

Verbund

By our own power.

Integrated Annual Report 2024

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 > 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 > Investor Relations > Financial reports.

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	2020	2021	2022	2023	**2024**
Revenue[1]	€m	3,449.8	4,776.6	10,346.1	10,449.5	8,244.6
EBITDA	€m	1,292.8	1,579.0	3,160.7	4,490.5	3,480.3
Adjusted EBITDA[2]	€m	1,292.8	1,579.0	3,160.7	4,490.5	3,480.3
Operating result (EBIT)	€m	921.9	1,266.8	2,626.2	3,501.9	2,726.0
Operating result before effects from impairment tests	€m	914.0	1,161.7	2,698.0	3,953.5	2,902.5
Group result	€m	631.4	873.6	1,717.0	2,266.1	1,875.3
Adjusted Group result[2]	€m	610.4	798.6	1,754.9	2,615.8	1,975.5
Total assets[1,3]	€m	11,987.7	17,281.4	19,156.6	19,485.3	18,718.3
Equity[1]	€m	6,807.4	6,362.9	8,323.0	11,220.9	11,064.8
Net debt	€m	1,881.2	3,510.8	3,898.3	1,758.7	1,976.7
Additions to property, plant and equipment	€m	628.5	842.8	1,180.9	1,450.5	1,161.1
Cash flow from operating activities[1]	€m	1,182.1	98.2	2,019.9	5,083.0	3,248.6
Free cash flow before dividends[1]	€m	582.1	–1,010.1	452.1	3,651.6	2,078.8
Free cash flow after dividends	€m	299.5	–1,329.5	–25.7	2,098.1	144.8
EBITDA margin[1]	%	37.5	33.1	30.5	43.0	42.2
EBIT margin[1]	%	26.7	26.5	25.4	33.5	33.1
Return on capital employed (ROCE)[1]	%	9.6	11.4	21.2	30.9	28.4
Return on equity (ROE)[1]	%	10.7	15.0	26.5	28.0	19.2
Equity ratio (adjusted)[1,3]	%	58.6	37.8	44.5	58.9	60.6
Gearing	%	27.4	55.2	46.8	15.7	17.9
Net debt/EBITDA	X	1.5	2.2	1.2	0.4	0.6
FFO/Net debt (net debt coverage)	%	57.7	36.6	64.6	207.9	142.0
Gross debt coverage (FFO)	%	52.6	31.9	56.2	124.1	93.3
Gross interest cover (FFO)	X	19.4	24.9	32.3	30.3	26.9
Closing price	€	69.85	98.90	78.65	84.05	70.00
Market capitalisation	€m	24,267.0	34,359.4	27,324.2	29,200.3	24,319.1
Earnings per share	€	1.82	2.51	4.94	6.52	5.40
Cash flow per share	€	3.40	0.28	5.81	14.63	9.35
Carrying amount per share	€	17.71	15.72	20.94	28.70	28.72
Price/earnings ratio (last trading day)	X	38.43	39.33	15.91	12.89	12.97
Price/cash flow ratio	X	20.53	350.03	13.53	5.74	7.49
Price/book value ratio	X	3.95	6.29	3.76	2.93	2.44
(Proposed) dividend per share	€	0.75	1.05	2.44	3.40	2.80
(Proposed) special dividend per share	€	–	–	1.16	0.75	–
Dividend yield	%	1.1	1.1	4.6	4.9	4.0
Payout ratio from Group result[4]	%	41.3	41.8	72.8	63.6	51.9
Entity value/EBITDA	X	20.2	24.0	9.9	6.9	7.6
Average number of employees	Number	2,870	3,184	3,516	3,804	4,149
Electricity sales volume	GWh	62,741	58,896	63,431	63,672	67,124
Hydro coefficient	X	1.01	0.95	0.86	0.98	1.09
New renewables coefficient	X	1.00	0.91	0.96	1.06	0.91

[1] calculation adjusted retrospectively in accordance with IAS 8 in financial year 2021 with effect from 1 January 2020 // [2] adjusted for extraordinary effects // [3] calculation adjusted retrospectively in accordance with IAS 8 in financial year 2022 with effect from 1 January 2021 // [4] payout ratio calculated on the basis of the adjusted Group result amounts to 49.2% for the 2024 reporting period (previous year: 55.1%).

Environmental performance

	Unit	2020	2021	2022	2023	**2024**
Hydropower generation[1]	GWh	31,525	29,340	26,754	30,509	33,448
Wind power generation	GWh	924	839	954	1,397	1,818
Solar power generation	GWh	1	2	70	362	446
Thermal power generation	GWh	1,033	1,125	1,264	677	1,300
Share of generation from renewables	%	97	96	96	98	96
Specific GHG emissions (Scope 1/total electricity generated)[2]	g CO_2e/kWh	20	14	17	8	13

Social performance

	Unit	2020	2021	2022	2023	2024
Number of employees under labour law[3]	Number	2,980	3,497	3,712	4,095	4,424
Training per employee[4]	Hours	20.0	26.4	34.4	34.4	37.6
Lost time injury frequency (LTIF)[5]	Number	5.6	6.8	8.9	6.5	5.8
Proportion of women	%	18.3	19.3	20.5	22.0	22.6
Persons with disabilities	%	3.9	3.1	2.7	2.3	2.4
Employee turnover rate[6]	%	1.5	2.4	3.1	3.0	3.7

[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 2025

Event	Date
Annual result 2024	20 March 2025
Publication of Integrated Annual Report	20 March 2025
Record date for Annual General Meeting	19 April 2025
Annual General Meeting	29 April 2025
Ex-dividend date	6 May 2025
Record date for dividends	7 May 2025
Dividend payment date	19 May 2025
Interim report quarter 1/2025	14 May 2025
Interim report quarters 1–2/2025	31 July 2025
Interim report quarters 1–3/2025	5 November 2025

VERBUND
Integrated Annual Report 2024

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Information about the integrated report

This Integrated Annual Report contains the Group management report published by VERBUND for financial year 2024, including the Group Non-Financial Statement and the Group's consolidated financial statements, including the notes to the consolidated financial statements. The principles of fair enterprise management followed by VERBUND are laid out in the Corporate Governance Report. This Integrated Annual Report thus not only presents the Group's financial and legal information but also deals with further aspects of sustainability and proper conduct of business operations.

The report covers the activities of all of the companies included in the Group's consolidated financial statements. It also includes sustainability reporting. Changes in reporting from the prior-year period are noted in the respective sections. Significant events occurring at unconsolidated companies are likewise presented to provide a complete picture of the Group.

The reporting period comprises the 2024 calendar year. The most recent preceding integrated annual report (for financial year 2023) was published on 14 March 2024. To ensure that our report is up to date, we also report in the Group management report on any major events occurring at VERBUND between 31 December 2024 and authorisation of the annual report for issue on 19 February 2025. Supplementary information on sustainability topics is available on the VERBUND website at www.verbund.com > About VERBUND > Responsibility > Non-financial Information.

Contact for corporate responsibility: sustainability@verbund.com

Integrated report focuses on stakeholder interests

Investors, owners, customers, employees and other interest groups all require different types of information. The relevant information was collected in 2023 and 2024 as part of a revision of the VERBUND materiality assessment pursuant to the European Sustainability Reporting Standards (ESRS) involving both internal and external stakeholders and is summarised in the Non-Financial Statement in the section entitled ESRS 2 General Information. These material topics, including impacts, risks, and opportunities, are reported in the Non-Financial Statement under the relevant topical standards.

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

VERBUND's Non-Financial Statement (NFI Report 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 Directive 2014/95/EU (Non-financial Reporting (NFR) Directive) regarding the disclosure of non-financial and diversity information. These relate in particular to environmental matters, social and employee-related matters, respect for human rights and anti-corruption and bribery matters.

From 2022, VERBUND is also required to disclose information on environmentally sustainable revenues, capital expenditures (CapEx) and operating expenditures (OpEx) pursuant to the EU Taxonomy Regulation. 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 reviewed the Non-Financial Statement and reports on its findings to the General Meeting held in the year following the reporting period.

Standards and guidelines

All data and calculations taken for this Integrated Annual Report are based on national and international standards as well as on guidelines for financial reporting (including the International Financial Reporting Standards, IFRSs) and sustainability reporting (the European Sustainability Reporting Standards, ESRSs).

Information about the methods, standards and factors used and the assumptions made in the calculation of key performance indicators (KPIs) is available from the Group's Investor Relations and Corporate Responsibility departments at any time on request.

The margins of this report include VERBUND's contributions to the respective Sustainable Development Goals (SDGs) set by the UN. The "TCFD" references in the margins point to information on how VERBUND is implementing the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD) to manage its climate-related financial risk exposure.



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 doubles as VERBUND's UN Global Compact Communication on Progress Report.

External audit

The content of the consolidated financial statements, the Group management report and the Non-Financial Statement was subjected to an external audit by independent auditor Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

See: Independent Assurance and Independent Auditor's Report

VERBUNDs power plant app

Visit the virtual world of VERBUND using your mobile device. You can find the app for Android and iOS devices at www.verbund.com/app. We invite you to gain an exciting virtual insight into the world of VERBUND that will open up fresh perspectives for you. You can also dive into the VERBUND world directly by scanning the QR code in the margin.

Report of the Executive Board

Ladies and Gentlemen,

The past financial year 2024 turned out to be challenging, unpredictable and highly volatile in every respect for the energy market. Geopolitical events in particular, especially the war in Ukraine and the associated impacts on European gas prices but also the weakening economy in Europe, had a huge effect on European wholesale electricity prices, which are a key driver of the Group's business performance. Furthermore, the landmark elections in the European Union, some EU member states, the United States of America and indeed in Austria also sparked intense debate about the future course of the regulatory and political framework in the energy sector. The outcome of the elections in the United States in particular, which might result in a renewed focus on promoting gas and expanding nuclear power, as well as growing realism about the spiralling costs of the energy transition and how they will be financed and apportioned in Europe, led to a lack of predictable long-term framework conditions that are, however, a prerequisite for investing long-term in tomorrow's energy. These developments made it clear that striking a balance between security of supply, climate action and competitiveness on the one hand and the threat of deindustrialisation in Europe on the other remains a challenge. Against this backdrop, we at VERBUND are consistently focusing on advancing our strategic goals and are proud to have achieved some major successes in financial year 2024, even in such a challenging environment.

Strategy 2030 increases resilience in a highly volatile environment. VERBUND is sending a clear signal for value-creating growth, climate action and security of supply in Austria with its VERBUND Strategy 2030 and Mission V. VERBUND's strategy focuses on three pillars, each of which is making a significant contribution to the decarbonisation of the energy system.

The first pillar – strengthening the Group's integrated positioning in its home market of Austria – focuses on expanding and increasing renewable domestic hydropower, the urgently necessary expansion of Austrian high-voltage grids to integrate volatile renewable electricity generation, and supplying domestic electricity customers with holistic and sustainable energy solutions.

With the second pillar – expanding renewables in Europe – we are making a significant contribution to climate action and diversifying our business model. By expanding new renewables electricity generation facilities for wind power and photovoltaics in selected European target markets, we aim to produce around 25% of our total electricity generation from these energy technologies by 2030.

And with the third pillar – positioning VERBUND as a European hydrogen player – we have set ourselves the goal of being successfully involved in setting up this technology at all stages of the value chain, from hydrogen production to transport and distribution, and in doing so making a significant contribution to the full decarbonisation of the energy system.

Our strategic pillars were at the heart of many projects in 2024. In the Hydro segment, the focus was on continuing to expand renewable run-of-river power generation, and above all on consistently implementing major pumped storage projects with the aim of creating more flexible power plant capacity for integrating volatile new renewables. VERBUND made significant progress in the past financial year: construction work on the major projects Reißeck II plus, Limberg III, and Stegenwald proceeded according to plan. Their initial operation is scheduled for 2025. Another highlight is the rehabilitation of the power plants in Styria, which is currently underway at the Laufnitzdorf plant on the Mur River in Frohnleiten. Furthermore, the Gratkorn hydropower plant commenced operation in July

2024. VERBUND is also planning another underground power plant with a capacity of 480 MW, the Schaufelberg pumped storage power plant in Kaprun. It will complement the existing pumped storage and increase the total capacity of the Kaprun power plant group to 1,860 MW, contributing to security of supply and grid stability in Austria.

The expansion of our network infrastructure is vital. Work on the 380 kV Salzburg line – which is planned to start initial operation in 2025 – and on the Energy Security in Upper Austria (Central region) project are on schedule. We made significant progress towards approval for these with the competent authorities in 2024, enabling us to take construction decisions. Overall, Austrian Power Grid plans to invest around €9bn in our high-voltage grids by 2034 to enable the integration of renewable energies and balance out the increased volatility in the electricity markets. In addition, Gas Connect Austria is working on expanding the gas network (WAG loop) to ensure supply security.

VERBUND achieved numerous milestones in the renewables wind and photovoltaic. A 50 MW solar farm and a 28 MW wind power plant came on stream in Spain, bringing VERBUND's renewable electricity generation capacity in Spain to a total of 707 MW. A milestone for our activities in Spain was obtaining the main approval for the construction of new renewables projects with a capacity of 1.6 GW that are scheduled for initial operation between 2025 and 2028. Furthermore, the acquisition of a 110 MW photovoltaic portfolio in central Italy near Rome which is at an advanced stage of development is improving geographical diversification and supporting our 2030 target of using photovoltaic and wind power to produce around 25% of total electricity generated. We also continued to develop our renewable energies projects in other target markets.

Simultaneously, we pushed forward with our hydrogen initiatives, including a large-scale project in cooperation with the Republic of Tunisia and the TE H2 joint venture. The aim is to produce around 200,000 tonnes of green hydrogen per year for export to Central Europe.

Sustainability as an integral part of VERBUND's Strategy 2030. Starting from financial year 2024, VERBUND is complying with the new EU requirements to provide a Non-Financial Statement pursuant to the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), and prepared the statement in accordance with these new standards for the first time. In order to implement the requirements, the Group project Fitfor24 was launched back in April 2023. The aim was not only to integrate an ESRS-compliant Non-Financial Statement into the management report, but also to integrate sustainability matters more closely into existing corporate structures such as the internal control system, the strategy and the risk management system.

As a leading energy company, VERBUND is committed to net-zero GHG emissions by 2050. VERBUND's new Climate Transition Plan sets out specific actions and measurable targets to this end: reduce absolute greenhouse gas emissions by 74% by 2030 and by at least 90% by 2040 (base year 2020). This excludes GHG emissions that arise from investing in the decarbonisation of the energy system (expanding renewable energies). The aim is to achieve this through the continuous expansion of renewable energies, and with green hydrogen, low-emission technologies and e-mobility. The plan is in line with the 1.5-degree target set out in the Paris Agreement and was awarded Moody's top grade of NZ-1 ("leading") in the Net-Zero Assessment.

However, a sustainable future requires intact ecosystems, adherence to planetary boundaries, and climate change adaptation as well. VERBUND contributes to this by protecting, conserving, and promoting biodiversity and semi-natural habitats and by aligning with the EU Biodiversity Strategy and

UN Sustainable Development Goals, in particular Goal 15 Life on Land, as well as the Convention on Biological Diversity (CBD). The focus is on the “biodiversity mitigation hierarchy” with the steps of avoidance, minimisation, restoration, and offsetting, which is consistently applied in all VERBUND projects and areas of activity. Research, development and knowledge transfer complement this approach in the construction and operation of energy facilities.

We further strengthened our green finance strategy by successfully issuing a green bond. The €500.0m bond will be used primarily to finance the 380 kV Salzburg line as well as biodiversity projects such as the LIFE Riverscape Lower Inn and LIFE Blue Belt Danube Inn.

The VERBUND Electricity Relief Fund in collaboration with Caritas also has been helping people in Austria affected by energy poverty, irrespective of their energy provider, for 15 years now. During these 15 years, around 20,000 people (around 8,000 households) were supported with a total of €9m.

All these projects and initiatives demonstrate that we are willing to take up the challenges of the energy transition and actively help to shape it. Our clear strategic focus as well as our targeted and value-adding investments are aimed at ensuring security of supply and competitiveness, thus safeguarding Austria as a location and making a significant contribution to climate change mitigation. Together with our stakeholders, we are determined to play a leading role in the transition to clean energy.

High earnings despite a decline in 2024. Following extraordinarily high results in financial year 2023 due to the gas price shock immediately after the outbreak of the Russia-Ukraine conflict, the results declined in financial year 2024 due to lower wholesale prices. EBITDA fell by 22.5% year-on-year to €3,480.3m. The Group result was down 17.2% to €1,875.3m and the Group result after adjustment for non-recurring effects was down 24.5% year-on-year at €1,975.5m. The water supply, which was well above average, had a positive effect on earnings. At 1.09, the hydro coefficient for the run-of-river power plants was 11 percentage points above the prior-year figure and 9 percentage points higher than the long-term average. Earnings were hard-hit by the sharp drop in futures prices for wholesale electricity that were relevant for the reporting period. Spot market prices also declined in financial year 2024. The average sales price achieved by VERBUND for its own generation from hydropower thus fell by €49.1/MWh to €118.0/MWh. Despite higher generation from photovoltaic installations and wind power plants, the earnings contribution from the New renewables segment also declined due to lower sales prices. A significantly improved earnings contribution in the Sales segment had a positive effect, partly due to lower procurement costs, while the contribution from the Grid segment suffered due to a drop in earnings at Gas Connect Austria GmbH and Austrian Power Grid AG.

Dividend and outlook. A regular dividend of €2.80 per share for financial year 2024 will be proposed to the Annual General Meeting on 29 April 2025. Distribution of the dividend must be approved by the Supervisory Board at the meeting at which the annual financial statements are to be approved and also requires the approval of the shareholders of VERBUND AG at the 2025 Annual General Meeting.

Based on expectations of average levels of own generation from hydropower, wind power and solar power as well as the opportunities and risks identified, VERBUND expects EBITDA of between around €2,700m and €3,300m and a Group result of between around €1,350m and €1,750m in financial year 2025. VERBUND's planned payout ratio for financial year 2025 is between 45% and 55% of the Group result of between around €1,350m and €1,750m, after adjusting for non-recurring effects. The earnings forecast is contingent on the Group not being impacted by any legal or regulatory changes.

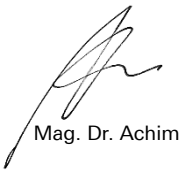
Once again, a big thank-you goes to our employees for their dedication and expertise, which make a significant contribution to mastering the complex demands of a changing energy market while ensuring a clean, secure, value-adding and reliable electricity supply. Thanks also to all our customers, investors, suppliers, and cooperation partners for their trust and valuable support, which allows us to successfully implement our strategic objectives and actively help shape 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 utility, VERBUND generated pleasing results once again in financial year 2024 despite the challenges and the considerable uncertainty. 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 2024, the Supervisory Board discharged the responsibilities and exercised the powers incumbent upon it by virtue of the law and the Articles of Association at six plenary meetings where individual members of the Supervisory Board attended some of the meetings by telephone or video. The overall attendance rate for all Supervisory Board members was 94%. 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 2024 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

In the General Meeting held on 30 April 2024, Mag. Martin Ohneberg und Dipl.-Ing. Gerhard Rümmler were re-elected to the Supervisory Board. Univ.-Prof. Dr. Eva Eberhartinger and Dr. Ingrid Hengster were elected new members of the Supervisory Board. Mag. Dr. Christine Catasta and Prof. Dr. Barbara Praetorius have stepped down from the Supervisory Board. At the constituent meeting of the Supervisory Board following the election, Mag. Martin Ohneberg was elected as chairman of the Supervisory Board, Dr. Edith Hlawati was re-elected as 1st vice-chairwoman and Univ.-Prof. Dr. Eva Eberhartinger as 2nd vice-chairwoman. There were no other changes in the Supervisory Board.

The Supervisory Board extended the Executive Board mandate of Dr. Susanna Zapreva-Hennerbichler to 31 December 2027.

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.

Pursuant to the requirements of the Code (Rule 36), the Supervisory Board again conducted a self-evaluation of its activities, particularly of its organisation and work procedures. In the reporting period, this evaluation was conducted on the basis of qualitative and quantitative interviews carried out by an external consultant with all Supervisory Board members and Executive Board members. The findings of this evaluation and the ensuing recommendations for action were discussed in detail at the Supervisory Board meeting in December 2024.

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 Supervisory Board decided to amend its rules of procedure in the reporting period. In particular, this included a restructuring of the Supervisory Board committees. The high strategic importance of sustainability for all areas of VERBUND's business activities was underlined by combining the Strategy Committee with the Sustainability Committee to create a new Strategy and Sustainability Committee with an expanded remit. The Audit Committee was expanded and the Emergencies Committee was disbanded.

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 the strategic planning. Furthermore, it dealt with individual M&A projects and their sustainability impacts and discussed new scenario calculations, and sustainability priorities such as the materiality assessment and the Climate Transition Plan.

The Supervisory Board's Audit Committee met three times during the financial year now ended. It dealt above all with the semi-annual financial statements, the budget and preparation of the resolution to approve the annual financial statements, as well as with the appointment of the auditor and examination of the auditor's work. In addition, the Audit Committee concentrated on the Group's internal control and audit procedures.

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 to discuss in particular target agreements and the achievement of targets for the variable remuneration for the Executive Board as well as the 2023 remuneration report. The Nomination Committee held two meetings at which it discussed preparations for the election of Supervisory Board members and the extension of Dr. Susanna Zapreva-Hennerbichler's Executive Board mandate.

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 2024. 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 2025 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 2024 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 2024 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 2024. Their tireless efforts in challenging circumstances ensured an uninterrupted supply of electricity in Austria. The Supervisory Board would also like to thank the Group's shareholders, customers and business partners for their trust.

Vienna, March 2025



Mag. Martin Ohneberg
Chairman of the Supervisory Board

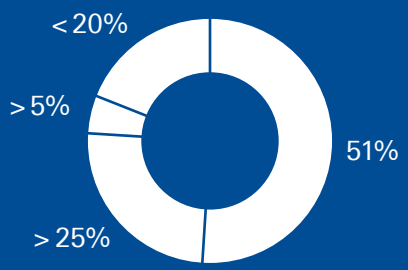
Building on our Mission V corporate strategy, we strive to cultivate new lines of business, develop new markets and become active in new regions across Europe. Sustainability is an essential part of all our activities.

VERBUND is Austria's leading power company and one of the largest producers of hydroelectricity in Europe. The Group generated annual revenue of around €8.2bn in 2024 with approximately 4,100 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%**

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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, 2024

Hydropower[1]	**> 90%**
132 power plants	33,448 GWh
Wind Power	**< 5%**
342 power plants	1,818 GWh
Solar Power[2]	**> 1%**
47 solar farms	446 GWh
Thermal Power	**< 4%**
2 power plants	1,300 GWh
Battery storage systems	**< 1%**
15 facilities	44 GWh

1) including purchase rights 2) excluding leased/contracted

Our 132 hydropower plants together have a capacity of over 8,400 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. 3,400 kilometres.

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

Our segments

Hydro

Climate-friendly hydropower is the most important source of energy for our electricity generation. More than 90% 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 3,400 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

The climate crisis is the defining issue of our time. Europe is simultaneously experiencing an energy crisis fuelled in particular by Russia's war of aggression on Ukraine and the rekindling of tensions in the Middle East, which is leading to insecurity on the European energy markets. Transforming to a carbon-free energy system and weaning ourselves off fossil fuels as quickly as possible and in an economically responsible manner as well as safeguarding security of supply are therefore essential.

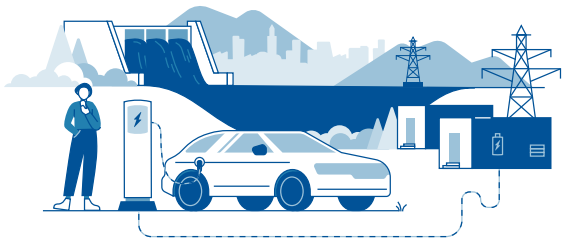
Achieving this requires an overhaul of our energy system and a massive push of investment and growth in wind power, solar energy and green hydrogen, accompanied by an expansion of the necessary grid infrastructure and energy storage in Europe. Successful integration of the required generation units is crucial to facilitate the transformation to a largely carbon-free energy market. In addition, efficiency increases at existing power plants will continue to go a long way to modernising and transforming the present-day energy system.

As Austria's largest energy utility and one of the leading producers of green electricity in Europe, VERBUND is a decisive player in a successful energy transition. The challenges that lie ahead in this regard require a clear company spirit in order to generate growth, develop new areas of business and tap into new markets: **Mission V**.

To ensure that the strategic goals are implemented, it is important that we not only have 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. Mission V is therefore also an internal transformation programme designed to address and rise to the challenges and demands of the new world of work, the labour market and cooperation. In the past financial year of 2024, the VERBUND brand was further refined with the new claim "By our own power", the modernisation of workplaces and sites continued, and corporate cooperation was stepped up another gear with the KraftWert corporate culture cultural project.

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 utility in its home 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 already achieved a number of key milestones in 2024:

Hydro

- Conserving, modernising and expanding hydropower generation in Austria and Germany, examples being continuing work on the re-issuance of water rights in Kaprun in 2029, initial operation of the newly built power plant in Gratkorn (10.8 MW and 54 GWh), completing the rehabilitation measures at the Ering-Frauenstein power plant (+9 MW and 42 GWh), and continuing and preparing further rehabilitation measures at the power plants on the Danube, Inn, Drau and Mur rivers.
- Expanding pumped storage capacity in Austria and Germany, examples being the wet commissioning of the Reißeck II plus expansion project (45 MW), continuing the Limberg III new construction project (480 MW) and continuing the approval process for the Riedl energy storage facility (300 MW).

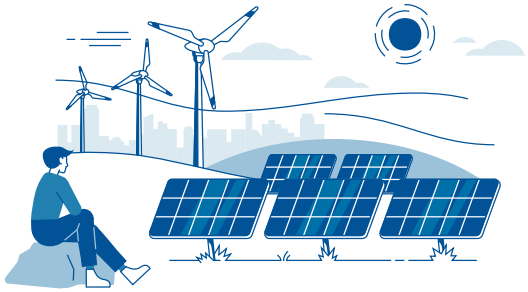
Grid

- Implementing the network development plans to safeguard a stable electricity grid and gas pipeline infrastructure.
- Austrian Power Grid AG: the projects currently in construction such as the 380 kV Salzburg line, the 380 kV Germany line and the 220 kV expansion in central Upper Austria as well as various substation projects are going according to plan. In addition, preparatory construction work was also initiated for the general overhaul of the Ennstal line. A milestone for the general overhaul of the 220 kV Lienz-Italy south connection has been reached with the official submission of the environmental impact statement.
- Gas Connect Austria GmbH: safeguarding supply security by continually developing projects aimed at diversifying imports of natural gas, for example, from Germany (WAG Loop 1). In order to support the development of the hydrogen infrastructure, the company obtained PCI status in 2023 (Projects of Common Interest) for projects that are 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 all the way to the end-user (industrial, commercial and residential customers) by supplying green electricity and providing innovative services.
- Fostering the further development and expansion of photovoltaic systems (open-field installations, rooftop systems and photovoltaic carports), electric transportation and battery storage and 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 tourism 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.

Expanding renewables in Europe

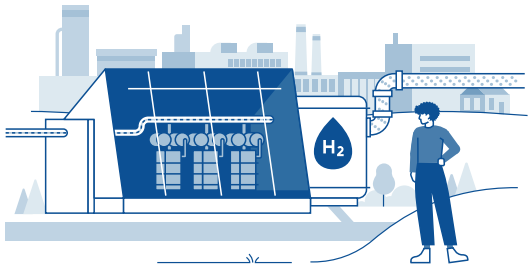


By significantly expanding wind power and photovoltaic systems in Europe, VERBUND will help reduce reliance on fossil fuels in the medium term and contribute to a climate-neutral Europe. Diversifying its regional, economic and technological risks is another aspect of VERBUND's strategy. Due to the volatility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

- Developing the Spanish portfolio of wind power plants and photovoltaic installations. VERBUND currently has around 707 MW in operation, projects of approximately 43 MW in construction and a pipeline of around 3 GW of potential projects in different stages of development. A highlight in financial year 2024 was the initial operation of an open-field solar installation with an installed capacity of approx. 50 MW.
- Further developing our involvement in the Italian energy market through the acquisition of a photovoltaic portfolio with a total capacity of around 110 MW. The portfolio comprises two projects in an advanced stage of development.
- Strengthening our market presence in Germany by continuing our partnerships in Germany with EFI/Felix Nova GmbH and JLW/Visiolar for developing wind and solar farms as well as through the acquisition of six wind farms in Hesse, North Rhine-Westphalia and Lower Saxony with installed capacity of 56 MW (of which 38 MW already in operation).

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 2024, VERBUND continued to expand its project opportunities and develop local projects (including Green Ammonia Linz with LAT Nitrogen, with an output of 60 MW, and Pannonian Green Hydrogen with Burgenland Energie, with an output of 60 MW in the first expansion stage).
- In addition, VERBUND aims to establish a diversified product portfolio along various import corridors to Central Europe. With

that in mind, the Group has established international partnerships, for example with Masdar and Enagás Renovable for the development of projects in Spain and with TOTAL Energies H2 for the production of green hydrogen in Tunisia and its transport through pipelines to Central Europe.
- Furthermore, joint work was undertaken in Hydrogen Import Alliance Austria (HIAA) and Hydrogen Import Consortium Bavaria (HIBB) initiated by VERBUND to push forward the synchronised ramp-up of the hydrogen import economy and to develop the hydrogen imports to Austria and southern Germany by 2030, thus ensuring large-scale availability of hydrogen for supplying industry in conjunction with the development of additional green generation and leveraging economies of scale.

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

TCFD

The following medium-term corporate objectives have been defined based on the materiality assessment performed and the VERBUND strategy:

Material 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 solar power
	Accelerated growth through structured M&A activities
	Independent project development for solar 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 production combined with renewable generation
Innovation	Implement the VERBUND start-up engagement programme and develop it further, focusing on building a start-up investment portfolio
	Develop, launch and implement flagship projects/initiatives throughout the strategic innovation areas
Digital transformation, information security and data protection	Implement projects with digital solutions throughout the Group's value chain
	Implement measures to further improve the hybrid world of work
	Reach all relevant employees with measures for further raising awareness of data protection and information security
	Implement the planned projects from the Information Security Master Plan to further increase the degree of cybersecurity maturity
	Establish a Centre of Excellence for Artificial Intelligence and data management
	Further modernise existing transmission systems
Environment	Reduce absolute GHG 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)
	Invest around €400m by 2027 in environmental measures at rivers such as fish passes and restoration
	Increase number of fish passes to 89 by 2027[3]
	Continue ISO 14001 certification of existing sites and incorporate new sites

Material topics	Corporate objectives
Social	Lost time injury frequency (LTIF) ≤ 5 by 2025
	Progressive ISO 45001 certification of all VERBUND core companies by the end of 2025
	Employee turnover rate < 5%
	38.5 hours of training per employee/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
[3] subject to timely receipt of the necessary permits

Investor relations

Upcoming dates:

Record date for Annual General Meeting: 19 April 2025
Annual General Meeting: 29 April 2025
Ex-dividend date: 6 May 2025
Record date for dividends: 7 May 2025
Dividend payment date: 19 May 2025
Results for quarter 1/2025: 14 May 2025

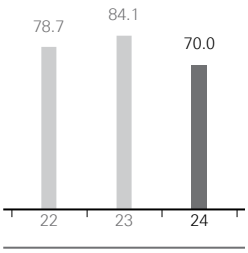
International capital market environment in 2024

The international stock markets can look back on a strong year. Many key indices reached new all-time highs over the course of the year. Key factors were the central banks' easing of monetary policy in both Europe and the United States as well as hopes for production gains triggered by the megatrend of artificial intelligence. Yet, in the path of these developments stood continuing geopolitical uncertainties and conflicts – above all in Ukraine, but also in the Middle East and Taiwan – as well as economic uncertainties. The latter were fuelled by concerns about protectionist measures and associated higher inflation under the newly elected US President. The still weakening economies of both Europe and China also weighed on the capital markets. Economic indicators showed no improvement in 2024. Subsequently, however, falling key interest rates worldwide should stimulate the global economy in 2025, even though much of the upside already seems to have been factored into share prices.

The US Dow Jones Industrial stock index ended 2024 up 12.9%. The Eurostoxx 50 performed weaker, posting gains of 8.3% compared with the end of 2023. Japan's Nikkei 225 index turned in an even stronger performance, ending 2024 with a noteworthy gain of 19.2%. Share price performance in the emerging markets was significantly weaker. The MSCI Emerging Markets Index finished the 2024 reporting period up 5.1%. The ATX also delivered a positive performance in 2024, closing 6.6% higher. The index finished trading in 2024 at 3,663.01 points.

VERBUND shares

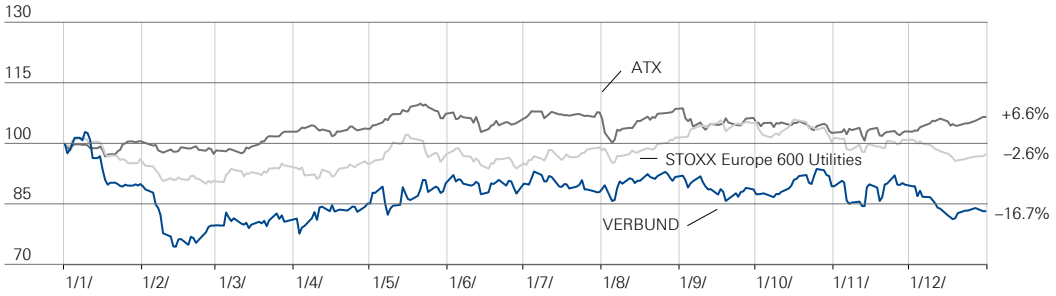
Closing prices
VERBUND shares €/share



VERBUND shares took a marked downturn until mid-February 2024. This was due to a relatively underweight utilities sector and, within it, electricity producers subject to merchant exposure (notably due to the sharp drop in wholesale electricity prices), negative sentiment on the capital market around long-term framework conditions for investment in new renewables, ongoing regulatory uncertainties (such as the extension of the windfall tax in Austria in particular), and the profit warning issued by VERBUND on 8 February 2024 owing to the marked divergence between the external analysts' consensus estimates and internal forecasts for financial year 2024. Following the announcement of a special dividend for financial year 2023 and the best full-year results in VERBUND's history, the share price stabilised and had recovered slightly by the end of quarter 1/2024. In quarter 2/2024, VERBUND's share price climbed steadily. This was mainly attributable to higher wholesale prices for electricity, which in turn were driven by higher gas prices. In quarter 3/2024, the share price was characterised by volatile sideways movement and modestly positive performance overall. This volatile sideways movement continued in quarter 4/2024, before the price fell again in December, ending the year at a closing price of €70.0.

At 31 December 2024, the performance of VERBUND shares for 2024 was down 16.7%, which was below that of the European sector index STOXX Europe 600 Utilities (full-year performance –2.6%) and also below that of the Austrian ATX (full-year performance +6.6%). With a market capitalisation of €24.3bn VERBUND was Austria's second-largest listed company in the ATX at the end of 2024.

VERBUND share price: relative performance 2024



KPIs – shares

	Unit	2023	**2024**	Change
Share price high	€	89.3	86.5	–3.1%
Share price low	€	68.1	62.6	–8.0%
Closing price	€	84.1	70.0	–16.7%
Performance	%	6.9	–16.7	–
Market capitalisation	€m	29,200.3	24,319.1	–16.7%
ATX weighting	%	11.0	9.8	–
Value of shares traded	€m	4,902.4	4,757.6	–3.0%
Shares traded per day	Shares	247,532	257,299	3.9%

Investor relations team activities in 2024

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/or the sector – such as the war in Ukraine and the Middle East, the landmark elections in the USA and in individual EU member states including Austria, as well as regulatory interventions in the market – required yet more communication activities in 2024, which took place both in person and virtually. As in previous years, the Investor Relations team participated in several road shows in Europe and the United States, as well as in major investor conferences for institutional investors 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

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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 15 renowned Austrian and international investment banks, thus ensuring their visibility in the capital market. The following investment banks covered VERBUND as at 31 December 2024:

Alpha Value (Pierre-Alexandre Ramondenc)
Bank of America (Peter Bisztyga)
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 (Teresa Schinwald)
UBS (Wanda Serwinowska)

Current ratings

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

As at 31 December 2024, VERBUND's ratings were as follows:

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

VERBUND in sustainability indices and sustainability rankings

VERBUND achieved very good results in various sustainability ratings in 2024.

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 Climate Change CDP rating at A– (leadership) in 2024. This puts VERBUND above the European (B) and the global (C) average. In the ranking prepared by US financial services provider MSCI, VERBUND once again achieved the top grade, AAA.

VERBUND also maintained an overall high score of 75 out of 100 points in the EcoVadis rating, receiving a gold medal. This puts Group in the top 5% of the over 100,000 companies ranked worldwide.

The Sustainalytics rating deteriorated slightly from 18.2 to 18.8 out of 100 points compared with the previous year. Nevertheless, VERBUND remains in the Low Risk category.

The gold award from EcoVadis puts VERBUND in the top 5% of companies ranked worldwide.

VERBUND was included in the following sustainability indices as at 31 December 2024:

- VÖNIX (VBV Austrian sustainability index)
- S&P Global 1200 ESG Index
- Solactive Europe Corporate Social Responsibility Index
- FTSE4Good Index Series

Please refer to:
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 2023 was applied during financial year 2024 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 2025. 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 first time for the 2024 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 2024 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 2024 included in the report were in line with ESRSs. 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 2024 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 shall be 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 required once with respect to Mr Szyszkowitz and Mr Weinelt for a single agenda item in the reporting period.

Executive Board

Composition of the Executive Board

The Executive Board was composed of four members in financial year 2024. ESRS 2 GOV-1

Dr. Susanna Zapreva-Hennerbichler assumed her post as the fourth Executive Board member with effect from 1 January 2024. The Supervisory Board extended her term of office to 31 December 2027 in December of the previous year.

The Executive Board

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	31/12/2026
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 Services 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 Services GmbH	Annual General Meeting	Vice-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	CropEnergies AG (until 31/8/2024)	Member
	PNE AG	Member
	Salzgitter AG	Member

[1] As at 31 December 2024, VERBUND held a 35.17% equity interest in KELAG.

Work procedures and allocation of responsibilities

ESRS 2 GOV-1

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.

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. The allocation of responsibilities was updated as of 1 January 2024 on the appointment of a fourth member of the Executive Board.

Allocation of responsibilities 2024

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 services, electricity grid and gas grid
Mag. Dr. Achim Kaspar	Digitalisation, information security and IT, 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. 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

Diversity in the Executive Board and access to sustainability expertise

The Executive Board is composed of 75% male and 25% female members. The average age of the Executive Board members is approximately 58 years, with the youngest member being 51 and the oldest being 62. ESRS 2 GOV-1

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.

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.

The Executive Board plays a key role with respect to the sustainability matters that are material to VERBUND, and 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-2

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. Sustainability risks are an integral part of Group risk management and are therefore also included in the reporting to the Supervisory Board.

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.

Personal details, chairpersons and other Board functions

ESRS 2 GOV-1

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 2024, the Supervisory Board has a total of 15 members – ten shareholder representatives elected by the Annual General Meeting and five employee representatives appointed by the Works Council.

On 30 April 2024, Mag. Martin Ohneberg and Dipl.-Ing. Gerhard Rümmler were re-elected to the Supervisory Board. Two new members – Univ.-Prof. Dr. Eva Eberhartinger and Dr. Ingrid Hengster – were elected to the Supervisory Board to replace Mag. Dr. Christine Catasta and Prof. Dr. Barbara Praetorius. At the constituent meeting of the Supervisory Board following the election, Mag. Martin Ohneberg was re-elected as chairman of the Supervisory Board, Dr. Edith Hlawati as 1st vice-chairwoman and Univ.-Prof. Dr. Eva Eberhartinger as 2nd vice-chairwoman. Otherwise, there were no changes to the composition of the Supervisory Board in financial year 2024.

The rules of procedure for the Supervisory Board were also amended at the 434th meeting of the Supervisory Board effective as of 30 April 2024. Aside from a new system for lump sum remuneration for employee representatives, the changes mainly affected the Supervisory Board committees. The previous Strategy Committee and Sustainability Committee were combined to form a Strategy and Sustainability Committee with a wider remit; the Audit Committee was expanded and the Emergencies Committee was disbanded. This restructuring of the committees reflects the growing importance of sustainability and ESG matters and improves their integration in all areas of VERBUND's business activities.

Name	Year of birth	Date of initial appointment	End of current term of office
Mag. Martin Ohneberg President and CEO of HENN Industrial Group GmbH & Co KG, member of the board of directors of Aluflexpack AG, Switzerland (president), and member of the supervisory boards of VARTA AG, Germany, and Getzner Werkstoffe Holding GmbH, Austria	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 (member)	1957	25/4/2022	AGM 2026
Mag. Dr. Christine Catasta (until 30/4/2024)	1958	16/6/2020	30/4/2024
Univ.-Prof. Dr. Eva Eberhartinger 2. Vice-Chairwoman University professor, Vienna University of Economics and Business Supervisory board of Raiffeisen Bank International AG (member)	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	1961	30/4/2024	AGM 2027
Prof. Dr. Barbara Praetorius (until 30/4/2024)	1964	16/6/2020	30/4/2024
Kommerzialrat Mag. Jürgen Roth Managing partner at Tank Roth GmbH Member of the supervisory board of ICS Internationalisierungscenter Steiermark GmbH (chairman); Member of the European Economic and Social Committee	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 (member) Board of directors of Northland Power Inc, Toronto (member)	1960	16/6/2020	AGM 2027
Mag. Christa Schlager Head of the economic policy department at the Vienna Chamber of Labour Member of the supervisory boards of Forschungsförderungsgesellschaft mbH (member) and Austria Wirtschaftsservice Gesellschaft mbH (aws) (member)	1969	16/6/2020	AGM 2026
Dipl. Ing. Robert Stajic MBA Executive director of Österreichische Beteiligungs AG Member of the supervisory board of OMV AG (member)	1979	25/4/2022	AGM 2025

Name	Year of birth	Date of initial appointment	End of current term of office
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), Netz Niederösterreich GmbH (vice-chairman) and Wiener Börse AG (member)	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), Burgenland Holding Aktiengesellschaft (member) and Wiener Gesundheitsverbund (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

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

ESRS 2 GOV-1

Diversity: of the Supervisory Board members, 13% are between the ages of 30 and 50, 87% are over 50, and 40% of all Supervisory Board members are women.

