy tax	-5,940	-5,863
End-customer market gas (minus energy tax)	94,513	97,742
End-customer market district heating	224,348	220,902
End-customer market	**559,078**	**613,482**
System market electricity	547,871	729,001
Electricity tax	-947	0
System market electricity (minus electricity tax)	546,924	729,001
System market gas	257,656	400,034
Energy tax	-1	-24
System market gas (minus energy tax)	257,655	400,010
System market	**804,579**	**1,129,011**
Additional sales revenues	**266,616**	**239,099**
	1,630,273	**1,981,592**

The additional sales revenues include sales revenues relating to other periods amounting to €392k (2024: €13,776k). Among other things, these relate to the correction of sales and leasing income, which was estimated in the previous year due to rolling consumption billing.

2.3.2 Other operating income

Other operating income includes a total income of €11,060k relating to other periods (2024: €43,087k) as well as income from the release of special items with an equity portion (€144k, 2024: €144k). The income relating to other periods relates among other things to income from the release of provisions (€8,961k), income from the receipt of balances (€778k) and income from the collection of written-off receivables (€560k).

2.3.3 Cost of materials

Expenses for raw materials and supplies and for purchased goods include costs of materials that relate to other periods of €8,358k (2024: €22,902k). This mainly relates to electricity and gas surpluses/shortfalls of €6,843k (2024: €19,147k).

2.3.4 Depreciation and amortisation

In the 2025 business year, non-scheduled depreciation and amortisation of €2k (2024: €226k) was made on the tangible fixed assets. This related to the biomass heating power station Piesteritz.

2.3.5 Other operating expenses

Other operating income includes expenses relating to other periods of €4,266k (2024: €583k). These mainly relate to losses from disposals of assets and the write-off of receivables.

2.3.6 Interest result

In other interest and similar earnings and in interest and similar expenses, in accordance with Section 277 (5) HGB, earnings (€679k, 2024: €376k) and expenses (€368k, 2024: €540k) from the compounding and discounting of provisions were posted.

3 Information on the annual result

A profit/loss transfer agreement has existed since 1 January 2001 between Stadtwerke and LVV, which was concluded for five years. It is extended by a further year respectively unless terminated six months prior to expiry. It has not been terminated to date.

4 Other information

4.1 Other financial obligations and transactions not included in the balance sheet

Other financial obligations amounting to €99,815k arise from the conclusion of long-term rental and lease agreements as well as from investments in property, plant and equipment, of which €5,493k relate to affiliated companies. The contracts have a minimum term of up to 5 years.

Furthermore, there were other financial obligations arising from the granting of loans, from capital contributions not yet called in as well as from the payment of variable additional purchase prices of €1,759k.

The transactions concluded via Over the Counter trading (OTC) are always physically fulfilled. From energy procurement there were obligations from OTC trading for electricity with a nominal value of €277.7m (2024: €335.7m), for gas with a nominal value of €303.2m (2024: €225.5m) and for emission certificates with a nominal value of €25.4m (2024: €25.4m). For information on transactions conducted via the regulated market (stock markets) or financial institutions, reference is made to Section 4.2.

4.2 Derivative financial instruments

Commodity derivatives in the form of forwards and futures with physical settlement are used to hedge against energy-price risks.

On the balance-sheet date, the nominal volume, fair value and book value of the commodity derivatives posted were as follows:

Commodity derivatives in €k

					31.12.2025
		Nominal volume	Fair value		Book value
				Assets	Liabilities
Electricity[1]	Purchase	506,107	-13,465	0	0[2]
	Sale	-502,905	12,354		
Gas[1]	Purchase	555,086	-97,077	0	0[2]
	Sale	-522,898	93,912		
CO_2 certificates[1]	Purchase	60,482	9,385		
	Sale	-4,945	-378	0	0[2]

[1] Underlying and hedging instruments in valuation units
[2] Ineffective part of the hedging relationship

Financial instruments (derivatives, emission certificates) purchased via regulated markets (stock markets) or financial institutions are stated in the Notes to the financial statements as commodity derivatives in accordance with Section 1 (11) of the Kreditwesengesetz (German Banking Act, KWG). The nominal volume corresponds to the additive value of all agreed purchase (€1,121.7m) and selling agreements (€1,030.7m) for future delivery periods up to and including 2029.

