Verbund

By our own power.



Integrated Annual Report 2025

VERBUND Integrated Annual Report
This report combines our annual financial report and our sustainability report.

How should this report be used?
The information in this integrated report focuses on the main aspects of economic, environmental and social performance.
Additional information about the content presented here can be found

- in the NFI download at www.verbund.com > About VERBUND > Group > Responsibility > Non-financial information; and
- on other web pages referred to separately.

ESRS indicators in the margin notes point to the corresponding content in the text or to the corresponding section.

The Integrated Annual Report is also available online at www.verbund.com > Group > Investor Relations > Financial publications.

The use of computing software may lead to rounding differences in the addition of rounded amounts and the calculation of percentages.

UN GLOBAL COMPACT
COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Design concept for charts and tables

Column/bar width


Wide columns or bars represent measurement parameters that can be physically counted.
Examples: MW, GWh, employees


Medium columns or bars represent aggregate amounts.
Examples: €k, €m, €bn


Narrow columns or bars represent amounts in euros per unit.
Examples: €/share, €/MWh


Lines or dotted lines represent shares, quotients or indices.
Examples: dividend yield in %, indexed share price, GDP growth in %

Colours

- Current year
- Neutral
- Previous years
- Budgeted figures
- VERBUND
- Highlighting

Five-year comparison

Economic performance

	Unit	2021	2022	2023	2024	**2025**
Revenue	€m	4,776.6	10,346.1	10,449.5	8,244.6	8,013.6
EBITDA	€m	1,579.0	3,160.7	4,490.5	3,480.3	2,737.5
Adjusted EBITDA[1]	€m	1,579.0	3,160.7	4,490.5	3,480.3	2,737.5
Operating result (EBIT)	€m	1,266.8	2,626.2	3,501.9	2,726.0	2,112.3
Operating result before effects from impairment tests	€m	1,161.7	2,698.0	3,953.5	2,902.5	2,112.4
Group result	€m	873.6	1,717.0	2,266.1	1,875.3	1,489.4
Adjusted Group result[1]	€m	798.6	1,754.9	2,615.8	1,975.5	1,472.1
Total assets[2]	€m	17,281.4	19,156.6	19,485.3	18,718.3	18,609.7
Equity	€m	6,362.9	8,323.0	11,220.9	11,064.8	11,331.2
Net debt	€m	3,510.8	3,898.3	1,758.7	1,976.7	2,818.1
Additions to property, plant and equipment	€m	842.8	1,180.9	1,450.5	1,161.1	1,298.1
Cash flow from operating activities	€m	98.2	2,019.9	5,083.0	3,248.6	1,918.5
Free cash flow before dividends	€m	–1,010.1	452.1	3,651.6	2,078.8	536.8
Free cash flow after dividends	€m	–1,329.5	–25.7	2,098.1	144.8	–792.7
EBITDA margin	%	33.1	30.5	43.0	42.2	34.2
EBIT margin	%	26.5	25.4	33.5	33.1	26.4
Return on capital employed (ROCE)	%	11.4	21.2	30.9	28.4	18.5
Return on equity (ROE)	%	15.0	26.5	28.0	19.2	15.1
Equity ratio (adjusted)[2]	%	37.8	44.5	58.9	60.6	62.0
Gearing	%	55.2	46.8	15.7	17.9	24.9
Net debt/EBITDA	X	2.2	1.2	0.4	0.6	1.0
FFO/Net debt (Net Debt Coverage)	%	36.6	64.6	207.9	142.0	83.8
Gross debt coverage (FFO)	%	31.9	56.2	124.1	93.3	76.2
Gross interest cover (FFO)	X	24.9	32.3	30.3	26.9	24.5
Closing price	€	98.90	78.65	84.05	70.00	62.00
Market capitalisation	€m	34,359.4	27,324.2	29,200.3	24,319.1	21,539.8
Earnings per share	€	2.51	4.94	6.52	5.40	4.29
Cash flow per share	€	0.28	5.81	14.63	9.35	5.52
Carrying amount per share	€	15.72	20.94	28.70	28.72	29.77
Price/earnings ratio (last trading day)	X	39.33	15.91	12.89	12.97	14.46
Price/cash flow ratio	X	350.03	13.53	5.74	7.49	11.23
Price/book value ratio	X	6.29	3.76	2.93	2.44	2.08
(Proposed) dividend per share	€	1.05	2.44	3.40	2.80	2.00
(Proposed) special dividend per share	€	–	1.16	0.75	–	1.15
Dividend yield	%	1.1	4.6	4.9	4.0	5.1
Payout ratio from Group result[3]	%	41.8	72.8	63.6	51.9	73.5
Entity Value/EBITDA	X	24.0	9.9	6.9	7.6	8.9
Average number of employees	Number	3,184	3,516	3,804	4,149	4,421
Electricity sales volume	GWh	58,896	63,431	63,672	67,124	61,802
Hydro coefficient	X	0.95	0.86	0.98	1.09	0.79
New renewables coefficient	X	0.91	0.96	1.06	0.91	0.82

[1] adjusted for extraordinary effects // [2] calculation adjusted retrospectively in accordance with IAS 8 in financial year 2022 with effect from 1 January 2021 // [3] payout ratio calculated on the basis of the adjusted Group result amounts to 74.3% for the 2025 reporting period (previous year: 49.2%).

Environmental performance

	Unit	2021	2022	2023	2024	**2025**
Hydropower generation[1]	GWh	29,340	26,754	30,509	33,448	25,370
Wind power generation	GWh	839	954	1,397	1,818	1,714
Solar power generation	GWh	2	70	362	446	439
Thermal power generation	GWh	1,125	1,264	677	1,300	2,054
Share of generation from renewables	%	96	96	98	96	93
Specific GHG emissions (Scope 1/total electricity generated)[2]	g CO_2e/kWh	14	17	8	13	25

Social performance

	Unit	2021	2022	2023	2024	2025
Number of employees under labour law[3]	Number	3,497	3,712	4,095	4,424	4,689
Training per employee[4]	Hours	26.4	34.4	34.4	37.6	34.6
Lost time injury frequency (LTIF)[5]	Number	6.8	8.9	6.5	5.8	2.1
Proportion of women	%	19.3	20.5	22.0	22.6	23.5
Percentage persons with disabilities	%	3.1	2.7	2.3	2.4	2.4
Employee turnover rate[6]	%	2.4	3.1	3.0	3.7	3.9

[1] incl. purchase rights // [2] from electricity generation and transmission (excl. Gas Connect Austria) as a percentage of total electricity generated (incl. purchase rights excl. electricity generated for district heating). Preliminary figures before ETS audit // [3] as at 31 December, excl. members of the Executive Board and employees in partial retirement // [4] incl. executives and long-term agency staff, excl. apprentices, apprentices in post-qualification retention period (*Behaltefristen*), employees seconded to third parties and those on long-term leave; excl. safety instruction // [5] ratio of workplace injuries from the first day of leave to million working hours; excl. injuries requiring only first aid measures and excl. fatal injuries. The basis for calculating the working hours is defined for the industry at 1,740 working hours per year. // [6] excl. retirements

Basic information

Share capital (€)	347,415,686
Shares (number)	347,415,686
Official quotation	
Vienna	VER
Information systems	
Bloomberg	VER AV
Reuters	VERB.VI
ISIN	AT0000746409

Capital market calendar 2026

Event	Date
Annual result 2025	18 March 2026
Publication of integrated annual report	18 March 2026
Record date for Annual General Meeting	11 April 2026
Annual General Meeting	21 April 2026
Ex-dividend date	28 April 2026
Record date for dividends	29 April 2026
Dividend payment date	11 May 2026
Interim report quarter 1/2026	13 May 2026
Interim report quarters 1–2/2026	30 July 2026
Interim report quarters 1–3/2026	5 November 2026

VERBUND
Integrated Annual Report 2025

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Information about the integrated report

This VERBUND Integrated Annual Report contains the Group management report published by VERBUND for financial year 2025, including the Non-Financial Statement and the VERBUND consolidated financial statements. The principles of fair enterprise management followed by VERBUND are laid out in the Consolidated Corporate Governance Report 2025.

Reporting pursuant to the Austrian Sustainability and Diversity Improvement Act (NaDiVeG) and Article 8 of the EU Taxonomy Regulation

VERBUND's Non-Financial Statement (prepared in accordance with Section 267a of the Austrian Commercial Code (*Unternehmensgesetzbuch*, UGB)), which is included in this Integrated Annual Report, compiles the disclosures required by the Austrian Sustainability and Diversity Improvement Act (*Nachhaltigkeits- und Diversitätsverbesserungsgesetz*, NaDiVeG), which implements EU Directive 2014/95/EU regarding the disclosure of non-financial and diversity information. These relate in particular to environmental concerns along with social and governance matters. From 2022, VERBUND is also required to disclose information on environmentally sustainable revenues, capital expenditures (CapEx) and operating expenditures (OpEx) pursuant to Article 8 of the EU Taxonomy Regulation (2020/852). This reporting requirement is complied with through the EU Taxonomy section of the Non-Financial Statement. The Group's auditor reviewed the Non-Financial Statement for completeness and recorded the outcome in an Independent Assurance that was presented to the Supervisory Board. The Supervisory Board reports on this to the shareholders at the Annual General Meeting following the reporting period.

Standards and guidelines

All information in this report is based on national and international standards as well as on guidelines for financial reporting (including International Financial Reporting Standards, IFRSs) and sustainability reporting (European Sustainability Reporting Standards, ESRSs). VERBUND is one of the signatories to the United Nations Global Compact and as such supports the UN's 2030 Agenda for Sustainable Development. This Integrated Annual Report also doubles as VERBUND's UN Global Compact Communication on Progress Report. VERBUND supports the UN's 17 Sustainable Development Goals (SDGs). Reporting focuses on the SDGs that can be significantly influenced by the Group's own operations.



Report of the Executive Board

Ladies and Gentlemen,

The past financial year 2025 was a crucial year for the implementation of our Strategy 2030 – Mission V. With a clear course and targeted investments, we are consistently pushing ahead with value-creating growth, climate action and security of supply. Our ambitions are based on three clearly defined strategic pillars. Firstly, we are strengthening our integrated market position in our domestic market by expanding and upgrading our hydropower and grid infrastructure, and offering customers comprehensive energy solutions. Secondly, we are systematically expanding green electricity generation in Europe – with wind and photovoltaic projects in selected markets and the target of generating around 25% of our electricity using these technologies by 2030. Thirdly, we are positioning VERBUND as one of the leading European hydrogen players and developing solutions along the entire value chain that make a substantial contribution to decarbonisation.

This ambitious agenda was implemented in 2025 despite challenging political and market conditions – a test that once again confirmed our entrepreneurial resilience and the strength of our strategic management. The amendment to the Energy Crisis Contribution for Electricity extended the windfall tax until 2030 and reduces our scope for investment. In addition, delayed legislative procedures, declining futures prices and high spot market volatility increased the complexity of planning. We are proactively addressing these challenges through strict prioritisation, efficiency increases in operations and flexible financial planning to ensure the implementation of our key topics while also taking advantage of opportunities arising from market shifts.

In operational terms, we made significant progress in 2025. In the Hydro segment, we significantly expanded the flexibility of our generation capacities to support the integration of volatile renewable energy sources. Notable achievements included the initial operation of Reißeck II Plus, the refurbishment of the generator sets in Ottensheim-Wilhering, Wallsee-Mitterkirchen, Jochenstein, Egglfing-Obernberg and Braunau-Simbach, and the initial operation of the new Salzach power plant in Stegenwald, which has been supplying predictable green electricity ever since. The Limberg III pumped storage power plant was structurally and technically completed. In the course of initial operation, damage occurred to both rotors during testing. According to the supplier responsible for rectifying the damage, repairs are expected to continue until summer 2026 for generator set 2 and until winter 2026 for generator set 1.

Expanding our grid infrastructure is fundamental to the energy transition: without a high-performance transmission system, the volatile new renewables cannot be efficiently integrated into the system of the future. With the initial operation of the 380 kV Salzburg line on 5 June 2025, we successfully delivered a flagship project after five years of construction and an approval period of 77 months. At the same time, we are consistently driving forward the grid development plan and strengthening the grid areas in Upper Austria and Carinthia. We also implemented targeted actions in the gas infrastructure to secure supply: with the final investment decision and start of construction for the WAG Loop 1 project (June 2025), we are increasing import capacities from Germany and thereby compensating for the loss of supplies from the east.

VERBUND also made decisive progress in the field of new renewable energy in 2025, achieving several important milestones. Developments in the field of wind, photovoltaic and battery projects progressed in all target markets. In Spain, construction began and preparatory work was carried out in 2025 for open-field solar installations with a total capacity of around 1.1 GW. Further construction activities were launched in other target markets: in Romania (a 61 MW wind project, a 60 MWp

photovoltaic hybridisation project and a 48 MW battery storage facility), in Germany (two wind power projects with a total capacity of around 18 MW) and in Italy (four photovoltaic projects with a total capacity of 81 MW). In addition, 2025 saw the closing of M&A transactions involving two wind project portfolios at an advanced stage of approval in Romania and Germany, with a total capacity of around 410 MW. In 2025, a total of 74 MW was brought into initial operation in Austria, Germany, Italy and Spain, bringing the total installed capacity in the field of new renewable energy to around 1.3 GW.

In the Sales segment, we intensified our efforts in the development of battery storage solutions, with a strong focus on Germany. As of 31 December 2025, 15 plants with a total capacity of 110 MW were in operation, four large-scale battery projects with a total capacity of 195 MW were being implemented, and further projects with a capacity of over 300 MW were in development.

At the same time, we are systematically establishing a comprehensive hydrogen infrastructure. In the short term, we are strengthening regional generation to support the decarbonisation of energy-intensive industries in Austria, Germany and Spain. In the long term, we are developing a broadly diversified import portfolio to produce large volumes of green hydrogen in Europe and neighbouring regions and transport it by pipeline to purchasing centres.

VERBUND is playing a leading role in the transition to clean energy. In 2025, VERBUND received multiple awards for its sustainability strategy. At the CEO & CFO Awards presented by Deloitte together with Börse Express and the CFO Club Austria, we received, among other accolades, the award in the ESG category for our ambitious climate strategy, our focus on biodiversity, the successful placement of a €500m green bond, and the integration of the new EU Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS) into our Integrated Annual Report. The jury was also impressed by VERBUND's comprehensive hydrogen strategy. In addition, we were honoured with the ESG Award at the Austria's Leading Companies awards in recognition of our transparent reports, measurable emissions reductions and our Climate Transition Plan, which aims to reduce greenhouse gas emissions by 74% by 2030, by at least 90% by 2040, and to achieve net-zero greenhouse gas emissions by 2050. Another highlight in 2025 was the award marking the 20th anniversary of the Austrian sustainability index VÖNIX, in which VERBUND has been listed continuously since its inception.

For 16 years, VERBUND has been collaborating with Caritas' Electricity Relief Fund to support people in Austria who are affected by energy poverty – regardless of their electricity provider. This has helped more than 21,000 people and over 8,000 households to date.

All of these awards and projects underscore VERBUND's consistent commitment to sustainable corporate governance and responsibility for the environment and society. Our initiatives demonstrate that we are actively shaping the transition to clean energy and, together with our stakeholders, hold a leading position.

Solid results for 2025 despite below-average water supply and windfall tax. Due to the significantly lower electricity generation from hydropower and the negative effects of the extended windfall tax in Austria, VERBUND's results for financial year 2025 were lower than in the previous year, but remained at a historically high level. EBITDA fell by 21.3% year-on-year to €2,737.5m. The Group result was down 20.6% to €1,489.4m, and the Group result after adjustment for non-recurring effects amounted to €1,472.1m, down 25.5% on 2024.

The hydro coefficient for the run-of-river power plants stood at 0.79, down 30 percentage points on the previous year (1.09) and 21 percentage points lower than the long-term average. Generation from the annual storage power plants declined by 5.9% year-on-year in 2025. As a result, total generation from hydropower plants was down 8,078 GWh, or 24.2%, to 25,370 GWh. Due to lower wind supply and lower global radiation, electricity generation from new renewable electricity generation facilities also declined. In financial year 2025, the new renewables coefficient for wind and photovoltaic power was 0.82, which is 18 percentage points below the planned value and 9 percentage points below the 2024 level (0.91). Results were also negatively affected by expenses in connection with the measures to tax windfall profits, which amounted to €135.9m in the 2025 reporting period in Austria. The average sales prices achieved for the Group's own production of hydroelectricity declined only slightly despite lower futures prices on the wholesale electricity market, falling by €1.7/MWh to €116.3/MWh. The high average sales price achieved in 2025 was mainly attributable to premature "limit" sales at high wholesale prices for electricity at the start of 2023 and from November 2023 onwards. By contrast, results were positively influenced by the higher temporary earnings contribution from the electricity grid, partly due to higher auction revenues for cross-border transmission capacities, although this will be absorbed again in subsequent periods due to regulatory requirements. The Sales segment also performed well, partly due to the stabilisation of the end-customer business. The contribution from flexibility products remained at the previous year's level at around €275m; in this segment, VERBUND benefits from its flexible power plant capacities amid increasing price volatility.

Regular dividend and special dividend proposed. A dividend of €3.15 per share for financial year 2025 will be proposed to the Annual General Meeting on 21 April 2026. The dividend breaks down into a regular dividend of €2.00 per share and a special dividend of €1.15 per share. The special dividend equates to an amount of approximately €400m and supports shareholder-oriented capital allocation. Distribution of the dividends is contingent on approval of the 2025 annual financial statements and a resolution being passed at the 2026 Annual General Meeting.

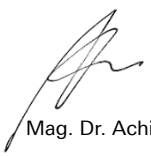
We would like to express our special thanks to our employees once again this year. Through their entrepreneurial commitment, expertise and innovative spirit, they play a decisive role in mastering the complex challenges of a dynamically changing energy market while ensuring a clean, secure and reliable electricity supply. We would also like to thank our customers, investors, suppliers and partners for their trust and support. They enable us to deliver on our strategic objectives and actively push ahead with the transition to clean energy.



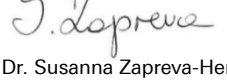
Mag. Dr. Michael Strugl, MBA



Dr. Peter F. Kollmann



Mag. Dr. Achim Kaspar



Dr. Susanna Zapreva-Hennerbichler

Report of the Supervisory Board

As Austria's leading energy company, VERBUND generated pleasing results once again in financial year 2025 despite the challenges and considerable uncertainties. The Group succeeded in keeping its profitability at a high level and continuing its sustainable development. The Supervisory Board actively monitored and supported this strong performance.

Performance of duties

In financial year 2025, the Supervisory Board discharged the responsibilities and exercised the powers incumbent upon it by virtue of the law and the Articles of Association at five plenary meetings. At certain meetings, several members of the Supervisory Board participated remotely by video. The overall attendance rate for all Supervisory Board members was 97%. The Chairman additionally kept in regular contact with the Board members to discuss matters of importance as they arose. The Executive Board provided the Supervisory Board with regular and comprehensive real-time information, both verbally and in writing, on all relevant matters relating to the performance as well as the position and strategy of the Group and all significant Group companies; information was also provided on the Group's risk position and its risk management activities.

The Supervisory Board advised the Executive Board on key questions concerning the future, particularly as regards the Group's structure and strategy, and regularly discussed the implementation of the strategy with the Executive Board. Major investment and acquisition projects underpinning the ongoing implementation of the growth strategy were among the main topics discussed. The Supervisory Board monitored and supported the Executive Board's management activities continuously based on its extensive reporting. Supervision took place in the context of open and constructive meetings between the Executive Board and the Supervisory Board and revealed no grounds for objection. The main resolutions adopted by the Supervisory Board are presented in the 2025 Consolidated Corporate Governance Report. Between meetings, the Chairman of the Supervisory Board conversed regularly with the Chairman of the Executive Board.

Composition of the Executive Board and the Supervisory Board

There were no changes to the Executive Board or Supervisory Board during the reporting year. Dipl.-Ing. Robert Stajic was re-elected to the Supervisory Board at the Annual General Meeting on 29 April 2025. The Supervisory Board extended the Executive Board mandate of Mag. Dr. Achim Kaspar to 31 December 2028.

Code of Corporate Governance, Supervisory Board Committees

As a leading listed Group, VERBUND made an early commitment to adhere to the Austrian Code of Corporate Governance (*Österreichischer Corporate Governance Kodex*, ÖCGK). VERBUND's Supervisory Board views compliance with the Code as obligatory and endeavours to consistently conform to the provisions relating to the Supervisory Board. In this spirit, essential compliance with the rules relating to the Supervisory Board's collaboration with the Executive Board and within the Supervisory Board itself has been achieved.

In addition, the Supervisory Board again discussed at length possible conflicts of interest when dealing with the approval of contracts with companies where individual Supervisory Board members are related parties. No conflicts of interest were identified that would require any corresponding action to be undertaken.

The merger of the Strategy Committee with the Sustainability Committee in 2024 to form the new Strategy and Sustainability Committee with an expanded remit underscores the high strategic importance of sustainability across all areas of VERBUND's business activities. The Strategy and Sustainability Committee met four times in the reporting period, during which it dealt mainly with the implementation of the Group strategy and strategic planning. In addition to ESG reporting, it also addressed individual M&A projects and their sustainability impacts, examined new scenario analyses, and covered key sustainability topics such as the materiality assessment and the Climate Transition Plan.

The Audit Committee of the Supervisory Board held three meetings in the past financial year. It focused in particular on the semi-annual financial statements, the budget and medium-term planning, as well as on preparing the resolution on the annual financial statements, and on the appointment of the auditor and the review of the auditor's work. In addition, the Audit Committee concentrated on the Group's internal control and audit procedures, as well as on other current topics such as information security and the cyber threat landscape.

In accordance with the Austrian Code of Corporate Governance (ÖCGK) and the rules of procedure, the Group once again had a Nomination Committee and a Remuneration Committee in the past financial year. The Remuneration Committee held three meetings, focusing in particular on target agreements and target achievement for the variable remuneration of the Executive Board, as well as on the 2024 remuneration report and the remuneration policy. The Nomination Committee held two meetings and focused primarily on preparing the election of a Supervisory Board member and the extension of the Executive Board mandate of Mag. Dr. Achim Kaspar.

Further information on the composition, work procedures and meetings of the Supervisory Board and its committees is contained in the Group's Consolidated Corporate Governance Report for 2025. Information on the remuneration paid to the Supervisory Board members can be found in the remuneration report that the Executive Board and the Supervisory Board jointly prepared for presentation to the Annual General Meeting in April 2026 in accordance with Section 78c of the Austrian Stock Corporation Act (*Aktiengesetz*, AktG).

Annual financial statements/consolidated financial statements and Non-Financial Statement

The annual financial statements, together with the management report, the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRSs) and the Group management report for financial year 2025 were audited by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. and issued with an unqualified auditor's report. In addition, an audit was conducted to obtain limited assurance for the consolidated Non-Financial Statement included in the Group management report. Nothing came to the auditor's attention that caused them to believe that the consolidated Non-Financial Statement included in the Group management report does not comply, in all material respects, with the legal requirements.

The auditor prepared the additional report required to be made to the Audit Committee under Article 11 of the Regulation on the statutory audit of public-interest entities and reported its findings in writing. The auditor found that the Executive Board had provided the explanations and evidence requested and that the book-keeping, annual financial statements and consolidated financial statements fulfilled the legal requirements and, in conformity with Austrian generally accepted accounting principles, gave a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the Group. The auditor also confirmed that the management report and the

Group management report were consistent with the annual financial statements and the consolidated financial statements.

Following in-depth examination and discussion by the Audit Committee and the Supervisory Board, the Supervisory Board approved the annual financial statements for financial year 2025 as presented by the Executive Board. As a result, they are final for the purposes of Section 96(4) of the Austrian Stock Corporation Act (AktG). The management report prepared by the Executive Board was approved, as was the proposal for the appropriation of profit. The Supervisory Board also approved the consolidated financial statements and the Group management report, including the Non-Financial Statement along with the corporate governance report submitted by the Executive Board. There were no grounds for any material objections.

In conclusion, the Supervisory Board would like to thank the Executive Board and all of the Group's employees for their successful work in financial year 2025. Their tireless efforts in challenging circumstances ensured an uninterrupted electricity supply in Austria and made a significant contribution to implementing the Group strategy. The Supervisory Board would also like to thank the Group's shareholders, customers and partners for their trust.

Vienna, March 2026



Mag. Martin Ohneberg
Chairman of the Supervisory Board

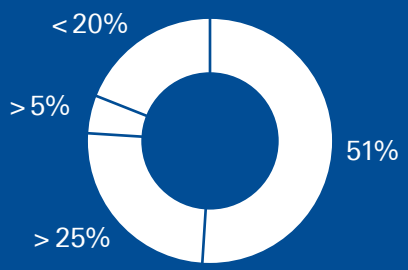
Building on our Mission V corporate strategy, we strive to cultivate new lines of business, develop new markets and become active in new regions across Europe. Sustainability is an essential part of all our activities.

VERBUND is Austria's leading power company and one of the largest producers of hydroelectricity in Europe. The Group generated annual revenue of around €8.0bn in 2025 with approximately 4,400 employees. VERBUND has been quoted on the Vienna Stock Exchange since 1988 with 51% of the share capital being held by the Republic of Austria.

Sustainability and innovation

Climate change is an issue of great importance for VERBUND. We work to create sustainable solutions for the future of energy – solutions that will enable us to reduce emissions and implement our Climate Transition Plan with the goal of achieving net zero by 2050. Research, development and innovation are the bedrock of our commitment.
VERBUND is ramping up its investments in the energy transition. We are making our hydropower plants even more efficient, generating increased volumes of green electricity with state-of-the-art wind farms and photovoltaic installations, and embracing green hydrogen and new technological solutions. We believe in a future powered solely by renewable energy sources. But we know that we can only achieve the energy transition together. By our own power.

Shareholder structure



Republic of Austria	**51%**
EVN and Wiener Stadtwerke syndicate	**> 25%**
TIWAG	**> 5%**
Free float	**< 20%**

Contact
VERBUND AG
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+43 (0)503 13-0, information@verbund.com
www.verbund.com

Generation

VERBUND is Austria's leading utility and one of the largest producers of hydroelectricity in Europe.
Our most important energy generation technologies are hydropower, wind power and solar power – renewable resources that account for the lion's share of the energy we produce and that will help us achieve our long-term goal of generating 100% carbon-free electricity.

% of electricity generated, 2025

Hydropower[1]	**< 86%**
136 power plants	25,370 GWh
Wind Power	**< 6%**
353 power plants	1,714 GWh
Solar Power[2]	**> 1%**
51 solar farms	439 GWh
Thermal Power	**< 7%**
2 power plants	2,054 GWh
Battery storage systems	**< 1%**
15 facilities	47 GWh

1) including purchase rights 2) excluding leased/contracted

Our 136 hydropower plants together have a capacity of approx. 9,100 MW.

By 2030, 25% of our overall electricity generation will come from wind and solar power.

APG's trans-regional power grid extends over approx. 3,300 kilometres.

GCA's high-pressure gas pipeline network is approx. 900 kilometres long.

Our segments

Hydro

Climate-friendly hydropower is the most important source of energy for our electricity generation. Approx. 86% of VERBUND electricity comes from hydropower. We manage our power plants efficiently and protect people and the environment. Going forward, we will continue to invest in the expansion of hydropower.

New renewables

VERBUND is pressing ahead with new wind and solar power projects to diversify its generation portfolio. Our long-term goal is to build up an onshore wind and photovoltaic portfolio in Europe that will account for approximately 25% of our overall generation by 2030.

Grid

Power grid
Austrian Power Grid AG (APG), VERBUND's grid subsidiary, operates the national electricity transmission network in Austria, with approximately 3,300 kilometres of power lines that supply Austria with electrical energy.

Gas grid
In addition, VERBUND has a majority stake in Gas Connect Austria (GCA). A key hub in the European natural gas network, GCA makes a substantial contribution to ensuring adequate supplies of natural gas not only in Austria but also in Germany, France, Slovenia, Croatia and Hungary.

Sales

Through electricity trading we sell the electricity we generate on wholesale markets and manage the use of VERBUND power plants. In sales we are continuously expanding our lead in innovative green electricity and flexibility products as well as energy services.

All other segments

"All other segments" brings together the Thermal generation, Services and Equity interests segments that are below the quantitative thresholds. The combined cycle gas turbine power plant and the district heating power plant in Mellach, Styria, are deployed as necessary in gas operation.

VERBUND's Strategy 2030

Today more than ever, the global economy is characterised by great uncertainty. In addition to the slowdown in economic growth, particularly in the eurozone, trade wars and increased protectionism are having a negative impact on global trade. At the same time, record levels of global debt are leading to increasing fiscal policy interventions (tax adjustments, windfall taxes, etc.). To cushion the impact of these global developments, the European Union intends to stick to its 2050 climate targets and use the Clean Industrial Deal to strengthen Europe's competitiveness and initiate new growth momentum for the economic area through fiscal stimuli from 2026 onwards.

Against this backdrop, two trends are emerging in the European energy market: on the one hand, a move towards lower investment intensity with the aim of strengthening the capital structure, and on the other hand, efforts to align the expansion of renewable energy with grid expansion. This rapid expansion of renewable energy in recent years, particularly wind and photovoltaics, requires lines with high performance for powerful high- and extra-high-voltage transmission lines, modern substations and flexible generation capacity – including pumped storage plants, storage power plants and batteries – to successfully integrate carbon-free electricity into the energy system. In addition, tariff-based lines of business such as electricity or gas networks offer attractive investment opportunities, particularly under the current uncertain conditions.

Based on these considerations, VERBUND conducted a strategy review in spring 2025, which resulted in the decision to adjust the existing investment programme as part of a portfolio optimisation process and position it in a forward-looking manner to secure the Group's excellent rating. In addition to reaffirming its commitment to expanding new renewable energy sources (wind and photovoltaics), greater strategic importance was also attached to grid expansion. Efforts in the hydrogen economy are being extended over time due to the economic uncertainties outlined above and the not yet fully established subsidy regime, but remain unchanged in substance.

As Austria's largest energy company and one of the leading producers of green electricity in Europe, VERBUND is fully aware of its societal responsibility for the success of the energy transition. The challenges that lie ahead in this regard require a clear company spirit in order to generate growth, develop new lines of business and tap into new markets: **Mission V**.

To ensure that the strategic goals are implemented, it is important that we have not only a clear strategic focus, but also an internal framework in place that allows us to actively shape change and transformation and helps VERBUND stay in shape for the future. In 2025, as part of an internal transformation, the VERBUND brand was further strengthened with the new "By our own power" campaign series, additional initiatives were launched to support cross-divisional and efficient cooperation with the "KraftWert" corporate culture project, and the modernisation of workplaces and sites was further advanced. Furthermore, the establishment of the AI Center of Enablement created a central unit that will manage and scale the Group-wide use and handling of artificial intelligence (AI).

Mission V will be put into operation in three strategic focus areas: strengthening VERBUND's position as an integrated utility in the domestic market, expanding renewables in Europe and positioning VERBUND as a European hydrogen player.

Strengthening VERBUND's position as an integrated supplier in the domestic market



Hydropower has been the backbone of VERBUND's activities for more than 75 years, which is why it is a key element in our strategy of strengthening the position of our Group as an integrated utility in the domestic market. Equally, VERBUND is aware of its responsibility as a reliable transmission system and gas pipeline operator. In supplying end-users with green electricity and with its ambitious commitment to customer-centric solutions, VERBUND sees itself as a decarbonisation partner in Austria and Germany. In relation to the targets set, VERBUND achieved a number of key milestones in 2025 through the implementation of Strategy 2030:

Hydro

- Conserving, modernising and expanding hydropower generation in Austria and Germany, examples being the initial operation of the Stegenwald partner power plant (14.3 MW and 73.8 GWh).
- Continuing and preparing further rehabilitation projects at the power plants on the Danube, Inn, Drau and Mur rivers, and continuing work on the re-issuance of water rights (including in Kaprun in 2029).
- Expanding pumped storage capacity in Austria and Germany, examples being the initial operation of the Reißeck II plus expansion project (45 MW), the structural and technical completion of the Limberg III new construction project (480 MW), and continuing the approval process and securing planning approval for the Riedl energy storage project (300 MW).

Grid

- Implementing the network development plans to safeguard a stable electricity and gas network infrastructure while helping to shape the energy transition through the further development of the core infrastructure component.
- Austrian Power Grid AG: in 2025, the 380 kV Salzburg line project was completed and the line was put into operation. Work on the 380 kV Germany line and 220 kV expansion of the central Upper Austria region projects, as well as on several substation projects, continued as planned. In addition, in consultation with the respective landowners, the construction and repair of access roads for the "General overhaul of the Ennstal line" project began in October 2025. For the "General overhaul of the 220 kV Lienz–Italy south connection", the oral environmental impact assessment (EIA) hearing took place by early October 2025. As part of the "Carinthia grid area" project, Austrian Power Grid's 380 kV grid in southern Austria will be connected by the planned link between Lienz (East Tyrol) and Obersielach (Carinthia). In September 2025, Austrian Power Grid presented the preliminary route alignment and announced that detailed planning would continue until the end of 2026.

- Gas Connect Austria GmbH: to maintain security of supply, the investment decision for the "WAG Loop 1" project was made in May 2025. This pipeline will run parallel between Oberkappel and Bad Leonfelden, increasing import capacity from Germany by around 30% from 2028 onwards. The pipeline infrastructure is being built to be "hydrogen ready" and is therefore equipped for possible repurposing with the green energy source. Gas Connect Austria's forward-looking infrastructure projects are being carried out as part of the European Projects of Common Interest programme for hydrogen imports and form part of the "SouthH2 Corridor" import corridor. This will allow financial support to be obtained from the Connecting Europe Facility (CEF) for project activities.

Sales

- Supporting the energy transition by supplying end-users (industrial, commercial and residential customers) with green electricity and innovative services.
- Fostering the further development and expansion of photovoltaic systems (open-field installations, rooftop systems and photovoltaic carports), e-mobility, battery storage and heat pumps, as well as by providing customer-centric solutions.
- Expanding e-mobility activities related to building charging infrastructure for electric cars at the sites of industrial customers, in residential areas and in the tourism sector, as well as a high-performance charging infrastructure network with VERBUND's subsidiary SMATRICS.
- Supporting operators of small-scale hydropower plants, photovoltaic installations and wind power plants in marketing the electricity they produce.
- Enabling industrial customers and green electricity providers via the VERBUND-Power Pool when marketing their flexibility assets on the control power and intraday market.
- Integrating the subsidiary HalloSonne GmbH into VERBUND Energy4Customers GmbH to pool resources, share photovoltaic expertise and exploit synergies.

Expanding renewables in Europe

By significantly expanding wind power and photovoltaic systems in Europe, VERBUND will help reduce reliance on fossil fuels in the medium term and contribute to a climate-neutral Europe. Diversifying its regional, economic and technological risks is another aspect of VERBUND's strategy. Due to the volatility of wind and photovoltaic generation, the expansion of flexibility products needs to be stepped up. The aim is to increase the share of renewable energy from wind and photovoltaics to about 25% of total electricity generation by 2030 in the following ways:



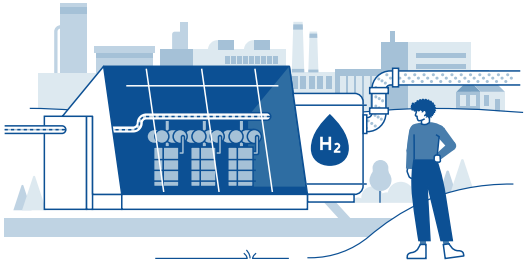
- Covering the entire value chain through an end-to-end presence in all markets in order to scale best practices, standardise processes and achieve cost savings.
- Setting up (greenfield) pipelines, construction and operation of facilities from a single source.

- Economic robustness and financial stability, increasing margins and project returns:
  - Increase in revenue: optimising offtake and revenue streams: e.g. long-term purchase agreements/ PPAs, secured revenues;
  - Cost reduction: using economies of scale to reduce DevEx, CapEx and OpEx. DevEx and OpEx are to be reduced through digitalisation, cross-border cooperation and standardisation. Conclusion of framework agreements on the procurement of components to reduce CapEx.
- Creating value by utilising synergy potential via hybridisation (photovoltaics and wind power). Evaluating opportunities for the co-location of battery systems in all countries to optimise grid utilisation, mitigate the risk of feed-in restrictions and diversify sources of income.
- Asset rotation: selective asset rotation to free up capital for more profitable development and generate additional revenue.
- Technology diversification and balanced expansion of the presence across all six VERBUND Green Power markets.

Positioning VERBUND as a European hydrogen player

Green hydrogen is considered a game changer for the energy transition. As a holistic decarbonisation partner to industry, VERBUND is using green electricity and green hydrogen to sustainably secure European business locations.

In the short term, the focus is on expanding local hydrogen production in Austria, Germany and Spain:



- The H2FUTURE pilot plant at voestalpine's Linz site is one of the world's longest-running PEM electrolysis plants. It was further expanded in collaboration with voestalpine in 2025.
- In 2025, the USS 2030 research project was also successfully completed. The project partners, led by RAG Austria AG, investigated how existing storage structures could be used for seasonal storage of solar energy in the form of hydrogen.
- In the long term, European hydrogen needs will not be met by local generation alone. VERBUND is therefore working on building a diversified portfolio of import projects in regions that offer favourable generation conditions for renewable electricity and green hydrogen, as well as an infrastructure connection to the core markets. To this end, VERBUND has entered into a number of partnerships for the joint, large-scale generation of green hydrogen.
- In January 2025, as part of the SoutH2 Corridor initiative, cooperation arrangements were concluded between Italy, Germany, Austria, Algeria and Tunisia to transport 1.9 Mt of hydrogen per year to Central Europe via a 3,300 km corridor.

By focusing on these strategic areas, VERBUND is positioning itself as a profitable and financially resilient European energy company that is leading the way in decarbonising Europe at the same time. The individual focus areas will also give a boost to the Sustainable Development Goals (SDGs) Affordable and clean energy (SDG 7), Industry, innovation and infrastructure (SDG 9), Responsible consumption and production (SDG 12) and Climate action (SDG 13).

Corporate objectives

The following medium-term corporate objectives have been defined based on VERBUND's Strategy 2030:

Topics	Corporate objectives
Increasing enterprise value[1]	Financial stability: Net debt/EBITDA <3.0
	Return on capital: ROCE >10.0%[2]
	Target an A-level rating; secure a BBB+ rating
Security of supply	Maintain value and expand generation and grid capacity
Strengthening the integrated domestic market: Hydropower	Rehabilitate existing hydropower plants and build new ones
	Provide flexible generation units (pumped storage power plants)
Strengthening the integrated domestic market: Grid	Implement network development plan for electricity
	Implement network development plan for gas
Strengthening the integrated domestic market: Sales	Build up battery flexibility products
	Develop innovative solutions for industrial and commercial customers such as photovoltaic installations and e-mobility products
	Growth in the end-user market
	Customer Loyalty Index >75 points
Expanding green electricity generation in Europe	Up to 25% of all electricity generated by 2030 to come from wind and photovoltaic power
	Accelerated growth through structured M&A activities
	Independent project development for photovoltaic and wind power plants
	Build up battery flexibility products to integrate new renewables capacities
Positioning VERBUND as a European hydrogen player	Construct customer-focused H_2 generation facilities
	Participate in international transport routes to import H_2 into Central Europe
	Long-term business development of international H_2 generation combined with renewable generation
Innovation	Identify and bring new business areas or products to market across the strategic innovation focus areas
	Develop a venture investment portfolio and generate strategic innovation insights to address disruptive developments
Digitalisation, information security and privacy	Plan and implement digitalisation initiatives and projects along the entire value chain of the Group
	Establish a Center of Enablement (AI CoE) for AI and data management for the targeted introduction and value-adding use of AI solutions
	Implement actions and roll out solutions across the Group to further improve the hybrid working environment
	Reach 100% of relevant employees through targeted actions to continuously raise awareness on the topics of privacy, information security and the responsible use of AI
	Implement the projects defined in the information security master plan to further increase the level of cybersecurity maturity
	Provide stable and secure data centre and cloud infrastructures, as well as platforms, as a basis for Group-wide digitalisation projects
	Continue the modernisation of the existing transmission systems
Environment	Reduce absolute greenhouse gas emissions (Scope 1, 2, 3 excluding category 2) by 74% (2020–2030)
	Reduce the intensity of Scope 1 emissions from electricity generation by 40% (2020–2030)
	Reduce the intensity of Scope 3 emissions from electricity sales by 90% (2020–2030)

Topics	Corporate objectives
Social	Lost time injury frequency (LTIFR) ≤4.6 by 2026
	Number of safety improvements >672
	Employee turnover excluding retirements <5%
	38.5 hours of training per employee each year
	35 new apprentices each year
	Proportion of women >25% by 2030
	Ensure balanced employee age structure (benchmark: employed wage and salary earners by age group in Austria)
	Proportion of employees with a disability >3.5% by 2030
Governance	100% participation rate in mandatory compliance training

[1] based on existing asset and value chain structure

[2] applies to unregulated activities

Investor relations

Upcoming dates:

Record date for Annual General Meeting: 11 April 2026
Annual General Meeting: 21 April 2026
Ex-dividend date: 28 April 2026
Record date for dividends: 29 April 2026
Dividend payment date: 11 May 2026
Results for quarter 1/2026: 13 May 2026

International capital market environment in 2025

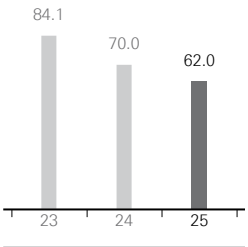
Despite numerous incidents of turbulence, 2025 proved to be a strong year on the stock market. The main determining factors were the ongoing geopolitical crises, such as the war in Ukraine, which has now been going on for four years, the continuing military crisis in the Middle East and the conflict between Taiwan and China, which has intensified further compared with previous years. Added to this were the tariff conflicts between the US and the rest of the world, as well as concerns about a bubble forming – or bursting – in the field of artificial intelligence (AI).

All of these factors had an impact on the monetary policy of the central banks of the major national economies, above all the US Federal Reserve (Fed) and the European Central Bank (ECB). The Fed found itself caught between tariff-related inflation risks and a weakening economy, and consequently implemented several interest rate cuts in 2025. The ECB pursued a similar monetary policy stance in the first half of 2025 and then paused interest rate hikes in the second half of the year in view of stabilising inflation rates in most eurozone countries. This was despite the fact that the general economic environment remained challenging due to high energy prices and structural issues. All in all, however, this turbulence had little impact on the international stock markets. By contrast, buoyed by supportive monetary policy and strong growth and investment expectations in the field of AI, international stock markets recorded double-digit growth rates in some cases in 2025.

The US Dow Jones Industrial stock index ended 2025 up 13.0%. The Eurostoxx 50 performed more strongly, posting gains of 18.3% compared with the end of 2024. Japan's Nikkei 225 stock index turned in an even stronger performance, with a noteworthy gain of 26.2%. Share price performance in the emerging markets was even better again in comparison. The MSCI Emerging Markets Index finished the 2025 reporting period up 30.6%. The Austrian benchmark index ATX also delivered an impressive performance in 2025, closing 45.4% higher. The index ended the year at 5,326.33 points.

VERBUND shares

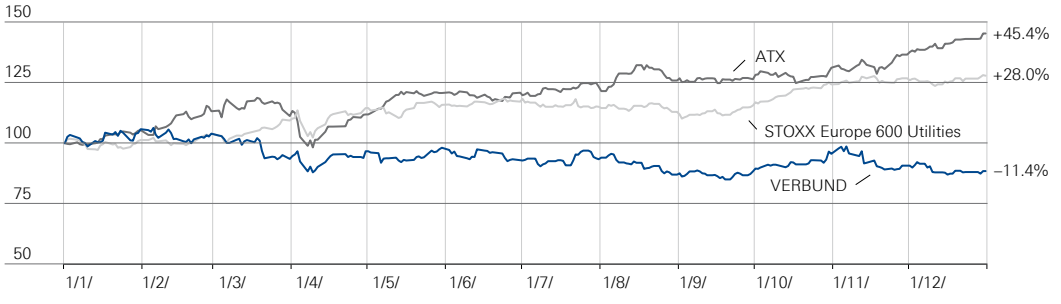
Closing prices
VERBUND shares €/share



The development of VERBUND shares was characterised by an upward trend until the start of February 2025. This was due mainly to the increase in wholesale prices for electricity triggered by rising gas prices. From that point on, however, the share price declined steadily. This downward trend intensified in March, particularly due to the announcement that windfall tax for energy companies in Austria would be extended and tightened until 2030. In quarter 3/2025, the negative trend continued. In quarter 4/2025, the share price recovered until mid-November before falling again, despite the announcement of a special dividend for financial year 2025. Prevailing uncertainty about further regulatory intervention had a negative impact. The VERBUND share ultimately ended the financial year with a closing price of €62.0.

At 31 December 2025, the performance of VERBUND shares for 2025 was down 11.4%, which was well below that of the Austrian stock market index ATX (full-year performance +45.4%) and also below that of the European sector index STOXX Europe 600 Utilities (full-year performance +28.0%). With a market capitalisation of €21.5bn, VERBUND was nevertheless Austria's second-largest listed company in the ATX at the end of 2025.

VERBUND share price: relative performance 2025



KPIs – shares

	Unit	2024	**2025**	Change
Share price high	€	86.5	74.5	–13.8%
Share price low	€	62.6	59.6	–4.8%
Closing price	€	70.0	62.0	–11.4%
Performance	%	–16.7	–11.4	–
Market capitalisation	€m	24,319.1	21,539.8	–11.4%
ATX weighting	%	9.8	6.2	–
Value of shares traded	€m	4,757.6	4,233.3	–11.0%
Shares traded per day	Shares	257,299	253,099	–1.6%

Investor relations team activities in 2025

Active, open communication with investors, analysts and individual shareholders during road shows, conference calls and in one-on-one conversations is important to VERBUND. Numerous challenges with implications for the development of wholesale electricity prices and the utilities sector (such as the continuation of the war in Ukraine), regulatory market interventions including the extension and tightening of the windfall tax in Austria until 2030, as well as the announcement of a special dividend once again necessitated intensified communication activities in financial year 2025, which were conducted both in person and virtually. As in previous years, the IR team participated in several road shows in Europe and the United States, as well as in major investor conferences and trade fairs for individual shareholders. Together with the Executive Board, the team briefed investors from all over the world on VERBUND's key performance indicators and its operational and strategic performance.

Comprehensive information is available on the "Investor Relations" pages of the website at www.verbund.com – including the annual and interim reports, financial calendar and events, current press releases, presentations and Excel spreadsheets, as well as documents relating to VERBUND's Annual General Meetings in past years.

VERBUND shares are covered by 17 renowned Austrian and international investment banks, thus ensuring their visibility in the capital market. The following investment banks covered VERBUND as at 31 December 2025:

IR contact:
Andreas Wollein
Head of Group Finance and Investor Relations
Tel.: +43 (0)50 313-52604
Email: investor-relations@verbund.com

Alpha Value (Pierre-Alexandre Ramondenc)
Bank of America (Julius Nickelsen)
Bank Pekao (Andrzej Kędzierski)
Barclays (Peter Crampton)
Berenberg Bank (Andrew Fisher)
Bernstein (Bartlomiej Kubicki)
Citigroup (Piotr Dzieciolowski)
Deutsche Bank (Olly Jeffery)
Erste Group (Petr Bártek)
Exane (Alberto De Antonio)
Kepler Cheuvreux (Ingo Becker)
Morgan Stanley (Harrison Williams)
Morningstar (Tancrède Fulop)
Oddo BHF (Louis Boujard)
Raiffeisen Bank International (Aaron Alber)
Royal Bank of Canada (Alexander Wheeler)
UBS (Wanda Serwinowska)

Current ratings

For more information on the rating, please refer to the section on Finance > Financing.

As at 31 December 2025, VERBUND's ratings were as follows:

- Standard & Poor's: A+/stable outlook
- Moody's: A2/stable outlook

Standard & Poor's current A+ rating was placed on CreditWatch Negative as of 30 January 2026 due to poor water supply and government intervention.

VERBUND in sustainability indices and ratings

VERBUND achieved very good results in various sustainability ratings in 2025.

VERBUND maintained B+ in the ISS ESG rating (formerly ISS-oekom) and is therefore among the top three companies in the electric utility sector. In addition, it maintained its CDP Climate rating at A– (leadership) in 2025. This puts VERBUND above the European (B) and the global (B) average. VERBUND participated in the CDP Water rating for the first time and immediately achieved a B rating. This puts VERBUND above the European (C) and the global (C) average in this sector. In the rating prepared by US financial services provider MSCI, VERBUND once again achieved the top grade, AAA.

The Sustainalytics rating improved slightly from 18.8 to 18.7 out of 100 points year-on-year (the fewer points, the better). This ensures VERBUND remains in the Low Risk category.

VERBUND was also honoured in 2025 for its 20 years of continuous listing in the VÖNIX sustainability index. In this context, particular emphasis was placed on VERBUND's commitment to its environmental and social activities.

The VÖNIX award underscores VERBUND's pioneering role in sustainable business practices as Austria's leading energy supplier.

VERBUND was included in the following sustainability indices as at 31 December 2025:

- VÖNIX (VBV Austrian sustainability index)
- FTSE4Good Index Series
- S&P Global 1200 Scored & Screened Index (formerly called the S&P Global 1200 ESG Index)

See also:
www.voenix.at

Consolidated Corporate Governance Report

Consolidated Corporate Governance Report

in accordance with Section 267b of the Austrian Commercial Code (UGB)

Corporate governance – framework

VERBUND AG is a listed stock corporation domiciled in Austria. Its corporate governance framework is derived from Austrian and European law, including, but not limited to, stock corporation and capital market law, the Austrian Commercial Code (*Unternehmensgesetzbuch*, UGB) including the regulations governing employee co-determination, the Company's Articles of Association, the rules of procedure for the Company's Boards and, finally, the Austrian Code of Corporate Governance (*Österreichischer Corporate Governance Kodex*, ÖCGK).

Commitment to the Austrian Code of Corporate Governance

Declaration of conformity

VERBUND has declared its unconditional commitment to the Austrian Code of Corporate Governance (ÖCGK). The Executive Board and Supervisory Board see it as their primary duty to comply with all of the rules of the Code as fully as possible and to maintain and continue to develop the Group's high internal standards. The Code as amended in January 2025 was applied during financial year 2025 and adhered to in accordance with the explanatory notes in this report. Active implementation of the requirements of the Code is intended to ensure responsible management and control of the Group directed at sustainable, long-term value creation and to create a high level of transparency for all stakeholders. VERBUND will continue to actively adhere to the Code as amended during financial year 2026. Applying the Code as fully as possible is an essential building block for strengthening the trust placed in the Group by shareholders, business partners, employees and the general public.

The Austrian Code of Corporate Governance as amended is available on the website of the Austrian Working Group for Corporate Governance at www.corporate-governance.at.

Scope of reporting

A consolidated corporate governance report is presented as required under statutory provisions. As a combined report, it also includes the report in accordance with Section 243c of the Austrian Commercial Code (UGB), and key items have been expanded beyond the listed parent company to include the entire Group. Opinion 22 of the Austrian Financial Reporting and Auditing Committee (AFRAC) has been followed with respect to the requirements on content.

VERBUND has applied European Sustainability Reporting Standards (ESRS) for the 2025 Non-Financial Statement. This Consolidated Corporate Governance Report includes not only the disclosures required by law but also the additional content as intended by the Code of Corporate Governance, plus the corresponding additions arising from ESRS disclosure requirements. Accordingly, the content is reported as part of the Corporate Governance Report in accordance with ESRS 2 GOV-1 and ESRS 2 GOV-2. Significant events after the reporting date are included in the report.

The 2025 report therefore underwent a voluntary external evaluation of compliance with the Austrian Code of Corporate Governance (ÖCGK), as well as an external assurance as to whether the disclosures pursuant to ESRS 2 GOV-1 and GOV-2 for financial year 2025 included in the report were in line with ESRS. The findings of this evaluation can be found at the end of this report in the External evaluation section.

Detailed information on the composition and work procedures of the Executive Board, the Supervisory Board and the Supervisory Board's committees is provided in the sections entitled Executive Board and Supervisory Board.

For information on the remuneration of the Executive Board and Supervisory Board, please refer to the separate remuneration report, which is to be submitted to the Annual General Meeting and is published on the website. The information required for ESRS reporting on Executive Board remuneration can be found in General Disclosures and ESRS 2 (Disclosure Requirement GOV-3 – Integration of sustainability-related performance in incentive schemes).

Deviations

VERBUND complies with almost all the rules of the Austrian Code of Corporate Governance, including the R-Rules. In financial year 2025 there were slight deviations in the application of only two C-Rules in the code, which were to some extent the result of legislative circumstances. In accordance with the "comply or explain" principle, those deviations are explained below.

C-Rule 2:

The principle of "one share – one vote" is generally adhered to with respect to VERBUND shares. The sole exception is based on a restriction on voting rights embodied in the "Federal constitutional act regulating the ownership structure of enterprises in the Austrian electricity industry" and in the provision of the Articles of Association based on this. That provision states: "With the exception of regional authorities and companies in which regional authorities hold an interest of at least 51%, the voting rights of each shareholder at the Annual General Meeting are restricted to 5% of the share capital."

C-Rule 45:

The rule according to which Supervisory Board members may not assume any functions on the boards of other companies that are competitors of the Group was adhered to by all the members of the Supervisory Board, with two exceptions.

The two Supervisory Board members in question (Mr Szyszkowitz and Mr Weinelt) each carry out leading functions on boards of companies which are shareholders of VERBUND AG. If there is a conflict of interest among the Supervisory Board members in a specific case, then the chairperson will institute appropriate measures (e.g. withholding certain documents or information, abstaining from voting or departing from the meeting). This was not required during the reporting period.

Executive Board

Composition of the Executive Board

The Executive Board was composed of four members in financial year 2025 (previous year: four). Mag. Dr. Achim Kaspar's term of office was extended in the past year until 31 December 2028. [ESRS 2 GOV-1-21a]

The Executive Board [ESRS 2 GOV-1-22a]

Name	Year of birth	Date of initial appointment	End of current term of office
CEO Mag. Dr. Michael Strugl MBA Chairman	1963	1/1/2019	31/12/2028
Dr. Peter F. Kollmann, Member of the Executive Board Vice Chairman	1962	1/1/2014	31/12/2027
Mag. Dr. Achim Kaspar, Member of the Executive Board	1965	1/1/2019	31/12/2028
Dr. Susanna Zapreva-Hennerbichler, Member of the Executive Board	1973	1/1/2024	31/12/2027

Board functions of Executive Board members within the Group

Name	Group company		Function
Mag. Dr. Michael Strugl MBA	Austrian Power Grid AG	Supervisory Board	Member
	VERBUND Hydro Power GmbH	Supervisory Board	Chairman
		Annual General Meeting	Chairman
	VERBUND Thermal Power GmbH	Supervisory Board	Chairman
		Annual General Meeting	Chairman
	Ennskraftwerke AG	Supervisory Board	1st Vice-Chairman
	GAS CONNECT AUSTRIA GmbH	Supervisory Board	1st Vice-Chairman
	VERBUND Ventures GmbH	Annual General Meeting	Chairman
Dr. Peter F. Kollmann	Austrian Power Grid AG	Supervisory Board	Chairman
	VERBUND Hydro Power GmbH	Supervisory Board	Member
	VERBUND Business Solutions GmbH	Annual General Meeting	Chairman
	VERBUND Energy4Business GmbH	Supervisory Board	Vice-Chairman
	GAS CONNECT AUSTRIA GmbH	Supervisory Board	Chairman

Board functions of Executive Board members within the Group

Name	Group company		Function
Mag. Dr. Achim Kaspar	Ennskraftwerke AG	Supervisory Board	Member
	VERBUND Hydro Power GmbH	Supervisory Board	Vice-Chairman
	VERBUND Innkraftwerke GmbH	Supervisory Board	Chairman
		Shareholders' Meeting	Chairman
	Grenzkraftwerke GmbH	Supervisory Board	Chairman
		Annual General Meeting	Chairman
	Innwerk AG	Supervisory Board	Chairman
	Donaukraftwerk Jochenstein AG	Supervisory Board	Chairman
	Österreichisch-Bayerische Kraftwerke AG	Supervisory Board	Chairman
	VERBUND Thermal Power GmbH	Supervisory Board	Vice-Chairman
		Annual General Meeting	Vice-Chairman
	VERBUND Digital Power GmbH	Annual General Meeting	Chairman
Dr. Susanna Zapreva-Hennerbichler	VERBUND Hydro Power GmbH	Supervisory Board	Member
	VERBUND Energy4Business GmbH	Supervisory Board	Chairwoman
		Annual General Meeting	Chairwoman
	VERBUND Energy4Customers GmbH	Annual General Meeting	Chairwoman
	VERBUND Green Power GmbH	Annual General Meeting	Chairwoman
	VERBUND Green Hydrogen GmbH	Annual General Meeting	Chairwoman
	VERBUND Green Hydrogen Sales GmbH	Annual General Meeting	Chairwoman

Supervisory Board appointments of Executive Board members outside the Group

Name	Company	Function
Dr. Peter F. Kollmann	Telekom Austria Aktiengesellschaft	Member
Mag. Dr. Achim Kaspar	KELAG-Kärntner Elektrizitäts-Aktiengesellschaft[1]	Member
Dr. Susanna Zapreva-Hennerbichler	PNE AG	Member
	Salzgitter AG	Member

[1] As at 31 December 2025, VERBUND held a 35.17% equity interest in KELAG.

Work procedures and allocation of responsibilities

The Executive Board manages the Group's business activities and represents the Group externally.

The rules of procedure for the Executive Board govern the allocation of responsibilities and how the members of the Executive Board are to work together. In addition, they lay down the Executive Board's duties to notify and report, and contain a list of measures that require approval by the Supervisory Board. The measures requiring approval also include material transactions proposed by the Group's main subsidiaries. [ESRS 2 GOV-1-22c]

The allocation of responsibilities within the Executive Board is part of the rules of procedure and defines the range of duties of the Executive Board members without prejudice to the overall responsibility of the Executive Board. [G1-GOV-1-5a]

Allocation of responsibilities 2025

Mag. Dr. Michael Strugl MBA	Chairman; corporate development (incl. mergers & acquisitions and corporate responsibility), corporate office (incl. legal affairs, corporate affairs, compliance & audit), strategic human resources, corporate innovation & new business, communications, ventures
Dr. Peter F. Kollmann	Financial management and investor relations, group controlling, corporate accounting and risk management solutions, electricity grid and gas grid
Mag. Dr. Achim Kaspar	Digital, renewable hydropower generation, thermal generation, tourism
Dr. Susanna Zapreva-Hennerbichler	Business, customers, new renewables generation, green hydrogen

The Executive Board aims to take account of the impacts, risks and opportunities of sustainability matters arising from the materiality assessment in all VERBUND's business areas and to implement the sustainability strategy. All topics identified as material are listed in ESRS 2 SBM-3. A list of all material impacts, risks and opportunities was brought to the attention of the Executive Board. In their respective areas of responsibility, each member of the Executive Board ensures these requirements are taken into account and that corresponding policies and actions are developed and implemented. [ESRS 2 GOV-1-22a-b]

The Executive Board keeps the Supervisory Board informed with regular written reports on the material impacts, opportunities and risks related to the topics identified in the materiality assessment as well as the ongoing development and implementation of action plans. In the Strategy and Sustainability Committee, the Supervisory Board deals with sustainability priorities such as the materiality assessment and the Climate Transition Plan on a quarterly basis. [ESRS 2 GOV1-22c i-ii, GOV-2-26a-c, GOV-1-AR3]

Diversity in the Executive Board and access to sustainability expertise

The Executive Board is composed of 75% male members (previous year: 75%) and 25% female members (previous year: 25%). The average age of the Executive Board members is approximately 59 years (previous year: 58), with the youngest member being 52 (previous year: 51) and the oldest being 63 (previous year: 62). [ESRS 2 GOV-1-21d]

The Executive Board's expertise ranges from university education in law, social and economic sciences and business administration, with various relevant studies abroad (Oxford University, Stanford University, University of Toronto), to electrical engineering. Experience in a wide variety of national and international companies, in policymaking and in the energy market, telecommunications and investment banking completes the Executive Board's practical skills. [ESRS 2 GOV-1, AR5, G1-GOV-1-5b]

Thanks to the wide range of professional experience they have gained in their extensive careers both at home and abroad, the members of the Executive Board have acquired a wealth of expertise in sustainability matters and consistently stay up to date with the latest developments. Their ongoing involvement with national and international bodies and with employees in VERBUND's Sustainability organisation, as well as reporting to the Supervisory Board and the public on sustainability matters, keep this knowledge current and ensure that they explore material impacts, risks and opportunities competently. [ESRS 2 GOV-1-23a-b, AR5]

The Executive Board plays a key role with respect to the sustainability matters that are material to VERBUND. The Executive Board defines the parameters for VERBUND's sustainability ambitions,

approves any necessary actions, reviews their implementation, reports on them to the Supervisory Board and/or its Strategy and Sustainability Committee and obtains any necessary approvals from the Supervisory Board. The Executive Board is supported by the internal Sustainability organisation in managing material impacts, opportunities and risks. This organisation consists of a steering committee and a dedicated area of expertise in Corporate Development that reports to the Chairman of the Executive Board and carries out operational tasks. [ESRS 2 GOV-1-20c, 22c i-ii, 23a-b, AR 4]

VERBUND has issued an internal Group policy for ensuring compliance with the principles of sustainability in all of the Group's actions and decisions. The primary responsibility for sustainability and the aforementioned policy lies with the Group Executive Board, which determines the strategic sustainability performance targets. The Executive Board member responsible for sustainability ensures that sustainability is integrated into the business processes and reports to the Supervisory Board on sustainability and progress in achieving the targets. The Supervisory Board's Strategy and Sustainability Committee particularly focuses on impacts, actions and targets concerning sustainability. However, other committees, such as the Audit and Remuneration Committee, also deal with sustainability-related risks and opportunities, internal controls and sustainability-related remuneration. [ESRS 2 GOV-1-22c, 23a-b, AR3]

Sustainability risks are an integral part of Group risk management and are therefore also included in the reporting to the Supervisory Board. [ESRS 2 GOV-2-26b]

Supervisory Board

The Supervisory Board has also explicitly affirmed its commitment to the Austrian Code of Corporate Governance. Consequently, the Code, together with the Austrian Stock Corporation Act (*Aktiengesetz*, AktG) and the Austrian Commercial Code (UGB), the Austrian Labour Constitutional Act (*Arbeitsverfassungsgesetz*, ArbVG), the Company's Articles of Association and the rules of procedure for the Executive Board and the Supervisory Board, has become the basis for the Supervisory Board's actions.

The statutory provisions specify that the Supervisory Board must be comprised of members elected by the Annual General Meeting in accordance with the requirements of the Austrian Stock Corporation Act (shareholder representatives) and members appointed by the employee representatives.

Under Austrian stock corporation law, the Supervisory Board is a supervisory body and has no managerial function. [ESRS 2 GOV-1-21a, G1-GOV-1-5a]

Personal details, chairpersons and other board functions

The Supervisory Board is led by a chairperson. The chairperson and two vice-chairpersons are elected by the Supervisory Board from among its members for the board's whole term of office.

As at 31 December 2025, the Supervisory Board has a total of 15 members (previous year: 15) – ten shareholder representatives elected by the Annual General Meeting and five employee representatives appointed by the Works Council. [ESRS 2 GOV-1-21b]

On 29 April 2025, Dipl.-Ing. Robert Stajic was re-elected to the Supervisory Board. Otherwise, there were no changes to the composition of the Supervisory Board in financial year 2025.

Shareholder representatives [ESRS 2 GOV-1-21a, 22a]

Name	Year of birth	Date of initial appointment	End of current term of office
Mag. Martin Ohneberg Chairman President and CEO of HENN Industrial Group GmbH & Co KG Member of the board of directors of Montana Aerospace AG, Switzerland, and the supervisory board of VARTA AG, Germany	1971	30/4/2019	AGM 2028
Dr. Edith Hlawati 1st Vice-Chairwoman Member of the board of directors of Österreichische Beteiligungs AG Member of the supervisory boards of Telekom Austria AG (chairwoman), OMV AG (vice-chairwoman) and EuroTeleSites AG (chairwoman)	1957	25/4/2022	AGM 2026
Univ.-Prof. Dr. Eva Eberhartinger 2nd Vice-Chairwoman University professor, Vienna University of Economics and Business Member of the supervisory board of Raiffeisen Bank International AG	1968	30/4/2024	AGM 2027
Dr. Ingrid Hengster Barclays Bank Ireland, CEO Germany, Global Chair Investment Banking Member of the board of directors of the Deutsches Aktieninstitut and the Bundesverband deutscher Banken, member of the Board of Trustees of Frankfurt School of Finance and Management, and member of the Banking Committee of Frankfurt Chamber of Commerce and Industry	1961	30/4/2024	AGM 2027
Kommerzialrat Mag. Jürgen Roth Managing partner at Tank Roth GmbH Member of the supervisory board of ICS Internationalisierungscenter Steiermark GmbH; Member of the European Economic and Social Committee/CCMI	1973	22/4/2015	AGM 2026
Dipl.-Ing. Eckhardt Rümmler Supervisory Board member and corporate consultant Member of the supervisory board of PreussenElektra GmbH, Germany, and the board of directors of Northland Power Inc, Toronto	1960	16/6/2020	AGM 2027

Shareholder representatives [ESRS 2 GOV-1-21a, 22a] **Name**	Year of birth	Date of initial appointment	End of current term of office
Mag. Christa Schlager Head of the economic policy department at the Vienna Chamber of Labour Member of the supervisory boards of Forschungsförderungsgesellschaft mbH (member until September 2025) and Austria Wirtschaftsservice Gesellschaft mbH (aws)	1969	16/6/2020	AGM 2026
Dipl. Ing. Robert Stajic MBA Executive director of Österreichische Beteiligungs AG (until September 2025) Member of the supervisory board of OMV AG	1979	25/4/2022	AGM 2028
Mag. Stefan Szyszkowitz Spokesman for the Executive Board of EVN AG Member of the supervisory boards of Burgenland Holding Aktiengesellschaft (chairman), EVN Macedonia AD (vice-chairman), RAG-Beteiligungs-Aktiengesellschaft (chairman), RAG Austria AG (chairman), Burgenland Energie AG (vice-chairman) and Netz Niederösterreich GmbH (vice-chairman)	1964	23/4/2018	AGM 2026
CEO Dipl.-Ing. Peter Weinelt Managing director of Wiener Stadtwerke GmbH and Wiener Stadtwerke Planvermögen GmbH Member of the supervisory boards of Wien Energie GmbH (chairman), Wiener Netze GmbH (chairman), EVN AG (member) and Burgenland Holding Aktiengesellschaft (member); Chairman of the gas and heating section of the Austrian Economic Chamber of Trade (WKÖ)	1966	5/4/2017	AGM 2026

Supervisory Board appointments or comparable roles in publicly traded companies and other significant companies have been listed in relation to (ancillary) functions. Full-time functions are listed where appropriate.

Employee representatives [ESRS 2 GOV-1-21b, 22a] Name	Year of birth	Date of initial appointment	
Kurt Christof Chairman of the Group's employee representatives Member of the supervisory boards of Stadtwerke Voitsberg GmbH and Sparkasse Voitsberg/Köflach Bankaktiengesellschaft	1964	since 8/3/2004	appointed by the employee representatives
Mag. Dr. Isabella Hönlinger Chairwoman of the Works Council	1971	since 1/9/2016	appointed by the employee representatives
Ing. Wolfgang Liebscher Chairman of the Central Works Council	1966	since 1/11/2013	appointed by the employee representatives
Veronika Neugeboren Chairwoman of the Works Council	1967	since 30/4/2019	appointed by the employee representatives
Ing. Hans Peter Schweighofer Chairman of the Central Works Council	1970	since 18/4/2023	appointed by the employee representatives

The appointment of employee representatives by the Group's employee representatives is for an unlimited period and can be revoked at any time.

Diversity in the Supervisory Board and access to sustainability expertise

Diversity: of the Supervisory Board members, 7% are between the ages of 30 and 50, 93% are over 50, and 40% of all Supervisory Board members are women. [ESRS 2 GOV-1-21d]

The members of the Supervisory Board have broadly diversified training and many years of professional experience in Austria and abroad, with expertise in all the specialist areas listed in the diversity policy (page 41). [ESRS 2 GOV-1-23b, AR5, G1-GOV-1-5b]

The Supervisory Board plays an important role in VERBUND's sustainability management. Together with the Executive Board, it deals with all of the Company's sustainability matters, receives reports from the Executive Board on sustainability topics and actions, monitors the implementation of the sustainability strategy and oversees the achievement of sustainability performance targets. The fact that the 2024 Supervisory Board merged its previous Sustainability Committee with the Strategy Committee is testimony to the emphasis placed on sustainability at VERBUND.

In the reporting period, the Strategy and Sustainability Committee worked on ESG reporting, including the omnibus update, ensuring that the right sustainability expertise is available in the Supervisory Board's committees.

Independence

Back in 2010, the Supervisory Board of VERBUND AG defined the following criteria for its independence (pursuant to C-Rule 53 of the Austrian Code of Corporate Governance (ÖCGK)):

- The Supervisory Board member shall not have served as a member of the Executive Board or as a member of the senior management staff of the Company or one of its subsidiaries in the past five years.
- The Supervisory Board member shall not maintain or have maintained in the past year any business relationships with the Company or one of its subsidiaries to an extent that would be significant to the member of the Supervisory Board. This shall also apply to relationships with companies in which the

member of the Supervisory Board has a material economic interest, but not to exercising functions on the boards of the Group. The approval of individual transactions by the Supervisory Board pursuant to L-Rule 48 shall not automatically mean that the person is deemed not to be independent.

- The Supervisory Board member shall not have acted as auditor of the Company or have owned a share in the audit firm or have worked there as an employee in the past three years.
- The Supervisory Board member shall not be a member of the managing board of another company in which a member of the Executive Board of the Company is a supervisory board member.
- The Supervisory Board member may not remain on the Supervisory Board for more than 15 years. This shall not apply to Supervisory Board members who are shareholders with a direct equity interest in the Company or who represent the interests of such a shareholder.
- The Supervisory Board member shall not be a close relative (direct descendant, spouse, life partner, parent, uncle, aunt, sibling, niece or nephew) of a member of the Executive Board or of persons who hold one of the aforementioned positions.

Based on these guidelines for independence (Annex to the Austrian Code of Corporate Governance), all ten shareholder representatives have issued a written statement on their independence. Eight of them (80%) have declared their independence, and two members (20%) of the Supervisory Board (Mr Weinelt and Mr Szyszkowitz) have classified themselves as not being independent (with respect to only the "relationships with related parties" criterion). As such, there was no change compared with the previous year. [ESRS 2 GOV-1-21e]

In addition, the following shareholder representatives on the Supervisory Board meet the criteria for independence contained in C-Rule 54 (not representing the interests shareholders with a stake exceeding 10%): Mr Ohneberg, Ms Eberhartinger, Ms Hengster, Mr Roth, Mr Rümmler and Ms Schlager. Both quotas required for independence by Rule 53 and Rule 54 of the Code have thus been met. [ESRS 2 GOV-1-21e]

Supervisory Board meetings

Five plenary meetings of the Supervisory Board were held during financial year 2025 (previous year: six). At individual meetings, some Supervisory Board members attended remotely by video. The overall attendance rate for all Supervisory Board members (including remote attendees) was 97% (previous year: 94 %). As in the previous year, no member of the Supervisory Board attended fewer than half of the meetings in person (including virtual attendance). [ESRS 2 GOV-2-26a]

In addition to coordinating the ongoing strategic direction of the Company with the Executive Board – a direction in which sustainability matters have always played a significant role – and dealing with ongoing reporting, the Supervisory Board focused in particular on decisions relating to the following matters during the reporting period (Please also refer to the section describing the activities focused upon by the Supervisory Board's committees):

- the consolidated financial statements and annual financial statements of VERBUND AG for 2024;
- the proposal for profit appropriation in accordance with Section 96(1) of the Austrian Stock Corporation Act (AktG);
- motions for the 2025 Annual General Meeting;
- appointment of the spin-off auditor for the spin-off of the Household and Small Enterprise business unit (circular resolution);

- engagement of the auditor;
- extension of the term of office of an Executive Board member;
- constitution of the Supervisory Board's committees;
- amendment of the Executive Board's rules of procedure (transactions requiring approval);
- submissions by the Executive Board concerning
  - wind and PV projects in Romania, Spain, Germany and Italy;
  - hydropower: conversion of the administrative site in Töging (with repurposing of the old powerhouse); renovation of the tunnel at the Landl power plant; appointment of a managing director, and conclusion of employment contracts;
  - hydrogen: conclusion of a shareholder agreement for a development project;
  - business: framework agreement concerning battery storage projects;
  - holding company: extension of lines of credit with banks; long-term borrowing; provision of a Group guarantee for a project in Spain; granting of comprehensive signatory authority; interim accommodation due to general renovation of the Am Hof site;
- approval of agreements with entities that are related parties of Supervisory Board members; and
- approval of the Group budget for 2026 and the investment plan for 2026.
  [ESRS 2 GOV-2-26c]

The Executive Board's regular written reports provide the Supervisory Board with information on the material impacts, opportunities and risks related to the topics identified in the materiality assessment and keep them informed of the ongoing development and implementation of action plans and targets. [ESRS GOV-1-22c, 22c ii, 22d]

Each year during the audit of the financial statements, the auditor provides the Supervisory Board with a separate report on the reliability of the risk management system. The report from the auditor also details sustainability risks and opportunities in the same manner as in the written quarterly reports on operating risk management that the Supervisory Board discusses at its quarterly meetings. [ESRS 2 GOV-1-26b]

In addition to the meetings of the Supervisory Board and its committees (see below), there were regular discussions and teleconferences between the Chairman of the Supervisory Board and the Chairman of the Executive Board, and several discussions were held with individual members of the Executive Board. [ESRS 2 GOV-2-24, 26a, b]

During one Supervisory Board meeting, the required NIS2 training for the management bodies of an "essential entity" was conducted by external experts.

Evaluation of the performance of the Supervisory Board

The performance of the Supervisory Board is evaluated annually during the Annual General Meeting, at which the shareholders vote to approve the actions of the Supervisory Board. At the 78th Annual General Meeting on 29 April 2025, the actions of all Supervisory Board members were formally approved.

In light of the highly detailed self-evaluation carried out with the help of external moderators in the previous year, which included qualitative and quantitative interviews with all members of the Supervisory Board and the Executive Board and an in-depth discussion of the results, no formal evaluation was carried out in the year under review. However, the Supervisory Board meetings included an ongoing discussion on how to improve the board's activities and the Chairman asked its members for feedback after meetings.

Composition and work procedures of the committees

In accordance with the provisions of the rules of procedure for the Supervisory Board, following the Annual General Meeting, the Supervisory Board elected the members of an Audit Committee, a Strategy and Sustainability Committee, a Remuneration Committee and a Nomination Committee. In addition, it can form temporary or permanent committees specifically for certain projects and topics.

Each chairperson of a committee is required to report to the Supervisory Board on the work of the committee they chair and on its decisions. In urgent cases, the chairperson of a committee is required to report in advance to the Chairman of the Supervisory Board. [ESRS 2 GOV-22c ii, 26a-b]

Dedicated controls and procedures for the management of impacts, risks and opportunities by the Supervisory Board are not currently implemented. [ESRS 2 GOV-1-22c iii]

Audit Committee

The Audit Committee was established pursuant to Section 92(4a) of the Austrian Stock Corporation Act (AktG) and, in accordance with the rules of procedure for the Supervisory Board, consists of six Supervisory Board members elected by the shareholders and three employee representatives in

accordance with Section 92(4) of the Austrian Stock Corporation Act (AktG). The chairperson and vice-chairperson of the committee are elected from among its members.

The Audit Committee performs the tasks under Section 92(4a) of the Austrian Stock Corporation Act (AktG) and Rule 40 of the Austrian Code of Corporate Governance (ÖCGK). It has the financial expert required by law and by the Code at its disposal, who is also the chairperson of the committee.

Members of the Audit Committee

Name	Function
Univ.-Prof. Dr. Eva Eberhartinger	Chairwoman
Mag. Martin Ohneberg	Vice-Chairman
Dr. Ingrid Hengster	Member
Mag. Jürgen Roth	Member
Mag. Christa Schlager	Member
Dipl.-Ing. Robert Stajic	Member
Kurt Christof	Employee representative
Mag. Dr. Isabella Hönlinger	Employee representative
Veronika Neugeboren	Employee representative

The Audit Committee of the Supervisory Board held three meetings in financial year 2025 (previous year: three). The activities of the Audit Committee focused on:

- preparing the resolution on the consolidated financial statements for 2024 and the annual financial statements of VERBUND AG for 2024, including appropriation of profit;
- the proposal for the election of the Group auditor and the auditor of the sustainability report;
- medium-term capital expenditure and financial planning;
- hedging strategy for electricity prices;
- acknowledgement of the semi-annual financial statements for 2025;
- the audit process and 2025 audit areas of emphasis (auditor);
- audit and non-audit services performed by the auditor;
- acknowledgement of the reports of the Executive Board;
- acknowledgement of the audit programme and the report of the Internal Audit department
- the compliance status report;
- the information security report, cyber threats;
- impairment benchmarking;
- post-merger integration; and
- the 2026 budget and financial report.
  [ESRS 2 GOV-1-22b, d, GOV-2-26c]

Strategy and Sustainability Committee

A Strategy and Sustainability Committee has been established in accordance with the applicable rules of procedure. It is comprised of six members of the Supervisory Board elected by the shareholders and three employee representatives in accordance with Section 92(4) of the Austrian Stock Corporation Act (AktG). The chairperson and vice-chairperson of the committee are elected from among its members.

The Strategy and Sustainability Committee is responsible for developing a corporate strategy that takes account of ESG objectives in collaboration with the Executive Board, and for the annual review of

strategy and support of any adaptive measures and the preparation of material strategic decisions. In addition, it addresses issues which, in view of conflicts of interest and matters relating to competition law, are not to be discussed among the entire Supervisory Board. The committee's other responsibilities include addressing regulatory obligations with respect to sustainability, the New Green Deal, decarbonisation, the energy transition, climate and environmental protection; appropriate strategies and implementation measures; addressing ESG impacts, risks, opportunities and impacts; and reviewing the sustainability strategy and targets annually. [ESRS 2 GOV-1-22b, 22c i, AR3]

The merger of the Sustainability Committee with the Strategy Committee in 2024 reflects the growing importance of sustainability and ESG matters and improves their integration in all areas of VERBUND's business activities. [ESRS 2 GOV1-22c]

The Strategy and Sustainability Committee met four times during the reporting period (previous year: four). In addition to reporting on current issues, it dealt in particular with

- the implementation of the Group strategy and strategic planning;
- individual M&A projects and their sustainability impacts;
- new scenario calculations; and
- ESG reporting including the omnibus update.
  [ESRS 2 GOV-1-22d, GOV-2-26c]

Members of the Strategy and Sustainability Committee

Name	Function
Mag. Martin Ohneberg	Chairman
Dipl.-Ing. Eckhardt Rümmler	Vice-Chairman
Dr. Ingrid Hengster	Member
Mag. Jürgen Roth	Member
Mag. Christa Schlager	Member
Dipl.-Ing. Robert Stajic	Member
Kurt Christof	Employee representative
Ing. Wolfgang Liebscher	Employee representative
Ing. Hans Peter Schweighofer	Employee representative

Remuneration Committee

Pursuant to its rules of procedure, the Supervisory Board is required to appoint a Remuneration Committee in accordance with the Austrian Code of Corporate Governance (ÖCGK) consisting of the chairperson of the Supervisory Board and the two vice-chairpersons. The Supervisory Board has permanently allocated responsibility for the following matters to this committee:

- contracts with members of the Executive Board;
- determination of Executive Board member remuneration;
- decisions on management bonuses and premiums for members of the Executive Board; and
- regular review of the remuneration policy for members of the Executive Board.

Members of the Remuneration Committee

Name	Function
Mag. Martin Ohneberg	Chairman
Dr. Edith Hlawati	1st Vice-Chairwoman
Univ.-Prof. Dr. Eva Eberhartinger	2nd Vice-Chairwoman

The Remuneration Committee has the remuneration expert required by Rule 43 of the Austrian Code of Corporate Governance (ÖCGK) at its disposal, as both Mag. Martin Ohneberg and Dr. Edith Hlawati meet this requirement. [ESRS 2 GOV-1-21c]

The Remuneration Committee met three times during financial year 2025 (previous year: three). The meetings dealt with the agreements on targets and level of target achievement for the Executive Board's variable remuneration components, the Executive Board contract for the CEO, the 2024 remuneration report and the remuneration policy to be submitted to the Annual General Meeting, and the amendment to contracts with members of the Executive Board (lock-up period rule). [ESRS 2 GOV-1-22b, GOV-2-26c]

Nomination Committee

In accordance with its rules of procedure, the Supervisory Board appoints a Nomination Committee comprised of the chairperson of the Supervisory Board and three other members of the Supervisory Board elected by the shareholders plus two employee representatives in accordance with Section 92(4) of the Austrian Stock Corporation Act (AktG). The chairperson of the Supervisory Board chairs the committee, and the committee elects the vice-chairperson.

The Nomination Committee submits proposals to the Supervisory Board on appointments to the Executive Board and is responsible for preparing the election of Supervisory Board members. The Nomination Committee is required to take account of the fact that a candidate's final nomination for the Executive Board must take place before the nominee's 65th birthday.

Members of the Nomination Committee

Name	Function
Mag. Martin Ohneberg	Chairman
Dr. Edith Hlawati	Vice-Chairwoman
Dipl.-Ing. Eckhardt Rümmler	Member
Dipl.-Ing. Robert Stajic	Member
Kurt Christof	Employee representative
Ing. Wolfgang Liebscher	Employee representative

The Nomination Committee met twice during the reporting period (previous year: twice) to discuss the tendering of a consultancy mandate for an executive appraisal and the extension of an executive board mandate. It also drafted a circular resolution on the preparations for elections to the Supervisory Board. [ESRS 2 GOV-1-22b, GOV-2-26c]

Contracts requiring consent – conflicts of interest

In financial year 2025, contracts and/or transactions approved by the Supervisory Board of VERBUND AG in accordance with the Austrian Stock Corporation Act (AktG) and the Austrian Code of

Corporate Governance (Rule 49) existed between the VERBUND Group and the following individual Supervisory Board members or companies with which Supervisory Board members have close relationships:

Supervisory Board member Dr Ingrid Hengster

During the reporting period, the Supervisory Board approved two contracts between VERBUND AG and Barclays Bank Ireland, whose CEO is Dr. Ingrid Hengster. One contract concerned consulting services for an M&A project (circular resolution) and the other concerned acting as sustainability structuring coordinator for the Green Financing Framework as part of an EMTN programme.

Supervisory Board member Mag. Stefan Szyszkowitz

A number of contractual relationships, some of which have been in place for many years, exist between VERBUND and the EVN Group, of which Mag. Stefan Szyszkowitz is spokesman for the managing board. Most of these relationships had already been entered into before Mag. Szyszkowitz became a member of the Supervisory Board. The business transacted under these contracts and the volume of transactions are reported to the Supervisory Board on an annual basis. In financial year 2025, an order volume totalling €6.01m was processed on the basis of existing contracts (excluding transactions with grid subsidiaries Austrian Power Grid AG and GAS CONNECT AUSTRIA GmbH). These primarily involved electricity and grid purchases for various VERBUND companies. An EFET master agreement is also in place for the trading of electricity and gas between VERBUND Energy4Business GmbH and EVN AG. A netting agreement and an EECS appendix were concluded for this during the reporting period. Contractual relationships also exist for the supply of electricity with ENERGIEALLIANZ Austria GmbH, in which EVN holds a 45% interest, an energy supply contract for the purpose of marketing the energy generated by the joint Nussdorf power plant (EVN holds a one-third interest), and a roaming agreement concluded between Group company SMATRICS and EVN for the purpose of sharing charging infrastructure.

Supervisory Board member Dipl.-Ing. Peter Weinelt

A number of contractual relationships, some of which have been in place for many years, exist between VERBUND and the Wiener Stadtwerke Group, of which Dipl.-Ing. Peter Weinelt is CEO. Most of these had already been entered into before Dipl.-Ing. Peter Weinelt became a member of the Supervisory Board. The business transacted under these contracts and the volume of transactions are reported to the Supervisory Board on an annual basis. In financial year 2025, an order volume totalling €3.81m was processed on the basis of existing contracts (excluding transactions with grid subsidiaries Austrian Power Grid AG and GAS CONNECT AUSTRIA GmbH). These primarily involved grid purchases for VERBUND companies. An EFET master agreement is also in place for the trading of electricity between VERBUND Energy4Business GmbH and Wien Energie GmbH. Contractual relationships also exist for the supply of electricity with ENERGIEALLIANZ Austria GmbH, in which Wiener Stadtwerke holds a 45% interest, an energy supply contract for the purpose of marketing the energy generated by the joint Nussdorf power plant (Wien Energie holds a one-third interest), and a roaming agreement concluded between Group company SMATRICS and Wien Energie GmbH for the purpose of sharing charging infrastructure.

In financial year 2025, the Supervisory Board again looked at possible (other) conflicts of interest involving Supervisory Board members that could arise in particular as a result of activities or equity interests in the energy area or in companies competing with the VERBUND Group or with individual projects. Supervisory Board members reported no conflicts of interest on their parts. According to the assessment of the Supervisory Board, there are no fundamental conflicts of interest that would require further measures. Should such conflicts arise, suitable measures, such as abstention from voting or from providing advice and voting on individual agenda items, would be implemented promptly.

Annual General Meeting

At the Annual General Meeting, which is held at least once a year, shareholders exercise their rights and their voting power. Under their right to request information and propose motions, all shareholders have the opportunity to engage in dialogue with the Executive Board and the Supervisory Board and to express their opinions and state their concerns.

The main tasks and responsibilities of the Annual General Meeting include deciding on the appropriation of profit, electing the Supervisory Board, electing the auditor, formally approving the actions of the Executive Board and the Supervisory Board and making amendments to the Articles of Association.

The 78th Annual General Meeting of VERBUND AG was held on 29 April 2025. Shareholders or their proxies attended in person. The agenda and resolutions adopted at that Annual General Meeting and the voting results can be viewed on the website at www.verbund.com > Group > Investor Relations > General Meeting.

Diversity policy for appointments to the Executive Board and Supervisory Board

(Section 243c(2)(3) of the Austrian Commercial Code, UGB)

Studies indicate that mixed teams achieve better results and are more effective and innovative than homogeneous groups. This is also true for a company's boards. When members of the Executive Board and the Supervisory Board are being appointed, in order to get maximum benefit from different perspectives for entrepreneurial decisions, the following principles must therefore be applied in addition to the general and company-specific requirements for specialised and personal qualifications:

Supervisory Board

The relevant aspects of a diverse composition of the Supervisory Board include the age of its members and the duration of their membership on the Supervisory Board, a balanced representation of men and women, internationality and a balance in the education and career backgrounds of its members.

Age: The aim is to achieve a balanced age structure among members in which the difference between the oldest and the youngest member must be a minimum of ten years in order to allow input from the different views of the generations. No Supervisory Board member may remain on the Supervisory Board for more than 15 years. Both criteria were fulfilled in the reporting period.

Gender representation: Following the Supervisory Board elections at the Annual General Meeting of 29 April 2025, the Supervisory Board of VERBUND AG still includes six women (four shareholder representatives and two employee representatives). This share of 40% (overall) not only complies with the statutory quota requiring 30% of the less-represented gender on the supervisory board (women, in the case of VERBUND), it also complies with the federal government's decision according to which women must make up at least 40% of the members on supervisory boards of state-owned companies.
Internationality: The Supervisory Board shall have an appropriate number of members (at least three) who have spent a significant part of their professional career abroad or have many years of experience in international business. This requirement was met in the reporting period, with internationality being reinforced primarily through members from Germany.
Educational and career background: The goal is a Supervisory Board made up of members with the widest possible range of educational backgrounds and experience from different professional careers. On the Supervisory Board, at least one member of the Supervisory Board shall contribute proven skills and expertise in each of the following areas:
Law, capital markets, industry expertise, specialist technical knowledge, financing expertise, expertise in the area of sales, digitalisation and innovation, experience with regulated companies and financial markets as well as experience in strategic projects (e.g. M&A) and experience in the areas of sustainability, environment and stakeholder management.

These diversity criteria were amply taken into account in the composition of the Supervisory Board and in the election of the Supervisory Board at the Annual General Meeting on 29 April 2025. [ESRS 2 GOV-1-20c, 21c, 23, AR5]

Executive Board

The relevant aspects of a diverse composition of the Executive Board include a balance in the educational and career backgrounds, internationality and the duration of its unchanged composition.

Educational and career background: In addition to extensive managerial experience and comprehensive industry knowledge, members of the Executive Board shall have a sound education and relevant professional experience in either the technical or the commercial/administrative area.
Gender representation: The aim is to have one female member on the Executive Board.
Internationality: Some members of the Executive Board shall have spent a significant part of their professional career abroad or have many years of experience in international business.
Duration of the composition: The composition and division of responsibilities of the Executive Board shall not remain unchanged for more than ten years.

All diversity criteria were considered in the chosen composition of the Executive Board. [ESRS 2 GOV-1-20c, 21c, 23, AR5]

Promoting equal opportunities for women

(Section 243c(2)(2) of the Austrian Commercial Code (UGB))

At VERBUND, we see diversity, equality and inclusion not only as an opportunity for greater creativity and resilience in our day-to-day business activities, but also as our social responsibility. We view equal opportunities as a priority. VERBUND treats all its employees equally, regardless of their gender, age, religious beliefs, disability, culture, skin colour, social origins, sexual orientation or nationality. Decisive action is taken against any form of discrimination or harassment. There is no question that employees who feel a sense of belonging, acceptance and the freedom to be themselves are fully committed to their work. We stand by this recipe for success.

We also believe it is crucial for VERBUND that women are represented in all areas of the Company. Six members, i.e. 40%, of the VERBUND AG Supervisory Board are women: Eva Eberhartinger, Ingrid Hengster, Edith Hlawati and Christa Schlager, along with employee representatives Isabella Hönlinger and Veronika Neugeboren (previous year: 40%). The selection of Supervisory Board members is the responsibility of the Annual General Meeting on the one hand and on the other hand depends on delegates being appointed as employee representatives. [ESRS 2 GOV-1-21d]

As at 31 December 2025, 25 women held (first- and second-level) management positions within the Group (previous year: 24). As such, women held 19.4% of these posts (previous year: 18.6%). [ESRS 2 GOV-1-21d]

As at 31 December 2025, the percentage of women among employees throughout the Group was 23.5% – an increase on the previous year (22.6%).

Diversity, equality and inclusion are firmly integrated at VERBUND and have been progressing constantly thanks to our Diversity team.

VERBUND promotes equal opportunities for women through a variety of measures, listed here as examples:

- A clear objective for the Executive Board and management to increase the proportion of women employees and managers to 25% by 2030.
- VERBUND's diversity management is certified by TÜV AUSTRIA in accordance with ÖNORM S 2501 - Diversity Management.
- The Diversity team, whose parameters, internal structures and responsibilities (including the local points of contact) enable and nurture debate on the topic of gender equity as a facet of a modern and supportive corporate culture.
- Making work-life balance for all employees a high priority. In 2024, VERBUND received the Work and Family Audit certificate for the sixth time.
- We ensure fair pay by preparing an income report comparing the salaries of men and women, and by carrying out additional analyses.
- Under the banner of "with each other, for each other", our Mission V-emale women's network connects women from all areas of the Company, provides a forum for discussion and hosts interesting and informative events.
- The VERBUND Scholarship for Women offers women studying technical subjects "a shot of financial energy" to further their personal development. We have been awarding the scholarship every year since 2009 in cooperation with Vienna University of Technology Career Center.
- In 2025, VERBUND took part as it does every year in Vienna's annual Take Your Daughter to Work Day to give schoolgirls an early insight into fascinating technical careers.

- By participating in Women in Technology (*Frauen in die Technik*, FIT), we show female high school graduates the advantages of studying engineering. FIT presents successful women in technical professions as role models, helping to dispel reservations about embarking on technical or scientific training programmes.

Detailed information on actions to promote equal opportunities for women can be found in the annual report in the section entitled ESRS S1 Own workforce.

External evaluation

Pursuant to C-Rule 62 of the Austrian Code of Corporate Governance, the Company's compliance with the Code and accuracy of reporting are subject to regular external evaluation. The evaluation for the financial year now ended was conducted by the auditor Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

Based on the assurance procedures performed and the findings obtained, nothing came to the auditor's attention that caused them to believe that the Consolidated Corporate Governance Report of VERBUND AG for the financial year 2025 does not comply, in all material respects, with the Austrian Code of Corporate Governance (January 2025 as amended).

In addition, this evaluation assessed whether the information pursuant to ESRS 2 GOV-1 and GOV-2 included in the Consolidated Corporate Governance Report for the 2025 financial year was in line with the (ESRS) standards for the consolidated Non-Financial Statement of VERBUND AG. Nothing came to the auditor's attention that caused them to believe that the disclosures pursuant to ESRS 2 GOV-1 and GOV-2 from the consolidated Non-Financial Statement that are included in the Consolidated Corporate Governance Report do not comply, in all material respects, with the provisions of the (ESRS) standards for the consolidated Non-Financial Statement. The Audit Committee evaluated compliance with the provisions of the Code concerning the auditor. In this regard, the Audit Committee reported to the Supervisory Board that the evaluation for 2025 found no deviations from the rules of the Code.

The full report on the external evaluation is available for download on the website at www.verbund.com > Group > Responsibility > Corporate Governance & Compliance.

Vienna, 19 February 2026

The Executive Board



Michael Strugl
Chairman of the Executive Board of VERBUND AG



Peter F. Kollmann
CFO, Vice Chairman of the Executive Board of VERBUND AG



Achim Kaspar
Member of the Executive Board of VERBUND AG



Susanna Zapreva-Hennerbichler
Member of the Executive Board of VERBUND AG

Group management report

The Group management report relates to the consolidated financial statements of VERBUND. These were prepared in accordance with Section 245a(1) of the Austrian Commercial Code (*Unternehmensgesetzbuch*, UGB) in compliance with the International Financial Reporting Standards (IFRSs) as endorsed by the European Union. The additional requirements of Section 245a(1) of the Austrian Commercial Code (UGB) have also been satisfied. We assume no liability for any links or references to external sources contained in the Group management report.

VERBUND reports non-financial information in accordance with Section 267a of the Austrian Commercial Code (UGB) in the Non-Financial Statement section as part of the management report.

General conditions

In financial year 2025, prices for most commodities declined. Only gas spot prices rose. This had an impact on electricity prices on the spot market, which rose compared with 2024. Despite the lower prices, particularly for coal and oil, global economic growth did not increase compared with the previous year. After two years of recession, Austria recorded slight growth of 0.3% in 2025.

Total electricity demand in Austria rose by only a slight margin in 2025. A slight increase in demand and significantly lower hydropower output led to a pronounced import surplus.

VERBUND sells most of the electricity it generates in advance on the futures market to reduce short-term selling and price risks.

General economic environment

Slower growth

According to preliminary data provided by the International Monetary Fund (IMF), global economic output increased by 3.2% in 2025, roughly in line with the 2024 growth rate and below the long-term average. In addition to the negative impacts of the war in Ukraine and other geopolitical tensions, US tariff policy weighed on global economic growth.

High energy prices in Europe, along with the continuing weak growth in China, also dampened economic growth in Europe.

According to preliminary data from the IMF, economic output in China rose by 4.8%, compared with 5.0% in 2024. Economic growth in the eurozone was 1.2%, and 0.2% in Germany.

After two years of recession, Austria recorded slight growth of 0.3% in 2025. The recovery was mainly driven by private consumption, while foreign trade in goods continued to decline. Investments in residential construction picked up earlier than investments in equipment, supported by falling interest rates.

Energy market environment

Increase in electricity consumption and lower generation

According to preliminary data from E-Control Austria (ECA), Austria's electricity consumption (less pumped storage consumption, including grid loss and own use of electricity by power plants) increased slightly in 2025 to around 72 TWh. This represents an increase of 2% compared with the previous year.
Electricity generation in Austria declined significantly in 2025, primarily due to poor water supply. Hydropower generation was around a quarter lower than in the previous year in 2025. The sharp increase in generation from thermal power plants (+18%) was unable to compensate for this production shortfall.

Electricity generation from wind power plants declined (–8%). By contrast, generation from photovoltaic systems rose significantly, with an increase of around 30% to almost 10 TWh recorded.

The import balance was clearly negative in 2025. Electricity imports rose by 36% in 2025, while electricity exports fell by 16%. As a result, electricity imports exceeded exports by more than 4 TWh in 2025.

Decline in oil prices

The price of Brent crude oil (front month) averaged around $68/bbl in 2025. This marks a decrease of 15% compared with the previous year.

After plummeting during the COVID-19 crisis in 2020 (–33%), oil prices rose strongly again in the years that followed. The Ukraine crisis in particular drove up prices in 2022. From 2023 onwards, oil prices began to fall again. In particular, the economic slowdown and the related decline in demand put oil prices under increased pressure.

Mixed signals on gas

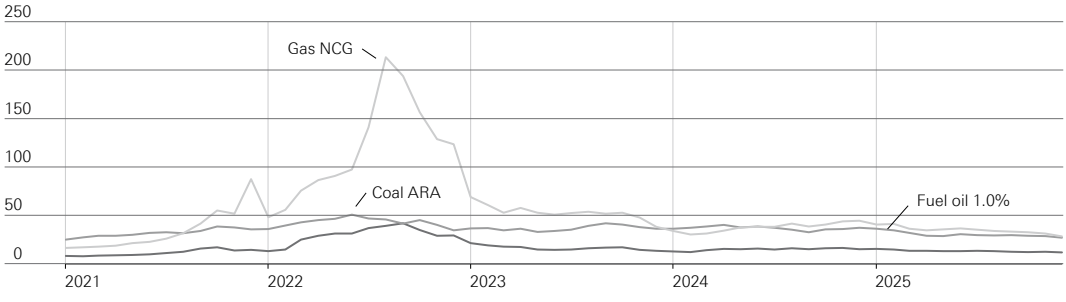
Prices on the spot market at the European gas trading point THE averaged around €37/MWh in 2025, which was around 8% higher year-on-year. The loss of Russian pipeline imports and empty storage facilities led to high spot prices for gas, particularly at the beginning of the year.

In futures trading, invoiced amounts for supplier contracts for the coming year (THE front year) were around €35/MWh in 2025. This was around 7% lower than the price paid for the front year in 2024. The expectation of lower gas prices for the front year is primarily driven by additional LNG supply and a further easing of conditions on the European gas markets.

Decrease in steam coal prices

Steam coal prices also fell in 2025 compared with the previous year. Coal prices on the futures market (ARA front year) were down by 8% year-on-year at an average of $106/t. Coal prices on the spot market likewise decreased. Averaging roughly $98/t in 2025, these were 13% lower than the listing in the previous year.

Coal, oil and gas price performance €/MWh thermal



Average monthly prices, futures market (front year)

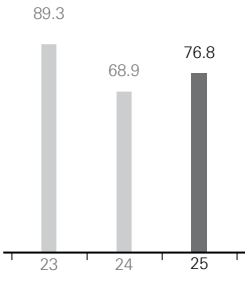
Source: ICE, EEX

Increase in carbon prices

TCFD

Following the increase in carbon prices in recent years to as much as around €90/t (futures market front year) in 2023, prices corrected to around €69/t in 2024. In 2025, a tighter supply of carbon credits and rising demand from thermal electricity generation led to an increase in carbon prices to around €77/t, corresponding to a rise of 12%.

CO_2 emission allowance prices €/t CO_2



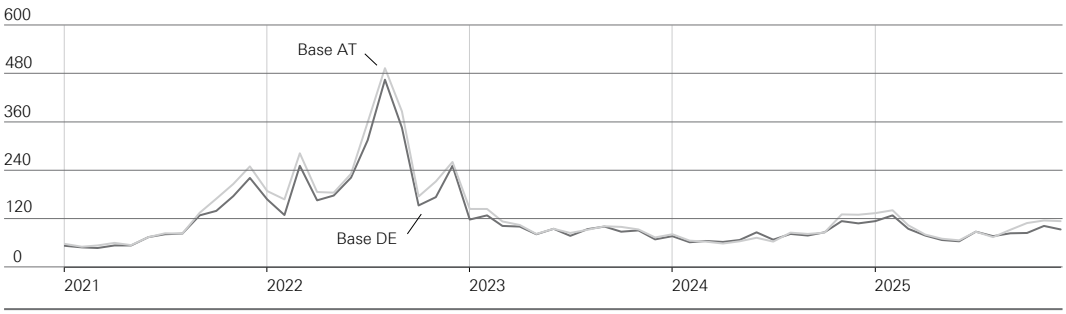
EUA Front-Year-Future; Average yearly prices *Source: ICE*

Rising prices on the spot market for wholesale electricity

In 2025, the wholesale electricity market was characterised by rising prices on the spot market and minimal movement on the futures market.

The average price for base load electricity deliveries in the Austrian market area on EPEX, the European electricity exchange spot market, was up by 21% year-on-year to €99/MWh in 2025. The corresponding price in the German market area was €89/MWh, representing an increase of 12% on the previous year. The base price in Austria in 2025 was therefore €10/MWh higher than in Germany.

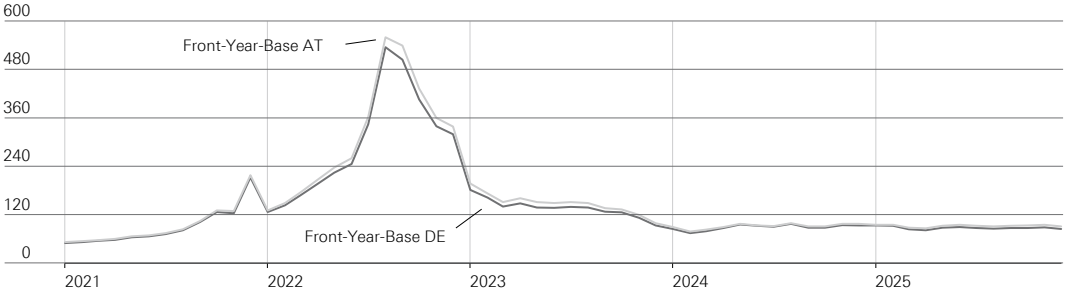
Spot market electricity price performance (Base) in €/MWh



Market area Germany and Austria shown separately; monthly average prices *Source: EPEX Spot*

In the futures market at the European Energy Exchange (EEX), base load for 2026 (front year base) was traded at an average price of €92/MWh in 2025 in the Austrian market area. This constituted a slight increase of 1% year-on-year. In the German market area, front year base traded at an average of €87/MWh in 2025, a drop of 1% on the previous year's figure.

Futures market electricity price performance (Base) in €/MWh



Market area Germany and Austria shown separately, the axis refers to the period of trading, delivery in the following year; monthly average prices

Source: EEX

VERBUND sells most of the electricity it generates in advance on the futures market to reduce short-term selling and price risks. The price trend in the futures market in 2025 had only a minor influence on revenue in the reporting period.

Political and regulatory framework

EU energy policy

At EU level, 2025 was marked by efforts to improve the competitiveness of the European economy under changed geopolitical conditions while continuing to drive forward the transformation of the energy system. To this end, numerous non-legislative communications and several legislative proposals were presented, particularly in the context of the Clean Industrial Deal and the Grids Package. The target to reduce carbon emissions by 90% by 2040 was enshrined in legislation. Another focus was on reducing bureaucracy through numerous simplification packages ("omnibus packages").

Clean Industrial Deal (CID)

The Clean Industry Deal, which is part of the Competitiveness Compass, was presented by the European Commission on 26 February 2025. The aim behind this non-legislative communication was to outline a strategy for reconciling the competitiveness of European industry with climate neutrality by 2050. The CID serves as a flagship project for the new European Commission (similar to the Green Deal) and as a guideline for the expected legislative proposals.

Action Plan for Affordable Energy

In addition to the CID, the Action Plan for Affordable Energy was also published on 26 February 2025. The aim of the action plan is to reduce energy costs for households and industry by accelerating structural reforms and strengthening the EU energy system and internal market. It includes both short-term and long-term actions aimed at reducing energy costs.

Clean Industrial Deal State Aid Framework (CISAF)

In June 2025, the European Commission adopted a new framework for state aid – the Clean Industrial Deal State Aid Framework (CISAF). CISAF sets out the conditions under which member states may grant aid for certain capital expenditure and objectives in accordance with EU state aid rules. The CISAF framework applies until 31 December 2030.

EU Climate Law 2040

In December 2025, the EU institutions adopted the emission reduction target of –90% by 2040 (compared with 1990 levels) under the EU Climate Law. To achieve this target, a number of flexibilities were introduced, including the use of international carbon credits and the option to count existing permanent (intra-European) carbon removals.

Grids Package

In December 2025, the European Commission presented the EU Grids Package to modernise and accelerate the expansion of the European power grid. This package is intended to promote grid investment, simplify the approval process and improve coordination of grid planning across Europe. It includes a proposal to revise the TEN-E Regulation, a proposal for a directive on the approval process (targeted amendments to RED III, the Internal Electricity Market Directive, the EU Buildings Directive, and the Gas and Renewable Gases Directive), as well as guidelines on efficient and timely grid connections and on contracts for difference (CfDs).

REPowerEU (Regulation on the gradual phase-out of Russian natural gas imports)

In December 2025, the EU institutions decided on the phase-out of imports of Russian natural gas. The regulation is a key component of the EU's REPowerEU roadmap, which aims to end dependence on Russian energy deliveries. It introduces a legally binding, gradual ban on both liquefied natural gas (LNG) and pipeline gas imports from Russia, with a full ban taking effect from the end of 2026 and autumn 2027 respectively.

EU Gas Storage Regulation

With a view to safeguarding Europe's security of supply, the period of validity of the Gas Storage Regulation has been extended. The amendment to the regulation maintains the 90% storage target and introduces additional flexibility for member states to achieve the target.

Second auction of the European Hydrogen Bank

The results of the second auction of the European Hydrogen Bank were published in May 2025. A total of €1.2bn was made available for the second auction. Austria participated in the second auction as part of the "auction-as-a-service" programme and provided an additional €400m from national budget funds for projects in Austria, of which €275m was ultimately awarded.

Delegated act on low-carbon hydrogen

The delegated act on low-carbon hydrogen was published in July 2025. Since neither the European Parliament nor the Council of the European Union objected to the delegated act, it entered into force in December 2025.

Deregulation packages ("omnibus packages")

The European Commission is seeking to reduce excessive reporting requirements and bureaucracy in order to ease the burden on businesses. To this end, the European Commission presented several simplification packages ("omnibus packages"), including in relation to the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD), and the Carbon Border Adjustment Mechanism (CBAM), on which agreements were reached in the course of 2025.

New legal framework for the energy sector in Austria

Political and legislative activities in Austria's energy sector in 2025 were dominated by intensive negotiations on the resolution of the Austrian Electricity Industry Act (*Elektrizitätswirtschaftsgesetz*, ElWG) and the Renewable Energy Expansion Acceleration Act (*Erneuerbaren-Ausbau-Beschleunigungsgesetz,* EABG). The focus was on political efforts to reduce energy prices and accelerate approval processes for renewables and grids. An Austrian industrial strategy was also prepared, and work on a hydrogen import strategy has begun.

Energy Crisis Contribution for Electricity (EKB-S)

The Energy Crisis Contribution for Electricity has been extended until 2030 and tightened. The cap on market revenues was lowered from €120/MWh to €90/MWh, or €100/MWh for plants that entered into operation on or after 1 April 2025, and the levy rate was increased from 90% to 95% of windfall profits. As before, there is a deduction for eligible investments (75% of the actual acquisition and production costs, capped at €25/MWh).

Austrian Electricity Industry Act (Affordable Electricity Act)

Following intensive negotiations, the Austrian Electricity Industry Act (ElWG) (Affordable Electricity Act) was adopted in December 2025 with a two-thirds majority. A new supply infrastructure contribution has been introduced for installations larger than 20 kW with a statutory cap of 0.05 cents/kWh. Other key points of the act include a stronger focus on system utility with regard to tariff exemptions for storage facilities, rules and regulations concerning peak capping for wind and photovoltaics, exceptions for small installations from grid connection fees, the introduction of a social tariff of €60m to be financed by suppliers, adjustments to provisions relevant to end-users (including the right to change prices, basic services, and dynamic supply contracts), rules and regulations concerning security of supply (grid reserve) and citizen energy (active customers and energy sharing).

Amendment to the Price Act

As part of the Affordable Electricity Act, amendments to the Price Act were also adopted alongside the Electricity Industry Act (ElWG). The amendments to the 1992 Austrian Price Act (*Preisgesetz*, PreisG) and the Energy Regulatory Authorities Act (*Energie-Control-Gesetz,* E-ControlG) have created a new price monitoring mechanism for energy by removing the previous exceptions for electricity and gas. Under the new price monitoring mechanism, the Federal Government is granted the authority to intervene temporarily in energy prices in the event of unjustified pricing practices.

Renewable Energy Expansion Acceleration Act (EABG)

In September 2025, the Renewable Energy Expansion Acceleration Act (EABG) was sent for review. Key elements include the concentration of procedures, anchoring the overriding public interest in energy transition projects, and the introduction of a new energy transition scheme. Furthermore, the draft stipulates technology-specific generation targets for the federal states for wind, photovoltaics and hydropower in order to achieve the 2030 expansion targets in accordance with the Renewable Energy Expansion Act (*Erneuerbaren-Ausbau-Gesetz*, EAG) (27 TWh).

Hydrogen import strategy

Work on the hydrogen import strategy officially commenced in September 2025. It is scheduled for finalisation by the end of 2026. The strategy focuses on conducting an analysis of future hydrogen demand in Austria, identifying suitable import countries and routes, establishing international partnerships, developing infrastructure and creating a regulatory framework.

Critical Infrastructure Resilience Act (RKEG)

In autumn 2025, the Critical Infrastructure Resilience Law (*Resilienz kritischer Einrichtungen-Gesetz*, RKEG) was passed. The law is intended to provide better protection for critical infrastructure against physical threats.

Network and Information System Security Act 2026 (NISG)

The Network and Information System Security Act 2026 (*Netz- und Informationssystemsicherheitsgesetz*, NISG 2026), which was adopted at the end of 2025, implements European targets (NIS 2 Directive). It defines actions aimed at achieving a high level of cybersecurity, particularly for material and important facilities in certain sectors, including the energy sector.

Location Safeguarding Act (Electricity Cost Compensation Act 2025)

The Location Safeguarding Act (*Standortabsicherungsgesetz*, SAG) was adopted in October 2025. Under the act, companies will be compensated for the share of electricity price costs in 2025 and 2026 attributable to the pricing of emission allowances. For 2025 and 2026, €150m has been earmarked for electricity cost compensation.

Amendment to the Electricity Duty Act (*Elektrizitätsabgabegesetz*, EnAbgR)

In December 2025, Parliament decided to reduce the electricity duty, limited to 2026. The duty is to be reduced from the current 1.5 cents/kWh to 0.82 cents/kWh. For private households, it is to be set at 0.1 cents/kWh.

New legal framework for the energy sector in Germany

Act amending energy industry law to prevent temporary generation surpluses adopted

In February 2025, an act amending energy industry law (including the Energy Industry Act (*Energiewirtschaftsgesetz*, EnWG) and the Renewable Energy Sources Act (*Erneuerbare-Energien-Gesetz*, EEG)) was passed. The aim of the act is to address the challenges posed by temporary surpluses in renewable energy generation and to increase flexibility in the power system.

German Hydrogen Acceleration Act (*Wasserstoffbeschleunigungsgesetz*, WasserstoffBG)

In July 2025, a new draft of the Hydrogen Acceleration Act (WasserstoffBG) was published. The aim of the act is to accelerate the hydrogen ramp-up through fast, simplified and coordinated approval processes with clear targets and deadlines. The act was not adopted in 2025.

Energy transition monitoring report

In September, the monitoring report on the energy transition commissioned by the German Federal Ministry for Economic Affairs and Energy (BMWE) was published. The report examines a range of topics, including future electricity demand, the status of renewable energy expansion and grid expansion, the status of the hydrogen ramp-up, and the situation with regard to security of supply.

Act amending the Carbon Dioxide Storage Act adopted

At the end of November 2025, the act amending the Carbon Dioxide Storage Act (*Kohlendioxid-Speicherungsgesetz*, KSpTG) entered into force. This amendment enables the capture, storage and transport of carbon dioxide (CO_2).

Amendment to the Energy Tax Act and the Electricity Tax Act adopted

In November 2025, the German Bundestag adopted an amendment to the Energy Tax Act (*Energiesteuergesetz*, EnergieStG) and the Electricity Tax Act (*Stromsteuergesetz*, StromStG). This amendment codifies the tax relief for companies in the manufacturing, agricultural and forestry sectors down to the EU minimum tax rate of 0.05 cents/kWh for a minimum annual consumption of 12.5 MWh.

New legal framework for the energy sector in Spain

Draft regulation establishing a capacity market in the Spanish power system and proposal for a resolution approving the operating procedure

At the beginning of 2025, a draft regulation and a proposal for the creation of a capacity market were published. Capacity auctions are to be introduced. In 2025, the framework for defining the functioning of the capacity market was published. The legislative process was not completed in 2025.

Regulation approving the regulatory framework and decision approving the call for tenders for energy storage subsidies

Ministerial Order TED/535/2025 and the decision approving the first tender for innovative energy storage grants were published in 2025. The first tender had a budget of €699m.

Blackout report by the Spanish government

In June, the Spanish government published its report on the blackout on the Iberian Peninsula on 28 April 2025. In it, the Spanish government and the transmission system operator Red Eléctrica identify relevant system states and events that led to the disconnection of generation plants with a capacity of 2,200 MW from the grid (protective tripping). This triggered cascading failures, which subsequently led to the Iberian Peninsula being disconnected from the continental European grid and to a blackout. A cyberattack was ruled out as the cause. The Spanish blackout was also investigated by an expert panel within the framework of ENTSO-E, comprising experts from national transmission system operators, regulators and ACER, whose interim report (Factual Report) was published on 3 October 2025.

Royal Decree 917/2025 amending Royal Decree 413/2014 on electricity generation from renewable energy sources, cogeneration and waste

In October 2025, a Royal Decree was published that provides for changes to the remuneration system for electricity generation from renewable energy sources, cogeneration and waste. Operating hours now also include six consecutive zero-price hours. In addition, the dispatch regulations were amended to promote the hybridisation of plants.

Royal Decree 997/2025 approving urgent actions to strengthen the electricity system

The actions contained in Royal Decree 997/2025 include the simplification of the approval process for hybrid installations (renewables and storage). These are considered to be of overriding public interest.

Finance

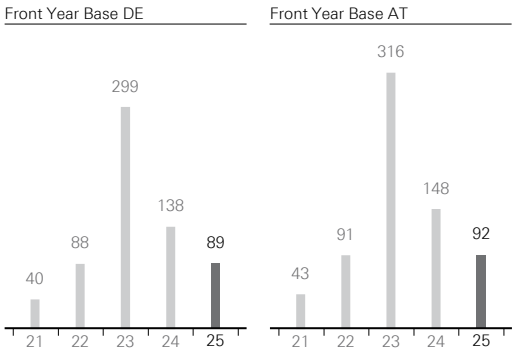
Factors affecting the result

Wholesale electricity prices

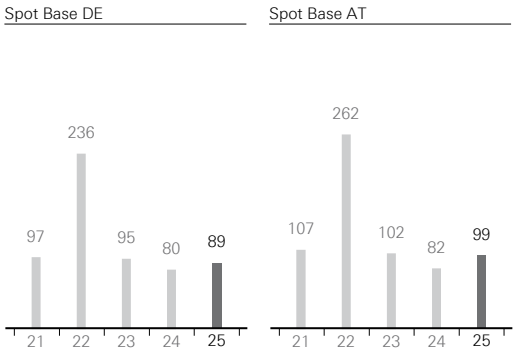
VERBUND contracted most of its own generation for 2025 on the futures market back in 2023 and 2024. Prices for AT 2025 front-year base load contracts (traded in 2024) averaged €91.6/MWh and prices for DE 2025 front-year base load contracts averaged €88.7/MWh. Year-on-year, futures market prices were therefore down by as much as 38.2% (AT) and 35.5% (DE). Front-year peak load (AT) contracts traded at an average of €101.7/MWh and front-year peak load (DE) contracts at €98.4/MWh. Futures prices in this area thus decreased year-on-year by 42.3% (AT) and 40.3% (DE).

On both the Austrian and German spot markets, wholesale electricity prices increased in 2025. Prices for base load electricity increased by an average of 20.8% to €98.9/MWh in Austria and by 12.3% to €89.3/MWh in Germany. Prices for peak load rose by 10.1% to €102.9/MWh in Austria and by 4.7% to €92.3/MWh in Germany. The rise in wholesale prices was attributable to higher gas and emission allowance prices.

Futures prices €/MWh



Spot market prices €/MWh



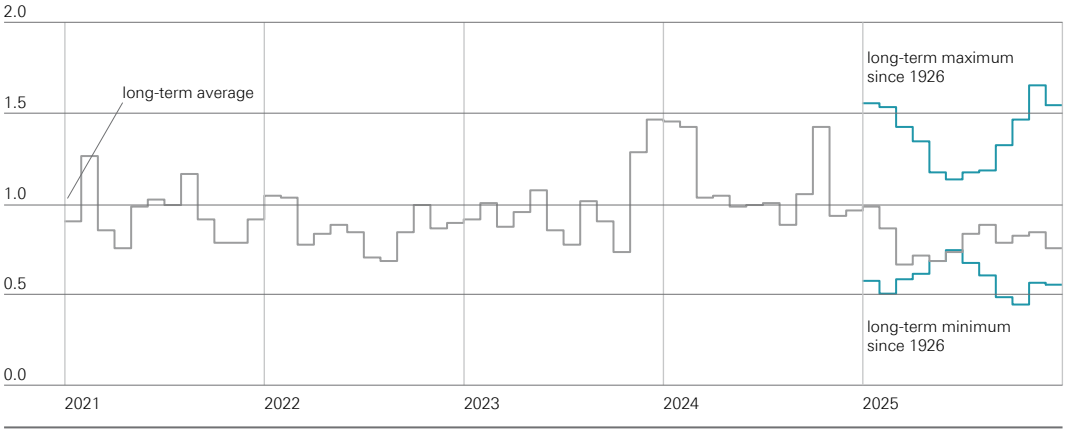
Futures prices traded in the year before supply. The years stated are the respective years of supply. Market area Germany or Austria respectively. Average prices.

Source: EEX, EPEX Spot

Water supply

The water supply in rivers is of particular significance for VERBUND, since around 90% of its electricity is produced using hydropower. Water supply is measured by means of a hydro coefficient, with the value of 1.00 representing the long-term average. In the 2025 reporting period, the hydro coefficient for run-of-river and pondage power plants was 0.79, which is 21 percentage points below the long-term average and 30 percentage points below the previous year's level (1.09). The values for the individual quarters show consistently lower volumes: quarter 1: 0.83 (previous year: 1.29), quarter 2: 0.72 (1.02), quarter 3: 0.84 (0.99) and quarter 4: 0.82 (1.12).

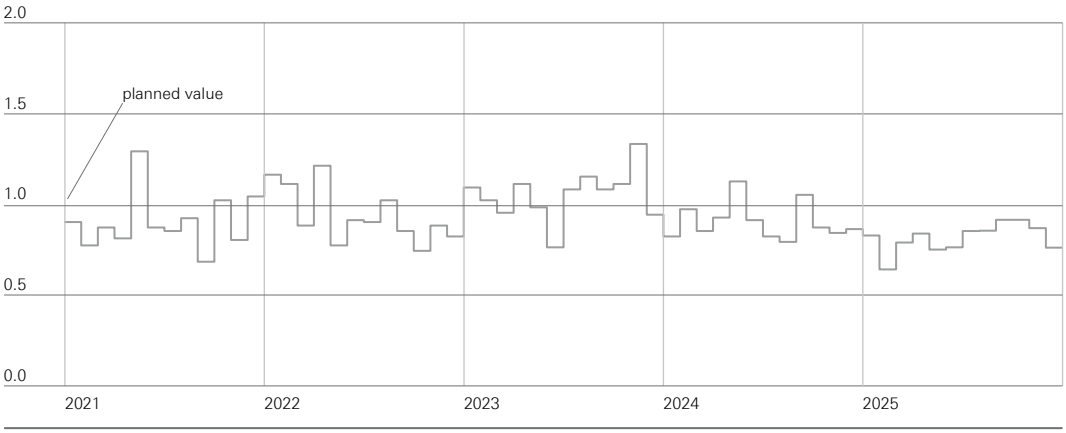
Hydro coefficient (monthly averages)



Wind and solar supply levels

In the 2025 reporting period, the new renewables coefficient for new renewables was 0.82, which is 18 percentage points below the planned value and 9 percentage points below the previous year's level (0.91). The coefficients for the individual quarters were as follows: quarter 1: 0.76 (previous year: 0.89), quarter 2: 0.79 (1.00), quarter 3: 0.88 (0.90) and quarter 4: 0.85 (0.87).

New renewables coefficient (monthly averages)



Electricity supply and sales volumes

VERBUND's own generation fell by 7,431 GWh to 29,625 GWh in 2025, a drop of 20.1% compared with 2024. Generation from hydropower decreased by 8,078 GWh compared with the previous year. At 0.79, the hydro coefficient for the run-of-river power plants was 30 percentage points below the previous year's level. Generation from the annual storage power plants declined by 5.9% in 2025 despite significantly higher turbining.

The volume of electricity generated by VERBUND's wind power plants in 2025 was down 104 GWh on the previous year due to the lower wind supply. The initial operation of wind turbines in Spain and Germany was unable to compensate for the low supply. The volume generated by photovoltaic installations was 7 GWh lower in 2025 than in the previous year. The initial operation of photovoltaic systems in Spain, Italy and Austria was unable to compensate for the lower global radiation.

Generation from thermal power plants increased by 755 GWh in 2025 with increased use for congestion management, primarily due to significantly higher clean spark spreads.

In addition, 47 GWh (+4 GWh) was generated in the current reporting period through the management of battery systems.

Purchases of electricity from third parties for trading and sales increased by 2,813 GWh in 2025. By contrast, electricity purchased from third parties for grid loss and control power was slightly below the previous year's level during the reporting period (–44 GWh).

Group electricity supply GWh

	2024	**2025**	Change
Hydropower[1]	33,448	25,370	–24.2%
Wind power	1,818	1,714	–5.7%
Photovoltaics	446	439	–1.6%
Thermal power	1,300	2,054	58.1%
Battery storage[2]	44	47	8.6%
Own generation	37,056	**29,625**	–20.1%
Electricity purchased for trading and sales	30,034	32,847	9.4%
Electricity purchased for grid loss and control power volumes	4,624	4,580	–0.9%
Electricity supply	71,713	**67,052**	–6.5%

[1] incl. purchase rights // [2] drawing of stored power; the stored quantities are shown under own use

VERBUND's electricity sales volume declined by 5,321 GWh, or 7.9%, in 2025. While sales to traders and resellers declined, sales to end-customers increased. Sales to end-customers rose by 806 GWh, whereas sales to resellers declined by 1,196 GWh, and sales to traders fell by 4,931 GWh. The decline in sales to traders and resellers resulted from lower generation. Own use of electricity rose by 778 GWh in 2025 due to the greater use of power plants in turbining mode.

Group electricity sales volume and own use GWh

	2024	**2025**	Change
Consumers	13,513	14,320	6.0%
Resellers	27,904	26,707	–4.3%
Traders	25,706	20,775	–19.2%
Electricity sales volume	67,124	**61,802**	–7.9%
Own use	3,258	4,036	23.9%
Control power volume	1,331	1,214	–8.8%
Total electricity sales volume and own use	71,713	**67,052**	–6.5%

Approximately 50% of the electricity sold by VERBUND in 2025 went to the Austrian market (previous year: around 52%). International trading and sales activities focused on the German market, which accounted for around 83% of all volumes sold abroad in 2025 (previous year: around 83%).