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 44).

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, internal and external experts trained the Audit Committee on current sustainability topics, ensuring that the right expertise is available in all of 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 have declared their independence, and two members 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).

In addition, the following shareholder representatives on the Supervisory Board meet the criteria for independence contained in C-Rule 54 (not representing the interests of a shareholder 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.

Supervisory Board meetings

Six plenary meetings of the Supervisory Board were held during financial year 2024. At individual meetings, some Supervisory Board members attended remotely by phone or video. The overall attendance rate for all Supervisory Board members (including remote attendees) was 94%. No member of the Supervisory Board attended fewer than half of the meetings in person (including virtual attendance).

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 – the Supervisory Board focused in particular on decisions relating to the following matters during the reporting period:

- the consolidated financial statements and annual financial statements of VERBUND AG for 2023;
- the proposal for profit appropriation in accordance with Section 96(1) of the Austrian Stock Corporation Act (AktG);
- motions for the Annual General Meeting;
- engagement of the auditor;
- extension of the term of office of an Executive Board member;
- election of the General Committee of the Supervisory Board and constitution of the committees;
- amendment of the Supervisory Board's rules of procedure;
- development of pumped storage projects in Spain;
- investments for the Kaprun 2029 project (Phase II);
- acquisition of a PV project in Italy and a renewables portfolio in Austria;
- construction of a battery storage facility in Germany
- establishment and renewal of financial instruments; borrowings;
- assumption of liabilities in connection with the development and construction of projects in the New renewables segment; and
- approval of the Group budget for 2025.

(Please also refer to the section describing the activities focused on by the Supervisory Board's committees.)

ESRS 2 GOV-2

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 (see Non-Financial Statement results in ESRS 2 SBM-3) and keep them informed of the ongoing development and implementation of action plans.

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.

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.

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 77th Annual General Meeting on 30 April 2024, the actions of all Supervisory Board members were formally approved.

As required by the Austrian Code of Corporate Governance (Rule 36), the Supervisory Board also evaluates its own activities, particularly its organisation and operation. In the reporting period, this self-evaluation was conducted on the basis of qualitative and quantitative interviews carried out by an external consultant with all Supervisory Board members and Executive Board members. The findings of this evaluation and the ensuing recommendations for action were discussed in detail at the Supervisory Board meeting on 4 December 2024.

Composition and work procedures of the committees

In accordance with the provisions of the rules of procedure for the Supervisory Board (as amended on 30 April 2024), 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 Chairperson of the Supervisory Board.

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 2024. The activities of the Audit Committee focused on:

- preparing the resolution on the consolidated financial statements for 2023 and the annual financial statements of VERBUND AG for 2023, including appropriation of profit;
- the proposal for the election of the auditor;
- acknowledgement of the semi-annual financial statements for 2024;
- the audit process and 2024 audit areas of emphasis (auditor);
- ESG upskilling (including regulations, opportunities and risks);
- 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; and
- the 2025 budget and financial report.

Strategy and Sustainability Committee

ESRS 2 GOV-2

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 and opportunities; and reviewing the sustainability strategy and targets annually.

The Strategy and Sustainability Committee met four times during the reporting period. In particular, it dealt in detail with the implementation of the Group strategy and strategic planning, with individual M&A projects and their sustainability impacts, new scenario calculations, and with sustainability priorities such as the materiality assessment and the Climate Transition Plan.

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.

The Remuneration Committee met three times during financial year 2024. The meetings dealt with the agreements on targets and level of target achievement for the Executive Board's variable remuneration components as well as the 2023 remuneration report to be submitted to the Annual General Meeting.

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 held two meetings in the year under review, at which it discussed preparations for the election of Supervisory Board members and the extension of Dr. Susanna Zapreva-Hennerbichler's mandate on the Executive Board.

Contracts requiring consent – conflicts of interest

In financial year 2024, 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 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 their volume are reported to the Supervisory Board on an annual basis. In financial year 2024, an order volume totalling €4.49m 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. Contractual relationships for the supply of electricity also exist with ENERGIEALLIANZ Austria GmbH, in which EVN holds a 45% interest, and Group company SMATRICS has concluded a roaming agreement with EVN for the purpose of sharing charging infrastructure.

In the reporting period, the Supervisory Board also approved an agreement on the purchase of guarantees of origin for the 2026–2028 generation period (concluded between VERBUND Innkraftwerke GmbH, VERBUND Energy4Business GmbH and EVN AG) as well as an agreement on the delivery of guarantees of origin for the same period, including electricity deliveries (concluded between VERBUND Energy4Business GmbH and EVN AG), and approved the conclusion of

two supplementary agreements to the approved site agreement concerning the Dürnrohr and Korneuburg power plants.

Supervisory Board member Dipl.-Ing. Peter Weinelt

A number of contractual relationships, some of many years standing, 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 2024, an order volume totalling €6.80m 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 for the supply of electricity also exist with ENERGIEALLIANZ Austria GmbH, in which Wiener Stadtwerke holds a 45% interest. In addition, a roaming agreement was entered into between Group company SMATRICS and Wien Energie GmbH for the purpose of sharing charging infrastructure, and VERBUND Energy4Business GmbH concluded an agreement with Wiener Netze GmbH aimed at holding balancing reserves and providing balancing services.

In the reporting period, the Supervisory Board also approved an agreement on the purchase of guarantees of origin for the 2026–2028 generation period (concluded between VERBUND Innkraftwerke GmbH, VERBUND Energy4Business GmbH and Wien Energie GmbH) as well as an agreement on the supply of guarantees of origin for the same period, including electricity deliveries (concluded between VERBUND Energy4Business GmbH and Wien Energie GmbH).

In financial year 2024, 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 77th Annual General Meeting of VERBUND AG was held on 30 April 2024. 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 > 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)

ESRS GOV-1
SDG 5

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 30 April 2024, 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 from 2011 according to which women must make up at least 35% of the shareholder representatives 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 election of the Supervisory Board at the Annual General Meeting on 30 April 2024.

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.

The appointment of Dr. Zapreva-Hennerbichler and the extension of her Executive Board mandate in the year under review notably strengthened all of the Executive Board's diversity criteria.

Promoting equal opportunities for women

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

ESRS 2 GOV-1

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 believe wholeheartedly in this as an ongoing recipe for success.

We also believe it is crucial 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. 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.

As at 31 December 2024, 24 women held (first- and second-level) management positions within the Group. As such, women held 18.6% of these posts.

As at 31 December 2024, the percentage of women among employees throughout the Group was 22.6% – an increase on the previous year (22%).

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.

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.
- The Diversity Network, 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 MissionV-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 2024, 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.

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 2024 does not comply, in all material respects, with the Austrian Code of Corporate Governance (January 2023 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 2024 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 2024 found no deviations from the rules of the Code.

The full report on the external evaluation is available on the website at www.verbund.com > Investor Relations > Corporate Governance.

Vienna, 19 February 2025

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) were also 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 in the section entitled Non-Financial Statement as part of the management report.

General conditions

Both commodity prices and electricity prices tumbled in financial year 2024 as compared with 2023. Despite energy costing less, the global economy did not gain momentum compared with the previous year. Austria remained in recession in 2024 for the second time in a row with a 0.6% decline in economic output, and in Germany the economy contracted by 0.2%.

Total electricity demand in Austria rose by only a slight margin in 2024. With demand only slightly up and hydropower, wind power and photovoltaic output up, there was a significant export surplus.

VERBUND sells most of the electricity it generates in advance on the futures markets so as 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 2024, falling slightly short of the 2023 growth rate of 3.3% and below the long-term average. The IMF expects stable growth of 3.2% again for 2025. In addition to the impact of the war in Ukraine, the effects of the COVID-19 pandemic continued to hamper the recovery of the global economy. Geopolitical tensions, especially in the Middle East, posed a further risk. In addition, the attacks by the militant Islamist Houthi militia on merchant and commercial ships in the Red Sea led to a significant increase in prices for freight shipments between Asia and Europe.

The effects of high energy prices in Europe on the economy and also the continuing weak growth in China cast additional shadows over economic growth in Europe.

According to the IMF, economic output rose by 2.8% in the United States and by just 0.8% in the euro area. The Germany economy stagnated in 2024 according to the IMF.

Austria's economy remained in a recession. Austrian gross domestic product contracted by 0.6% in 2024. Similar to Germany, Austria suffered from an investment slump and weak demand for capital goods. Goods exports to Germany also fell substantially. The unemployment rate was up accordingly from 6.4% in 2023 to 7.0%.

Energy market environment

Increase in electricity consumption and higher generation

TCFD

According to preliminary data from E-Control Austria (E-Control), Austria's electricity consumption (less pumped storage consumption, including grid loss and own use of electricity by power plants) in 2024 was up by around 2% year-on-year at 67 TWh. At around 76 TWh, Austria's gas consumption was 0.9% lower than in the previous year.

Production of hydroelectricity was up by a significant 11% on the prior-year period due to higher water supply mainly in the first seven months of the year and in October of 2024. By contrast, generation from thermal power plants in Austria remained mostly on the same level in 2024 compared with 2023.

Electricity generation from wind power plants rose by 14%. "Other generation" also recorded an increase of 22% due in particular to the expansion of photovoltaic installations. Overall, at 79 TWh, electricity production in Austria in 2024 was up by 11% on the prior-year figure.

Net imports improved in 2024 compared with the previous year on the back of higher generation volumes and only a slight increase in demand. In this period, electricity exports rose by almost 20%, while imports fell by 12%, resulting in marked increase in net exports for 2024.

Stagnating oil prices

The price of Brent crude oil (front month) was trading just shy of $80/bbl in 2024. This adds up to a slight decline of 3% year-on-year.

After plummeting during the COVID-19 crisis in 2020 (–33%) and a significant rise in 2021 (+64%), oil prices continued their upward trend in 2022. The Ukraine crisis in particular drove up prices in 2022. Oil prices then retreated in 2023 and 2024. In particular the economic slowdown and the related decline in demand put oil prices under increased pressure.

Decrease in gas prices

Prices on the spot market at the European THE trading point (formerly NCG) averaged around €35/MWh in 2024, which was €6/MWh or 16% lower year-on-year. In futures trading, invoiced amounts for supplier contracts for the coming year (THE front year) were slightly below €38/MWh in 2024. This is €16/MWh or 30% lower than prices for front year in 2023. Plentiful supplies of LNG and lower demand due to economic conditions drove down prices in 2024.

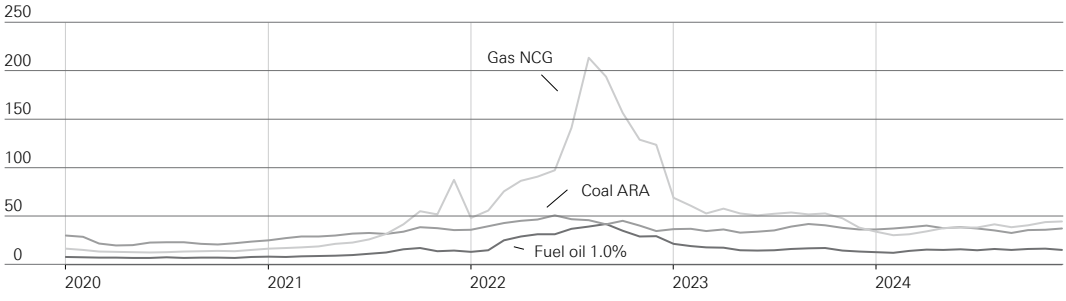
Decrease in steam coal prices

Steam coal prices also fell in 2024 compared with the previous year. Coal prices on the futures market (ARA front year) were down by $11/t (9%) on the prior year at an average of $115/t.

Coal prices on the spot market likewise decreased substantially. Averaging roughly $112/t in 2024, these were 13% lower than the listing in the previous year.

As could be seen for the other primary energy sources, the markets stabilised in 2024.

Coal, oil and gas price performance €/MWh thermal



Average monthly prices, futures market (front year)

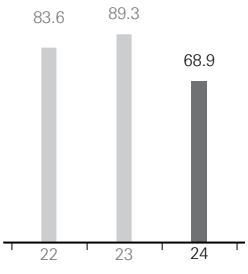
Source: ICE, EEX

Falling carbon prices

TCFD

Following the increase in carbon prices in recent years to around €90/t (futures market front year) in 2023, a correction to around €69/t occurred in 2024, a fall of 23%. This decline was due to an economic slowdown, which curbed demand for emission allowances.

CO_2 emission allowance prices €/t CO_2



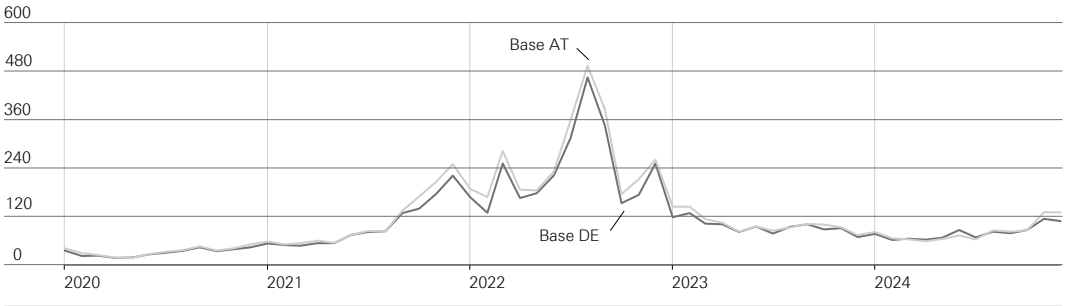
EUA Front-Year-Future; Average yearly prices *Source: ICE*

Declining prices in the market for wholesale electricity

In 2024, the market for wholesale electricity was affected by a price decline on the spot market as well as the futures market. Both of these markets were impacted by the declines in prices for primary energy and carbon.

The average price for base load electricity deliveries in the Austrian market area on EPEX, the European electricity exchange spot market, was down by 20% year-on-year to €82/MWh in 2024. The average price for immediate base load electricity deliveries in the German market area in 2024 was €80/MWh (thus down 16% on the previous year). The base price in Austria in 2024 was therefore just over €2/MWh higher than in Germany.

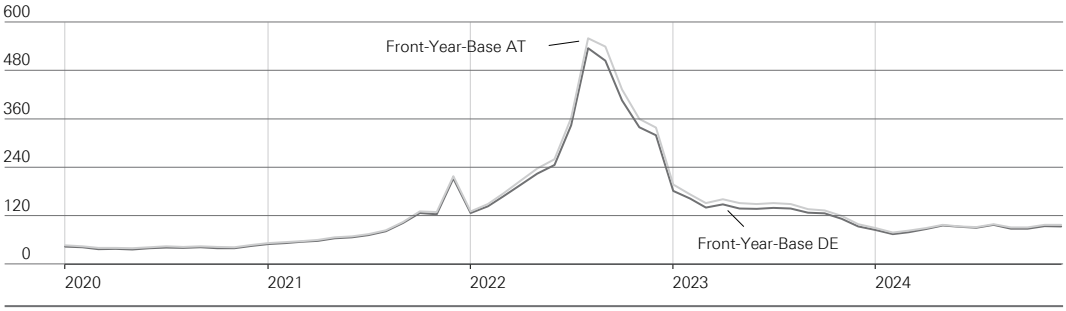
Spot market electricity price performance (Base) in €/MWh



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 2025 (front year base) was traded at an average price of €92/MWh in 2024 in the Austrian market area. This constituted a decrease of 38% year-on-year. In the German market area, front year base traded at an average of €89/MWh in 2024, a drop of 36% on the prior-year 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 markets so as to reduce short-term selling and price risks. The price trend in the futures market in 2024 had only a minor influence on revenue in the reporting period.

Political and regulatory framework

EU energy policy

At EU level, 2024 was dominated by the elections to the European Parliament in June 2024 and by the formation of the new European Commission for the period 2024–2029. In addition, various key legislative packages such as the EU electricity market design and the hydrogen and decarbonised gas market package were completed in the first half of 2024. Furthermore, the political priorities for the upcoming legislative period as well as initial guidelines for the work programme of the new European Commission were published.

European election 2024

Elections to the European Parliament were held in June 2024 in all EU member states. The FPÖ received most votes in Austria, followed by the ÖVP, SPÖ, the Greens, and NEOS. At the European level, the European People's Party (EPP) emerged as the group winning most votes in the elections, followed by the Social Democrats and the newly established Patriots for Europe. At the constituent meeting of Parliament in July, Roberta Metsola was re-elected for a further term as President of Parliament and Ursula von der Leyen as President of the Commission. In the wake of her re-election, Ursula von der Leyen committed to the goals of the Green Deal and simultaneously announced a Clean Industrial Deal as a priority for the upcoming legislative period. On 27 November 2024, the European Parliament approved the new 2024–2029 European Commission headed by Ursula von der Leyen. The new Commission was thus able to start work on 1 December 2024.

EU 2040 climate target

In February 2024, the European Commission published a non-legislative communication on the EU's 2040 climate target, which proposes a 90% reduction in GHG emissions relative to 1990 levels by 2040. This reduction is to be achieved with technologies such as carbon capture, utilisation and storage, hydrogen production by electrolysis, and renewables, including hydropower and storage technologies. Stronger market integration might contribute to lower energy prices.

Industrial carbon management strategy

At the same time as the non-legislative communication on the 2040 climate target, the European Commission presented another non-legislative communication in February 2024 on an industrial carbon management strategy, which aims to develop 50 million tons of CO_2 storage capacity per year by 2030 (280 million tons by 2040). Carbon capture, utilisation and storage and carbon dioxide removal are key approaches to this strategy. Pipelines are expected to be the primary means of transport in an EU-wide transport and storage infrastructure. An assessment is to be made of the reuse/repurposing of existing hydrocarbon transport infrastructure for CO_2 transport and any regulatory changes needed.

Reform of EU electricity market design

The European electricity market design was revised in response to the energy crisis of 2022/2023 and it was finally adopted in early summer of 2024. The reform was aimed at better protecting consumers, creating more stability for businesses and improving the integration of renewable energies into the grid. The revised internal Electricity Market Directive and Regulation entered into force on 16 July 2024. Most of the provisions of the Directive need to be transposed into national law by 17 January 2025.

Hydrogen and decarbonised gas market package

The hydrogen and decarbonised gas market package, consisting of a Regulation and a Directive, was finally adopted in May 2024 and entered into force in early August 2024. The revision of the gas market design includes, among other things, integrating low-carbon gases into the gas market and establishing the regulatory framework for a hydrogen infrastructure. The requirements of the Regulation apply (with exceptions) from 5 February 2025. The Directive has not yet been transposed into national law (deadline for transposition: August 2026).

Net-Zero Industry Act

The Net-Zero Industry Act entered into force in June 2024. Being a Regulation, it directly applies in all member states. The aim is to increase the competitiveness of those sectors that supply net-zero technologies, i.e. those needed for the energy transformation, and to improve the EU's energy resilience by promoting the use of net-zero technologies manufactured in the EU by setting targets.

Regulation on Nature Restoration

The Regulation on Nature Restoration entered into force on 18 August 2024. It directly applies in all member states. The overarching aim of the Regulation is to put measures in place to restore at least 20% of the EU's land and sea areas by 2030, and all ecosystems in need of restoration by 2050. At the same time, there is a ban on significant degradation of habitats in a good condition.

Corporate Sustainability Due Diligence Directive

The Corporate Sustainability Due Diligence Directive (CSDDD) entered into force in July 2024. It needs to be transposed into national law within two years. The Directive requires companies to undertake an in-depth due diligence assessment to identify, evaluate, prevent and mitigate adverse human rights impacts and environmental impacts, including in their value chain.

First auction of the European Hydrogen Bank

In April 2024, the results of the first auction of the European Hydrogen Bank were announced. A total of 132 projects were submitted, seven of which won. These projects are located in Finland, Norway, Spain, and Portugal. It was announced in October 2024 that six of the seven winners had signed the grant agreement with the European Commission. One project from Spain withdrew from the grant agreement process. The total funding thus fell from €700m to €649m.

Certification schemes for renewable hydrogen

In December 2024, the European Commission approved the first three certification systems (REDcert-EU, ISCC EU, CertifHy) for renewable hydrogen. These voluntary schemes can be used for certification in order to have renewable hydrogen recognised as compliant with the EU hydrogen targets.

Delegated Act on low-carbon hydrogen

The Directive on common rules for the internal markets in renewable and natural gases and in hydrogen requires the European Commission to provide a methodology for assessing greenhouse emission reduction from low-carbon fuels. A draft delegated act establishing that methodology for consultation was published in September 2024. A final version, which will be submitted to member states for their approval, is still pending.

New legal framework for the energy sector in Austria

In 2024, the political and legislative activities in the energy sector were driven in Austria by efforts to complete key dossiers still outstanding, including those to implement EU requirements. In addition, 2024 was shaped by the election of the Austrian National Council in September, from which the FPÖ emerged as the party with the most votes for the first time.

Austrian Electricity Industry Act (*Elektrizitätswirtschaftsgesetz*, ElWG)

In January 2024, the ElWG, the central law for the Austrian electricity industry, was submitted for review. The ElWG constitutes a general revision of the Austrian Electricity Industry and Organisation Act (*Elektrizitätswirtschafts- und Organisationsgesetz*, ElWOG) 2010. It will predominantly serve to transpose requirements under EU laws (such as the Internal Electricity Market Directive). The package aims to modernise legislation and adapt to the developments in the energy market – in particular the integration of new market participants (prosumers, aggregators, renewable energy communities, peer-to-peer (P2P) contracts, energy sharing, etc.). It is also intended to ensure standardisation and harmonisation and to avoid, as far as possible, the existing two-tiered structure of the ElWOG 2010 involving basic and implementing legislation. No agreement was reached on the ElWG in 2024.

Furthermore, no review draft was submitted in 2024 for the Renewable Energy Development Acceleration Act (*Erneuerbaren-Ausbau-Beschleunigungsgesetz,* EABG) announced in 2023. Similarly, no agreement could be reached on the Renewable Gas Act (*Erneuerbare-Gase-Gesetz*, EGG).

Hydrogen Subsidy Act (*Wasserstoffförderungsgesetz*, WFöG)

In June 2024, the National Council approved the Austrian Hydrogen Subsidy Act. This law will provide a total of €820m for projects aiming at the production of renewable hydrogen. Austria plans to allocate €400m from WFöG funds to the auctions-as-a-service programme in the second auction of the European Hydrogen Bank, which started in December 2024. This involves providing national funds for the auction conducted by the European Hydrogen Bank in support of projects in Austria.

National Energy and Climate Plan (*Nationaler Energie- und Klimaplan*, NECP)

Austria submitted its final National Energy and Climate Plan to the European Commission in December 2024. In their NECPs, member states explain how they intend to achieve their climate and energy targets

by 2030. According to the provisions of the European Effort Sharing Regulation, Austria needs to achieve a 48% reduction in its GHG emissions in the non-ETS sectors (buildings, road transport, waste and agriculture) by 2030 relative to 2005. The flexibility option included in the Effort Sharing Regulation allows for a 2% reduction in the target. The NECP does not set any renewables expansion targets until 2040. In order to achieve its contribution to the European renewable energy target by 2030 (EU-wide: 42.5%), Austria is aiming to increase the share of renewable energy in its gross final energy consumption to at least 57% by 2030. It thus plans to expand renewable energies by 35 TWh, which is higher than provided for in the Austrian Renewable Energy Development Act (EAG: +27 TWh).

Austria's network infrastructure plan (*Netzinfrastrukturplan*, ÖNIP)
On 8 April 2024, the ÖNIP was published as an overarching strategic planning instrument. Its preparation is defined in the Austrian Renewable Energy Development Act (*Erneuerbaren-Ausbau-Gesetz*, EAG). For the first time, the ÖNIP takes a combined view of the infrastructure for electricity, gas and hydrogen and thus provides a planning basis for infrastructure decisions. It shows the need to expand the electricity transmission systems for the integration and distribution of renewable energy generation, and also maps changes in the gas grid and the hydrogen start-up network for climate-neutral industry in Austria.

Federal Act to mitigate the consequences of the crisis and improve market conditions in the case of dominant energy suppliers (*Bundesgesetz zur Abmilderung von Krisenfolgen und zur Verbesserung der Marktbedingungen im Falle von marktbeherrschenden Energieversorgern*)
In June 2024, the Austrian Parliament passed a notice of motion submitted by the governing parties to introduce a reversal of the burden of proof for suppliers of electricity, district heating and grid-bound natural gas. It is intended to promote competition among electric utilities in situations of market dominance and to prevent price abuses. The law was approved for a fixed term until the end of 2027.

Gas diversification approved
In June 2024, the National Council approved a motion on gas diversification and phasing out Russian natural gas. The motion submitted by the coalition included an extension of the strategic gas reserve. Suppliers are also required to prepare plans for gas supply security and submit them to the regulatory authorities. Furthermore, the motion includes additional support measures for companies in their efforts to diversify their natural gas supplies.

Network and Information Systems Security Act (*Netz- und Informationssystemsicherheitsgesetz,* NISG) not approved in 2024
In June 2024, the Federal Chancellery submitted to the National Council the federal law draft on ensuring a high level of cybersecurity for network and information systems (Network and Information Systems Security Act 2024 (NISG 2024), including amendments to the Telecommunications Act (*Telekommunikationsgesetz*) and the Health Telematics Act (*Gesundheitstelematikgesetz*). The NISG 2024 was aimed in particular at transposing the new Cybersecurity Directive NIS2 (Directive EU 2022/2555) into national law. No resolution was adopted in 2024.

Made in Europe bonus

Funding applicants will be able to obtain a top-up on their investment subsidies for larger photovoltaic systems and electricity storage facilities based on an amendment to the Renewable Energy Development Act made in summer of 2024. This marks the introduction of a funding bonus for technical components of European origin for larger photovoltaic systems and electricity storage facilities. The bonus can be up to 20% of the total funding.

EAG ordinance on investment subsidies for hydrogen (*EAG-Investitionszuschüsseverordnung-Wasserstoff*)

June 2024 saw the review of the ordinance on investment subsidies for electrolysers provided for in the Austrian Renewable Energy Development Act (EAG). No further announcements were made about the ordinance in 2024.

System Charges Order (*Systemnutzungsentgelte-Verordnung*, SNE-V) for 2025

The E-Control Austria Regulation Commission ordinance amending the System Charges Ordinance 2018 (SNE-V 2018 – amendment 2025), was announced on 16 December 2024. It enters into force on 1 January 2025. The ordinance sets the 2025 grid tariffs for electricity. The grid usage fee charged to users has increased substantially in most areas of the grid. As regards the Grid Loss Charge (*Netzverlustentgelt*, NVE), the change in the NVE system for allocating costs to producers as set the year before is extended.

Energy crisis contribution – electricity

The Federal Act on the Energy Crisis Contribution for Electricity (*Bundesgesetz über den Energiekrisenbeitrag-Strom*, EKBSG), which was originally enacted until 31 December 2023, was extended until the end of 2024. The Act was originally based on a corresponding EU emergency regulation that has since expired. When extending the Act to 2024, changes were made to the levy amount and to the investments factored in, in order to provide incentives for investments, particularly in renewables.

New legal framework for the energy sector in Germany

Power Plant Safety Act (*Kraftwerkssicherheitsgesetz*, KWSG)

After the German federal government had already published initial elements of a power plant strategy in February 2024, key elements of a Power Plant Safety Act (KWSG) for implementing the strategy were submitted in early September 2024. Anticipating a future capacity mechanism, a total of 12.5 GW of power plant capacity and 500 MW of long-term electricity storage will be put out to tender under the KWSG. The legislative process was not completed in 2024.

Electricity market design option paper

As part of the German government's agreement on the power plant strategy in February 2024, the Federal Ministry for Economic Affairs and Climate Action (BMWK) was commissioned to draw up an option paper for the electricity market design of the future. The option paper was published for consultation in August 2024. It presented four different options for redesigning the electricity market. No legal agreement on the future electricity market design was achieved in 2024.

Carbon management strategy

The key points of a carbon management strategy were submitted in February 2024 and adopted by the German Federal Cabinet in August 2024. The strategy aims to enable underground storage and transport of CO_2. The legislative process was not completed in 2024.

German Hydrogen Acceleration Act (*Wasserstoffbeschleunigungsgesetz*)

A draft Hydrogen Acceleration Act was submitted in June 2024. The objective of the Act is to establish the legal framework conditions for the rapid establishment and expansion of generation and supply capacities. The Act aims to significantly accelerate the ramp-up of the hydrogen market by 2030. The legislative process was not completed in 2024.

Hydrogen core network

Following approval under state aid law by the European Commission at the end of June 2024, the joint application by the Association of Transmission System Operators Gas (*Vereinigung der Fernleitungsnetzbetreiber Gas*, FNB Gas) for the hydrogen core network was submitted to the Federal Network Agency in Germany on 22 July 2024. Subsequently, the Federal Network Agency approved the construction of the hydrogen core network on 22 October 2024. The total length of the approved core network is 9,040 km.

Import strategy for hydrogen and hydrogen derivatives

The German federal government adopted the import strategy for hydrogen and hydrogen derivatives on 24 July 2024. The aim is to ensure the required imports of hydrogen and its derivatives for Germany as well as the supply of green hydrogen.

Climate protection agreements

The Climate Protection Agreements funding programme supports industrial companies in investing in climate-friendly production facilities. Companies are to be hedged against price risks and compensated for additional costs. It provides for repayment obligations to the state in order to avoid over-subsidisation. In October 2024, the first climate action agreements totalling €2.8bn were awarded to German companies operating in energy-intensive industries. These companies had previously been successful in a competition for state subsidies.

Gas storage neutrality charge

Energy security provisions were incorporated in the German Energy Industry Act (*Energiewirtschaftsgesetz*, EnWG) due to the energy crisis in 2022. Section 35e EnWG provides for the recharging of costs incurred by the market area manager when taking measures to ensure the security of supply (gas storage neutrality charge). After a pilot procedure, the European Commission came to the conclusion that the provisions of Section 35e of the EnWG were incompatible with the EU Gas Storage Regulation. Section 35e EnWG was amended in December 2024 to the effect that, as of 1 January 2025, the neutrality charge will only be levied on domestic withdrawal at German withdrawal points with metered consumption (recorded power measurement, RLM) and standard load profiles (SLP). The legal amendment means that it will no longer apply to border crossing points and virtual interconnection points where gas exports were previously subject to the neutrality charge.

New legal framework for the energy sector in Spain

Important changes to legislation in the electricity sector

Key new measures in the electricity sector were gradually implemented in 2024, having been introduced by Royal Decree 8/2023 (RD-L 8/2023), published at the end of 2023. For example, the tax on the value of electricity generation, which had temporarily been suspended in quarter 3/2021 due to high electricity prices, was gradually reintroduced beginning in 2024. In order to improve the integration of new renewables projects, RD-L 8/2023 extends the deadline for obtaining a construction permit ("Autorización Administrativa de Construcción") from 43 to 49 months (until 25 July 2024). In addition, an option was granted to extend the period for obtaining the official operating permit ("Autorización Administrativa de Explotación") to a maximum of eight years (until 25 June 2028). Furthermore, regulations were introduced on access to self-consumption and access to demand through capacity auctions. And provisions have been established to allow a self-consumption facility to apply for access to the grid at points where generation facilities are already connected to the grid. This means that up to 50% of the access capacity of the existing generation facility can be used for consumption.

As regards hydrogen infrastructure, the natural gas TSO was appointed as interim manager of the hydrogen grid infrastructure.

Establishment of a capacity market

Preparations for the introduction of a capacity market continued unabated in 2024. A consultation on the detailed design of the mechanism was published by the relevant ministry in December 2024, which was still ongoing at the time this report was prepared.

Moving towards flexible access for demand

In September 2024, the regulatory authority "Comisión Nacional de los Mercados y la Competencia" (CNMC) established the methodology and conditions for consumer access and connection to the transport and distribution grids. Two access capacities have been defined: fixed capacity (for all hours of the year) and flexible capacity (for which supply is not guaranteed during all hours of the year). The detailed specifications regarding methodology and access and/or connection conditions will soon have to be approved.

Increased integration of storage facilities

To enhance the integration of storage facilities into the electricity system, the regulatory authorities updated the detailed specifications for defining access capacity for generation in summer 2024 in the form of a resolution, distinguishing between transmission and distribution grids. In terms of static access capacity in the transmission system, it allows for increased connection of storage facilities that would not be permitted for production facilities. It also specifies hourly functional models (hours of consumption or generation) for distribution grids, to calculate the access capacity to which the operation of the storage facility is limited. The functional models were submitted for consultation in July 2024.

Additional regional environmental taxes

The Autonomous Communities of Castilla y León, Castilla-La Mancha and Galicia levy additional environmental taxes on wind power plants. Cantabria levies such taxes for both wind power plants and photovoltaic installations. In May 2024, Aragón followed suit by imposing an obligation to levy additional taxes on operators of wind farms, photovoltaic systems and power lines. These taxes allow for deductions for investments aimed at protecting the environment and/or improving the socioeconomic well-being of the communities directly affected.

Integrated National Energy and Climate Plan (2023–2030)

In September 2024, the Council of Ministers approved the update of the Integrated National Energy and Climate Plan (INECP) for 2023–2030. The INECP is the national planning instrument for achieving EU energy and climate policy objectives and targets. The INECP's main objective is to reduce greenhouse gas (GHG) emissions to achieve climate neutrality in Spain by 2050. The updated INECP for 2023–2030 (INECP 23) comprises the following updated overall targets for 2030:

- Reducing GHGs by 32% relative to 1990 levels (INECP 2021: –23%).
- Increasing the share of renewable energies in final energy use to 48% (INECP 2021: –42%).
- Improving energy efficiency by 43% relative to the 2007 reference scenario (INECP 2021: –41.7%).
- Reducing external dependencies: 50% of primary energy should come from national sources (INECP 2021: –39%).
- The share of renewable energies should account for 81% of the energy mix (INECP 2021: –74%) thanks to greater integration of renewable energies into the electricity system, energy storage and flexibility, as well as a significant increase in self-consumption.

Finance

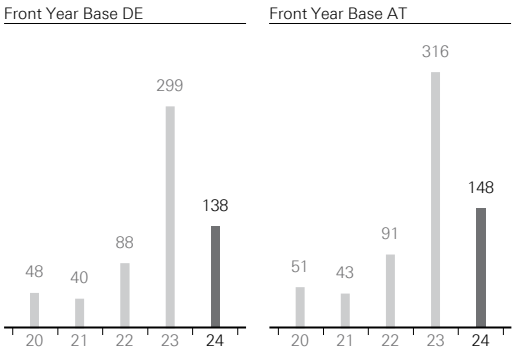
Factors affecting the result

Wholesale electricity prices

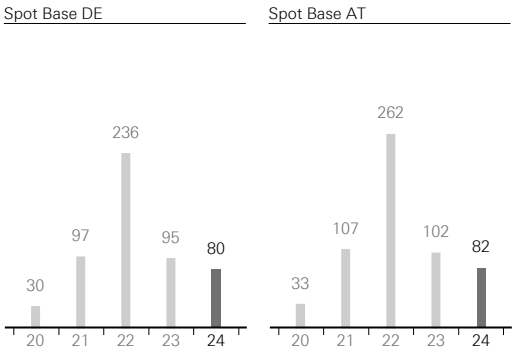
VERBUND contracted for most of its own generation for 2024 on the futures market back in 2022 and 2023. Prices for AT 2024 front-year base load contracts (traded in 2023) averaged €148.1/MWh and prices for DE 2024 front-year base load contracts averaged €137.5/MWh. Futures market prices thus declined year-on-year by as much as 53.1% (AT) and 54.0% (DE), respectively. Front-year peak load (AT) contracts traded at an average of €176.1/MWh and front-year peak load (DE) contracts at €164.8/MWh. Futures market prices in this area thus decreased year-on-year by 57.8% (AT) and 58.8% (DE).

On both the Austrian and German spot markets, wholesale trading prices for electricity retreated in 2024. Prices for base load electricity decreased by an average of 19.8% to €81.9/MWh in Austria and by 16.4% to €79.6/MWh in Germany. Prices for peak load fell by 19.1% to €93.5/MWh in Austria and by 17.0% to €88.2/MWh in Germany. The decline in wholesale prices is mainly attributable to lower demand for gas, coal and CO_2-certificates. For example, Germany generated about 30% less electricity from coal than in 2023, and generation from gas-fired power plants in Austria declined by almost 10%. Gas stocks were high thanks to purchases of LNG on the global market.

Futures prices €/MWh



Spot market prices €/MWh



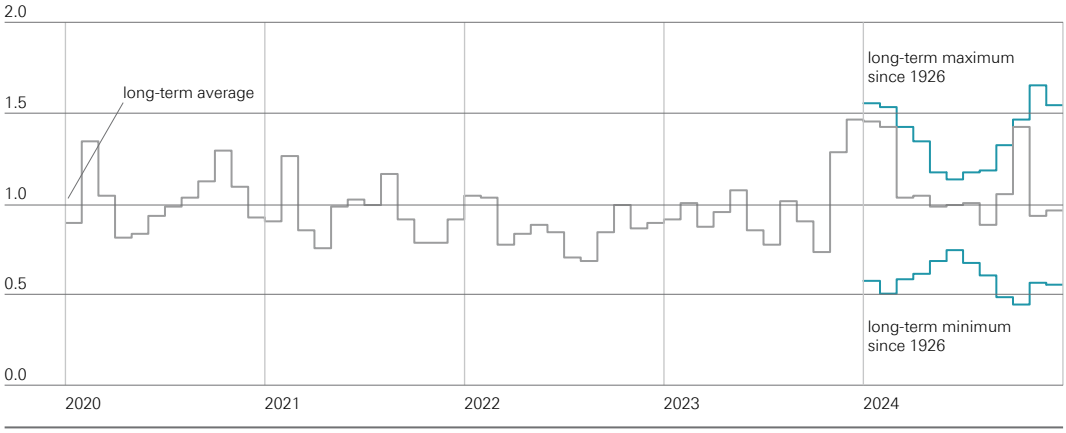
Futures prices traded in the year before supply. The years stated are the respective years of supply.
Market area Germany or Austria respectively. Average prices.

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 2024 reporting period, the hydro coefficient for run-of-river and pondage power plants was 1.09, which is 9 percentage points above the long-term average and 11 percentage points above the prior-year level (0.98). The hydro coefficients for the individual quarters were quite mixed: quarter 1: 1.29 (previous year: 0.93), quarter 2: 1.02 (0.96), quarter 3: 0.99 (0.90) and quarter 4: 1.12 (1.17).

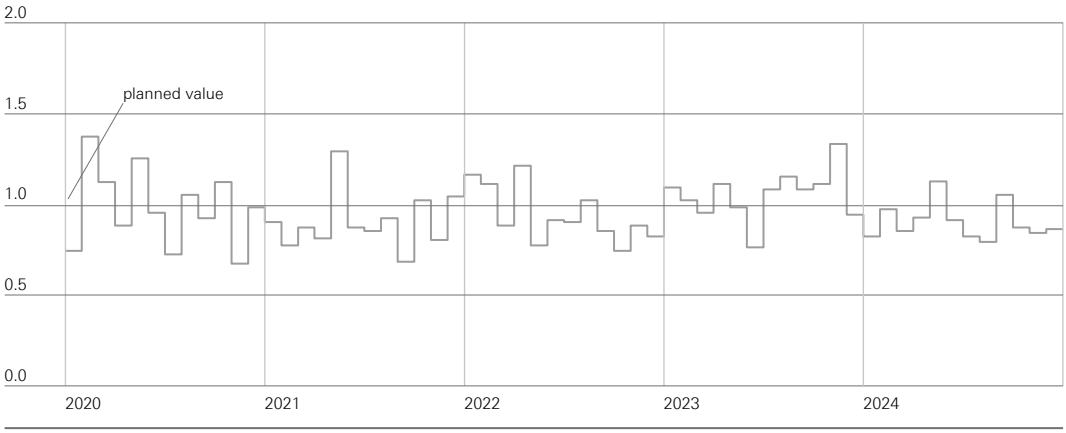
Hydro coefficient (monthly averages)



Wind and solar supply levels

In the 2024 reporting period, the new renewables coefficient was 0.91, which is 9 percentage points lower than the planned value and 15 percentage points below the prior-year level (1.06). The coefficients for the individual quarters were as follows: quarter 1: 0.89 (previous year: 1.03), quarter 2: 1.00 (0.98), quarter 3: 0.90 (1.11) and quarter 4: 0.87 (1.12).

New renewables coefficient (monthly averages)



Electricity supply and sales volumes

VERBUND's own generation was up by 4,079 GWh to 37,056 GWh in 2024, an increase of 12.4% compared with 2023. Generation from hydropower increased by 2,940 GWh compared with the previous year. At 1.09, the hydro coefficient for the run-of-river power plants was 11 percentage points above the prior-year figure. Generation from the annual storage power plants rose by 4.2% in 2024 compared with 2023, with the effects from decreasing reservoir levels and higher water inflow far outweighing the lower generation from turbining.