Purchase and sales contracts concluded for trading purposes are pooled into portfolio (or macro) valuation units by delivery periods and commodities and are accounted for as a valuation unit in accordance with Section 254 HGB. The fair values were determined at market prices on the balance-sheet date are based on the official closing prices on the European Energy Exchange AG, Leipzig (EEX). To determine the prospective effectiveness of the hedging relationship, reference is made to the company's documented and functional risk management system, which continuously monitors compliance with the risk limits. The opposing changes in value are expected to offset each other over a period of 3 years due to the high degree of matching of the conditions of the purchase and sales contracts. The effectiveness of the valuation unit is assessed at the end of the year by looking at the balance of the fair values of the transactions included. If this balance is negative, a provision for anticipated losses is created for the valuation unit. In the case of a positive balance of the fair values, these are not taken into account in the balance sheet. The amount of the hedged risks corresponds to the sum of the negative fair values per valuation unit.

In the accounting of the valuation units, the freezing method was applied in each case.

For the trading business with renewable energies (midstream), Stadtwerke have formed product group portfolios in accordance with IDW RS ÖFA 3, which include direct marketing and power purchase agreements and binding sales contracts with customers for the years up to 2031 as well as the sales that can very probably be anticipated. Provisions for anticipated losses of €1,463k were reversed for loss-making periods as at the reporting date, which decreased the positive earnings contributions for the business year. The valuation of the overall portfolio resulted in an excess of obligations of €2.9m EUR as at the balance-sheet date.

In the end-customer market area, contract portfolios were formed in accordance with IDW RS ÖFA 3 for electricity and gas. The portfolios currently comprise the completed or expected sale and procurement transactions for each of the years 2026, 2027 and 2028. The sales transactions include binding sales contracts with customers and customer sales which are very likely. These are set against procurement transactions which include contracted stock market or OTC (Over the Counter) procurement transactions. In addition, the directly attributable costs on the basis of the contribution margin V are taken into account in the portfolio analysis. In the 2025 business year, (discounted) provisions for anticipated losses were reversed by €148k. The valuation of the overall portfolio resulted in an excess of obligations of €5.1m EUR as at the balance-sheet date.

4.3 Information in accordance with Section 6b (2) EnWG

In the 2025 business year, the following major transactions requiring disclosure were conducted with affiliated companies.

Netz Leipzig GmbH, Leipzig:

- Income from the leasing of the electricity and gas network of €75.0m and from commercial services of €23.7m,
- Expenses amounting to €23.5m for services based on the district heating service agreement.

LAS GmbH, Leipzig:

- Earnings from commercial services of €2.4m,
- Expenses for billing and customer service services of €10.7m.

4.4 Information on the executive bodies

The company is represented by the management, which is jointly responsible for the overall responsibility of the company.
The following persons belong to it:

- Dr. Maik Piehler (Managing Director),
- Mr Karsten Rogall (Managing Director).

Payments made to the current members of management in the 2025 business year:

in €k

	Fixed annual base salary	Other salary	Performance based remuneration	Total remuneration	Performed payments in the event of termination of activity (Severance payments)	Type of pension compensation-plan[1]	Age-related plans (compensation) expenses
Dr. Maik Piehler	225	16	49	290	0	A	35
Karsten Rogall[2]	0	0	0	0	0	A	0
	225	**16**	**49**	**290**	**0**		**35**

[1] A - Contribution-oriented performance bonus

[2] From May 2018 additional managing director of LVV – salaries are paid from this period completely by LVV

For the management services rendered, LVV transferred an amount of €285k to Stadtwerke. Payments to former members of the Executive Board or rather their surviving dependants amounted to €260k. Provisions of €4,045k have been made to cover ongoing pensions for former Managing Directors or rather their surviving dependants.