Electricity sales by country GWh

	2024	**2025**	Change
Austria	35,226	30,873	–12.4%
Germany	26,414	25,780	–2.4%
France	3,420	3,246	–5.1%
Romania	727	531	–27.0%
Spain	1,238	1,254	1.3%
Luxembourg	98	118	20.1%
Electricity sales volume	67,124	**61,802**	–7.9%

Financial performance

Results €m

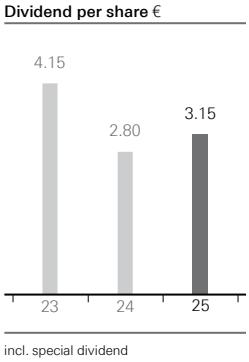
	2024	**2025**	Change
EBITDA	3,480.3	2,737.5	–21.3%
Adjusted EBITDA	3,480.3	2,737.5	–21.3%
Operating result	2,726.0	2,112.3	–22.5%
Group result	1,875.3	1,489.4	–20.6%
Adjusted Group result	1,975.5	1,472.1	–25.5%
Earnings per share in €	5.40	4.29	–20.6%
(Proposed) dividend per share in €	2.80	2.00	–28.6%
(Proposed) special dividend per share in €	–	1.15	–

Earnings performance

EBITDA fell by 21.3% year-on-year to €2,737.5m. The Group result was down 20.6% to €1,489.4m, and the Group result after adjustment for non-recurring effects amounted to €1,472.1m, down 25.5% on 2024. At 0.79, the hydro coefficient for the run-of-river power plants was 30 percentage points below the previous year's level (1.09) and 21 percentage points below the long-term average. Generation from the annual storage power plants declined by 5.9% year-on-year in 2025. As a result, total generation from hydropower plants was down 8,078 GWh, or 24.2%, to 25,370 GWh. Due to lower wind supply and lower global radiation, electricity generation from new renewable electricity generation facilities also declined. In financial year 2025, the new renewables coefficient for wind and photovoltaic power was 0.82, which is 18 percentage points below the planned value and 9 percentage points below the 2024 level (0.91). As a result, generation from wind power and photovoltaics fell by 111 GWh to 2,153 GWh. Results were also negatively affected by expenses in connection with the measures to tax windfall profits, which amounted to €135.9m in the 2025 reporting period in Austria. The average sales prices achieved for the Group's own production of hydroelectricity declined only slightly despite lower futures prices on the wholesale electricity market, falling by €1.7/MWh to €116.3/MWh. By contrast, results were positively influenced by the higher temporary earnings contribution from the electricity grid, partly due to higher auction revenues for cross-border transmission capacities, although this will be absorbed again in subsequent periods due to regulatory requirements. The Sales segment also performed well, partly due to the stabilisation of the end-customer business. The contribution from flexibility products remained at the previous year's level at around €275m.

Dividend

A dividend of €3.15 per share for financial year 2025 will be proposed to the Annual General Meeting on 21 April 2026. The dividend breaks down into a regular dividend of €2.00 per share and a special dividend of €1.15 per share. The special dividend equates to an amount of approximately €400m and supports shareholder-oriented capital allocation. The payout ratio (regular dividend plus special dividend) for 2025 will be 73.5% of the reported Group result or 74.3% of the Group result after adjustment for non-recurring effects. The payout ratio for 2025 relating to the regular dividend will thus be 47.2% based on the Group result after adjustment for non-recurring effects.



Revenue €m

	2024	**2025**	Change
Electricity revenue	7,027.3	6,541.3	–6.9%
Grid revenue	912.2	1,121.4	22.9%
Other revenue	305.1	350.8	15.0%
Revenue	8,244.6	**8,013.6**	–2.8%

Electricity revenue

VERBUND's electricity revenue decreased by €486.0m to €6,541.3m in 2025. At €116.3/MWh, the average sales price achieved for own generation from hydropower was down only slightly, by €1.7/MWh, despite declining futures prices on the wholesale electricity market. The high average sales price achieved in 2025 was mainly attributable to premature "limit" sales at high wholesale prices for electricity at the start of 2023 and from November 2023 onwards (for details, see the Wholesale electricity prices section). By contrast, in terms of quantities, electricity sales volumes fell by 5,321 GWh, or 7.9%, year-on-year.

Grid revenue

Grid revenue rose by €209.3m year-on-year to €1,121.4m in 2025. Austrian Power Grid AG recorded a €149.7m increase in revenue, which was primarily attributable to higher tariff rates and comparatively high electricity transport volumes at higher grid levels. At the same time, international revenue – particularly from the auctioning of cross-border capacities – was also significantly above the previous year. This excess revenue will be skimmed off again by the regulatory system. By contrast, revenue from control power and balancing energy dipped slightly. The €59.7m increase in grid revenue at Gas Connect Austria GmbH in financial year 2025 was mainly due to higher transmission revenue. However, this increase was offset by significantly higher compensation payments, which are reported under other operating expenses.

Other revenue and other operating income

Other revenue rose by €45.7m to €350.8m. In particular, higher revenue from invoiced services as well as gas and district heating deliveries had a positive effect. Revenue from the sale of green electricity certificates declined, however. Other operating income increased by €8.0m, primarily due to an increase in own work capitalised.

Expenses			€m
	2024	**2025**	Change
Expenses for electricity, grid, gas and certificates purchases	3,672.2	3,659.6	–0.3%
Fuel expenses and other usage-/revenue-dependent expenses	319.9	544.6	70.2%
Personnel expenses	570.8	606.5	6.3%
Other operating expenses	516.8	590.3	14.2%

Expenses for electricity, grid, gas and certificate purchases

Expenses for electricity, grid, gas and certificate purchases decreased by €12.6m to €3,659.6m. A total of 2,770 GWh more electricity was purchased from third parties for trading and sales as well as for grid loss and control power. By contrast, lower procurement prices had a positive effect. Expenses for electricity purchases thus decreased by €53.0m compared with the previous year. Expenses for grid purchases increased by €18.2m and expenses for gas purchases by €17.6m.

Fuel expenses and other usage-/revenue-dependent expenses

Fuel expenses and other usage-/revenue-dependent expenses were up €224.7m to €544.6m. Gas expenses declined despite the increased use of the Mellach combined cycle gas turbine power plant (for details, see the Electricity supply and sales volumes section), particularly on account of higher expenses incurred in relation to gas hedging transactions in quarter 1/2024. However, higher expenses for emission allowances due to the increase in generation and the measurement of gas storage caused a rise in expenses. The expenses recognised in connection with the measures to tax windfall profits totalled €145.8m (Austria, Spain and Romania) in the current reporting period, an increase of €138.1m year-on-year (2024: €7.7m).

Personnel expenses

Personnel expenses were up €35.7m year-on-year to €606.5m. This increase was due to hiring additional employees for the implementation of strategic growth projects in relation to the Grid, New Renewables and Hydro segments, along with the pay rise of between 3.3% and 3.5% under the collective bargaining agreement.

Other operating expenses

Other operating expenses rose by €73.5m to €590.3m, due in particular to higher compensation payments to Trans Austria Gasleitung GmbH and higher maintenance costs. This was balanced out by lower legal, audit and consulting expenses.

Measurement and recognition of energy derivatives

The effect from the measurement and recognition of energy derivatives was €–14.2m in 2025 (2024: €184.4m). Further details are presented in the notes to the consolidated financial statements.

EBITDA

As a result of the above-mentioned factors, EBITDA fell by 21.3% to €2,737.5m.

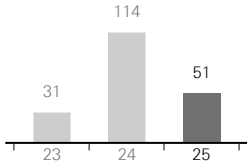
Depreciation and amortisation

Amortisation of intangible assets and depreciation of property, plant and equipment rose by €47.3m to €625.0m. This was due in particular to an increase in the investment volume at Austrian Power Grid AG and in the Hydro segment.

Impairment losses

Impairment losses of €51.1m mainly concerned the cash-generating units for the New Renewables portfolio in Spain (€40.2m) and the damage incident in Kaprun (Limberg I transformer) (€6.0m). The main reasons for the impairment losses included updated electricity price forecasts and capital costs. Further details on impairment testing are presented in the notes to the consolidated financial statements.

Reversal of impairment losses €m



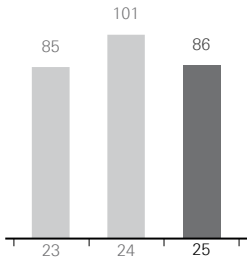
Reversals of impairment losses

The reversals of impairment losses of €50.9m related to the cash-generating units of the new renewables portfolio in Spain. The reversals of impairment losses are primarily based on verifying and updating relevant project-related assumptions for development projects. Further details on impairment testing are presented in the notes to the consolidated financial statements.

Financial result €m

	2024	**2025**	Change
Result from interests accounted for using the equity method	101.3	85.1	–16.0%
Other result from equity interests	10.9	7.5	–30.9%
Interest income	81.8	50.9	–37.8%
Interest expenses	–125.2	–113.3	–
Other financial result	–30.2	–26.3	–
Reversals of impairment losses	13.6	0.0	–
Financial result	52.2	**3.8**	–92.7%

Equity result - domestic €m



Equity method accounting

Result from interests accounted for using the equity method

The result from interests accounted for using the equity method decreased by €16.2m to €85.1m. This was largely due to the earnings contributions from KELAG-Kärntner Elektrizitäts-Aktiengesellschaft in the amount of €84.2m (2024: €100.5m; for details, see the All other segments section) and from Trans Austria Gasleitung GmbH in the amount of €0.9m (2024: €–2.4m).

Interest income and expenses

Interest income decreased by €31.0m to €50.9m compared with 2024, due mainly to lower interest payments from money market transactions. Interest expenses fell by €11.9m to €113.3m. This decline resulted, among other things, from lower interest expenses on former cross-border leasing transactions, money market transactions and bank loans.

Other financial result

The other financial result increased from €–30.2m to €–26.3m in 2025. This can be attributed to the change in the expense arising from the measurement of an obligation to return an interest (€+22.4m) relating to the Donaukraftwerk Jochenstein. By contrast, the loss of income from the measurement of a profit participation right with Trans Austria Gasleitung GmbH (2024: €+13.0m) and the change in the measurement of securities funds recognised in profit or loss (€–7.4m) balanced out these effects.

Financial result

The financial result consequently changed by €–48.4m, from €52.2m to €3.8m.

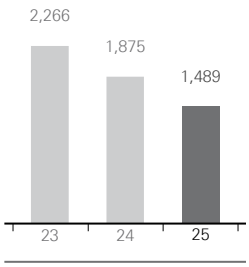
Income taxes

Income taxes decreased by €215.8m to €422.7m. In financial year 2025, the figure for income taxes includes a positive non-recurring effect in the amount of €61.7m. This effect results from the remeasurement of deferred taxes as a consequence of the immediate investment programme approved by the German Bundesrat, which provides for a gradual reduction of the corporate income tax rate from 15% to 10% from 2028. Further details are presented in the notes to the consolidated financial statements.

Group result

After taking account of an effective tax rate of 20.0% and non-controlling interests of €204.0m, the Group result came to €1,489.4m. This marks a decrease of 20.6% compared with the previous year. Earnings per share amounted to €4.29 (2024: €5.40) based on 347,415,686 shares. The Group result after adjustment for non-recurring effects was €1,472.1m, a decrease of 25.5% compared with the previous year.

Group result €m



Reconciliation of Group result to adjusted Group result

The following table shows the material non-recurring effects in financial year 2025.

Adjusted Group result		€m
	2024	**2025**
Group result	1,875.3	**1,489.4**
Measurement of an obligation to return an interest relating to the Donaukraftwerk Jochenstein	40.9	25.6
Kaprun damage incident (Limberg I transformer)	–	3.9
Impairment losses and reversal of impairment losses of cash-generating units of the new renewables portfolio in Spain	–46.3	–3.2
Remeasurement of deferred taxes as a consequence of the immediate investment programme approved by the German Bundesrat	–	–51.8
Impairment losses of Gas Connect Austria GmbH	67.7	–
Impairment losses of Mellach combined cycle gas turbine power plant	50.9	–
Measurement of a profit participation right relating to Trans Austria Gasleitung GmbH	–5.1	–
Reversal of impairment losses of Trans Austria Gasleitung GmbH	–5.3	–
Other	–2.6	8.2
Adjusted Group result	1,975.5	**1,472.1**

Financial position

Consolidated balance sheet (condensed) €m

	2024	Percent	**2025**	**Percent**	Change
Non-current assets	16,219.9	87%	16,888.4	91%	4.1%
Current assets	2,498.4	13%	1,721.3	9%	–31.1%
Total assets	18,718.3	100%	**18,609.7**	**100%**	–0.6%
Equity	11,064.8	59%	11,331.2	61%	2.4%
Non-current liabilities	5,879.8	31%	5,517.6	30%	–6.2%
Current liabilities	1,773.7	9%	1,760.9	9%	–0.7%
Total liabilities	18,718.3	100%	**18,609.7**	**100%**	–0.6%

Assets

The change in non-current assets is mainly attributable to the increase in property, plant and equipment, which was balanced out by reclassifications of loans to current assets related to former cross-border leasing transactions. Additions to property, plant and equipment (including additions from asset acquisitions) amounted to €1,298.1m, while depreciation totalled €576.3m. The main additions to property, plant and equipment related to (replacement) investments at Austrian and German hydropower plants and capital expenditure for the Austrian electricity transmission system. Impairment testing of property, plant and equipment and of intangible assets revealed impairment losses and reversal of impairment losses in the new renewables portfolio in Spain. The decrease in current assets was primarily due to lower cash and cash equivalents, lower trade receivables and lower positive fair values of derivative hedging transactions in the electricity business. This was balanced out primarily by higher receivables due to advance tax payments and higher loans related to former cross-border leasing transactions as a result of reclassifications from non-current assets.

SDG 8

Equity and liabilities

The change in equity was mainly attributable to the profit for the period generated in quarters 1–4/2025, offset by negative other comprehensive income, which was largely due to negative effects from the measurement of cash flow hedges, and dividend payments by VERBUND AG and VERBUND Hydro Power GmbH. The decline in current and non-current liabilities primarily resulted from lower provisions for income taxes and lower trade payables.

Cash flows

Cash flow statement (condensed) €m

	2024	**2025**	Change
Cash flow from operating activities	3,248.6	1,918.5	–40.9%
Cash flow from investing activities	–1,166.4	–1,351.4	–
Cash flow from financing activities	–2,251.0	–1,289.4	–
Change in cash and cash equivalents	–168.9	**–722.3**	–
Cash and cash equivalents at the end of the period	795.1	72.8	–90.8%

Cash flow from operating activities

Cash flow from operating activities amounted to €1,918.5m in the 2025 reporting period, down €1,330.0m year-on-year. The change was mainly due to the lower contribution margin from the Hydro segment as a result of the significantly lower water supply in addition to the change in margining payments for hedging transactions in the electricity business provided as security for open positions held with exchange clearing houses, and higher income tax payments.

Cash flow from investing activities

Cash flow from investing activities amounted to €–1,351.4m in the 2025 reporting period (2024: €–1,166.4m). The change was mainly due to a higher cash outflow from capital expenditure for intangible assets and property, plant and equipment (€–230.8m). This was partially balanced out by the change in cash inflows and outflows from money market investments (€+30.0m) and by lower cash outflows from capital expenditure for interests accounted for using the equity method and other investments (€+8.3m).

Cash flow from financing activities

Cash flow from financing activities amounted to €–1,289.4m in the 2025 reporting period, a change of €+961.6m. This change was due in part to the cash inflows and outflows from money market financing (€+331.2m) and from financial liabilities (€+36.9m). It also resulted from lower cash outflow for dividends (€+604.5m). This was balanced out in part by a higher cash outflow for the repayment of lease liabilities (€–11.0m).

Key performance indicators and financial governance

VERBUND's principal management KPIs are net debt/EBITDA and free cash flow. VERBUND uses ROCE to measure value creation for unregulated activities.

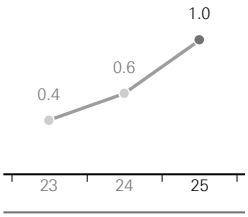
Net debt/EBITDA and free cash flow

VERBUND has made financial stability a priority and is aiming to reach a net debt/EBITDA ratio of <3.0. To continue to meet this target, particular attention will be paid to the development of free cash flow.

The net debt/EBITDA ratio was 1.0 at 31 December 2025 (2024: 0.6). The increase was mainly due to lower EBITDA and higher net debt. Information on the decline in EBITDA is presented in the Financial performance section. The reasons for the change in net debt are set out in the table below.

Free cash flow after dividends amounted to €–792.7m at the end of the reporting period (2024: €144.9m). The decline was principally attributable to the significant decrease in operating cash flow, partially offset by lower dividend payments.

Net debt/EBITDA



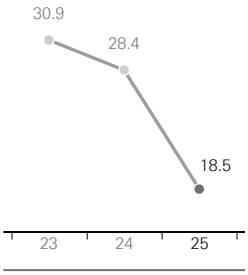
Return on capital employed

Return on capital employed (ROCE) is an indicator of the profitability of the Group's operating assets. ROCE for VERBUND's unregulated business activities at the end of 2025 was 18,5% (2024: 28.4%). The objective is for this figure to exceed 10.0% in the long term. ROCE is calculated by dividing net operating profit after tax (NOPAT) by average capital employed.

NOPAT equates to operating profit before financing costs, including the result from equity interests net of income tax. At the end of financial year 2025, NOPAT for VERBUND's unregulated business activities was €1,513.4m (2024: €2,128.0m). The change was mainly due to the change in profit before tax and is explained in the Financial performance section.

Capital employed corresponds to average total assets, net of those assets that do not contribute to performance or commercialisation, and less non-interest-bearing debt. Average capital employed for VERBUND's unregulated business activities amounted to €8,159.6m at the end of 2025 (2024: €7,504.0m). The Group return exceeded the weighted average cost of capital (WACC) of the Group's unregulated business activities in 2025 (31 December 2025: 5.75%; 2024: 5.5%).

ROCE



Gearing

Gearing is determined as follows:

Interest-bearing net debt (condensed) €m

	2024	**2025**	Change
Financial liabilities (not including closed items on the balance sheet)	1,817.0	1,940.0	6.8%
Interest-bearing provisions	623.3	553.9	–11.1%
Other interest-bearing liabilities	566.4	607.2	7.2%
Cross-border leasing	0.1	0.1	–5.0%
Cash and cash equivalents	–795.0	–72.7	–
Securities	–174.9	–173.6	–
Other liquid financial assets	–60.1	–36.8	–
Interest-bearing net debt	1,976.7	**2,818.1**	42.6%
Equity	11,064.8	**11,331.2**	2.4%
Gearing ratio	17.9%	**24.9%**	–

Financing

Financing strategy

In a highly volatile energy market environment marked by considerable uncertainty, VERBUND bases its financing strategy on three pillars: 1. safeguarding liquidity and ensuring sufficient liquidity reserves; 2. securing a solid, long term credit rating and 3. implementing innovative green finance transactions. These actions are embedded in the Group-wide risk and opportunity management framework and take into account the requirements for TCFD-compliant reporting.

Safeguarding liquidity and ensuring sufficient liquidity reserves

TCFD

For VERBUND, ensuring that liquidity is available at all times has the highest priority. As at 31 December 2025, VERBUND had an Environmental, Social, Governance (ESG)-linked syndicated loan in the amount of €1,000.0m at its disposal that had not been drawn down. The loan, which was taken out with 15 national and international banks with good credit ratings, matures in December 2028 with two additional extension options of one year in each case. VERBUND also had access to committed lines of credit amounting to €1,000.0m at the end of 2025. As at 31 December 2025, these credit lines had also not been drawn down. These liquidity instruments create a resilient buffer zone against market volatility and reinforce the Group's ability to act even in times of stress.

This excellent credit rating gives VERBUND continuous access to various financing instruments in the capital market.

Securing a solid, long-term credit rating

As at
31 December 2025:
S&P: A+/stable outlook
Moody's: A2/stable outlook

The better a company's credit rating, the easier and more cost-efficient it is to benefit from full access to international capital markets. An outstanding rating ensures VERBUND has access to international capital markets at any time and at cost-effective prices, stabilising the Group's financing base. As at 31 December 2025, VERBUND had a long-term rating of A+ with a stable outlook from Standard & Poor's (S&P) and a rating of A2 with a stable outlook from Moody's. Standard & Poor's current A+ rating was placed on CreditWatch Negative as of 30 January 2026 due to poor water supply and government intervention. VERBUND is thus among Europe's most creditworthy energy suppliers. The long-term goal is to achieve a solid rating in category A. To achieve this goal, VERBUND is focusing primarily on optimising free cash flow and on the two rating-relevant metrics FFO/net debt and RCF/net debt.

Implementing innovative green finance transactions

Current green finance initiatives: green bond, digital green *Schuldschein*, green & sustainability-linked bond and sustainability-linked syndicated loan as well as green bond including biodiversity components

TCFD

Green finance is a high priority for VERBUND, as the entire corporate strategy is focused on sustainability. VERBUND continues to position itself as a pioneer in this field and uses a wide range of innovative green financing instruments, including green bonds, digital green *Schuldschein*, green & sustainability-linked bonds and sustainability-linked syndicated loans (including biodiversity components).

Material transactions and developments in recent years:

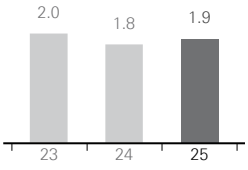
- Pioneering achievements: first green bond in the German-speaking region (2014); first digital green *Schuldschein* via a platform (2018); first ESG-linked syndicated loan with margins linked to the ESG rating (2018); first green & sustainability-linked bond combining four sustainable components (2021).
- Further instruments: ESG-linked *Schuldschein* (margin linked to Sustainalytics score, 2022); sustainability-linked syndicated loan with a volume of €1,000.0m, which had not been drawn down as at 31 December 2025 (2023).
- Green bond including biodiversity (May 2024): issuance of €500.0m, term of 7 years, coupon of 3.25%, more than six times oversubscribed; net proceeds to finance green projects under the VERBUND Green Financing Framework, in particular up to 90% for the construction of the 380 kV high-voltage Salzburg line and for biodiversity projects (LIFE Riverscape Lower Inn, LIFE project Blue Belt Danube Inn).
- In April 2025, VERBUND published the revised Green Financing Framework and the European Green Bond Fact Sheet 2025 on its website (covering the following activities: (i) electricity generation from hydropower, (ii) electricity storage and (iii) electricity transmission and distribution). This allows issuances in accordance with both the ICMA Green Bond Principles and the EU Green Bond Standard.

KPIs and impacts

In 2025, the KPIs for the green & sustainability-linked bond issued in 2021 developed as follows:

- KPI 1 (Newly installed capacity from hydropower, wind power and photovoltaics) increased by 628 MW to a total of 9,916 MW (baseline: 31 December 2020: 8,692 MW).
- KPI 2 (Additional transformer capacity) increased by 3,700 MVA to a total of 39,853 MVA (baseline: 31 December 2020: 30,810 MVA).

Financial liabilities €bn



Carrying amounts

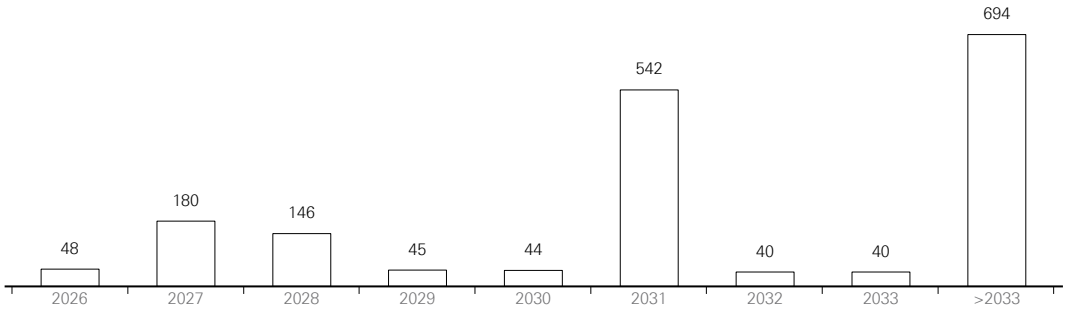
As at 31 December 2025, VERBUND's borrowing portfolio was composed as follows: 58.5% bonds and 41.5% loans.

The following key performance indicators refer to purely external financial liabilities, excluding former cross-border leasing transactions, financial guarantees and limited partnership interests. The carrying amount of VERBUND's financial liabilities was €1,926.6m as at 31 December 2025. The entire amount was financed in euros. A total of 83.0% of these financial liabilities had fixed interest rates and 17.0% had variable interest rates. As at 31 December 2025, the duration of all liabilities was 5.7 years. The average weighted term to maturity was 7.1 years. The effective interest rate was 2.26%.

Repayments of principal and repayment structure

In financial year 2025, principal payments of around €61m were made on long-term borrowings. A total of around €48m will fall due in 2026, and €180m is scheduled to be repaid in 2027.

Repayments €m



In summary, these three pillars together ensure that VERBUND remains financially capable of acting even in a volatile market environment. Robust liquidity reserves and backup facilities ensure short-term stability, a strong rating enables cost-efficient refinancing in the long term, and innovative green finance transactions support both sustainability performance targets and the financing of projects related to the transition to clean energy. All actions are coordinated and contribute to strengthen financial resilience and implementing strategic sustainability performance targets.

Segment report

Hydro

Generation of electricity from hydropower is reported in the Hydro segment. VERBUND is one of Europe's biggest producers of hydroelectricity. Around 86% of the total electricity VERBUND generated in 2025 came from this energy source. VERBUND's broad hydropower portfolio provides an excellent competitive basis, because Austria's sustainable hydropower delivers high-value peak load and reliable base load power.

In order to achieve independence, resilience and climate targets in Europe, in addition to expanding electricity generation from renewable energy sources, the focus is increasingly on security of supply, which requires massive flexibility and storage facilities.

KPIs – Hydro segment

	Unit	2024	**2025**	Change
Total revenue	€m	3,574.2	2,708.5	–24.2%
EBITDA	€m	2,969.5	2,024.3	–31.8%
Result from interests accounted for using the equity method	€m	0.8	–0.4	–
Capital employed	€m	6,105.3	6,833.3	11.9%

The decline in total revenue was mainly attributable to much lower output overall. This and expenses from the windfall tax were the main reasons behind the decline in EBITDA. The hydro coefficient for the run-of-river power plants was 0.79 (Q1–4/2024: 1.09).

The increase in capital employed was largely due to the increase in net property, plant and equipment, higher working capital and lower non-interest-bearing liabilities.

Energy supply

Energy generation overview

Electricity generation

SDG 7

	Number[1]	Maximum electrical capacity in MW[1]	Mean energy capability GWh[3]	2023 Generation in GWh[4]	2024 Generation in GWh[4]	2025 Generation in GWh[4]
Hydropower[2]	136	9,065	29,605	30,509	33,448	25,370

[1] as at 31 December 2025 // [2] incl. purchase rights // [3] mean energy capability includes output from natural inflow // [4] output from natural inflow (run-of-river and storage power plants) as well as from turbining and pumping

As at the end of 2025, VERBUND electricity from hydropower came from 96 run-of-river power plants and 26 (pumped) storage power plants. Purchase rights were also held at 14 run-of-river power plants owned by Ennskraftwerke AG.

As at the end of 2025, VERBUND's hydropower plants had a capacity of 9,065 MW (previous year: 8,468 MW; maximum electrical capacity = maximum capacity for sustained operations) and mean energy capability of 29,605 GWh. The increase compared with the previous year is mainly attributable to the Stegenwald, Reißeck II plus and Limberg III projects, as well as ongoing rehabilitation projects.

In the 2025 reporting period, 25,370 GWh was generated from hydropower. The hydro coefficient for run-of-river and pondage power plants was 0.79, which is 21 percentage points below the long-term average and 30 percentage points below the previous year's level. Generation from the annual storage power plants declined by 5.9% in 2025 compared with 2024 due to the low water supply. Generation from turbining was significantly higher than in the previous year due to high turbining spreads.

Capacity changes 2024–2027[1]

MW

SDG 7

	2024	**2025**	2026	2027
Hydropower[2]	8,468	9,065	9,115	9,160

[1] as at 31 December of each year // [2] incl. purchase rights

Additional increases in mean energy capability and capacity are expected for the coming years due to the rehabilitation projects underway.

Environment

In addition to ambitious climate and energy targets in Europe, Austria and Germany, the issues of greater independence, resilience and security of supply with increasing flexibility and storage requirements came to the fore in 2025. VERBUND Hydropower addresses all these aspects through high levels of capital expenditure for maintaining and modernising existing assets and for expanding hydropower plants in Austria and Bavaria.

For the most part, the general population supports generating greater quantities of electricity from renewable energy sources as well as the need for increased energy storage and flexibility solutions. However, some projects in the planning phase – including hydropower projects – are facing increasing resistance from individual NGOs, and more restrictive interpretations of the legal requirements are emerging in some approval processes. In addition, insufficient staffing of public authorities with

adequately qualified personnel is delaying the swift and efficient handling of approval procedures for modernisation and new construction projects.

When implementing the Internal Electricity Market Directive in the Electricity Industry Act (ElWG), Austria introduced an additional burden for feed-in suppliers in December in the form of a supply infrastructure contribution, which also affects VERBUND Hydropower. The temporary exemption for new pumped storage plants will continue, but specific targets for system-friendly operation must first be developed for new pumped storage plants in order for them to be granted exemptions for individual tariff components. The implementation of further EU targets, such as accelerating the expansion of renewables or classifying renewable installations and storage facilities as being in the overriding public interest, remains open.

With regard to cost developments for third-party goods and services, most of the relevant indices show only slight increases. However, this does not apply to some key electrical and I&C components, where high international demand (from grids and for renewable generation) continues to lead to significantly longer delivery times as well as higher prices.

New power plant projects

Construction of the new Stegenwald Salzach power plant

The Stegenwald power plant on the central Salzach River (a partner project between VERBUND Hydro Power GmbH (50%) and Salzburg AG (50%)) with a maximum electrical capacity of 14.3 MW and a mean energy capability of 73.8 GWh was successfully commissioned in July 2025 and officially inaugurated on 26 September 2025.

While the power plant was being built, a number of regional projects were carried out. These included improvements to flood protection and the closure of two ungated railway crossings. Project newsletters were sent out to the general public with updates on the project and construction progress. Information events for citizens were organised as required. Numerous site visits from within and beyond the region demonstrated the strong public interest in the construction process.

Construction of the new Reißeck II plus pumped storage power plant

The Reißeck II plus power plant, which entails construction of a 45 MW pumped storage facility built entirely underground, will expand and improve the existing power plant system in the Reißeck group. The power plant was successfully commissioned in February 2025 and connects the Small Mühldorf Lake with the headrace channel of the Reißeck II pumped storage facility.

The accompanying ecological measures were completed in 2024. These included completely grassing over the storage land using a method that combines planting grass seeds with laying sod, and creating new compensatory spawning grounds.

Construction of the new Limberg III pumped storage power plant, including raising of the Limberg Dam

Limberg III is an extension of the existing power plant system in Kaprun, and involves the construction of two pump turbines with a total capacity of 480 MW in one of the Company's own power plant caverns. The Limberg Dam will also be raised to increase storage capacity in addition to flexibility in the system as a whole.

Following completion of the assembly work at Limberg III in spring 2025, initial operation of the two generator sets began under the temporary operating licence issued by the grid operator. During the

associated tests, damage to the rotors occurred on both generator sets at the end of September and at the beginning of November 2025. According to the supplier responsible for rectifying the damage, repairs are expected to continue until summer 2026 for generator set 2 and until winter 2026 for generator set 1. With the exception of the two defective generators, the power plant has been structurally and technically completed.

Work on the planned raising of the Limberg Dam resumed after the winter break at the beginning of June 2025. By the winter break in December 2025, 10 of the 25 concrete blocks had already been completed. Work will resume in spring 2026 and is scheduled to be completed in 2027 as planned.

In connection with these major construction sites, a raft of ecological measures were also implemented. These include the designation of the European protected area Alpine Alluvial Plain Drossen, the restoration of storage areas using a special seed–sod combination technique and the restoration of areas dating from the construction phase in the 1950s. The Drossen rock storage site at 1,900 metres above sea level was renaturalised and recultivated in 2025.

A dedicated central communications department has been updating the local community on the construction work at Limberg III and the raising of the dam since construction started in 2021. Progress updates have also been presented at public municipal meetings. Both the local and national press make regular visits to the construction site to report on the current level of progress.

Kaprun 2029 project to establish state-of-the-art standards and construct the Schaufelberg pumped storage power plant to meet the requirements of the Water Framework Directive (WFD) in readiness for the re-issuance of water rights at the power plant facilities in Kaprun

In 2025, work also continued on the re-issuance of water rights for the Kaprun-Hauptstufe and Kaprun-Oberstufe power plants and the Mooserboden and Wasserfallboden reservoirs, including the dams. The water rights were originally granted in 1939 and expire in 2029. For the water rights to be re-issued, all the facilities must be state of the art and ecologically sound.

The construction of a new inlet structure at the Wasserfallboden reservoir and a new valve chamber was completed in 2024. In 2025, work continued on the construction of a new headrace channel and a new surge chamber, which began in October 2024. Implementation also commenced of the comprehensive list of actions extending to 2029, comprising approximately 140 individual actions for the renewal, adaptation or refurbishment of structural, electrical and mechanical plant components.

At the same time, VERBUND continued with plans to build another pumped storage power plant with a capacity of 480 MW. Like Limberg II and III, the Schaufelberg plant will be largely built underground. The construction of a new surge basin in the Piesendorf valley will enable operations to return the headrace water to the Salzach to be decoupled from the operation of all Kaprun power plants and adapted to water ecology specifications. Connecting the Kaprun-Hauptstufe power plant with the surge basin is expected to reduce hydropeaking at the Kapruner Ache River.

In November 2024, selected media outlets and local residents were informed in detail for the first time about the Kaprun 2029 and Schaufelberg projects in a public briefing. In November 2025, the public information campaign was continued as part of a joint event with the community of Kaprun. In addition, a public liaison officer was appointed to be the first point of contact for inquiries from local citizens until completion of the project.

Other new construction projects in the approval and planning process

Other hydropower plant projects are at the planning and/or approval stage and will help to further the energy targets in Austria and Bavaria in the spirit of the VERBUND Group's strategy 2030. Public engagement during the reporting year was again carried out in accordance with the principles of stakeholder management described in the Sustainable planning and stakeholder management subsection.

VERBUND is planning two new construction projects on the Mur River jointly with Energie Steiermark Green Power GmbH (50%/50%). For the Leoben Ost project (approx. 8 MW/38 GWh), the first instance of the environmental impact assessment (EIA) decision was received in October 2025, but this decision was appealed. For the Stübing project (approx. 12 MW/54 GWh), the application for the EIA procedure was submitted in December 2025.

Work on preparing the submission documents for the planned Golling new construction project (approx. 30 MW/140 GWh) on the Salzach River jointly with Salzburg AG continued as well.

On the border between Bavaria and Austria, VERBUND continues to work hard on obtaining approval for the Riedl energy store, an efficient pumped storage power plant with 300 MW of flexible capacity. In September 2025, the planning approval decision of the Passau District Office was handed over to VERBUND. Due to appeals against the decision, the proceedings will now continue in the second instance before the Bavarian Administrative Court in Munich.

In addition, work began in 2025 on developing a design for the modernisation and expansion of the existing Salza power plant site in Styria. Current plans envisage a pumped storage power plant with a capacity of up to 480 MW.

The Group is giving further consideration to a long-term overall project at the Tittmoning basin of the Lower Salzach, where a combination of river restoration for riverbed stabilisation and the creation of habitats with sustainable use of hydropower (run-of-river power plant) is receiving public funding from the Bavarian state government as a contribution to the future of electricity in Bavaria and from the Salzburg state government for fulfilling the renewable energy targets. Integrating compact turbines into a ramp structure that already needs to be built could generate up to 40 GWh per year.

Rehabilitation projects

In spring 2025, the refurbishment of the individual generator sets that began in autumn 2024 was completed at the Ottensheim-Wilhering, Wallsee-Mitterkirchen, Jochenstein, Egglfing-Obernberg, Braunau-Simbach and Laufnitzdorf power plants. In autumn 2025, work began on refurbishing the first generator set at the Rosenheim power plant and on the next generator sets at the aforementioned power plants. At the end of 2025, the sixth of nine generating units at Ottensheim-Wilhering, the second of six at Wallsee-Mitterkirchen, the second of five at Jochenstein, the second of six at Egglfing-Obernberg, the second of four at Braunau-Simbach, the second of two at Laufnitzdorf and the first of three at Rosenheim were undergoing refurbishment.

Preparations also continued for the rehabilitation projects at the Schwabeck and Lavamünd power plants on the Drau River, which are scheduled to start in autumn 2026 and in autumn 2029, respectively.

The refurbishment of all generator sets at the aforementioned power plants will lead to a gradual increase in mean energy capability of around 370 GWh in total and in installed maximum electrical capacity of around 90 MW in total. By the end of 2025, the completed refurbishment of the generator sets had already resulted in an increase in mean energy capability of around 118 GWh in total and in installed maximum electrical capacity of around 28 MW in total.

Hydro Operations and Security Center

In 2020, a Group-wide programme to replace the power plant control systems and establish a Hydro Operations and Security Centre (Hydropower OSC) was approved and implementation commenced. By the end of 2028, all power plants operated by VERBUND in Austria and at the Austria/Bavaria border are to be operated from a new central 24/7 control centre in accordance with the new technical and legal requirements.

In 2025, construction of the new control centre continued and was completed in December 2025. In addition, the new control centre system was successfully commissioned in the first plant group in 2025, and work began on embedding the next plant group. All four data centres are now in operation. The approval notice was received in December 2025, which meant that the new control centre for managing the first river group was able to commence operations in January 2026.

Digital Hydropower Generation

The Digital Hydropower Generation innovation programme, which runs until 2030, was launched in 2023. In the Digital Hydropower Plant project successfully completed at the end of 2022, a large number of digital applications were developed and tested in practice across departments and their suitability for hydropower was evaluated. One of the objectives of the new programme is to enhance these and roll them out as digital products and services.

In 2025, a total of ten ideas were fully developed and at least partially rolled out. Since April 2025, EisiDocs has provided a solution for the quality-assured transfer of technical documentation throughout VERBUND Hydropower. Another focus was the rollout of digital underwater inspection solutions, including mini diving robots and a telescopic camera system that was developed in-house. In addition, the data analytics platform was modernised, the rollout of an AI-based system for machine-specific anomaly detection based on this platform was continued across all power plants, and anomaly detection relating to active power was developed and implemented for the Danube power plants.

Environmental measures

In line with national and international targets and guidelines, VERBUND pursues a holistic approach at its hydropower plants with regard to the protection, promotion and restoration of habitats and biodiversity. This approach is based on three key areas of action: research projects on preserving and strengthening biodiversity, aquatic ecological renaturation projects, and land management that promotes biodiversity.

The central regulatory framework for this is provided by the EU Water Framework Directive (WFD) together with its national River Basin Management Plans.

VERBUND recognised early on that the targets of the Water Framework Directive were not a burden, but rather an opportunity for proactive and comprehensive ecological enhancement of domestic waters. In this context, it was recognised that simply restoring continuity, reducing hydropeaking or implementing a residual flow release would not be sufficient to achieve the ambitious ecological goals. Instead, VERBUND pursues an integrated approach that combines reconnection with the restoration of structurally rich habitats. To support this approach, VERBUND Hydropower has allocated a total budget of over €400m for ecological improvement measures for the period from 2001 to 2030, of which around €200m had already been spent by the end of 2025. This is and was in addition to ongoing expenses for operation and maintenance, particularly for monitoring and operating the fish passes built.

For details on measures relating to nature conservation, see www.verbund.com > About VERBUND > Responsibility > Environment.

SDG 15

The EU-funded LIFE projects have proven to be a particularly effective tool for implementing this strategy at VERBUND Hydropower plants located in or near Natura 2000 protected areas. A key feature of these projects is that the actions pursued contribute both to achieving the objectives of the Water Framework Directive and to creating demonstrable added value for the protected resources of the Habitats and Birds Directives (Natura 2000). The implementation of LIFE projects therefore not only fulfils the requirements of the Water Framework Directive, but also specifically improves conditions for protected species and habitat types in the riparian zone and surrounding areas. This creates synergies that go far beyond the minimum requirements of the Water Framework Directive.

VERBUND Hydropower has set itself the fundamental goal of ensuring continuity in its facilities by 2027 in accordance with the national River Basin Management Plan. However, delays in the approval process are expected to delay target achievement by two years.

For details on measures relating to nature conservation, see www.verbund.com > About VERBUND > Responsibility > Environment.

SDG 15

In the 2025 reporting period, work continued to focus on the technically demanding approval planning and comprehensive official approval processes for the remaining fish passes on the Danube River, the border section of the Inn River, and the Bavarian section of the Inn River (including those grouped under the two LIFE projects Bluebelt Danube Inn and Riverscape Lower Inn), as well as predominantly technical fish ladders on the Enns and Mur rivers. At the Rosenheim and Egglfing-Obernberg power plants, preparatory actions to ensure continuity by 2027 began in autumn 2025. In addition, the fish ladders installed in previous years continued to be monitored. As of the end of 2025, a total of 71 power plant sites are passable to fish.

Fish passes

		2023	2024	**2025**
Sites	Number	69	71	**71**

Selected activities relating to implemented and ongoing ecological measures are presented on the VERBUND website. The EU-funded LIFE projects each have their own project website with comprehensive relevant information for the public.

To implement the requirements of the national River Basin Management Plan aimed at reducing hydropeaking impacts, the technical possibilities at VERBUND's storage and pumped storage power plants were evaluated in detailed feasibility studies in 2025 on the Salzach, Drau, Teigitsch, Pack and Ziller rivers and subsequently incorporated as effectively as possible into action programmes. On the Enns river, the targets set out in the Water Framework Directive are to be achieved through the LIFE project WeNatureEnns, which is currently in preparation. On the subject of residual flow release in accordance with the national River Basin Management Plan, applications for determination were submitted in 2025 for the power plant facilities in Styria.

In order to meet further requirements of the Water Framework Directive, environmentally effective improvement strategies will be developed in cooperation with other hydropower companies and universities as part of broad-based research projects.

Through the Christian Doppler Laboratory for Sediment Research and Management, the Vienna University of Natural Resources and Life Sciences (BOKU University) reviewed options for improving river sedimentation in rivers impacted by power plants in Austria until the end of 2024. Building on these results, further detailed investigations into suspended sediment concentrations affecting fish during desedimentation were carried out in 2025 at BOKU University's hydraulic engineering laboratory. These investigations will continue in 2026.

The ÖkoResch project is a pilot project also being carried out at BOKU University to examine the technical basis for assessing the necessity and the scope of residual flow release in high mountain areas and to provide scientific support for feasibility studies on hydropeaking at selected river stretches.

The research project on fish protection and downstream fish migration was technically completed in 2024. The results were published in two papers and presented at expert seminars in Austria and Bavaria in spring 2025. At the same time, the Austrian Federal Ministry of Agriculture and Forestry, Climate and Environmental Protection, Regions and Water Management (BMLUK) commissioned a study to define a standard for fish protection, which also draws on findings from research projects.

The Christian Doppler Laboratory for Meta Ecosystem Dynamics in Riverine Landscapes (CDL-MERI), where BOKU University is researching the long-term effects of the semi-natural measures implemented on the riverine floodplain forest habitat along the Danube River over a period of several years, continued to document extensive environmental evidence on changes in the fish population in 2025. This project is co-sponsored by VERBUND, viadonau and Österreichische Bundesforste.

In addition to implementing the requirements of the Water Framework Directive, VERBUND is increasingly focusing on its own land management in the vicinity of its hydropower plants. Forest and grassland areas will be systematically recorded over the next few years and assessed in terms of their ecological potential. On this basis, guidelines for biodiversity-enhancing management are being developed and gradually implemented. The aim is to actively promote biodiversity, even away from water bodies, and to preserve and restore near-natural structures in the long term.

Sustainable planning and stakeholder management

In all major projects, VERBUND considers its responsibility to society and the environment right from the start. Great importance is placed during all stages of planning and implementation on executing construction work with the utmost consideration and ensuring that the effects of plant operation on the environment are minimal. In all projects, a strong focus is placed on dialogue with citizens, beginning as early as the planning stage. Wherever possible, VERBUND seeks to leverage synergies in planning and execution to provide direct advantages for those affected (for example by improving local flood protection installations and through appropriate transportation infrastructure).

This commitment to information and dialogue is also very consciously applied to measures with (in some cases exclusively) environmental relevance, including fish passes and bypass channels as well as LIFE projects. This is the reason why there are separate websites for larger projects. In addition, social media communication activities were stepped up and professionalised. Use of content across different media is also particularly important. This raises additional awareness of current issues, especially in environmental projects.

Conventional dialogue formats were also used in 2025 as a matter of course. The initial operation of the Reißeck II plus power plant was celebrated in June 2025 together with the local population and residents. A special book entitled *Das Salzachkraftwerk Stegenwald – Innovation und Nachhaltigkeit* [The Stegenwald Salzach power plant – innovation and sustainability] was presented at the opening of the Stegenwald power plant in September 2025. In addition, the public was informed about the 100-year history of the Arnstein storage power plant during an open day in October, and a book entitled *Das Speicherkraftwerk Arnstein – 100 Jahre Strom aus der Teigitsch* [The Arnstein storage power plant – 100 years of electricity from the Teigitsch] was published to complement the event. In November 2025, Kaprun hosted a public briefing event in which the general public and the media were informed about ongoing and planned projects in the region. This event followed in the tradition of the successful community meetings, at which VERBUND sites also offer opportunities for discussion and information outside of project implementation.

In 2025, the national and international exchange on technical topics continued, for example by attending and giving presentations at national and international congresses and meetings. Particular mention should be made of the International Forum on Pumped Storage Hydropower, organised by the International Hydro Power Association (IHA) in Paris in September 2025, the vgbe Congress in Vienna in September 2025, and the International Hydropower Congress Hydro 2025 in Greece in October 2025. Among other events, participation in the vgbe energy event Digitalisation in Hydropower 2025 in Turkey in October 2025 is also worth mentioning.

These events were not only an opportunity to share and build mutual experience and expertise in maintaining and expanding proprietary generation capacity, but also to disseminate highly specific expert knowledge in the hydropower community.

Environmental management system in line with ISO 14001, energy management system in line with ISO 50001

The implementation of environmental management systems ensures compliance with the most stringent environmental standards and continuous improvement of a company's environmental performance. Years ago, VERBUND introduced environmental management systems in accordance with the international ISO 14001 standard at all its hydropower operating sites.

In 2025, the effective functioning of the management system in accordance with ISO 14001 certification was once again confirmed by Quality Austria for VERBUND Hydro Power GmbH, VERBUND Innkraftwerke GmbH and Grenzkraftwerke GmbH, the nine operational power plant groups and all business areas.

In addition, the German Federal Energy Efficiency Act (*Bundesenergieeffizienz-Gesetz*, EEffG) has required a certified energy management system in accordance with ISO 50001 since mid-2025. A corresponding system was developed and introduced for VERBUND Innkraftwerke GmbH and Grenzkraftwerke GmbH as an integrated management system based on ISO 14001 certification. The certification audit was conducted externally and the certificate was presented in July 2025.

Hydro Consulting

Since 2017, VERBUND has been progressively developing and building up its Hydro Consulting operating segment based on the comprehensive experience of its highly skilled team of experts.

In addition to increasing profit, this operating segment's activities are primarily focused on maintaining and growing VERBUND's core competencies in the field of hydropower while gaining additional insights that will benefit the Group's own installations. Moreover, VERBUND's specific expertise will contribute to efficient, safe, and socially and environmentally compatible implementation of projects worldwide, thus furthering the sustainable development of hydropower.

In the selection of projects, importance is attached accordingly to compliance with international standards (e.g. World Bank and the International Hydropower Association (IHA)) concerning sustainability.

In 2025, 30 service contracts were processed. Of particular note were several contracts for large-scale power plants in Laos, including Luang Prabang and Xayaburi. Various services were provided in these projects for owners, for the syndicate of banks financing the transactions and for the Laotian Ministry of Energy. At the pumped storage power plant in Manara, Israel, which is under construction, support services under the Operation & Maintenance contract also continued despite the war having halted construction since October 2023, albeit on a very limited scale.

Further contracts involved technical consultations for the development of new pumped storage power plants in Romania and South Africa. In addition, support services for projects in Australia, South Korea and the United Arab Emirates were commissioned on the basis of existing long-term framework agreements.

The hydropower experts in our Hydro Consulting segment are also continuing to work with VERBUND Green Power Iberia on the development of two highly efficient pumped storage power plants in Spain.

New renewables

Generation from wind power, photovoltaics and flexible storage are reported in the New renewables segment. VERBUND aims to make a significant contribution to the Austrian and European climate and energy strategy. Its goal is therefore to accelerate profitable growth in electricity generation from wind and photovoltaic power. By 2030, electricity generation from new renewables is expected to account for up to 25% of VERBUND's total generation (around 7% as at 31 December 2025).

Photovoltaics, wind power and flexibility solutions will secure the electricity supply of the future.

KPIs – New renewables segment

	Unit	2024	**2025**	Change
Total revenue	€m	324.0	286.2	–11.7%
EBITDA	€m	169.6	157.7	–7.0%
Result from interests accounted for using the equity method	€m	1.3	–0.7	–
Capital employed	€m	1,954.3	1,876.6	–4.0%

Due to lower wind supply, lower solar radiation for photovoltaic systems and lower market prices, total revenue was below the level achieved in the previous year. These effects were almost entirely offset by lower electricity purchase costs. The decline in the new renewables coefficient was attributable to poorer wind supply, particularly in the first quarter of 2025, whereas the decline in capital employed can be attributed in particular to lower net property, plant and equipment.

Energy supply

Energy generation overview

Electricity generation

SDG 7

	Number[1]	Maximum electrical capacity in MW/MWp[1]	2023 Generation in GWh	2024 Generation in GWh	**2025 Generation in GWh**
Wind power	353[2]	910	1,397	1,818	1,714
Solar power[4]	51[3]	346	362	446	439
Total		1,256	1,758	2,264	**2,153**

[1] as at 31 December 2025 // [2] refers to the number of wind power plants // [3] refers to the number of solar farms // [4] excl. leased/contracted installations

VERBUND generated 2,153 GWh of electricity from the renewable energy sources of wind power and solar energy in financial year 2025, down 111 GWh on the previous year's level of 2,264 GWh. The lower generation is mainly attributable to lower wind supply, particularly in quarter 1/2025. The ongoing initial operation of new plants was unable to compensate for the lower generation of wind power plants, but it is continuously strengthening VERBUND's capacity and increasing earnings stability in the medium term. During the reporting year, wind power plants in Germany and Spain as well as open-field solar installations in Austria, Italy and Spain were commissioned. This will enable VERBUND to further expand its position in its target markets.

The electrical capacity of VERBUND's wind power installations as at 31 December 2025 was 910 MW, while the capacity of its photovoltaic installations was 346 MWp (excluding installations for industrial customers).

Solar and wind power

SDG 7

With its wind power plants and photovoltaic installations in Austria, Germany, Romania, Italy and Spain, VERBUND had 1,256 MW of installed capacity from new renewables at its disposal as at 31 December 2025 and is moving closer to its target of covering up to 25% of VERBUND's generation from this value chain stage by 2030. As one of VERBUND's strategic pillars, green energy generation in Europe plays a key role in achieving supply independence in the medium term and contributing to a climate-neutral Europe. VERBUND is pursuing regional and technological risk diversification. This is accompanied by the expansion of the flexibility portfolio to strengthen grid stability and increase earnings opportunities.

The team in charge of project development and asset acquisition worked hard on developing the wind power, photovoltaic and battery project pipeline in Austria and beyond, thereby laying the foundation for VERBUND's future generation capacity.

In Germany, Spain, Italy and Romania, projects with a total installed capacity of around 1.3 GW reached ready-to-build status or entered the construction phase. This places a clear emphasis on the operational implementation of projects in the coming years.

Important milestones were also achieved in all target markets.

In Austria, new photovoltaic and wind projects with a capacity of around 400 MW were added to the project pipeline in 2025. In addition, a 3.7 MW open-field solar installation was commissioned in Styria. VERBUND received a market-based feed-in premium under the Renewable Energy Expansion Act (EAG) for this project, thereby securing stable revenues.

VERBUND further strengthened its market presence in Germany. In 2025, as part of the collaboration with a project developer, individual photovoltaic projects from the portfolio also saw further progress. In addition, two wind project portfolios were pursued in collaboration with another project developer. The closing of an M&A transaction with a wind project volume of up to 140 MW was another milestone in the expansion of the German pipeline (portfolio of five projects in various stages of development, initial operations planned between 2028 and 2030). Furthermore, the closing was completed for the acquisition of another wind farm in Germany, which will add a further 18 MW to the portfolio.

In Spain, there was a strong focus on obtaining final permits. Four open-field photovoltaic portfolios with a total installed capacity of around 1.1 GW achieved ready-to-build status. This places a strong focus on the upcoming implementation. At the end of 2025, an 18 MW wind farm and a 25 MW open-field photovoltaic farm were also commissioned.

In Italy, the development of wind and photovoltaic projects progressed successfully. For example, a positive decision was received regarding the environmental impact assessment (EIA) for a wind project. Development of two open-field photovoltaic projects (total 15 MW) was largely completed in the reporting year, with construction for these projects expected to commence in quarter 2/2026. In 2025, an important milestone was reached for VERBUND's presence in Italy with the initial operation of the first plant – a 10 MW open-field photovoltaic installation in Puglia.

In Romania, VERBUND's focus in the reporting period was on developing wind power, photovoltaic and battery projects, as well as on the technical and commercial operation of the existing 226 MW wind farm. The projects, for which construction began in 2025, are being implemented in the vicinity of the existing wind farm and use the existing grid infrastructure. Development of a wind project with a planned capacity of 272 MW also continued apace. Construction of the project is expected to start in 2026.

In Albania, the development of a wind power project progressed, with ready-to-build status expected to be reached in 2026. Further progress was made in the development of a photovoltaic project following receipt of the preliminary building permit.

Research and special projects

VERBUND is concentrating on completing a scalable, advanced cloud platform for smart monitoring of all operating wind farms and photovoltaic installations. To this end, research and development initiatives are being implemented with two main focuses: a cloud-based lakehouse as a central data storage facility for processing large volumes of operating data, and applications based on this, such as a business intelligence (BI) reporting system, an automated notification system and an advanced analytics platform. The objective is innovative, efficient analysis of operating data. After an initial prototype of the new platform with limited functionality went into operation at the end of 2024, the focus in 2025 was on developing and commissioning the fully functional production system for the new platform – a milestone successfully reached in mid-2025. Further details are presented in the Innovation, research and development section.

Environment and sustainability

SDG 15
ESRS E4

The transition to clean energy, climate change, biodiversity loss, strict environmental regulations and, at the same time, growing energy demand are placing high requirements on the expansion of wind and photovoltaic projects. VERBUND is committed to high environmental standards and takes the protection of nature and people into account at every project phase. Projects undergo environmental impact assessments (EIAs) and, once approved, receive the corresponding nature conservation permits.

Environmental measures are actively implemented in accordance with VERBUND's biodiversity policy. In this context, the mitigation hierarchy applies, with priority given to prevention, minimisation, restoration and compensation for remaining impacts.

The selection of sites favours areas that are already impacted and generally excludes protected areas such as Natura 2000 sites. During project development, country-specific reports are prepared to assess environmental compatibility and social impacts (e.g. monitoring of fauna and flora). Expert reports provide recommendations for measures, which are reviewed by regulatory authorities and incorporated into the permit process.

All approved actions are implemented during the construction phase. Plants that require special protection, for example, are dug up, stored and replanted once construction is complete, and some construction sites are monitored by environmental agencies. In terms of quality management, VERBUND applies the principle of plastic-free construction sites in most countries and adheres to internal occupational health, safety and environmental protection policies, which are regularly monitored on site (through measures such as personal protective clothing and correct waste separation). These actions are also consistently observed during operation. Monitoring is carried out predominantly by external experts to assess effectiveness. Corrective action is taken where necessary.

With rigorous planning, practical implementation and ongoing monitoring, VERBUND combines the expansion of wind farms and photovoltaic installations with the protection of the environment and biodiversity.

VERBUND has been operating an environmental management system certified according to ISO 14001:2015 in the field of new renewables in Austria and Romania for many years. In Austria, the certification was extended to the entire company in 2025. Initial certification according to ISO 45001:2018 was also carried out here. All certifications were externally audited and confirmed.

In Spain, for example, VERBUND implemented compensation and agri-environmental measures in several projects in 2025 and was recognised for its proactive approach to protecting steppe birds at the IV Technical Conference of the Steppe Forward Chair. In the Autonomous Community of Madrid, arrangements have been signed with Terra Naturalis and GREFA to improve habitats for endangered species through ecological fallow land, field margins, greening of olive groves and water ponds. In 2025, VERBUND received the Calculo certification (for registering CO_2 emissions for 2022) and the Compenso certification (for committing to offset emissions from certain projects and initiatives) from the Spanish Ministry of Energy. These and other achievements underscore VERBUND's goal of contributing to the energy transition in a responsible manner.

Section ESRS E4 Biodiversity and ecosystems takes a closer look at the impact of the expansion of wind and photovoltaic installations and the corresponding actions.

Stakeholder management

VERBUND places strong emphasis on engaging with the local population in the development and operation of wind farms and photovoltaic installations. At the Bruck/Leitha wind farm, for example, guided tours of a wind power plant with an observation platform are offered. This provides visitors with a unique opportunity to gain an alternate perspective on wind power and experience it up close. In addition, transparent communication is encouraged from the early stages of development. To this end, regular information events for neighbours are held to explain and jointly discuss project plans.

Presentation of the project to the town hall is also organised at an early stage. VERBUND is constantly stepping up its efforts to promote interaction with local residents.

Furthermore, VERBUND offers a number of different models that will enable members of the public to participate in the development of new renewable sources of energy. One of these is the “Klimasparen” model, which was already successfully implemented in three photovoltaic projects in 2023 and 2024. Citizens got involved by paying into a savings account at a local bank. Local residents thus benefited from attractive terms without project risk. This savings deposit is granted as a loan to VERBUND to fund the respective projects. Up to 300 citizen participation stakes were reserved exclusively for residents of the local communities. Since the citizen participation programme has been so well received, it will serve as the model for other participation projects in Austria.

In Spain, VERBUND is running a local impact programme for all new renewables projects. The programme finances and coordinates many different initiatives in cooperation with the Spanish municipalities. The aim of this programme is to promote local socio-economic development and well-being while building meaningful, lasting relationships with regional and local governments and authorities. The areas of cooperation identified for this programme that will have a positive local impact are clean energy, education, healthcare and well-being, social initiatives, culture and heritage, and local infrastructure. In 2025, VERBUND engaged with key stakeholders to review the development of the relevant activities. One example is the research programme at the University of Pinos Puente, which is funded by VERBUND. At the time of reporting, the programme was halfway through its term (two of four years completed) and was showing significant progress in terms of social integration.

Sales

The Sales segment combines all of VERBUND's trading and sales activities. In addition, the segment combines all of VERBUND's activities related to battery storage in its core market. Through its trading in electricity, gas, guarantees of origin, emission allowances and transport capacity as well as in innovative green electricity and flexibility products, VERBUND has established a strong presence in the most important Over-the-Counter (OTC) markets and in the exchange markets in Europe. This also gives VERBUND a decisive competitive advantage in optimally marketing its own generation. The expertise VERBUND has acquired strengthens its position in the electricity market and enables the Group to respond promptly to changes in the market. This makes VERBUND a leading provider of flexibility and green electricity products as well as comprehensive services for the energy markets in Austria as well as in Germany.

The focus of VERBUND's electricity trading is on optimising utilisation of its own power plants, achieving the best possible results from marketing the Group's own generation, optimising electricity purchasing and securing sales. VERBUND furnishes its customers with energy market expertise in the form of new products and services. VERBUND therefore assists customers with marketing their facilities for renewable energy and offers them – for example – flexibility products to reduce their risk exposure arising from balancing energy. In addition, VERBUND allows its customers to participate directly in the balancing services and intraday markets. Products and services relating to photovoltaics, electromobility and batteries expand the offerings, and VERBUND customers are supported in actively participating in the energy transition.

The core markets for VERBUND's sales activities serving resellers, municipal utilities and industrial customers are Austria and Germany. In Austria, VERBUND supplies the household/agriculture and commercial segment with electricity generated from 100% hydropower as well as natural gas.

Business performance

KPIs – Sales segment

	Unit	2024	**2025**	Change
Total revenue	€m	6,766.5	6,435.5	–4.9%
EBITDA	€m	6.9	134.4	–
Result from interests accounted for using the equity method	€m	0.2	0.6	–
Capital employed	€m	794.0	886.5	11.7%

The decline in total revenue is mainly attributable to lower sales volumes as a result of poorer water supply. Nevertheless, EBITDA increased, mainly due to lower electricity purchase expenses and the result from the measurement and recognition of energy derivatives for future delivery periods.

The increase in capital employed was mainly due to higher deferred tax assets and higher current income taxes as well as an increase in working capital.

Marketing of VERBUND's own generation

Efficient marketing of VERBUND's own generation

In view of the momentum in the energy markets and volatility in electricity prices, VERBUND Energy4Business GmbH is optimising its marketing activities so as to secure and market the

Group's own generation as effectively as possible. Marketing activities primarily focus on the characteristics of the Group's power plants. For example, they take account of seasonal fluctuations in water supply and seasonal differences in wind or solar power generation, and follow dynamic hedging concepts that respond to market price fluctuations. The precise forecasts of inflow and weather required for this are prepared using models, some of which were developed within the Group. Optimisation calculations using the appropriate electricity pricing models round off the system landscape to enable the best possible marketing of assets. VERBUND is expanding its marketing of its own generation to include the countries in which the Group is carrying out its own renewable energy projects or has acquired such projects (such as in Spain and Italy). In these markets in particular, the emphasis is on longer-term hedging instruments in the form of power purchase agreements (PPAs). Working with local partners, we manage the plants in such a way as to minimise balancing energy.

All trading activities take place within the framework of a comprehensive, strict set of rules and regulations concerning risk that are regularly updated.

Dynamic markets call for flexibility

VERBUND is one of Europe's leading providers of production flexibility with its storage and pumped storage power plants. These highly flexible power plants allow the near-term capacity adjustments to be made that the market requires as the share of volatile new renewable energy sources grows. In addition, system services such as primary, secondary and tertiary control are provided when needed by Austrian Power Grid AG, the control area manager, to ensure short-term balancing between generation and consumption. VERBUND also supplies power plant output for grid services such as provision of reactive power, fault management and black-start capability.

Along with the Mellach combined cycle gas turbine power plant, the pumped storage power plants are also used for congestion management. To this end, control area manager Austrian Power Grid demands congruent modes of operation from the different power plant operators to allow unfavourable load flows in the European high-voltage grid to be prevented or balanced out.

Guarantees of origin for electricity from VERBUND power plants

VERBUND is a pioneer when it comes to guarantees of origin for electricity. In 1999, VERBUND became the first Austrian utility to have all of the hydroelectricity it generates certified by the TÜV SÜD inspection authority. VERBUND thus played a key role in developing the guarantee of origin scheme for electricity in Austria. As a neutral institution, TÜV SÜD uses its seal of approval to certify that VERBUND hydropower plants generate green electricity and feed it into the grid in appropriate quantities and in the quality required by end-users (industrial, household/agricultural customers and commercial customers), resellers (municipal utilities and energy providers) and traders. In 2024, VERBUND's entire electricity generation from hydropower certified by TÜV SÜD amounted to 23,674 GWh in Austria and 4,310 GWh in Germany. The figures for 2025 are not yet available because TÜV SÜD does not publish its calculations until quarter 2 of the year following the reporting period. The net calculations from TÜV SÜD primarily correspond to gross generation from hydropower, less own use, easement agreements and power for pumping. With the electricity generated at Austrian and German power plants certified by TÜV SÜD, VERBUND is one of the region's largest suppliers of green electricity.

Marketing of commodities to end-users

VERBUND – partner to resellers, municipal utilities and industrial customers

VERBUND Energy4Business GmbH brings together energy trading and the supply of VERBUND electricity to high-volume customers, giving customers the opportunity to take advantage of tailored offerings. For example, they can combine different electricity products or choose between multiple pricing models, giving them maximum flexibility to meet their specific electricity supply needs.

Industrial customers in particular face the challenges of electrifying their industrial processes in order to decarbonise their energy procurement. VERBUND supports them in finding the right energy solutions, enabling them to improve their environmental performance cost-effectively. VERBUND also offers a wide range of green electricity supply solutions. In addition, customers have the option of securing a longer-term green electricity purchase under power purchase agreements (PPAs).

Electricity sales – 100% Austrian hydropower with high service quality for end-users

VERBUND supplies electricity generated from 100% Austrian hydropower and attaches great importance to providing first-class services for end-users. In 2025, VERBUND was once again named industry champion by ÖGVS – the highest award for customer satisfaction. As the price champion and industry winner, the Group also confirmed the competitiveness of its pricing strategy. VERBUND was named industry winner of the Service Champion award for the eleventh time, once again demonstrating its outstanding service quality. These awards underscore VERBUND's leading role as a customer-focused energy provider.

In 2025, new tariffs were added to the portfolio on the sales side in addition to the existing electricity tariffs. For example, the dynamic tariff V-Strom SPOT was launched in summer 2025 and is now indexed to the market price of the European power exchange at 15-minute intervals. This allows customers to flexibly manage their electricity consumption and benefit from fluctuating electricity prices.

Cross-channel advertising campaigns on television and online were used to acquire customers as part of sales campaigns conducted in spring and autumn 2025. In direct sales, existing channels were further optimised and expanded, and new sales partners were integrated.

Green electricity marketing – an important component of the product portfolio

VERBUND's product portfolio includes trading in emission allowances and guarantees of origin (green electricity). In Austria and Germany, VERBUND is one of the leading providers of certified renewable generation (hydropower from Austria and Germany) and supplies more than 160 municipal utilities and resellers in these markets.

Direct marketing of renewable energy plants

In addition to marketing its own power plants, VERBUND also offers renewable energy marketing services for third-party plants. These activities focus on wind power, small-scale hydropower and photovoltaics. VERBUND's market share in Austria has grown and its market share in Germany has remained steady in recent years in spite of strong price pressure and intense competition. In Luxembourg, VERBUND is still the market leader in marketing electricity from wind power.

Intelligent and flexible solutions for the energy market and for VERBUND customers

The future of energy is becoming more decentralised, smaller in scale and renewable. In other words, it is becoming more flexible. This in turn calls for more intelligent and flexible solutions. Innovative, customised flexibility products from VERBUND give suppliers as well as industrial and service companies access to the energy market while also securing the power grid.

VERBUND's digital platform, VISION, enables combined marketing through the spot, intraday and balancing services markets, maximising added value for customers' flexibility. Flexibility marketing is handled fully automatically in VERBUND's virtual energy system. which uses intelligent autotrading algorithms that take into account the particular constraints of plants' operations, such as heat delivery obligations, storage limits and efficiency.

Industrial flexibility assets are marketed separately on the control power and intraday market through VERBUND-Power Pool, which aggregates the largest portfolio of industrial loads and producers as well as green electricity plants in Austria across all industries. VERBUND supports industrial companies in generating added revenue while retaining full operational autonomy. It also helps stabilise the power grid while making a significant contribution to integrating renewable energy sources into the energy system. In Germany, too, VERBUND is among the key providers of this service, which is customised, flexible and plant-specific – all from a single source. Management can be fully automated, from flexibility reporting, automated marketing and plant control to transparent reporting.

Innovative services and products

As an asset optimiser, VERBUND supplies its customers with various products and services for marketing and purchasing electrical energy. These include stock market access to the spot and futures markets, forecasting services, management of balancing groups, integrated portfolio management and regulatory services.

For many years now, VERBUND has offered a central B2B customer platform called VISION for web-based communication with the Group's high-volume customers in the areas of customer service and energy-related solutions. Additional features and improvements are continually being implemented.

VERBUND's activities focus on continuing to systematically develop the digitalisation and automation strategy for electricity trading. Here, emphasis is placed on needs-based customer solutions and the development of innovative systems and projects.

Non-commodities

Photovoltaics for business and industrial customers

VERBUND works with industrial customers to develop and construct photovoltaic installations for direct self-consumption. Alongside rooftop systems and open-field installations, VERBUND has built car ports with integrated photovoltaic systems. Despite challenging conditions in 2025, VERBUND took advantage of contracting solutions to implement many photovoltaic projects.

VERBUND offers everything from consulting, planning and assembly to the turnkey handover of the photovoltaic system as well as operation and maintenance from a single source to industrial customers in the contracting model and as a purchase option.

Attractive product range in photovoltaics

End-users benefit from VERBUND's expertise in photovoltaic systems and battery storage for private homes. Just as in previous years, in 2025 VERBUND installed photovoltaic systems for customers in its capacity as a full-service provider.

In terms of photovoltaic subsidies, VAT was reintroduced on 1 April 2025 on private photovoltaic systems with a capacity of up to 35 kWp. This triggered significantly higher demand in quarter 1/2025 and led to a high implementation rate for photovoltaic installations in quarter 2/2025. With the rental model, advance payment has been reintroduced so that customers can benefit from the regular Renewable Energy Expansion Act (EAG) funding calls.

For VERBUND, 2025 was characterised by photovoltaic consolidation. Preparations for merging the photovoltaic product ranges of VERBUND Energy4Customers GmbH and HalloSonne GmbH began in quarter 1/2025. On 1 October 2025, HalloSonne was successfully integrated, resulting in the combination of resources, pooling of photovoltaic expertise and optimal leveraging of synergies. In addition, the acquisition of Solavolta in 2024 and the intensified collaboration from 2025 will enable VERBUND to offer the highest quality in photovoltaic installation throughout Austria at particularly attractive prices.

Since quarter 3/2025, end-users have had access to new, tailor-made photovoltaic solutions under the VERBUND brand – perfectly tailored to their individual needs. Optional add-ons include battery storage, wallboxes for electric vehicles, feed-in contracts and access to EMILIA, VERBUND's free energy manager. The photovoltaic offering continues to be available as an attractive immediate purchase or as a rental option with fixed rates over twelve years. With professional advice and ongoing support

throughout the entire process, the implementation of photovoltaic systems for customers is now significantly simpler, more transparent and more personal.

E-mobility – first major projects with new portfolio

In 2025, VERBUND was able to further expand its charging infrastructure for both existing and new customers, most notably for a company in the pharmaceutical industry with over 100 charging points. At another customer's site, 15 HPC charging points were put into operation, enabling the switch to electric lorries for deliveries.

Additional sites were equipped with charging infrastructure thanks to the VERBUND Immo-Charging solution. Legal rules and regulations on the mandatory expansion of charging infrastructure in existing properties will support further expansion. The same applies to demand for VERBUND's Coop Charging product, which is offered to site partners in the tourism and retail segments.

Cooperation with SMATRICS, the VERBUND Energy4Business subsidiary, was further intensified. In addition, the implementation of combined projects involving photovoltaics, charging infrastructure and battery storage is being accelerated.

Attractive e-mobility options

In addition to industrial customers, VERBUND also offers charging solutions for end-users, commercial enterprises and SMEs. These range from hardware wallboxes for e-charging, to charging cards powered by SMATRICS for charging on the go, all the way to package solutions including electricity contracts and installation services. In summer 2025, further wallboxes were added to the B2C portfolio: the go-e Charger 2.0 Fix and FLEX enable charging on the go thanks to an integrated SIM card. The launch was supported by a summer promotion and a discount on the current range of four go-e chargers, underlining the market position and performance.

Large-scale battery storage system for supporting conventional storage

The reorganisation of the energy infrastructure requires new, intelligent and cross-sectoral solutions with the highest standards of flexibility and availability. Battery storage units support conventional energy storage (pumped storage and storage power plants). As at 31 December 2025, VERBUND owns more than 110 MW in addition to marketing large-scale batteries with a similar capacity to other plants in its combined domestic market of Austria and Germany.

Electricity generation

	Plants[1]	Capacity in MWh[1]	Power in MW[1]	2023 Generation in GWh[2]	2024 Generation in GWh[2]	**2025 Generation in GWh[2]**
Battery storage	15	130	110	32	44	47

[1] as at 31 December 2025 // [2] drawing of stored power; the stored quantities are shown under own use

Heat pumps for residential customers

VERBUND offers full-package heat pump solutions for end-users, which are implemented in cooperation with selected and qualified installation partners. The particular advantages of VERBUND's solution are its exclusive heat pump tariff with electricity from 100% hydropower and simple interim financing for federal subsidies. The heat pump range is an integral component of the portfolio, which is helping VERBUND to drive the expansion of renewable energy in the residential sector. In 2025, VERBUND particularly targeted existing gas customers with information on the benefits of green heating and encouraged their transition to fossil-free heating solutions. In October 2025, a new federal subsidy programme, known as the Renovation Offensive (*Sanierungsoffensive 2026*), was announced.

Customer service

VERBUND's identity as a leading energy provider in Austria includes providing a comprehensive range of services. Competent, service-focused customer advisors can be reached at VERBUND's freephone customer service number (+43(0) 800 210 210) from anywhere in Austria from Monday to Friday between 7:00 a.m. and 6:00 p.m. to answer any questions existing customers might have about their energy supply contracts and to help potential customers switch to VERBUND energy and services. Customer satisfaction with our service advisors is monitored on an ongoing basis. The findings are incorporated into resource planning as well as the training programme for the service teams.

My VERBUND, VERBUND's online service platform, offers a fully fledged self-service experience to complement the customer journey at VERBUND with convenient, user-friendly access. Registering for My VERBUND gives customers access to EcoClub's diverse range of benefits with free vouchers and rewards for leisure, families and sustainability. At www.verbund.at, VERBUND provides an overview of its broad product and service portfolio with a fresh new design introduced in April 2025. Website visitors can discover product innovations, offers for new and existing customers, and answers to frequently asked questions.

Living up to our social responsibility

VERBUND remains committed to tackling energy poverty. Throughout all federal states of Austria, certified energy consultants are available free of charge to support clients of Caritas through the VERBUND Electricity Relief Fund. The valuable energy-saving tips assist people in need in sustainably lowering their energy costs. Not only that, but VERBUND allocated €5m to maintain the size of the fund during the energy crisis in order to help those in need. This commitment to the Caritas Electricity Relief Fund is just one of many examples of how VERBUND fulfils its social responsibility.

Goodwill in the event of late payment

When customers encounter difficulties in paying their bills, VERBUND assists them by offering payment by instalments, calculated without adding default interest for extended terms of up to 18 months. Customers who are in payment arrears are given notice via a three-step reminder system before the energy supply account is terminated due to late payment. Thanks to the VERBUND hardship fund set up in 2022 at the height of the energy crisis, rapid and effective assistance has been provided in more than 7,500 cases. Between January and October 2025 alone, the fund covered energy costs amounting to €400,000 in almost 1,700 documented cases of energy poverty.

Long-term commitment to the energy transition

The common thread in VERBUND's customer communication is how vital the transition to clean energy is for the global future, and the key role that VERBUND is playing in that. Opting for energy from VERBUND is the right choice because it actively helps to make the energy transition a reality.

VERBUND stands for the secure supply of affordable, clean energy, because only energy that is not only clean but also affordable can win broad acceptance for the energy transition. With all of this in mind, lasting customer relationships are essential to VERBUND. Existing and new VERBUND customers alike benefit continuously from offers with attractive energy prices and a steadily growing range of energy solutions with a focus on photovoltaics, mobility, heating and smart energy use.

Electricity labelling in Austria

SDG 12

In Austria, the electricity label is displayed on the end-user's electricity bill. In 2024, 99.63% of the electricity VERBUND supplied in its household/agriculture and commercial segments came from hydropower. VERBUND also supplied electricity generated from photovoltaic installations owned by other VERBUND customers to its customers in these segments in 2024. Rounded off, this share accounted for 0.37% and was reported separately on the electricity label.

A total of 68.55% of the electricity VERBUND supplied in its business and industrial segments in 2024 came from renewable energy sources. Of the guarantees of origin used, 42.80% were sourced from hydropower plants, 10.34% from wind power plants, 9.36% from solid or liquid biomass, 5.69% from solar energy, 0.20% from geothermal energy and 0.16% from biogas. The remaining 31.46% was sourced from natural gas.

The verified disclosures on electricity and gas labelling for financial year 2025 were not yet available at the time VERBUND's Annual Report was published.

Sections 86 and 87 of the Electricity Industry Act (ElWG) and the Electricity Labelling Regulation form the legal basis for electricity labelling in Austria. The Austrian electricity labelling model is an evidence-based system. All electricity volumes delivered to end-users in a calendar year must be assigned guarantees of origin (ban on "grey" electricity).

Electricity labelling in Germany

VERBUND supplies industrial customers in Germany through VERBUND Energy4Business from Austria as well as directly through VERBUND Energy4Business Germany. SDG 12

In Germany, the following laws form the legal framework governing electricity labelling: Section 42 of the Energy Industry Act (EnWG) for electricity delivered and Section 78 of the Renewable Energy Sources Act (EEG) for the mandatory disclosure of electricity subsidised in accordance with the EEG.

When determining the electricity label for reporting to customers, Section 42(4) of the Energy Industry Act (EnWG) stipulates that the ENTSO-E energy mix for Germany is to be used as the basis for electricity volumes of unknown origin, less the proportion of electricity from renewable energy sources to be reported in accordance with Section 42(5)(1) and (2) of the Energy Industry Act (EnWG) (electricity volumes using guarantees of origin, EEG-subsidised electricity).

VERBUND Energy4Business GmbH

The origin of the electricity volumes supplied by VERBUND Energy4Business GmbH to business and industrial customers in Germany in 2024 breaks down as follows: 0.0% renewable energy (financed through the EEG levy), 38.9% electricity from renewable energy sources with guarantees of origin (not financed through the EEG levy), 1.8% other fossil fuels, 21.8% natural gas, 37.5% coal and 0.0% nuclear energy.

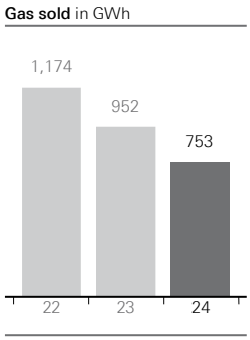
The verified disclosures on electricity and gas labelling for financial year 2025 were not yet available at the time VERBUND's Annual Report was published.

VERBUND Energy4Business Germany GmbH

The origin of the electricity volumes supplied by VERBUND Energy4Business Germany GmbH to business and industrial customers in Germany in 2024 breaks down as follows: 0.0% renewable energy (financed through the EEG levy), 93.3% electricity from renewable energy with guarantees of origin (not financed through the EEG levy), 0.2% other fossil fuels, 2.4% natural gas, 4.1% coal and 0.0% nuclear energy. SDG 12

The verified disclosures on electricity and gas labelling for financial year 2025 were not yet available at the time VERBUND's Annual Report was published.

In the coming years, VERBUND plans to offer industrial customers in Austria and Germany electricity deliveries primarily from renewable energy sources with the goal of supporting its customers on their way to a sustainable energy supply.



Disclosures pursuant to Section 130 of the Austrian Gas Industry Act (*Gaswirtschaftsgesetz*, GWG)

Gas labelling result	Share	2024 kWh
Gas of unknown origin	100.0%	753,464,118
Total volume of gas sold in Austria to end-users for their own use	100.0%	753,464,118

Environmental impact of gas production for the volume of gas sold to end-users for their own use	2024
Radioactive waste mg/kWh	0.0
CO_2 emissions g/kWh	201.0

The verified disclosures on electricity and gas labelling for financial year 2025 were not yet available at the time VERBUND's Annual Report was published.

Grid

The Grid segment comprises the activities of Austrian Power Grid AG, Gas Connect Austria GmbH and Austrian Gas Grid Management AG.

As an independent transmission system operator, Austrian Power Grid AG is responsible for energy security in Austria. With a high-performance, digital electricity infrastructure and state-of-the-art technologies, Austrian Power Grid reduces dependency on imports by integrating renewables, is a platform for the electricity market, creates access to affordable electricity, and so provides the basis for a secure supply and a sustainable place to live and work. The Austrian Power Grid grid encompasses a route length of around 3,500 km, which the company operates and maintains with a team of around 1,000 specialists and continuously adapts to the growing demands of electrification in society, business and industry. The control centre in Vienna remotely operates most of the 67 substations located throughout Austria. Thanks to its dedicated employees, Austria's security of supply in 2025 was once again among the best in the world at 99.99%. Austrian Power Grid's investments of €595m in 2025 (2024: €445m) are not only a driving force for Austria as a business location but also a key component in meeting the country's energy targets. Austrian Power Grid's net investments in expanding and converting the power grid will amount to around €9bn up to and including 2035.

Current key projects under the Austrian Power Grid Network Development Plan include the 380 kV Germany line, the 220 kV Energy Security for central Upper Austria project, the general overhaul of the 220 kV Enns Valley line and Liezen-Leoben line, the 220 kV Leoben connection, the Sarasdorf substation renewables hub, the eastern grid reinforcement, the Carinthia grid area, the 380 kV Salzburg line, the Tyrol grid area and the modernisation of the Lienz-Soverzene south connection.

Gas Connect Austria GmbH is an Austrian gas transmission and distribution system operator and, as such, plays a key role in the Austrian and Central European energy supply. VERBUND holds 51% of the shares in independent grid operator Gas Connect Austria. Out of the central Baumgarten hub, Gas Connect Austria operates a state-of-the-art, powerful high-pressure network with connections to and from Germany and Slovakia and to Slovenia and Hungary, as well as to domestic storage and production facilities. There are five compressor stations, 56 metering and transfer stations and over 100 transfer measuring points along the approximately 900 km-long pipeline system. Gas Connect Austria's main responsibility is to operate those facilities and to sell transport capacity. Gas Connect Austria is closely engaged with the energy transition at national and European level and is actively working on decarbonisation solutions.

Business performance

KPIs – Grid segment

	Unit	2024	**2025**	Change
Total revenue	€m	1,549.4	1,648.5	6.4%
EBITDA	€m	370.0	440.0	18.9%
Result from interests accounted for using the equity method	€m	–1.4	1.4	–
Capital employed	€m	2,690.9	2,965.2	10.2%

Total revenue increased, primarily due to higher revenue from the gas network and to Austrian Power Grid generating higher domestic and international grid revenue as well as higher revenue from the recharging of expenses for congestion management, while revenue from the recharging of expenses for grid loss fell. This was offset by an increase in expenses for balancing energy as well as for congestion management and lower expenditure for the purchase of grid loss energy by Austrian Power Grid. These and higher other operating expenses were the main reasons behind the change in EBITDA.

The increase in capital employed can be attributed in particular to higher net property, plant and equipment; higher non-interest-bearing liabilities and higher deferred tax liabilities had an offsetting effect.

AUSTRIAN POWER GRID AG

Technical developments

Austrian Power Grid grid data

Voltage level	Power lines route length/km	Power lines system length/km	Substations/grid switching stations
Overhead power lines			
380 kV	1,320	2,906	–
220 kV	1,413	2,809	–
110 kV	581	987	–
Cables (excluding substations)			
220 & 110 kV	4	7	–
Total	3,318	6,709	69

Network development and grid expansion

As a transmission system operator and control area manager, Austrian Power Grid is legally obliged to operate and maintain the transmission system safely, reliably, efficiently and with due regard to environmental protection (see Section 40(1)(1) Austrian Electricity Industry and Organisation Act (*Elektrizitätswirtschafts- und Organisationsgesetz*, ElWOG) 2010). In order to meet these requirements, Austrian Power Grid conducts comprehensive grid performance and energy industry analyses and identifies necessary grid expansion projects. The results are published transparently in the network development plan (NDP), which provides the basis for Austrian Power Grid's grid expansion. Austrian Power Grid consulted market participants on the 2025 NDP in the summer of 2025, submitted

the plan to E-Control Austria (ECA) for approval at the beginning of September, and received approval by way of a notice from the regulatory authorities in February 2026.

Planning for the Austrian grid now extends beyond the ten-year horizon to 2040. Austrian Power Grid has taken it a step further in terms of the time horizon and detail of the network development plan and the ten-year network development plan (TYNDP) as well as interdependencies with the distribution network development plans (DNDP) produced by DSOs. Early and strategic planning is also necessary, as major projects for power lines require lengthy approval and implementation periods.

Strong growth in the electricity sector is also expected to continue after 2030, driven by the electrification of industry and commerce, the heating and mobility sectors and the expansion of renewable energy sources. Electricity is becoming the primary energy source, resulting in high transmission volumes, peak loads and increasing grid congestion. Congestion management (known as redispatching) is already necessary today, resulting in costs of approximately €100m per year, grid reserve requirements, and restricted grid access points for new projects and customers.

The 2025 NDP sets out the structured and targeted expansion of Austrian Power Grid's nationwide transmission system. The projects and measures envisaged in the plan focus in particular on developments in the energy industry and on integrating renewables into the grid. The plan also prioritises improving grid connections for distribution networks and load centres as well as power plants and (new) grid customers. Based on the 2024 Austrian Network Infrastructure Plan published by the (then) Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK) and to ensure the coherence of the plans (see Section 37(5) ElWOG 2010), five new 380 kV line projects (NDP 25-8 to NDP 25-12) were included in the 2025 NDP. These projects primarily strengthen east-west connections in Austria and map out a target grid for the period up to 2040.

Operational developments

As the control area manager in Austria, Austrian Power Grid is also responsible for identifying congestion in the transmission system and taking appropriate countermeasures. In financial year 2025, it was necessary to take measures within the grid area and at power plants (redispatching) in this context.

The dynamic developments in the energy market in Europe and the policy objective of decarbonisation – especially in conjunction with the advancing expansion of wind and photovoltaic installations – are giving rise to volatile load flows. Since the required grid expansion often cannot keep pace with these developments due to long administrative processes, congestion is occurring both within the Austrian grid and in the European grid area. The above-mentioned intervention in the power plant portfolio (redispatching) is necessary to prevent congestion in the existing grid infrastructure. Compared with 2024, when water supply in Austria was particularly good, 2025 saw an increase in the number of redispatches required and the associated costs. Requests from neighbouring transmission system operators to Austrian power plants also benefited the situation in the domestic grid. These requests accounted for part of the energy drawn; accordingly, foreign grid operators bore some of the cost.

Redispatch quantities

	2023	2024	**2025**
Redispatch quantities (in GWh)[1]	1,024.5	609.0	747.0

[1] total redispatched volumes from increased and decreased production in Austria

Contractual safeguarding of systemically important power plants – grid reserve

System security in Austrian Power Grid's power grid depends to a large extent on the availability of power plant flexibilities in combination with consumers participating in voluntary energy reduction programmes in Austria. However, due to the difficult market conditions, this availability is not enough on its own. It must be contractually safeguarded to ensure that it can be used ongoing for necessary redispatch activation. To safeguard the necessary redispatch capacity for 2025, the availability of the required power plants was contractually safeguarded by Austrian Power Grid in close consultation with ECA. The contracted reserve capacity was regularly used for redispatching. In addition, grid reserve contracts for the period from October 2025 up to and including September 2026 were concluded in September 2025 following a previous tender.

Interruptions to supply

In 2025, there was one interruption to supply in the Austrian Power Grid grid that impacted end-users. A component failure in Austrian Power Grid's transmission system caused an end-user supply interruption amounting to 19.9 MWh not supplied and an interruption duration of three minutes (measured from the time when supply to end-users is interrupted if this can be clearly attributed to a preceding fault in the transmission system). By way of comparison, there were two interruptions that affected end-users in 2024, none in 2023 and one in 2022.

Electricity transmission and grid loss

For further information on the transmission system, visit www.apg.at

In financial year 2025, the transmission volume at grid level 1 (380 kV and 220 kV grid) increased by 1.9% compared with 2024, to 46,970 GWh. Domestic delivery came to 29,494 GWh. Grid losses at grid level 1 amounted to 712 GWh, approximately 1.5% of the transmission volume. Based on the reported transmission schedules of the Austrian and international market participants, the Austrian Power Grid control area imported 31,314 GWh and exported 25,954 GWh in financial year 2025. This resulted in an import surplus of 5,360 GWh.

Transmission losses

	Unit	2023	2024	**2025**
Electricity transmitted[1]	GWh	44,512	46,082	46,970
Grid loss[1]	GWh	696	749	712
Grid loss as a percentage of electricity transmitted	%	1.56	1.63	1.52

[1] grid level 1

Projects and economic impacts

The 2025 NDP projects involve a net investment volume of around €9bn over the ten-year period from 2026 to 2035. According to studies by the Graz University of Technology and the Institute for Industrial Research (*Industriewissenschaftliches Institut*, IWI), the domestic value added content of Austrian Power Grid's projects is as high as 70%. Implementing these projects is therefore not only pivotal to strengthening grid and supply security, but also makes a key contribution to the economy and safeguards Austria's standing as a business location. Austrian Power Grid's top investment projects and other plans are presented below.

The largest investments of 2025 were as follows: SDG 8

Growth CapEx	€m
Energy security for central Upper Austria	103.0
380 kV Salzburg line	101.9
Leoben substation including 220 kV line between Hessenberg and Leoben	56.8

Maintenance CapEx	€m
Modernisation of 220 kV plant at Ernsthofen substation	24.5
New construction of substation replacements	14.4
(n-1) Optimisation of lines	12.9

Salzburg line (380 kV)

The 128 km-long 380 kV Salzburg line (including 14 km of 220 kV line) and the associated substations were brought into full operation in April 2025 after around five years of construction and extensive commissioning work. Since then, work has been underway to dismantle the old 220 kV and 110 kV lines and pylons. The Salzburg line is a trans-regional line project connecting the St. Peter (Upper Austria) and Tauern (Salzburg) grid hubs. Several substations for feeding regional distribution networks are integrated into this line section. The project marks an important step towards completing the 380 kV ring in Austria, strengthening security of supply and enabling the transition to clean energy. With an investment volume of around €1bn, the project created over 7,000 jobs and added value of around €500m in Austria.

Energy security for central Upper Austria (220 kV)

The Energy security for central Upper Austria project is a key project for the energy transition and for strengthening the region's position with regard to the ongoing electrification of Upper Austria as a location for industry and business. The partnership project between Austrian Power Grid, Netz Oberösterreich GmbH and LINZ NETZ GmbH, in collaboration with voestalpine AG, will replace the existing 110 kV grid feed with a powerful 220 kV feed. This will connect the new 220/110 kV Hütte Süd, Pichling and Wegscheid substations with Austrian Power Grid's Ernsthofen and Kronstorf grid hubs. In addition, the 110 kV sub-grid from Ernsthofen will be split into two sub-grids, thereby increasing security of supply. Construction began in 2024 and will continue with partial initial operation of 220 kV sections in 2026/2027 until the project is fully implemented in 2030.

Germany line (380 kV)

The Germany line is being implemented in collaboration with transmission system operator TenneT. The powerful 380 kV line will increase the interconnection capacity between Germany and Austria. The grid connection will improve grid security and increase market integration with the growing trade in energy generated from renewables, creating flexible, market-oriented interaction between producers and consumers in both countries. TenneT and Austrian Power Grid plan to construct the associated facilities and gradually bring them into initial operation by the end of 2027 (including voltage conversions from 220 kV to 380 kV).

New Leoben substation (220/110 kV)

220 kV grid support is being built in the Leoben area to expand renewable energy and for the expansion plans of the local steel industry. The construction of the 220/110 kV Leoben substation is designed to integrate renewables into the grid and to decarbonise industry. It will therefore make an important contribution to meeting climate change targets. The project involves the connection of a new 220 kV line section at the Hessenberg substation and the construction of a new 220/110 kV substation. The new Leoben substation will provide a 220/110 kV feed for Styria's energy company and a grid connection for voestalpine AG (initial operation is planned for autumn 2026).

220 kV line from Lienz to the Italian border (Auronzo/Soverzene)

In order to ensure grid security and operational safety for future generations, Austrian Power Grid's 220 kV line from the Lienz substation to the Italian border, which went into operation more than 70 years ago, is being rehabilitated in the "Lienz South connection upgrade" project. The project envisages replacing technical components, with certain optimisations having become necessary due to changes in natural hazards and general conditions. After submitting the documents for the environmental impact assessment in July 2024 (start of the EIA process), the next milestone was reached in autumn 2025 when the oral hearing for the EIA took place in Lienz.

Eastern grid reinforcement (380 kV)

The eastern grid reinforcement project has been underway since the 2023 NDP and provides for a 380 kV grid reinforcement in the area south of Vienna, from the planned Trumau substation via the existing Sarasdorf substation (Lower Austria) to northern Burgenland. The project aims to integrate renewable energy sources into the grid and creates additional grid and transfer capacity for distribution system operators Wiener Netze, Netz Niederösterreich and Netz Burgenland. Furthermore, it will increase transmission capacity and future grid and supply security in the region, as well as creating a central foundation for the energy transition in eastern Austria. The planning and environmental surveys required for the preparation of the environmental impact statement (EIS) have been underway since spring 2024. The EIS is due to be submitted to the regulatory authorities in 2027, marking the start of the EIA process.

Carinthia grid area (380 kV ring closure for Austria)

At around 190 km, the Carinthia grid area is currently the largest of Austrian Power Grid's projects. The planned 380 kV ring closure will improve the grid connection of the distribution system operator Kärnten Netz and the connection of renewable energy generation to the pumped storage power plants. This will substantially improve security of supply, (n-1) security and grid stability in Carinthia, East

Tyrol and throughout Austria. Like the eastern grid reinforcement, the Carinthia grid area project is designated as one of the main electricity corridors in the 2024 Austrian Network Infrastructure Plan (NIP).

Plans include the construction of a new 380 kV line from Lienz to Obersielach to close the gap in the Austrian 380 kV ring, as well as the expansion of the regional 110 kV distribution network in a joint project with Kärnten Netz. The project will strengthen the region's economic and tourist appeal and safeguard regional jobs. The inclusion of 110 kV systems on the 380 kV line will take the pressure off Kärnten Netz's heavily utilised distribution network. Additional 380/110 kV grid support in western Carinthia will secure the regional electricity supply for the long term and make it possible to tap into pumped storage potential.

Support within the project environment

Direct communication with target groups is a key pillar of Austrian Power Grid's overall communication strategy. By utilising 360-degree communication tools ranging from classic media such as press releases and information ads, to information events for stakeholders and residents in project regions, information centres, citizen participation platforms, stakeholder newsletters and specific project websites, and the company's social media presence, Austrian Power Grid is firmly customer-centric in all areas of communication. Topics at the forefront here are a secure electricity supply, achieving a secure and affordable energy transition, integrating new players into the energy system, the macroeconomic effects of Austrian Power Grid's investment programme, specific fields of innovation, the availability of affordable electricity for business and industry, and, of course, our specific investment projects with a return at market rates. Austrian Power Grid addresses in detail the multifaceted expectations, opinions and needs of the stakeholders involved. In doing so, it employs cutting-edge tools for qualitative and quantitative social research and professional network analysis. Personal discussion with stakeholders in the region concerned (municipal representatives, landowners, residents, opinion leaders, representatives of public initiatives and other stakeholders) is the key element in raising awareness and securing buy-in for each project. Acceptance among the regional population and among the parties involved is an essential foundation for timely project approval and implementation and is therefore crucial for a secure electricity supply and the sustainable transformation of the energy system. Proactive, early, target group-specific and transparent communication has helped to foster a constructive and cooperative climate.

Other projects and maintenance CapEx

Austrian Power Grid has earmarked extensive maintenance CapEx for plant modernisation and enhancement (see also Austrian Power Grid's 2025 Network Development Plan). Considerations on the reinforcement and expansion of existing switching stations entail extensive maintenance measures, particularly for old systems, or, in the case of technical and economic improvements, often newly constructed replacements. Extensive maintenance measures and, above all, general overhauls of old 220 kV and 110 kV lines are required as well. Maintenance CapEx and grid modernisation projects for existing switching stations and lines – in addition to the growth CapEx called for under the grid expansion projects – will also require allocation of significant Austrian Power Grid resources in the years to come.

Additional information on conservation is available at www.apg.at

Sustainable habitat management

Energy security for Austria as a business location is indispensable to the energy transition and to electrification in society, business and industry. Austrian Power Grid intends to fulfil this responsibility in a sustainable way by protecting nature and species and improving wildlife habitats.

In its code of conduct, Austrian Power Grid commits to the principles of sustainable business conduct. The bedrock for this is a corporate policy that respects both economic needs and environmental constraints and strives to achieve social balance.

In addition to technical and economic criteria, Austrian Power Grid is increasingly called on to do more to meet the growing importance of environmental protection in the planning, implementation and maintenance of overhead lines. In doing so, the varied expectations and requirements of the regulatory authorities involved, the owners, the general public, various stakeholders (e.g. agriculture and forestry, environmental protection, hunting, tourism), as well as Austrian Power Grid itself must be taken into account in order to find flexible and inclusive approaches for needs-based and optimised solutions.

Building on its sustainability strategy, Austrian Power Grid developed Sustainable Habitat Management, a comprehensive strategy for maintaining its power grid that also takes account of stakeholders' concerns and seeks to integrate environmental requirements into its implementation. In this context, sustainable habitat management is based on technical (safety) parameters such as safety distances to be observed, inspection requirements, and unhindered access to installations in the event of an emergency.

Strategic dimension of sustainable habitat management

In 2019, the European Commission presented the Green Deal, a far-reaching programme for more climate and environmental protection in the EU that aims to accelerate the transformation process for a sustainable future in the region. A key building block for this is the EU Biodiversity Strategy for 2030, a comprehensive, long-term plan to protect nature and reverse the degradation of ecosystems. The strategy outlines a number of specific actions and commitments to achieve this.

The protection and restoration of biodiversity and ecosystems is also one of six environmental objectives under the EU Taxonomy Regulation. Austrian Power Grid has been required to implement this regulation since 2022. The taxonomy's Do No Significant Harm technical screening criteria assess whether the company's economic activities negatively impact any of the six environmental objectives. Furthermore, as of 2024 the Corporate Sustainability Reporting Directive (CSRD) requires companies to report annually on the principal negative impacts of their business activities on the environment and society.

Sustainability at Austrian Power Grid

Expansion of the transmission infrastructure is imperative for the complete decarbonisation and secure transformation of the energy system. Finding the best way to address climate change mitigation and nature conservation concerns poses a particular challenge in this context. In order to be able to transform the energy system securely and quickly in practice, engaging with all interest groups to establish a social and political consensus is absolutely essential.

Austrian Power Grid's sustainability strategy is based on the ESG approach and covers all relevant areas from i) environment and ii) social to iii) governance.

In its sustainability strategy, Austrian Power Grid defines the following action areas:

- operational sustainability;
- sustainable plant engineering;
- sustainable habitat management;
- employees; and
- good corporate governance.

Sustainable habitat management is the strategic core of Austrian Power Grid's environmental sustainability.

Savings from wind marketing

Austrian Power Grid markets volumes arising from deviations in the forecast of green electricity generation on the European intraday market on behalf of Abwicklungsstelle für Ökostrom AG (OeMAG). This reduces imbalances in the eco balancing group and in the entire control area. Prices on the exchange are lower on average, and wind marketing avoids the need for balancing energy, which generates cost savings for the OeMAG balancing group and improves control quality for Austrian Power Grid. The direct and indirect savings in 2025 amounted to around €24.6m, proving the added value of efficient, market-based solutions.

Stromausgleich Österreich – the Austrian flexibility platform

In a project called Stromausgleich Österreich, Austrian Power Grid is working to develop a comprehensive platform that will make it easier to integrate small-scale flexibility into system services and future electricity markets via energy aggregators. The platform is being implemented using EQUIGY's crowd balancing platform, which other TSOs have already used for similar projects with success (TenneT NL/DE, TransnetBW, Terna and Swissgrid). After a test run of a minimum viable product for secondary control energy was carried out in 2024 and the platform was made available for testing with other providers, work in 2025 focused on preparing for further products and on technical improvements to the platform in preparation for wider application.

In parallel, Austrian Power Grid is also working to flesh out the comprehensive overall concept and agree it with relevant stakeholders. As part of the work carried out at Österreichs Energie under the Systemführung 2.0 system management project, a policy for the future procurement and use of congestion management was developed in collaboration with Austrian distribution system operators. It outlines both the organisational framework and the technical processes. This policy provides the basis for joint flexibility procurement as described in the new Electricity Industry Act (*Elektrizitätswirtschaftsgesetz*, ElWG) and to be implemented once the Act comes into force.

Developing the international market

Two effective measures against high balancing-services costs were implemented in Austria in 2025: the go-live of elastic demand in PICASSO, and the ALPACA balancing capacity cooperation. Elastic demand allows Austrian Power Grid to refrain from activating secondary control reserves in PICASSO that exceed the dimensioned reserve capacity unless they are below a certain price limit. This prevents costly activations for Austria that would have a direct impact on the price of balancing energy. Since the system went live in August 2025, there have been significantly fewer balancing energy price spikes in Austria.

Since September 2025, ALPACA has enabled Austrian Power Grid to procure cross-border balancing capacity in and for Germany and Czechia. This cooperation opens up a larger sales market for Austrian providers and gives Austrian Power Grid the opportunity to procure the most cost-effective bids in the region.

With the accession of more countries to the mandatory MARI and PICASSO cooperations, Austrian Power Grid has also been able to access significantly larger volumes of control power since this year, and, provided there is sufficient cross-border capacity, activate low-cost secondary and tertiary control power across borders.

2025 tariff review

The 2025 tariff review procedure retained the system for the weighted average cost of capital (WACC) established by the 2022 tariff notice, with a separate WACC for existing plants and new investments, including an annual update of the parameters.

ECA notified Austrian Power Grid of the 2025 tariff review outcome on 7 November 2025. The WACC for existing plants up to and including 2022 as set out in the 2023 notice, and the separate WACCs for new investments in 2023, 2024 and 2025 were continued and a WACC for investments with initial operation dates in 2026 was added.

As in the case of the 2022, 2023 and 2024 tariff notices, on 5 December 2025 Austrian Power Grid lodged an appeal against the 2025 tariff notice. The reasons for this are the ongoing inflexible focus on

past market conditions in determining the WACC and the application of an individual efficiency value which, in Austrian Power Grid's view, was defined on the basis of an unscientific benchmark. A WACC at market terms for equity and debt capital in a stable regulatory system is imperative for financing and implementing the grid expansion. Irrespective of the appeals, the current tariff notice is applicable.

GAS CONNECT AUSTRIA GmbH

Gas Connect Austria has overcome enormous challenges in recent years. Gas transit through Ukraine was terminated, meaning that Russian gas was no longer available as the main source of supply. This led not only to pressures on supply but also to the company losing its main source of income. However, switching to west-east transit ensured that supplies were maintained. The full migration of the previous east-west transit system to a purely west-east system from 1 January 2025 was successfully implemented despite significant technical challenges.

Business performance

The cold winter months of spring 2025 in Austria and Europe were reflected in higher gas flows in the Gas Connect Austria network. The aim was to refill the emptied storage systems in the summer.

Revenue from transport capacity sold in the transmission pipeline in 2025 rose year over year, but higher compensation payments within the market area halved the amount that Gas Connect Austria retained.

Transportation expenses, particularly for fuel gas used to operate the compressors, increased year over year due to the aforementioned market conditions.

The current regulatory period for the transmission pipeline covers the years 2025 to 2027. Starting from this regulatory period, transmission system operators such as Gas Connect Austria will no longer bear any volume risk from reduced marketing (similarly to regulation in the distribution network). However, as part of the transition, E-Control Austria (ECA) also issued reductions in the cost base, some of which Gas Connect Austria is disputing in an appeal before the Federal Administrative Court; the proceedings are pending.

The regulatory methodology for the distribution system has remained unchanged since 1 January 2023 and applies until the end of 2027. Costs are subject to an annual audit.

Capacity marketing and its framework conditions

Gas Connect Austria always keeps its sights on the satisfaction of its customers and continually works to adapt products and services to the requirements of the market. The company therefore plays a proactive role in shaping the national and European framework conditions for optimised marketing of these products and services. Gas Connect Austria uses personalised customer relationship management (CRM) to identify the best ways to optimise its customers' service portfolios, and customised e-commerce systems to automate its sales and billing processes.

Sales Management conducts regular customer satisfaction surveys every two years to check service quality and introduce continuous improvement measures. With a score of 1.48 from the last two surveys, customer satisfaction with Gas Connect Austria has remained consistently very high.

The number of capacity auctions conducted on the PRISMA and RBP booking platforms in 2025 was similar to 2024 with an average rate of 24 auctions per hour, or approximately 217,000 auctions per year.

Total revenue for transmission was approximately €170m in 2025 as a result of changes in gas flows (due to the cessation of transit through Ukraine as of 1 January 2025). Total revenue in the distribution area was around €43m for January to December 2025.

Grid and business performance

Gas Connect Austria's network development plan secures the future of Baumgarten as a natural gas hub. The company has also submitted its projects from the network development plan to the 2026 TYNDP (ten-year network development plan) on time. As a result, the formal requirements for potential inclusion in the list of Projects of Common Interest (PCI list) have been met.

In the long term, Gas Connect Austria plans to establish hydrogen core networks alongside natural gas networks. Its H2 Backbone WAG + Penta West project aims to convert the West Austria gas pipeline (WAG) and the Penta West pipeline for future hydrogen transport. The cutting-edge project has been reconfirmed on the EU's 7th list of Projects of Common Interest.

Technical data

Gas Connect Austria grid data	Pipelines system length/km	DN	Number of stations
Transmission pipeline			2 SS
West Austria gas pipeline (WAG)	384.3	DN 800-1,200	(3 CS, 1 SS), 9 M/TS
Penta West gas pipeline	94.5	DN 700	1 CS, 3 M/TS
Hungaria Austria gas pipeline (HAG)	45.7	DN 700	1 M/TS
Süd Ost gas pipeline (SOL)	26.1	DN 500	2 M/TS
Various, e.g. KIP	13.4	DN 500	1 M/TS
Distribution network			
Primary distribution system (PDS)	309.7	DN 80-1,200	1 CS, 40 M/TS
Total	873.7		

Abbreviations: substations (SS), compressor stations (CS), metering and transfer stations (M/TS), diameter nominal (DN)

Installed compressor capacity

System	Site	Capacity in kW
WAG (West Austria gas pipeline)	CS Baumgarten (LA)	43,480
WAG	CS Kirchberg (LA)	25,000
WAG	CS Rainbach (UA)	36,700
PW (Penta West gas pipeline)	CS Neustift (UA)	22,200
PDS (primary distribution system)	CS OGG Baumgarten (LA)	17,700
Total	–	145,080

Abbreviations: compressor station (CS), Lower Austria (LA), Upper Austria (UA)

Operational developments

Ongoing operations and maintenance

Maximum technical transport capacity was provided in 2025 with no restrictions. Machine availability (in compressor units) was 95% in 2025. All regulatory and statutory maintenance requirements were

met in full in 2025. Expanded to include all of Gas Connect Austria's maintenance plans, the level of fulfilment was 97% in 2025. The WAG has been operating at maximum technical capacity since the beginning of April.

Dispatching (system management)

Gas Connect Austria's dispatching centres (commercial and physical) ensure that deliveries in the pipeline systems are smooth and reliable around the clock. In addition to its tasks as a grid operator, Gas Connect Austria also provides services for a number of external customers, making a significant contribution to an effective gas market and security of supply in Austria.

The company has so far done a good job of meeting the challenges posed by the much-changed and sometimes volatile gas flows since the outbreak of the Russia-Ukraine conflict.

It is also continuing to improve its resilience by taking part in large-scale crisis exercises for various scenarios.

Strict safety and quality standards

As a gas transmission system operator, Gas Connect Austria's highest priority is safe and reliable supply. The company relies on strict safety and quality standards to live up to this responsibility. For quality assurance purposes, Gas Connect Austria therefore established an integrated management system in alignment with international ISO standards many years ago, and the system is regularly reviewed by an external certification service.

Gas Connect Austria is certified in accordance with the following management systems:

- ISO 9001 Quality Management System
- ISO 14001 Environmental Management System
- ISO 50001 Energy Management System
- ISO 45001 Occupational Health and Safety Management System
- ISO 27001 Information Security Management System

Gas Connect Austria – eight years, zero accidents

Gas Connect Austria has had no workplace injuries (LTIs) among its own employees since 2017. Safety is not a coincidence; it is the result of responsibility, attentiveness and lived values. Gas Connect Austria will continue on this successful path, particularly with the WAG Loop project.

Information security and cybersecurity

As the Network and Information System Security Act 2 (NISG2) based on the EU's NIS2 Directive was not enacted by Austrian legislators during the reporting period, Gas Connect Austria conducted the 2025 audit in accordance with the requirements of the existing NISG. The company passed the audit without any identified non-conformities and the results were submitted to the regulatory authority. All necessary actions relating to the findings and recommendations have been defined and are being implemented in accordance with the resulting implementation plan.

Gas Connect Austria has held ISO 27001 certification for several years now. Under this standard, the operational effectiveness of a relevant information security management system (ISMS) is confirmed annually by an independent body.

Additional information on cybersecurity measures can be found in the section entitled Digitalisation and information security.

The mandatory awareness programme for all employees that was established to further increase security has been optimised. It now includes target group-oriented training and verification as well as content specifically tailored to Gas Connect Austria and the industry.

The measures to be implemented to meet the requirements are likely to be a source of additional internal expense and increased operating costs.

Gas Connect Austria projects in 2025

In the transmission pipeline segment, the focus in 2025 was on modernising the machine control systems in the compressor stations, particularly the WAG compressor station in Baumgarten.

In the distribution network segment, the main focus was on replacement investment projects necessary to maintain the existing gas network.

However, the top priority was the ongoing development of the WAG Loop 1 project. The first sub-loop expands the section from Oberkappel to Bad Leonfelden, which is approximately 40 km long, with a parallel pipeline in addition to the existing one. The main focus in 2025 was on the environmental impact assessment (EIA) process, as well as the purchase of options for the necessary rights of way and procurement activities for materials and services to enable construction to start in 2026.

Sustainable route management

SDG 15

Gas Connect Austria's gas network leads through different landscapes in Lower Austria, Upper Austria, Styria and Vienna. Depending on the region, the climate, the naturally occurring circumstances and the type of use by humans, the route types to be found along pipeline routes include routes through forests, grasslands and farmland. The route corridors not only contain the power lines and pipelines, but also provide valuable habitats for flora and fauna.

When planning the construction of new pipeline routes, the aim is always to avoid sensitive areas (nature reserves, bird sanctuaries, biotopes, natural and archaeological monuments, etc.). If this is not possible, the company consults with experts from different fields to define extensive measures for limiting interference in the natural environment, such as working with the Austrian Federal Monuments Authority, ecological site supervision, compliance with guidelines for proper soil recultivation, reforestation, official monitoring, control of non-native and invasive species, ground squirrel relocation and wildlife corridors.

Innovation, research and development

SDG 9

Gas Connect Austria works continually on new and innovative solutions for improving the status quo. To this end, the company regularly adopts new technologies and concepts aimed at improving safety and availability and increasing efficiency.

Reducing methane emissions

Gas Connect Austria has continually implemented measures to reduce methane emissions for many years. Since 2024, compliance has been required with The EU Methane Regulation (EU) 2024/1787 on the reduction of methane emissions in the energy sector, which has further improved the existing reduction measures. During maintenance work on the gas pipelines in the transmission pipeline and primary distribution systems, recompression units were used to depressurise the pipelines for the work without producing large quantities of methane emissions.

To meet the requirements of the EU Methane Regulation, Gas Connect Austria already has one mobile recompression unit in use, with two further units on order and currently in the final engineering phase, scheduled for delivery in mid-2026.

The leak-detection measurements stipulated by the EU Methane Regulation were carried out with an external service provider. Flame ionisation detectors (FID) were purchased as additional mobile equipment to carry out the necessary follow-up measurements on the systems after repair.

In addition, Gas Connect Austria GmbH is a voluntary participant in the United Nation's international environmental programme culminating in the Oil and Gas Methane Partnership (OGMP) initiative.

In 2025, Gas Connect Austria succeeded in maintaining the OGMP 2.0 Gold standard (highest reporting quality) for the fifth time in a row. However, the reporting system is not the only element that plays a pivotal role here. There is also a clear focus on prevention and reduction measures. As described earlier, the company is leveraging synergies with the EU Methane Regulation as regards reduction measures.

Future developments

Security of supply – forward-looking energy sources

Gaseous energy, currently in the form of natural gas, but also in future in the form of renewable gases, plays an important role in security of supply. Gas is used in households, businesses, energy-intensive industry and mobility. It covers over 20% of domestic energy requirements and is reliably available 24 hours a day, 365 days a year. Gas can be stored in large quantities and can thus compensate for fluctuations in solar, wind and hydropower and relieve the load on the electricity grids when required. Gas can also be produced renewably in the form of biogas, synthetic methane or green hydrogen. Gaseous energy will also be indispensable for the chemical industry and the steel industry in future.

Contribution to the energy transition

Gas Connect Austria has been working for years to optimise its pipeline network for the gas transport of the future. Almost ten years ago, the company began working on a number of projects on topics such as blending, deblending and the conversion of green electricity into hydrogen. Thanks to this long-standing and in-depth experience, Gas Connect Austria is now able to contribute to numerous projects such as H2REAL, H2EU+ Store and SoutH2 Corridor. Gas Connect Austria is keen for all responsible parties in the energy market to think across sectors, to engage in integrated planning and to have the opportunity to research in all directions with an open mind to technology.

Company performance

In 2026, Gas Connect Austria will continue to work on finding solutions for ensuring security of supply for Austria and the region using existing infrastructure. In the medium term, the company will forge ahead with tapping into alternative sources of supply by developing the corresponding logistics options.

Upcoming initiatives and frameworks at the European and even at the national level will define the general challenges for the gas infrastructure and the role of Gas Connect Austria in the energy transition, particularly with respect to future hydrogen and CCUS management, on the path to decarbonisation by 2040/50. Various studies demonstrate impressively that the use of pipelines represents the most cost-efficient option for transporting gases (biogas, hydrogen, CO_2, synthetic methane) within Europe. That transport becomes 50% more efficient if existing pipelines are used. Gas Connect Austria's network is capable of transporting different renewable gases and is thus, by definition, not a fossil network but rather an existing option for transporting renewable energy today.

In this period up to 2050, renewable gases such as biogas and hydrogen from green electricity and synthetic methane (including from imports) will play an additional role in utilising the capacity of the gas infrastructure. Furthermore, because of the transit character of its pipelines, it is important for the company to consider the climate and energy plans of neighbouring countries. This will help to ensure that it will have the corresponding range of products and services available (to meet demand that changes over time). The currently untapped potential of carbon capture and storage at the place of consumption may also become more interesting. In the years to come, Gas Connect Austria will continue to focus on being involved in designing the future role of gas infrastructure in a decarbonised environment, including by working with ENTSOG, ENNOGH and GIE, the international gas infrastructure associations, as well as with the Association of Gas and District Heating Supply Companies (FGW, part of the Economic Chamber organisation) and the Austrian Association for Gas and Water (ÖVGW) at a national level.

Another key focus was the development of a financing plan for the ramp-up of hydrogen in Austria and the active communication of the model to policymakers and within the industry, with the aim of ensuring that the model is anchored in hydrogen legislation and implemented accordingly. The company has also joined forces with other grid and storage operators and with producers for the H2EU+Store project, to transport renewable hydrogen generated in Western Ukraine through Slovakia by pipeline to Austria, where it is stored and then transported on to German industrial companies. As such, the entire value chain (from generation to transportation to consumption) is united under a single project.

H2Global, a German hydrogen initiative, also aims to secure funding for producers and consumers of hydrogen by means of long-term purchase agreements. In addition, Gas Connect Austria is a member of the H2REAL project, which launched in May 2023. This project aims to develop a hydrogen valley – geographically defined areas in which climate-neutral hydrogen is produced and consumed locally – in eastern Austria and map the entire hydrogen value chain. The goal is to implement concepts and strategies that enable a ramp-up of the regional hydrogen economy as well as a proactive, coordinated expansion of infrastructure with all regional key players.

Most recently, a (cross-border) expansion of the Valley network is increasingly taking shape, with Hungary and Slovakia in particular expected to play an important role.

With its H2 Backbone WAG + Penta West project, Austria was established as an important hub for two of the five hydrogen corridors. The SoutH2 Corridor is intended for the transport of hydrogen to Austria from North Africa or (by ship) via Italy. The eastern corridor permits deliveries to Austria from Ukraine or via the Balkans. In order to orchestrate these corridors and their value chains, VERBUND, as a founding member, and Gas Connect Austria joined HIAA (Hydrogen Import Alliance Austria).

HIAA is an initiative of eight leading Austrian energy companies, grid operators and hydrogen offtakers, primarily from industry. Its members consider green hydrogen imports to be a key factor in achieving Austria's climate objectives and securing the country's standing as an industry hub. Their common goal is to facilitate hydrogen imports to Austria through pipelines starting in 2030 and to therefore meet the significant increase in demand for green hydrogen in the long term. The HIAA companies support activities along the value chain to enable the ramp-up of the hydrogen economy in Austria, to implement the national hydrogen strategy and to ensure secure and diversified supplies.

All other segments

"All other segments" is a combined heading under which the Thermal generation, Services and Equity interests segments are brought together (because they are below the quantitative thresholds). Electricity and heat generation from gas is reported under the Thermal generation segment. The business activities of VERBUND Business Solutions GmbH and VERBUND Digital Power GmbH are reported under the Services segment. Interests accounted for using the equity method which have not been allocated to any other segment are reported under the Equity interests segment. As at the reporting date of 31 December 2025, this only comprised the equity interest in KELAG-Kärntner Elektrizitäts-Aktiengesellschaft.

Business performance

KPIs – All other segments

	Unit	2024	**2025**	Change
Total revenue	€m	459.7	439.5	–4.4%
EBITDA	€m	35.4	49.3	39.1%
Result from interests accounted for using the equity method	€m	100.5	84.2	–16.2%
Capital employed	€m	713.6	745.3	4.4%

The decline in total revenue – despite increased output – was mainly attributable to effects from the recognition of hedging relationships to hedge the clean spark spread. Nevertheless, EBITDA increased, primarily as a result of positive effects from the measurement of energy derivatives. The result from interests accounted for using the equity method was generated by KELAG-Kärntner Elektrizitäts-Aktiengesellschaft.

The increase in capital employed was due mainly to higher investment in KELAG-Kärntner Elektrizitäts-Aktiengesellschaft accounted for using the equity method. Lower working capital had an offsetting effect.

Thermal generation

At the end of 2025, VERBUND was operating two thermal power plants: the Mellach combined cycle gas turbine power plant and the Mellach district heating power plant at the Mellach/Werndorf site. Since the site houses Austria's most cutting-edge combined cycle gas turbine power plant, which is used to maintain security of supply in Austria, VERBUND plans to solidify the instrumental nature of the site as a bridge technology to a decarbonised energy system going forward.

Energy supply

Energy generation overview

Electricity generation

	Number[1]	Maximum electrical capacity in MW[1]	2023 Generation in GWh	2024 Generation in GWh	**2025 Generation in GWh**
Mellach combined cycle gas turbine power plant (natural gas)	1	848	673	1,298	2,052
Mellach district heating power plant (natural gas)	1	175	4	2	2
Total	2	1,023	677	1,300	**2,054**

[1] as at 31 December 2025

Generation from thermal power (net) rose by 58.1% to 2,054.3 GWh in the 2025 reporting period. At 400.2 GWh, generation of district heating was also 26.4% higher year-on-year in 2025.

Capacity development

The maximum electrical capacity of VERBUND's thermal power plants – the Mellach combined cycle gas turbine power plant and the Mellach district heating power plant – totalled 1,023 MW as at 31 December 2025. Generators 10 and 20 of the Mellach combined cycle gas turbine power plant were used mainly in the electricity market in 2025. Both generators were also available in 2025 to supply district heating to Graz and the surrounding area. The Mellach district heating power plant was contracted by Austrian Power Grid for congestion management purposes starting on 1 April 2025.

Restructuring the thermal segment

At the Dürnrohr site, consolidation actions were taken in 2025 due to the flooding in September 2024, as well as further actions due to the insolvency of the dismantling contractor.

At the same time, the transfer of the last remaining parts of the electricity generation facility from VERBUND Thermal Power to the site partner was jointly prepared and progressed. The site partner assumed responsibility and took over the construction site in December 2025 at the status quo.

Availability of existing thermal power plants

The average time availability of the thermal power plants (Mellach combined cycle gas turbine plant and Mellach district heating power plant) reached 85.0% in financial year 2025. This is lower than the figure of 88.3% for the previous year. The level of reliability averaged 97.0% and therefore increased year-on-year (2024: 88.0%).

Other project topics

Following the completion of the HOTFLEX research project at the Mellach power plants site, in the course of which a pilot plant for high-temperature electrolysis and fuel cell operation was built on the gas turbine power plant site, further measuring activities took place again in 2025.

In future, projects for the decarbonisation of thermal generation will be developed, tested and implemented at the Mellach/Werndorf power plant site. This is already occurring in the Coal2FUTURE,

HOTFLEX, HyTechonomy, GETS 4.2 and METES projects, for example, and in a cooperation on a hydrogen field test. The existing infrastructure at the site and the operational expertise can be used for these projects. The objective of the projects is to gradually reduce the specific carbon emissions per generated unit of electricity and heat.

The HyTechonomy project for the further development of key technologies for hydrogen was completed in 2025. The Coal2FUTURE project proposal (as a continuation of RECPP) to develop a strategic roadmap for European coal regions as part of the energy transition was resubmitted to the RFCS (Research Fund for Coal and Steel). The METES project proposal to investigate the suitability of various metals as alternative energy sources was also submitted.

VERBUND Green Hydrogen GmbH and VERBUND Thermal Power GmbH & Co KG are jointly planning to construct an approximately 8 MW electrolysis plant at the Mellach site. The approval of the industrial plant was granted in early 2025; the final decision on implementation is pending.

An external monitoring audit was completed for the environmental management system (in line with ISO 14001:2015 and in accordance with the EMAS Directive) in September 2025. At the same time, a management system for occupational health and safety (ISA 45001:2018) was implemented and certified.

Work continues at the decommissioned St. Andrä site on the viable solution for the soda ash found there.

The connecting railway at the Mellach-Werndorf site will also be used as a future testing and development area for the railway sector.

Allocation and purchase of emission allowances

Direct CO_2 emissions from VERBUND's thermal power plants are subject to European emissions trading (EU ETS). In other words, a valid allowance must be acquired for every tonne of CO_2 emitted. Free allocations of emission allowances amounted to 10.1 kt CO_2 in 2025, as only a small portion of the free allocations went to district heating plants in the fourth phase of ETS. Based on the agreements in the district heating supply contract with Energie Steiermark Wärme GmbH, all of the assigned amount units allocated free of charge were transferred to Energie Steiermark Wärme GmbH. The amount required for the 748.3 kt CO_2 emitted in total was covered by allowances from the existing portfolio or from allowances purchased on the market.

Additional information on emissions can be found in section ESRS E1 Climate change

VERBUND Thermal Power GmbH & Co KG's two EU ETS plants are generally exempt from double taxation in 2025 due to the CO_2 tax under the National Emissions Allowance Trading Act 2022 (*Nationales Emissionszertifikatehandelsgesetz*, NEHG 2022).

KPIs – direct CO_2 emissions from thermal power plants

	Unit	2023	2024	**2025**
CO_2 emissions of thermal power plants[1]	kt CO_2	257	479	748
Free allocations of emission rights	kt CO_2	13	11	10

[1] preliminary figures before ETS audit

Services

Since 1 January 2025, VERBUND Digital Power GmbH (formerly VERBUND Services GmbH) has been operating as an independent company. In accordance with the spin-off and takeover agreement dated 9 May 2025, all commercial departments of VERBUND Digital Power GmbH as the transferring company were transferred to VERBUND Business Solutions GmbH as the acquiring company retroactively as of 31 December 2024. This organisational separation enables VERBUND to focus on the ongoing development of the respective operating segments within the Group.

VERBUND Digital Power is the Group's digital centre of expertise. As a driving force for technology, it is shaping digitalisation at VERBUND so that the Group can achieve its corporate objectives along with the transition to clean energy.

Using state-of-the-art technologies and agile working methods, the technology company is proactively pushing ahead with digital transformation in the following areas:

- Digitalisation: development and implementation of a business-focused digital strategy for the targeted application of modern technologies and to ensure VERBUND stays competitive.
- IT and telecommunications infrastructure: operation of a high-availability, high-performance IT and telecommunications infrastructure with associated services such as landline telephony, mobile communications, ship radio and company radio systems, radio relay systems, fibre-optic data networks, industry TV, fire protection equipment, IT standard clients with data back-up, licence provision, application development, help desk services and data centre operations.
- Information security: Group-wide awareness of organisational information security, such as information security management, IS risk management and compliance (with relevant regulations such as NIS and GDPR), as well as ensuring technical cyber security through the Security Operation Centre or by conducting penetration testing.

See the section entitled Digitalisation and information security for more details on those topics.

In 2025, the IT Services unit made significant progress on digitalisation and process optimisation. One particularly notable project was the development of an OT platform for the Hydropower OSC project to enable productive operation of OT workloads on a secure platform. The switch to a new, more user-friendly document management system (DMS) was also successfully completed. The roll-out of Windows 11 as the standard client modernised the user experience and increased security. In addition, the IT infrastructure was comprehensively updated, improving workflow efficiency and quality of service for VERBUND customers.

In 2025, the telecommunications team forged ahead with upgrading the digital wide area network and the network separation for Hydropower OSC. The contract for the radio relay systems upgrade was concluded. In Kaprun and Greifenstein, extreme weather events caused considerable damage to the telecommunications infrastructure, but this was quickly rectified thanks to the tireless efforts of the regional telecommunications team.

As VERBUND's shared services organisation, VERBUND Business Solutions managed the following centralised Group services efficiently, cost-effectively and with a high level of customer satisfaction in financial year 2025:

- building operations: infrastructure management & technology, resource management & services;

- controlling, SAP and operations: ERP system, group organization and customer engagement, service development, controlling & financial services;
- financial accounting: reporting, asset accounting, accounts payable;
- people management: operations, payroll, legal & social; and
- procurement: construction technology, generation, performance & ESG, services & information technology.