The volume of electricity generated by VERBUND's wind power plants in 2024 was up 422 GWh on the prior-year figure. This increase was mainly due to the acquisition and/or initial operation of wind turbines in Spain, Germany and Austria. While wind supply in Spain, Germany and Romania was lower year-on-year, it was higher in Austria. The volume of electricity generated by photovoltaic installations was 84 GWh higher in 2024 than in the previous year. The newly established generation facilities in Spain also made a noticeable difference here.

Generation from thermal power plants increased by 622 GWh in 2024 despite their reduced use for congestion management, due to a significantly higher clean spark spread.

In addition, 44 GWh (+11 GWh) was generated in the current reporting period through the management of battery systems.

Purchases of electricity from third parties for trading and sales was reduced by 995 GWh in 2024. Electricity purchased from third parties for grid loss and control power volumes however was up on the previous year (+206 GWh).

Group electricity supply GWh

	2023	**2024**	Change
Hydropower[1]	30,509	33,448	9.6%
Wind power	1,397	1,818	30.2%
Solar power	362	446	23.1%
Thermal power	677	1,300	91.9%
Battery storage systems[2]	32	44	35.4%
Own generation	32,977	**37,056**	12.4%
Electricity purchased for trading and sales	31,028	30,034	–3.2%
Electricity purchased for grid loss and control power volumes	4,418	4,624	4.7%
Electricity supply	68,423	**71,713**	4.8%

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

VERBUND's electricity sales volumes climbed by 3,451 GWh, or 5.4%, in 2024. A decline in sales to end-users and resellers was offset by higher sales to traders. Sales to end-users were down by 295 GWh, sales to resellers declined by 427 GWh, while sales to traders rose by 4,174 GWh. The decrease in sales to end-users and resellers is a reflection of the general decline in demand. Own use of electricity fell by 323 GWh in 2024. This decrease was attributable to lower operation of the power plants in turbining mode.

Group electricity sales volume and own use GWh

	2023	**2024**	Change
Consumers	13,808	13,513	–2.1%
Resellers	28,331	27,904	–1.5%
Traders	21,533	25,706	19.4%
Electricity sales volume	63,672	**67,124**	5.4%
Own use	3,582	3,258	–9.0%
Control power volume	1,169	1,331	13.9%
Total electricity sales volume and own use	68,423	**71,713**	4.8%

Approximately 52% of the electricity sold by VERBUND in 2024 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 2024 (previous year: around 82%).

Electricity sales by country GWh

	2023	**2024**	Change
Austria	33,068	35,226	6.5%
Germany	25,132	26,414	5.1%
France	3,710	3,420	–7.8%
Romania	870	727	–16.4%
Spain	772	1,238	60.3%
Luxemburg	119	98	–17.7%
Electricity sales volume	63,672	**67,124**	5.4%

Financial performance

Results €m

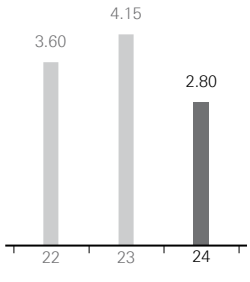
	2023	**2024**	Change
EBITDA	4,490.5	3,480.3	–22.5%
Adjusted EBITDA	4,490.5	3,480.3	–22.5%
Operating result	3,501.9	2,726.0	–22.2%
Group result	2,266.1	1,875.3	–17.2%
Adjusted Group result	2,615.8	1,975.5	–24.5%
Earnings per share in €	6.52	5.40	–17.2%
(Proposed) dividend per share in €	3.40	2.80	–17.6%
(Proposed) special dividend per share in €	0.75	–	–

Income trend

EBITDA fell by 22.5% year-on-year to €3,480.3m. The Group result was down 17.2% to €1,875.3m and the Group result after adjustment for non-recurring effects (non-recurring effects 2024: €–100.2m; 2023: €–349.7m) was down 24.5% year-on-year at €1,975.5m. The water supply, which was well above average, bolstered earnings. At 1.09, the hydro coefficient for the run-of-river power plants was 11 percentage points above the prior-year figure and 9 percentage points higher than the long-term average.

Generation from the annual storage power plants rose by 4.2% in 2024 compared with the prior-year reporting period. Generation from hydropower thus increased by 2,940 GWh to 33,448 GWh. Earnings were hard-hit by the sharp drop in futures prices for wholesale electricity that were relevant for the reporting period. Spot market prices also declined in financial year 2024. The average sales price achieved by VERBUND for its own generation from hydropower fell by €49.1/MWh to €118.0/MWh. Despite higher generation from photovoltaic installations and wind power plants (particularly those that came on stream or were acquired in Spain, Germany and Austria) the earnings contribution from the New renewables segment also declined due to lower sales prices. A significantly improved earnings contribution in the Sales segment had a positive effect, partly due to lower procurement costs, while the contribution from the Grid segment suffered due to a drop in earnings at Gas Connect Austria GmbH and Austrian Power Grid AG. The contribution from flexibility products was also lower year-on-year.

Dividend per share €



incl. special dividend

Dividend

A regular dividend of €2.80 per share for financial year 2024 will be proposed to the Annual General Meeting on 29 April 2025. The payout ratio calculated on the basis of the reported Group result amounts to 51.9% for 2024 and the payout ratio calculated on the basis of the Group result after adjusting for non-recurring effects is 49.2% (2023: 55.1%).

Revenue €m

	2023	**2024**	Change
Electricity revenue	8,766.3	7,027.3	–19.8%
Grid revenue	1,376.0	912.2	–33.7%
Other revenue	307.2	305.1	–0.7%
Revenue	10,449.5	8,244.6	–21.1%

Electricity revenue

VERBUND's electricity revenue decreased by €1,738.9m to €7,027.3m in 2024. Wholesale electricity futures prices that were relevant for the reporting period were down significantly year-on-year. Spot market prices also declined in financial year 2024 (for details, see the Electricity prices section). The average sales price achieved for own generation from hydropower fell by €49.1/MWh to €118.0/MWh. By contrast, in terms of quantities, electricity sales volumes rose by 3,451 GWh, or 5.4%, year-on-year.

Grid revenue

Grid revenue decreased by €463.9m year-on-year to €912.2m in 2024. The revenue decrease at Austrian Power Grid AG (APG) of €314.0m was due in particular to lower tariffs. At the same time, above-average generation from hydropower and the increasing feed-in from photovoltaics had a negative impact on volumes at higher grid levels. International revenue – particularly from the auctioning of cross-border capacities – was also down significantly on the previous year. The €150.0m decline in grid revenue at Gas Connect Austria GmbH was largely due to lower revenue from the transmission business, mostly as a result of the discontinuation of the commodity tariff and lower auction revenue.

Other revenue and other operating income

Other revenue decreased by €2.2m to €305.1m. In particular, higher revenue from the sale of green electricity certificates, from other invoiced services and district heating deliveries had a positive effect. However, revenue from gas deliveries declined. Other operating income climbed by €24.5m to €131.0m. This was due to factors including an increase in own work capitalised.

Expenses

€m

	2023	**2024**	Change
Expenses for electricity, grid, gas and certificates purchases	5,234.3	3,672.2	–29.8%
Fuel expenses and other usage-/revenue-dependent expenses	433.9	319.9	–26.3%
Personnel expenses	488.9	570.8	16.8%
Other operating expenses	446.5	516.8	15.7%

Expenses for electricity, grid, gas and certificates purchases

Expenses for electricity, grid, gas and certificates purchases decreased by €1,562.1m to €3,672.2m. A total of 789 GWh less electricity was purchased from third parties for trading and sales as well as for grid losses and control power. Lower procurement prices due to the fall in wholesale electricity prices had a positive effect as well. Expenses for electricity purchases thus decreased by €1,518.0m compared with the previous year. Expenses for grid purchases fell by €42.5m and expenses for gas purchases rose by €6.1m.

Fuel expenses and other usage-/revenue-dependent expenses

Fuel and other usage-/revenue-dependent expenses fell by €114.0m to €319.9m. Gas expenses declined despite the increased use of the Mellach combined cycle gas turbine power plant (for details please refer to the section entitled Electricity supply and sales volumes) on account of the significantly lower gas price. Lower gas storage costs as well as the positive change in the measurement of gas storage also had a positive effect. However, the higher expenses for emission allowances due to the increase in generation caused a rise in expenses. The expenses recognised in connection with the measures to tax windfall profits totalled €7.7m in the current reporting period, a decrease of €87.5m on the prior-year figure (2023: €95.1m).

Personnel expenses

Personnel expenses were up €81.9m year-on-year to €570.8m. This increase was due to hiring additional employees in the Grid, Hydro, Hydrogen and New renewables areas for the implementation of strategic objectives. The increase of between 7.8% and 8.4% in pay rates under the collective bargaining agreement also increased personnel expenses.

Other operating expenses

Other operating expenses rose by €70.3m to €516.8m, due in particular to higher maintenance costs in the Hydro and Grid segments as well as higher IT expenditures and increased regulatory costs.

Measurement and recognition of energy derivatives

The effect from the measurement and recognition of energy derivatives was €184.4m in 2024 (2023: €538.1m). Further details are presented in the notes to the consolidated financial statements.

EBITDA

As a result of the above-mentioned factors, EBITDA fell by 22.5% to €3,480.3m.

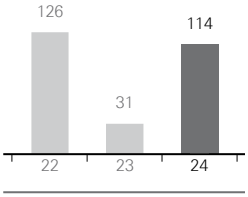
Depreciation and amortisation

Amortisation of intangible assets and depreciation of property, plant and equipment rose by €40.8m to €577.8m. Along with an increase in the investment volume at Austrian Power Grid AG, this was due in particular to the depreciation of the plants acquired in Spain in previous years.

Impairment losses

Impairment losses of €290.9m mainly concerned the cash-generating units for the new renewables portfolio in Spain (€52.4m), the Mellach combined cycle gas turbine power plant (€66.1m) and Gas Connect Austria GmbH (€172.4m). The main reasons for the impairment losses included updated electricity and gas price forecasts as well as significant changes in the energy market and regulatory environment. 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 €114.3m related almost exclusively to the cash-generating units of the new renewables portfolio in Spain. These reversals were mainly due to much lower cost of capital. Further details on impairment testing are presented in the notes to the consolidated financial statements.

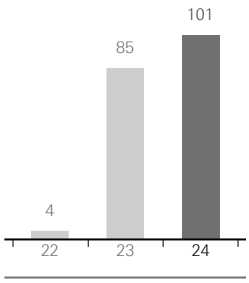
Financial result €m

	2023	**2024**	Change
Result from interests accounted for using the equity method	84.9	101.3	19.3%
Other result from equity interests	8.0	10.9	35.9%
Interest income	69.3	81.8	18.1%
Interest expenses	–143.2	–125.2	–
Other financial result	25.7	–30.2	–
Impairment losses	–15.8	0.0	–100.0%
Reversals of impairment losses	26.6	13.6	–49.0%
Financial result	55.5	52.2	–5.9%

Result from interests accounted for using the equity method

The result from interests accounted for using the equity method rose by €16.4m to €101.3m. This was largely due to the earnings contributions from KELAG-Kärntner Elektrizitäts-Aktiengesellschaft in the amount of €100.5m (2023: €78.2m; for more information, please refer to the section entitled All other segments) and from Trans Austria Gasleitung GmbH in the amount of €–2.4m (2023: €+6.0m).

Equity result - domestic €m



Equity method accounting

Interest income and expenses

Interest income rose by €12.5m to €81.8m compared with 2023, due mainly to higher interest payments from money market transactions. Interest expenses fell by €18.0m to €125.2m. This decrease was mostly due to the repayment of a €500.0m promissory note loan in November 2023 and lower net interest charged on money market transactions. Bond yields from the issuance of a green bond in May 2024 had an offsetting effect.

Other financial result

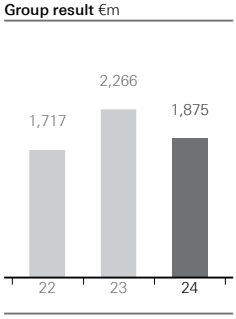
The other financial result fell by €55.9m to €–30.2m in 2024. This was attributable to the change in the measurement of an obligation to return an interest (€–55.5m) relating to the Jochenstein power plant on the Danube River as well as the change in the measurement of a profit participation right with respect to material assets (€+1.6m) in respect of Trans Austria Gasleitung GmbH.

Reversals of impairment losses in the financial result

The reversals of impairment losses of €13.6m related almost exclusively to Trans Austria Gasleitung GmbH (€13.5m). Further details on impairment testing are presented in the notes to the consolidated financial statements.

Financial result

The financial result consequently changed by €–3.3m, from €55.5m to €52.2m.



Group result

After taking account of an effective tax rate of 23.0% and non-controlling interests of €264.4m, the Group result was €1,875.3m. This is a decrease of 17.2% compared with the previous year. Earnings per share amounted to €5.40 (2023: €6.52) for 347,415,686 shares. The Group result after adjustment for non-recurring effects was €1,975.5m, a decrease of 24.5% on the prior-year period.

Reconciliation of Group result to adjusted Group result

The following table shows the material non-recurring effects in financial year 2024.

Adjusted Group result €m

	2023	**2024**
Group result	2,266.1	**1,875.3**
Impairment losses of Mellach combined cycle gas turbine power plant	47.9	50.9
Impairment losses of Gas Connect Austria GmbH	22.4	67.7
Goodwill impairment losses – renewables portfolio in Spain	78.4	–
Impairment losses and reversal of impairment losses of cash-generating units of the new renewables portfolio in Spain	209.7	–46.3
Measurement of a change in an obligation to return an interest relating to the Donaukraftwerk Jochenstein	–1.1	40.9
Measurement of a profit participation right with respect to the material assets of Trans Austria Gasleitung GmbH	–3.8	–5.1
Reversal of impairment losses of Trans Austria Gasleitung GmbH	–5.5	–5.3
Reversal of impairment losses of Ashta Beteiligungsverwaltung GmbH	–10.7	–
Other	12.4	–2.6
Adjusted Group result	2,615.8	**1,975.5**

Financial position

Consolidated balance sheet (condensed) €m

	2023	Percent	**2024**	**Percent**	Change
Non-current assets	15,895.1	82%	16,219.9	87%	2.0%
Current assets	3,590.2	18%	2,498.4	13%	–30.4%
Total assets	19,485.3	100%	**18,718.3**	**100%**	–3.9%
Equity	11,220.9	58%	11,064.8	59%	–1.4%
Non-current liabilities	5,103.1	26%	5,879.8	31%	15.2%
Current liabilities	3,161.3	16%	1,773.7	9%	–43.9%
Total liabilities	19,485.3	100%	**18,718.3**	**100%**	–3.9%

Assets

The increase in non-current assets was mainly attributable to the change in property, plant and equipment described below. The additions to property, plant and equipment of €1,161.1m were reduced by depreciation amounting to €537.0m. The main additions to property, plant and equipment related to (replacement) investments at Austrian and German hydropower plants, investments at Austrian, German and Spanish wind power and photovoltaic installations, and capital expenditure for the Austrian transmission system. Impairment testing of property, plant and equipment and of intangible assets revealed a need for impairment for the Austrian gas transmission system and for the Mellach combined cycle gas turbine power plant as well as impairment losses and reversal of impairment losses in the new renewables portfolio in Spain. The decrease in current assets was primarily due to lower positive fair values for derivative hedging transactions in the electricity business and lower cash and cash equivalents.

SDG 8

Equity and liabilities

The change in equity was mainly attributable to the profit for the period generated in quarters 1–4/2024, along with negative effects which arose from the measurement of cash flow hedges recognised in other comprehensive income and from the dividend payment by VERBUND AG and VERBUND Hydro Power GmbH. The decline in current and non-current liabilities primarily resulted from lower provisions for taxes on income and deferred taxes, lower negative fair values for derivative hedging transactions in the electricity business and lower other current liabilities. Higher other non-current liabilities had an offsetting effect.

Cash flows

Cash flow statement (condensed) €m

	2023	**2024**	Change
Cash flow from operating activities	5,083.0	3,248.6	–36.1%
Cash flow from investing activities	–1,441.0	–1,166.4	–
Cash flow from financing activities	–3,087.2	–2,251.0	–
Change in cash and cash equivalents	554.8	**–168.9**	–
Cash and cash equivalents at the end of the period	964.0	795.1	–17.5%

Cash flow from operating activities

Cash flow from operating activities amounted to €3,248.6m in the 2024 reporting period, down €1,834.4m on the prior-year figure. The change was mainly due to significantly lower average prices achieved for electricity sales, lower returns from 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 €–1,166.4m in the 2024 reporting period (2023: €–1,441.0m). The change was mainly due to a lower cash outflow for investments in intangible assets and property, plant and equipment (€+261.0m), a higher cash inflow from disposals of investments (€+24.0m) and the discontinuation of cash outflow for business acquisitions (€+11.7m). The higher cash outflow from capital expenditure for interests accounted for using the equity method and other equity interests (€–8.9m) and the higher cash outflow from capital expenditure for investments (€–11.0m) had an offsetting effect.

Cash flow from financing activities

Cash flow from financing activities amounted to €–2,251.0m in the 2024 reporting period, a change of €+836.1m. This change was due for one thing to the cash inflows and outflows from money market transactions (€+733.7m) and to the financial liabilities (€+440.0m). Other reasons were the higher cash outflow for dividends (€–380.4m) and the change in cash flows arising from shifts between shareholder groups (€+53.5m).

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.

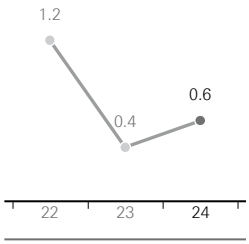
Net debt/EBITDA and free cash flow

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

The ratio of net debt to EBITDA was 0.6 at 31 December 2024 (2023: 0.4). The increase was mainly due to lower EBITDA. 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 €144.8m at the end of the reporting period (2023: €2,098.1m). The change was principally attributable to the significant decrease in operating cash flow and higher dividend payments. This was countered by lower capital expenditure for intangible assets and property, plant and equipment.

Net debt/EBITDA



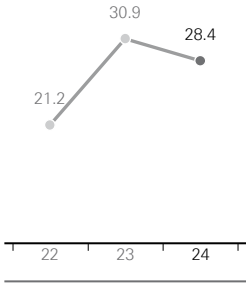
Return on capital employed

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 2024 was 28.4% (2023: 30.9%). 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 2024, NOPAT for VERBUND's unregulated business activities was €2,128.0m (2023: €2,549.8m). 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 €7,504.0m at the end of 2024 (2023: €8,251.1m). The Group return exceeded the weighted average cost of capital (WACC) of the Group's unregulated business activities in 2024 (31 December 2024: 5.5%).

ROCE



Gearing

Gearing is determined as follows:

Interest-bearing net debt (condensed) €m

	2023	**2024**	Change
Financial liabilities	1,987.3	1,817.0	–8.6%
Interest-bearing provisions	571.9	623.3	9.0%
Other interest-bearing liabilities	386.2	566.4	46.6%
Cross-border leasing	0.1	0.1	–16.7%
Cash and cash equivalents	–963.9	–795.0	–17.5%
Securities	–167.8	–174.9	4.2%
Other liquid financial assets	–55.1	–60.1	9.1%
Interest-bearing net debt	1,758.7	**1,976.7**	12.4%
Equity	11,220.9	**11,064.8**	–1.4%
Gearing ratio	15.7%	**17.9%**	–

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 suitable liquidity reserves; 2. securing a solid, credit rating over the long term; and 3. implementing innovative green finance transactions.

Safeguarding liquidity and ensuring suitable liquidity reserves

TCFD

For VERBUND, ensuring that liquidity is available at all times has the highest priority. As at 31 December 2024, 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 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 at the end of 2024. As at 31 December 2024, these credit lines had not been drawn down.

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

As at 31/12/2024:
S&P: A+/
stable outlook
Moody's: A2/
stable outlook

The better a company's credit rating, the easier and more inexpensive it is to benefit from full access to international capital markets. Having a solid credit rating gives VERBUND continuous access to various financing instruments in the capital market and safeguards the Group's business model. As at 31 December 2024, 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. VERBUND is thus among Europe's most creditworthy energy suppliers. For the long term, VERBUND is aiming for a solid "A" category rating. VERBUND is therefore focusing primarily on optimising free cash flow and on the two key rating-related performance indicators of FFO/net debt and RCF/net debt.

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

TCFD

Implementing innovative green finance transactions

Green finance still has very high priority for VERBUND as the entire corporate strategy is focused on sustainability and green finance is decisive in the international arena and a cornerstone of the national climate strategy. VERBUND will continue to position itself as a pioneer in a future decarbonised energy market.

In recent years, VERBUND has issued the following innovative green transactions:

1) the first corporate green bond in the DACH region (2014);
2) the first green Schuldschein issued over a digital platform (2018);
3) first ESG-linked syndicated loan whose margin structure is linked exclusively to VERBUND's ESG rating (sustainability ranking) over the term of the loan (2018); and
4) the first Green & Sustainability-linked Bond, which combines all four available sustainable components in green finance in a single transaction (2021):

- use of proceeds (conventional project-specific green bond)
- EU taxonomy aligned (the projects must be aligned with the EU Taxonomy Regulation as at the date of issue)
- sustainable link (margin dependency relating to the achievement of the Group's sustainability goals)
- UN Principles for Responsible Investments (strong preference for sustainable investors, who are selected in accordance with a transparency criterion in bookbuilding).

5) ESG-linked Schuldschein whose margin structure is linked to the ESG Risk Management Score of VERBUND AG, as determined annually by the Sustainalytics ESG rating agency (2022);
6) sustainability-linked syndicated loan with the highest volume ever raised by VERBUND of €1,000.0m, which had not been drawn down by 31 December 2024. The annual margin is tied to achievement of two of the Group's sustainability performance targets – following the two KPIs as for the Green & Sustainability-linked Bond, (2023) (see below).

In the case of the Green & Sustainability-linked Bond (2021) issued, the figures for the KPIs increased as follows in the period from 1 January to 31 December 2024:

- KPI 1 (Newly installed production capacity for hydropower, wind power and photovoltaic energy) increased by 110 MW to a total capacity of 9,288 MW (basis: 31 December 2020: 8,692 MW)
- KPI 2 (Additional transformer capacity) increased by 800 MVA to a total of 36,153 MVA (basis: 31 December 2020: 30,810 MVA).

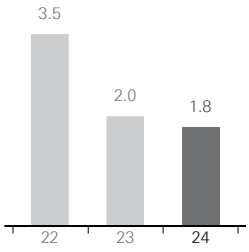
In May 2024, VERBUND AG issued a €500.0m green bond with a maturity of seven years that incorporates biodiversity. It was received extremely positively by the investor community in a competitive environment and was oversubscribed by more than six times at its peak. High demand made it possible to set the interest rate at 3.250%. VERBUND will use the net proceeds from the issuance for green projects that are in line with the VERBUND Green Financing Framework, which was updated in May 2024. The Green Financing Framework was audited by internationally renowned sustainability rating agency ISS ESG, which also provided a second party opinion. VERBUND plans to use up to 90% of the proceeds from the bond to finance the construction of the 380 kV high-voltage Salzburg line. The

Salzburg line will contribute to the implementation of Austria's energy strategy and to the achievement of Austria's climate change targets. In addition, VERBUND plans to finance the LIFE Riverscape Lower Inn and LIFE Blue Belt Danube Inn projects (two biodiversity projects). These biodiversity projects are part of VERBUND's programme to improve ecology and biodiversity around hydropower plants in Austria and Bavaria. A key design feature of such concepts is bypasses, which restore continuity while providing critical habitats for fish, amphibians, water birds and many other rare species living on riverine floodplains. Completing these biodiversity projects will fully ensure the continuity of the Danube and Inn Rivers at the VERBUND power plants.

As at 31 December 2024, VERBUND's borrowing portfolio was composed as follows: 62.9% bonds and 37.1% loans.

The following key performance indicators refer to purely external financial liabilities, excluding former cross-border leasing transactions, exclusive financial guarantees and exclusive limited partnership interests. The carrying amount of VERBUND's financial liabilities was €1,806.3m as at 31 December 2024. The entire amount was financed in euros. A total of 90.4% of these financial liabilities had fixed interest rates and 9.6% had variable interest rates. As at 31 December 2024, the duration of all liabilities was 7 years. The average weighted term to maturity was 8.2 years. The effective interest rate was 2.21%.

Financial liabilities €bn

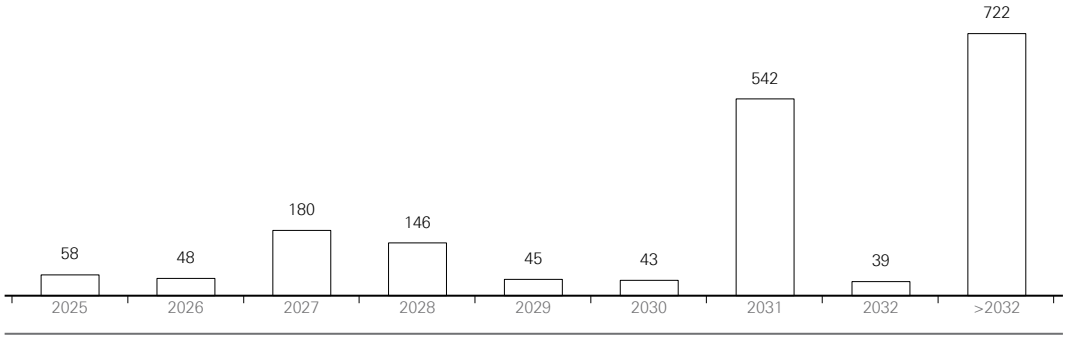


Carrying amounts

Repayments of principal and repayment structure

In financial year 2024, principal payments of €715m were made on long-term borrowings. A total of around €58m will fall due in 2025, and €48m is scheduled to be repaid in 2026.

Repayments €m



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 90% of the total electricity VERBUND generated in 2024 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 base load power.

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

KPIs – Hydro segment

	Unit	2023	**2024**	Change
Total revenue	€m	4,485.9	3,574.2	–20.3%
EBITDA	€m	3,856.4	2,969.5	–23.0%
Result from interests accounted for using the equity method	€m	0.7	0.8	4.1%
Capital employed	€m	5,957.9	6,105.3	2.5%

The decline in total revenue and in EBITDA was mainly attributable to much lower average prices achieved overall, which could not be counterbalanced by the increase in output. The hydro coefficient for the run-of-river power plants was 1.09 (2023: 0.98).

The increase in capital employed was due in particular to higher net property, plant and equipment as well as lower current liabilities.

Energy supply

Energy generation overview

Electricity generation SDG 7

	Number[1]	Maximum electrical capacity in MW[1]	Mean energy capability in GWh[3]	2022 Generation in GWh[4]	2023 Generation in GWh[4]	**2024 Generation in GWh[4]**
Hydropower[2]	132	8,468	29,429	26,754	30,509	33,448

[1] as at 31 December 2024 // [2] incl. purchase rights // [3] mean energy capability includes generation from natural inflow // [4] generation from natural inflow (run-of-river and storage power plants) as well as from pumping and turbining

As at the end of 2024, VERBUND electricity from hydropower came from 95 run-of-river power plants and 23 storage power plants. The increase of two installations compared with 2023 is due to the initial operation of the Gratkorn and Spiegelwald power plants in Austria, the small-scale hydropower plant in Reit, Germany, and the transfer of the small drinking water power plant in Kolbnitz to the municipality of Reißeck. We also held purchase rights at 14 run-of-river power plants owned by Ennskraftwerke AG.

The mean energy capability was 29,429.2 GWh. In the 2024 reporting period, the hydro coefficient for run-of-river and pondage power plants was 1.09, which is 9 percentage points above the long-term average and 11 percentage points above the prior-year level. The hydro coefficients for the individual quarters were quite mixed: quarter 1/2024: 1.29 (previous year: 0.93); quarter 2/2024: 1.02 (previous year: 0.96); quarter 3/2024: 0.99 (previous year: 0.90); quarter 4/2024: 1.12 (previous year: 1.17). Generation from the annual storage power plants rose by a significant 4.2% in quarters 1–4/2024 versus 2023, with the effects from decreasing reservoir levels (difference in reservoir level at start of year and end of year) and higher water inflow far outweighing the lower generation from turbining. VERBUND's hydropower plants had a capacity of 8,468 MW (previous year: 8,417 MW; maximum electrical capacity = maximum capacity for sustained operations) as at 31 December 2024.

Capacity changes 2023–2026[1] MW SDG 7

	2023	**2024**	2025	2026
Hydropower[2]	8,417	8,468	9,020	9,027

[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 new construction projects and rehabilitations underway.

Availability of hydropower plants

The overall availability of all power plants owned and operated by VERBUND was affected in 2024 again, as in the previous year, by the large number of generator sets being overhauled and by power plant rehabilitations. Overall, all of the run-of-river and storage power plants owned and operated by the Group had average availability of 88.3%. This availability level is lower than the mean for the last five years (92.1%) since the planned measures at the Malta-Hauptstufe, Limberg II and Kaprun-Oberstufe storage power plants as well as at the Ottensheim-Wilhering, Wallsee-Mitterkirchen and Ering Frauenstein run-of-river power plants had a particularly significant impact here. SDG 7

Environment

In order to achieve the ambitious climate and energy targets in Europe, in addition to expanding electricity generation from renewable energies, the focus is increasingly on security of supply, which requires massive flexibility and storage facilities. VERBUND's 2030 Hydropower Strategy takes both aspects into account: on the one hand, by maintaining and expanding hydropower generation in Austria and Bavaria and, on the other hand, by expanding and enhancing pumped storage power plants.

In general, the need to expand electricity generation from renewable sources of energy and to increase storage along with flexibility products has widespread support among the population. 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. Other obstacles include the lack of resources at the competent authorities and the fact that Austria still has not transposed European legislation on the expansion of renewables (RED III) into national law – especially the classification of renewables and storage facilities as being in the overriding public interest.

Most of the relevant indices show only slight increases in the cost trends for third-party deliveries and services. However, this still does not apply to some important electrical and control technology components, where high international demand (for grids and in renewables generation) means that delivery times are much longer in addition to higher prices. Current estimates indicate that this situation is already taken into account – to the extent that it can be estimated – in the current costings and timeframes of implementation projects.

New power plant projects

Construction of the new Gratkorn power plant on the Mur River

The Gratkorn power plant on the Mur River (a partner project between VERBUND Hydro Power GmbH (50%) and Energie Steiermark Green Power GmbH (50%)) with a maximum electrical capacity of 10.8 MW and a mean energy capability of 54.2 GWh successfully reached initial operation in July 2024 after a construction period of 2.5 years. Planting was still ongoing in the autumn of 2024, and the remaining structural work will continue until early 2025 (including the creation of the amphibian passage). The required monitoring by regulators for fish, otters, and dice snakes will start in spring 2025.

While the power plant was being built, a number of supporting measures were implemented for the region including improvement of flood protection, construction of a recreational area and a stand in the Gratwein football stadium along the dam, an upgrade of the network of cycle paths and a new crossing of the Mur River for pedestrians and cyclists. Before work started at all, public briefings on the project and on the planned construction measures began. For this purpose, a "construction platform" was set up for maintaining regular contact with the local communities, neighbours and stakeholders. Residents, the general public and interested parties were also given the opportunity to view the progress of the construction work as part of site tours. The power plant was inaugurated on 4 October 2024, and the general public could visit it the following day during an open day.

Construction of the new Stegenwald power plant on the Salzach River

Construction began in March 2023 on 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. This work was

continued in the reporting period. On 26 August 2024, the ruling of the Vienna Administrative Court (*Verwaltungsgerichtshof Wien*, VwGH) overturned the second-instance ruling of the Salzburg Regional Administrative Court (*Landesverwaltungsgerichtshof Salzburg,* LVwG) approving the nature conservation licence, and the construction work affected by the ruling was subsequently suspended. However, following a ruling by the LVwG to revoke the suspensive effect, work resumed on 2 October 2024. The appeal was repeated before the LVwG on 6 November 2024. The LVwG's ruling in this case is expected in quarter 1/2025. The temporary halt of construction had no impact on the overall schedule. The plant is still expected to come on stream at the end of quarter 2/2025.

While the power plant is being built, a number of measures will also be implemented for the region including improvement of flood protection and closure of two ungated railway crossings. Project newsletters are sent out to the general public with updates on the project and construction progress. Information for members of the public is provided on an ad hoc basis. The large number of enquiries for tours of the construction site from the region and beyond underlines the keen interest in the construction process.

Construction of the new Reißeck II plus pumped storage power plant

The Reißeck II plus project, which entails construction of a 45 MW pumped storage power plant built entirely underground, will expand and improve the existing power plant system in the Reißeck group. To further improve the system, the Small Mühldorf Lake was connected to the headrace channel of the Reißeck II power plant, maximising the available storage capacity. Following a construction period of 3.5 years, the wet commissioning of the two speed-controlled pump-turbines, along with ancillary systems, began in quarter 4/2024. Initial operation is scheduled to be completed in quarter 1/2025.

The environmental measures in the project were also completed in parallel. As part of this, the storage area has been fully planted using the seed-sod technique and new substitute spawning grounds have been created.

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

In the Limberg III project – an expansion of the existing power plant system in Kaprun – two pump-turbines with a total capacity of 480 MW will be built in a separate power plant cavern. In addition, the Limberg Dam will be raised to increase both storage capacity and flexibility in the overall system.

In spring of 2024, the two reservoirs, Mooserboden and Wasserfallboden, were completely emptied and the connection work to the new headrace channel was carried out. Construction work on the pressure shaft and in the caverns continued as well and was completed by the end of 2024. In parallel, the assembly work on the two pump-turbines, the engine generators and all ancillary systems up to and including the energy dissipator continued. The work is going according to plan and initial operation is expected in 2025.

Work for the planned raising of the Limberg Dam resumed after the winter break at the beginning of June 2024. By the time of the winter break from mid-December 2024, work had been undertaken to complete the excavation of the west flank, inject the rock faces, test the dam concrete and remove part of the dam crest. Work will resume from spring 2025 and is planned to be completed in 2027.

In connection with these large construction sites, a raft of environmental measures is also being implemented such as obtaining land-use permissions for a European nature reserve called Alpine Alluvial Plain Drossen, restoration of storage areas using a special seed-sod combination technique and

restoration of areas from the 1950s construction period. The Drossen rock storage site at 1,900 metres above sea level will be restored and rehabilitated 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. What is more, the project's stage of completion was explained at town meetings. Local and national media in Austria regularly visit the construction site and report on progress there.

Kaprun 2029 state-of-the-art project to upgrade 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 parallel to the Limberg III project, work also continued in 2024 for the re-issuance of the water rights for the Kaprun-Hauptstufe and -Oberstufe power plants that had been approved in 1939 and expire in 2029 as well as for the Mooserboden and Wasserfallboden reservoirs plus the related dams. For the water rights to be re-issued, all the facilities must be state of the art and ecologically sound.

The entire project is divided into three phases. Phase I, the construction of a new inlet structure for the Wasserfallboden reservoir to a new valve chamber, was completed during the emptying of the Wasserfallboden reservoir in spring 2024. The assembly of the tunnel boring machine began in October 2024 for Phase II, which involves the construction of a new headrace channel and a new surge shaft. The tunnel boring is scheduled to start in quarter 1/2025. Phase III comprises the modernisation, adaptation or rehabilitation of individual structural, electrical and mechanical components and consists of around 80 individual measures. The implementation of these measures is expected to begin in 2025.

The construction of another 480 MW pumped storage power plant is also planned as part of the Kaprun 2029 project. Like Limberg II and III, the Schaufelberg project is to be built largely underground. With the construction of a new hydropeaking compensation reservoir, the return of the process water to the Salzach river can be decoupled from the operation of all power plants in Kaprun and adapted to the requirements for water ecology. Connecting the Kaprun-Hauptstufe power plant to the compensating basin reduces the current surge and drop on the Ache river in Kaprun. The documents for the Environmental Impact Assessment (EIA) for the Schaufelberg project are due to be submitted by mid-2025.

In November 2024, selected media outlets and local residents were informed about the Kaprun 2029 and Schaufelberg projects in a public briefing. In addition, a citizens' officer is the first point of contact for questions from the general public.

Other new construction projects in the approval 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. The public will be engaged in accordance with the principles of stakeholder management described in the subsection entitled Sustainable planning and stakeholder management.

VERBUND plans two new construction projects on the Mur river jointly with Energie Steiermark Green Power GmbH (50%/50%). The negotiations on the environmental impact assessment (EIA) for the Leoben Ost project (approx. 8 MW/38 GWh) were held in September 2024. And work on preparing the submission documents for the Stübing project (approx. 12 MW/54 GWh) continued in 2024.

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. The public hearing was held in October 2023. The Passau District Office (*Landratsamt*, LRA) is expected to issue the planning approval notice in quarter 1/2025.

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

Rehabilitation projects for run-of-river power plants

In May 2024, the third of three generator sets to be refurbished was successfully put into operation at the Ering-Frauenstein power plant. This increased the mean energy capability by 42 GWh and the maximum electrical capacity by 9 GWh.

The fourth of nine generator sets to be refurbished was successfully put into operation in June 2024 at the Ottensheim-Wilhering power plant. Renovation work on the fifth generator set commenced in autumn 2024. Once the rehabilitation measures have been completed in 2029 for all nine generator sets, the plant should have an additional mean energy capability of 56 GWh and an additional maximum electrical capacity of 29 MW.

In the autumn of 2024, renovation work on the first generator sets started at the power plants in Wallsee-Mitterkirchen (with 6 generator sets and a planned additional output of +10 MW and +54 GWh), Jochenstein (with 5 generator sets and a planned additional output of +8 MW and +55 GWh), Egglfing-Obernberg (with 6 generator sets and a planned additional output of +6 MW and +55.5 GWh), and Braunau-Simbach (with 4 generator sets and a planned additional output of +12 MW and +65 GWh).

Furthermore, preparations for rehabilitation measures at the Lavamünd and Schwabeck power plants on the Drau River were also launched in December 2024. As with the Rosenheim power plant, renovation works on these two facilities are scheduled to start in autumn of 2025.

Rehabilitation projects for (pumped) storage power plants

At the Malta-Hauptstufe power plant, the second of the two Pelton solo turbines was rehabilitated in 2024. This increased the mean energy capability by 13.9 GWh.

In addition, the initial operation of the new Kolbnitz pumping station (60 MW) in Carinthia was completed and the old Hattelberg pumping station (17.7 MW) decommissioned at the same time.

Operation and Security Center Hydro

Ever since a policy decision was taken in 2020 to replace the power plant control system in use throughout the Group and implement the Operation and Security Center Hydro (OSC Hydro), we have been working hard to get this up and running. The focus on the control of power plant operations for all facilities owned and operated by VERBUND in Austria and Bavaria is planned for completion by the end of 2028 as part of the OSC Hydro project.

The most important milestone in 2024 was the start of construction of the new 24-hour central control room in April 2024. The shell was built in 2024. The building is scheduled for completion by the end of 2025. In addition, parallel operation of the new control centre system in the first plant group started. Three out of four data centres have also started operation in the meantime. The last data centre is scheduled for completion in mid-2025.

In addition, the hearing was held in October 2024. The approval notice is expected to be issued in the first half of 2025.

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 innovations 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.

The focus in 2024 was on starting to roll out the 360° power plant tours in a total of eight plant groups and the ongoing development of digital solutions for plant inspection. Examples included developing a telescopic camera system for rapid underwater inspections in run-of-river power plants, which is now ready for practical application, and establishing an ROV/sonar system for inspections in the event of high water turbidity. In addition, a permit for automated drone flights was obtained for the first time and the long-term testing of a drone-in-a-box system was initiated in alpine terrain in the area of the Kölnbrein Dam. A test system for visualising and analysing dam surfaces was implemented in cooperation with Axpo and its enhancement with 3D recording of headrace channels was tested jointly with various partners. A system for the mobile provision of essential operating data was implemented for the upper Danube power plant group. The rollout of this solution to other plant groups has started. In addition, implementation began on an all-in-one dashboard for visualising plant status using various data sources.

Another goal is the search for and development of further innovative digitalisation applications for hydropower. For example, work is underway on a solution for automated recording of the concrete surfaces of large dams. Innovative solutions are required here, because the quality of the GNSS (Global Navigation Satellite System) signal in the area of dams is not sufficient for automated drone navigation. In addition, we plan to develop solutions for underwater inspection of headrace channels as well as for

in-situ monitoring of sediment transfer during flushing. In the area of data analysis, anomaly detection is to be extended to other areas of plants.

Environmental measures

VERBUND expects to incur total costs of around €400m for implementing the requirements of the European Water Framework Directive (WFD) in force from the time measures were initiated in 2001 up to 2027. Unlike the 2022 cost estimate of €280m, this one includes the expenditure of €120m to fulfil the requirements of the third National River Basin Management Plan. This is and was in addition to ongoing expenses for operation and maintenance, particularly for monitoring and operating the fish passes built.

A description of conservation measures at VERBUND can be found at www.verbund.com > About VERBUND > Responsibility > Environment

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Selected activities for these environmental protection 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.

In the 2024 reporting period, work was focused on approval planning and the official permit-granting processes predominantly for semi-natural fish passes on the Danube River, the Inn River to the German border and the Inn River in Bavaria (which are combined, among others, in the two LIFE projects entitled Bluebelt-Danube-Inn and Riverscape-Lower-Inn), as well as on mainly fish ladders on the Enns and Mur rivers. Monitoring of the fish ladders built in the previous year was continued. As of the end of 2024, a total of 71 power plant sites have fish passes.