The Supervisory Board consisted of the following members:

Shareholder representatives	
Clemens Schülke Chairman of the Supervisory Board	Deputy Mayor for Economy, Labour and Digital Services in the City of Leipzig
Karsten Albrecht	Advising Engineer self-employed
Sylvia Deubel	Retail Specialist toom Baumarkt GmbH
Oliver Gebhardt	Teacher Free State of Saxony
Ralf Heipmann	Board Member Communisystems AG
Tobias Keller	Managing Director SHK-Meisterbetrieb Member of Saxon Parliament
Dr. Gesine Märtens	Federal Treasurer Bündnis 90/Die Grünen
Christina März	Speaker Saxon Ministry of Social Affairs
Michael Neuhaus	Team Leader Deutsche Energie-Agentur
Heiko Oßwald	Head of Income Tax Division Leipzig Tax Office II
Eric Recke (until 02.02.2026)	Member of Parliament Saxon Parliament
Matthias Jung (from 02.02.2026)	unemployed
Lucas Schopphoven	unemployed
Dr. Nicole Schreyer-Krieg (from 20.01.2025)	Physician Carl von Basedow-Klinikum Merseburg
Antonia Weishaupt	Managing director of parliamentary group Fraktion Bündnis 90/DIE GRÜNEN Leipzig

Employee representatives	
Susann Frölich Deputy Chair	Chair of the Works Council Stadtwerke Leipzig GmbH
Tobias Bittner (from 17.06.2025)	Plant Operation Project Engineer Stadtwerke Leipzig GmbH
Jana Fromm	Works Council Member Netz Leipzig GmbH
Stefan Kaiser	Team Leader of Heating Plant Operations Netz Leipzig GmbH
Ines Kuche (until 16.06.2025)	Deputy Regional Manager ver.di - Vereinte Dienstleistungsgewerkschaft (union), Sachsen, Sachsen-Anhalt, Thüringen
Tina Neudorf	Works Council Member Stadtwerke Leipzig GmbH
Mario Stöbe (from 17.06.2025)	Project Manager Kabelbau Leipzig GmbH
Peter Treibmann (until 16.06.2025)	Employee Department of Heating Netz Leipzig GmbH
Marissa Zorn	Representative for Employees with Disabilities for Leipziger Stadtwerke-Gruppe Stadtwerke Leipzig GmbH

The Supervisory Board received the following compensation for its activities in the 2025 business year:

in €

Shareholder representatives	Total remuneration	Total attendance allowances
Clemens Schülke Chairman of the Supervisory Board	1,000.00	1,500.00
Karsten Albrecht	1,000.00	750.00
Sylvia Deubel	1,000.00	750.00
Oliver Gebhardt	1,000.00	1,500.00
Ralf Heipmann	1,000.00	750.00
Tobias Keller	1,000.00	750.00
Dr. Gesine Märtens	1,000.00	1,000.00
Christina März	1,000.00	1,000.00
Michael Neuhaus	1,000.00	1,000.00
Heiko Oßwald	1,000.00	500.00
Eric Recke	1,000.00	750.00
Lucas Schopphoven	1,000.00	1,500.00
Dr. Nicole Schreyer-Krieg	945.21	750.00
Antonia Weishaupt	1,000.00	1,000.00
	13,945.21	**13,500.00**

in €

Employee representatives	Total remuneration	Total attendance allowances
Susann Frölich Deputy Chair	1,000.00	1,500.00
Tobias Bittner	572.60	500.00
Jana Fromm	1,000.00	1,250.00
Stefan Kaiser	1,000.00	1,000.00
Ines Kuche	427.40	750.00
Tina Neudorf	1,000.00	1,500.00
Mario Stöbe	572.60	500.00
Peter Treibmann	427.40	500.00
Marissa Zorn	1,000.00	1,000.00
	7,000.00	**8,500.00**

4.5 Auditor's fee

Stadtwerke is exempted from its obligation to publish the overall fee charged by the auditor, as this information is incorporated into the consolidated financial statements of LVV.

4.6 Annual average number of employees

Annual average number of employees (Section 267 (5) HGB)

	2025	2024
Salaried employees	675	649
Industrial employees	135	135
	810	**784**

4.7 Share ownership of Stadtwerke Leipzig GmbH on 31 December 2025 (Section 285 (11) HGB)

Stadtwerke holds shares in the following companies on the balance-sheet date:

Affiliated companies

	Abbreviation	Share of subscribed capital %	Equity in €k	Result in €k
Netz Leipzig GmbH, Leipzig[1]	Netz Leipzig	100.00	96,009	1,242
LAS GmbH, Leipzig[1]	LAS	100.00	499	231
Brillant Energie GmbH, Leipzig[1]	Brillant	100.00	213	-206
Leipziger Kommunale Energieeffizienz GmbH, Leipzig[1]	LKE	100.00	25	419
Leipziger Windpark Management GmbH, Leipzig[1]	LWM	100.00	113	-8
Kabelbau Leipzig GmbH, Leipzig[2]	KBL	100.00	6,686	1,317
Mitteldeutsche Erneuerbare Energien GmbH & Co. KG, Leipzig[2]	MEE	100.00	381	-46
Seyda Erneuerbare Energien GmbH, Jessen[2]	SEE	100.00	606	-30
Seyda Erneuerbare Energien Wind GmbH, Jessen[2]	SEE Wind	100.00	371	-20
Meter1 GmbH & Co. KG, Halle[2]	Meter1	100.00	222	-9
ELG Leipzig GmbH, Leipzig[1]	ELG	90.00	58	-30
Gdańskie Przedsiębiorstwo Energetyki Cieplnej Sp. z o.o., Gdańsk, Poland[3]	GPEC	82.86	120,552	21,053
Thüringenwind GmbH & Co. Tüngeda KG, Hörselberg-Hainich[2]	Tüngeda	70.00	2,162	262
Quartiersenergie GmbH, Leipzig[2]	QE	67.00	1,715	-210

Participations

	Abbreviation	Share of subscribed capital %	Equity in €k	Result in €k
Erdgasversorgung Industriepark Leipzig Nord GmbH, Leipzig[2]	EVIL	50.00	386	-22
KNL Kommunalnetz Leipzig GmbH, Leipzig[2]	KNL	50.00	122	-6
Leipziger Erneuerbare Energien GmbH & Co. KG, Leipzig[2]	LEE	50.00	1,666	-24
MEE-Projektgesellschaft 1 GmbH & Co. KG, Leipzig[2]	MEE 1	50.00	2,885	-422
Mittelsächsische Windpark GmbH & Co. KG, Großschirma[2]	MW KG	50.00	3,477	-219
MWM Mitteldeutsche Windpark Management GmbH, Großschirma[2]	MWM	50.00	50	5
Westsächsische Erneuerbare Energien GmbH & Co. KG, Leipzig[2]	WEE	50.00	448	-178
Windpark Altenhof GmbH & Co.KG, Großschirma[2]	WAltH	50.00	768	-31
Windkraft Hessenweg GmbH & Co. KG, Großschirma[2]	WHW	50.00	286	-600
Windpark Königshain-Wiederau GmbH & Co. KG, Großschirma[2]	WKW	50.00	1,441	-130
Windpark Kyffhäuserland GmbH & Co. KG, Großschirma[2]	WKL	50.00	930	-21
Energie Harzgerode GmbH, Harzgerode[2]	EH	49.00	24	-6
Löwitz Energie GmbH, Magdeburg[2]	LÖW	49.00	672	156
Windpark Königshain-Wiederau Zwei GmbH & Co. KG, Großschirma[2]	WKW 2	33.33	294	-235
WEO GmbH & Co. KG, Berlin[2]	WEO	33.33	0[4]	-898
caplog-x GmbH, Leipzig[2]	caplog-x	31.33	2,841	905
8KU Renewables GmbH, Berlin²	8KU	12.50	316	3
Trianel Erneuerbare Energien GmbH & Co. KG, Aachen²	TEE	3.46	145,578	5,755

[1] Annual result before profit transfer/loss assumptions 2025

[2] Annual financial statements 2024

[3] The average conversion rate was used for the profit and loss statement on the business-sheet date

[4] Share of losses of the limited partners not covered by asset contributions of €9,867k

5 Supplementary report

In connection with the current geopolitical situation, especially the conflict in the Middle East, impacts upon world trade and economic development in Europe are expected, for example in the form of increasing inflation. In principle, Stadtwerke assumes that the company will continue to operate as a going concern and continuously analyses possible effects on the net worth and financial position and income situation. A complete and final assessment of the current situation is not possible at this stage. For further information, please refer to the forecast report in the management report.