In 2025, the Facility Management unit ensured smooth office operations with ongoing maintenance measures. In addition, planning for the complete renovation of the head office at Am Hof continued as scheduled.

In commercial processes, following the successful completion of the S/4HANA transformation, a SAP strategy project was launched with a target vision for 2030, focusing on automation and the Group's growth trajectory.

Financial accounting operations were likewise reliably maintained, including the punctual completion of monthly, quarterly and annual financial statements. In the 2025 financial year, more than ten companies in Spain and Germany in the New renewables segment were integrated into VERBUND's financial processes.

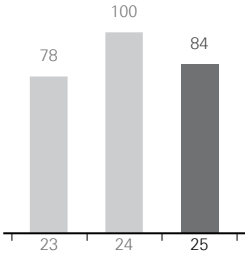
In 2025, human resources services focused on the successful launch of SAP SuccessFactors in Spain and the digitalisation of modern HR processes. Targeted actions were implemented in health management, including mental health, the promotion of physical activity and preventive medical check-ups at several sites.

In procurement, a number of important steps were taken to improve ESG criteria and ESG governance (with regard to the Corporate Sustainability Reporting Directive and the supply chain), and supplier management was modernised and internationalised. Initial AI technologies were integrated to increase efficiency in the procurement process.

Equity interests

KELAG-Kärntner Elektrizitäts-Aktiengesellschaft

Equity result - KELAG €m



Equity method accounting

At €84.2m, the contribution from KELAG to the result from interests accounted for using the equity method was lower year-on-year in 2025 (2024: €100.5m). This year-over-year decline in earnings is mainly attributable to below-average water supply, lower marketing prices and the reintroduction of the energy crisis contribution in Austria. However, this negative development was partially offset by positive effects in the heating business due to cooler weather, and gains from the reversal of provisions. The dividend attributable to VERBUND for 2025 was €75.6m (2024: €80.9m). As at 31 December 2025, VERBUND held a 35.17% equity interest in KELAG.

KELAG generates electricity from 100% renewable energy and along with VERBUND is among the major Austrian producers of hydroelectricity. It also operates in the field of wind power and implements selected photovoltaics projects. KELAG's district heating is mainly generated from industrial waste heat and biomass.

KELAG focuses on sustainable business models by expanding renewable energy and the necessary infrastructure, as well as marketing green electricity and green products. The company reaffirmed its sustainability focus in 2025 with an EcoVadis Gold rating.

Opportunity and risk management

The risk management system in place at VERBUND is based on international standards such as COSO ERM and ISO 31000. VERBUND's risk management system is structured to ensure comprehensive coverage of potential areas of risk and opportunity, while uniform, Group-wide principles form the basis for the standardised treatment of risks and opportunities.

Due in particular to the energy transition, which poses challenges for the energy industry as a whole, the processes used in the Group-wide risk management system as well as the analyses and reports produced are regularly adapted to changes in internal and external requirements. VERBUND's risk management agendas encompass the management of current operations and project management as well as activities aimed at supporting strategic decision-making processes. Each year, the effectiveness and maturity level of Enterprise Risk Management is evaluated based on the recommendations contained in the COSO ERM reference model.

Risk management objectives

In line with the Group's overarching corporate strategy, VERBUND's risk policy is based on the following objectives:

- ensuring the Group's going-concern status;
- securing the Group's financial targets;
- permanently increasing enterprise value;
- guaranteeing supply security;
- optimising the risk-benefit ratio; and
- achieving social objectives alongside environmental and sustainability performance targets.

Risk-bearing capacity

Maintaining risk-bearing capacity is an essential element in achieving the above objectives. One success factor in ensuring risk-bearing capacity is secure access to the capital market. VERBUND's policy with respect to risk-bearing capacity is focused on two areas: analysing the effects of potential opportunities and risks identified across the Group's operating activities and the impacts of organic and inorganic projects on the Group's credit rating, and determining whether future medium- to long-term scenarios jeopardise the Group's target credit rating.

Risk management levels

VERBUND applies a modified, three-lines-of-defence risk management model as a key element of its risk management system (drawing on the approach of the Institute of Internal Auditors IIA). The concept involves using three lines of defence in VERBUND's Group-wide risk management system – the management bodies (e.g. Group risk management and management), the operating companies and Internal Audit – for the purpose of protecting VERBUND from exposure to significant risks and fostering the systematic exploitation of opportunities.

Risk management system processes

The risk management system is based on a centralised management approach with standardised processes and tools. These include the identification, analysis, quantification and reporting of risks and opportunities along with management of the associated measures. The entire process is managed by

Group Risk Management on behalf of the VERBUND Executive Board. This workflow is also integrated into both the periodic planning and reporting processes (with respect to current operations) as well as the decision-making processes for investments, divestments and acquisition projects (with respect to strategic corporate development and project management).

Whilst the risk policy framework in the form of risk appetite and risk-bearing capacity is defined and prescribed using a top-down approach, risks and opportunities are identified, quantified and reported on using a bottom-up process, i.e. by the person reporting the risk at the operating company via Group Risk Management to the management, the Group Executive Board and the Supervisory Board.

1. Risk identification

Risk identification typically takes place directly in the operating companies and/or business areas, where the corresponding specialists or risk controllers systematically and causally search for possible positive and negative factors influencing the business model. This procedure is the key prerequisite for all subsequent processes. Various criteria are used to classify the individual opportunities and risks identified in this way. This makes it possible to check completeness during the risk identification phase and is a prerequisite for subsequent risk clustering in the (Group) reporting process.

2. Analysis and quantification

Quantification of risk is a material aspect in achieving the overarching risk policy goals through analysis as well as targeted risk management and mitigation measures. The initial analysis and assessment of new opportunities and risks is carried out either directly in the operating companies by the responsible risk controllers in consultation with the relevant experts or, if required, together with the Group risk management team.

VERBUND endeavours to manage opportunities and risks with reference to tangible figures. As such, in addition to a qualitative assessment, all identified risks and opportunities are examined to the greatest possible extent in terms of their effects on defined KPIs (e.g. EBITDA, Group result, free cash flow after dividends, net debt, and equity). Risks are quantified by considering the probability of occurrence in each case and the extent of the determined gain or loss.

3. Management of mitigation measures

The economic justification for implemented or planned measures is based on the ascertained impact of the risk. The countermeasures taken or planned are targeted at reducing the probability of occurrence or limiting potential damage. An economic cost-benefit analysis is also an important planning component in deciding on risk reduction measures to be taken.

Risks to the Group's going-concern basis are to be avoided, serious risks are to be actively mitigated by insurance policies or hedged and business-specific risks are to be absorbed to a certain extent. Defining and adhering to limit systems are additional risk control mechanisms. The risk management system acts as a managing body in implementing countermeasures, which are generally executed within the current organisation.

In addition, various risk management committees (RMCs) manage the risk inherent in current business operations. The RMCs deal with topics such as energy generation, ESG, energy management, business management and financial management. The Group also has a risk management committee which includes the Group Executive Board and discusses current topics such as the latest risk position, the top risks, early warning indicators and the ESG risk report.

4. Risk reporting

Reporting is geared to recipients' needs, ensuring that relevant group of recipients is provided with timely information on material risks. The risk and opportunity report is therefore included in routine management reporting and shows the fluctuation range, i.e. the possible impacts of all opportunities and risks identified and quantified in the Group on the KPI targets. Focus is also placed on presenting the Group's top opportunities and risks in an opportunity and risk matrix. In addition to routine reporting as part of the quarterly management report, a separate ESG risk report is prepared. In the same way as for the opportunities and risks report in the regular management reporting, this ESG report shows the semi-aggregated potential positive and negative fluctuation range of ESG-related opportunities and risks identified in the Group as well as the top ESG opportunities and risks.

As a listed company, VERBUND is moreover subject to strict publication requirements. Changes in KPIs in combination with greater price volatility, for example, can result in adjustments to the target figures (guidance) during the year. The risk management organisation provides risk-adjusted guidance on a quarterly basis to inform the financial markets.

Priorities and progress

The focus of VERBUND's risk management activities in financial year 2025 was based, among other things, on the ongoing evaluation and assessment of the opportunity and risk position at VERBUND, early warning indicators and risk analyses in connection with planned projects and investments. In addition, a multi-year analysis of the risks of ongoing business was conducted, strategic risks identified, (re)assessed and analysed in more detail, and a risk-bearing capacity analysis and a stress test analysis prepared. A deep dive was conducted on geopolitical risks and their impact on VERBUND. The focus remained on implementing reporting requirements pursuant to ESRS and on integrating ESG matters into existing risk management processes.

Material opportunities and risks as well as mitigation measures

The table below provides an overview of the main risks identified within VERBUND, classifies them into opportunity or risk categories and presents possible risk mitigation measures.

Category	ESG risk	Description/measures	Impact on earnings	
Financial statements impact			**Opportunity**	**Risk**
Impairment		Change in asset values (impairment losses/gains on power plants as well as carrying amounts of equity interests) and provisions recognised to account for changes in the (energy) market and economic environment (long-term electricity price forecasts), the cost of capital and other assumptions for calculations (e.g. remaining lifetime expectation, pension obligations) Measures: - Conclusion of long-term agreements with customers and for grid support	X	X
Price risk			**Opportunity**	**Risk**
Price fluctuation	E_Environmental	Difference between expected (projected) and realised sales prices Measures: - Forward-looking pricing strategy - Conclusion of long-term supply agreements - Options transactions	X	X
Volume risk			**Opportunity**	**Risk**
Fluctuations in volume Hydro/wind/solar	E_Environmental	Difference between expected and realised production volume from hydro, wind and solar power generation – necessary short-term purchase or sale of energy volumes Measures: - Balancing on the short-term futures and spot markets - Maintaining weather insurance policies	X	X
Contribution margin risk – power grid		Planning risk in relation to the products grid usage, congestion management, grid loss and control power in the Grid segment Measures: - Discussion/agreement with regulators - International collaborations	X	X
Contribution margin risk – gas network		Planning risks: revenue (transmission pipeline, distribution network), energy costs and maintenance expense Measures: - Continuous monitoring	X	X

Flexible products		Variation in the contribution margin from congestion management, control power, intraday trading and pumping/turbining at the storage power plants Measures: - Participation in tenders for the provision of capacity for short-term and multiple-year stability of grid operation - Optimisation of trading activity	X	X
Asset/infrastructure risk			**Opportunity**	**Risk**
Asset/infrastructure risk		Potential effects of outages, damage and consequential losses on power plants Measures: - Maintenance - Audits - Insurance		X
Legal risk			**Opportunity**	**Risk**
Pending legal disputes		Litigation risk from various pending legal actions/legal disputes Measures: - Legal advice - Financial provisions - Insurance - Out-of-court talks	X	X
Regulatory risk	G_Governance	Opportunities and risks arising from changes in the political, legal or regulatory environment Measures: - Increased collaboration with national and international interest groups, associations and authorities	X	X
Financial risk			**Opportunity**	**Risk**
Counterparty risk		Payment default by business partners Measures: - Requesting of recent business reports - Realisation of existing collateral - Strict scoring of business partners based on a conservative system for evaluating credit ratings - Regular monitoring		X
Securities risk		Gains/losses on investment positions (e.g. funds)	X	X

		Measures: - Monitoring through regular value-at-risk calculations		
Valuation risk of derivatives		Measurement risk involving futures/forward positions – positive/negative measurement effects as well as liquidity effects ensuing from changes in market electricity prices Measures: - Maintaining sufficient credit lines to enable access to liquidity at short notice - Continuous monitoring	X	X
Equity interest risk		Gains/losses from equity interests, deviations from profit/dividend targets for equity interests Measures: - Monitoring and early warning systems	X	X
Rating risk		Changes in the rating lead to lower or higher refinancing costs Measures: - Ongoing assessment of projects with respect to their impact on ratings - Intensive dialogue with rating agencies	X	X
Interest rate risk		Rising or falling interest expenses/interest income due to changing market interest rates Measures: - Hedging instruments - Long-term fixed-interest agreements	X	X
Contingent liabilities		Financial losses caused by crystallisation of contingent liabilities (e.g. liabilities, guarantees) Measures: - Internal verification of Group collateral and bank guarantees before disclosure to external third parties - Continuous monitoring - Term restrictions, non- or limited recourse, etc.		X
Operational risk			**Opportunity**	**Risk**
Extreme weather	E_Environmental	Possible effects of extreme weather such as flooding on third parties and the Group's own plants Measures:		X

		- Structural protection measures - Regular training sessions and courses (e.g. as part of crisis management) - Insurance		
Cyber risk		Deliberate, targeted IT-based attack on data and IT systems. Possible consequences include loss of control (security of supply), data theft and cyber extortion Measures: - Internal Group projects to improve security of IT systems and IT infrastructure - Insurance		X
Compliance risk	G_Governance	Violations of internal and external regulations (such as financial market compliance and competition law) Measures: - Compliance training, annual risk analysis - Defined processes, regulations and code of conduct in relation to compliance and competition law		X
Pandemic risk		Effects of pandemics on internal processes and workflows, and ensuring security of supply Measures: - Internal guidelines and defined processes - (Pro)active crisis management - Ongoing internal coordination and working with authorities in the event of an incident - Continuous monitoring		X

Project risk			Opportunity	Risk
Project risk		Exceeding or failing to meet projections with regard to time, costs and quality Measures: - (Pre-)project analysis, project management, project controlling and project monitoring - Optimisation of contractual arrangements	X	X
Other risks			**Opportunity**	**Risk**
Reputational risk		Negative economic effects caused by damage to the Group's reputation Measures: - Brand Monitor - Internal and external communication guidelines as well as strict compliance guidelines		X
Strategic risk			**Opportunity**	**Risk**
Technology/innovation risk		Negative/positive effects from technological innovations and changing customer needs Measures: - Close collaboration with external research projects - Agile adaptation to new technologies - Investment in in-house research and development	X	X
Strategic risk business model	E_Environmental S_Social G_Governance	Negative/positive effects on the business model caused by changes in conditions in the energy market or in climatic, legal or macroeconomic conditions Measures: - Regular monitoring - Conducting regular strategy meetings	X	X

Current opportunity and risk position in 2025

The material drivers of opportunities and risks in financial year 2025 were in the following risk categories: volume risk, electricity price risk, financial risk, regulatory risk, investment and impairment risk, operational risk, asset risk, strategic risks and risks in connection with climate change.

Volume opportunities/volume risks

Hydropower generation is subject to seasonal and regional fluctuations in water supply at the river basins. Options to compensate for these effects by means of the (annual) storage power plants and by diversification through investment in other renewable generation and storage technologies (flexibility products) are very limited. Water supply in 2025 was affected by drought. Over the year as a whole, average output was below the long-term average. Output from wind and photovoltaic power was likewise below the long-term average.

SDG 13

Electricity price opportunities/electricity price risks

Along with the risks of fluctuations in output, electricity price trends represent a significant risk and opportunity factor for VERBUND. In order to reduce risk potential, VERBUND pursues a forward-looking pricing strategy in which output is traded on forward and futures markets. In addition, VERBUND entered into long-term contracts with some customers to hedge the price level. As in 2024, price levels in 2025 remained below those of 2022 and 2023, resulting in lower prices and price volatility.

Financial opportunities/financial risks

Macroeconomic conditions remained strained in 2025, causing both default and counterparty risk to remain a material risk factor. In order to minimise risk potential, VERBUND relies on an established system of credit limits and a strict scoring of business partners based on a system for evaluating creditworthiness. VERBUND also monitors credit risk on a regular basis.

Electricity price volatility influences the measurement of forward contracts concluded in the electricity market, which can lead to short-term liquidity inflows or outflows depending on whether the effect is positive or negative. These positions are therefore monitored on an ongoing basis and the necessary liquid funds and credit lines are kept in reserve or increased as a precaution.

Regulatory opportunities/regulatory risks

Changes in the legal framework at both EU and national level continue to pose an uncertain level of risk to the Group's long-term performance. In this regard, the Energy Crisis Contribution for Electricity (EKB-S), which was enshrined in the Federal Act on the Energy Crisis Contribution for Electricity (*Bundesgesetz über den Energiekrisenbeitrag-Strom*, EKBSG) in 2022, extended in 2025 and amended in the Budget Restructuring Measures Act (*Budgetsanierungsmaßnahmengesetz*, BSMG), may result in adjustments in this regard, the amount of which depends on electricity price trends, the generation coefficients and the offsetting of investments.

The federal government passed the new Electricity Industry Act (ElWG) at the end of 2025. This brings changes for VERBUND, including with regard to the infrastructure usage fee for feed-in producers, grid connection fees, and exemptions for storage installations operating in a way that helps to keep the grid stable. Any impacts on VERBUND are evaluated on an ongoing basis.

Investment and impairment risk

The value of VERBUND's power plants – both the existing plants and the planned new projects and acquisitions – depends on various factors such as changes in electricity prices and the cost of capital as well as regulatory developments. The effects of climate change on the valuation of VERBUND's assets are evaluated at regular intervals. The focus here is on climate models that map out meteorological and hydrological scenarios in VERBUND's operating areas. No significant measurement effects as a result of changes in the quantities relevant for energy production have been identified to date in connection with the climate scenarios analysed. Further details can be found in the notes to VERBUND's consolidated financial statements (in the section entitled Effects of climate change).

Operational opportunities/operational risks

The threat of cyberattacks is still classified as high and potentially increasing. VERBUND responds to the heightened challenges (mainly from the perspective of critical infrastructure) by continually improving its existing technical and organisational measures. VERBUND counteracts cyber risks by implementing a preventive information security strategy and projects to increase the security of network and information systems as well as internal guidelines and correspondingly defined and secured processes. Alongside cyberattacks, the Group is also focusing on general IT and digital risks in order to address issues such as system failures due to operational disruptions, faulty updates, cloud availability and so on.

Asset risk

In 2025, technical defects occured in the generators at the new Limberg III pumped storage plant in the Kaprun power plant group during the scheduled initial operation tests, leading to a delay in the handover to VERBUND. In addition, a mains regulating transformer was damaged during a scheduled black start test at the Kaprun-Oberstufe power plant (Limberg I). In addition to technical damage, there is a risk of production downtime in both incidents. Further details about the damage are provided in 1.2 Financial reporting principles in the notes to the consolidated financial statements.

Strategic opportunities and risks

Climate change, changes in the legal and/or regulatory environment, technological developments and changes in the market environment can have a major impact on a company's business model and strategy (as described above to some extent). Close examination of medium- and long-term strategic risks at an early stage is therefore important to ensure successful continuation of the direction in which the Group is moving. Accordingly, in addition to the ongoing evaluation of short-term opportunities and risks as they arise during the year, VERBUND also pinpoints and assesses the relevant strategic risks on an annual basis. Dealing with these risks proactively enables VERBUND to limit their impact on the Group while consciously identifying opportunities for additional growth.

To meet the challenges of climate change and spread potential risks, VERBUND is focusing on both regional and technological diversification in generation.

Effects of aspects of climate change

Due to the generation and transmission technologies used, VERBUND's plants are highly exposed to weather events that cannot be influenced. This applies in particular to VERBUND's partially exposed generation infrastructure (the VERBUND hydropower plants, wind power plants and photovoltaic installations) as well as its transmission infrastructure (in particular Austrian Power Grid AG's high-voltage lines).

Over the long term, changes in the climate can have a lasting effect on the water/wind supply and photovoltaic output, which may cause greater seasonal or annual deviations in generation to occur in the future. To counteract this trend and spread potential risks, VERBUND is focusing on both regional and technological diversification in generation. In particular, VERBUND is investing in maintaining its assets, increasing the efficiency of existing plants, constructing promising hydropower plants and expanding generation from wind farms and photovoltaic installations. Each year, the long-term positive and negative impacts that climate change could have on the sustainability of VERBUND's business model and long-term strategy are analysed and discussed in the context of identifying or (re)assessing the strategic risk landscape. Among other things, the potential short- and medium-term effects of climate change are integrated into internally defined stress scenarios as part of the annual stress test analysis, then evaluated and reported to VERBUND's management. Furthermore, the climate scenarios were updated and then used as the basis for a resilience analysis of the business model.

Forecast – performance in financial year 2026 (sensitivity)

All else remaining the same, a change in the factors shown below would be reflected in the projected Group result for 2026 as follows (based on the hedging status as at 31 December 2025 for generation output and interest rates):

+/– 1% generation from hydropower plants: +/– €14.3m
+/– 1% in generation from wind and solar power: +/– €1.8m
+/– €1/MWh wholesale electricity prices (renewable generation): +/– €6.1m
+/– 1 percentage point in interest rates: +/– €2.7m

Internal control and risk management system

In accordance with Section 243a(2) of the Austrian Commercial Code (*Unternehmensgesetzbuch*, UGB), the internal control and risk management systems for the accounting process must be described. VERBUND's internal control system includes all measures for ensuring the reliability, effectiveness and profitability of this process, as well as compliance with external regulations.

Organisational framework

VERBUND's Group management acts in accordance with the principles defined in the mission statement. The Executive Board bears responsibility for developing and implementing the entire internal control and risk management system. The Supervisory Board's Audit Committee monitors its effectiveness.

Basic principles of the internal control and risk management system

VERBUND's extensive financial reporting process is governed by Group-wide guidelines and requirements. The performance, monitoring and supervision of business transactions are segregated from each other. This ensures that no single employee can act alone in performing all the process steps of a transaction from start to finish. A review of authorisations is integrated into the process for the technical processing of transactions. Compliance with and the effectiveness of these checks is reviewed on a periodic basis. Based on VERBUND's process map, business processes and the risks they entail are systematically analysed and documented, as are checks of the financial reporting process. The operational structure, the process map and the checks are documented regularly in ARIS (the process modelling tool) and published on the intranet (including the risk control matrix). VERBUND's organisational structure is continually adapted to address changing internal and external conditions.

Reporting in compliance with unbundling provisions

VERBUND's quarterly reports and the VERBUND integrated annual report consolidate information from the controlling, corporate accounting, financial management and risk management functions as well as from the area of corporate responsibility. All reports are based on uniform Group-wide rules for preparation and measurement. The liberalised European energy market requires an unbundling of the grid from the generation, trading and sales of formerly integrated energy utility companies. Therefore, VERBUND subsidiary Austrian Power Grid AG has been operating in the electricity market since 2012 as an independent transmission system operator. An external equal treatment officer monitors compliance with the unbundling provisions specified in the contracts. VERBUND AG acquired a 51% stake in Gas Connect Austria GmbH effective 31 May 2021. VERBUND subsidiary Gas Connect Austria GmbH performs the duties of an independent transmission system operator in the gas market and continues to be subject to the statutory unbundling provisions. Compliance is likewise monitored by an external equal treatment officer.

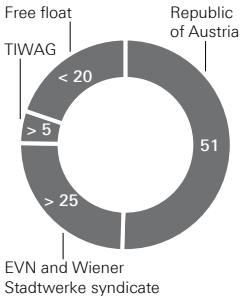
Periodic monitoring

Internal Audit reviews the handling of business processes and the internal control and risk management system. Internal Audits are performed according to the annual audit schedule drawn up by Internal Audit and approved by the VERBUND Executive Board and are supplemented by ad hoc audits as needed. The audit reports include recommendations and measures. A periodic follow-up ensures implementation of the proposed improvements. As an independent transmission system operator, Austrian Power Grid AG has had its own internal audit function since March 2012. At Gas Connect Austria GmbH, also an independent transmission operator, internal audit falls under the remit of Controlling.

Shareholder structure and capital information

in accordance with Section 243a(1) of the Austrian Commercial Code (UGB)

Shareholder structure %



1. At the reporting date of 31 December 2025, the called and paid-in share capital of VERBUND AG comprised:
   170,233,686 no-par value shares (bearer shares Category A), equivalent to 49% of the share capital; 177,182,000 no-par value shares (registered shares Category B), equivalent to 51% of the share capital, authenticated by an interim certificate deposited with the Federal Ministry of Finance and made out in the name of the Republic of Austria. A total of 347,415,686 shares were in circulation at the reporting date. With the exception of the voting restriction described under point 2, all shares carry the same rights and obligations.

2. In accordance with constitutional law, which regulates the ownership structure of companies in the Austrian electricity sector (Federal Law Gazette I (BGBl.) 143/1998) and also forms the basis for the Company's Articles of Association, the following voting restriction applies: "With the exception of regional authorities and companies in which regional authorities hold an interest of at least 51%, the voting rights of each shareholder at the General Meeting are restricted to 5% of the share capital." VERBUND AG is unaware of any other restrictions that affect voting rights or the transfer of shares.

3. The shareholder structure of VERBUND AG is largely defined by the majority holding of the Republic of Austria. In accordance with constitutional law, 51% of the share capital is owned by the Republic of Austria. A syndicate of the state energy companies Wiener Stadtwerke GmbH and EVN AG owns more than 25% of the share capital. More than 5% of the share capital is owned by TIWAG-Tiroler Wasserkraft AG. Less than 20% of the share capital is in free float.

4. There are no shares with special control rights.

5. VERBUND does not offer any employee participation programmes that require the transfer of shares.

6. In accordance with the rules of procedure for the Supervisory Board, the last nomination to the Executive Board must be prior to the nominee's 65th birthday. Pursuant to the Austrian Code of Corporate Governance (ÖCGK), a Nomination Committee has been established within the Supervisory Board and prepares the content for the appointment of Executive Board members on behalf of the entire Supervisory Board. VERBUND AG complies with the rules of the Code with respect to the appointment and dismissal of the members of the Executive Board and the Supervisory Board. Apart from the above, there are no other regulations not derived directly from law that relate to the members of the Executive Board and the Supervisory Board, or to the amendment of the Articles of Association.

7. There are no authorisations of the Executive Board within the meaning of Section 243a(1)(7) of the Austrian Commercial Code (UGB).

8. The Company is also not involved in any significant agreements that contain provisions referring to the stipulations under Section 243a(1)(8) of the Austrian Commercial Code (UGB). Furthermore, a public takeover bid is improbable under constitutional law.

9. There are no compensation agreements within the meaning of Section 243a(1)(9) of the Austrian Commercial Code (UGB).

VERBUND's Consolidated Corporate Governance Report, which is included in this Integrated Annual Report 2025, is also available on the VERBUND website.

Consolidated Corporate Governance Report 2025 available at www.verbund.com > Investor Relations > Financial publications

Innovation, research and development

KPIs – Innovation, Research & Development (IR&D)

	Unit	2023	2024	**2025**
Number of IR&D projects	Number	103	110	116
Total project volume[1]	€m	272.6	281.9	245.6
of which EU projects[1]	€m	100.1	93.5	62.8
Total VERBUND share[1]	€m	105.1	98.0	98.2
Annual VERBUND expenses	€m	12.7	12.3	15.1
Annual VERBUND investments	€m	3.1	2.4	7.0
of which corporate venture capital and building[2]	€m			4.6

[1] over the entire duration of the projects [2] reported in financial year 2025 for the first time

As a trailblazer in the future of energy, VERBUND is driving innovation and investing in pioneering projects as well as national and international partnerships. Three innovation focus areas are key to unlocking new value creation potential: customer-oriented digitalisation, AI-assisted optimisations, and large-scale battery storage for flexibility and value preservation. These areas are used to strategically prioritise innovation initiatives within the Group.

Together with its partners and customers, VERBUND is developing new business models, services and products along the entire value chain to accelerate the transformation of the energy system.

Driving innovation through a strong ecosystem

The Corporate Innovation & New Business department coordinates VERBUND's innovation activities, creates transparency and promotes interaction between a variety of players. It works closely with all VERBUND companies and external innovation partners and facilitates close networking and collaboration through a wide range of innovation tools.

Key among these is VERBUND X Accelerator, one of Europe's leading co-creation platforms, which for the past five years has been bringing together start-ups, scale-ups and industry leaders to develop innovative solutions to the challenges posed by the energy transformation. This platform is used to evaluate new technologies and, after successfully piloting them, to integrate them into VERBUND's core business. In 2025, four pilot projects were successfully implemented via this platform. More than ten partners were actively involved in the programme in 2025.

In addition, VERBUND is fostering partnerships with scientific institutions in order to focus on new findings in economic and technological developments with a view to achieving the energy transformation. The Energy Launchpad kicked off in autumn. This new initiative brings together leading universities, start-up ecosystems and energy companies from across Germany, Austria and Switzerland. A leading university and a leading company represent each country: the Federal Institute of Technology Zurich (ETH Zurich) and Energie 360° from Switzerland, the Vienna University of Technology and VERBUND AG from Austria, and the Technical University of Munich, UnternehmerTUM GmbH and EnBW-BW-Württemberg AG from Germany. The aim behind the Energy Launchpad is to connect start-ups, research and industry across national borders and jointly bring scalable energy transition solutions to fruition faster.

Specific approaches to knowledge sharing strengthen the innovation network both internally and externally. For example, the VERBUND X Venture Day and the Group-wide Innovation Day took place again in 2025.

Empowering tomorrow, VERBUND's innovation podcast, discusses the future of energy in Europe with thought leaders and innovators. The first season is available on all popular podcast platforms.

Internally, too, innovation is systematically orchestrated Group-wide and innovative in-house ideas are promoted in a structured way. Twelve new project submissions that support and accelerate innovation in the business units were submitted as part of an internal innovation support framework, accessible to all VERBUND organisational units.

Focus on new storage: innovative energy storage as the link between generation and consumption

Given the growing share of volatile renewable energy sources in the power grid and the associated energy transformation, VERBUND is focusing more strongly on innovation and research projects for new storage technologies.

The newly established Christian Doppler Laboratory, which is operated by Vienna University of Technology in cooperation with VERBUND and funded by the Austrian Federal Ministry for Economy, Energy and Tourism, focuses on the development of oxygen ion batteries. The technology is a promising solution for storing renewable energy and is based on ceramic materials which, unlike conventional batteries, do not need elements such as lithium or cobalt and are also not flammable. As this technology continues to evolve, the oxygen ion battery could make a significant future contribution towards integrating renewable energy sources into the power grid.

Furthermore, VERBUND is working on other initiatives and actively supporting cooperative research and development projects as a consortium partner. Examples include a project with start-up Aquabattery to enhance redox flow battery technology, and another with the Austrian Institute of Technology (AIT) to test battery energy storage systems.

Focus on digital innovations in hydropower

Under its Digital Hydropower Generation (DHPG) programme, VERBUND is developing innovative digital solutions for hydropower. One of the objectives of this cross-disciplinary initiative is to create and roll out digital products and services from the many digital innovations that were developed, tested and evaluated in terms of their suitability for implementation in active hydropower operations.

In 2025, a total of ten ideas were fully developed and at least partially rolled out. They include several projects involving AI-assisted solutions. Since April 2025, EisiDocs has provided a solution for the quality-assured transfer of technical documentation throughout VERBUND Hydropower. In future, with the support of artificial intelligence (AI), it will be possible to detect duplicates, extract text automatically, index documents and classify them.

Another focus was the rollout of underwater inspection solutions including mini diving robots and a telescopic camera system that was developed in-house. Unmanned Surface Vehicles (USV) have also been used to establish an automated solution for autonomous, extensive seabed surveys in shallow waters, from surveying through to the visualisation of results.

In addition, the data analytics platform was modernised and used as the basis for developing an AI-assisted system designed to detect active-power anomalies in each individual generator set at Danube power plants. Four deviations from normal operation have already been identified since February 2025.

Performance monitoring also detected a turbine rod fracture on generator set 3 at the Freudenau power plant, preventing major consequential damage. AI-assisted anomaly detection can also be used for dams.

Looking to the future: smart monitoring for wind and photovoltaic systems

VERBUND is concentrating on completing a scalable, advanced cloud platform for smart monitoring of all operating wind farms and photovoltaic installations. This involves implementing a number of pioneering R&D initiatives focused on two key deliverables: a cloud-based lakehouse (a powerful central data storage facility) for processing and providing large volumes of operating data; and applications based on it, such as a business intelligence (BI) reporting system, an automated notification system and an advanced analytics platform.

VERBUND aims to make the analysis of operating data innovative and efficient. To achieve that goal, it is creating a new type of cloud-based lakehouse enabling the collection, analysis and provision of operating data in near real time. After an initial prototype of the new platform with limited functionality went into operation at the end of 2024, the main focus in 2025 was on developing and commissioning the fully functional production system for the new platform – a milestone successfully reached in mid-2025.

Implementing an innovative medallion lakehouse architecture that clearly separates raw data (bronze layer) from processed data (silver layer) and application-ready data (gold layer), along with strict consistency in using highly standardised data connections, has delivered major efficiency gains in the integration of new wind and photovoltaic systems – as demonstrated by the large number successfully integrated in 2025.

VERBUND's wind and photovoltaic portfolio is diverse. The emphasis in 2025 was therefore on continuing to develop and enhance operational applications that will enable the Group to leverage the full potential of the cloud platform over time. One such key innovation was the development and introduction of a scalable advanced analytics platform that will ultimately provide valuable insights into plant performance. A test version of the platform is currently running with selected turbines. Moving forward, AI-based analyses for early damage detection will be integrated into the platform, playing a significant role in the establishment of a predictive maintenance strategy by making it possible to identify potential faults early on and initiate immediate countermeasures.

In 2025, the investment portfolio of VERBUND's in-house corporate venture unit comprised a total of nine start-up stakes, one joint venture and one fund investment.

VERBUND X Ventures: investing in energy transition at VERBUND

VERBUND's corporate venture unit, VERBUND X Ventures, focuses on strategic investments in start-ups in order to build a forward-looking investment portfolio in energy and climate tech. The aim is to promote innovative solutions that not only strengthen VERBUND's core business but also open up new growth areas. In 2025, VERBUND X Ventures acquired two additional equity interests in start-ups,

expanding the total portfolio to nine start-up stakes, one joint venture and one fund investment. These start-ups offer a cutting-edge approach to addressing current and future challenges in the energy sector:

- **HessTec** develops hybrid energy storage systems (HESS) and battery-energy storage systems (BESS) and promotes a sustainable, climate-conscious energy model through flexible, controllable and cost-optimised storage solutions.
- **Qurrent** developed an AI-based platform that intelligently networks decentralised energy plants such as photovoltaic systems, battery storage units and control units, and optimises them in real time. As such, the company is making a key contribution to the digital transformation and stability of the future energy system.
- **TTTech Zyne**, a joint venture co-founded with TTTech, is developing a reliable real-time energy management solution that was launched in 2025.
- At the end of 2024, VERBUND X Ventures made its first fund investment, in **Vireo Ventures' Electrification Fund**. The fund focuses on solutions that speed up the electrification and decarbonisation of energy systems. Its impact-oriented portfolio includes scalable digital solutions for energy supply, mobility, transport, buildings and industry.

Innovations in the power grid: modern technologies for a more resilient energy system

As a control area manager and transmission system operator, Austrian Power Grid AG is responsible for energy security in Austria. This involves ensuring a balance between feed-in and consumption in the public power grid as well as constructing and maintaining the electricity transmission infrastructure.

The transformation of the energy system also requires innovative solutions to ensure security of supply, affordability and cost-effectiveness. Technical challenges are identified at an early stage and dealt with efficiently to ensure that the transmission system is fit for the future.

TwinEU – a Europe-wide digital twin of the power grid

TwinEU is a groundbreaking Horizon Europe initiative that is laying the foundations for a digital twin of the European power grid. The aim is to create a standardised, interoperable model of the energy system that connects grid and market operators, technology partners and research institutions. Eight demonstrations in eleven EU countries are testing specific applications, including the use of virtual sensor technology for weather-dependent overhead line operation. Approaches are being developed to integrate digital twins and complement physical sensor technology with virtual models. The findings are expected to allow TSOs to adjust the transmission capacity of existing overhead lines depending on weather conditions (in particular increased cooling due to low temperatures and wind).

InSAR – how satellite technology enhances security of supply

Creeping landslides can pose serious risks to the electricity transmission infrastructure. With InSAR technology, Austrian Power Grid uses highly precise radar data from space to detect even the smallest ground movements at an early stage and monitor changes over time. In a pilot project, the first power line sections were successfully analysed and the results validated with conventional measurements. Preparations are now underway for a comprehensive rollout across the entire transmission system, including substations. In addition to making the survey process much safer, InSAR is also significantly cheaper and faster than conventional measurement and inspection methods: an important step towards even greater security of supply.

Austrian Power Giants – an internationally acclaimed concept for innovative pylon design

The Austrian Power Giants initiative reimagines electricity pylons as symbols of harmony between energy infrastructure and nature, in the form of iconic animals. Each of Austria's nine federal states will have its own Austrian Power Giant, inspired by animals typical of the region – such as the stork for Burgenland and the stag for Lower Austria. Two designs have already been developed and tested for structural and electrical integrity. The initiative aims to strengthen regional identity and promote acceptance of grid expansion projects. This nature-inspired approach to infrastructure was honoured with the prestigious RedDot Design Award in 2025. The printed 3D models will be on display at the RedDot Museum in Singapore until 2026. However, there are no specific plans to implement the design concept at this stage.

Innovations in the gas network

To safeguard Austria's gas supply, Gas Connect Austria GmbH is continuously working to enhance security along gas transmission pipelines. Regulators are pressing ahead with requirements for both physical and cyber security driven by European directives. In order to meet these requirements, Gas Connect Austria is continuously improving the protection, efficiency and availability of the gas transmission pipeline system. Digital technology and AI are key components in continuing to ensure pipeline security.

Green hydrogen

Green hydrogen is an essential building block in the energy transition and plays a decisive role in the decarbonisation of numerous industrial applications and processes in parts of the economy where electrification is not an option. This applies to the steel industry, fertilizer production, refineries and heavy duty transport, among others.

In order to achieve the EU's goal of climate neutrality by 2050, hydrogen needs to gradually cover an increasingly substantial share of Europe's energy demand. The European hydrogen strategy published in 2020 has a target of 40 GW of hydrogen electrolysis capacity by 2030. This equates to approximately 4 million tonnes of hydrogen. The REPowerEU plan launched in 2022 envisages for 10 million tonnes of European production by 2030 and a further 10 million tonnes of hydrogen imports over the same timeframe. Although these targets were ambitious at the time, a study by BusinessEurope from July 2024 predicts that hydrogen will account for 10–15% of total energy demand by 2040. In addition to purely decarbonisation targets, the focus has shifted towards strengthening energy independence to secure Europe's energy supply in the long term, and therefore towards diversifying energy sources and import routes. Demand for green hydrogen is therefore the foundation for the development of the hydrogen economy and thus for VERBUND's hydrogen activities.

Strategic focus

Establishing VERBUND as a European hydrogen player is one of the three pillars of the VERBUND strategy and part of Mission V. As a holistic decarbonisation partner to industry in its core markets of Austria, Germany and Spain, VERBUND plans to safeguard European business locations by reliably supplying customers with both green electricity and green hydrogen. By ensuring a long-term supply to existing and future hydrogen offtakers, VERBUND contributes to maintaining industrial competitiveness and achieving climate targets whilst guaranteeing the security and stability of the energy supply system. With two main approaches—the implementation of local projects for on-site hydrogen production and the development of diversified import projects—VERBUND will meet demand for green hydrogen and establish a strong market position established in its core markets.

VERBUND – a decarbonisation partner

VERBUND has entered into numerous partnerships with companies to work on establishing all-encompassing infrastructure throughout the whole hydrogen value chain. In the short term, the focus is on expanding local hydrogen production, especially for the decarbonisation of energy-intensive industries in the core markets of Austria, Germany and Spain.

To this end, VERBUND is developing partnership projects aimed at generating hydrogen for direct use by offtakers while ensuring immediate, reliable availability of green hydrogen. The H2FUTURE pilot plant at the voestalpine site in Linz is one of the world's longest-running PEM electrolysis plants and has been expanded in collaboration with voestalpine since 2025. This includes a compression and purification plant and five hydrogen storage tanks. The USS 2030 research project was also successfully completed in 2025. This project, which VERBUND carried out together with partners under the leadership of RAG, examined the use of existing storage structures for the seasonal storage of solar energy in the form of hydrogen. However, a positive investment decision for the large-scale "Green Ammonia Linz" project, in which a 60 MW electrolysis plant was to be built in Linz in collaboration with

LAT Nitrogen for the sustainable production of green ammonia, could not be reached in 2025 due to insufficient framework conditions.

Hydrogen imports for long-term supply

In the long term, European hydrogen demand will not be met by local production alone. That is why VERBUND is working on building a diversified portfolio of import projects. Large quantities of green hydrogen are to be generated in European states and neighbouring regions of Europe and transported to major European offtake centers via pipeline. It is expected that larger quantities of H_2 derivatives (ammonia) from non-EU countries will also be available for import after 2030. Efforts are focused on import regions that offer favorable production conditions for renewable electricity and green hydrogen as well as an existing or future infrastructure connection to core markets. Against this backdrop, import corridors across a number of regions have been identified, which VERBUND continues to develop further. In 2025, both the routes from the north, which will transport green hydrogen from Scandinavia via Germany to the south, and the southern corridor appeared particularly promising. The latter is intended to connect the major hydrogen producers in North Africa with Central Europe via Italy and Austria and supply large offtakers along the route with green hydrogen. Consequently, under the SoutH2 Corridor initiative, agreements were reached in January 2025 on cooperation between Italy, Germany, Austria, Algeria and Tunisia to implement a 3,300 km-long corridor to transport 1.9 million tonnes of hydrogen per year. Under the Austrian federal government's hydrogen offensive, the development of the southern corridor was also highlighted as a key infrastructure project in September 2025.

To develop a broad project portfolio, VERBUND has therefore entered into a series of partnerships for large-scale co-production of green hydrogen in various regions, for example with TOTAL Energies. Together with TEH2, a joint venture between TotalEnergies and the EREN Groupe, VERBUND is working on implementing the large-scale "H2 Notos" project. In the first phase, around 200,000 tons of green hydrogen will be produced annually using electrolysers that draw electricity from large-scale wind and solar projects in Tunisia. Through its work on the "SoutH2 Corridor", VERBUND is making a significant contribution to ensuring that the European market is supplied with green hydrogen. As an integrated supplier, VERBUND aims to produce green hydrogen, coordinate its transport to core markets, and make it available to offtakers and partners from industry and other sectors on their sites.

Infrastructure as the backbone for a green hydrogen economy

Project Fit4HyT – Fit for H2 Transportation was initiated with the objective of getting Gas Connect Austria GmbH's pipelines ready for hydrogen transport and ultimately becoming part of the European hydrogen network. The project involves creating a detailed conversion roadmap and calculating the cost of conversion for two existing Gas Connect Austria pipelines (one new and one older). Gas Connect Austria has taken a role in numerous committees and initiatives with the aim of ensuring that the timeline for its conversion roadmap lines up with planning at the European level, especially planning by Austria's neighbouring countries. Those committees and initiatives include Hydrogen Europe, Clean Hydrogen Alliance, HyPA, NetZeroAlliance and the European Hydrogen Backbone, among others. In the committees, Gas Connect Austria is part of numerous working groups that focus on jointly planning the future hydrogen network, and evaluating and developing potential hydrogen import routes to Austria based on domestic demand.

Gas Connect Austria has developed a hydrogen project (H2EART – Hydrogen to Europe – Austrian Regional Turntable) as part of the IPCEI initiative. That project focuses on the conversion of the pipeline

network for hydrogen, the construction of hydrogen pipelines to major industrial offtakers and the establishment of the Baumgarten station as the Central European Hydrogen Hub (CEH2). Since 2021, the project has been a key element of numerous other European hydrogen initiatives and has thus helped to drive development of a European hydrogen infrastructure. Due to political framework conditions, however, there will be no IPCEI H2 infrastructure (Hy2Infra) in Austria. Nevertheless, H2EART and CEH2 are still part of the Gas Connect Austria hydrogen strategy.

Together with partners from the WIVA Power & Gas model energy region, Gas Connect Austria is working to make an integrated hydrogen economy feasible as part of the joint research project H2REAL – East Austria Hydrogen Region Goes Live. The project involves developing an integrated hydrogen network called Hydrogen Valley as the key to hydrogen technologies and hydrogen applications in eastern Austria.

In addition to activities aimed at the conversion of pipelines for hydrogen transport, the preliminary study for the Power2Gas4Austria project was completed in 2022. The study focused on large-scale sector coupling between transmission system operators Gas Connect Austria and Austrian Power Grid.

Digitalisation and information security

Digital transformation

The ongoing digital transformation is an essential component of VERBUND's strategic focus, a major driver and promoter of the Group strategy and a regular companion in the everyday lives of VERBUND employees. A future-proof digitalisation function with a professional and technical development perspective is therefore a critical success factor throughout the Group.

In financial year 2025, digital projects under the Digital Transformation Master Plan continued to be pursued and new ones were started. These include projects from the categories digital innovations, machine learning and generative AI, big data, digitisation of power plants, energy management and modern working practices. This master plan thus encompasses all strategically relevant digital transformation projects in the Group and serves to help plan and coordinate digital innovations. It also supports the transfer of expertise and best practice within VERBUND in order to promote synergies and efficient implementation.

Artificial intelligence

Artificial intelligence (AI) has been an integral component of value creation at VERBUND for many years. Traditional AI methods, particularly machine learning, are successfully used for pattern recognition and forecasting. Numerous solutions with AI components are already in productive use in operational areas (from generation to distribution and trade to sales). The main areas of application include predictive maintenance, inspections and anomaly detection using robots and drones, for example for flying over dams or conducting autonomous plant tours. Optimised models for forecasting, optimising asset utilisation and pricing contribute greatly to increasing efficiency. As part of the digitalisation programme, digital twins are being created as the basis for advanced AI models.

Alongside traditional applications, generative AI is gaining increasing relevance. It supports daily office work with VERBUND's custom chatbot solutions such as VerbundGPT as well as specialised tools for translation, image generation and video generation. Pilot projects are testing the use of AI agents, for example for natural language interaction with databases or chatbots for FAQs.

However, AI also harbours risks, especially for VERBUND in its capacity as an operator of critical infrastructure. To meet these challenges, an AI Center of Enablement (AI CoE) was established to define the framework for the targeted use of AI. In addition, an AI Guideline has been developed. Based on the EU AI Act, it takes regulatory requirements into consideration and thus helps to ensure that the use of AI complies with ethical, legal, organisational and economic principles. The focus is on measurable added value, operational safety, scalability and responsible use.

In addition to clear governance, AI training and continuing education for all employees are very important in order to keep pace with the social and technological changes brought about by generative AI and to continuously strengthen the skills of VERBUND's employees.

AI is therefore already a proven component of value creation at VERBUND. Generative AI increases efficiency and speed in knowledge work and development. Clear governance, a strategic roadmap and targeted skills development produce lasting benefits and ensure competitiveness.

Information security

Information security is a matter of high priority at VERBUND and extends through all areas of the Group. As an operator of critical infrastructure, the enterprise obligations arising from the European NIS2 Directive and its national implementations play an important role for VERBUND. The information security governance framework put in place for this provides the basis for management and planning, while the established reporting structures ensure comprehensive reporting at all levels of the Group. In the 2025 reporting period, the central information security management system was once again externally tested, audited, and certified to ISO 27001 and ISO 27019. It was also expanded to include VERBUND Green Power GmbH in Austria. In addition, all necessary evidence was provided and the obligations under the national implementation of the NIS2 Directive currently in force were met by the specified deadlines.

IT and digitalisation projects at VERBUND are always carried out with information security in mind. Information security is therefore a key driver of progress and makes an essential contribution to the achievement of the objectives set forth in the Group's strategy.

The Information Security department was expanded in 2025 in line with increasing requirements, and the Information Security Master Plan was continued. The aim of the entire programme is to maintain but also continuously increase the degree of maturity in all areas of information security.

Cyber security

The Security Operation Center (SOC) plays a central role in ensuring cybersecurity at VERBUND. To counteract the significant increase in cybercrime, the SOC is being continuously expanded, detection of attempted attacks on VERBUND is being shored up and existing contingency plans are being improved in drills. The sphere of action encompasses not only VERBUND's entire IT landscape, but also the systems along the entire value chain.

A large number of measures and projects have also been implemented to safeguard the operating infrastructure. These include, for example, the medium-term planning and implementation of penetration tests and red teaming activities as well as the establishment of an efficient vulnerability management system across the entire Group landscape. Technical vulnerabilities are therefore identified from an internal and external perspective and addressed and processed according to their urgency.

In order to raise employee awareness, the security awareness programme was further expanded in 2025. This provides for security training for new staff as part of the onboarding process. It obliges VERBUND personnel to complete an innovative online training course on the topic of cybersecurity once per year. Classroom training courses and target group-specific training courses, such as OT administrator training, AI security and secure software development are offered as well. These training courses are supported by phishing simulations and by offering targeted and threat-focused training formats, among other things. One focus in 2025 was the intensive awareness campaign as part of the international Cyber Security Month along with the key topic of information security in relation to AI.

Activities were rounded off by national and international networking in relevant communities.

Outlook

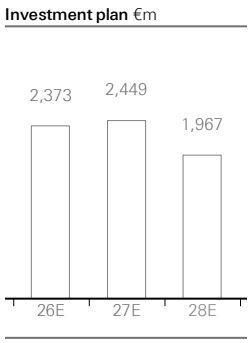
The playbook of the global economy is changing. Economic policy is plagued by uncertainty. US customs policy is weighing on economic forecasts based on the assumption that tariffs represent a supply shock for the countries that impose them and a demand shock for the countries affected, with uncertainty causing negative demand shock on all sides. Geopolitical crises are also weighing on the economic climate.

Provisional figures from the International Monetary Fund (IMF) predicted that the global economy would grow by about 3.2% in 2025. This figure is below that of 2021 to 2024 as well as the long-term average. The IMF forecasts global economic growth of 3.1% in 2026 and expects little improvement in growth rates thereafter. For the eurozone, the IMF expects growth of 1.2% in 2025 - higher than 2023 and 2024 – but just 1.1% for 2026, with only slightly higher growth rates forecast for subsequent years. The high inflation of recent years has eased further in the eurozone. After reaching 4.2% in 2023 and 2.4% in 2024, it is expected to meet the long-term target of 2.0% in 2025. Inflation in Austria is expected to decline significantly in 2026, starting from a very high level of around 3.6% in 2025 compared with the European average.

According to preliminary data from WIFO, the Austrian economy is set to grow by 0.3% in the year under review after two years of recession. This rebound is being driven by recovering domestic consumer demand and the upturn in residential construction investment. This trend is expected to continue in 2026, with foreign trade in goods also likely to recover. WIFO therefore expects growth of 1.1% in 2026. Restrictive fiscal policy is having a particularly dampening impact on growth. However, weak international demand for capital goods is also affecting the domestic economy.

Commodity markets have calmed down to a certain extent. Commodity prices changed only slightly in 2025 compared with the previous year. The fear that the discontinuation of Russian gas deliveries through Ukraine at the beginning of 2025 would result in insufficient filling at gas storage facilities in Europe only partially materialised. Although storage levels at the start of the heating season were well below those of previous years at just over 80%, steady supplies from Norway and additional LNG imports mean that no supply bottlenecks are expected over the winter. In addition, increased LNG supply, particularly in the United States, and subdued LNG demand in Asia could further ease the situation on the gas markets. However, it is impossible to predict how the multiple crises in play will develop. An escalation can quickly lead to a sharp rise in prices on the primary energy markets.

SDG 8



Investment plan 2026–2028

VERBUND's updated investment plan for the 2026–2028 period provides for capital expenditure in the amount of €6,789m. Of that total, around €3,993m will be spent on growth CapEx and around €2,796m on maintenance CapEx. Most of the capital expenditure (approximately €2,472m) will go towards expanding and maintaining the regulated Austrian electricity grid and gas grid. In addition, VERBUND will be investing primarily in projects involving new renewables (approximately €2,118m) and hydropower plants (approximately €1,381m). The investments will mainly involve VERBUND's domestic markets of Austria and Germany (approximately €5,145m) and the Spanish market (approximately €895m). In financial year 2026, VERBUND plans to invest a total of approximately €2,373m, around €1,548m of which will be invested in growth and around €825m in maintenance.

Dividend

VERBUND plans to distribute a dividend of €3.15 per share for financial year 2025. The dividend breaks down into a regular dividend of €2.00 per share and a special dividend of €1.15 per share. The special dividend equates to an amount of approximately €400m and supports shareholder-oriented capital allocation. The total payout ratio (regular dividend and special dividend) calculated on the basis of the adjusted Group result amounts to 74.3% for the 2025 reporting period (no special dividend was paid for financial year 2024). The payout ratio for the regular dividend only, calculated on the basis of the adjusted Group result, amounts to 47.2% for the 2025 reporting period (previous year: 49.2%). Distribution of the dividends is contingent on approval of the 2025 annual financial statements and a resolution being passed at the 2026 Annual General Meeting.

Guidance for 2026

VERBUND's earnings performance is significantly influenced by the following factors: wholesale prices for electricity, the Group's own generation from hydropower, wind power and photovoltaic power, the contribution to earnings from flexibility products and ongoing developments in the energy market. In addition, legislative or regulatory changes can have a negative impact on earnings.

Around 65% of the planned own generation for 2026 was already contracted as at 31 December 2025. The price obtained for this was approximately €30.6/MWh below the sales price achieved in 2025.

The outlook for VERBUND remains highly uncertain given geopolitical uncertainties, the risk of regulatory interventions and high volatility of the key factors influencing VERBUND's results.

Non-Financial Statement 2025

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Basis for preparation (BP)

Disclosure Requirement BP-1 – General basis for preparation of sustainability statements

This report presents the consolidated Non-Financial Statement of VERBUND AG prepared in accordance with NaDiVeG and ESRS. Both the reporting period and the entities included in the report correspond to the scope of consolidation of financial reporting (see consolidated financial statements 13.4 Subsidiaries, joint ventures and associates of VERBUND). In the event of deviations from the financial scope of consolidation due, among other reasons, to specific ESRS requirements, this is noted in the respective section. [ESRS 2 BP-1-5a-b.i]

The sustainability statement aims to cover the company's entire value chain. Because only limited information on the stages of the value chain was available at the time of reporting, these are reported only on a selective basis. [ESRS 2 BP-1-5c]

In the 2025 reporting year, VERBUND did not make use of the option of omitting metrics in accordance with ESRS 1 section 7.7. (Classified and sensitive information, and information on intellectual property, know-how or results of innovation) or disclosures in accordance with Articles 19a(3) and 29a(3) of Directive 2013/34/EU. [ESRS 2 BP-1-5d-e]

Disclosure Requirement BP-2 – Disclosures in relation to specific circumstances

Time horizons

The time horizons for VERBUND's reporting are based on the periods defined in ESRS 1 section 6.4. A short-term, namely <1 year time horizon corresponds to the reporting period of the financial statements, medium-term means a period from one to five years, and long-term means a period of more than five years. [ESRS 2 BP-2-9a]

Deviations in the time horizons arise in the implementation of the EU Taxonomy. The CapEx plan was defined specifically for VERBUND for the next three planning years. As part of the climate risk and vulnerability assessment, climate scenarios are considered for the reporting year and, based on this, for 10 years and 30 years into the future. This is in accordance with Appendix A of the EU Taxonomy Regulation Climate Delegated Act. The resilience analysis uses the time horizon of 2026 to 2035, coinciding with the strategic investment planning period. [ESRS 2 BP-2-9b]

Value chain estimations

Where metrics include estimated information about value chains, this is separately noted in the quantitative disclosures specific to each topic. This arises in particular in E1 in terms of Scope 3 emissions and in E5 in relation to resource inflows and waste volume data. If available, predominantly qualitative information regarding the value chain is provided. In accordance with the best-effort approach, VERBUND strives to successively expand on these disclosures and supplement them with quantitative information. [ESRS 2 BP-2-10a-c]

Sources of estimation and outcome uncertainty

VERBUND uses estimates for metrics and/or components thereof in certain cases, but only if no precise metrics or other factors are available. These estimates can create uncertainties, but every possible effort

is made to minimise them. Insofar as estimates were applied in the calculation, this is noted in the relevant datapoint for the specific issue. Estimate sources are explicitly listed in E1-6, E5-4 and E5-5. [ESRS 2 BP-2-11a]

Changes in preparation or presentation of sustainability information

Since financial year 2024, VERBUND has been reporting on the basis of the ESRS to supplement the NaDiVeG. There were no changes in the preparation or presentation of sustainability information compared with the previous year. [ESRS 2 BP-2-13a-c]

Reporting errors in prior periods

In the 2025 reporting period, VERBUND was not aware of any errors from previous reporting periods. Any errors that have occurred will be rendered transparent. [ESRS 2 BP-2-14a-c]

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

In addition to the NaDiVeG, VERBUND applied the ESRS as a voluntary reporting standard and EU Taxonomy rules to the 2025 Non-Financial Statement. The section on EU Taxonomy is covered in the environmental information. Otherwise, in this report, no other legal regulations or standards are applied. VERBUND is using the Integrated Annual Report 2025 as a UN Global Compact progress report and as the basis for the Carbon Disclosure Project (CDP) rating. [ESRS 2 BP-2-15]

Incorporation by reference

In its Non-Financial Statement, VERBUND also refers to other parts of the Integrated Annual Report, especially the Corporate Governance Report. References are made in accordance with the requirements of ESRS 1 section 9.1. and comply with the following requirements set out therein:

- References represent a separate element of information and clearly identify that a disclosure requirement or datapoint is being addressed.
- References are published at the same time as the management report.
- References are written in the same language as the Non-Financial Statement (in German).
- References exhibit the same (limited assurance) or a higher level of assurance (reasonable assurance) than the Non-Financial Statement.

For the utilisation of synergies, the following ESRS disclosure requirements are predominantly or entirely reported in the Corporate Governance Report (see page 24) of this Integrated Annual Report:

- ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies
- ESRS 2 GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies. [ESRS 2 BP-2-16]

Use of phased-in disclosure requirements in accordance with ESRS 1 Appendix C

VERBUND has more than 750 employees, which is why the table in Appendix C with phase-in provisions is not material. The application of disclosure requirements subject to a phased-in process is detailed in the ESRS disclosure requirements list in the section on ESRS 2 IRO-2.
[ESRS 2 BP-2-17]

Governance

Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies

The Consolidated Corporate Governance Report of the Integrated Annual Report 2025 contains detailed information on the working methods, meetings and composition of the Supervisory Board and the Executive Board. It also contains information on the following: committees, the independence of the members of the Supervisory Board, the self-evaluation of the Supervisory Board, the management of conflicts of interest, diversity and expertise within the Supervisory Board and the Executive Board.

Disclosure Requirement GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

VERBUND AG is a listed stock corporation domiciled in Austria. Its corporate governance framework is derived from Austrian and European law, including, but not limited to, stock corporation and capital market law, the Austrian Commercial Code (UGB) including the regulations governing employee co-determination, the Company's Articles of Association, the rules of procedure for the Company's Boards and, finally, the Austrian Code of Corporate Governance (ÖCGK). The content of Disclosure Requirement ESRS 2 GOV-2 is reported in the Consolidated Corporate Governance Report (see page 24) of this Integrated Annual Report 2025.

Disclosure Requirement GOV-3 – Integration of sustainability-related performance in incentive schemes

VERBUND's remuneration policy is based on Section 78a of the Austrian Stock Corporation Act (AktG) and aims to align the remuneration of the Executive Board with the long-term and sustainable development of the Group. Both short-term (STI) and long-term (LTI) variable remuneration include up to three sustainability performance targets from the areas of environment and energy, economic performance, and social performance and governance, with a total weighting of 20–30%. These targets are derived from the sustainability strategy. [ESRS 2 GOV-3-29a,d]

For financial year 2025, three sustainability criteria were agreed for the short-term variable remuneration, which together account for 30% of the STI. These topics are:

- Occupational safety (10% in total) with the sub-targets of lost time injury frequency for employees for the Group as a whole, lost time injury frequency for employees and non-employees for the Group as a whole, and occupational safety improvements.
- Culture, transformation and ESG (10% in total) with the sub-targets of maintaining the EcoVadis Gold standard and actively participating in the cultural transformation.
- Diversity and inclusion (10% in total) with the sub-targets of proportion of women among new employee hires and number of people with disabilities among new employee hires/new social security registrations. [ESRS 2 GOV-3-29b-d]

The long-term remuneration promised in the 2025 financial year (LTI tranche 2025–2028) includes three sustainability performance targets, each weighted at 10%:

- Implementation of the Climate Transition Plan
- Achievement of an A rating for CDP Climate
- Expansion of the renewables portfolio [ESRS 2 GOV-3-29b-d; E1-GOV-3-13]

The Remuneration Committee of the Supervisory Board is responsible for structuring and implementing the Executive Board's compensation based on the remuneration policy and initiates its revision. Implementation involves defining short-term and long-term targets (including sustainability performance targets) annually in line with the strategy, determining target achievement after the end of the financial year and using supplementary measures if necessary. The Remuneration Committee regularly reviews the remuneration policy and its sustainability aspects and updates it if necessary. In accordance with Section 78a of the Austrian Stock Corporation Act (AktG), the remuneration policy is submitted to the Annual General Meeting for a vote on material amendments and at least once every four years. [ESRS 2 GOV-3-29e]

Disclosure Requirement GOV-4 – Statement on due diligence

The following table provides an overview of key elements of due diligence and a reference showing where these are explained in detail in this Non-Financial Statement:

Due diligence

[ESRS 2 GOV-4-30,32]

Core elements of due diligence	Paragraphs in the sustainability statement
a) embedding due diligence in governance, strategy and business model	ESRS 2 GOV-1 including reference to the Corporate Governance Report ESRS 2 GOV-2 including reference to the Corporate Governance Report ESRS 2 GOV-3 ESRS 2 SBM-3
b) engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 SBM-2 ESRS 2 IRO-1
c) identifying and assessing adverse impacts	ESRS 2 IRO-1 ESRS 2 SBM-3
d) taking actions to address those adverse impacts	Actions are covered in the respective topical standards E1 to E5, S1 to S4, G1
e) tracking the effectiveness of these efforts and communicating	The effectiveness, metrics and targets are covered in the respective topical standards E1 to E5, S1 to S4, G1

Disclosure Requirement GOV-5 – Risk management and internal controls over sustainability reporting

VERBUND has implemented a Group-wide internal control and risk management system (ICS), the effectiveness of which is monitored by the Supervisory Board's Audit Committee. The operational structure, the process map and the checks are documented regularly in a process modelling tool and published on the intranet. VERBUND's organisational structure is continually adapted to address changing internal and external conditions. [ESRS 2 GOV-5-36a] Information on risk management operation can be found in ESRS 2 IRO-1 and under the same heading in section E1.

The sustainability statement is established on the basis of these pre-existing ICS accounting processes and extended step-by-step. In the first step, the following processes were mapped in a process modelling tool. Material risks were prioritised on the basis of qualitative estimates and controls were defined: [ESRS 2 GOV-5-36b]

- Collection of non-financial data (e.g. environmental and personnel metrics)
- Preparation of qualitative content for the Non-Financial Statement
- Materiality analysis

The risk in these processes is that incorrect data or information is included in the Non-Financial Statement or that data is missing. To minimise this risk, VERBUND uses software solutions for collecting the data and assigns separate roles for the data collectors and validators. In addition, tolerance thresholds are in place for the collection of data to flag any excessive deviations from the previous year's figures. Data collection and validation are performed on the basis of the dual control principle. To ensure that the information published is correct, as part of the preparation of the report, a number of correction and approval loops are established for the designated executives, reporting team and executive assistants. Finally, the Integrated Annual Report including the Non-Financial Statement is approved by the Executive Board. [ESRS 2 GOV-5-36c-d]

The Executive Board and Supervisory Board are informed of any identified risks, controls and deviations. The purpose of the defined processes and controls is to ensure compliance with ESRS requirements and to ensure that figures and content are correctly presented in the Non-Financial Statement. [ESRS 2 GOV-5-36e]

Strategy

Disclosure Requirement SBM-1 – Strategy, business model and value chain

As a European energy company, VERBUND is driving forward the decarbonisation of Europe. Sustainability is an essential part of all business activities and is embedded in the corporate structure. The sustainability aspect is routinely considered in the development of products. Electricity generation from renewable energy sources and the development of sustainable products are driving the energy transition. [ESRS 2 SBM-1-40e, f]

VERBUND markets the electricity generated from hydropower, wind and thermal power and from photovoltaic systems via electricity trading on wholesale markets. In the wholesale sector, individual electricity products (commodity products) are offered to resellers, municipal utilities and industrial customers. VERBUND is also the market leader in Austria and a top player in Germany in the guarantee of origin segment: VERBUND sells guarantees of origin (green electricity) individually and in conjunction with electricity from its own assets or through third-party procurement. The Group also develops and builds photovoltaic installations and charging infrastructure for industrial and real estate customers, as well as for residential customers. For residential customers and SMEs, individual end-to-end solutions for heat pumps complete the range. Sales to residential customers and SMEs are conducted exclusively in Austria. Wholesale and industrial customers are predominantly served in Austria and Germany. [ESRS 2 SBM-1-40a.i, ii; f]

The climate and energy crisis demands the fastest possible transformation of the energy system. The focus is on independence from fossil fuels while also ensuring security of supply. This requires massive investments in wind power, solar energy and green hydrogen. At the same time, it is essential to expand the necessary grid infrastructure and energy storage facilities in Europe. Efficiency improvements at existing power plants also make an important contribution to modernising and transforming the present-day energy system. Sustainability is therefore a key component of all three strategic pillars of VERBUND's

2030 strategy, or Mission V, and thus an integral element of the strategy and business model: [ESRS 2 SBM-1-40g]

Strengthening VERBUND's position as an integrated utility in its home market [ESRS 2 SBM-1-40e]

- Expand, modernise and conserve hydropower plants in Austria and Germany in order to preserve and further strengthen renewable generation technology, with biodiversity in mind.
- Further develop the last remaining site for the generation of thermal electricity and thermal energy from natural gas to a future H_2-ready site.
- Decarbonise the industrial sector and residential customers by offering guarantees of origin (GO) certified green electricity and photovoltaic, battery storage and e-mobility solutions.
- Expand the power grid as an important contribution to the successful integration of wind power and photovoltaic installations, and to secure supplies in Austria.
- Contribute to the development of the European hydrogen economy by adapting the existing gas network infrastructure for transporting hydrogen while ensuring security of supply.

Expanding green generation and flexibility in Europe [ESRS 2 SBM-1-40e]

- Expand the renewable generation technologies wind power and photovoltaic in the European markets of Austria, Germany, Spain, Italy, Romania and Albania to contribute to the decarbonisation of the European energy supply.
- Push for hybridisation and dual use of land (agri-photovoltaics) to exploit the full potential of technologies and land, taking biodiversity measures into account.
- Project development and construction of flexibility assets for better integration of volatile forms of generation such as wind and photovoltaic into the electricity market.
- Needs-based marketing of individual consumption and generation flexibility, as well as customers' energy storage in short-term energy markets, in order to stabilise the electricity grids and help integrate renewable energy into the energy system.

Positioning VERBUND as a European hydrogen player [ESRS 2 SBM-1-40e]

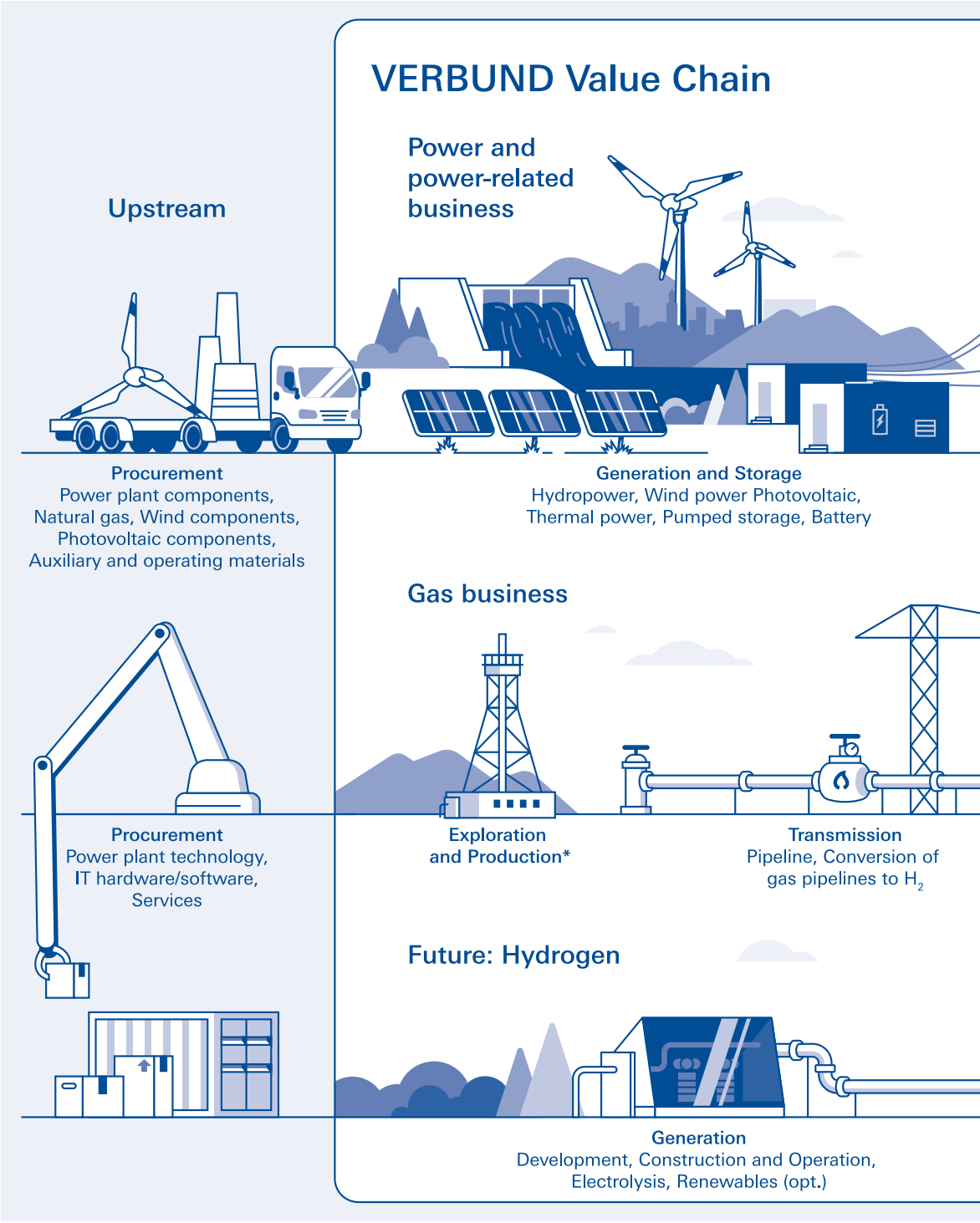
- Build the green hydrogen economy through local H_2 generation directly at customers' sites and by importing H_2.
- The European hydrogen economy is an important enabler for achieving climate targets and reducing dependency on fossil fuels.
- Contribute to the decarbonisation of energy and CO_2-intensive industry (hard-to-abate) and to securing Austria's position as an industry hub by means of competitive green hydrogen.

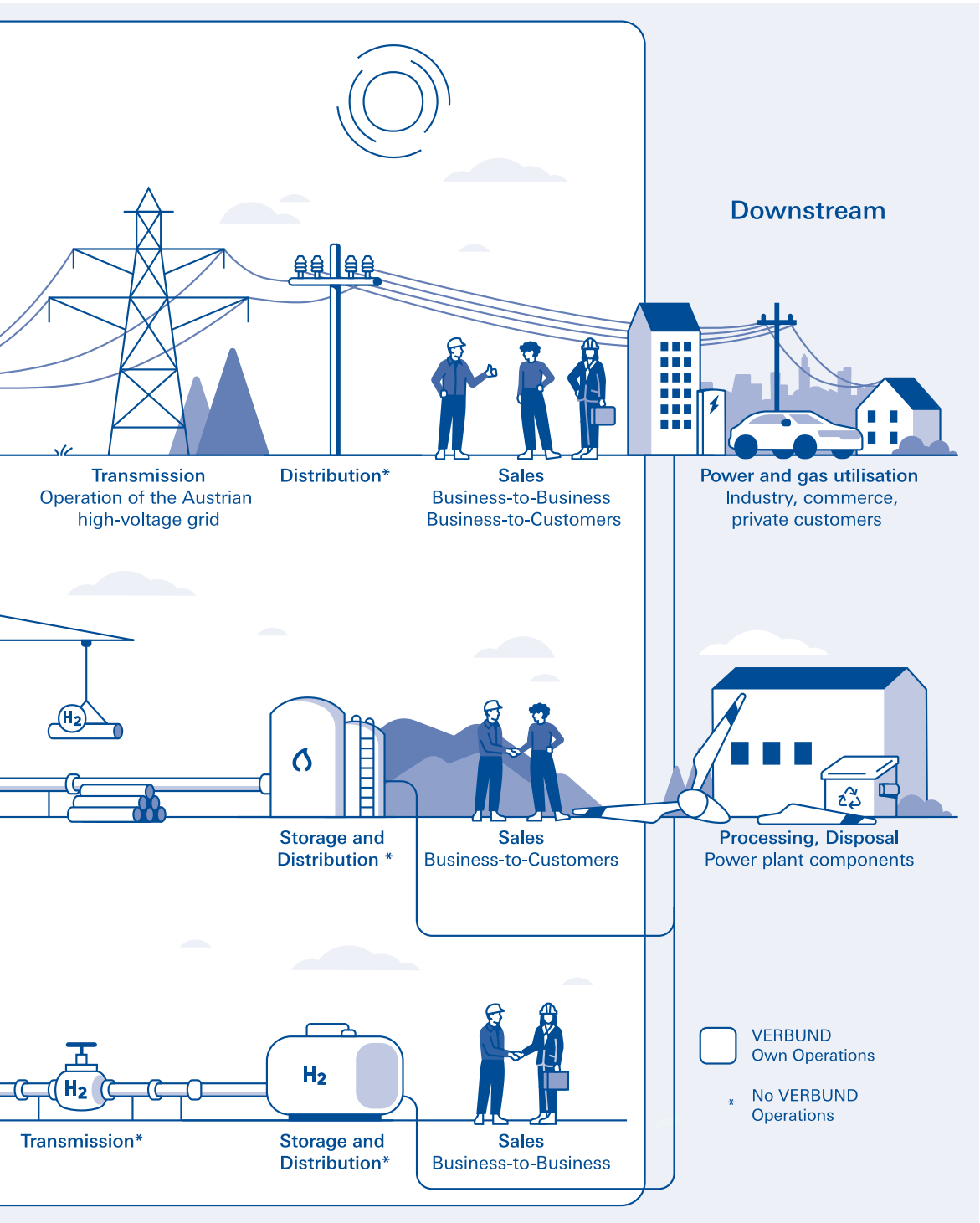
To implement Mission V and the related sustainability goals, VERBUND employs 4,689 people in Austria, Germany, Spain, Romania and Italy. [ESRS 2-40a.iii]

VERBUND is also actively involved in the generation of thermal electricity and heat, which currently still uses fossil fuels such as natural gas, as well as in the operation of gas networks. This commitment ensures the stability of the energy grid and contributes to security of supply. However, VERBUND has already taken steps to reduce its future use of fossil fuels. This is primarily being achieved through investing in the transition to green hydrogen, with VERBUND's objective being to minimise its CO_2 emissions and take a leading role in the decarbonisation of the energy sector. Revenue from the gas grid and from electricity generated using gas amounts to €492.1m (previous year: €514.2m). There are no

taxonomy-aligned revenues from the gas business as defined in Article 8(7)(a) of Commission Delegated Regulation (EU) 2021/2178. [ESRS 2-40d.i]

The following chart shows VERBUND's upstream and downstream value chain along with the Group's own business activities (own operations). [ESRS 2 SBM-1-42]


VERBUND Value Chain
Upstream
Power and power-related business
Procurement
Power plant components, Natural gas, Wind components, Photovoltaic components, Auxiliary and operating materials
Generation and Storage
Hydropower, Wind power Photovoltaic, Thermal power, Pumped storage, Battery
Gas business
Procurement
Power plant technology, IT hardware/software, Services
Exploration and Production*
Transmission
Pipeline, Conversion of gas pipelines to H_2
Future: Hydrogen
Generation
Development, Construction and Operation, Electrolysis, Renewables (opt.)


Downstream
Transmission
Operation of the Austrian high-voltage grid
Distribution*
Sales
Business-to-Business
Business-to-Customers
Power and gas utilisation
Industry, commerce, private customers
H2
Storage and Distribution *
Sales
Business-to-Customers
Processing, Disposal
Power plant components
H2
H2
Transmission*
Storage and Distribution*
Sales
Business-to-Business
VERBUND
Own Operations
* No VERBUND Operations

Upstream value chain

The upstream value chain encompasses all processes and activities that subsequently enable VERBUND's own operations. This requires the construction of appropriate energy infrastructure facilities by or in partnership with external partners and the procurement of structural, plant and infrastructure components from suppliers. These include turbines, generators, inverters, converters, transformers, photovoltaic modules, rotor blades, cables, masts and electronic or electromechanical components. Natural gas is also purchased to operate the Mellach gas power plant and supply customers. To obtain, develop and secure these inputs, procurement strategies have been established which involve assessing the respective market situation and making trade-offs regarding quality and supply risks for their management and further development. [ESRS 2-42a]

Own operations

VERBUND is a vertically integrated electric utility. Its own operations comprise the generation, transmission, storage and distribution of electricity, the transmission and distribution of natural gas and, in the future, the production and distribution of hydrogen.

Its electricity and electricity-related business activities comprise the generation, storage, transmission and distribution of electricity. The majority consists of the generation of electricity, primarily from hydropower, and to a significant and increasing extent, from new renewable energy – especially onshore wind and photovoltaic energy – and a small share from natural gas-based thermal power. The latter primarily serves as an essential component for maintaining network stability in the Austrian high- and ultra-high voltage grid, as well as for use in the electricity and heating market. In addition to these important functions of the Mellach combined cycle gas turbine power plant, VERBUND also participated in Wien Energie's pilot project at Donaustadt power plant for the admixture of hydrogen. Pumped storage power plants and batteries expand VERBUND's sustainable asset portfolio. Within Austria, sales also play a prominent role. Here, VERBUND is involved in both the B2B and B2C sectors for complex photovoltaic solutions, energy marketing and e-mobility. In addition, the transmission of electricity as part of Austria's ultra-high and high-voltage grid via the independent VERBUND subsidiary Austrian Power Grid AG and the transport of gas through Austria via the similarly independent VERBUND subsidiary GAS CONNECT AUSTRIA GmbH make a significant contribution to value creation. Both companies are subject to unbundling and operate within their own regulatory regimes. In the hydrogen sector, VERBUND is active in hydrogen generation through industrial customer projects, in retrofitting existing gas pipelines for hydrogen transport (with a focus on GAS CONNECT AUSTRIA pipelines), in consortia projects for importing hydrogen and in setting up future hydrogen sales channels in Austria. Through its services and products, VERBUND supports the decarbonisation of residential and industrial customers, while making a substantial contribution to the security of supply in Austria. VERBUND offers shareholders and investors opportunities for sustainable investments through the renewable generation portfolio and its green finance schemes. [ESRS 2-42b-c]

Downstream value chain

From a downstream perspective, the electricity produced by VERBUND is transported through the Austrian Power Grid transmission grid or by third-party distribution directly to industrial and residential customers for their consumption. Natural gas is also sold to residential customers, allowing them to consume it downstream. Alongside that, downstream waste is generated through the construction of replacement facilities, rehabilitation projects, dismantling and demolition works, and its proper disposal

is continuously monitored. For most of these plants, the conditions for achieving full recyclability are not yet in place. Metal components such as steel and copper are already highly recyclable, leading to a considerable reduction in waste. [ESRS 2-42b]

Disclosure Requirement SBM-2 – Interests and views of stakeholders

VERBUND's corporate success is founded on the professional, trust-based relationships with its employees, business partners, local residents, customers and owners, as well as with political stakeholders, public authorities, interest groups and NGOs. Nature is taken into account as a silent stakeholder. VERBUND strives for regular dialogue with all relevant stakeholders. In doing so, VERBUND supplies information via various channels about developments in energy and climate policy, engages in discourse on current and future challenges in the energy market and proposes constructive solutions.

Key stakeholders	Engagement	Purpose	Examples of results
[ESRS 2 SBM-2-45a.i]	[ESRS 2SBM-2-45a.ii-iii]	[ESRS 2 SBM-2-45a.iv]	[ESRS 2 SBM-2-45a.v]
Employees	Interaction with management four times a year as part of the Group economic talks; employee information events, intranet, management conference, expert workshops, CEO call, surveys	Living corporate values, increasing employer attractiveness, improving employee satisfaction, keeping employees informed and raising employee awareness of transformation	Supporting transformation, employee satisfaction, optimised business processes
Customers	Service hotline, customer satisfaction measurement, website, social media, newsletter	Customer satisfaction, understanding customer needs, building trusting customer relationships, enabling customers to achieve their renewable energy goals	Product and service improvements, product and service developments
Shareholders	Annual General Meeting, quarterly and annual reports, round table meetings	Information, understanding shareholders' interests and concerns, building trust	Further development of shareholder reports, positive contribution to maintaining enterprise value
Suppliers	Direct operational contact	Understanding supplier needs, building trust-based supplier relationships	Supplier Code of Conduct
Affected communities	Information for residents, website, social media, direct contact through decentralised communications managers, whistleblower platform	Promoting transparency, reducing mistrust, building trust	Local acceptance of new infrastructure projects, tailored benefits for affected communities
Government representatives and authorities	Participation in public hearings, VERBUND business breakfast, hydropower dialogue, round table discussions, consultations	Ensuring legally compliant conduct and legal certainty	Ensuring the feasibility of legal regulations
Media	Public relations activities: press conferences, interviews, regular interaction	Promoting information, trust and credibility	Increasing visibility

Key stakeholders	Engagement	Purpose	Examples of results
NGOs	NGO round table with VERBUND AG's Executive Board, whistleblower platform, social projects, sponsorship and donations	Promoting transparency, building trust	VERBUND Electricity Relief Fund, VERBUND Empowerment Fund
Industry and trade associations	Industry-specific discussion platforms, specialist events such as INSPIRE energy talk, Munich Energy Club	Promoting discussion, developing common standards	Promoting the expansion of renewable energy, coordinated approach to legislative proposals
Science/research	Project partnerships with scientific institutions and universities, conferences and lectures	Joint efforts to achieve decarbonisation	Project implementation, e.g. with AIT, ISTA, Christian Doppler Laboratory for Sediment Research and Management, Öko-ReSch research project, MERI research project

As part of the materiality assessment, internal stakeholders were engaged by in-house experts and selected external stakeholders were also engaged through stakeholder dialogues for ESG issues. VERBUND did not make any changes to its strategy or business model in 2025 due to differing stakeholder interests because there were no differing stakeholder interests. No adjustments to the strategy or business model are planned. [ESRS 2-45b-c; ESRS 2 IRO-1]

VERBUND's Group Executive Board was informed of the results of the materiality assessment and the integration of the external stakeholders' perspective by means of a written report and an oral presentation delivered at an Executive Board meeting. The Supervisory Board was informed by way of a presentation made to its Sustainability Committee.
[ESRS 2-45d]

Disclosure Requirement SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Sustainability is a key pillar of VERBUND's strategy and is incorporated into all strategic focus areas, making it an integral part of the strategy and business model. The following table provides an overview of which sustainability aspects at VERBUND were identified as significant, what the most important impacts, risks and opportunities are and where they arise – within the Group's own operations or within its upstream/downstream value chain. In terms of the value chain, the majority of impacts, risks and opportunities result from activities found in the upstream value chain. The impacts, risks and opportunities are linked to VERBUND's business model and strategy. In the area of environment, for example, GHG emissions accelerate climate change. Within the social pillar, a decline in employee well-being can adversely affect the Group's success, and in the area of governance, violations of the Code of Conduct (CoC) can drastically reduce trust within the Group. The additional entity-specific disclosures have no impact. Details on impacts, risks and opportunities can be found in the relevant topical standards.
[ESRS 2 SBM-3-48b, c.iv, h]

Sub-topic	IRO title	Description	I/R/O	+/-	s, m, l	OO/UVC/ DVC
[ESRS 2 SBM-3-48a, c.i-iii, h]						
E1 Climate change adaptation						
	Adaptation measures	An increase in extreme weather events raises costs due to necessary adaptation measures.	R	–	l	OO
	Adaptation of gas network infrastructure for hydrogen	Converting the grid infrastructure to hydrogen requires investment in adaptations.	R	–	l	OO
	Hydrogen expansion	Early market entry through targeted investments in the hydrogen sector offers the opportunity to gain a market advantage.	O	(+)	l	OO
E1 Climate change mitigation						
	GHG emissions	Contribution to climate change through direct and indirect greenhouse gas emissions.	I	-	s, m, l	OO/UVC/ DVC
	Electricity price	The electricity price is influenced by many factors. Although ESG effects are difficult or impossible to consider an isolated manner, it should be noted that the electricity price can be significantly influenced by the carbon price, the energy mix, the price of gas/oil/coal, the expansion of new renewables, regulations, demand, etc. Consequently, high electricity prices could lead to increased construction and project costs due to higher purchase prices for energy-intensive products.	R/O	(-/+)	m, l	OO/UVC
	Regulations	Regulatory changes related to climate change mitigation, such as the ban on the emission and use of designated GHGs, may require technical adaptations.	R	–	l	OO
E1 Energy						
	Expansion of electricity generation from renewables	Significant contribution to decarbonisation through generation from renewable energy and innovations such as green hydrogen.	I	+	s, m, l	OO/DVC
	Output volatility	Increased output volatility in generation (hydropower, wind, photovoltaics) due to climate-induced higher seasonal and regional fluctuations is possible.	R	–	s, m, l	OO
E2 Air pollution						
	Airborne emissions	Humans, animals, plants, organisms and food resources could be affected by emissions into the air.	I	–	s, m, l	OO
E3 Water						

Sub-topic	IRO title	Description	I/R/O	+/-	s, m, l	OO/UVC/ DVC
	Water withdrawal	Water withdrawal for cooling water and electrolysis systems can affect the water balance.	I	-	s, m, l	OO
E4 Direct impact drivers of biodiversity loss						
	Slowing down biodiversity loss through decarbonisation	Renewable energy generation mitigates climate change and thus the loss of biodiversity.	I	+	s, m, l	OO
	Biodiversity loss through use and change of ecosystems	Renewable energy can alter land use and freshwater ecosystems and affect biodiversity.	I	-	s, m, l	OO
	Biodiversity loss due to the use of natural resources	Resource depletion through the procurement of products in the upstream value chain has an impact on biodiversity.	I	-	s, m, l	OO/UVC
	Conflict of interest	Conflict of interest between expanding new renewable energy to combat climate change and protecting species could affect future expansion plans.	R	–	L	OO
E4 Impact on the state of species						
	Negative impact of installations on biodiversity	Biodiversity, population size and the gene pool can be affected by hydropower plants and by photovoltaic, wind power and grid facilities.	I	-	s, m, l	OO
E4 Impacts on the extent and condition of ecosystems						
	Land degradation	Construction, operation and maintenance could potentially worsen the condition of the ecosystem.	I	–	s, m, l	OO/UVC
E4 Impacts and dependencies on ecosystem services						
	Improvement of recreational value	Improvement of recreational value and leisure opportunities, e.g. through cycle paths and renaturalised areas.	I	+	s, m, l	OO
	Impairment of ecosystem services	Impairment of ecosystem services due to the construction, operation and maintenance of electricity generation and grid facilities.	I	-	s, m, l	OO
E5 Resource inflows, including resource use						
	Resource consumption	Resource consumption through the use of materials and the purchase of products.	I	-	s, m, l	OO/UVC
E5 Waste						
	Waste	Waste generated during operation and at the end of the service life of products and facilities must be disposed of properly.	I	-	l	OO/DVC
S1 Working conditions						

Sub-topic	IRO title	Description	I/R/O	+/-	s, m, l	OO/UVC/ DVC
	Stable income	Securing the livelihoods of employees through stable employment; employees benefit from working conditions negotiated under collective agreements.	I	+	s, m, l	OO
	Structured interaction	Communication of concerns between workers' representatives and management.	I	+	s, m, l	OO
	Work-life balance	Work-life balance, as well as consideration for different stages of life, increases employee motivation and retention.	I	+	s, m, l	OO
	Health and safety	Workplace accidents can cause serious and potentially life-threatening injuries and damage to health.	I	-	s, m, l	OO
S1 Equal treatment and opportunities for all						
	Skills development	Diverse and comprehensive training opportunities increase employee competence and satisfaction.	I	+	s, m, l	OO
	Gender inequality in pay and career development	The gender pay gap and unequal career advancement opportunities can exacerbate economic disadvantages and hinder women from reaching leadership positions.	I	-	s, m	OO
	Hiring quota for people with disabilities	Failure to meet the quota for hiring people with disabilities means that social responsibility for participation is only partially fulfilled.	I	-	s, m, l	OO
S1 Other work-related rights						
	Privacy	Potential data loss could jeopardise the protection of employees' personal data.	I	–	s, m, l	OO
S2 Working conditions						
	Secure employment	The contractual provisions in the Supplier Code of Conduct could help to improve working conditions at suppliers' premises.	I	(+)	s, m, l	UVC
	Health and safety	Hazardous activities carried out by external companies on construction sites and at facilities may lead to accidents.	I	-	s, m, l	UVC
S2 Equal treatment and opportunities for all						
	Equal opportunities	The contractual provisions in the Supplier Code of Conduct could help to improve gender equality at suppliers' premises, promote the inclusion of employees with disabilities and prevent discrimination.	I	(+)	s, m, l	UVC
S3 Communities' economic, social and cultural rights						

Sub-topic	IRO title	Description	I/R/O	+/-	s, m, l	OO/UVC/ DVC
	Social inclusion	Promoting social inclusion and ensuring quality of life by preventing energy poverty.	I	+	s, m, l	OO
	Space requirements	New infrastructure growth requires significant space resources.	I	-	s, m, l	OO
	Security of supply	Potential disruption to private and economic life in the event of power outages and insufficient electricity and gas supplies.	I	–	s, m, l	OO
	Conflicts of use	Conflicts of use could exacerbate tensions between energy use and land use.	I	–	s, m, l	OO
S4 Information-related impacts for consumers and/or end-users						
	Accessibility	Limited comprehensibility of company information may impair transparency.	I	-	s, m, l	OO
S4 Social inclusion of consumers and/or end-users						
	Non-discrimination	Support for low-income households promotes social integration.	I	+	s, m, l	OO
	Access to products and services	Contractual barriers can make customer access difficult.	I	-	s, m, l	OO
	Responsible marketing practices	Misinterpretation of marketing practices could lead to dissatisfaction.	I	–	s, m, l	OO
G1 Corporate culture						
	Code of Conduct	Violations of the Code of Conduct could reduce internal trust.	I	–	s, m, l	OO
G1 Protection of whistleblowers						
	Whistleblowers	Adequate protection ensures the trust of whistleblowers.	I	+	s, m, l	OO
G1 Political engagement and lobbying activities						
	Public discourse	Public discourse on energy and climate policies boosts acceptance of the energy transition.	I	+	s, m, l	OBA
	Simplified approval process	Legal simplifications regarding approval processes may accelerate project realisation.	O	(+)	l	UVC
G1 Management of relationships with suppliers, including payment practices						
	Procurement specifications	Precise procurement specifications, including payment practices, ensure proper procurement processes and fair supplier relationships.	I	+	S	OBA
G1 Corruption and bribery						
	Corruption	Any incidents of corruption could cause lasting damage to commercial and social trust.	I	–	s, m, l	OBA

Legend:

I/R/O	Impact, risk, opportunity
+/-	+ positive; - negative
( )	potential
S, M, L	short, medium, long term
OO	Own operations
UVC/DVC	Upstream value chain/downstream value chain

The financial effects of VERBUND's material risks and opportunities are significantly influenced by the following factors: wholesale prices for electricity, the Group's own generation from hydropower, wind power and photovoltaics, the contribution to earnings from flexibility products and ongoing developments in the energy market. Given the ongoing precarious energy situation in many countries, the numerous geopolitical uncertainties, the risk of regulatory intervention and therefore the high volatility of the key factors influencing VERBUND's results, the expected financial effects on the financial position and performance are fraught with high uncertainty. [ESRS 2 SBM-3-48d]

VERBUND's investment plan for the period 2026–2028 entails both CapEx for growth and maintenance. Most of the capital expenditure goes towards expanding and maintaining the regulated Austrian power grid. In addition, VERBUND will invest primarily in projects involving new renewables and in hydropower plants. [ESRS 2 SBM-3-48e.i]

A resilience analysis was carried out in 2024 to review the resilience of the strategy and business model. It was updated in 2025. This analysis covers all types of risks with financial impact, including physical risks and transition risks. The climate-related hazards relevant to VERBUND, from which the physical risks arise, are listed in ESRS 2 IRO 1 under heading E1.

The starting point for the resilience analysis is the baseline scenario "VERBUND Outlook", which in essence depicts the investment planning based on VERBUND's existing strategic focus areas. [ESRS 2 SBM-3-48f; E1-SBM-3-19a; E1-IRO-1-AR15]

In May 2025, as part of the annual strategy review and in light of changed conditions, the investment programme was adjusted, which was taken into account in the VERBUND Outlook scenario. The strategy and the three focus areas remain unchanged. This scenario was compared against two alternative climate scenarios devised by consulting firm THEMA Consulting: [E1-IRO-1-20c.i, AR11d]

- The scenario "Technotopia" scenario assumes the effects of a low-carbon economy in the coming decades and reflects Europe's compliance with the politically desirable 1.5 degree climate warming target by 2100. [E1-IRO1-20c.i]
- The scenario "Turbulent Transition" scenario depicts the effects of a future economy that will undergo stronger levels of global warming (up to nearly +5 degrees Celsius in 2100) and must therefore be viewed as correspondingly erratic and turbulent. [E1-IRO1-20b.i]

The scenarios applied are based on detailed budget and strategic investment plans for the entire Group for the period 2026–2035. Since all three scenarios comprise aggregated planning data, the upstream and downstream value chains of all Group companies are also included in the calculation results (where possible) – upstream value chains are considered in the planned procurement expenses, downstream value chains in the downstream expenses such as disposal and waste management. [E1-IRO-1-AR15]

The two alternative scenarios "Technotopia" and "Turbulent Transition" were then subjected to a detailed deviation analysis relative to the baseline scenario for the period up to 2035 in order to analytically determine the resilience and robustness of the current Group strategy. [ESRS 2 SBM-3-48f; E1-SBM-3-19b; E1-IRO-1-20c, AR13a-d]

At the process level, experts from Group management accounting, Group risk management, Group strategy, the energy market, sustainability and from the Group subsidiaries – the last of these primarily acting as data suppliers – were involved in the resilience analysis. Another aspect of the analysis is that it took into account the strengths and weaknesses and the future opportunities and risks of VERBUND's lines of business, thereby mapping physical (e.g. severe weather, floods) and transitory opportunities and risks (e.g. regulations, adaptation measures). [E1-IRO-1-20c, 21, AR13]

The resilience analysis concluded that, in the scenarios "Turbulent Transition" and "VERBUND Outlook" scenarios, the financial impacts for VERBUND, in terms of both physical and transition risks, are comfortably manageable, meaning that its risk-bearing capacity is ensured. The scenario "Technotopia" scenario shows a shortfall in risk appetite in all years from 2027 onwards, with some shortfalls in risk-bearing capacity in 2029, 2030 and 2031. The reasons for this are the low electricity prices predicted in this scenario and high investments in the expansion of new renewables and in the development of a market for green hydrogen. Potential adjustments, for example to the investment programme and the application of further measures, may significantly improve both risk-bearing capacity and risk appetite in this scenario. In addition to the extreme scenarios analysed, the baseline scenario "VERBUND Outlook" is currently considered to represent the most realistic scenario and is therefore in line with the climate-related assumptions in VERBUND's financial statements. One main reason for the strong resilience of VERBUND's strategy is the balance achieved within the technological investment portfolio (generation mix of hydropower, new renewables, flexibilities and hydrogen), which features assets in various market regimes (energy only, renewable energy regimes, regulated tariffs). This produces risk-mitigating intra-portfolio effects, which have positive effects for VERBUND's overall risk exposure. [E1-SBM-3-19c; E1-IRO-1-20b.ii, 20ac.ii, AR12b-d]

In specific terms, the alternative scenarios depict the following impacts for VERBUND in relation to its strategic investment planning:

- Technotopia: The assumption of continued massive expansion of new renewables compared with the baseline scenario and the successful establishment and integration of the hydrogen economy combined with a falling electricity price over the medium term result in the necessary EBITDA requirement for the targeted risk appetite falling significantly short in all years from 2027 onwards and the risk-bearing capacity falling slightly short in 2029, 2030 and 2031. VERBUND, however, has flexible tools at its disposal that allow for timely adjustments in response to changing environmental developments, including CapEx optimisations, adjustments in the generation portfolio and drawing short-term loans to ensure financial stability. Clear regulatory targets are essential to ensure planning security for investments of this scale, which are crucial to achieving the energy transition.
- Turbulent Transition: The slower expansion of new renewables compared with the baseline scenario, as well as the failure of a well-integrated hydrogen economy, result in an assumption of higher primary energy and CO_2 prices but at the same time significantly lower investments, which are reflected in much higher EBITDAs compared to the EBITDA requirements for the desired risk appetite over the entire planning period. [E1-SBM-3-AR-8b]

In order to be able to quickly adapt the Group strategy to current environment developments as and when required, the strategic directions are reviewed annually and the achievement of the associated goals is tracked. Moreover, by pursuing the broadest possible diversification of financial instruments, terms and investors, VERBUND's financing strategy facilitates a stable financial base, while at the same time responding to dynamic challenges on the energy market in a forward-looking and sustainable manner.

Impacts, risks and opportunities management

Disclosure Requirement IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities

A materiality assessment was conducted to identify impacts, risks and opportunities. The subsequent assessment of materiality enables VERBUND to define the relevant impacts, risks and opportunities as well as the key topics for the sustainability statement. The content and key topics to be reported in the Group management report/the content of the report are determined by applying double materiality:

- Impact materiality = impact of own economic activities on the environment and people (inside-out perspective).
- Financial materiality = impact of sustainability matters on own economic activity (outside-in perspective). [ESRS 2 IRO-1-53a]

The plants in all of VERBUND's segments vary in size and capacity and in transmission, generation and storage capacities. They are located in different regions and, in some cases, in different countries. If certain impacts, risks and opportunities are especially related to a particular site or segment, this will be explained in the topical or entity-specific disclosures. [ESRS 2 IRO 1-53b.i]

When determining the materiality of impacts (inside-out perspective), VERBUND identifies impacts for each ESRS topic and/or each ESRS (sub-)sub-topic, summarising them in a longlist. Impacts can arise from within the sphere of VERBUND, in particular due to activities, business relationships, products or services, and from the value chain.

Specialists from various VERBUND subsidiaries and departments participate in expert workshops organised to determine and assess impacts. Care is taken here to include experts who are in direct contact with external stakeholders. In addition to including internal experts, the stakeholders concerned are also consulted in a further step.

These impacts can emerge as positive, negative, actual or potential. Each impact is assessed in terms of magnitude (average of intensity, scope, irreversibility) and its probability of occurrence over the short term (<1 year), medium term (1–5 years), and long term (>5 years), based on a five-point scale. In the case of positive impacts, the irreversibility aspect is not assessed. Generally, a topic (sub-topic/sub-sub-topic) is considered material if at least one impact of the same group is material, i.e. the materiality factor exceeds the materiality threshold of 9 (the maximum possible score is 25). Negative impacts related to human rights are also considered in the context of the materiality assessment. [ESRS 2 IRO-1-53b, 53b.i-iv]

In terms of financial materiality (outside-in perspective), a sustainability aspect is material if it can create risks or opportunities that can have financial impacts over the short, medium or long term, but is not (fully) covered by financial reporting at the reporting date. Risks and opportunities can arise from within the sphere of VERBUND, particularly due to activities, business relationships, climatic condition and ecosystem dependencies, geographical circumstances, products or services, and from the value chain. Key assumptions include factors such as fluctuations in generation volumes, market price fluctuations, legal and operational uncertainties, as well as the business environment, and also encompass environmental, social and governance matters. Identified impacts may also give rise to possible risks or opportunities. [ESRS 2 IRO-1-53c, 53c.i; E4-IRO-1-17b]

Each risk and opportunity is assessed according to a five-point scale in terms of its magnitude and probability of occurrence. The magnitude and probability of occurrence values are then multiplied to obtain an expected value. This expected value indicates whether a risk or opportunity qualifies as

material. A topic (sub-topic/sub-sub-topic) is material if at least one risk or opportunity in the same group is material, i.e. the materiality factor exceeds the threshold of 9 (the maximum possible score is 25). [ESRS 2 IRO-1-53c.ii]

In consultation with the relevant technical experts from the affected operating units, the risk controllers from the individual business units assess the identified opportunities and risks by considering the potential financial effects and their probabilities of occurrence. The assessments made, including the relevant documentation, are validated and confirmed by the experts/business unit heads involved in the decision-making process and also by the departments themselves. The feedback received is then incorporated and documented. The identified and quantified opportunities and risks are reported to central Enterprise risk management, which reviews the completeness and plausibility of the data and sends them back to the risk reporters to supplement or revise the data if necessary. This internal control procedure ensures that the material topics are included in the Non-Financial Statement. [ESRS 2 IRO-1-53d]

The financial materiality process is directly linked to VERBUND's existing risk management process as the same risk profile is applied, i.e. the financial scales are derived from the categorisation of VERBUND's existing risk management system and VERBUND's risk owners/reporters play a key role in assessing the risks and opportunities. In addition to the opportunities and risks identified by the operating units during the year and the strategic opportunities and risks assessed on an annual basis, the results from the financial materiality assessment are also compared on an annual basis (see also section SBM-3). The purpose of this comparison is to ensure that any opportunities and risks with environmental, social or governance aspects that have not yet been reported to Enterprise risk management as part of the quarterly or strategic risk identification process are likewise recorded on a centralised basis where possible, and integrated into the existing risk management processes. All opportunities and risks recognised in the Group that are related to environmental, social or governance matters are also labelled accordingly. [ESRS 2 IRO-1-53c.iii, e]

All assessments and evaluations are performed by persons recognised for their expertise and professional judgement and who bear relevant responsibility at VERBUND. The following sources of knowledge and information were used in the materiality assessment: legal information and guidelines on ESRS issues, results of VERBUND's ESG due diligence process, abstract and specific analyses of supply and value chains, annual reports and topic-specific annual reports, relevance analyses, risk and vulnerability assessment analyses, media resonance analyses, and context-based observations and assessments. For example, for many years now the context-based analysis in accordance with ISO 14001 has been recording environmental impacts, risks and opportunities, which are incorporated into the materiality assessment. For large-scale projects, such as the construction of new generation plants and grid facilities, the respective impacts are also analysed and presented as part of environmental impact statements, with affected communities also involved. [ESRS 2 IRO-1-53g; E4-IRO-1-17e.ii]

The materiality assessment was first carried out in 2023 in accordance with the ESRS. It was updated in 2025. Changes in the consolidation group compared with the previous year are taken into account as appropriate in the materiality assessment and in the quantitative datapoints reported below. The procedure has remained unchanged from initial implementation. Dependencies were taken into account in the 2025 update. A structured analysis of these dependencies is planned for 2026. [E4-IRO-1-17b]

The material topics have largely been confirmed for this year, with changes only in "Value chain workers" (S2) and "Affected communities" (S3). The sub-topics "Other work-related rights" (in S2) and "Communities' civil and political rights" (in S3) are no longer material, but topics S2 and S3 remain

material overall. The materiality assessment is updated annually or checked to see whether updating is required, and adjustments are made for known changes. [ESRS 2 IRO-1-48g, 53h]

The topic-specific requirements of IRO-1 on the E1, E2, E3, E4, E5 and G1 standards are discussed below.

Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities (E1)

The Group-wide assessment of the impacts, risks and opportunities in relation to climate change focused on actual and potential impacts, as well as on physical and transition risks and opportunities. The climate change sub-topics were all found to be material. The Group's GHG emissions are described in E1-6. [E1-IRO-1-20a, AR9]

The following material risks for VERBUND were identified and assessed for the short, medium and long term: [ESRS 2 SBM-3-48f]

IRO title	Type
[E1-SBM-3-18; E1-IRO-1-20c]	
Adaptation actions	Physical risk and transition risk
Adaptation of gas network infrastructure for hydrogen	Transition risk
Electricity price	Transition risk
Regulations	Transition risk
Output volatility	Physical risk

In 2024, VERBUND developed a structured process for assessing climate risks for all sites in line with ESRS E1 standards. This was updated in 2025. The relevant observation periods were based on internal planning and valuation periods with short-term risks relating to the current planning year, medium-term risks extending five years into the future and long-term risks extending beyond five years into the future. [E1-IRO-1-AR11b; ESRS 2 SBM-3-48c.iv]

The VERBUND sites were assigned NUTS 3 codes according to their region, and potential acute and chronic natural hazards were identified and assessed. Potential risks were queried based on external data sources supplemented by internal assessments conducted by technical experts. The analysis focused primarily on identifying exposure to natural hazards due to geographic location but not on quantifying or estimating the possible extent of damage. The analysis provided the basis for conducting the climate scenario analysis and resilience analysis (see ESRS 2 SBM-3-48f). Site-specific risk reports were also used for initial assessments in connection with new projects and investments and as a support tool for the insurance management process. Technical experts from VERBUND's in-house Climate Change Competence Center are currently working with external research institutions to address the requirements specific to the Group in more detail. The following relevant climate hazards for each segment were identified as part of the recent site analysis, although it should be noted that these arise in part from the generation technology used in each case. It should be noted that a physical hazard may be relevant to the segment, but this natural hazard is classified as not material depending on the region. [E1-IRO-1-20b, AR11c,d]

Acute natural hazards

[E1-IRO-1-AR11a]

	Hydro	Wind	Photovoltaic	Battery	Administration buildings	Thermal generation
Earthquakes	x	x	x	x	x	x
Storms	x	x	x	x	x	x
Flooding	x	x	x	x	x	x
Extratropical storms	x	x	x	x	x	x
Hail	-	x	x	-	-	-
Tornado	x	x	x	x	x	x
Lightning	-	x	x	-	-	-
River flooding	x	x	x	x	x	x
Flash flooding	x	x	x	x	x	x
Wildfire	x	x	x	x	x	x
Landslide	x	x	x	x	x	x
Avalanches	x	x	x	x	x	x

Chronic natural hazards

[E1-IRO-1-AR11a]

	Hydro	Wind	Photovoltaic	Battery	Administration buildings	Thermal generation
Water scarcity	-	-	-	-	-	x
River inundation	-	-	-	-	-	-
Heat stress	-	-	x	-	x	-
Fire weather stress	-	-	-	-	-	-
Precipitation stress	x	-	-	-	-	-
Drought stress	-	-	-	-	-	-
Permafrost	x	-	-	-	-	-
Changing wind patterns	-	x	-	-	-	-

Within the individual companies, appropriate actions are reviewed for each economic activity and for individual plants with implementation dates set as and when necessary with the aim of reducing the identified material, physical climate risks for existing, tangible assets over the medium term. Other actions, especially maintenance planning, are taken into consideration. A physical climate risk analysis is conducted when planning new plants and mergers and acquisitions. [E1-IRO-1-AR11c]

Based on the classification system of the Task Force on Climate-Related Financial Disclosures (TCFD), the transition risks identified for VERBUND are risks relating to policy, law, technology and markets:

Transition risks		
[E1-IRO-1-AR12a]		
Policy and legal	**Technology**	**Markets**
Regulations	Adaptation actions and adaptation of gas network infrastructure for hydrogen	Electricity price trend

Details on identifying and incorporating physical and transition risks related to assets and business activities, as well as on the measurement period and the application of climate-related scenarios, are provided in ESRS 2 SBM-3 in the context of the resilience analysis. Market developments and customer demand, alongside other factors, were taken into account in the assessment in addition to information on the upstream and the downstream value chain. [E1-IRO-1-20b.ii, 20c.ii]

Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities (E2)

As far as pollution is concerned, the materiality assessment solely identified impacts, but not any risks or opportunities. Based on the review of the E-PRTR reports, only the sub-topic of air pollution in the own operations area in relation to VERBUND's thermal power plant and the gas compressors of GAS CONNECT AUSTRIA's gas grid was found to be material. [E2-IRO-1-11a; AR9; ESRS 2 SBM-3-48c.iv]

Affected communities are included as part of environmental impact statements. See also ESRS 2 IRO-1. [E2-IRO-1-11b]

Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities (E3)

Generation from hydropower plays only a minor role with regard to the topics covered by this standard, as the hydropower plant operations utilise the potential and kinetic energy of water and convert this energy into electricity. In the process, the water is neither qualitatively nor quantitatively changed and is not consumed. As a result, the water flowing through hydropower plant turbines is returned directly to the body of water concerned without any changes to its biochemical composition. Wind farms, photovoltaic installations, gas grid systems and power grid installations withdraw, discharge and consume only small quantities of water. The offices and administrative sites at these facilities consume drinking water, and the only water discharged into the water system is of household quality.

Material impacts have only been identified in connection with the "water withdrawal" sub-topic, as the withdrawal of cooling water from surface waters affects the biological water balance. The withdrawal of cooling water from surface waters for VERBUND's thermal power plant is relevant in this context. The VERBUND thermal power plant operating site is located in Mellach/Styria, in the Mur River basin. Water consumption, by contrast, plays a negligible role as most of the water withdrawn is returned. All issues related to marine resources are not material for VERBUND as VERBUND does not conduct activities in or around the sea and does not use any corresponding resources. No risks or opportunities relating to water were identified in the materiality assessment. [E3-IRO-1-8a; ESRS 2 SBM-3-48c.iv]

Affected communities are included as part of environmental impact statements. See also ESRS 2 IRO-1. [E3-IRO-1-8b]

Disclosure Requirement related to ESRS 2 IRO-1 – Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities (E4)

For details on the processes for identifying material impacts, risks, dependencies and opportunities, see ESRS 2 IRO-1. [E4-IRO-1-17a-b]

The Group-wide assessment of risks and opportunities in relation to biodiversity and ecosystems also considered physical and transition risks and opportunities. For details, see ESRS 2 IRO-1. There are no systemic risks. [E4-IRO-1-17c-d]

Affected communities are engaged at an early stage in investment projects involving ecosystem interventions and are informed of the actions taken. VERBUND considers the interests of stakeholders, such as local licensed fishers, hunters, farmers and foresters as well as nature conservation groups, and close cooperation has been established with them in many regions. In addition, knowledge from local associations, organisations and experts on relevant ecosystems and habitats is incorporated and considered in relation to actions. Section S3 "Affected communities" provides further information on how affected communities are treated and engaged in relation to all aspects of how projects affect them. [E4-IRO-1-17e]

The inclusion of affected communities in the materiality assessment is described in ESRS 2 IRO-1. [E4-IRO-1-17e.ii]

VERBUND's impacts on ecosystem services, which are significant for affected communities, usually occur only for a temporary period with construction projects. Examples include restrictions to the use of walking and cycling paths alongside rivers, or short-term noise and dust emissions from construction sites, affecting their recreational value in ecosystems. Impairments are consistently avoided or mitigated to the greatest possible extent and actions taken to promote ecosystem services over the medium term. As explained and listed under E4 SBM-3, VERBUND operates sites in or near biodiversity sensitive areas. The construction and operation of facilities for electricity generation and energy transmission can sometimes have adverse impacts on individual habitats and animal or plant species. When constructing new plants, it may therefore be necessary to implement compensatory actions – Directive 2009/147/EC of the European Parliament and of the Council on the conservation of wild birds; Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora; an Environmental Impact Assessment (EIA) as defined in Article 1(2)(g) of Directive 2011/92/EU of the European Parliament and of the Council (76) on the assessment of the effects of certain public and private projects on the environment – and these may be prescribed as part of the approval process: VERBUND endeavours from the outset to plan comprehensive ecological compensatory actions to create new habitats where possible and conducive. [E4-IRO-1-17e.iii; 19a-b]

Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities (E5)

Aspects assessed in the materiality assessment included resource inflows, resource outflows and waste. As the provision of electricity requires the construction and maintenance of power plants featuring various types of technology, and the establishment and maintenance of appropriate distribution and delivery infrastructure, the issues of resource inflows and waste were found to be material. The outflows of resources in connection with VERBUND products and services were not considered to be material, as VERBUND's business model is designed to circulate products exclusively within the scope of specific projects. There were no financially material risk drivers identified that could be influenced positively or

negatively, directly or indirectly, by resource use and circular economy. [E5-IRO-1-11a; ESRS 2 SBM-3-48c.iv]

Affected communities are included as part of environmental impact statements. See also ESRS 2 IRO-1. [E5-IRO-1-11b]

Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess business conduct-related material impacts, risks and opportunities (G1)

As far as business conduct is concerned, the materiality assessment identified corporate culture, protection of whistleblowers, political engagement, corruption and management of relations with suppliers as material. The systematic annual Group-wide compliance survey of risk exposure provides additional input for the materiality assessment by providing insight into whether and in which business segments there are potential risks to VERBUND. All divisions of the VERBUND holding company and the principal consolidated subsidiaries were involved in the survey in their capacity as risk owners. The 23 risk owners carried out a qualitative compliance risk assessment based on the criteria of materiality, probability of occurrence and maturity of existing actions using a standardised questionnaire. The results are discussed and necessary actions planned at an annual compliance meeting between the Chief Compliance Officer and the respective risk owners. [G1-IRO-1-6; ESRS 2 SBM-3-48c.iv]

Disclosure Requirement IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

In order to identify which ESRS datapoints VERBUND must report, the material impacts, risks and opportunities (I, R, O) are allocated to the ESRS disclosure requirements. Disclosure requirements to which one or more of the identified material impacts, opportunities and risks have been allocated are classified as material for VERBUND. The relevant datapoints are analysed and given consideration in the report. Disclosure requirements to which none of the identified material impacts, risks and opportunities are allocated are considered non-material. This means that VERBUND is not required to disclose any information relating to these disclosure requirements. [ESRS 2 IRO-2-59]

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The following table lists all datapoints in cross-cutting and topical standards that are derived from other EU legislation (ESRS 2 Appendix B). This legislation includes SFDR reference[1], Pillar 3 reference[2], Benchmark Regulation reference[3] and EU Climate Law reference[4]. [ESRS 2 IRO-2-56]

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ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	BRR	nrp
	66a	Disaggregation of monetary amounts by acute and chronic physical risk	S3	nrp
	66c	Location of significant assets at material physical risk		
	67c	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	S3	nrp
	69	Degree of exposure of the portfolio	BRR	nrp
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	SFDR	239
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	21	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8	BRR	275
	22	Processes and measures for preventing trafficking in human beings	SFDR	275
	23	Workplace accident prevention policy or management system	SFDR	276
ESRS S1-3	32c	Grievance/complaints handling mechanisms	SFDR	282
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Legend:
DP Datapoint
SFDR Sustainable Finance Disclosure Regulation

P3	Pillar 3 reference
BRR	Benchmark Regulation reference
EUCR	EU Climate Law reference
nr	not relevant
nrp	not reported (phase-in)
nm	not material

[1] Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317, 9 December 2019, p. 1).

[2] Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation, CRR) (OJ L 176, 27 June 2013, p. 1).

[3] Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29 June 2016, p. 1).

[4] Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 (European Climate Law) (OJ L 243, 9 July 2021, p. 1).

Environmental information

EU Taxonomy

Disclosures pursuant to Article 8 of the EU Taxonomy Regulation (2020/852) and in accordance with the Commission Delegated Regulation (EU) 2021/2178

An economic activity is considered environmentally sustainable if it makes a significant contribution to achieving one or more of the six EU environmental objectives – climate change mitigation, climate change adaptation, protection of water and marine resources, transition to a circular economy, prevention of pollution, and protection and restoration of biodiversity and ecosystems – and does not significantly harm one or more of these objectives. The economic activity must be carried out in compliance with the specified minimum safeguards and meet specified screening criteria. Each year, VERBUND reassesses the Group's economic activities to determine which of them qualify as environmentally sustainable economic activities pursuant to the EU Taxonomy Regulation (EU) 2020/852 and the delegated acts (Commission Delegated Regulations (EU) 2021/2139, 2022/1214, 2023/2485, 2023/2486). No new activities were added in 2025 compared to the same period of the previous year.

On 8 January 2026, Commission Delegated Regulation (EU) 2026/73 on simplifying reporting under the EU Taxonomy Regulation was published in the Official Journal of the European Union and will enter into force at the end of January 2026. The simplifications include streamlining the reporting templates, introducing a materiality concept for the metrics to be analysed (revenue, CapEx and OpEx) and eliminating the reporting templates for activities related to fossil gases and nuclear activities. As final implementation (or reliable validity) was not foreseeable at the time this report was prepared, VERBUND has exercised the option not to apply this regulation in the 2025 financial year.

VERBUND's taxonomy-eligible economic activities include the following:

- Electricity generation from hydropower: run-of-river and storage power plants in Austria and Bavaria
- Electricity generation from wind power: onshore wind farms in Austria, Germany, Romania and Spain
- Electricity generation using solar photovoltaic technology: rooftop and open-field solar installations in Austria and Spain as well as projects under development and construction in Germany and Italy (including systems for energy supply contracting)
- Transmission and distribution of electricity: high- and ultra-high voltage grid operated by Austrian Power Grid AG in Austria
- Storage of electricity: pumped storage power plants in Austria and battery storage units in Austria and Germany
- Transmission and distribution networks for renewable and low-carbon gases: innovation, research and development projects carried out by GAS CONNECT AUSTRIA GmbH with the aim of integrating renewable gases and hydrogen into the gas network
- High-efficiency co-generation of heat/cool and power from fossil gaseous fuels: Mellach combined cycle gas turbine plant of VERBUND Thermal Power GmbH & Co KG
- Transport by motorbikes, passenger cars and light commercial vehicles: company cars in administrative areas
- Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings): e-mobility products and services offered by VERBUND Energy4Business GmbH and VERBUND Energy4Customers GmbH
- Installation, maintenance and repair of renewable energy technologies: photovoltaic installations owned by customers

For VERBUND, the focus is on combating climate change by way of the energy transition, which is why all of the Group's activities named are assigned to the EU environmental objective "climate change mitigation". Allocating all of the Group's activities to the objective of climate change mitigation prevents target contributions from being counted twice.

Technical screening criteria and Do No Significant Harm (DNSH) criteria

To determine whether the taxonomy-eligible activities were taxonomy-aligned, Corporate Responsibility and Controlling & Reporting conducted workshops together with the subsidiaries concerned and with the involvement of climate experts, controllers, risk managers and technical experts. The experts reviewed the previously identified taxonomy-eligible economic activities based on the applicable technical screening criteria and the Do No Significant Harm (DNSH) criteria, and documented the results transparently and comprehensibly. Assessments of climate risk and vulnerability were carried out as part of fulfilling the DNSH criteria with respect to the typical assets associated with all types of activities.

In order to avoid significant harm with respect to the environmental objective "climate change adaptation", all taxonomy-aligned economic activities that contribute significantly to climate change mitigation must meet the criteria specified in Appendix A to Annex I to Commission Delegated Regulation (EU) 2021/2139. These criteria stipulate that physical climate risks that are material to the activity must be identified by performing a robust climate risk and vulnerability assessment. The climate risk and vulnerability assessment comprises the following steps:

- identifying which physical climate risks may affect the performance of the economic activity during its expected lifetime;
- assessing the materiality of the risks for the economic activity;
- developing adaptation solutions that can reduce the identified physical climate risk.

A standardised evaluation sheet and a uniform procedure have been developed to implement the legal obligations. The identified climate risks were also included in the ESRS reporting and provide input for the climate-related impacts, risks and opportunities reported in the ESRS 2 IRO-1 section. They are also incorporated into the resilience analysis (see ESRS 2 SBM-3). As part of an ongoing process, climate risks are evaluated annually and, where necessary, adaptation actions are developed with the involvement of different subsidiaries, departments and experts. In financial year 2025, selected typical new plants were subjected to a climate risk analysis. These formed part of the new renewables and hydropower segments. No new climate risks were identified.

Minimum social safeguards

VERBUND has introduced effective processes in all Group divisions to ensure adherence to the minimum social standards laid out in Article 18 of the EU Taxonomy Regulation. VERBUND is guided in particular by the requirements of the OECD Due Diligence Guidance for Responsible Business Conduct. The Code of Conduct (CoC) forms the basis for responsible business conduct by VERBUND in its quest to fulfil all legal, contractual, ethical and voluntary requirements. In its Code of Conduct, VERBUND undertakes to respect human rights, to comply with labour standards, to protect the climate and the environment, to fight corruption, to engage in fair competition and to comply with tax regulations. The Code of Conduct applies to all executives and employees. It supports them in making decisions and taking action in their

everyday working lives. Furthermore, VERBUND's Supplier Code of Conduct (SCoC) also obliges suppliers and business partners to comply with the above principles. For a detailed description of due diligence, see the ESRS 2 GOV-4 section.

The identification of taxonomy-aligned activities and maintenance of the documentation templates for technical screening criteria and DNSH criteria is carried out by the Corporate Responsibility department. The evaluation of the KPIs (revenue, OpEx, CapEx) is organised by the Planning & Controlling department in consultation with the relevant subsidiaries.

Disclosures on taxonomy-eligible and taxonomy-aligned revenue

Revenue is defined in accordance with the definition under IFRS 15. See the notes to the consolidated financial statements, paragraph 3.2.1. Group revenue has been allocated to the individual economic activities:

- The revenue of the Hydro segment has been allocated to the economic activities "electricity generation from hydropower" (run-of-river power plants and daily and weekly storage facilities that are not pumped storage power plants) and "storage of electricity" (pumped storage power plants).
- The revenue of the New Renewables segment has been allocated per generation technology to the economic activities "electricity generation using solar photovoltaic technology" and "electricity generation from wind power".
- The revenue of the Grid segment has been allocated to the economic activities "transmission and distribution of electricity" (Austrian Power Grid power grid) and "transmission and distribution networks for renewable and low-carbon gases" (GAS CONNECT AUSTRIA gas network). In the case of the economic activity "transmission and distribution networks for renewable and low-carbon gases" (relates to GAS CONNECT AUSTRIA gas network, Grid segment), the taxonomy-eligible and taxonomy-aligned activities consist of actions to reduce methane and projects for green hydrogen and renewable gases.
- Revenue from thermal electricity generation from gas-fired power plants (Other segment) can be allocated to the economic activity "high-efficiency co-generation of heat/cool and power from fossil gaseous fuels". This economic activity is taxonomy-eligible but currently not taxonomy-aligned, as the defined criteria are not met.
- Since the revenue of the Sales segment (electricity trading and sales) is not taxonomy-eligible, and in order to avoid double-counting, it not been taken into account. Excluded from this are activities related to battery storage systems, which have been allocated to the economic activity "storage of electricity", as well as activities in the areas of "electricity generation using solar photovoltaic technology", "installation, maintenance and repair of charging stations for electric vehicles in buildings" and "installation, maintenance and repair of renewable energy technologies".
- The economic activity "transport by motorbikes, passenger cars and light commercial vehicles" relates to the use of company cars by employees.

Disclosures on taxonomy-eligible and taxonomy-aligned capital expenditures (CapEx)

The allocation of capital expenditure to economic activities is consistent with the way in which revenue is allocated. The capital expenditures are part of VERBUND's multi-year investment plan, which was approved by the Group Supervisory Board. The CapEx KPI is calculated by dividing all taxonomy-aligned capital expenditure (numerator) by total capital expenditure (denominator). The additions relating to

acquisitions from subsidiaries classified as acquisitions of assets are reported as net values (acquisition costs less accumulated depreciation and amortisation).

The following IFRS standards were applied to calculate this KPI: IAS 16 Property, Plant and Equipment, IAS 38 Intangible Assets, IAS 40 Investment Property, IFRS 16 Leases. Investments via joint ventures and investments in financial instruments are not relevant to the calculation of this KPI. See section 4 of the notes to the consolidated financial statements.

There were no mergers during the reporting period. Financial year 2025 saw the following transactions in connection with the acquisition of groups of assets: acquisition of wind farms in Austria, acquisition of wind farms in Germany and acquisition of photovoltaic projects in Italy. Further details can be found in VERBUND's consolidated financial statements in section 1.2 Financial reporting principles.

Pursuant to the Delegated Regulation (EU) 2021/2178, Annex I, point 1.1.2.2., a CapEx plan has been prepared for the next three years (2026–2028).

VERBUND is planning to invest around €6.8bn in taxonomy-aligned economic activities in 2026–2028. Investment projects are being vigorously pursued particularly in relation to the grid (economic activity "electricity transmission and distribution") as part of the Network Development Plan. In addition, an expansion in the photovoltaics area (economic activity "electricity generation using solar photovoltaic technology") is planned at the Spanish site. The economic activity "electricity storage" is also showing substantial growth, mainly due to investments in storage power plants in Austria and battery storage projects in Germany.

The CapEx KPI in the actual figures for 2025 was lower than the CapEx plan for 2025. Particularly the economic activity of electricity generation using solar photovoltaic technology underwent a decline. This is mainly due to the delays in the approval process for solar photovoltaic projects at the site in Spain. There were also delays to battery storage projects in Germany. However, capital expenditure for economic activity related to hydroelectricity generation increased.

Companies that have issued environmentally sustainable bonds or debt securities to finance certain defined taxonomy-aligned activities must also publish the CapEx KPI, which has been adjusted for taxonomy-aligned capital expenditures financed with these bonds or debt securities. After adjusting for these investments, the CapEx KPI amounts to 91.2% for 2025 (previous year: 92.0%).