Fish passes

		2022	2023	**2024**
Locations	Number	69	69	71

The technical possibilities for limiting hydropeaking at VERBUND's storage and pumped storage power plants are being evaluated in detailed feasibility studies, particularly at the Salzach, Enns, Teigitsch, Pack and Ziller rivers and are allocated to programmes of measures that run to 2027 and beyond. In addition, studies have been commissioned to determine the residual water discharge in fish habitats at power plants.

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

Through the Christian Doppler Laboratory for Sediment Research and Management, for example, the Vienna University of Natural Resources and Life Sciences (BOKU University) systematically reviewed options for improving river sedimentation in rivers impacted by power plants in Austria until the end of 2024. In 2025, research into the suspended sediment concentration on fish during desedimentation will be continued at BOKU University's hydraulic engineering laboratory.

In the ÖkoResch project, another BOKU University project, the technical principles for assessing the necessity and the scale of residual flow release in high mountain areas are being evaluated in pilot projects and scientific support is being provided for feasibility studies to reduce hydropeaking at selected sections.

The Fish protection and fish bypasses research project has been technically completed; publications on the topic are currently being finalised and will be discussed in specialist seminars in Austria and Bavaria in spring 2025.

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, continues to preserve extensive environmental evidence on changes in the fish population. This project is funded by VERBUND, viadonau and Austrian Federal Forests.

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 2024 as a matter of course. In November 2024, for example, 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. The initial operation of the Gratkorn power plant was celebrated with an open day in October 2024, as was the completion of the fish pass at the Braunau-Simbach power plant in November 2024. In addition, the general public was informed about the work to ensure fish passability at the ten VERBUND power plants on the Drau river during an open day at the Feistritz power plant in May 2024. Also, a book entitled “Grüne Lebensader–Renaturierungsprojekte an der Drau” (Green Lifeline Renaturing Projects on the Drau River) was published.

In 2024, the national and international exchange on technical topics continued, for example by attending and giving presentations at national and international congresses and meetings. Particularly noteworthy here is Hydro 2024, the International Hydropower Congress held in Graz, with over 1,000 delegates from over 70 nations and VERBUND as a local partner. VERBUND’s capabilities were presented to an international group of experts through specialist lectures and visits to power plants as part of the excursion programme. We also took part in a range of other events including the vgbe energy expert event Digitalisation in Hydropower hosted in Bavaria. 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 according to ISO 14001

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.

After the ISO 14001 certification had been awarded to VERBUND Hydro Power GmbH, VERBUND Innkraftwerke GmbH and Grenzkraftwerke GmbH, the nine operational power plant groups and all business areas in the year before, Quality Austria conducted a comprehensive external monitoring audit in 2024. Based on the positive results, the audit reaffirmed that the management system was working.

Hydro Consulting

Since 2017, VERBUND has been progressively developing and building up its Hydro Consulting operating segment based on the comprehensive experience of VERBUND's highly skilled team of experts. In addition to increasing profit, this operating segment's activities are primarily focused on maintaining and/or expanding 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.

Service contracts with an order backlog of around €14.3m (2024–2028) were processed in 2024. Of particular note were several orders for large-scale power plants in Laos, including Luang Prabang, Pak Beng, Pak Lay and Nam Ngum II. 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 located in Manara, Israel, which is under construction, the technical and commercial activities for the Operation & Maintenance (O&M) contract continued in 2024 despite the war having halted construction since October 2023. VERBUND has been providing operating expertise under the (O&M) contract since 2022 and supports the general contractor in planning and coordinating the electromechanical components.

In addition, several orders were acquired in 2024, some of which have already been completed. Examples include technical consultations on the development of new pumped storage power plants and on a modernisation project at an existing plant in Slovakia. For power plant projects in Saudi Arabia, Hydro Consulting was commissioned together with partners to provide technical support for a tender process (BOOT model). High targets aiming at carbon-neutral electricity generation in Australia have led to the development of a large number of pumped storage power plant projects. Hydro Consulting has been commissioned to provide consulting services for three of these projects so far. And in South Korea, pumped storage power plant projects – both new constructions and existing plants – were also supported.

In addition, the hydropower experts from the Hydro Consulting business segment are supporting VERBUND Green Power Iberia in developing and implementing two highly efficient pumped storage power plants in Spain.

New renewables

Generation from wind power, solar power 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 solar power. By 2030, electricity generation from new renewables is expected to account for around 25% of VERBUND's total generation (around 6% as at 31 December 2024).

Rapidly ending our dependence on fossil fuels is crucial.

KPIs – New renewables segment

	Unit	2023	**2024**	Change
Total revenue	€m	328.3	324.0	–1.3%
EBITDA	€m	227.6	169.6	–25.5%
Result from interests accounted for using the equity method	€m	0.6	1.3	–
Capital employed	€m	1,643.2	1,954.3	18.9%

Total revenue remained on a level with the previous year. Lower average prices achieved were largely compensated by the increase in output, in particular due to the wind power plants acquired in Spain in quarter 3/2023, wind farms coming on stream in Spain and the wind power plants acquired in Austria and Germany in quarters 1–3/2024. Higher other operating expenses and a downward effect from the measurement of energy derivatives for future energy deliveries, were the main reasons for the decline in EBITDA. The new renewables coefficient was 0.91 (2023: 1.06).

The increase in capital employed was largely attributable to the rise in net property, plant and equipment stemming in particular from wind farms in Spain coming on stream, the acquisition of wind power plants in Austria and Germany, and the positive effects from impairment testing of generation plants in Spain.

Energy supply

Energy generation overview

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Electricity generation

	Number[1]	Maximum electrical capacity in MW/MWp[1]	2022 Generation in GWh	2023 Generation in GWh	**2024 Generation in GWh**
Wind power	342[2]	874	954	1,397	1,818
Solar power[4]	47[3]	308	70	362	446
Total		1,182	1,024	1,758	**2,264**

[1] as at 31 December 2024 // [2] refers to the number of wind power plants // [3] refers to the number of solar farms // [4] excl. leased/contracted installations

VERBUND generated 2,264 GWh of electricity from the renewable energy sources of wind and solar power in financial year 2024, up 506 GWh on the previous year's level of 1,758 GWh. The increase in generation was due to the ongoing raft of new installations coming on stream. Wind power plants began initial operation in Austria, Germany, and Spain. The increase in solar power generation was due to new installations in Austria and Spain.

The electrical capacity of VERBUND's wind power installations as at 31 December 2024 was 874 MW, while the capacity of its photovoltaic installations was 308 MWp (excluding installations for industrial customers).

Solar and wind power

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With its wind power plants and photovoltaic installations in Austria, Germany, Romania and Spain, VERBUND had 1,182 MW of installed capacity at its disposal as at 31 December 2024.

In the reporting period, the team in charge of project development and asset acquisition worked hard on developing the wind power and photovoltaic project pipeline in and outside Austria.

In Austria, new photovoltaic projects totalling around 85 MW and new wind power projects of around 303 MW were added to the project pipeline. In addition, a 2.6 MW open-field solar installation in Burgenland and a 2.1 MW open-field solar installation in Styria came on stream.

In the collaboration with JLW/Visiolar in Germany, individual photovoltaic projects from the portfolio also saw further progress in 2024. The first project should go into operation in 2026, subject to regulatory approval. In the wind area, transactions for five wind farms with an installed capacity of 38 MW were closed in quarters 2/2024 and 3/2024. This is an acquisition of a wind portfolio with a total capacity of around 56 MW in the federal states of Hesse, North Rhine-Westphalia and Lower Saxony. The last project in the portfolio is currently under construction and will only be taken over by VERBUND when it is put into operation. We also made further progress on the development of wind power projects in partnership with EFI/Felix Nova GmbH in 2024. These comprise two portfolios with a planned installed capacity of up to 209 MW. The initial projects are expected to come on stream in 2026, subject to regulatory approval.

In Spain, a photovoltaic installation with an installed capacity of around 50 MW and a wind power plant with an installed capacity of around 28 MW were put into operation. In project development, VERBUND received the main approval for around 1.6 GW from the project pipeline that was acquired in the summer of 2022. In addition, one wind power plant (18 MW) and one open-field photovoltaic project (25 MW) of those reached ready-to-build status, with initial operation planned for 2025. Furthermore, VERBUND acquired a 50% stake in two project companies to develop and implement two pumped storage projects with a planned installed capacity of around 830 MW. Both projects are currently in development and are scheduled for initial operation in 2031.

In Romania and Albania, our focus in the reporting period was on developing initial wind power and photovoltaic projects. In Albania, VERBUND won an international tender to build a 75 MW wind power project and conclude a 15-year electricity purchase agreement. In Romania, we continued to move forward with the hybridisation project alongside the existing wind power plants. In quarter 1/2024, we acquired an external project development company in Italy for the development of a 27 MW wind farm in northern Italy. The transaction for a photovoltaic portfolio with a total capacity of around 110 MW was closed in quarter 3/2024. The portfolio comprises two projects at an advanced stage of development. In addition, the implementation of the 10 MW open-field solar installation in southern Italy (Apulia) is progressing. As things stand, initial operation is expected for quarter 1/2025.

Research and special projects

VERBUND is developing a state-of-the-art platform for smart monitoring of wind and photovoltaic installations. The project comprises two main components: a cloud-based lakehouse for real-time processing of operational data and a control centre for visualising and monitoring all assets in operation. The lakehouse will be built using a medallion architecture that separates raw data from validated and application-ready data. It is expected to be fully operational by mid-2025. At the same time, the Control Center project is developing a front-end application for monitoring real-time status, which automatically visualises the status of installations and anomalies. Currently, the application is in the test phase and will enable centralised monitoring and thus an even faster response to generation losses in the future. Further details are presented in the section entitled Innovation, Research and Development.

Environmental measures

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VERBUND is committed to the highest international environmental standards in its wind and photovoltaic projects. Protecting the environment is of paramount importance in each project phase.

In Austria, some existing wind farms undergo annual ornithological monitoring by specialist agencies to examine the effects on the habitat and breeding behaviour of various bird species. Noise emission and noise pollution readings at the wind power plants after initial operation ensure that the surrounding area is not adversely impacted to a significant degree. Existing native wildlife corridors are avoided when building and operating photovoltaic installations, and the management of non-native and invasive species prevents the displacement of native plant species. All monitoring activities conducted to date have been successfully carried out. The launch of an environmental management system certified to ISO 14001 and environmental certification of the operation of the Austrian wind and photovoltaic projects also ensure that the most stringent environmental standards are maintained over the entire life cycle of the installations. The ISO 14001 certification was reviewed by an external auditor and reconfirmed in the middle of October 2024. In the 2024 reporting period, the mandatory energy efficiency audit was carried out as well, which included efficiency measures already planned.

Six of the photovoltaic projects being developed in Spain received the Excellence in Sustainability Certification from the Spanish Solar Photovoltaic Association (UNEF). This certification shows that the projects have been designed with environmental sustainability criteria and their social impact in mind. Ultimately, VERBUND's goal is to contribute to the energy transition in the most responsible manner possible. To achieve certification, excellence had to be demonstrated in the following criteria: socio-economic impact, governance, environmental integration and biodiversity protection, and circular economy. These criteria include, for example, implementation of specific measures to promote biodiversity, protection of natural areas and planning of initiatives to promote local employment. In 2024, VERBUND also signed up to the Ministry of Energy's CO_2 emissions programme and 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). This acknowledgement underscores VERBUND's continuous commitment to reducing and offsetting GHG emissions arising from its activities.

In Germany, VERBUND operates several wind farms in different federal states and takes local conditions into account when it comes to environmental measures. For example, one wind farm is operated in the Soonwald forest located in the Rhine-Hunsrück district, and is a prime example of how wind energy generation, forests and biodiversity fit together. Here, it is mainly the wildcat and bat populations that are being supported by breeding grounds, monitoring, and plant shutdowns. In Lower Saxony, VERBUND is supporting the existing restoration project of the fossé in the municipalities of Harsum and Algermissen as a compensation measure.

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. In addition, transparent communication is encouraged from the early stages of development. To this end, regular briefing events for neighbours are held to explain and jointly discuss project plans. Presentation of the project to the local community is also organised at an early stage. VERBUND is constantly stepping up its efforts to

promote interaction with local residents. In Austria, the growing number of stakeholder management measures was also taken into account by creating an additional position.

Furthermore, VERBUND is working on 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 Climate Savings model, which was already successfully implemented in three photovoltaic projects in 2023 and 2024. Citizens got involved by paying into a climate 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 was 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 and to build meaningful and lasting relationships with regional and local government as well as with regional and local authorities. The areas of cooperation identified for this programme that will have a positive local impact are clean energy, education, health care and well-being, social initiatives, culture and heritage, and local infrastructure. In 2024, the Group added several new communities to the programme, including Camarena (Toledo), where various activities have already been carried out, such as the renovation of the lighting at the village sports complex and a modernisation project at the La Abeja Maya preschool in the village.

Sales

The Sales segment combines all of VERBUND's trading and sales activities as well as all 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 regard to optimally marketing its products. 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.

TCFD

The focus of VERBUND's electricity trading is on the following areas: 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, batteries and hydrogen expand the offerings, and VERBUND customers are supported in actively participating in the energy transition.

The core markets for VERBUND's sales activities are Austria and Germany. In Austria, VERBUND supplies the household/agriculture and commercial segments with electricity generated almost entirely from hydropower. In both Austria and in Germany, VERBUND also delivers to industrial enterprises and resellers.

Business performance

KPIs – Sales segment

	Unit	2023	**2024**	Change
Total revenue	€m	8,277.6	6,766.5	–18.3%
EBITDA	€m	–196.9	6.9	–
Result from interests accounted for using the equity method	€m	–0.6	0.2	–
Capital employed	€m	585.4	794.0	35.6%

The decline in total revenue was largely attributable to the recognition of energy derivatives that are not part of a hedging relationship. These derivatives are recognised at the spot market price in accordance with IFRS 9. The improvement in EBITDA was mainly due to lower prices for purchasing electricity and gas in the end-customer business. A poorer result from the measurement of energy derivatives for future energy deliveries as well as lower earnings contributions from flexibility products had an offsetting effect.

The increase in capital employed was mainly due to lower deferred tax liabilities from the measurement of derivative financial instruments and higher net property, plant and equipment. Lower working capital had an offsetting effect.

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 the water supply and seasonal differences in wind or solar power generation, and follow dynamic hedging concepts that respond to market price fluctuations. Overall, the hedging strategy aims to ensure stable results.

VERBUND Energy4Business ensures market-driven management and optimisation of the use of all VERBUND power plants. 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, 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, we 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 2023, VERBUND's entire electricity generation from hydropower certified by TÜV SÜD amounted to 21,034 GWh in Austria and 3,977 GWh in Germany. The figures for 2024 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, giving large 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 the 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% hydropower with high service quality for end-users

As an industry champion, in 2024 VERBUND once again received the highest customer satisfaction award among 26 electricity providers, based on extensive evaluations. The "MARKET Quality Award" recognised VERBUND as the overall winner for strong performance, prominence and corporate social responsibility. VERBUND was also recognised as a "Price Champion" for its excellent pricing in the energy sector in an assessment based on broad customer feedback. And finally, VERBUND has now secured its position as a "Service Champion" for the tenth time (based on around 250,000 customer ratings), once again demonstrating outstanding service quality. These awards underscore VERBUND's leading role as a customer-focused energy provider.

After some challenging years in a highly volatile energy market, the situation eased in 2024. Cross-channel advertising campaigns – television, online and radio – were used to acquire customers in the spring and autumn. Discontinued channels and distributors were also resurrected in direct sales.

Marketing green electricity – 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 generation plants

Not only does VERBUND pursue an ambitious growth strategy in its wind and photovoltaic power activities, but it is also expanding its hydropower activities by building new power plants in addition to renovating existing ones. The marketing of renewable energy sources on behalf of third-party plants is designed to support this growth. These activities focus on wind power, small-scale hydropower and solar power. 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, industrial and service companies and producers of green electricity access to the energy market while also securing the power grid.

Industrial flexibility assets are marketed separately on the control power and intraday market through VERBUND-Power Pool, which concentrates 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. This also serves to stabilise the power grid while making a significant contribution to integrating renewable energy 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.

VERBUND's digital optimisation 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.

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 whose power customers can use directly for their own purposes. Alongside rooftop systems and open-field photovoltaic installations, VERBUND has built car ports with integrated photovoltaic systems. Despite challenging conditions in 2024, VERBUND took advantage of subcontracting solutions to install and commission many photovoltaic projects during the year and to acquire additional projects that will be implemented in 2025.

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

Residential customers benefit from VERBUND expertise in photovoltaic installations and energy storage systems for the home. Just as in previous years, in 2024 we installed photovoltaic systems for customers in our capacity as a full-service provider. Our photovoltaics offering is available to buy or rent.

1 January 2024 saw a major upturn in photovoltaics funding. For private individuals, VAT was reduced from 20% to 0% on the purchase of a photovoltaic system with an output of up to 35 kWp. This immediate financial relief for households made the investment much more attractive.

The spring of 2024 was dominated by the expansion of VERBUND's photovoltaic product range, with updated all-in-one packages as well as additional new system sizes. Our aim is to make the investment decision and installation process as easy as possible for residential customers.

VERBUND's "photovoltaic storage bonus" of €500 rewarded all residential customers who decided to buy or rent a photovoltaic system and battery storage by the end of 2024. This has enabled photovoltaic installation owners to significantly boost the amount of solar power they generate for themselves, reducing their energy costs in turn. Furthermore, it relieves pressure on the grids.

VERBUND Energy4Customers increased its equity interest in SOLAVOLTA Energie und Umwelttechnik GmbH to 100% in the second half of 2024. This gave VERBUND more capacity to meet demand for photovoltaic systems and related solutions even more effectively in both the residential and SME sectors.

E-mobility – first major projects with new portfolio

Despite tough market conditions, VERBUND gained further industrial customers in 2024 thanks to its Business Charging product, and succeeded in expanding its business with existing customers in this area. The number of charging station installations for VERBUND Immo Charging's first multi-site customer ran to three digits. In Germany, the company also closed its first deal for dozens of charging sites in cooperation with EnBW. Installation will start in the first half of 2025.

Cooperation with VERBUND Energy4Business subsidiary SMATRICS was stepped up another gear. Working with PAYUCA, VERBUND is successfully tapping into the real estate market for e-charging management solutions in large garages. Major projects combining photovoltaics and charging infrastructure, including as a car port photovoltaic solution, were put into operation at two sites.

Attractive e-mobility options

In addition to industrial customers, VERBUND also offers charging solutions for residential customers, commercial businesses 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. A customer-friendly configurator was launched on the website in the second half of 2024 to guide prospective buyers through the order process and help them choose the right wallbox and other additional services.

Large-scale battery storage 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 2024, we own more than 110 MW in addition to marketing large-scale batteries with a similar capacity to other plants in our combined home market of Austria and Germany.

Electricity generation

	Plants[1]	Capacity in MWh[1]	Power in MW[1]	2022 Generation in GWh[2]	2023 Generation in GWh[2]	**2024 Generation in GWh[2]**
Battery storage	15	130	110	–	32	44

[1] as at 31 December 2024 // [2] drawing of stored power; the stored quantities are shown under own use

Heat pumps for residential customers

In 2024, VERBUND launched an all-in-one heat pump solution for residential customers, co-developed with selected, qualified installation partners. The hardware used is environmentally friendly as it uses a green, CFC-free refrigerant. 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. All of this is helping VERBUND to drive the expansion of renewable energies in the residential sector.

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.

VERBUND's online services are a fully-fledged self-service offering, efficiently complementing the VERBUND customer experience. Registering for online services 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. Website visitors can discover product innovations, offers for new and existing customers and answers to frequently asked questions.

Opt-in campaign for relief package

As in the past few years, energy prices in 2024 remained challenging for end-users. The legal uncertainty arising from numerous lawsuits brought against price adjustment clauses persisted. The practice of setting up new energy supply contracts with existing customers to ensure legal certainty around pricing has now become standard practice among energy suppliers. VERBUND followed suit by launching opt-in campaigns for both electricity and gas in 2024 in order to obtain customers' consent to pass on lower energy prices to them. High acceptance rates in ongoing campaigns show that the approach is largely welcomed and improves legal certainty and predictability regarding energy prices for VERBUND customers.

Living up to our social responsibility

VERBUND stepped up its commitment to fighting energy poverty in response to the energy crisis. 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. Disconnections due to unpaid energy bills were suspended until May 2024. This commitment to the Caritas Electricity Relief Fund is just one of many examples of how VERBUND fulfils its social responsibility.

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 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. Lasting customer relationships are also essential to VERBUND, and the Group invests in this on an ongoing basis. Customers who stay with us benefit from loyalty offers, the many advantages of the EcoClub and a growing range of energy solutions.

Late payment

When customers encounter difficulties in paying their bills, VERBUND assists them by offering payment by instalments, calculated without adding default interest for 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. VERBUND additionally established a hardship fund in 2022 to help fight energy poverty.

Electricity labelling in Austria

SDG 12

In Austria, the electricity label is displayed on the end-user's electricity bill. In 2023, 99.49% 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 2023. Rounded off, this share accounts for 0.51% and was reported separately on the electricity label.

A total of 69.21% of the electricity VERBUND supplied in its business and industrial segments in 2023 came from renewable energy sources. Of the guarantees of origin issued, 24.88% related to electricity from hydropower, 21.18% to electricity from wind power, 14.26% to electricity from solid or liquid biomass, 4.32% to electricity from solar energy, 4.56% to electricity from biogas and 0.01% to other renewable energy sources. The remaining 30.79% related to natural gas.

The Austrian Electricity Industry and Organisation Act of 2010 (*Elektrizitätswirtschafts- und organisationsgesetz*, ElWOG 2010) and the Electricity Labelling Regulation (*Stromkennzeichnungsverordnung*, SKV) 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

SDG 12

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

In Germany, the following laws form the legal framework governing electricity labelling: Section 42 of the Energy Industry Act (*Energiewirtschaftsgesetz*, 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 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 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 2023 breaks down as follows: 0% renewable energy (financed through the EEG levy), 25.0% electricity from renewable energy with guarantees of origin (not financed through the EEG levy), 2.1% other fossil fuels, 20.9% natural gas, 49.2% coal and 2.8% nuclear energy.

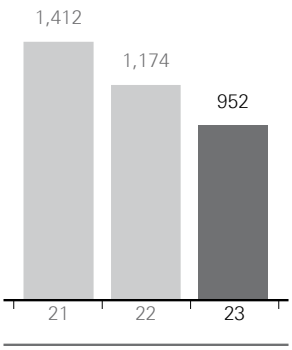
VERBUND Energy4Business Germany GmbH

SDG 12

The origin of the electricity volumes supplied by VERBUND Energy4Business Germany GmbH to business and industrial customers in Germany in 2023 breaks down as follows: 0% renewable energy (financed through the EEG levy), 99.0% electricity from renewable energy with guarantees of origin (not financed through the EEG levy), 0.0% other fossil fuels, 0.3% natural gas, 0.7% coal and 0.0% nuclear energy.

In the coming years, VERBUND plans to offer primarily 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.

Gas sold in GWh



Natural gas from VERBUND

As a full-service energy provider, VERBUND has offered natural gas since 2014. A total of around 1 TWh of natural gas was sold in 2023.

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

Gas labelling result	Share	2023 kWh
Gas of unknown origin	100.0%	952,197,177
Total volume of gas sold in Austria to end-users for their own use	100.0%	952,197,177

Environmental impact of gas production for the volume of gas sold to end-users for their own use		2023
Radioactive waste mg/kWh		0.0
CO_2 emissions g/kWh		201.0

The verified disclosures on electricity and gas labelling for financial year 2024 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 (TSO), Austrian Power Grid (APG) is responsible for energy security in Austria. With a high-performance, digital electricity infrastructure and state-of-the-art technologies, Austrian Power Grid integrates renewables, is a platform for the electricity market, and so provides the basis for a secure supply and a sustainable place to live and work. The APG grid encompasses a route length of around 3,500 km, which the company operates and maintains with a team of around 950 specialists and continuously adapts to the growing demands of electrification in society, business and industry. At 99.99%, Austria's security of supply in 2024 was once again among the best in the world. Austrian Power Grid's investments of €445m in 2024 (2023: €490m) are not only a driving force in the national economy but also a key component in meeting the country's climate change and energy targets. All in all, Austrian Power Grid plans to invest around €9bn in expanding and converting the power grid by 2034. Current key projects include the 380 kV Germany line, the 220 kV supply for the Energy Security in 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, the eastern grid cluster, the Carinthia power grid area, the Salzburg line, the Tyrol grid area and the modernisation of the Lienz-Soverzene south connection.

Gas Connect Austria 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, GCA 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.

Business performance

KPIs – Grid segment

	Unit	2023	**2024**	Change
Total revenue	€m	2,496.4	1,549.4	–37.9%
EBITDA	€m	579.1	370.0	–36.1%
Result from interests accounted for using the equity method	€m	6.0	–1.4	–
Capital employed	€m	2,762.3	2,690.9	–2.6%

Total revenue decreased, primarily due to Austrian Power Grid generating much lower revenue from the recharging of expenses for grid loss and congestion management, along with lower national and international grid revenue. However, there was an equally sharp fall in expenses arising from grid loss energy purchases and congestion management. This, along with the discontinuation of the commodity tariff and lower auction revenues in the gas grid, were the main reasons for the decline in EBITDA.

The decrease in capital employed was mostly attributable to higher non-interest-bearing debt and lower working capital. Despite impairment losses in the gas grid, higher net property, plant and equipment had a counteracting 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	1,204	2,677	–
220 kV	1,551	3,080	–
110 kV	674	1,191	–
Cable			
110 kV	6	–	–
220 kV	1	–	–
Total	3,436	6,949	67

Network development and grid expansion

On 8 April 2024, the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK) published Austria's first integrated Grid Development plan (ÖNIP). The ÖNIP is a strategic planning tool that identifies future transport demand for electricity and gas over the next 10–15 years. The plan's cross-sectoral perspective makes it a key milestone in the overall planning of the energy system and contributes significantly to security of supply. The ÖNIP clearly states that grid expansion measures are 'no-regret' actions to which there is no alternative, and – with respect to approval processes – projects in the overriding public interest.

In addition, the ÖNIP fully endorses the Austrian Power Grid Network Development Plan (NDP) 2023 and the required investment of around €9bn by 2034. Austrian Power Grid prepares and publishes the NDP every two years with the involvement of market participants. The plan provides the basis for expanding the company's transmission system in Austria. The NDP is in turn based on the long-term planning of the ENTSO-E coordinated Ten-Year Network Development Plan (TYNDP), which is also prepared every two years and outlines the required grid expansion for the next ten years. Austrian Power Grid has already translated the future transport demand identified in the ÖNIP into concrete TYNDP 2024 projects. This ensures coherence between the ÖNIP, the TYNDP and the NDP. From this year onward, the ÖNIP is a key planning tool for the entirety of infrastructure expansion. To achieve the transition to clean energy, decisive action is imperative – particularly in terms of speeding up the approval procedures that underpin the expansion of the energy infrastructure. The implementation of the Renewable Energy Expansion Acceleration Act (EABG) is essential in this regard.

Operational developments

As the control area manager in Austria, Austrian Power Grid is responsible for identifying congestion in the transmission system and taking appropriate countermeasures. In financial year 2024, 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 – especially in connection with the expansion of wind and photovoltaic power generation – are giving rise to volatile load flows. Since the required grid expansion is not keeping pace with these developments due to long administrative processes, congestion is occurring both within and outside of the APG grid. The above-mentioned intervention in the power plant portfolio (redispatching) is necessary to prevent congestion in the existing grid infrastructure. In 2024, power plants in Austria were again used for managing grid congestion outside of Austria (mainly in Germany) as well as domestically. The decline in redispatch quantities in Austria compared with previous years (see Redispatch quantities table below) was due to a fall in redispatch activations for Austrian power plants by German transmission system operators in 2024. In addition, the plentiful water supply in 2024 meant high feed-ins from the run-of-river power plants, which curbed redispatch requirements.

Redispatch quantities

	2022	2023	**2024**
Redispatch quantities (in GWh)[1]	1,600.0	1,024.5	609.0

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

Contractual safeguarding of systemically important power plants – grid reserve

System security in APG'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 2024, the availability of the required power plants was contractually safeguarded by Austrian Power Grid in close consultation with Energie-Control Austria (E-Control). While grid reserve contracts for the period from October 2024 up to and including September 2025 were concluded in September 2024 following a previous tender, the system analysis submitted to the BMK and Energie-Control Austria in December 2023 shows the grid reserve requirement for the period starting from 1 October 2025. The contracted reserve capacity was regularly used for redispatching in 2024.

Interruptions to supply

In 2024, there were two interruptions to supply in the APG grid that impacted end-users. The effects on end-users of a component failure in Austrian Power Grid's transmission system are quantified using the "megawatt hours (MWh) not supplied" indicator. Counting of the supply interruption duration starts from the time when supply to end-users is interrupted if this can be clearly attributed to a preceding fault in the transmission system.

In 2024, Austrian Power Grid transmitted around 46,082 GWh at grid level 1 (380 kV and 220 kV). Due to the aforementioned disruptions, 23.48 MWh, i.e. 0.00005% of the volume transmitted, was not supplied. Interruptions impacting end-users occurred once in 2021 and once in 2022, while none occurred in 2023.

Electricity transmission and grid loss

In financial year 2024, the transmission volume at grid level 1 (380 kV and 220 kV grid) increased by 3.5% compared with 2023. Domestic delivery came to 25,456 GWh. Based on the reported transmission schedules of the Austrian and international market participants, the Austrian Power Grid control area imported 23,660 GWh and exported 28,407 GWh in financial year 2024. This resulted in an export surplus of 4,747 GWh.

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

Transmission losses

	Unit	2022	2023	**2024**
Electricity transmitted [1]	GWh	46,592	44,512	46,082
Grid loss[1]	GWh	732	696	749
Grid loss as a percentage of electricity transmitted	%	1.57	1.56	1.63

[1] grid level 1

Projects and stakeholder management

As the transmission system operator, APG is required by law to maintain and expand the power grid infrastructure in a forward-looking manner in line with the requirements for grid security, security of supply and the electricity market.

Starting in 2011, APG was legally required to prepare a Network Development Plan (NDP) each year. Now, following the addition of the amended Renewable Energy Expansion (EAG) to the Austrian Electricity Industry and Organisation Act (ElWOG), the report is required to be published every two years (the current version is from 2023). The NDP provides information on which important transmission infrastructures will have to be built or expanded in the next ten years (in accordance with Section 37 of the Austrian Electricity Industry and Organisation Act (ElWOG) of 2010).

Austrian Power Grid's 2023 NDP comprises a planned investment volume of around €9bn (including substations and maintenance CapEx). 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%. Therefore, implementation of these projects serves not only to significantly boost the economy but also to safeguard Austria's position as a business location. The investments planned by Austrian Power Grid to fulfil the NDP will create more than 10,000 jobs in Austria, according to the aforementioned studies.

The projects included in the NDP are categorised into projects that are of national or European interest and grid connection projects (instigated by market participants, distribution system operators, power plant operators, customers and merchant lines). The grid connection projects will be added to the NDP once coordinated plans are available as the basis for the project. During the Austrian Power Grid consultation on the 2023 NDP, the relevant market players also had the opportunity to comment on the NDP in the period from the start until the end of August 2023. After evaluating and processing the comments received, the 2023 NDP was submitted to E-Control Austria for approval at the beginning of October. The 2023 NDP was approved by way of an E-Control notice issued at the end of 2023.

SDG 8 The largest investments of 2024 were as follows:

Growth CapEx	€m
Security of electricity supply in Upper Austria (Central region)	76.4
380 kV Salzburg line	68.4
Phase-shifting transformer at Ybbsfeld substation	25.9

Maintenance CapEx	€m
Modernisation of 220 kV plant at Ernsthofen substation	26.8
New construction of substation replacements	15.5
Structural substation measures (e.g. new construction of plant buildings)	14.3

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, 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 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 achieving climate and energy targets. Proactive, early, target group-specific and transparent communication has helped to foster a constructive and cooperative climate.

Salzburg line

Commissioning of the 380 kV Salzburg line between the Salzburg and Tauern substations represents a significant step in the highly efficient connection of load centres and metropolitan areas to the major (pumped storage) power plant sites in Austria. The Salzburg line makes it possible for plants in eastern Austria feeding in renewable energy sources (wind and photovoltaic power in particular) to interact with the pumped storage systems and so to store surplus renewable energy and provide balancing services in the event of deviations in the forecast. Meeting the climate change targets and other targets of the Austrian federal government in the electricity sector would not be possible without the Salzburg line.

The project has been in the implementation phase since October 2019 and construction is progressing on schedule. Commissioning is planned for the first half of 2025.

Germany line

The 380 kV Germany line between St. Peter and the Austrian national border involves the construction of a high-performance interconnector on an optimised route from St. Peter to TenneT (Germany). Dismantling the two existing 220 kV lines will alleviate the burden on local residential areas in the long term. The project will help to optimise the interaction of renewables in north-western Europe and Germany with the Austrian load centres and pumped storage power plants. The Germany line will therefore make a major contribution to the European energy transition. Austrian Power Grid took the overall construction decision at the end of summer 2023 and project implementation is now underway. Initial operation is planned for the end of 2027.

Energy security for central Upper Austria

The partnership project of Austrian Power Grid with Netz Oberösterreich GmbH (Netz OÖ) and LINZ NETZ GmbH (LINZ NETZ) will make central Upper Austria fit for the future energy future. A 220 kV supply ring will ensure a secure supply of electricity going forward in addition to supporting a secure energy transition and the ongoing electrification of the region to the benefit of business, industry and society.

Central Upper Austria is currently supplied with electricity via a 110 kV grid that is more than 70 years old. This is no longer adequate for the demands of the future of energy. In the future, the new 220 kV supply ring will link up the Austrian Power Grid substations in Ernsthofen, Pichling, Hütte Süd, Wegscheid and Kronstorf. The project will also expand, enhance and incorporate the 110 kV substations in Franzosenhausweg, Kleinmünchen, Tillysburg and Kronstorf West that are operated by Austrian Power Grid's project partners.

After the Austrian Federal Administrative Court (*Bundesverwaltungsgericht*) upheld the positive environmental impact assessment (EIA) decision issued by the state of Upper Austria in the second instance at the end of June 2024, construction preparations were launched and implemented immediately. A legally binding positive decision was also issued on 21 March 2023 for the part in Lower Austria.

The construction decision was taken on 15 July 2024, allowing the actual project implementation to start as planned in the summer of 2024. Project construction started with the first two of a total of four line construction phases and at the three substations in Kronstorf, Pichling and Tillysburg. Subsequently, expansion and conversion work will be carried out at five other substations as part of the project. Construction phases three and four will start in 2027 and 2028, and the supply ring will be put into initial operation in stages from 2026 to 2030.

Ybbsfeld substation

During the reporting period, Austrian Power Grid started up the one-hundredth transformer in Austria's power grid at the Ybbsfeld substation in St. Martin-Karlsbach near Ybbs an der Donau. In addition to high-capacity power lines, transformers are indispensable building blocks for a successful secure transition to clean energy, because they enable the integration and thereby the nationwide distribution of locally generated solar and wind energy. Austrian Power Grid invested a total of €46m in the site over the past two years.

Along with the expansion of renewable energy sources, comprehensive expansion and/or modernisation of the existing network infrastructure is also necessary for a secure energy transition. At the same time, the existing infrastructure must be used as effectively as possible so that even more sustainable electricity can be transmitted as easily as possible to where it is needed in Austria and Europe. Putting the one-hundredth transformer into operation marks an important milestone in Austria's secure transition to clean energy. The Austrian Power Grid network development plan provides for a further 65 under the €9bn investment package by 2034.

Other projects and maintenance CapEx

Austrian Power Grid has earmarked extensive maintenance CapEx for plant modernisation and enhancement (see also Austrian Power Grid's 2023 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.

Austrian Power Grid's current projects are summarised in the 2023 Network Development Plan, which is in force and has been approved by E-Control Austria (www.netzentwicklungsplan.at).

Sustainable habitat management

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

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' interests 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.

The following six environmental objectives constitute the benchmark for assessing this:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control; and
- protection and restoration of biodiversity and ecosystems.

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, getting all interest groups on board 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 2024 amounted to around €8.3m, 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 mechanism that will make it easier to integrate small-scale flexibilities into system services/future electricity markets via energy aggregators. Following intensive development work, a test run for secondary control power was carried out in September 2024, and the platform is available for testing with other providers. In addition, in the Industry4Redispatch project, activation demonstrations were carried out at industrial plants, using the approach developed for the congestion management process. In parallel, Austrian Power Grid is already working to flesh out the comprehensive overall concept and agree it with relevant stakeholders. Additional functions and use cases will be implemented and rolled out on an ongoing basis in the coming years. The ultimate aim is to make all system services available via this new mechanism. It will be important to coordinate with distribution system operators, market participants and selected partners within the industrial sector in this context. The company is also evaluating whether other markets can be tapped. The mechanism is being implemented using EQUIGY's crowd balancing platform, which other TSOs have already used for similar projects with success (TenneT Netherlands/Germany, TransnetBW, Terna and Swissgrid).

Developing the international market

In financial year 2024, Austrian Power Grid reaffirmed its role as one of the leading TSOs in Europe when it comes to opening up the balancing services market to other countries. It has been setting standards in cross-border Frequency Containment Reserve (FCR) cooperation for more than a decade now, ever since the initiative began in 2013. For example, Austrian Power Grid has been part of the European platform for the exchange of balancing energy from frequency restoration reserves with manual activation (MARI) since 2023 and is currently the only TSO that can make its full functionality available to market participants. In 2022, it was one of the first TSOs to take part in the optimisation of aFRR activation (PICASSO).

In addition to activation optimisation, Austrian Power Grid is a European pioneer in the cross-border provision of balancing capacity. Along with the aforementioned FCR cooperation, which now manages more than half of continental Europe's FCR demand, it has been jointly procuring aFRR with its TSO counterparts from Germany since 2020. This cooperation – called ALPACA – is likewise garnering international attention, and preparations are under way for the Czech TSO (CEPS) to join in 2025.

2024 tariff review

The 2024 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.

Energie-Control Austria notified Austrian Power Grid of the 2024 tariff review outcome on 8 November 2024. 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 and 2024 were continued and a WACC for investments with initial operation dates in 2025 was added.

As in the case of the 2022 and 2023 tariff notices, on 5 December 2024 Austrian Power Grid lodged an appeal against the 2024 tariff notice. Irrespective of the appeals, the current tariff notice is applicable and is the basis on which Austrian Power Grid is meeting its legal obligations. A WACC at market terms for equity and debt capital in a stable regulatory system is imperative for financing and implementing the grid expansion.

Gas Connect Austria GmbH (GCA)

Business performance

The warm winter months and high storage levels in Austria and Europe were reflected in lower gas flows in the Gas Connect Austria GmbH and Trans Austria Gasleitung GmbH networks.

Revenue from transport capacity sold in the transmission pipeline in 2024 fell year over year, mainly due to the lack of high auction revenues such as those achieved in 2023. The elimination of the volume-based fee accounted for a further decline in revenue. As the transmission system operators were able to fully offset their energy cost losses in financial year 2023, this additional revenue component was no longer applicable in 2024.

Transportation expenses, particularly for fuel gas used to operate the compressors, stabilised at a lower level thanks to the aforementioned market conditions.

The next regulatory methodology for transmission pipelines will cover 2025 to 2027. It was negotiated with the regulator Energie-Control Austria (E-Control) and the legal parties in financial year 2024 and was ultimately adopted by E-Control. Starting from the next regulatory period, Gas Connect Austria GmbH will no longer bear any transmission pipeline volume risk from reduced marketing (similarly to regulation in the distribution network). However, as part of the transition, E-control also issued reductions in the cost base to an extent that required high impairment losses for the assets of Gas Connect Austria GmbH. Gas Connect Austria GmbH is disputing these reductions as part of an appeal before the Federal Administrative Court; the proceedings are pending.

The regulatory methodology for the distribution system, which also applies to Gas Connect Austria GmbH in certain areas, 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 GmbH 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. It develops and sells value-added transportation logistics services in line with the market model. It is committed to providing first-class service by developing optimum solutions for the energy market that meet customers' individual needs and requirements. Gas Connect Austria GmbH uses personalised customer relationship management to identify the best ways to optimise its customers' service portfolios, and customised e-commerce systems to automate its sales and billing processes. This maximises revenue and customer satisfaction and maintains company performance.

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 GmbH is consistently very high.

Twelve new transportation customers were acquired between January and December 2024 (the target was ten). The number of capacity auctions conducted on the PRISMA and RBP booking platforms in 2024 was similar to 2023 with an average rate of 24 auctions per hour, or approximately 217,000 auctions per year.

Total revenue for transmission was approximately €131m in 2024, exceeding the target of around €125m. By contrast, total revenue in the distribution area remained at around €26m for January to December 2024, just under the €29m target.

Grid and business performance

Gas Connect Austria's network development plan secures the future of Baumgarten as an energy hub. The (coordinated) Network Development Plan 2024 for the period 2025–2034 was presented to interested members of the public as part of the Austrian Gas Infrastructure Day and is currently at the consultation stage. The new network development plan focuses on projects aimed at increasing national security of supply, such as the WAG Loop 1 project. Where the longer term is concerned, Gas Connect Austria GmbH is planning Austria's core hydrogen infrastructure. 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 is on the EU's list of projects of common interest.

Technical data

Gas Connect Austria GmbH grid data	Power lines 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 2024 with no restrictions. Machine availability (in compressor units) was 96% in 2024. All regulatory and statutory maintenance requirements were met in full in 2024. Expanded to include all of Gas Connect Austria GmbH's maintenance plans, the level of fulfilment was 95% in 2024. The project to extend the service life of the gas compressor units in order to meet increased demand for west-east deliveries along the WAG has been fully implemented.