Leipzig, 13 March 2026

Management

Karsten Rogall Dr. Maik Piehler

Development of fixed assets for the 2025 business year

Stadtwerke Leipzig GmbH, Leipzig

		Acquisition and production costs				
		1.1.2025	Additions	Disposals	Transfers	31.12.2025
I.	**Intangible fixed assets**					
1.	Purchased concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets	66,635,323.88	1,674,649.23	1,444,224.90	-14.44	66,865,733.77
2.	Payments on account	0.00	53,222.65	0.00	14.44	53,237.09
		66,635,323.88	**1,727,871.88**	**1,444,224.90**	**0.00**	**66,918,970.86**
II.	**Tangible fixed assets**					
1.	Land, leasehold rights and buildings including buildings on leased land	197,260,037.47	212,643.62	0.00	16,382.64	197,489,063.73
2.	Technical equipment and machines	1,266,047,744.92	21,320,834.55	330,139.91	41,240,559.23	1,328,278,998.79
3.	Other equipment, factory and office equipment	38,338,799.01	3,729,058.23	796,204.87	221,007.46	41,492,659.83
4.	Payments on account and assets under construction	70,443,930.53	103,515,386.33	857,050.52	-41,477,949.33	131,624,317.01
		1,572,090,511.93	**128,777,922.73**	**1,983,395.30**	**0.00**	**1,698,885,039.36**
III.	**Financial assets**					
1.	Shares in affiliated companies	180,755,460.98	743,558.69	0.00	0.00	181,499,019.67
2.	Participations	13,475,118.35	553,568.01	0.00	0.00	14,028,686.36
3.	Loans to companies in which a participating interest is held	6,868,806.28	0.00	430,626.89	0.00	6,438,179.39
4.	Other loans	562,143.21	0.00	249,218.79	0.00	312,924.42
		201,661,528.82	**1,297,126.70**	**679,845.68**	**0.00**	**202,278,809.84**
		1,840,387,364.63	**131,802,921.31**	**4,107,465.88**	**0.00**	**1,968,082,820.06**

Appendix to the notes

in €

Cumulative depreciation						Book value	
1.1.2025	**Additions**	**Disposals**	**Appreciations**	**Transfers**	**31.12.2025**	**31.12.2025**	**31.12.2024**
60,197,809.74	2,546,052.85	1,444,224.90	0.00	0.00	61,299,637.69	5,566,096.08	6,437,514.14
0.00	0.00	0.00	0.00	0.00	0.00	53,237.09	0.00
60,197,809.74	**2,546,052.85**	**1,444,224.90**	**0.00**	**0.00**	**61,299,637.69**	**5,619,333.17**	**6,437,514.14**
102,126,246.91	4,022,276.05	0.00	0.00	0.00	106,148,522.96	91,340,540.77	95,133,790.56
708,833,646.42	70,771,629.39	308,207.77	0.00	0.00	779,297,068.04	548,981,930.75	557,214,098.50
27,749,098.53	3,410,184.08	796,204.87	0.00	0.00	30,363,077.74	11,129,582.09	10,589,700.48
0.00	0.00	0.00	0.00	0.00	0.00	131,624,317.01	70,443,930.53
838,708,991.86	**78,204,089.52**	**1,104,412.64**	**0.00**	**0.00**	**915,808,668.74**	**783,076,370.62**	**733,381,520.07**
3,314,295.82	0.00	0.00	0.00	0.00	3,314,295.82	178,184,723.85	177,441,165.16
900,000.00	0.00	0.00	0.00	0.00	900,000.00	13,128,686.36	12,575,118.35
1,860,600.00	0.00	0.00	0.00	0.00	1,860,600.00	4,577,579.39	5,008,206.28
0.00	0.00	0.00	0.00	0.00	0.00	312,924.42	562,143.21
6,074,895.82	**0.00**	**0.00**	**0.00**	**0.00**	**6,074,895.82**	**196,203,914.02**	**195,586,633.00**
904,981,697.42	**80,750,142.37**	**2,548,637.54**	**0.00**	**0.00**	**983,183,202.25**	**984,899,617.81**	**935,405,667.21**

INDEPENDENT AUDITOR'S REPORT

To Stadtwerke Leipzig GmbH, Leipzig/Germany

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of Stadtwerke Leipzig GmbH, Leipzig/Germany, which comprise the balance sheet as at 31 December 2025, and the profit and loss statement for the financial year from 1 January to 31 December 2025, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Stadtwerke Leipzig GmbH, Leipzig/Germany, for the financial year from 1 January to 31 December 2025. In accordance with the German legal requirements, we have not audited the content of the corporate governance statement in accordance with Section 289f (4) German Commercial Code (HGB) (disclosures concerning the quota for women) as included in section 4 of the management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2025 and of its financial performance for the financial year from 1 January to 31 December 2025 in compliance with German Legally Required Accounting Principles, and

- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the corporate governance statement referred to above.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Other Information

The executive directors are responsible for the other information. The other information comprises the corporate governance statement (disclosures concerning the quota for women).