Disclosures on taxonomy-eligible and taxonomy-aligned operating expenditures (OpEx)

The allocation of operating expenditure to economic activities is consistent with the way in which revenue and capital expenditure are allocated. Under supplementary Delegated Regulation (EU) 2021/2178 to the EU Taxonomy Regulation (EU) 2020/852, only specific types of operating expenditure may be allocated to economic activities. These include non-capitalisable research and development costs, short-term lease liabilities, maintenance and repair costs and current maintenance expenses that are associated with taxonomy-aligned economic activities as well as directly allocable personnel expenses.

Result of VERBUND's taxonomy assessment

While the proportion of taxonomy-aligned economic activities amounts to 91.8% for the CapEx KPI (previous year: 92.5%) and 84.5% for the OpEx KPI (previous year: 80.8%), the proportion for revenue is significantly lower at 48.2% (previous year: 55.6%). This is mainly attributable to the fact that the revenue of the Sales segment, which primarily relates to the trading and distribution of electricity, is not taken into account to avoid double-counting with the revenue from electricity generation. The largest proportion of

taxonomy-aligned revenue comes from the Hydro segment (relates to the economic activities “electricity generation from hydropower” and “storage of electricity”), followed by the Grid segment. In terms of CapEx, the largest proportion comes from the economic activity of “transmission and distribution of electricity”, followed by investments in the Hydro segment. Capital expenditure relates to both growth CapEx and maintenance CapEx. These investments contribute directly to the goal of decarbonisation, act as a decarbonisation lever and thus also support the Climate Transition Plan (CTP). The largest proportion of taxonomy-aligned OpEx likewise comes from the Hydro segment, followed by the Grid segment.

Taxonomy-aligned revenue has seen the greatest change. In absolute terms, the key performance indicator fell by around €0.7bn year-on-year. This was mainly due to reduced water supply. This primarily affects the Hydro segment (“electricity generation from hydropower” and “storage of electricity”).

Taxonomy-aligned CapEx increased by approximately €140m year-on-year. This primarily affects the Grid segment (“transmission and distribution of electricity” (E) and “transmission pipelines and distribution networks for renewable and low-carbon gases”) due to various investment projects within the framework of the Network Development Plan.

Taxonomy-aligned OpEx showed a slight increase of 5% year-on-year. The Hydro segment (“generation of electricity from hydropower”) posted a slight increase, which is attributable to higher maintenance expenses.

The following tables provide a detailed overview of the taxonomy alignment of VERBUND’s individual taxonomy-eligible economic activities.

Taxonomy disclosures

Proportion of revenue from products or services associated with taxonomy-aligned economic activities – disclosure covering 2025

Financial year 2025		2025		Substantial contribution criteria					
Economic activities (1)	Code(s) (2)	Absolute revenue (3) €m	Proportion of revenue (4) %	CCM (5) Y; N; N/EL[1]	CCA (6) Y; N; N/EL[1]	WTR (7) Y; N; N/EL[1]	CE (8) Y; N; N/EL[1]	PPC (9) Y; N; N/EL[1]	BIO (10) Y; N; N/EL[1]
A. Taxonomy-eligible activities									
A-1. Environmentally sustainable activities (taxonomy-aligned)									
Electricity generation using solar photovoltaic technology	CCM 4.1	60.9	0.8 %	Y	EL	N	N	N	N
Electricity generation from wind power	CCM 4.3	196.8	2.5 %	Y	EL	N	N	N	N
Electricity generation from hydropower	CCM 4.5	1,816.3	22.7 %	Y	EL	N	N	N	N
Transmission and distribution of electricity	CCM 4.9	1,283.5	16.0 %	Y	EL	N	N	N	N
Storage of electricity	CCM 4.10	496.8	6.2 %	Y	EL	N	N	N	N
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14	0.0	0.0 %	Y	EL	N	N	N	N
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	2.3	0.0 %	Y	EL	N	N	N	N
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	2.1	0.0 %	Y	EL	N	N	N	N
Revenue from environmentally sustainable activities (taxonomy-aligned) (A.1)		3,858.6	48.2 %	100 %	0 %	0 %	0 %	0 %	0 %
of which enabling activities		1,780.3	22.2 %	100 %	0 %	0 %	0 %	0 %	0 %
of which transitional activities		0.0	0.0 %						
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
				EL[2]; N/EL	EL[2]; N/EL	EL[2]; N/EL	EL[2]; N/EL	EL[2]; N/EL	EL[2]; N/EL
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14	180.3	2.3 %	EL	EL	N	N	N	N
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	311.8	3.9 %	EL	EL	N	N	N	N
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.0	0.0 %	EL	EL	N	N	N	N
Revenue of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		492.1	6.1 %	100.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
A. Revenue of taxonomy-eligible activities (A.1 + A.2)		4,350.7	54.3 %	100.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
B. Taxonomy-non-eligible activities									
Revenue of taxonomy-non-eligible activities (B)		3,662.8	45.7 %						
Total (A + B)		8,013.6	100.0 %						

VERBUND's Revenue KPI

	DNSH criteria ("Does Not Significantly Harm")									
	CCM (11) Y/N	CCA (12) Y/N	WTR (13) Y/N	CE (14) Y/N	PPC (15) Y/N	BIO (16) Y/N	Minimum safeguards (17) Y/N	Proportion of taxonomy-aligned (A.1) or taxonomy-eligible (A.2) revenue, year N-1 (18) %	Category enabling activity (19) E	Category transitional activity (20) T
	Y	Y	Y	Y	Y	Y	Y	0.7 %		
	Y	Y	Y	Y	Y	Y	Y	3.2 %		
	Y	Y	Y	Y	Y	Y	Y	30.0 %		
	Y	Y	Y	Y	Y	Y	Y	14.2 %	E	
	Y	Y	Y	Y	Y	Y	Y	7.5 %	E	
	Y	Y	Y	Y	Y	Y	Y	0.0 %		
	Y	Y	Y	Y	Y	Y	Y	0.0 %		
	Y	Y	Y	Y	Y	Y	Y	0.1 %		
	Y	Y	Y	Y	Y	Y	Y	55.6 %		
	Y	Y	Y	Y	Y	Y	Y	21.7 %	E	
	Y	Y	Y	Y	Y	Y	Y	0.0 %		T
								2.0 %		
								4.3 %		
								0.0 %		
								6.2 %		
								61.8 %		

Taxonomy disclosures

Proportion of CapEx from products or services associated with taxonomy-aligned economic activities – disclosure covering 2025

Financial year 2025		2025		Substantial contribution criteria					
Economic activities (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	CCM (5)	CCA (6)	WTR (7)	CE (8)	PPC (9)	BIO (10)
		€m	%	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]
A. Taxonomy-eligible activities									
A-1. Environmentally sustainable activities (taxonomy-aligned)									
Electricity generation using solar photovoltaic technology	CCM 4.1	78.1	5.5%	Y	EL	N	N	N	N
Electricity generation from wind power	CCM 4.3	84.0	5.9%	Y	EL	N	N	N	N
Electricity generation from hydropower	CCM 4.5	299.6	20.9%	Y	EL	N	N	N	N
Transmission and distribution of electricity	CCM 4.9	620.4	43.3%	Y	EL	N	N	N	N
Storage of electricity	CCM 4.10	228.4	15.9%	Y	EL	N	N	N	N
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14	4.7	0.3%	Y	EL	N	N	N	N
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.3	0.0%	Y	EL	N	N	N	N
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.0	0.0%	Y	EL	N	N	N	N
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		1,315.9	91.8%	100%	0%	0%	0%	0%	0%
of which enabling activities		848.8	59.2%	100%	0%	0%	0%	0%	0%
of which transitional activities		0.0	0.0%						
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
				EL[2]; N/EL	EL[2]; N/EL	EL[2]; N/EL	EL[2]; N/EL	EL[2]; N/EL	EL[2]; N/EL
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14	27.6	1.9%	EL	EL	N	N	N	N
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	0.9	0.1%	EL	EL	N	N	N	N
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	4.0	0.3%	EL	EL	N	N	N	N
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		32.4	2.3%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
A. CapEx of taxonomy-eligible activities (A.1 + A.2)		1,347.8	94.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
B. Taxonomy-non-eligible activities									
CapEx of taxonomy-non-eligible activities (B)		85.3	6.0%						
Total (A + B)		1,433.1	100.0%						

VERBUND's CapEx KPI

	DNSH criteria ("Does Not Significantly Harm")									
	CCM (11) Y/N	CCA (12) Y/N	WTR (13) Y/N	CE (14) Y/N	PPC (15) Y/N	BIO (16) Y/N	Minimum safeguards (17) Y/N	Proportion of taxonomy-aligned (A.1) or taxonomy-eligible (A.2) CapEx, year N-1 (18) %	Category enabling activity (19) E	Category transitional activity (20) T
	Y	Y	Y	Y	Y	Y	Y	8.1%		
	Y	Y	Y	Y	Y	Y	Y	12.2%		
	Y	Y	Y	Y	Y	Y	Y	16.6%		
	Y	Y	Y	Y	Y	Y	Y	35.3%	E	
	Y	Y	Y	Y	Y	Y	Y	20.0%	E	
	Y	Y	Y	Y	Y	Y	Y	0.4%		
	Y	Y	Y	Y	Y	Y	Y	0.1%		
	Y	Y	Y	Y	Y	Y	Y	0.0%		
	Y	Y	Y	Y	Y	Y	Y	92.5%		
	Y	Y	Y	Y	Y	Y	Y	55.3%	E	
	Y	Y	Y	Y	Y	Y	Y	0.0%		T
								2.6%		
								0.2%		
								0.3%		
								3.1%		
								95.6%		

Taxonomy disclosures

Proportion of OPEX from products or services associated with taxonomy-aligned economic activities – disclosure covering 2025

Financial year 2025		2025		Substantial contribution criteria					
Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	CCM (5)	CCA (6)	WTR (7)	CE (8)	PPC (9)	BIO (10)
		€m	%	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]	Y; N; N/EL[1]
A. Taxonomy-eligible activities									
A-1. Environmentally sustainable activities (taxonomy-aligned)									
Electricity generation using solar photovoltaic technology	CCM 4.1	13.4	4.9%	Y	EL	N	N	N	N
Electricity generation from wind power	CCM 4.3	9.7	3.5%	Y	EL	N	N	N	N
Electricity generation from hydropower	CCM 4.5	120.7	44.1%	Y	EL	N	N	N	N
Transmission and distribution of electricity	CCM 4.9	54.0	19.7%	Y	EL	N	N	N	N
Storage of electricity	CCM 4.10	29.1	10.6%	Y	EL	N	N	N	N
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14	3.8	1.4%	Y	EL	N	N	N	N
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.8	0.3%	Y	EL	N	N	N	N
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.0	0.0%	Y	EL	N	N	N	N
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		231.5	84.5%	100%	0%	0%	0%	0%	0%
of which enabling activities		83.1	30.3%	100%	0%	0%	0%	0%	0%
of which transitional activities		0.0	0.0%						
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
				EL[2]; N/EL	EL[2]; N/EL	EL[2]; N/EL	EL[2]; N/EL	EL[2]; N/EL	EL[2]; N/EL
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14	21.2	7.8%	EL	EL	N	N	N	N
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	9.9	3.6%	EL	EL	N	N	N	N
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.2	0.1%	EL	EL	N	N	N	N
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		31.3	11.4%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
A. OpEx of taxonomy-eligible activities (A.1 + A.2)		262.7	95.9%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
B. Taxonomy-non-eligible activities									
OpEx of taxonomy-non-eligible activities		11.2	4.1%						
Total (A + B)		273.9	100.0%						

VERBUND's OpEx KPI

	DNSH criteria ("Does Not Significantly Harm")									
	CCM (11) Y/N	CCA (12) Y/N	WTR (13) Y/N	CE (14) Y/N	PPC (15) Y/N	BIO (16) Y/N	Minimum safeguards (17) Y/N	Proportion of taxonomy-aligned (A.1) or taxonomy-eligible (A.2) OpEx, year N-1 (18) %	Category enabling activity (19) E	Category transitional activity (20) T
	Y	Y	Y	Y	Y	Y	Y	5.1%		
	Y	Y	Y	Y	Y	Y	Y	3.1%		
	Y	Y	Y	Y	Y	Y	Y	39.4%		
	Y	Y	Y	Y	Y	Y	Y	19.1%	E	
	Y	Y	Y	Y	Y	Y	Y	13.2%	E	
	Y	Y	Y	Y	Y	Y	Y	0.5%		
	Y	Y	Y	Y	Y	Y	Y	0.5%		
	Y	Y	Y	Y	Y	Y	Y	0.0%		
	Y	Y	Y	Y	Y	Y	Y	80.8%		
	Y	Y	Y	Y	Y	Y	Y	32.3%	E	
	Y	Y	Y	Y	Y	Y	Y	0.0%		T
								7.9%		
								4.1%		
								0.0%		
								12.0%		
								92.8%		

Scope of taxonomy eligibility and alignment per environmental objective – disclosure covering 2025

Proportion of revenue/Total revenue

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM (Climate Change Mitigation)	48.2%	54.3%
CCA (Climate Change Adaptation)	0.0%	0.0%
WTR (Water and Marine Resources)	0.0%	0.0%
CE (Circular Economy)	0.0%	0.0%
PPC (Pollution Prevention and Control)	0.0%	0.0%
BIO (Biodiversity and Ecosystems)	0.0%	0.0%

Proportion of CapEx/Total CapEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM (Climate Change Mitigation)	91.8%	94.0%
CCA (Climate Change Adaptation)	0.0%	0.0%
WTR (Water and Marine Resources)	0.0%	0.0%
CE (Circular Economy)	0.0%	0.0%
PPC (Pollution Prevention and Control)	0.0%	0.0%
BIO (Biodiversity and Ecosystems)	0.0%	0.0%

Proportion of OpEx/Total OpEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM (Climate Change Mitigation)	84.5%	95.9%
CCA (Climate Change Adaptation)	0.0%	0.0%
WTR (Water and Marine Resources)	0.0%	0.0%
CE (Circular Economy)	0.0%	0.0%
PPC (Pollution Prevention and Control)	0.0%	0.0%
BIO (Biodiversity and Ecosystems)	0.0%	0.0%

These footnotes relate to the information disclosed in the three preceding double-page tables

[1]Y – Yes, taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective
N – No, taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective
N/EL – not eligible, taxonomy-non-eligible activity for the relevant environmental objective
[2]EL - eligible, taxonomy-eligible activity for the relevant environmental objective

Standard templates for the disclosure referred to in Article 8 (6) and (7)

Nuclear and fossil gas related activities – revenue

Row	Activities	Yes/No
	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear plants to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear plants that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities that use fossil gaseous fuels.	Yes
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Nuclear and fossil gas related activities – CapEx

Row	Activities	Yes/No
	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear plants to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear plants that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities that use fossil gaseous fuels.	Yes
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Nuclear and fossil gas related activities – OpEx

Row	Activities	Yes/No
	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear plants to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear plants that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities that use fossil gaseous fuels.	Yes
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Taxonomy-aligned economic activities (denominator) – revenue

Row	Economic activities	Amount and proportion (figures in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	Proportion in %	Amount (€m)	Proportion in %	Amount (€m)	Proportion in %
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	3,858.6	48.2%	3,858.6	48.2%	0	0.0%
8.	Total applicable KPI	8,013.6	100.0%	8,013.6	100.0%	0	0.0%

Taxonomy-aligned economic activities (denominator) – CapEX

Row	Economic activities	Amount and proportion (figures in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	Proportion in %	Amount (€m)	Proportion in %	Amount (€m)	Proportion in %
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,315.4	91.8%	1,315.4	91.8%	0	0.0%
8.	Total applicable KPI	1,433.1	100.0%	1,433.1	100.0%	0	0.0%

Taxonomy-aligned economic activities (denominator) – OpEx

Row	Economic activities	Amount and proportion (figures in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	Proportion in %	Amount (€m)	Proportion in %	Amount (€m)	Proportion in %
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	231.5	84.5%	231.5	84.5%	0	0.0%
8.	Total applicable KPI	273.9	100.0%	273.9	100.0%	0	0.0%

Taxonomy-aligned economic activities (numerator) – revenue

Row	Economic activities	Amount and proportion (figures in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	Proportion in %	Amount (€m)	Proportion in %	Amount (€m)	Proportion in %
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	3,858.6	48.2%	3,858.6	48.2%	0	0.0%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	3,858.6	48.2%	3,858.6	48.2%	0	0.0%

Taxonomy-aligned economic activities (numerator) – CapEx

Row	Economic activities	Amount and proportion (figures in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	Proportion in %	Amount (€m)	Proportion in %	Amount (€m)	Proportion in %
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	1,315.4	91.8%	1,315.4	91.8%	0	0.0%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	1,315.4	91.8%	1,315.4	91.8%	0	0.0%

Taxonomy-aligned economic activities (numerator) – OpEx

Row	Economic activities	Amount and proportion (figures in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	Proportion in %	Amount (€m)	Proportion in %	Amount (€m)	Proportion in %
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI						
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	231.5	84.5%	231.5	84.5%	0	0.0%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	231.5	84.5%	231.5	84.5%	0	0.0%

Taxonomy-eligible but not taxonomy-aligned economic activities – revenue

Row	Economic activities	Amount and proportion (figures in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	Proportion in %	Amount (€m)	Proportion in %	Amount (€m)	Proportion in %
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	311.8	3.9%	311.8	3.9%	0	0.0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	180.3	2.3%	180.3	2.3%	0	0.0%
8.	Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	492.1	6.1%	492.1	6.1%	0	0.0%

Taxonomy-eligible but not taxonomy-aligned economic activities – CapEx

Row	Economic activities	Amount and proportion (figures in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	Proportion in %	Amount (€m)	Proportion in %	Amount (€m)	Proportion in %
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.9	0.1%	0.9	0.1%	0	0.0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	31.5	2.2%	31.5	2.2%	0	0.0%
8.	Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	32.4	2.3%	32.4	2.3%	0	0.0%

Taxonomy-eligible but not taxonomy-aligned economic activities – OpEx

Row	Economic activities	Amount and proportion (figures in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€m)	Proportion in %	Amount (€m)	Proportion in %	Amount (€m)	Proportion in %
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	9.9	3.6%	9.9	3.6%	0	0.0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI						
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	21.4	7.8%	21.4	7.8%	0	0.0%
8.	Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	31.3	11.4%	31.3	11.4%	0	0.0%

Taxonomy-non-eligible economic activities – revenue

Row	Economic activities	Amount (€m)	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0	0.0%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	3,662.8	45.7%

Taxonomy-non-eligible economic activities – CapEx

Row	Economic activities	Amount (€m)	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0	0.0%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	85.3	6.0%

Taxonomy-non-eligible economic activities – OpEx

Row	Economic activities	Amount (€m)	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI		
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0	0.0%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	11.2	4.1%

ESRS E1 Climate change

ESRS 2 General Disclosures

Governance

Disclosure Requirement related to ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes

The integration of sustainability-related performance in incentive schemes is described in ESRS 2 GOV-3. [E1 GOV-3-13]

Strategy

Disclosure Requirement E1-1 – Transition plan for climate change mitigation

Through its past, current and future efforts in relation to climate change mitigation, VERBUND is ensuring that its strategy and business model are compatible with the transition to a sustainable economy and with limiting global warming to 1.5°C in accordance with the Paris Agreement and with the European Union's objective of achieving climate neutrality by 2050.
[E1-1-14,16a, AR1]

With its corporate strategy, VERBUND aims to lead the transition to clean energy. VERBUND supports the European transition to clean energy through the expansion of renewable energy, especially wind and solar energy, achieving flexibility (pumped storage power plants, batteries) across countries as well as building the European hydrogen economy through local production and by establishing European import routes. VERBUND continues to report transparently on its remaining activities relating to the transport, consumption and sale of natural gas, its use of fuels, and its targets for reducing this exposure to fossil fuels. In addition, VERBUND no longer uses fossil fuels such as crude oil, coal or lignite. [E1-1-14, 16a, h; E-1-AR1]

As regards the transition plan for climate change mitigation, an approach was developed in line with Mission V and the strategic objectives, and an action plan containing targets and actions was adopted by VERBUND AG's Executive Board. For details on GHG emissions reduction targets and pathways, see E1-4 and the strategy and business model under ESRS 2 SBM-1. [E1-1-16h, i]

VERBUND's targets are compatible with limiting global warming to 1.5°C. VERBUND's targets were reviewed as part of an external assessment performed by the ratings agency Moody's. The results showed that the medium and long-term objectives are consistent with science-based general cross-sector pathways and sector-specific pathways for the main business activities aimed at limiting the temperature rise to 1.5°C. [E1-1-16a, AR2]

The biggest decarbonisation levers for VERBUND's own GHG emissions are the purchase of electricity from renewable generation for industrial customers, the medium to long-term phase-out of generation with natural gas through the use of hydrogen, and phasing out sales of natural gas to end-users. In the regulated area, the purchase of electricity produced from renewable energy for grid losses in the power grid and the installation of an additional electric compressor in the gas network were identified as decarbonisation levers. Building capacity for the generation of renewable energy and expanding the power grid are key indirect levers that impact decarbonisation in Europe in general. The specific GHG

emissions reduction targets and information on VERBUND's climate change mitigation actions are listed under Disclosure Requirements E1-3 and E1-4. [E1-1-16b]

The transition plan is based on the corporate strategy and implemented as part of VERBUND's ongoing business processes. The explanation and quantification of the investments and financial resources (CapEx, CapEx plan, OpEx) that support the plan, as well as revenue, are therefore consistent with the disclosures in the EU Taxonomy Disclosures section in accordance with Article 8 of the EU Taxonomy Regulation (2020/852) and the EU Commission Delegated Regulation (EU) 2021/2178. [E1-1-16c, e]

Locked-in-emissions could become relevant for VERBUND in the future in connection with its thermal generation plant at the Mellach site, and the GAS CONNECT AUSTRIA gas network. [E1-1-16d]

The use of thermal power plants could be necessary to support the grid to a greater extent (than currently envisaged) to ensure security of supply in Austria. In particular, this would result in higher than planned emission levels from the upstream direct Scope 1 and upstream Scope 3 GHG emissions due to natural gas requirements. This risk is mitigated through the expansion of renewable energy in Austria and also by the expansion of the Austrian transmission system based on regulatory requirements and national interests. The reduction pathways were developed based on planned use in normal circumstances and with a view to addition of green hydrogen or retrofitting plants for green hydrogen. [E1-1-16d]

In the GAS CONNECT AUSTRIA gas network, key GHG emitters include the compressor stations with either natural gas turbine compressors and/or electrically powered compressors installed. The relevant greenhouse gases here are carbon dioxide and methane. Reduction targets were developed for both these greenhouse gases as part of the development of decarbonisation pathways to be achieved by 2050. The reduction targets were developed in consideration of the major emitters, which thereby do not jeopardise the reduction targets provided the applicable actions are implemented. In particular, the planned actions include the ongoing replacement of natural gas-powered compressors, the increased use of recompression systems to avoid methane emissions, and leak detection and repair (LDAR) programmes. [E1-1-16d]

VERBUND's greenhouse gas and energy-intensive plants and products are factored into the Climate Transition Plan and the related plans are explained here. [E1-1-16d]

No CapEx amounts related to economic activities in connection with coal and oil were invested in the reporting year. In 2025, a total of €33.1m was invested in economic activities related to gas, of which €4.7m was taxonomy-aligned and €28.4m was taxonomy-eligible. [E1-1-16f]

VERBUND is not exempt from the EU Paris-aligned Benchmarks. [E1-1-16g]

The Climate Transition Plan was developed on the basis of the general Group strategy and is consistent with VERBUND's financial planning. This integrated planning was approved by VERBUND AG's Group Executive Board and presented to the Supervisory Board's Strategy and Sustainability Committee. Progress towards achieving milestones and implementing actions is monitored as part of the annual strategy process. [E1-1-16h, i]

The strategic orientation is intended to ensure VERBUND's transition to a sustainable economy, limiting global warming to 1.5°C. In recent years, however, the global economy has been characterised by considerable uncertainty, which is increasingly having an impact on the European energy industry. VERBUND therefore conducted a strategy review in 2025. In the course of this review, the investment programme for the expansion of renewable energy and grid expansion was adjusted. Progress regarding the reduction of GHG emissions covered in the Climate Transition Plan was 40% in 2025 compared with base year 2020. However, in 2025, energy industry conditions and market developments led to a deviation from the reduction pathway. Due to reduced generation from renewable energy, the increased use of

thermal power plants in Austria was necessary and the volumes of gas transported in Austria were above average. As a result of these developments, a larger volume of GHG emissions than planned was emitted in 2025. Details on GHG emissions are provided under Disclosure Requirements E1-3, E1-4 and E1-6. The objectives of the Climate Transition Plan remain unchanged. [E1-1-16j]

Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Details on resilience analysis can be found in ESRS 2 SBM-3 and E1 ESRS 2 IRO-1.

Impact, risk and opportunity management

Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Topical disclosures on processes to identify and assess climate-related material impacts, risks and opportunities are listed in ESRS 2 IRO-1. [ESRS 2 IRO-1-20]

Sub-topic	IRO title	I/R/O	+/-
E1 Climate change adaptation			
	Adaptation actions	R	–
	Adaptation of gas network infrastructure for hydrogen	R	–
	Hydrogen expansion	O	(+)
E1 Climate change mitigation			
	GHG emissions	I	-
	Electricity price	R/O	(-)/(+)
	Regulations	R	–
E1 Energy			
	Expansion of electricity generation from renewables	I	+
	Output volatility	R	–

Legend:

I/R/O	Impact, risk, opportunity
+/-	+ positive; - negative
( )	potential

Disclosure Requirement E1-2 – Policies related to climate change mitigation and adaptation

Policy	IRO	IRO title	Responsibility
[MDR-P-65; E1-2-24]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Corporate strategy	R	Adaptation actions	Executive Board of VERBUND AG
	R	Adaptation of gas network infrastructure for hydrogen	
	O	Hydrogen expansion	
	R/O	Electricity price	
	R	Regulations	
	I	Expansion of electricity generation from renewables	
	R	Output volatility	

Content: As an integrated electric utility, VERBUND views energy as its primary concern. This is why climate change mitigation and climate change adaptation are integral to VERBUND's corporate strategy. [MDR-P-65a; E1-2-24]

Targets: The strategic definitions address the current and potential impacts of decarbonisation and the intensification of climate change, as well as risks and opportunities due to electricity and carbon price trends, regulations, extreme weather, volatile generation volumes and technological adaptations derived from the materiality assessment.

The strategy takes into account international agreements such as the Paris Agreement and the Kyoto Protocol as well as international targets such as the Sustainable Development Goals (SDGs), in particular "Affordable and Clean Energy" (Goal 7), "Industry, Innovation and Infrastructure" (Goal 9), "Responsible Consumption and Production" (Goal 12) and "Climate Action" (Goal 13). Policies at the European level such as the Green Deal and regulations at the national level are also taken into consideration. Disclosures on stakeholder engagement can be found in ESRS 2 IRO-1.

The Group Executive Board is responsible for the continuous development of the Group and, together with relevant divisional heads from the holding company, the executive management of the Group subsidiaries as well as leading experts in the core areas in which the Group operates, it determines the Group's strategy. This information is publicly available on VERBUND's website.

Mission V will be put into operation in three strategic focus areas: strengthening VERBUND's position as an integrated utility in the domestic market, expanding renewables in Europe and positioning VERBUND as a European hydrogen player. The following strategic definition applies to sustainability and innovation: VERBUND is working on sustainable solutions for the future of energy. In doing so, VERBUND is reducing emissions and the consumption of resources. VERBUND is ramping up its investments in the energy transition. It is making its hydropower plants even more efficient, generating increased volumes of green electricity with state-of-the-art wind farms and photovoltaic installations, and embracing green hydrogen and innovative technological solutions.

Targets and actions aimed at expanding renewable energy, increasing energy efficiency, adapting to climate change and achieving the technological and geographical diversification of generation facilities are defined in order to manage further climate-related risks and opportunities. [MDR-P-65c, E1-2-25]

In order to counter the physical and transition risks of climate change, VERBUND is investing in adapting its infrastructure and in the technological and geographical diversification of its renewable

generation installations as well as its business activities. Further information on the strategic targets can be found in ESRS 2 SBM-1. [MDR-P-65a]

Monitoring process: Details regarding the strategy process are provided in ESRS 2 SBM-1. [MDR-P-65a]

Scope in relation to business activities and geographical areas: This policy applies to the business activities of VERBUND AG and of all companies included in VERBUND AG's consolidated financial statements and to any companies in which VERBUND AG has a sole decisive interest, either directly or indirectly. VERBUND's two independent grid subsidiaries, Austrian Power Grid AG (APG) and GAS CONNECT AUSTRIA GmbH (GCA), are restricted in scope. APG and GCA contribute to strategic definitions and objectives and the operational implementation of actions only in compliance with all unbundling requirements for independent transmission and distribution system operators. The policy is applied in all countries in which VERBUND operates. [MDR-P-65b]

Policy	IRO	IRO title	Responsibility
[MDR-P-65; E1-2-24]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Climate Transition Plan	I	GHG emissions	VERBUND AG Executive Board

Content: Transition plan for climate change mitigation, see E1-1. [MDR-P-65a; E1-2-24]

Targets: The aim is to reduce GHG emissions. [MDR-P-65a; E1-2-25]

Monitoring process: Performance tracking is integrated into the annual strategy process. Monitoring of the development of Scope 1 GHG emissions is also carried out by means of quarterly reports from the internal Controlling department to the Executive Board. The underlying data is recorded annually via the ESG data management system in accordance with the dual control principle. The results are audited by the auditor. [MDR-P-65a]

Scope in relation to business activities and geographical areas: This policy applies to the business activities of VERBUND AG and of all companies included in VERBUND AG's consolidated financial statements and to any companies in which VERBUND AG has a sole decisive interest, either directly or indirectly. The independent subsidiaries Austrian Power Grid and GAS CONNECT AUSTRIA are restricted in their scope of application. APG and GCA contribute to strategic decisions and objectives, as well as the operational implementation of actions, only in compliance with all unbundling requirements for independent transmission system operators.

The policy and all actions are to be applied only after security of supply has been ensured. It is put into practise in all countries in which VERBUND operates. [MDR-P-65b]

Disclosure Requirement E1-3 – Actions and resources in relation to climate policies

To counter the impacts of climate change, VERBUND is focusing on decarbonisation via the expansion of renewables generation, the supply of renewable energy and the electrification of processes and heat supply, as well as on new technologies such as green hydrogen. VERBUND is thereby supporting its customers and partners in the energy and mobility transition. Aside from the Group's own GHG emissions, this will also lead to lower fossil fuel energy consumption and higher energy efficiency in the value chain and within the European system in the long term.

Technological and geographical diversification also strengthens the business model, especially with regard to energy generation from renewable energy sources. The associated spreading of risk improves VERBUND's resilience against climate change and helps it adapt to climate change.

The most important actions are presented in the following tables. These are actions to be implemented or planned as part of ongoing business processes that are taken into account in routine budget planning. [MDR-A-69a-c; E1-3-28, 29c.i-iii, AR 20, AR 21]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Use of hydrogen	I	GHG emissions	From 2035	Corporate strategy

Content: Use of hydrogen at the Mellach combined cycle gas turbine power plant. [MDR-A-68a]
Expected results or progress: Reduction of the carbon content in fuel and an associated reduction in GHG emissions from the use of gas, as a lever for decarbonisation in Scopes 1 and 3.

Based on the pilot tests carried out for the admixture of hydrogen, the manufacturer of the power plant facility for Mellach combined cycle gas turbine plant has already granted approval for a hydrogen content of 5 vol% in the fuel mixture. Use depends on the availability of hydrogen (H_2).

From a technical perspective, it is possible to adapt the plant to further increase the usable H_2 content in the fuel mixture to up to 30%. Further actions will be necessary from 2035 onwards to increase the share further and reduce GHG emissions. [MDR-A-68a, e; E1-3-29a-b, AR21]
Scope in relation to business activities and geographical areas: Generation of electricity and district heating from thermal power plants in Austria. [MDR-A-68b]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Increased use of compressor units to avoid methane blowdown	I	GHG emissions	2030	Climate Transition Plan

Content: Prevention of potential blowdown volumes through recompression into systems with free resources. [MDR-A-68a]
Expected results or progress: By transferring potential blowdown volumes, GHG emissions are reduced, which acts as a lever for decarbonisation in Scopes 1 and 3. This process also contributes to a stable energy supply during maintenance work. Progress: Two mobile compressor units have been purchased to cover the increased use of recompression. [MDR-A-68a, e, E1-3-29a-b, AR19d]
Scope in relation to business activities and geographical areas: The policy applies to GAS CONNECT AUSTRIA in Austria. [MDR-A-68b]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Leak detection and repair (LDAR) programmes for identifying and repairing leaks	I	GHG emissions	Ongoing	Climate Transition Plan

Content: This involves carrying out measurement programmes on all components of the gas network. When leaks are detected, they are repaired. [MDR-A-68a]
Expected results or progress: Emissions reduction through the sealing of leakage points as a lever for decarbonisation in Scopes 1 and 3. Progress: A multi-year leak detection and repair (LDAR) programme in accordance with the EU Methane Regulation has been developed and is being implemented on an ongoing basis. [MDR-A-68a, e, E1-3-29a-b]
Scope in relation to business activities and geographical areas: The policy applies to GAS CONNECT AUSTRIA in Austria. [MDR-A-68b]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Ongoing replacement of compressors powered by natural gas	I	GHG emissions	2030	Climate Transition Plan

Content: Gas-powered compressor units are to be replaced by electrically powered compressor units. [MDR-A-68a]
Expected results/progress: The continuous conversion of gas-powered compressor units to electrically powered compressor units will bring about a reduction in GHG emissions as a lever for decarbonisation in Scopes 1 and 3. Progress: The replacement of gas-powered compressors is included in GAS CONNECT AUSTRIA's decarbonisation plan with the status "in planning". Implementation of the action is subject to a shareholder decision.
[MDR-A-68a, e, E1-3-29a-b, AR21]
Scope in relation to business activities and geographical areas: The policy applies to GAS CONNECT AUSTRIA in Austria. [MDR-A-68b]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Conversion of the gas network to hydrogen	I	GHG emissions	2030	Climate Transition Plan

Content: The existing natural gas network is to be converted to a hydrogen network. [MDR-A-68a]
Expected results or progress: Converting the natural gas network to a hydrogen network with hydrogen as the medium reduces GHG emissions as this prevents methane emissions. Progress: H_2 compatibility testing of components. Currently, up to 4% H_2 content in natural gas flow possible. [MDR-A-68a, e, E1-3-29a-b, AR21]
Scope in relation to business activities and geographical areas: The policy applies to GAS CONNECT AUSTRIA in Austria. [MDR-A-68b]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Electricity sourced from renewable energy generation	I	GHG emissions	2030	Climate Transition Plan

Content: At over 90%, electricity purchased to compensate for grid loss accounts for the largest share of Austrian Power Grid's total GHG emissions (market-based). Minimising grid losses is therefore particularly important for climate change mitigation. At the same time, there are strict technical limits to reducing loss volumes. [MDR-A-68a]

Expected results or progress: To support Austrian climate and energy targets, Austrian Power Grid intends – in coordination with transmission system operators – to implement the procurement of green loss energy to cover grid losses instead of grey electricity in the future. The aim is to reduce absolute GHG emissions as a lever for decarbonisation, particularly in Scope 2. To achieve this goal, it is necessary to trade electricity and guarantees of origin (GOs) separately. However, grid operators are currently not registered in the GO register as entities authorised to purchase or delete guarantees of origin. To enable electricity labelling for energy to cover grid losses in accordance with green labelling requirements, Austrian Power Grid therefore needs to expand its special role as a purchaser of this energy in Austria. In connection with this, Austrian Power Grid therefore suggests that legal requirements are amended so that, in its role as purchaser of energy to cover grid losses, it is granted the necessary powers to carry out electricity labelling and the deletion of GOs on behalf of the transmission system operators. [MDR-A-68a, e, E1-3-29a-b, AR21]

Scope in relation to business activities and geographical areas: The policy applies to Austrian Power Grid's transmission system in Austria. [MDR-A-68b]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Marketing of green electricity and partner for decarbonisation	I	GHG emissions	Ongoing until 2030	Climate Transition Plan

Content: Marketing of green electricity and positioning as a partner for decarbonisation [MDR-A-68a]

Expected results or progress: Reduction of indirect GHG emissions from the purchase of electricity for industrial customers, as a decarbonisation lever in Scope 3. Targeted marketing of green electricity to reduce the share of fossil-based generation in the electricity mix. Positioning as a partner for decarbonisation by offering technical solutions such as photovoltaics and charging infrastructure for e-mobility for companies in Austria and Germany.
[MDR-A-68a, e, E1-3-29a-b]

Scope in relation to business activities and geographical areas: Business activities in the Business Sales segment in Austria and Germany. [MDR-A-68b]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Support for the heat transition	I	GHG emissions	Ongoing until 2040	Climate Transition Plan

Content: VERBUND supports its customers in the heat transition by marketing heat pumps and other decarbonisation solutions for residential customers and SMEs (photovoltaics, wallboxes and batteries) in order to gradually convert them to low-carbon solutions. [MDR-A-68a]
Expected results or progress: VERBUND will phase out natural gas supplies by 2040. Until then, VERBUND will also support all those customers who have difficulty switching to alternative heat sources. VERBUND aims to make the switch as easy as possible with current and future attractive new products. [MDR-A-68a, e; E1-3-29a-b]
Scope in relation to business activities and geographical areas: The policy applies to the Business to Customers area in Austria. [MDR-A-68b]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Changes and effects of climate change	R	Adaptation actions	Ongoing	Corporate strategy

Content: VERBUND considers it important to deal with future changes and prepare for them. [MDR-A-68a]
Expected results or progress: A three-year project (CLIMPACT4VERBUND) was launched in 2024 to identify the impacts of climate change relevant to VERBUND. Various emission scenarios are taken into consideration, including a worst-case scenario as an extreme variant, and the latest climate models (CMIP6) are applied. The project involves looking at expected changes in precipitation, wind, temperature and radiation for all of VERBUND's sites in order to identify any future changes in energy generation and to be able to plan future plants optimally. In addition to the increase in heavy rainfall events, which entail a higher risk of flooding, and the change in the seasonality of precipitation, there is also a focus on the increased probability of storms, flooding, thunderstorms, hail events, mudslides and landslides, which could pose a physical climate change risk to VERBUND's infrastructure. A detailed analysis of the affected sites is carried out as part of the project. As in the past, this provides a basis for the forward-looking planning of necessary adaptations (such as the construction or upgrading of protective structures).

The infrastructure of the Austrian Power Grid transmission system is also exposed to extreme weather conditions, which affect its operations and planning processes. At international level, future long-term planning will be based on a climate model containing data from the Pan-European Climatic Database 4.0, which can map the warming of the earth's surface in various stages. This allows climate change impacts to be integrated more dynamically into the planning processes of transmission system operators. Austrian Power Grid is also pursuing projects to prepare existing infrastructure and the planning of new projects for changing climatic conditions. The Climate Check project is a partnership with research institutes to explore and model future scenarios for various influencing factors such as precipitation, temperature and wind. Other projects relate to research into lightning, forest fire prevention and accounting for the growing prevalence of animal species such as bark beetles. The results will be

incorporated into the planning process for the existing network and for new construction projects in order to prepare the grid for the challenges presented by climate change. [MDR-A-68a, e]

Scope in relation to business activities and geographical areas: Examination of VERBUND AG's business activities for the locations of hydropower plants, wind power plants and photovoltaic installations, as well as battery storage and potential hydrogen production, in all countries in which VERBUND operates, and in the Austrian Power Grid transmission system in Austria. [MDR-A-68b]

Metrics and targets

Disclosure Requirement E1-4 – Targets related to climate change mitigation and adaptation

Target value	Target type	IRO	IRO title	Policy
[MDR-T-80b, E1-4-34a-b]	[MDR-T-80b, E1-4-34a-b]	[MDR-T-78]	[MDR-T-78]	[MDR-T-80a]
2030: -74% GHG emissions in Scope 1, 2 and 3, excluding Category 2	Relative target	I	GHG emissions	Climate Transition Plan
2030: -40% specific Scope 1 GHG emissions from electricity generation	Relative target	I	GHG emissions	Climate Transition Plan
2030: -90% specific Scope 3 GHG emissions from the resale of purchased electricity to end-users	Relative target	I	GHG emissions	Climate Transition Plan
2040: -90% GHG emissions in Scope 1, 2 and 3, excluding Category 2	Relative target	I	GHG emissions	Climate Transition Plan
2050: Net zero GHG emissions	Absolute target	I	GHG emissions	Climate Transition Plan

Content: Reduction of GHG emissions. For many years, VERBUND has been a European electricity utility that produces a high proportion of its electricity from renewable energy sources. VERBUND now operates only one state-of-the-art combined cycle gas turbine power plant in Mellach near Graz, as well as one back-up power plant which is also powered by natural gas. These two power plants are necessary for the security of supply in Austria. Due to VERBUND's equity interest in the gas transport network of GAS CONNECT AUSTRIA, GHG emissions include emissions from the transport of natural gas. [MDR-T-80; E1-4-32]

Baseline value, reference year and time horizon: Base year 2020, target years 2030, 2040 and 2050. [MDR-T-80d-e; E1-4-34c-d]

VERBUND ceased using lignite as fuel in 2006, oil in 2015 and hard coal in 2020, making it one of the pioneers of decarbonisation among Austria's electric utilities. As a result, since 2005 VERBUND has continuously reduced its CO_2 emissions from thermal power plants which fall under the European

Emissions Trading System (EU ETS) to the minimum level necessary to ensure security of supply in Austria. VERBUND's ETS emissions were 0.85 million tonnes of CO_2 in 2025. This volume is 78% down on the 2005 figure (3.8 million tonnes of CO_2), the year in which the EU ETS was launched. Therefore, VERBUND has long been contributing to the avoidance of emissions as well as to the actions described in SDG 13 "Climate action". VERBUND has also massively reduced its airborne NO_x emissions and reduced dust and SO_2 emissions to zero by reducing thermal generation volumes and by switching to natural gas as a fuel.

In the period 2020–2025, the Group achieved a reduction of around 40% of total emissions in Scope 1, 2 and 3 excluding Category 2 (capital goods). [MDR-T-80, E1-4-32, AR25d, AR35]

VERBUND's targets relating to climate change mitigation and climate change adaptation are based on its strategic defined targets in its corporate strategy. VERBUND seeks to further reduce its contribution to the impact on climate change and has set itself ambitious GHG reduction targets related to material impacts, risks and opportunities. [E1-4-33]

Methods and key assumptions: VERBUND consistently refers to the 2020 base year and the GHG calculation in line with the Greenhouse Gas Protocol when reporting on future GHG reductions. The GHGs CO_2, CH_4, N_2O, HFC, PFC, SF_6 and NF_3 are taken into account in CO_2 equivalents based on their Global Warming Potential (GWP) as defined by the United Nations Intergovernmental Panel on Climate Change (IPCC). Using the base year 2020 makes it possible to partially present the reduction effects in terms of thermal generation at VERBUND resulting from the phase-out of electricity generation reliant on hard coal. The base year 2020 was also the first year in which the data for Scope 3 emissions was available in the scope of the Corporate Carbon Footprint prepared in 2021. [MDR-T-80f, E1-4-34c, AR24, AR25a, AR27, AR28, AR29]

These targets were approved and published by the Group Executive Board:

GHG reduction targets for 2030: VERBUND is committed to reducing absolute Scope 1, 2, and 3 GHG emissions, excluding Category 2, by 74% between 2020 and 2030. VERBUND is committed to reducing the intensity of Scope 1 emissions (direct emissions) produced by electricity generation by 40%, and the intensity of Scope 3 GHG emissions attributable to electricity sales by 90% by 2030 relative to the base year of 2020. [E1-4-30, 34d]

GHG reduction targets for 2040: VERBUND is committed to reducing Scope 1, 2, and 3 GHG emissions, excluding Category 2, by 90% between the base year 2020 and target year 2040. This will be achieved in particular by reducing the specific Scope 1 GHG emissions by 90%, and by reducing the intensity of Scope 3 GHG emissions attributable to electricity sales by 98% relative to 2020 as the base year. [E1-4-30]

GHG reduction goal 2050 – net zero: VERBUND is committed to achieving net zero GHG emissions from 2050 onwards (a reduction of at least 90% of greenhouse gas emissions and the elimination of residual emissions) starting in 2020 as the base year with the exclusion of GHG emissions generated by capital goods in order to achieve decarbonisation of the energy system (expansion of renewable energy). The aim is to reduce GHG emissions to an unavoidable minimum level and to use recognised actions to neutralise a maximum of 10% of residual emissions. [E1-4-30, 34d; E1-7-60]

Indirect GHG emissions in Category 2 are attributable at VERBUND to upstream GHG emissions from capital goods with the aim of decarbonising the energy system. These GHG emissions are reported transparently but are excluded from the scope of the target, as the capital goods in question are aimed at increasing and diversifying renewable generation capacities, and expanding and modernising the electricity grid (for more information, see the Taxonomy Regulation disclosures in the EU Taxonomy

section). The percentage of GHG emissions covered by the target is 99.7% of total GHG emissions in the base year. Therefore, these targets are not consistent with the boundaries of the GHG inventory. [E1-4-34b, AR24]

These investments make an important contribution to the transition to clean energy and are not linked to locked-in emissions. Capital expenditure invested in grid expansion also facilitates the integration of new wind farms and photovoltaic installations. The VERBUND 2030 strategy provides for an expansion of renewable generation assets, grids and storage, which will lead to an increase in both the renewables generation capacity and in indirect GHG emissions in Category 2 (Capital goods) in the years these generation assets are brought into operation. Reducing this emissions category is not compatible with VERBUND's strategy of expanding the renewable energy sector. [E1-4-34b, AR24]

The expansion of renewable energy contributes to reducing VERBUND's GHG emissions and those of many other companies and countries. Sector coupling allows electricity generated from renewable energy sources to replace fossil fuels in the thermal energy and transport sectors. [E1-2-25a, d]

The levers for reducing GHG emissions by 2030 include reducing the use of fossil fuels, purchasing electricity from renewable energy for grid losses (where approved by the regulator) and distributing electricity from renewables generation to industrial customers. Scope 1 accounts for 4%, Scope 2 for 6% market-based and Scope 3 for 90% of the total contributions to the target achievement of 74% (see also "GHG emissions table" under E1-6). In terms of net zero, the target for 2050 defined by VERBUND's Executive Board is to achieve a reduction of at least 90% and remove residual emissions. The contributions to reducing Scope 1 emissions are mainly achieved by replacing fossil fuels through the reduction of gas quantities used and the use of new technologies such as green hydrogen (approximately 300 kt), for Scope 2 by purchasing electricity from renewable energy for all energy consumption (approximately 270 kt) and for Scope 3 through reductions in the upstream and downstream supply chains (approximately 4,100 kt). [E-1-16a-b; E1-4-34a-c, e-f, AR24, AR30a-b]

In the 2020 base year, a total of 6,258 kt CO_2e was calculated for Scope 1 and 2 (market-based) emissions as well as Scope 3 emissions. These emissions are used to calculate the reduction targets with the exclusion of Category 2, with 6,242 kt CO_2e thereby serving as the basis for defining the target. [E1-4-34c]

The targets for the emissions intensity of electricity generation and electricity sales are based on the absolute targets. The intensity target for electricity generation refers to the ratio of Scope 1 emissions from the electricity generation and electricity transport sector to total generation. The Scope 3 intensity target is determined on the basis of the ratio of Scope 3 emissions from the sale of purchased electricity to the total sales of electricity to end-users. Accordingly, the target includes the emission sources associated with the primary activities of the integrated energy supplier, namely the generation of electricity for Scope 1 and the sale of electricity to end-users for Scope 3, along with the associated activities. Overall, the share of emissions encompassed here came to around 80% of GHG emissions in the 2020 base year. As a result, the intensity targets cover the majority of Scope 1, 2 and 3 emissions. Further intensity values can only be meaningfully presented with different relative figures for the respective business activities and are not currently planned. [E1-4 entity-specific]

In 2020, the Scope 1 emissions intensity of VERBUND's generation was already well below the reduction pathway for the 1.5-degree scenario. VERBUND's objective of reducing the GHG emissions intensity of direct emissions from its own generation by 40% between 2020 and 2030, from 20 g CO_2e/kWh of total net generation to 12 g CO_2e/kWh is based on a sector-specific 1.5-degree pathway for electricity and gas suppliers. The sector-specific decarbonisation pathway was derived from the International

Energy Agency's (IEA) net zero emissions scenario by 2050. In 2025, VERBUND's specific Scope 1 emissions came to 25 g CO_2e/kWh.
[E1-4 entity-specific]

Further decarbonisation of VERBUND's generation using natural gas at the combined cycle gas turbine plant in Mellach is not possible in the period up to 2030. This would require replacing natural gas with a low or zero carbon fuel. Green hydrogen would be one way to further reduce these emissions, and tests are already underway. The Mellach site is particularly important for maintaining security of supply in Austria in terms of congestion management, and as a back-up site. [E1-4-AR30b; E1-4 entity-specific]

VERBUND's objective of reducing the emission intensity of the electricity purchased for resale by 90% from 324 g CO_2e/kWh to 28 g CO2e/kWh between 2020 and 2030 is also in line with the sector-specific decarbonisation pathway, and therefore also with the 1.5 degree target for electricity and gas suppliers based on the International Energy Agency's (IEA) target of net zero emissions by 2050. [E1-4 entity-specific]

The majority of Scope 3 emissions – currently over 80% – come from electricity procurement for industrial customers, i.e. the electricity that VERBUND purchases to supply its consumers on the international market, which comprises a mix of various generation technologies or is based on renewable energy, depending on customers' wishes. The electricity for household customers is sourced entirely from renewable energy. In the future, VERBUND plans to strategically realign its sales to industrial customers and to gradually shift to unbundled guarantees of origin for electricity from renewable energy sources, or to bundled purchases of renewable electricity and guarantees of origin. [E1-4 entity-specific]

The VERBUND GHG emissions reduction targets were derived from a combination of general and sector-specific pathways developed on a scientific basis by the International Energy Agency. Recommendations from the Science Based Targets initiative for electricity utilities were also incorporated. Reference was made to the guidelines for the external assessment performed by rating agency Moody's in determining compatibility with the 1.5 degree target, and an external review was conducted by this agency. According to this assessment, the targets are compatible with limiting global warming to 1.5°C. [MDR-T-80g; E1-4-34e, AR26]

The determination of GHG emissions reduction targets takes into account future developments in strategically relevant areas with regard to capacity and generation on the basis of internal energy modelling as well as analysing changes in demand behaviour among customers. In addition, European strategies, rules and regulations, and targets, both current and those anticipated to be adopted in the near future, were considered when developing the targets. The retrofitting of plants and the use of green hydrogen was factored into target pathways beyond 2030 with a current assessment of target performance. Planning in terms of the energy market will continue to closely follow future developments, as relevant changes can have both negative and positive impacts on the reduction targets. [E1-4-34e, AR30c]

The emissions targets were compared with sector-specific decarbonisation pathways derived from International Energy Agency (IEA) scenarios. The most ambitious pathway taken into consideration aims to achieve net zero emissions worldwide by 2050 and to limit the rise in global temperature to 1.5°C. Based on the emissions reported and the targets set, VERBUND's GHG emissions were compared against the emission estimates for the target year taken from three trajectories (IEA scenarios: Net Zero Emissions by 2050, Announced Pledges Scenario and Stated Policies Scenario). [E1-1-16a; E1-4-34e, AR26]

For VERBUND's intensity targets in Scope 1 (electricity generated) and Scope 3, Category 3 for electricity purchased for resale to consumers, the global pathway for electricity and gas suppliers was applied, which refers to the carbon intensity of generation in grammes of CO_2e/kWh. The absolute targets

for all scopes of GHG emissions (excluding Category 2, capital goods) were defined using sector-independent, general global benchmarks that reflect the broad diversity of emissions. [E1-4-34e]

Scope in relation to business activities and geographical areas: The targets apply to direct Scope 1 GHG emissions and market-based Scope 2 emissions and to the included and significant categories of indirect GHG emissions in the value chain of the business activities of VERBUND AG and of all companies included in VERBUND AG's consolidated financial statements and to any companies in which VERBUND AG has a sole decisive interest, either directly or indirectly. The independent subsidiaries Austrian Power Grid and GAS CONNECT AUSTRIA are restricted in their scope of application. APG and GCA contribute to the targets only in compliance with all unbundling requirements for independent transmission system operators. The above-mentioned targets apply only in compliance with those objectives designed to ensure security of supply. All countries in which VERBUND operates, as well as all internal and external stakeholders, were included in the assessment. Disclosures on stakeholder engagement can be found in ESRS 2 IRO-1. [MDR-T-80c, h, AR24]

Monitoring process: There is an annual monitoring programme. [MDR-T-80j]

Disclosure Requirement E1-5 – Energy consumption and mix

VERBUND uses fossil fuels as an energy source. In 2025, only the fossil fuel natural gas was used for thermal generation to produce electricity and district heating. Neither hard coal nor sewage sludge (biomass as a substitute fuel) has been used since 2021. Natural gas is also used in the gas compressor stations to operate the GAS CONNECT AUSTRIA gas grid. Fuels are used in the vehicle fleet and for equipment.

As an electric utility, VERBUND AG operates in Sector D "Electricity, natural gas, steam and cooling supply", one of the sectors with high climate impacts. It is therefore necessary to provide a further breakdown of the energy consumption from fossil fuels. [E1-5-38]

VERBUND's internal electricity consumption consists of electricity from various sources and comprises grid procurement for administrative facilities, power plants, pumping and turbining, as well as grid systems along with self-generated electricity by VERBUND's own generation plants. The largest volumes of electricity are sourced for hydropower plants for pumping and turbining and to compensate for grid losses in the Austrian Power Grid electricity transmission network. Energy consumption in fully consolidated companies and entities with operational control is reported in line with Scope 1 and 2 GHG emissions. Data is collected in the sustainability data management tool, and validation is carried out on the basis of the dual control principle.

As can be seen in the tables below, both energy use and the metrics for Scope 1 emissions have increased. In 2025, there will be an increase in total energy consumption from fossil sources and a reduction in energy use from renewable sources. The main reasons for this development are the increased gas transport volume and the increased use of the gas compressor in Rainbach as a result of the changed flow direction in the gas network. In addition, increased operating times at the Mellach power plant due to low wind and water availability led to an increase in 2025. As a result, there was an increase in electricity generation from non-renewable sources and a reduction in electricity generation from renewable sources in 2025. [MDR-M-77a-b; E1-5-37]

Energy consumption and mix

[MDR-M-75; E1-5-37a-c.i-iii, 38a-e, AR33, AR34]

	Unit	2024	**2025**
(1) Fuel consumption from coal and coal products	MWh	–	–
(2) Fuel consumption from crude oil and petroleum products	MWh	16,180	16,283
(3) Fuel consumption from natural gas	MWh	2,420,459	4,242,977
(4) Fuel consumption from other fossil sources	MWh	–	–
(5) Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	MWh	387,273	334,339
(6) Total fossil energy consumption (sum of lines 1 to 5)	MWh	2,823,912	4,593,599
(7) Energy consumption from nuclear sources[1]	MWh	218,691	213,529
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	MWh	–	–
(9) Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	MWh	2,253,231	3,129,505
(10) Consumption of self-generated non-fuel renewable energy	MWh	495,129	442,123
(11) Total renewable energy consumption (sum of lines 8 to 10)	MWh	2,748,360	3,571,628
Total energy consumption (sum of lines 6, 7 and 11)	MWh	5,790,963	**8,378,755**

[1] Share calculated from European electricity mix, no targeted purchase of nuclear power

The energy mix is presented in the following table based on shares in the total energy consumption.

Share of total energy consumption

[MDR-M-75; E1-5-AR34]

	Unit	2024	**2025**
Share from fossil sources	%	49	55
Share from nuclear sources[1]	%	4	3
Share from renewable sources	%	47	43

[1] Share calculated from European electricity mix, no targeted purchase of nuclear power

In 2025, 93% of the electricity generated by VERBUND originated from renewable energy generation plants, hydropower, wind power and solar power, and 7% from thermal generation and battery storage.

Electricity generation

[MDR-M-75; E1-5-39]

	Unit	2024	**2025**
Net total electricity generation	MWh	37,055,594	29,624,810
Electricity generation from non-renewable energy sources (natural gas, batteries)	MWh	1,343,166	2,101,606
Electricity generation from renewable sources (water[1], wind, sun)	MWh	35,712,428	27,523,204

[1] Incl. purchase rights

Energy intensity based on net revenue

The energy intensity for 2025 was 0.00105 MWh of energy consumption per euro of net revenue from activities in high climate impact sectors (previous year: 0.00070 MWh/euro). Net revenue from activities in high climate impact sectors is evaluated separately and used to calculate the intensity metric.

Energy intensity per euro of net revenue

[MDR-M-75; E1-5-41]

	Unit	2024	**2025**	Change
Total energy consumption from activities in high climate impact sectors	MWh	5,723,385.03	8,324,210.33	45%
Net revenue from activities in high climate impact sectors	euros	8,175,205,324.16	7,922,169,099.85	–3%
Total energy consumption from activities in high climate impact sectors per euro of net revenue from activities in high climate impact sectors	MWh/euro	0.00070	**0.00105**	50%

The following table lists the NACE groups relevant to VERBUND broken down into high climate impact and non-high climate impact sectors. [E1-5-42]

High climate impact NACE groups	Non-high climate impact NACE groups
35.11; 35.12; 35.13; 35.14; 35.18; 35.19; 35.22; 35.23; 43.21; 46.69; 49.50; 52.21; 68.20	61.10; 64.20; 64.99; 70.10; 71.20; 82.99

Connectivity of energy intensity based on net revenue with financial reporting information

[MDR-M-75; E1-5-43, AR38b]

	euros
Net revenue from activities in high climate impact sectors used to calculate energy intensity	7,922,169,099.85
Net revenue (other)	91,396,179.30
Total net revenue (financial statements)	8,013,565,279.15

Disclosure Requirement E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

The following section provides an overview of the 2020 base year, data for 2024 and 2025, as well as targets in relation to greenhouse gas emissions. [E1-6-44]

Methods, key assumptions and emission factors

To reduce uncertainty in the data collection process, the potential for errors when entering the base data for the GHG balance is minimised by warnings of significant deviations and associated mandatory comments for the sustainability data management tool. Mandatory disclosures on data quality permit the uncertainty of the disclosures to be analysed. Validation is performed on the basis of the dual control principle. [MDR-M-77a-b]

The calculation is made in CO_2 equivalents: the respective emissions are calculated on the basis of their global warming potential (GWP) in accordance with the IPCC and presented in metric tonnes of CO_2 equivalents ("t CO_2e" in the following). Until 2023, use was made of the GWP (100 years) as defined by IPCC AR5. From 2024 onwards, the emission factors, where available, were updated to IPCC AR6 global warming potential GWP (100 years). [E1-6-47, AR39b]

Direct Scope 1 GHG emissions are separately quantified for carbon dioxide CO_2, methane CH_4, nitrous oxide N_2O, nitrogen trifluoride NF_3, sulphur hexafluoride SF_6 and other GHGs (HFCs, PFCs, NF_3, etc.). All ETS emissions are recorded directly in CO_2e on the basis of information provided by the respective plant owner (due to the time period limited to January for preparing the report based on preliminary values prior to the annual ETS audit). The uncertainty of these disclosures is already very low by this time. Emissions from the ETS plants are verified with sufficient certainty once a year by an external independent auditing authority by the end of March. The auditors enter these values in the national emissions trading registry. The indirect GHG emissions for Scope 2, i.e. electricity and thermal energy purchased from the grid and consumed internally by the Group, are calculated using carbon emission factors and expressed as CO_2e. GHGs (CO_2, CH_4, N_2O, HFC, PFC, SF_6 and NF_3) are taken into account based on their global warming potential (GWP) as defined by the IPCC. The other indirect emissions are included under Scope 3. Factors taken from the DEFRA database of the Austrian Federal Environment Agency and from ecoinvent were used in the calculations. Scope 3 GHG emissions were largely estimated using inputs from the upstream and downstream value chain associated with these standard emission factors. Depending on the availability of factors from providers or the timing of publication, estimates must be made based on data from previous years. No emissions are calculated using primary data from suppliers. The DEFRA database version v13 was used in 2024, and version v14.1 was used in 2025. The ecoinvent emission factors were version 3.10 for 2024 and version 3.11 for 2025, based on IPCC AR6 and global warming potential (100 years). The May 2025 version was used for emission factors from the Austrian Federal Environment Agency. [E1-4-AR24, E1-6-AR39b, AR46g, ESRS 2 BP-2-11bi-ii]

To reduce uncertainty among the selected emission factors, the available emission factors are compared with alternative sources. Whenever necessary corrections are identified, these are implemented and documented in the calculations, and the results of any recalculations are published. In accordance with the best-effort approach, VERBUND will in future endeavour to supplement these calculations with disclosures from suppliers – see also ESRS 2 BP-2. [ESRS 2 BP-2-10a-d]

The following table shows VERBUND AG's gross GHG emissions broken down into Scope 1 GHG emissions, location-based and market-based Scope 2 GHG emissions, and total indirect (Scope 3) GHG emissions. The factors influencing the increase in Scope 1 metrics are explained under Disclosure Requirement E1-5 – energy use and mix. Total Scope 3 emissions decreased in 2025 compared with the previous year. The biggest influencing factor is the reduction in emissions in Category 3, "Fuel and energy-related activities", due to declining sales. As a result, there is also a reduction in Scope 3 GHG emission intensity in 2025.

Gross GHG emissions

[MDR-M-75; E1-6-44, 48a-b, 49a-b, 51, 52a-b, AR43]

		Base year	Comparison (N-1)	(N)	Retrospective Change	Milestones and target years[1]		Annual % target/ Base year
	Unit	2020	2024	**2025**		2025[2]	2030[2]	
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions[3]	t CO_2e	738,019	499,696	**857,241**	72%	550,000	540,000	–2.7%
Percentage of Scope 1 GHG emissions from regulated emissions trading systems	%	98	97	**99**	4%			
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions	t CO_2e	185,686	116,824	**106,326**	–9%			
Gross market-based Scope 2 GHG emissions	t CO_2e	293,917	234,969	**226,945**	–3%	170,000	22,000	–9.3%
Significant Scope 3 GHG emissions								
Total gross indirect (Scope 3) GHG emissions	t CO_2e	5,226,478	4,320,203	**3,123,868**	–28%	2,880,000	1,078,000	–7.9%
(1) Purchased goods and services	t CO_2e	92,257	80,198	**109,389**	36%			
(2) Capital goods	t CO_2e	16,883	258,154	**491,474**	90%			
(3) Fuel and energy-related activities (not included in Scope 1 or Scope 2)	t CO_2e	4,696,619	3,726,435	**2,220,295**	–40%			
(6) Business travel	t CO_2e	830	2,428	**2,045**	–16%			
(11) Use of sold products	t CO_2e	220,855	149,382	**187,045**	25%			
(15) Investments	t CO_2e	199,035	103,606	**113,620**	10%			
Total GHG emissions								
Total GHG emissions (location-based)	t CO_2e	6,150,182	4,936,723	**4,087,435**	–17%			
Total GHG emissions (market-based)	t CO_2e	6,258,413	5,054,868	**4,208,054**	–17%	3,600,000	1,640,000	–7.4%

[1] Implementation of the actions only taking into account the guarantee of state requirements for security of supply //
[2] Scope 3 Category 2 is excluded from the target scope //
[3] Preliminary figures before ETS audit

Gross Scope 1 GHG emissions

VERBUND includes CO_2, CH_4 and SF_6 emissions in its direct Scope 1 GHG emissions. CO_2 emissions from the use of the Mellach gas power plant and the operation of GAS CONNECT AUSTRIA's gas compressors are covered by the EU ETS. There are no direct emissions from the generation of electricity from renewable energy sources. The remaining Scope 1 emissions do not fall under the EU ETS. Scope 1 emissions are broken down into combustion in stationary installations, combustion in mobile installations, process emissions and fugitive GHG emissions from grid systems. [E1-6-45a, E1-6-48a-b, AR41]

Scope 1 breakdown of emissions

[MDR-M-75; E1-6-AR41]

	Unit	2024	**2025**
Direct GHG emissions from combustion in stationary installations[1]	t CO_2e	484,470	845,525
Direct GHG emissions from combustion in mobile installations	t CO_2e	4,074	4,090
Direct GHG emissions from processes	t CO_2e	6,944	5,864
Fugitive GHG emissions from grid systems	t CO_2e	4,208	1,761

[1] Preliminary figures before ETS audit

Scope 1 – GHG intensity of generation

The specific figure for own emissions from electricity and district heating generation and electricity transmission was just 25 g CO2e/kWh of net total electricity generated in 2025. The GHG intensity in 2025 was therefore significantly below the specific figure for direct CO_2 emissions from the Austrian generation mix in 2024 according to the Association of Issuing Bodies (AIB), at 87 g CO_2/kWh. This comparison shows how successful VERBUND has been in its drive to achieve decarbonisation of its electricity generation. VERBUND's strategic focus envisages a further increase in the volume generated using renewable energy. This will further improve the aforementioned figure. [E1-6 entity-specific]

Scope 1 GHG emissions intensity

[MDR-M-75; E1-6 entity-specific]

	Unit	2020	2024	**2025**
Gross Scope 1 GHG emissions from electricity generation per net total electricity generation[1]	g CO_2e/kWh	20	13	25

[1] From electricity generation and transmission (excl. GAS CONNECT AUSTRIA) as a percentage of total electricity generated (net incl. purchase rights, excl. electricity generated for district heating). Preliminary figures before ETS audit.

Gross Scope 2 GHG emissions

Indirect Scope 2 GHG emissions originate from grid losses, from electricity consumption (grid purchases) and from the purchase of district heating and cooling. Two different figures are reported for these

emissions: a location-based figure and a market-based figure. Upstream emissions are accounted for in Scope 3 Category 3 in accordance with the life cycle assessment.

The location-based figure is calculated using the carbon emission factor for the local power grid. Therefore, this figure will only change if there are modifications in the quantities of electricity purchased and/or changes in the national or European generation landscape. In the 2025 reporting period, the emissions factor of Austria's power grid declined. Electricity consumption for the operation of hydropower plants in pumping/turbining mode rose, whereas it fell for grid losses in the power grid.

The market-based figure can be reduced for unregulated business activities through strategic procurement of electricity generated from sources with lower emissions per kWh purchased. For several years now, VERBUND has exclusively used electricity with guarantees of origin from 100% renewable energy (unbundled) to operate pumped storage power plants, which has helped it to substantially reduce its market-based emissions. Smaller quantities are procured partly bundled and partly unbundled. The European electricity mix of fossil, nuclear and renewable generation is currently being used for grid loss energy purchases in the Austrian power grid. For regulatory reasons, the targeted procurement of electricity from renewables is not yet possible, but this is being sought by 2030. Therefore, the proportion of bundled cancelled guarantees of origin is currently 0%. Information on the source of the purchased electricity was used to calculate the market-based Scope 2 GHG emissions. In 2025, only unbundled guarantees of origin were purchased, corresponding to 74% of the electricity volumes consumed by VERBUND from power purchase agreements. [E1-49a-b, AR45d]

Gross Scope 1 and 2 GHG emissions by type of consolidation

The following table shows the breakdown by consolidation. Consolidated and non-consolidated companies in which VERBUND has operational control are shown. The latter are included at 100%. [E1-6-50]

Scope 1 and Scope 2 emissions broken down according to consolidated and non-consolidated entities

[MDR-M-75; E1-6-50a-b]

	Unit	2024	**2025**
Gross Scope 1 GHG emissions for consolidated entities[1]	t CO_2e	499,595	856,999
Gross Scope 1 GHG emissions for non-consolidated entities under operational control	t CO_2e	101	242
Gross Scope 2 GHG emissions for consolidated entities (market-based)	t CO_2e	234,959	226,937
Gross Scope 2 GHG emissions for non-consolidated entities under operational control (market-based)	t CO_2e	10	8
Gross Scope 2 GHG emissions for consolidated entities (location-based)	t CO_2e	116,809	106,313
Gross Scope 2 GHG emissions for non-consolidated entities under operational control (location-based)	t CO_2e	15	13

[1] Preliminary figures before ETS audit

Gross Scope 3 GHG emissions

The significant and insignificant Scope 3 categories are determined in accordance with the GHG Protocol Corporate Value Chain Accounting and Reporting Standard. The size criterion and a 3% share threshold are applied to assess the significance of the categories, taking account of the principles of relevance, completeness, consistency, correctness and transparency at VERBUND. In addition, the sector-specific requirements for electricity suppliers, the ability of VERBUND to influence emission sources and the possible engagement of employees are considered. The categories excluded on the basis of these specifications are categories 4, 5, 7, 8, 9, 10, 12, 13 and 14, as they either do not cause significant GHG emissions or are included in previously recorded GHG emissions of other categories to avoid double-counting within Scope 3 or Scope 1 and 2 insofar as possible. [E1-6-51, AR46i, h]

The Scope 3 categories that are significant to VERBUND's GHG balance were analysed as significant according to the criteria: Category 1 (Purchased goods and services), Category 2 (Capital goods), Category 3 (Fuel and energy-related activities not included in Scope 1 or 2), Category 6 (Business travel), Category 11 (Use of sold products) and Category 15 (Investments, i.e. equity interests) for VERBUND. The analysis was based on the previously conducted Corporate Carbon Footprint (CCF) calculations in the sustainability data management tool and took account of new business activities and an assessment using ecoinvent factors. Category 6 is included despite its very low share of Scope 3 emissions as it was deemed significant for employee engagement. In the downstream value chain, emissions from the use of sold products and VERBUND's equity interests were analysed. Scope 3 Category 15 was added to the CCF from 2024 onwards. To ensure comparability between the current and the previous reporting periods, the GHG emissions of equity interests were also reported for the 2020 base year. Scope 3 Categories 1, 2, 3, 6, 11, 15 were included in VERBUND's GHG emissions inventory. Primary data from suppliers or other partners is negligible in terms of magnitude. [E-1-6-AR46i]

All GHG emission factors are recorded in the sustainability data management tool. They are continuously updated and adjusted in line with the latest findings and requirements. This methodology ensures that GHG emissions inventories are mapped consistently and in a comparative manner. Emission factors specific to VERBUND are calculated for upstream and downstream GHG emissions based on the currently available factors and taking into account all types of greenhouse gases in accordance with the IPCC. GHG emissions emitted are measured in CO_2 equivalents (CO_2e), taking into account national, regional and company-specific emission factors. In Scope 3, fully consolidated as well as non-consolidated companies under the operational control of VERBUND are documented similarly to Scope 1 and 2. See also paragraph Methods, key assumptions and emission factors. [E1-6-46, 51, AR46h; ESRS 2 BP-2-10a-c]

Scope 3 – GHG intensity of electricity deliveries to consumers

The specific value of indirect GHG emissions from the purchase and supply of electricity to consumers in 2025 was 125 g CO_2e/kWh of electricity delivered to consumers. [E1-6 entity-specific]

Scope 3 GHG emissions intensity

[MDR-M-75; E1-6 entity-specific]

	Unit	2020	2024	**2025**
Gross Scope 3 GHG emissions from electricity sales to consumers per total electricity sales to consumers	g CO_2e/kWh	324	256	125

Different reporting periods in the value chain

In cases where VERBUND has an alternative reporting period or an earlier data consolidation timepoint than some or all of the entities in its value chain with regard to annual reporting, the GHG emissions referred to in paragraph 44 are measured using information for reporting periods that deviate from the VERBUND reporting period. The value chain uses the currently available data from these entities to report the GHG emissions. VERBUND uses annual figures and accepts data from the entities for reporting periods of equal length. If significant events and changes in circumstances relevant to GHG emissions and affecting VERBUND occur between the reporting dates of entities in its value chain and the date of the undertaking's financial statements for general purposes, a corresponding disclosure will be published in the next annual report. [E1-6-AR42c]

Significant changes and their impacts on GHG emissions

Recalculations of the CCF are performed and documented in the event of material changes or errors. Regardless of whether they cause the values to rise or fall, they are considered material if they account for more than 5% of the relevant scope in the base year or reporting year. There were no significant changes in 2025 that made a recalculation necessary. [E1-6-47]

GHG intensity based on net revenue

GHG intensity per euro of net revenue

[MDR-M-75; E1-6-53, 54]

	Unit	2024	**2025**	Change
Total GHG emissions (location-based) per euro of net revenue	t CO_2e/euro	0.000599	0.000510	–14.9%
Total GHG emissions (market-based) per euro of net revenue	t CO_2e/euro	0.000613	0.000525	–14.4%

Connectivity of GHG intensity based on net revenue with financial reporting information

Net revenue used to calculate GHG intensity corresponds to the figure specified in Disclosure 3.2.1 Revenue in the notes to the consolidated financial statements. [E1-6-55]

Disclosure Requirement E1-8 – Internal carbon pricing

For VERBUND as an energy supplier and electricity producer, carbon pricing is a key cost factor that needs to be included in corporate decisions at every level. The VERBUND business strategy is based on modelled future business scenarios. Carbon pricing is one of the metrics used to develop these scenarios, which include energy market performance in Europe and impacts on VERBUND power plants. [E1-8-62]

Carbon prices also play a key role in assessing future generation technologies and investment decisions. Given that carbon prices are expected to rise substantially over the coming years, the incentive to reduce

GHG emissions while increasing the share of electricity generated from renewable energy and investing in the development of low-carbon technologies will grow. This is in line with VERBUND's strategic projects and supports the achievement of climate-related goals. [E1-8-62]

The internal carbon price forms part of the assumptions applicable to the internal VERBUND Energy Market Model (VEMM). The results of the VEMM are used, among other things, for budget planning, investment decisions and impairment testing of VERBUND's power plants. The incorporated internal carbon price is based on the EU ETS price and forms part of VERBUND's planning assumptions. These planning assumptions must be applied by all parts of VERBUND, both when making investment decisions and also when reviewing existing plants. As all of the Group's divisions are located in EU member states, the internal carbon price is applied throughout the Group. [MDR-M-77a-b; E1-8-63a-b, AR65a-c]

Approximately 748,000 tonnes (previous year: 479,000 tonnes) and thus 87% of VERBUND's Scope 1 emissions are measured using the internal carbon price. Scope 2 and Scope 3 emissions are not included in the internal carbon pricing. [E1-8-63d]

All current applications use the carbon price (EU ETS), which corresponds to the current prices listed on the stock exchange (ICE, EEX). The long-term performance of the carbon price is based on assumptions made by international consulting firms. The base scenario for determining the long-term performance of carbon prices is based on an average price from all available external scenarios. [E1-8-63c] Price forecasts are used to measure the value in use, determine fair values and ascertain the impairment of assets. More details are available in the consolidated financial statements. [E1-8-63c]

The prices applied in 2025 were in the region of €75/t CO_2e (previous year: €67/t CO_2e). VERBUND expects carbon prices to rise sharply in the long term. [E1-8-63c]

ESRS E2 Pollution

ESRS 2 General Disclosures

Impact, risk and opportunity management

Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

Topical disclosures on processes to identify and assess pollution-related material impacts, risks and opportunities can be found in ESRS 2 IRO-1.

Sub-topic	IRO title	I/R/O	+/-
E2 Air pollution			
	Airborne emissions	I	–

Legend:

I/R/O	Impact, risk, opportunity
+/-	+ positive; - negative
( )	potential

Disclosure Requirement E2-1 – Policies related to pollution

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
EMAS III Regulation	I	Airborne emissions	Management of VERBUND Thermal Power GmbH

Content: The thermal generation plants at the Mellach power plants site are certified to ISO 14001 and validated in accordance with the EMAS III Regulation. EMAS forms the core concept, with an environmental statement being prepared annually for the Mellach site. This statement contains comprehensive information on air quality monitoring, including the positive impacts of secondary NOx reduction. The environmental statement lists the emissions thresholds and the usual operating values for NOx, dust, NH_3 and CO. [MDR-P-65a, d; E2-1-14, 15a, AR11]
Targets: The aim of this policy is to report environmental performance transparently and continuously improve it. [MDR-P-65a]
Monitoring process: The EMAS III Regulation is monitored as part of internal and external audits of the environmental management system. All data entries in the sustainability management tool are made exclusively in accordance with the dual control principle. In addition, air pollutants, among other things, are reported in the European Pollutant Release and Transfer Register in accordance with the E-PRTR regulation. [MDR-P-65a]
Scope in relation to business activities and geographical areas: This policy covers the company's own operations. The EMAS III Regulation applies to the Mellach site of VERBUND Thermal Power GmbH. [MDR-P-65b]
Avoidance of emergencies: To avoid and mitigate potential impacts on people and the natural environment in the event of emergencies and incidents, there are appropriate emergency and crisis plans available. These plans take into account, among other things, the risk of air pollution, which may occur in the event of incidents. [E2-1-15c]

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
ISO 14001	I	Airborne emissions	Management of GAS CONNECT AUSTRIA GmbH

Content: The ISO 14001 environmental management system encompasses the establishment of an environmental policy, the identification of environmental aspects (emissions into soil, water and air) and the setting of targets and implementation of actions. Due to the nature of the process, compressor stations generate CO_2, CO, NO_x and CH_4 emissions. The monitoring of these emissions is conducted continuously at the chimney of, for example, compressor units at compressor stations. [MDR-P-65a; E2-1-14, 15a, AR11]
Targets: The aim of this policy is to report environmental performance transparently and continuously improve it. [MDR-P-65a]
Monitoring process: The environmental management system is monitored through internal and external audits, and all data entries in the sustainability management tool are made exclusively in accordance with the dual control principle. In addition, air pollutants, among other things, are reported

in the European Pollutant Release and Transfer Register in accordance with the E-PRTR regulation. [MDR-P-65a]

Scope in relation to business activities and geographical areas: This policy covers the company's own operations. The environmental management system applies to GAS CONNECT AUSTRIA GmbH in Austria. [MDR-P-65b]

Avoidance of emergencies: To avoid and mitigate potential impacts on people and the natural environment in the event of emergencies and incidents, there are appropriate emergency and crisis plans available. These plans take into account, among other things, the risk of air pollution, which may occur in the event of incidents. [E2-1-15c]

Disclosure Requirement E2-2 – Actions and resources related to pollution

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Actions on airborne emissions	I	Airborne emissions	Ongoing	EMAS III Regulation ISO 14001

Content: As part of the implemented management systems, either an environmental programme (in accordance with ISO 14001/EMAS at VERBUND Thermal Power) or a plan of action (in accordance with ISO 14001/IMS at GAS CONNECT AUSTRIA) is continuously updated and implemented. Notably, these are not one-off actions but instead recurring actions that form part of ongoing business processes for which an estimate regarding financial figures cannot be made. [MDR-A-68a; 69a-c; E2-2-18]

In accordance with the requirements of the Regulation on the Protection of Workers from Explosive Atmospheres (*Verordnung explosionsfähige Atmosphären*, VEXAT), GAS CONNECT AUSTRIA's gas plants are categorised into defined potentially explosive areas, called "Ex zones", and process areas with regard to explosion protection, and the systems are technically designed accordingly. The equipment used is periodically inspected by external experts (inspection authority). [MDR-A-68a]

Expected results or progress: Environmental management systems with regular audits and environmental programmes ensure that options for improvement are identified and implemented annually. These actions are integrated into ongoing business processes and also include continuous resource planning and monitoring of implementation. [MDR-A-68a, e]

Scope in relation to business activities and geographical areas: These actions cover the company's own operations. The actions relate to VERBUND Thermal Power's Mellach site and GAS CONNECT AUSTRIA in Austria. [MDR-A-68b]

Metrics and targets

Disclosure Requirement E2-3 – Targets related to pollution

When putting plants into initial operation, VERBUND is legally obliged to comply with airborne emission limits. Aside from that, no measurable scheduled outcome-oriented targets have been set in relation to air pollution. [MDR-T-81b.i-ii; E2-3-23a, 25]

Disclosure Requirement E2-4 – Pollution of air, water and soil

The "Airborne emissions" table shows in absolute terms the consolidated emissions of CO and NOx from VERBUND's thermal power plants and from the GAS CONNECT AUSTRIA gas network. The year-on-year increase in CO and NOx emissions is mainly attributable to the higher generation volume of the thermal power plants in Mellach and to GAS CONNECT AUSTRIA's increased gas transport volume. [E2-4-30a]

Airborne emissions

[MDR-M-75; E2-4-28a]			
	Unit	2024	**2025**
CO	t	25	39
NOx	t	125	208

Emissions are measured using recognised continuous monitoring systems in accordance with the EU Best Available Technique (BREF) standards, including regular calibration checks and a review of periodic measurements by independent third parties. Air quality measurements are carried out in the vicinity of the Mellach power plants site to monitor emissions and immissions. The CO and NOx emissions are recorded in the flue stacks using online measurements, and the data is stored in the emissions calculator, which is also connected to the State of Styria authority. [MDR-M-77a-b; E2-4-30b-c]

At GAS CONNECT AUSTRIA, measurements are made at the Kirchberg and Rainbach compressor stations. [MDR-M-77a-b; E2-4-30b-c]

ESRS E3 Water and marine resources

ESRS 2 General Disclosures

Impact, risk and opportunity management

Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

Topical disclosures for identifying and assessing water-related material impacts, risks, and opportunities can be found in ESRS 2 IRO-1.

Sub-topic	IRO title	I/R/O	+/-
E3 Water			
	Water withdrawal	I	-

Legend:

I/R/O	Impact, risk, opportunity
+/-	+ positive; - negative
( )	potential

Disclosure Requirement E3-1 – Policies related to water and marine resources

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
EMAS III Regulation	I	Water withdrawal	Management of VERBUND Thermal Power GmbH

Content: The thermal power plant at Mellach is certified to ISO 14001 and validated in accordance with the EMAS III Regulation. EMAS forms the core concept, with an annual environmental statement being prepared for the Mellach power plants site. This statement contains comprehensive information on water management, including the use of water resources in the company's own operations, such as input, output, process water, river water, effluent and treatment. [MDR-P-65a, d; E3-1-11, 12a]
Targets: The aim of this policy is to report environmental performance transparently and continuously improve it. [MDR-P-65a]
Monitoring process: The EMAS III Regulation is monitored as part of internal and external audits of the environmental management system. All data entries in the sustainability management tool are made exclusively in accordance with the dual control principle. [MDR-P-65a]
Scope in relation to business activities and geographical areas: This policy covers the company's own operations. The EMAS III Regulation applies to the Mellach site of VERBUND Thermal Power GmbH. [MDR-P-65b, f]
Areas affected by high water stress: In order to determine whether sites with a relevant impact on water resources are located in areas at water risk, the potential impacts and risks of VERBUND segments in connection with water resources were first identified. A particular focus was placed on the thermal generation facility at the Mellach power plant site. Mapping the location of this VERBUND operational site against the location of areas with high or very high water stress according to the World Resources Institute's (WRI) Aqueduct Water Risk Atlas revealed that the water risk in the selected area is marked as "low". [E3-1-13]

Certain wind power and photovoltaic installations belonging to VERBUND are located in areas with high water stress. However, no significant water withdrawal takes place at these sites. Water is used only to clean the installations on an as-needed basis. As a result, there are currently no policies, actions or targets in place for areas affected by water risks. [E3-1-13]

Disclosure Requirement E3-2 – Actions and resources related to water and marine resources

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Water withdrawal actions	I	Water withdrawal	Ongoing	EMAS III Regulation

Content: At the Mellach site, cooling water is withdrawn directly from the Mur River or supplied through cooling tower recirculation. After being used, the cooling water is returned to the source water body with automated temperature control to ensure compliance with legal thresholds. Measures such as optimising the main cooling circuit and implementing a new central demineralisation plant have already been successfully implemented in Mellach, resulting in a reduction in the use of freshwater.
[MDR-A-68a; E3-2-17]
Expected results or progress: Through regular audits and environmental programmes, the existing environmental management system in accordance with EMAS/ISO 14001 ensures that areas for improvement are periodically identified and implemented. These actions are integrated into ongoing business processes and, in addition, include continuous resource planning as well as monitoring of implementation. [MDR-A-68a, e]
Scope in relation to business activities and geographical areas: These actions cover the company's own operations. The actions relate to VERBUND Thermal Power's Mellach site. [MDR-A-68b]
Areas at water risk: Since no water withdrawals take place in areas affected by water risks, no corresponding actions have been defined. At the Mellach site, no further actions have been taken to further reduce water withdrawals. Accordingly there are currently no associated allocated resources. [MDR-A-69a-c; E3-2-19]

Metrics and targets

Disclosure Requirement E3-3 – Targets related to water and marine resources

When putting the plant into initial operation, VERBUND is legally obliged to comply with limits. Aside from that, no measurable scheduled outcome-oriented targets have been set in relation to water withdrawal. [MDR-T-81b.i-ii]

Disclosure Requirement E3-4 – Water consumption

Although water consumption is not associated with any material impacts, risks or opportunities, water use is nevertheless monitored and reported on in a standardised approach throughout the Group. In order to provide a comprehensive overview of the resource flow, the following table "Water input and output" also includes the metrics of total water consumption, water stored, water discharge and water intensity, which are not considered material. [E3-4-28e]

The total volume of stored water refers to the usable storage volume of the dams operated by VERBUND Hydropower. Water is stored exclusively for the purpose of postponing the use of the water supply. VERBUND operates short-term storage facilities (daily and weekly storage) and long-term storage facilities (annual storage), which perform essential functions in the power system and will continue to grow in significance as a largely renewable energy system of the future requires flexibility and storage options, such as the flexibility of the power plant portfolio and the use of storage. The change in storage relates to a change in the usable storage capacity and amounted to zero in the 2025 reporting period. [E3-4-28e]

There is no water treatment for recycled or reused water at VERBUND.[E3-4-28e]
The volumes of total water consumption, water withdrawal and water discharge have increased compared with the previous year's reporting period, mainly due to the increased generation volume of the thermal power plant in Mellach.

Water input and output

[MDR-M-75; E3-4-28a-d, 29, AR31, AR32]

	Unit	2024	**2025**
Total water consumption	m^3	269,839	533,355
Total water consumption in areas of water stress	m^3	0	0
Total volume of water stored	m^3	705,000,000	705,000,000
Changes in storage	m^3	0	0
Total water withdrawal by source	m^3	54,816,182	94,012,098
from surface water	m^3	48,106,854	88,324,640
from groundwater and well water	m^3	6,581,641	5,573,559
from public water supply	m^3	127,688	113,899
Total water discharge	m^3	54,554,170	93,477,006
of which cooling water returned from the thermal power plant into surface water	m^3	46,969,207	86,891,693
other water discharge	m^3	7,584,963	6,585,313
Water intensity relative to net revenue	m^3 per €m	33	67
Water intensity relative to total electricity generated[1]	m^3/GWh	1,678	3,175

[1] Entity-specific metric

When determining the water quality class and the water basin area, particular attention is paid to the thermal generation facility, as this is the only place where relevant water withdrawal takes place. Water is withdrawn from freshwater, with the corresponding section of the Mur River (water basin), representing a significantly modified body of water according to the condition assessment as part of the national River Basin Management Plan 2021. [E3-4-28e]

Data collection is carried out via the annual survey process in the sustainability data management tool, and the data is validated by the department responsible for quality assurance. The largest amount of water withdrawn, 94%, is for cooling water in Mellach. This is taken from surface waters, and the quantity for the Mellach district heating power plant is determined by the pumping capacity. In the case of the other large flows, the main continuous cooling water for generator 10 of the combined cycle gas turbine plant and the main cooling water inlet for the cooling tower operation of generator 20 in the combined cycle gas turbine plant, measurements are taken according to the electromagnetic flow principle. [MDR-M-77a-b; ESRS 2 BP-2-11b.i-ii; E3-4-28e, AR29]

This makes it possible to accurately identify 98% of the water withdrawal data. Data on the water discharge of cooling water is collected through calculations and estimations, with a 98% accuracy rate. Where necessary, estimates are made on the basis of historical averages. Most of the water consumption results from evaporation within the cooling towers; all figures on water consumption are extrapolated or estimated. The total volume of the stored water as well as any change in storage is determined by adding up the storage capacities of all dams operated by VERBUND Hydro Power GmbH (VHP). The values are taken from the respective permits and are publicly available. [E3-4-28e, AR29]

ESRS E4 Biodiversity and ecosystems

ESRS 2 General Disclosures

Strategy

Disclosure Requirement E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model

Climate change and biodiversity loss, combined with a growing population and simultaneous increasing demand for land, food and energy, are global challenges that require comprehensive and sustainable solutions. VERBUND's task is to implement the energy transformation and the associated objectives of maintaining and expanding renewable energy and storage facilities, as well as ensuring stable electricity and gas supplies through grid facilities, while protecting, maintaining and promoting biodiversity. While the business model is not dependent on the state of biodiversity, VERBUND considers it important to continue firmly embedding biodiversity aspects in its business practices because this is essential for the successful implementation of Mission V's strategic approaches. VERBUND has direct and indirect impacts on biodiversity as a result of its business activities. Permits for constructing and operating facilities for electricity generation and storage, as well as for electricity and gas transmission, are subject to strict legal requirements. Environmental standards and scientific knowledge have changed significantly over the last few decades. Thorough examinations of biodiversity and positive environmental impact assessments are a key requirement for the successful implementation of VERBUND's expansion plans. A potential transition risk is the conflict of interest between expanding renewable energy to combat climate change and objectives to protect biodiversity. VERBUND is counteracting this by actively integrating biodiversity into project planning, construction and operation. No physical risks have been identified in relation to biodiversity. To date, VERBUND has not conducted any resilience analysis with regard to biodiversity and is making use of the phase-in provision in accordance with the European Commission's CSRD Delegated Act (C(2025) 4812 final). [E4-1-13]

Impacts on biodiversity and ecosystem arise mainly through land use changes, such as interventions in bodies of water, forest clearance and soil sealing, in connection with the construction, operation and maintenance of renewable energy generation and storage facilities and through grid facilities for transporting energy. This alters the state of ecosystems, certain ecosystem services and the species, diversity, population size and gene pool of species. Adverse impacts of hydropower on rivers can affect their hydromorphology, continuity and sediment regime. For example, transverse structures without fish passes create barriers that restrict the migration of aquatic species and divide habitats in and on rivers from each other. When in use, wind farms can affect habitats and populations of birds and bats. Positive impacts include improvements to recreational value as an ecosystem service because recreation areas are being promoted near many bodies of water, e.g. with cycle paths and footpaths.

Greenhouse gas emissions contribute to climate change and negatively impact biodiversity indirectly. At VERBUND, greenhouse gas emissions primarily result from the operation of the remaining gas power plants as well as the gas network, including compressor stations operated by GAS CONNECT AUSTRIA. The consistent switch to renewable energy is therefore a crucial lever for reducing these adverse impacts and contributing to the protection of biodiversity. Decarbonisation through the increased use of renewable energy sources instead of fossil fuels helps to mitigate climate change and thus indirectly minimises biodiversity loss.

Indirect impacts of VERBUND on biodiversity along the value chain concern the sourcing of commodities or goods whose extraction or production consumes a high volume of natural resources or uses scarce natural resources, thereby damaging ecosystems.

In 2025, VERBUND developed a Biodiversity Roadmap with qualitative targets, which are reported under E4-4. The Biodiversity Roadmap serves as a preliminary step towards a future transition plan.

Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

VERBUND's power plant and grid facilities as well as related areas are located in or near biodiversity sensitive areas. These include Natura 2000 areas, UNESCO World Heritage sites, Ramsar areas, national parks, nature reserves, nature parks, biosphere reserves and natural landmarks. VERBUND has made it a priority to ensure that electricity generation and the transport of electricity and natural gas take place in harmony with natural ecosystems to the greatest possible extent. The following table lists the locations of VERBUND, Austrian Power Grid AG, GAS CONNECT AUSTRIA GmbH and Ennskraftwerke AG facilities that are situated in or near aforementioned biodiversity sensitive areas and may have a potentially negative impact on protected areas or resources. It should be noted that some areas were placed under protection after the construction of the facilities for producing and transporting electricity. Plant-specific criteria were applied in an analysis of the proximity of plant locations to protected areas. A buffer zone of 5 km was used for wind power plants. For hydropower plants, the analysis was based on the location in the water body and the associated owned land. Open-field solar installations, substations, Austrian Power Grid AG overhead lines and GAS CONNECT AUSTRIA GmbH gas compressor stations were analysed solely based on their location within protected areas. Activities that may have negative impacts at these sites include, depending on the type of facility, operation of the generation and grid facilities as well as associated operation and maintenance work. With regard to the impacts of individual facilities, there is currently no standardised approach in terms of the spatial spread of the impacts on diversity associated with the respective facility. The corresponding sites are therefore evaluated under the "potential negative impact" column of the table in a single summarised cell. [E4 SBM-3-16-a.i; ESRS 2 SBM-3-48c.iv]

Direct dependencies of business activities on natural resources and ecosystem services relate in particular to the supply of water and wind and also to water regulation functions through vegetation and wetlands for protection against extreme weather events. Indirect dependencies in the upstream value chain result from the raw materials and materials required for plant construction and modernisation. These dependencies arise from VERBUND's business model and are not disaggregated by site.
[E4 SBM-3-16-a.ii]

The protected area types are listed in the table below with the following abbreviations: A: Natura 2000 Fauna Flora Habitat, B: Natura 2000 Bird Sanctuary, C: UNESCO World Heritage Site, D: Important Bird Area, E: Biosphere Reserve, F: European Protected Area, G: National Park, H: Natural Landmark, I: Natural Park, J: Natural Reserve, K: Ramsar Area.

Site with facilities located in or near protected areas

[E4 SBM-3-16-a.i, iii]

Site	Plant type	Plant in protected area?	VERBUND property in protected area (hydropower only)	Types of protected area[1]	Associated land in protected areas (ha)	Potential negative impact
Austria/Bavaria – hydropower plants						

Site with facilities located in or near protected areas

[E4 SBM-3-16-a.i, iii]

Site	Plant type	Plant in protected area?	VERBUND property in protected area (hydropower only)	Types of protected area[1]	Associated land in protected areas (ha)	Potential negative impact
Abwinden-Asten (AT)	Run-of-river power plant	No	Yes	A, B, J	13	Morphology, barriers, pressure surges/drops, residual waters, lack of river continuity
Aschach (AT)	Run-of-river power plant	Yes	Yes	A	6	
Altenwörth (AT)	Run-of-river power plant	Yes	Yes	A, B, C, D	197	
Freudenau (AT)	Run-of-river power plant	No	Yes	D, K	2	
Greifenstein (AT)	Run-of-river power plant	Yes	Yes	A, B, D	211	
Melk (AT)	Run-of-river power plant	Yes	Yes	A, B, C, D	132	
Ottensheim-Wilhering (AT)	Run-of-river power plant	Yes	Yes	A	3	
Wallsee-Mitterkirchen (AT)	Run-of-river power plant	Yes	Yes	A, D	263	
Ybbs-Persenbeug (AT)	Run-of-river power plant	Yes	Yes	A, B, D	62	
Annabrücke (AT)	Run-of-river power plant with hydropeaking	No	Yes	A, B, F, J	55	
Edling (AT)	Run-of-river power plant with hydropeaking	No	Yes	A, B, F, J	93	
Feistritz-Ludmannsdorf (AT)	Run-of-river power plant with hydropeaking	No	Yes	A, B, K	26	
Ferlach-Maria Rain (AT)	Run-of-river power plant with hydropeaking	No	Yes	A, B, J	27	
Malta-Hauptstufe (AT)	Pumped annual storage power plant	No	Yes	A, B, D, J, G	85	
Paternion (AT)	Run-of-river power plant with hydropeaking	No	Yes	A, B, K	3	
Rosegg-St. Jakob (AT)	Run-of-river power plant with hydropeaking	No	Yes	A, J	25	
Schwabeck (AT)	Run-of-river power plant with hydropeaking	No	Yes	A	5	

Site with facilities located in or near protected areas

[E4 SBM-3-16-a.i, iii]

Site	Plant type	Plant in protected area?	VERBUND property in protected area (hydropower only)	Types of protected area[1]	Associated land in protected areas (ha)	Potential negative impact
Braunau-Simbach (AT)	Run-of-river power plant	Yes	Yes	A, B, D, J, K	203	
Egglfing-Obernberg (DE)	Run-of-river power plant	Yes	Yes	A, B, D, J, K	426	
Ering-Frauenstein (DE)	Run-of-river power plant	Yes	Yes	A, B, D, J, K	332	
Jochenstein (DE)	Run-of-river power plant	Yes	Yes	A, J	14	
Nussdorf (DE)	Run-of-river power plant	Yes	Yes	A	11	
Passau-Ingling (DE)	Run-of-river power plant	Yes	Yes	A	13	
Schärding-Neuhaus (AT)	Run-of-river power plant	Yes	Yes	A, B, D, J, K	259	
Perach (DE)	Run-of-river power plant	Yes	Yes	A	41	
Feldkirchen (DE)	Run-of-river power plant	Yes	Yes	A	59	
Gars (DE)	Run-of-river power plant	Yes	Yes	A	34	
Neuötting (DE)	Run-of-river power plant	No	Yes	A	5	
Rosenheim (DE)	Run-of-river power plant	Yes	Yes	A	7	
Teufelsbruck (DE)	Run-of-river power plant	Yes	Yes	A	86	
Stammham (DE)	Run-of-river power plant	Yes	Yes	A, B, J, K	79	
Töging (DE)	Run-of-river power plant	No	Yes	A, J	63	
Wasserburg (DE)	Run-of-river power plant	Yes	Yes	A, B, J	70	
Altenmarkt (AT)	Run-of-river power plant	Yes	Yes	I	22	
Gralla (AT)	Run-of-river power plant	Yes	Yes	Y	22	
Gratkorn (AT)	Run-of-river power plant	No	Yes	Y	3	
Hieflau (AT)	Daily storage power plant	No	Yes	A, B, J	14	
Krippau (AT)	Run-of-river power plant	Yes	Yes	I	6	
Landl (AT)	Run-of-river power plant	Yes	Yes	I	3	
Obervogau (AT)	Run-of-river power plant	Yes	Yes	A, B, J, I	1	
Spielfeld (AT)	Run-of-river power plant	Yes	Yes	I	10	

Site with facilities located in or near protected areas

[E4 SBM-3-16-a.i, iii]

Site	Plant type	Plant in protected area?	VERBUND property in protected area (hydropower only)	Types of protected area[1]	Associated land in protected areas (ha)	Potential negative impact
Pernegg (AT)	Run-of-river power plant	No	Yes	A, J	3	
Pack (AT)	Daily storage power plant	Yes	Yes	Y	3	
Retznei (AT)	Run-of-river power plant	Yes	Yes	A, B, J, I	4	
Sölk (AT)	Daily storage power plant	Yes	Yes	B, D, J, I	49	
Talbach (AT)	Run-of-river power plant	No	Yes	D	1	
Kaprun-Hauptstufe (AT)	Annual storage power plant	Yes	Yes	A, D, H	22	
Kaprun-Oberstufe (AT)	Pumped annual storage power plant	No	Yes	A, B, D, G	47	
Häusling (AT)	Pumped annual storage power plant	No	Yes	I	173	
Mayrhofen (AT)	Annual storage power plant	No	Yes	I	53	
Roßhag (AT)	Pumped annual storage power plant	No	Yes	I	148	
Mühlrading (AT)	Run-of-river power plant	No	Yes	A, F	10	
Thurnsdorf (AT)	Run-of-river power plant	No	Yes	A, F	5	
Austria/Germany/Spain – photovoltaic installations and wind power plants						
Mitterkirchen (AT)	Open-field photovoltaic installation	Yes		D	5	Interference with bird breeding sites and habitats of deer, insects, other native (endangered) animal and plant species
Labrador – Madrigalejo (including II) (ES)	Open-field photovoltaic installation	Yes		B	10	
Bruck/Bruck-Göttlesbrunn (AT)	Wind	Near to protected area		D	–	Interference with the habitats of birds, bats, other native (endangered) species of flora and fauna
Hollern & WP Hollern II (AT)	Wind	Near to protected area		D	–	
Petronell & Petronell II (AT)	Wind	Near to protected area		A, B, D, K, G	–	
Pannonia – Neudorf-Neuhof (AT)	Wind	Near to protected area		A, B	–	
Pannonia – Zurndorf II – Friedrichshof (AT)	Wind	Yes and near to protected area		A, B, D, J	1	

Site with facilities located in or near protected areas

[E4 SBM-3-16-a.i, iii]

Site	Plant type	Plant in protected area?	VERBUND property in protected area (hydropower only)	Types of protected area[1]	Associated land in protected areas (ha)	Potential negative impact
Ellern/Dichtelbach/ Seibersbach-Hochsteinichen/ Seibersbach-Dörrebach (DE)	Wind	Near to protected area		A, B, D	–	
Stetten (DE)	Wind	Yes		B	3	
Paar – Feldatal (DE)	Wind	Yes and near to protected area		A, B, D, I	3	
Paar – Frielendorf Süd (DE)	Wind	Near to protected area		A, B, D	–	
Paar – Münster (DE)	Wind	Near to protected area		A, B, D	–	
Paar – Mariengarten (DE)	Wind	Near to protected area		A	–	
Paar – Quelkhorn (DE)	Wind	Near to protected area		A, B	–	
Balat – Buseco (ES)	Wind	Near to protected area		A	–	
Balat – Loma de los Pinos (ES)	Wind	Near to protected area		A, B	–	
Balat – Ayamonte (ES)	Wind	Near to protected area		A	–	
Sorolla – Hiperion II (ES)	Wind	Near to protected area		A	–	
Sorolla – La Victoria (ES)	Wind	Near to protected area		A, B	–	
Sorolla – Mallén (ES)	Wind	Near to protected area		A	–	
Sorolla – Matabuey (ES)	Wind	Near to protected area		A, B	–	
Sorolla – Sierra de Tineo (ES)	Wind	Near to protected area		A	–	
Sorolla – Bodenaya (ES)	Wind	Near to protected area		A	–	
Sorolla – Pico de Gallo (ES)	Wind	Near to protected area		A	–	
Sorolla – El Marquesado (ES)	Wind	Near to protected area		A, B	–	
Labrador – Santos de la Piedra (ES)	Wind	Near to protected area		A, B	–	
Austria – GAS CONNECT AUSTRIA						
Baumgarten	Compressor station and competence centre	Yes		A, B, D, K	20	Local warming of habitats, noise pollution
Austria – Austrian Power Grid						
Wallsee	Substation	Yes		D	2	Interference with the
Neusiedl	Substation	Yes		A, B, C	3	

Site with facilities located in or near protected areas

[E4 SBM-3-16-a.i, iii]

Site	Plant type	Plant in protected area?	VERBUND property in protected area (hydropower only)	Types of protected area[1]	Associated land in protected areas (ha)	Potential negative impact
Pyhrn	Substation	Yes		D	1	habitats of birds, bats, other native (endangered) species of flora and fauna
Zurndorf	Substation	Yes		D	5	
110 kV line Reißeck – Lienz	Overhead line (servitude)	Yes		A, B, K	11	
110 kV line Reißeck – Landskron	Overhead line (servitude)	Yes		A, B, K	10	
110 kV line Schwabeck – Obersielach	Overhead line (servitude)	Yes		A	1	
110 kV line Ternitz – Ebenfurth	Overhead line (servitude)	Yes		A	6	
110 kV line Ebenfurth – Wien Südost	Overhead line (servitude)	Yes		A, B, D, H	6	
110 kV line Großraming – Hessenberg (to border)	Overhead line (servitude)	Yes		I	1	
110 kV line Ernsthofen – Hessenberg	Overhead line (servitude)	Yes		A, H, J	3	
110 kV line Landskron – Obersielach	Overhead line (servitude)	Yes		A, H, J, K	9	
110 kV line Wien West – Bisamberg	Overhead line (servitude)	Yes		A, B, D, E, I, J	114	
110 kV line Passau – Egglfing	Overhead line (servitude)	Yes		A, D	3	
110 kV line Lavamünd – Koralpe	Overhead line (servitude)	Yes		A, B	1	
220 kV line Weißenbach – Ernsthofen	Overhead line (servitude)	Yes		A, D, J	209	
220 kV line Weibern – Aschach	Overhead line (servitude)	Yes		A	5	
220 kV line St. Peter – Ernsthofen	Overhead line (servitude)	Yes		A, B, D	13	
220 kV line Ernsthofen – Ybbsfeld	Overhead line (servitude)	Yes		A, D	5	
220 kV line Ybbsfeld – Bisamberg	Overhead line (servitude)	Yes		A, B, D	53	
220 kV line Dürnrohr – Altenwörth/GKT	Overhead line (servitude)	Yes		A, B, D	28	
220 kV line Tauern – Weißenbach	Overhead line (servitude)	Yes		A, B, D, H	56	
220 kV line Hessenberg – Weißenbach	Overhead line (servitude)	Yes		B, D	24	
110 kV line Mürz – Ternitz	Overhead line (servitude)	Yes		A, C	28	
220 kV line Hessenberg – Ternitz	Overhead line (servitude)	Yes		C, H, J	46	
220 kV line Ternitz – Wien Südost	Overhead line (servitude)	Yes		A, B, D, J, H	183	

Site with facilities located in or near protected areas

[E4 SBM-3-16-a.i, iii]

Site	Plant type	Plant in protected area?	VERBUND property in protected area (hydropower only)	Types of protected area[1]	Associated land in protected areas (ha)	Potential negative impact
220 kV line Wien Südost – Bisamberg	Overhead line (servitude)	Yes		A, B, D, G, K	41	
220 kV line St. Peter – Simbach/Altheim	Overhead line (servitude)	Yes		A	1	
220 kV line Salzburg – Salzach	Overhead line (servitude)	Yes		Y	1	
220 kV line Jochenstein – St. Peter	Overhead line (servitude)	Yes		A, D	7	
220 kV line Greifenstein – Bisamberg	Overhead line (servitude)	Yes		A, B, D, J	14	
220 kV line Wien Südost – Györ	Overhead line (servitude)	Yes		A, B, D	162	
220 kV line St. Peter – Pirach/Pleinting	Overhead line (servitude)	Yes		A	2	
220 kV line Obersielach – Lienz	Overhead line (servitude)	Yes		A, B, D, H, J, K	73	
220 kV line Malta-Hauptstufe – Lienz	Overhead line (servitude)	Yes		H	2	
220 kV line Zell am Ziller – Westtirol II	Overhead line (servitude)	Yes		B, D, H	15	
220 kV line Hessenberg – Obersielach	Overhead line (servitude)	Yes		A, D	53	
220 kV line Dürnrohr – Bisamberg	Overhead line (servitude)	Yes		A, B, D	32	
380 kV line Westtirol – FRG (Memmingen, Leupolz)	Overhead line (servitude)	Yes		A, B, D, J, I	70	
380 kV line Westtirol – Bürs	Overhead line (servitude)	Yes		A, D, H, I, J	57	
380 kV line Kronstorf – St. Peter	Overhead line (servitude)	Yes		A, B, D	12	
380 kV line Dünrohr – Kronstorf	Overhead line (servitude)	Yes		A, B, D	29	
380 kV line Dürnrohr – Wien Südost	Overhead line (servitude)	Yes		A, B, D, G, K	201	
380 kV line Dürnrohr – Slavetice	Overhead line (servitude)	Yes		A, B, D	184	
380 kV line Sarasdorf – Györ/Szombathely	Overhead line (servitude)	Yes		A, B, D	135	
380 kV line Lienz – Tauern	Overhead line (servitude)	Yes		A, B, D, G, H	29	
380 kV line St. Peter – Salzburg	Overhead line (servitude)	Yes		A	1	
380 kV line Obersielach – Kainachtal	Overhead line (servitude)	Yes		A, B	12	
380 kV line Kainachtal – Maribor	Overhead line (servitude)	Yes		A, B, D	17	
380 kV line Kainachtal – Südburgenland	Overhead line (servitude)	Yes		A, B, K	2	

Site with facilities located in or near protected areas

[E4 SBM-3-16-a.i, iii]

Site	Plant type	Plant in protected area?	VERBUND property in protected area (hydropower only)	Types of protected area[1]	Associated land in protected areas (ha)	Potential negative impact
380 kV line Südburgenland – Wien Südost	Overhead line (servitude)	Yes		A, B, D, I, H	182	
110/220 kV line Wegscheid – Ernsthofen	Overhead line (servitude)	Yes		A, B	5	
110 kV line Pichling – Linz Ost (Chemie Linz)	Overhead line (servitude)	Yes		A, B, J	6	
110/220 kV line Ernsthofen – Hütte Linz	Overhead line (servitude)	Yes		A, B, J	5	
110 kV line Ering – St. Peter	Overhead line (servitude)	Yes		A, D	2	
110 kV line FRG (Egglfing) – St. Peter	Overhead line (servitude)	Yes		A, D	14	

[1] Abbreviations for protected area types: A: Natura 2000 Fauna Flora Habitat, B: Natura 2000 Bird Sanctuary, C: UNESCO World Heritage Site, D: Important Bird Area, E: Biosphere Reserve, F: European Protected Area, G: National Park, H: Natural Landmark, I: Natural Park, J: Natural Reserve, K: Ramsar Area

In the operating areas of many VERBUND facilities operate, there are endangered species according to the Red List of the International Union for Conservation of Nature (IUCN) or according to the EU Directive on fauna flora habitats and bird sanctuaries. At these sites, VERBUND takes measures to protect and conserve these species and adheres to all relevant rules, regulations and requirements associated with the protection of species and biodiversity. Likewise, the requirements of protected species and protected habitats are also taken into account in the ongoing operation of facilities and in the management of land. Despite constantly taking all legal requirements into account and pursuing additional efforts and measures, the aforementioned impacts of the individual generation technologies cannot be entirely ruled out in biodiversity sensitive areas. [E4 SBM-3-16-c]

VERBUND has not identified any material negative impacts with regard to desertification or soil sealing. Land degradation has been identified as a potential impact. [E4 SBM-3-16-b]

Impacts, risks and opportunities management

Disclosure requirement related to ESRS 2 IRO-1 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities

Topic-specific disclosures on processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities can be found in sections ESRS 2 IRO-1 and ESRS 2 SBM-3.

Sub-topic	IRO title	I/R/O	+/-
E4 Direct impact drivers of biodiversity loss			
	Slowing down biodiversity loss through decarbonisation	I	+
	Biodiversity loss through use and change of ecosystems	I	-
	Biodiversity loss due to the use of natural resources	I	-
	Conflicts of interest	R	(-)
E4 Impact on the state of species			
	Negative impact of installations on biodiversity	I	-
E4 Impacts on the extent and condition of ecosystems			
	Land degradation	I	(-)
E4 Impacts and dependencies on ecosystem services			
	Improvement of recreational function	I	+
	Negative impact on ecosystem services	I	-

Legend:

I/R/O	Impact, risk, opportunity
+/-	+ positive; - negative
( )	potential

Disclosure Requirement E4-2 – Policies related to biodiversity and ecosystems

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Biodiversity strategy	I	Biodiversity loss through use and change of ecosystems	Executive Board of VERBUND AG
	I	Biodiversity loss due to the use of natural resources	
	R	Conflicts of interest	
	I	Negative impact of installations on biodiversity	
	I	Land degradation	
	I	Negative impact on ecosystem services	

Content: The biodiversity policy sets forth principles and practices already in place. The document is publicly available on the VERBUND website. The main requirements of the VERBUND biodiversity policy include alignment with the biodiversity mitigation hierarchy, impact monitoring, the continuous improvement of actions, stakeholder engagement, and collaboration with experts in science and research. VERBUND regulates the management of biodiversity and ecosystem-related risks and impacts by adhering to the steps of avoidance, minimisation, restoration, and compensation of remaining impacts. Social repercussions of impacts related to biodiversity and ecosystems are taken into account in VERBUND internal policies, as described in the Affected communities section. A consistent approach to the biodiversity mitigation hierarchy implies sustainable land-use practices, sustainable forestry and the protection of biodiversity and ecosystems, in particular in protected areas and biodiversity sensitive areas. However, VERBUND has not implemented any Group-wide policies to specifically address these issues beyond the biodiversity policy. [MDR-P-65a, f; E4-2-22, 23a-c, f, 24a-b, d; AR15, AR16]

Targets: The aim of the biodiversity policy is to define VERBUND's internal approach to biodiversity and ecosystems and to present it transparently to the outside world. [MDR-P-65a]

Monitoring process: Compliance with the agreed principles on biodiversity is monitored at the companies with the affected production and grid facilities as part of internal and external audits of the environmental management system. [MDR-P-65a]

Scope in relation to business activities and geographical areas: The policy covers the business activities of VERBUND AG and of all companies included in VERBUND AG's consolidated financial statements, as well as those of any companies in which VERBUND AG has a sole decisive interest, either directly or indirectly. The independent subsidiaries Austrian Power Grid and GAS CONNECT AUSTRIA are restricted in their scope of application. Austrian Power Grid and GAS CONNECT AUSTRIA contribute to strategic decisions and targets, as well as the operational implementation of actions, only in compliance with all unbundling requirements for independent transmission system operators. Austrian Power Grid developed its own biodiversity policy in 2025, the content and key points of which, such as compliance with the biodiversity mitigation hierarchy, are consistent with those of the VERBUND biodiversity policy. Pipeline operator GAS CONNECT AUSTRIA has an environmental mission statement in which consideration of the impact of its business activities on people and the environment is enshrined. [MDR-P-65b]

Connection between the policy and international or national strategies or policies: The VERBUND biodiversity policy was defined jointly in collaboration between various internal stakeholders based on external requirements. International strategies and targets, such as the EU Biodiversity Strategy, the Sustainable Development Goals, in particular Goal 15 Life on land, the Convention on Migratory Species of Wild Animals (Bonn Convention, CMS), the Convention on Wetlands (Ramsar Convention) and the International Convention on Biodiversity (CBD) were accounted for during the preparation of the VERBUND biodiversity policy. They also serve as a framework for planning projects involving ecosystem interventions. [ESRS 2 MDR-P 65d, e; E4-2-AR13, AR14]

Disclosure requirement E4-3 – Actions and resources related to biodiversity and ecosystems

Environmental measures have been an important part of the construction and operation of VERBUND, Austrian Power Grid AG and GAS CONNECT AUSTRIA GmbH plants for many years. Many actions result from mandatory obligations such as laws, regulations and orders and relate to the material impacts of VERBUND's activities. In addition, VERBUND pursues additional actions to protect, conserve and promote biodiversity.

VERBUND, Austrian Power Grid and GAS CONNECT AUSTRIA also take actions along the project life cycle according to the mitigation hierarchy steps of avoidance, minimisation, restoration, and compensation or offsetting. As early as in the project planning phase, potential negative impacts are avoided best possible through the choice of location, project organisation, scheduling and stakeholder involvement. When constructing new gas pipelines and high-voltage power lines, the aim is always to plan the route such that it avoids sensitive areas (nature reserves, bird sanctuaries, biotopes, natural and archaeological monuments, etc.). Actions to ensure continuous environmental functionality (CEF) are implemented before any projects are launched in natural habitats. VERBUND, Austrian Power Grid and GAS CONNECT AUSTRIA resettle protected animal and plant species as necessary for preventative purposes. During the construction of facilities, impacts on fauna, flora and habitats are monitored and minimised as much as possible. Before, during or after the completion of projects, seeding and planting take place along with the creation or restoration of habitats. This involves a wide range of suitable actions, for example, establishing near-natural structures such as gravel bars, rock piles, deadwood, as well as meadow orchards, hedge, or managing grassland and forest areas in a way that promotes biodiversity.

Following the construction phase of new power plants, e.g., wind turbines, temporary access routes and crane parking spaces are reduced to a minimum and restored to their original condition. For new photovoltaic installations that need to be fenced in, attention is paid to using permeable fences to allow wild animals to pass through unhindered. [E4-3-28a, c, AR19 a-c]

Where compensatory actions or replacement habitats are required, they are implemented or created to the necessary extent. Compensatory measures and spaces are defined in the planning phase and are legally secured through land purchases or long-term lease agreements. Compensatory measures can include nesting aids, wildflower strips on the edge of the installation, or planting new trees and shrubs to create additional habitats. Depending on the action, units of space or the number of structural units that have been built or improved are used as indicators. The aim of the compensatory actions is to offset adverse impacts and comply with mandatory obligations. When establishing substitute habitats, attention is paid to enhancing the ecological value of the areas in question as well as possible. The costs of these actions are taken into account in the project budget and are therefore part of expansion and rehabilitation projects. At present, the monetary impacts from the implementation of compensatory actions are not collected or disclosed separately and therefore cannot be reported. [MDR-A-69a-c; E4-3-28b i-iii]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Biodiversity-enhancing grassland management	I	Biodiversity loss through use and change of ecosystems	ongoing	Biodiversity strategy

Content: VERBUND, Austrian Power Grid and Gas Connect Austria pursue the environmentally friendly use and management of green spaces in the vicinity of electricity generation and grid facilities that they own and lease. The biodiversity of plants and animals (such as rare orchids, herbs, wild bees, lizards, grasshoppers, butterflies and spiders) is promoted through minimal or only partial mowing and the avoidance of (mineral) fertilisers and pesticides. As part of mowing management, attention is paid to ensuring that small mammals, other small wildlife and ground-nesting birds (such as partridges) remain protected by visual cover. Where necessary and appropriate, the spread of invasive alien plant species (non-native species) is managed, for example by intensifying use. [MDR-A-68a, d; E4-3-27, 28c]
Progress: Extensive grassland use is being established in many places, for example at the Lödersdorf and Traidersberg open-field solar installations in Austria, which went into operation in 2025, and at the Santos de la Piedra wind farm in Spain. Sheep graze at these three locations.

In order to obtain better information on the type, condition and ecological potential of grassland areas, a survey of existing conditions and potential was launched in 2025 on land owned by VERBUND Hydro Power GmbH. The survey incorporates fieldwork, surveys on current farming practices and the analysis of online data sources. As fieldwork is only possible for a few weeks each year, a clear and consistent methodology for carrying it out is essential. In the reporting year, based on the findings at two pilot sites, a methodology was developed to ensure that future surveys of all land can be carried out with consistency, even when conducted by different surveyors.

In response to legal requirements, extensive environmentally optimised dam maintenance has already been set up at the power plants in Egglfing-Obernberg, Ering-Frauenstein and Braunau-Simbach in

Bavaria. In addition to specific management targets, these include the use of regional plant seeds and actions to curb the spread of non-native plant species.

As part of its sustainable habitat management, Austrian Power Grid has a long history of implementing environmental and species protection measures that go far beyond the stringent legal requirements. Many of the route corridors provide valuable habitats for flora and fauna as extensive meadows and wild grazing land with abundant growth. Ecologically designed pylon bases for power lines serve as important refuges for many plants and animals in areas of intensive agricultural use. Where possible, species-rich gravel lawns are established at new substations.

GAS CONNECT AUSTRIA has been participating in an EU flower meadow project since 2024. As part of the project, a flower meadow has been planted in the vicinity of the Baumgarten gas station substation. The aim of the project is to promote biodiversity and the populations of wild bees and other pollinating insects in the Marchfeld region.

The actions listed are often part of larger projects, or recurring or continuous activities related to the upkeep, cultivation or management of land, which is why estimations cannot be provided for financial figures. [MDR-A-68d, e, 69b, E4-3-28c]

Scope in relation to business activities and geographical areas: VERBUND and all of the companies included in VERBUND AG's consolidated financial statements as well as any companies in which VERBUND AG has a sole decisive interest, either directly or indirectly, in all countries in which corresponding business activities are undertaken. Austrian Power Grid and GAS CONNECT AUSTRIA contribute to the operational implementation of actions, only in Austria in compliance with all unbundling requirements for independent transmission system operators. [MDR-A-68b]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Biodiversity-enhancing forest management	I	Biodiversity loss through use and change of ecosystems	ongoing	Biodiversity strategy
	I	Biodiversity loss due to the use of natural resources		

Content: With regard to forest management, VERBUND has switched to modern felling and extraction techniques where possible in recent years. Particular care is taken when introducing rejuvenation measures to ensure that the trees to be removed are intentionally felled to protect saplings. Felling work is carried out with harvesters only under suitable soil conditions (dry or frozen). When used with care, harvesters can reduce soil damage and compaction and protect fauna and flora. In 2025, VERBUND launched its first comprehensive survey of forest stands on land owned by VERBUND Hydro Power GmbH as part of a forest management initiative. Information on tree species, age structure, species diversity, stock, regeneration, deadwood and other metrics is collected. By collecting relevant biodiversity indicators for forest ecosystems, VERBUND is preparing for the opportunities and challenges of restoring forest ecosystems in accordance with the relevant regulation.

Other actions taken after the construction of new installations or for large-scale restoration projects include replacement or reforestation of native tree species, as well as the protection and developmental upkeep of trees and shrubs.

Austrian Power Grid promotes environmentally sustainable route management across more than 5,800 hectares by managing the forest stands beneath the overhead lines in consultation with the landowners. This includes the selective removal of fast-growing tree species and the development of stepped, irregular forest edges. At the same time, slow-growing and climate-fit tree species and shrub communities are being promoted, and species-rich meadows with hedges are being planted, which serve as a connection to neighbouring forest areas for animals. Another focus is on biotope protection projects, primarily concentrated on forest routes. When properly maintained, these popular retreats provide breeding grounds or feeding areas for animals (such as birds or small mammals). They also provide valuable habitats for rare and endangered plant species. [MDR-A-68a, d; E4-3-27, 28c]

Expected results or progress: With VERBUND's forest management system, recommendations for action and concrete actions for biodiversity-enhancing forest management can be defined and implemented in the future. Approximately 30% of the total area was recorded in the reporting year. In 2025, Austrian Power Grid also started monitoring forest areas that had been established up to 20 years ago in terms of their ecological condition and the achievement of ecological targets. As part of the compensatory measures implemented for the 380 kV high-voltage Salzburg line, 103 hectares of old-growth forest areas were also established and forest improvement measures were implemented across 22 hectares.

The actions listed below with regard to terrestrial ecosystems are often part of larger projects, or recurring or continuous activities related to the upkeep, cultivation or management of land, which is why estimations cannot be provided for financial figures. [MDR-A-68a, e, 69b]

Scope in relation to business activities and geographical areas: These actions are undertaken within the scope of the business activities of VERBUND AG and all of the companies included in VERBUND AG's consolidated financial statements as well as any companies in which VERBUND AG has a sole decisive interest, either directly or indirectly, in all countries in which corresponding business activities are undertaken. Austrian Power Grid and GAS CONNECT AUSTRIA contribute to the operational implementation of actions, only in Austria in compliance with all unbundling requirements for independent transmission system operators. [MDR-A-68b]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Actions concerning the aquatic environment	I	Biodiversity loss through use and change of ecosystems	2031	Biodiversity strategy
	I	Negative impact of installations on biodiversity		

Content: The use of hydropower can have a wide range of impacts on biodiversity. The nature and scale of these impacts are site-specific and depend largely on the type of plant and the water conditions, such as prior deteriorations from other human activities. They affect not only aquatic habitats, but also adjacent riparian zones and floodplains.

VERBUND is therefore implementing targeted actions to preserve, promote and restore these habitats and species. The relevance of restoring river continuity, creating structurally rich aquatic habitats such as shallow water zones and gravel bars, and renaturalising and reconnecting tributaries and floodplains is particularly high in this context. By constructing fish passes, it can be ensured that fish and other aquatic

organisms can pass through power plants, thereby avoiding any restrictions to their natural migration behaviour. VERBUND primarily focuses on near-natural bypass channels, which also create valuable habitats. Where space is limited or great heights need to be overcome, technical solutions are also employed. Projects funded under the EU LIFE programme have proven to be a particularly effective tool for implementing the aforementioned restoration measures at hydropower plants located in or near Natura 2000 protected areas. A key feature of these projects is that the actions pursued must contribute both to achieving the objectives of the Water Framework Directive and to generating demonstrable added value for the species protected under the Habitats and Birds Directives (Natura 2000). The implementation of LIFE projects therefore not only fulfils the requirements of the Water Framework Directive, but also specifically improves conditions for protected species and habitat types in the riparian zone and areas in the vicinity of bodies of water.

Further actions to promote biodiversity include reducing hydropeaking, ensuring sufficient residual water flows and ecologically enhancing riparian areas – for example, by creating shallow water zones and gravel bars and establishing or reconnecting tributaries and floodplains.