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 highly 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. The company recently achieved certification for its information and IT security in accordance with the cybersecurity framework of ISO 27001.

Gas Connect Austria GmbH 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 GmbH – seven years, zero accidents

Gas Connect Austria GmbH has not had any workplace injuries (LTIs) involving its own employees since 2017. This is all the more remarkable considering that one of the biggest projects of recent years – new construction of the Baumgarten hub – was finished during this period. Completion of the new hub, which gives Baumgarten a high-performance distribution system that is already more than 10% hydrogen compatible (in gas flows), also clears up the last remaining damage from the 2017 incident.

Information security and cybersecurity

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

To increase the level of protection in network and information systems, the European Parliament issued a directive that was implemented in Austria by the Network and Information Systems Security Act (*Netz- und Informationssystem-Sicherheitsgesetz*, NISG).

The NIS Act imposes far-reaching technical and organisational requirements, the fulfilment of which must be checked by a qualified body and certified to the regulatory authority.

Gas Connect Austria GmbH passed the 2022 audit under the NISG without any identified non-conformities and the results were submitted to the regulatory authority. The key findings and recommendations were implemented in 2023. The next NISG audit will take place in 2025. The company has set up a project to prepare for the requirements of the NISG II, which will come into force in due course.

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

To further increase security, the company has established a comprehensive awareness programme that is mandatory for all employees.

The measures implemented to meet the requirements and the ongoing audits under the NIS Act are a source of additional internal expense and increased operating costs.

Gas Connect Austria GmbH projects in 2024

Activities in the transmission pipeline segment included implementation of the planned modernisation of the station control systems, including requirements under the Network and Information Systems Security Act (NISG) at several sites. The projects were carried out at the WAG Baumgarten and Kirchberg compressor stations and the Überackern station. The Überackern station is an important entry/exit transfer station to Germany on the Penta West transmission pipeline.

Implementing the requirements of the NIS Act was also a key focus in the distribution network segment. In 2024, NISG projects were successfully implemented at 14 stations in three federal states. A raft of smaller replacement investment projects were also completed in the distribution network segment to maintain the existing gas network.

The main focus in 2024 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. Key milestones to date include defining the optimal route and continuing detailed planning, starting to purchase options for the necessary rights of way, and drawing up the environmental impact statement (EIS) as the basis for environmental impact assessment (EIA) in 2025.

Sustainable route management

SDG 15

The gas network of gas subsidiary Gas Connect Austria GmbH 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, for example 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 implements new technologies and concepts aimed at improving safety and availability and increasing efficiency.

Monitoring the gas network

Further progress was made in digitalising pipeline safety in the form of continuous monitoring based on fibre optic technology in cooperation with a technology partner, and drones are now in use along with stationary cameras. Monitoring of the Penta West and SOL pipeline routes using satellite data was also continued.

Reducing methane emissions

Gas Connect Austria GmbH has continually implemented measures to reduce methane emissions for many years and is a voluntary participant in the United Nation's international environmental programme culminating in the Oil and Gas Methane Partnership (OGMP) initiative.

In 2024, Gas Connect Austria GmbH once again succeeded in maintaining the OGMP 2.0 Gold standard (highest reporting quality) for the fourth 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. With respect to prevention, measurement programmes are being rolled out with subsequent repair programmes, bolstering the already excellently maintained pipeline system along with all installations. With respect to reduction, the use of recompression units to reduce blow-out volumes during maintenance activities has been stepped up. This is reflected, for example, in declining emissions.

As part of the OGMP measurement programme, a drone inspection was used to check selected sites for leaks. This was a way to validate the drone method for checking methane emissions and also confirmed that Gas Connect Austria's systems do not show any avoidable fugitive emissions.

During maintenance work on the Penta West and West Austria gas pipelines, recompression units were used to depressurise the pipelines for the work without producing large quantities of methane emissions. A first mobile recompression unit was acquired and put into operation in order to meet the future requirements of Regulation (EU) 2024/1787 on the reduction of methane emissions in the energy sector during planned maintenance work on the gas network. Furthermore, additional mobile measuring equipment (an FID, flame ionisation detector) was purchased for the recurring leak test at the installations.

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 the future. Gas Connect Austria GmbH is actively working to prepare the gas network for transporting renewable

gases. Laws currently allow the share of hydrogen in gas flows to make up “only” 4% (or up to 10% in regulated exceptional circumstances), which equates to 6 TWh in the Austrian transmission network. This figure will be gradually increased across Europe in the years to come. Gas Connect Austria welcomes this progress and has already been able to quickly achieve 10% compatibility with minimal modifications.

Contribution to the energy transition

Gas Connect Austria GmbH has already been working for a number of years to decarbonise the gas network. 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. It can also apply these many years of experience to current projects. Gas Connect Austria GmbH 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 2025, Gas Connect Austria GmbH will continue to work on finding solutions for ensuring security of supply for Austria and the region using existing infrastructure. In the medium term, it 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 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, synthetic methane) within Europe. That transport becomes 50% more efficient if existing pipelines are used. Gas Connect Austria GmbH’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) at a national level.

The company has also joined forces with other grid and storage operators and with producers for the H2EU+Store project, which generates renewable hydrogen in Western Ukraine and brings it through Slovakia by pipeline to Austria, where it is stored and then transported to German industrial companies. As such, the entire value chain ranging 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 GmbH 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.

Gas Connect Austria GmbH is a member of the European Hydrogen Backbone (EHB) initiative, which aims to accelerate Europe's path to decarbonisation by defining how the hydrogen infrastructure will look in the future based on existing and planned pipelines. The EHB has identified five pipeline corridors that can be used to accelerate achievement of the hydrogen demand and supply targets set out in the REPowerEU 2030 plan. Thanks to Gas Connect Austria GmbH's active participation, for example with its "H2 Backbone WAG + Penta West" project, Austria was established as an important hub for two of the five hydrogen corridors. The SoutH2Corridor 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 GmbH 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 by 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 primarily intra-Group business activities of VERBUND Services 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 2024, this only comprised the equity interest in KELAG-Kärntner Elektrizitäts-Aktiengesellschaft.

Business performance

KPIs – All other segments

	Unit	2023	**2024**	Change
Total revenue	€m	513.2	459.7	–10.4%
EBITDA	€m	89.5	35.4	–60.4%
Result from interests accounted for using the equity method	€m	78.2	100.5	28.5%
Capital employed	€m	674.4	713.6	5.8%

The change in revenue was mainly due to lower average prices achieved, which could not be counterbalanced by the increase in output. These effects, together with negative effects from the measurement of future energy deliveries, were the main reasons for the decline in EBITDA despite an overall decline in fuel consumption due in particular to positive effects from the measurement of gas inventories. The result from interests accounted for using the equity method was generated by KELAG-Kärntner Elektrizitäts-Aktiengesellschaft.

The increase in capital employed was largely due to the increase in the investment in KELAG-Kärntner Elektrizitäts-Aktiengesellschaft accounted for using the equity method. However, a decrease in net property, plant and equipment, mainly as a result of the impairment loss on the Mellach combined cycle gas turbine power plant, had a countervailing effect.

Thermal generation

At the end of 2024, 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]	2022 Generation in GWh	2023 Generation in GWh	**2024 Generation in GWh**
Mellach combined cycle gas turbine power plant (natural gas)	1	848	1,264	673	1,298
Mellach district heating power plant (natural gas)	1	175[2]	–	4	2
Total	2	1,023	1,264	677	**1,300**

[1] as at 31 December 2024 // [2] figure adjusted to bring it in line with E-control reporting requirement

Generation from thermal power (net) rose by 91.9% to 1,299.6 GWh in the 2024 reporting period. At 316.5 GWh, generation of district heating was also 60.5% higher in 2024 than in the prior-year reporting period.

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 2024. Generators 10 and 20 of the Mellach combined cycle gas turbine power plant were used throughout the electricity market in 2024. Both generators were also available in 2024 to supply district heating to Graz and the surrounding area. The Mellach district heating power plant was contracted for congestion management purposes until 30 September 2024.

Restructuring the thermal segment

At the Dürnrohr site, dismantling of the former VERBUND Thermal Power facilities continued in 2024. It is not planned to dismantle the entire plant block that used to be operated by VTP but all of the mechanical and electrical equipment is being removed. Due to the bankruptcy of the contractor, delays and difficulties arose in this respect. In cooperation with the power plant partner, a concept was also finalised for voluntarily securing the N64 contaminated areas at the Moosbierbaum industrial site. As at the reporting date, part of this was already approved in terms of water rights.

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 88.3% in financial year 2024. This is lower than the prior-year figure of 90.4%. The level of reliability averaged 88.0% due, among other things, to the extension of the overhaul period and therefore was lower than the prior-year figure (2023: 98.8%).

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 test and research runs of the plant continued in 2024 in the HyTechonomy project.

In future, projects for decarbonisation of thermal generation will be developed, tested and implemented at the Mellach/Werndorf power plant site. This is already occurring in the CoreRo 2.0, HOTFLEX, HyTechonomy and GreenDealCO2 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.

In addition, the HyTechonomy project for the further development of key technologies for hydrogen and the GreenDealCO2 project for the integration of power-to-fuel plants in former coal-fired power plants were largely completed in 2024. The CoreRo 2.1 project proposal (as a follow-up project to 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) with enhancements relative to CoreRo 2.0.

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 application for approval of the industrial plant was submitted to the regulatory authority and the final decision on implementation is expected in early 2025. VERBUND Green Hydrogen GmbH continued its initial talks with potential hydrogen buyers in 2024.

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 2024.

Work continues at the decommissioned St. Andrä site on the viable solution for the soda ash found there. During demolition work at the former Korneuburg power plant site, the former site partner discovered soil and groundwater contamination (oil contamination). The required measures were set by the former site partner. Due to the flood damage, old oil contamination from the World War II refinery was found on a plot of land co-owned by VERBUND Thermal Power GmbH & Co KG. Appropriate measures have been taken by the usufruct holders in coordination with the regulatory authority.

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 10.7 kt CO_2 in 2024, 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, 4.6 kt CO_2 of the assigned amount units allocated free of charge were transferred to Energie Steiermark Wärme GmbH. For VERBUND, the remaining 6.1 kt CO_2 were only 1.2% of the quantity required for its emissions totalling 479.1 kt CO_2. The remaining share of 98.8% was covered by allowances from the existing portfolio or from allowances purchased on the market.

Additional information on emissions can be found in the E1 section

VERBUND Thermal Power GmbH & Co KG's two EU ETS plants are generally exempt from double taxation in 2024 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	2022	2023	**2024**
CO_2 emissions of thermal power plants[1]	kt CO_2	485	257	479
Free allocations of emission rights	kt CO_2	17	13	11

[1] preliminary figures before ETS audit

Services

As VERBUND's shared services organisation, VERBUND Services GmbH continued to manage the following services efficiently, cost-effectively and with a high level of customer satisfaction in financial year 2024:

- IT and telecommunication services: 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 including data back-up, licence provision, application development, help desk services and data centre operations;
- general services: facility management, office management, cleaning services, catering, Vienna vehicle fleet service;
- procurement services;
- controlling, SAP and operations: ERP systems, corporate organisation, service development, controlling and financial services;
- financial accounting; and
- human resources services and payroll.

In the second half of 2024, the VIT Foundations project was approved and launched as part of the Big Picture project. To meet the challenges of the market and VERBUND's growth strategy up to 2030, the focus is on technological innovation and service excellence. To this end, VERBUND Services GmbH will be split into two companies in order to strengthen technological expertise and increase agility and efficiency in a dynamic Group environment. After a transition period required for this process, the new organisations will be managed as independent sister companies VERBUND Digital Power GmbH and VERBUND Business Solutions GmbH from 1 July 2025 onwards.

As part of the New World of Work project, the general refurbishment of and the move into the renovated office floors at the Am Hof Group headquarters went according to plan. The fleet management software was rolled out Group-wide and multi-functional peripherals were replaced by new device types with improved IT security.

In the commercial processes, SAP system availability was kept up and running smoothly. The SAP Excellence programme was completed on schedule and on budget with the migration to S/4HANA and BW4/HANA.

Financial accounting operations were likewise reliably maintained, including the punctual completion of monthly, quarterly and annual financial statements. In addition, several domestic and foreign companies in the New Renewables segment were incorporated into VERBUND's financial processes and two domestic companies were incorporated into VERBUND's SAP system in financial year 2024, enabling successful initial consolidation.

In 2024, HR services focused on implementing statutory and internal changes, integrating foreign subsidiaries and separating VERBUND Services GmbH into two new companies. Digitalisation of HR services also progressed, including the introduction of S/4HANA and robotic process automation (RPA) technology. In addition, a joint audit of payroll taxes and contributions, audit assessments and ISO 45001 certification were successfully completed. The Mission V corporate culture process was supported by the strategic realignment of occupational health management and the implementation of initial measures (preventive care, certification, etc.).

In 2024, 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 was also successfully completed. The rollout 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 our customers.

In 2024, 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.

Equity interests

KELAG-Kärntner Elektrizitäts-Aktiengesellschaft

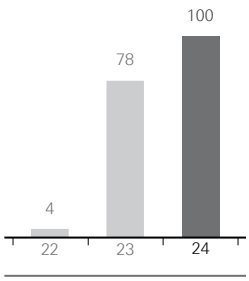
At €100.5m, the contribution from KELAG to the result from interests accounted for using the equity method was far higher in 2024 compared with the prior-year figure (2023: €78.2m). This year-over-year increase in earnings is mainly due to improved water supply, higher trading income from direct marketing, and the efficient use and optimisation of storage capacity.

The dividend attributable to VERBUND for 2024 was €80.9m (2023: €35.2m). As at 31 December 2024, 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 energies and the necessary infrastructure, as well as marketing green electricity and green products. The company reaffirmed its sustainability focus in 2024 with an EcoVadis Gold rating. KELAG improved its total score, placing it in the top 4% of companies evaluated by EcoVadis.

Equity result - KELAG €m



Equity method accounting

Opportunity and risk management

The risk management system in place at VERBUND is based on international standards such as COSO II 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 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, VERBUND's auditor reviews and confirms the effectiveness and maturity level of Enterprise Risk Management based on the recommendations contained in the ISO 31000 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 (the management bodies – e.g. Group risk management and management – the operating companies and Internal Audit) in VERBUND's Group-wide risk management system for the purpose of protecting the Group from exposure to significant risk 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 subsidiary management, the Group Executive Board and the Supervisory Board.

1. Risk identification

Risk identification typically takes place directly in the operating companies/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 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 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 (insurance policies) or hedged (hedging transactions) and business-specific risks are to be absorbed. 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 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 2024 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 also conducted, strategic risks identified and (re)assessed, and a risk-bearing capacity analysis and a stress test analysis prepared. Another focal point was the implementation of reporting requirements pursuant to ESRS and greater integration of ESG issues into existing risk management processes as well as strengthening liaison with the Strategy and Sustainability divisions.

Material opportunities and risks as well as measures

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

Category	ESG risk	Description/measures	Impact on earnings	
Financial statements impact			**Opportunity**	**Risk**
Value adjustment		Change in asset values (impairment losses/reversal of impairment losses 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 variation	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 TCFD	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	E_Environmental	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 TCFD	E_Environmental S_Social 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) Measures: - Monitoring through regular value-at-risk calculations	X	X
Derivatives measurement risk		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: - Selective issue of liabilities and guarantees - Continuous monitoring - Term restrictions, non- or limited recourse, etc.		X
Operational risk			**Opportunity**	**Risk**
Extreme weather TCFD	E_Environmental	Possible effects of extreme weather such as flooding on third parties and the Group's own plants Measures: - Structural protection measures		X

		- 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 TCFD	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 - Holding regular strategy meetings	X	X

Current opportunity and risk position in 2024

The material drivers of opportunities and risks in financial year 2024 were in the following risk categories: volume risk, price risk, financial risk, regulatory risk, investment and impairment risk, operational risk, strategic risks and risks in connection with climate change.

Volume opportunities/volume risks

SDG 13

TCFD

Hydropower generation is subject to seasonal and regional fluctuations in water supply at the catchment areas. 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. 2024 was characterised by regional and seasonal fluctuations in the water supply. Over the year as a whole, average output exceeded the long-term average. Regional and seasonal fluctuations in the generation of wind and photovoltaic power likewise balanced each other out on the whole, and the overall effect of the difference in output on profit or loss was small.

Electricity price opportunities/electricity price risks

TCFD

Along with the risks of fluctuations in the volumes generated, 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. In 2024, the electricity market stabilised compared with 2022 and 2023, resulting in lower prices and price volatility.

Financial opportunities/financial risks

Macroeconomic conditions remained strained in 2024, causing both default and counterparty risk to remain high. 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. Potential effects on the Group are therefore 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 measurement 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 management 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 preventive security strategies and projects to increase the security of network and information systems as well as internal guidelines and correspondingly defined and secured processes.

In September 2024, heavy regional precipitation in the Danube catchment area led to a tense flood situation in the federal states of Lower Austria and Vienna. Weir fields had to be opened and electricity generation restricted or temporarily stopped as a result.

Strategic opportunities and risks

TCFD

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.

The best chance of meeting our climate targets lies in massive and rapid expansion of renewable electricity generation and in restructuring our entire electricity system.

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 and (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, we worked with the Strategy and Sustainability divisions to draw up various climate scenarios in 2024, which were then used as the basis for a resilience analysis of the business model.

Forecast – performance in financial year 2025 (sensitivity)
All else remaining equal, a change in the factors shown below would be reflected in the projected Group result for 2025 as follows (based on the hedging status as at 31 December 2024 for generation output and interest rates):

+/– 1% generation from hydropower plants: +/– €15.8m
+/– 1% generation from wind and photovoltaic power: +/– €1.9m
+/– €1/MWh wholesale electricity prices (renewable generation): +/– €5.9m
+/– 1 percentage point in interest rates: +/– €1.2m

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. The structure of the risk management system is explained in detail in the Disclosures on Management Approach (DMA) and the risk position is described in the section of this VERBUND Integrated Annual Report 2024 entitled Opportunity and risk management.

Organisational framework

Corporate philosophy at www.verbund.com > About VERBUND > Company > Corporate philosophy

VERBUND's Group management acts in accordance with the principles defined in the corporate philosophy. 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 electric utilities. 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 contract. 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.

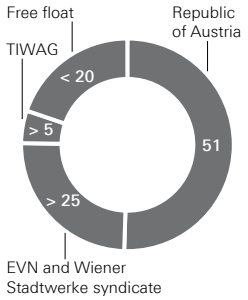
Periodic monitoring

Internal Audit reviews the handling of business processes and the internal control and risk management system. The individual 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 2024, 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.

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 2024, is also available on the VERBUND website.

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

Innovation, research and development

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

	Unit	2022	2023	**2024**
Number of IR&D projects	Number	105	103	110
Total project volume[1]	€m	245.1	272.6	281.9
of which EU projects[1]	€m	65.9	100.1	93.5
Total VERBUND share[1]	€m	102.0	105.1	98.0
Annual VERBUND expenses	€m	10.2	12.7	12.3
Annual VERBUND investments[2]	€m	10.2	3.1	2.4

[1] over the entire duration of the projects / [2] excl. corporate venture capital investments

SDG 7
SDG 9
SDG 17

As a trailblazer in the future of energy, VERBUND is boldly driving innovation and resolutely investing in pioneering projects and partnerships. With a clear focus on renewable energy, green hydrogen, energy storage, and the development of an exploration portfolio, VERBUND is actively helping to shape the future of energy. Together with its partners and customers, the Group is developing new business models, services and products along the entire value chain. VERBUND is accelerating the transformation of the energy system and sending a strong signal for climate change mitigation by investing in research, innovation and cooperation with national and international partners.

Focus on a symphony of innovation

VERBUND's approach to innovation can be described as an "innovation symphony". Just like musicians in an orchestra, internal and external stakeholders must work in harmony in their innovation activities. The Corporate Innovation & New Business department works as a central interface that coordinates VERBUND's innovation activities, creates transparency and promotes interaction between a variety of players. This central unit works closely with all VERBUND companies and external innovation partners and at the same time promotes discussion through a wide range of innovation tools.

Key among these is VERBUND X Accelerator, one of Europe's leading co-creation platforms, which brings 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, if necessary, to integrate them into VERBUND's core business. In 2024, six VERBUND projects were successfully implemented via this platform, selected from among 137 applications from 24 states. More than ten partners were actively involved in the programme in 2024.

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. One such focus is on partnerships with renowned scientific institutions in German-speaking countries, such as ETH Zurich, the Austrian Institute of Technology (AIT), Graz University of Technology, Vienna University of Technology, Vienna University of Economics and Business, and the Institute of Science and Technology Austria (ISTA).

Specific approaches to knowledge sharing strengthen the innovation network both internally and externally. For example, 2024 saw the first VERBUND X Venture Day in cooperation with the ISTA and xista innovation GmbH (XISTA). The event was devoted to strengthening the cleantech ecosystem in

Austria and the CEE region and covered a diverse range of innovative technologies, financing strategies and start-up cooperations. VERBUND's focus on corporate venture capital is also reflected in its commitment to climate tech startups, with six start-up investments made by VERBUND X Ventures in 2024. Platforms such as the Group-wide Innovation Day, which took place once again this year, were an opportunity to share information on the latest innovation projects at VERBUND.

Internally, too, innovation is systematically orchestrated Group-wide and innovative in-house ideas are promoted in a structured way. Twenty 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.

In a comprehensive market and technology monitoring initiative, we have so far identified over 200 technology suppliers. Based on this, we have already kicked off some initial flagship projects, such as a pilot plant for an innovative energy storage system at a VERBUND wind power plant in Austria. We also evaluated and prepared the implementation of a pilot project for a novel long-term energy storage system at an existing photovoltaic farm in Spain. SDG 9

Furthermore, VERBUND is working on other initiatives and actively supporting cooperative research and development projects such as those with technology provider Aquabattery and with Vienna University of Technology as a consortium partner, to play a leading role in developing market-ready storage solutions for the future of energy.

Focus on digital innovations in hydropower

Under its Digital Hydropower Generation (DHPG) programme, VERBUND is developing innovative digital solutions for hydropower, including testing the use of a "drone in a box" system at the Kölnbrein Dam and at the Mellach power plant as part of the Group-wide Mission Flight project. This technology enables automated drone flights for a wide range of applications such as inspections, areal snow depth measurements, perimeter protection and nature observation. Initial tests have confirmed its technical feasibility and the collected data can be analysed consistently and used to help power plant personnel. The focus here is not only on protecting the plant site or improving meltwater forecasts and avalanche risk assessments, but also on creating a legal framework to enable automated drone flights to be carried out faster wherever they may be. Automated flight performance and AI-assisted image analysis help to boost efficiency and optimise drone operations.

Intensive testing of the drone dock is already underway in order to keep making progress with the digital transformation and the 2030 transition to clean energy.

Our objective with regard to underwater inspection is to develop a system for systematically inspecting and measuring underwater installations. Underwater installations at hydropower plants must be drained at regular intervals for assessment and/or inspection work, and so far have generally been inspected with diver assistance. To date, there are no suitable systems that make it possible to record not only visually but also metrologically in accordance with requirements in the hydropower sector. The main challenges include precise measurement in adverse conditions (turbid water, currents), navigation, optimising the automated, systematic powering down of installations for inspection, and photo and video analysis. We acquired a remotely controlled underwater vehicle combined with special sensors to help advance underwater inspections in hydropower. Among other things, the system has already been successfully used to detect and inspect damage to the Seidolach Dam near the Annabrücke power plant. In addition, despite high turbidity, it detected a leaking weld seam on the heat exchanger of generator set 1 at the Ering-Frauenstein power plant. So with the help of these technologies, it is already possible to avoid some dangerous diving operations and to provide divers with the best possible support. The aim is also to prevent generation losses and thereby increase renewable energy generation.

Focus on new renewables: intelligent management of wind and solar farms

VERBUND is focused on developing a scalable, state-of-the-art platform for smart monitoring of all operating wind farms and photovoltaic installations. This involves implementing some innovative R&D projects comprising two centralised components: the development of a cloud-based lakehouse (a very large data repository) for processing operational data, and a control centre for visualising and monitoring the installations.

VERBUND aims to reinvent operational data analysis by developing an innovative cloud-based lakehouse that will enable real-time collection, processing, and provision of operational data. The first step involved evaluating state-of-the-art technologies and testing their scalability and real-time capability. Following the selection of suitable technologies, operating data from selected installations was integrated in a standardised format and data pipelines were established.

A key USP of the project is the introduction of a medallion lakehouse architecture that clearly separates raw data (bronze layer) from validated data (silver layer) and application-ready data (gold layer). By mid-2025, all installations are to be gradually integrated into the lakehouse to make data available in real time for various applications.

The Control Center project entails developing a customised front-end application for monitoring all wind farms and photovoltaic installations. At the heart of the project is real-time monitoring that automates the visualisation of installations' status and anomalies. This information is evaluated by dispatchers and, depending on the category, forwarded to the responsible site managers as a job order for troubleshooting.

The application is currently in a test phase during which selected installations are being monitored and the software functionalities validated. Going forward, the control desks of all installations will be monitored centrally, 24 hours a day. This will make it possible to quickly and efficiently identify generation losses and start immediate countermeasures.

VERBUND's in-house corporate venture capital unit made six investments in climate tech start-ups in 2024.

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 2024, VERBUND X Ventures acquired six additional equity interests in start-ups and expanded the portfolio to a total of seven companies. These start-ups offer a cutting-edge approach to addressing current and future challenges in the energy sector:

- **Eologix-ping** develops sensors to monitor the icing of wind turbines, increasing operational safety and reducing downtimes.
- **Reduxi** provides smart hardware and software solutions for energy management in homes and businesses.
- **Ogre AI** specialises in AI-based forecasting of energy consumption and generation, improving predictability and efficiency in energy systems.
- **Spine** provides a middleware platform that networks and manages energy applications via smart meters.
- **Easelink** is establishing an innovative, global standard for the automated charging of electric vehicles.
- **Necture** (formerly Ubiq) received further support from VERBUND X Ventures as part of a follow-on investment. The start-up offers a software as a service (SaaS)-based platform that optimises electric vehicle fleet management and promotes the efficiency and acceptance of e-mobility.

In addition to these start-up investments, VERBUND X Ventures co-founded a corporate venture with TTTech that develops digital energy management solutions specifically for industrial customers.

Innovation in the power grid: innovations in the transmission system to enable full integration of renewable energy sources

As the transmission system operator, Austrian Power Grid AG is responsible for keeping consumption of electrical energy in balance with generation at any given moment in Austria. The ambitious target of integrating 100% renewable energy into the power grid by 2030 is a mammoth task. Research and innovation play a crucial role in overcoming the challenges of transitioning the grid so that the energy system can be transformed securely and affordably.

Industry for redispatch: a successful demonstration

Redispatch refers to a transmission system operator's short-term intervention in the dispatch planning of production and consumption to prevent congestion. Every year, around €100m in redispatch costs have to be passed on to grid customers. In addition to these costs, redispatching causes carbon emissions, as thermal power plants often provide the required short-term capacity.

As part of the decarbonisation and decentralisation of the energy system, the Industry4Redispatch research project is developing new ways to leverage the flexibility of industrial facilities for redispatches. At its heart lies a fully digital infrastructure developed in collaboration with distribution system operators and project partners from industry and research.

The first experimental validation of this new concept took place in the middle of the year. The demonstration successfully tested the entire process chain between industrial facilities, distribution system operators, the redispatch platform and the Austrian Power Grid AG control room.

Collaboration between the project partners has provided valuable insights that generally corroborate the process and provide the basis for further work on developing new flexibility products. This is a milestone in proactively tapping into new flexibility in power plant operations.

Preventing forest fires: fire protection along high-voltage lines

High temperatures and droughts are now no longer uncommon, increasing the likelihood of serious forest fires in Austria. Route corridors can help to prevent forest fires. To gain a better understanding of this, we are collaborating on the Forest Fire Prevention research project with the Institutes of Silviculture, Mountain Risk Engineering and Meteorology at BOKU University in Vienna. The project aims to analyse how route corridors can counteract the spread of forest fires.

Innovations in the gas network

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

Further progress has been made in digitalising pipeline safety in the form of continuous monitoring based on fibre optic technology in cooperation with a technology partner, and drones are now being used in addition to stationary cameras. Monitoring of the Penta West and Süd Ost pipeline routes with the help of satellite data is also ongoing.

Green hydrogen

Green hydrogen is considered an essential building block in the energy transition and plays a decisive role in the decarbonisation of numerous industrial applications and processes. The wide range of applications and additional properties of hydrogen compared to electricity will result in hydrogen covering a substantial share of final energy demand in 2040. The European hydrogen strategy adopted in July 2020 aims to provide 40 gigawatts of hydrogen electrolysis capacity (equivalent to around 4 million tonnes of hydrogen production) by 2030. The REPowerEU plan, which was launched in May 2022, provides for 10 million kilotonnes of European production by 2030 and a further 10 million tonnes of hydrogen imports. Demand for green hydrogen is 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 cornerstones of the Group's strategy. As a holistic decarbonisation partner, VERBUND plans to safeguard European business locations by supplying customers with both green electricity and green hydrogen in the future. The aim is to ensure a long-term supply for existing and future hydrogen customers in order to maintain industrial competitiveness, ensure the security and stability of the energy supply system and achieve the climate objectives. VERBUND is taking two key approaches to ensure that both short-term and long-term demand for green hydrogen is met and that the Group establishes a strong position in its core markets: implementing local hydrogen generation projects on site and developing diversified import routes.

VERBUND – a decarbonisation partner

VERBUND enters into numerous partnerships with companies in order to work together to build an area-wide hydrogen infrastructure. In the short term, the focus is on expanding local hydrogen production, especially for the decarbonisation of energy-intensive industry in the Group's core countries of Austria, Germany and Spain. To this end, VERBUND is developing partnership projects aimed at generating hydrogen for direct use by offtakers, to ensure immediate, reliable availability of green hydrogen.

For example, as part of the Green Ammonia Linz project, VERBUND is planning a 60 MW electrolyser plant in Linz in collaboration with LAT Nitrogen for the sustainable production of green ammonia. A further large-scale electrolyser facility called the Pannonian Green Hydrogen with an initial capacity of

60 MW and a planned capacity of 300 MW in the final expansion phase will produce up to 40,000 tonnes of green hydrogen per year. VERBUND is also one of the partners in the USS 2023 research project led by RAG Austria AG to investigate how existing storage structures can be used for seasonal storage of solar energy in the form of hydrogen.

Hydrogen imports for long-term supply

In the long term, however, the steep increase in demand will not be met by local production alone. That is why VERBUND is working on building a comprehensive, diversified project portfolio in order to import large volumes of green hydrogen from large-scale projects in European countries and neighbouring regions of Europe. Efforts are focused on import regions that offer cost-efficient generation conditions for renewable electricity and green hydrogen as well as an existing or future infrastructure connection to core markets. Against this backdrop, VERBUND has identified specific import corridors across various regions that it is steadily developing.

To develop a broad project portfolio, VERBUND has entered into a series of partnerships for large-scale co-production of green hydrogen in these regions, for example with TOTAL Energies, Sonatrach SPA and Enagás Renovable. As an integrated supplier, VERBUND aims to generate green hydrogen, coordinate transport in the core markets, and make it available to customers and partners from industry and other sectors at their sites.

The hydrogen import alliances initiated by VERBUND, namely Hydrogen Import Allianz Austria (HIAA) and Hydrogen Import Bündnis Bayern (HIBB) also play a key role in ensuring supply to Central European industry. Each alliance brings together stakeholders from the entire value chain: energy companies, infrastructure operators and hydrogen offtakers, who together account for the bulk of demand in each county or federal state. The goal of the import alliances is to enable hydrogen imports by 2030 in order to reliably and competitively meet the significant increase in demand in Austria and Bavaria over the long term. The work therefore focuses on the structured and synchronised ramp-up of the hydrogen import economy and developing joint proposed solutions.

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 pipelines, one new and one older. Gas Connect Austria GmbH 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. In the committees, Gas Connect Austria GmbH 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 GmbH 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 a European hydrogen hub (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 GmbH hydrogen strategy.

Together with partners from the WIVA Power & Gas energy model region, Gas Connect Austria GmbH is working to make an integrated hydrogen economy feasible in a joint research project called "H2REAL – East Austria Hydrogen Region Goes Live". The project involves developing an integrated hydrogen network (a "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 GmbH and Austrian Power Grid AG.

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 2024, 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, automated machine learning, big data, digitisation of power plants 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.

AI applications and machine learning

At VERBUND, artificial intelligence (AI) is used for time series forecasts and automated image recognition, among other things. And with the launch of applications such as ChatGPT, it has also drawn the interest of employees without specialist expertise. However, AI also harbours risks, especially for VERBUND in its capacity as an operator of critical infrastructure. For this reason, a Group-wide AI policy has been in place since July 2024, which provides a framework for the creation and use of AI systems within the Group, based on the new EU AI Act. In addition, VERBUND joined the EU AI Pact in September 2024, thus voluntarily committing to implement the most important aspects of the EU AI Act even before its entry into force.

VERBUND's AI Knowledge project put in place measures to raise awareness of artificial intelligence across the Group. In order to remain competitive, VERBUND took a broad look at this topic as part of its internal transformation. As part of this project, we have set up opportunities such as AI talks, AI workshops, and AI training formats so that employees can familiarise themselves with the topic of AI. The aim is to empower employees with respect to AI, to communicate the opportunities and risks to them in a way they can understand, and to demonstrate how AI can bring value to everyday work.

Another of our digital transformation projects is MissionFlight. To advance digitalisation and achieve the 2030 transition to clean energy, VERBUND will be looking more closely at drone docking technology. This type of technology enables VERBUND to automate certain applications by using drones, such as inspection flights, perimeter protection, nature surveys and much more. This makes it possible to optimise inspections and increase the efficiency of VERBUND power plants, using the resulting data as a basis for analysing plant status trends.

In the Digital Business Card project, we also created an alternative to the traditional printed business card in 2024. The digital business card is always available on mobile devices and contact information can be shared easily and quickly. The individual data is automatically transferred from existing databases.

Information security

Information security is a matter of high priority at VERBUND and extends through all areas of the Group. As VERBUND is identified as an operator of essential services, the obligations arising for critical infrastructure companies under the Network and Information Systems Security Act (the NISG in Austria and the EU-wide NIS Directive) play an important role. In the 2024 reporting period, the central information security management system was once again certified to ISO 27001 and ISO 27019. In addition, the evidence required by the NISG regarding the required security measures was reviewed by an external "qualified body" and submitted to the regulatory authority within the prescribed deadline.

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 further expanded in 2024 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 for managing electricity generation.

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 criticality.

In order to raise employee awareness, the security awareness programme was also accelerated in 2024. 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. Employees at the power plants, in particular, are also offered classroom training sessions. These training courses are supported, among other things, by targeted phishing simulations and by the offering of presentations in the form of webinars on various key topics relating to information security. One focus in 2024 was the intensive awareness campaign as part of the international Cyber Security Month in October, which included webinars, videos, posters and intranet posts.

Activities were rounded off by national and international networking in relevant communities.

Outlook

Global economic conditions remain difficult. Uncertainty dominates the economic environment. Little growth is to be expected from China, either. But economic growth in the US is robust.

Provisional figures from the International Monetary Fund (IMF) predicted that the global economy would grow by about 3.2% in 2024. This figure is below that of 2021 to 2023 as well as the long-term average. The IMF forecasts global economic growth of 3.2% in 2025 as well and expects little improvement in growth rates thereafter. These developments are driven by the upheavals caused by Russia's war against Ukraine and other crises.

While the high inflation of recent years has eased, progress is slow on this front. Global inflation fell from a record 8.6% in 2022 to 6.7% in 2023, retreating to 5.8% in 2024. Inflation of 4.3% is forecast for 2025, a figure that is slowly approaching the rates seen prior to the COVID 19 crisis. Inflation in the eurozone is expected to be just above 2% in 2025, down from 2.4% in 2024. In Austria, inflation is set to decline from about 2.9% in 2024 to 2.8% in 2025.

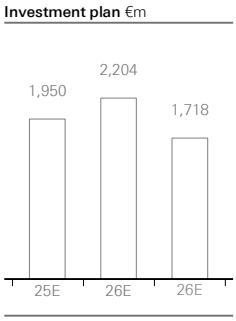
Factors such as weak domestic consumer demand, the downturn in German industry (goods exports to Germany declined substantially in 2024) as well as a slump in investment and weak demand for capital goods and machinery kept Austria stuck in a recession in 2024. According to preliminary WIFO data, gross domestic product shrank by 0.6% in the reporting period, following a decline of 1% in 2023. In 2025, foreign demand may pick up slightly and provide an economic stimulus in Austria. This should also bolster consumer demand. WIFO therefore expects subdued growth of about 1% in 2025.

Thanks to market stabilisation, commodity prices in 2024 were significantly lower than in the previous year. This was due to factors including weak demand on account of economic conditions as well as a plentiful supply of natural gas, which led to a decline in risk premiums. Falling commodity prices also led to a reduction in prices on the wholesale electricity market. The situation regarding natural gas supplies for 2025 is somewhat more challenging: the colder winter of 2024/2025 depleted storage levels more quickly than in previous years. With Russian gas deliveries via Ukraine having ceased at the beginning of 2025, only LNG (liquefied natural gas) or natural gas from Northern Europe is available to replenish storage facilities in summer 2025. This is expected to keep upward pressure on gas prices high, leaving little room for significantly lower electricity prices on the wholesale market.

Investment plan 2025–2027

VERBUND's updated investment plan for the 2025–2027 period provides for capital expenditure in the amount of €5,873m. Of that total, around €4,004m will be spent on growth CapEx and around €1,868m on maintenance CapEx. Most of the capital expenditure (approximately €1,969m) will go towards expanding and maintaining the regulated Austrian power grid and gas grid. In addition, VERBUND will be investing primarily in projects involving new renewables (approximately €1,704m) and hydropower plants (approximately €1,257m). The investments will mainly involve VERBUND's domestic markets of Austria and Germany (approximately €4,516m) and the Spanish market (approximately €919m). In financial year 2025, VERBUND plans to invest a total of approximately €1,950m, around €1,347m of which will be invested in growth and around €603m in maintenance.

SDG 8



Dividend

VERBUND plans to distribute a regular dividend of €2.80 per share for financial year 2024. The payout ratio, calculated on the basis of the adjusted Group result, amounts to 49.2% for the 2024 reporting period (previous year without special dividend: 45.2%; previous year with special dividend: 55.1%). Distribution of the dividends must be approved by the Supervisory Board at the meeting at which the annual financial statements are to be approved and also requires the approval of the shareholders of VERBUND AG at the 2025 Annual General Meeting.

Guidance for 2025

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 66% of the planned own generation for 2025 was already contracted as at 31 December 2024. The price obtained for this was approximately €0.5/MWh below the sales price achieved in 2024.

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.

Based on expectations of average levels of own generation from hydropower, wind power and photovoltaic power as well as the opportunities and risks identified, VERBUND expects EBITDA of between around €2,700m and €3,300m and a Group result of between around €1,350m and €1,750m in financial year 2025. VERBUND's planned payout ratio for financial year 2025 is between 45% and 55% of the Group result of between around €1,350m and €1,750m, after adjusting for non-recurring effects.

Non-Financial Statement 2024

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General information

Preamble

In accordance with European Union (EU) Directive 2014/95/EU regarding the disclosure of non-financial information (NFRD) and its implementation through the Austrian Sustainability and Diversity Improvement Act (*Nachhaltigkeits- und Diversitätsverbesserungsgesetz*, NaDiVeG), VERBUND summarises the required information in accordance with Section 267a of the Austrian Commercial Code (*Unternehmensgesetzbuch*, UGB) (NaDiVeG) in the Non-Financial Statement section of the Group management report of the Integrated Annual Report 2024.

Since financial year 2021, VERBUND has been obliged, moreover, to disclose information in accordance with the European Taxonomy Regulation (EU) 2020/852. This reporting obligation is fulfilled by way of the Non-Financial Statement "Environmental Information" section in the Non-Financial Statement.

In accordance with section 267a(5) of the Austrian Commercial Code (UGB) (NaDiVeG), VERBUND can rely on national, Union-based or international frameworks when preparing the Non-Financial Statement. All disclosures in the Non-Financial Statement are aligned with the European Sustainability Reporting Standards (ESRS) for the first time. The contents include all disclosures of material relevance to VERBUND regarding environmental, social and employee matters, as well as information on respecting human rights and combating corruption and bribery. Details can be found in the topic-specific ESRS, especially E1 to E5, S1, S2 and G1. This includes consideration of interactions with the business model, material impacts, risks and opportunities, the implemented policies and the due diligence processes. The application of the new ESRS instead of the Global Reporting Initiative (GRI) sometimes results in changes to metrics, which does not always allow a comparison with previous year figures. Previous years' figures are therefore only shown where they are comparable.

At the time the Non-Financial Statement was prepared, the transposition of Directive (EU) 2022/2464 regarding corporate sustainability reporting (CSRD) into Austrian law (through the Austria Sustainability Reporting Act (NaBeG)) was not yet complete. The following disclosures in the Non-Financial Statement are therefore reported on a voluntary basis according to ESRS.

ESRS 2 General Disclosures

Basis for preparation (BP)

Disclosure Requirement BP-1 – General basis for preparation of the sustainability statement

This report presents the consolidated Non-Financial Statement of VERBUND AG prepared in accordance with NaDiVeG and ESRS. It describes the material impacts, risks and opportunities related to the material topics identified in the materiality assessment for VERBUND for financial year 2024 (1 January to 31 December 2024). Both the reporting period and the entities included in the report correspond to the scope of consolidation of financial reporting. Material events after the reporting date were included in the same way as for financial reporting, up until 19 February 2025. 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.