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the audited content of the disclosures in the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company’s position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company’s financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Audit of Compliance with the Accounting Obligations under Section 6b (3) EnWG

Audit Opinions

We audited whether the Company complied with its obligations under Section 6b (3) sentences 1 to 5 German Energy Industry Act (EnWG) to maintain separate accounts for the financial year from 1 January to 31 December 2025. In addition, we audited the activity statements for the electricity distribution and gas distribution activities in accordance with Section 6b (3) sentence 1 EnWG, each of which comprise the balance sheet as at 31 December 2025 and the profit and loss statement for the financial year from 1 January to 31 December 2025, and the appended information on the accounting policies used to prepare the activity statements.

- In our opinion, the Company has complied, in all material respects, with the obligations under Section 6b (3) sentences 1 to 5 EnWG to maintain separate accounts.
- In our opinion, on the basis of the knowledge obtained in the audit, the accompanying activity statements comply, in all material respects, with the German requirements under Section 6b (3) sentences 5 to 7 EnWG.

Basis for the Audit Opinions

We conducted our audit of compliance with the obligations to maintain separate accounts and of the activity statements in accordance with Section 6b (5) EnWG in compliance with the Auditing Standard: Audit Pursuant to Section 6b EnWG (IDW AuS 610 Rev. (07.2021)) promulgated by the Institut der Wirtschaftsprüfer. Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of Compliance with the Accounting Obligations under Section 6b (3) EnWG" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm applies the IDW Quality Management Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on compliance with the accounting obligations under Section 6b (3) EnWG.

Responsibilities of the Executive Directors and the Supervisory Board for Compliance with the Accounting Obligations under Section 6b (3) EnWG

The executive directors are responsible for compliance with the obligations under Section 6b (3) sentences 1 to 5 EnWG to maintain separate accounts. The executive directors are also responsible for the preparation of the activity statements in accordance with the German requirements under Section 6b (3) sentences 5 to 7 EnWG.

In addition, the executive directors are responsible for such internal control as they have determined necessary to comply with the obligations to maintain separate accounts.

The responsibilities of the executive directors for the activity statements correspond to the responsibilities with regard to the annual financial statements described in the "Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report" section, with the exception that the activity statements are not required to provide a true and fair view of the assets, liabilities, financial position and financial performance of the activity in compliance with German Legally Required Accounting Principles.

The supervisory board is responsible for overseeing the Company's compliance with the accounting obligations under Section 6b (3) EnWG.

Auditor's Responsibilities for the Audit of Compliance with the Accounting Obligations under Section 6b (3) EnWG

Our objectives are to obtain reasonable assurance about

- whether the executive directors complied, in all material respects, with their obligations under Section 6b (3) sentences 1 to 5 EnWG to maintain separate accounts, and
- whether the activity statements comply, in all material respects, with the German requirements under Section 6b (3) sentences 5 to 7 EnWG.

In addition, our objectives are to include a report in the auditor's report that comprises our audit opinions on compliance with the accounting obligations under Section 6b (3) EnWG.

The audit of compliance with the obligations under Section 6b (3) sentences 1 to 5 EnWG to maintain separate accounts includes assessing whether the classification of accounts in relation to the activities in accordance with Section 6b (3) sentences 1 to 4 EnWG was appropriate and reasonable, and whether the principle of consistency has been observed.

Our responsibilities for the audit of the activity statements correspond to the responsibilities with regard to the annual financial statements described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section, with the exception that we are unable to evaluate the overall presentation of the activity statements in terms of reasonableness.

Leipzig/Germany, 17 March 2026

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:	Signed:
Oliver Schrader	René Kartes
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

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