To implement these actions, VERBUND has earmarked a total budget of over €400m for environmental improvement measures for the period from 2001 to 2030, of which around €200m had already been spent by the end of 2025. [MDR-A-68a, d, 69a-c; E4-3-27, 28c]

Expected results or progress: Details on the restoration of river continuity are provided in section E4-5. In the reporting year, VERBUND was involved in four LIFE projects on the Danube, Inn and Enns rivers: LIFE Riverscape Lower Inn (2020 – 2028), LIFE Blue Belt Danube-Inn (2021 – 2029), LIFE Wild Island (2021 – 2027) and LIFE WeNatureEnns (2024 – 2031). Three of these projects, in which VERBUND plays a leading role, are described in more detail under E4-4. LIFE projects are implemented in close coordination with the responsible ministry, the waterway operator viadonau, the affected national parks, the offices of the state governments, the state fishing associations, and the landowners.
[E4-3-28c, AR20a]

In order to mitigate the ecological impact of hydropeaking on water bodies, feasibility studies were continued in 2025 on the Salzach, Drau, Teigitsch, Pack and Ziller rivers and subsequently incorporated as effectively as possible into action programmes. On the Enns river, limiting hydropeaking is being pursued as part of the aforementioned LIFE project WeNatureEnns. Comprehensive flow experiments and sampling were carried out in 2025 on the subject of residual flow release in high mountain areas, along with the associated data evaluation. The findings obtained from this will form the basis for defining optimal residual water flows moving forward. [MDR-A-68a, d, e]

Scope in relation to business activities and geographical areas: These actions are being implemented as part of VERBUND's operations in the Hydro segment. In geographic terms, they cover areas in the vicinity of hydropower plants in Austria and Bavaria, Germany. [MDR-A-68b]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Actions to protect birds and bats	I	Biodiversity loss through use and change of ecosystems	Ongoing	Biodiversity strategy
	I	Negative impact of installations on biodiversity		

Content: VERBUND, Austrian Power Grid and GAS CONNECT AUSTRIA prevent negative impacts on biodiversity in construction projects for grid and electricity generation facilities and adapt construction times and any clearing work required to the breeding behaviour of native species. Independent environmental agencies and the related authorities have prescribed a range of actions to be taken as part of environmental assessments. For one thing, many sites require periodic monitoring of bird and bat populations. During bird migration, for certain species or when nearby grain fields are harvested, operation of the wind turbines is adjusted or the turbines are temporarily shut down. Environmental compensation areas are also being set up for birds of prey, owls, and other birds at certain sites, including Mariengarten and Göttlesbrunn, to provide substitute habitats that are extensively cultivated or planted with forage crops at a suitable distance from wind turbines. Habitat trees and standing deadwood are preserved as part of forest management.

Bird protection is an important concern for Austrian Power Grid. For example, the company is a cooperation partner in LIFE projects for bird protection. Collisions are prevented by attaching bird deterrent markers, bird repellent balls or bird deterrent flags to sensitive sections of power lines. Austrian Power Grid is gradually expanding its marking network based on ornithological hotspots identified by BirdLife Austria. When constructing overhead line systems, special care is taken to observe the breeding periods of rare species. Numerous nesting aids for endangered bird species have been installed on electricity pylons and around lines. Nature and species protection experts as well as local residents contribute their practical experience. [MDR-A-68a, d; E4-3-27, 28c, AR20a]

Expected results or progress: While Austrian Power Grid marked 127 km of power lines to protect birds as part of projects such as the new 380 kV high-voltage Salzburg line, VERBUND also installed devices to protect birds against collisions and electric shocks at its new plants and their overhead lines, such as at the El Barroso and Santos de la Piedra wind farms in Spain.

Together with BirdLife Austria and the Austrian Ornithological Centre, Austrian Power Grid has been setting up nesting aids for saker falcons, Ural owls and white storks for the past 20 years. In 2025, over one hundred nesting boxes for breeding saker falcons were maintained and cleaned. In autumn 2025, a new nesting aid project was launched for the little owl, which is an endangered species in Austria. Nesting aids will be attached to the pylons during the winter for the 2026 breeding season. One notable example of targeted species protection includes part of the compensatory actions on Austrian Power Grid's 380 kV high-voltage Salzburg line: actions were implemented to ensure continuous ecological functionality (CEF) for the protected Western capercaillie across an area of around 600 hectares. The most important aspect in this regard was the improvement of the natural environment, for example by thinning out tree populations.

At the new Santos de la Piedra wind power plant in Spain, the focus was on protecting another target species: the DuPont's lark. The compensatory actions include monitoring the birds, their food supply and local habitat quality as well as habitat management based on the findings.

In the period from 2016 to 2024, Austrian Power Grid participated in the large-scale project "Cross-border protection of the Great Bustard in Central Europe". As part of the project, collision hotspots on power lines were identified and subsequently marked. Further actions included laying underground cabling for a 110 kV power line section and promoting and protecting Great Bustard breeding sites. As a result, a significant increase in the number of Great Bustards was recorded in the Parndorfer Platte-Heideboden project area after the actions were implemented, for example. In autumn 2025, arrangements were signed to continue the EUROBUSTARD project, which is set to run until 2032 and will further strengthen the Pannonian population of the Great Bustard, Europe's heaviest flying bird.

LIFE EUROKITE is another bird protection project in which Austrian Power Grid is involved as a project partner. This project runs from 2019 to 2027 and aims to reduce the poisoning rate and general anthropogenic causes of death among red kites, to identify and solve problems related to electrocution or collisions, and to identify factors contributing to the population decline in Spain. The causes of death of over 1,500 red kites and other birds of prey fitted with GPS trackers are being analysed and actions derived from this. These include, for example, criminal prosecution for the use of poison or poaching, or technical measures on power lines.

The actions listed below with regard to terrestrial ecosystems are often part of larger projects, or recurring or continuous activities related to the upkeep, cultivation or management of land, which is why estimations cannot be provided for financial figures. [MDR-A-68a, d, e, 96b]

Scope in relation to business activities and geographical areas: These actions are undertaken within the scope of the business activities of VERBUND AG and all of the companies included in VERBUND AG's consolidated financial statements as well as any companies in which VERBUND AG has a sole decisive interest, either directly or indirectly, in all countries in which corresponding business activities are undertaken. Austrian Power Grid and GAS CONNECT AUSTRIA contribute to the operational implementation of actions, only in Austria in compliance with all unbundling requirements for independent transmission system operators. [MDR-A-68b]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Research projects for the conservation and improvement of biodiversity	I	Biodiversity loss through use and change of ecosystems	Ongoing	Biodiversity strategy
	I	Negative impact of installations on biodiversity		
	R	Conflicts of interest		

Content: In order to close specific gaps in knowledge, VERBUND is pursuing extensive research initiatives in collaboration with scientific partners. The focus is on understanding processes in aquatic ecosystems, the impact of hydropower use, and the effectiveness of ecological actions. The findings obtained form the basis for planning new construction and expansion projects, optimising power plant operations, and implementing effective rehabilitation and restoration measures. [MDR-A-68a; E4-3-27, 28c]

Expected results or progress: The Christian Doppler Laboratory for Sediment Research and Management project is led by the University of Natural Resources and Life Sciences, Vienna, and aims to develop ways to optimise the economic, technical and ecological use of hydropower, to improve sediment management in waterways and to extend the service life of various plant components in hydropower plants. VERBUND is an active partner in this project, which ran from 2017 to 2025. The Christian Doppler Laboratory conducts research into erosion, transport, sedimentation and remobilisation of solids using a combination of laboratory tests and field studies in order to support improved sediment management. This project was successfully completed in 2025. Work in the project focused on the final documentation and finalisation of the Austrian Water and Waste Management Association (ÖWAV) working aid "Fine sediment management in hydropower plants", which has made the key findings from the Christian Doppler Laboratory accessible to specialist circles.

The project "Christian Doppler Laboratory for the Dynamics of Meta-Ecosystems in Regulated River Landscapes (MERI)" is also led by the University of Natural Resources and Life Sciences, Vienna, and systematically researches the complex ecosystem of the Danube through data analysis and field observations. The aim is to understand the impact of human activities on the river's biodiversity and ecosystem services and to develop sustainable ecological measures for the Austrian Danube. VERBUND is an active corporate partner alongside via donau and Österreichische Bundesforste. The project runs from 2021 to 2028. In 2025, activities were focused on fishing in the main stream of the Danube and on analyses of historical connectivity and fisheries.

As part of the project "Assessment of habitat improvement actions for the protection of fish populations", VERBUND, in collaboration with the Technical University of Munich, looked into the impact of restoration actions on the Bavarian Inn River from 2015 to 2025. The project team evaluated the habitat quality, investigated the spatial and temporal connectivity of target fish species and engaged with various stakeholders. PIT tag technology provided detailed insights into the migration behaviour and habitat use of the target fish species. The project was successfully completed in the reporting year and revealed that restoration measures have made a measurable contribution to protecting fish populations and promoting biodiversity.

Also in collaboration with the Technical University of Munich, VERBUND is researching improvements to fish habitats as part of the project "Investigation of the longitudinal and lateral connectivity of fish habitats on the Bavarian Inn River using PIT tag technology". The evaluation data obtained on the migration activities of target fish species has enabled assertions to be made about the use and detectability of the fish passes that have already been constructed, as well as about the seasonal use of backwater structures on the Bavarian Inn River and on the Inn River border section between Austria and Bavaria from the Nußdorf reservoir to the tailrace of the Stammham power plant. The project was launched in 2020 and successfully completed in the reporting year with a targeted and optimised management strategy for the Inn River.

As part of the ÖkoResch project, researchers from the BOKU University of Natural Resources and Life Sciences, Vienna, will be scientifically monitoring planned measures to limit hydropeaking and studying the effect of new residual flow releases on aquatic habitats in high mountain regions. The research activities run from 2020 to 2026 and are carried out in bodies of water affected by hydropeaking and semi-natural reference waters. The researchers are investigating how strong ecological potential can be achieved in high alpine residual water stretches. During the reporting year, work continued on the development of guidelines on mitigating hydropeaking. With regard to residual water, flow experiments and data analyses were continued and a first draft of the guidelines was developed. [MDR-A-68a, d, e; E4-3-AR20a]

Scope in relation to business activities and geographical areas: The research projects relate to VERBUND's own operations in the Hydro segment in river basins in Austria and Bavaria, Germany. Partner companies that may also be part of the value chain participate in certain cases. [MDR-A-68b]

In addition to the actions listed above, VERBUND implements decarbonisation measures and is indirectly working to mitigate biodiversity loss by expanding renewable energy generation and reducing its greenhouse gas emissions. Please consult section E1 Climate change for more information.

Metrics and targets

Disclosure Requirement E4-4 – Targets related to biodiversity and ecosystems

Target value	Target type	IRO	IRO title	Policy
[MDR-T-80b]	[MDR-T-80b]	[MDR-T-78]	[MDR-T-78; E4-4-32c]	[MDR-T-80a]
Expansion and integration of the LEAP approach into biodiversity management by 2028	Qualitative target	I	Slowing down biodiversity loss through decarbonisation Biodiversity loss through use and change of ecosystems	Biodiversity strategy
		I	Biodiversity loss due to the use of natural resources	
		R	Conflicts of interest	
		I	Negative impact of installations on biodiversity	
		I	Land degradation	
		I	Improvement of recreational function	
		I	Negative impact on ecosystem services	

Content: The steps "Locate", "Evaluate", "Assess" and "Prepare" (LEAP) should be followed and established more closely in biodiversity management. This is already happening in individual projects. To expand on this, there are plans to launch a Group-wide process in 2026 in which the approach will be coordinated, linked to existing processes and integrated into the environmental management system. This target contributes to the clause in the biodiversity policy concerning the monitoring of environmental impacts. [MDR-T-80; E4-4-31]

Baseline value, reference year and time horizon: Implementation 2026 – 2028. [MDR-T-80d-e]

Methods and key assumptions: Guidance based on the recommendations of the Taskforce on Nature Related Disclosure (TNFD): Guidance on the identification and assessment of nature-related issues: The LEAP approach [MDR-T-80f]

Ecological thresholds: No thresholds applied. [E4-4-32a.i-iii]

Scope in relation to business activities and geographical areas: Own operations in all countries in which VERBUND AG, all of the companies included in VERBUND AG's consolidated financial statements and any companies in which VERBUND AG has a sole decisive interest, either directly or indirectly, undertake corresponding business activities. Austrian Power Grid and GAS CONNECT AUSTRIA are not included under the scope. Internal stakeholders were involved in the development of the target. [MDR-T-80c, h]

Type of target according to mitigation hierarchy: Application of the LEAP approach can improve compliance with all four steps of the hierarchy of measures. [E4-4-32f]

Connection between the target and international or national strategies, policies and legislation: Sub-target 15 of the Kunming-Montreal Global Biodiversity Framework: Business assess, disclose and reduce biodiversity-related risks and negative impacts. [E4-4-32b]
Monitoring process: The monitoring process will be established in the future. [MDR-T-80j]

Target value	Target type	IRO	IRO title	Policy
[MDR-T-80b]	[MDR-T-80b]	[MDR-T-78]	[MDR-T-78]	[MDR-T-80a]
Site assessment and evaluations of potentials along with the development of guidelines for biodiversity-enhancing management by 2030	Qualitative target	I	Biodiversity loss through use and change of ecosystems	Biodiversity strategy
		I	Negative impact of installations on biodiversity	
		I	Land degradation	

Content: This target involves monitoring owned and leased land used for electricity generation facilities and establishing guidelines as a basis for concrete action planning. On newer facility premises, biodiversity-enhancing concepts are based on environmental impact assessments and actions agreed with the local regulatory authority. An evaluation of the condition of habitats and biodiversity is required as a basis for concepts, particularly in areas that have been owned or leased for several decades and where there are currently no biodiversity concepts in place. As part of the surveys, approximately 1,000 hectares of grassland biotopes and their ecological potential are being mapped, and information on tree species, age, stock, regeneration and deadwood is being collected on approximately 2,000 hectares of forest. Following this, actions are derived based on these surveys and company-specific guidelines are developed. Key components of the guidelines will include management methods and intervals for the targeted promotion of specific habitat types and species, increasing structural diversity, networking habitats and creating stepping stone biotopes. This target contributes to the clauses in the biodiversity policy on the preparation of monitoring reports and the development of biodiversity concepts. [MDR-T-80; E4-4-31]
Baseline value, reference year and time horizon: Implementation 2025 – 2030. [MDR-T-80d-e]
Methods and key assumptions: A combination of site assessments, analysing potential and developing guidelines will be carried out to select and prioritise the most effective and cost-efficient actions for each site. [MDR-T-80f]
Ecological thresholds: No thresholds applied. [E4-4-32a]
Scope in relation to business activities and geographical areas: This includes land with easements and land owned by VERBUND Hydro Power GmbH and VERBUND Green Power GmbH in all countries in which they operate. [MDR-T-80c, h]
Type of target according to mitigation hierarchy: Site assessments and evaluations of potentials can aid with site selection in order to minimise the adverse impacts of future actions. The guidelines on biodiversity-enhancing management can form the basis for actions to restore or compensate for biodiversity loss. [E4-4-32f]
Connection between the target and international or national strategies, policies and legislation: Sub-target 10 of the Kunming-Montreal Global Biodiversity Framework: Enhance biodiversity and sustainability in agriculture, aquaculture, fisheries and forestry. [E4-4-32b]
Monitoring process: Progress monitored based on an annual progress report. [MDR-T-80j]

Target value	Target type	IRO	IRO title	Policy
[MDR-T-80b]	[MDR-T-80b]	[MDR-T-78]	[MDR-T-78]	[MDR-T-80a]
Implementation of projects for the connection and restoration of habitats	Qualitative target	I	Biodiversity loss through use and change of ecosystems	Biodiversity strategy
		I	Negative impact of installations on biodiversity	
		R	Conflicts of interest	

Content: As part of the three LIFE projects – LIFE Riverscape Lower Inn River (2020–2028), LIFE Blue Belt Danube-Inn River (2021–2029) and LIFE WeNatureEnns (2024–2031) – VERBUND is pursuing the goal of restoring and strengthening the ecological functions of large rivers and their floodplain landscapes. The focus is on improving river continuity for migratory fish species, the rehabilitation of structurally rich habitats and connecting isolated ecosystems along the Inn, Danube and Enns rivers. Further actions include removal of hard bank structures, the creation of near-natural bypass channels, the development of dynamic floodplain areas, the ecological enhancement of riparian corridors and visitor management policies. This target contributes to the clauses in the biodiversity policy on the implementation of nature-based solutions, the establishment of biodiversity concepts for terrestrial and aquatic areas, and stakeholder engagement, and incorporates scientific evidence. [MDR-T-80a, c, g; E4-4-31]
Baseline value, reference year and time horizon: No baselines values are applicable. The project duration of the individual LIFE projects is considered to be the time frame for implementation. [MDR-T-80d-e]
Methods and key assumptions: LIFE funding requirements are taken into account and complied with. [MDR-T-80f]
Ecological thresholds: EU-funded LIFE projects must make a contribution to achieving the objectives of the Water Framework Directive and generate demonstrable added value for the species protected under the Habitats and Birds Directives. The respective project managers are responsible for adhering to these requirements. No entity-specific thresholds have been defined. [E4-4-32a]
Scope in relation to business activities and geographical areas: Own operations in the Hydro segment. Numerous external stakeholders, such as ministries, provincial governments, research institutions and fisheries associations, as well as other relevant local associations and landowners, are involved in LIFE projects. [MDR-T-80c, h]
Type of target according to mitigation hierarchy: Restoration and compensation. [E4-4-32f]
Connection between the target and international or national strategies, policies and legislation: Sub-target 2 of the Kunming-Montreal Global Biodiversity Framework: Restore 30% of all degraded ecosystems. This target is also enshrined in the EU Biodiversity Strategy. In concrete terms, the VERBUND target contributes to the associated sub-target "Restoration of freshwater ecosystems". [E4-4-32b]
Monitoring process: Progress is reported and verified annually as part of the LIFE funding programme. [MDR-T-80j]

Target value	Target type	IRO	IRO title	Policy
[MDR-T-80b]	[MDR-T-80b]	[MDR-T-78]	[MDR-T-78]	[MDR-T-80a]
Restoring the continuity of waterways at 89 hydropower plants by 2027	Absolute target	I	Biodiversity loss through use and change of ecosystems	Biodiversity strategy
		I	Negative impact of installations on biodiversity	

Content: The aim is to ensure continuity at hydropower plants by 2027 through fish passes. Fish and all organisms found in and around the water habitat benefit from fish passes and bypass channels. [MDR-T-80]
Baseline value, reference year and time horizon: In the base year 2021, there were 66 fish passes, and the target for 2027 is 89 fish passes. [MDR-T-80d-e]
Methods and key assumptions: Assuming that all public law permits are available in good time, the target is to enable the construction of the remaining fish passes to be carried out on schedule. [MDR-T-80f]
Ecological thresholds: No entity-specific thresholds have been defined. Project managers comply with the specifications of the Water Framework Directive (WFD) on achieving good ecological status or, in the case of bodies of water that have already been significantly altered, "good ecological potential". Further externally specified threshold values can be found in guidelines for checking the functionality of fish passes. [E4-4-32a]
Scope in relation to business activities and geographical areas: Own operations in the Hydro segment in Austria and Bavaria, Germany. [MDR-T-80c, h]
Type of target according to mitigation hierarchy: Restoration. [E4-4-32f]
Connection between the target and international or national strategies, policies and legislation: EU Water Framework Directive implemented in Austria as the Third Austrian River Basin Management Plan (NGP 2021) and in Germany as the River Basin Management Plan (2022–2027); EU Biodiversity Strategy with the goal of "restoring freshwater ecosystems". [E4-4-32b]
Monitoring process: Progress is tracked on the basis of annual monitoring. [MDR-T-80j]

The biodiversity targets listed were developed in collaboration between VERBUND's stakeholders, with consideration given to external requirements such as the national and international targets and policies mentioned above. If compensation measures are required in relation to the implementation of near natural projects (e.g. for clearing work to reconnect silted distributaries), these are ordered by the authorities and executed alongside project implementation. However, these actions are not subject to any set targets. [ESRS 2 MDR-T 80h; E4-4-32e]

Disclosure Requirement E4-5 – Impact metrics related to biodiversity and ecosystems change

Sites in or near biodiversity sensitive areas

[MDR-M-75; E4-5-35]

	Unit	2024	**2025**
Sites	Number	128	136
Land (owned + servitudes)[1]	Hectares (ha)	5914	5744

[1] Error correction 2024

Fish passes

[MDR-M-75; E4-5-38d, e]

		2024	**2025**
Sites	Number	71	71

The number of fish passes completed is used as a metric for determining changes in the passability of rivers. As of the end of 2025, as in the previous year, a total of 71 VERBUND power plant sites, including Ennskraftwerke AG, were passable for fish. Plans for a further 21 run-of-river power plants are already largely complete, and construction or completion is scheduled for 2027, subject to obtaining the necessary permits from the regulatory authorities. Progress is monitored and recorded internally and also checked by regulatory authorities to ensure implementation of the Water Framework Directive. The metric "Number of fish passes" covers both the restoration of the structural connectivity of ecosystems and the functional connectivity in freshwater bodies. In order to check the functionality of fish passes, fish monitoring is carried out upon completion of newly built passes. [ESRS 2 MDR-M 77b-c; E4-5-38d, e]

ESRS E5 Resource use and circular economy

ESRS 2 General Disclosures

Impacts, risks and opportunities management

Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

Topical disclosures on processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities can be found in ESRS 2 IRO-1.

Sub-topic	IRO title	I/R/O	+/-
E5 Resource inflows, including resource use			
	Resource consumption	I	-
E5 Waste			
	Waste	I	-

Legend:

I/R/O	Impact, risk, opportunity
+/-	+ positive; - negative
( )	potential

Disclosure Requirement E5-1 – Policies related to resource use and circular economy

VERBUND does not currently have an independent policy for resource use and circular economy that regulates in detail the transition from the use of primary raw materials to increased use of secondary/recycled raw materials or the sustainable procurement and use of renewable resources. [E5-1-15a-b]

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Executive orders	I	Resource inflows, including resource use	Executive Board of VERBUND AG
	I	Waste	

Content: These policies define responsibilities and areas of responsibility in relation to materials management and sustainability management within the Group. [MDR-P-65a; E5-1-14]
Targets: Materials management is to be carried out in accordance with business principles and with due regard to the corporate mission statement, the corporate objectives and sustainability. Accordingly, economic, environmental and social criteria must be taken into account in award decisions, both for procurement and for sales. In terms of sustainability management, the target is to use natural raw materials and resources responsibly and to record the share of renewable energy sources in total energy consumption. [MDR-P-65a]
Monitoring process: The material and energy use trends are monitored on an annual basis as part of the evaluation of environmental data. [MDR-P-65a]
Scope in relation to business activities and geographical areas: The policy as well as the codes of conduct and actions listed therein apply to VERBUND AG, to all of the companies included in VERBUND AG's consolidated financial statements and to any companies in which VERBUND AG has a sole decisive interest, either directly or indirectly, and in countries in which VERBUND operates. However, Austrian Power Grid AG and GAS CONNECT AUSTRIA GmbH are excluded from the scope of application. [MDR-P-65b]

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Supplier Code of Conduct (SCoC)	I	Resource inflows, including resource use	Chief Compliance Officer at VERBUND AG

Content: The Group-wide SCoC provides recommendations for VERBUND contractors on resource use and circular economy. VERBUND suppliers are advised to implement measures that significantly reduce their consumption of energy and resources. VERBUND also encourages its suppliers to minimise and continuously reduce the production and use of microplastics. Furthermore, VERBUND recommends the active promotion of a circular economy in order to support the reuse and recycling of materials. The waste hierarchy of prevent, reuse, recycle, recover, dispose must be upheld with regard to waste management. In this way, it can be ensured that any waste generated is properly disposed of. The full Supplier Code of Conduct (SCoC) is available online and a more detailed description can be found in the ESRS G1 section of this report. Stakeholders were accounted for when the above policies were drawn up through various dialogue platforms, as described in more detail in ESRS 2 SBM-2. [MDR-P-65a; E5-1-14]
Targets: The aim of the Supplier Code of Conduct (SCoC) is to ensure resource-efficient waste and materials management at VERBUND and all subsidiaries. VERBUND also strives to help create the conditions for resource-efficient and sustainable management. [MDR-P-65a]
Monitoring process: As part of the monitoring process for the Supplier Code of Conduct, by entering into a business relationship with VERBUND, contractors undertake to be available for audit interviews (supplier audits) in order to ensure compliance with the Supplier Code of Conduct. VERBUND also

reserves the right to carry out announced random checks of the suppliers' status quo. Contractors must report any violations of mandatory provisions of the Supplier Code of Conduct to VERBUND without being prompted and within a reasonable period of time. Unless otherwise contractually agreed, appropriate remediation measures are defined jointly in the event of identified violations. This may include the establishment of phased programmes to remedy shortcomings. Contractors must brief VERBUND on the progress of these programmes on an ongoing basis. If no mutually acceptable solutions can be reached or if agreed actions have not yet been implemented, VERBUND reserves the right to terminate the contractual relationship prematurely, subject on any deviating provisions in the contractual rules and regulations. [MDR-P-65a]

Scope in relation to business activities and geographical areas: This document forms an integral part of all contracts and orders between VERBUND and contractors. It can also be used as a basis for other business transactions with business partners. It applies to all fully consolidated companies and companies in which VERBUND otherwise holds a sole controlling influence, either directly or indirectly, in all countries in which VERBUND operates. However, it does not apply to Austrian Power Grid or GAS CONNECT AUSTRIA. [MDR-P-65b]

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Waste management work instruction	I	Waste	Chairperson of the Central Occupational Safety Committee at VERBUND AG

Content: This policy regulates the organisation and responsibilities in relation to waste management at VERBUND. In addition, this work instruction sets out general, uniform basic rules for handling waste throughout the Group, thereby providing a framework for VERBUND for compliance with the relevant legal requirements. [MDR-P-65a: E5-1-14]

Targets: The aim of this work instruction is to ensure that waste management at VERBUND is carried out lawfully and consistently throughout the Group. VERBUND is committed to ensuring the prevention, recovery, reuse, and proper collection and treatment of hazardous and non-hazardous waste. As a result, all waste is handed over for appropriate recovery or disposal. VERBUND is focused on optimising its existing operational processes and efficiently reducing waste streams. Following the coal phase-out, the volume of waste generated has been on the decline. However, greater waste streams are expected in the long term due to recent photovoltaic and wind installations. Waste management at VERBUND follows the principles of the European Union's five-step waste hierarchy: "Prevent – Reuse – Recycle – Recover – Dispose." [MDR-P-65a]

Monitoring process: Compliance with the targets is verified during the annual environmental audits. The VERBUND Group Waste Coordinator and their deputy monitor waste management and provide corresponding advice. The Group waste coordinators are responsible for administration and knowledge management with regard to waste management at VERBUND. They review the appointment of waste officers and their deputies on an annual basis, assist with submitting reports to the authorities, update work instructions, identify training needs, organise trainings and hold coordination meetings. Responsibility for compliance with the legal requirements rests with the respective managers. [MDR-P-65a]

Scope in relation to business activities and geographical areas: This Group policy applies to VERBUND AG, to all of the companies included in VERBUND AG's consolidated financial statements and

to any companies in which VERBUND AG holds a sole controlling interest, either directly or indirectly, provided they have a site located in Austria or Germany. However, Austrian Power Grid and GAS CONNECT AUSTRIA are excluded from the scope unless otherwise stipulated in the interface agreement. [MDR-P-65b]

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Occupational safety and environmental protection policy for the provision of services of contractors at VERBUND locations and/or construction sites in Austria and Germany	I	Waste	Head of Purchasing, VERBUND AG

Content: The "Occupational safety and environmental protection policy for the provision of services of contractors at VERBUND locations and/or construction sites in Austria and Germany" outlines basic information and requirements relevant to the safe deployment of contractors and protecting the environment. The aim is to achieve uniform guidelines in terms of requirements for the protection of people, property and the environment. [MDR-P-65a; E5-1-14]
Targets: The aim of the policy is to ensure the ongoing and timely disposal of all waste generated in the course of work in an environmentally friendly and legally compliant manner. Waste that is not authorised for disposal will only be handed over to approved waste collection/treatment firms. Complete documentation of the disposal and whereabouts of waste must be ensured in accordance with legal requirements. In addition, the type, volumes, origin and destination of all waste generated, as well as the documentation required under the Recycling Building Materials Ordinance (*Recycling-Baustoffverordnung*, RBV), must be submitted in writing to the client within two weeks of work ending (in the case of projects lasting several years, by the end of the year at the latest). [MDR-P-65a]
Monitoring process: The contractor is obliged to comply with all rules and regulations regarding waste collection, separation and disposal, in particular the rules and regulations stipulated in the RBV. The contractor is obliged to monitor these requirements in a verifiable manner. Compliance with the provisions is ensured by the client, which involves, among others, the responsible work supervisors, project managers and their representatives. [MDR-P-65a]
Scope in relation to business activities and geographical areas: This Group policy applies to VERBUND sites and/or construction sites in Austria and Germany operated by VERBUND AG, all of the companies included in VERBUND AG's consolidated financial statements and any companies in which VERBUND AG holds a sole controlling interest, either directly or indirectly, provided they have a site located in Austria or Germany. However, Austrian Power Grid and GAS CONNECT AUSTRIA are excluded from the scope unless otherwise stipulated in the interface agreement. [MDR-P-65b]

Disclosure Requirement E5-2 – Actions and resources related to resource use and circular economy

At VERBUND, activities related to waste management are structured according to the EU waste hierarchy: waste prevention, followed by preparation for reuse, recycling, and energy or material recovery. Any remaining non-hazardous as well as hazardous waste is sent exclusively to authorised waste collection

and treatment firms. These are actions to be implemented or planned as part of ongoing business processes, the financial costs of which are not recorded separately. [MDR-A-69a-c]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Separation, collection and treatment of waste	I	Waste	Ongoing	Waste management work instruction

Content: VERBUND is committed to reducing waste and to preventing waste wherever possible. The Group consistently separates waste. In addition, the valid "Occupational safety and environmental guideline on the provision of services by contractors at VERBUND sites and/or construction sites in Austria" and the "Occupational safety and environmental guideline on the provision of services by contractors at VERBUND sites and/or construction sites in Germany" require contractors in Austria and Germany to diligently implement the applicable provisions relating to the dismantling and separation of waste. Waste generated on an annual basis is collected and treated by several service providers, and the waste streams can be roughly divided into different categories. In light of the current legislative environment and lack of transparency on the part of waste collection and treatment firms, it is not possible to provide information on the final recovery of waste broken down into thermal and material recovery. Figures are being recorded on the total amount of waste sent for recovery and the amount of waste that is disposed of. [MDR-A-68a]
Expected results/progress: Through these ongoing measures, VERBUND actively contributes to the conservation of resources and environmental compatibility of its ongoing operations as well as construction and demolition projects. [MDR-A-68a, e]
Scope in relation to business activities and geographical areas: This action applies to VERBUND AG, to all of the companies included in VERBUND AG's consolidated financial statements and to any companies in which VERBUND AG holds a sole controlling interest, either directly or indirectly, provided they have a site located in Austria or Germany. However, Austrian Power Grid and GAS CONNECT AUSTRIA are excluded from the scope unless otherwise stipulated in the interface agreement. [MDR-A-68b]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Waste prevention	I	Waste	Ongoing	-

Content: Waste prevention is a key pillar of VERBUND's operating practices. Annual waste generation from demolition work is kept low through the use of durable building materials and the associated long useful lives of installations in operation as well as condition-based maintenance measures. [MDR-A-68a]
Expected results/progress: The aim of extending the useful life of operated facilities and thereby saving materials for new construction is pursued through the use of durable components and optimised service intervals. [MDR-A-68a, e]
Scope in relation to business activities and geographical areas: This action applies to VERBUND AG, to all of the companies included in VERBUND AG's consolidated financial statements and to any companies in which VERBUND AG holds a sole decisive interest, either directly or indirectly. However, Austrian Power Grid and GAS CONNECT AUSTRIA are excluded from the scope. [MDR-A-68b]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Use of by-products	I	Waste	Ongoing	-

Content: Due to the phase-out of thermal power generation using coal products in 2020, annual volumes of lime sludge material flows as by-products of thermal generation are on the decline. The remaining quantities are used as additives in the cement industry. One measure that has already been implemented is the utilisation of the press filter cake from the cooling tower makeup water treatment system at the Mellach gas power plant. The by-product, namely sludge from the cooling tower makeup water treatment system, was converted into raw meal as part of the cement production process. Recovery measures such as these help to preserve natural resources. A further waste recovery measure was launched at the end of 2023. At a former power plant site, soda ash, which was previously generated as a result of coal combustion with subsequent flue gas desulphurisation and temporarily stored on a landfill belonging to the site, is now treated and used as an additive at a cement plant. [MDR-A-68a]
Expected results/progress: This package of measures will enable savings on natural raw materials in the cement industry. [MDR-A-68a, e]
Scope in relation to business activities and geographical areas: The actions listed are being implemented at the Mellach thermal power plant and at former VERBUND AG power plant sites in Austria. [MDR-A-68b]

Metrics and targets

Disclosure Requirement E5-3 – Targets related to resource use and circular economy

At this point in time, VERBUND does not yet have any quantifiable targets in relation to resource use and circular economy as the Group is currently undertaking a comprehensive analysis and strategic planning on these topics. VERBUND is examining the possibility of formulating measurable and quantifiable targets. In order to measure the effectiveness of the policies and actions listed, VERBUND reviews the development of resource inflow volumes on an annual basis, broken down according to the most important technical materials and raw materials, and records the generated waste volumes with the help of its central sustainability data management tool. The evaluation of the resource inflows was carried out for the first time for financial year 2024 using the structure outlined in this report for 2025 and subsequently used as a base year for future comparisons. Since 2018, year-on-year comparisons for data on waste have been recorded and analysed electronically. This approach helps VERBUND to adhere to the legally required waste documentation in accordance with, for example, Section 17 of the 2002 Austrian Waste Management Act (*Abfallwirtschaftsgesetz*, AWG), the 2012 Waste Disclosure Ordinance and Section 50 of the German Circular Economy Act (*Kreislaufwirtschaftsgesetz*, KrWG) in conjunction with the German Ordinance on Waste Recovery and Disposal Records (*Nachweisverordnung*, NachwV). [MDR-T-81b]

Disclosure Requirement E5-4 – Resource inflows

The products and technical materials relevant to VERBUND are listed in the table below.

Products and technical materials

[MDR-M-75; E5-4-30; AR21]

	Unit	2024	**2025**
IT equipment	t	17	10
Auxiliary and operating materials	t	500	730
Products for customer projects	t	360	1,240
Buildings and infrastructure	t	236,730	295,740
Vehicle fleet	t	500	450

When evaluating resource inflows at VERBUND, the Group focuses on materials that are important for the construction of new installations and for overhauls. Purchased materials include concrete, which is key to plant construction, and steel, which plays a key role in power line and plant construction. Gravel is mainly used in the expansion of the power grid and in the construction of run-of-river power plants, while glass is mainly used in photovoltaic modules. Aluminium and copper are also relevant material components for VERBUND. Materials that could not be clearly assigned to these main categories were not reported separately due to their differing composition and low relevance in terms of volume.

A breakdown into the most important material categories is presented in the table below.

Material categories including critical raw materials

[MDR-M-75; E5-4-31a]

	Unit	2024	**2025**
Steel	t	29,570	34,430
Copper	t	990	1,200
Aluminium	t	6,010	5,430
Concrete	t	40,500	46,730
Glass	t	11,380	10,000
Iron	t	960	1,150
Gravel	t	128,750	189,400
Total	t	218,160	288,340

No relevant material flows of biological materials were identified during the annual evaluation of VERBUND's resource inflows. This finding results from an assessment of operation activities and the materials used.

Currently, the proportion of recycled and reused materials in products purchased by VERBUND is not recorded and therefore no information can be provided. VERBUND is aware of the importance of using recycled materials and plans to implement suitable tracking systems in the future in order to collect data on this topic and communicate it with transparency. No estimations could be made at this point in time. [E5-4-31b-c]

The use of materials is recorded in the sustainability data management tool. Data entry is carried out at the corresponding company by designated employees. In the first step, the data for the main material inflows is exported. This output is generated for IT equipment and auxiliary and operating resources at product level. Certain resource flows are recorded in different units, such as pieces, weight and installed capacity. To make the data comparable, all information is converted into weights. The conversion is largely

based on internal project-based empirical values or secondary data such as life cycle assessment analyses (LCA analyses). To finish, the material totals are evaluated according to specified internal or researched distribution keys for all material categories. It is assumed that the material composition is similarly distributed for identical products and technologies. This approximation may lead to inaccuracies, as conclusions are drawn from individual internal projects as well as internal and external LCA analyses at all facilities built using the technology in question in order to estimate the distribution of materials. Data is evaluated exclusively for materials in their original condition or weight. No further data processing, such as conversion to dry weights, takes place. All data used was collected and evaluated internally and has not been subject to external validation. [MDR-M-77a-b; ESRS 2 BP-2-10a-d, 11bi-ii; E5-4-32; AR24]

Disclosure Requirement E5-5 – Resource outflows

Products and materials

VERBUND does not have any material outflows of resources in relation to energy generation as its corporate focus lies in the provision of renewable energy. Unlike traditional industrial production processes, which often involve significant material consumption and waste production, VERBUND's activities are primarily based on the generation of electricity and the transport of electricity and natural gas. This focus minimises material consumption and associated waste.

The disclosed figures on waste are based on measurements and calculations according to data collected on waste at VERBUND. Data is collected on the basis of statutory record-keeping and verification obligations, along with other requirements. [E5-5-AR33c]

The total amounts of waste vary depending on the projects implemented and the amount of waste generated during ongoing operations. In the 2025 reporting year, the amount of waste generated on an ongoing basis decreased, while excavated material from projects increased, resulting in a larger amount of waste being disposed of. Hazardous and non-hazardous waste is generated in comparable, yet not identical quantities. It is currently only possible to estimate the breakdown of total waste, hazardous and non-hazardous waste into recovery and disposal as VERBUND does not consistently receive this information from waste recipients (e.g. authorised waste collection firms). In the absence of information, in some cases waste can be clearly assigned to recovery or disposal on the basis of ordinances to the 2002 Austrian Waste Management Act, such as the Recycling Building Materials Ordinance (*Recycling-Baustoffverordnung*, RBV) which contains guidance on waste streams generated by construction activities.

A breakdown of waste streams into the types of recovery and waste treatment is not possible due to legislation. Waste collection firms are not currently required to provide data on the recycling of waste streams they receive. Accordingly, the total amount of waste that ends up in a recycling process is not currently known. Waste recipients only provide VERBUND with information on the total amounts of waste sent for recovery or disposal. For this reason, all recovered waste that has been transported for preparation for reuse, a recycling process or other recovery methods is included in the recovery category. Similarly, incineration, landfill and other types of disposal are covered under the disposal category (non-recycled waste).

Total waste quantities and a breakdown of hazardous and non-hazardous waste into recovery and disposal categories (non-recycled waste) can be found in the table below. [E5-5-37c, 37d]

Waste: Recovery or disposal of hazardous and non-hazardous waste

[MDR-M-75; E5-5-37a-d; 39]

	Unit	2024	**2025**
Total waste		93,576	**81,735**
Hazardous waste			
Total	t	1,858	1,658
Recovery	t	976	585
Disposal (non-recycled waste)	t	882	1,072
Non-hazardous waste (incl. screened debris)			
Total	t	91,718	80,077
Recovery	t	79,872	54,854
Disposal (non-recycled waste)	t	11,846	25,223
Total recovery	t	80,848	55,439
Total disposal (non-recycled waste)	t	12,728	26,296
Disposal share (non-recycled waste)	%	14	32
Radioactive waste	t	0	0

All VERBUND companies have appointed waste officers, including deputy waste officers and local waste officers. The waste officers determine the composition of the waste generated and classify it as either hazardous or non-hazardous. They monitor on-site compliance with waste regulations, such as separating waste as specified by the waste disposal company, and transfer the waste to hauliers for transport and to waste disposal companies or permit-free reclaimers (dealers) for treatment. Waste may only be transferred to authorised waste collection or waste treatment firms. Confirmation that the disposal company has been issued the required authorisations must be obtained prior to transfer. The confirmations (bill of delivery, consignment note, weighing note and invoice) relevant to the disposal process are sent to the party awarding the contract. This procedure ensures compliance with the legal requirements for waste treatment and minimises the impact of waste generation. Waste-related data is collected by all VERBUND companies in accordance with statutory record-keeping requirements. The waste officers submit the figures for their area of responsibility for publication in the Group report. The data is then aggregated at the Group level.

The methodology for collecting data on resource inflows and waste is based on an integrated approach as part of VERBUND's sustainability data management. Resource inflow data is converted into metric tonnes (t) to ensure a consistent analysis. Resources used in products and installations are allocated based on life cycle assessments (LCAs) and information from in-house contacts. Data uncertainties are to be expected as a result of these conversions and estimates using secondary data. Data on waste is derived from records based on entries made by waste officers. By analysing the respective descriptions of the EU Waste List Ordinance and the categories of the European Waste Catalogue, VERBUND was able to identify the relevant materials in its waste streams. An analysis of waste streams on the basis of data collected in 2025 identified the following main streams: screened debris, excavated material such as excavated soil and dredging material, iron and steel waste, soil slurry, sand slurry and excavated slurry walls, and concrete fragments. Relevant flows also include the contents of cesspits and construction site waste. [ESRS 2 BP-2-10a-d; E5-5-38a-b, 40].

Social information

ESRS S1 Own workforce

ESRS 2 General Disclosures

Strategy

Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders

Topical disclosures on the interests and views of VERBUND's own workforce can be found in ESRS 2 SBM-2. [S1-SBM-2-12]

Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Actual and potential impacts related to own workforce were examined in the course of the materiality assessment. The positive impacts include a stable income, structured communication between the Executive Board and VERBUND's own workforce, work-life balance and skills development, enabling employees to focus fully on their professional tasks.

The term own workforce covers both employees directly employed by VERBUND and non-employees provided by third party undertakings primarily engaged in employment activities. All sub-sub-topics related to working conditions, equal treatment and opportunities for all, and other work-related rights were examined in the materiality assessment. This detailed approach is justified by the fact that VERBUND's employees are its most important asset on the path to transitioning to clean energy. Please consult the ESRS 2 IRO-1 section for a detailed description of the process for identifying and assessing material impacts, risks and opportunities. [S1-SBM-3-14a, c]

The material impacts of VERBUND's business activities on its own workforce identified in the materiality assessment are as follows:

Sub-topic	IRO title	I/R/O	+/-
S1 Working conditions			
	Stable income	I	+
	Structured interaction	I	+
	Work-life balance	I	+
	Health and safety	I	-
S1 Equal treatment and opportunities for all			
	Skills development	I	+
	Gender inequality in pay and career development	I	-
	Hiring quota for people with disabilities	I	-
S1 Other work-related rights			
	Privacy	I	–

Legend:

I, R, O	Impact, risk, opportunity
+/-	+…positive; …..- negative
( )	potential

VERBUND strives to create an environment in which all employees can realise their full potential in order to contribute to the success of the Group. The impacts identified in the materiality assessment have

a direct impact on VERBUND's own workforce. There are therefore interdependencies between impact, strategy and business model. [S1 SBM-3-13a.i-ii; ESRS 2 SBM-3-48b]

The assessment did not identify any risks or opportunities with respect to own workforce. This is due to the approach selected for the materiality assessment, which was carried out at the level of the sub-sub-topics and consequently the defined financial thresholds for risks and opportunities were not exceeded. [S1-SBM-3-13b, 14d]

The transition plans for decarbonisation have already resulted in impacts on the workforce in the past, but these impacts have been mitigated by ongoing training measures and demographically-induced departures from the Group as part of long-term HR planning. VERBUND does not undertake any activities where there is a significant risk of forced or child labour resulting from the type of work or the geographical areas in which the work is carried out. [S1-SBM-3-14b, e, f, g]

VERBUND is committed to protecting vulnerable individuals who could be particularly affected by negative impacts based on their age, gender or other diversity criteria. [S1-SBM-3-15]

VERBUND acknowledges that people with certain characteristics could be more severely affected by negative impacts. Equal opportunities officers who affected individuals can turn to have been appointed at all companies. Examples of particular characteristics of people in VERBUND's own workforce relate to persons with disabilities who may be more susceptible to impacts on their work performance, or women in an environment where women are routinely subjected to unequal treatment. [S1-SBM-3-16]

The Supplier Code of Conduct, which VERBUND applies in cooperation with its suppliers, contains provisions on the protection of workers, safety, precarious employment conditions, human trafficking, forced labour and child labour. These provisions are in line with ILO standards. Further details on the Supplier Code of Conduct can be found in section S2 Workers in the value chain. [S1-1 AR13]

Impacts, risks and opportunities management

Disclosure Requirement S1-1 – Policies related to own workforce

At VERBUND, the term workforce used in the ESRS refers to both employees directly employed by VERBUND and non-employees. Non-employees refer to temporary staff, namely workers mediated by third party undertakings primarily engaged in employment activities. All employees may be affected by material impacts in relation to VERBUND's business activities. The policies for managing material impacts apply to all VERBUND employees, i.e. to the Group's own workforce and temporary staff. [S1-1-19]

VERBUND does not tolerate any unethical conduct in violation of human rights or legislation. It is the responsibility of all top management and all VERBUND employees to comply with human rights and to report any violations of which they become aware. This responsibility is enshrined in the VERBUND Group Policy on human rights due diligence and included in the VERBUND Code of Conduct. These policies are consistent with the UN Guiding Principles on Business and Human Rights. Accordingly, they are based on the International Bill of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. Forced labour, human trafficking and child labour are explicitly covered in the Group policy on human rights. A large number of due diligence processes have been put in place at VERBUND to ensure human rights due diligence. These include a compliance process, reviewing the integrity of business partners and compliance with the Supplier Code of Conduct. These processes are discussed in section G1-1 under Corporate culture policies. [S1-1-20a-c, 21, 22]

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Policy for the prevention of workplace accidents	I	Health and safety	Executive Board of VERBUND AG

Content: Workplace accidents and work-related injuries can be systematically avoided if Group processes are adequately optimised by an occupational health and safety management system. All operational staff at VERBUND are covered by certified management systems in accordance with ISO 45001 for health and safety. The topic of occupational health and safety is afforded very high priority at VERBUND. The relevance of these topics was also apparent in the materiality assessment. VERBUND has summarised its vision for occupational health and safety in the form of guiding principles designed to ensure health and safety at the workplace. VERBUND provides safe and healthy working conditions and relies on preventive safety improvements to minimise hazards and risks in the work environment. [MDR-P-65a; S1-1-23]
Targets: At VERBUND, the Group target is to achieve an LTIFR ≤4.6 by 2026. See the targets and metrics for protection against workplace accidents in sections S1-5 and S1-6. [MDR-P-65a]
Monitoring process: See the actions for occupational safety in section S1-4. [MDR-P-65a]
Scope in relation to business activities and geographical areas: The scope covers VERBUND's own operations. The policy is applicable in all countries in which VERBUND operates. [MDR-P-65b]

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Occupational health management policy	I	Health and safety	Executive Board of VERBUND AG

Content: VERBUND strengthens the physical and mental health of its workforce through comprehensive occupational health management that goes above and beyond the legal requirements. As a sustainable company, VERBUND is aware of its corporate duty of care and aims to preserve the creative energy of its workforce in the varying life phases through health promotion and primary prevention initiatives. In 2024, a management system for promoting occupational health was launched in partnership with the Österreichische Gesundheitskasse (Austrian health insurance fund) in response to the rise in physical and mental stress. The goal is to sustainably maintain the quality standards for promoting health in the years that follow and to meet the requirements for obtaining the relevant quality seal.

Since 2024, the occupational health management at VERBUND has been strategically reorganised with the aim of implementing a systematic and performance-based approach that can be easily linked to relevant certifications such as ISO 45001. In addition, comprehensive occupational health management supports the implementation of Mission V. A participatory approach is used to create initiatives tailored to specific requirements and target groups, e.g. for apprentices or managers. The "Fit and Healthy at VERBUND" initiative focuses on three implementation levels: employee health behaviour and awareness, framework conditions to promote health and a health-oriented leadership culture. [MDR-P-65a; S1-1-23]
Targets: The aim is to have a healthy and high-performing workforce. [MDR-P-65a]
Monitoring process: The monitoring process is currently being developed and will involve specific health questions that will be integrated into the workforce surveys. [MDR-P-65a]

Scope in relation to business activities and geographical areas: The scope covers VERBUND's own operations. The policy currently applies in Austria and Germany. [MDR-P-65b]

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Equal treatment and diversity policy	I	Gender inequality in pay and career development	Executive Board of VERBUND AG

Content: VERBUND is committed to cooperative, fair and reliable collaboration focused on mutual respect regardless of gender, age, origin, belief, sexual orientation, disability or individual life situation. As a Group, VERBUND promotes equal opportunities and fair interpersonal relationships in order to create a non-discriminatory environment. The Diversity Charter (*Charta der Vielfalt*) is an initiative of the Austrian Economic Chambers and the Vienna Economic Chamber aimed at promoting appreciation for all members of society. VERBUND signed the Diversity Charter back in 2012 and has been a premium member since 2015. Certification of the diversity management system according to ÖNorm S2501 aids the (further) development of a comprehensive diversity management system and is likewise a distinction honouring comprehensive diversity management. VERBUND aims to embrace diversity within the Group and to systematically expand on and update its diversity strategy. The established Diversity team acts as a Group-wide equal treatment body that addresses questions and concerns relating to gender equality and thereby promotes diversity, equal opportunities and inclusion. The reporting authority and underlying Group policy define the parameters, internal structures and responsibilities to facilitate a debate on the topic of equal treatment as a facet of a modern and supportive corporate culture. The Group-wide network consists of around 50 employees from all divisions at various sites throughout Austria and Bavaria. The network is made up of a Group Diversity Committee as the Group body, diversity officers specifically appointed for each company and diversity representatives from all companies. [MDR-P-65a; S1-1-24a-c]
Targets: The objective is to avoid unequal treatment. [MDR-P-65a]
Monitoring process: A task force consisting of employees and works council members analyses past measures and draws up future ones. The proposed measures are then evaluated by a management team and key measures are set out in a target agreement. The implementation and effectiveness of the measures are evaluated as part of the certification process conducted on a regular basis. With this, VERBUND promotes diversity throughout the Group and ensures equal treatment. VERBUND received this certification for the first time in 2017. [MDR-P-65a; S1-1-24d]
Scope in relation to business activities and geographical areas: The scope covers VERBUND's own operations. The policy is applicable in all countries in which VERBUND operates. Selected certifications, such as the workandfamily (*berufundfamilie*) audit, are only valid in Austria. [MDR-P-65b]

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Data protection policy	I	Privacy	Group Data Protection Officer

Content: VERBUND relies on a Group-wide data protection management system that provides the framework for the responsible handling of personal data. This management system ensures processes are

in place to prevent violations of privacy rights due to loss of data. Further details on the policy, actions and targets for data protection can be found in section G1 Business conduct. [MDR-P-65a]
Targets: The aim is to ensure that no data protection violations occur. [MDR-P-65a]
Monitoring process: The Group's certified Data Protection Officer plans, manages and coordinates all of the Group's data protection-related matters. The Group officer is supported in this by data protection officers at the individual companies together with the Group's own legal advisors. [MDR-P-65a]
Scope in relation to business activities and geographical areas: The scope covers VERBUND's own operations. The policy is applicable in all countries covered by the scope of the GDPR. Two Romanian companies, one company in Austria and the companies in the unbundled segment each operate their own data protection management systems. [MDR-P-65b]

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Personal skills development policy	I	Skills development	Executive Board of VERBUND AG

Content: VERBUND relies on highly qualified employees whose commitment, motivation and flexibility contribute significantly to the success of the Group. Accordingly, the Group continuously invests in future-oriented training programmes. The aim is to create a centralised learning infrastructure that is accessible across the Group and reflects VERBUND's global orientation. At VERBUND, CPD is established practice. The Group offers its employees a wide range of training and advanced training opportunities and has made AI skills a key focus for the 2025 reporting year. Through continuous learning and training, employees are able to develop their skills and are well equipped to meet the ever-changing requirements. The right to educational leave is enshrined in the collective bargaining agreement for employees as part of a set target. [MDR-P-65a]
Targets: The aim is to provide ongoing training and continuing education for the workforce. [MDR-P-65a]
Monitoring process: Ongoing monitoring is carried out as part of the HR KPI reports. [MDR-P-65a]
Scope in relation to business activities and geographical areas: The scope covers VERBUND's own operations. The policy is applicable in all countries in which VERBUND operates. [MDR-P-65b]

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Work-life balance policy	I	Work-life balance	Executive Board of VERBUND AG

Content: At VERBUND, work-life balance is a fundamental prerequisite for sustainably, physically and mentally healthy working conditions. VERBUND has therefore been undergoing the workandfamily (*berufundfamilie*) audit since 2009. The workandfamily audit is a management system designed to improve work-life balance. VERBUND has been conducting this audit since 2009, with a three-year reaudit cycle. [MDR-P-65a]
Targets: The aim is to achieve work-life balance. [MDR-P-65a]
Monitoring process: As part of the audit, a task force consisting of employees and works council members analyses past initiatives and draws up future measures. The proposed activities are then evaluated by a management team and key measures are set out in a target agreement. The

implementation and effectiveness of the measures are evaluated as part of the certification process conducted on a regular basis. [MDR-P-65a]

Scope in relation to business activities and geographical areas: The scope covers VERBUND's own operations. The policy is applicable in all countries in which VERBUND operates. [MDR-P-65b]

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Policy for ensuring stable incomes	I	Stable income	Executive Board of VERBUND AG

Content: Collective bargaining agreements form the basis for cooperation between VERBUND and its workforce. Collective bargaining agreements apply to workers through trade union membership or through the outsider effect enshrined in employment law. Some of the aspects governed by collective bargaining agreements include minimum salaries, working hours and one-off payments to employees (holiday and Christmas bonuses along with performance-based remuneration in Germany). Furthermore, regardless of whether they work part-time or full-time, employees are entitled to a range of voluntary benefits including an inter-company pension plan in the form of a pension fund/direct insurance solution, supplementary health insurance coverages, discounted lunches, climate-friendly incentives such as a job bike or job ticket, participation in the company health management programme with a health check-up, for instance, as well as social benefits regulated by collective bargaining agreements such as the child allowance or entitlement to educational leave and maternity allowance in Germany. The right of employees to take family-related leave is also governed in collective bargaining agreements. This includes provisions on maternity and paternity leave, parental leave and extended leave for caregivers. [MDR-P-65a]

Targets: The aim is to develop a common understanding of working and employment conditions within the industry and to promote social dialogue. (S1-8; page 172 EU Directive) [MDR-P-65a]

Monitoring process: Compliance with the provisions of the collective bargaining agreements is ensured by official auditing powers and jurisdiction. Furthermore, compliance is verified by workers' representatives both within and outside the Group. Collective bargaining agreements are continuously evaluated, revised and further developed within the framework of the annual collective bargaining negotiations between the social partners. [MDR-P-65a]

Scope in relation to business activities and geographical areas: The scope covers VERBUND's own operations. The collective bargaining agreement applies in Austria; similarly, workers in the hydropower sector in Germany are covered by a German collective bargaining agreement. In other countries such as Italy, Spain, Romania and Albania, local collective bargaining agreements or equivalent individual agreements have been concluded. [MDR-P-65b]

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Anti-discrimination policy	I	Hiring quota for people with disabilities	Executive Board of VERBUND AG

Content: VERBUND rejects any form of discrimination, (sexual) harassment and bullying. Both preventive and reactive actions are necessary in this regard. VERBUND promotes mutual respect and

respectful interactions with one another. The Code of Conduct and the BlueCode (see G1) set out clear guidelines and behavioural standards. VERBUND has a zero-tolerance policy with regard to violations. All reported cases of suspected violations are systematically investigated. Fairness towards others is an important part of VERBUND's corporate culture. [MDR-P-65a; S1-1-24a-b, d]

Targets: The rejection of discrimination, (sexual) harassment and bullying and ensuring mutual respect, regardless of gender, age, origin, religion, sexual orientation, disability or individual life circumstances. In Austria, the Disability Employment Act (*Behinderteneinstellungsgesetz*, BEinstG) imposes a regulatory obligation to employ people with disabilities. Similar legislation is also in place in Germany and in all other EU states in which VERBUND operates. [MDR-P-65a; S1-1-24c]

Monitoring process: Equal treatment and discrimination concerns can be raised by the entire workforce through the whistleblower system or the Diversity Network. Section G1 outlines the procedure for the whistleblower system. [MDR-P-65a]

Scope in relation to business activities and geographical areas: The scope covers VERBUND's own operations. The policy is applicable in all countries in which VERBUND operates. Selected policies, such as the Diversity team, are currently in place in Austria and Germany. [MDR-P-65b]

Disclosure Requirement S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

In the course of the materiality assessment, the structured dialogue maintained between workers' representatives and VERBUND management was cited, as reflected in the high level of job satisfaction and motivation among employees. One of the ways in which workers' representatives are engaged is in the form of structured economic talks that are held each quarter and at which the Executive Board informs the employee representatives about the economic situation, all human resources management measures and other current developments in the Group. In particular these structured economic talks give employees the opportunity to voice their suggestions, concerns and recommendations to the Executive Board via the Works Council. Operational responsibility for incorporating the views of the Group's own workforce and the related findings into corporate policies rests with the CEO, who receives support from the HR organisation assigned to him in fulfilling this responsibility. [S1-2-27a-c]

Under the Austrian Labour Constitution Act (*Arbeitsverfassungsgesetz*), employees must be represented on the supervisory boards of stock corporations via the works council. Consequently, at VERBUND, one-third of the Supervisory Board members are workers' representatives who sit opposite the Executive Board at Supervisory Board meetings and are able to incorporate employee concerns into Supervisory Board decisions. [S1-2-27a-c]

An employee survey is conducted by VERBUND on a regular basis to assess the effectiveness of VERBUND's engagement with its workforce. The survey covers a wide range of factors that affect employee satisfaction and commitment. Every three years, VERBUND participates in the Group-wide Trust Index© employee survey conducted by Great Place to Work® and was once again certified as a Great Place to Work® in the latest survey. The award is proof of the high level of satisfaction among employees at VERBUND and motivates VERBUND to continue working together to create an attractive work environment. Based on the results of the latest survey conducted by the HR organisation and the relevant executive management teams, targeted actions have been initiated and implemented to maintain and promote a high level of employee satisfaction. As part of the ongoing development of its corporate culture, VERBUND attaches great importance to feedback received from its employees and uses it to identify areas for improvement. The survey results serve as a basis for developing new initiatives and programmes

designed to make lasting improvements in the work environment. The focus is on transparency, trusting cooperation and individual development opportunities. The next Great Place to Work® employee survey will be conducted in 2026. [S1-2-27e]

Healthy and capable employees are another material impact identified by the materiality assessment. The views of VERBUND's employees are therefore also taken into account with regard to occupational health and safety. Occupational health and safety committees have been established in Austria and Germany in accordance with the applicable statutory obligations. Each year, the Supervisory Board sets targets with regard to the lost time injury frequency rate (LTIFR) and introduces preventive safety improvements, the achievement of which is incorporated into the target agreements concluded with every member of the Executive Board. The Managing Director of VERBUND Hydro Power GmbH chairs the Central Occupational Safety Committee and reports to the COO, who is the member of the Executive Board responsible for occupational health and safety. Employees are represented on the occupational health and safety committees by workers' representatives and safety officers. The occupational health and safety committees must ensure that information is shared, experiences are exchanged and occupational safety facilities are coordinated. They must also work towards improving safety, occupational health and working conditions. In addition, they offer advice on all matters relating to safety, occupational health, programmes promoting health at work and ergonomic workplace design. Employee consultation and participation in all matters relating to occupational health and safety is also ensured in Spain, Albania, Italy and Romania in accordance with the applicable laws. In the health management committee, relevant stakeholders from various business areas support the strategic development of occupational health management. In addition, health pioneers at various sites act as central points of contact for gathering employee perspectives and establishing health topics at the local level. [S1-2-27e]

A select group of employees is also actively involved in developing measures to improve specific issues during the regular certification and audits such as according to ÖNorm S2501 (diversity management) and workandfamily (*berufundfamilie*) management systems. Target agreements are formulated on the basis of action areas and forwarded to the Executive Board for approval at a strategy meeting attended by top management and workers' representatives. These targets will be implemented over the next three years. Compliance with the targets and the effectiveness of the cooperation are assessed during the reaudit. [S1-2-27, 27e]

The Diversity team enables workers to submit suggestions for improving gender equality directly at any time. The Diversity Committee manages operational diversity management at VERBUND and is responsible for communicating and implementing relevant topics. The Executive Board holds the highest-ranking position on the Diversity Committee. Diversity committees have also been set up at the individual companies. The appointment of a certain number of diversity officers for three-year periods is mandatory at all Group companies. With the appointment of dedicated officers at the site or in a team, the companies maintain a direct line of communication with their workforce. The aim behind this is to gain insight into the views of workers who may be particularly vulnerable to related impacts. Youth counsellors are also appointed at sites where apprentices work to act as the first point of contact for young people. [S1-2-28]

Within the Group, all stakeholders undertake to comply with the Code of Conduct and with the Group policy on human rights due diligence. Through this, VERBUND intends to ensure that the same standards with respect to upholding human rights are observed in every country in which it operates. [S1-2-27d]

Disclosure Requirement S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

Various processes and channels are in place to detect and subsequently eliminate, or to first mitigate negative impacts on VERBUND's workforce. In particular, employee performance reviews held on a regular basis offer a suitable and confidential platform for raising concerns. The anonymous reporting mechanism of the institutionalised whistleblower system also reflects an open approach to dealing with errors. VERBUND is keen to identify any undesirable developments early on and to eliminate them moving forward. Other channels for raising concerns include reporting to the Diversity team and members of the Works Council. A detailed procedure for tracking and monitoring issues raised is set out in a work instruction, which applies to the whistleblower system in particular. Mandatory annual compliance training for all workers also includes information on the options available for reporting compliance incidents. More information on this topic can be found in section G1. [S1-3-32a]

Employee performance reviews

Employee performance reviews are conducted for all members of VERBUND's own workforce. The reviews are confidential, cooperative discussions between workers and managers that generally take place in private and last one to two hours. Employee performance reviews are conducted at least once a year. During the employee performance review, the target agreement for the coming year and target attainment over the past year, including a competence check, are discussed by the employees and their managers. Time is also set aside for a joint reflection on tasks, motivation, values and collaboration within the team. Well-being at work, work-life balance, health protection, work performance and concerns are discussed with managers in good trust. It can also be used to address and highlight perceived inequalities or grievances in a confidential setting, or to report concerns about perceived or suspected misconduct (which may affect VERBUND or the well-being of employees or third parties). [S1-3-32b-e]

VERBUND whistleblower system

The Group-wide whistleblower system plays a key role in ensuring that due diligence requirements are met. A detailed description of how the issues are tracked and monitored, and how the effectiveness of the system is ensured can be found in section G1 under the headings Whistleblower protection policies and Actions and metrics for whistleblower protection. The whistleblower system can also be used to submit reports on incidents of discrimination, bullying and similar issues governed by employment law. Furthermore, the inappropriate use of data can also be reported on this channel. More information is provided on the corresponding measures in S1-4 under the heading Data protection. A detailed set of rules ensures that reports received are independently, objectively and diligently reviewed, with particular attention paid to protecting the privacy of both the whistleblowers and the affected individuals. In order to ensure that VERBUND employees are also aware of the options available for reporting suspected violations, mandatory annual training draws attention to the Code of Conduct and the various reporting options available. VERBUND has made it a priority to ensure that its workforce not only has access to these channels, but is aware of them and has enough trust in them to use them when required. Please consult section G1 for more information. [S1-3-32b-e, 33]

Reporting to the Diversity team

If employees have questions, concerns, suggestions and grievances about equal treatment or suspect discrimination has occurred, they can contact any member of the Diversity team. Enquiries are treated

confidentially as a matter of course. All questions are answered, any suspicions of equal treatment violations investigated, and suggestions for solutions offered. Reports regarding issues governed by employment law such as discrimination, bullying and similar topics are reviewed and handled in accordance with the rules of procedure for the whistleblower system. The consistent handling of reported cases makes it possible to better protect those affected, find solutions and impose the necessary sanctions in the event of violations. The members of the network are not responsible for deciding on repercussions under employment law. This responsibility instead lies with top management. The measures taken in specific cases strengthen awareness of the importance of a respectful, appreciative and non-discriminatory corporate culture. This enables VERBUND to intervene at an earlier stage and minimise more serious cases. [S1-3-32b-e]

Reporting to the Works Council

The Works Council provides advice on all social, personnel, cultural, health and economic matters. When it comes to specialist topics such as employment law or health issues, the expertise of the chamber of labour, trade unions or the occupational health service is obtained. Prevention specialists are also consulted for mental health problems related to work. Queries may be submitted in writing or verbally. The Works Council takes on all requests and screens them according to topic area. Depending on the issue, a solution is then found. All conversations and data are treated confidentially, and the employees are provided with information about the result at the end of the process. [S1-3-32b-e]

Incident reporting system

All employees are able to submit suggestions for safety improvements and reports of near misses directly into a database. This is intended to reduce the number of workplace accidents. The effectiveness of the improvements is assessed by the safety experts. [S1-3-32b-e, 33]

Disclosure Requirement S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Regulatory measures on topics such as data protection and skills development are either enshrined in statutory provisions or in collective bargaining agreements, or they result from developments within the Group. Measures derived from within the Group pertain to topics such as gender equality and work-life balance. [S1-4-39]

As noted above, there were no material risks and opportunities identified with respect to VERBUND's own workforce in the materiality assessment, as the financial thresholds were not exceeded. Therefore, only measures to mitigate negative impacts and reinforce positive impacts are described below. [S1-4-40a-b]

VERBUND implements a wide range of actions to ensure that its practices do not have any material negative impacts on the Group. These include, but are not limited to: [S1-4-41]

- compliance with employment law and standards;
- regular review of the remuneration structures;
- conducting compliance training;
- health and safety policies that go above and beyond legal requirements;
- supporting employee health through occupational health;
- providing training for employees and managers tailored to internal needs;
- raising awareness of diversity and combating discrimination and harassment in the workplace;

- various feedback channels: whistleblowing, employee performance reviews, Works Council;
- employee surveys;
- flexible working hours;
- information events on the topic of care;
- advice provided via the Mavie hotline for all professional and personal matters;
- transparent communication in the event of organisational changes; and
- protection of employee data.

The actions listed below are not one-off actions but instead recurring actions that form part of ongoing business processes for which it is not possible at present to make any accurate estimates with regard to current and future financial figures. [S1-4-43; MDR-A-69a-c, AR23]

A major step toward decarbonisation has been achieved in recent years with the closure of coal-fired power plants. Several measures as part of long-term strategic human resources planning helped to mitigate the negative impacts of this transition to more environmentally friendly electricity generation. These included ongoing training and retraining, an internal job board and a redundancy plan including an early retirement programme. No negative impacts on VERBUND's workforce are foreseeable in the future under the current strategy. [S1-4-AR43]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Occupational safety actions	I	Health and safety	Ongoing	Policy for the prevention of workplace accidents

Content: To enhance the occupational health and safety culture at the Group, the We Live Safety project was launched in 2018 and 2019 and subsequently continued as a policy from 2020 onwards. This measure is intended to lead to positive change in terms of ensuring an atmosphere of trust and fostering a role model culture and not least by improving the Group's safety KPIs by introducing behaviour-based approaches to safety. Each year, tasks are defined that are supported by a large team across the entire Group. Success is measured monthly using preventive metrics. In 2025, further progress was made on the introduction of safety improvements. Together, safety days are being developed as a modern form of instruction. Methods for positive reinforcement behaviour correction within the framework of checks were a key focus. Simulations of typical disruptions that could be resolved together in the familiar group proved to be particularly effective. The resulting resilience provides one of the bases for preventing accidents. [MDR-A-68a; S1-4-38a, b, d]

Expected results or progress: The aim is to reduce accidents by specifically promoting safety improvements with a focus on behavioural corrections. Implementation of the actions is reported in the occupational safety reports, and the results are verified by reporting the occupational safety metrics. [MDR-A-68a, e; S1-4-AR42]

Scope in relation to business activities and geographical areas: The scope covers VERBUND's own operations. The policy is applicable in all countries in which VERBUND operates. [MDR-A-68b]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Occupational health management actions	I	Health and safety	Ongoing	Occupational health management policy

Content: With regard to health protection, in 2025 the focus was on expanded medical check-ups and health checks, which were offered free of charge at numerous sites during working hours. As an innovative contribution to skin cancer prevention, an AI-assisted app has been introduced to support workers alongside recommended health check-ups. Another focus was on mental health, with targeted awareness-raising among managers and the training of globally recognised certified mental health first aiders. Collaborations with VERBUND sports clubs were strengthened in order to promote physical activity and social interaction. To prevent back problems, additional ergonomic workplace consultations were launched in collaboration with occupational health and occupational safety departments. In order to raise awareness of the topic of mental and physical health and highlight the services on offer, target group-specific keynote speeches were held as part of Healthy October ("Health'tober"). Services already available include both discounted access to sport and exercise facilities and mental health counselling as well as a point of contact for questions related to care and support. Seminars on the topic of healthy eating, vision training as well as presentations on brain-friendly working were also offered, as were physiotherapy training days with a focus on a healthy back. An app-based motivation platform was used to run various challenges to promote physical activity and health in 2025. [MDR-A-68a; S1-4-38a-b]
Expected results or progress: The aim is to maintain, promote and restore the health of the workforce. The implementation of the actions and verification of the results are carried out as part of health reporting. [MDR-A-68a, e; S1-4-38d; S1-4-AR42]
Scope in relation to business activities and geographical areas: The scope covers VERBUND's own operations. The policy applies in Austria and Germany. [MDR-A-68b]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Gender equality actions	I	Gender inequality in pay and career development	Ongoing	Equal treatment and diversity policy

Content: VERBUND pursues the principle of gender equality at all levels. Numerous actions have been defined based on the VERBUND diversity strategy: inclusion of the metric "proportion of women among new employee hires" in target agreements for managers; the gender-neutral high potential employees programme; monitoring the proportion of women in projects and salary adjustments. Also actions to promote work-life balance, such as flexible working hours and holiday childcare, promoting paternity leave and increasing the intake of female apprentices.

In addition, VERBUND has been publishing a gender pay gap analysis since 2024. The gender pay gap refers to the difference of average pay levels between female and male employees, expressed as a percentage of the average pay level for male employees. VERBUND performs a general gender pay gap calculation: total wages and salaries for women and men / average number of employees (FTE). As a result, the gender pay gap is adjusted exclusively for part-time work. Other factors such as age, apprenticeships, job level or length of service have not been accounted for. In this calculation, the gender

pay gap for VERBUND (entire group) as at 31 December 2025 is 12.1%. This calculation is not comparable with the pay gap calculation in the Pay Transparency Directive or the planned national legislation, as these are based on equal or equivalent work.

According to this calculation methodology, objectively justified differences in pay between the incomes of men and women at VERBUND can be attributed to disparity in the amount of overtime, on-call pay and allowances paid, and unequal gender distribution at organisational levels.

Another measure in place to promote gender equality is the women's network Mission Vemale, an in-house women's community (employee resource group) with a dedicated MS Teams channel and network events. Ideas are shared, problems are solved, opportunities are created for members, and solid, lasting relationships are built. The Diversity team (Employee Assistance & Support Group) puts the spotlight on gender equality issues and addresses issues such as gender balance.

All of the actions mentioned have been effective: The percentage of women among employees has increased by almost 30% to 23.5% since 2020. [MDR-A-68a; S1-4-38a-b]

Expected results or progress: The aim is to achieve gender equality at all levels. The actions are implemented and the results documented as part of reporting on the topic of gender balance, in which the proportion of women and the gender pay gap are cited and analysed. [MDR-A-68a, e; S1-4-38d; S1-4-AR43]

Scope in relation to business activities and geographical areas: The scope covers VERBUND's own operations. The policy is applicable in all countries in which VERBUND operates. [MDR-A-68b]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Data protection actions	I	Privacy	Ongoing	Data protection policy

Content: To maintain data protection awareness, all employees are required to renew their data protection qualifications each year. They may choose between attending a classroom training session and taking advantage of the online option offered on the intranet, an e-training course or online courses created in-house called Stories of TOM&PIA. Details on the data protection policy can be found as a policy in G1 Business conduct. [MDR-A-68a; S1-4-38a-b, 41]

Expected results or progress: Annual renewal of data protection qualifications among all employees creates the conditions for the optimum protection of personal data. The implementation of the actions and the verification of the results is documented and listed in the Integrated Report under G1. [MDR-A-68a, e; S1-4-38d; S1-4-AR43]

Scope in relation to business activities and geographical areas: The scope covers VERBUND's own operations. The policy is applicable in all countries covered by the scope of the GDPR. Two Romanian companies, one company in Austria and the companies in the unbundled segment each operate their own data protection management systems. [MDR-A-68b]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Skills development actions	I	Skills development	Ongoing	Personal skills development policy

Content: A key milestone was the expansion of the learning management system to international subsidiaries, giving all locations access to high-quality educational opportunities. To meet the

requirements of digital transformation, the AI Academy was also established to provide practical training on AI skills for workers, covering topics ranging from intelligent prompting and EU AI Act regulatory requirements to specific use cases. VERBUND deliberately focuses on digital learning platforms such as e-training courses and webinars to enable learning regardless of time and location and to impart knowledge quickly and efficiently. At the beginning of 2026, VERBUND also switched to a new LMS version with an optimised user interface, which offers intuitive navigation, transparent reporting and efficient access to learning and development content. In order to counteract developments in the labour market and demographic trends, VERBUND has relied on a tailor-made approach to skills development for many years and has established the VERBUND trainee programme, a master craftsperson development programme, a management development programme and a high potential employees programme as personnel development measures. [MDR-A-68a; S1-4-38c]

Expected results or progress: The aim is to expand the LMS internationally, establish the AI Academy, develop digital learning platforms and modernise the technology used for the learning platform. The implementation of the actions and the verification of the results are carried out as part of reporting on personnel development. [MDR-A-68a, e; S1-4-38d; S1-4-AR43]

Scope in relation to business activities and geographical areas: The scope covers VERBUND's own operations. The policy is applicable in all countries in which VERBUND operates. [MDR-A-68b]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Work-life balance actions	I	Work-life balance	Ongoing	Work-life balance policy

Content: VERBUND offers its workforce models for flexible working hours and achieving work-life balance. In addition to models such as flexitime and remote work, this commitment also encompasses the stipulation that overtime is only to be paid or permitted to the extent that it is necessary and agreeable for employees. A number of measures have been implemented and exercised in practice for many years: the option to take a third year of parental leave, a parental leave month for fathers, a company agreement on remote work and mobile working, various working time models, a pension scheme, a child allowance, a free crisis hotline for employees in difficult situations, advice on care requirements, child care options during holidays and more. VERBUND has used the workandfamily (*berufundfamilie*) audit management system since 2009 and is re-audited every three years in order to communicate its commitment to work-life balance to the outside world. Furthermore, since 2025, employees have had the option of taking a sabbatical. [MDR-A-68a; S1-4-38c]

Expected results or progress: Better work-life balance and higher performance as a result of flexible working hours and leisure time planning for employees. The implementation of the actions and verification of the results are carried out as part of regular reporting. [MDR-A-68a, e; S1-4-38c,38d; S1-4-AR43]

Scope in relation to business activities and geographical areas: The scope covers VERBUND's own operations. The policy is applicable in all countries in which VERBUND operates. [MDR-A-68b]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Actions to ensure stable incomes	I I	Stable income, Structured interaction	Ongoing	Policy for ensuring stable incomes

Content: The employees of almost every consolidated VERBUND company in Austria and Germany are represented by a works council. Workers' representatives maintain an ongoing dialogue with management at VERBUND. (See S1-2 Processes for engaging with own workers and workers' representatives about impacts). All employees are able to join a trade union. However, due to the "outsider effect" predominately enshrined in labour law, most employees are subject to collective bargaining agreements regardless of whether they themselves belong to the union or not. The collective bargaining agreements apply by virtue of membership in trade unions and employers' associations. Employment contracts must comply with the relevant employment laws and collective bargaining agreement provisions and may not contain any less favourable provisions. Some of the aspects governed by collective bargaining agreements are minimum salaries, working hours and one-off payments such as holiday and Christmas bonuses. The annual rounds of negotiations between the social partners cover inflation-driven increases in wages and salaries as well as material developments in the framework legislation.

VERBUND declares its commitment to paying its employees in line with market standards and employee performance. Almost 99% of the workforce is covered by a collective bargaining agreement and 95% of German workers are covered by a collective bargaining agreement. To meet this commitment, a performance-based remuneration model that sets targets based on both individual performance and the Group's profitability and ensures fair pay for employees at all levels is in place.

Indirect exchanges between management and the workers' representatives take place annually in the form of structured, documented discussions held over the course of several hours. The target is to hold at least four discussions each calendar year, which has been consistently achieved in recent years. In the subsidiaries, this structured dialogue between the respective management team and the workers' representatives takes place at the same intervals. [MDR-A-68a; S1-4-38c]

Expected results or progress: The aim is to provide workers with a stable income. [MDR-A-68a, e; S1-4-38d]

Scope in relation to business activities and geographical areas: The scope covers VERBUND's own operations. The policy is applicable in all countries in which VERBUND operates. [MDR-A-68b]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Actions in relation to diversity	I	Hiring quota for people with disabilities	Ongoing	Equal treatment and diversity policy

Content: Initiatives on the topic of diversity are pooled under the umbrella DEI (diversity, equity and inclusion) strategy set by VERBUND. A wide range of actions relating to the provision of information, communication and the corporate and leadership culture have been defined. Information on the various DEI aspects is published on an ongoing basis both in the diversity and inclusion training programme and on the intranet in order to promote an inclusive corporate culture. The defined strategy as well as the associated measures are evaluated at three-year intervals as part of the certification of the diversity management according to ÖNorm S2501 (another management system).

Increased employment and inclusion of persons with disabilities and/or chronic illnesses are also enshrined as a policy in the diversity strategy and form a key element of the certification according to ÖNorm S2501 (diversity management). VERBUND assumes its social responsibility to offer equal opportunities and has set itself the goal of continuing to fulfil the quotas stipulated in the Austrian Disability Employment Act (BEinstG). With diversity management and accessibility management, this topic is anchored in the organisation at several points within the Group. Awareness of the topic is raised throughout the Group with informational campaigns, regular news articles on the intranet and topic-based webinars. Along with the reference to an inclusive mindset in all VERBUND job advertisements, recruiting people with disabilities has been established as a focus within the Group. VERBUND participates in the myAbility Talent® Program, which helps companies network with students with disabilities. In addition, a quota for the number of people with disabilities employed was included in the target agreements. What is more, a collaboration with the BBRZ (Vocational Training and Rehabilitation Centre) has been in place since 2025. The centre operates as a training company that supports the training of people with disabilities. The collaboration with the Austrian Disabled Sports Association (*Österreichischer Behindertensportverband*) continued in 2025, strengthening the connection to the affected groups. VERBUND has also improved digital accessibility with the establishment of the Digital Accessibility team. Employees with disabilities and allies (people who actively support and promote marginalised or underrepresented groups) can share their experiences via the newly established employee resource group DiversAbility.

Both diversity management and top management at VERBUND continuously convey the Group's stance, provide information and outline available reporting channels in various settings. There are various contact persons, such as members of the Works Council, disability representatives and the Diversity team, as well as support systems such as the whistleblower system (described in detail in G1), through which suspected cases can be reported. [MDR-A-68a; S1-4-38c]

Expected results or progress: Ensuring equal treatment and accessibility. The implementation of the actions and verification of the results are carried out as part of reporting on the topic of diversity. [MDR-A-68a, e; S1-4-38d; S1-4-AR43]

Scope in relation to business activities and geographical areas: The scope covers VERBUND's own operations. The policy is applicable in all countries in which VERBUND operates. [MDR-A-68b]

Metrics and targets

Disclosure Requirement S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In order to continuously drive progress with regard to the management of material negative impacts and promotion of positive impacts, targets have been set for identified impacts that apply to all workers and are monitored on an ongoing basis. These targets are measurable and include a target attainment deadline. Targets based on statutory provisions such as skills development and data protection are always applicable regardless of target attainment deadlines. The current focus of the targets is on the targeted further development of the corporate culture and on sustainably improving AI awareness and sensitivity within the Group.

Target value	Target type	IRO	IRO title	Policy
[MDR-T-80b]	[MDR-T-80b]	[MDR-T-78]	[MDR-T-78]	[MDR-T-80a]
LTIFR ≤4.6	Absolute target	I	Health and safety	Policy for the prevention of workplace accidents

Content: The lost time injury frequency rate (LTIFR), the international metric for accident frequency, is used to monitor occupational safety performance. The LTIFR is the number of relevant occupational accidents per million working hours from the first day of lost time. This retrospective metric allows VERBUND to compare its performance with other domestic and international companies. At VERBUND, the Group target is to achieve an LTIFR ≤4.6 by 2026. The LTIFR is to be maintained on a permanent basis and has improved for the Group's own workforce in recent years. The target value was determined in consultation with the Group's Central Occupational Safety Committee and is included in the Executive Board's target agreement. [MDR-T-80; S1-5-47a-c]
Baseline value, reference year and time horizon: At VERBUND, the Group target is to achieve an LTIFR ≤4.6 by 2026. [MDR-T-80d-e]
Methods and key assumptions: The LTIFR is the number of relevant occupational accidents per million working hours from the first day of lost time. [MDR-T-80f]
Scope in relation to business activities, geographical areas and stakeholders: The scope covers VERBUND's own operations. [MDR-T-80c, h]
Monitoring process: The monitoring process is carried out as part of the monthly reporting of security indicators to the Executive Board and management. This report includes all companies and, with respect to hydropower, also the departments. Deviations and corrections are identified and addressed very quickly. Effectiveness is demonstrated by changes in metrics. [MDR-T-80j]

Amendments: The target was to achieve an LTIFR of ≤5 by 2025. In order to promote further improvements in occupational safety, the new target value has been defined at ≤4.6. Comparability remains intact, as the absolute value continues to be stated and the changes are therefore apparent. [MDR-T-80i]

Target value	Target type	IRO	IRO title	Policy
[MDR-T-80b]	[MDR-T-80b]	[MDR-T-78]	[MDR-T-78]	[MDR-T-80a]
Proportion of women in top management of at least 25% by 2030	Relative target	I	Gender inequality in pay and career development	Equal treatment and diversity policies

Content: The VERBUND Executive Board has set a target of increasing the percentage of women among employees and in top management positions to at least 25% by 2030. [MDR-T-80]
Baseline value, reference year and time horizon: VERBUND has set itself the corporate goal of increasing the proportion of women in its workforce and at top management level to at least 25% by 2030. [MDR-T-80d-e]
Methods and key assumptions: A detailed calculation of quotas based on strategic personnel planning and labour market data demonstrate how this goal can be achieved over the target timescale. This model also forms the basis for the annual setting of targets by the individual divisions. In addition, the target is included in the Executive Board's target agreement. In 2025, women represented 19.4% of managers (previous year: 18.6%). [MDR-T-80f]

Scope in relation to business activities, geographical areas and stakeholders: The scope covers VERBUND's own operations. The policy is applicable in all countries in which VERBUND operates. [MDR-T-80c, h]
Monitoring process: Actual progress is tracked on the basis of ongoing monitoring and reporting. Top management, works councils and employees receive regular updates on this topic. The measures taken are outlined in section S1-4 under the heading Gender equality measures. [MDR-T-80j]

Target value	Target type	IRO	IRO title	Policy
[MDR-T-80b]	[MDR-T-80b]	[MDR-T-78]	[MDR-T-78]	[MDR-T-80a]
Annual attendance of training courses	Absolute target	I	Privacy	Data protection policy

Content: Annual completion of data protection training is defined as a target for addressing the material negative impact of "violations of privacy rights". Further details on the policies, actions and targets for privacy can be found in section G1 Business conduct. [MDR-T-80]
Baseline value, reference year and time horizon: All employees must renew their data protection qualification on an annual basis. [MDR-T-80d-e]
Methods and key assumptions: The method used is monitoring participation in data protection training courses. [MDR-T-80f]
Scope in relation to business activities, geographical areas and stakeholders: The scope covers VERBUND's own operations. The policy is applied in all countries covered by the scope of the GDPR. The Romanian companies, one company in Austria and the companies in the unbundled segment each operate their own data protection management systems. [MDR-T-80c, h]
Monitoring process: This target is monitored by the relevant executives and has been achieved at a rate of 100% over the past three years. [MDR-T-80j]

Target value	Target type	IRO	IRO title	Policy
[MDR-T-80b]	[MDR-T-80b]	[MDR-T-78]	[MDR-T-78]	[MDR-T-80a]
38.5 hours of training per employee each year	Absolute target	I	Skills development	Personal skills development policy

Content: VERBUND offers its employees 38.5 hours of training per year. With this, the workforce is given the opportunity to learn about the latest developments in their field and pursue personal development. This target is enshrined in the collective bargaining agreements concluded with electric utilities and applies to all employees of VERBUND. In 2025, each VERBUND employee completed 34.6 hours of training on average. [MDR-T-80]
Baseline value, reference year and time horizon: The objective is to achieve 38.5 hours of training per employee per year. [MDR-T-80d-e]
Methods and key assumptions: All training data is recorded centrally and transparently in the LMS, creating a reliable basis for evaluation. Based on this, the metrics are calculated on a quarterly, half-yearly and annual basis. [MDR-T-80f]

Scope in relation to business activities, geographical areas and stakeholders: The scope covers VERBUND's own operations. The policy is applicable in all countries in which VERBUND operates. [MDR-T-80c, h]
Monitoring process: Actual progress is tracked on the basis of ongoing monitoring and reporting. [MDR-T-80j]

Target value	Target type	IRO	IRO title	Policy
[MDR-T-80b]	[MDR-T-80b]	[MDR-T-78]	[MDR-T-78]	[MDR-T-80a]
35 new apprentices each year	Absolute target	I	Skills development	Personal skills development policy

Content: By training its own apprentices, VERBUND develops a steady source of qualified and operationally trained employees, which in turn reduces turnover and creates long-term loyalty among employees. As a result, VERBUND not only secures its own future skilled workforce, but also lays the groundwork for successfully addressing potential operational challenges such as a lack of skilled workers, high turnover rates, competitive disadvantage, growing recruitment costs, and a lack of innovative strength. The number of new apprentices reflects both the number of available places at apprenticeship training centres and operational needs. In recent years, the target of 35 new employee hires from the pool of apprentices has consistently been achieved. [MDR-T-80]
Baseline value, reference year and time horizon: The target is to achieve an intake of 35 apprentices each year. [MDR-T-80d-e]
Methods and key assumptions: VERBUND employs a combined package of actions comprising personnel marketing and employer branding. These include print and online advertising, social media activities, the use of gamification elements such as the "VERBUND Powergame", collaborations with schools and educational institutions, and participation in apprentice and career fairs. These actions increase the visibility of the apprenticeship programme and ensure a stable number of qualified applicants. [MDR-T-80f]
Scope in relation to business activities, geographical areas and stakeholders: The scope covers VERBUND's own operations. The policy is applicable in all relevant business areas in Austria and in Bavaria, Germany. [MDR-T-80c, h]
Monitoring process: Target achievement is tracked through ongoing monitoring and regular reporting. This includes monitoring application numbers, actual admissions and analysing the effectiveness of the personnel marketing actions employed. In the event of deviations, additional or adjusted actions can be initiated promptly. [MDR-T-80j]

Target value	Target type	IRO	IRO title	Policy
[MDR-T-80b]	[MDR-T-80b]	[MDR-T-78]	[MDR-T-78]	[MDR-T-80a]
Work-life balance	Qualitative targets	I	Work-life balance	Work-life balance policy

Content: In terms of the positive impact of work-life balance, actions have been defined as part of the recertification by the workandfamily audit, which are implemented during the term. These actions are intended to improve work-life balance in the long term and increase VERBUND's attractiveness as an

employer. The follow-up of actions and the identification of findings are also carried out in close consultation with employee representatives. [MDR-T-80; S1-5-47a-c]

Baseline value, reference year and time horizon: As part of the recertification process, the following targets have been defined for 2027: promotion of a family-friendly leadership culture throughout the Group with clear, consistent policies on remote work; further development of flexible working time and remote work arrangements; ongoing communication on family-friendly services and benefits; expansion of holiday childcare services; as well as the targeted promotion of part-time work, part-time management positions and overall family-friendly personnel planning. [MDR-T-80d-e]

Methods and key assumptions: In a three-year cycle, predominantly qualitative targets for the coming three years are arranged with the involvement of employees from different areas. [MDR-T-80f]

Scope in relation to business activities, geographical areas and stakeholders: The scope covers VERBUND's own operations. The policy is applicable in all countries in which VERBUND operates. [MDR-T-80c, h]

Monitoring process: As mentioned in S1-2, qualitative targets are defined for a period of three years during recertification. Once a year, a report is issued on the achievement of interim targets. Progress made in the working group will be analysed and discussed and evaluated by the auditor at the end of the three-year period. All of the aforementioned topics contribute to overall employee satisfaction. [MDR-T-80j]

Target value	Target type	IRO	IRO title	Policy
[MDR-T-80b]	[MDR-T-80b]	[MDR-T-78]	[MDR-T-78]	[MDR-T-80a]
Conducting employee surveys	Qualitative targets	I	Structured interaction	

Content: With regard to the material topic of "structured dialogue between management and employees", the set target is to conduct a direct dialogue through the employee surveys every three years. In the year of implementation, targets were also set for management: the achievement of a minimum satisfaction index was prescribed. [MDR-T-80]

Baseline value, reference year and time horizon: The target is to carry out an employee satisfaction survey every three years. [MDR-T-80d-e]

Methods and key assumptions: Employee surveys are conducted by an external company, which is responsible for both data collection and data analysis. [MDR-T-80f]

Scope in relation to business activities, geographical areas and stakeholders: The scope covers VERBUND's own operations. The policy is applicable in all countries in which VERBUND operates. [MDR-T-80c, h].

Monitoring process: A target for the achievement of a minimum satisfaction score (trust index) is enshrined in the Executive Board members' target agreement in the year the survey is conducted and is also incorporated into the annual target setting at the individual divisions in the corresponding year. Actual progress is tracked on the basis of ongoing monitoring and reporting. [MDR-T-80j]

Target value	Target type	IRO	IRO title	Policy
[MDR-T-80b]	[MDR-T-80b]	[MDR-T-78]	[MDR-T-78]	[MDR-T-80a]
Low employee turnover rate (with the exclusion of employees going into retirement) of <5%	Relative target	I	Skills development	Personal skills development policy

Content: VERBUND is committed to achieving a low employee turnover rate (with the exclusion of employees going into retirement) of <5%. Maintaining a low employee turnover rate strengthens employee loyalty and preserves knowledge transfer over the long term. Moreover, low employee turnover fosters a positive corporate culture while increasing productivity and efficiency. It also helps keep recruitment and training costs to a minimum. [MDR-T-80]
Baseline value, reference year and time horizon: The target is a low employee turnover rate (with the exclusion of employees going into retirement) of <5%. [MDR-T-80d-e]
Methods and key assumptions: Employees entering into retirement and fatalities are not considered in the calculation of the employee turnover rate. [MDR-T-80f]
Scope in relation to business activities, geographical areas and stakeholders: The scope covers VERBUND's own operations. The policy is applicable in all countries in which VERBUND operates. [MDR-T-80c, h]
Monitoring process: Annual reporting to the Executive Board ensures progress is monitored. [MDR-T-80j]

Target value	Target type	IRO	IRO title	Policy
[MDR-T-80b]	[MDR-T-80b]	[MDR-T-78]	[MDR-T-78]	[MDR-T-80a]
People with disabilities to make up more than 3.5% of the workforce	Relative target	I	Hiring quota for people with disabilities	Anti-discrimination policy

Content: VERBUND considers itself to be an inclusive employer and is actively committed to employing people with disabilities. At VERBUND, every person is seen as a whole, not just their disability, and a focus is placed on each individual's personal strengths. As a Group, VERBUND aims to increase the percentage of people with disabilities in its workforce. Disabilities can be reported to VERBUND, as the employer, at any time, but their disclosure is not mandatory. By 2030, the Executive Board has set itself the target of employees with disabilities constituting more than 3.5% of the workforce. National regulations that require the recruitment of people with disabilities vary by country, as do regulations governing equalisation payments. When determining the percentage of people with disabilities among with workforce, all individuals who have reported a disability determined by the authorities to VERBUND are accounted for, irrespective of the severity of their disability. In this way, VERBUND not only ensures comparability between nations, but also the recognition of all forms of disability. [MDR-T-80]
Baseline value, reference year and time horizon: The target is for people with disabilities to make up more than 3.5% of the workforce. [MDR-T-80d-e]
Methods and key assumptions: The number and proportion of employees with disabilities (regardless of the degree of disability) are calculated on an annual basis. [MDR-T-80f]

Scope in relation to business activities, geographical areas and stakeholders: The scope covers VERBUND's own operations. The policy is applicable in all countries in which VERBUND operates. [MDR-T-80c, h].
Monitoring process: Increasing the percentage of people with disabilities in the workforce is enshrined in the Executive Board members' target agreement and is also incorporated into the annual target setting at the individual divisions. Actual progress is tracked on the basis of ongoing monitoring and reporting. [MDR-T-80j]

Disclosure Requirement S1-6 – Characteristics of the undertaking's employees

As of year-end 2025, 4,689 people were employed directly by VERBUND (previous year: 4,424). This equates to 4,530.8 full-time equivalents (previous year: 4,278.9) and an average of 4,420.8 full-time equivalents for the entire reporting period (previous year: 4,149.2). The increase in personnel during the reporting period can be attributed to the Group's domestic and international growth trajectory, particularly in new renewables, hydrogen and grid expansion. [S1-6-50a]

Employees by gender

[S1-6-50a]

Gender	2024	**2025**
Male	3,423	3,589
Female	1,001	1,100
Non-binary[1]	–	–
Not specified	–	–
Total number of employees	4,424	**4,689**

[1] gender as reported by employees

Employees by type of contract and gender

[S1-6-50b]

	Year	Female	Male	Non-binary[1]	Not specified	Total
Number of employees (head count)	2025	1,100	3,589	–	–	4,689
	2024	1,001	3,423	–	–	4,424
Number of permanent employees (head count)	2025	1,057	3,325	–	–	4,382
	2024	958	3,160	–	–	4,118
Number of temporary employees (head count)	2025	43	264	–	–	307
	2024	43	263	–	–	306
- of which apprentices and apprentices in post-qualification retention period (head count)	2025	21	161	–	–	182
	2024	26	162	–	–	188
Number of non-guaranteed hours employees (head count)	2025	0	0	–	–	0
	2024	0	0	–	–	0
Number of full-time employees (head count)	2025	848	3,495	–	–	4,343
	2024	779	3,338	–	–	4,117
Number of part-time employees (head count)	2025	252	94	–	–	346
	2024	222	85	–	–	307

[1] gender as reported by employees

The data cited above refers to the number of individuals as at 31 December 2025. The first section distinguishes between permanent and fixed-term contracts. The majority of temporary employment relationships at VERBUND are due to regulatory requirements for apprenticeships. Apprenticeship training lasts four years, which is why the training contracts stipulate a fixed end date. VERBUND does not have any non-guaranteed hours employees.

The number of part-time employees refers to all employees who work less than 100% of full-time hours. In 2025, 273 individuals (previous year: 237 individuals) left the company, representing an employee turnover rate of 5.8% (previous year: 5.4%) and taking into account employees entering into retirement as stipulated in ESRS. Accordingly, the employee turnover rate remained low. The most representative figure in the financial statements is the average head count presented in the notes to the consolidated financial statements. [S1-6-50c-f]

Disclosure Requirement S1-7 – Characteristics of non-employees in the undertaking's own workforce

At VERBUND, the term non-employees refers exclusively to temporary staff. They provide cover for employees absent due to maternity leave and long-term sick leave and cover capacity peaks. Non-

employees are workers mediated by third party undertakings primarily engaged in recruiting and leasing workers. In 2025, there were 101 temporary staff (previous year: 98). Temporary staff who have a core function, whose expertise should be preserved and whose retention is beneficial due to labour market policy considerations have been hired for permanent employment. For consistency reasons, the number of employees covered by an employee leasing agreement is reported as the number of persons covered, rather than as the number of full-time equivalents; the figure is reported at the end of the reporting period. VERBUND does not have any self-employed persons in its own workforce. [S1-7-55a-c]

Disclosure Requirement S1-8 – Collective bargaining coverage and social dialogue

A total of 98.6% (previous year: 98.7%) of employees at VERBUND are covered by a collective bargaining agreement. The salaries of employees who are not covered by collective bargaining agreements are higher than the equivalent minimum salary entitlements under collective bargaining agreements and verified using market analyses. In Austria, the Works Council represents 100% of employees. Employees are not represented by a European works council. [S1-8-63a-b]

Disclosure Requirement S1-9 – Diversity metrics

In 2025, there were 25 female (19.4%) (previous year: 24; 18.6%), 104 male (80.6%) (previous year: 105; 81.4%), and 0 non-binary (0%) (previous year: 0) employees at top management level. VERBUND applies the definition of top management as stipulated by ESRS, which relates to the two levels directly below the management and supervisory bodies. [S1-9-66a, AR71]

Metrics – total distribution by age

[S1-9-66b]

	Unit	2024	**2025**
under 30 years old	%	20.8	19.9
30–50 years old	%	54	56,6
over 50 years old	%	25.2	23.5

A balanced age structure is another key pillar of the Group's stability. Access to differing perspectives from different age groups increases VERBUND's innovative strength. The objectives with regard to managing demographic changes are to keep knowledge within the Group and maintain the loyalty of VERBUND's top performers. The benchmark for this is the breakdown of salaried employees by age group in Austria, with VERBUND employees in the highest age group being less strongly represented than in the reference value.

Disclosure Requirement S1-10 – Adequate wages

VERBUND declares its commitment to paying its employees in line with market standards and employee performance. In Austria and Germany, wages and salaries are governed by collective bargaining agreements. The salaries of employees who are not covered by collective bargaining agreements are higher than the equivalent minimum salary entitlements under collective bargaining agreements. Accordingly, all VERBUND employees across the Group receive an adequate wage in line with the benchmark. [S1-10-69]

Disclosure Requirement S1-11 – Social protection

Employees in all countries in which VERBUND operates, namely Austria, Germany, Spain, Italy, Albania and Romania, are covered against loss of earnings resulting from significant life events. These events include sickness, unemployment, work-related accidents, disability, parental leave and retirement. Coverage is fully guaranteed on the one hand due through country-specific regulation of social security services and on the other hand through collective bargaining and wage agreements. Both country-specific regulations and collective bargaining agreements define the benefits to which employees are entitled and the rules applicable to calculating and determining the length of time for which benefits can be claimed. [S1-11-74a-e]

Disclosure Requirement S1-12 – Persons with disabilities

In 2025, the percentage of employees with disabilities at VERBUND remained in line with the previous year's level at 2.4% (previous year: 2.4%). In order to ensure data can be compared across the countries in which VERBUND operates, all disabilities are recorded regardless of their degree of severity. [S1-12-79]

Disclosure Requirement S1-13 – Training and skills development metrics

Employee performance reviews offer a platform for joint reflection and discussing the targeted improvement of performance, reviewing skills demonstrated at work and setting work priorities. As such, they promote collaboration between managers and employees. The objective of employee performance reviews is not only to structure joint work through agreed targets and to evaluate target achievement, but also to create clarity about the roles and priorities of the individual employees and to jointly determine further development opportunities for the employee. The reviews are carried out on an annual basis.

Skills development metrics

[S1-13-83a-b]

	Year	Unit	Female	Male	Non-binary[1]	Not specified	Total
Employee performance review rate	2025	%	93.5	95.3	–	–	94.9
	2024	%	93.6	93.6	–	–	93.6
Average number of training hours per employee	2025	h	35.9	34.2	–	–	34.6
	2024	h	36.8	37.6	–	–	37.4

[1] gender as reported by employees

In 2025, each VERBUND employee completed 34.6 hours of training (previous year: 37.4 hours). Personnel development in financial year 2025 focused on safety, team development and technology training. An uptake in interest in AI training was also observed.

Disclosure Requirement S1-14 – Health and safety metrics

Occupational safety metrics

[S1-14-88a-c, e]

	Unit	2024	**2025**
Own workers covered by a health and safety management system (total)	%	100.0	100.0
Employees according to ESRS definition of employees	%	100.0	100.0
Temporary staff according to ESRS definition of non-employees	%	100.0	100.0
Number of fatalities as a result of work-related injuries and work-related ill health (total including value chain workers who work at the Group's sites)	Number	0	0
Employees S1	Number	0	0
Non-employees S1	Number	0	0
Value chain workers S2 if they work at the Group's sites	Number	0	0
Number of recordable workplace accidents (total of LTIFR-relevant workplace accidents[1] including value chain workers who work at the Group's sites)	Number	82	30
Employees S1	Number	41	26
Non-employees S1	Number	4	0
Value chain workers S2 if they work at the Group's sites	Number	37	4
LTIFR: Rate of recordable workplace accidents[1] (total including value chain workers who work at the Group's sites)	Number	5.8	2.1
Employees S1	Number	5.0	3.1
Non-employees S1	Number	22.3	0
Value chain workers S2 if they work at the Group's sites	Number	6.4	0.7
Number of days lost to work-related injuries and fatalities (employees S1)	Number	903	253
Number of days lost to work-related injuries and fatalities (non-employees S1)	Number	101	0
Accident severity (employees + non-employees S1)	Days/accident	22.3	9.7
Number of severe accidents (employees + non-employees S1)	Number	5	0

[1]LTIFR-relevant: workplace accidents that fall within VERBUND's area of responsibility and could have been prevented, from the first lost day. The definition was changed in 2025 and is therefore not comparable with 2024.

With regard to occupational safety, VERBUND does not distinguish between employees, temporary staff and workers in the value chain who work at the Group's sites. All of the above-mentioned workers are required to participate in safety training.

Accident severity refers to the average number of days lost per accident. Accidents resulting in more than 45 days lost are classified as accidents with serious consequences. The following were identified at VERBUND as general work-related hazards with risks that could have very serious consequences or cause irreversible damage to health or result in death: hazardous work materials, atmospheres with oxygen

deficiency, falls on level ground and from heights, electrocution and work on live parts, drowning, cut injuries from hand-held chainsaws, high-pressure jets, harmful noise and mechanical injuries. The most frequent causes of injury in serious accidents in recent years were as follows: trapping and crushing, falls on level ground, falls and falling objects. There were no workplace accidents (previous year: one) resulting in serious injury in financial year 2025.

As there is no reporting requirement for work-related ill health in Austria, and VERBUND, as the employer, is not provided with information on the type of illness suffered by the workforce, the reporting obligation is hereby omitted. [S1-14, 88d].

Disclosure Requirement S1-15 – Work-life balance metrics

All Group employees are entitled to family leave according to the applicable laws. This includes maternity, paternity and parental leave as well as carer's leave. At VERBUND, 13.2% (previous year: 13.0%) of employees and 19.0% (previous year: 17.2%) of female employees took leave for family reasons in the past year. [S1-15-93a-b; 94]

Disclosure Requirement S1-16 – Remuneration metrics (pay gap and total remuneration)

The gender pay gap at VERBUND is 12.1% (previous year: 11.4%). The calculation is explained in more detail under Gender equality measures. This means that female VERBUND employees earn on average 12.1% less than their male counterparts. Due to the stringent unbundling provisions, the policies and requirements set by VERBUND AG do not apply to the grid operator companies. The gender pay gap is higher in the companies that are not subject to the policies and requirements set by VERBUND AG. At 6.0% (previous year: 7.6%), the gender pay gap is much lower at companies on which VERBUND can exert influence. No Executive Board members are considered in the calculation of the gender pay gap.

The ratio between the remuneration of the highest-paid individual in the Group (CEO) and the median remuneration for employees in the Group takes into account base salary, cash benefits, in-kind contributions and direct compensation. It also includes the total fair value of all long-term annual incentives. The remuneration of all employees is adjusted for the remuneration of the CEO, resulting in a ratio of 1:21 (previous year: 1:20). [S1-16-97a-c]

Disclosure Requirement S1-17 – Incidents, complaints and severe human rights impacts

Ten cases of discrimination (previous year: 13) were reported in the reporting period. In addition, four grievances related to the social matters referred to in section 2 of this standard were raised through the Group's internal whistleblower system. No reports were submitted to the National Contact Point (NCP) for the OECD's Guidelines for Multinational Enterprises. All reported cases of discrimination and grievances were reviewed by VERBUND. In two cases (previous year: three), no discrimination was identified. In all other cases, remediation plans have been developed and implemented. Remedies included holding discussions or offering further counselling. The total amount of fines, penalties and compensation for damages as a result of the incidents and complaints disclosed above came to €0 (previous year: €0). [S1-17-103a-d]

There were no severe human rights incidents involving the Group's workforce in financial year 2025. Likewise, there were no incidents of violations of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises. No related payments were required as a result. [S1-17-104a-b]

ESRS S2 Workers in the value chain

ESRS 2 General Disclosures

Strategy

Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders

Topical disclosures on the interests and views of stakeholders can be found in ESRS 2 SBM-2.

Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

VERBUND supports the transition to clean energy through the generation and expansion of renewable energy. This involves investing in existing and new installations, which requires the purchase of plant components and construction activities. As a result of these business activities, the following topics were defined as material in the materiality assessment: "working conditions" and "equal treatment and opportunities for all". Impacts can arise from the procurement of products, especially in the upstream value chain, which can result in the deterioration or exacerbation of poor working and environmental conditions. In the context of construction projects on VERBUND construction sites, it is also conceivable that workplace accidents may occur among external companies, thereby impairing the health and ability to work of external personnel. At the same time, VERBUND relies on the availability of workers in the value chain; without value chain workers, the construction and rehabilitation of plants would either not be possible in the first place, or would take longer. [S2-SBM-3-10a.i-ii,11; ESRS 2 SBM-3-48b, c.iv]

On the one hand, the affected workforce includes those who work for companies in the upstream value chain of VERBUND, for example in connection with the production of plant components and technical components, and workers who are employed by external contractors at VERBUND construction sites. [S2-SBM-3-11a.i]

VERBUND sources around 90% of its products and services in its direct supply chain from Austria and Germany, the rest being sourced from other parts of the world with the majority of suppliers being located in the European Union. The risk of child or forced labour is therefore very low. [S2-SBM-3-11b; S2-1-18]

Material impacts primarily involve VERBUND construction sites due to new construction and rehabilitation projects. The construction sector is traditionally known for its higher prevalence of work-related accidents, which also affects occupational safety metrics and accidents at VERBUND construction sites and thereby impacts the workers of external contractors that work for VERBUND. Clear measures have been introduced to counteract this heightened risk and to reduce accidents among external contractors, which are listed in section S2-4. [S2-SBM-3-11c]

VERBUND strives to positively impact working conditions as well as equal treatment and opportunities among value chain workers through the application of its Supplier Code of Conduct (SCoC). [S2-SBM-3-11d]

No material risks and opportunities for VERBUND arising from impacts and dependencies on value chain workers were identified. [S2-SBM-3-11e]

As described above, workers on VERBUND construction sites are particularly affected by the negative impacts. This is reflected in the higher accident rate compared to VERBUND's own workforce, the LTIFR, which provided the basis for assessing the negative impacts in the materiality assessment (see LTIFR in section S1-14). [S2-SBM-3-12]

No specific affected groups of workers have been identified beyond the workers on VERBUND construction sites described above. [S2-SBM-3-13]

Sub-topic	IRO title	I/R/O	+/-
S2 Working conditions			
	Safe working conditions	I	(+)
	Health and safety	I	-
S2 Equal treatment and opportunities for all			
	Equal opportunities	I	(+)

Legend:
I/R/O Impact, risk, opportunity
+/- + positive; - negative
( ) potential

Impacts, risks and opportunities management

Disclosure Requirement S2-1 – Policies related to value chain workers

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Supplier Code of Conduct	I	Secure employment	Executive Board of VERBUND AG
	I	Health and safety	
	I	Equal opportunities	

Content: VERBUND has expressed its commitment to sustainable management in its mission statement. The VERBUND Code of Conduct and Supplier Code of Conduct stipulate that the Group's suppliers and business partners must likewise uphold the Group's quality standards and sustainability principles. The Supplier Code of Conduct is the fundamental policy for the management of impacts on value chain workers, namely injuries on construction sites and any contributions to the deterioration of working and environmental conditions in the upstream value chain. The Supplier Code of Conduct is publicly available on the VERBUND website. It covers ESG issues in line with European Sustainability Reporting Standards (ESRS), international human rights standards (e.g. the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights), and the OECD Guiding Principles. The Supplier Code of Conduct addresses issues such as climate change mitigation and adaptation, labour practices and the prohibition of discrimination, the use of conflict minerals, anti-corruption and grievance mechanisms. In terms of human rights, the Supplier Code of Conduct also contains provisions on forced labour and child labour. [MDR-P-65a; S2-1-16]

Targets: The Supplier Code of Conduct is an integral component of all VERBUND tenders and commissions; as a result, it is not possible to conclude a contract without confirmation of the Supplier Code of Conduct. [MDR-P-65a]

Monitoring process: Group procurement is responsible for central management and execution of the tender award process and for placing orders with suppliers, including the Supplier Code of Conduct. When entering into a contract with VERBUND, suppliers agree to comply with the requirements set out in the Supplier Code of Conduct. As part of its tenders, VERBUND requests the submission of ESG ratings and other ESG evidence, such as certificates. In the event of violations, VERBUND works with the supplier in question to define appropriate actions to resolve the problem. To this end, step-by-step programmes for

eliminating abuses may also be developed and VERBUND must be kept informed of their progress on an ongoing basis. If no agreement can be reached, or if the contractors fail to comply with the agreed actions, VERBUND reserves the right to terminate the contractual relationship prematurely. In 2025, there were no violations of the Supplier Code of Conduct. Due to the unbundling provisions, the grid companies Austrian Power Grid AG and GAS CONNECT AUSTRIA GmbH have implemented independent procurement organisations with equivalent codes and guidelines for sustainable procurement. [MDR-P-65a]
Scope in relation to business activities and geographical areas: The Supplier Code of Conduct covers the workers of all direct suppliers in the value chain. It obliges them to pass on this responsibility to their suppliers in the respective countries. [MDR-P-65b]
International framework for the Supplier Code of Conduct: The Supplier Code of Conduct is based on international, European and national requirements, including the following in particular [S2-1-19]:

- the International Bill of Human Rights;
- the 17 global UN Sustainable Development Goals;
- the Ten Principles of the UN Global Compact;
- the OECD Guidelines for multinational Enterprises;
- the standards of the International Labour Organization (ILO), such as
- the Declaration on Fundamental Principles and Rights at Work and Core Labour Standards;
- the EU Charter of Fundamental Rights;
- the UN Guiding Principles on Business and Human Rights; and
- the Austrian Code of Corporate Governance.

No issues of non-compliance with the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises have been reported to VERBUND, and the Group has not been made aware of any corresponding incidents. Details on procurement procedures and the organisational structure for procurement can be found in section G1. [S2-1-19]

With regard to workers in the value chain, VERBUND obliges its suppliers to respect human rights by confirming the Supplier Code of Conduct (SCoC) as part of the General Terms and Conditions of Purchase. VERBUND requires its direct suppliers to ensure that their subcontractors and suppliers also commit to respecting human rights. Following the OECD Due Diligence Guidance for Responsible Business Conduct, VERBUND intends to provide remediation, if necessary, to improve negative impacts on value chain workers. The aim is to restore the situation of the affected people to what it would have been had the negative effect not occurred. It also involves compliance with laws and international regulations on redress and, in the absence of corresponding rules, considering remedial measures equivalent to those granted in similar cases. [S2-1-17a-c; S2-4-33c]

Disclosure Requirement S2-2 – Processes for engaging with value chain workers about impacts

In order to avoid workplace accidents at VERBUND construction sites, each external contractor must be provided with instructions in the legally specified and internally prescribed manner, as established in an internal process. Contact partners from VERBUND, which may include the responsible work supervisor, project manager or on-site coordinator, provide briefings and instructions to work supervisors from external contractors with regard to specific local hazards, safety technology and organisational matters in the local language, which must then be confirmed by the external contractor. External contractors hired to work at VERBUND construction sites are required to demonstrably brief and instruct their employees,

subcontractors, suppliers and visitors on how to perform work in a safe manner and on the general, location-specific and union-specific employee protection and accident prevention regulations. Briefing and instructions are to be provided before work begins and before workers enter the work area. [S2-2-22, 22a]

In terms of safety, external contractors working at VERBUND facilities or at VERBUND construction sites are governed by either the Austrian (ASchG) or the German (ArbSchG) occupational health and safety acts or by the Act on the Coordination of Construction Works (*Bauarbeitenkoordinationsgesetz*, BauKG), in Austria, or the Regulation on Health and Safety at Construction Sites (*Baustellenverordnung*, BaustellV), in Germany. Compliance with all occupational safety provisions is monitored on an ongoing basis. Any workplace accidents suffered by a worker of an external contractor engaged by the Group must be reported to VERBUND immediately. The accident data are also recorded, analysed and reported continuously in VERBUND's internal statistics. Operational responsibility for implementing the steps outlined above and for engaging non-employee workers lies with the respective project manager. These workers are engaged as required in relation to coordination and construction site meetings. [S2-2-22b-c]

Disclosure Requirement S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

Various processes have been implemented to prevent workplace accidents involving external contractors and the consequent negative impacts on their employees' health and ability to work. As part of the workplace evaluation and hazard assessment, external contractors are required to identify and assess the risks to workers' health and safety, and to define and document preventive measures. The identification and assessment of hazards must incorporate at-risk or vulnerable employees, which includes adolescents and pregnant women, and the suitability of employees in terms of constitution, physical strength, age and skills. Any required occupational health check-ups and aptitude tests must be undertaken. [S2-3-27a]

All non-employee workers can submit safety suggestions, and report hazards and near misses confidentially to the respective safety officer or, subsequently, to the responsible employee representative. In accordance with the general employer obligations set out in the Occupational Health and Safety Act (ASchG), suitable measures must be taken and suitable instructions issued to enable all non-employee workers to cease their activities in the event of serious and imminent danger and to seek safety by leaving the workplace immediately. Non-employee workers are protected from reprisals due to the employer's legal duty of care. [S2-3-27b-c]

Any deviations relevant to occupational safety that are identified and reported by an external contractor itself or by third parties must be recorded in problem reports and measures must be taken to remedy the situation. Work supervisors appointed by external contractors must report on the status of the remedial action during project/construction meetings.

In the event of an accident that impairs the health of a worker, the external contractor responsible for the non-employee worker is responsible for remedying the situation.

The effectiveness of the reporting system can be ensured through the submission of suggestions and hazard reports that document the use of the related tools and improvements in accident metrics. [S2-3-27d]

The VERBUND whistleblower platform (see section G1) is also available as a channel for all value chain workers to anonymously report possible concerns and observations. Accordingly, the safeguards prescribed in the whistleblower protection directive therefore also apply to value chain workers. [S2-3-27b; 28]

Disclosure Requirement S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Since 2017, VERBUND has been conducting regular hotspot analyses of its supply chain with a focus on ESG. The supply chain for the key sourcing groups is analysed for its impacts, risks and opportunities. The analysis takes into account factors such as working and safety conditions, human rights, corruption, legal compliance and the environment. The approach taken is risk-based, with the aim of identifying the most significant negative impacts and risks and deriving actions to minimise risk. [S2-4-33a-c]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
ESG supply chain due diligence	I I	Secure employment Equal opportunities	Ongoing	–

Content: In 2025, ESG due diligence for the supply chain was defined and enshrined in writing. The supply chain can have potentially material negative impacts, such as pollution, high emissions, poor employment relationships, frequent workplace injuries or human rights violations. In light of this, VERBUND is committed to the principles of sustainability in its procurement processes, works continuously to ensure that these processes are sustainable, and strives to continuously develop and improve sustainable procurement processes and the use of sustainability criteria. The due diligence process includes the Supplier Code of Conduct as a minimum standard for suppliers, the handling of human rights, the identification of ESG risks in the supply chain, and the use of sustainability criteria in the procurement process. [MDR-A-68a; S2-4-32a]

Expected results or progress: The aim is to integrate sustainability into procurement processes and ensure due diligence within VERBUND's upstream direct supply chain. [MDR-A-68a, e]

Scope in relation to business activities and geographical areas: The ESG due diligence processes cover the upstream direct supply chain in the respective countries. [MDR-A-68b]

Financial resources: Notably, these are not one-off actions but instead recurring actions that are implemented on a continuous and annual basis as part of ongoing business processes for which it is not possible to make any estimates with regard to financial figures. [S2-4-38]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Sustainable Procurement Roadmap	I I	Secure employment Equal opportunities	2025–2030	–

Content: The Sustainable Procurement Roadmap developed in 2025 will guide sustainable procurement until 2030. It includes actions to further embed ESG in the procurement process, to implement supply chain risk management, to ensure compliance with future ESG due diligence requirements in the supply chain (including the Corporate Sustainability Due Diligence Directive, CSDDD) and to continuously improve the ESG dialogue with suppliers. [MDR-A-68a; S2-4-32c]

Expected results or progress: The implementation of the defined actions is intended to ensure the continuous development of procurement processes towards sustainable procurement management. Actions already implemented include the documentation of ESG governance for procurement, the

identification of generally applicable ESG criteria for tenders, raising awareness of sustainability among procurement staff in the form of an ESG workshop, and ongoing communication measures on the topic of sustainable procurement. [MDR-A-68a, e; S2-4-32d]

Scope in relation to business activities and geographical areas: The actions relate to VERBUND's own operations (procurement process) and to dealings with direct suppliers in the respective countries. [MDR-A-68b]

Financial resources: Notably, these are not one-off actions but instead recurring actions that are implemented on a continuous and annual basis as part of ongoing business processes for which it is not possible to make any estimates with regard to financial figures. [MDR-A-69a-c; S2-4-38]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Prevention of workplace accidents	I	Health and safety	Ongoing	Supplier Code of Conduct

Content: The mandatory Occupational Safety and Environmental Protection Policy contains additional safety requirements for contractors to promote accident prevention (especially on construction sites). In the event of non-compliance with or infringement of the provisions of this policy or statutory employee occupational safety provisions, a four-step escalation scenario comes into play. The first escalation step, verbal reprimand, can be given verbally for minor or first-time offences; in the event of repeat offences or an immediate need for action, written warnings may be issued as a second step. In the third escalation step, suspension of work, parts or all of the work may be suspended in the event of repeated infringements after prior warning, imminent danger or gross negligence, until the risk has been eliminated or action has been taken. In the event of deliberate or repeated grossly negligent violations, there is the fourth and final escalation step, an extraordinary right of withdrawal. [MDR-A-68a; S2-4-32b; S-2-4-35]

Expected results or progress: In order to further reduce the number of work-related accidents affecting external contractors on VERBUND construction sites, all external contractors must contractually adhere to the Health, Safety and Environmental Policy. [MDR-A-68a, e]

Scope in relation to business activities and geographical areas: The guideline is mandatory for all deliveries and services provided by direct contractors in the value chain in all countries in which VERBUND operates. [MDR-A-68b]

Financial resources: Notably, these are not one-off actions but instead recurring actions that are implemented on a continuous and annual basis as part of ongoing business processes for which it is not possible to make any estimates with regard to financial figures. [S2-4-38; MDR-A 69a-c]

Incidents of human rights violations: No cases of serious human rights violations or other incidents related to value chain workers were reported in the reporting period. [S2-4-36]

Metrics and targets

Disclosure Requirement S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

VERBUND has not set itself any specific targets in relation to value chain workers. [MDR-T-81b.ii; S2-5-81]

Accidents affecting non-employee workers are an integral element of the overall LTIFR (rate of workplace accidents among VERBUND's own employees and non-employee workers) and, accordingly,

of the We Live Safety initiative, which has been ongoing since 2018. For more information, please consult section S1-5. The current aim is to reduce the LTIFR to ≤4.6 by 2026, which can only be achieved by simultaneously improving the LTIFR among external contractors. [MDR-T-81b.ii]
A reduction in the LTIFR for external companies would be accompanied by fewer workplace accidents, which would allow the effectiveness of the policies and actions put in place to be verified. [MDR-T-81b. i]

ESRS S3 Affected communities

ESRS 2 General Disclosures

Strategy

Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders
The views, interests and rights of affected communities are incorporated into VERBUND's strategy through the provision of information to local residents, on the Group website, social media and direct contact through decentralised communications managers. The aim is to promote transparency and thereby create acceptance for new infrastructure projects, for example. A detailed description is provided in this section. Further disclosures on the interests and views of stakeholders can be found in ESRS 2 SBM-2. [S3-SBM-2-7]

Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model
The VERBUND business model is based on efficient generation of electricity through hydropower plants, wind farms and photovoltaic installations. These activities result in a number of direct and indirect impacts on affected communities. For VERBUND, this primarily includes those local groups and sections of the population directly or indirectly affected by the Group's operating activities and projects. Affected communities include, in particular, municipalities, landowners, land managers, fishing associations, and residents in the vicinity of power plant sites, power grids and other VERBUND infrastructure. These affected groups are referred to as local residents. Work such as the construction and operation of facilities can cause noise, environmental changes and other impacts that affect the lives of local residents. [S3-SBM-3-8a.i-ii, 9a.i; ESRS 2 SBM-3-48b, c.iv]

In addition, VERBUND takes its responsibility towards communities that could be directly or indirectly affected by the extraction and disposal processes for resources such as metals and minerals used in the production of plant components and technical components, along with other purposes, very seriously. [S3-SBM-3-9a.ii-iii]

VERBUND has identified and assessed its actual and potential impacts, dependencies, risks and opportunities related to these affected communities (see ESRS 2 IRO-1). The sub-topic "Communities' economic, social and cultural rights" was classified as material, while the sub-topic "Rights of indigenous peoples" was not identified as material. This has therefore verified that VERBUND's business activities have little to no influence on indigenous peoples. [S3-SBM-3-8a, 9a.iv, S3-1-15]

Sub-topic	IRO title	I/R/O	+/-
S3 Communities' economic, social and cultural rights			
	Social inclusion	I	+
	Space requirements	I	-
	Security of supply	I	(-)
	Conflicts of use	I	–

Legend:
I/R/O Impact, risk, opportunity
+/- + positive; - negative
( ) potential

Conflicts of interest and land-use conflicts in connection with the expansion of renewable energy represent the most material impacts VERBUND has on affected communities associated with increased space requirements. For example, the construction and expansion of facilities can raise concerns among local communities about noise levels, obscured views, environmental impacts or space requirements. Another potential impact on affected communities is disruptions to supply due to technical issues. [S3-SBM-3, 9b, 10]

Impacts, risks and opportunities management

Disclosure Requirement S3-1 – Policies related to affected communities

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Communicating with local residents	I	Conflicts of use	Project management

Content: In all major projects, VERBUND considers its responsibility to society and the environment right from the start. Great importance is placed during all stages of planning and implementation on executing construction work with the utmost consideration and ensuring that the effects of plant operation on the environment are minimal. In all projects, a strong focus is placed on dialogue with citizens, beginning as early as the planning stage to avoid land-use conflicts and adequately take the concerns and wishes of local residents into consideration. Wherever possible, VERBUND seeks to leverage synergies in planning and execution to provide direct advantages for those affected (for example by improving local flood protection installations and through appropriate transportation infrastructure). This commitment to information and dialogue is also very consciously applied to measures with (in some cases exclusively) environmental relevance, including fish passes and bypass channels as well as LIFE projects. This is the reason why there are separate websites for larger projects. [MDR-P-65a; S3-1-14]
Targets: The acceptance of projects should be increased in order to minimise potential conflicts at an early stage. [MDR-P-65a; S3-1-18]
Monitoring process: Communication measures are continuously monitored to ensure ongoing coordination with the relevant stakeholders. [MDR-P-65a]
Scope in relation to business activities and geographical areas: A standardised communication policy that sets out the quality of communication with all affected communities applies. This policy must be adhered to with respect to all investment and construction plans and projects implemented by VERBUND

in Austria and abroad that impact the public, as well as in joint projects. The interests of affected parties are taken into account through targeted analyses and feedback mechanisms. [MDR-P-65b]

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Secure energy supply	I	guaranteeing supply security;	Executive Board of VERBUND AG

Content: One of VERBUND's key concerns is ensuring that the general population and industry enjoy a secure supply of electricity, which entails reliable, sustained electricity generation. Security of supply is ensured by increasing the efficiency of existing sites, expanding sustainable electricity generation facilities, promoting forward-looking research and innovation projects, and ensuring that VERBUND installations maintain a high level of operational readiness. [MDR-P-65a]
Targets: The aim is to prevent disruptions to supply. [MDR-P-65a]
Monitoring process: Continuous monitoring of the generation facilities and grids ensures a high level of reliability. [MDR-P-65a]
Scope in relation to business activities and geographical areas: VERBUND ensures a secure energy supply in all countries in which the Group operates. Accordingly, in addition to the officially prescribed regulations and statutory provisions, VERBUND has established its own standards for the reliable operation of power plant and grid facilities, some of which go beyond the official requirements and legislation. VERBUND also complies with internationally coordinated standards for grid operation. [MDR-P-65b]
Human rights policy and processes for monitoring internationally recognised standards: In addition to strictly adhering to the legal framework, VERBUND has defined its own policies regulating correct conduct with regard to affected communities. VERBUND is committed to a diligent human rights policy through its internal policy on respect for human rights, which encompasses all civil, political, economic, social and cultural affected communities. With the help of the VERBUND Supplier Code of Conduct and the Code of Conduct, all employees, suppliers and business partners are urged to respect and uphold the rights of all affected communities, including indigenous peoples. The Code of Conduct is described in G1, and the Supplier Code of Conduct is listed among the policies in S2. VERBUND is guided in particular by the requirements of the OECD Due Diligence Guidance for Responsible Business Conduct. [S3 SBM-2-7; S3-1-16a-c, 17, 18]

Disclosure Requirement S3-2 – Processes for engaging with affected communities about impacts

At VERBUND, affected communities are directly engaged with through various platforms. With respect to reaching out to concerned parties, the main communication channels and methods are as follows:

- citizen informational events;
- citizen forums;
- public relations activities;
- local project information centres, information fairs or
- information tours, as well as ombudsmen;
- presentation of the project on the VERBUND website; and
- project films, project newsletters, leaflets, or direct mail.