The reported information is supplemented by material impacts, risks and opportunities along the value chain. The availability of strategies, actions, metrics and targets for the value chain is initially limited at the time of reporting. These are reported on a selective basis.

In the 2024 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) and disclosures in accordance with Articles 19a(3) and 29a(3) of Directive 2013/34/EU.

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, medium-term from one to five years, and long-term more than five years.

A deviation in the time horizons arises in the implementation of the EU Taxonomy: the relevant metrics must always be reported for the past financial year. An exception is made for CapEx planning, which always encompasses the next three planning years as defined specifically for VERBUND. A climate risk and vulnerability assessment is carried out as part of the process of classifying economic activities under the EU Taxonomy. For this purpose, climate projection scenarios are always considered for the current year (reporting year) and, based thereon, in 10 years and in 30 years, in accordance with Appendix A of the EU Taxonomy Regulation Climate Delegated Act.

The resilience analysis uses the time horizon of 2025 to 2034, coinciding with the budget and strategic investment planning period.

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 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.

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 data point for the specific issue. Estimate sources are explicitly listed in E1, E3 and E5.

Changes in preparation or presentation in sustainability information

As of financial year 2024, VERBUND will no longer be reporting on the basis of the GRI standards, but will instead apply ESRS for its reporting under the NaDiVeG in view of its future obligations under the CSRD. This impacts the reporting structure, content, and metrics of this report, meaning the 2024 Non-Financial Statement is not comparable to the 2023 Non-Financial Report.

Reporting errors in prior periods

Since this is the first time reporting in accordance with ESRS, figures from the previous year are only reported where available and comparable. Previous year figures are not reported for metrics first reported in accordance with ESRS. Accordingly, errors arising from the comparison with previous reporting periods are particularly relevant in the case of metrics where comparative values are available. Any errors that have occurred will be rendered transparent. In the 2024 reporting period, VERBUND was not aware of any errors from previous reporting periods.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

In addition to the NaDiVeG, VERBUND has applied EU Taxonomy rules to the 2024 Non-Financial Statement; these are explained in the Environmental information section. Otherwise, no other legal regulations or standards are applied in this report. VERBUND is using the Integrated Annual Report 2024 as a UN Global Compact progress report.

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:

- They represent a separate element of information and clearly identify that a disclosure requirement or data point is being addressed
- They are published at the same time as the management report
- They are the same language as the Non-Financial Report (in Deutsch)
- They 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 (page 28) of the 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

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.

Governance

Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory 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. The following disclosures concerning the role of administrative, management, and supervisory bodies relate to VERBUND AG as a reporting entity.

Austrian stock corporation law prescribes a dual management system that provides for strict separation of the executive board as a managing body and the supervisory board as a supervisory body. The two boards are strictly separated in terms of their duties and responsibilities in accordance with the provisions of Austrian stock corporation law. The Executive Board acts as the management body and is responsible for the operational functions of the company, whereas the Supervisory Board is the control or supervisory body that monitors and reviews the operating activities of the Executive Board. Accordingly, this report exclusively covers the Executive Board as the management body and the Supervisory Board as the supervisory body.

Simultaneous membership of both the Executive Board and the Supervisory Board is not permitted. The Executive Board manages the Group's business activities and represents the Group externally. It is responsible for all operating activities, for the organisational and operational structure of the Group and for its corporate strategy, which it coordinates with the Supervisory Board. The Executive Board is not required to take instruction from either the Supervisory Board or the Annual General Meeting. However, certain significant Executive Board management actions require the approval of the Supervisory Board and/or its committees. Rules of procedure set out the details of the working partnership between the Executive Board and the Supervisory Board. In particular, they contain the areas and aspects of business activities subject to prior approval by the Supervisory Board. Appropriate value-based limits have been set for this purpose. It should be emphasised that prior to execution, significant transactions by Group companies must also be approved within the defined framework not only by the boards of the respective Group company, but also by the Supervisory Board of VERBUND AG.

Details on the composition of the Executive Board, its working methods and distribution of responsibilities, its diversity, its expertise and its skills can be found in the Consolidated Corporate Governance Report 2024 and in the section on ESRS G1.

The Supervisory Board of VERBUND AG is comprised of ten shareholder representatives elected by the Annual General Meeting and five members delegated by the Works Council. The shareholder representatives are appointed for a maximum of five years, with the Supervisory Board required to propose its nominees to the Annual General Meeting. Reappointment is possible. For every two shareholder representatives on the Supervisory Board, there is one member delegated by the employee representatives granted the same rights and duties as the former.

The Supervisory Board of VERBUND AG does not perform any operating activities. It advises the Executive Board and supervises its management of the Group. To this end, the Supervisory Board receives regular and comprehensive information from the Executive Board on the performance, position and strategy of the Group as well as on its risk position and risk management. In accordance with the law and the Austrian Code of Corporate Governance (*Österreichischer Corporate Governance Kodex*, ÖCGK), and

also in accordance with its rules of procedure, the Supervisory Board forms several committees, including a Sustainability and Strategy Committee.

The Consolidated Corporate Governance Report (page 28) of the Integrated Annual Report 2024 contains detailed information on the Supervisory Board's working methods, its meetings and composition, and its committees; the independence of the members of the Supervisory Board; the self-evaluation of the Supervisory Board; the management of conflicts of interest; as well as its diversity and expertise.

Sustainability organisation at VERBUND

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.

Sustainability forms an integral part of corporate development at VERBUND AG. The management has operational responsibility for relevant environmental and sustainability matters, which are developed for the Group by a team that includes environmental and sustainability officers at Group level.

The Corporate Responsibility Committee (CRC) is also established at VERBUND's highest management level. This committee comprises representatives of the fully consolidated companies, the divisional heads from the holding company, the Chairperson of the Group's Work Council representatives, the Group Compliance Officer, the Head of Corporate Responsibility, the Group Sustainability Officer, the Group Environmental Officer and the Group Health Officer. The CRC meets bi-annually. With respect to these topics, the CRC's tasks and areas of responsibility include the following: advising the Executive Board member responsible for CR on the strategic issues under their purview, defining strategic corporate responsibility goals and passing on suggestions from the companies and holding company divisions represented.

At the operational level, there is also the environmental team, which is made up of the Group Environmental Officer, the company environmental officers, and subject-specific experts from specialist departments. The team meets four times a year to discuss environmentally relevant events and topics.

Disclosure Requirement GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The content of Disclosure Requirement ESRS 2 GOV-2 is reported in the Consolidated Corporate Governance Report (page 28) in the Integrated Annual Report 2024. 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).

Disclosure Requirement GOV-3 – Integration of sustainability-related performance in incentive schemes

The remuneration policy pursuant to Section 78a of the Austrian Stock Corporation Act (*Aktiengesetz*, AktG) for the Group Executive Board of VERBUND AG is aimed at promoting the long-term and sustainable development of the Company. Sustainability targets are therefore embedded in both the Executive Board's short- and long-term variable compensation components.

According to the remuneration policy, personnel and sustainability targets derived from VERBUND's sustainability strategy are generally integrated into the short-term incentive (STI) with a weighting of 20 to 30%. The Remuneration Committee annually defines up to three criteria from the categories of environment and energy, economy, social affairs, and governance for the human resources and sustainability goals, along with the weighting assigned to them. For financial year 2024, the Remuneration Committee agreed targets with the members of the Executive Board for the three sustainability criteria Occupational safety, Culture and transformation, and Diversity and inclusion, each given a weighting of 10% in the short-term remuneration. The occupational safety sustainability criterion was split into the following targets of Lost Time Incident Frequency Rate, instructions for occupational safety, and audit, which were respectively accorded a 5%, 2%, and 3% weighting. The diversity and inclusion sustainability criterion was split into the following targets of proportion of women among new employee hires and number of people with disabilities among new employee hires/new registrations with a 6% and 4% weighting.

Similarly to the short-term incentive, for the long-term incentive (LTI) up to three criteria were derived from the VERBUND sustainability strategy and accorded a weighting of 20 to 30%.

For financial year 2024, as sustainability objectives, each with a weighting of 10%, the Remuneration Committee defined the targets for the 2024 long-term incentives (LTI tranche 2024–2027) as follows: expansion of the flexibility portfolio by 800 MW, expansion of the renewables portfolio by 1,200 MW, and the achievement of three key milestones in the hydrogen sector. The three key milestones in the hydrogen sector are: ready-to-build status and commissioning of local electrolysis capacity (up to 60 MW in total, at least 30 MW), the conclusion of two upstream H_2 JDAs for imports (two agreements), and the submission of all necessary documentation for the conclusion of an upstream shareholder agreement for H_2 imports.

As a result, a total of 17% of the contractually promised remuneration (assuming 100% target achievement) is linked to sustainability targets. The share of the short-term remuneration granted and owed under Section 78c of the Austrian Stock Corporation Act (AktG) for financial year 2024 that is linked to sustainability-related targets is 7%.

Long-term remuneration is based on virtual performance shares. The long-term remuneration was vested up to the end of financial year 2023 based on the 2020 remuneration policy, with a measurement period of three years.

In addition to the financial targets "relative total shareholder return (TSR)" and "free cash flow before dividends", the long-term remuneration's 2022–2024 tranche also included the sustainability target "expansion of new renewables generation", with weightings of 30%, 35% and 35% respectively.

The share of the long-term remuneration granted and owed in 2022 (LTI tranche 2022–2024) pursuant to Section 78c of the Austrian Stock Corporation Act (AktG) linked to sustainability-related targets was 10%.

As a result, of the total compensation granted and owed pursuant to Section 78c of the Austrian Stock Corporation Act (AktG), a total of 18% is linked to sustainability-related targets.

The Remuneration Committee of the Supervisory Board of VERBUND AG is responsible for the structure and implementation of the Executive Board's compensation based on the remuneration policy and for reviewing these on its own initiative. The remuneration policy is usually implemented through the annual setting of objectives in line with the given strategy (both for the short-term and for long-term remuneration), determining realised target achievement, and, where appropriate, taking the further actions required to implement the remuneration policy. At the start of each financial year, the Remuneration Committee of the Supervisory Board defines the objectives (including the sustainability targets) within the scope of their responsibilities in the Group. At the end of the financial year, target achievement is assessed by the Remuneration Committee. In addition, the Remuneration Committee regularly conducts an overall review of the remuneration policy and the sustainability matters it contains, updating these as 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 each material amendment once every fourth financial year at the latest.

For financial year 2024, the Remuneration Committee did not take climate-related targets into account in the short-term remuneration (STI). In the long-term remuneration (LTI) promised in financial year 2024, the sustainability-related targets of expanding the flexibility portfolio, expanding the renewables portfolio, and achieving three key milestones in the hydrogen sector, each with a weighting of 10%, were likewise to be considered climate-related targets.

Accordingly a total of 10% of the contractually promised remuneration (assuming 100% target achievement) was linked to climate-related considerations. The share of the short-term remuneration granted and owed (STI) for financial year 2024 pursuant to Section 78c of the Austrian Stock Corporation Act (AktG) that was linked to climate-related considerations was zero.

The disbursement of the 2022 long-term remuneration granted under the 2020 remuneration policies (LTI tranche 2022–2024) was assessed at 35% across this period based on the "Expansion of new renewables generation" target, which is linked to climate-related considerations.

The resulting share of the long-term remuneration 2022 (LTI tranche 2022-2024) granted and owed in accordance with Section 78c of the Austrian Stock Corporation Act (AktG) that was linked to climate-related considerations was 10%.

As a result, of the total compensation granted and owed to the Executive Board pursuant to Section 78c of the Austrian Stock Corporation Act (AktG), a total of 10% was linked to climate-related targets.

The performance of the Chairman of the Executive Board and its full members was not assessed in financial year 2024 in relation to the GHG emissions reduction targets reported under Disclosure Requirement E1-4. The Remuneration Committee of VERBUND AG's Supervisory Board will evaluate and review the inclusion of GHG emission reduction targets as sustainability goal sub-targets.

Disclosure Requirement GOV-4 – Statement on due diligence

The ESG due diligence process serves to fulfil the sustainability-related due diligence requirement. Due diligence is the key process by which VERBUND determines how the actual and potential negative impacts on the environment and people in connection with its business activities are managed, prevented, mitigated and accounted for. These include negative impacts connected with VERBUND's

own operations and its upstream and downstream value chain, including through its products or services, as well as through its business relationships.

The ESG due diligence process is based on the OECD Guidelines for multinational companies. The outcome of the undertaking's sustainability due diligence process informs the undertaking's assessment of its material impacts, risks and opportunities. ESG due diligence can therefore be viewed as a preliminary stage of the materiality assessment process.

The ESG due diligence process is based on numerous corporate processes related to ESG. The key ones are summarised below:

The VERBUND Code of Conduct for Sustainable Business forms the basis for VERBUND's responsible business conduct by VERBUND with the aim of meeting 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 applies to all managers and employees and supports them in their decisions and actions in their everyday working life in their dealings with colleagues, customers, suppliers, local residents and all other stakeholders. The Code uses examples to describe issues, offers detailed definitions and refers to additional mission statements, information and internal policies such as the Group's "Human rights due diligence" policy. Furthermore, VERBUND's Supplier Code of Conduct (SCoC) also obliges suppliers and business partners to comply with the above principles.

Due to the unbundling regulations, the grid companies Austrian Power Grid and Gas Connect Austria have implemented independent, integrated management systems for sustainability, environmental and occupational health and safety management and created equivalent codes and guidelines.

The positive and negative impacts of business activities on the environment and society are identified, analysed and periodically updated, and stakeholders integrated in the context of a materiality assessment.

Sustainability risks in the supply chain are identified and assessed through regular hotspot analyses. These analyses also consider information from recognised external sources, such as the Business and Human Rights Resource Center. Risk mitigation actions and processes are derived from the analysis and integrated into the regulatory system and into contracts with business partners.

The Group-wide whistleblower system plays a key role in ensuring that due diligence requirements are met. The VERBUND Integrityline enables anonymous information to be submitted easily and securely by external parties, for example by employees of business partners. All reports are treated confidentially, independently and objectively, with a special focus on data protection and personal privacy for the whistleblowers and the individuals concerned.

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.

Core elements of due diligence	Paragraphs in the Non-Financial Statement
a) embedding due diligence in governance, strategy and business model	ESRS 2 GOV-1 ESRS 2 GOV-2 ESRS 2 GOV-3 ESRS 2 SBM-3
b) engaging with affected stakeholders in all key steps of the due diligence	ESRS 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 topic-specific 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 topic-specific 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 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.

The sustainability reporting is established on the basis of these pre-existing ICS accounting processes and it will be extended step-by-step. In the first step, the following processes were modelled in ARIS, material risks were prioritised on the basis of qualitative estimates and controls were defined:

- Collection of non-financial data (e.g. environmental and personnel metrics)
- Preparation of qualitative content for the Non-Financial Statement

The material risk in these processes are that incorrect data or information are included in the Non-Financial Statement or that correct data or information is completely missing. To avoid this, 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.

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 CSRD and ESRS requirements, and to ensure that figures and content are correctly presented in the Non-Financial Statement.

Strategy

Disclosure Requirement SBM-1 – Strategy, business model and value chain

The climate crisis is the defining issue of our time. Europe is simultaneously experiencing an energy crisis, which is leading to a high level of uncertainty on European energy markets. Transforming to a carbon-free energy system and weaning ourselves off fossil fuels as quickly as possible while safeguarding security of supply are therefore essential.

Achieving this requires a reconstruction of our energy system and a massive push of investment and growth in wind power, solar energy and green hydrogen, accompanied by an expansion of the necessary grid infrastructure and energy storage in Europe. Successful integration of the required generation units is crucial to facilitate the transition to a largely carbon-free energy market. In addition, energy increases at existing power plants will continue to make a strong contribution to modernising and transforming the present-day energy system.

A more sustainable, renewable future is the key focus of the three strategic directions of VERBUND's Mission V Strategy 2030. All of VERBUND's ambitions are geared towards a climate-neutral, supply-secure Europe. To this end, VERBUND is pursuing science-based emission reduction targets with the aim of achieving net zero by 2050. VERBUND already generates around 96% of its electricity from renewable energy and takes action to protect nature and promote biodiversity. Sustainability is therefore a key element of all three strategic pillars, making it an integral element of strategy and business model.

Accordingly, the operationalisation of Mission V and the objectives derived from the three strategic pillars set out below are directly interconnected with VERBUND's sustainability ambitions.

Strengthening VERBUND's position as an integrated utility in the home market

- 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, photovoltaic, battery storage and e-mobility solutions.
- Expand the power grid as an important contribution to the successful integration of wind power and photovoltaic installation, 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

- 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 land dual use (agri-photovoltaic) to exploit the full potential of technologies and land, taking biodiversity actions 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 energies into the energy system.

Positioning VERBUND as a European hydrogen player

- 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 with competitive, green hydrogen.

VERBUND has 4,424 employees in Austria, Germany, Spain, Romania and Italy to help implement Mission V and related sustainability goals.

As a responsible energy provider, VERBUND operates in specific business sectors, such as 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. However, VERBUND has already taken steps to reduce its future use of fossil fuels. This is achieved particularly through investing in transitioning to green hydrogen, with VERBUND's objective being to minimise its CO_2 emissions and assume a leading role in the decarbonisation of the energy sector, while the Group continues to contribute to the stability of the energy grid and security of supply through its thermal plant and gas grid.

Revenue from the gas grid and from electricity generated using natural gas amounts to €514.21m. There are no taxonomy-aligned revenues from the gas business as defined in Article 8(7)(a) of Commission Delegated Regulation (EU) 2021/2178. More information on the EU Taxonomy can be found in the relevant section of the Non-Financial Statement. In addition, no products and services prohibited in certain markets have been identified. A breakdown of total revenues, as stated in the financial statements, and a listing of the significant ESRS sectors was not provided for 2024 due to the application of the phase-in provision.

The following tables provide an overview of the most important products and markets in which VERBUND operates, as well as the most important changes to markets and products. It also outlines the key sustainability targets related to the products and services on offer, as well as the stakeholders.

Marketing own generation on energy markets

Products	Markets	Description	Changes (new/discontinued products/markets)	Impacts on sustainability-related targets
Hydropower	AT, DE, AL	Production and marketing of electricity from hydropower plants (run-of-river hydropower plants and storage power plants)	None	VERBUND currently generates approximately 25,000 GWh from run-of-river hydropower plants, primarily in Austria and Germany. The strategic planning for this generation technology envisages generation of approximately 25,650 GWh by 2030, corresponding to an increase of approximately +3%. With this goal, VERBUND underscores its commitment to electricity generation from sustainable sources of hydropower,

Marketing own generation on energy markets

Products	Markets	Description	Changes (new/discontinued products/markets)	Impacts on sustainability-related targets
				which supports its sustainability goals in turn.
Wind power	AT, DE, ES, RO	Generation and marketing of electricity from wind power plants	None	In the wind and photovoltaic sector, VERBUND currently has a total installed capacity of 1,180 MW in Spain, Romania, Austria, and Germany (in descending order based on available capacity). The strategic planning assumes this will increase by 2030, bringing the generation volume to approximately 25% of VERBUND's total generation. This ambitious goal demonstrates the great importance VERBUND attaches to generation technologies in the new renewables sector.
PV	AT, DE, ES, IT	Generation and marketing of electricity from photovoltaic installations	None	
Thermal power	AT	Marketing of electricity and district heating from thermal power plants (gas)	None	For its thermal generation, VERBUND is planning to retrofit the last remaining combined cycle gas turbine power plant in Styria (Mellach) over the medium term, so that it can be powered by hydrogen ("H_2-ready"). From today's perspective, the estimated cost of this project is approximately €100m. Nevertheless, this strategic step is a key milestone in terms of moving in a sustainable direction, including with regard to VERBUND's thermal generation.
Flexibility/ storage	AT, DE	Pumped storage power plants: operation and marketing of flexibility offered by pumped storage power plants Battery storage: operation and marketing of flexibility offered by battery storage systems	None	To manage the increased need for flexibility, VERBUND is installing and operating large-scale battery storage systems in Austria and Germany. VERBUND is playing a pioneering role in these two markets. At the end of 2024, battery storage systems with a capacity of 110 MW were in operation and used on the control power and intraday markets. The aim is to build and operate 1,000 MW capacity in the core market AT/DE by 2030. In addition, VERBUND is planning to increase its commitment to pumped storage power plants by around 30% from the current 3,900 MW of installed capacity by 2030. This again impressively underscores the relevance of flexibility for VERBUND, and its strategic importance for a sustainable and forward-looking energy market.

B2B sales (Industry & Wholesale)

Products	Markets	Description	Changes (new/discontinued products/markets)	Impacts on sustainability-related targets
Supply of individual	AT, DE, FR	Procurement, supply and structuring of individual	None	VERBUND supplies industrial and wholesale customers in Austria and

B2B sales (Industry & Wholesale)

Products	Markets	Description	Changes (new/discontinued products/markets)	Impacts on sustainability-related targets
electricity products to industry and wholesale (commodity products)		electricity products (hydropower, wind power, photovoltaic, thermal generation, etc.) for distributors, municipal utilities and industrial customers.		Germany with electricity products with varying characteristics (including delivery form, labelling, market access) while maintaining a leading position in green electricity. The plan is to supply industrial customers with green electricity to help them transition towards the carbon-free procurement of electrical energy.
Guarantees of origin (green electricity solutions for electricity labelling/carbon footprint)	Europe-wide	Trading in emission allowances and guarantees of origin (green electricity)	None	VERBUND is the market leader in Austria and the leader in the guarantee of origin segment (especially in Germany in the wholesale segment), and enjoys a strong position in Europe. VERBUND sells allowances both independently and in conjunction with electricity from its own assets or through third-party procurement. VERBUND regards activities related to guarantees of origin as an important strategic component that will continue to play a key role in its overall portfolio in the future.
Marketing of renewable energy (direct marketing, provisions of the German Renewable Energy Sources Act (*Erneuerbare-Energien-Gesetz*, EEG) regarding photovoltaic installations over 20 years old)	AT, DE, LUX	Direct marketing of the generation of wind power plants, hydropower plants and photovoltaic systems to generation companies with individual marketing strategies and pricing models	None	New renewable energies for third-party plants will support the ambitious growth trajectory in the wind and photovoltaic industries, as well as the expansion of hydropower by means of new plants and the modernisation of existing power plants. In addition to wind power and photovoltaic systems, VERBUND also markets small hydropower plants in the Austrian, German and Luxembourg markets. These activities are likewise expected to be further intensified in the coming years.
Power Pool – demand response	AT, DE	Marketing the service flexibility of suppliers, industrial and service companies, and green electricity producers on the short-term energy markets through the VERBUND-Power Pool	None	Increasing demands on the electricity market resulting from the increased need for flexibility demand innovative, customised flexibility solutions for industrial and service companies as well as green electricity producers. VERBUND's Power Pool means these companies can market their flexibility assets on the control power and intraday markets, and generate attractive additional revenue. It also helps stabilise the power grid while making a significant contribution to integrating renewable energy into the energy system. VERBUND is a leading supplier

B2B sales (Industry & Wholesale)

Products	Markets	Description	Changes (new/discontinued products/markets)	Impacts on sustainability-related targets
				in Austria and also has a nationwide presence in Germany. VERBUND is working to expand its activities in both markets.
B2B solar power	AT	Design, construction, financing and operation of open-field solar installations and photovoltaic carports for industrial and large customers	None	In partnership with industrial customers, VERBUND develops and constructs photovoltaic systems for self-consumption. In addition to rooftop and open space facilities, carports with integrated photovoltaic systems will also be built. In 2023, VERBUND strengthened its independence and its position in the photovoltaic market in the long term by acquiring a full-service photovoltaic supplier for large-scale systems and a wholesale business for photovoltaic modules, inverters and mounting structures, among other products, thereby setting the stage for achieving its ambitious targets in the B2B photovoltaic sector.
B2B e-mobility	AT, DE, through SMATRICS subsidiary, also Northern IT	Design, installation, financing and commissioning as well as charging management, operation, service and maintenance of e-charging infrastructure (wallboxes and rapid-charging stations) for industrial and large customer applications	None	With competitive products and services for industrial and real estate customers, to name but a few, VERBUND is actively involved in the construction of charging infrastructure and is therefore helping with the implementation of e-mobility, especially in Austria and Germany. Current activities will be expanded on in coming years, particularly in Germany and Austria.

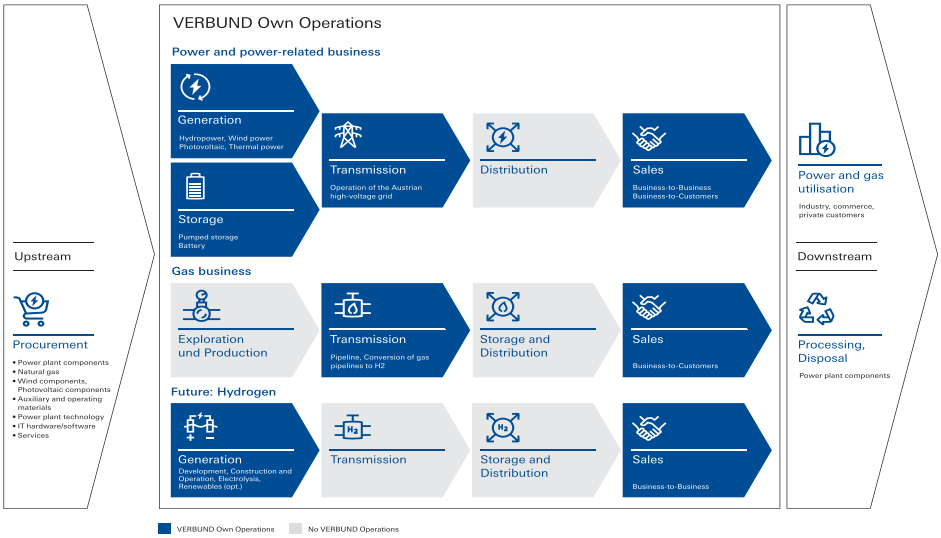
B2C sales (residential customers & SMEs)

Products	Markets	Description	Changes (new/discontinued products/markets)	Impacts on sustainability-related targets
Supply of electricity and natural gas products (commodity products) to residential customers, commercial	AT	B2C supply of electricity from 100% hydropower and natural gas to private households, commercial customers and SMEs	None	VERBUND supplies private households, agricultural and commercial enterprises up to 100,000 kWh throughout Austria with clean electricity generated from 100% hydropower and natural gas. VERBUND also provides customers in the SME segment with a reliable supply of electricity and natural gas. In addition to electricity and natural gas, another focus of VERBUND is on expanding its

B2C sales (residential customers & SMEs)

Products	Markets	Description	Changes (new/discontinued products/markets)	Impacts on sustainability-related targets
enterprises and SMEs				range of products and services by adding other energy solutions and/or services.
B2C photovoltaics incl. storage systems	AT	B2C photovoltaic installations with capacities up to approx. 10 kWp with option for battery storage to increase the rate of self-usage	None	To actively encourage the transition to clean energy, VERBUND acts as a full-service provider in the construction of photovoltaic systems for private households. Its full-package solution includes testing, planning, assembly and commissioning of the system. The electricity supply is rounded off with electricity from 100% solar power.
B2C e-mobility	AT	B2C eCharging: Wallboxes as a standalone product or as part of a full-service package with installation and service packages or charging cards when travelling, plus the VERBUND charging assistant to manage energy flows; B2B eCharging for SME (fleet, guests, employees or visitors)	Expansion of the product range	As a sustainable addition to photovoltaic solutions, VERBUND offers an appealing line of electromobility products and services for both commercial and residential customers. From the self-installed wallbox to a full-package solution including a charging card and electricity contract.
B2C heat pumps	AT	Mediation of sales of full-package heat pump solutions with partner Viessmann, combined with a competitive 100% hydropower heat pump tariff	New B2C product	To push a sustainable and environmentally friendly form of heating, VERBUND offers a full-package heat pump solution in cooperation with its qualified installation partners. The solution includes everything from planning and design up to installation of the high-quality heat pump, delivery included. In addition, VERBUND offers an attractive 100% hydropower heat pump tariff.

VERBUND Value Chain



The chart above shows the upstream and downstream VERBUND value chain along with the Group's own business activities.

Upstream value chain

The upstream value chain encompasses all processes and activities that subsequently enable VERBUND's own business activities. 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 natural 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.

Own business activities

VERBUND is a vertically integrated electric utility. Its own business activities comprise the generation, transmission, storage and distribution of electricity and natural gas, the transmission 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 and natural gas. 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 still natural gas-based thermal

power. The latter is material to maintaining grid stability in the Austrian high- and ultra-high voltage grid, and to fulfilling commitments under district heating supply contracts with the Styrian state capital of Graz. Alongside these important functions performed by the Mellach combined cycle gas turbine power plant, pilot tests are currently being carried out to convert this generation unit to a 100%-hydrogen-based operation. This portfolio of sustainable assets is enhanced by VERBUND's strong commitment to storing electric energy in pumped storage power plants, as well as in the battery sector, which is still in its infancy. Within Austria, sales in both the B2B and B2C sectors for highly-complex photovoltaic (full-package) solutions, energy marketing and e-mobility also play a prominent role, supplemented by sales of photovoltaic systems in the B2C sector.

In addition, the transmission of electricity as part of Austria's ultra-high and high-voltage grid through 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 respective regulatory regimes.

In the prospective hydrogen sector, with its strong focus on sustainability, 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. As previously mentioned, the planned medium-term conversion of VERBUND's only thermal gas power plant in Mellach to hydrogen-only combustion is also rooted in the concept of sustainability.

Through its services and products, VERBUND supports decarbonisation among 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 its renewable generation portfolio and green finance schemes.

Downstream value chain

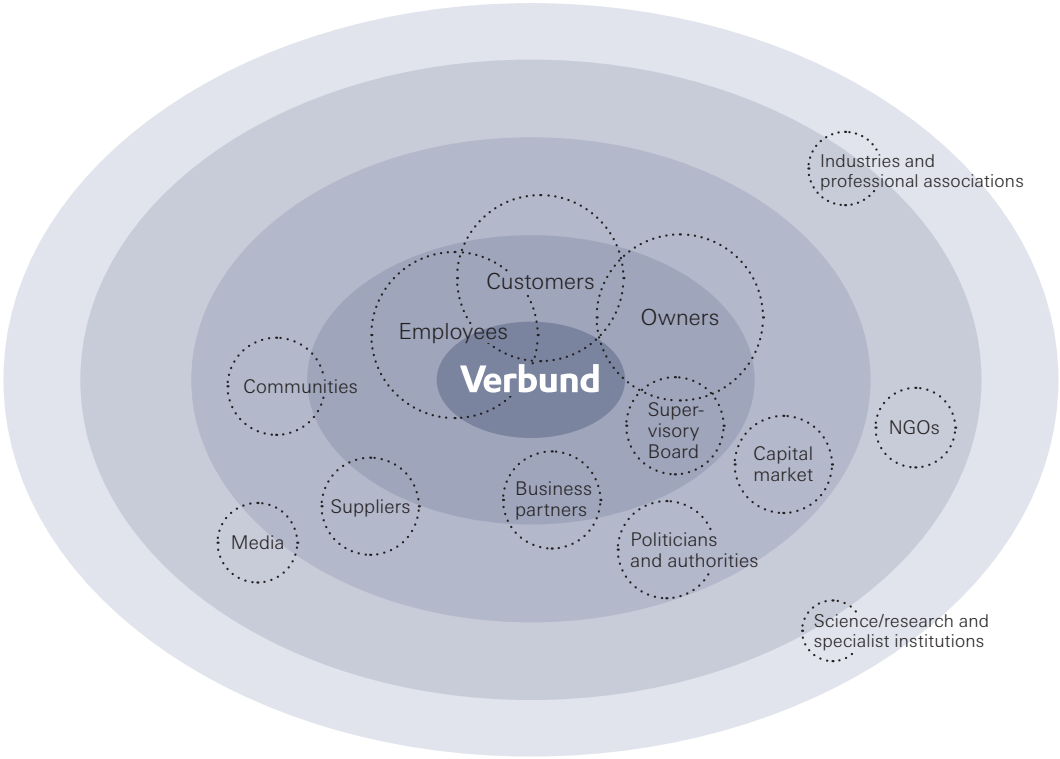
From a downstream perspective, the electricity produced by VERBUND is transported through the Austrian Power Grid transmission grid or by third-party distribution directly to industrial and residential customers for their consumption. Natural gas is also sold to residential customers, allowing them to consume it downstream. Alongside that, downstream waste is generated through the construction of new plants, 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.

Disclosure Requirement SBM-2 – Interests and views of stakeholders

VERBUND's corporate success is founded on the professional relationships based on trust with its employees, business partners, local residents, customers and owners, as well as with political stakeholders, public authorities, interest groups and NGOs. As a silent stakeholder, nature is taken into account. VERBUND strives to achieve regular engagement with all relevant stakeholder groups. In doing so, VERBUND supplies information through various channels on developments in energy and climate policy, engages in discourse on current and future challenges in the energy market and proposes constructive solutions. Relationships with VERBUND's stakeholder groups are planned and managed centrally by the holding company. Operational implementation of measures is handled by the respective

departments within VERBUND and by the VERBUND subsidiaries, or also jointly, depending on the stakeholders in question. Infrastructure projects that directly affect habitats where people live are a particularly sensitive matter. In order to guarantee the quality of communications in these projects, VERBUND's basic principles are laid down in the form of a corporate policy. This policy must be adhered to with respect to all investment and construction plans and projects implemented by VERBUND in and outside Austria that impact the public, as well as in joint projects. Key elements of the policy are the provision of early and detailed information to those affected, along with an invitation to engage in an open dialogue.

The main stakeholders were updated as part of the most recent stakeholder analysis in 2023/2024:



Affected stakeholders comprise all individuals and groups affected by VERBUND's business activities. They include business partners, customers, employees and local residents, among others. By contrast, interested stakeholders include all users of the Non-Financial Statement, such as investors, NGOs or other interest groups. The table below lists various platforms VERBUND uses to engage the defined stakeholder groups. The results of the various dialogue formats are considered by the relevant VERBUND staff as part of the respective projects, processes and actions.

Format	Description	Examples:
Information	To keep VERBUND's stakeholders up to date, the Group provides them with regular information on the most important current topics and news about VERBUND.	**External:** Website publications such as brochures etc. Public relations activities Newsletters The customer platform Social media Local resident briefings The VERBUND business breakfast **Internal:** Intranet Employee informational events Management conferences Top-level management meetings
Stakeholder dialogue	As VERBUND wants to know what is really important to its stakeholders, it regularly asks them for feedback. This makes it even easier to integrate different opinions into VERBUND's activities.	**External:** Social media The VERBUND business breakfast VERBUND's customer service number (call centre) Customer satisfaction survey One Day at VERBUND Hydropower dialogue INSPIRE energy talk Munich Energy Club EU energy forum INSPIRE energy talk **Internal:** Employee survey Management conferences Top-level management meetings Executive Club Issue management workshop
Participatory events	VERBUND values stakeholder participation in projects and initiatives in order to promote an active exchange of information and mutual learning.	**External:** Roundtable meetings NGO roundtable **Internal:** Expert workshops

Internal stakeholders were engaged by in-house experts as part of the materiality assessment, and selected external stakeholders were also engaged through stakeholder dialogues for ESG issues (see ESRS 2 IRO-1).

VERBUND did not alter its strategy and business model in 2024 on the basis of divergent stakeholder interests, nor are any adjustments planned.

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.

Given the special importance of the Group's own workforce (employees), workers in the value chain, affected communities, consumers and end-users as affected stakeholders, these are discussed in greater detail below.

VERBUND's employees make a vital contribution to the Group's success. Their commitment and entrepreneurial actions enable the continuous further development and implementation of VERBUND's strategy. It was clearly evident once again in the past financial year how the dedication and flexibility of VERBUND's employees contributes to the Group's success. In spite of various crises and the tense political situation, all of VERBUND's projects went ahead and VERBUND continued to consistently pursue its strategy.

VERBUND is committed to fully safeguarding the interests, viewpoints and rights of its workforce as encapsulated by Standard S1 with regard to both its own employees and non-employee workers. The interests and viewpoints of these parties are incorporated into the strategy and business model through workers' representatives. Austrian labour law sets out a number of rights to which the works council is entitled in relation to information, co-determination and consent as well as minimum notification periods for occupational changes, which VERBUND expressly upholds. For detailed information on the collaboration, see Disclosure Requirement S1-2, "Processes for engaging with own workers and workers' representatives about impacts".

The interests and rights of workers in the value chain are also an important concern for VERBUND, and these are prioritised in cooperation with suppliers, including with the aid of the Supplier Code of Conduct (SCoC) and safety actions applicable on VERBUND construction sites. In this context, attention is paid both to compliance with labour law standards and to respecting human rights. Further details on the policies, actions and cooperation with workers in the value chain can be found in ESRS S2.

VERBUND places great value on taking affected communities (local residents) into consideration. The determination of significantly affected communities considered all local and global communities that could potentially experience material impacts due to VERBUND's business activities, products or services as well as from the processes within the VERBUND value chain. For VERBUND, this primarily includes local groups and sections of the population directly or indirectly affected by the Group's operating activities and projects. VERBUND takes its responsibility towards communities potentially affected by the activities along its value chain seriously. This includes, for example, communities potentially directly or indirectly affected by the processes of extracting and disposing of resources such as metals and minerals used, among other things, in the production of plant components and technical components. VERBUND continuously strives to improve its monitoring and management systems to ensure that affected communities' rights and interests are respected and safeguarded throughout the value chain to the greatest possible extent. Details on specific policies and actions can be found in the ESRS S3 section.

As VERBUND supplies households throughout Austria with clean electricity from hydropower and other renewable energies as well as natural gas, consumers and end-users are another essential VERBUND stakeholder group. Aside from electricity and natural gas, VERBUND is also on hand to provide its residential customers with expertise in photovoltaic systems, efficient heat pumps for homes and full-service e-car charging packages. The opinions of customers are regularly gathered through customer surveys and ongoing analyses of customer feedback, and they contribute to the continuous

development of VERBUND processes. For more information on policies and actions, see the ESRS S4 section.

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 in all strategic focus areas, making it an integral part of the strategy and business model. The strategy and business model were therefore also considered in relation to all sustainability matters as part of the materiality assessment in order to identify impacts, risks and opportunities, which was ensured, among other things, by the participation of experts from the Strategy division.

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 solar power, 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 short and medium-term financial effects on financial position and financial performance are fraught with high uncertainty.

VERBUND's investment plan for the period 2025 to 2027 entails both growth CapEx and maintenance CapEx. Most of the capital expenditure goes towards expanding and maintaining the regulated Austrian power grid. In addition, VERBUND will be investing primarily in projects involving new renewables and hydropower plants.

The following table provides an overview of the sustainability matters identified as material to VERBUND as well as the most important impacts, risks and opportunities, and where they arise – within the Group's own activities or within its upstream and 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. Details on impacts, risks and opportunities can be found in the relevant topic-specific standards. All topics are material in the short term; only the topic of waste is first considered material in the long term. There are significant changes compared to the 2023 materiality assessment given that the materiality assessment was previously performed on the basis of the GRI. These changes particularly concern the methodology and level of detail for the assessed impacts, risks and opportunities. No additional impacts, risks and opportunities have been identified with respect to entity-specific disclosures.

Material (sub)topics as well as current and potential impacts, risks and opportunities

Topic	Sub-topic
ESRS E1 - Climate change	Climate change mitigation, climate change adaptation, energy
Material impacts from business activities	VERBUND contributes to the decarbonisation of the power system by expanding the use of renewable energies. By using fossil fuels to cover security of supply, VERBUND generates greenhouse gas emissions, which accelerates climate change.
Material impacts along the value chain	By procuring goods, trading electricity and selling natural gas, VERBUND generates indirect GHG emissions along its upstream and downstream value chains routes, which accelerates climate change.
Material risks and opportunities	The following financially material risk drivers, which may be influenced positively and/or negatively by factors directly or indirectly related to climate change, have been identified: electricity prices (carbon prices, generation energy mix, etc.), CapEx (rising procurement prices, etc.), regulatory framework conditions, extreme weather events, generation volatility and necessary technological adaptations.
Interaction with strategy and business model	A more sustainable, renewable future is the key objective of the three focus areas of VERBUND's Mission V Strategy 2030. The Climate Transition Plan based on the strategy defines greenhouse gas reduction targets for 2030, 2040 and 2050.
ESRS E2 – Pollution	Pollution of air
Material impacts from business activities	In relation to the sub-topic air pollution, emissions into the air potentially harmful to people, animals and the environment are particularly relevant. These mainly result from the combustion of natural gas at VERBUND's two thermal power plants and from the natural gas compressors in the Gas Connect Austria gas network.
Material impacts along the value chain	No material impacts in relation to the value chain have been identified.
Material risks and opportunities	No financially material risk drivers that could be influenced positively and/or negatively, either directly or indirectly, by factors related to pollution have been identified.
Interaction with strategy and business model	Contribution to the development of the European hydrogen economy by converting the existing infrastructure to hydrogen while ensuring security of supply.
ESRS E3 – Water and marine resources	Water
Material impacts from business activities	In terms of the thermal power plants, the withdrawal of cooling water from surface waters that adversely affect the biological water balance is considered essential. Water withdrawal from surface waters for electrolyser facilities may become relevant in the future.
Material impacts along the value chain	No material impacts in relation to the value chain have been identified.