The effectiveness of the participation processes is regularly reviewed and adjusted to ensure that the concerns and interests of the communities are adequately addressed and incorporated into the continuous improvement of operational processes. In each construction project, the communication measures and results are reported to the project client as part of a project steering committee. Points of contact at the project site are either the regional communications manager in charge of the project, or the project management, whose details can be found on all relevant media. Available information channels include personal contact, telephone, e-mail, letter, social media, project-related websites and corporate headquarters. In all projects, a strong focus is placed on maintaining a dialogue with affected parties, beginning as early as the planning stage. Wherever possible, VERBUND seeks to leverage synergies in planning and execution to provide direct advantages for those affected (for example by improving local flood protection installations and through appropriate transportation infrastructure). Regular open days also give local residents a good opportunity to obtain information and to voice their views directly at the site. [S3-2-21a-d, 22]

Disclosure Requirement S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns

To date, no actual impacts have been inflicted on affected communities in which additional remedies above and beyond statutory or governmental requirements were required. The procedures for remediating negative impacts are presented annually in the VERBUND Annual Report in order to inform affected communities of the options available to them for communicating their concerns or needs and to assess these options. In principle, the central communications department and, specifically, the respective regional communications manager and the deputy manager act as the general point of contact for all kinds of information, from tour requests to suggestions and complaints. Neighbouring property owners and interested parties may also visit VERBUND in person or get in touch by phone, e-mail or letter or through social media. Specific grievances against the sites are handled together with the department in charge of the project and power plant group management, if applicable, who define who will assume responsibility for contact going forward. Such contact may involve a written response from the communications manager or a conversation with operating department specialists. The central communications department decides on whether additional public relations work is needed (e.g. for complaints about limited opening hours for power plant crossings) and coordinates all activities. [S3-2-27 a-c]

National system protection plans are in place in the event of grid outages or supply disruptions that adversely affect regional supply security. They specify measures for controlling critical grid conditions and for preventing and limiting the related impacts. [S3-2-27a, d]

The electronic whistleblower platform set up by VERBUND makes it easy to anonymously report concerns about perceived or suspected misconduct. The specific procedure and strategies for protecting individuals against retaliation are described in more detail in section G1. [S3-2-28]

Disclosure Requirement S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Informational events	I	Conflict of use	Ongoing	Communicating with local residents

Content: Opening the doors of VERBUND power plants to interested visitors, targeted information sessions at the sites, and financial participation models for affected local residents, can have a positive impact. Traditional dialogue platforms employed at VERBUND include an experience day for local residents, at which people from the area are able to gain insights into the project activities and discover a new day-trip destination on their own doorstep. This can raise awareness of current issues, especially in environmental projects. We therefore work with local partners to promote consideration, for example during bird breeding season. Rather than imposing bans and excluding people from the natural environment, the focus is on raising awareness of the sensitive ecosystem and the needs of flora and fauna. [MDR-A-68a; S3-4-32a-c]
Expected results or progress: Potential issues and concerns are identified and discussed in advance. [MDR-A-68a, e; S3-4-32d]
Scope in relation to business activities and geographical areas: These actions concern VERBUND's operations in all countries in which it operates. These are often facilities that are being expanded or newly constructed. [MDR-A-68b]
Effectiveness of the action: The acceptance of the communities affected by a project is regularly evaluated by the designated project steering committee and reviewed for potential improvement measures. [S3-4-32d]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Crisis management training exercises	I	Security of supply	Ongoing	

Content: VERBUND also introduces measures on a regular basis to ensure the safety of its facilities. These include crisis management training exercises on major damage situations such as flooding and earthquakes together with the regulatory authority at both local and state level, and operational exercises with local fire departments at VERBUND sites, including extinguishing fires and evacuating the building. [MDR-A-68a; S3-4-32c]
Expected results or progress: As a result, good coordination is expected in the event of a crisis. [MDR-A-68a]
Scope in relation to business activities and geographical areas: The actions are implemented at various locations where VERBUND operates. [MDR-A-68b]
Effectiveness of the action: The success of crisis training is assessed using feedback forms after the training session and in the annual review of those responsible for crisis management. [S3-4-32d]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Grid expansion	I	Security of supply	Ongoing	Secure energy supply

Content: In order to prevent the negative impacts caused by grid failures or insufficient power and gas supplies and to ensure security of supply, grid capacities are being continuously expanded (e.g. the 380 kV Salzburg line). [MDR-A-68a; S3-4-32c;]
Expected results or progress: No grid failures are expected. [MDR-A-68a]
Scope in relation to business activities and geographical areas: This measure includes the own operations of the grid companies (Austrian Power Grid AG and GAS CONNECT AUSTRIA GmbH) in Austria. [MDR-A-68b]
Effectiveness of the action: A reliability rating of 99.9% confirms the excellent preparation in Austria. [S3-4-32d]

VERBUND seeks to collaborate with other companies, local regulatory authorities and non-profit organisations wherever possible in order to develop solutions that benefit all parties involved. For example, VERBUND works closely with the local tourism boards on renovation projects in the vicinity of power plants in order to jointly optimise existing leisure facilities such as cycle paths, to develop new routes where necessary, or to plan diversions. When new facilities related to renewable energy are built, residents of the affected communities are given the exclusive opportunity to participate in the financial return of a facility through the investment product "Climate Savings", as is the case at the photovoltaic projects in Wallsee-Mitterkirchen, Güssing and Ladendorf. The effectiveness of these measures is assessed on the basis of feedback from residents and other stakeholders through the various available platforms. If negative feedback on specific measures is identified, this is taken into account when evaluating the measure and the resulting optimisation. [S3-4-32c, d]

VERBUND continually strives to minimise negative impacts on affected communities and actively develop positive ones. The Group allocates targeted resources for this purpose. Notably, these are not one-off actions but instead recurring actions that are implemented on a continuous and annual basis as part of ongoing business processes for which it is not possible to make any estimates with regard to financial figures. Relationships with VERBUND's stakeholders are planned and managed centrally by the holding company. Operational implementation of the measures is handled by the respective departments within VERBUND and by the VERBUND subsidiaries, or also jointly, depending on the affected groups in question. [MDR-A-69a-c; S3-4-31, 35, 38]

These platforms can also be used to make affected communities aware of any conflicts of interest and find solutions. For example, solutions to address noise pollution from construction work (e.g. by delaying noisy work), or to reduce dust and dirt pollution by installing a truck wash facility, could be found as a remedy through direct interaction between project managers and residents. [S3-4-32b; 33a-c]

In the reporting period, there were no cases of serious human rights violations and no other incidents in connection with affected communities at VERBUND. [S3-4-36]

Metrics and targets

Disclosure Requirement S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

All measures and processes listed aim to avoid potential negative impacts on affected communities and to minimise any impacts currently experienced. VERBUND wants to maintain and further improve the open dialogue and exchange with affected communities. The effectiveness of related measures is reflected in the successful implementation of various target group-specific dialogue platforms. No measurable outcome-oriented targets have been identified through these platforms. [MDR-T-81b.i-ii]

ESRS S4 Consumers and end-users

ESRS 2 General Disclosures

Strategy

Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders
Topical disclosures on the interests and views of stakeholders can be found in ESRS 2 SBM-2.

Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model
As part of the materiality assessment (see ESRS 2 IRO-1), the following impacts were identified and their relationship to strategy and business model in relation to consumers and end-users was analysed. No material risks and opportunities were identified in this context. The details can be found in ESRS2 SBM-3. [S4-SBM-3-9a.i-ii, b; 10d; S4-4-33a-b; ESRS 2 SBM-3-48b]

Sub-topic	IRO title	I/R/O	+/-
S4 Information-related impacts for consumers and/or end-users			
	Accessibility	I	-
S4 Social inclusion of consumers and/or end-users			
	Non-discrimination	I	+
	Access to products and services	I	-
	Responsible marketing practices	I	–

Legend:
I/R/O Impact, risk, opportunity
+/- + positive; - negative
( ) potential

When customers are referred to in the following, this refers exclusively to VERBUND residential customers. These material impacts may potentially affect all VERBUND residential customers, and language barriers can affect non-German-speaking residential customers in particular. Possible negative impacts may arise from the loss of customer data, a lack of, or poor understandability and accessibility to Group information, barriers to concluding contracts, including language barriers, and misleading marketing promises can lead to dissatisfaction. Positive impacts concern, in particular, the strong accessibility of VERBUND services for residential customers with easily accessible grievance mechanisms, as well as support for low-income households through the VERBUND Electricity Relief Fund in collaboration with Caritas and the VERBUND hardship fund. [ESRS 2 SBM-3-48c.iv; S4-SBM-3-10; 10a.i-iv; AR7; 11]

VERBUND has developed a solid understanding of which customers could be particularly affected by negative impacts through the collection and systematic evaluation of empirical data from everyday customer service as well as through the analysis of customer feedback and satisfaction surveys. For low-income households, higher electricity costs can pose a financial barrier. There is also a possibility that key information regarding the use of products and services may be ambiguous, especially for non-German-speaking households and individuals. The negative impacts are mainly attributable to individual

incidents involving individual customers (privacy, income, language barrier) and are not systemic or widespread. [ESRS 2 SBM-3-48c.iv; S4-SBM-3-10b]

The following sections describe the policies, actions, metrics and targets VERBUND pursues in relation to its residential customers. They also feature a description of the channels available for interacting with customers, processes for active participation, measures to mitigate negative impacts, and how feedback channels are provided to customers and used. Furthermore, an explanation is provided on how initiated strategies and processes are to be monitored through metrics and refined in line with the topic-specific targets. VERBUND strives to communicate transparently and truthfully, and ensures the protection of its customers' privacy. [S4-SBM-3-10c]

Impacts, risks and opportunities management

Disclosure Requirement S4-1 – Policies related to consumers and end-users

Policy	IRO	IRO title	Responsibility
[MDR-P-65; S4-1-15]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Legal requirements	I I I I	Accessibility, Access to products, Non-discrimination, Responsible marketing practices	Management of VERBUND Energy4Customers GmbH

Content: The legal basis for engagement with residential customers by the VERBUND subsidiary responsible for corresponding interactions, namely VERBUND Energy4Customers GmbH, is industry-specific legislation, such as the Austrian Electricity Industry and Organisation Act (*Elektrizitätswirtschafts- und Organisationsgesetz*, ElWOG), the Electricity Labelling Ordinance (*Stromkennzeichnungsverordnung*, KenV), plus the Consumer Protection Act (*Konsumentenschutzgesetz*, KSchG) and the General Data Protection Regulation (GDPR). Communication also complies with the Austrian Ethics Council for Public Relations (*Ehrenkodex des Public Relations Verband Austria*, PRVA), the Code of Athens, the Media Transparency Act (*Medientransparenzgesetz*, MedKF-TG) and the Lobbying and Advocacy Transparency Act (*Lobbying- und Interessensvertretungs-Transparenz-Gesetz,* LobbyG). [MDR-P-65a]

Targets: The legal provisions are intended to ensure the social inclusion of consumers. From planning advertising campaigns to launching all advertising measures, the legal aspects of the Consumer Protection Act (KSchG) and the Data Protection Act (*Datenschutzgesetz*, DSG) are taken into account in order to avoid customer dissatisfaction, to protect data and to provide the best possible information about the Group's products and offerings. VERBUND provides related information on the VERBUND website, through ads placed on social media and in print media, through radio and television advertising, or by telephone if requested. E-mails and newsletters are also sent to existing customers subject to their prior consent. [MDR-P-65a]

Monitoring process: VERBUND Energy4Customers GmbH is integrated into VERBUND's internal control system, organisational structure and compliance management system and complies with the corresponding rules and regulations. The legal and compliance departments are involved in a continuous monitoring process on a regular basis (also incorporating external legal advice). Newly identified

requirements and regulations that affect the legal basis for interaction with residential customers are assessed and necessary actions are initiated. Data protection risks are monitored by the data protection officers. Data protection impact assessments are carried out for new products and services where necessary. In addition, interaction guidelines, contract documents and marketing materials are regularly reviewed from a legal perspective and ongoing business partner checks are carried out. [MDR-P-65a]

Scope in relation to business activities and geographical areas: The legal provisions relate exclusively to VERBUND's own operations, in particular those of VERBUND Energy4Customers GmbH, which distributes electricity to residential customers. VERBUND only offers electricity to residential customers in Austria. [MDR-P-65b]

Policy	IRO	IRO title	Responsibility
[MDR-P-65; S4-1-15]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Guidelines for customer interactions	I	Responsible practices	Customer Service Management within VERBUND Energy4Customers GmbH

Content: Detailed discussion guidelines have been developed to ensure the quality and consistency of customer interactions. These guidelines provide clear guidance to customer service representatives on managing a range of customer situations, including escalation. They cover topics such as de-escalating behaviour, learning how to anticipate objection, non-discriminatory behaviour and respectful communication. This ensures that all employees are prepared to treat customers with respect and in a professional manner. [MDR-P-65a]

Targets: They help to ensure consistent and customer-focused communication and to maintain a high level of satisfaction. In addition, all customer service employees, especially those in direct contact with customers, receive comprehensive training. [MDR-P-65a]

Monitoring process: Customer interactions, especially telephone conversations, are evaluated and reviewed on an ongoing basis. This process helps ensure that training courses are conducted effectively and that the Group's guidelines on conduct with customers are followed. [MDR-P-65a]

Scope in relation to business activities and geographical areas: The guidelines apply to VERBUND's own operations, in particular those of VERBUND Energy4Customers GmbH, which distributes electricity to residential customers. VERBUND only offers electricity to residential customers in Austria. [MDR-P-65b]

Human rights policy commitments: The VERBUND Code of Conduct provides an important basis for customer relationships (see section G1-1). As a result, and with the Group's internal policy on human rights due diligence, human rights are also upheld in accordance with international human rights standards and the Ten Principles of the United Nations Global Compact (UNGC) in the dealings with all residential customers. No incidents related to human rights and customers were reported to VERBUND in the reporting period. Customer feedback and satisfaction surveys are used to analyse customer engagement. Customers are informed about the policies in place in their contracts, invoices, e-mails and on the website. [S4-1-16a-c; 17; S4-4-35]

Disclosure Requirement S4-2 – Processes for engaging with consumers and end-users about impacts

An external party also conducts a monthly customer satisfaction analysis. In addition, VERBUND provides a wide range of communication channels and contact options to ensure that customers can access all relevant information and that VERBUND can, in turn, contact customers directly.

- Service centre and service line: VERBUND's freephone customer service number 800 210 210 provides a single point of contact for existing customers and potential new customers to ask questions and receive support. Every year, the service centre responds to over 400,000 telephone and written enquiries.
- Online platforms: The VERBUND website offers comprehensive information about the Group's product portfolio, price comparisons, the simple switching process, frequently asked questions and specific services such as online invoices and managing customer account data.
- Other contact options: regular customer newsletters, VERBUND's social media presence, trade shows and media relations round off the communication strategy and offer additional ways to get in touch with customers and other stakeholders. [S4-2-20a, b]

The feedback gathered and received from customers through the various channels is evaluated on a continuous basis. Engaging customers through the customer satisfaction analysis allows VERBUND to gauge general sentiment among customers and respond to their concerns in the further development and optimisation of processes. The management of VERBUND Energy4Customers GmbH reports regularly to the VERBUND Executive Board on ongoing business activities, thereby ensuring the involvement of consumers and end-users at Group level. [S4-2-20, 20c-d]

Relationships with vulnerable groups maintained with a multilingual call centre and the VERBUND Hardship Fund, among other initiatives, are described in section S4-4. [S4-2-21]

Disclosure Requirement S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Analyses of customer enquiries and complaints received by the call centre and ticket systems provide valuable data that is used to optimise processes for an enhanced customer experience. If any problems are identified in these analyses, the corresponding information is forwarded to the responsible process manager. The process manager analyses the shortcomings identified and develops targeted optimisation approaches to improve processes and increase customer satisfaction. Once these optimisation proposals have been developed, they are passed on to the relevant teams for implementation. Negative feedback or unresolved concerns following a customer query are reviewed by specialist employees in order to produce appropriate remedies and to re-engage with the affected customers. Phone calls are analysed on an ongoing basis. If a call check determines that an agent has not satisfactorily solved a problem, the agent in question will then receive targeted training. These training sessions are designed to enhance the knowledge and skills of employees so that future customer enquiries can be handled more effectively. [S4-3-25a, c, d]

VERBUND has established various processes to ensure the effectiveness of communication channels and to mitigate negative impacts for consumers and end-users, such as poor accessibility and barriers to information and offers as well as misleading marketing promises. To this end, VERBUND monitors the effectiveness of its communication channels through internal structures, with continuous monitoring of its telephone system, for example. In the event that the telephone system is affected by technical malfunctions, customers are notified by telephone announcement and informed of alternative

communication channels such as e-mail or online forms. Ongoing monitoring ensures that any malfunctions are recognised early on and that communications are maintained through timely notification. [S4-3-25c]

As a remedy for specific grievances, customers can contact the VERBUND hotline or send an e-mail. Their concerns will then be addressed in a targeted manner by trained personnel. A wide variety of options are employed to draw customers' attention to the available communication channels. Customers can find comprehensive information on the various customer service options on the VERBUND website. In addition, tips and contact details for the various channels are provided on invoices received by customers, ensuring their questions can be directed to the right addressee. Communication options are also outlined in specific customer letters, such as the welcome letter when a contract is signed or in newsletters. As a final step and a final remedy, all customers have the option of contacting consumer protection organisations such as the Verein für Konsumenteninformation or legal regulatory authorities with their grievances and concerns, and thereby reach a suitable solution with their support. [S4-3-25b]

VERBUND employs protective measures to ensure that customers trust the communication channels and that their information is secure. These steps include various authentication methods that vary by channel. When a call takes place, the identity of the customer is verified by consulting specific information such as the customer number or facility number. With e-mail communications, a check is made to verify whether the message comes from a registered e-mail account. If an e-mail is sent from an unregistered account, an additional check will be performed to ensure that no unauthorised access takes place. Customers can voice their concerns and needs without fear of retaliation. The VERBUND whistleblower platform (see section G1-1) is available for customers to report any suspected cases of human rights violations or corruption. [S4-1-16; S4-3-26]

Disclosure Requirement S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Preparing information in a comprehensible manner	I	Accessibility	Ongoing	-

Content: In order to avoid ambiguous marketing promises, VERBUND relies on clear and transparent communication. The Group's website and various informational materials explain to customers which services and products are available and the related conditions. VERBUND uses numerous tools to communicate information in a clear, comprehensible manner. In cases where incorrect or incomplete data on meter numbers, meter point names or addresses is encountered during registration, VERBUND proactively contacts the affected customers to obtain the required information and update it as necessary. This reduces the risk of inadvertent service discontinuation. Customer service also steps up contact in an effort to quickly resolve problems and ensure an uninterrupted electricity supply. VERBUND customers are informed of any updates to their contracts in due time by e-mail or post and offered alternative solutions. The customers can accept the new contract in an online form or in writing. If they do not respond, customers are sent reminders and proactively contacted to ensure they remain informed and

continue to receive electricity. If contracts with customers are subsequently terminated, they always have the option to conclude another contract in the future. A structured reminder system ensures customers are issued with late payment reminders in several stages and, if necessary, dunning blocking or instalment payments are offered in order to avoid contractual terminations. This proactively supports customers. In addition to payment reminders and warnings, VERBUND offers assistance options such as the VERBUND Hardship Fund. These support options are communicated in various customer letters and billing statements. Proactive reminder management ensures that customers receive the best possible support in order to avoid contract terminations. When available, VERBUND offers multilingual support at its call centre to overcome any language barriers and ensure that customers receive comprehensive support. However, these services are only used when there is demand and are not actively advertised. [MDR-A-68a; S4-4-30, 31a, 32b]

Expected results or progress: By doing this, VERBUND aims to ensure that all relevant information is easily accessible for customers. VERBUND's website provides detailed information on frequently asked questions (FAQs) about topics such as billing and payment, credit transfers, assistance with electricity costs and assistance with switching energy providers. If specific questions from customers are not answered in the FAQs on the website, customers can use an online form to obtain further information. [MDR-A-68a, e]

Scope in relation to business activities and geographical areas: The comprehensible transfer of information relates to VERBUND's own operations, the sale of electricity to residential customers, and applies to the whole of Austria. [MDR-A-68b]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Support for low-income households	I	Access to products and services	Ongoing	-

Content: The VERBUND Hardship Fund was established to help customers forced to contend with rising living costs and who were no longer able to pay their energy bills. VERBUND customers who are considered natural persons and consumers under the Consumer Protection Act are entitled to apply to the Hardship Fund. Applicants must receive at least one state benefit and must not exceed a gross income of €1,600 per month (plus €290 per child) in order to be eligible. [MDR-A-68a; S4-4-30, 31a, 32b]

Expected results or progress: The aim of the fund is to reduce or even fully offset existing claims, thereby providing tangible relief to the affected customers. [MDR-A-68a, e]

Scope in relation to business activities and geographical areas: This action concerns VERBUND's own operations, in particular those of VERBUND Energy4Customers GmbH (VEC), which distributes electricity to residential customers. VERBUND only offers electricity to residential customers in Austria. [MDR-A-68b]

Response to negative impacts on consumers: The responsible VERBUND subsidiary, VEC, ensures that any problems that could have a negative impact on residential customers are quickly identified and adequately resolved through systematic evaluation and its feedback systems. A decision board has been established to prioritise measures. As part of this process, experts meet twice a week to decide which measures should be implemented for residential customers and in which order. Measures are prioritised based on five key criteria, with assessments used to adjust decisions, while the final implementation and effectiveness of measures are monitored by management as well as through

ongoing evaluation. The feasibility of measures is reviewed and their effectiveness assessed in relation to the intended objectives. [S4-4-32a, 34]

VERBUND raised electricity prices for existing customers in May 2022 and March 2023 due to higher market prices, which led to legal action against the Group by interest groups challenging the applicable price adjustment mechanisms. Consequently, VERBUND entered into agreements with these agents, resulting in revisions to the disputed price adjustments. As part of the price adjustment agreement concluded in May 2022, affected customers were able to register for the payout of a flat-rate credit (depending on consumption). At an average consumption of 3,300 kWh, the payout was around €90. In the price adjustment agreement concluded in March 2023, a flat-rate credit of €20, €40, or €85, depending on consumption, was transferred to the bank accounts of affected customers. [S4-4-31b-d, 32c]

The actions listed below are not one-off actions but instead recurring actions that form part of ongoing business processes for which it is not possible to make any exact estimates with regard to current and future financial figures at present. [MDR-A-69a-c; S4-4-37]

Metrics and targets

Disclosure Requirement S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Target value	Target type	IRO	IRO title	Policy
[MDR-T-80b]	[MDR-T-80b]	[MDR-T-78]	[MDR-T-78]	[MDR-T-80a]
CLI VERBUND > CLI sector average	Relative target	I I I I	Accessibility, Access to products, Non-discrimination, Responsible marketing practices	-

Content: The Customer Loyalty Index (CLI) is a robust metric that comprehensively measures satisfaction and has been reviewed by VERBUND for years. The CLI combines the key impact drivers for customer satisfaction – namely overall satisfaction, willingness to recommend VERBUND, trust, likelihood of renewing a contract, emotional connection, willingness to cross-sell – and weights their significance. Customer satisfaction is to be increased through targeted measures and the number of complaints minimised. Customer opinions are incorporated into the targets through customer feedback. Over the coming years, the CLI is also expected to rise to pre-crisis levels following upheaval from the energy crisis. The target value is based on internal estimates by experts. [MDR-T-80, 80g; S4-5-41a]

Baseline value, reference year and time horizon: VERBUND's goal is to go above and beyond the industry average in this regard. This target has been achieved every year since 2015, except during the energy crisis: it was not achieved in 2022 and no survey was conducted in 2023. The CLI also fell short of target in 2025 at 68.5 (benchmark 69.7) (previous year: 70.9). [MDR-T-80d-e]

Methods and key assumptions: The following ongoing sub-targets can be used to measure customer service effectiveness and support the main target of achieving high customer satisfaction. Written enquiries from existing customers and potential new customers must be answered within specified

deadlines, with 80% of existing customers receiving a response within two days and potential new customers within one day. However, certain topic groups can be prioritised in this metric and process-related exceptions are possible. In 2025, 69% of all written enquiries received were answered within the defined time periods. This metric has been measured for around 15 years and, on average, comes close to the defined target of 80%. Since the energy crisis in 2022, the level reached has been only around 50%. Customer service efficiency is measured on the basis of metrics that specify the number of customer calls to be answered in less than 30 seconds. [MDR-T-80f; S4-5-41b, c]

Scope in relation to business activities, geographical areas and stakeholders: Customer satisfaction with VERBUND's own operations is measured in Austria. [MDR-T-80c, h]

Monitoring process: The data used for orientation in the benchmark is provided by an external service provider. The results are presented, analysed and discussed in a group of customer experience experts on a regular basis. Based on the analysis, the expert group develops actions if the set targets are not achieved. It appoints responsible persons and monitors the implementation of these actions. [MDR-T-80j; S4-5-41b, c]

Governance information

ESRS G1 Business conduct

ESRS 2 General Disclosures

The following principles apply to all policies listed in G1. The executive order establishing the compliance management system and the guidelines based on it as well as the Code of Conduct are issued by the Executive Board.

All rules and regulations are transparently available to employees to download and view on the intranet at any time. [G1-3-20]

Disclosure Requirement related to ESRS 2 GOV-1 – The role of the administrative, supervisory and management bodies

In addition to all of the Group's employees, the administrative, management and supervisory bodies also play a key role in shaping the corporate culture. They have a decisive impact on corporate culture and promote it through their role model effect, through appropriate rules and by enacting suitable measures. Information on the role of the administrative, management, and supervisory bodies can be found in the 2025 Consolidated Corporate Governance Report.

Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

Topical disclosures for identifying and assessing business conduct-related material impacts, risks, and opportunities can be found in the ESRS 2 IRO-1.

Sub-topic	IRO title	I/R/O	+/-
G1 Corporate culture			
	Code of Conduct	I	(-)
G1 Protection of whistleblowers			
	Whistleblowers	I	+
G1 Political engagement and lobbying activities			
	Public discourse	I	+
	Simplified approval process	O	(+)
G1 Management of relationships with suppliers, including payment practices			
	Procurement specifications	I	+
G1 Corruption and bribery			
	Corruption	I	–

Legend:

I/R/O	Impact, risk, opportunity
+/-	+ positive; - negative
( )	potential

Disclosure Requirement G1-1– Business conduct policies and corporate culture

This section explains the impacts, risks and opportunities with respect to the key governance issues of corporate culture, protection of whistleblowers and political engagement identified at VERBUND and describes the associated policies, actions and, where available, metrics.

Material topic – corporate culture

As Austria's leading company in the transition to clean energy, VERBUND serves as a role model for many other companies and stakeholders. In its capacity as a publicly listed company with a high awareness of sustainability and compliance, adherence to the rules and guidelines and the implementation of the defined corporate values are given high priority at VERBUND. Even mere rumours of legal violations, such as suspected acts of corruption or bribery, can cause a lot of damage. Related damage goes beyond possible penalties in connection with legal proceedings and may include jeopardising the Group's reputation and a loss of trust among stakeholders. Violations of policies or the Code of Conduct can affect this trust, VERBUND's image, and thereby indirectly its enterprise value.

In response, VERBUND has focused its corporate culture on boosting awareness among all of its employees. The VERBUND corporate culture aims to establish a common culture of values among all stakeholders in order to sustainably safeguard the value of the Group on the capital market and promote its public image. Avoiding misconduct on the part of employees can improve trust among stakeholders with regard to the Group's business activities. To achieve this, on the one hand, a Group-wide compliance management system was implemented and further preventive measures have been established and continuously developed, including clear internal rules and regulations, appropriate training and information for employees and other stakeholders. [G1-1-10g]

On the other hand, the Group-wide whistleblower system goes above and beyond the legal requirements to promote an open culture when it comes to dealing with errors. This reporting system encourages employees and other VERBUND stakeholders to report suspicious circumstances. At the same time, it provides protection for whistleblowers from retaliations arising in relation to reported incidents, as well as protection for people affected by reported incidents. [G1-1-10a-c]

A separate Group-wide compliance risk management system ensures that compliance risks are identified early on and appropriate countermeasures taken in good time. The tailored training programme conveys the material content to all employees and promotes a high level of awareness on topics relevant to VERBUND. In addition to teaching the content of the Code of Conduct and the whistleblower system, training also covers topics such as preventing corruption, financial market compliance, competition law, dawn raid and REMIT. [G1-3-20]

The Group-wide data protection management system provides the framework for the responsible handling of personal data. This essential topic is taught to all employees with relevant training conducted either online or in person. Reaching an adequate level of awareness among employees who work with personal data on a daily basis is crucial for mitigating the risk of violations of data protection regulations. [G1-3-20]

Detailed procurement requirements, including internal guidelines for the awarding of orders as well as the definition of corresponding general terms and conditions, help to prevent potential suppliers and business partners from engaging in anti-competitive conduct. Potential business partners above a defined size, or involving certain types of business relationships, (e.g. strategic partners, consultants) undergo a standardised business partner assessment, which involves upholding any sanctions requirements. This minimises the risk of entering into contractual relationships with risky business partners or undertakings on sanctions lists. [G1-2-12]

The Code of Conduct forms the basis of the corporate culture at VERBUND. Acting in accordance with this Code of Conduct and the principles and values enshrined therein is a top priority for VERBUND. The Code provides instructions and support for all employees on the fulfilment of all legal, contractual, ethical and voluntary internal requirements.

VERBUND reinforces the trust of its stakeholders by openly and transparently communicating its Code of Conduct to the outside world and business partners. The Code of Conduct is communicated within the Group to avoid any need to penalise employees or VERBUND for culpable misconduct. [G1-3-20]

VERBUND is subject to the Austrian Code of Corporate Governance (*Österreichischer Corporate Governance Kodex*, ÖCGK, as amended in January 2025) and produces a Consolidated Corporate Governance Report on an annual basis. The report provides detailed information on how VERBUND complies with the rules and regulations set out in the ÖCGK.

All of these measures make it possible to minimise the risk of violations of the law and the potential risk of a loss of reputation or any threat of a reduction in the value of VERBUND on the capital market, and to avoid damage or penalties for employees and/or the Group. [G1-1-7, 9, 10]

Corporate culture policies

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Compliance management system	I I I	Code of Conduct, Whistleblowers, Corruption	Executive Board of VERBUND AG

Content: Based on the requirements of capital market regulations, VERBUND launched a Group-wide compliance management system back in 2002. Since then, this compliance management system has been continually refined and expanded using a risk-based approach. The scope of the compliance management system is defined in a separate executive order, which sets out the topics and principles of the system as well as the roles and functions of the Chief Compliance Officer, the compliance officers at the Group companies and the Compliance Committee.

The scope of the compliance management system primarily includes the following topics that are not covered by specialised specialist departments in the Group and are relevant to all business areas:

- Preventing corruption, including business partners' compliance
- Financial market compliance
- Competition law
- Implementation of the Code of Conduct
- Compliance with the Austrian Code of Corporate Governance
- Implementation of and compliance with rules and regulations for reporting violations of the law (whistleblowing)

External regulations include relevant laws and regulations, in particular the Austrian Stock Exchange Act (*Börsegesetz*, BörseG), the Austrian Criminal Code (*Strafgesetzbuch*, StGB), Austrian competition law, the EU Whistleblowing Directive in conjunction with national implementing laws and directly applicable European Union regulations, as well as other external norms and standards, such as the Austrian Code of Corporate Governance. [MDR-P-65a, d, G1-1-7, 9]

Targets: The compliance management system is refined on an ongoing basis. This is achieved through an ongoing exchange of experience with experts and other companies as well as through external consultations and evaluations. [MDR-P-65a, G1-1-9]

Monitoring process: The compliance organisation makes it possible to communicate the relevant matters to all divisions and companies within the Group and to control, monitor and refine internal processes. The compliance management system is audited by the Internal Audit department; the whistleblower system was last audited in 2024. Furthermore, reports of any suspected cases that arise in the context of the compliance management system can be submitted using the whistleblower system. [MDR-P-65a, G1-1-7, 10a]

Compliance organisation at VERBUND

Chief Compliance Officer	Compliance Officers	Compliance Committee
Central point of contact within the Group for all compliance-related matters	At every major subsidiary	Group-wide representation (all compliance officers)
Reporting authority for compliance incidents, responsible for handling and processing compliance reports	Central point of contact for compliance-related issues at the respective company	Works with sustainability officer and workers' representatives
Reports to the Group Executive Board on activities and all compliance-related matters in the Group	Reporting authority for compliance incidents in the company	Regular meetings, analyses compliance risks, defines processes and reporting lines, coordinates training, etc.
Not subject to instructions in his work	Report to the Chief Compliance Officer and the respective management	Main tasks: coordination and further development of the compliance management system within the Group

Scope in relation to business activities and geographical areas: The compliance management system covers VERBUND AG, all of the companies included in VERBUND AG's consolidated financial statements and any companies in which VERBUND AG holds a sole controlling interest, either directly or indirectly. Austrian Power Grid AG and GAS CONNECT AUSTRIA GmbH are registered in the compliance organisation but have implemented their own internal rules and regulations on compliance matters based on VERBUND guidelines due to the organisational unbundling. SMATRICS Limited & Co KG is included in the VERBUND compliance management system and has also implemented its own compliance guidelines in coordination with VERBUND. For other equity interests, compliance with the principles and targets is pursued to the greatest possible extent. [MDR-P-65b]

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Code of Conduct	I I I	Code of Conduct, Whistleblowers, Corruption	Executive Board of VERBUND AG

Content: The previously applicable Code of Conduct for Sustainable Business, which governs VERBUND's internal and external activities, was revised at the end of 2025 in line with ESG reporting requirements and enacted as a new Code of Conduct. The Code aims to uphold fair, transparent and sustainable business practices.

The content of the Code is based on the United Nations' 17 Sustainable Development Goals (SDGs) and the Ten Principles of the UN Global Compact. The main topics covered in the Code are human rights, labour standards, climate change mitigation and anti-corruption. The Code is structured around the cornerstones of E – Environment, S – Social and G – Governance. Each of these sections is broken down into further sub-topics, such as compliance and transparency, human rights, occupational safety, and collaboration with business partners. It also covers the topics of information security and privacy, artificial intelligence (AI) and the whistleblower system. The Code of Conduct is published on the VERBUND website and can therefore be viewed by all stakeholders. [MDR-P-65a, G1-1-7, 9]

Targets: The Code of Conduct is implemented, refined and communicated through the compliance management system. Its content is defined by internal executive orders and Group policies, which are also issued by the Executive Board. [MDR-P-65a]

Monitoring process: Serious Code of Conduct violations can be reported by both employees and external stakeholders using the Group-wide whistleblower system. (See information on the material topic of whistleblower protection provided in section G1.) [MDR-P-65a, G1-1-10a]

Scope in relation to business activities and geographical areas: The Code of Conduct applies to all executives and employees, and to an equal extent in their dealings with colleagues, customers, suppliers, local residents and all other stakeholders. It applies at all controlled Group companies, with the exception of Austrian Power Grid, GAS CONNECT AUSTRIA and SMATRICS. These companies have implemented their own codes of conduct. [MDR-P-65b]

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Group policy on corruption prevention	I I	Code of Conduct, Corruption	Executive Board of VERBUND AG and management

Content: A Group policy on corruption prevention establishes guidelines for the acceptance or granting of benefits, handling conflicts of interest, fundamental rules for awarding contracts and donations, and for relations with business and contractual partners. Due to VERBUND's ownership structure, all employees are considered public officials within the meaning of anti-corruption law, which is why special attention is paid to the granting or acceptance of benefits. Obligations to obtain internal approvals, such as approval by supervisors, the Chief Compliance Officer or compliance officers in specific cases, and documentation requirements ensure the necessary transparency. [MDR-P-65a; G1-1-7, 9; G1-3-20]

Targets: Transparency requirements along with clear Group guidelines regarding the permissibility of accepting or granting benefits are intended to promote compliant behaviour and prevent corruption at an early stage. [MDR-P-65a]

Monitoring process: The topic of corruption prevention and the documentation of invitations and gifts, which is reviewed annually by the Chief Compliance Officer and the compliance officers in the Group companies, is also discussed at the annual compliance meetings (see action Compliance meetings). Reports on suspected violations in connection with corruption and bribery can be submitted by employees and external stakeholders using VERBUND's whistleblower system. [MDR-P-65a, G1-1-10a]

Scope in relation to business activities and geographical areas: This policy applies to VERBUND AG, to all of the companies included in VERBUND AG's consolidated financial statements and to any companies in which VERBUND AG holds a controlling interest, either directly or indirectly. Austrian

Power Grid, GAS CONNECT AUSTRIA and SMATRICS have implemented their own guidelines based on the VERBUND policy. [MDR-P-65b]

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Group policy on business partner compliance	I I I	Code of Conduct, Procurement specifications, Corruption	Executive Board of VERBUND AG and management

Content: Integrity and trust form the basis for cooperation with all business partners. VERBUND therefore commits not only itself but also its business partners to exercise fairness and transparency and incorporates them into its compliance management system. In addition to complying with legal requirements, protecting the Group's reputation and fulfilling its corporate due diligence obligations, preventive actions are to be taken against white-collar crime, corruption and money laundering, and sanctions and embargoes must be observed.

In order to mitigate potential compliance risks, VERBUND conducts standardised integrity checks on business partners and ongoing alert monitoring Group-wide. A Group policy sets out the principles and criteria for reviewing business partners, the model criteria to be applied and the internal processes and responsibilities for approvals. Business partners are included in audits according to a risk-based approach that takes into account the type of business activity on the one hand and value limits and country risk on the other.

The results of the analysis underpin the more extensive assessment of business partners. As part of the business partner integrity checks, business partners, beneficial owners, politically exposed persons (PEPs), sanctions, embargoes and country risks from a compliance perspective (including human rights risks) are analysed, and specific media research is carried out.

No contracts with business partners had to be terminated due to corruption-related breaches in 2025. [G1-4-24]

As part of M&A processes, VERBUND also addressed compliance and sustainability matters such as the requirements of potential business partners relating to environmental, social and human rights criteria in the reporting period. [MDR-P-65a, G1-1-7, 9]

Targets: By conducting business partner integrity checks, business partners are risk-classified and potential risks that may arise from transactions with sanctioned or dubious business partners are prevented before transactions are concluded. The aim is, on the one hand, to prevent the conclusion of contracts with sanctioned business partners and, on the other hand, to manage any risks in this context through targeted actions (contract drafting, assurances). [MDR-P-65a]

Monitoring process: In addition to the ongoing monitoring of alerts for business partners who have already been checked, follow-up checks are carried out on business partners when their approvals expire, and active business partners are queried annually for the purpose of system maintenance. [MDR-P-65a]

Scope in relation to business activities and geographical areas: This policy applies to VERBUND AG, to all of the companies included in VERBUND AG's consolidated financial statements and to any companies in which VERBUND AG holds a sole controlling interest, either directly or indirectly. Due to unbundling, Austrian Power Grid and GAS CONNECT AUSTRIA are exempt from these integrity checks. These two companies carry out their own business partner assessments according to their own requirements. [MDR-P-65b]

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Group policy on competition law	I	Code of Conduct	Executive Board of VERBUND AG and management

Content: VERBUND conducts itself fairly and in accordance with the law in its business transactions as a matter of course. VERBUND has made an express commitment to this in its Code of Conduct. In day-to-day business, employees also come into contact with other companies that compete with VERBUND or have a relationship with VERBUND as suppliers or consumers.

An internal policy helps top management and employees carry out their work for the Group in business transactions with other companies in a manner that is consistent with competition law.

Violations of competition law can have severe consequences for VERBUND, which may include high fines, recovery of proceeds from antitrust violations, nullity of contracts, liability to pay compensation to affected competitors and customers, as well as repercussions for employees themselves, including penalties and consequences under labour law. [MDR-P-65a, G1-1-7, 9]

Targets: The policy and tailored training within the Group not only counteract the risk of possible violations of the law and the risk of sanctions against the Group and its employees, but also any potential damage to the Group's image. [MDR-P-65a]

Monitoring process: Reports on suspected violations in connection with competition law can be submitted by employees and external stakeholders using VERBUND's whistleblower system. [MDR-P-65a; G1-1-10a]

Scope in relation to business activities and geographical areas: This policy applies to VERBUND AG, to all of the companies included in VERBUND AG's consolidated financial statements and to any companies in which VERBUND AG holds a sole controlling interest, either directly or indirectly. Austrian Power Grid and GAS CONNECT AUSTRIA have implemented their own guidelines on compliance with the provisions of competition law based on the VERBUND policy. [MDR-P-65b]

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Group policy on financial market compliance	I	Code of Conduct	Executive Board of VERBUND AG

Content: As a listed company, VERBUND AG is subject to the relevant European and Austrian capital market regulations. Based on these provisions, a Group policy governs the principles for handling insider-relevant information as well as the organisational measures to prevent the improper use or disclosure of inside information. The policy applies to all individuals who receive insider-relevant information about VERBUND and contains important details in particular with respect to the definition of areas of confidentiality, lock-up periods and trading bans as well as general definitions and measures in connection with insider-relevant information and inside information and the management thereof. Incorporating the topic in the Group-wide training programme has helped to foster the necessary awareness among employees. [MDR-P-65a, G1-1-7, 9]

Targets: The aim is to avoid conflicts of interest and prevent insider trading through the proper and lawful conduct of all boards, employees, and persons who work with this information provided by VERBUND. [MDR-P-65a]
Monitoring process: The insider directory containing employees listed in permanent or temporary areas of confidentiality is updated on an ongoing basis. Serious misconduct can be reported by both employees and external stakeholders using the Group-wide whistleblower system. [MDR-P-65a, G1-1-10a]
Scope in relation to business activities and geographical areas: This policy applies to VERBUND AG, to all of the companies included in VERBUND AG's consolidated financial statements and to any companies in which VERBUND AG holds a sole controlling interest, either directly or indirectly. Austrian Power Grid is contractually obliged to comply with the financial market compliance policy and has set up its own internal organisational measures on issues related to financial market law. GAS CONNECT AUSTRIA is not covered by this policy. The management teams of the major Group companies (including Austrian Power Grid and GAS CONNECT AUSTRIA) are included in the list of insiders at VERBUND AG and are therefore subject to a duty of confidentiality, a trading ban and lock-up periods. [MDR-P-65b]

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Group data protection policy	I	Code of Conduct	Executive Board of VERBUND AG

Content: VERBUND operates a Group-wide data protection management system. This management system ensures corresponding processes are in place to ensure compliance with legal requirements and to help prevent violations of privacy rights due to loss of data. The Group's certified Data Protection Officer plans, manages and coordinates all of the Group's data protection-related matters. The Group officer is supported in this by data protection officers at the individual companies together with the Group's own legal advisors.

TOM&PIA is a proprietary data protection tool developed by VERBUND to support the Group's data protection officers in their work, namely, ensuring compliance with GDPR documentation and evidence requirements – above all, updating records of processing activities, upholding the rights of data subjects and handling reports to data protection agencies. Regardless of the size and complexity of a company, the rights of the data subjects (rights to information, to withdraw consent, to erasure, etc.) can therefore be safeguarded.

Suitable technical and organisational measures in accordance with the GDPR have been implemented for data processing at VERBUND. A risk-based approach is adopted in this regard. The more sensitive the personal data is, the greater the dangers and risks are to which the data are exposed, and the more serious any violations of the data subjects' personal rights are in the event of a data breach. Moreover, the higher the value of the data for the company is, the higher the level of protection that must be defined. The goal is to record all operating business processes and data processing in order to present the complete set of data protection-relevant facts and processing in a transparent and verifiable manner, in addition to incorporating overlap with the functions of compliance, IT security and internal audit. [MDR-P-65a, G1-1-7, 9]
Targets: The objective is to avoid data protection violations. [MDR-P-65a]
Monitoring process: The Group's certified Data Protection Officer plans, manages and coordinates all of VERBUND's data protection-related matters. Current issues are discussed and necessary steps planned

and implemented at regular meetings of the data protection officers. In this way, the data protection management system is continuously developed and adapted to current circumstances. Suspected data protection violations can be reported by both employees and external stakeholders using the Group-wide whistleblower system. A data protection mailbox has been set up for data subjects to exercise their rights, and is communicated in all data protection information. [MDR-P-65a; G1-1-10a]

Scope in relation to business activities and geographical areas: This policy applies to VERBUND AG, to all of the companies included in VERBUND AG's consolidated financial statements and to any companies in which VERBUND AG holds a sole controlling interest, either directly or indirectly. Two subsidiaries and the companies in the unbundled segment each operate their own data protection management systems.

Corporate culture actions and metrics

To summarise, the actions listed below are not one-off but instead recurring actions that form part of ongoing business processes for which it is not possible to make any accurate estimates with regard to current and future financial figures at present. [MDR-A-69a-c]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Compliance risk survey	I I	Code of Conduct, Corruption	Annually or on an ongoing basis	Compliance management system

Content: Potential compliance risks are identified by means of a Group-wide, systematic compliance risk assessment carried out on topics relating to the compliance management system. In addition to the specified compliance risk areas, the survey also covered the area-specific risk topics identified by risk owners. The risk owners address compliance requirements and legal and regulatory requirements in great detail and measure the individual compliance risks according to the criteria of importance, probability of occurrence and vulnerability.

The results of the compliance risk survey can be used to determine whether and in which business areas VERBUND is exposed to compliance risks (compliance risk position). Based on this, priorities for compliance actions are developed as part of the annual compliance programme. The results of the survey are discussed and concrete actions derived, planned and implemented during annual compliance meetings between the Chief Compliance Officer and the respective risk owners.

The results of the compliance risk survey are also incorporated into Group risk management's ongoing quarterly compliance risk update and into the monitoring of compliance early warning indicators and are used as input for the materiality assessment. [MDR-A-68a; MDR-A-68c, G1-1-7, 9]

Expected results or progress: This approach to compliance risk management allows potential problem areas to be identified early on and the risks to be countered preventively through the implementation of appropriate measures. In turn, this prevents violations of the law and the ensuing consequential risks, such as liability risks, reputational damage, loss of stakeholder trust and potential penalties. [MDR-A-68a, e]

Scope in relation to business activities and geographical areas: In addition to the holding divisions, all material controlling and personnel-managing Group companies, including Austrian Power Grid and GAS CONNECT AUSTRIA, are also integrated into the compliance risk survey. Across the Group, 21 risk owners were integrated in the reporting year (seven divisions of the holding company and the Group

companies VERBUND Hydro Power GmbH, VERBUND Green Power GmbH, Ennskraftwerke Aktiengesellschaft, VERBUND Thermal Power GmbH & Co KG, VERBUND Energy4Business GmbH, VERBUND Energy4Customers GmbH, VERBUND Tourismus GmbH, VERBUND Green Hydrogen GmbH, VERBUND Business Solutions GmbH, VERBUND Digital Power GmbH, Austrian Power Grid AG, GAS CONNECT AUSTRIA GmbH, SMATRICS GmbH & Co KG and VERBUND Ventures GmbH). [MDR-A-68b]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Compliance meetings	I I I	Code of Conduct, Whistleblowers, Corruption	Annual	Compliance management system

Content: Standardised compliance meetings are held with all risk owners on an annual basis. The Chief Compliance Officer chairs these meetings together with the management and compliance officers from all major Group companies as well as with the heads of the holding company's divisions. At the meetings, each risk survey is discussed, any necessary actions are defined and current compliance issues are discussed. [MDR-A-68a; MDR-A-68c, G1-1-7, 9]

Expected results or progress: The results of these meetings are recorded and the implementation of measures monitored. This approach promotes the continuous improvement of compliance within the individual companies and therefore within the Group. [MDR-A-68a, e]

Scope in relation to business activities and geographical areas: In 2025, the annual compliance meetings were held with the seven divisions of the holding company and the Group companies VERBUND Hydro Power GmbH, VERBUND Green Power GmbH, VERBUND Thermal Power GmbH & Co KG, VERBUND Energy4Business GmbH, VERBUND Energy4Customers GmbH, VERBUND Tourismus GmbH, VERBUND Green Hydrogen GmbH, VERBUND Business Solutions GmbH, VERBUND Digital Power GmbH, Austrian Power Grid AG, GAS CONNECT AUSTRIA GmbH, SMATRICS GmbH & Co KG and VERBUND Ventures GmbH. [MDR-A-68b]

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Training, consulting and provision of information	I I I	Code of Conduct, Whistleblowers, Corruption	Ongoing	Compliance management system

Content: Training programmes and general informational events along with one-on-one consulting and briefings on specific matters from the Chief Compliance Officer and the compliance officers from Group companies play an important role at VERBUND. In order to further improve the Group's ability to handle compliance issues, a comprehensive training programme – which includes both on-site classes and online modules – has been implemented across the entire Group to deal with compliance regulations. In addition to general training, there are also special training courses on specific topics and for specific target groups and areas. The objective is to avoid compliance incidents anywhere in the Group. [G1-1-10g]

The main focal points of these training courses in financial year 2025 were the general principles of compliance along with the Code of Conduct, financial market compliance and the prevention of

corruption, and the whistleblower system. The Chief Compliance Officer held 12 training sessions in the reporting period (some of which via video conference) (previous year: 14). Alongside new employees and new senior executives, the target groups were primarily the assistants to the Executive Board. In addition, the compliance officers in VERBUND subsidiaries ran training sessions on compliance topics. [G1-1-10c.i, 10g, h]

The intranet-based e-training programme was once again a key pillar of the training programme in 2025. The compliance e-learning programme comprises courses on compliance basics (including the whistleblower system), anti-corruption and financial market compliance and has now been integrated into the Group-wide Learning Management System (LMS), along with the related surveys. [G1-1-10c.i; G1-3-21a, AR 7]

In order to maintain data protection awareness, all employees in the defined training group are required to refresh their data protection qualification on an annual basis. They may choose between attending a classroom training session and taking advantage of the online option offered on the intranet, an e-training course or online courses created in-house called Stories of TOM&PIA. [MDR-A-68a; G1-3-AR 7]

The Chief Compliance Officer and the compliance officers of the Group companies provided information on correct conduct in person, by phone or by e-mail in response to the numerous queries received. The volume of enquiries demonstrates the high level of awareness of compliance matters among executives and employees.

Expected results or progress: Ongoing employee training on compliance issues and privacy is intended to raise employee awareness and thereby prevent potential legal violations. [MDR-A-68a, e]

Scope in relation to business activities and geographical areas: All of the Group's top management as well as employees in key account management, trading, sales, purchasing, accounting, and payment transactions were identified as having functions-at-risk with respect to the risk of corruption and bribery within the Group. These individuals are required to complete the corresponding online surveys on an annual basis. Of the employees with functions-at-risk, 100% received training on anti-corruption. Austrian Power Grid and GAS CONNECT AUSTRIA have defined their own tailored training programmes for their functions-at-risk. [G1-3-21a, b; G1-1-10h, G1-3-AR 7]

Group companies in Spain, Italy and Romania held classroom training courses on compliance issues as necessary (for onboarding new employees, following updates, and similar) during the reporting year. The companies in these countries are also included in the Group's online training programme. Two subsidiaries and the companies in the unbundled segment each provide their own training on the topic of data protection. Austrian Power Grid and GAS CONNECT AUSTRIA have established their own online training programmes on the compliance topics relevant to them. [MDR-A-68b; MDR-A-68c; G1-3-20, 21a; G1-3-AR 7]

Material topic – whistleblower protection

An important component of good corporate culture is a commitment to an open culture in dealing with errors. VERBUND is keen to identify any misconduct and undesirable developments at the earliest possible stage and to eliminate them moving forward. For this reason, it is very important that appropriate reporting channels are in place to allow employees to report undesirable developments or (suspected) violations, anonymously if required.

VERBUND has established a Group-wide and comprehensive whistleblower system for this purpose that goes above and beyond the legal requirements. As a result, it is possible to identify misconduct and undesirable practices in relation to a broad range of issues and to eliminate them for the future in order

to prevent harm to employees or the Group, and to avoid penalties. VERBUND has an overriding interest in immediately, objectively and independently investigating, investigating and taking measures to eliminate suspected incidents. [G1-1-10e]

Maintaining the trust of the employee or person who reports a violation or suspects misconduct is a crucial factor when operating a whistleblower system. This trust is gained and strengthened by clear rules and regulations along with processes that determine how the reports are processed and how the investigation is to be conducted, and by protecting whistleblowers and people affected by the report. The laws implementing the EU Whistleblowing Directive expressly stipulate this protection for the persons concerned, on the basis of the EU requirements. VERBUND also ensures this protection for all reports that go beyond the statutory topics, unless they are wilful reports or reports of misconduct in which the whistleblower is culpably involved. [G1-1-10c.ii]

Whistleblower protection policies

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Whistleblower system work instruction	I I I I	Code of Conduct, Whistleblowers, Procurement specifications, Corruption	Executive Board of VERBUND AG

Content: The main aspects of VERBUND's whistleblower system are set out in the executive order for the compliance management system and outlined in detail in a work instruction based thereon. These rules and regulations, which can be downloaded and viewed by employees on the intranet at any time, define the permissible topics and available reporting channels, clear processes for handling and investigating tips, and the applicable protection of whistleblowers and affected parties. The Chief Compliance Officer and his team are responsible for operating the whistleblower system and coordinating the handling and investigation of reports. They are not bound by instructions in their work. [G1-3-16, 18b, 20]

Reports on witnessed or suspected violations, abuses or misconduct can be submitted with regard to the following topics:

- Corruption, bribery, fraud, theft and other economic crimes;
- Anti-competitive behaviour, market abuse;
- Financial crime and capital market violations, such as insider trading;
- Privacy;
- Procurement and awarding of orders;
- Environmental protection and safety;
- Consumer protection;
- Conflicts of interest;
- HR-related issues in the case of violations of laws, especially discrimination;
- Harassment and bullying;
- Other serious violations of the VERBUND Code of Conduct;
- Any other topics listed in Article 2 of the EU Whistleblowing Directive, including food law, radiation protection and product safety, and additional issues of the applicable national implementing laws.

Reports or tips can be submitted using the electronic whistleblower platform Integrityline. Integrityline is available on VERBUND's website for both employees and external stakeholders to submit reports. The platform ensures the required level of confidentiality in the reporting process and permits anonymous communication with the whistleblower through a secure mailbox within the platform that is inaccessible to third parties. [G1-1-10c]

In addition to Integrityline, other internal channels are available for submitting reports to defined contact persons, including supervisors, management and appointees. In the event they receive a report, these individuals are personally instructed to contact the Chief Compliance Officer immediately and to determine the further course of action. [G1-1-10c]

Appropriate processes and responsibilities are defined for each type and form of report. Depending on the topic and context within the Group, case handlers are appointed and the investigation is handled under the coordination of the Chief Compliance Officer. All reports are documented in the platform. In order to assess the situation, a case officer is appointed to oversee the investigation with the support of the Chief Compliance Officer. At every step of the process, it is ensured that reports received are promptly investigated in accordance with the defined principles. [MDR-P-65a; G1-1-10a, c, e; G1-3-18a, b]

Targets: None. [MDR-P-65a]

Monitoring process: The entire process of an investigation, from the receipt of a report to the implementation of any measures taken, is defined transparently in a separate process in the VERBUND process map. A dual control principle is in place for processing reports.

As the Chief Compliance Officer is not bound to instructions and clear principles have been enshrined in VERBUND's rules and regulations, it is ensured that incoming reports are objectively and independently examined and investigated. The number of people required to process reports received is determined on the basis of the topic in question, as set out in the corresponding guidelines. Each report is promptly reviewed and investigated in accordance with a defined procedure. Individuals from other Group units such as the Audit department are involved in case management on a case-by-case basis as required to investigate the report. [MDR-P-65a; G1-1-10a, e; G1-3-18b]

Scope in relation to business activities and geographical areas: The whistleblower system covers all of the Group's companies with employees that are required to establish a corresponding system due to their employee head count. In addition, Group companies in Germany, Spain, Romania and Italy are also included in the whistleblower system. However, it also covers reports made to other Group companies and arranges for them to be investigated and clarified to the extent permitted by law. Austrian Power Grid and GAS CONNECT AUSTRIA have set up whistleblower systems in line with the requirements of their companies based on the VERBUND policy and in accordance with the legal requirements. [MDR-P-65b]

Whistleblower protection actions and metrics

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Whistleblower protection training	I	Whistleblowers	Ongoing	Whistleblower system policy

Content: Top management and compliance officers receive appropriate training on how to handle reports they receive as well as training on the protection of whistleblowers and affected parties. The

"Short briefing for top management" sets out the initial steps to be taken after a report has been submitted and the particular confidentiality that must be respected. The individuals and/or case handlers involved in the investigation process receive extra training on the necessary protection of whistleblowers and affected parties directly prior to their involvement in the case and are required to confirm that they have received corresponding training with a written declaration. [G1-1-10c.i, .ii]
Information on the whistleblower system is communicated to employees through various communication initiatives. All compliance training courses conducted either in person or online include content on the system. (See Material topic – corporate culture: Training, consulting and provision of information) [G1-1-10c.i]

Once an investigation has been completed, a final report is prepared, which summarises the outcome of the investigation and – depending on the circumstances – recommends appropriate actions. The report is then forwarded to the manager in charge of the case. [MDR-A-68a; G1-1-10c; G1-3-18c]
Expected results or progress: No specific metrics have been defined for whistleblower protection; effectiveness is ensured through the processes listed above. [MDR-A-68a, e]
Scope in relation to business activities and geographical areas: The training courses are held at companies that are included in the Group's whistleblower system. Austrian Power Grid and GAS CONNECT AUSTRIA have set up whistleblower systems in line with the requirements of their companies based on the VERBUND policy and in accordance with the legal requirements. [MDR-A-68b]

Material topic – political engagement

Advocacy is a key pillar of democratic processes and consequently of business conduct at VERBUND. Accordingly, corporate responsibility at VERBUND entails analysing energy, climate, environmental, economic and social policy decisions and initiatives that affect VERBUND and advocating the Group's own positions in decision-making processes. Through this engagement, VERBUND aims to help improve public debate on energy and climate policy issues. VERBUND's goal in this regard is to achieve greater acceptance of the transition to clean energy with respect to renewables expansion, climate change mitigation and the necessary regulatory framework. Greater acceptance could consequently mitigate project-related risks and increase the likelihood of a smooth implementation process for expansion projects. (See the disclosures provided under G1-5 below.)

Political engagement policies

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Policy on the responsible representation of interests	I O	Public discourse, Simplified approval process	Executive Board of VERBUND AG

Content: Principles for the responsible representation of interests, including the definition of roles and responsibilities as well as the Group-wide process for the interaction between the individual organisational units of VERBUND are governed by the Group policy on the responsible representation of interests. [MDR-P-65a]
Targets: Transparent processes in the internal development of positions and in their external representation to the relevant stakeholders and decision-makers. [MDR-P-65a]
Monitoring process: Compliance is monitored by the Chairman of the Executive Board. [MDR-P-65a]

Scope in relation to business activities and geographical areas: This policy applies to VERBUND AG, to all of the companies included in VERBUND AG's consolidated financial statements and to any companies in which VERBUND AG holds a sole controlling interest, either directly or indirectly. However, Austrian Power Grid and GAS CONNECT AUSTRIA are excluded from the scope. [MDR-P-65b]

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Policy on memberships and representation on boards and panels	I O	Public discourse, Simplified approval process	Executive Board of VERBUND AG

Content: In order to ensure that processes for dealing with memberships and assigning representatives are uniform and clearly structured, the basic rules are set out in an internal guideline. The guideline governs responsibilities for initiating, managing and terminating VERBUND's memberships and assigning representatives. For example, the Executive Board of VERBUND decides on the initiation and termination of memberships that are of significance to the entire Group and on the assignment of representatives to boards and panels of Group-wide importance. In addition, overall coordination and support for all of the Group's memberships are combined in a single organisational unit. VERBUND works actively with the sector association Oesterreichs Energie, the Federation of Austrian Industries, the Austrian Economic Chambers, the Austrian Chamber of Labour and other interest groups and associations. At European level, VERBUND is in regular contact through its liaison office with the European Commission, the European Parliament and various European advocacy groups and associations working in the energy sector, particularly Eurelectric. VERBUND is also active in various working groups established by Hydrogen Europe, a hydrogen advocacy group located in Brussels.

The following principles must be observed when deciding on the initiation and termination of memberships:

- All memberships must be consistent with VERBUND's mission statement.
- The benefits to and interests of the Group are the crucial factors with regard to memberships. Personal interests must be set aside when deciding on a membership. For each membership, the specific added value for VERBUND must be demonstrated.
- Holding memberships in political parties or political activist organisations is not in accord with VERBUND's principles. Memberships in organisations that are closely affiliated with political parties must be considered on an individual basis in consultation with the compliance officer at VERBUND. VERBUND makes no financial donations to political parties, grass-roots political organisations or holders of political office.
- Explicit justification must be given if a personal rather than a corporate membership is taken out that is in the interest of the Group and is paid for by the Group.

Being a member of and collaborating with associations and professional organisations are important components of responsible representation of interests. VERBUND is therefore represented in numerous associations so as to optimally contribute its knowledge and integrate its interests as well as to acquire expertise of value in its ongoing activities. Focus is placed on European and national interest groups as well as on scientific organisations and professional associations. Factors such as transparency, clarity and responsibility are of particular importance in VERBUND's advocacy efforts. Any memberships held by

VERBUND must therefore be consistent with the Group's mission statement and the principles of responsible representation of interests.

VERBUND and the companies in the VERBUND Group are members of the following organisations, among others (excluding memberships of Austrian Power Grid and GAS CONNECT AUSTRIA):

- Oesterreichs Energie
- Bundesverband der Energie- und Wasserwirtschaft e.V. (German Association of Energy and Water Industries)
- Hydrogen Europe
- Energy Traders Europe
- Federation of Austrian Industries
- Austrian Water and Waste Management Association
- German Federal Association for Energy Storage Systems
- Austrian National Committee of the World Energy Council
- German Chamber of Commerce in Austria
- respACT
- UN Global Compact ("Network Austria")
- Transparency International

VERBUND employees are also active in Eurelectric bodies based on a nomination by Oesterreichs Energie. [MDR-A-68a]

Targets: The aim of this policy is to establish a uniform and clearly structured process for dealing with VERBUND's memberships and for assigning committee representatives to those memberships. [MDR-P-65a]

Monitoring process: Compliance is monitored by the head of the Legal and Corporate Affairs department. [MDR-P-65a]

Scope: This policy applies to VERBUND AG, to all of the companies included in VERBUND AG's consolidated financial statements and to any companies in which VERBUND AG holds a sole controlling interest, either directly or indirectly. However, Austrian Power Grid and GAS CONNECT AUSTRIA are excluded from the scope.

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Code of Conduct for lobbying activities	I O	Public discourse, Simplified approval process	Executive Board of VERBUND AG

Content: VERBUND's code of conduct for lobbying activities briefly and concisely defines the principles for transparent and responsible lobbying activities. This supports an open, fact-based dialogue with policymakers and social decision-makers at national, European and international level. VERBUND attaches great importance to professionalism, is guided by its corporate values and objective positions, and contributes its expertise to the discourse in a constructive manner.

Particular attention is paid to compliance with national legislation and international laws, in particular the Lobbying and Advocacy Transparency Act (*Lobbying- und Interessenvertretungs-Transparenz-Gesetz*). Unfair methods and the granting of advantages or the initiation of such advantages are not tolerated.

VERBUND treats its stakeholders with respect and attaches great importance to providing truthful, up-to-date information from key figures within the Group. [MDR-A-68a]

Targets: Compliance with laws and voluntary commitments. [MDR-P65a]
Monitoring process: The code of conduct is published on the VERBUND website. Any suspected misconduct in relation to lobbying can be reported by both employees and external stakeholders using the Group-wide whistleblower system. [MDR-P-65a]
Scope: The Code of Conduct is aimed at individuals who work with stakeholders at Austrian, European and international level in the context of representing interests. Exceptions to this are Austrian Power Grid and GAS CONNECT AUSTRIA, which have established their own codes for this purpose. [MDR-P-65b]

Political engagement actions and metrics

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Statements to advocate interests	I O	Public discourse, Simplified approval process	Ongoing	Responsible representation of interests

Content: Preparation of positions and statements within the scope of advocating interests. VERBUND closely followed the developments and changes in the regulatory framework at EU level as well as in Austria again in 2025. The main developments in the regulatory framework in Germany were also monitored. At European level, the focus was on the presentation of the Clean Industrial Deal, which aims to reconcile Europe's competitiveness with the energy transition. Of particular importance in 2025 was the presentation of the non-legislative action plan for affordable energy, in which the European Commission sets out guidelines for competitive energy prices. Furthermore, the revised EU State Aid Framework (CISAF) was presented, which establishes the guidelines for the granting of state aid. A legislative target to reduce carbon emissions by 90% by 2040 was also discussed. At national level, negotiations on the resolution of the Electricity Industry Act (*Elektrizitätswirtschaftsgesetz*) and the Renewable Energy Expansion Acceleration Act (*Erneuerbaren-Ausbau-Beschleunigungsgesetz*) were at the forefront. Work also continued on preparations for the upcoming amendment to the Gas Industry Act (*Gaswirtschaftsgesetz, GWG*). [MDR-A-68a, G1-5-29c]
Expected results or progress: VERBUND represents its positions and interests transparently to the outside world. [MDR-A-68a, e]
Scope in relation to business activities and geographical areas: VERBUND submits statements in Austria, Germany and at EU level in Brussels. VERBUND is represented on committees in Brussels/EU, Austria, Germany, Romania, Spain and Italy. [MDR-A-68b]

Disclosure Requirement G1-2 – Management of relationships with suppliers

Procurement management at VERBUND aims to ensure that contracts are awarded in accordance with the law and to avoid anti-competitive behaviour. Clear rules in the procurement process also make it possible to select the most competitive and best contractual partners while minimising procurement costs. Sustainable supplier management is likewise a key focus in this regard. Furthermore, VERBUND sets high economic, social and environmental standards in its supply chain. Attention is paid to this in our collaboration with suppliers and in our procurement processes.

Supplier management policies

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Group policy on awarding contracts	I	Procurement specifications	Executive Board of VERBUND AG

Content: At VERBUND, deliveries and services are procured on the basis of a standardised Group-wide system. Procurement at VERBUND is guided by rules for awarding contracts and several detailed work instructions based on an group policy that governs the basic principles of procurement at VERBUND. This approach also ensures that VERBUND maintains consistent behaviour and a uniform image toward suppliers. The group policy order and work instructions define the procurement processes, regulate the Group's cooperation with requesters and set forth the decentralised procurement powers. Guidelines for invitations to tenders and contract awards ensure compliance with legal regulations and internal competencies and requirements. [MDR-P-65a]
Targets: Precise targets for the awarding of orders ensure compliance with legal provisions. Furthermore, the principles of the mission statement, internal competencies and other requirements are adhered to. This includes, in particular, the principles of sustainability in relation to environmental, social and governance matters (ESG). [MDR-P-65a]
Monitoring process: Procurement processes are handled in accordance with the dual control principle, which ensures compliance with applicable procurement regulations and relevant legal provisions. In addition, procurement processes are subject to regular audits by the Internal Audit department as part of the internal control system. [MDR-P-65a]
Scope in relation to business activities and geographical areas: The executive order on awarding contracts applies to own operations of VERBUND AG, to all of the companies included in VERBUND AG's consolidated financial statements and to any companies in which VERBUND AG holds a sole controlling interest, either directly or indirectly. In light of the applicable unbundling provisions, GAS CONNECT AUSTRIA and Austrian Power Grid have implemented their own procurement management and internal policies on procurement and supplier management based on VERBUND policies. [MDR-P-65b]
Procurement process and relationships with suppliers: Group procurement is responsible for central management and execution of the tender award process and for placing orders with suppliers. Minor purchases – in terms of monetary amount – may be ordered directly from decentralised offices, such as at power plant sites, whereby orders are generally placed in the online catalogue platform.

In addition to face-to-face contact with VERBUND employees in Purchasing, the electronic supplier portal on the VERBUND website contributes to the efficient processing of tenders and the awarding of contracts while taking sustainability matters into account. All tenders are processed in accordance with strict award criteria. Although no explicit provisions have been made for giving preferential treatment to local suppliers, experience shows that when major investments are made, some 30–70% of the added value comes from the nearby vicinity.

When placing orders for goods and awarding contracts for services, VERBUND endeavours to ensure that its suppliers and business partners adhere to VERBUND's objectives relating to the environment and society. VERBUND has expressed its commitment to sustainable management in its mission statement. The VERBUND Code of Conduct and Supplier Code of Conduct stipulate that the Group's suppliers and business partners must likewise observe the Group's quality standards and sustainability principles.

Due to its position as an awarder of contracts, VERBUND is subject in defined areas to the provisions of the Austrian Federal Procurement Act (*Bundesvergabegesetz*, BVergG), which stipulates strict equal treatment of bidders (fairness) and transparency in tender procedures. The tenders received are preferably assessed in accordance with the best bidder principle, meaning that not only the price but also the quality and technical, legal and commercial aspects are considered along with sustainability criteria.

Selecting the best bidder entails taking a comprehensive view of costs over the entire product lifecycle (e.g. purchase price, cost effectiveness, ancillary and follow-up costs, training costs, maintenance costs and disposal costs in addition to considering technical, financial and legal aspects). To establish their suitability, suppliers must furnish evidence of both their ability to render the service in question and their authorisation to do so as part of the tendering process. When certain threshold levels are reached, VERBUND additionally performs "integrity checks" of suppliers prior to awarding a contract. The integrity check is carried out to ensure that all statutory requirements are met at both the EU and national levels and to safeguard VERBUND's good reputation. By performing integrity checks, VERBUND is fulfilling its corporate due diligence obligation to ensure that preventive measures are taken against financial crime, corruption and money laundering. Furthermore, to ensure compliance with the requirements of the Austrian Network and Information Systems Security Act (*Netz- und Informationssystemsicherheitsgesetz*, NISG), the suppliers are evaluated for certain projects with respect to their need for protection and a cyber risk rating is obtained.[G1-2-15a]

Austrian Power Grid and GAS CONNECT AUSTRIA have defined their own procurement processes.

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Payment Regulations	I	Procurement specifications	Executive Board of VERBUND AG

Content: The Payment Regulations ensure standardised processing from the point an invoice is received and approved up to payment. This enables payment runs to be processed quickly. There is no separate policy in place for small and medium-sized enterprises. [MDR-P-65a; G1-2-14]

Targets: The regulations ensure compliance with the agreed payment and discount periods as well as deadlines for claiming tax benefits. They also ensure that monetary resources are used in a legal manner for their intended purpose. [MDR-P-65a]

Monitoring process: Payments are processed according to the dual control principle, which reduces the risk of discrepancies. In addition, payment processes are subject to regular audits by the Internal Audit department as part of the internal control system. [MDR-P-65a]

Scope in relation to business activities and geographical areas: The Payment Regulations apply to own operations of VERBUND AG, all of the companies included in VERBUND AG's consolidated financial statements and any companies in which VERBUND AG holds a sole controlling interest, either directly or indirectly. GAS CONNECT AUSTRIA and Austrian Power Grid have their own equivalent rules and regulations in place due to the applicable unbundling provisions. [MDR-P-65b]

Policy	IRO	IRO title	Responsibility
[MDR-P-65]	[MDR-P-65a]	[MDR-P-65a]	[MDR-P-65c]
Supplier Code of Conduct	I	Procurement specifications	Executive Board of VERBUND AG

The policy of the Supplier Code of Conduct is described in detail in section S2-1.

Supplier management actions and metrics

Action	IRO	IRO title	Time horizon	Policy
[MDR-A-68a]	[MDR-A-67]	[MDR-A-67]	[MDR-A-68c]	[MDR-A-68]
Sustainability actions	I	Procurement specifications	Ongoing	Executive order on awarding contracts

Content: Sustainability risks in the supply chain are identified and assessed through regular hotspot analyses. The risks are defined for the individual sourcing groups based on external sources such as the Business and Human Rights Resource Centre or the Energy Market Dialogue, as well as internal expert assessments on environmental, social and governance matters. Risk mitigation measures and processes are derived from the hotspot analyses and integrated into the regulatory system and into contracts with business partners, for instance in the Supplier Code of Conduct or the occupational safety and environmental protection policy. In addition, in tender processes, VERBUND suppliers are requested to agree to comply with the Supplier Code of Conduct and provide information on awarded ESG ratings and ESG certificates along with ESG activities and measures. In addition, ESG criteria such as ESG certificates, training certificates, product emissions, and similar can be included as part of the quality criteria in tenders in order to reduce or completely prevent specific sustainability risks of products or services. [MDR-A-68a; G1-2-15b]

No specific metrics have been defined for procurement; effectiveness is ensured through the processes listed above. [MDR-A-68a]

Expected results or progress: Risk-based processes and actions are derived by identifying ESG risks in the supply chain. The ongoing improvement of ESG criteria in tenders through the continuous expansion of product group-specific criteria is also designed to minimise risks. [MDR-A-68a, e]

Scope in relation to business activities and geographical areas: The actions cover the upstream direct supply chain. [MDR-A-68b]

Disclosure Requirement G1-3 – Prevention and detection of corruption and bribery

VERBUND's objective is to avoid any compliance incidents. Corruption prevention therefore plays a key role in the VERBUND compliance management system. The topic of corruption prevention was therefore once again the subject of extensive internal communication and training measures in financial year 2025. Among the functions-at-risk, 100% (previous year: 98%) completed training on anti-corruption (e-training or in-person course). [G1-3-21a, b]

When implementing the Anti-corruption Policy, the Chief Compliance Officer ensures strict compliance with the rules on giving and receiving benefits, gifts and invitations in particular. They monitor whether mandatory value limits and authorisations are being observed and whether the documentation requirements are met. They are supported in this by the officers at the individual Group companies.

In the reporting period, the Chief Compliance Officer approved participation in events in around 50 cases (previous year: 32); in three cases (previous year: seven) approval was denied.

The Group-wide whistleblower system makes it possible to report suspected cases of corruption and bribery. (Please consult Material topic – whistleblower protection.) [G1-3 10a]

The Executive Board and Supervisory Board were briefed on corruption prevention in 2025, and the Group policy on corruption prevention was adopted by the Executive Board. The Chief Compliance Officer provided an update report on compliance activities in financial year 2025, including in the Audit Committee. Apart from receiving reports on strategies and measures to combat corruption, the members of the Supervisory Board did not take part in any separate training in 2025. The Group policy is communicated to all employees and managers in the training programme (in-person and e-learning training) and is available on the intranet to consult at any time. [G1-3-20, 21c]

Disclosure Requirement G1-4 – Incidents of corruption or bribery

No incidents of corruption or bribery were identified in the reporting year (previous year: none). Nor were any claims asserted against the Group or its employees as a result thereof (previous year: zero claims). Accordingly, there were also no convictions and/or fines levied in connection with corruption or bribery offences. [G1-4-24a-b; 25a-d]

Disclosure Requirement G1-5 – Political influence and lobbying activities

VERBUND's lobbying activities are strictly based on the principles and guidelines described in the section entitled Material topic – political engagement and serve to support the implementation of the VERBUND strategy. Lobbying efforts are focused on measures and activities to support the expansion of renewable energy and to position VERBUND as a player in the European hydrogen sector. Packages of measures related to the energy market (market design) as well as other packages of measures relevant to VERBUND's business activities are also supported. [G1-5-27]

The Chairman of the Executive Board (CEO) manages and monitors activities and reports on them to the entire Executive Board and the Supervisory Board. [G1-5-29a]

In 2025, VERBUND supported the efforts of the European Union and the Republic of Austria to achieve climate and energy targets. VERBUND promotes measures that will accelerate the expansion of renewables and simplify approval processes. In addition, projects aimed at greater market integration along with promoting flexibility and storage in the electricity market are considered material. A massive expansion of the energy infrastructure is urgently required. With a view to ramping up a hydrogen economy, VERBUND supports measures that promote and facilitate the expansion of green hydrogen production. Another focus is on establishing diversified import corridors for supplying the Central European economic area with green hydrogen. In principle, VERBUND advocates an integrated mindset with regard to energy, climate and regional economic policies and supports an integrated European internal energy market. [G1-5-29c]

VERBUND is actively involved in consultations on the above topics at EU level and on a national level in Austria and in Germany. With regard to consultations, permission to publish information on contributions is provided by the consulting institutions, if requested. VERBUND participates in stakeholder roundtables, conferences and hearings on the aforementioned topics when circumstances require. Furthermore, VERBUND also prepares position papers on the aforementioned topics as required.

VERBUND actively participates in subject-specific meetings, conferences and events on the mentioned topics on a regular basis. Lobbying and communication activities at VERBUND include VERBUND

platforms such as the Inspire event series (Inspire Energy Talk in Vienna, Inspire Energy Club in Munich and Berlin, Inspire Energy Club in Brussels). VERBUND also organises EU energy forums to which external presenters are invited to discuss select current topics at a specialist level.

VERBUND organises and is involved in a number of different platforms. Launched by VERBUND and counting companies from across the hydrogen value chain among its members, the Hydrogen Import Alliance Austria pursues the goal of importing green hydrogen into Central Europe (www.hiaa.eu). At EU level, VERBUND is part of the EU Hydropower Alliance, which promotes the interests of hydropower. Regular discussions are held at CEO level and at the working level with environmental organisations to foster an ongoing dialogue. [G1-5-28, 29c]

VERBUND AG and subsidiaries of VERBUND AG are registered in the following transparency registers: [G1-5-29d]

- European Union Transparency Register: VERBUND AG, register ID number 09571422185-81
- The Austrian Lobbying and Advocacy Register: VERBUND AG, register ID number LIVR-00145
- The Lobbying Register of the German Bundestag: VERBUND AG, register ID number R005807

VERBUND does not make any direct or indirect political donations, either financially or in the form of in-kind contributions. None of the members of the Executive Board or the Supervisory Board appointed in the reporting period held a similar position in public administration (including regulatory authorities) in the two years prior to their appointment. [G1-5-29b.i-ii, G1-5-30]

No specific metrics have been defined for political engagement; effectiveness is ensured through the processes listed above.

Please consult General information and ESRS 2 for information on stakeholder management.

Disclosure Requirement G1-6 – Payment practices

VERBUND is committed to observing fair business practices and acts accordingly in its relationships with its suppliers.

The standard payment terms of VERBUND, which are set out in the General Terms and Conditions, stipulate net 30 payment terms across the board for all supplier categories, including SMEs. In the past financial year, these standard payment terms were applied to 54% of orders placed (previous year: 54%). [G1-6-33b]

The average time taken by VERBUND to settle an invoice from commencement of the contractual or legal payment period is based on the payment periods agreed with individual suppliers. These periods range from payable immediately upon receipt of the invoice to extended payment terms. VERBUND endeavours to act in a cost-effective manner at all times. Where possible, VERBUND seeks to pay invoices within discount periods to reduce the invoice amount. Otherwise, invoices are paid when due. The average payment period during which VERBUND issues payments after the date on which an invoice was issued is 15.95 days (previous year: 16.17). The calculation of the average payment term is based on all invoices received and paid in 2025 relating to trade payables of 27 major Group companies that are incorporated into the VERBUND payment system (ERP system). Due to unbundling, Austrian Power Grid and GAS CONNECT AUSTRIA are not included among these companies. [G1-6-31, 33a, d]

As of 31 December 2025, there were no pending legal proceedings concerning late payment claims (previous year: none). At VERBUND, separate payment practices are not employed for small and medium-sized enterprises. [G1-6-33c]

Events after the reporting date

There were no events requiring disclosure between the reporting date of 31 December 2025 and authorisation for issue on 19 February 2026.

Vienna, 19 February 2026

The Executive Board



Michael Strugl
Chairman of the Executive Board of VERBUND AG



Peter F. Kollmann
CFO, Vice Chairman of the Executive Board of VERBUND AG



Achim Kaspar
Member of the Executive Board of VERBUND AG



Susanna Zapreva-Hennerbichler
Member of the Executive Board of VERBUND AG

Independent auditor's assurance

Independent auditor's limited assurance report on the consolidated non-financial statement for 2025[1]

We have performed a limited assurance engagement on the consolidated non-financial statement included in the group non-financial statement section "Nichtfinanzielle Erklärung" of the group management report of VERBUND AG for the fiscal year ended 31 December 2025.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial statement included in the group non-financial statement section "Nichtfinanzielle Erklärung" of the group management report is not prepared, in all material respects, in accordance with the legal requirements of Sec. 267a UGB ["Unternehmensgesetzbuch": Austrian Company Code], including

- Compliance with the legal reporting requirements pursuant to Art. 8 of Regulation (EU) 2020/852 ("EU Taxonomy Regulation") as well as
- Compliance with the standards applicable to consolidated non-financial statements (European Sustainability Reporting Standards, "ESRS"),
- The consistency of the process to identify information required to be reported under ESRS ("materiality assessment process") with the Company's description in the disclosure IRO-1 in accordance with ESRS 2.

Basis for conclusion

We conducted our limited assurance engagement in accordance with the generally accepted standards for other assurance engagements as applied in Austria and supplementary opinions as well as with International Standard on Assurance Engagements (ISAE) 3000 (Revised), which is applicable to such engagements. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under these requirements and standards are further described in the "Responsibilities of the auditor of the consolidated non-financial statement" section of our assurance report.

We are independent of the Group VERBUND AG in accordance with the requirements of Austrian commercial and professional law, and we have fulfilled our other professional responsibilities in accordance with these requirements.

[1] Attention: This letter has been translated from German to English for referencing purposes only. Please refer to the officially legally binding version as written and signed in German. Only the German version is the legally binding version.

Our audit firm operates a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we obtained by the date of our assurance report is sufficient and appropriate to provide a basis for our conclusion on this date.

Other information

Management is responsible for the other information. The other information comprises all the information included in the consolidated annual financial statements and in the group management report and Integrated Report 2025, but does not include the consolidated non-financial statement and our assurance report thereon.

Our conclusion on the consolidated non-financial statement does not cover this other information and we do not express any form of assurance conclusion thereon. In connection with our assurance engagement on the consolidated non-financial statement, our responsibility is to read this other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated non-financial statement or our knowledge obtained in the assurance engagement, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management, the supervisory board and audit committee

Management is responsible for designing and implementing a materiality assessment process and describing this process in the disclosure IRO-1 in accordance with ESRS 2. These responsibilities include:

- Obtaining an understanding of the environment in which the VERBUND AG's activities and business relationships take place and obtaining an understanding of the affected stakeholders;
- Identifying actual and potential (both negative and positive) impacts related to sustainability matters as well as risks and opportunities that affect or could reasonably be expected to affect the VERBUND AG's financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium or long term;
- Assessing the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate estimates and thresholds; and
- Making assumptions and estimates that are appropriate in the circumstances.

Management is also responsible for the preparation of consolidated non-financial statement that includes all information identified by the process in accordance with the applicable requirements and standards, including:

- Compliance with the requirements of Sec. 267a UGB and
- Inclusion of disclosures in the consolidated non-financial statement in accordance with the EU Taxonomy Regulation as well as
- Compliance with ESRS.

These responsibilities also include:

- Designing, implementing and maintaining such internal control as management determines is relevant to enable the preparation of a consolidated non-financial statement that is free from material misstatement, whether due to fraud or error; and
- Selecting and applying appropriate methods for a consolidated non-financial statement well as making assumptions and estimates about certain sustainability disclosures that are appropriate in the circumstances.

The supervisory board/audit committee is responsible for overseeing the process to assess materiality and prepare the consolidated non-financial statement.

Inherent limitations in preparing the consolidated non-financial statement

When reporting on forward-looking information, VERBUND AG is required to prepare such forward-looking information on the basis of disclosed assumptions about events that could occur in the future and possible future actions by the Company. The actual outcome is likely to differ, as expected events often do not occur as assumed.

When determining the disclosures in accordance with the EU Taxonomy Regulation, management is required to interpret undefined legal terms. Undefined legal terms may be interpreted differently, also with regard to the legal conformity of their interpretation and are therefore subject to uncertainties.

Responsibilities of the auditor of the consolidated non-financial statement

Our objectives are to plan and perform an assurance engagement to obtain limited assurance about whether the consolidated non-financial statement in accordance with the requirements of Sec. 267a UGB, the reporting in accordance with the EU Taxonomy Regulation and the reporting in accordance with the requirements of ESRS, including the materiality assessment process, is free from material misstatement, whether due to fraud or error, and to issue an assurance report that includes our conclusion. 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 this consolidated non-financial statement.

We exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibility for the assurance engagement on the consolidated non-financial statement with regard to the materiality assessment process encompasses:

- Performing risk-based procedures, including obtaining an understanding of internal control relevant to the engagement, to identify risks that cause the process to not comply with the applicable requirements of ESRS, but not for the purpose of providing a conclusion on the effectiveness of that process, and
- Designing and performing procedures to assess whether the process is consistent with the Company's description in the disclosure IRO-1 in accordance with ESRS 2.

Our other responsibilities in relation to the reasonable assurance engagement on the consolidated non-financial statement include

- Performing risk-based procedures, including obtaining an understanding of internal control relevant to the engagement, to identify representations that are more likely to be materially misstated, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Company's internal control; and
- Designing and performing procedures responsive to disclosures in the consolidated non-financial statement where material misstatements are more likely. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of work performed

A limited assurance engagement involves performing procedures to obtain evidence about the consolidated non-financial statement.

The nature, timing and extent of procedures selected depend on professional judgment, including the identification of disclosures in the consolidated non-financial statement that could be materially misstated, whether due to fraud or error.

In conducting our limited assurance engagement in relation to the materiality assessment process,:

- We obtain an understanding of the process by
  - Making inquiries to understand the sources of information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - Reviewing the Company's internal process documentation.
- We assess whether the evidence obtained from our procedures on the processes implemented by the Company is consistent with the description in the disclosure IRO-1 in accordance with ESRS 2.
- We assess whether all information obtained through the process to determine the group non-financial statement has been included in the consolidated non-financial statement.

In conducting our limited assurance engagement on the consolidated non-financial statement,

- We assess whether the structure and presentation of the consolidated non-financial statement is in accordance with ESRS.
- We make inquiries of relevant personnel and perform analytical procedures regarding selected disclosures in the consolidated non-financial statement.
- We perform procedures on a test basis on selected disclosures in the consolidated non-financial statement.
- We reconcile selected disclosures in the consolidated non-financial with the corresponding disclosures in the consolidated financial statements and the other sections of the group management report.
- We obtain evidence about the methods presented to develop estimates and forward-looking information.

- We obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and to prepare the corresponding disclosures in the consolidated non-financial statement.
- Conducting a site visit to obtain evidence on key performance indicators. In addition, we conduct random data checks at site level with regard to completeness, reliability, accuracy and timeliness.
- The coordination and monitoring of the work of the component inspectors of Austrian Power Grid AG and GAS CONNECT AUSTRIA GmbH by means of work instructions ("Instructions").
- We assess whether the requirements for the disclosures incorporated by reference in the group non-financial statement (references to disclosures in accordance with ESRS 2 GOV-1 and ESRS 2 GOV-2 in the consolidated Corporate Governance Report chapter of VERBUND AG's 2025 Integrated Annual Report) fulfill the conditions of ESRS 1.
- We assess whether the requirements of Section 267a UGB have been adequately addressed.
- Issuance of a CDP Verification Letter that meets the requirements of the CDP Climate Change 2026 Scoring Methodology.

Delimitation of the scope of services:

- Prior-year figures were not in scope of our assurance procedures unless this was necessary for plausibility checks.
- Figures taken from external studies were not in scope of our assurance procedures. Only the correct inclusion of the relevant information and data in the consolidated financial statements was checked.
- The financial performance indicators and statements audited as part of the audit of the annual or consolidated financial statements, as well as information from the corporate governance report and risk reporting, were not subjected to any further assurance by us.

Limitation of liability and publication

The limited assurance engagement on the consolidated non-financial statement is a voluntary assurance engagement.

We issue this assurance report on the basis of the engagement agreement signed with the client, which is governed, also in relation to third parties, by the attached General Conditions of Contract for the Public Accounting Professions ["Allgemeine Auftragsbedingungen für Wirtschaftstreuhandberufe": AAB 2018].

With regard to our responsibility and liability arising from the engagement, Item 7 of the AAB 2018 applies. We shall only be liable in cases of willful intent and gross negligence. In cases of gross negligence, our maximum liability for damages shall be tenfold the minimum insurance sum of the professional liability insurance according to Sec. 11 WTBG ["Wirtschaftstreuhandberufsgesetz": Austrian Public Accounting Professions Act] 2017, i.e., a total of EUR 726,730. The limitation period shall be determined in accordance with Item 7 (4) of the AAB 2018.

Our report on the assurance engagement may only be distributed to third parties in complete and unabridged form together with the consolidated non-financial reporting included in the non-financial reporting section of the group management report. Since our report is prepared solely on behalf of and in the interest of the company, it does not serve as a basis for any potential reliance by third parties on its content. Therefore, claims by third parties cannot be derived from it.

Vienna, 19 February 2026

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. (FH) Rosemarie König
Wirtschaftsprüferin

ppa. Susanna Gross, MA
Wirtschaftsprüferin

Consolidated financial statements

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of VERBUND

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Income statement

of VERBUND

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In accordance with IFRSs	Notes	2024	2025
Revenue		8,244,566	**8,013,565**
Electricity revenue	3.2.1	7,027,343	6,541,330
Grid revenue	3.2.1	912,152	1,121,426
Other revenue	3.2.2	305,070	350,809
Other operating income	3.2.3	130,991	139,002
Expenses for electricity, grid, gas and certificate procurement	3.2.4	–3,672,204	–3,659,582
Fuel expenses and other usage-/revenue-dependent expenses	3.2.5	–319,913	–544,635
Personnel expenses	3.2.6	–570,771	–606,469
Other operating expenses	3.2.7	–516,778	–590,258
Measurement and recognition of energy derivatives	3.2.8	184,396	–14,165
EBITDA		3,480,287	**2,737,458**
Depreciation and amortisation	3.2.9	–577,752	–625,044
Impairment losses[1]	3.2.10	–290,913	–51,065
Reversals of impairment losses[1]	3.2.10	114,338	50,921
Operating result		2,725,961	**2,112,270**
Result from interests accounted for using the equity method	3.2.11	101,297	85,062
Other result from equity interests	3.2.12	10,918	7,543
Interest income	3.2.13	81,812	50,857
Interest expenses	3.2.14	–125,182	–113,320
Other financial result	3.2.15	–30,183	–26,348
Reversals of impairment losses	3.2.16	13,570	0
Financial result		52,232	**3,794**
Profit before tax		2,778,193	**2,116,064**
Taxes on income	3.2.17	–638,488	–422,651
Profit for the period		2,139,704	**1,693,413**
Attributable to shareholders of VERBUND AG (Group result)		1,875,276	1,489,402
Attributable to non-controlling interests		264,429	204,010
Earnings per share in €[2]	3.2.18	5.40	4.29

[1] The impairments and reversals of impairment losses have been reduced by the amount of any change in the related deferred contributions to building costs and government grants. // [2] Diluted earnings per share correspond to basic earnings per share.

Statement of comprehensive income

of VERBUND

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In accordance with IFRSs	Notes	2024	2025
Profit for the period		2,139,704	**1,693,413**
Remeasurement of the net defined benefit liability	9.2	–53,578	32,438
Changes in financial instruments	5.1	–4,180	17,604
Other comprehensive income from interests accounted for using the equity method[1]	4.5.1	–5,792	3,773
Total for items that will not be reclassified subsequently to the income statement		–63,550	**53,815**
Foreign exchange differences	3.3.1	585	–7,540
Changes in cash flow hedges	3.3.1, 5.1	–505,608	–227,208
Other comprehensive income from interests accounted for using the equity method[2]	3.3.1	7,175	–14,542
Total for items that will be reclassified subsequently to the income statement		–497,847	**–249,290**
Other comprehensive income before tax		–561,397	**–195,475**
Taxes on income relating to items that will not be reclassified subsequently to the income statement	3.3.2	13,019	–12,489
Taxes on income relating to items that will be reclassified subsequently to the income statement	3.3.2	116,363	51,892
Other comprehensive income after tax		–432,015	**–156,072**
Total comprehensive income for the period		1,707,689	**1,537,341**
Attributable to shareholders of VERBUND AG (Group result)		1,447,041	1,330,502
Attributable to non-controlling interests		260,648	206,839

[1] Deferred taxes included in OCI in the 2025 reporting period: €–1.1m (previous year: €1.7m) // [2]Deferred taxes included in OCI in the 2025 reporting period: €4.3m (previous year: €–2.2m)

Balance sheet

of VERBUND

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In accordance with IFRSs	Notes	31/12/2024	31/12/2025
Non-current assets		16,219,867	**16,888,439**
Intangible assets	4.1	1,105,207	1,088,986
Property, plant and equipment	4.2	13,069,862	13,842,613
Right-of-use assets	4.3	194,654	217,410
Interests accounted for using the equity method	4.5	632,993	689,765
Other equity interests	4.6, 5.1	272,059	296,541
Investments and other receivables	4.7, 5.1	803,026	615,307
Receivables from derivative financial instruments	6.2, 5.1	82,802	81,650
Deferred tax assets	10.0	59,264	56,167
Current assets		2,498,444	**1,721,262**
Inventories	6.1	94,285	75,912
Current tax receivables	6.3	16,821	113,044
Receivables from derivative financial instruments	6.2, 5.1	337,105	117,909
Trade receivables, other receivables and securities	6.3, 5.1	1,255,098	1,341,605
Cash and cash equivalents	5.4	795,135	72,791
Total assets		18,718,311	**18,609,701**

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In accordance with IFRSs	Notes	31/12/2024	**31/12/2025**
Equity		11,064,830	**11,331,203**
Attributable to shareholders of VERBUND AG	7.0	9,977,580	10,340,910
Attributable to non-controlling interests	7.0	1,087,249	990,293
Non-current liabilities		5,879,762	**5,517,561**
Financial liabilities	5.1, 8.1	2,120,104	1,778,198
Provisions	9.0	621,288	556,024
Deferred tax liabilities	10.0	1,235,532	1,301,856
Building cost contributions and government grants	4.2.2	812,404	840,671
Liabilities from derivative financial instruments	5.1, 6.4	138,080	36,657
Other liabilities	5.1, 8.2	952,354	1,004,156
Current liabilities		1,773,720	**1,760,937**
Financial liabilities	5.1, 8.1	155,112	494,631
Provisions	9.0	63,734	92,125
Current tax liabilities	10.0	367,427	16,158
Liabilities from derivative financial instruments	5.1, 6.4	103,023	152,420
Trade payables and current other liabilities	5.1, 6.5	1,084,424	1,005,603
Total liabilities		18,718,311	**18,609,701**

Cash flow statement

of VERBUND

€k

In accordance with IFRSs	Notes	2024	2025
Profit for the period		2,139,704	**1,693,413**
Depreciation of property, plant and equipment and of right-of use assets and amortisation of intangible assets (net of impairment losses and reversals of impairment losses)	3.2.9, 3.2.10	754,326	625,188
Impairment losses on investments (net of reversals of impairment losses)	3.2.15, 4.7.1	–5,455	2,955
Result from interests accounted for using the equity method (net of dividends received)	3.2.11	–18,713	–8,876
Result from the disposal of non-current assets		2,770	2,401
Change in non-current provisions and deferred tax liabilities		3,711	77,740
Change in contributions to building costs and grants		23,467	28,267
Other non-cash expenses and income		41,130	7,818
Subtotal		2,940,940	**2,428,906**
Change in inventories	6.1.1	–13,518	18,373
Change in trade receivables and other receivables	6.3.1	165,746	–127,154
Change in trade payables and other liabilities	6.5.1	–107,866	–10,920
Change in non-current and current receivables from derivative financial instruments	6.2.1	502,784	–120,456
Change in non-current and current liabilities from derivative financial instruments	6.4.1	60,087	52,726
Change in current provisions and current tax liabilities		–299,617	–322,929
Cash flow from operating activities[1]		3,248,556	**1,918,545**

1 Cash flow from operating activities includes income taxes paid of €762.1m (previous year: €874.5m), interest paid of €34.4m (previous year: €39.1m), interest received of €15.7m (previous year: €36.6m) and dividends received of €86.9m (previous year: €90.2m).

€k

In accordance with IFRSs	Notes	2024	**2025**
Cash outflow from capital expenditure for intangible assets and property, plant and equipment	1.2, 3.4, 4.1.1, 4.2.1	–1,137,511	–1,368,319
Cash inflow from the disposal of intangible assets and property, plant and equipment		5,993	16,465
Cash outflow from capital expenditure for investments		–20,758	–3,644
Cash inflow from the disposal of investments		24,100	3,952
Cash outflow from capital expenditure for interests accounted for using the equity method and other equity interests		–38,240	–29,932
Cash inflow from money market investments		0	80,250
Cash outflow for money market investments		0	–50,218
Cash flow from investing activities		–1,166,416	**–1,351,444**
Cash inflow from money market transactions	3.4.2	0	158,000
Cash outflow for money market transactions	3.4.2	–173,195	0
Cash inflow from the assumption of financial liabilities (excluding money market transactions)	3.4.2	628,762	0
Cash outflow from the repayment of financial liabilities (excluding money market transactions)	3.4.2	–746,295	–80,667
Cash outflow from the repayment of lease liabilities		–26,370	–37,362
Dividends paid	3.4.1	–1,933,951	–1,329,416
Cash flow from financing activities		–2,251,049	**–1,289,445**
Change in cash and cash equivalents		–168,909	**–722,344**
Cash and cash equivalents as at 1/1		964,044	**795,135**
Change in cash and cash equivalents		–168,909	–722,344
Cash and cash equivalents as at 31/12		795,135	**72,791**

Statement of changes in equity

of VERBUND

In accordance with IFRSs	Called and paid-in share capital	Capital reserves	Accumulated profits and losses	Remeasurements of net defined benefit liability
Notes	7.0	7.0	7.0	9.2
As at 1/1/2024	347,416	954,327	8,322,739	–231,140
Profit for the period	–	–	1,875,276	–
Other comprehensive income	–	–	0	–43,424
Total comprehensive income for the period	–	–	1,875,276	–43,424
Dividend	–	–	–1,441,775	–
Other changes in equity	–	–	3,195	0
As at 31/12/2024	347,416	954,327	8,759,434	–274,565
As at 1/1/2025	347,416	954,327	8,759,434	–274,565
Profit for the period	–	–	1,489,402	–
Other comprehensive income	–	–	0	24,943
Total comprehensive income for the period	–	–	1,489,402	24,943
Shift between shareholder groups	–	–	1,901	–
Dividend	–	–	–972,764	–
Other changes in equity	–	–	3,691	0
As at 31/12/2025	347,416	954,327	9,281,663	–249,621

€k

	Foreign exchange differences	Change in financial instruments	Measurement of cash flow hedges	Equity attributable to the shareholders of VERBUND AG	Equity attributable to non-controlling interests	Total equity
	7.0	3.3, 4.5–4.7, 5.1	3.3, 5.1		7.0	
	–19,688	54,137	541,331	9,969,120	1,251,789	11,220,909
	–	–	–	1,875,276	264,428	2,139,704
	546	–3,310	–382,046	–428,235	–3,780	–432,015
	546	–3,310	–382,046	1,447,041	260,648	1,707,689
	–	–	–	–1,441,775	–425,216	–1,866,991
	0	0	0	3,195	28	3,222
	–19,142	50,827	159,285	9,977,580	1,087,249	11,064,830
	–19,142	**50,827**	**159,285**	**9,977,580**	**1,087,249**	**11,064,830**
	–	–	–	1,489,402	204,010	1,693,413
	–7,690	13,555	–189,709	–158,900	2,829	–156,072
	–7,690	**13,555**	**–189,709**	**1,330,502**	**206,839**	**1,537,341**
	–	–	–	1,901	3	1,904
	–	–	–	–972,764	–303,789	–1,276,553
	0	0	0	3,691	–10	3,681
	–26,832	**64,381**	**–30,424**	**10,340,910**	**990,293**	**11,331,203**

Notes to the consolidated financial statements

of VERBUND

1. General information on the preparation of the financial statements

1.1 Reporting company

VERBUND AG, with its registered office at Am Hof 6a, 1010 Vienna, Austria, is the parent company of the VERBUND energy group, which operates in Austria and abroad. VERBUND AG is entered in the commercial register at the Commercial Court of Vienna under number FN 76023z.

VERBUND generates, trades and sells electricity to participants in energy exchange markets, traders, electric utilities and industrial companies as well as to household and commercial customers. VERBUND also trades and sells gas to participants in energy exchange markets, traders and household customers and provides energy-related services. Furthermore, VERBUND operates the Austrian electricity transmission network via Austrian Power Grid AG (APG) as well as the Austrian gas transmission pipeline and distribution network via Gas Connect Austria GmbH (GCA). In addition, VERBUND holds equity interests in Austrian and foreign electric utilities.

1.2 Financial reporting principles

Basic principles

VERBUND prepares its consolidated financial statements in accordance with Section 245a(1) of the Austrian Commercial Code (*Unternehmensgesetzbuch*, UGB) in compliance with International Financial Reporting Standards (IFRSs) as endorsed by the European Union. The additional requirements of Section 245a(1) of the Austrian Commercial Code (UGB) have also been satisfied. The separate financial statements of the subsidiaries included in the consolidated financial statements are based on uniform accounting policies. The reporting date is 31 December 2025 for all consolidated subsidiaries.

The consolidated financial statements are prepared in thousands of euros (€k), with the exception of the notes to the annual financial statements, in which amounts are generally indicated in millions of euros (€m). Rounding differences may arise when adding rounded amounts or when calculating percentages.

Consolidation methods

All material companies directly or indirectly controlled by VERBUND AG (subsidiaries) are included in the consolidated financial statements of VERBUND. Inclusion in the consolidated financial statements begins when control is achieved and ends when it ceases.

Joint ventures and associates over which VERBUND AG has significant influence, either directly or indirectly, are accounted for using the equity method. Investees accounted for using the equity method are recognised at their proportional IFRS equity taken from (consolidated) interim or annual financial statements. The reporting date of the investee is no more than three months prior to VERBUND's reporting date.

Intra-Group transactions, receivables, liabilities and intercompany profits are eliminated taking account of deferred taxes.

If VERBUND has rights to the assets attributable to an investee as well as obligations for its liabilities as a result of a joint operation with another party, VERBUND recognises its share of the assets and liabilities or revenue and expenses.

Whenever an acquisition is made, VERBUND examines whether it is an acquisition of a business within the scope of IFRS 3 or an acquisition of assets. According to IFRS 3.3, an acquisition is only treated as a

business combination if the assets and liabilities acquired constitute a business and not merely a group of assets. If the asset or group of assets acquired do not constitute a business, the cost of the asset group is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase (IFRS 3.2(b)). Such a transaction does not give rise to goodwill, and no deferred taxes are recognised. As a rule, the main criterion in assessing whether an asset or group of assets constitute a business is whether substantive processes have been acquired. In making that assessment, VERBUND looks at whether the acquisition includes an organised workforce with the necessary skills, knowledge and experience to execute such processes as well as at the quality of any contracts acquired. The assessment is subject to individual discretion.

Scope of consolidation

A list of all of VERBUND's subsidiaries, joint ventures and associates is presented in the section entitled List of Group companies. The group of subsidiaries, joint ventures and associates included in the consolidated financial statements changed as follows in the 2025 reporting period:

Scope of consolidation

	Consolidated	Accounted for using the equity method	Accounted for as a joint operation
As at 31/12/2024	63	9	1
Additions from newly formed entities	0	1	0
Change in consolidation method	9	0	0
Other additions	1	0	0
Disposals by means of merger	–2	0	0
As at 31/12/2025	71	10	1
of which domestic companies	22	6	1
of which foreign companies	49	4	0

As of May 2025, Tenuta del Campo S.r.l. was merged into ICA One S.r.l.
A new company, Batteriespeicher Münster GmbH, was established as a joint venture in June 2025. The interest in that company is accounted for using the equity method.

The following companies were included in the basis of consolidation in August 2025: Camareta Solar, S.L.U., Cornamusa Solar, S.L.U., Cruceta Solar, S.L.U., Obenque Solar, S.L.U., Pañol Solar, S.L.U., Natera Solar, S.L.U., and Orla Solar, S.L.U.

In September 2025, VERBUND acquired ENOVA Windpark Beringhausen West Betriebs Gmbh & Co. KG and ENOVA Windpark Hillekopf-Hildfeld GmbH & Co. KG. Due to the fact that the former general partner left without a new general partner being appointed, the assets of those entities passed directly to VERBUND and the entities ceased to exist. Therefore, no addition of subsidiaries resulted from the transaction.

In addition, PV Novoli S.R.L. was merged into VERBUND Green Power Italia S.R.L. in November 2025.

As the last of a total of seven wind farm companies in Germany, MSH Bürger-Windpark-Feldatal GmbH & Co KG was included in the consolidated financial statements for the first time in November 2025 as part of an acquisition of assets. The other six wind farm companies had already been acquired in the previous year.

In addition, the Spanish companies Rehala Solar, S.L.U. and Reclamo Solar, S.L.U. were included in the basis of consolidation in December 2025.

Details on the acquisitions of groups of assets are presented in the following tables:

Acquisitions of groups of assets 2025 €m

	Cash purchase price	Cash and cash equivalents acquired	Assets acquired	Financial liabilities acquired
Wind parks acquired in Germany	2.1	3.7	37.8	21.3
Wind projects under construction in Germany	22.0	0.0	21.0	0.0

Acquisition of groups of assets 2024 in Mio. €

	Cash purchase price	Cash and cash equivalents acquired	Assets acquired	Financial liabilities acquired
Wind parks acquired in Austria	22,9	0,8	28,8	0,0
Wind parks acquired in Germany	21,1	5,4	72,5	43,8
Photovoltaic projects under construction in Italy	10,0	0,0	15,5	0,0

Cash payments for acquisitions of subsidiaries classified as acquisitions of assets are included in the cash flow statement under cash flow from investing activities in the line item “Cash outflow for capital expenditure for intangible assets and property, plant and equipment” after deducting the cash and cash equivalents acquired in the transaction.

Currency translation

In the separate financial statements of Group companies, all transactions denominated in foreign currency are measured at the spot exchange rate on the transaction date. Monetary balance sheet items are subsequently measured at the respective spot exchange rate on the reporting date. Exchange gains and losses are recognised through profit or loss under the other financial result.

The Group’s reporting currency is the euro. The functional currency of VERBUND AG, its consolidated subsidiaries (with the exception of VERBUND Wind Power Romania SRL) and all investees accounted for using the equity method is the euro. For the consolidated financial statements of VERBUND, the annual financial statements of the Romanian subsidiary are translated into euros using the functional currency method.

Assets and liabilities of foreign Group companies with a functional currency other than the euro are translated using the foreign exchange reference rate of the European Central Bank (ECB) or the exchange rates published by local national central banks prevailing on the reporting date. Income and expenses are translated at average monthly exchange rates. Differences arising from translation at the exchange rates prevailing on the reporting date are recognised in other comprehensive income and presented as a separate item in equity.

The exchange rates used for currency translation changed as follows:

Foreign exchange rates used for currency translation

Country	Currency	31/12/2024 Closing rate	**31/12/2025 Closing rate**	2024 Average rate	**2025 Average rate**
Romania	€1 = RON	4.9741	5.0985	4.9748	5.0406

Regulatory assets and liabilities

Regulatory assets and liabilities result from temporary increases or decreases in revenue based on the grid tariffs set by the regulator. In its Grid operating segment, VERBUND is subject to regulation under such a rate structure by *Energie-Control Austria für die Regulierung der Elektrizitäts- und Erdgaswirtschaft* (E-Control). If the general criteria for recognition under IFRS are not met, neither regulatory assets nor regulatory liabilities are recognised in the consolidated financial statements of VERBUND.

Newly applicable or applied accounting standards

In the 2025 reporting period, the following new or amended standards and interpretations were required to be applied for the first time or were applied early by VERBUND:

Newly applicable or applied accounting standards

Standard or interpretation		Published by the IASB (endorsed by the EU)	Mandatory application for VERBUND	Material effects on the consolidated financial statements of VERBUND
IAS 21	Amendment: Clarification of accounting when there is a lack of exchangeability	15/8/2023 (12/11/2024)	1/1/2025	None
IFRS 9 and IFRS 7	Amendment: Contracts Referencing Nature-dependent Electricity	18/12/2024 (30/6/2025)	1.1.2026	Easier application of the own-use exemption for energy supply contracts

"Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7" was published in the Official Journal of the EU on 1 July 2025 on the basis of the Commission Regulation of 30 June 2025. These amendments clarify the accounting for contracts referencing electricity from renewable sources, such as wind and solar power, where the quantity of electricity generated is naturally subject to fluctuation. The amendments focus on the own-use exemption, hedge accounting and the addition of new disclosure requirements. The amendments are required to be applied to annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. VERBUND opted for early application beginning 1 January 2025. The amended provisions have been applied to new contracts concluded in 2025. VERBUND makes particular use of the amended rules and regulations regarding permissible sales of surplus energy generation in applying the own-use exemption, as well as the new provisions regarding the possible designation of variable energy volumes as hedged items for the purpose of cash flow hedge accounting. Early application of the provisions described does not give rise to a material quantitative transition effect for VERBUND.

New accounting standards not yet applicable or applied

The IASB has also adopted new standards that were not applied by VERBUND in the 2025 reporting period because they had either not yet been endorsed by the European Union or their application was not yet mandatory:

New accounting standards not yet applicable or applied

Standard or interpretation		Published by the IASB (endorsed by the EU)[1]	Mandatory application for VERBUND	Expected material effects on the consolidated financial statements of VERBUND
IFRS 9 and IFRS 7	Amendment: Classification and Measurement of Financial Instruments	30/5/2024 (27/5/2025)	1/1/2026	None
Various	Annual Improvements (Volume 11)	18/7/2024 (9/7/2025)	1/1/2026	None
IFRS 18	Presentation and Disclosure in Financial Statements	9/4/2024 (13/2/2026)	1/1/2027	Adjustment of the presentation of the profit and loss statement, the cash flow statement, the balance sheet and the notes
IFRS 19	Subsidiaries without Public Accountability: Disclosures	9/5/2024 (outstanding)	1/1/2027	None
IFRS 19	Amendments to IFRS 19 Subsidiaries without Public Accountability	21/8/2025 (outstanding)	1/1/2027	None
IAS 21	Amendments for translating financial information into hyperinflationary currencies	13/11/2025 (outstanding)	1/1/2027	None

[1] Basis: EU Endorsement Status Report dated 16 February 2026

IFRS 18 has superseded IAS 1 and is effective for annual reporting periods beginning on or after 1 January 2027. The new accounting standard introduces the following significant new requirements, among others:

- Entities are required to include income and expenses included in the statement of profit or loss in one of five categories: the operating category, the investing category, the financing category, the income taxes category or the discontinued operations category.

- Entities are also required to present two new defined subtotals in the statement of profit or loss: "operating profit" and "profit before financing and income taxes".
- Entities are required to disclose all management-defined performance measures in a single note in the notes to the financial statements, to label and describe each management-defined performance measure in a clear and understandable manner and to disclose a reconciliation to the most directly comparable total or subtotal.
- In addition, all entities are required to use IFRS 18's defined subtotal of "operating profit" as the starting point for the statement of cash flows when cash flows from operating activities are presented using the indirect method.
- Furthermore, goodwill must be presented as a separate line item in the statement of financial position.

VERBUND launched the implementation project in the past financial year and is currently preparing to implement the IFRS 18 requirements described above. The key impacts relate to the consolidated income statement (in particular the change in the presentation of the current financial result to reflect the new mandatory subtotals), the switch to using operating profit as the starting point for the consolidated statement of cash flows, the requirement to disclose management-defined performance measures in the notes to the consolidated financial statements, and the requirement to present goodwill in a separate line item in the balance sheet. VERBUND will initially apply IFRS 18 as of 1 January 2027, with prior period comparative figures adjusted retrospectively.

Accounting treatment of power purchase agreements

VERBUND enters into medium and long-term electricity supply agreements (Power Purchase Agreements, PPAs) for the purpose of marketing the renewable energy it generates. A basic distinction is made here between physical PPAs and virtual PPAs. Physical PPAs provide for the actual delivery of the output, either directly to the customer or via the public power grid. In contrast, virtual PPAs decouple the flow of electricity from financial cash flows. VERBUND sells the output from virtual PPAs on the spot market, whereby the difference between the individually contracted electricity price and the respective market price achieved is settled between VERBUND and the customer. Depending on the structure of these bilateral contracts, VERBUND accounts for them either as a pending contract (IAS 37 for onerous contracts) provided the own use exemption criteria are fulfilled, or as a derivative (IFRS 9).

Effects of climate change

The effects of climate change on the measurement of VERBUND's assets are evaluated at regular intervals. The technical expertise for this is provided by the VERBUND Climate Change Competence Centre (CCCC), which covers multiple scientific areas that are relevant to VERBUND such as meteorology, climatology and hydrology. The objective of the CCCC is to make available all relevant climate (change) findings that are necessary from a scientific point of view and to assess the overall impact of climate change in both Austria and the relevant foreign markets. In past years, studies on the potential effects of climate change have been conducted as part of research projects initiated by VERBUND. These studies revolved around analysing how climate change could impact the water supply, and thus hydropower generation capacity, which represents a significant value driver for generation at VERBUND. Findings from regional climate models were used for this purpose and then analysed with respect to the variables relevant to VERBUND using a hydrological model. The analysis was based on data from global climate models, which in turn was based on the outcomes of three climate scenarios modelled by the Intergovernmental Panel on Climate Change (IPCC).

The results showed that annual runoff volumes differed regionally and seasonally, but the effects essentially balanced each other out over the observation period. Thus from today's perspective, only minor changes are foreseeable in the area of hydropower generation capacities compared with the current situation. Specifically, the analyses showed that over the long term, generation potential tended to trend downward in the summer months and trend upward in the winter months.

In addition, annual average water supply for the past 20 years was analysed for the Danube, Drau, Inn, Enns, Mur and Salzach rivers – all of which are important for VERBUND – at relevant meter points at VERBUND power plants. None of the rivers for which data was analysed showed a significant upward or downward trend over the long term. Overall, the analysis indicated that there have always been temporary declines in water supply in the past due to prolonged dry periods, but that the declines levelled out in subsequent years.

VERBUND hydropower plants are naturally affected by extreme weather events such as heavy rainfall and flooding. High water events can jeopardise the infrastructure and operational safety of VERBUND's generation facilities. In this regard, VERBUND implemented preventative countermeasures in the past such as improving infrastructure resilience, strengthening flood protection measures and integrating surveillance technologies and early warning systems. This has enabled VERBUND to manage high water events such as that occurring in autumn 2024 without incurring significant or sustained damage.

Climate risks can additionally impact wind and photovoltaic installations at VERBUND. Wind turbines may be at risk from storms, among other hazards. In addition, unusual wind patterns or rapid changes in wind direction may impact turbine efficiency. Extreme weather events may also affect energy generation in photovoltaic systems. VERBUND has minimised these risks as far as possible through the use of robust, resilient materials and systems that can be adapted to changing environmental conditions. Past experience shows that both the performance and the efficiency as well as the durability of wind and photovoltaic systems have steadily increased thanks to rapid technological progress in the materials and manufacturing processes employed. It is therefore assumed that technological advances in photovoltaic modules and wind turbines will largely offset any temporary regional weather anomalies. Furthermore, VERBUND relies on regional and technological diversification in its generation activities.

As network operators, GCA and APG are exposed to potential risks including storms and extreme precipitation along pipelines. Measures to prevent damage include in particular the monitoring of line systems with the aid of cameras, drones and satellite data. To date, VERBUND has not suffered any relevant damage as a result of this risk.

The output generated from hydropower, wind and photovoltaic power plants is a significant profit driver for VERBUND. Output sensitivities relating to the Group result are therefore analysed regularly. All else remaining equal, a change in the factors shown below would be reflected in the projected Group result for 2026 as follows (based on the hedging status for generation output as at 31 December 2025):

2026 Group result: sensitivities €m

	+1%	–1%
Generation from hydropower	14.3	–14.3
Wind power and photovoltaic generation	1.8	–1.8

VERBUND is currently carrying out another extensive study to enable more effective recording of potential changes arising from advancing climate change. The aforementioned analysis is based on climate scenarios presented in the IPCC report. IPCC reports are updated regularly. The current

publication is the Sixth Assessment Report, the individual contributions to which were published between 2021 and 2023. Because the IPCC data is globally structured, regional assessments will be carried out by scientific institutions in the member states in 2026. Those assessments can then be applied to the river basins relevant to VERBUND. The multi-year "Climpact4Verbund" project is currently being implemented by a consortium consisting of the University of Natural Resources and Life Sciences (BOKU), the Austrian Institute of Technology (AIT) and Geosphere Austria. The comprehensive study will cover all generation technologies and all relevant markets in which VERBUND operates and will investigate the impacts of climate change during the period up to the year 2100. Specifically, the study focuses largely on the following topics:

Generation:

- Potential changes to the inflow situation or in the energy generation of all individual VERBUND run-of-river power plants along the Danube, Inn, Drau, Mur, Salzach and Enns rivers compared with the current situation for the various climate scenarios up to the year 2100. Generation is considered on the basis of daily values, with a special focus on high and low water situations. Changes in the seasonality of discharge behaviour are also highly relevant.
- Potential changes in tributaries leading to VERBUND reservoirs, including as a result of melting glaciers and thawing permafrost.
- Potential changes in the energy generated from VERBUND wind farms compared with the current situation under the various climate scenarios up to the year 2100.
- Potential changes in the energy generated from VERBUND photovoltaic installations compared with the current situation under the various climate scenarios up to the year 2100.
- Changes in climatic conditions (especially temperatures) at sites where VERBUND operates large-scale batteries, with respect to the various climate scenarios up to the year 2100.

Natural hazards:

- Creation of a digital risk map showing the risk posed by natural hazards for all relevant sites.
- Incorporation of future risks into the map based on various climate warming scenarios (temperature rise of 2°C, 5°C or 7°C).

Other:

- Changes in sediment deposits and bedload transport on rivers where VERBUND power plants are located and in reservoirs.
- Designing weir structures to handle changing water flow conditions.
- Water stress at planned hydrogen production sites.

The updated results on the effects of climate change, which are expected to be available by the end of 2027, are intended to be used in all long-term profitability analyses, corporate budgets and valuations as well as for impairment tests going forward, provided such effects are quantifiable and material.

VERBUND has assessed potential climate risks in accordance with IAS 36, in particular with respect to the calculation of impairment losses. Based on the current data situation as described above, no significant need for adjustments have been identified at VERBUND at present. The same applies to the useful lives of intangible assets and property, plant and equipment as well as to the measurement of financial instruments. However, the climate scenarios are examined at regular intervals to determine whether there are any obvious, significant climate risks that need to be considered in the measurement of assets.

VERBUND also endeavours to implement sustainable projects using green financing instruments as part of its corporate responsibility strategy and is steadily expanding its sustainable finance portfolio. In recent years, VERBUND has repeatedly and successfully issued green bonds, whose net proceeds are used to fund green projects. As at 31 December 2025, VERBUND had a sustainability-linked syndicated credit line in the amount of €1,000.0m to secure liquidity; the credit line had not been drawn on as at the reporting date.

Climate-related targets are also incorporated into the short-term remuneration (STI) and long-term remuneration (LTI) granted in financial year 2025 as part of the remuneration extended to members of the Management Board and Supervisory Board. Further details are available in the section entitled "Disclosures regarding the governing bodies of the Group".

Effects of the macroeconomic environment

The economic and geopolitical developments of 2024 further solidified existing trends for 2025. The business environment in which VERBUND operates saw a dramatic increase in global disputes and trade wars in 2025. As forecast, economic output in the EU was once again below average. The Austrian economy, too, recovered only slightly after two years of negative growth rates.

Average inflation in Austria rose substantially in 2025 to 3.6% (previous year: 2.9%). Inflation in the eurozone (EU-27) stabilised at 2.1% in 2025 (previous year: 2.4%). In light of waning inflation, the ECB kept interest rate levels steady after the rate cut in June 2025. For VERBUND, declining interest rates impacted the calculation of the weighted average cost of capital, among other metrics. Forecast inflation was therefore taken into account in the impairment tests performed by VERBUND as at 31 December 2025 as well as in the measurement of year-end provisions.

VERBUND contracted most of its own generation for 2025 on the futures market back in 2023 and 2024. Prices for AT 2025 front-year base load contracts (traded in 2024) averaged €91.6/MWh, and prices for DE 2025 front-year base load contracts averaged €88.7/MWh. Compared with the prior-year period, futures prices were therefore down by as much as 38.2% (AT) and 35.5% (DE). Front-year peak load (AT) contracts traded at an average of €101.7/MWh and front-year peak load (DE) contracts traded at an average of €98.4/MWh. Futures prices in this area thus decreased year-on-year by 42.3% (AT) and 40.3% (DE).

On both the Austrian and German spot markets, wholesale trading prices for electricity increased in 2025. Prices for base load electricity increased by an average of 20.8% to €98.9/MWh in Austria and by 12.2% to €89.3/MWh in Germany. Prices for peak load rose by 10.1% to €102.9/MWh in Austria and by 4.7% to €92.3/MWh in Germany. The increase in wholesale prices is attributable to higher prices for gas and CO2 certificates.

Prices for AT 2026 front-year base load contracts (traded in 2025) averaged €92.3/MWh and prices for DE 2026 front-year base load contracts averaged €87.4/MWh. Thus futures prices remained essentially unchanged from the prior-year period at +0.8% (AT) and -1.4% (DE). Front-year peak load (AT) contracts traded at an average of €99.5/MWh and front-year peak load (DE) contracts traded at an average of €94.4/MWh. Futures prices in this area thus decreased year-on-year by 2.1% (AT) and 4.1% (DE). The average price attained by VERBUND for its own generation from hydropower dropped slightly to €116.3/MWh in 2025 (previous year: €118.0/MWh).

The energy market environment for gas-fired power plants offered very favourable opportunities in day-ahead dispatch in financial year 2025, particularly in Q1 and Q4, due to the occurrence of prolonged periods of little or no wind and solar generation. Medium-term clean spark spreads rebounded slightly from the previous year. Risk premiums increased due to market uncertainties arising from lower gas storage levels, subpar water flow and the volatility of wind and photovoltaic power generation.

All else remaining equal, changes in interest rate levels and in the price of electricity would be reflected in the projected Group result for 2026 as follows (based on the hedging status as at 31 December 2025 for interest rates):

2026 Group result: sensitivities €m

	€+ 1/MWh	€– 1/MWh
Wholesale electricity prices (renewable generation)	6.1	–6.1
	+ 1%	– 1%
Interest rate percentage points	–2.7	2.7

Inflation, interest rates and energy prices are factored into the calculation of fair values and thus into the calculation of VERBUND's future financial performance. The forecast approved by management includes the parameters used in impairment testing. VERBUND defines and monitors risk through ongoing risk management, which also accounts for additional risks that could have a material impact on VERBUND's assets.

Claims for damages: Limberg

At the beginning of November 2025, separate events caused damage to the two generators at the 480-MW Limberg III power plant and to the transformer at the 160-MW Kaprun-Oberstufe (Limberg I) power plant. The damage analyses for the two failed generators at the Limberg III pumped hydropower storage facility had not yet been finalised as at 31 December 2025. The two generators were not yet owned by VERBUND at the time the loss occurred; as at 31 December 2025, they were reported at €61.4m under Plants under construction and advance payments. As the generators had not yet been accepted by VERBUND, the manufacturer remains obligated to ensure their full functionality. Therefore, no impairment was recognised in the 2025 financial year.

The large-scale transformer at the Limberg I power plant, which had failed during black start tests and is still under warranty, was transported down to the valley for a detailed damage analysis by external experts. As of the reporting date, the final evaluation had not yet been completed. An impairment loss of €6.0m was recognised for the defective transformer in financial year 2025.

As at the 31 December 2025 reporting date, uncertainties remained regarding the still-ongoing damage analysis and the examination of claims against both the manufacturer and the insurance company. The negative impact on Group earnings from the temporary shutdown of Limberg I and the delayed commissioning of Limberg III is currently estimated at between €40m and €60m; this includes both the costs of damage analysis and repair as well as lost profits resulting from production downtimes. The vast majority of these negative impacts will be felt in the 2026 financial year. The impact on Group earnings as of the reporting date was mainly due to the full write-off of the transformer.

Effect of taxing windfall profits

The Federal Act on the Energy Crisis Contribution for Electricity (*Bundesgesetz über den Energiekrisenbeitrag-Strom*, EKB-S) has been extended until 31 March 2030 in Austria. In addition to the time extension (originally limited until the end of 2024), the cap on market revenues was also lowered to either €90 or €100 per MWh.

The significant increase in Austria's energy crisis contribution compared with 2024 is mainly due to the tightening of legal regulations in connection with prolonging the EKB-S. In particular, restricting options for receiving credit for investment projects has led to a significant increase in taxes on windfall profits.

Tax on windfall profits is reported in the income statement under Fuel and other usage-/revenue-dependent expenses.

Austrian Electricity Industry Act (Affordable Electricity Act)

The Electricity Industry Act (ElWG) adopted in December 2025 has replaced the previous 2010 Electricity Industry and Organisation Act (ElWOG). The Electricity Industry Act transposes key European legislative requirements – in particular the EU Electricity Market Directive and the Renewable Energy Directive – into national law and provides a regulatory framework for a 100% renewable power system. At the same time, it is intended to ensure sustainable and equitable financing of grid expansion while maintaining a consistently high level of energy security. One of the Electricity Industry Act's provisions affecting end customers is the introduction of a "social tariff", which will provide relief to around 300,000 low-income households by capping the price of electricity at 6 cents/kWh (net). The new legislation had no material impact on the 2025 annual financial statements.

2. Judgements and forward-looking assumptions

Preparers of financial statements are granted various options in connection with the application of IFRS. For this reason, management must make judgements as well as estimates and assumptions regarding future trends that may have a significant influence on the amounts shown in these consolidated financial statements. The amounts actually realised may differ from the amounts recognised based on the decisions and assumptions made. Estimates and underlying assumptions are regularly reviewed and adjusted if necessary.

The following judgements and forward-looking assumptions are among those that significantly impact the financial statements:

Discretionary decisions and assumptions regarding the future

Assessing whether a purchase transaction constitutes an acquisition of a business or an acquisition of assets or a group of assets	Section 1.2
Estimation of the terms of leases	Section 4.3
Determination of the discount rate for impairment testing	Section 4.4
Determination of the estimated future cash flows for impairment testing of goodwill	Section 4.4.1
Determination of the estimated future cash flows for impairment testing of power plants and grid infrastructure	Section 4.4.2
Measurement parameters of financial instruments measured at fair value under Level 3	Section 5.5.1
Determination of the discount rate for the measurement of pensions and similar obligations as well as statutory termination benefits	Section 9.2
Determination of measurement parameters for other provisions	Section 9.3
Determination of the likelihood of contingent liabilities materialising	Section 13.1

3. Performance in the financial year

3.1 Segment reporting

In accordance with Section 11 of the Austrian Electricity Industry Act (*Elektrizitätswirtschaftsgesetz*, ElWG), integrated electricity companies must publish separate balance sheets and income statements for activities involving the generation, trading, supply, transmission and distribution of electricity. However, pursuant to IFRS 8, VERBUND's segment reporting should be based on internal management and reporting (management approach). Therefore, the structure of the operating segments and the contents of the reports correspond to the structure of the internal reports provided to the Executive Board as the primary decision-maker. This results in the following segmentation:

Definition of operating segments

Hydro	Generation from hydropower
New renewables	Generation from wind power, photovoltaic systems and flexible storage systems
Sales	Trading and sales activities as well as business activities related to battery storage systems in the core market
Grid	Regulated activities of Austrian Power Grid AG, Gas Connect Austria GmbH and Austrian Gas Grid Management AG
All other segments	
Thermal generation	Electricity and thermal generation of VERBUND Thermal Power GmbH & Co KG
Services	Business activities of VERBUND Services GmbH and of VERBUND Business Solutions GmbH
Equity interests	Equity interest in KELAG-Kärntner Elektrizitäts-Aktiengesellschaft

Segments that do not exceed the quantitative thresholds are combined in the "All other segments" category. The reconciliation/consolidation column includes the activities of VERBUND AG, VERBUND Finanzierungsservice GmbH, VERBUND Ventures GmbH, VERBUND Green Hydrogen GmbH and VERBUND Green Hydrogen Sales GmbH as well as eliminations to be carried out at Group level.

The following key performance indicators are reported for the purpose of monitoring and managing the Group's operating segments:

Key performance indicators – segment reporting

EBITDA	Internal measure of performance for each operating segment. Transactions between operating segments are carried out at arm's length.
Result from interests accounted for using the equity method	Assessment of the Equity interest segment.
Capital employed	Total assets less those assets that do not (yet) contribute to the production and commercialisation process, less non-interest-bearing debt.

Other material non-cash items include measurement effects from energy derivatives, reversals of contributions to building costs, non-cash changes in provisions and write-downs of primary energy inventories, among other things.

All segment data is measured in accordance with IFRS.

Operating segment data

€m

	Hydro	New Renewables	Sales	Grid	All other segments	Reconciliation/ consolidation	Group total
2025							
External revenue	157.9	244.7	6,016.7	1,558.6	32.1	3.6	8,013.6
Internal revenue	2,550.7	41.5	418.8	90.0	407.3	–3,508.2	0.0
Total revenue	2,708.5	286.2	6,435.5	1,648.5	439.5	–3,504.6	8,013.6
Expenses for electricity, grid, gas and certificate purchases	–116.3	–46.0	–6,056.2	–801.7	–10.9	3,371.6	–3,659.6
EBITDA	2,024.3	157.7	134.4	440.0	49.3	–68.2	2,737.5
Depreciation and amortisation	–248.7	–132.5	–12.1	–205.9	–23.2	–2.6	–625.0
Effects from impairment tests (operating result)	–6.0	5.9	0.0	0.0	0.0	0.0	–0.1
Other material non-cash items	43.0	16.2	–17.4	24.9	11.3	1.9	79.9
Result from interests accounted for using the equity method	–0.4	–0.7	0.6	1.4	84.2	0.0	85.1
Capital employed	6,833.3	1,876.6	886.5	2,965.2	745.3	236.0	13,543.0
of which carrying amount of interests accounted for using the equity method	34.6	8.5	37.7	63.9	545.0	0.0	689.8
Additions to intangible assets and property, plant and equipment[1]	513.0	180.0	46.9	614.6	32.1	4.4	1,391.0
Additions to interests accounted for using the equity method	0.0	0.7	7.1	0.0	0.0	0.0	7.8

[1] Incl. additions resulting from asset acquisitions in the amount of €58.8m (previous year: €116.4m).

Operating segment data €m

	Hydro	New renewables	Sales	Grid	All other segments	Reconciliation/ consolidation	Group total
2024							
External revenue	203.5	270.6	6,355.5	1,384.6	26.6	3.7	8,244.6
Internal revenue	3,370.7	53.4	411.0	164.8	433.1	–4,433.0	0.0
Total revenue	3,574.2	324.0	6,766.5	1,549.4	459.7	–4,429.2	8,244.6
Expenses for electricity, grid, gas and certificate procurement	–210.2	–81.1	–6,719.5	–883.2	–10.0	4,231.9	–3,672.2
EBITDA	2,969.5	169.6	6.9	370.0	35.4	–71.1	3,480.3
Depreciation and amortisation	–233.2	–125.7	–9.2	–181.6	–23.6	–4.5	–577.8
Effects from impairment tests (operating result)	1.3	60.6	0.0	–172.4	–66.1	0.0	–176.6
Other material non-cash items	37.8	2.6	–19.7	10.7	–43.7	–53.2	–65.5
Result from interests accounted for using the equity method	0.8	1.3	0.2	–1.4	100.5	0.0	101.3
Effects from impairment tests (financial result)	0.0	0.0	0.0	13.5	0.0	0.1	13.6
Capital employed	6,105.3	1,954.3	794.0	2,690.9	713.6	–27.0	12,231.1
of which carrying amount of interests accounted for using the equity method	35.2	8.5	30.0	63.0	496.3	0.0	633.0
Additions to intangible assets and property, plant and equipment	462.7	215.3	32.9	472.7	28.2	12.7	1,224.6
Additions to interests accounted for using the equity method	0.0	8.5	9.2	0.0	0.0	0.0	17.7

Reconciliations

EBITDA in the Total column corresponds with the EBITDA reported in VERBUND's income statement. Therefore, the reconciliation to profit before tax can be taken from the income statement.

The reconciliation of capital employed to VERBUND's total assets is as follows:

Reconciliation of total capital employed to total assets €m

	2024	**2025**
Capital employed	12,231.1	13,543.0
Assets not used in the production and commercialisation process	2,578.4	1,455.3
Non-interest-bearing debt	3,908.8	3,611.3
Total assets of VERBUND	18,718.3	**18,609.7**

Entity-wide disclosures

Under IFRS 8, entity-wide disclosures include geographical segment reporting with respect to revenue (based on the point of delivery) and non-current assets. In addition, information on major customers must be disclosed. The disclosures are presented in section 3.2.1 "Revenue". VERBUND does not have any customers whose revenue equals or exceeds 10% of the Group's total revenue.

Geographical segment reporting: non-current assets €m

	2024	**2025**
Intangible assets and property, plant and equipment	14,175.1	**14,931.6**
of which in Austria	9,777.8	10,455.1
of which in Germany	2,747.6	2,824.4
of which in Spain	1,450.7	1,443.2
of which in other EU countries	199.0	209.0
Interests accounted for using the equity method	633.0	**689.8**
of which in Austria	562.9	613.5
of which in Germany	30.0	36.5
of which in Spain	8.5	8.5
of which in other countries[1]	31.6	31.3

[1] This includes the equity interest in (Austrian) Ashta Beteiligungsverwaltung GmbH, which holds the equity interest in the Albanian entity Energji Ashta Shpk.

3.2 Notes to the income statement

3.2.1 Revenue

VERBUND primarily generates revenue from contracts with customers for the delivery of electricity and gas as well as from operation of the Austrian electricity and gas transmission and distribution networks. The accounting policies applied to such revenue are presented in the tables below:

Revenue from contracts with customers

	Period allowed for payment	Significant financing components
Market participants from energy exchanges, traders and electric utilities	20 days	No
Industrial customers	14 – 60 days	No
Commercial customers	14 days	No
Household customers	14 days	No
Revenue from operating the Austrian gas transmission and distribution network	15 days	No
Revenue from operating the Austrian electricity transmission network	14 days	No

Measurement of contracts with customers in accordance with IFRS 15

Type of contract	Contracts with customers for the delivery of electricity and gas	Contracts with customers as a result of operating the Austrian electricity transmission network	Contracts with customers as a result of operating the Austrian gas transmission pipeline and distribution network
Performance/ consideration	The consideration received for contracts for the delivery of electricity and gas comprises a capacity price and an energy price. The capacity price is independent of volume, whereas the energy price depends on the volume of electricity and gas purchased.	Performance obligations mainly comprise system energy, control power and balancing energy as well as congestion management and redispatch services. The consideration received for these performance obligations depends largely on the electricity consumed by the customer and the costs incurred by VERBUND for the respective obligation.	Performance obligations comprise the marketing and provision of transportation capacities at border crossing points, i.e. entry and exit capacities, and the marketing and provision of transportation capacities for natural gas needed in Austria as well as dispatching and other services.
Revenue recognition	Revenue is recognised as soon as control over the goods or services has passed to the customer. Control is transferred over the period in which the performance obligation is fulfilled. Revenue is recognised in the amount in which VERBUND has fulfilled its obligations with respect to the delivery of electricity and gas (i.e. the customer could purchase electricity or gas at any given time) and there is a right to invoice for performance completed to date.	Revenue is recognised in the amount in which VERBUND has a right to invoice for performance completed to date. Control is transferred over the period in which the performance obligation is fulfilled.	Revenue is recognised in the amount in which VERBUND has a right to invoice for performance completed to date. Control is transferred over the period in which the performance obligation is fulfilled.
Special circumstances	Some contracts for the delivery of electricity or gas involve passing on grid costs to customers (without a surcharge). Since VERBUND does not have any control over grid services prior to transfer to the customer, VERBUND should be regarded as an agent with respect to these services. Therefore, no revenue is recognised for grid services.	None	None

Revenue by segment €m

	2024 Domestic	**2025 Domestic**	2024 Foreign	**2025 Foreign**	2024 Total	**2025 Total**
Electricity revenue from resellers	87.0	87.2	85.4	59.5	172.4	146.6
Electricity revenue from traders	19.4	2.1	0.2	0.1	19.6	2.2
Electricity revenue – Hydro segment	106.4	**89.3**	85.6	**59.6**	192.0	**148.9**
Electricity revenue from resellers	0.0	0.0	119.5	117.9	119.5	117.9
Electricity revenue from traders	11.7	14.8	42.4	37.3	54.1	52.1
Electricity revenue from consumers	0.0	0.0	68.5	48.0	68.5	48.0
Electricity revenues – New Renewables segment	11.7	**14.8**	230.4	**203.2**	242.2	**218.0**
Electricity revenue from resellers	1,012.3	1,034.2	817.2	779.2	1,829.5	1,813.4
Electricity revenue from traders	1,137.4	855.7	1,692.9	1,580.7	2,830.4	2,436.3
Electricity revenue from consumers	779.2	786.9	708.6	758.4	1,487.8	1,545.4
Electricity revenue – Sales segment	2,928.9	**2,676.8**	3,218.8	**3,118.3**	6,147.7	**5,795.1**
Electricity revenue from resellers	352.1	256.5	79.8	105.3	431.9	361.8
Electricity revenue from traders	11.5	16.1	2.1	1.4	13.6	17.6
Electricity revenue – Grid segment	363.6	**272.6**	81.9	**106.7**	445.5	**379.3**
Total electricity sales revenue	3,410.6	**3,053.5**	3,616.7	**3,487.8**	7,027.3	**6,541.3**
Grid revenue electric utilities	453.1	554.7	34.1	32.3	487.2	587.0
Grid revenue industrial customers	15.7	14.4	0.0	0.0	15.7	14.4
Grid revenue other	118.8	208.4	290.5	311.5	409.3	519.9
Total grid revenue – Grid segment	587.5	**777.6**	324.6	**343.8**	912.2	**1,121.4**
Other revenue – Hydro segment					11.5	**9.0**
Other revenue – New Renewables segment					28.4	**26.7**
Other revenue – Sales segment					207.8	**221.6**
Other revenue – Grid segment					27.1	**57.8**
Other revenue – All other segments					26.6	**32.1**
Other revenue – reconciliation					3.7	**3.6**
Total of other revenue					305.1	**350.8**
Total revenue					8,244.6	**8,013.6**

Contracts for the purchase or sale of non-financial items that are not classified as own-use contracts under IFRS 9 and are required to be accounted for as derivatives must be recognised in revenue or procurement costs in the amount of the market price applicable at the time of physical settlement. The difference between the contract price and the market price is recognised under Measurement and recognition of energy derivatives.

In the 2025 reporting period, €2.3m (previous year: €2.5m) from the measurement and recognition of derivative financial instruments was recognised as revenue in the trading area. To present business performance more accurately, revenue from energy trading is shown as a net amount, i.e. each of the amounts recognised and measured is presented net of expenses. As a result, €620.4m (previous year: €514.8m) in expenses was presented as a net amount in electricity revenue and €173.8m (previous year: €104.2m) in other revenue.

3.2.2 Other revenue

Other revenue €m

	2024	**2025**
Sale of gas	79.7	95.9
Consulting or planning services as well as other services	55.6	91.4
Sale of guarantees of origin and green electricity certificates	93.8	72.2
District heating deliveries	22.0	27.2
User and management fees	23.0	23.5
Miscellaneous	31.0	40.6
Other revenue	305.1	**350.8**

3.2.3 Other operating income

Other operating income €m

	2024	**2025**
Changes in inventories and own work capitalised	86.6	98.6
Various goods and services	13.5	19.5
Income from (insurance) compensation	6.2	2.5
Rent and lease income	1.6	1.7
Disposal of property, plant and equipment and intangible assets	0.7	1.7
Miscellaneous	22.4	14.9
Other operating income	131.0	**139.0**

3.2.4 Expenses for electricity, grid, gas and certificate purchases

Expenses for electricity, grid, gas and certificate procurement		€m
	2024	**2025**
Expenses for electricity purchases	3,466.2	3,413.2
Expenses for grid purchases	124.7	142.9
Expenses for gas purchases	73.9	91.4
Purchase of emission rights (trade)	0.0	8.1
Expenses for guarantees of origin and green electricity certificate purchases	7.5	4.0
Expenses for electricity, grid, gas and certificate procurement	3,672.2	**3,659.6**

3.2.5 Fuel expenses and other usage-/revenue-dependent expenses

Fuel expenses and other usage-/revenue-dependent expenses		€m
	2024	**2025**
Natural gas usage	207.5	221.7
Windfall tax expenses	7.7	145.8
Other revenue-dependent expenses	57.4	103.9
Emission allowances acquired in exchange for consideration	35.7	57.7
Other usage-dependent expenses	11.7	15.5
Fuel expenses and other usage-/revenue-dependent expenses	319.9	**544.6**

3.2.6 Personnel expenses

Personnel expenses		€m
	2024	**2025**
Wages and salaries	445.1	469.9
Expenses for social security contributions as required by law as well as income-based charges and compulsory contributions	95.1	105.6
Other social benefit expenses	8.6	9.1
Subtotal	548.8	**584.6**
Expenses for pensions and similar obligations	16.0	15.4
Expenses for termination benefits	6.0	6.5
Personnel expenses	570.8	**606.5**

Total pension fund contributions to the defined contribution investment and risk association totalled €10.5m in the 2025 reporting period (previous year: €10.3m). Expenses for termination benefits included a total of €5.5m in contributions to an employee pension fund (previous year: €4.8m).

3.2.7 Other operating expenses

Other operating expenses €m

	2024	**2025**
Third-party maintenance of power plants and line systems	178.2	194.7
Other third-party services received	74.3	130.3
IT expenses	63.8	65.3
Legal, consulting and audit expenses	30.2	27.9
Advertising expenses and donations	23.8	26.1
Expenses for supervision by E-Control	23.8	21.5
Travel expenses, advanced training	17.0	18.9
Costs for personnel provided	11.7	14.8
Insurance	9.3	10.0
Operating costs	8.7	9.7
Materials costs for motor vehicle operation and maintenance	6.7	9.3
Compensation payments	10.4	8.8
Fees	10.9	8.3
Rent and lease	4.6	5.5
Purchased telecommunication services	4.1	4.8
Membership fees	4.0	4.4
Usage fees	4.3	3.4
Miscellaneous	31.1	26.7
Other operating expenses	516.8	**590.3**

3.2.8 Measurement and recognition of energy derivatives

Measurement and recognition of energy derivatives €m

	2024	**2025**
Realisation of futures	– 195.7	**– 11.9**
of which negative	767.4	451.8
of which positive	– 963.0	– 463.7
Measurements	380.1	**– 2.3**
of which negative	899.5	527.4
of which positive	– 519.5	– 529.6
Measurement and recognition of energy derivatives	184.4	**– 14.2**

3.2.9 Depreciation and amortisation

Depreciation and amortisation €m

	2024	**2025**
Depreciation of property, plant and equipment	537.0	576.3
Amortisation of intangible assets	25.1	30.6
Depreciation of right-of-use assets	15.7	18.1
Depreciation and amortisation	577.8	**625.0**

3.2.10 Impairment losses and reversals of impairment losses

Impairment losses and reversals of impairment losses €m

	2024	**2025**
CGUs in the Spain renewables portfolio – existing projects[1]	–7.2	**–17.3**
Spain photovoltaic portfolio: cash-generating units[1]	–8.3	**–12.6**
Spain wind portfolio: cash-generating units[1]	11.6	**–6.8**
Claims for damages: Limberg I	0.0	**–6.0**
Gas Connect Austria GmbH	–172.4	**0.0**
Mellach combined cycle gas turbine power plant	–66.8	**0.0**
Deferred grants for the Mellach combined cycle gas turbine power plant	0.7	**0.0**
Graz power plant on the Mur River	1.3	**0.0**
CGUs in the Spain renewables portfolio – development projects[1]	64.5	**47.5**
Other impairment losses	0.0	**–4.8**
Impairment losses and reversals of impairment losses	–176.6	**–0.1**

[1] See section 4.4.2 Impairment testing of power plants and grid infrastructure for details regarding changes in value.

3.2.11 Result from interests accounted for using the equity method

The result from interests accounted for using the equity method can be attributed mainly to KELAG-Kärntner Elektrizitäts-Aktiengesellschaft (KELAG), which operates lines of business providing electricity, gas and heat. See section 4.5 “Interests accounted for using the equity method” for the relevant details.

3.2.12 Other result from equity interests

Other result from equity interests €m

	2024	**2025**
Income from equity interests and unconsolidated subsidiaries	10.9	**11.5**
Miscellaneous	0.0	**–4.0**
Other result from equity interests	10.9	**7.5**

Interest income €m

3.2.13 Interest income

	2024	**2025**
Interest from investments under closed items on the balance sheet	33.3	28.5
Interest from money market transactions	37.7	12.8
Interest from clearing and trading banks	4.3	2.4
Other interest and similar income	6.5	7.2
Interest income	81.8	**50.9**

Interest expenses €m

3.2.14 Interest expenses

	2024	**2025**
Interest on financial liabilities under closed items on the balance sheet	33.3	28.4
Interest on bonds	17.9	26.2
Net interest expense on personnel-related liabilities	18.7	17.4
Interest on a share redemption obligation	8.2	10.8
Interest on bank loans	11.8	10.3
Interest on other liabilities from electricity supply commitments	10.2	8.7
Provision fees and cost of procuring credit	16.3	6.1
Interest on other non-current provisions	3.4	2.6
Interest on money market transactions	2.6	0.2
Borrowing costs capitalised in accordance with IAS 23	–11.7	–11.9
Other interest and similar expenses	14.5	14.5
Interest expenses	125.2	**113.3**

Other financial result €m

3.2.15 Other financial result

	2024	**2025**
Income from securities and loans	7.6	7.0
Change in non-derivative financial instruments	0.0	–3.0
Change in a profit participation right with respect to material assets[1]	13.0	0.0
Reversal of impairment losses on securities	4.4	0.0
Change in an obligation to return an interest[2]	–54.0	–31.6
Miscellaneous	–1.2	1.2
Other financial result	– 30.2	**–26.3**

[1] The profit participation right with respect to the material assets of Trans Austria Gasleitung GmbH. It is measured at fair value through profit or loss in accordance with IFRS 9. //
[2] The obligation to transfer the 50% interest in Donaukraftwerk Jochenstein AG to the Free State of Bavaria without exchange of consideration is measured at amortised cost. The expected fair value of the interest at the transfer date (31 December 2050) is calculated for the respective period and discounted based on the original effective interest rate (corresponding to the weighted average cost of capital at the acquisition date). Changes in the expected fair value of the interest are recognised in the other financial result. See section 8.2 Other non-current liabilities.

Changes in the value of derivative financial instruments associated with closed items on the balance sheet and of liabilities measured at fair value through profit or loss are generally recognised under other financial result. However, the effects on profit or loss of these two line items essentially offset each other and were therefore not included in the above table.

3.2.16 Impairment losses and reversals of impairment losses

The financial result includes impairment losses and reversals of impairment losses from other equity interests (see section 4.6.1 "Other equity interests"). No impairment losses were recognised on other equity interests at the reporting date (previous year: €0.0m), nor were any reversals of impairment losses recognised (previous year: €13.6m).

3.2.17 Taxes on income

The corporate income tax rate applicable to VERBUND AG for the 2025 reporting year was 23.0% (previous year: 23.0%). The following income tax rates are applied by consolidated subsidiaries (depending on the country in which they are domiciled):

Income tax rates applicable to subsidiaries in %

	2024	**2025**
Austria	23.0	23.0
Germany – partnerships[1]	29.1	29.1–30.2
Germany – limited companies[1]	24.2–32.4	24.2–32.6
Spain	25.0	25.0
Romania	16.0	16.0
Italy	24.0	24.0

[1] The corporate income tax rate shown also includes the solidarity surcharge and municipal trade tax. The trade tax depends on the local multiplier, which varies from one municipiality to another.

Beginning with the 2005 reporting period, VERBUND took advantage of the option to form a consolidated tax group as permitted by legislation; VERBUND AG is the tax group parent. The tax benefit resulting from the amortisation of goodwill (Section 9(7) of the 1988 Corporate Income Tax Act (*Körperschaftsteuergesetz*, KStG)) within the corporate group is treated as a temporary difference with respect to shares in subsidiaries (outside basis difference).

As a Group, VERBUND is subject to the Pillar Two model framework in various jurisdictions. VERBUND AG, as the ultimate parent entity (UPE) of the VERBUND Group, is primarily liable for the top-up tax under Pillar Two. The VERBUND Pillar Two Group comprises the Group's equity interests in the following jurisdictions: Austria, Germany, Romania, Italy, Spain, Albania and Israel. In addition to the aforementioned Pillar Two group, VERBUND has two Pillar Two joint ventures located in Spain and one in Germany. In Israel, a law was adopted on 31 December 2025 implementing parts of the OECD's Pillar Two recommendations, including the Qualified Domestic Minimum Top-up Tax. The legislation is applicable as of 1 January 2026. No draft Pillar Two legislation had been issued for Albania at the time of preparation of these financial statements.

VERBUND has reviewed the use of the Transitional CbCR Safe Harbor framework for financial year 2025 with respect to all of the aforementioned legal entities. All entities were able to meet at least one of the three CbCR safe harbour tests in all jurisdictions in 2025. Hence no additional Pillar Two calculations were necessary, and no top-up tax had to be paid.

VERBUND has applied the mandatory exception for accounting for the deferred tax assets and liabilities arising from Pillar Two income taxes.

Income taxes recognised in the income statement were as follows:

Taxes on income €m

	2024	**2025**
Current tax expenses[1]	630.5	314.6
Current tax expenses[2]	8.0	108.1
Taxes on income	638.5	**422.7**

[1] Current tax expenses include adjustments from prior periods of €+3.2m (previous year: €-10,5m). // [2] Deferred income tax expenses include adjustments from prior periods in the amount of €+6.0m (previous year: €–8.5m).

The reasons for the difference between VERBUND's computed and recognised tax expense are as follows:

Tax reconciliation €m

	2024	**2025**
Computed income tax expense	639.0	486.7
Write-offs and write-ups of equity investments	–7.4	7.5
Impairment testing of fixed assets	–0.8	6.0
Deviating tax rates	9.0	4.0
Tax-exempt investment income	–2.1	–2.0
Interests accounted for using the equity method	–23.3	–19.6
Change in German corporate income tax rate	-	–61.7
Other line items	5.0	11.0
Income tax expenses for the period	619.4	**431.9**
Income tax income or expenses from prior periods (current and deferred)	19.0	–9.2
Recognised income tax expenses	638.5	**422.7**
Effective tax rate	23.0%	**20.0%**

In July 2025, the German Bundesrat approved an "immediate fiscal investment programme" targeted at making the German economy more competitive and promoting economic growth. Among other measures, the programme calls for gradually reducing the corporate income tax rate from 15% to 10% starting in 2028. In addition to corporate income tax, corporations in Germany remain subject to the solidarity surcharge, which amounts to 5.5% of the corporate income tax assessed. Thus the reduction in the corporate income tax rate will also reduce the solidarity surcharge. The resulting remeasurement of deferred taxes gave rise to income of €61.7m as at 31 December 2025.

3.2.18 Earnings per share

Earnings per share €m

	2024	**2025**
Profit for the period	2,139.7	1,693.4
Profit for the period attributable to non-controlling interests	–264.4	–204.0
Group result	1,875.3	**1,489.4**
Weighted average number of shares in circulation	347,415,686	347,415,686
Earnings per share in €[1]	5.40	**4.29**

[1] Since no options to subscribe to new shares have been issued, nor are there any other facts or circumstances that could have a diluting effect, basic and diluted earnings per share are the same.

3.3 Notes to the statement of comprehensive income

The following table gives a breakdown of the total amounts for the line items listed in the statement of comprehensive income that can be reclassified subsequently to the income statement.

3.3.1 Breakdown of OCI

Breakdown of OCI €m

	2024	**2025**
Measurement gains or losses recognised in equity	0.6	–7.5
Foreign exchange differences	0.6	**–7.5**
Measurement gains or losses recognised in equity	–108.1	54.9
Reclassification adjustments recognised in the income statement	–397.3	–289.7
Changes in cash flow hedges	–505.6	**–227.2**
Measurement gains or losses recognised in equity	7.2	–14.5
Other comprehensive income from interests accounted for using the equity method	7.2	**–14.5**
Total for items that will be reclassified subsequently to the income statement	–497.8	**–249.3**

Taxes on other comprehensive income €m

3.3.2 Taxes on other comprehensive income

	2024 Before taxes	2024 Taxes	2024 After taxes	**2025** Before taxes	**2025** Taxes	**2025** After taxes
Remeasurement of the net defined benefit liability	–53.6	12.1	–41.5	32.4	–8.4	24.0
Changes in financial instruments	–4.2	1.0	–3.2	17.6	–4.0	13.6
Other comprehensive income from interests accounted for using the equity method	–5.8	–	–5.8	3.8	–	3.8
Total for items that will not be reclassified subsequently to the income statement	–63.6	13.0	–50.5	**53.8**	**–12.5**	**41.3**
Foreign exchange differences	0.6	–	0.6	–7.5	–	–7.7
Changes in cash flow hedges	–505.6	116.4	–389.2	–227.2	51.9	–175.3
Other comprehensive income from interests accounted for using the equity method	7.2	–	7.2	–14.5	–	–14.4
Total for items that will be reclassified subsequently to the income statement	–497.8	116.4	–381.5	**–249.3**	**51.9**	**–197.4**
Other comprehensive income	–561.4	129.4	–432.0	**–195.5**	**39.4**	**–156.1**

3.4 Notes to the cash flow statement

The indirect method has been used to prepare VERBUND's cash flow statement. The composition of cash and cash equivalents is set out in section 6 "Working capital".

Additions to intangible assets and property, plant and equipment resulted in outstanding current liabilities in the amount of €229.0m (previous year: €246.0m).

Additional information on cash flow from financing activities €m

3.4.1 Additional information on cash flow from financing activities

	2024	**2025**
Dividends paid to the shareholders of VERBUND AG	–1,441.8	–972.8
Dividends paid to non-controlling interests	–492.2	–356.7

3.4.2 Changes in liabilities from financing activities

The following table shows the changes in liabilities from financing activities, including both cash and non-cash changes. Liabilities from financing activities where the associated cash flows have been or will be reported in the cash flow statement are classified as cash flows from financing activities.

Additional information regarding liabilities from financing activities €m

			Non-cash changes				
2025	Balance at 1/1/2025	Cash flow from financing activities	Change in the basis of consolidation	Fair value adjustments	Changes in exchange rates	Other changes	Balance at 31/12/2025
Bonds	1,135.4	–13.6	0.0	0.0	0.0	5.0	1,126.7
Financial liabilities to banks	984.2	109.3	21.3	–8.8	–44.5	–73.8	987.7
Other financial liabilities	145.0	–0.4	0.0	0.0	0.0	0.3	145.0
Capital shares attributable to limited partners	10.7	0.0	0.0	0.0	0.0	2.7	13.4
Total liabilities from financing activities	2,275.2	95.3	21.3	–8.8	–44.5	–65.7	2,272.8

Additional information regarding liabilities from financing activities €m

2024	Balance at 1/1/2024	Cash flow from financing activities	Non-cash changes: Change in the basis of consolidation	Non-cash changes: Fair value adjustments	Non-cash changes: Changes in exchange rates	Non-cash changes: Other changes	Balance at 31/12/2024
Bonds	1,142.7	–20.4	0.0	0.0	0.0	13.2	1,135.4
Financial liabilities to banks	1,097.4	–194.5	43.8	–3.3	22.9	17.9	984.2
Other financial liabilities	159.6	–14.7	0.0	0.0	0.0	0.1	145.0
Capital shares attributable to limited partners	8.3	0.0	0.0	0.0	0.0	2.4	10.7
Total liabilities from financing activities	2,408.0	–229.7	43.8	–3.3	22.9	33.5	2,275.2

4. Non-current assets

4.1 Intangible assets

Goodwill

Goodwill is not subject to amortisation but is tested for impairment at least once per year in accordance with IAS 36 (see section 4.4.1 "Impairment testing of goodwill"). In addition, a qualitative analysis of whether there is any indication of impairment is conducted at the reporting date for all consolidated interim financial statements.

Other intangible assets

In accordance with IAS 38, purchased intangible assets are measured at cost less straight-line amortisation and any impairment losses, unless the assets have indefinite useful lives. Most of these assets have useful lives of between 10 and 20 years. Software is amortised over a period of four years.

Research and development costs

Development costs were capitalised in the amount of €7.0m (previous year: €2.4m) in accordance with IAS 38. Expenses for research in a total amount of €15.1m were recognised in profit or loss in the 2025 reporting period (previous year: €12.3m).

Emission allowances

Emission rights are accounted for in accordance with the accounting policies set forth in IAS 38, IAS 20 and IAS 37 at fair value (rights allotted without exchange of consideration) or at cost (purchased rights). With respect to emission allowances allotted without an exchange of consideration, an item of deferred income is recognised for the grant received in the amount of the fair value of the allowances. The item of deferred income recognised is reversed to profit or loss (under fuel expenses) when the emission allowances are used, amortised or sold. The obligation to return the allowances is taken into account by means of an "other" liability. If cover is insufficient, VERBUND recognises an additional provision in the amount of the fair value of the emission allowances that are lacking.

Emission allowances held for trading by VERBUND are reported in profit or loss under other revenue. In accordance with the brokerage exemption for raw materials and commodity traders, the measurement benchmark is fair value less costs to sell.

4.1.1 Intangible assets

Intangible assets €m

	Concessions, rights, licences	Goodwill	Total
2025			
Cost as at 1/1	1,055.7	1,034.3	2,090.0
Foreign exchange differences	–0.1	0.0	–0.1
Change in the scope of consolidation	–139.9	0.0	–139.9
Additions	92.8	0.0	92.8
Disposals	–2.9	0.0	–2.9
Reclassifications	3.4	0.0	3.4
Cost as at 31/12	1,009.0	1,034.3	2,043.3
Accumulated amortisation as at 1/1	585.0	399.8	984.8
Change in the scope of consolidation	–34.2	0.0	–34.2
Depreciation and amortisation	30.6	0.0	30.6
Impairment losses	2.7	0.0	2.7
Reversals of impairment losses	–27.8	0.0	–27.8
Disposals	–1.4	0.0	–1.4
Reclassifications	–0.2	0.0	–0.2
Accumulated amortisation as at 31/12	554.6	399.8	954.4
Net carrying amount as at 31/12	454.4	634.5	1,088.9
Net carrying amount as at 1/1	470.8	634.5	1,105.2

Intangible assets €m

	Concessions, rights, licences	Goodwill	Total
2024			
Cost as at 1/1	976.2	1,034.3	2,010.5
Additions	63.4	0.0	63.4
Disposals	–2.7	0.0	–2.7
Reclassifications	18.8	0.0	18.8
Cost as at 31/12	1,055.7	1,034.3	2,090.0
Accumulated amortisation as at 1/1	610.5	399.8	1,010.3
Depreciation and amortisation	25.1	0.0	25.1
Impairment losses	24.7	0.0	24.7
Reversals of impairment losses	–86.1	0.0	–86.1
Disposals	–2.4	0.0	–2.4
Reclassifications	13.2	0.0	13.2
Accumulated amortisation as at 31/12	585.0	399.8	984.8
Net carrying amount as at 31/12	470.8	634.5	1,105.2
Net carrying amount as at 1/1	365.7	634.5	1,000.2

4.2 Property, plant and equipment

Property, plant and equipment is measured at cost (including decommissioning and dismantling costs required to be capitalised) less straight-line depreciation and any impairment losses. The cost of internally manufactured plant and equipment includes the appropriate indirect material and production costs in addition to direct material and production costs. Borrowing costs are capitalised if there are qualifying assets. A qualifying asset exists at VERBUND if a period of at least twelve months is required until the asset is ready for use or sale. VERBUND's average monthly borrowing costs in the 2025 reporting period were approximately 2.0% (previous year: approx. 2.0%).

Depreciation charges on property, plant and equipment subject to wear and tear are based on the expected useful lives of the individual components of property, plant and equipment. Specifically, the following useful lives are applied:

Useful life	In years
Residential, office, plant and other plant facilities	10 – 50
Hydraulic structures	20 – 100
Gas pipelines	30
Machinery	10 – 80
Electrical installations	3 – 50
Power lines	50
Operating and office equipment	4 – 10

The expected useful life of hydropower plants is determined independently of the duration of water rights permits because it is presumed that the permits will be reissued when they expire. Based on experience, this also applies to those Bavarian run-of-river power plants that have reversion rights for the benefit of the Free State of Bavaria. The expected useful life of Donaukraftwerk Jochenstein was also determined independently of an existing obligation to return the power plant in 2050 (see section 8.2 "Other non-current liabilities"), since it is expected that VERBUND will continue to own and operate Donaukraftwerk Jochenstein even after the year 2050.

In accordance with IAS 36, the recoverability of the carrying amounts of items of property, plant and equipment is tested whenever there is an indication that an asset may be impaired (see section 4.4 "Recoverability of non-financial assets").

4.2.1 Property, plant and equipment

Property, plant and equipment €m

	Land and buildings	Machinery	Electrical installations	Power lines	Office and plant equipment	Gas pipelines	Plants under construction and projects	Total
2025								
Cost as at 1/1	8,889.6	5,857.6	5,250.6	1,704.6	333.7	778.1	2,220.7	25,034.7
Foreign exchange differences	–1.4	–5.8	–0.4	0.0	0.0	0.0	0.0	–7.6
Change in the scope of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	139.4	139.4
Additions from asset acquisitions	0.0	37.8	0.0	0.0	0.0	0.0	21.0	58.8
Additions	65.1	53.9	75.6	0.5	25.7	5.1	1,013.4	1,239.3
Disposals	–4.3	–11.5	–42.8	–15.5	–23.6	–0.4	–4.2	–102.4
Reclassifications[1]	414.1	139.9	437.8	674.4	23.0	1.2	–1,694.0	–3.5
Cost as at 31/12	**9,363.2**	**6,071.9**	**5,720.8**	**2,364.0**	**358.7**	**784.1**	**1,696.2**	**26,358.6**
Accumulated depreciation as at 1/1	3,895.8	3,274.8	3,056.1	949.8	219.9	553.7	14.9	11,964.9
Foreign exchange differences	–0.7	–2.9	–0.2	0.0	0.0	0.0	0.0	–3.8
Change in the scope of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	34.2	34.2
Depreciation and amortisation	130.4	167.5	186.1	46.0	29.3	17.1	0.0	576.3
Impairment losses	2.8	10.7	22.0	0.0	0.0	0.0	12.8	48.4
Reversals of impairment losses	–0.1	–1.2	–0.1	0.0	0.0	0.0	–21.7	–23.1
Disposals	–2.1	–8.2	–39.2	–8.3	–22.9	–0.4	–0.1	–81.1
Reclassifications	5.2	–2.6	0.3	0.0	0.3	–4.7	1.7	0.3
Accumulated depreciation as at 31/12	**4,031.3**	**3,438.2**	**3,225.0**	**987.5**	**226.5**	**565.8**	**41.9**	**12,516.0**
Net carrying amount as at 31/12	**5,331.8**	**2,633.8**	**2,495.8**	**1,376.5**	**132.2**	**218.3**	**1,654.3**	**13,842.6**
Net carrying amount as at 1/1	4,993.9	2,582.8	2,194.5	754.9	113.8	224.4	2,205.8	13,069.9

[1] Reclassifications under "plants under construction and projects" mainly relate to the Limberg III investment project and the 380-kV high-voltage Salzburg line

Property, plant and equipment €m

	Land and buildings	Machinery	Electrical installations	Power lines	Office and plant equipment	Gas pipelines	Plants under construction and projects	Total
2024								
Cost as at 1/1	8,597.7	5,580.6	4,952.3	1,688.6	297.8	771.9	1,998.4	23,887.2
Additions	96.4	170.0	114.5	4.8	39.4	6.8	752.5	1,184.5
Disposals	–2.0	–10.3	–8.6	–0.4	–8.6	–0.7	–1.7	–32.2
Reclassifications	197.5	117.2	192.3	11.5	5.1	0.1	–528.5	–4.8
Cost as at 31/12	8,889.6	5,857.6	5,250.6	1,704.6	333.7	778.1	2,220.7	25,034.7
Accumulated depreciation as at 1/1	3,728.1	3,031.4	2,867.9	912.2	196.9	437.0	15.8	11,189.2
Additions	0.0	23.4	0.0	0.0	0.0	0.0	0.0	23.4
Depreciation and amortisation	122.6	165.0	165.4	35.4	28.6	20.0	0.0	537.0
Impairment losses	40.6	78.0	37.4	2.2	2.5	97.4	8.7	266.9
Reversals of impairment losses	–5.7	–13.2	–9.3	0.0	0.0	0.0	0.0	–28.3
Disposals	–0.6	–7.8	–7.0	0.0	–8.2	–0.7	0.0	–24.2
Reclassifications	10.8	–2.0	1.7	0.0	0.1	0.0	–9.6	0.9
Accumulated depreciation as at 31/12	3,895.8	3,274.8	3,056.1	949.8	219.9	553.7	14.9	11,964.9
Net carrying amount as at 31/12	4,993.9	2,582.8	2,194.5	754.9	113.8	224.4	2,205.8	13,069.9
Net carrying amount as at 1/1	4,869.5	2,549.3	2,084.4	776.5	100.9	334.9	1,982.5	12,697.9

Additions[1] €m

	2024	**2025**
Replacement and general overhaul of substations	83.5	187.0
Kaprun – Limberg III power plant	168.7	135.5
Upper Austrian grid area/Weinviertel	76.4	103.0
380-kV Salzburg line	68.3	101.9
Automation of hydropower plants	47.0	67.7
Wind parks acquired in Germany	71.1	37.8
Battery storage projects	11.9	36.7
Photovoltaic projects under construction in Spain	25.1	31.9
Landl power plant	0.0	26.9
Laufnitzdorf power plant	10.9	24.7
Reißeck pumping station	18.9	22.3
Wind projects under construction in Germany	0.0	21.0
Braunau/Simbach power plant	0.0	20.8
Egglfing-Obernberg power plant	0.0	15.4
Other additions (< €15.0m each)	579.3	465.7
Additions to property, plant and equipment and additions from asset acquisitions	1,161.1	**1,298.1**

[1] The additions relating to acquisitions from subsidiaries classified as acquisitions of assets (see Scope of consolidation in section 1.2) are reported as net values (acquisition costs less accumulated depreciation and amortisation).

Government grants

Government investment grants do not reduce the cost of the assets for which they were granted, but instead lead to the recognition of an item of deferred income in the amount of the fair value of the assets. The deferred income is reversed to profit or loss over the expected useful life of the respective asset.

Contributions to building costs

Contributions to building costs – which are made in particular by provincial energy companies authorised to purchase electricity, for example for power plant projects – lead to the recognition of a liability. Upon payment of the contribution to building costs, the entities authorised to purchase electricity are given the opportunity to purchase a volume of electricity equal to their share of the contribution made, in exchange for reimbursement of the production costs. The liability is therefore reversed to profit or loss and recognised in revenue, either over the contractual term or (for lack of such) over the useful life of the plant. The amount reversed to revenue in the reporting period was €29.5m (previous year: €27.9m).

4.2.2 Contributions to building costs and grants

Contributions to building costs and grants		€m
	2024	**2025**
Contributions to building costs	766.4	782.2
Government grants	46.0	58.4
Contributions to building costs and grants	812.4	**840.7**

4.3 Leases

VERBUND's leases mainly comprise agreements for the provision of power plants, buildings, land, power lines and vehicles.

Initial recognition of leases

At the inception of a contract, VERBUND assesses whether the contract is or contains a lease. If it is a lease, a right-of-use asset and a lease liability are recognised at the commencement date. The amount of the right-of-use asset when the contract is first recognised corresponds to the amount of the lease liability, adjusted, among other things, for any direct costs incurred by the lessee, prepayments, lease incentives or dismantling obligations. The carrying amount of the lease liability is derived by discounting the lease payments expected during the term of the lease, the expected cash flows from residual value guarantees, the exercise prices for purchase options (if it is reasonably likely that the option will be exercised) and payments of penalties for early termination of the lease (if it is likely that the lease will be terminated early). The carrying amount is discounted at the interest rate implicit in the lease if that rate can be readily determined. Otherwise, the carrying amount is discounted based on VERBUND's incremental borrowing rate.

Determination of the term of leases

Determining the term of a lease when no clear fixed term has been agreed in advance can be subject to judgement. All facts and circumstances that represent an economic incentive to exercise a renewal option or to refrain from exercising a termination option are taken into account when determining the lease term. For land leases in particular, contracts are frequently concluded either for as long as the leased power plant or line is expected to continue to function at its present level or for an indefinite period. In the latter case, the presumed duration of the lease is based on the expected useful life of the power plant or line.

Subsequent measurement of leases

Right-of-use assets are depreciated from the commencement date to the earlier of the end of the useful life of the respective right-of-use asset or the end of the lease term. The carrying amount of the lease liability increases as interest accrues and decreases as lease payments are made.

Right-of-use assets €m

	Land and buildings	Electrical installations	Power lines	Operating and office equipment	Total
As at 1/1/2025	150.5	8.4	28.5	7.3	194.6
Additions	19.5	0.0	17.4	5.3	42.3
Depreciation	–13.5	–0.7	–0.4	–3.4	–18.1
Disposals	0.0	0.0	–0.2	–1.2	–1.4
As at 31/12/2025	156.4	7.7	45.3	8.0	217.4

Right-of-use assets €m

	Land and buildings	Electrical installations	Power lines	Operating and office equipment	Total
As at 1/1/2024	129.9	13.1	21.1	5.7	169.7
Additions	33.0	0.3	7.4	4.5	45.2
Depreciation	–12.2	–0.7	0.0	–2.7	–15.7
Disposals	–0.2	–4.2	0.0	–0.2	–4.6
As at 31/12/2024	150.5	8.4	28.5	7.3	194.6

Amounts from leases recognised in profit or loss €m

	2024	**2025**
Expenses from unwinding the discount on the lease liability	4.2	**4.5**
Variable lease payments that were not recognised in the lease liability	2.5	**0.5**
Expenses from short-term leases[1]	67.8	**77.2**
Expenses from underlying assets of low value	0.2	**0.2**

[1] Mainly relate to short-term congestion management contracts. These contracts serve to secure reserve capacity that can be called up in the event of congestion.

Variable lease payments that are not factored into the measurement of the lease liability in accordance with IFRS 16 relate in particular to leases for wind power plants in Austria.

Expected cash outflows as at 31/12/2025 €m

Maturity	2026	2027	2028–2030	From 2031
Cash outflows on lease liabilities in accordance with IFRS 7	23.4	22.2	55.2	224.7

Expected cash outflows as at 31/12/2024				€m
Maturity	2025	2026	2027–2029	From 2030
Cash outflows on lease liabilities in accordance with IFRS 7	18.2	18.2	46.8	208.8

4.4 Recoverability of non-financial assets

Recoverability of intangible assets and property, plant and equipment

Under IAS 36, the recoverability of carrying amounts is tested whenever there is an indication that an asset may be impaired, especially in the case of intangible assets and property, plant and equipment. An impairment test is required to be conducted at least once per year for goodwill, intangible assets with an indefinite useful life and intangible assets that are not yet available for use (see section 4.4.1 "Impairment testing of goodwill").

Determination of the discount rate

The discount rate is an after-tax interest rate that reflects current market estimates, the time value of money and the specific risks associated with an asset (or cash-generating unit). The corresponding pre-tax interest rate is calculated iteratively.

The weighted average cost of capital (WACC) is applied to determine recoverable amounts using net present value methods. The weighting of the return on equity and the cost of debt was derived from an adequate peer group. The return on equity is determined using a capital asset pricing model (CAPM) based on the reference rate, the market risk premium and a beta factor. The pre-tax cost of debt corresponds to the return on debt instruments traded on the market with an equivalent risk of default and matching terms. Corresponding premiums are taken into account in order to adequately depict country risks. In view of the volatile financial market environment, the WACC trend (and in particular country risk premiums) is under continuous observation.

Determination of fair value

Fair values are primarily calculated using a market-based approach in accordance with the measurement hierarchy of IFRS 13. Fair value may be based on, for example, binding purchase offers, observable inputs other than quoted prices in active markets (Level 2 inputs) or comparable recent transactions within the industry. If fair value cannot be determined based on market prices, valuation techniques based on a net present value method (discounted cash flow method) are used. Future growth CapEx and restructuring expenditure are taken into account when calculating fair value. If a liquid market exists, price listings for energy futures are used for pricing purposes. This involves taking the most recent price listings and applying them to the price forecast from a reputable information service provider operating in the energy market.

The financial surplus expected in the period after the end of applicability of the price forecasts for the energy market (= terminal value phase) is accounted for by means of a terminal value calculation, whereby the calculation is based on the assumption that the financial surplus will grow at a rate of 2%.

Determination of value in use

As a rule, value in use is determined using net present value methods (discounted cash flow method). Prices are calculated on the basis of price listings for energy futures and the VERBUND Outlook model. VERBUND Outlook is an energy simulation tool used to model medium and long-term electricity and natural gas price scenarios for energy markets. Cash flows are generally derived from the current medium-term forecasts approved by management.

The financial surplus expected in the period after the end of applicability of the price forecasts in the VERBUND Outlook model (= terminal value phase) is taken into account using a terminal value calculation, whereby the calculation is based on the assumption that the financial surplus will grow at a rate of 2%.

Recognition of impairment losses and reversals of impairment losses

If the reasons for impairment no longer apply in a subsequent period, an impairment loss reversal is recognised under profit or loss. Both impairment losses as well as reversals of impairment losses are recognised in profit or loss and presented in the income statement as well as in the segment report as either impairment losses or reversals of impairment losses and explained in the notes.

4.4.1 Impairment testing of goodwill

For the purpose of impairment testing, VERBUND's goodwill was allocated to the following cash-generating units or groups of cash-generating units:

Goodwill		€m
	2024	**2025**
Hydro segment	287.0	287.0
Sales segment	13.0	13.0
Inn River power plant group	126.6	126.6
Grenzkraftwerke power plant group	161.1	161.1
SMATRICS GmbH & Co KG	40.5	40.5
Solar power	6.4	6.4
Goodwill	634.6	**634.6**

Impairment testing of goodwill for the Hydro segment

	31/12/2024	**31/12/2025**
Group of cash-generating units	All hydraulic generation plants of VERBUND plus goodwill and deferred tax items	All hydraulic generation plants of VERBUND plus goodwill and deferred tax items
Basis for recoverable amount	Value in use	Value in use
Valuation technique	Sum-of-the-parts measurement based on a net present value approach (DCF method)	Sum-of-the-parts measurement based on a net present value approach (DCF method)
Derivation of cash flow	VERBUND's budgets (based primarily on market data)	VERBUND's budgets (based primarily on market data)
Volume	Average expected generation of the respective power plants	Average expected generation of the respective power plants
Pricing	Internal price forecasts and power plant-specific premiums or discounts (for example, the sale of guarantees of origin)	Internal price forecasts and power plant-specific premiums or discounts (for example, the sale of guarantees of origin)
Planning period	Detailed planning phase: up to a maximum of 6 years depending on the specific power plant; rough planning phase: up to a maximum of 30 years depending on the specific power plant; subsequent terminal value phase following rough planning phase depending on the specific power plant	Detailed planning phase: up to a maximum of 6 years depending on the specific power plant; rough planning phase: up to a maximum of 29 years depending on the specific power plant; subsequent terminal value phase following rough planning phase depending on the specific power plant
Key valuation assumptions	Electricity price, discount rate	Electricity price, discount rate
After-tax discount rate[1]	WACC: 5.00%–9.50% depending on the location	WACC: 5.50%–9.25% depending on the location
Impairment loss during the period[2]	–	–

[1] The implicit input tax interest rate determined through a process of iteration amounted to 6.59%– 10.52% (previous year: 6.15%– 10.75%). // [2] In the opinion of Management, the carrying amount of the Hydro segment's assets including goodwill will not exceed the recoverable amount, even if any of the changes in key valuation assumptions considered possible by Management actually occur.

Impairment testing of goodwill for the Sales segment

	31/12/2024	**31/12/2025**
Group of cash-generating units	All of VERBUND's sales activities plus goodwill	All of VERBUND's sales activities plus goodwill
Basis for recoverable amount	Value in use	Value in use
Valuation technique	Sum-of-the-parts measurement based on a net present value approach (DCF method)	Sum-of-the-parts measurement based on a net present value approach (DCF method)
Derivation of cash flow	VERBUND's budgets (based primarily on market data)	VERBUND's budgets (based primarily on market data)
Volume	Expected trading and distribution volumes	Expected trading and distribution volumes
Pricing	Expected trading and distribution volumes	Expected trading and distribution volumes
Planning period	Detailed planning phase of 6 years followed by a terminal value phase	Detailed planning phase of 6 years followed by a terminal value phase
Key valuation assumptions	Expected trading and distribution volumes as well as trading and sales margins	Expected trading and distribution volumes as well as trading and sales margins
After-tax discount rate[1]	WACC after taxes: 5.00%– 11.75%	WACC after taxes: 5.50%– 9.25%
Impairment loss during the period[2]	–	–

[1] The implicit input tax interest rate determined through a process of iteration amounted to 7.31%– 11.04% (previous year: 7.10%– 12.89%) // [2] In the opinion of Management, the carrying amount of the Sales segment's assets including goodwill will not exceed the recoverable amount, even if any of the changes in key valuation assumptions considered possible by Management actually occur.

Impairment testing of goodwill for the Inn River run-of-river power plant group

	31/12/2024	**31/12/2025**
Group of cash-generating units	Run-of-river power plants of the Inn River power plant group[1], each of which also represents a cash-generating unit, plus goodwill and deferred tax accruals	Run-of-river power plants of the Inn River power plant group[1], each of which also represents a cash-generating unit, plus goodwill and deferred tax accruals
Basis for recoverable amount	Value in use	Fair value (Level 3) less costs of disposal
Valuation technique	Net present value approach (DCF method)	Net present value approach (DCF method)
Derivation of cash flow	VERBUND Innkraftwerke GmbH budgets (based primarily on market data)	VERBUND Innkraftwerke GmbH budgets (based primarily on market data)
Volume	Annual output corresponding to the mean energy capability of 1,983 GWh	Annual output corresponding to the mean energy capability of 1,983 GWh
Pricing	Internal price forecasts; discounts for generation characteristics and hydrological forecast and availability risk; premium for additional proceeds from the sale of guarantees of origin (derived from quoted price); consideration of water charges based on official notices; estimate of maintenance costs by the managers responsible	External price forecasts; discounts for generation characteristics and the hydrological forecast and availability risk; premium for additional proceeds from the sale of guarantees of origin (derived from quoted prices); consideration of the water charges based on official notices; estimate of the maintenance costs by the managers responsible
Planning period	Detailed planning phase: 6 years; rough planning phase: 30 years followed by a terminal value phase	Detailed planning phase: 6 years; rough planning phase: 29 years followed by a terminal value phase
Key valuation assumptions	Electricity price, discount rate	Electricity price, discount rate
After-tax discount rate[2]	WACC: 5.00%	WACC: 5.50%
Impairment loss during the period[3]	–	–

[1] The Inn River power plant group comprises the following run-of-river power plants: Aubach, Feldkirchen, Gars, Jettenbach II, Neuötting, Perach, Rosenheim, Stammham, Teufelsbruck, Töging, Wasserburg. // [2] The implicit input tax interest rate determined through a process of iteration amounted to 6.53% (previous year: 6.15%). // [3] In the opinion of Management, the carrying amount of Kraftwerksgruppe Inn assets including goodwill will not exceed the recoverable amount, even if any of the changes in key valuation assumptions considered possible by Management actually occur.

Impairment testing of goodwill for the Grenzkraftwerke run-of river power plant group[1]

	31/12/2024	**31/12/2025**
Group of cash-generating units	Run-of-river power plants of the Grenzkraftwerke power plant group[2], each of which represents a cash-generating unit, plus goodwill and deferred tax accruals	Run-of-river power plants of the Grenzkraftwerke power plant group[2], each of which represents a cash-generating unit, plus goodwill and deferred tax accruals
Basis for recoverable amount	Value in use	Fair value (Level 3) less costs of disposal
Valuation technique	Net present value approach (DCF method)	Net present value approach (DCF method)
Derivation of cash flow	Grenzkraftwerke GmbH's budgets (based primarily on market data)	Grenzkraftwerke GmbH's budgets (based primarily on market data)
Volume	Annual output corresponding to the mean energy capability of 3,957 GWh	Annual output corresponding to the mean energy capability of 3,999 GWh
Pricing	Internal price forecasts; discounts for generation characteristics and hydrological forecast and availability risk; premium for additional proceeds from the sale of guarantees of origin (derived from quoted price); consideration of water charges based on official notices; estimate of maintenance costs by the managers responsible	External price forecasts; discounts for generation characteristics and the hydrological forecast and availability risk; premium for additional proceeds from the sale of guarantees of origin (derived from quoted prices); consideration of the water charges based on official notices; estimate of the maintenance costs by the managers responsible
Planning period	Detailed planning phase: 6 years; rough planning phase: 30 years followed by a terminal value phase	Detailed planning phase: 6 years; rough planning phase: 29 years followed by a terminal value phase
Key valuation assumptions	Electricity price, discount rate	Electricity price, discount rate
After-tax discount rate[3]	WACC: 5.25%	WACC: 5.75%
Impairment loss during the period[4]	–	–

[1] The following information relates to the second step of the two-step impairment test of the Grenzkraftwerke power plant group. The recoverability of the individual run-of-river power plant assets was tested in the first step. // [2] The Grenzkraftwerke power plant group comprises the following power plants: Braunau-Simbach, Egglfing-Obernberg, Ering-Frauenstein, Jochenstein, Nußdorf, Oberaudorf-Ebbs, Passau-Ingling and Schärding-Neuhaus. // [3] The implicit input tax interest rate determined through a process of iteration amounted to 6.81%– 6.87% (previous year: 6.35%– 6.43%). // [4] In the opinion of Management, the carrying amount of the Grenzkraftwerke power plant group's assets (less deferred tax liabilities) including goodwill will not exceed the recoverable amount, even if any of the changes in key valuation assumptions considered possible by Management actually occur.

Impairment testing of goodwill for SMATRICS GmbH & Co KG

	31/12/2024	**31/12/2025**
Cash-generating unit	SMATRICS GmbH & Co KG, full-service provider for electromobility charging solutions	SMATRICS GmbH & Co KG, full-service provider for electromobility charging solutions
Basis for recoverable amount	Value in use	Value in use
Valuation technique	Net present value approach (DCF method)	Net present value approach (DCF method)
Derivation of cash flow	SMATRICS GmbH & Co KG budgets (based primarily on market data)	SMATRICS GmbH & Co KG budgets (based primarily on market data)
Volume	Electric vehicle charging points	Electric vehicle charging points
Pricing	Electric vehicle charging rates	Electric vehicle charging rates
Planning period	Detailed planning phase: 11 years plus subsequent terminal value phase	Detailed planning phase: 11 years plus subsequent terminal value phase
Key valuation assumptions	Electric vehicle charging points, discount rate	Electric vehicle charging points, discount rate
After-tax discount rate[1]	WACC: 11.75%	WACC: 9.25%
Impairment loss during the period	–	–

1 The implicit input tax interest rate determined through a process of iteration amounted to 11.04% (previous year: 12.89%).

Sensitivity analysis for SMATRICS GmbH & Co KG as at 31/12/2025

	Value assigned to the key valuation assumption	Change in key valuation assumption[1]	Effects on the recoverable amount
After-tax discount rate	9.25%	± 0.25 PP	€–6.1m €+6.5m

[1] A change in the after-tax discount rate of + 3.39 PP or more would mean that the carrying amount exceeds the recoverable amount.

Sensitivity analysis for SMATRICS GmbH & Co KG as at 31/12/2024

	Value assigned to the key valuation assumption	Change in key valuation assumption[1]	Effects on the recoverable amount
After-tax discount rate	11.75%	± 0.25 PP	€–4.2m €+4.4m

Impairment testing of goodwill from Solarpower

	31/12/2024	**31/12/2025**
Group of cash-generating units	Solarpower (VERBUND Engineers4Energy GmbH/Electriply GmbH): construction of photovoltaic systems and distribution of components	Solarpower (VERBUND Engineers4Energy GmbH/Electriply GmbH): construction of photovoltaic systems and distribution of components
Basis for recoverable amount	Value in use	Value in use
Valuation technique	Net present value approach (DCF method)	Net present value approach (DCF method)
Derivation of cash flow	VERBUND's budgets (based primarily on market data)	VERBUND's budgets (based primarily on market data)
Volume	MWp plant engineering, sales volumes of Photovoltaik components	MWp plant engineering, sales volumes of Photovoltaik components
Pricing	Purchase prices for photovoltaic modules, inverters and mounting structures; purchased installation services; internal forecasts for project costs and own work	Purchase prices for photovoltaic modules, inverters and mounting structures; purchased installation services; internal forecasts for project costs and own work
Planning period	Detailed planning phase: 6 years plus subsequent terminal value phase	Detailed planning phase: 6 years plus subsequent terminal value phase
Key valuation assumptions	Price assumptions (€/MWp), discount rate	Price assumptions (€/MWp), discount rate
After-tax discount rate[1]	WACC: 5.50%	WACC: 5.75%
Impairment loss during the period	–	–

[1] The implicit input tax interest rate determined through a process of iteration amounted to 7.31% (previous year: 7.12%)

Sensitivity analysis for Solarpower as at 31/12/2025

	Value assigned to the key valuation assumption	Change in key valuation assumption[1]	Effects on the recoverable amount
After-tax discount rate	5.75%	± 0.25 PP	€– 1.7m €+ 1.9m

1 A change in the after-tax discount rate of + 5.81 PP or more would mean that the carrying amount exceeds the recoverable amount.

Sensitivity analysis for Solarpower as at 31/12/2024

	Value assigned to the key valuation assumption	Change in key valuation assumption	Effects on the recoverable amount
After-tax discount rate	5.50%	± 0.25 PP	€– 1.8m €+ 2.0m

4.4.2 Impairment testing of power plants and grid infrastructure

Due to the large number of cash-generating units in our Spanish portfolio, we have combined the following notes disclosures pursuant to IAS 36.130 to improve readability and comprehensibility. In so doing, we have presented cash-generating units with similar input parameters in a single table solely for the purpose of presentation in the consolidated financial statements. However, each cash-generating unit was tested separately – independent of the other CGUs – for impairment in accordance with IAS 36.

The renewable generation facilities in Spain were classified as follows:

- Spain renewables portfolio – existing projects (wind and PV)
- Spain renewables portfolio – development projects (PV)
- Spain PV portfolio
- Spain wind portfolio

The table below contains information on existing projects in our Spain renewable portfolio. Existing projects are divided among the following sub-portfolios: Anselma Issuer, S.A.U. with 17 CGUs; Topacio Energy, S.L.U. with 19 CGUs; and VERBUND Green Power Renewable Projects, S.L.U. with three CGUs.

Impairment testing of existing projects in the Spain renewables portfolio

	31/12/2024	**31/12/2025**
Group of cash-generating units	Wind/photovoltaic portfolios with a capacity of 174.1 MWp in operation (Anselma Issuer, S.A.U.; Topacio Energy, S.L.U. and VERBUND Green Power Renewable Projects, S.L.U.)	Wind/photovoltaic portfolios with a capacity of 174.7 MWp in operation (Anselma Issuer, S.A.U.; Topacio Energy, S.L.U. and VERBUND Green Power Renewable Projects, S.L.U.)
Basis for recoverable amount	Value in use	Value in use and fair value (level 3) less costs of disposal
Indications of impairment	Updated electricity price forecasts and updated discount rate	Updated electricity price forecasts and updated discount rate
Valuation technique	Net present value approach (DCF method)	Net present value approach (DCF method)
Derivation of cash flow	VERBUND's budgets (based primarily on market data)	VERBUND's budgets (based primarily on market data)
Volume	Electricity generation	Electricity generation
Pricing	Tariffs for the next 13–16 years, followed by internal price forecasts (Anselma Issuer, S.A.U.; Topacio Energy, S.L.U.) or internal price forecasts only (VERBUND Green Power Renewable Projects, S.L.U.)	Tariffs for the next 12–15 years, followed by internal price forecasts (Anselma Issuer, S.A.U.; Topacio Energy, S.L.U.) or internal price forecasts only (VERBUND Green Power Renewable Projects, S.L.U.)
Planning period	Detailed planning phase: 6 years; rough planning phase: 12–13 years for the Anselma Issuer, S.A.U. portfolio, 12–15 years for the Topacio Energy, S.L.U. portfolio and 29 years for the VERBUND Green Power Renewable Projects, S.L.U. portfolio.	Detailed planning phase: 6 years; rough planning phase: 11–12 years for the Anselma Issuer, S.A.U. portfolio, 11–14 years for the Topacio Energy, S.L.U. portfolio and 24–29 years for the VERBUND Green Power Renewable Projects, S.L.U. portfolio.
Key valuation assumptions	Electricity price, discount rate	Electricity price, discount rate
After-tax discount rate[1]	WACC: 5.00% / 5.50%	WACC: 5.25%/5.75%
Recoverable amount	€438.9m	€396.0m
Change in value during the period[2]	€–7.2m	€–17.3m

[1] Since the return on the Anselma Issuer, S.A.U. and Topacio Energy, S.L.U. portfolios is protected by tariff rate quotas for the next 12 to 15 years, followed by a period of merchant marketing, two different WACCs were used for the valuation. Merchant marketing is used exclusively with respect to the VERBUND Green Power Renewable Projects, S.L.U. portfolio. The implicit input tax interest rate determined through a process of iteration amounted to 6.68%–8.48% (previous year 6.79%–8.69%). // [2] The impairment loss as at 31 December 2025 comprised reversals of impairment losses at four CGUs from the Anselma Issuer, S.A.U. portfolio in a total amount of €–0.5m (previous year reversals of impairment losses in a total amount of €+7.7m); reversals of impairment losses at three CGUs from the Topacio Energy, S.L.U. portfolio in a total amount of €–0.1m (previous year: reversals of impairment losses in a total amount of €+7.3m) and impairment losses at three CGUs in the VERBUND Green Power Renewable Projects, S.L.U. portfolio in a total amount of €–16.7m (previous year: €22.3m).

Sensitivity analysis for existing projects in the Spain renewables portfolio as at 31/12/2025[1]

	Value assigned to the key valuation assumption	Change in the key valuation assumption	Effects on the recoverable amount of the Anselma Issuer, S.A.U. portfolio	Effects on the recoverable amount of the Topacio Energy, S.L.U. portfolio	Effects on the recoverable amount of the VERBUND Green Power Renewable Projects, S.L.U. portfolio
After-tax discount rate	5.25% / 5.75%	± 0.25 PP	€–1.9m €+1.9m	€–2.7m €+2.8m	€–2.8m €+3.0m
Electricity price	€26.50/€33.88 per MWh (PV)/€71.45 per MWh (wind)	± 5%	€+0.2m €–0.2m	€+0.2m €–0.2m	€+5.6m €–5.6m

[1] When performing the sensitivity analysis, key valuation assumptions are changed one at a time while the other parameters are kept constant. In reality, however, changes in key valuation assumptions can occur simultaneously, which can either amplify or (at least partly) neutralise their impact.

Sensitivity analysis for existing projects in the Spain renewables portfolio as at 31/12/2024

	Value assigned to the key valuation assumption	Change in key valuation assumption	Effects on the recoverable amount, Anselma Issuer, S.A.U. portfolio	Effects on the recoverable amount, Topacio Energy, S.L.U. portfolio	Effects on the recoverable amount of the VERBUND Green Power Renewable Projects, S.L.U. portfolio
After-tax discount rate	5.00% / 5.50%	± 0.25 PP	€–2.3m €+2.3m	€–3.1m €+3.2m	€–1.3m €+1.4m
Electricity price	€37.0 per MWh (PV)/€76.4 per MWh (wind)	± 5%	€+0.2m €–0.2m	€+0.1m €–0.1m	€+2.4m €–2.4m

The table of development projects in the Spain renewables portfolio includes 18 CGUs from the Tejo Solar, S.L.U. portfolio.

Impairment testing of development projects in Spain renewables portfolio

	31/12/2024	**31/12/2025**
Group of cash-generating units	Photovoltaic portfolios with a capacity of 1,576.7 MW under development (Tejo Solar, S.L.U.)	Photovoltaic portfolios with a capacity of 1,548.4 MW under development (Tejo Solar, S.L.U.)
Basis for recoverable amount	Value in use	Fair value (Level 3) less costs of disposal
Indications of impairment	Updated electricity price forecasts, updated discount rate, increase in CapEx and postponement of commissioning	Updated electricity price forecasts and updated discount rate
Valuation technique	Net present value approach (DCF method)	Net present value approach (DCF method)
Derivation of cash flow	VERBUND's budgets (based primarily on market data)	VERBUND's budgets (based primarily on market data)
Volume	Electricity generation	Electricity generation
Pricing	Internal price forecast for projects, premium for additional proceeds from the sale of guarantees of origin (derived from quoted prices)	External price forecast for projects, premium for additional proceeds from the sale of guarantees of origin (derived from quoted prices)
Planning period	Detailed planning phase: 6 years; rough planning phase: 29 years (PV)	Detailed planning phase: 6 years; rough planning phase: 29 years (PV)
Key valuation assumptions	Electricity price, discount rate	Electricity price, discount rate
After-tax discount rate[1]	WACC: 5.50%	WACC: 5.75%
Recoverable amount	€222.4m	€407.3m
Change in value during the period[2]	€+64.5m	€+47.5m

[1] The implicit input tax interest rate determined through a process of iteration amounted to 7.03% (previous year: 6.79%) // [2] The impairment loss as at 31 December 2025 consisted of impairment losses and reversals of impairment losses at 15 CGUs in the Tejo Solar, S.L.U. portfolio totalling €+47.5m (previous year: €+64.5m for 19 CGUs in the Tejo Solar, S.L.U. portfolio.

Sensitivity analysis for development projects in the Spain renewables portfolio as at 31/12/2025[1]

	Value assigned to the key valuation assumption	Change in key valuation assumption	Effects on the recoverable amount, portfolio Tejo Solar, S.L.U.[2]
After-tax discount rate	5.75%	± 0.25 PP	€– 42.5m €+ 45.0m
Electricity price[3]	€26.5 per MWh	± 5%	€+ 69.2m €– 68.7m

[1] When performing the sensitivity analysis, key valuation assumptions are changed one at a time while the other parameters are kept constant. In reality, however, changes in key valuation assumptions can occur simultaneously, which can either amplify or (at least partly) neutralise their impact. // [2] The sensitivities shown only relate to the 17 projects affected by impairment (previous year: 19 projects). // [3] The electricity price shown relates to the year 2030. The sensitivity analysis varies the price of electricity steadily over time up to the planning horizon.

Sensitivity analysis for development projects in the Spain renewables portfolio as at 31/12/2024

	Value assigned to the key valuation assumption	Change in key valuation assumption	Effects on the recoverable amount, portfolio Tejo Solar, S.L.U.
After-tax discount rate	5.50%	± 0.25 PP	€– 34.3m €+ 36.4m
Electricity price	€37.0 per MWh	± 5%	€+ 61.7m €– 58.9m

Impairment testing of the Spain photovoltaic portfolio

	31/12/2024	**31/12/2025**
Group of cash-generating units	148 MWp photovoltaic portfolio in Spain (Watt Development 5 S.L.U., Watt Development 6 S.L.U., Watt Development 7 S.L.U.)	148 MWp photovoltaic portfolio in Spain (Watt Development 5 S.L.U., Watt Development 6 S.L.U., Watt Development 7 S.L.U.)
Basis for recoverable amount	Value in use	Fair value (Level 3) less costs of disposal
Indications of impairment	Updated electricity price forecasts and updated discount rate	Updated electricity price forecasts and updated discount rate
Valuation technique	Net present value approach (DCF method)	Net present value approach (DCF method)
Derivation of cash flow	VERBUND's budgets (based primarily on market data)	VERBUND's budgets (based primarily on market data)
Volume	Electricity generation	Electricity generation
Pricing	Internal price forecast, premium for additional proceeds from the sale of guarantees of origin (derived from quoted prices)	External price forecast, premium for additional proceeds from the sale of guarantees of origin (derived from quoted prices)
Planning period	Detailed planning phase: 6 years; rough planning phase: 28 years	Detailed planning phase: 6 years; rough planning phase: 27 years
Key valuation assumptions	Discount rate	Discount rate
After-tax discount rate[1]	WACC: 5.50%	WACC: 5.75%
Recoverable amount	€95.7m	€79.4m
Change in value during the period	€–8.3m	€–12.7m

[1] The implicit input tax interest rate determined through a process of iteration amounted to 6.71% (previous year: 6.51%).

Sensitivity analysis for the Spain photovoltaic portfolio as at 31/12/2025[1]

	Value assigned to the key valuation assumption	Change in key valuation assumption	Effects on the recoverable amount
After-tax discount rate	5.75%	± 0.25 PP	€–3.0m €+3.1m
Electricity price[2]	€26.5 per MWh	± 5%	€+5.7m €–5.7m

[1] When performing the sensitivity analysis, key valuation assumptions are changed one at a time while the other parameters are kept constant. In reality, however, changes in key valuation assumptions can occur simultaneously, which can either amplify or (at least partly) neutralise their impact. // [2] The electricity price shown relates to the year 2030. The sensitivity analysis varies the price of electricity steadily over time up to the planning horizon.

Sensitivity analysis for the Spain photovoltaic portfolio as at 31/12/2024

	Value assigned to the key valuation assumption	Change in key valuation assumption	Effects on the recoverable amount
After-tax discount rate	5.50%	± 0.25 PP	€– 3.2m €+ 3.3m
Electricity price	€37.0 per MWh	± 5%	€+ 6.1m €– 6.1m

Impairment testing of the Spain wind portfolio

	31/12/2024	**31/12/2025**
Group of cash-generating units	256 MWp wind portfolio with nine operating wind farms in Spain (Green Power Wind Spain 1, S.L.U., Green Power Wind Marquesado, S.L.U.)	256 MWp wind portfolio with nine operating wind farms in Spain (Green Power Wind Spain 1, S.L.U., Green Power Wind Marquesado, S.L.U.)
Basis for recoverable amount	Fair value (Level 3) less costs of disposal	Fair value (Level 3) less costs of disposal
Indications of impairment	Updated electricity price forecasts and updated discount rate	Updated electricity price forecasts and updated discount rate
Valuation technique	Net present value approach (DCF method)	Net present value approach (DCF method)
Derivation of cash flow	VERBUND's budgets (based primarily on market data)	VERBUND's budgets (based primarily on market data)
Volume	Electricity generation	Electricity generation
Pricing	External price forecast for projects, premium for additional proceeds from the sale of guarantees of origin (derived from quoted prices)	External price forecast for projects, premium for additional proceeds from the sale of guarantees of origin (derived from quoted prices)
Planning period	Detailed planning phase: 6 years; rough planning phase: 49 years	Detailed planning phase: 6 years; rough planning phase: 48 years
Key valuation assumptions	Electricity price, discount rate	Electricity price, discount rate
After-tax discount rate[1]	WACC: 5.00% / 5.50%	WACC: 5.25% / 5.75%
Recoverable amount	€431.2m	€367.4m
Change in value during the period	€+11.6m	€– 6.8m

[1] Since the return is protected by tariff rate quotas for up to 19 years, followed by a period of merchant marketing, two WACCs were used for the valuation.

Sensitivity analysis for the Spain wind portfolio as at 31/12/2025[1]

	Value assigned to the key valuation assumption	Change in key valuation assumption	Effects on the recoverable amount
After-tax discount rate	5.25% / 5.75%	± 0.25 PP	€– 15.3m €+ 16.3m
Electricity price	€63.9 per MWh	n/a	€+ 29.0m €– 29.0m

[1] When performing the sensitivity analysis, key valuation assumptions are changed one at a time while the other parameters are kept constant. In reality, however, changes in key valuation assumptions can occur simultaneously, which can either amplify or (at least partly) neutralise their impact.

Sensitivity analysis for the Spain wind portfolio as at 31/12/2024

	Value assigned to the key valuation assumption	Change in key valuation assumption	Effects on the recoverable amount
After-tax discount rate	5.00% / 5.50%	± 0.25 PP	€– 18.8m €+ 20.2m
Electricity price[2]	€69.7 per MWh	± 5%	€+ 35.4m €– 35.4m

4.5 Interests accounted for using the equity method

The carrying amounts of interests accounted for using the equity method are adjusted to reflect changes in the investee's net assets in accordance with IAS 28. The adjustment is made no later than one quarter following the underlying changes. If VERBUND's share of losses from an interest accounted for using the equity method corresponds to or exceeds the carrying amount of the equity interest, additional losses are only taken into account and recognised as a liability to the extent that legal or constructive obligations have been entered into or payments have been made for the equity-accounted interest. The carrying amount of the equity interest includes the share accounted for using the equity method plus all non-current interests that are to be allocated to the net investment in the interest accounted for using the equity method based on their economic substance.

Net investments in associated companies and joint ventures are reviewed for objective indications of impairment at the reporting date. If there are any such indications, interests accounted for using the equity method must be tested for impairment in accordance with IAS 36.

4.5.1 Interests accounted for using the equity method

Interests accounted for using the equity method		€m
	2024	**2025**
(Amortised) cost as at 1/1	549.9	652.6
Additions[1]	17.7	7.8
Dividends[2]	–15.6	–23.3
Result from equity accounting	101.3	85.1
Other comprehensive income from equity accounting	1.4	–10.8
Change in consolidation method	–2.7	0.0
Other changes	0.8	–2.0
(Amortised) cost as at 31/12	652.6	**709.4**
Accumulated value adjustments as at 1/1	–33.1	–19.7
Reversals of impairment losses	13.5	0.0
Accumulated value adjustments as at 31/12	–19.7	**–19.7**
Net carrying amount as at 31/12	633.0	**689.7**
Net carrying amount as at 1/1	516.7	633.0

[1] Of which additions from acquisitions of shares in the amount of €1.2m (previous year: €8.3m)// [2] Of which distributions from KELAG in the amount of €75.6m (previous year: €80.9m), less the prorated dividend from VERBUND Hydro Power GmbH (VHP) to KELAG in the amount of €52.9m (previous year: €67.0m).

A summary of aggregated financial information for material interests accounted for using the equity method is presented in section 13.4 "Subsidiaries, joint ventures and associates of VERBUND".

4.6 Other equity interests

Interests in unconsolidated (for lack of materiality) subsidiaries, associates and joint ventures not accounted for using the equity method and other equity interests are accounted for in accordance with IFRS 9. If these equity interests are held for the long term based on strategic considerations, they are classified as measured at fair value through other comprehensive income (FVOCI). Otherwise, they are classified as measured at fair value through profit or loss (FVPL). Depending on the situation, the fair value of equity interests is derived from market quotations, comparable recent transactions, valuations based on discounted cash flow or market multiples methods or from the cost of the equity interest.

4.6.1 Other equity interests

Other equity interests €m

	Interests in unconsolidated subsidiaries	Other equity interests	Total
2025			
(Amortised) cost as at 1/1	53.8	159.9	213.7
Additions from acquisitions of interests and capital increases	14.1	3.9	18.0
Disposals	–10.3	0.0	–10.3
Reclassifications	0.6	–0.5	0.1
(Amortised) cost as at 31/12	58.2	163.3	221.5
Accumulated value adjustments as at 1/1	11.6	46.7	58.3
Fair value measurement in OCI	4.1	12.6	16.7
Accumulated value adjustments as at 31/12	15.7	59.3	75.0
Net carrying amount as at 31/12	73.9	222.6	296.5
Net carrying amount as at 1/1	65.4	206.6	272.0

Other equity interests €m

	Interests in unconsolidated subsidiaries	Other equity interests	Total
2024			
(Amortised) cost as at 1/1	35.6	144.1	179.7
Additions from acquisitions of interests and capital increases	44.3	15.8	60.1
Disposals	–26.1	0.0	–26.1
(Amortised) cost as at 31/12	53.8	159.9	213.7
Accumulated value adjustments as at 1/1	–5.2	53.0	47.8
Fair value measurement in OCI	1.0	–6.3	–5.3
Reversals of impairment losses	0.1	0.0	0.1
Disposals	15.7	0.0	15.7
Accumulated value adjustments as at 31/12	11.6	46.7	58.3
Net carrying amount as at 31/12	65.4	206.6	272.0
Net carrying amount as at 1/1	30.4	197.1	227.5

4.7 Investments and other non-current receivables

Investments and loans are classified pursuant to the provisions of IFRS 9. Acquisitions and disposals of investments are recognised as at the trading date. The carrying amount of financial assets measured at amortised cost is determined using the effective interest method in consideration of any impairment losses. The carrying amount of financial assets measured at fair value in the balance sheet is derived pursuant to the IFRS 13 fair value hierarchy (see section 5 “Financial instruments”). The notes regarding closed items on the balance sheet can be found in section 8.1 “Financial liabilities” as well as in section 11.1 “Risk management in the finance area”.

4.7.1 Investments and other non-current receivables

Investments and other non-current receivables		€m
	2024	**2025**
Investments – closed items on the balance sheet	347.6	123.6
Other investments and other receivables	455.4	491.7
Total	803.0	**615.3**

Investments – cross-border leasing and closed items on the balance sheet			€m
	Securities (loan stock rights) under closed items on the balance sheet	Other loans under closed items on the balance sheet	Total
2025			
(Amortised) cost as at 1/1	77.9	364.4	442.3
Foreign exchange differences	–9.8	–34.7	–44.5
Additions	5.8	9.1	14.9
Capitalised interest	0.2	6.3	6.5
Disposals	0.0	–93.4	–93.4
Amortised acquisition cost as at 31/12	74.1	251.6	325.8
of which non-current assets	74.1	49.5	123.7
of which current assets	0.0	202.1	202.1

Investments – cross-border leasing and closed items on the balance sheet			€m
	Securities (loan stock rights) under closed items on the balance sheet	Other loans under closed items on the balance sheet	Total
2024			
(Amortised) cost as at 1/1	71.9	329.5	401.4
Foreign exchange differences	4.4	19.0	23.5
Additions	2.8	8.7	11.5
Capitalised interest	0.0	12.3	12.3
Disposals	–1.2	–5.1	–6.4
Amortised acquisition cost as at 31/12	77.9	364.4	442.3
of which non-current assets	77.9	269.7	347.6
of which current assets	0.0	94.7	94.7

As at 31 December 2025, securities consisted of medium-term notes in a notional amount of $84.1m (previous year: $78.1m) and with an amortised cost of €74.1m (previous year: €77.9m).

Securities in the amount of €71.4m (previous year: €77.9m) and loans in the amount of €251.6m (previous year: €364.4m) have been pledged. All of the securities and loans serve as collateral for bank loans.

Securities in the amount of €173.6m (previous year: €174.8m) primarily include shares in investment funds to cover employee benefit obligations. The securities were classified as measured at fair value through profit or loss.

Other investments and other non-current receivables €m

	Loans to affiliated companies – not included in the basis of consolidation	Loans to investees	Securities (loan stock rights)	Other loans	Total
2025					
Cost as at 1/1	0.0	54.8	178.1	7.5	240.4
Additions	0.0	0.3	1.8	0.4	2.5
Disposals	0.0	0.0	0.0	0.0	0.0
Reclassifications	5.4	–4.0	–1.1	0.0	0.4
Cost as at 31/12	5.4	51.1	178.8	7.9	243.2
Accumulated value adjustments as at 1/1	0.0	0.0	–3.3	0.0	–3.3
Impairment losses	0.0	0.0	–2.8	0.0	–2.8
Fair value measurement in OCI	0.0	0.0	0.9	0.0	0.9
Accumulated value adjustments as at 31/12	0.0	0.0	–5.2	0.0	–5.2
Net carrying amount as at 31/12	5.4	51.1	173.6	7.9	238.0
Net carrying amount as at 1/1	0.0	54.8	174.8	7.5	237.2
Net carrying amount of other non-current receivables as at 31/12					253.7
Net carrying amount of other non-current receivables as at 1/1					218.2
Net carrying amount total as at 31/12					491.7
Net carrying amount total as at 1/1					455.4

Other investments and other non-current receivables €m

	Loans to investees	Securities (loan stock rights)	Other loans	Total
2024				
Cost as at 1/1	46.1	177.4	5.8	229.4
Additions	0.0	3.3	1.7	5.0
Disposals	0.0	–0.7	0.0	–0.7
Reclassifications	8.7	–1.9	0.0	6.8
Cost as at 31/12	54.8	178.1	7.5	240.5
Cumulative value adjustments as at 1/1	0.0	–9.6	0.0	–9.6
Reversals of impairment losses	0.0	4.5	0.0	4.5
Fair value through OCI	0.0	1.0	0.0	1.0
Disposals	0.0	0.8	0.0	0.8
Cumulative value adjustments as at 31/12	0.0	–3.3	0.0	–3.3
Net carrying amount as at 31/12	54.8	174.8	7.5	237.2
Net carrying amount as at 1/1	46.1	167.8	5.9	219.8
Net carrying amount of other non-current receivables as at 31/12				218.2
Net carrying amount of other non-current receivables as at 1/1				198.0
Total net carrying amount as at 31/12				455.4
Total net carrying amount as at 1/1				417.8

5. Financial instruments

5.1 Accounting treatment of financial instruments

Primary financial instruments

For information regarding accounting policies for primary financial instruments see:

- Interests accounted for using the equity method – section 4.5
- Other equity interests – section 4.6
- Investments and other non-current receivables – section 4.7
- Working capital – section 6
- Liabilities – section 8

Derivative financial instruments

Derivative financial instruments are recognised at fair value when the contract is entered into and are subsequently measured at fair value. As a rule, unrealised remeasurement gains or losses are recognised in the income statement if the requirements for recognition of hedging relationships (hedge accounting) in accordance with IFRS 9 are not met (see section 5.2 "Accounting treatment of hedging relationships").

Derivative financial instruments with positive fair values are recognised under Receivables from derivative financial instruments, while those with negative fair values are recognised under Liabilities from derivative financial instruments. If a framework agreement including a netting arrangement has been entered into with a counterparty, the positive and negative fair values of the transactions entered into with the counterparty are offset over the corresponding periods for accounting purposes as the aim is to settle on a net basis.

So-called own-use contracts are not accounted for as derivative financial instruments, but instead as executory contracts (own-use exemption). If supplier contracts that previously represented own-use contracts lead to a net settlement within the meaning of IFRS 9, they must be classified as freestanding derivatives and recognised at fair value through profit or loss.

5.1.1 Additional disclosures regarding financial instruments in accordance with IFRS 7

Carrying amounts and fair values by measurement category 31/12/2025 €m

Assets – balance sheet items	Measurement category in accordance with IFRS 9	Level	Carrying amount as at 31/12	Fair value as at 31/12
Interests in unconsolidated subsidiaries	FVOCI	2	44.9	44.9
Interests in unconsolidated subsidiaries	FVOCI	AC	28.9	28.9
Other equity interests	FVOCI	1	22.1	22.1
Other equity interests	FVOCI	2	158.3	158.3
Other equity interests	FVOCI	AC	42.3	42.3
Other equity interests and unconsolidated subsidiaries			296.5	
Derivatives in the energy area	FVPL	2	33.2	33.2
Derivatives in the energy area	FVPL	3	24.5	24.5
Derivatives in the finance area	FVPL	2	24.0	24.0
Receivables from derivative financial instruments			81.6	
Securities	FVPL	1	161.7	161.7
Securities	FVOCI	3	10.1	10.1
Securities	FVOCI	AC	1.9	1.9
Securities – closed items on the balance sheet	AC	2	74.1	73.3
Loans – closed items on the balance sheet	AC	2	49.5	52.9
Loans	AC	2	64.4	65.3
Other	FVPL	3	44.2	44.2
Other	AC	–	169.2	–
Other	–	–	40.3	–
Other investments and non-current other receivables			615.3	
Current tax receivables	–	–	113.0	–
Derivatives in the energy area	FVPL	1	0.2	0.2
Derivatives in the energy area	FVPL	2	103.4	103.4
Derivatives in the energy area	FVPL	3	5.5	5.5
Derivatives in the finance area	FVPL	2	1.8	1.8
Derivatives in the finance area – closed items on the balance sheet	FVPL	2	7.0	7.0
Receivables from derivative financial instruments			117.9	
Trade receivables	AC	–	758.3	–
Receivables from investees	AC	–	35.0	–
Loans to investees	AC	2	5.1	5.0
Other loans	AC	2	0.1	0.1
Loans – closed items on the balance sheet	AC	2	202.2	196.1
Securities	FVPL	1	1.1	1.1
Emission rights	–	–	70.9	–
Other	AC	–	95.5	–

Carrying amounts and fair values by measurement category 31/12/2025 €m

Assets – balance sheet items	Measurement category in accordance with IFRS 9	Level	Carrying amount as at 31/12	Fair value as at 31/12
Other	–	–	173.6	–
Trade receivables, other receivables and securities			1,341.6	
Cash and cash equivalents	AC	–	72.8	–
Aggregated by measurement category				
Financial assets measured at amortised cost	AC		1,526.1	
Financial assets measured at fair value through profit or loss	FVPL		406.5	
Financial assets measured at fair value through other comprehensive income	FVOCI		308.5	

Carrying amounts and fair values by measurement category 31/12/2025 €m

Liabilities – balance sheet items	Measurement category in accordance with IFRS 9	Level	Carrying amount as at 31/12	Fair value as at 31/12
Bonds	AC	2	1,126.7	1,028.9
Financial liabilities to banks and to others	AC	2	799.8	779.6
Financial liabilities to banks – closed items on the balance sheet	AC	2	126.3	129.6
Financial liabilities to banks – closed items on the balance sheet	FVPL – D	2	206.5	206.5
Capital shares attributable to limited partners	–	–	13.4	–
Non-current and current financial liabilities			**2,272.8**	
Derivatives in the energy area	FVPL	2	36.7	36.7
Liabilities from derivative financial instruments			**36.7**	
Electricity supply commitment	–	–	62.4	–
Obligation to return an interest	AC	3	227.1	227.1
Trade payables	AC	–	2.6	–
Lease liabilities	–	–	171.0	
Other	AC	–	541.1	–
Other non-current liabilities			**1,004.2**	
Derivatives in the energy area	FVPL	2	152.4	152.4
Liabilities from derivative financial instruments			**152.4**	
Trade payables	AC	–	241.1	–
Lease liabilities	–	–	15.9	
Other	AC	–	573.1	–
Other	–	–	175.6	–
Trade payables and current other liabilities			**1,005.6**	
Aggregated by measurement category				
Financial liabilities measured at amortised cost	AC		3,637.8	
Financial liabilities measured at fair value through profit or loss	FVPL		189.1	
Financial liabilities measured at fair value through profit or loss – designated	FVPL – D		206.5	

Carrying amounts and fair values by measurement category 31/12/2024 €m

Assets – balance sheet items	Measurement category in accordance with IFRS 9	Level	Carrying amount	Fair value
Interests in unconsolidated subsidiaries	FVOCI	2	40.9	40.9
Interests in unconsolidated subsidiaries	FVOCI	AC	13.0	13.0
Interests in unconsolidated subsidiaries	FVPL	3	10.4	10.4
Other equity interests	FVOCI	1	21.1	21.1
Other equity interests	FVOCI	2	153.5	153.5
Other equity interests	FVOCI	AC	33.2	33.2
Other equity interests and unconsolidated subsidiaries			**272.1**	
Derivatives in the energy area	FVPL	2	37.0	37.0
Derivatives in the energy area	FVPL	3	12.0	12.0
Derivatives in the finance area	FVPL	2	22.2	22.2
Derivatives in the finance area – closed items on the balance sheet	FVPL	2	11.6	11.6
Receivables from derivative financial instruments			**82.8**	
Securities	FVPL	1	164.1	164.1
Securities	FVOCI	3	9.1	9.1
Securities	FVOCI	AC	1.6	1.6
Securities – closed items on the balance sheet	AC	2	77.9	78.1
Loans – closed items on the balance sheet	AC	2	269.7	270.5
Loans	AC	2	62.3	63.4
Other	FVPL	3	42.8	42.8
Other	AC	–	143.9	–
Other	–	–	31.5	–
Investments and other receivables			**803.0**	
Current tax receivables	–	–	**16.8**	–
Derivatives in the energy area	FVPL	1	0.1	0.1
Derivatives in the energy area	FVPL	2	329.7	329.7
Derivatives in the finance area	FVPL	2	3.0	3.0
Derivatives in the finance area – closed items on the balance sheet	FVPL	2	4.3	4.3
Receivables from derivative financial instruments			**337.1**	
Trade receivables	AC	–	865.9	–
Receivables from investees	AC	–	39.6	–
Loans to investees	AC	2	4.0	3.9
Loans – closed items on the balance sheet	AC	2	94.7	90.5
Securities	FVPL	1	2.5	2.5
Money market transactions	AC	2	30.0	30.0

Carrying amounts and fair values by measurement category 31/12/2024 €m

Assets – balance sheet items	Measurement category in accordance with IFRS 9	Level	Carrying amount	Fair value
Emission rights	–	–	48.9	–
Other	AC	–	120.9	–
Other	–	–	48.6	–
Trade receivables, other receivables and securities			1,255.1	
Cash and cash equivalents	AC	–	795.1	–
Aggregated by measurement category				
Financial assets measured at amortised cost	AC		2,504.0	
Financial assets measured at fair value through profit or loss	FVPL		639.7	
Financial assets measured at fair value through other comprehensive income	FVOCI		272.4	

Carrying amounts and fair values by measurement category 31/12/2024 €m

Liabilities – balance sheet items	Measurement category in accordance with IFRS 9	Level	Carrying amount	Fair value
Bonds	AC	2	1,135.4	1,094.1
Financial liabilities to banks and to others	AC	2	670.9	671.9
Financial liabilities to banks – closed items on the balance sheet	AC	2	137.8	144.1
Financial liabilities to banks – closed items on the balance sheet	FVPL – D	2	320.4	320.4
Capital shares attributable to limited partners	–	–	10.7	–
Non-current and current financial liabilities			2,275.2	
Derivatives in the energy area	FVPL	2	138.1	138.1
Liabilities from derivative financial instruments			138.1	
Electricity supply commitment	–	–	81.2	–
Obligation to return an interest	AC	3	184.7	236.0
Trade payables	AC	–	9.9	–
Lease liabilities	–	–	168.1	
Other	AC	–	508.3	–
Other non-current liabilities			952.4	
Derivatives in the energy area	FVPL	2	101.2	101.2
Derivatives in the energy area	FVPL	3	1.8	1.8
Derivatives in the finance area	FVPL	2	0.1	–0.1
Liabilities from derivative financial instruments			103.0	
Trade payables	AC	–	370.8	–
Lease liabilities	–	–	10.9	
Other	AC	–	572.5	–
Other	–	–	130.2	–
Trade payables and current other liabilities			1,084.4	
Aggregated by measurement category				
Financial liabilities measured at amortised cost	AC		3,590.4	
Financial liabilities measured at fair value through profit or loss	FVPL		241.2	
Financial liabilities measured at fair value through profit or loss – designated	FVPL – D		320.4	

For financial liabilities (arising from closed items on the balance sheet) classified as FVPL in the above table, the difference between the carrying amount as at 31 December 2025 and the amount that VERBUND would have to pay upon maturity is €6.6m (previous year: €0.9m). The amount due upon maturity was translated using the exchange rate at the reporting date (€1 = $1.175) (previous year: €1 = $1.038). In the event of insolvency, derivative financial instruments in the finance area (under closed items on the balance sheet) can be netted against financial liabilities classified as FVPL (under closed items on the balance sheet) (see section 11.1 “Risk management in the finance area”).

Of the derivative financial instruments in the energy area classified as FVPL in the above table, positive fair values in the amount of €73.7m (previous year: €405.7m) and negative fair values in the amount of €118.9m (previous year: €222.7m) relate to hedging relationships designated as cash flow hedges. These fair values represent gross amounts; following the inter-portfolio netting carried out in accordance with VERBUND's accounting policies (see section 11.2 "Risk management in the energy area"), cash flow hedges can no longer be isolated.

The shares in unconsolidated subsidiaries, other equity interests and other securities classified as FVOCI in the above table are held for the long term due to strategic considerations. Details regarding the fair value and dividend distributions of individual financial instruments classified as FVOCI can be taken from the following table:

FVOCI equity interests in 2025 €m

	Fair value as at 31/12/2024	**Fair value as at 31/12/2025**	Dividend as at 31/12/2024	**Dividend as at 31/12/2025**
Energie AG Oberösterreich	153.5	158.3	3.5	2.8
VERBUND Tourismus GmbH	28.7	28.7	0.0	0.0
Burgenland Holding Aktiengesellschaft	21.1	22.1	1.1	1.2
VUM Verfahren Umwelt Management GmbH	12.2	16.2	1.8	2.0
Gestionnaires du Réseau de Transport d'Électricité (RTE)	4.8	11.6	0.8	0.9
Wiener Börse AG	9.1	10.1	0.7	0.8
SOLAVOLTA Energie- und Umwelttechnik GmbH	8.8	9.2	0.0	0.0
VERBUND Green Power Albania Sh.p.k.	3.5	3.5	0.0	0.0
CISMO GmbH	2.8	2.8	0.4	0.5
Infraestructuras de Illora S.L.	3.4	1.1	0.0	0.0
Miscellaneous	24.2	44.2	1.0	0.3
Total	272.1	**307.9**	9.3	**8.5**

No interests in unconsolidated subsidiaries, other equity interests or other securities classified as FVOCI were sold in the reporting period. An amount of €17.6m (previous year: €–4.3m) resulting from fair value measurement was recognised in other comprehensive income in the reporting period.

Valuation techniques and input factors for determining fair values

Level	Financial instruments	Valuation technique	Input factor
1	Energy forwards	Market approach	Settlement price published by the stock exchange
1	Securities, other equity interest in Burgenland Holding AG	Market approach	Stock exchange price
2	Securities and other loans under closed items on the balance sheet, long-term loans, liabilities to banks, bonds and other financial liabilities	Net present value approach	Payments associated with financial instruments, yield curves and counterparties' credit risk (credit default swaps or credit spread curves)
2	Interests in unconsolidated subsidiaries and other equity interests in Energie AG Oberösterreich, among other interests	Market approach	Trading multiple, transaction price
2	Non-listed energy forwards	Net present value approach	Forward price curve derived from market prices, yield curves and counterparties' credit risk
2	Other assets and liabilities measured at fair value in the finance area	Net present value approach	Cash flows already fixed or calculated from forward rates, yield curves or counterparties' credit risk
3	Return obligation (obligation to transfer back the 50% interest acquired in Donaukraftwerk Jochenstein AG)	Net present value approach	Price forecasts for electricity, weighted average cost of capital after taxes
3	Securities (shares in Wiener Börse AG)	Net present value approach	Expected profit distributions, cost of equity
3	Other non-current receivables (profit participation right with respect to material assets of TAG)	Net present value approach	Expected profit distributions, cost of equity
AC	Other interests in unconsolidated subsidiaries, other equity interests and securities	–	Cost as a best estimate of fair value
–	Cash and cash equivalents, trade receivables and payables, other current receivables, other borrowings within current credit lines as well as other current liabilities	–	Carrying amounts as a best estimate of fair value

Expected cash outflows as at 31/12/2025 €m

Maturity	2026	2027	2028–2030	From 2031
Bonds	36.2	36.2	104.2	1,153.5
Financial liabilities to banks	49.3	45.1	228.7	257.7
Financial liabilities to others	5.6	140.6	2.1	12.5
Financial liabilities to banks – closed items on the balance sheet[1]	277.8	31.9	24.8	0.0
Capital shares attributable to limited partners	0.0	13.4	0.0	0.0
Cash outflows on financial liabilities	**368.9**	**267.2**	**359.7**	**1,423.7**
Trade payables	241.1	0.3	2.3	0.0
Other	573.1	464.9	27.9	275.4
Cash outflows on trade payables and other payables	**814.1**	**465.3**	**30.1**	**275.4**
Derivatives in the energy area[2]	655.9	304.4	50.7	0.0
Derivatives in the finance area	0.02	0.00	0.00	0.00
Cash outflows on liabilities from derivative financial instruments	**655.9**	**304.4**	**50.7**	**0.0**
Cash outflows on liabilities in accordance with IFRS 7	**1,838.9**	**1,036.9**	**440.6**	**1,699.1**

[1] [1] Cash outflows on closed items on the balance sheet are matched by the corresponding cash inflows from associated investments. // [2] Applies to cash outflows (contract prices) for forward contracts reported in the balance sheet under Receivables or Liabilities from derivative financial instruments.

Expected cash outflows as at 31/12/2024 €m

Maturity	2025	2026	2027–2029	From 2030
Bonds	37.2	36.2	106.4	1,187.6
Financial liabilities to banks	60.3	50.0	232.4	283.8
Financial liabilities to others	6.5	6.3	142.7	13.4
Financial liabilities to banks – closed items on the balance sheet	100.5	314.2	37.3	26.8
Capital shares attributable to limited partners	0.0	10.7	0.0	0.0
Cash outflows on financial liabilities	**204.5**	**417.4**	**518.8**	**1,511.7**
Trade payables	370.8	0.6	9.3	0.0
Other	572.5	449.7	102.3	141.0
Cash outflows on trade payables and other payables	**943.3**	**450.4**	**111.6**	**141.0**
Derivatives in the energy area	670.6	140.2	24.7	0.0
Derivative financial instruments in the finance area	0.1	0.0	0.0	0.0
Cash outflows on liabilities from derivative financial instruments	**670.7**	**140.2**	**24.7**	**0.0**
Cash outflows on liabilities in accordance with IFRS 7	**1,818.5**	**1,008.0**	**655.0**	**1,652.7**

Net gains or losses by measurement category

Net gains or net losses in accordance with IFRS 7 mainly comprise impairment losses and reversals of impairment losses, foreign exchange gains and losses and the cumulative gain or loss realised on disposal.

Net results by measurement category €m

	2024	**2025**
Financial assets measured at amortised cost	15.7	44.9
Financial assets measured at fair value through other comprehensive income	–4.3	17.6
Financial assets and liabilities measured at fair value through profit or loss – designated	–14.2	35.1
Financial liabilities measured at amortised cost	–59.2	–12,1
Financial assets and liabilities measured at fair value through profit or loss	–109.9	–7.8
Total interest income from financial assets measured at amortised cost	89.4	57.8
Total interest expenses from financial liabilities measured at amortised cost	–104.2	–94.6

Components of net gains or losses

Measurement category	Remark
Financial assets and liabilities measured at fair value through profit or loss	The net gains or losses arose from the measurement of derivative financial instruments in the energy area (wholesale and trading) in the operating result, as well as from the measurement of (other) derivative and non-derivative financial instruments in the finance area in the other financial result
Financial assets and liabilities measured at fair value through profit or loss – designated	The net gains or losses arose from the measurement of financial liabilities to banks (closed items on the balance sheet). These gains and losses are offset by net gains and losses from financial assets and liabilities measured at fair value through profit or loss and net gains and losses from financial assets and liabilities measured at cost in the corresponding amounts.
Financial assets and liabilities measured at amortised cost	The net gains and losses relate primarily to financial instruments associated with closed items on the balance sheet in the other financial result as well as to valuation allowances on trade receivables in the operating result.

All interest expenses were recognised under interest expenses; interest income was recognised partly under interest income and partly under the other financial result.

5.2 Accounting treatment of hedging relationships

VERBUND applies special accounting policies to hedging relationships in the energy area as well as in the finance area.

5.2.1 Hedging relationships in the energy area

VERBUND employs electricity forward contracts and electricity futures contracts as derivatives within the meaning of IFRS 9 as part of cash flow hedges in the energy area. The objective of hedging relationships is to reduce the cash flow volatility resulting from market price fluctuations by hedging prices for the following transactions:

- sale of own generation and marketing of electricity from renewable energy plants not owned by VERBUND;
- reinsurance for electricity deliveries to customers; and
- reinsurance for gas deliveries to customers.

The timing and amount of the hedging of future electricity deliveries depends in each case on the current price trend. Hedges are generally entered into successively. A portion of the entire volume anticipated is hedged in accordance with the risk management strategy. As a rule, once the relevant contractual terms of the electricity futures and forwards entered into coincide with those of the hedged items, a qualitative measurement of hedge effectiveness is carried out. It can generally be assumed that changes in the value of the hedging instruments will entirely offset the changes in future cash flows.

The exception to this rule involves hedges of electricity deliveries on a market differing from the place of delivery. Such hedges have been used since 1 October 2018 as a consequence of the restriction on unlimited trading on the German-Austrian electricity market. Due to the higher liquidity, the majority of Austrian electricity deliveries are hedged with German futures market products. The Austrian price is derived from the German price plus a DE/AT spread. Hence German forward products are used to hedge Austrian electricity deliveries, whereby the terms of the hedging instruments and those of the projected cash flows largely also match in these cases.

Accounting treatment of hedging relationships in the energy area

In the case of derivative financial instruments that are designated as cash flow hedges in accordance with IFRS 9, the portion of the unrealised gains or losses that is determined to be an effective hedge is recognised under other comprehensive income. In contrast, the ineffective portions of the hedge are recognised in profit or loss.

Unrealised gains or losses are only reclassified (“recycled”) to the income statement when the hedged item affects profit or loss.

Electricity, gas and CO2 derivatives for future delivery periods that are not designated as hedging instruments are allocated to the wholesale portfolio. Fair value changes in (freestanding) electricity and gas derivatives in the wholesale portfolio that have not been designated as hedging instruments are recognised in profit or loss net of previously realised futures after netting the positive and negative fair values.

5.2.2 Hedging relationships in the finance area

Apart from derivative financial instruments associated with closed items on the balance sheet, interest rate swaps are used to hedge future payments of financial liabilities bearing interest at variable rates in order to reduce the cash flow risk associated with an increase in market interest rates. The hedging instruments' contract terms are almost identical to those of the hedged items ("critical terms match"). The qualitative basis of the economic relationship is regularly reviewed by VERBUND. As a general rule, it can be assumed that changes in the value of the hedging instruments will entirely offset changes in future cash flows. The entire risk of an increase in market interest rates for variable-interest-bearing financial liabilities is not always hedged, i.e. the hedge ratio does not always amount to 100%. Hedge ineffectiveness can only result from changes in the credit risk of the counterparty or of VERBUND.

Payments are made on interest rate swaps every six months. The underlying variable market interest rate is the 6-month EURIBOR. The future interest payments hedged by the interest rate swaps will arise over the next 11 years (2026 to 2036) and will be recognised in profit or loss accordingly.

Accounting treatment of hedging relationships in the finance area

Some of the interest rate swaps are designated as cash flow hedges in accordance with IFRS 9. The investments associated with certain closed items on the balance sheet (see section 8.1 "Financial liabilities" and section 11.1 "Risk management in the finance area") generate variable income and fixed expenses. To mitigate risk, interest rate swaps were entered into for the corresponding financial liabilities. These interest rate swaps exhibit a risk profile that mirrors that of the associated balance sheet items. Therefore, the carrying amount of the associated financial liabilities is adjusted to reflect the hedged risk to compensate for the fair value measurement of the interest rate swaps.

The fair value of interest rate swaps is the amount that VERBUND would receive or have to pay if the transaction were settled on the reporting date. When calculating that amount, current market conditions – particularly current interest rates, yield curves and counterparty credit risk – are taken into account (see section 5.1 "Accounting treatment of financial instruments").

5.2.3 Information regarding hedging relationships in the energy and finance areas

Cash flow hedges – hedging instruments as at 31/12/2025 €m

	Carrying amount	Balance sheet item	Notional amount	Change in fair value for the measurement of hedge ineffectiveness
Electricity futures and forwards – sales	54.3	Receivables from derivative financial instruments	9,288 GWh	73.7
Electricity futures and forwards – sales	–90.9	Liabilities from derivative financial instruments	9,011 GWh	–8.8
Electricity futures and forwards – purchases	19.4	Receivables from derivative financial instruments	–3,354 GWh	11.5
Electricity futures and forwards – purchases	–23.2	Liabilities from derivative financial instruments	–3,324 GWh	–15.4
Gas forwards – purchases	0.0	Receivables from derivative financial instruments	–57 GWh	0.0
Gas forwards – purchases	–2.3	Liabilities from derivative financial instruments	–441 GWh	–2.3
Interest rate swaps	25.7	Receivables from derivative financial instruments	202.3	0.6

Cash flow hedges – hedged items as at 31/12/2025 in €m

	Change in fair value for the measurement of hedge ineffectiveness	Balance of the cash flow hedge valuation reserve
Future electricity sales volumes	–64.9	–36.6
Future electricity purchases	3.9	–3.7
Future gas purchases	2.3	–2.3
Variable-rate financial liabilities	–0.8	–4.0

Cash flow hedges – effects on the statement of comprehensive income and balance sheet 2025

€m

	Gains/losses recognised in other comprehensive income	Ineffective portion of the hedge recognised in profit or loss	Line items in the income statement in which hedge ineffectiveness was recognised	Reclassifications from reserves to profit or loss	Line items in the income statement in which the reclassification was recognised
Electricity futures and forwards – sales	64.9	0.1	Revenue	313.7	Revenue
Electricity futures and forwards – purchases	–3.9	0.0	Electricity purchase	–26.9	Electricity purchase
Gas forwards – purchases	–2.3	0.0	Gas purchases	0.0	Gas purchases
Interest rate swaps	–3.7	0.2	Other financial result	3.0	Interest expenses

Notional amount and average price or interest rate as at 31/12/2025

	2026	2027	2028	2029	From 2030
Electricity futures and forwards – sales					
Notional amount	14,483 GWh	2,786 GWh	329 GWh	292 GWh	409 GWh
Average hedged price	€79.8/MWh	€77.2/MWh	€51.3/MWh	€40.7/MWh	€36.0/MWh
Electricity futures and forwards – purchases					
Notional amount	–3,774 GWh	–1,779 GWh	–969 GWh	–158 GWh	0 GWh
Average hedged price	€89.6/MWh	€79.6/MWh	€74.3/MWh	€71.7/MWh	€0.0/MWh
Gas forwards – purchases					
Notional amount	–284 GWh	–215 GWh	0 GWh	0 GWh	0 GWh
Average hedged price	€36.4/MWh	€32.8/MWh	€0.0/MWh	€0.0/MWh	€0.0/MWh
Interest rate swaps					
Average notional amount in €m	196.9	179.5	163.4	147.2	92.2
Average fixed interest rate	0.3%	0.3%	0.3%	0.3%	0.4%

Cash flow hedges – hedging instruments 31/12/2024 €m

	Carrying amount	Balance sheet item	Notional amount	Change in fair value for the measurement of ineffectiveness
Electricity futures and forwards – sales	363.1	Receivables from derivative financial instruments	12,759 GWh	12.2
Electricity futures and forwards – sales	–150.9	Liabilities from derivative financial instruments	13,523 GWh	–161.2
Electricity futures and forwards – purchases	42.5	Receivables from derivative financial instruments	–4,098 GWh	42.0
Electricity futures and forwards – purchases	–69.2	Liabilities from derivative financial instruments	–2,753 GWh	–2.4
Gas forwards – purchases	0.0	Receivables from derivative financial instruments	0 GWh	0.9
Gas forwards – purchases	0.0	Liabilities from derivative financial instruments	–9 GWh	0.0
Interest rate swaps	25.1	Receivables from derivative financial instruments	229.3	–5.1

Cash flow hedges – hedged items 31/12/2024 €m

	Change in fair value for the measurement of ineffectiveness	Carrying amount of the reserve for measurements of cash flow hedges
Future electricity sales volumes	148.9	212.1
Future electricity purchases	–39.6	–26.7
Future gas purchases	–0.9	0.0
Variable-rate financial liabilities	4.6	–3.2

Cash flow hedges – effects on the statement of comprehensive income and balance sheet 2024

€m

	Gains/losses recognised in other comprehensive income	Hedging costs	Ineffective portion of the hedge recognised in profit or loss	Line items in the income statement in which hedge ineffectiveness was recognised	Reclassifications from reserves to profit or loss	Line items in the income statement in which the reclassification was recognised
Electricity futures and forwards – sales	–149.0	0.0	0.1	Revenue	702.9	Revenue
Electricity futures and forwards – purchases	39.6	0.0	0.0	Electricity purchase	–294.8	Electricity purchase
Gas forwards – purchases	0.9	0.0	0.0	Gas purchases	–15.3	Gas purchases
Interest rate swaps	–0.1	0.4	0.0	Other financial result	4.5	Interest expenses

Notional amount and average price or interest rate as at 31/12/2024

€m

	2025	2026	2027	2028	From 2029
Electricity futures and forwards – sales					
Notional amount	15,192 GWh	9,891 GWh	303 GWh	262 GWh	635 GWh
Average hedged price	€116.7/MWh	€77.3/MWh	€48.6/MWh	€50.1/MWh	€36.1/MWh
Electricity futures and forwards – purchases					
Notional amount	–4,837 GWh	–1,275 GWh	–625 GWh	–114 GWh	0 GWh
Average hedged price	€103.8/MWh	€92.8/MWh	€76.4/MWh	€69.5/MWh	€0.0/MWh
Gas forwards – purchases					
Notional amount	–9 GWh	0 GWh	0 GWh	0 GWh	0 GWh
Average hedged price	€54.2/MWh	€0.0/MWh	€0.0/MWh	€0.0/MWh	€0.0/MWh
Interest rate swaps					
Average notional amount in €m	220.1	196.9	179.5	163.4	100.0
Average fixed interest rate	0.4%	0.3%	0.3%	0.3%	0.4%

5.3 Recoverability of financial assets

Valuation allowances are recognised at every reporting date for expected credit losses relating to financial assets classified as measured at amortised cost (AC) and debt instruments classified as measured at fair value through other comprehensive income (FVOCI), receivables under leases, contract assets and financial guarantee contracts.

Expected credit losses are taken into account in the following stages (for quantitative disclosures see section 11.1 “Risk management in the finance area”):

Impairment of assets

	Stage 1	Stage 2	Stage 3
Credit risk	Low credit risk – (credit risk has not increased significantly since initial recognition)	Elevated credit risk – (credit risk has increased significantly since initial recognition)	Significant financial difficulties on the part of the borrower or the issuer (breach of contract)
Recognition of loss allowance	Impairment in the amount of the 12-month expected losses	Impairment in the amount of expected lifetime losses	Impairment in the amount of expected lifetime losses
Calculation of interest income	Based on the effective interest rate on the gross carrying amount	Based on the effective interest rate on the gross carrying amount	Based on the effective interest rate on the net carrying amount

- Credit risk is presumed to be low if the internal rating corresponds to an external investment grade rating (Standard & Poor’s: > BBB–; Moody’s: > Baa3).
- Credit risk is presumed to have increased significantly if a financial asset is more than 30 days overdue. Financial assets are reclassified to Stage 3 as soon as the asset has become credit impaired or is more than 90 days overdue, or if a breach of contract has been ascertained.
- Probabilities of default depending on the rating category and collection rates serve to determine the amount of impairment losses to be recognised. The valuation allowance is recognised in the amount of the present value of the expected credit losses.

For trade receivables, contract assets and lease receivables, a simplified method is applied to measure the valuation allowance. For these receivables and assets, a valuation allowance derived from a valuation allowance table is recognised in the amount of the lifetime expected credit loss.

5.4 Cash and cash equivalents

5.4.1 Cash and cash equivalents

Cash and cash equivalents		€m
	2024	**2025**
Cash at banks	795.1	72.8
Cash and cash equivalents	795.1	**72.8**

The lock-in period for all current financial investments reported in cash and cash equivalents was less than three months at the time of investment. The cash and cash equivalents reported in the balance sheet correspond to the cash and cash equivalents in the cash flow statement and qualify as cash and cash equivalents as defined in IAS 7.

6. Working capital

Working capital includes the following balance sheet items:

- Inventories
- Trade receivables, other current receivables and securities
- Receivables and liabilities from derivative financial instruments
- Trade payables and other current liabilities

6.1 Inventories and guarantees of origin/green electricity certificates

Inventories of primary energy sources as well as additives and consumables inventories are measured at the lower of cost or net realisable value at the reporting date. The use of primary energy sources and raw materials, additives and consumables is determined using the moving average price method.

Inventories of natural gas held for trading by VERBUND are recognised in profit or loss under other revenue. According to the brokerage exemption for raw materials and commodity traders, the measurement benchmark is fair value (Level 1) less costs to sell. The fair value corresponds to the quoted price for front-month gas forwards on the Central European Gas Hub (CEGH).

Guarantees of origin and green electricity certificates that are held for sale in the normal course of business are recognised in accordance with IAS 2 and IAS 20. Guarantees of origin and green electricity certificates are recognised as inventories when the legally enforceable rights are acquired (as a rule, generation of electricity in certified power plants). Both the income from the allocation of certificates and the change in inventories from the disposal of certificates are presented under other operating income. Whenever necessary, subsequent measurement is carried out and the guarantees/certificates are written down to the lower net realisable value. Proceeds from the sale of guarantees of origin or green electricity certificates are recognised under other revenue.

Inventories €m

6.1.1 Inventories

	2024	**2025**
Natural gas[1]	47.9	22.7
Inventories of primary energy sources	47.9	**22.7**
Emission rights held for trading	19.7	22.5
Changes in emission rights held for trading	2.2	4.6
Fair value of emission rights held for trading	21.9	**27.1**
Guarantees of origin and green electricity certificates	0.8	**0.2**
Additives and consumables	13.8	**18.6**
Other	9.8	**7.4**
Inventories	94.3	**75.9**

[1] A write-down of approximately €7.9m (previous year: write-up of approximately €6.3m) was recognised on gas inventories in the income statement for the reporting period based on lower market prices.

6.2 Receivables from derivative financial instruments

Receivables from derivative financial instruments include derivatives and hedging instruments from both the financial and the energy areas.

Receivables from derivative financial instruments €m

6.2.1 Receivables from derivative financial instruments

	2024 Non-current	**2025 Non-current**	2024 Current	**2025 Current**
Derivatives in the energy area	49.0	57.7	329.8	109.1
Derivatives in the finance area	33.8	24.0	7.3	8.8
Receivables from derivative financial instruments	82.8	**81.6**	337.1	**117.9**

Further details on receivables from derivative financial instruments can be found in sections 11.1 “Risk management in the finance area” and 11.2 “Risk management in the energy area”.

6.3 Trade receivables, other receivables and securities

Trade receivables and receivables from investees are classified as “measured at amortised cost” (AC) and thus accounted for at cost less any impairment losses (see section 5 “Financial instruments”).

6.3.1 Trade receivables, other receivables and securities

Trade receivables, other receivables and securities €m

	2024 Non-current	**2025 Non-current**	2024 Current	**2025 Current**
Trade receivables	–	–	865.9	758.3
Receivables from investees	–	–	39.6	35.0
Loans – closed items on the balance sheet	269.7	49.5	94.7	202.2
Loans to investees	54.8	51.1	4.0	5.1
Other receivables and assets (excluding current tax receivables)	218.2	253.7	251.0	341.1
Trade receivables, other receivables and securities	542.7	**354.3**	1,255.1	**1,341.6**

Other receivables with a maturity of more than one year are reported under Investments and other non-current receivables.

Current tax receivables plus other receivables and assets €m

	2024 Non-current	**2025 Non-current**	2024 Current	**2025 Current**
Current tax receivables	–	**–**	16.8	**113.0**
Securities	–	–	2.5	1.1
Guarantees in electricity trading	132.0	136.6	77.2	63.4
Emission rights	–	–	48.9	70.9
Receivables from tax clearing (excluding current tax receivables)	–	–	8.3	117.0
Other	86.2	117.1	113.8	88.8
Other receivables and assets	218.2	**253.7**	250.9	**341.1**

6.4 Liabilities from derivative financial instruments

6.4.1 Liabilities from derivative financial instruments

Liabilities from derivative financial instruments €m

	2024 Non-current	**2025 Non-current**	2024 Current	**2025 Current**
Derivatives in the energy area	138.1	36.7	102.9	152.4
Derivatives in the finance area	0.0	0.0	0.1	0.0
Liabilities from derivative financial instruments	138.1	**36.7**	103.0	**152.4**

Further details on liabilities from derivative financial instruments can be found in section 11.2 “Risk management in the energy area”.

6.5 Trade payables and other current liabilities

6.5.1 Trade payables and other current liabilities

Trade payables and current other liabilities €m

	2024	**2025**
Trade payables	370.8	241.1
Outstanding invoices for capital expenditure	224.0	207.2
Liabilities to unconsolidated subsidiaries and investees	100.1	136.7
Other liabilities for maintenance expenses	69.4	100.9
Other personnel-related liabilities	58.2	64.1
Liabilities to the emissions registry	38.6	59.0
Advance payments received	5.4	49.8
Other liabilities from electricity deliveries and grid services	67.9	24.7
Accruals and deferred income	14.1	23.7
Security deposits for transport services	33.1	21.3
Electricity supply commitment	16.7	18.8
Lease liabilities	10.9	15.9
Liabilities to tax authorities	27.2	9.5
Other	47.7	33.0
Trade payables and other current liabilities	1,084.4	**1,005.6**

7. Equity

Share capital

As in the previous year, the share capital comprised 170,233,686 no-par value bearer shares (category A) and 177,182,000 no-par value registered shares (category B). Category B represents 51% of the share capital, authenticated by an interim certificate deposited with the Federal Ministry of Finance and made out in the name of the Republic of Austria. The share capital is fully paid up.

Capital reserves

An amount of €954.3m (previous year: €954.3m) is recognised under capital reserves; this represents the portion of the reserves not retained from the profit for the period in previous reporting periods.

Accumulated profits/losses

Accumulated profits/losses comprise retained earnings plus the effects on equity attributable to the shareholders of VERBUND AG due to shifts between shareholder groups. Of the accumulated profits and losses, the amount that can be distributed to the shareholders of VERBUND AG is the amount presented as net profit for the period in the (separate) annual financial statements of VERBUND AG as at 31 December 2025, which are prepared in accordance with the Austrian Commercial Code (UGB). The (as yet unapproved) net profit for financial year 2025 amounted to €1,094.4m (previous year: €972.8m). A dividend distribution of €3.15 per share (previous year: €2.80 per share) – including a special dividend of €1.15 per share (previous year: €0.00 per share) – will be proposed to the Annual General Meeting.

Reserve for foreign exchange differences

The reserve for foreign exchange differences primarily includes the currency translation of the consolidated Romanian subsidiary VERBUND Wind Power Romania SRL.

Non-controlling interests

Non-controlling interests

in %

	2024	**2025**
Gas Connect Austria GmbH	49.00	49.00
Austrian Gas Grid Management AG	73.99	73.99
VERBUND Innkraftwerke GmbH	29.73	29.73
VERBUND Hydro Power GmbH	15.94	15.94
VERBUND Wind Power Austria GmbH	15.94	15.94

8. Liabilities

The explanatory notes relate to non-current and current financial liabilities as well as other non-current liabilities. See section 6 “Working capital” for details regarding trade payables and other current liabilities.

8.1 Financial liabilities

Financial liabilities are recognised at fair value upon addition. As a rule, the fair value recognised corresponds to the amount actually received. Any premiums or discounts are allocated over the financing term by applying the effective interest method and are presented on an accrual basis in interest expenses.

Individual financial liabilities originally incurred in connection with cross-border leasing transactions are classified at fair value through profit or loss upon initial recognition using the fair value option. This enables measurement inconsistencies that would have otherwise arisen to be eliminated.

The closed items on the balance sheet reported under financial liabilities as well as under investments relate to cross-border leasing transactions that were terminated early. Some of the transactions were terminated in their entirety, i.e. all investments and all liabilities (A-loans and B-loans) were repaid. Some of the transactions were only partially terminated, whereby the existing B-loans and the corresponding investments were continued. Therefore, accounting coverage continues to be ensured. Accounting balances denominated in foreign currency (US dollars) are measured at the exchange rate prevailing on the reporting date. The expenses and income arising from the measurement of these positions are equal in amount and denominated in the same currency, and are offset against each other. Investments and liabilities resulting from cross-border leasing transactions that were terminated early are presented separately; all items are closed on the balance sheet with the exception of valuation allowances recognised for expected credit losses (see section 11.1 “Risk management in the finance area”).

8.1.1 Non-current and current financial liabilities

Non-current and current financial liabilities

€m

	2024 Non-current	**2025 Non-current**	2024 Current	**2025 Current**
Bonds	1,127.3	1,116.3	8.1	10.4
Financial liabilities to banks	478.5	454.9	47.4	199.9
Financial liabilities to others	144.4	144.0	0.6	1.0
Capital shares attributable to limited partners	10.7	13.4	0.0	0.0
Financial liabilities not including closed items on the balance sheet	1,760.8	**1,728.7**	56.2	**211.3**
Financial liabilities to banks – closed items on the balance sheet	359.3	49.5	98.9	283.3
Non-current and current financial liabilities	2,120.1	**1,778.2**	155.1	**494.6**

Non-current and current financial liabilities[1]

€m

	2024	**2025**
Carrying amount as at 1/1	1,987.3	1,817.0
Borrowings	628.8	0.0
Change in the basis of consolidation[2]	43.8	21.3
Net change in money market transactions	–143.2	158.0
Changes in capital shares attributable to limited partners	2.4	2.7
Changes in interest accruals	13.1	3.6
Unscheduled repayments	0.0	–5.3
Scheduled repayments	–715.3	–57.4
Carrying amount as at 31/12	1,817.0	**1,940.0**
of which non-current liabilities	1,760.8	1,728.7
of which current liabilities	56.2	211.3

[1] Excl. financial liabilities under closed items on the balance sheet // [2] 2025 relates to the acquisition of a wind farm company, MSH Bürger-Windpark-Feldatal GmbH & Co. KG

Financial liabilities – closed items on the balance sheet

€m

	2024	**2025**
Carrying amount as at 1/1	420.6	458.3
Foreign exchange gains or losses	22.9	–44.5
Capitalisation	33.3	28.4
Repayments and/or disposals	–15.3	–100.5
Fair value changes	–3.3	–8.8
Carrying amount as at 31/12	458.3	**332.9**
of which non-current liabilities	359.3	49.5
of which current liabilities	98.9	283.3

VERBUND had no mortgage-backed liabilities as at 31 December 2025 or in the previous year.