Material (sub)topics as well as current and potential impacts, risks and opportunities

Topic	Sub-topic
Material risks and opportunities	Regulatory frameworks (e.g. regulatory tightening and/or restrictions or changes to water usage rights) have been identified as financially material risk drivers that can be positively and/or negatively influenced directly or indirectly by factors related to water resources, and consequently have an impact on both the volume of generation and the plant's value.
Interaction with strategy and business model	Further development of the last remaining site for the generation of thermal electricity and heat generation from natural gas to a future H_2-ready site.
ESRS E4 – Biodiversity and ecosystems	Direct impact drivers of biodiversity loss, impacts on the state of species, impacts on the extent and condition of ecosystems, impacts and dependencies of ecosystem services
Material impacts from business activities	Impacts on biodiversity through changes in land use, or sealing through new construction work, or expansion of renewable energy generation. Potential impacts on biodiversity, population size and gene pool. Improving recreational function and recreational opportunities such as cycle paths, renaturalized areas. Changes in morphology and the water balance by operating hydropower plants.
Material impacts across the value chain	Purchases of products containing critical raw materials leads to exploitation of natural resources in the upstream value chain.
Material risks and opportunities	Regulatory frameworks (e.g. restrictions due to and/or tightened environmental protection requirements for projects) and reputational risks have been identified as financially material risk drivers that can be positively and/or negatively influenced directly or indirectly by factors related to biodiversity and the ecosystem.
Interaction with strategy and business model	VERBUND implements actions as its' sites for the protection, conservation and restoration of species, habitats and ecosystems.
ESRS E5 – Circular economy	Resources inflows, including resource use, waste
Material impacts from business activities	Resource consumption through the use of construction materials (concrete, steel, aluminium) and waste generation at the end of a plant's life.
Material impacts along the value chain	Resource consumption in the upstream value chain through the purchase of products and waste disposal in the downstream value chain.
Material risks and opportunities	No financially material risk drivers that could be influenced positively and/or negatively, either directly or indirectly, by factors related to the circular economy have been identified.
Interaction with strategy and business model	Extending the useful life of plants through maintenance and repairs. Technically sound and appropriate use of resources and commissioning of professional, authorised waste collectors and processors.

Material (sub)topics as well as current and potential impacts, risks and opportunities

Topic	Sub-topic
ESRS S1 – Own workforce	Working conditions, equal treatment and opportunities for all, other work-related rights
Material impacts from business activities	Work-related accidents can occur, particularly in the operation of plant and on construction sites, and these adversely affect the health and ability to work of the affected persons. Potential violations of personality rights through data loss, unequal pay and career advancement opportunities can lead to gender inequality. Social benefits, stable incomes and flexi-work time models promote a work-life balance, and continuous professional development programmes improve personal development among employees. Employees can participate by taking part in the structured dialogue with workers' representatives.
Material impacts along the value chain	No material impacts in relation to the value chain have been identified.
Material risks and opportunities	No financially material risk drivers have been identified with respect to individual sub-topics and sub-sub-topics which may be influenced directly or indirectly by factors relating to VERBUND's own workforce in a positive and/or negative way.
Interaction with strategy and business model	Healthy and motivated employees are crucial to VERBUND's success. The issues of occupational health and safety, fair pay, equal treatment and training are therefore also key cornerstones at VERBUND.
ESRS S2 – Workers in the value chain	Working conditions, equal treatment and opportunities for all, other work-related rights
Material impacts from business activities	Work-related accidents affecting external contractors can occur, particularly on VERBUND construction sites, resulting in negative impacts on the health and ability to work of the affected persons.
Material impacts along the value chain	The procurement of products can contribute to the deterioration or exacerbation of poor working and environmental conditions.
Material risks and opportunities	No financially material risk drivers that could be directly or indirectly either positively or negatively influenced by factors affecting value chain workers have been identified.
Interaction with strategy and business model	Avoidance and mitigation of negative impacts through integrity checks and the VERBUND Supplier Code of Conduct (SCoC).
ESRS S3 – Affected communities	Communities' economic, social and cultural rights; communities' civil and political rights
Material impacts from business activities	Grid outages or shortages of electricity and natural gas supplies can adversely affect regional supply security. The expansion of renewable energy can lead to land-use conflicts.

Material (sub)topics as well as current and potential impacts, risks and opportunities

Topic	Sub-topic
Material impacts along the value chain	Disruptions in the interconnected European grid or gas supply difficulties can lead to disruptions/outages in the downstream value chain.
Material risks and opportunities	No financially material risk drivers that could be directly or indirectly either positively or negatively influenced by factors related to affected communities have been identified.
Interaction with strategy and business model	Ensuring security of supply in Austria (grid management, flexible generation, and secure power) is a top priority at VERBUND and ranks among the best in the world.
ESRS S4 – Consumers and end-users	Information-related impacts for consumers and/or end-users, social inclusion of consumers and/or end-users.
Material impacts from business activities	Loss of customer data, lack of, or poor understandability and accessibility to company information, barriers to making contracts and misleading marketing promises can lead to dissatisfaction. Reduction of electricity poverty among low-income individuals through VERBUND's electricity relief fund organised by the aid organisation, Caritas.
Material impacts along the value chain	No material impacts in relation to the value chain have been identified.
Material risks and opportunities	No financially material risk drivers have been identified with respect to individual sub-topics and sub-sub-topics, which may be influenced directly or indirectly by factors relating to consumers and end-users in a positive and/or negative way.
Interaction with strategy and business model	VERBUND offers good accessibility to residential customers with low-threshold complaints mechanisms, while supporting low-income households. In addition, regular customer satisfaction surveys help to improve the dialogue with customers and customer solutions.
ESRS G1 – Business conduct	Corporate culture, protection of whistleblowers, political engagement and lobbying activities, management of relationships with suppliers including payment practices, corruption and bribery.
Material impacts from business activities	Incidents of corruption and bribery can lead to non-transparency, inefficiencies and a loss of trust. Violations of the VERBUND Code of Conduct can result in disciplinary action and repercussions under labour law. The whistleblowing system permits all stakeholders to report on incidents and observations. Improving public discourse on energy and climate policies with the aim of improving acceptance of the transition to clean energy.
Material impacts along the value chain	Anti-competitive behaviour along the upstream value chain is prevented through clear (procurement) rules and the VERBUND Supplier Code of Conduct (SCoC).

Material (sub)topics as well as current and potential impacts, risks and opportunities

Topic	Sub-topic
Material risks and opportunities	Violations of code of conduct and the resulting fines as well as loss of image/reputation have been identified as financially material risk drivers, which can be directly or indirectly influenced by factors relating to business conduct in a positive and/or negative manner (violations of financial market compliance, antitrust agreements, data protection violations, etc.).
Interaction with strategy and business model	The Code of Conduct and the corporate culture underpin the implementation of the Mission V Strategy 2030.

A resilience analysis was carried out in 2024 to review the resilience of the strategy and business model. The starting point for this analysis performed on the VERBUND Strategy 2030 was the baseline scenario ("the VERBUND Outlook"), which in essence depicts the investment planning based on VERBUND's existing strategic focus areas. This scenario was compared against two possible climate scenarios devised by the consulting firm, THEMA Consulting:

- The "Technotopia" alternative scenario assumes the effects of a low-carbon economy in the coming decades and reflects Europe's compliance with the politically targeted 1.5 degree climate change target by 2100.
- The alternative scenario, "Turbulent Transition," 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.

All scenarios applied are based on VERBUND's detailed budget and strategic investment plans for the period from 2025 to 2034. 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 to the extent possible (upstream value chains for planned procurement expenses, downstream value chains for downstream expenses such as disposal and waste management).

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 2034 in order to analytically determine the resilience and robustness of the current Group strategy.

At the process level, experts from Group management accounting, Group risk management, Group strategy, the energy market, sustainability and from the Group subsidiaries – the latter primarily acting as data suppliers – were involved in the climate risk/resilience analysis. The climate risk analysis took into account the strengths and weaknesses on the one hand, and the future opportunities and risks of VERBUND's lines of business on the other, thereby mapping both physical (severe weather, floods) and transition opportunities and risks (changes in consumer behaviour, the establishment of new trends).

Key drivers identified by the resilience analysis were:

- future price trends for electricity
- future momentum in the expansion of new renewables (photovoltaic, wind), including flexibility
- successful establishment and integration of the hydrogen economy

The climate risk/resilience analysis concluded that the financial impacts on VERBUND in all of the three scenarios examined are comfortably manageable, meaning that its risk-bearing capacity is ensured. In addition to the extreme scenarios analysed, according to current estimates the baseline scenario VERBUND Outlook represents 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, flexibility, and hydrogen), featuring 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.

In specific terms, the alternative scenarios depict the following impacts for VERBUND in relation to its strategic investment planning:

- "Technotopia": The assumption of a 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, resulting in the necessary EBITDA requirements for the targeted risk appetite being undercut by a significant margin. 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.
- "Turbulent transition": The slowdown in new renewables growth compared with the baseline scenario combined with the failure of a well-integrated hydrogen economy, led to an assumption of higher primary energy and CO_2 prices and significantly lower investments, which are reflected in considerably higher EBITDA levels compared with the EBITDA requirements over the entire planning period.

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.

Biodiversity issues are currently not considered or quantified in the course of the resilience analysis, since any financially material opportunities/risks arising from this area could arise primarily from the regulatory environment or from potential reputational incidents. Anticipating future regulatory decisions or formulating how specific reputational incidents could occur and their potential scale of loss is not considered conducive.

Impacts, risks and opportunities management

Disclosure Requirement IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities

At VERBUND, a process has been implemented for determining the sustainability-related level of materiality for annual reporting. This process identifies impacts, risks and opportunities, and assesses the sustainability aspects. VERBUND performs the following three steps when assessing the materiality of the impacts and determining material aspects for disclosure:

- Development of an understanding of the context in relation to the impacts of VERBUND, including its activities, business relationships and stakeholders.
- Identification of actual and potential impacts (both negative and positive) through engaging with stakeholders and experts.
- Assessment of the materiality of actual and potential impacts and determination of the material aspects, including establishment of the thresholds, to determine which impacts need to be considered in the Non-Financial Statement.

Prioritisation is used to determine which sustainability matters are material in terms of reporting. A sustainability topic is generally considered material if it meets the criteria of the materiality of the impacts (impact of own economic activities on the environment and people) and/or the financial materiality (impacts of sustainability matters on own economic activity):

When determining the materiality of impacts (the "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. These impacts can be positive, negative, actual or potential. Each impact is assessed in terms of scale (average of factor 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 (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.

In terms of financial materiality (the "outside-in" perspective), a sustainability topic is material if it creates or can create risks or opportunities that have, or can have financial repercussions 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, geographical circumstances, products or services, and from the value chain. Identified impacts may also give rise to possible risks or opportunities.

Each risk and opportunity is assessed according to a 5-point scale in terms of its extent and probability of occurrence. The extent and probability of occurrence values are then multiplied by each other to obtain an expected value. This expected value indicates whether a risk or opportunity qualifies as material. A topic (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).

In consultation with the relevant technical experts from the affected operating units, the risk financial controllers from the individual business units assess the identified opportunities and risks in consideration of the potential financial effects and their probabilities of occurrence. The financial impacts of the opportunities and risks are quantified as a positive/negative deviation from defined metrics. Key assumptions include, among other things, fluctuations in generation volumes, fluctuations in market prices, legal and operational uncertainties as well as in the business environment, alongside environmental, social and governance issues. The identified and quantified opportunities and risks are reported to central Group risk management, which reviews the completeness and plausibility of the data, and returns them back to the risk reporters to supplement or revise the data whenever necessary. If uncertainties exist regarding how to assess opportunities or risks, these are discussed jointly by Group

risk management and the respective risk-reporting risk financial controllers, and a coordinated assessment methodology is defined.

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. VERBUND's risk management system is based on a centralised management approach that uses standardised processes and tools. It includes rules, responsibilities and defined processes with respect to risk and opportunity-related topics. These comprise the identification, assessment, actions and monitoring as well as the reporting of risks and opportunities.

As a rule, the risks and opportunities arising from day-to-day business such as fluctuating revenues due to volatile generation volumes or electricity prices are identified and assessed quarterly at the operating level by the risk financial controllers from the various business units before they are then centrally recorded within Group risk management and aggregated at the Group level using the Monte Carlo simulation. Strategic/long-term opportunities and risks are discussed, documented and assessed once a year during workshops organised together with the management of the specific operating company. With respect to the Non-Financial Statement, it should be noted that, 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 Group 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 categorised separately.

With regard to the performance of the materiality assessment, it should be noted that the plants in all of VERBUND's segments vary in size, capacity, transmission, generation and storage capacities, and are located in different regions and, in some cases, in different countries as well. If certain impacts, risks and opportunities are especially related to a particular site, area or segment, this will be appropriately explained in the topic-specific notes.

All assessments and evaluations are performed by individuals who possess expertise, 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, sector-specific standards, 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 pursuant to ISO 14001 has been recording environmental impacts, risks and opportunities that have been incorporated into the materiality assessment.

Assumptions and statements of reasons are included as part of the assessment for each individual impact, opportunity and risk.

The identification of impacts, risks and opportunities as well as the assessment of sustainability-related materiality always takes place on the basis of a dialogue with the affected stakeholders:

- Internal stakeholders/specialists from various VERBUND subsidiaries and departments participate in expert workshops organised to determine and assess impacts, risks and opportunities. Care is also taken here to ensure to include experts who are in direct contact with stakeholders.
- Consultation of external stakeholders/representatives of stakeholders relevant to VERBUND who take part in focus group workshops (in the format of a Mini World Café) to discuss current conflict areas related to ESG. VERBUND topics are discussed and material topics validated. The aim is to conduct a frank exchange at the highest technical level aimed at reaching conclusions regarding material impacts, risks and opportunities through contributions or feedback relayed to VERBUND. The dialogue affirmed the material topics identified by VERBUND and no additional topics were identified.

The assessments made, including the relevant documentation, are validated and confirmed by the experts/business unit heads involved in the decision-making process, as well as the departments themselves. To this end, the evaluated results are once again sent in their entirety to the internal experts for their approval or comments. The feedback received is then incorporated and documented. The final evaluations and material topics are communicated in their entirety to the Executive Board members responsible for the relevant business area. VERBUND accordingly discloses information covered by ESRS regarding environmental, social and governance matters if the relevant topics or data points were found to be material. An internal control procedure ensures that the material topics are included in the Non-Financial Statement.

The potential and actual negative impacts as well as the identified risks are monitored Group-wide as part of the ESG due diligence process. Risk and opportunities are also incorporated into risk management processes.

The materiality assessment was carried out in accordance with ESRS for the first time in 2023. Accordingly, there are significant changes compared with the materiality assessment previously performed on the basis of the GRI standards. These changes particularly concern the methodology and level of detail for the assessed impacts, risks and opportunities. The next review of the materiality assessment will take place in 2025. Reviews are to be conducted on an ad hoc basis whenever changes to the context become known.

The topic-specific requirements of IRO-1 on the E1, E2, E3, E4, E5 and G1 standards are discussed below.

With the environmental management systems (EMS) in place at VERBUND subsidiaries, the context analysis covers, among other things, the actual and potential impacts of business activities in relation to all environmental standards (E1–E5). In preparing for the annual ISO 14001 audits of the respective companies, this context analysis is updated or revised in each case and managed as part of the environmental audit. For large-scale projects, such as the construction of new generation and grid facilities, the respective impacts are also analysed and presented as part of environmental impact statements. Impacts, risks and opportunities were summarised and assessed Group-wide as part of the VERBUND materiality assessment. Consultations were held to identify material environmental topics pursuant to ESRS 2. In addition to specific VERBUND stakeholder dialogue formats, affected communities are also consulted, especially in the course of approval processes. Local residents, public initiatives, local communities, and recognised environmental organisations, among others, are party to the environmental impact assessment (EIA) approval processes.

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 mitigation focused on actual and potential impacts, as well as physical and transition risks and opportunities. The climate change sub-topics were all found to be material.

In 2024, VERBUND developed a structured process for assessing physical risks for all sites in line with ESRS E1 standards. 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.

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 value chain was not taken into consideration.

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 General Disclosures SBM-3). Site-specific risk reports were also used for initial assessments in connection with new projects and investments and as guidance 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 physical 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 will be classified as material/not material based on the region.

Acute natural hazards

	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	-	-	-
Tornadoes	x	x	x	x	x	x
Lightning strikes	-	x	x	-	-	-
River flooding	x	x	x	x	x	x
Flash flooding	x	x	x	x	x	x
Forest fires	x	x	x	x	x	x
Landslides	x	x	x	x	x	x

Chronic natural hazards

	Hydro	Wind	Photovoltaic	Battery	Administration buildings	Thermal generation
Precipitation stress	-	-	-	-	-	x
River inundation	-	-	-	-	-	-
Heat stress	-	-	x	-	x	-
Fire weather stress	-	-	-	-	-	-
Precipitation stress	x	-	-	-	-	-
Drought stress	-	-	-	-	-	-
Permafrost	x	-	-	-	-	-
Fluctuating wind patterns	-	x	-	-	-	-

- Hydro: includes floods, landslides and extratropical storms that could impact VERBUND plants, for example.
- New renewables: includes wind and photovoltaic. The following hazards are material for current VERBUND sites: floods, tornadoes and river flooding.
- Thermal generation: the Mellach site may be affected, in particular, by the acute risks of flooding (due to the moderate to high risk of river flooding) and hail.
- Grid: Gas Connect Austria classifies compressor stations as particularly relevant, however the physically acute risks of storms, tornadoes, wildfire, floods, hail and lightning damage will increase primarily from 2050 onwards. The 380 kV lines, 220 kV lines, and substations are highly relevant to Austrian Power Grid AG. Storms and avalanches pose the highest risk in mountainous areas whereas floods pose the highest risk in lowlands.

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. Alongside the physical climate risks, transition opportunities and risks within VERBUND's own operations are also considered, including the following:

- changing market demand for renewable energy and hydrogen;
- quantity risks relating to hydropower;
- risks arising from changes in regulatory and political frameworks;
- reputational gains through ambitious climate targets;
- new possibilities for decarbonisation through new technologies (e.g. hydrogen); and
- positive and negative trends in electricity prices, which may impact investment decisions.

Details on identifying and incorporating 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.

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 listed in the "Own operations" area in relation to VERBUND's thermal power plants and the gas compressors of Gas Connect Austria GmbH's gas grid was found to be material. "Airborne emissions" refer to the CO and NOx emissions resulting from the combustion of natural gas. The combustion of natural gas in the mentioned plants may have potential impacts on humans, animals, plants, organisms and food resources, as these could be affected by emissions into the atmosphere.

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)

An analysis of actual and potential impacts as well as risks and opportunities associated with **water and** marine resources shows the importance of the geographic location of VERBUND sites on the one hand, and the type of plants and use of water on the other.

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 plants is relevant in this context. The only operating site for VERBUND thermal power plants is located in Mellach/Styria in the Mur catchment area. 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 it does not use any corresponding resources. In the future, the withdrawal and consumption of water for electrolysis facilities for the production of green hydrogen may become relevant. Financial risks could arise from changes in regulatory frameworks. These include, for example, stricter regulations, restrictions or changes to water usage rights. This could affect output and the value of plants.

Disclosure requirements related to ESRS 2 IRO-1 – Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities (E4)

The topics relating to biodiversity and ecosystems deemed material to VERBUND include climate change, changes to land use and freshwater use, direct exploitation, impacts on the condition of species and the extent and condition of ecosystems, as well as impacts and dependencies on ecosystem services. The Group-wide assessment of risks and opportunities in relation to biodiversity and ecosystems also considered physical and transition risks and opportunities. 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, including local licensed fishers and hunters, farmers and foresters as well as nature conservation groups, and a close cooperation has been established with them in many regions. In addition, knowledge from local associations, organisations or 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. For example, in November 2024, Kaprun

hosted the Energy Dialogue, an informational event for the region's citizens on the "Kaprun 2029" projects and the Schaufelberg pumped storage power plant, where the topic of ecology was also addressed in connection with these projects. Another example is a wind project under development in 2024, for which the VERBUND team hosted an extensive publicity campaign featuring regular informational events for the local community. Project bulletins containing the latest project news were also distributed to households in the region. 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 encourage 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 electricity generation and energy transmission plants can sometimes have negative impacts on individual habitats, fauna or flora 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.

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)

VERBUND has reviewed its segments, including all of its subsidiaries, and has identified and assessed actual as well as potential impacts, dependencies, risks and opportunities in connection with resource use and circular economy at its sites and along the value chain, and adopted the LEAP method (localisation, evaluation, analysis and planning) in doing so. As part of the double materiality assessment, all topics under consideration were reviewed for potential impacts of a physical and financial nature. Aspects assessed 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. There were no financially material risk drivers identified that could be influenced positively or negatively, directly or indirectly, by resource use and circular economy. Resource inflows are particularly relevant in the value chain in connection with the cost of materials for projects in relation to power plant modernisation and new power plant construction. As further investments in modernisation and new power plant construction are planned, an increase is expected over the short, medium and long term. An additional, less significant material flow arises from the purchase of office equipment products, which is expected to remain constant. Waste is generated mainly at the end of the useful life of products and plant components, such as hydropower plants, wind turbines, batteries and photovoltaic modules. Since many of the photovoltaic, wind power, and battery storage plants currently in use have only been put into operation in recent years, the relevant waste streams are not expected to become relevant in the short or medium term. 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 significant reductions in waste generation. 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. Such products are only provided if the respective project partners have decided to assume possession of them. Furthermore, minimal existing resource outflows, such as by-products from thermal generation at the Mellach site (mainly in the form of lime sludge), are additionally used in the cement industry.

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 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.

Disclosure Requirement IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

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List of datapoints in cross-cutting and topical standards that are derived from other EU legislation (ESRS 2 Appendix B)

Appendix B is an integral part of ESRS 2. The page references at the level of the disclosure requirement headings can be found in the ESRS content index on the previous pages.

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ESRS 2 GOV-1 Boards' gender diversity, paragraph 21(d)	Indicator number 13 Table #1 Annex 1		Commission Delegated Regulation (EU) 2020/1816[5], Annex II	
ESRS 2 GOV-1 Percentage of independent board members, paragraph 21(e)			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-4 Statement on the due diligence process, paragraph 30	Indicator number 10 Table #3 Annex 1			
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40(d) i	Indicator number 4 Table #1 Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453[6], Table 1: Qualitative Information on Environmental Risk, and Table 2: Qualitative Information on Social Risk	Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40(d) ii	Indicator number 9 Table #2 Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40(d) iii	Indicator number 14 in Annex 1, table 1		Delegated Regulation (EU) 2020/1818[7], Article 12(1) Commission Delegated Regulation (EU) 2020/1816, Annex II	

Disclosure Requirement and related datapoint	(1) SFDR reference[1]	(2) Pillar 3 reference[2]	(3) Benchmark Regulation reference[3]	(4) EU Climate Law reference[4]
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40(d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14				Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-1 Undertakings excluded from Paris-aligned benchmarks, paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2	
ESRS E1-4 GHG emission reduction targets, paragraph 34	Indicator number 4 in Annex 1, table 2	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6	
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	Indicator number 5 Table #1 Annex 1 and Indicator number 5 Table #2 of Annex 1			
ESRS E1-5 Energy consumption and mix, paragraph 37	Indicator number 5 Table #1 Annex 1			

Disclosure Requirement and related datapoint	(1) SFDR reference[1]	(2) Pillar 3 reference[2]	(3) Benchmark Regulation reference[3]	(4) EU Climate Law reference[4]
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Indicator number 6 Table #1 Annex 1			
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	Indicators number 1 and 2 Table #1 Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	
ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55	Indicator number 3 Table #1 Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)	
ESRS E1-7 GHG removals and carbon credits, paragraph 56				Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66			Commission Delegated Regulation (EU) 2020/1818, Annex II Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66(a)		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453,		

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ESRS E1-9 Location of significant assets at material physical risk, paragraph 66(c).		paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.		
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67(c).		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; Template 2:Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral		
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69			Commission Delegated Regulation (EU) 2020/1818, Annex II	
ESRS E2-4 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, paragraph 28	Indicator number 8 Table #1 Annex 1 Indicator number 2 Table #2 Annex 1 Indicator number 1 Table #2 Annex 1 Indicator number 3 Table #2 Annex 1			
ESRS E3-1 Water and marine resources, paragraph 9	Indicator number 7 Table #1 Annex 2			
ESRS E3-1 Dedicated policy, paragraph 13	Indicator number 8 Table #2 Annex 1			
ESRS E3-1 Sustainable oceans and seas, paragraph 14	Indicator number 12 Table #2 Annex 1			

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ESRS E3-4 Total water recycled and reused, paragraph 28(c)	Indicator number 6.2 Table #2 Annex 1			
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations, paragraph 29	Indicator number 6.1 Table #1 Annex 2			
ESRS 2 SBM-3 E4, paragraph 16(a) i	Indicator number 7 Table #1 Annex 1			
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ESRS E4-2 Sustainable land/agriculture practices or policies, paragraph 24(b)	Indicator number 11 Table #2 Annex 1			
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ESRS 2- SBM3 – S1 Risk of incidents of child labour, paragraph 14(g)	Indicator number 12 Table #3 of Annex I			
ESRS S1-1 Human rights policy	Indicator number 9 Table #3 Annex 1 and Indicator			

Disclosure Requirement and related datapoint	(1) SFDR reference[1]	(2) Pillar 3 reference[2]	(3) Benchmark Regulation reference[3]	(4) EU Climate Law reference[4]
commitments, paragraph 20	number 11 Table #1 Annex I			
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 21			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	Indicator number 11 Table #3 Annex I			
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	Indicator number 1 Table #3 Annex I			
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32 (c)	Indicator number 5 Table #3 Annex I			
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88(b) and (c)	Indicator number 2 Table #3 Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88(e)	Indicator number 3 Table #3 Annex I			
ESRS S1-16 Unadjusted gender pay gap, paragraph 97(a)	Indicator number 12 Table #1 Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-16 Excessive CEO pay ratio, paragraph 97(b)	Indicator number 8 Table #3 of Annex I			
ESRS S1-17 Incidents of discrimination, paragraph 103(a)	Indicator number 7 Table #3 of Annex I			

Disclosure Requirement and related datapoint	(1) SFDR reference[1]	(2) Pillar 3 reference[2]	(3) Benchmark Regulation reference[3]	(4) EU Climate Law reference[4]
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD, paragraph 104(a)	Indicator number 10 Table #1 Annex 1 and Indicator number 14 Table #3 Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II Commission Delegated Regulation (EU) 2020/1818, Article 12(1)	
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain, paragraph 11(b)	Indicators number 12 and 13 Table #3 Annex I			
ESRS S2-1 Human rights policy commitments, paragraph 17	Indicator number 9 Table #3 Annex 1 and Indicator number 11 Table #1 of Annex 1			
ESRS S2-1 Policies related to value chain workers, paragraph 18	Indicators number 11 and 4 Table #3 Annex 1			
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19	Indicator number 10 Table #1 Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II Commission Delegated Regulation (EU) 2020/1818, Article 12(1)	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 19			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	Indicator number 14 Table #3 Annex 1			

Disclosure Requirement and related datapoint	(1) SFDR reference[1]	(2) Pillar 3 reference[2]	(3) Benchmark Regulation reference[3]	(4) EU Climate Law reference[4]
ESRS S3-1 Human rights policy commitments, paragraph 16	Indicator number 9 Table #3 Annex 1 and Indicator number 11 Table #1 of Annex 1			
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights principles, ILO principles or OECD guidelines, paragraph 17	Indicator number 10 Table #1 Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II Commission Delegated Regulation (EU) 2020/1818, Article 12(1)	
ESRS S3-4 Human rights issues and incidents, paragraph 36	Indicator number 14 Table #3 Annex 1			
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	Indicator number 9 Table #3 Annex 1 and Indicator number 11 Table #1 of Annex 1			
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 17	Indicator number 10 Table #1 Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II Commission Delegated Regulation (EU) 2020/1818, Article 12(1)	
ESRS S4-4 Human rights issues and incidents, paragraph 35	Indicator number 14 Table #3 Annex 1			
ESRS G1-1 United Nations Convention against Corruption, paragraph 10(b)	Indicator number 15 Table #3 Annex 1			
ESRS G1-1 Protection of whistleblowers, paragraph 10(d)	Indicator number 6 Table #3 Annex 1			
ESRS G1-4 Fines for violation of anti-corruption and	Indicator number 17 Table #3 Annex 1		Commission Delegated Regulation	

Disclosure Requirement and related datapoint	(1) SFDR reference[1]	(2) Pillar 3 reference[2]	(3) Benchmark Regulation reference[3]	(4) EU Climate Law reference[4]
anti-bribery laws, paragraph 24(a)			(EU) 2020/1816, Annex II	
ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24(b)	Indicator number 16 Table #3 Annex 1			

[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 (Sustainable Finance Disclosures Regulation) (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).
[5] Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3 December 2020, p. 1)
[6] Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324, 19 December 2022, p. 1).
[7] Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3 December 2020, p. 17).

The materiality assessment is the starting point for the Non-Financial Statement under ESRS. VERBUND discloses information on environmental, social and governance issues covered by ESRS only if the topics or data points in question have been found to be material. If a relevant topic is not material, a brief explanation of the conclusions reached by the materiality assessment for the topic in question are documented internally. The EFRAG datapoint list serves as a checklist and documentation template for this purpose, to demonstrate which points are deemed to be material and why there is no disclosure provided for certain datapoints. Data points for ESRS E1 Climate change (IRO-2 ESRS 2) are always disclosed.

Minimum Disclosure Requirement – Policies MDR-P – Policies adopted to manage material sustainability matters

Sustainability matters are managed on the basis of national and EU regulations, which VERBUND implements and adheres to. VERBUND uses these regulations to define Group-specific policies. Information on policies concerning material sustainability matters is reported, where applicable and available, in the relevant topic-specific standards. A brief overview of the policy content, the impacts, risks or opportunities to which the policy relates, as well as a description of its scope and responsibilities is provided.

In general, the term "policy" at VERBUND covers business conduct, including corporate objectives, principles of conduct, basic concepts of corporate management (organisational form, management concepts, planning and control system), corporate principles for specific areas and strategic objectives (the VERBUND occupational health and safety mission statement), as well as strategic focus areas and objectives to which employees, customers and all other stakeholders can align themselves.

At VERBUND, policies may form part of the internal regulatory system, which primarily consists of three levels:

- Executive orders are applicable across the entire Group and are enacted by the Executive Board. They contain rules that govern aspects such as the Group's organisational structure, the responsibilities of the organisational units, the hierarchical allocation of powers, the organisational framework for project and crisis management, signatory authorisation and so on.
- Guidelines are prepared by the organisational unit responsible for the matter at hand and adopted either by the respective member of the Group Executive Board responsible for the subject matter as a guideline applicable to the entire Group or by the management of a Group company for the company in question.
- Standard operating procedures are enacted by the head of an organisational unit for that specific area or for a precisely defined scope of application.

Minimum Disclosure Requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters

Information on actions is reported, where applicable and available, in the relevant topic-specific standards. An overview of the most important actions initiated during the reporting year and information on the scope and time frames for implementing the actions are provided.

Metrics and targets

Minimum Disclosure Requirement – Metrics MDR-M – Metrics in relation to material sustainability matters

Information on metrics is reported, where applicable and available, in the relevant topic-specific standards. These may involve mandatory metrics according to ESRS as well as entity-specific metrics. The metrics are clearly identified and the underlying assumptions and methodologies are set out.

The Integrated Annual Report 2024 presents key metrics for financial year 2024 in the first year of ESRS reporting. Where available, comparative figures for the previous year 2023 are also reported on a voluntary basis.

Minimum Disclosure Requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets

Information on targets is reported, where applicable and available, in the respective topic-specific standards. The aim is to measure the effectiveness of the adopted actions and to indicate the period over which the target is to be achieved.

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

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 that have now been published on all six environmental objectives (Commission Delegated Regulations (EU) 2021/2139, 2022/1214, 2023/2485, 2023/2486). Although the European Commission has now published corresponding announcements on the interpretation and implementation of certain legislation (cf. C/2023/267 and C/2023/305), which are included in the internal evaluation process, it should be noted that the wording and terminology in the delegated acts are still subject to interpretation uncertainties. The legal conformity of the disclosures is therefore fraught with uncertainty, so subsequent adjustments to the assessments made may be necessary.

In a first step, VERBUND identified the activities listed in the regulation that are classified as generally eligible for taxonomy alignment. Taxonomy-eligible means that an economic activity is described in one of the Commission Delegated Regulations (2021/2139, 2022/1214, 2023/2485, 2023/2486).

Due to the inclusion of potential new activities, taxonomy-eligible economic activities were reassessed in 2024. No new activities were added compared to the previous 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 implemented by Gas Connect Austria GmbH for the integration of 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 power plant operated by 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 systems owned by customers

In principle, some of the activities mentioned are taxonomy-eligible for a number of environmental objectives, i.e. they are described in several sections and/or can be assigned to several environmental objectives. For VERBUND, the focus is on combating climate change by way of the energy transition, which is why all of the Group's activities 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

The procedure for determining the taxonomy alignment of identified taxonomy-eligible activities and for the documentation and generation of the relevant data comprises several steps at VERBUND. An economic activity can only be reported as taxonomy-aligned if it makes a significant contribution to at least one of the six EU environmental objectives:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control; and
- protection and restoration of biodiversity and ecosystems

do no significant harm to any of the other environmental objectives, are carried out in compliance with the defined minimum safeguards and comply with technical screening criteria. Only if all criteria are met in full can an activity be reported as taxonomy-aligned.

To determine compliance, workshops were held with the affected subsidiaries, involving climate experts, controllers, risk managers and technical specialists as well as environmental and sustainability experts. These experts reviewed the previously identified taxonomy-eligible economic activities based on the applicable technical screening criteria, before documenting the results transparently and comprehensibly. The documentation was prepared using standardised evaluation forms and checklists for all relevant VERBUND plants and sites. 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 economic activities. Climate risk and vulnerability assessments were conducted for new plants during the reporting period. The assessment of the defined minimum safeguards was conducted at higher Group level, and is described below.

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 and CapEx) is organised by the Controlling department in consultation with the relevant subsidiaries.

Climate risk and vulnerability assessments

The assessment of climate risk and vulnerability is a process for identifying and evaluating climate risks. The identified risks are 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).

In order to avoid significant harm with respect to the environmental objective "climate change adaptation" (DNSH 2), 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 hazards 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. As part of an ongoing process, climate risks are identified and assessed annually and adaptation actions are developed with the involvement of different subsidiaries, departments and experts. In financial year 2024, selected typical plants were subjected to a climate risk analysis. These formed part of the new renewables and hydropower segments. No new climate risks were identified. In addition to ensuring that legal obligations are met, carrying out climate risk and vulnerability assessments adds the following value for VERBUND:

- Establishment of an ongoing process in line with the PDCA (Plan, Do, Check, Act) cycle
- Promotion of awareness and understanding of climate-related risks on various levels at VERBUND
- Resilience and adaptation planning of VERBUND with respect to different climate scenarios.

Minimum social safeguards

VERBUND has introduced effective processes to ensure adherence to the minimum social standards laid out in Article 18 of the EU Taxonomy Regulation in the relevant Group divisions. VERBUND is guided in particular by the requirements of the OECD Due Diligence Guidance for Responsible Business Conduct. VERBUND's Code of Conduct for Sustainable Business 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 in their dealings with colleagues, customers, suppliers, local residents and all other stakeholders. The policy on respecting human rights was revised in 2024 and adapted to the current requirements of the CSRD. 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 the due diligence, see the ESRS 2 GOV-4 section.

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)

For information on the investment plan please refer to the Outlook section

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, IAS 41 Biological Assets, 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 2024 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 the acquisition of photovoltaics projects in Italy. Further details can be found in the 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 (2025–2027).

VERBUND is planning to invest around €6.4bn in taxonomy-aligned economic activities in 2025–2027. 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 photovoltaic 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.

Compared with the CapEx plan for 2024, the CapEx metric in the actual calendar year 2024 fell by around 25%. The economic activity of electricity generation using solar photovoltaic technology underwent a decline of 23%. This is mainly due to the delays in the solar photovoltaic project at the site in Spain. There were also delays to battery storage projects in Germany. However, this was balanced out by acquisitions of wind projects in Austria and Germany (the economic activity of electricity generation from wind power).

For further information on green finance please refer to the Financing section

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 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 Article 8 of the EU Taxonomy Regulation (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 92.5% for the CapEx KPI and 80.8% for the OpEx KPI, the proportion for revenue is significantly lower at 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 Hydro segment, followed by the economic activity of "transmission and distribution of electricity". Capital expenditure relates to both growth CapEx and maintenance CapEx. The largest proportion of taxonomy-aligned OpEx likewise comes from the Hydro segment, followed by the Grid segment.

The revenue KPI showed the greatest change. In absolute terms, the key performance indicator fell by around €2.2bn year-on-year. mainly due to the substantial decline in the relevant futures market prices in the wholesale market for electricity. This primarily affects the hydro segment ("electricity generation from hydropower" and "storage of electricity"), and the grid segment (economic activity "transmission and distribution of electricity").

There was also a significant decline in the CapEx KPI. In absolute terms, the key performance indicator fell by around €300m year-on-year. This primarily relates to the New renewables segment ("electricity generation using solar photovoltaic technology") as there were major company acquisitions in 2023 (acquisition of wind farms in Spain), which are included in this KPI. The remaining economic activities were largely at the previous year's level.

OpEx registered a slight year-on-year decline of 5%. The Hydro segment ("generation of electricity from hydropower" and "storage of electricity") posted a slight decline, which is attributable to a reduction in maintenance work.