As at 31 December 2025, the new renewables generation portfolio included long-term project financing. These financial liabilities to external banks and bondholders serve to finance VERBUND's current wind and PV projects. The financing agreements are worth €435.1m (previous year: €453.2m) and contain various (financial) covenants, such as a debt service coverage ratio (DSCR) to be met each year. At the reporting date, two project financings with outstanding amounts of €181.9m and €144.0m had fallen below the agreed DSCR thresholds. The necessary waivers were issued for both financing arrangements prior to the reporting date, confirming that neither measures to call in the long-term financing nor the exercise of enforcement rights would be initiated.

Non-current and current financial liabilities 2025

	Longest maturity	Issue volume	Carrying amount as at 31/12	1 year or less	
Bonds					
EUR currency	2041	1,203.0	1,126.7	10.4	
Total bonds		1,203.0	1,126.7	10.4	
of which at a fixed interest rate	2041	1,203.0	1,126.7	10.4	
Financial liabilities to banks					
EUR currency	2041	916.1	654.8	199.9	
Total financial liabilities to banks		916.1	654.8	199.9	
of which at a fixed interest rate	2041	708.1	482.6	36.5	
of which at a variable interest rate	2030	208.0	172.2	163.5	
Financial liabilities to others					
EUR currency	2027	151.0	145.0	1.0	
Total financial liabilities to others		151.0	145.0	1.0	
of which at a variable interest rate	2027	151.0	145.0	1.0	
Financial liabilities to banks – closed items on the balance sheet[1]					
Foreign currencies (USD)	2030		332.9	283.3	
Total financial liabilities to banks – closed items on the balance sheet			332.9	283.3	
of which at a fixed interest rate	2030		332.9	283.3	
Capital shares attributable to limited partners			13.4		
Total financial liabilities		2,270.1	2,272.8	494.6	

[1] These financial liabilities are covered by assets on the balance sheet.

€m

	› 1 to 2 years	› 2 to 3 years	› 3 to 4 years	› 4 to 5 years	› 5 years	Weighted nominal interest rate	Weighted effective interest rate	Fair value as at 31/12
	12.0	11.9	10.5	10.5	1,071.5	2.04%	1.70%	1,028.9
	12.0	**11.9**	**10.5**	**10.5**	**1,071.5**	**2.04%**	**1.70%**	**1,028.9**
	12.0	11.9	10.5	10.5	1,071.5	2.04%	1.70%	1,028.9
	33.1	134.0	34.6	33.4	219.9	2.13%	3.15%	623.7
	33.1	**134.0**	**34.6**	**33.4**	**219.9**	**2.13%**	**3.15%**	**623.7**
	30.6	131.5	32.1	32.2	219.9	2.06%	3.31%	456.5
	2.5	2.5	2.5	1.3	0.0	2.31%	1.53%	169.7
	134.1	0.6	0.6	0.6	8.2	3.56%	3.85%	155.8
	134.1	**0.6**	**0.6**	**0.6**	**8.2**	**3.56%**	**3.85%**	**155.8**
	134.1	0.6	0.6	0.6	8.2	3.56%	3.85%	155.8
	28.8	0.0	0.0	20.7	0.0			336.1
	28.8	**0.0**	**0.0**	**20.7**	**0.0**			**336.1**
	28.8	0.0	0.0	20.7	0.0			336.1
	13.4							
	221.4	**146.4**	**45.6**	**65.2**	**1,299.6**			**2,144.6**

Non-current and current financial liabilities 2024

	Longest term to maturity	Issue volume	Carrying amount as at 31/12	1 year or less	
Bonds					
EUR currency	2041	1,203.0	1,135.4	8.1	
Total bonds		1,203.0	1,135.4	8.1	
of which at fixed interest rates	2041	1,203.0	1,135.4	8.1	
Financial liabilities to banks					
EUR currency	2041	907.8	525.9	47.4	
Total financial liabilities to banks		907.8	525.9	47.4	
of which at fixed interest rates	2041	857.8	508.3	41.0	
of which at variable interest rates	2030	50.0	17.6	6.4	
Financial liabilities to other entities					
EUR currency	2027	151.0	145.0	0.6	
Total financial liabilities to other entities		151.0	145.0	0.6	
of which at variable interest rates	2027	151.0	145.0	0.6	
Financial liabilities to banks – closed items on the balance sheet					
Foreign currencies (USD)	2030		458.3	98.9	
Total financial liabilities to banks – closed items on the balance sheet			458.3	98.9	
of which at fixed interest rates	2030		458.3	98.9	
Capital shares attributable to limited partners			10.7		
Total financial liabilities			2,275.2	155.1	

€m

	› 1 to 2 years	› 2 to 3 years	› 3 to 4 years	› 4 to 5 years	› 5 years	Weighted nominal interest rate	Weighted effective interest rate	Fair value as at 31/12
	11.1	11.4	11.3	9.9	1,083.6	2.04%	1.70%	1,094.1
	11.1	**11.4**	**11.3**	**9.9**	**1,083.6**	**2.04%**	**1.70%**	**1,094.1**
	11.1	11.4	11.3	9.9	1,083.6	2.04%	1.70%	1,094.1
	39.5	32.5	133.0	33.1	240.5	1.95%	2.85%	514.0
	39.5	**32.5**	**133.0**	**33.1**	**240.5**	**1.95%**	**2.85%**	**514.0**
	37.0	30.0	130.5	30.6	239.2	1.91%	2.96%	500.0
	2.5	2.5	2.5	2.5	1.3	3.23%	1.24%	14.0
	0.6	134.4	0.6	0.6	8.2	4.11%	4.25%	157.9
	0.6	**134.4**	**0.6**	**0.6**	**8.2**	**4.11%**	**4.25%**	**157.9**
	0.6	134.4	0.6	0.6	8.2	4.11%	4.25%	157.9
	304.2	32.1	0.0	0.0	23.0			464.5
	304.2	**32.1**	**0.0**	**0.0**	**23.0**			**464.5**
	304.2	32.1	0.0	0.0	23.0			464.5
	10.7							
	366.1	**210.3**	**144.8**	**43.5**	**1,355.3**			

8.2 Other non-current liabilities

Other non-current liabilities are accounted for at amortised cost and relate primarily to the following transactions:

- an obligation to supply electricity under a 20-year electricity supply agreement that was incurred in connection with the acquisition of Kraftwerksgruppe Inn GmbH (now VERBUND Innkraftwerke GmbH) in the 2009 reporting period;
- an obligation to transfer 50% of the shares in Donaukraftwerk Jochenstein AG to the Free State of Bavaria without exchange of consideration, assumed as part of the acquisition of (additional) Bavarian hydropower plant capacities; and
- recognition of lease liabilities in accordance with IFRS 16 (see section 4.3 “Leases”).

8.2.1 Other non-current liabilities

Other non-current liabilities €m

	2024	**2025**
Other liabilities from electricity deliveries and grid services	313.4	374.7
Obligation to return an interest	184.7	227.1
Lease liabilities	168.1	171.0
Advance payments received for grid access fees (electricity)	98.9	79.8
Electricity supply commitment	81.2	62.4
Liabilities for grid usage fees (gas)	36.8	33.7
Liabilities from outstanding capital expenditure invoices	22.0	21.9
Security deposits for transport services	6.6	8.5
Trade payables	9.9	2.6
Other	30.7	22.6
Other non-current liabilities	952.4	**1,004.2**

9. Provisions

9.1 Provisions in the Group

In accordance with IAS 37, provisions are recognised for legal and constructive obligations to external third parties resulting from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits. It must be possible to reliably estimate the amount of the obligation. Provisions are measured at the expected settlement amount.

Non-current provisions recognised for the purpose of settling claims more than twelve months into the future are discounted if the present value of the expected settlement amount differs significantly from the undiscounted settlement amount. The discount rate is a pre-tax interest rate adjusted to reflect risk specific to the liability. Accrued interest amounts are presented as interest expenses; any effects from changes in the interest rate are recognised in the operating result.

Non-current and current provisions can be broken down as follows:

Non-current and current provisions €m

9.1.1 Non-current and current provisions

	2024 Non-current	**2025 Non-current**	2024 Current	**2025 Current**
Provisions for pensions	321.0	277.2	–	–
Provisions for obligations similar to pensions	121.0	113.8	–	–
Provisions for termination benefits	89.3	78.7	–	–
Provisions for partial retirement	2.2	2.1	1.2	1.4
Other personnel-related provisions	36.0	33.9	45.8	52.2
Other provisions	51.8	50.3	16.7	38.5
Non-current and current provisions	621.3	**556.0**	63.7	**92.1**

9.2 Personnel provisions

Provisions for current pensions, vested pensions and similar obligations are determined in accordance with IAS 19 using the projected unit credit method (PUC method), whereby remeasurements of the net liability are recognised in other comprehensive income in the year in which the liability is incurred. With the exception of net interest expense, all expenses (and income) related to these obligations are recognised under personnel expenses. The net interest expense is reported under interest expenses.

These defined benefit pension plan obligations are partially covered by pension plan assets at APK Pensionskasse AG earmarked for this purpose. Contractual trust arrangements (CTAs) were set up in order to secure the entitlements from the company pension plan for employees of VERBUND Innkraftwerke GmbH, Innwerk AG and Grenzkraftwerke GmbH. VERBUND is obligated to provide additional funding to the extent that the obligations are required to be fulfilled through the pension fund; there is no such obligation to provide additional funding for the CTA. Both the pension plan assets and the contractual trust arrangements are recognised as plan assets as defined in IAS 19 and offset against provisions for current pensions and vested pension benefits.

Pension plan assets are invested in compliance with the provisions of the Austrian Pension Fund Act (*Pensionskassengesetz*) and the corresponding directives from the Financial Market Authority.

Similar obligations relate to employer contributions for supplementary health insurance premiums to be paid after retirement. The provisions are calculated in the same manner as provisions for pension obligations.

9.2.1 Measurement of pensions and similar obligations as well as statutory termination benefits

Existing provisions for pensions and similar obligations as well as obligations for termination benefits (carrying amount as at 31 December 2025: €467.5m; previous year: €529.1m) were measured based on assumptions and estimates as at the reporting date. The key factors of influence included the discount rate, the estimated retirement age and estimated life expectancy as well as future increases in salaries and pension benefits:

Actuarial assumptions for pension obligations

	2024	**2025**
Discount rate or expected rate of return from plan assets	3.25%	3.75%
Pension increases	2.00%–4.25%	2.00%–3.50%
Salary increases	2.50%–4.25%	2.50%–3.25%
Employee turnover	None	none
Longevity based on mortality table	AVÖ 2018-P/Heubeck mortality tables 2018 G	AVÖ 2018-P/ Heubeck mortality tables 2018 G

Actuarial assumptions for obligations similar to pensions

	2024	**2025**
Discount rate	3.25%	4.00%
Employee turnover (depending on duration of employment)	0.00%–5.80%	0.0%–6.20%
Change in contributions based on hospital cost index for new contracts	2.50%–6.00%	2.50%–6.00%
Longevity based on mortality table	AVÖ 2018-P/Heubeck mortality tables 2018 G	AVÖ 2018-P/ Heubeck mortality tables 2018 G

Actuarial assumptions for termination benefit obligations

	2024	**2025**
Discount rate	3.00%	3.50%
Salary increases	2.50%–4.25%	2.50%–3.25%
Employee turnover (depending on duration of employment)	0.00%–0.60%	0.00%–0.60%
Longevity based on mortality table	AVÖ 2018-P/Heubeck mortality tables 2018 G	AVÖ 2018-P/ Heubeck mortality tables 2018 G

VERBUND is exposed to investment risk, interest rate risk, life expectancy risk, salary risk, price risk and employee turnover risk based on its existing pensions and similar obligations as well as its obligations for statutory termination benefits. The following sensitivity analyses show the effects on these obligations of changes in significant actuarial assumptions. Changes in obligations were determined in a manner comparable with the determination of the actual obligation based on the PUC method in accordance with IAS 19.

Sensitivity analysis for net pension liability 2025

	Change in assumption in percentage points or years	If assumption increases, change in net liability of	If assumption decreases, change in net liability of
Discount rate	0.25%	–2.37%	2.48%
Pension increases	0.50%	5.13%	–4.72%
Longevity based on mortality table	1 year	5.23%	–5.16%

Sensitivity analysis for obligations similar to pensions 2025

	Change in assumption in percentage points or years	If assumption increases, change in obligation of	If assumption decreases, change in obligation of
Discount rate	0.25%	–3.11%	3.28%
Change in contributions based on hospital cost index (new contracts)	0.50%	6.62%	–6.02%
Longevity based on mortality table	1 year	6.09%	–5.88%

Sensitivity analysis for termination benefit obligations 2025

	Change in assumption in percentage points or years	If assumption increases, change in obligation of	If assumption decreases, change in obligation of
Discount rate	0.25%	–1.36%	1.59%
Salary increases	0.50%	3.37%	–3.23%
Longevity based on mortality table	1 year	–0.01%	0.01%

Sensitivity analysis for net pension liability 2024

	Change in assumption in percentage points or years	If assumption increases, change in net liability of	If assumption decreases, change in net liability of
Discount rate	0.25%	–2.48%	2.60%
Pension increases	0.50%	5.35%	–4.91%
Longevity based on mortality table	1 year	5.27%	–5.20%

Sensitivity analysis for obligations similar to pensions 2024

	Change in assumption in percentage points or years	If assumption increases, change in obligation of	If assumption decreases, change in obligation of
Discount rate	0.25%	–3.33%	3.52%
Change in contributions based on hospital cost index (new contracts)	0.50%	7.09%	–6.41%
Longevity based on mortality table	1 year	6.26%	–6.03%

Sensitivity analysis for termination benefit obligations 2024

	Change in assumption in percentage points or years	If assumption increases, change in obligation of	If assumption decreases, change in obligation of
Discount rate	0.25%	–1.69%	1.73%
Salary increases	0.50%	3.65%	–3.48%
Longevity based on mortality table	1 year	0.00%	0.00%

9.2.2 Provisions for pensions and similar obligations

Reconciliation from defined benefit obligation to provisions

€m

	2024 Pension obligations	**2025 Pension obligations**	2024 Obligations similar to pensions	**2025 Obligations similar to pensions**
Defined benefit obligation covered by plan assets	247.4	227.8	–	–
Fair value of plan assets	–164.5	–169.0	–	–
Net value of obligations covered by plan assets	82.9	**58.8**	–	**–**
Defined benefit obligation not covered by plan assets	238.1	218.4	120.8	113.8
Carrying amount of provisions as at 31/12	321.0	**277.2**	120.8	**113.8**

Pension expenses

€m

	2024 Pension obligations	**2025 Pension obligations**	2024 Obligations similar to pensions	**2025 Obligations similar to pensions**
Service costs (vested claims)	1.5	1.6	1.0	1.2
Net interest expense	10.6	9.8	3.9	3.9
Pension expenses (recognised in profit for the period)	12.1	**11.4**	4.9	**5.1**
Remeasurements of the net liability	32.3	–21.8	15.5	–6.6
Pension expenses (recognised in total comprehensive income for the period)	44.4	**– 10.4**	20.4	**– 1.5**

Change in defined benefit obligation €m

	2024 Pension obligations	**2025 Pension obligations**	2024 Obligations similar to pensions	**2025 Obligations similar to pensions**
Defined benefit obligation as at 1/1	466.6	485.5	105.7	120.8
Service costs (vested claims)	1.5	1.6	1.0	1.2
Pension payments or contributions to supplementary health insurance (benefit payments)	–37.8	–37.4	–5.3	–5.5
Interest expenses	16.6	15.1	3.9	3.9
Remeasurements based on experience adjustments	3.3	–2.0	3.5	1.1
Remeasurements arising from changes in demographic assumptions	0.0	0.0	0.0	–1.3
Remeasurements arising from changes in financial assumptions	35.3	–16.6	12.0	–6.4
Defined benefit obligation as at 31/12	485.5	**446.2**	120.8	**113.8**

On 31 December 2025, the weighted average term of pension obligations was 10 years (previous year: 10 years) and that of obligations similar to pensions was 13 years (previous year: 14 years).

Change in plan assets €m

	2024 Pension obligations	**2025 Pension obligations**
Fair value of plan assets as at 1/1	163.0	164.5
Contributions by VERBUND	5.4	12.3
Payouts (benefit payments)	–16.2	–16.3
Interest income	6.0	5.3
Other gains (+) or losses (–)	6.3	3.2
Fair value of plan assets as at 31/12	164.5	**169.0**

The investment and risk pool attributable to VERBUND within the pension fund realised a gain of €8.5m in the 2025 reporting period (previous year: gain of €12.3m). The deficit represents the portion of pension obligations not covered by plan assets; these relate primarily to direct commitments to pension recipients. In the 2026 reporting period, current contributions to the pension fund for coverage of defined benefit pension plans are expected to amount to €0.8m (previous year: €6.3m).

Plan assets		in %
	2024 Quoted	**2025 Quoted**
Shares	43.1	**43.6**
Bonds	29.8	**29.5**
Money market	4.1	**3.0**
Other investments	23.0	**23.9**
Total	100.0	**100.0**

VERBUND regularly coordinates its general investment guidelines with APK Pensionskasse AG. Risk management at APK Pensionskasse AG is guided by the provisions of the Austrian Pension Fund Act and the corresponding directives from the Financial Market Authority.

9.2.3 Provisions for termination benefits

Employees whose employment relationship began on or before 31 December 2002 are entitled to receive a one-time payment based on statutory provisions, in particular when they retire. This obligation is measured in accordance with IAS 19 based on the PUC method with an accumulation period of 25 years, whereby remeasurements of the net liability are recognised immediately in other comprehensive income.

The employer is only obligated to make regular contributions for employees in Austria whose period of employment began after 31 December 2002. Such contributions are therefore accounted for as defined contribution plans in accordance with IAS 19. For these employment contracts, the employer pays 1.53% of the gross monthly salary into an employee pension fund.

The weighted average term of the obligations from termination benefits was seven years as at 31 December 2025 (previous year: seven years).

Analysis of provisions for termination benefits		€m
	2024	**2025**
Provisions for statutory termination benefits	89.1	**78.5**
Provisions for termination benefits based on special agreements as defined in the Sozialplan concluded between management and the works council	0.2	**0.2**
Carrying amount of provisions as at 31/12	89.3	**78.7**

Termination benefit expenses		€m
	2024	**2025**
Service costs	0.8	**0.7**
Net interest expense	3.2	**2.6**
Termination benefit expenses (recognised in profit for the period)	4.0	**3.3**
Remeasurements of termination benefits	5.6	**–4.1**
Termination benefit expenses (recognised in total comprehensive income for the period)	9.6	**–0.8**

Change in defined benefit obligation for statutory termination benefits €m

	2024	**2025**
Defined benefit obligation as at 1/1	89.9	89.1
Service costs (vested claims)	0.8	0.7
Interest expenses	3.2	2.6
Termination benefits (benefit payments)	–10.4	–9.8
Remeasurements based on experience adjustments	0.9	–0.5
Remeasurements arising from changes in demographic assumptions	0.0	0.1
Remeasurements arising from changes in financial assumptions	4.7	–3.7
Defined benefit obligation as at 31/12	89.1	**78.5**

9.2.4 Provisions for partial retirement obligations

Partial retirement obligations are measured in accordance with IAS 19 based on the PUC method, whereby remeasurements of the net liability are recognised immediately through profit or loss. The resulting expenses to be recognised are presented under pension expenses.

Reconciliation from defined benefit obligation to provisions €m

	2024	**2025**
Defined benefit obligation covered by plan assets	6.7	5.7
Fair value of plan assets	–3.2	–2.2
Carrying amount of provisions as at 31/12	3.5	**3.5**

Expenses for partial retirement €m

	2024	**2025**
Service costs	2.4	0.6
Net interest expense	0.2	0.1
Remeasurements	–0.5	1.4
Expenses for partial retirement (recognised in profit for the period)	2.1	**2.1**

Change in defined benefit obligation €m

	2024	**2025**
Defined benefit obligation as at 1/1	7.3	6.7
Service costs (vested claims)	2.4	0.6
Net interest expense	0.2	0.1
Payments for early retirement	–2.6	–2.1
Remeasurements	–0.6	0.4
Defined benefit obligation as at 31/12	6.7	**5.7**

Change in plan assets €m

	2024	**2025**
Fair value of plan assets as at 1/1	3.3	3.2
Other gains (+) or losses (–)	–0.1	–1.0
Fair value of plan assets as at 31/12	3.2	**2.2**

Plan assets in %

	2024	**2025**
Bonds	100.0	100.0
Total	100.0	**100.0**

9.2.5 Other personnel-related provisions

Analysis of other personnel-related provisions €m

	2024 Non-current	**2025** Non-current	2024 Current	**2025** Current
Provision for bonuses from the performance-based remuneration system	–	–	43.1	50.0
Provision for anniversary bonuses	28.1	26.5	–	–
Miscellaneous[1]	7.9	7.4	2.7	2.2
Other personnel-related provisions	36.0	**33.9**	45.8	**52.2**

[1] This item includes provisions for short-term and long-term remuneration (STI and LTI). See "Disclosures regarding the governing bodies of the Group" in section 13.3 for more information on the short-term remuneration (short-term incentive, STI) and long-term variable remuneration (long-term incentive, LTI) included here.

Change in other personnel-related provisions €m

	2024	**2025**
Carrying amount as at 1/1	68.4	**81.8**
of which non-current	29.0	36.0
of which current	39.4	45.8
New provisions	46.4	38.9
Interest accrued	0.9	1.0
Appropriation	–31.5	–30.8
Reversal	–2.4	–4.8
Carrying amount as at 31/12	81.8	**86.1**
of which non-current	36.0	33.9
of which current	45.8	52.2

9.3 Other provisions

Dismantling and decommissioning obligations

For obligations resulting from the dismantling or decommissioning of power plants, provisions are recognised at the discounted settlement amounts in the reporting period in which the obligations are incurred; the carrying amounts of the power plants increase concurrently (see section 4.2 "Property, plant and equipment"). In subsequent periods, the capitalised costs for dismantling or decommissioning are depreciated over the (remaining) useful life of the plants; interest is accrued on the provisions annually.

The provisions were measured at the reporting date on the basis of assumptions and estimates,with the main influencing factors being the expected dismantling dates, any expert reports commissioned to ascertain the costs of dismantling and decontamination or the proceeds from the sale of scrap, the indexing of these costs and the discount rate of 4.00%–7.42% (previous year: 3.25%–7.18%).

Miscellaneous other provisions mainly consist of provisions for legal and consultancy services and for damage caused by natural hazards as well as damage compensation payments.

9.3.1 Other provisions

Change in other provisions 2025 €m

	Dismantling and decontamination costs	Other	Total
Carrying amount as at 1/1/2025	39.7	28.8	68.5
of which non-current	38.2	13.6	51.8
of which current	1.5	15.2	16.7
Additions/reclassifications	1.3	45.3	46.7
Interest accrued	1.0	0.2	1.2
Appropriation	–1.0	–11.6	–12.6
Reversal	–2.4	–12.6	–14.9
Carrying amount as at 31/12/2025	38.7	50.1	88.8
of which non-current	37.7	12.6	50.3
of which current	1.0	37.6	38.5

Change in other provisions 2024 €m

	Dismantling and decontamination costs	Other	Total
Carrying amount as at 1/1/2024	35.3	39.7	75.0
of which non-current	32.4	4.5	36.9
of which current	2.9	35.2	38.1
Change in the scope of consolidation	0.7	0.0	0.7
New provisions	7.4	8.2	15.6
Interest accrued	1.0	0.9	1.9
Appropriation	–4.2	–12.3	–16.4
Reversal	–0.6	–7.7	–8.3
Carrying amount as at 31/12/2024	39.7	28.8	68.5
of which non-current	38.2	13.6	51.9
of which current	1.5	15.2	16.7

10. Taxes

Current tax liabilities for the 2025 reporting period can be broken down as follows:

Current tax liabilities €m

	2024	**2025**
Taxes on income	359.1	8.3
Other taxes	8.4	7.8
Current tax liabilities	367.4	**16.2**

Deferred tax assets and liabilities involving the same tax authority were offset against each other as follows:

Net deferred tax assets and liabilities

€m

	2024		2025	
	Total assets	Total liabilities	Total assets	Total liabilities
Property, plant and equipment	2.3	1,059.7	3.9	1,139.0
Tax-deductible goodwill	0.0	117.8	0.0	95.3
Write-downs of equity interests	66.4	0.0	50.3	0.0
Financial instruments	6.0	70.5	13.0	28.0
Special depreciation for tax purposes	1.4	77.5	0.4	75.5
Provisions for employee benefits relating to pensions and termination benefits (Sozialkapital)	80.1	0.0	58.3	0.0
Regulatory obligations	0.0	134.7	0.0	153.6
Tax loss carryforwards	95.6	0.0	83.4	0.0
Other line items	67.6	35.6	73.3	37.1
Deferred tax assets/liabilities	319.5	1,495.7	**282.8**	**1,528.5**
Netting of deferred tax assets and liabilities from the same tax authority	–260.2	–260.2	**–226.6**	**–226.6**
Net deferred tax assets and liabilities	59.3	1,235.5	**56.2**	**1,301.9**

Outside basis differences

As at 31 December 2025 (and in the previous year), it could be assumed under the applicable tax rules that the differences between the tax base of equity interests and the proportionate share of equity of the consolidated subsidiaries, branch offices, associates and joint arrangements (outside basis differences) included in VERBUND's consolidated IFRS financial statements, which result in particular from retained earnings and uncovered losses, will remain tax-free for the foreseeable future. Therefore, no tax liability was recognised at 31 December 2025 for temporary differences in the amount of €4,338.9m (previous year: €4,190.4m) in connection with those interests.

Unrecognised deferred tax assets

As of the reporting date, unrecognised deferred tax assets amounted to €33.7m (previous year: €0.0m). The unrecognised deferred tax assets relate exclusively to tax loss carryforwards that may be carried forward indefinitely.

11. Risk management

VERBUND also uses primary and derivative financial instruments to manage risk in both the finance and the energy area.

11.1 Risk management in the finance area

VERBUND is exposed to considerable financial risk in its operating activities and in the related financing transactions. Financial risk mainly comprises interest rate and liquidity risks, counterparty risks, price risks from securities, foreign exchange risks and the risk of a change in VERBUND's rating.

In the finance area, VERBUND therefore focuses on the identification, analysis and assessment of risks and opportunities as well as on the determination of measures to be implemented in this context. VERBUND has set out its own rules in Group policies to enable the corresponding monitoring and management of financial risk.

Methods for monitoring and managing financial risk include, in particular:

- the measurement and assessment of KPIs in line with market conditions with respect to locking in interest rates, currency diversification and the duration of financial liabilities; and
- the drafting of a continuous liquidity plan on which basis sufficient liquidity is ensured at all times.

Financial instruments

The primary financial instruments held by VERBUND include, in particular, investments such as securities, loans, equity interests, trade receivables, cash at banks, securitised and non-securitised financial liabilities and trade payables.

The derivative financial instruments used in the finance area comprise the following and are recognised under the balance sheet items listed:

Receivables from derivative financial instruments €m

	Reference value[1]	Positive fair values 31/12/2024	Positive fair values 31/12/2025
Interest rate swaps – closed items on the balance sheet (fixed interest recipient)	$221.3m (previous year: $297.5m)	15.8	7.0
Interest rate swaps – hedges (fixed interest payer)	€199.5m (previous year: €216.4m)	25.2	25.8

[1] The reference value includes the reference basis of the derivative instruments. The actual cash flows only represent a fraction of these values.

Liabilities from derivative financial instruments €m

	Reference value[1]	Negative fair values 31/12/2024	Negative fair values 31/12/2025
Interest rate swaps – hedges (fixed interest payer)	€2.8m (previous year: €12.9m)	0.1	0.0

[1] The reference value represents the notional amount of the derivative instruments. The actual cash flows only represent a fraction of those amounts.

The derivative financial instruments listed serve exclusively as financial hedges against existing currency and interest rate risks (see the section entitled "Interest rate risk" for explanatory disclosures on the interest rate swaps entered into for financial liabilities bearing variable interest).

Liquidity risk

For VERBUND, ensuring that liquidity is available at all times is of the utmost priority. As at 31 December 2025, VERBUND had a sustainability-linked syndicated loan in the amount of €1,000.0m at its disposal that had not been drawn down. The loan, which was taken out with 15 domestic and international banks with good credit ratings, matures in December 2028 with two additional extension options of one year in each case. VERBUND also had access to committed lines of credit amounting to €1,000.0m (previous year: €1,000.0m) as at 31 December 2025. None of those lines of credit had been drawn on as at 31 December 2025 (previous year: also no drawings). VERBUND also has liquidity reserves in the form of securities and investment funds.

See section 5.1 "Accounting treatment of financial instruments" regarding contractually agreed (undiscounted) cash outflows for financial liabilities in accordance with IFRS 7.

Credit risk

The amounts reported on the asset side also represent the maximum credit and default risk. Counterparty risk in the electricity and grid business as well as in the finance area is measured and monitored uniformly as part of Group-wide risk management.

Measures to reduce counterparty risk

1	Transactions and investments are in principle only carried out with customers deemed sufficiently creditworthy (i.e. with an external investment grade rating from an international rating agency or based on an internal credit review)
2	Assigning individual limits to each counterparty based on the credit assessment
3	Group-wide monitoring of individual counterparty limits
4	Observing counterparty risk as a whole and risk to the customer's structural portfolio based on probabilities as published by international rating agencies
5	Securing sufficient collateral (e.g. advance payments, bank guarantees, letters of comfort) for transactions entered into
6	Reducing risk by entering into offsetting agreements (with the exception of operating activities in the regulated Grid segment, where there are some trade receivables for which the debtor does not meet the requirements due to obligations to contract)

In the 2025 reporting period, a credit insurance policy with a 10% deductible was in effect for Austria and Germany in the consumer business area. As at 31 December 2025, €75.4m of trade receivables (previous year: €82.9m) were covered under this insurance policy; however, there is a maximum coverage limit of €30.0m per year (previous year: €30.0m per year).

The table below provides an overview by credit rating group of the main financial instruments subject to credit risk:

Financial instruments subject to credit risk by assigned rating group 2025 €m

Credit rating group	Equivalent Moody's rating	Financial instruments – closed items on the balance sheet	Securities	Non-current and current other receivables[1]	Trade receivables	Investments as well as cash and cash equivalents[2]
A	up to Aa3	196.1	2.5	0.0	88.4	–10.3
B	up to A3	136.7	2.0	27.1	97.9	53.1
C1–C3	up to Baa3	0.0	0.0	44.2	299.9	30.0
D1–D5	below Baa3	0.0	0.0	0.0	30.4	0.0
Not rated		0.0	170.1	342.1	241.7	0.0
Total		332.8	174.7	413.4	758.3	72.8

[1] Incl. receivables from investees and loans to investees // [2] Other non-current and current loans and money market transactions have been combined under investments in this table.

Financial instruments subject to credit risk by assigned rating group 2024 €m

Credit rating group	Equivalent Moody's rating	Financial instruments – closed items on the balance sheet	Securities	Non-current and current other receivables	Trade receivables	Investments as well as cash and cash equivalents
A	up to Aa3	299.3	3.1	0.0	31.3	337.5
B	up to A3	158.8	1.9	22.1	165.7	453.2
C1–C3	up to Baa3	0.0	0.0	42.8	352.5	34.4
D1–D5	below Baa3	0.0	0.0	0.0	34.5	0.0
Not rated		0.0	172.4	348.5	281.8	0.0
Total		458.1	177.4	413.5	865.9	825.2

- Securities and loans relating to closed items on the balance sheet
  From VERBUND's perspective, these securities and loans are not exposed to price risk or foreign exchange risk. The investments were either carried out on the basis of matching currencies and maturities or they were adjusted to reflect the terms to maturity, interest rates and currencies of the corresponding financial liabilities through corresponding derivatives. The remaining credit risk of the partner in which the investments were made was minimised by only investing with partners with investment grade ratings (Group A) at the time of selection.

- Other securities
  Other securities without assigned ratings include, in particular, domestic investment funds (funds for institutional investors) acquired to cover personnel-related provisions.

- Trade receivables
  The amounts shown as "not rated" result on the one hand from the consumer business, which leads to a large number of receivables that individually lie below the de minimis threshold (< €0.2m). However, they also include receivables for which no credit assessments were carried out due to special circumstances (e.g. legal obligations to accept contracts).

The table below contains information regarding default risk and the recognised expected credit losses for financial instruments classified as measured at amortised cost, with the exception of trade receivables and receivables from investees, which relate primarily to trade receivables. For all financial instruments, the valuation allowance was recognised in the amount of the twelve-month expected credit loss due to the low risk of default.

Expected credit losses 2025 €m

	Equivalent Moody's rating	Probability of default	Loss ratio	Gross carrying amount	Valuation allowance	Net carrying amount
A	bis Aa3	0.03%	0.60%	196.2	0.0	196.1
B	bis A3	0.08%	0.70%	151.5	–0.1	151.4
C1–C3	bis Baa3	0.13%–0.37%	0.80%	0.0	0.0	0.0
Loans – portion of a net investment[1]	–	–	–	33.1	0.0	33.1
No recognition of expected credit losses[2]	–	–	–	–	–	352.1
Total						732.8

[1] In terms of their economic substance, loans represent an increase in the net investment in Ashta Beteiligungsverwaltung GmbH (see section 4.5 Interests accounted for using the equity method). // [2] Guarantees in energy trading in the amount of €224.6m (previous year: €209.3m) are maintained as a special asset pool, which is why there is no default risk. No expected credit losses are recognised for the other remaining financial instruments due to their low level of exposure to default risk, short terms to maturity or the borrower's good creditworthiness.

Expected credit losses 2024 €m

	Equivalent Moody's rating	Probability of default	Loss ratio	Gross carrying amount	Valuation allowance	Net carrying amount
A	up to Aa3	0.03%	0.60%	299.4	0.0	299.4
B	up to A3	0.07%	0.70%	165.3	–0.1	165.2
C1–C3	up to Baa3	0.11%–0.30%	0.80%	30.0	0.0	30.0
Loans – portion of a net investment	–	–	–	36.6	0.0	36.6
No recognition of expected credit losses	–	–	–	–	–	1,067.3
Total						1,598.5

For trade receivables and receivables from investees that primarily comprise trade receivables, the credit losses expected over the term to maturity are measured using a valuation allowance matrix:

Expected credit losses 2025 €m

	Loss ratio	Gross carrying amount	Valuation allowance	Net carrying amount
Not past due	0%	744.7	0.0	744.7
1–30 days past due	0%	29.7	0.0	29.7
31–120 days past due	10–50%	3.9	–0.7	3.2
> 120 days past due	90%	45.2	–29.5	15.7
Total		823.5	–30.2	793.2

Expected credit losses 2024 €m

	Loss ratio	Gross carrying amount	Valuation allowance	Net carrying amount
Not past due	0%	873.4	0.0	873.4
1–30 days past due	0%	28.1	0.0	28.1
31–120 days past due	10–50%	1.1	–0.2	0.9
> 120 days past due	90%	18.4	–15.4	3.0
Total		921.0	–15.6	905.4

Interest rate risk

VERBUND regards fluctuations in interest rates as a significant cash flow risk. The portion of financial liabilities (taking interest rate swaps into account) with respect to which VERBUND was exposed to a corresponding interest rate risk was 17.0% as at 31 December 2025 (previous year: 9.6%).

A 1.0% increase in the interest rate would result in a decrease of €3.5m p.a. (previous year: €1.3m p.a.) in profit before taxes with respect to the loan portfolio in existence at the reporting date, including the money market transactions. As a rule, hedging instruments are used in an attempt to reduce the effects of short-term market price fluctuations on financial performance. However, prolonged negative market price changes can negatively impact financial performance.

As at 31 December 2025, interest rate swaps relating to economically matched assets and liabilities were reported in a notional amount of $221.3m (previous year: $297.5m). The fair value of these derivatives, together with the related securities, loans and receivables, in each case form a micro hedge that exactly equates to the fair value recognised for the related financial liability. The changes in the fair value of the interest rate swaps correspond to the interest rate-related fluctuations in the value of the hedged financial liabilities measured at fair value.

As at 31 December 2025, additional interest rate swaps were outstanding in a total notional amount of €202.3m (previous year: €229.3m). The interest rate swaps converted variable interest into fixed interest and were designated as hedging instruments as part of cash flow hedges in accordance with IFRS 9.

The average weighted remaining term for the portfolio as a whole is 7.1 years (previous year: 8.2 years).

Foreign exchange risk

There are no assets exposed to significant foreign exchange risks because deliveries are settled almost entirely in euros; the same generally applies to other primary financial instruments.

Since the securities and loans under closed items on the balance sheet as well as the associated obligations are denominated exclusively in US dollars, no foreign exchange risk is incurred.

Risk from cross-border leasing transactions

All cross-border leasing transactions entered into between 1999 and 2001 were terminated early in prior financial years (see section 8.1 “Financial liabilities”). With respect to the remaining balance sheet positions, accounting and financial coverage continues to be ensured. The expenses and income arising from the measurement of these positions are equal in amount and denominated in the same currency, and are offset against each other. The reference value of the interest rate swaps amounts to $221.3m (previous year: $297.5m).

The financial assets and financial liabilities that relate to closed items on the balance sheet are not offset against each other for accounting purposes. In the event of insolvency, the interest rates swaps (€7.0m; previous year: €15.8m) can be offset against the financial liabilities to banks recognised at fair value (€206.5m; previous year: €320.4m). The net liability from these two items therefore amounted to €199.5m as at 31 December 2025 (previous year: €304.6m).

11.2 Risk management in the energy area

Within its core business, VERBUND is active in international energy markets and is thus exposed to market, counterparty and operational risks that have to be weighed against the corresponding opportunities. Market risks are managed by means of rule books and the limits established therein. Counterparty risk is approached using separate guidelines at both Group level and subsidiary level. There is a process manual for the management of operational risks.

The current utilisation of the various limits for market risk (value at risk, stress limit, stop-loss limits and exposure limits) is monitored, managed and reported on a daily basis, as is the risk position of (derivative) financial instruments in the energy area.

The table below provides an overview by credit rating group of the main financial instruments subject to credit risk:

Financial instruments subject to credit risk by assigned rating group €m

		2024	**2025**
Credit rating group	Equivalent Moody's rating	Derivatives in the energy area	Derivatives in the energy area
A	up to Aa3	0.1	**0.2**
B	up to A3	123.1	**110.6**
C1–C3	up to Baa3	247.7	**52.7**
D1–D5	below Baa3	8.0	**3.2**
Total		378.8	**166.8**

As at 31 December 2025, derivative financial instruments in the energy area (electricity futures and electricity forwards as well as gas futures and gas forwards, CO2 futures and CO2 forwards) comprised the following:

Sales and procurement (cash flow hedges) as at 31/12/2025 €m

	Positive fair values	Negative fair values	Net
Futures	47.8	105.6	–57.9
Forwards	26.0	10.7	15.3
Total before netting	**73.7**	**116.3**	**–42.6**
of which current	60.4	115.1	–54.7
of which non-current	13.3	1.3	12.1
of which in other comprehensive income			–42.6

Wholesale as at 31/12/2025 €m

	Positive fair values	Negative fair values	Net
Futures	149.2	75.5	73.7
Forwards	177.5	216.0	–38.5
Total before netting	**326.7**	**291.6**	**35.2**
of which current	236.3	211.1	25.3
of which non-current	90.4	80.5	9.9
Futures already realised	–67.3	–42.4	–24.8
Total			**10.3**

Trading as at 31/12/2025 €m

	Positive fair values	Negative fair values	Net
Futures	15.4	17.2	–1.9
Forwards	132.5	131.7	0.8
Total before netting	**147.9**	**149.0**	**–1.1**
of which current	117.5	118.6	–1.1
of which non-current	30.4	30.4	0.0

Total as at 31/12/2025 €m

	Positive fair values	Negative fair values	Net
Futures	212.3	198.4	13.9
Forwards	336.0	358.4	–22.4
Total before netting	548.3	556.9	–8.5
Including netting agreements	–367.8	–367.8	0.0
Total after netting	180.5	189.1	–8.5
EEX/ECX clearing variation margins for futures	–13.7	0.0	–13.7
Recognised in either receivables from derivative financial instruments or liabilities from derivative financial instruments	166.8	189.1	–22.3
of which current	109.1	152.4	–43.3
of which non-current	57.7	36.7	21.0

As at 31 December 2024, derivative financial instruments in the energy area (electricity futures and electricity forwards as well as options, gas futures and gas forwards, CO2 futures and CO2 forwards) were as follows:

Sales and procurement (cash flow hedges) as at 31/12/2024 €m

	Positive fair values	Negative fair values	Net
Futures	253.6	177.6	76.0
Forwards	152.1	42.6	109.5
Total before netting	405.7	220.2	185.5
of which current	393.4	204.9	188.5
of which non-current	12.3	15.3	–3.0
of which in other comprehensive income			185.5

Wholesale as at 31/12/2024 €m

	Positive fair values	Negative fair values	Net
Futures	227.7	313.7	–86.1
Forwards	454.1	424.9	29.2
Total before netting	681.8	738.7	–56.9
of which current	573.4	544.1	29.4
of which non-current	108.4	194.6	–86.2
Futures already realised	187.9	124.9	62.9
Total			6.1

Trading as at 31/12/2024 €m

	Positive fair values	Negative fair values	Net
Futures	12.2	12.8	–0.6
Forwards	115.7	116.7	–1.0
Total before netting	127.8	129.5	–1.7
of which current	89.1	90.7	–1.7
of which non-current	38.8	38.8	0.0

Total as at 31/12/2024 €m

	Positive fair values	Negative fair values	Net
Futures	493.4	504.2	–10.8
Forwards	721.9	584.2	137.7
Total before netting	1,215.3	1,088.4	127.0
Including netting agreements	–847.3	–847.3	0.0
Total after netting	368.0	241.0	127.0
EEX/ECX clearing variation margins for futures	10.8	0.0	10.8
Recognised in either receivables from derivative financial instruments or liabilities from derivative financial instruments	378.8	241.0	137.8
of which current	329.8	102.9	226.9
of which non-current	49.0	138.1	–89.1

Sensitivity analyses were used to measure the impact of potential price fluctuations on the electricity market (–10.0% to +10.0%):

Sensitivity: market price fluctuation of +10% €m

	2024	**2025**
Effect on operating result (wholesale and trading portfolio)	–19.5	**–5.4**
Effect on equity (revaluation reserve from cash flow hedges)	–171.5	**–86.5**

Sensitivity: market price fluctuation of –10% €m

	2024	**2025**
Effect on operating result (wholesale and trading portfolio)	19.5	**5.4**
Effect on equity (revaluation reserve from cash flow hedges)	171.5	**86.5**

The future sales and purchase transactions that are hedged by cash flow hedges will arise over the next seven years (2026 to 2032) and be recognised in profit or loss accordingly. See section 5 “Financial instruments” for further details regarding electricity futures and forwards designated as cash flow hedges.

12. Capital management

The capital structure of the VERBUND Group comprises the Group's equity and net debt. Equity consists of no-par value shares, accumulated profits and losses and other reserves, retained earnings, and non-controlling interests, as presented in section 7. Net debt includes the financial liabilities described in sections 8 and 9, as well as interest-bearing other liabilities and interest-bearing provisions, less liquid financial assets.

The objectives of VERBUND's capital management include:
- optimising the capital structure;
- safeguarding liquidity and ensuring suitable liquidity reserves; and
- securing a solid, long-term credit rating.

As part of its capital management, the Executive Board regularly monitors the following key performance indicators: net debt/EBITDA and free cash flow after dividends. The Group strives for a net debt/EBITDA ratio of <3.0 and a free cash flow (after dividends) of > €–500.0m in order to secure its rating. These targets are based on the Group's existing asset and value chain structure.

VERBUND also follows a sustainable, shareholder-friendly dividend policy, the objective being to enable shareholders to share appropriately in the company's success while at the same time ensuring the Group's financial stability and long-term growth potential. The targeted payout ratio is in the range of 45%–55% of the Group's adjusted net income.

The relevant metrics changed as follows:

Net debt/EBITDA €m

	2024	**2025**
Net debt	1,976.7	2,818.1
EBITDA	3,480.3	2,737.5
Net debt/EBITDA	0.6	**1.0**

Derivation of net debt €m

	2024	**2025**
Financial liabilities not including closed items on the balance sheet	1,817.0	1,940.0
Interest-bearing provisions	623.3	553.9
Other interest-bearing liabilities	566.4	607.2
Liquid financial assets	– 1,030.0	– 283.1
Net debt	1,976.7	**2,818.1**

Free cashflow after dividends €m

	2024	2025
Cash flow from operating activities	3,248.6	1,918.5
Cash flow from investing activities, excluding cash inflows and outflows for capital expenditure and disposals under Investments	–1,169.8	–1,381.8
Free cash flow before dividends	2,078.8	**536.8**
Dividends paid	–1,934.0	–1,329.4
Free cashflow after dividends	144.8	**–792.7**

13. Other

13.1 Other obligations/entitlements and risks

Contingent liabilities

Contingent liabilities not recognised in VERBUND's balance sheet are assessed quarterly with respect to their probability of occurrence. The assessment is carried out by the managers responsible, taking account of market-related inputs (to the extent possible) and expert opinions (in individual cases).

Court proceedings pending

Pending court proceedings relate mainly to the following matters:

- The substantive validity of the electricity price increase implemented in 2022 based on a price adjustment clause in the General Terms and Conditions (GTCs) was disputed in several class action lawsuits brought against VERBUND AG. In this context, VERBUND has reached out-of-court settlements with relevant class-action institutions over the past two years.
- Recognition by the tax authorities of the amortisation of an electricity purchase right amounting to approximately €2.3m per year in connection with the acquisition of interests in a German power plant company in 2012 is disputed. An objection to the notices issued by the tax authorities concerning the years 2013 to 2021 was filed within the prescribed time period.

No information has been provided on any contingent liabilities or provisions associated with the above-mentioned proceedings, as it is to be expected that any such disclosures in the notes to the financial statements would seriously affect the position of the Group companies being sued in these proceedings.

Contracts and purchase commitments

Purchase commitments for property, plant and equipment and intangible assets as well as other commitments as of 31/12/2025 €m

	2026	2027–2030	From 2031
Total commitment	1,438.0	1,291.3	115.0

Purchase commitments for property, plant and equipment and intangible assets as well as other commitments as of 31/12/2024 €m

	2025	2026–2029	From 2030
Total commitment	1,359.5	1,162.0	146.6

Additional purchase contracts have also been entered into as part of customary business operations; most of the contracts involve electricity supply agreements.

13.2 Other disclosures

Average operational headcount

Average number of employees

	2024	**2025**
Salaried employees	3,977	4,247
Apprentices	172	174
Average number of employees[1]	4,149	**4,421**

[1] Part-time employees were taken into account proportionately based on their working hours.

Expenses for services provided by the Group auditor

Expenses for services provided by the Group auditor refer to VERBUND's consolidated subsidiaries that are audited by the Group auditor or the Group auditor's network. VERBUND's Group auditor in 2025 and in the previous year was Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

Expenses for services provided by the Group auditor €k

	Ernst & Young 2024	Ernst & Young **2025**
Audit services relating to consolidated and separate financial statements	863.7	860.0
Other assurance services	677.0	622.0
Other advisory services	81.6	108.7
Total expenses	1,622.3	**1,590.7**

Fees in the amount of €763.2k (previous year: €731.2k) were incurred for audit services provided by the Ernst & Young network in relation to the consolidated and separate financial statements. Fees of €85.5k (previous year: €201.6k) were incurred for other consulting and assurance services provided by the Ernst & Young network.

VERBUND's joint ventures incurred expenses of €27.8k (previous year: €23.9k) for services provided by the Group auditor in relation to the consolidated and separate financial statements.

13.3 Transactions with related parties

VERBUND's related parties include:

- all subsidiaries, associates and joint ventures;
- the members of VERBUND's Executive Board and Supervisory Board as well as companies controlled or significantly influenced by them or their close family members;
- the Republic of Austria due to its position as the majority shareholder; and
- companies controlled or significantly influenced by the Republic of Austria.

Transactions with subsidiaries, joint ventures or associates that are not included in the scope of consolidation due to immateriality have not been presented owing to their lack of significance.

Transactions with joint ventures

Material transactions with joint ventures accounted for using the equity method impacted VERBUND's income statement and balance sheet as follows:

Transactions with joint ventures		€m
	2024	**2025**
Income statement		
Other revenue	1.9	1.0
Expenses for electricity, grid, gas and certificate procurement	–0.2	0.0
Fuel expenses and other usage-/revenue-dependent expenses	–0.7	0.0
Interest income	0.8	0.7
Interest expenses	–0.8	–0.4
Other financial result	0.6	0.5

Transactions with joint ventures		€m
	31/12/2024	**31/12/2025**
Balance sheet		
Investments and other non-current receivables	33.1	33.1
Trade receivables, other receivables and securities	3.6	0.3
Trade payables and other liabilities	22.2	21.0

Investments as at 31 December 2025 included a non-current loan to Energji Ashta Shpk in the amount of €29.6m (previous year: €33.1m) as well as an other current receivable in the amount of €3.5m (previous year: €3.5m). Both items were mainly used to finance construction services relating to an Albanian hydropower plant concession.

Transactions with associates

Material transactions with associates accounted for using the equity method impacted VERBUND's income statement and balance sheet as follows:

Transactions with associates €m

	2024	**2025**
Income statement		
Electricity revenue	118.8	99.6
Grid revenue	41.4	44.0
Other revenue	22.6	24.5
Other operating income	3.5	11.0
Expenses for electricity, grid, gas and certificate procurement	–70.2	–78.9
Other operating expenses	–17.3	–75.9

Transactions with associates €m

	31/12/2024	**31/12/2025**
Balance sheet		
Investments and other non-current receivables	42.8	44.2
Trade receivables, other receivables and securities	16.5	14.4
Building cost contributions	259.4	252.7

Details regarding material transactions:

- Electricity revenue was generated through KELAG (€82.2m; previous year: €105.3m) and OeMAG Abwicklungsstelle für Ökostrom AG (€17.4m; previous year: €13.5m).
- Electricity purchases amounted to €64.2m (previous year: €61.7m) and were mainly from KELAG.
- Grid revenue was generated primarily through KELAG (€40.4m; previous year: €30.7m).
- KELAG has acquired (pro-rated) electricity purchase rights by providing contributions to building costs for power plants on the Danube and Drau rivers and for the Malta and Reißeck power plant groups. Based on these electricity supply agreements, VERBUND is obligated to deliver a portion of the electricity generated at these power plants to KELAG in exchange for reimbursement of contractually defined accounting expenses (excluding depreciation, amortisation and interest).

Transactions with the Republic of Austria and companies under its controlling influence

Electricity revenue from companies controlled or significantly influenced by the Republic of Austria totalled €160.2m (previous year: €240.7m) in the 2025 reporting period. The electricity was purchased by ÖBB, OMV, Bundesbeschaffung GmbH and Telekom Austria. Electricity procured from companies controlled or significantly influenced by the Republic of Austria totalled €41.2m in the 2025 reporting period (previous year: €65.5m). The electricity was supplied primarily by ÖBB. Gas trading contracts with OMV resulted in an expense of €27.6m (previous year: €24.3m).

VERBUND's expenses for monitoring by E-Control totalled €21.5m in the 2025 reporting period (previous year: €23.8m).

Disclosures regarding the governing bodies of the Group

Detailed disclosures regarding VERBUND AG's boards are presented in the Remuneration Report. The following disclosures focus on the remuneration extended to members of the Executive Board and the Supervisory Board.

Current remuneration of the Executive Board (incl. variable remuneration) €

	2024		**2025**	
	Fixed remuneration	Variable remuneration	Fixed remuneration	Variable remuneration
Dr. Michael Strugl	765,000	1,035,000	765,000	1,193,902
Dr. Peter F. Kollmann	651,000	855,600	651,000	999,419
Dr. Achim Kaspar	485,000	655,500	485,000	756,473
Dr. Susanna Zapreva	485,000	–	485,000	324,902

Remuneration granted to active Executive Board members totalled €5,709,456 in the 2025 reporting period (previous year: €5,016,894) and included €48,761 in remuneration in kind (previous year: €53,783).

The variable remuneration consists of a short-term component (short-term incentive, STI) and a long-term component (long-term incentive, LTI) that is designed as a virtual performance share plan ("phantom share plan").

In the 2025 reporting period, active members of the Executive Board received €1,835,596 in short-term variable remuneration (STI; previous year: €1,107,000) and €1,439,100 in long-term variable remuneration (LTI; previous year: €1,439,100).

The variable remuneration is paid out retroactively after the end of the assessment period.

In the case of the LTI, both the number of phantom shares allocated and the amount actually paid out depend on the average share price over the last 60 trading days prior to the date in question. This long-term variable remuneration component is therefore classified as a cash-settled share-based payment transaction. Other key performance criteria used to calculate the LTI payout amount are total shareholder return relative to a peer group of European energy companies ("relative TSR") and free cash flow before dividends as well as one or more sustainability targets based on the catalogue of criteria derived from the Group's sustainability strategy.

The total obligation recognised for the phantom share plans as at 31 December 2025 amounted to €3,863,850 (previous year: €4,445,681), €3,494,414 of which (previous year: €4,024,107) related to Executive Board members. Personnel expenses recognised in this context amounted to €581,530 in the financial year (previous year: €447,203), €529,693 of which (previous year: €376,565) related to the Executive Board.

The following table presents the benchmark data for performance-related variable remuneration components:

Short-term remuneration – Short-Term Incentive (STI)

	2024 STI	**2025 STI**
Assessment period	1 year	1 year
Target amount	60% of annual gross basic salary	60% of annual gross basic salary
Target achievement cap	150%, no credit for outperformance	150%, no credit for outperformance
Payout cap	90% of annual gross basic salary	90% of annual gross basic salary

Long-term remuneration – Long-Term Incentive (LTI)

	2024 LTI	**LTI 2025**
Assessment period	4 years	4 years
Amount allocated	90% of annual gross basic salary	90% of annual gross basic salary
Target achievement cap	150%	150%
Payout cap	135% of annual gross basic salary	135% of annual gross basic salary

The following targets have been agreed for the 2024 and 2025 STIs:

Short-term remuneration – Short-Term Incentive (STI)

Assessment period	Criteria	Weighting
Short-term remuneration – 2024 Short-Term Incentive (STI)	Financial targets	70%
	2024 Group result	70%
	Non-financial targets	30%
	Occupational safety	10%
	Culture and transformation	10%
	Diversity	10%
Short-term remuneration – 2025 Short-Term Incentive (STI)	Financial targets	70%
	2025 Group result	70%
	Non-financial targets	30%
	Occupational safety	10%
	Culture, transformation and ESG	10%
	Diversity and inclusion	10%

The actual level of target achievement for the 2024 STI was 142.1% for all criteria.

The performance criteria for the respective LTIs are as follows:

Long-term remuneration – Long-Term Incentive (LTI)

Assessment period	Criteria	Weighting
LTI 2022 (term until 2024)	Relative total shareholder return	30%
	Free cash flow before dividends	35%
	Overheads	35%
LTI 2023 (term until 2025)	Relative total shareholder return	30%
	Free cash flow before dividends	35%
	Sustainability performance targets	35%
LTI 2024 (term until 2027)	Relative total shareholder return	30%
	Free cash flow before dividends	40%
	Sustainability performance targets	30%
LTI 2025 (term until 2028)	Relative total shareholder return	30%
	Free cash flow before dividends	40%
	Sustainability performance targets	30%

The actual level of target achievement for the 2022 STI (vesting in 2024) was 120% for all criteria.

Executive Board members are enrolled in a company pension plan set up as a defined contribution plan. Contributions of €238,600 were made to the pension plan on behalf of Executive Board members in the 2025 reporting period (previous year: €238,600).

An amount of €197,101 was paid out in pensions to beneficiaries in the 2025 reporting period (previous year: €195,552). Expenses for pensions and similar obligations for former members of the Executive Board and their surviving dependants included in profit or loss for the period totalled €42,499 (previous year: €50,123). In addition, remeasurement expenses of €52,679 (previous year: €130,895) were recognised in other comprehensive income.

Remuneration for members of the Supervisory Board (including the reimbursement of itemised out-of-pocket expenses/travel expenses) totalled €385,740 (previous year: €401,899). As in the previous year, no loans or advances were paid out to members of the governing bodies of the Group or its subsidiaries. VERBUND does not have a stock option programme for either Executive Board members or senior management staff, also as in the previous year.

13.4 Subsidiaries, joint ventures and associates of VERBUND

Subsidiaries with material non-controlling interests

The following tables contain condensed financial information for each of the Group's subsidiaries with material non-controlling interests, before intra-Group adjustments:

Subsidiaries with material non-controlling interests: statement of comprehensive income €m

	2024			**2025**		
	VERBUND Hydro Power GmbH	Gas Connect Austria GmbH	VERBUND Innkraft-werke GmbH	VERBUND Hydro Power GmbH	Gas Connect Austria GmbH	VERBUND Innkraft-werke GmbH
Amounts held as non-controlling interests	15.94%	49.00%	29.73%	**15.94%**	**49.00%**	**29.73%**
Revenue	2,714.0	183.8	279.0	2,079.5	229.1	166.5
Profit for the period	1,632.8	–93.9	157.9	**1,067.9**	**–2.2**	**101.4**
Profit for the period attributable to non-controlling interests	260.2	–47.2	47.0	**170.1**	**–0.6**	**30.2**
Other comprehensive income	–17.7	–1.1	–1.1	9.0	3.4	–1.1
Total comprehensive income for the period	1,615.1	–95.1	156.8	**1,076.9**	**1.2**	**100.4**
Total profit or loss for the period attributable to non-controlling interests	257.4	–46.6	46.6	**171.7**	**0.6**	**29.8**

Subsidiaries with material non-controlling interests: balance sheet €m

	31/12/2024			**31/12/2025**		
	VERBUND Hydro Power GmbH	Gas Connect Austria GmbH	VERBUND Innkraft-werke GmbH	VERBUND Hydro Power GmbH	Gas Connect Austria GmbH	VERBUND Innkraft-werke GmbH
Non-current assets	5,389.8	544.4	930.5	5,417.4	541.8	933.8
Current assets	902.7	65.1	172.6	384.3	64.5	10.0
Non-current liabilities	–1,649.3	–299.1	–182.2	–1,373.5	–296.6	–168.1
Current liabilities	–351.5	–64.5	–44.6	–539.4	–61.7	–13.7
Net assets	4,291.7	245.9	876.3	**3,888.8**	**248.0**	**762.1**
Amounts held as non-controlling interests	15.94%	49.00%	29.73%	15.94%	49.00%	29.73%
Net assets attributable to non-controlling interests	684.1	120.5	260.5	**619.9**	**121.5**	**226.6**

Subsidiaries with material non-controlling interests: cash flows €m

	31/12/2024			31/12/2025		
	VERBUND Hydro Power GmbH	Gas Connect Austria GmbH	VERBUND Innkraft-werke GmbH	VERBUND Hydro Power GmbH	Gas Connect Austria GmbH	VERBUND Innkraft-werke GmbH
Cash flow from operating activities	1,747.7	37.0	224.0	1,022.5	39.6	79.3
Cash flow from investing activities	–400.5	–34.8	–16.3	–404.9	–43.2	–27.1
Cash flow from financing activities	–1,347.2	–2.7	–207.7	–617.6	3.7	–52.3
Change in cash and cash equivalents	0.0	–0.4	0.0	**0.0**	**0.1**	**0.0**
Dividends paid to non-controlling interests	369.8	20.0	102.3	**292.0**	**0.9**	**63.8**

A shareholder agreement in force for VERBUND Innkraftwerke GmbH specifies that the entire profit for the year is to be approved as net profit for the period and distributed to shareholders, except in the following cases:

- the shareholders unanimously agree to a different payout ratio;
- distribution of the entire profit would violate statutory provisions;
- equity as a percentage of assets would fall below 25% at the respective reporting date if the entire profit were distributed;
- there are insufficient cash and cash equivalents available to distribute the entire profit; or
- distribution of the entire profit would not leave enough cash and cash equivalents for approved capital expenditure, maintenance and restructuring measures or actions that must be taken due to force majeure, or for reserves required to be recognised for the reversal of impairment losses.

Joint operation: Ennskraftwerke Aktiengesellschaft

The equity interest in Ennskraftwerke Aktiengesellschaft (with VERBUND and Energie AG Oberösterreich each holding 50% of the interest) is classified as a joint operation in accordance with the provisions of IFRS 11. As a result, Ennskraftwerke Aktiengesellschaft is included in the consolidated financial statements with the share of assets and liabilities or revenue and expenses attributable to VERBUND. The size of the share is determined based on the ratio of electricity deliveries to both parties. From a cost-benefit perspective, the assets and liabilities as well as the revenue and expenses of Ennskraftwerke Aktiengesellschaft are included in VERBUND's consolidated financial statements based on the average ratio of total electricity deliveries (VERBUND: 62%; Energie AG Oberösterreich: 38%).

Associates

The tables below show a summary of aggregated financial information for KELAG, a material associate accounted for by VERBUND using the equity method. The reference date for financial information is 30 September 2025 (see section 1.2 "Financial reporting principles"); the financial information is based on data updated to the best of VERBUND's knowledge.

Material associates: statement of comprehensive income €m

	2024 KELAG-Kärntner Elektrizitäts-Aktiengesellschaft	**2025 KELAG-Kärntner Elektrizitäts-Aktiengesellschaft**
Revenue	1,928.9	1,938.0
Profit after tax	456.3	**367.7**
Ownership interest of VERBUND	35.17%	35.17%
Profit or loss for the period attributable to VERBUND	160.4	**129.3**
Differences due to the application of the equity method of accounting	–60.0	–45.1
Share of profit or loss from associates accounted for using the equity method	100.5	**84.2**
Profit after tax	456.3	**367.7**
Other comprehensive income	4.0	–36.3
Total comprehensive income for the period	460.2	**331.4**
Ownership interest of VERBUND	35.17%	35.17%
Total comprehensive income for the period attributable to VERBUND	161.8	**116.5**
Differences due to the application of the equity method of accounting	–60.0	–45.1
Total comprehensive income for the period from associates accounted for using the equity method	101.9	**71.4**
Dividends received from associates	80.9	**75.6**

At KELAG, resolutions on the distribution of dividends can be adopted by simple majority. Kärntner Energieholding Beteiligungs GmbH holds 51% of the shares in KELAG and therefore determines its distribution policy.

Material associates: balance sheet €m

	31/12/2024 KELAG-Kärntner Elektrizitäts-Aktiengesellschaft	**31/12/2025 KELAG-Kärntner Elektrizitäts-Aktiengesellschaft**
Non-current assets	2,428.1	2,616.2
Current assets	1,032.1	776.3
Non-current liabilities	–1,102.2	–957.6
Current liabilities	–586.5	–542.9
Equity attributable to non-controlling interests	–18.7	–22.9
Net assets	1,752.8	**1,869.2**
Ownership interest of VERBUND	35.17%	35.17%
Net assets attributable to VERBUND	616.4	**657.3**
Differences due to the application of the equity method of accounting	–120.0	–112.3
Carrying amount of associates accounted for using the equity method	496.3	**545.0**

List of Group companies

The following list of Group companies shows VERBUND's subsidiaries, joint ventures and associates in accordance with Section 245a(1) in conjunction with Section 265(2) of the Austrian Commercial Code (UGB). The list also includes unconsolidated subsidiaries and other joint ventures, associates and equity interests in which VERBUND's interest is ≥ 20% and which are not accounted for using the equity method.

Segment: Hydro

Company	2024 Headquarters	2024 Consolidation method	2024 Parent company	2024 Parent company's share of equity	**2025** Headquarters	**2025** Consolidation method	**2025** Parent company	**2025** Parent company's share of equity
VERBUND AG (VH – Hydro	Vienna	CS	–	–	Vienna	CS	–	–
Innwerk AG (VHP-IW)	Stamm-ham	CS	VH	100.00%	Stamm-ham	CS	VH	100.00%
VERBUND Hydro Power GmbH (VHP)	Vienna	CS	VH	80.54%	Vienna	CS	VH	80.54%
VERBUND Innkraftwerke GmbH	Töging	CS	VH	70.27%	Töging	CS	VH	70.27%
Donaukraftwerk Jochenstein Aktiengesellschaft	Passau	CS	VH VHP-IW	50.00% 50.00%	Passau	CS	VH VHP-IW	50.00% 50.00%
Grenzkraftwerke GmbH	Simbach	CS	VH VHP-IW	50.00% 50.00%	Simbach	CS	VH VHP-IW	50.00% 50.00%
Österreichisch-Bayerische Kraftwerke Aktiengesellschaft	Simbach	CS	VH VHP-IW	50.00% 50.00%	Simbach	CS	VH VHP-IW	50.00% 50.00%
Ennskraftwerke Aktiengesellschaft	Steyr	JO	VH	50.00%	Steyr	JO	VH	50.00%
Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH & Co KG	Vienna	EM[1]	VHP	33.33%	Vienna	EM[1]	VHP	33.33%
Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH	Vienna	EM[1]	VHP	33.33%	Vienna	EM[1]	VHP	33.33%
Ashta Beteiligungsverwaltung GmbH (VHP-AL-HII)	Vienna	EM[1]	VHP	50.01%	Vienna	EM[1]	VHP	50.01%
Energji Ashta Shpk	Bushat	EM[1]	VHP-AL-HII	100.00%	Bushat	EM[1]	VHP-AL-HII	100.00%
Lestin Tauch- und Bergungsunternehmen GmbH (LESTIN)	Vienna	UC	VHP	100.00%	Vienna	UC	VHP	100.00%
Murkraftwerk Graz Errichtungs- und BetriebsgmbH	Graz	UC	VHP	25.10%	Graz	UC	VHP	25.10%
VERBUND Tourismus GmbH	Vienna	UC	VHP LESTIN	99.90% 0.10%	Vienna	UC	VHP LESTIN	99.90% 0.10%
Manara HPP Operation Ltd.	Tel Aviv	UC	VHP	80.00%	Tel Aviv	UC	VHP	80.00%

Segment: New renewables

Company	2024 Head-quarters	2024 Consoli-dation method	2024 Parent company	2024 Parent com-pany's share of equity	**2025** Head-quarters	**2025** Consoli-dation method	**2025** Parent company	**2025** Parent com-pany's share of equity
VERBUND Green Power GmbH (VGP)	Vienna	CS	VH	100.00%	Vienna	CS	VH	100.00%
VERBUND Wind Power Austria GmbH (VRP-AT)	Vienna	CS	VHP	100.00%	Vienna	CS	VHP	100.00%
VERBUND Green Power Deutschland GmbH (VGP-DE)	Berlin	CS	VGP	100.00%	Berlin	CS	VGP	100.00%
VERBUND Green Power Österreich GmbH (VGP-AT)	Vienna	CS	VGP	100.00%	Vienna	CS	VGP	100.00%
VERBUND Green Power Iberia, S.L.U.	Madrid	CS	VGP	100.00%	Madrid	CS	VGP	100.00%
VERBUND Wind Power Romania SRL (VRP-RO)	Bucha-rest	CS	VGP	100.00%	Bucha-rest	CS	VGP	100.00%
Infrastrukturgesell-schaft Bischheim GmbH & Co. KG	Wörr-stadt	CS	VGP	80.60%	Wörr-stadt	CS	VGP	80.60%
VERBUND Green Power Deutschland Photovoltaik GmbH	Berlin	CS	VGP	100.00%	Berlin	CS	VGP	100.00%
VERBUND Green Power Italia S.R.L. (VGP-IT)	Milan	CS	VGP	100.00%	Milan	CS	VGP	100.00%
ICA One S.R.L.	Milan	CS	VGP-IT	100.00%	Milan	CS	VGP-IT	100.00%
PV Novoli S.R.L.	Milan	CS	VGP-IT	100.00%	–	–	–	–
Tenuta del Campo S.R.L.	Milan	CS	VGP-IT	100.00%	–	–	–	–
Watt Development SPV 5 S.L.U. (VGP-IB-IL1)	Madrid	CS	VH	100.00%	Madrid	CS	VH	100.00%
Watt Development SPV 6 S.L.U. (VGP-IB-IL2)	Madrid	CS	VH	100.00%	Madrid	CS	VH	100.00%
Watt Development SPV 7 S.L.U. (VGP-IB-IL3)	Madrid	CS	VH	100.00%	Madrid	CS	VH	100.00%
Parque Eólico Ayamonte S.L.U.	Madrid	CS	VH	100.00%	Madrid	CS	VH	100.00%
Parque Eólico Buseco S.L.U.	Madrid	CS	VH	100.00%	Madrid	CS	VH	100.00%

Segment: New renewables

Company	2024 Head-quarters	2024 Consoli-dation method	2024 Parent company	2024 Parent com-pany's share of equity	**2025** Head-quarters	**2025** Consoli-dation method	**2025** Parent company	**2025** Parent com-pany's share of equity
Parque Eólico El Barroso S.L.U.	Madrid	CS	VH	100.00%	Madrid	CS	VH	100.00%
Parque Eólico Loma de los Pinos S.L.U.	Madrid	CS	VH	100.00%	Madrid	CS	VH	100.00%
Lusitania Renovables S.L.U.	Madrid	CS	VH	100.00%	Madrid	CS	VH	100.00%
Anselma Issuer, S.A.U. (VGP-IB-ANI)	Madrid	CS	VH	100.00%	Madrid	CS	VH	100.00%
Topacio Energy, S.L.U.	Madrid	CS	VH	100.00%	Madrid	CS	VH	100.00%
Tejo Solar, S.L.U. (VGP-IB-TES)	Madrid	CS	VH	100.00%	Madrid	CS	VH	100.00%
VERBUND Green Power Renewable Projects, S.L.U. (VGP-IB-GRP)	Madrid	CS	VH	100.00%	Madrid	CS	VH	100.00%
Sica Desarrollos Cuerva, S.L.U.	Madrid	CS	VGP-IB-ANI	100.00%	Madrid	CS	VGP-IB-ANI	100.00%
Sica Desarrollos Los Navalmorales, S.L.U.	Madrid	CS	VGP-IB-ANI	100.00%	Madrid	CS	VGP-IB-ANI	100.00%
Sica Desarrollos Albarreal, S.L.U.	Madrid	CS	VGP-IB-ANI	100.00%	Madrid	CS	VGP-IB-ANI	100.00%
Sica Desarrollos Totanés, S.L.U. (VGP-IB-SDT)	Madrid	CS	VGP-IB-ANI	100.00%	Madrid	CS	VGP-IB-ANI	100.00%
VERBUND Windpark Münster GmbH	Berlin	CS	VGP-DE	100.00%	Berlin	CS	VGP-DE	100.00%
VERBUND Windpark Quelkhorn GmbH	Berlin	CS	VGP-DE	100.00%	Berlin	CS	VGP-DE	100.00%
VERBUND Windpark Mariengarten GmbH	Berlin	CS	VGP-DE	100.00%	Berlin	CS	VGP-DE	100.00%
VERBUND Windpark Oedelum GmbH	Scheller-ten	CS	VGP-DE	100.00%	Scheller-ten	CS	VGP-DE	100.00%
VERBUND Windpark Frielendorf GmbH & Co. KG (VGP-DE-FS)	Berlin	CS	VGP-DE	100.00%	Berlin	CS	VGP-DE	100.00%

Segment: New renewables

Company	2024 Head-quarters	2024 Consoli-dation method	2024 Parent company	2024 Parent com-pany's share of equity	**2025** Head-quarters	**2025** Consoli-dation method	**2025** Parent company	**2025** Parent com-pany's share of equity
MSH Bürger-Windpark-Feldatal GmbH & Co. KG	–	–	–	–	Feldatal	CS	VGP-DE-PV	100.00%
Cyopsa-El Molino Energia Eólica, S.A.U.	Madrid	CS	VGP-IB-GRP	100.00%	Madrid	CS	VGP-IB-GRP	100.00%
Energias Renovables de Musas, S.L.U.	Madrid	CS	VGP-IB-GRP	100.00%	Madrid	CS	VGP-IB-GRP	100.00%
Energias Renovables de Ofion, S.L.U.	Madrid	CS	VGP-IB-GRP	100.00%	Madrid	CS	VGP-IB-GRP	100.00%
Green Power Wind Spain 1, S.L.U.	Madrid	CS	VGP	100.00%	Madrid	CS	VGP	100.00%
Green Power Wind Marquesado, S.L.U.	Madrid	CS	VGP	100.00%	Madrid	CS	VGP	100.00%
Camareta Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	CS	VGP-IB-TES	100.00%
Cornamusa Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	CS	VGP-IB-TES	100.00%
Cruceta Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	CS	VGP-IB-TES	100.00%
Natera Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	CS	VGP-IB-TES	100.00%
Panol Solar, S.L.	Madrid	UC	VGP-IB-TES	51.00%	Madrid	CS	VGP-IB-TES	100.00%
Obenque Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	CS	VGP-IB-TES	100.00%
Orla Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	CS	VGP-IB-TES	100.00%
Reclamo Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	CS	VGP-IB-TES	100.00%
Rehala Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	CS	VGP-IB-TES	100.00%
PH Tambre Energy, s.l.	Madrid	EM[1]	VGP	50.00%	Madrid	EM[1]	VGP	50.00%
Amaranta Energy, s.l.	Madrid	EM[1]	VGP	50.00%	Madrid	EM[1]	VGP	50.00%
Infraestructuras de Illora S.L.	Madrid	UC	VGP-IB-IL1 VGP-IB-IL2	20.00% 20.00% 20.00%	Madrid	UC	VGP-IB-IL1 VGP-IB-IL2	20.00% 20.00% 20.00%

Segment: New renewables

Company	2024 Head-quarters	2024 Consoli-dation method	2024 Parent company	2024 Parent com-pany's share of equity	**2025** Head-quarters	**2025** Consoli-dation method	**2025** Parent company	**2025** Parent com-pany's share of equity
			VGP-IB-IL3				VGP-IB-IL3	
Windpark Frielendorf GmbH & Co. KG	Gilser-berg	UC	VGP-DE-FS	32.50%	Gilser-berg	UC	VGP-DE-FS	32.50%
cos phi gmbh	Vienna	UC	VGP-AT	100.00%	Vienna	UC	VGP-AT	100.00%
DA1 S.R.L.	Milan	UC	VGP-IT	100.00%	Milan	UC	VGP-IT	100.00%
SY05 S.R.L.	–	–	–	–	Milan	UC	VGP-IT	100.00%
Corleto S.r.l.	–	–	–	–	Faenza	UC	VGP-IT	100.00%
Totanés Infraestructuras Comunes, S.L.	Madrid	UC	VGP-IB-SDT	38.89%	Madrid	UC	VGP-IB-SDT	38.89%
Murcia Solar Park GmbH (VGP-IB-MUR)	Berlin	UC	VGP-IB-ANI	100.00%	Berlin	UC	VGP-IB-ANI	100.00%
Baluma Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	UC	VGP-IB-TES	100.00%
Baviera Energy, S.L.U.	Madrid	UC	VGP-IB-GRP	100.00%	Madrid	UC	VGP-IB-GRP	100.00%
Bolardo Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	UC	VGP-IB-TES	100.00%
Boyante Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	UC	VGP-IB-TES	100.00%
Braganza Energy, S.L.U.	Madrid	UC	VGP-IB-GRP	100.00%	Madrid	UC	VGP-IB-GRP	100.00%
Cairo Energy, S.L.U.	Madrid	UC	VGP-IB-GRP	100.00%	Madrid	UC	VGP-IB-GRP	100.00%
Carmesi Solar, S.L.U.	Madrid	UC	VGP-IB-GRP	100.00%	Madrid	UC	VGP-IB-GRP	100.00%
Cenida Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	UC	VGP-IB-TES	100.00%
Comunidad de Bienes del Huerto Solar del Hinojar, C.B.	Lorca	UC	VGP-IB-SVL	92.72%	Lorca	UC	VGP-IB-SVL	92.72%
Faballones Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	UC	VGP-IB-TES	100.00%

Segment: New renewables

Company	2024 Head-quarters	2024 Consoli-dation method	2024 Parent company	2024 Parent com-pany's share of equity	**2025** Head-quarters	**2025** Consoli-dation method	**2025** Parent company	**2025** Parent com-pany's share of equity
Feanor Solar, S.L.U.	Madrid	UC	VGP-IB-GRP	100.00%	Madrid	UC	VGP-IB-GRP	100.00%
Galadriel Solar, S.L.U.	Madrid	UC	VGP-IB-GRP	100.00%	Madrid	UC	VGP-IB-GRP	100.00%
Helice Energy, S.L.U.	Madrid	UC	VGP-IB-GRP	100.00%	Madrid	UC	VGP-IB-GRP	100.00%
Imai Solar, S.L.U.	Madrid	UC	VGP-IB-GRP	100.00%	Madrid	UC	VGP-IB-GRP	100.00%
Koe Energy, S.L.U.	Madrid	UC	VGP-IB-GRP	100.00%	Madrid	UC	VGP-IB-GRP	100.00%
Lima Energy, S.L.U.	Madrid	UC	VGP-IB-GRP	100.00%	Madrid	UC	VGP-IB-GRP	100.00%
Miriel Solar, S.L.U.	Madrid	UC	VGP-IB-GRP	100.00%	Madrid	UC	VGP-IB-GRP	100.00%
Mosqueton Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	UC	VGP-IB-TES	100.00%
Nairobi Energy, S.L.U.	Madrid	UC	VGP-IB-GRP	100.00%	Madrid	UC	VGP-IB-GRP	100.00%
Orion Solar, S.L.U.	Madrid	UC	VGP-IB-GRP	100.00%	Madrid	UC	VGP-IB-GRP	100.00%
Penalara Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	UC	VGP-IB-TES	100.00%
Perdiguero Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	UC	VGP-IB-TES	100.00%
Peregrino Solar, S.L.U.	Madrid	UC	VGP-IB-GRP	100.00%	Madrid	UC	VGP-IB-GRP	100.00%

Segment: New renewables

Company	2024 Head-quarters	2024 Consoli-dation method	2024 Parent company	2024 Parent com-pany's share of equity	**2025** Head-quarters	**2025** Consoli-dation method	**2025** Parent company	**2025** Parent com-pany's share of equity
Posets Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	UC	VGP-IB-TES	100.00%
Radar Energy, S.L.U.	Madrid	UC	VGP-IB-GRP	100.00%	Madrid	UC	VGP-IB-GRP	100.00%
Rotor Energy, S.L.U.	Madrid	UC	VGP-IB-GRP	100.00%	Madrid	UC	VGP-IB-GRP	100.00%
Sentina Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	UC	VGP-IB-TES	100.00%
Sextante Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	UC	VGP-IB-TES	100.00%
Stopper Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	UC	VGP-IB-TES	100.00%
Stein Von Liebig Balears I, S.L.U. (VGP-IB-SVL)	Madrid	UC	VGP-IB-MUR	100.00%	Madrid	UC	VGP-IB-MUR	100.00%
Trufa Energy, S.L.U.	Madrid	UC	VGP-IB-GRP	100.00%	Madrid	UC	VGP-IB-GRP	100.00%
Volateo Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	UC	VGP-IB-TES	100.00%
Zelanda Solar, S.L.U.	Madrid	UC	VGP-IB-GRP	100.00%	Madrid	UC	VGP-IB-GRP	100.00%
Zuncho Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	UC	VGP-IB-TES	100.00%
TOPWIND Energy S.R.L.	–	–	–	–	Bucha-rest	UC	VRP-RO	51.00%
Wind Energy Green Park S.R.L.	–	–	–	–	Bucha-rest	UC	VRP-RO	51.00%
VERBUND Green Power Albania Sh.p.k.	Tirana	UC	VGP	100.00%	Tirana	UC	VGP	100.00%
VERBUND Green Power Albania Wind Sh.p.k.	Tirana	UC	VGP	100.00%	Tirana	UC	VGP	100.00%

Segment: Sales

Company	2024 Headquarters	2024 Consolidation method	2024 Parent company	2024 Parent company's share of equity	**2025** Headquarters	**2025** Consolidation method	**2025** Parent company	**2025** Parent company's share of equity
VERBUND AG (VH) – Sales activities	Vienna	CS	–	–	Vienna	CS	–	–
VERBUND Energy4Business GmbH (VEB)	Vienna	CS	VH	100.00%	Vienna	CS	VH	100.00%
VERBUND Energy4Business Germany GmbH	Munich	CS	VEB	100.00%	Munich	CS	VEB	100.00%
VERBUND Energy4Customers GmbH (VEC)	Vienna	CS	VH	100.00%	Vienna	CS	VH	100.00%
VERBUND Energy4Flex GmbH	Vienna	CS	VEB	100.00%	Vienna	CS	VEB	100.00%
VERBUND Energy4Future GmbH	Vienna	CS	VEB	100.00%	Vienna	CS	VEB	100.00%
VERBUND Engineers4Energy GmbH (was: MSP Solarpower GmbH)	Feldkirchen an der Donau	CS	VEB	100.00%	Feldkirchen an der Donau	CS	VEB	100.00%
Electriply GmbH (vormals: iFix Solar GmbH)	Feldkirchen an der Donau	CS	VEB	100.00%	Feldkirchen an der Donau	CS	VEB	100.00%
SMATRICS GmbH & Co KG (SMATRICS)	Vienna	CS	VEB	74.90%	Vienna	CS	VEB	74.90%
SMATRICS EnBW GmbH	Vienna	EM	00.01.1900	49.00%	Vienna	EM	00.01.1900	49.00%
Batteriespeicher Münster GmbH	–	–	–	–	Münster	EM	VEB	51.00%
E-Mobility Provider Austria GmbH	Vienna	UC	VEB	74.90%	Vienna	UC	VEB	74.90%
smart Energy Services GmbH	Vienna	UC	VEC	50.00%	Vienna	UC	VEC	50.00%
SOLAVOLTA Energie- und Umwelttechnik GmbH	Sankt Margarethen im Bgld.	UC	VEC	100.00%	Sankt Margarethen im Bgld.	UC	VEC	100.00%

Segment: Grid

Company	2024 Headquarters	2024 Consolidation method	2024 Parent company	2024 Parent company's share of equity	2025 Headquarters	2025 Consolidation method	2025 Parent company	2025 Parent company's share of equity
Austrian Power Grid AG (APG)	Vienna	CS	VH	100.00%	Vienna	CS	VH	100.00%
Gas Connect Austria GmbH (GCA)	Vienna	CS	VH	51.00%	Vienna	CS	VH	51.00%
Austrian Gas Grid Management AG (AGGM)	Vienna	CS	GCA	51.00%	Vienna	CS	GCA	51.00%
Trans Austria Gasleitung GmbH (TAG)	Vienna	EM	GCA	15.53%	Vienna	EM	GCA	15.53%
OeMAG Abwicklungsstelle für Ökostrom AG	Vienna	EM	APG	24.40%	Vienna	EM	APG	24.40%
AGCS Gas Clearing and Settlement AG	Vienna	UC	GCA	23.13%	Vienna	UC	GCA	23.13%
ASGM Austrian Strategic Gas Storage Management GmbH	Vienna	UC	AGGM	100.00%	Vienna	UC	AGGM	100.00%
VUM Verfahren Umwelt Management GmbH	Klagenfurt	UC	APG	100.00%	Klagenfurt	UC	APG	100.00%
Equigy B.V.	Arnheim	UC	APG	20.00%	Arnheim	UC	APG	20.00%

All other segments: Thermal generation

Company	2024 Headquarters	2024 Consolidation method	2024 Parent company	2024 Parent company's share of equity	2025 Headquarters	2025 Consolidation method	2025 Parent company	2025 Parent company's share of equity
VERBUND Thermal Power GmbH (VTP GmbH)	Fernitz-Mellach	CS	VH	100.00%	Fernitz-Mellach	CS	VH	100.00%
VERBUND Thermal Power GmbH & Co KG	Fernitz-Mellach	CS	VH VTP GmbH	100.00% 0.00%[2]	Fernitz-Mellach	CS	VH VTP GmbH	100.00% 0.00%[2]

All other segments: Services

Company	2024 Head-quarters	2024 Consoli-dation method	2024 Parent company	2024 Parent com-pany's share of equity	**2025** Head-quarters	**2025** Consoli-dation method	**2025** Parent company	**2025** Parent com-pany's share of equity
VERBUND Digital Power GmbH (was: VERBUND Services GmbH)	Vienna	CS	VH	100.00%	Vienna	CS	VH	100.00%
VERBUND Business Solutions GmbH	Vienna	CS	VH	100.00%	Vienna	CS	VH	100.00%

All other segments: Equity interests

Company	2024 Head-quarters	2024 Consoli-dation method	2024 Parent company	2024 Parent com-pany's share of equity	**2025** Head-quarters	**2025** Consoli-dation method	**2025** Parent company	**2025** Parent com-pany's share of equity
VERBUND AG (VH) – Equity interests	Vienna	CS	–	–	Vienna	CS	–	–
KELAG-Kärntner Elektrizitäts-Aktiengesellschaft	Klagen-furt	EM	VH	35.17%	Klagen-furt	EM	VH	35.17%
C2PAT GmbH	Vienna	UC	VH	25.00%	–	–	–	–

Other Group companies

Company	2024 Head-quarters	2024 Consoli-dation method	2024 Parent company	2024 Parent com-pany's share of equity	**2025** Head-quarters	**2025** Consoli-dation method	**2025** Parent company	**2025** Parent com-pany's share of equity
VERBUND AG (VH) – All other activities	Vienna	CS	–	–	Vienna	CS	–	–
VERBUND Finanzierungsservice GmbH	Vienna	CS	VH	100.00%	Vienna	CS	VH	100.00%
VERBUND Ventures GmbH (VVE)	Vienna	CS	VH	100.00%	Vienna	CS	VH	100.00%
VERBUND Green Hydrogen GmbH (VGH)	Vienna	CS	VH	100.00%	Vienna	CS	VH	100.00%
VERBUND Green Hydrogen Sales GmbH	Vienna	CS	VGH	100.00%	Vienna	CS	VGH	100.00%
HalloSonne GmbH (HAS)	Vienna	UC	VEC	100.00%	–	–	–	–
TTTech Zyne GmbH	Vienna	UC	VVE	49.90%	Vienna	UC	VVE	49.90%

CS = consolidated subsidiary / EM = investee accounted for using the equity method / JO = joint operation, proportionate inclusion of assets and liabilities as well as income and expenses / UC = unconsolidated entities due to immateriality or lack of significant influence

[1] Joint ventures // [2] VERBUND Thermal Power GmbH holds an interest of < 0.01% in VERBUND Thermal Power GmbH & Co KG as a limited partner.

13.5 Events after the reporting date

There were no events requiring disclosure between the reporting date of 31 December 2025 and authorisation for issue on 19 February 2026.

Vienna, 19 February 2026

The Executive Board

Michael Strugl
Chairman of the Executive Board of VERBUND AG

Peter F. Kollmann
CFO, Vice Chairman of the Executive Board of VERBUND AG

Achim Kaspar
Member of the Executive Board of VERBUND AG

Susanna Zapreva-Hennerbichler
Member of the Executive Board of VERBUND AG

14. Responsibility statement of the legal representatives

We confirm that, to the best of our knowledge, the consolidated financial statements of VERBUND, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, give a true and fair view of the assets and liabilities, financial position and profit or loss of VERBUND.

We also confirm that, to the best of our knowledge, the Group management report of VERBUND presents the development of the business, performance of the business and position of the Group so as to give a true and fair view of the assets and liabilities, financial position and profit or loss of VERBUND, and that the Group management report describes the significant risks and uncertainties to which VERBUND is exposed.

Vienna, 19 February 2026

The Executive Board



Michael Strugl
Chairman of the Executive Board of VERBUND AG



Peter F. Kollmann
CFO, Vice Chairman of the Executive Board of VERBUND AG



Achim Kaspar
Member of the Executive Board of VERBUND AG



Susanna Zapreva-Hennerbichler
Member of the Executive Board of VERBUND AG

Independent Auditor's Report (Translation)

Report on the Consolidated Financial Statements

Audit Opinion

We We have audited the accompanying consolidated financial statements of VERBUND AG, Vienna, and of its subsidiaries (the Group) comprising the consolidated statement of financial position as of 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended, and the notes to the consolidated financial statements.

Based on our audit the consolidated financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of 31 December 2025 and its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board (ISAB) as adopted by EU, and the additional requirements under section 245a 245a UGB (Austrian Company Code).

Basis for Opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISAs). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

From our perspective, the key audit matters are as follows:

1. Recoverability of goodwill and property, plant and equipment
2. Accounting for and presentation of derivative financial instruments

Recoverability of goodwill and property, plant and equipment

Description:

As of 31 December 2025, the carrying amount of goodwill was €635m and carrying amount of property, plant and equipment €13.843m.

Under IFRS, companies are required to assess whether there are any impairment indicators or indicators that an impairment loss recognized in prior periods has to be reversed and to perform an impairment test if any such indicator exist. Goodwill is subject to an annual impairment test.

Assessing the recoverability of goodwill and property, plant and equipment requires making judgements on whether there is an indication that the asset should be impaired and in measuring the corresponding impairment loss.

The main risk relates to management's estimate of future cash flows and discount rates, which are used to determine recoverability of goodwill and property, plant and equipment.

The disclosures made by VERBUND AG on goodwill and on property, plant and equipment and the related impairment testing are described in note 1.2 Financial reporting principles, note 2 Discretionary judgements and key assumptions concerning the future, note 3.2 Notes to the income statement (3.2.10 Impairment losses and reversals of impairment losses) and note 4. Non-current assets (4.4 Recoverability of non-financial assets).

How our audit addressed the key audit matter:

During our audit of the recoverability of goodwill and property, plant and equipment, we reviewed how management determines a need of impairment or reversing an impairment, as well as management's assumptions. Our audit work included, but was not limited to the following procedures:

- Assessing the design of the valuation model applied and implementation of the controls usedin the valuation process;
- Reviewing the composition of cash-generating units (CGUs) and the assets allocated to the relevant CGUs;
- Reviewing and evaluating management's assessment of the existence of impairment indicators or indicators that an impairment loss may need to be reversed;
- Plausibility check of the assumptions used in the valuation models with the operational budget data; reconciling the most significant assumptions incorporated into these valuations with external market data as well as with the data from other external and internal sources;
- Reviewing the computational accuracy of valuation models involving our valuation specialists for analyzing and assessing discount rates as well as for assessing and reviewing the valuation models; and
- Assessing the adequacy of the disclosures in the financial statements.

Accounting for and presentation of derivative financial instruments

Description:

The derivative financial instruments of Verbund AG mainly consist of forward contracts in the electricity, gas, and interest rate sector, which are primarily held for hedging purposes. As of 31 December 2025, the carrying amount of assets related to derivative financial instruments was €200m and the carrying amount of liabilities related to derivative financial instruments was €189m (the majority of which is recognized under current assets and non-current liabilities). The valuation reserve for cash flow hedges recognized in other comprehensive income amounted to €-30m as of 31 December 2025.

Under IFRS, derivative financial instruments (which at VERBUND mainly involve forward and future contracts for electricity, gas and interest rate hedges) are accounted for at their current fair value. When hedge accounting is applied, valuation effects are not presented in statement of profit or loss but in other comprehensive income. The application of hedge accounting is subject to specific formal requirements, where non-compliance could result in a material misstatement of the company's financial result.

As a result of the developments on energy markets, we see an increased risk of hedge accounting requirements not being met or not being met in full. We therefore devoted particular attention to this matter in our audit.

The disclosures of VERBUND AG on its derivative financial instruments are provided in note 3.2.8 Measurement and recognition of energy derivatives, note 3.3.1 Reclassification adjustments to the income statement, note 5.2 Accounting treatment of financial instruments, note 6.2 Receivables from derivative financial instruments, note 6.4.1 Liabilities from derivative financial instruments and note 11.2 Risk management in the energy area.

How we addressed this matter in the course of our audit:
Our audit work relating to the accounting and disclosure of derivative financial instruments included, but was not limited to the following procedures:

- Understanding the key process steps and reviewing the controls implemented;
- Reviewing the minutes of risk management committee-commodities (RMC-C);
- Obtaining counterparty confirmations on open transactions;
- Reviewing the pricing curves used in the valuation of derivative financial instruments as well as conducting sample checks of the valuation of individual transactions involving our valuation specialists;
- Assessing the company's application of hedge accounting based on the hedging activities for its electricity production, including assessment of the mandatory documentation requirements;
- Assessing hedge effectiveness of the hedging relationship including an assessment of the probability criteria for forecast transaction, etc.;
- Reviewing the classification, presentation and disclosure of derivative financial instruments in the primary financial statements as well as assessing the adequacy of the disclosures in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the integrated annual report and the supplement to the Integrated Annual Report (Disclosures on Management Approach), but does not include the consolidated financial statements, the Group's management report and our auditor's report thereon.

We received the integrated annual report with the supplement (excluding the Report of the Supervisory Board) until the date of this audit opinion; the Report of the Supervisory Board is estimated to be provided to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and of the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the EU, and the additional requirements under Section 245a UGB (Austrian Company Code) for them to present a true and fair view of the assets, the financial position and the financial performance of the Group and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's re-port that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISAs, will always detect a material misstatement when it exists. 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 financial statements.

As part of an audit in accordance with the EU regulation and Austrian Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional scepticism through-out the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, 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 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one 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 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. 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 Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and conduct the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit procedures in respect to the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Comments on the Management Report of the Group

Pursuant to Austrian Generally Accepted Accounting Principles, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the management report for the Group was prepared in accordance with the applicable legal regulations.

Regarding the consolidated non-financial statement contained in the group management report, it is our responsibility to examine whether it has been prepared, to read it and to evaluate whether it is, based on our knowledge obtained in the audit, materially inconsistent with the consolidated financial statements or otherwise appears to be materially misstated.

Management is responsible for the preparation of the management report for the Group in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the management report for the Group.

Opinion

In our opinion, the management report for the group was prepared in accordance with the valid legal requirements comprising the details in accordance with section 243a UGB (Austrian Company Code) and is consistent with the consolidated financial statements.

Statement

In our opinion, the management report for the group was prepared in accordance with the valid legal requirements comprising the details in accordance with section 243a UGB (Austrian Company Code) and is consistent with the consolidated financial statements.

Additional information in accordance with article 10 EU regulation

We were elected as auditor by the ordinary general meeting at 29 April 2025. We were appointed by the Supervisory Board on the 23 September 2025. We are auditors without cease since financial year as of 31 December 2023.

We confirm that the audit opinion in the Section "Report on the consolidated financial statements" is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent in conducting the audit.

Responsible Austrian Certified Public Accountant

The engagement partner is Mag. (FH) Rosemarie König, Certified Public Accountant.

Vienna, 19 February 2026

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Stefan Uher
Wirtschaftsprüfer / Certified Public Accountant

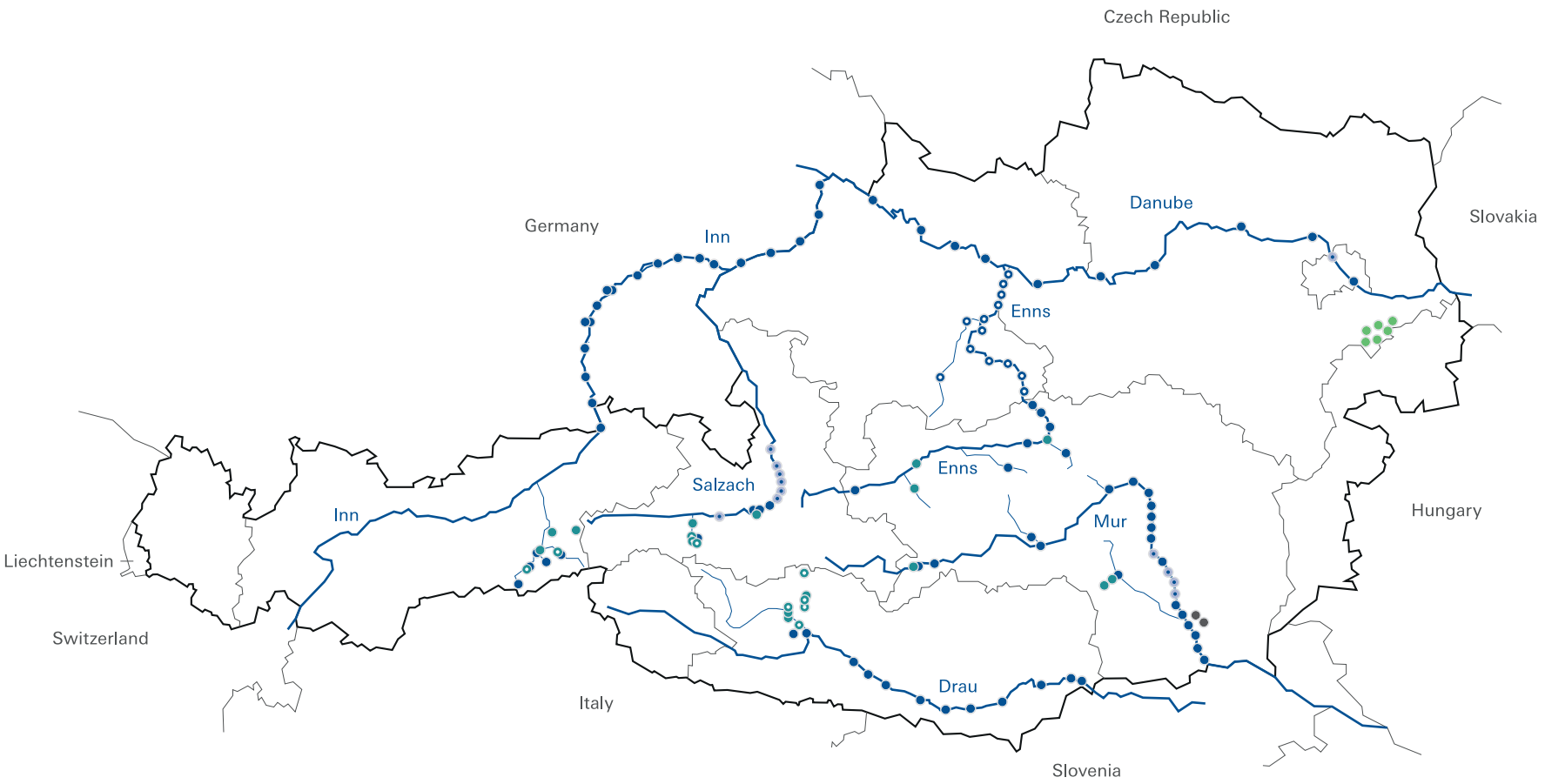
Mag. (FH) Rosemarie König
Wirtschaftsprüferin / Certified Public Accountant

This report is a translation of the original report in German, which is solely valid. Publication or sharing with third parties of the consolidated financial statements together with our auditor's opinion is only allowed if the consolidated financial statements and the management report for the Group are identical with the German audited version. This audit opinion is only applicable to the German and complete consolidated financial statements with the management report for the Group. Section 281 par. 2 UGB (Austrian Company Code) applies to alternated versions.

VERBUND power plants, Austrian Power Grid power grid facilities and Gas Connect Austria pipeline facilities

VERBUND power plants

Austria and Germany



- Storage power plant > 5 MW
- Pumped storage power plant
- Run-of-river power plant > 5 MW
- Joint venture power plant of VERBUND Hydro Power GmbH
- VERBUND participation
- Thermal power plant
- Wind farm > 5 MW

VERBUND power plants Europe (wind & solar)

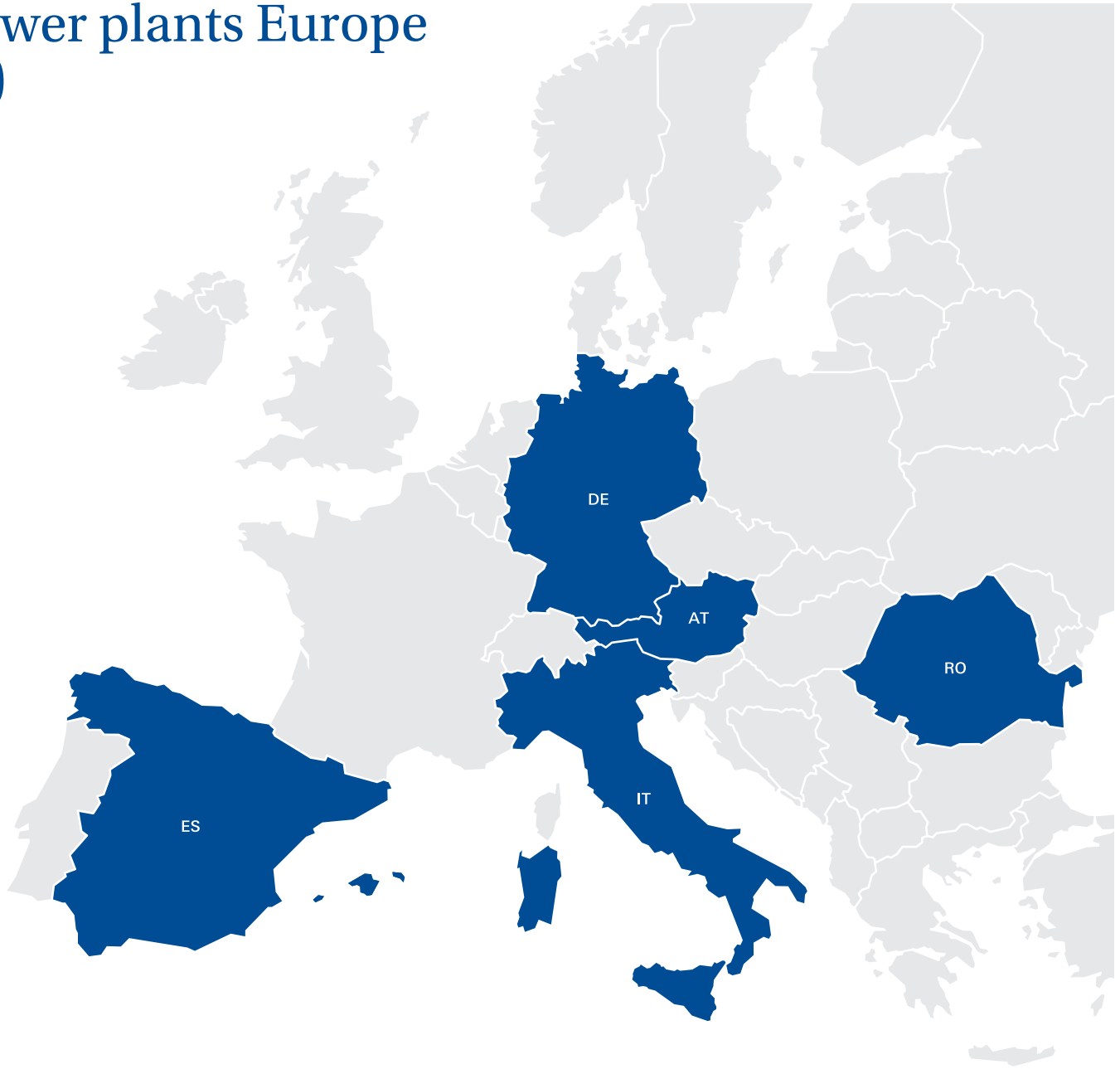
AT	Austria	MW
	In operation	116
	Under construction	0
	In operation	12
	Under construction	0

DE	Germany	MW
	In operation	143
	Under construction	18
	In operation	0
	Under construction	0

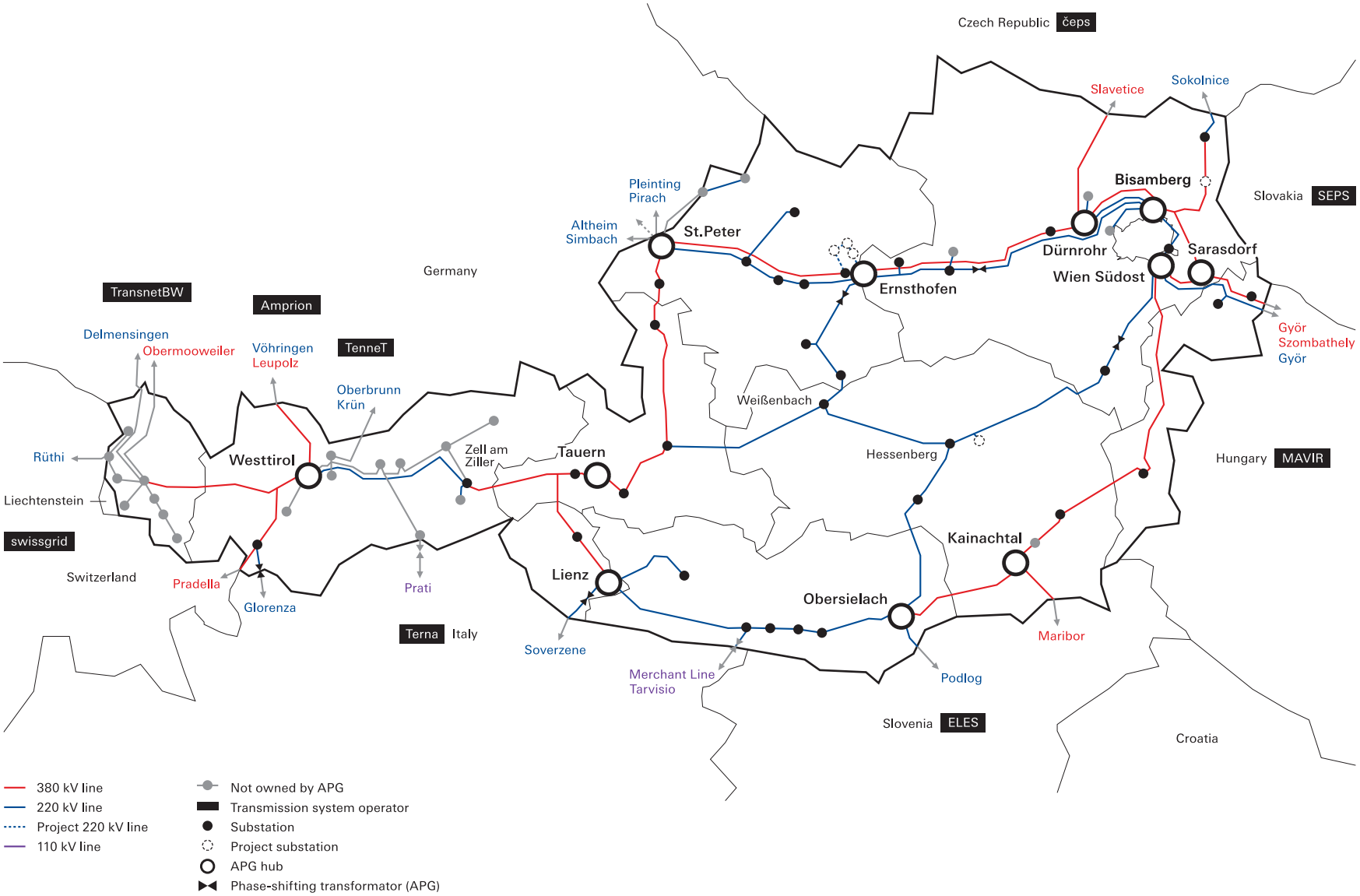
RO	Romania	MW
	In operation	226
	Under construction	57
	In operation	0
	Under construction	60

ES	Spain	MW
	In operation	425
	Under construction	0
	In operation	324
	Under construction	631

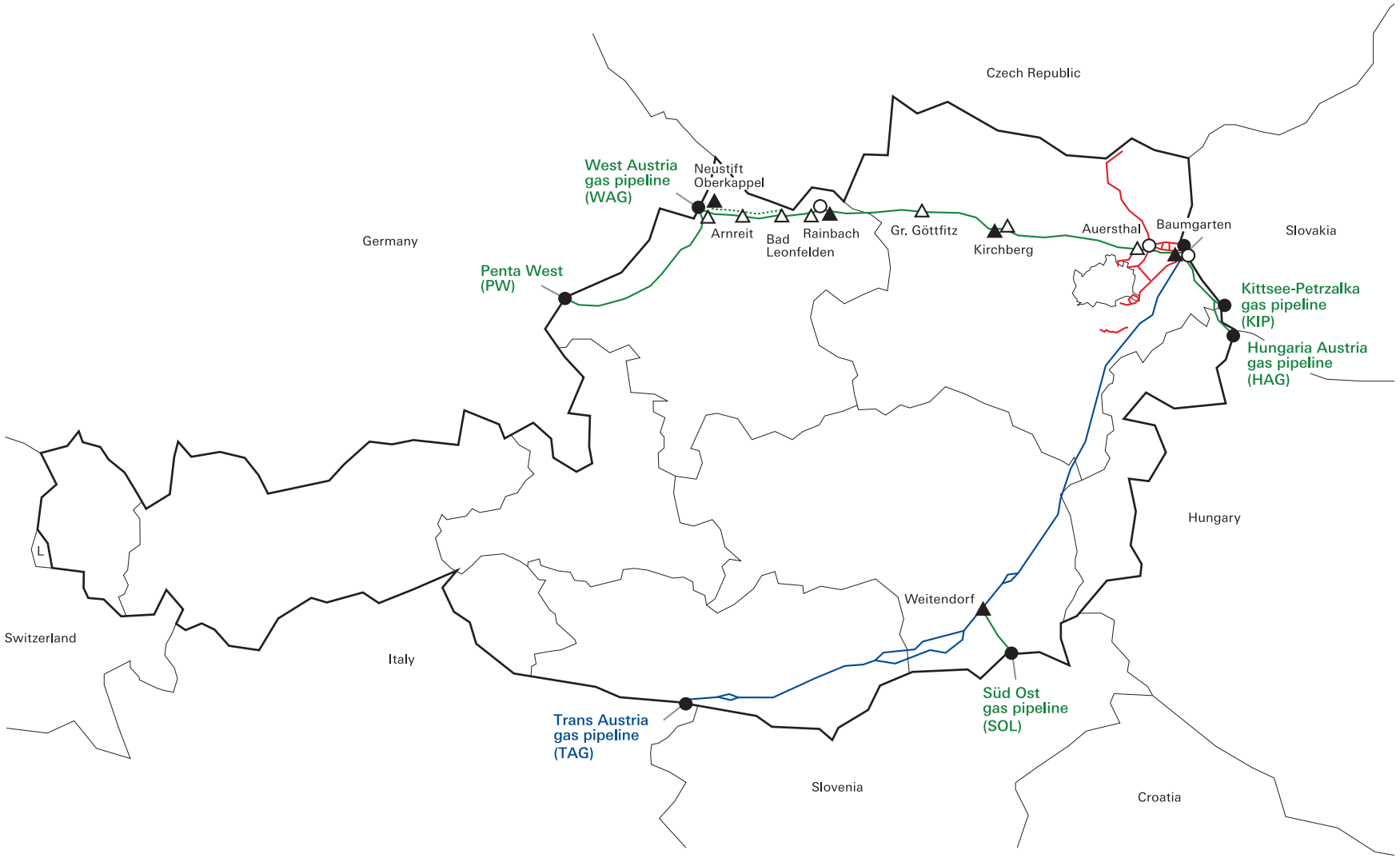
IT	Italy	MW
	In operation	0
	Under construction	0
	In operation	10
	Under construction	68



APG grid facilities



GCA pipeline facilities



Glossary

Glossary

ACER

Agency for the Cooperation of Energy Regulators.

Adjusted EBITDA

The adjustments include effects from restructuring expenses arising from Group-wide cost-cutting programmes as well as other expenses and income of a non-recurring or rare nature in EBITDA. EBITDA from any discontinued operations is also reflected in adjusted EBITDA. EBITDA is the most important internal earnings performance indicator at VERBUND and an indicator of the sustainable profitability of its business.

Adjusted Group result

The adjustments include – in addition to the effects adjusted from adjusted EBITDA – effects from impairment testing and effects from business acquisitions, as well as other expenses and income of a non-recurring or rare nature (after taxes and non-controlling interests). Otherwise, no special tax effects are taken into account in the adjusted Group result.

Austrian Electricity Industry Act (*Elektrizitätswirtschaftsgesetz*, ElWG)

Central legal framework for the Austrian electricity market. The Electricity Industry Act (ElWG) implements the EU targets of the Internal Electricity Market Directive. The Electricity Industry Act (ElWG) is the successor to the Austrian Electricity and Organisation Act (*Elektrizitätswirtschafts- und Organisationsgesetz*, ElWOG)

Average number of employees

Calculated according to actual effective dates of hires and departures and number of hours worked.

Balancing services market

Control power is necessary for balancing out sudden large changes in load – too much or too little electricity in the grid. This means that a certain percentage of power plant capacity is held at the ready as reserves for rapid stabilisation of the grid. The control area manager procures the necessary capacity through market mechanisms and also compensates the providers for the quantities of electricity actually used.

Base (base load)

Base refers to the load profile for electricity deliveries supplied at a constant rate throughout 24 hours of each day of the supply period.

Capital employed

Total assets less those assets that do not (yet) contribute to performance and commercialisation processes (mainly effected advance payments, plants under construction (excluding those in the Grid segment), cash and cash equivalents, derivative financial instruments in the energy area, investments and derivative financial instruments in the energy area under closed items on the balance sheet), and less contributions to building costs as well as other non-interest-bearing debt. From 2019 onwards, this ratio is only calculated for VERBUND's unregulated business activities.

Cash flow

Net balance of the inflow and outflow of cash and cash equivalents; made up of cash flow from operating, investing and financing activities.

Clean spark spread

Generation margin for electricity from gas power plants representing the difference between the electricity price and the fuel costs (gas) for generating electricity taking into account the cost of emission allowances.

Closed items on the balance sheet

Closed items on the balance sheet include (rolled over) financial liabilities and related investments from cross-border leasing transactions that have been terminated early. Previously, financial liabilities relating to cross-border leasing transactions and to the Republic of Austria, as well as associated investments, were treated in the same way.

CO_2 equivalent (CO_2e)

To facilitate comparisons of the impact of different greenhouse gases (e.g. methane, nitrous oxide) on climate change, these are converted to CO_2 equivalents (CO_2e) using the Global Warming Potential (GWP) factor. Carbon dioxide is the reference unit for global warming potential and has a value of 1 CO2e.

Congestion management

The term "congestion management" comprises all steps that a transmission system operator can take to prevent or eliminate overload caused by congestion in its grid. These range from grid measures such as regulating phase-shifting transformers to market measures such as redispatch.

Corporate carbon footprint (CCF)

Transparent presentation of an organisation's direct and indirect greenhouse gas emissions generated as a result of its business activities.

Corporate social responsibility (CSR)

Companies voluntarily assume social responsibility for their impact on the environment and stakeholders, going beyond the legal requirements.

Cross-border leasing

Leasing across national borders; the lessor and lessee are based in different countries.

CSRD

The Corporate Sustainability Reporting Directive (Directive (EU) 2022/2464) replaces the NFR Directive as regards disclosure of non-financial information. Starting from 1 January 2024, large undertakings that exceed certain thresholds in terms of revenue, total assets and number of employees are required to include sustainability reporting in their management report. The directive introduces disclosure requirements relating to general information and environmental, social and governance matters and stipulates that a statutory audit must be carried out based on a limited assurance engagement. The precise disclosure requirements are laid down in the European Sustainability Reporting Standards (ESRS).

Earnings before interest and tax (EBIT)

Operating result

Earnings before interest, taxes, depreciation and amortisation (EBITDA)

Operating result before interest, taxes, depreciation of property, plant and equipment and amortisation of intangible assets and effects from impairment testing.

EBIT margin

Ratio of earnings before interest and tax (EBIT) to revenue.

E-Control (Energie-Control Austria)

Energie-Control GmbH (E-Control) was established in 2001. On 3 March 2011, E-Control was transformed into a public authority (Sections 2 and 43 of the Energy Regulatory Authorities Act (*Energie-Control-Gesetz*, E-ControlG)). E-Control Austria is tasked with monitoring and supporting the implementation of the deregulation of the Austrian electricity and gas market and intervening for regulatory purposes if necessary.

Electricity standard load profile

Standard load profiles (SLPs) are used for electricity customers without recorded power measurement. SLPs use a calculated, sufficiently precise forecast of electricity purchases on a quarter-hourly basis in place of the non-existent load profile curve of end-users. SLPs are representative load profiles used for household, agricultural and commercial customer groups with electricity consumption of up to 100,000 kWh per year, featuring similar usage patterns.

Employee turnover rate

Employee turnover refers to the percentage of employees who left the Group due to termination, mutual agreement, early retirement or departures during the probationary period. The percentage is calculated based on the actual number of employees as at the reporting date.

Equity method

Method used to account for investees upon which a significant influence can be exercised and for joint ventures. Under the equity method, the carrying amount of the equity interest is basically adjusted for changes in the proportionate share in the investee's net assets; the result is a "one-line consolidation". The changes are either recognised in profit or loss or in other comprehensive income (i.e. directly in equity).

Equity ratio (adjusted)

Ratio of equity to total capital adjusted for closed items on the balance sheet.

ESG rating

An ESG rating is a measurement of a company's sustainability performance based on three key areas: environment, social and governance. The ratings differ in terms of their respective thematic focuses.

ESRS

The European Sustainability Reporting Standards (ESRS) provide a uniform framework to support companies in reporting transparently on environmental, social and governance matters. These standards are binding for all companies that fall under the Corporate Sustainability Reporting Directive (CSRD).

Free cash flow after dividends

Operating cash flow plus cash flow from investing activities excluding cash inflows and outflows from investments in or disposals of financial investments, less dividend payouts; represents cash flows available for financing activities (e.g. repayment of financial liabilities) and cash inflows and outflows for financial investments.

Funds from operations (FFO)

EBITDA plus interest income less interest expenses and current taxes on income.

Gearing

Ratio of net debt to equity.

Gross debt

Non-current and current financial liabilities plus interest-bearing provisions and other interest-bearing liabilities net of closed items on the balance sheet.

Gross debt coverage

Ratio of funds from operations (FFO) to gross debt.

Gross interest cover

Ratio of funds from operations (FFO) to interest expenses (adjusted for capitalised borrowing costs, interest expenses on financial liabilities in connection with closed items on the balance sheet and profit or loss attributable to limited partners).

Hydro coefficient

The hydro coefficient is the quotient of the actual electricity generation of one (or a series of) hydropower plant(s) in a period and the average (calculated based on historical water supply) generation potential of the (series of) hydropower plant(s) in the same period. This long-term average = 1.0; consequently, for example, a hydro coefficient of 1.1 signifies a 10% increase in generation.

Inter-TSO compensation (ITC)

ITC is the compensation for transmission charges relating to cross-border flows of electricity in transmission systems.

Maximum electrical capacity

The maximum capacity at which a power plant can sustain operation under normal conditions.

Mean energy capability

Average generation potential of a hydropower plant calculated based on historical water supply.

NaDiVeG

Austrian Sustainability and Diversity Improvement Act (*Nachhaltigkeits- und Diversitätsverbesserungsgesetz*, NaDiVeG) for the transposition into national law of EU Directive 2014/95/EU (NFR Directive).

Net debt

Gross debt less cash and cash equivalents, short-term investments and loans as well as securities held in current and non-current assets.

NFR Directive

EU Directive 2014/95/EU on the disclosure of non-financial information – the NFR Directive for short – has required large, listed companies to report on environmental, social, employee, human rights and corruption issues from 2017 onwards. The NFR Directive was modernised in 2023 with the publication of the CSRD, which covers a wider range of companies and requires more detailed sustainability reports.
The Austrian federal government has implemented the NFR Directive in its Sustainability and Diversity Improvement Act (*Nachhaltigkeits- und Diversitätsverbesserungsgesetz*, NaDiVeG).

Number of employees under labour law (LLE)

All employment relationships with the company under labour law. LLE is measured at the end of the month at each reporting date. Calculation is based on headcount including employees on unpaid leave and excluding members of the Executive Board, employees in early retirement and seasonal interns.

Payout ratio

Ratio of (proposed) dividend payment to Group result.

Peak (peak load)

Peak refers to the load profile for electricity deliveries supplied at a constant rate throughout twelve hours from 8 a.m. until 8 p.m. of each working day of the supply period.

Performance

Describes the performance of a security or portfolio, e.g. over a period of one year.

Primary distribution system

The primary distribution system connects the distribution network with the transmission pipelines and the storage systems and is used to supply natural gas around Austria (length: approximately 300 km).

RCF/net debt

Retained cash flow (RCF): funds from operations (FFO) less dividends distributed.

Redispatch

Redispatching means changing the operating schedule of power plants in the short term to prevent or eliminate grid congestion.

Return on capital employed (ROCE)

Ratio of net operating profit after tax (NOPAT) (profit or loss for the period plus interest from investments under closed items on the balance sheet and interest expenses net of any tax effects) to average capital employed. From 2019 onwards, this ratio is only calculated for VERBUND's unregulated business activities.

Return on equity (ROE)

Ratio of profit or loss for the period to average equity.

Sustainable Development Goals (SDGs)

In 2015, the United Nations General Assembly adopted 17 goals for sustainable development. Among other things, these aim to end poverty, promote the equal treatment of women, improve healthcare and combat climate change by the end of 2030.

System Usage Rates Directive (SNT-VO)

The System Usage Rates Directive (*Systemnutzungstarife-Verordnung*, SNT-VO) dictated the principles for determining and allocating costs, the criteria for calculating rates as well as the rates for grid usage fees. The Energy Control Commission issued the directive annually. Since 2012, E-Control Austria (ECA) Commission has issued the System Charges Order (*Systemnutzungsentgelte-Verordnung*, SNE-VO).

Task Force on Climate-related Financial Disclosures (TCFD)

The TCFD was established in 2015 by the Financial Stability Board (FSB). The Task Force was commissioned to develop recommendations on climate-related risk disclosures for use by companies in demonstrating to the capital markets their resilience to climate change. Recommendations have been developed in four areas (governance, strategy, risk management, and metrics and targets) with the objective of identifying, measuring, managing and reporting on climate-related risks and opportunities.

UN Global Compact

As the world's largest initiative for corporate responsibility, the United Nations Global Compact promotes dialogue between businesses, civil society and policymakers. A central element of the UN Global Compact is its ten universal principles on human rights, labour standards, environmental protection and anti-corruption, as well as the 17 Sustainable Development Goals (SDGs).

Value at risk (VaR)

A method applied to calculate the potential trading position loss arising from price changes. The loss potential is calculated based on an assumed probability (e.g. 95%) and on the basis of market-oriented price changes.

Variation margin

The variation margin represents the cash amounts to be paid daily to or from the futures exchange resulting from the measurement of open positions held on the stock exchange. Gains and losses on the open positions resulting from price fluctuations versus the previous day can therefore be offset on a daily basis. The variation margin thus corresponds to the unrealised gains or losses on the portfolio that would be due if the positions were closed out. The variation margin and initial margin eliminate the credit risk for trading participants on the exchange.

EDITORIAL DETAILS

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Shareholder structure:
– Republic of Austria (51.0%)
– Syndicate (>25.0%) consisting of EVN AG (the shareholders of which are Niederösterreichische Landes-Beteiligungsholding GmbH, 51%, and Wiener Stadtwerke GmbH, 28.4%) and Wiener Stadtwerke GmbH (the sole shareholder is the City of Vienna)
– TIWAG-Tiroler Wasserkraft AG (>5.0%, the sole shareholder is the province of Tyrol)
– Free float (<20.0%): no further information is available concerning owners of shares in free float.

Legal and statutory limitations of voting rights:
With the exception of regional authorities and companies in which regional authorities hold an interest of at least 51%, the voting rights of each shareholder at the Annual General Meeting are restricted to 5% of the share capital.

Regulatory body/trade associations:
E-Control GmbH/E-Control Commission
Wirtschaftskammer Österreich (Austrian Economic Chambers) Oesterreichs Energie

Object of the Group:
The Group focus is the generation, transportation, trading with and sale of electrical energy and energy from other sources as well as the provision and performance of energy services.

Executive Board:
Michael Strugl (Chairman),
Peter F. Kollmann (Vice Chairman),
Achim Kaspar,
Susanna Zapreva-Hennerbichler

Supervisory Board:
Martin Ohneberg (Chairman),
Edith Hlawati (1st Vice-Chairwoman),
Eva Eberhartinger (2nd Vice-Chairwoman),
Ingrid Hengster, Jürgen Roth, Eckhardt Rümmler, Christa Schlager, Robert Stajic, Stefan Szyszkowitz, Peter Weinelt, Kurt Christof, Isabella Hönlinger, Wolfgang Liebscher, Veronika Neugeboren, Hans-Peter Schweighofer

Specific laws applicable:
Austrian Electricity Industry and Organisation Act (*Elektrizitätswirtschafts- und -organisationsgesetz*, ElWOG) with associated regulations and implementation laws. The legal bases listed can be accessed via the legal information system of the Federal Chancellery of the Republic of Austria at www.ris.bka.gv.at.

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