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 year 2024

2024		2024		Substantial contribution criteria						
Economic activities (1) Text	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/**CCA 4.1	57.6	0.7%	Y	EL	N	N	N	N	
Electricity generation from wind power	**CCM 4.3/**CCA 4.3	260.5	3.2%	Y	EL	N	N	N	N	
Electricity generation from hydropower	**CCM 4.5/**CCA 4.5	2,471.7	30.0%	Y	EL	N	N	N	N	
Transmission and distribution of electricity	**CCM 4.9/**CCA 4.9	1,168.7	14.2%	Y	EL	N	N	N	N	
Storage of electricity	**CCM 4.10/** CCA 4.10	617.2	7.5%	Y	EL	N	N	N	N	
Transmission and distribution networks for renewable and low-carbon gases	**CCM 4.14/**CCA4.14	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/**CCA 7.4	2.0	0.0%	Y	EL	N	N	N	N	
Installation, maintenance and repair of renewable energy technologies	**CCM 7.6/**CCA 7.6	4.7	0.1%	Y	EL	N	N	N	N	
Revenue from environmentally sustainable activities (taxonomy-aligned) (A.1)		4,582.4	55.6%	100%	0%	0%	0%	0%	0%	
of which enabling activities		1,785.9	21.7%	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/** CCA 4.14	163.8	2.0%	EL	EL	N	N	N	N	
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	**CCM 4.30/** CCA 4.30	350.4	4.3%	EL	EL	N	N	N	N	
Transport by motorbikes, passenger cars and light commercial vehicles	**CCM 6.5**/CCA 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)		514.2	6.2%	100%	0%	0%	0%	0%	0%	
A. Revenue of taxonomy-eligible activities (A.1 + A.2)		5,096.6	61.8%	100%	0%	0%	0%	0%	0%	
B. Taxonomy-non-eligible activities										
Revenue of taxonomy-non-eligible activities (B)		3,148.0	38.2%							
Total (A + B)		8,244.6	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 %	Category enabling activity (19) E	Category transitional activity (20) T
	Y	Y	Y	Y	Y	Y	Y	0.6%		
	Y	Y	Y	Y	Y	Y	Y	2.8%		
	Y	Y	Y	Y	Y	Y	Y	27.3%		
	Y	Y	Y	Y	Y	Y	Y	18.9%	E	
	Y	Y	Y	Y	Y	Y	Y	10.1%	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	59.9%		
	Y	Y	Y	Y	Y	Y	Y	29.0%	E	
	Y	Y	Y	Y	Y	Y	Y	0.0%		T
								2.5%		
								3.8%		
								0.0%		
								6.3%		
								66.2%		

Taxonomy disclosures

Proportion of CapEx from products or services associated with taxonomy-aligned economic activities — disclosure covering year 2024

Financial year 2024		2024		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**/CCA 4.1	102.3	8.1%	Y	EL	N	N	N	N
Electricity generation from wind power	**CCM 4.3**/CCA 4.3	154.4	12.2%	Y	EL	N	N	N	N
Electricity generation from hydropower	**CCM 4.5**/CCA 4.5	210.3	16.6%	Y	EL	N	N	N	N
Transmission and distribution of electricity	**CCM 4.9**/CCA 4.9	448.4	35.3%	Y	EL	N	N	N	N
Storage of electricity	**CCM 4.10**/CCA 4.10	253.6	20.0%	Y	EL	N	N	N	N
Transmission and distribution networks for renewable and low-carbon gases	**CCM 4.14**/CCA 4.14	4.5	0.4%	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**/CCA 7.4	1.2	0.1%	Y	EL	N	N	N	N
Installation, maintenance and repair of renewable energy technologies	**CCM 7.6**/CCA 7.6	0.0	0.0%	Y	EL	N	N	N	N
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		1,174.8	92.5%	100%	0%	0%	0%	0%	0%
of which enabling activities		702.1	55.3%	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**/CCA 4.14	32.7	2.6%	EL	EL	N	N	N	N
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	**CCM 4.30**/CCA 4.30	2.7	0.2%	EL	EL	N	N	N	N
Transport by motorbikes, passenger cars and light commercial vehicles	**CCM 6.5**/CCA 6.5	3.3	0.3%	EL	EL	N	N	N	N
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		38.8	3.1%	100%	0.0%	0.0%	0.0%	0.0%	0.0%
A. CapEx of taxonomy-eligible activities (A.1 + A.2)		1,213.6	95.6%	100%	0.0%	0.0%	0.0%	0.0%	0.0%
B. Taxonomy-non-eligible activities		56.1	4.4%						
CapEx of taxonomy-non-eligible activities (B)									
Total (A + B)		1,269.7	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	Share 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	5.2%		
	Y	Y	Y	Y	Y	Y	Y	32.8%		
	Y	Y	Y	Y	Y	Y	Y	10.8%		
	Y	Y	Y	Y	Y	Y	Y	30.5%	E	
	Y	Y	Y	Y	Y	Y	Y	13.1%	E	
	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	0.7%		
	Y	Y	Y	Y	Y	Y	Y	93.1%		
	Y	Y	Y	Y	Y	Y	Y	43.5%	E	
	Y	Y	Y	Y	Y	Y	Y	0.0%		T
								1.9%		
								0.2%		
								0.2%		
								2.3%		
								95.3%		

Taxonomy disclosures

Proportion of OPEX from products or services associated with taxonomy-aligned economic activities — disclosure covering year 2024

Financial year 2024		2024		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**/CCA 4.1	13.8	5.1%	Y	EL	N	N	N	N	
Electricity generation from wind power	**CCM 4.3**/CCA 4.3	8.4	3.1%	Y	EL	N	N	N	N	
Electricity generation from hydropower	**CCM 4.5**/CCA 4.5	107.1	39.4%	Y	EL	N	N	N	N	
Transmission and distribution of electricity	**CCM 4.9**/CCA 4.9	52.1	19.1%	Y	EL	N	N	N	N	
Storage of electricity	**CCM 4.10**/CCA 4.10	35.9	13.2%	Y	EL	N	N	N	N	
Transmission and distribution networks for renewable and low-carbon gases	**CCM 4.14**/CCA 4.14	1.3	0.5%	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**/CCA 7.4	1.4	0.5%	Y	EL	N	N	N	N	
Installation, maintenance and repair of renewable energy technologies	**CCM 7.6**/CCA 7.6	0.0	0.0%	Y	EL	N	N	N	N	
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		219.8	80.8%	100%	0%	0%	0%	0%	0%	
of which enabling activities		88.0	32.3%	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**/CCA 4.14	21.4	7.9%	EL	EL	N	N	N	N	
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	**CCM 4.30**/CCA 4.30	11.2	4.1%	EL	EL	N	N	N	N	
Transport by motorbikes, passenger cars and light commercial vehicles	**CCM 6.5**/CCA 6.5	0.0	0.0%	EL	EL	N	N	N	N	
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		32.6	12.0%	100%	0.0%	0.0%	0.0%	0.0%	0.0%	
A. OpEx of taxonomy-eligible activities (A.1 + A.2)		252.5	92.8%	100%	0.0%	0.0%	0.0%	0.0%	0.0%	
B. Taxonomy-non-eligible activities										
OpEx of taxonomy-non-eligible activities		19.6	7.2%							
Total (A + B)		272.0	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	1.3%		
	Y	Y	Y	Y	Y	Y	Y	2.1%		
	Y	Y	Y	Y	Y	Y	Y	54.5%		
	Y	Y	Y	Y	Y	Y	Y	16.1%	E	
	Y	Y	Y	Y	Y	Y	Y	11.2%	E	
	Y	Y	Y	Y	Y	Y	Y	0.6%		
	Y	Y	Y	Y	Y	Y	Y	0.2%		
	Y	Y	Y	Y	Y	Y	Y	0.0%		
	Y	Y	Y	Y	Y	Y	Y	86.0%		
	Y	Y	Y	Y	Y	Y	Y	27.3%	E	
	Y	Y	Y	Y	Y	Y	Y	0.0%		T
								7.7%		
								5.8%		
								0.1%		
								13.6%		
								99.6%		

Scope of taxonomy eligibility and alignment per environmental objective – disclosure covering the year 2024

Proportion of revenue/Total revenue

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM (Climate Change Mitigation)	55.6%	61.8%
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)	92.5%	95.6%
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)	80.8%	92.8%
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**	4,582.4	55.6%	4,582.4	55.6%	0	0.0%
8.	Total applicable KPI	8,244.6	100.0%	8,244.6	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**	1,174.8	92.5%	1,174.8	92.5%	0	0.0%
8.	Total applicable KPI	1,269.7	100.0%	1,269.7	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**	219.8	80.8%	219.8	80.8%	0	0.0%
8.	Total applicable KPI	272.0	100.0%	272.0	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	4,582.4	55.6%	4,582.4	55.6%	0	0.0%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	4,582.4	55.6%	4,582.4	55.6%	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	1,174.8	92.5%	1,174.8	92.5%	0	0.0%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	1,174.8	92.5%	1,174.8	92.5%	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	219.8	80.8%	219.8	80.8%	0	0.0%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	219.8	80.8%	219.8	80.8%	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	350.4	4.3%	350.4	4.3%	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	163.8	2.0%	163.8	2.0%	0	0.0%
8.	Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	514.2	6.2%	514.2	6.2%	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	2.7	0.2%	2.7	0.2%	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	36.1	2.9%	36.1	2.9%	0	0.0%
8.	Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	38.8	3.1%	38.8	3.1%	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	11.2	4.1%	11.2	4.1%	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	21.4	7.9%	21.4	7.9%	0	0.0%
8.	Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	32.6	12.0%	32.6	12.0%	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	3,148.0	38.2%

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	56.1	4.4%

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	19.6	7.2%

Environment

VERBUND respects the right of present and future generations to an intact and habitable world. For this reason, VERBUND is working to prevent or reduce negative environmental impacts of its entrepreneurial activities, plants, products and services. VERBUND therefore contributes to achieving national and international environmental and climate targets and supports the United Nations' Sustainable Development Goals.

VERBUND's overarching voluntarily-defined environmental principles are enshrined in its publicly available environmental mission statement. The principles listed here are applicable as the basis for all material environmental topics identified from ESRS E1 to ESRS E5 in accordance with the materiality assessment. In addition, with its Code of Conduct and Supplier Code of Conduct (SCoC), VERBUND requires its employees, suppliers and partners to uphold environmentally friendly practices, and it encourages the same from its customers. The Code of Conduct therefore encompasses policies related to the environmental topics of climate change, biodiversity and resource use.

At Group level, a dedicated environmental guideline fosters a standardised framework for coordinating, implementing and improving environmental agendas within the VERBUND Group. It accordingly defines the principles and organisation of environmental agendas as well as the roles, responsibilities and tasks of the individuals involved in environmental matters. This ensures the integration of environmentally relevant rules and regulations, structures and processes into the existing organisational structure at all operational levels and the exchange of information regarding topics relevant to the environment. VERBUND's two independent grid subsidiaries, Austrian Power Grid AG and Gas Connect Austria GmbH are not subject to the internal rules and regulations due to the unbundling regulations. Both independent companies implement environmental principles through their externally certified environmental management system.

The general organisation of responsibilities is described in ESRS 2 GOV-1. The Corporate Responsibility Committee (CRC) has also been established to address environmental matters. This Group-level committee, comprising the executive management of all subsidiaries and the divisional heads of the VERBUND holding company, is chaired by the Executive Board member responsible for environmental issues, and is concerned with relevant environmental topics. The Group Executive Board approves both the environmental mission statement, the Code of Conduct for sustainable corporate governance and Group-wide strategic environmental goals. The executive management of VERBUND subsidiaries is responsible for the operational implementation of external and internal environmental regulations, the Group's environmental policy (the environmental mission statement) and the strategic environmental objectives as well as the environmental agendas for the respective company.

The aforementioned implementation and externally certification of environmental management systems in accordance with ISO 14001 or the EMAS Regulation ensures that all mandatory commitments are met, environmental impacts documented, environmental data externally verified and targets and actions adopted to improve environmental performance at the companies. When planning, making decisions and taking action, VERBUND always takes the associated environmental impacts into account. Information on stakeholder engagement can be found in ESRS 2 IRO-1.

ESRS E1 Climate change

Climate change is an issue of great importance for VERBUND. VERBUND is therefore working on sustainable, diversified solutions for the future of energy in all its business areas. The focus on electricity generation from renewable energy together with the consumption and distribution of renewable energy is a crucial factor in both reducing and avoiding greenhouse gas emissions. The Group's strategic orientation takes into account requirements such as the European Emissions Trading System (EU ETS) and international climate change treaties. Moreover, it also accounts for the public's heightened awareness of climate change.

VERBUND generates the majority of its electricity from renewable hydropower, wind power and solar power, and uses energy efficiently. In doing so, VERBUND avoids GHG emissions in its generation portfolio and contributes to achieving climate targets at the national and international level, alongside those of its customers and partners.

By phasing out electricity and district heat generation from crude oil, hard coal and lignite, VERBUND has already made a significant contribution to decarbonisation. VERBUND also addresses climate change and its consequences. The scientific assessment of climate-related natural hazards and their impacts on VERBUND power plants means that actions can be adopted in good time. VERBUND's goal is to continue to ensure safe power generation from renewable sources in Austria going forward. Climate change mitigation and climate adaptation are therefore important factors in achieving a sustainable and secure energy future.

VERBUND focuses on actively shaping the energy system of the future. VERBUND promotes innovation as well as the development and use of new and environmentally friendly technologies and energy sources to meet challenges such as climate change and its ramifications. By engaging in climate change mitigation and adaptation VERBUND is setting the course for a sustainable and secure energy future.

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.

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.

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.

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. The progress made to date in the implementation of the transition plan is described in E1-6.

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. VERBUND is not exempt from the EU Paris-aligned benchmarks.

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 consumers. 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 protection actions are listed under Disclosure Requirement E1-3 and E1-4.

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 Commission Delegated Regulation (EU) 2021/2178.

Potentially tied-in GHG emissions (or "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.

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 case of a crisis. 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.

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.

VERBUND's greenhouse gas and energy-intensive plants and products are factored into the Climate Transition Plan and the related plans are explained here.

No CapEx amounts related to economic activities in connection with coal and oil were invested in the reporting year. In 2024, a total of €39.9m was invested in economic activities related to gas, of which €4.5m was taxonomy-aligned and €35.4m was taxonomy-eligible.

The Climate Transition Plan was developed on the basis of the general Group strategy and is consistent with VERBUND's financial planning. Performance tracking is integrated into the annual strategy process. This integrated planning was approved by the VERBUND AG's Group Executive Board, and presented to the Supervisory Board's Strategy and Sustainability Committee.

Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The following material impacts have been identified in relation to VERBUND's business activities: VERBUND is contributing to the decarbonisation of the electricity system through its business model and strategic focus on the expansion of renewable energies. This makes it possible to reduce GHG emissions. On the other hand, VERBUND generates GHG emissions through the use of fossil fuels, thereby exacerbating climate change. Material impacts across the value chains result from procurement of goods, electricity sales and natural gas sales. Indirect GHG emissions are emitted across the upstream and downstream value chain, which exacerbates climate change.

The following financially material risk drivers, which may be influenced positively and/or negatively by factors directly or indirectly related to climate change, have been identified: electricity price trends (depending on carbon prices, the generation energy mix, etc.), CapEx (depending on rising procurement prices, etc.), regulatory framework conditions, extreme weather events, the volatility of the generation volume and necessary technological adaptations.

The impacts, risks and opportunities are taken into account in VERBUND's strategy and business model. The three strategic focus areas of the VERBUND Strategy 2030 and Mission V strategy focus on a sustainable future in which electricity generation from renewable energy sources plays an even greater role. Details on the resilience of the strategy and business model with respect to climate change as well as further disclosures can be found in ESRS 2 IRO-1 and ESRS 2 SBM-3.

Impacts, risks and opportunities management

Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Topic-specific disclosures on processes to identify and assess climate-related material impacts, risks and opportunities can be found in ESRS 2 IRO-1.

Disclosure Requirement E1-2 – Policies related to climate change mitigation and adaptation

The climate crisis is the defining issue of our time. At the same time, Europe is also experiencing an energy crisis. Weaning ourselves off fossil fuels as quickly as possible and safeguarding security of supply are therefore essential.

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. The strategic definitions address the current and potential impacts of decarbonisation and the exacerbation 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. Information 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 published on the VERBUND 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 plants, and embracing green hydrogen and innovative technological solutions.

VERBUND believes in a future powered solely by renewable energy sources. 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 strategy can be found in ESRS 2 SBM-1.

Disclosure Requirement E1-3 – Actions and resources in relation to climate policies

To counter the impacts of climate change, VERBUND is focusing on decarbonisation through the expansion of renewables generation, the supply of renewable energy, 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.

VERBUND deems it important to consider and prepare for future changes. 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) 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 optimally plan future plants. In addition to the increase in heavy rainfall events, entailing a higher risk of flooding, and the change in the seasonality of the precipitation, the project also focuses on the increased probability of storms occurring, flooding, thunderstorms, hail events, mudslides and landslides, which could pose a physical climate change risk to VERBUND's infrastructure. The project further involves a detailed analysis of the affected sites. As in the past, this will provide 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, affecting its operations and planning processes. At international level, in the 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 for a more dynamic integration of climate change impacts into the planning processes of transmission system operators. Austrian Power Grid AG 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 between research institutes to explore and model future scenarios for various 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.

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 ETS emissions amounted to 0.5 million tonnes of CO_2 in 2024. This volume is 87% down on the 2005 figure (3.8 million tonnes of CO_2), the year in which the EU ETS was launched. VERBUND is therefore contributing both to the avoidance and reduction 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 reduce dust and SO_2 emissions to zero, by reducing thermal generation volumes and switching to natural gas as a fuel.

VERBUND consistently refers to the 2020 base year when reporting on future GHG reductions. In the period from 2020 to 2024, the Group achieved a reduction of around 19% in total Scope 1, 2 and 3 emissions, excluding Category 2 (Capital goods). For details, see E1-4.

The following table shows the key decarbonisation levers (> 50 kt CO_2e) and a selection of related actions already implemented, currently in implementation or in planning. The GHG reductions expected as a result of the implementation were estimated relative to the base year of 2020. These refer to actions pending implementation or planned in connection with ongoing business processes, the implementation of which does not require significant additional monetary amounts from CapEx and OpEx. For Scope 3, additional reductions in GHG emissions are anticipated through the creation of a new Supplier Code of Conduct (SCoC) and the testing and implementation of further decarbonisation potential in the supply chain.

Effect in scope/decarbonisation lever	Expected GHG reduction by 2030	Actions	Status
Scope 1 and 3 Switching fuel used in electricity generation from natural gas to green hydrogen by 2035	280 kt	Hotflex – pilot plant for high-temperature electrolysis and fuel cell operation	Implemented
		Participation in pilot test projects for the admixture of hydrogen	Implemented
		Step-by-step preparation for retrofitting the Mellach power plant to hydrogen (H_2)	Planned
		H_2 readiness by 2035	Planned
Scope 1 and 3 Gas network – emissions from gas compressors and methane	56 kt	Increased use of compressor units to avoid methane blow-out quantities	Currently being implemented
		Leak detection and repair (LDAR) programmes for identifying and repairing leaks	Currently being implemented
		Ongoing replacement of compressors powered by natural gas	Planned
		Conversion of the gas network to hydrogen	Planned
Scope 2 Reduction of GHG emissions from grid loss	69 kt 262 kt	Location-based: through expansion of renewables and phase-out of fossil fuel powered electricity generation in Austria	Currently being implemented
		Market-based: procurement of 100% renewable energy guarantees of origin	Planned
Scope 3 Reducing in GHG emissions from the purchase of electricity for industrial customers	4,000 kt	Reduction of natural gas share by 95% by 2030	Planned
		Targeted marketing of green electricity and positioning as a partner for decarbonisation in Austria and Germany	Currently being implemented
		Marketing of additional decarbonisation solutions for industry (photovoltaics, charging infrastructure for e-mobility)	Currently being implemented

Scope 3 Delivery of natural gas to consumers	100 kt	Phasing out natural gas deliveries by 2040	Planned
		Supporting the heat transition by marketing heat pumps and offering further decarbonisation solutions for residential customers and SMEs (photovoltaics, wallboxes and batteries) to gradually convert residential customers and SMEs to low-carbon solutions.	Currently being implemented

Metrics and targets

Disclosure Requirement E1-4 – Targets related to climate change mitigation and adaptation

VERBUND has, for many years, been a European electricity utility that produces a high proportion of its electricity from renewable energy sources. With the phasing out of thermal electricity generation reliant on lignite, hard coal, and heating oil, VERBUND has already succeeded in massively reducing its GHG emissions, thereby minimising the impact of its climate change contribution through direct GHG emissions. VERBUND now operates only one state-of-the-art combined cycle gas 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.

VERBUND's targets related to climate change mitigation and climate change adaptation are based on its strategic defined targets set forth in its corporate strategy. VERBUND seeks to further reduce its contribution to impacting climate change and has set itself ambitious GHG reduction targets in this regard. In the update, 2020 was defined as the base year and the targets were fleshed out. In the period from 2020 to 2024, the Group was able to achieve a reduction of around 19% in total Scope 1, 2, and 3 emissions, excluding Category 2 (Capital goods). 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. The base year was recalculated to ensure that it was representative and covered all activities. For more information, see the paragraph on "significant changes and their impacts on GHG emissions". These targets were approved and published by the Group Executive Board. Information on stakeholder engagement can be found in ESRS 2 IRO-1.

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.

GHG reduction target for 2040: VERBUND is committed to reducing Scope 1, 2, and 3 GHG emissions by 90% by 2040 relative to the base year of 2020, excluding Category 2. 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.

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.

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). Therefore, these targets are not consistent with the boundaries of the GHG inventory.

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.

The expansion of renewable energies 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.

Targets and actions aimed at expanding renewable energies, increasing energy efficiency and achieving the technological and geographical diversification of generation facilities are defined in order to manage further climate-related risks and opportunities.

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%, 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 with green hydrogen, for Scope 2 by purchasing electricity from renewable energy for all energy consumption, and for Scope 3 through further reductions in the supply chain.

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.

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 consumers. 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 consumers 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.

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 2024, VERBUND's specific Scope 1 emissions came to 13 g CO_2e/kWh.

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.

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.

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 energies.

In the future, VERBUND plans to strategically reposition 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.

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 the 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.

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.

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).

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.

Disclosure Requirement E1-5 – Energy consumption and energy mix

VERBUND uses fossil fuels as an energy source. In 2024, 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 perform a further breakdown of the energy consumption from fossil fuels.

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. The disclosures comprise the total energy consumption in MWh within the Group's own operations, and are broken down in the following table.

Energy consumption and mix

	Unit	2023	**2024**
(1) Fuel consumption from coal and coal products	MWh	-	-
(2) Fuel consumption from crude oil and petroleum products	MWh	15,869	16,180
(3) Fuel consumption from natural gas	MWh	1,362,994	2,420,459
(4) Fuel consumption from other fossil sources	MWh	-	-
(5) Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	MWh	416,609	387,273
(6) Total fossil energy consumption (sum of lines 1 to 5)	MWh	1,795,472	2,823,912
(7) Energy consumption from nuclear sources[1]	MWh	204,587	218,691
(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	2,591,160	2,253,231
(10) Consumption of self-generated non-fuel renewable energy	MWh	420,218	495,129
(11) Total renewable energy consumption (sum of lines 8 to 10)	MWh	3,011,378	2,748,360
Total energy consumption (sum of lines 6, 7 and 11)	MWh	5,011,437	**5,790,963**

[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

	Unit	2023	**2024**
Share from fossil sources	%	36	49
Share from nuclear sources	%	4	4
Share from renewable sources	%	60	47

In 2024, 96% of the electricity generated by VERBUND originated from renewable energy generation plants, hydropower, wind power and solar power, and 4% from thermal generation and battery storage.

Electricity generation

	Unit	2023	**2024**
Net total electricity generation	MWh	32,976,571	37,055,594
Electricity generation from non-renewable energy sources (natural gas, batteries)	MWh	709,548	1,343,166
Electricity generation from renewable sources (water[1], wind, sun)	MWh	32,267,023	35,712,428

[1] incl. purchase rights

Energy intensity based on net revenue

The energy intensity for 2024 was 0.00070 MWh of energy consumption per euro of net revenue from activities in high climate impact sectors. 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

	Unit	2023	**2024**	Change
Total energy consumption from activities in high climate impact sectors	MWh	4,949,086.06	5,723,385.03	16%
Net revenue from activities in high climate impact sectors	euros	10,404,192,970.00	8,175,205,324.16	–21%
Total energy consumption from activities in high climate impact sectors per euro of net revenue from activities in high climate impact sectors	MWh/euro	0.00048	**0.00070**	

The following table lists the NACE groups relevant to VERBUND broken down into high climate impact and non-high climate impact sectors.

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

	euros
Net revenue from activities in high climate impact sectors used to calculate energy intensity	8,175,205,324.16
Net revenue (other)	69,360,616.06
Total net revenue (financial statements)	8,244,565,940.22

Disclosure Requirement E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

The following section provides an overview of the 2020 base year, the data for 2023 and 2024, as well as the milestones and targets in relation to greenhouse gas emissions.

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 minimized by warnings of significant deviations and associated mandatory comments in the sustainability data management tool. Mandatory disclosures on data quality permit the uncertainty of the disclosures to be analysed.

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 IPCC (AR5; 100 years; updated AR 6 as of 2024; 100 years) and presented in metric tonnes of CO_2 equivalents ("t CO_2e" in the following). 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 the 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 test facility by the end of March. The auditors enter these values in the national emissions trading registry. The indirect GHG emissions for Scope 2 "Imported energy", 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 (CO2, CH_4, N_2O, HFC, PFC, SF_6 and NF_3) are considered by IPCC based on their GWP. The other indirect emissions are included under Scope 3. Factors taken from the DEFRA database, 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. No emissions are calculated using primary data from suppliers.

The DEFRA database version "v12" was used for 2023 and "v13" for 2024. The ecoinvent emission factors are converted each year to the latest available version of ecoinvent. In 2023, this was version 3.8.0 (2021) and in 2024 version 3.10, which is linked to IPCC AR6 and the Global Warming Potential GWP (100 years). However, the database updates did not match the most recent version of the emission factors that had been documented. The analysis revealed changes in the range of approximately 5%.

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.

GWP rates from IPCC

Until now, use has been made of the Global Warming Potential GWP (100 years) as defined by IPCC AR5. For 2024, the emission factors were updated in accordance with IPCC AR6 Global Warming Potential GWP (100 years).

Gross GHG emissions

				Retrospective		Milestones and target years[1]		
		Base year	Comparative (N-1)	**(N)**	Change			Annual % of the target/ base year
	Unit	2020	2023	**2024**		2025[2]	2030[2]	
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions[3]	t CO_2e	738,019	292,348	**499,696**	71%	550,000	540,000	–2.7%
Percentage of Scope 1 GHG emissions from regulated emissions trading systems	%	98	93	**97**	4%			
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions	t CO_2e	185,686	239,185	**116,824**	–51%			
Market-based Gross Scope 2 GHG emissions	t CO_2e	293,917	273,354	**234,969**	–14%	170,000	22,000	–9.3%
Significant Scope 3 GHG emissions								
Total gross indirect (Scope 3) GHG emissions	t CO_2e	5,226,478	4,314,332	**4,320,203**	0%	2,880,000	1,078,000	–7.9%
(1) Purchased goods and services	t CO_2e	92,257	84,736	**80,198**	–5%			
(2) Capital goods	t CO_2e	16,883	225,573	**258,154**	14%			
(3) Fuel and energy-related activities (not included in Scope 1 or Scope 2)	t CO_2e	4,696,619	3,693,533	**3,726,435**	1%			
(6) Business travel	t CO_2e	830	2,901	**2,428**	–16%			
(11) Use of sold products	t CO_2e	220,855	188,857	**149,382**	–21%			
(15) Investments	t CO_2e	199,035	118,732	**103,606**	–13%			
Total GHG emissions								
Total GHG emissions (location-based)	t CO_2e	6,150,182	4,845,865	**4,936,723**	2%			
Total GHG emissions (market-based)	t CO_2e	6,258,413	4,880,034	**5,054,868**	4%	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.

Scope 1 breakdown of emissions

	Unit	2023	**2024**
Direct GHG emissions from combustion in stationary installations[1]	t CO_2e	272,306	484,470
Direct GHG emissions from combustion in mobile installations	t CO_2e	4,004	4,074
Direct GHG emissions from processes	t CO_2e	10,743	6,944
Fugitive GHG emissions from grid systems	t CO_2e	5,295	4,208

[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 13 g CO2e/kWh of net total electricity generated in 2024. The GHG intensity in 2024 was therefore significantly below the specific figure for direct CO_2 emissions from the Austrian generation mix in 2023 according to the Association of Issuing Bodies (AIB), at 96 g CO_2/kWh. VERBUND is therefore even lower than the figure for the European generation mix, i.e. 219 g CO_2/kWh in 2023, according to the International Energy Agency (IEA), but approximately 20% of this came from the generation of nuclear energy, whereas VERBUND achieves its specific emission value entirely without any generation using nuclear energy. These comparisons show how successful VERBUND has been in its drive to achieve nuclear-free 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.

Scope 1 GHG emissions intensity

	Unit	2020	2023	**2024**
Gross Scope 1 GHG emissions from electricity generation per net total electricity generation[1]	g CO_2e/kWh	20	8	13

[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. Corresponding upstream emissions are accounted for in Scope 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 2024 reporting period, the

emissions factor of Austria's power grid declined. Electricity consumption for the operation of hydropower plants in pumping/turbining mode fell, whereas it increased 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. Information on the source of the purchased electricity was used to calculate the market-based Scope 2 GHG emissions. In 2024, 64% of electricity volumes were sourced using contractual instruments (power purchase agreements, evidence of cancellation of guarantees of origin) with unbundled guarantees of origin.

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%.

Scope 1 and Scope 2 emissions broken down according to consolidated and non-consolidated entities

	Unit	2023	**2024**
Gross Scope 1 GHG emissions for consolidated entities[1]	t CO_2e	292,231	499,595
Gross Scope 1 GHG emissions for non-consolidated entities under operational control	t CO_2e	117	101
Gross Scope 2 GHG emissions for consolidated entities (market-based)	t CO_2e	273,348	234,959
Gross Scope 2 GHG emissions for non-consolidated entities under operational control (market-based)	t CO_2e	6	10
Gross Scope 2 GHG emissions for consolidated companies (location-based)	t CO_2e	239,165	116,809
Gross Scope 2 GHG emissions for non-consolidated entities under operational control (location-based)	t CO_2e	20	15

[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. Categories are excluded if they either do not cause significant GHG emissions, or if they 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.

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, the consideration 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, VERBUND's equity interests were analysed based on ESRS requirements. Not previously included until 2023, Scope 3 Category 15 was therefore included in the CCF. To ensure comparability between the current and the previous reporting periods, the GHG emissions of equity interests were also added for the 2020 base year, and reported for the previous year 2023. Scope 3 Categories 1, 2, 3, 6, 11, 15 were included in VERBUND's GHG emissions inventory.

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 version of the ecoinvent database, 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.

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 2024 was 256 g CO_2e/kWh of electricity delivered to consumers.

Scope 3 GHG emissions intensity

	Unit	2020	2023	**2024**
Gross Scope 3 GHG emissions from electricity sales to consumers per total electricity sales to consumers	g CO_2e/kWh	324	252	256

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 impacts of significant events and changes in circumstances relevant to VERBUND GHG emissions

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.

Significant changes and their impacts on GHG emissions

There were several significant changes that made it necessary to recalculate the 2020 base year of the CCF based on the GHG Protocol Corporate Standard. These changes are designed to permit better future control over target achievement in relation to 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.

The acquisition of the gas network operator Gas Connect Austria was taken into account in the base year in accordance with the requirements of the GHG Protocol, producing a 13% increase in Scope 1 emissions in 2020. The electricity consumption of Gas Connect Austria for Scope 2 market-based emissions was recalculated, GHG emissions from the grid purchases of power plants were reallocated on the basis of CSRD requirements, and the emission factor for the unknown electricity mix was changed to reflect the EU mix. In total, market-based Scope 2 emissions rose by 11% in 2020. Notably, the target for Scope 3 emissions produced by electricity sales to consumers required a transition from the location-based approach to the market-based approach in order to allow the figure to be controlled through the active and successive transition to renewable energy among industrial customers. This led to an increase in emissions Category 3 in 2020. The inclusion of Category 15 Investments in accordance with the requirements of ESRS standards and their significance, led to a further increase in Scope 3 emissions. In total, Scope 3 emissions then rose by 21% in 2020.

All changes in the GHG emissions calculation, such as the inclusion of non-consolidated companies, the transition to a market-based approach for electricity sales to consumers and the inclusion of investments, were taken into account in all Scopes in 2023. This produced a 0% change in Scope 1 emissions, a 4% increase in Scope 2 location-based emissions, and a 6% decrease in Scope 2 market-based emissions, with Scope 3 emissions falling by 1%. Consistent reporting and comparability between the previous year (2023) and the new 2024 reporting period is thereby ensured.

GHG intensity based on net revenue

GHG intensity per euro of net revenue

	Unit	2023	**2024**	Change
Total GHG emissions (location-based) per euro of net revenue	t CO_2e/euro	0.000464	0.000599	29.1%
Total GHG emissions (market-based) per euro of net revenue	t CO_2e/euro	0.000467	0.000613	31.3%

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.

Disclosure Requirement E1-8 – Internal carbon pricing

As an energy supplier and electricity producer, carbon pricing is a key cost factor for VERBUND 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.

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 energies, 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.

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 for budget planning, investment decisions and impairment testing 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 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.

Around 479,000 tonnes, or 96% 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.

All current applications use the carbon price, 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. An average price from all available external scenarios is used as the base scenario for determining the long-term performance of carbon prices.

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.

The prices applied in 2024 were in the region of €67/t CO_2e. VERBUND expects carbon prices to rise sharply in the long term.

ESRS E2 Pollution

ESRS 2 General Disclosures

As part of the VERBUND materiality assessment, potential impacts related to air pollution were identified as material.

Impacts, risks and opportunities management

Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

Topic-specific disclosures on processes to identify and assess pollution-related material impacts, risks and opportunities can be found in ESRS 2 IRO-1.

Disclosure Requirement E2-1 – Policies related to pollution

It is crucial for VERBUND to manage material negative impacts in order to avoid and mitigate air pollution. In addition to ensuring compliance with regulatory obligations, VERBUND's policies also focus on incidents and emergency situations with regard to air pollution.

The policies at subsidiary level contain specifications regarding emissions into the air.

VERBUND Thermal Power GmbH also has its own environmental policy. The thermal generation plants in Mellach are validated in accordance with the EMAS regulation in addition to ISO 14001. This means that an environmental statement in accordance with the EMAS III Regulation has been issued exclusively for the Mellach power plants site. At Gas Connect Austria GmbH, an integrated management system that meets the requirements of an environmental management system in accordance with ISO 14001 is externally certified on an annual basis.

Air pollutants, among other things, are reported in the European Pollutant Release and Transfer Register (in the future industrial emissions portal) for the Mellach power plants site and for Gas Connect Austria GmbH in accordance with the E-PRTR regulation.

The management systems in place at VERBUND ensure that improvement processes are continuously pursued while simultaneously defining areas of application, roles, responsibilities, accounting for context and stakeholder interests, and establishing the assessment of risks and opportunities. Accordingly, the topic of air pollution is continuously addressed and corresponding targets, actions, and a monitoring process are derived on this basis. Information on stakeholder engagement can be found in ESRS 2 IRO-1.

Disclosure Requirement E2-2 – Actions and resources related to pollution

VERBUND continuously introduces actions to avoid and mitigate air pollution, and allocates appropriate funds for this purpose. Notably, these are not one-off measures but instead recurring measures that are implemented as part of ongoing business processes for which it is not possible to make any estimates with regard to financial figures. As part of the implemented management systems, either an environmental programme (in accordance with ISO 14001/EMAS at VERBUND Thermal Power GmbH) or a plan of action (in accordance with ISO 14001/IMS at Gas Connect Austria) is continuously updated and implemented. This also includes the appropriate planning of resources.

Technical actions have already substantially reduced emissions that contribute to pollution. The phasing out of hard coal in the generation of electricity and district heating has eliminated SO_2 and dust emissions. Furthermore, the transition to hydrogen should prevent future airborne emissions.

At the Mellach power plants site, flue gas purification equipment minimises emissions of environmentally harmful substances into the air. As this is already the best available technology, there are currently no improvement options or key actions planned until new technologies become available. Research projects are carried out on an ongoing basis to gain new insights and deepen the understanding on existing issues.

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 for companies and sites. These plans also take into account the risk of air pollution that may occur in the event of incidents. In 2023, additional official environmental inspections along with in-depth reviews pursuant to the Industrial Accident Ordinance were carried out and passed in Mellach. In accordance with the requirements of the Regulation on the Protection of Workers from Explosive Atmospheres (*Verordnung explosionsfähige Atmosphären*, VEXAT), Gas Connect Austria gas plants are categorised into defined potentially explosive areas, so-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).

Metrics and targets

Disclosure Requirement E2-3 – Targets related to pollution

Since the Mellach district heating power plant was put into operation in 1986 with the combined cycle gas turbine power plant following in 2012, VERBUND has been legally obliged to comply with airborne emission limits. Aside from that, no measurable scheduled outcome-orientated targets have been set in relation to air pollution. Relevant certificates, audit reports and management assessments testify that management systems have been implemented at VERBUND, and that they are also effective. Environmental or management system officers are tasked with identifying specific findings and areas for improvement.

The effectiveness of measures is continuously monitored in the respective environmental management system without any specified target level.

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 phasing out of thermal generation using hard coal at the Mellach site has eliminated sulphur dioxide (SO_2) emissions as of April 2020. The increase in CO und NOx emissions compared to the previous year is largely due to the thermal power plant's increased generation volume.

Airborne emissions

	Unit	2023	**2024**
CO	t	15	25
NOx	t	73	125

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.

At Gas Connect Austria, measurements are made at the Kirchberg and Rainbach compressor stations in light of the PRTR requirement there. If specified thresholds are exceeded with respect to the reportable metrics, these are specified in the PRTR notification and included in the reporting.

ESRS E3 Water and marine resources

ESRS 2 General Disclosures

VERBUND is committed to the sustainable and responsible use of water. The strategic focus of the VERBUND Group on renewable generation technologies and the associated decommissioning of thermal power plants powered by hard coal, lignite and crude oil are the factors that had the greatest impact on the conservation of water resources. Since 2020, natural gas has only been used for generation at one site, and the partial recirculation of the cooling water also offers high savings potential at the same site.

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.

Since all of VERBUND's storage power plants are annual or daily storage plants, they are not used for long-term water storage over the course of several years. Compared with energetic utilisation, in terms of volume, the withdrawal of cooling water and service water at hydropower plants is of minor significance and these withdrawals are also returned.

Effluent is either discharged through the public sewer system, or, at sites that are not connected to the public sewer system, is discharged after it is treated in line with the statutory provisions or official notices from the authority. Potential hydropower-specific impacts on water habitats are described under Biodiversity and ecosystems (see section E4 SBM-3).

Wind farms and photovoltaic installations, gas grid systems and power grid installations only withdraw, discharge and consume 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.

Once specific activities are planned or initiated, the business activities related to the production, storage or transport of hydrogen set forth in the VERBUND strategy will be analysed in more detail with respect to their impacts, risks and opportunities in connection with the use of water resources.

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

Topic-specific disclosures on processes to identify and assess material water and marine resources-related impacts, risks and opportunities can be found in ESRS 2 IRO-1.

Disclosure requirement E3-1 – Policies related to water and marine resources

VERBUND's environmental mission statement stipulates the Group-wide commitment to preventing or mitigating environmental impacts. The statement also sets forth action to reduce emissions, make efficient use of resources and preserve and promote biodiversity. Potential negative impacts arising from water withdrawals are avoided to the greatest possible extent at VERBUND.

Water withdrawals are only relevant at the Mellach site of VERBUND Thermal Power GmbH, which is committed to continuously improving the environmental situation. In addition to ISO 14001 certification, the Mellach thermal generation facilities are validated according to the EMAS III Regulation. EMAS is therefore the central policy. Accordingly, an environmental statement is prepared on a regular basis and

made publicly available to stakeholders for the Mellach power plant site, which also contains detailed information on water management, namely on the use of water resources in the Group's own operations (input, output, process water, river water, effluent, treatment). The management systems in place at VERBUND ensure that improvement processes are continuously pursued while simultaneously defining areas of application, roles, responsibilities, the consideration of context and stakeholder interests, and the establishment of a risk and opportunity assessment. This approach guarantees that the topic of water is continuously addressed and corresponding targets, actions and a monitoring process are derived on this basis.

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. 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".

Certain wind power and photovoltaic installations are located in areas with high water stress, but no significant water withdrawal takes place at these sites. Water is only used 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. Similarly, no specific policies or practices are pursued with respect to the design of products and services in relation to water-related issues or marine resources, as these topics are not directly related to VERBUND's current business activities. Information on stakeholder engagement can be found in ESRS 2 IRO-1.

Disclosure Requirement E3-2 – Actions and resources related to water and marine resources

Where necessary, guidelines relating to actions to potentially reduce water withdrawals are set by the company concerned.

At the Mellach site, cooling water is withdrawn directly from the Mur River (freshwater cooling at Mellach district heating power plant and combined cycle gas turbine plant generator 10) or supplied through cooling tower recirculation (evaporative cooling for combined cycle gas turbine plant generator 20). After being used, the cooling water is returned to the source water body with automated temperature control to ensure compliance with legal thresholds (maximum warming of 3°C and maximum temperature of 25°C). For process water, most of the water is withdrawn from the Mur River and, once the purified effluents have been reintroduced to the source water body, the water is returned to the natural cycle. Measures such as optimising the main cooling circuit and implementing a new central demineralisation plant have already been successfully implemented in Mellach to reduce the use of freshwater.

Together with the relevant audit reports and the environmental programme, the EMAS environmental management system at the Mellach site demonstrates the effectiveness of the management system.

Specific findings or potential areas of improvement are determined on an annual basis. An environmental programme in place at the Mellach power plant site is continuously updated and implemented. The programme also incorporates adequate resource planning and monitoring implementation progress. Notably, these 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 estimates with regard to financial figures. Since no water withdrawals take place in areas affected by water risks, no corresponding

actions have been defined. At the Mellach site, no actions have been taken to further reduce water withdrawals. Accordingly there are no related allocated ressources.

Metrics and targets

Disclosure Requirement E3-3 – Targets related to water and marine resources

A target for reducing water withdrawals was defined for the period 2015 to 2021 and surpassed in 2020. Accordingly, since 2020, the volume of water withdrawals has remained within the targeted range or below and is only influenced by operational fluctuations. As the current volume of water withdrawals already meets the minimum technical requirements, no specific targets have been set at present to further reduce water withdrawals. Relevant certificates, audit reports and management assessments are evidence that management systems have been implemented at VERBUND, and that they are also effective. Environmental and management system officers are tasked with identifying specific findings and areas for improvement.

The effectiveness of actions is continuously monitored in the respective environmental management system without any specified level to be met.

Disclosure requirement E3-4 – Water consumption

Although water consumption is not associated with any material impacts, risks or opportunities, water use nevertheless is 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.

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 2024 reporting period.

There is no water treatment for recycled or reused water at VERBUND.

The volume of total water consumption, water withdrawal and water discharge have increased compared to the previous year, mainly due to the particularly low generation volume of thermal power plants in 2023. In 2024, the water metrics generally returned to roughly the same level as in 2022.

Reduced thermal generation in 2023 strongly affected the water intensity metric, which is why it was up in 2024. Compared with 2020 (3,458 m^3/GWh), an intensity reduction of 51% was achieved in 2024 relative to total electricity generation, bringing the figure to 1,678 m^3/GWh.

Water input and output

	Unit	2023	**2024**
Total water consumption	m^3	130,245	269,839
Total water consumption in areas of water stress	m^3	0	0
Total volume of water stored[1]	m^3		705,000,000
Changes in storage[1]	m^3		0
Total water withdrawal by source	m^3	30,812,629	54,816,182
from surface water	m^3	25,513,198	48,106,854
from groundwater and well water	m^3	5,160,380	6,581,641
from public water supply	m^3	139,051	127,688
Total water discharge	m^3	30,682,302	54,554,170
of which cooling water returned from thermal power plants into surface water	m^3	24,486,161	46,969,207
other water discharge	m^3	6,196,141	7,584,963
Water intensity relative to net revenue	m^3 per €m	12	33
Water intensity relative to total electricity generated	m^3/GWh	934	1,678

[1] Data collected from the 2024 reporting period onwards

When determining the water quality class and the water catchment 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 (catchment), which was classified as a significantly modified body of water in the condition assessment as part of the national River Basin Management Plan in 2021.

Data is collected with the annual data collection process in the sustainability data management tool. At 88%, the largest volume of water withdrawal can be attributed to cooling water in Mellach. The majority of this water 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.

This makes it possible to accurately identify 92% of the water withdrawal data. Data on the water discharge of cooling water is collected through calculations and estimations in accordance with ESRS 2 BP-2, with a 92% accuracy rate. The majority of the water consumption results from the evaporation of 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. The figures are based on the respective permits and are publicly available.

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

The energy transformation, climate change, biodiversity shifts and requirements from environmental regulations along with growing energy demand represent global challenges that require comprehensive and sustainable solutions. VERBUND and its subsidiaries, including Austrian Power Grid AG and Gas Connect Austria GmbH, are tasked with achieving their 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. Integrating biodiversity considerations into VERBUND's business practices represents more than a commitment governed by responsibility; it is also a strategic necessity for the future success and achievement of the Group's strategic objectives.

As reported in the ESRS 2 SBM3 section, a resilience analysis of the business model with respect to biodiversity and ecosystems was not carried out.

Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

VERBUND has direct and indirect impacts on biodiversity as a result of its business activities. While today all new construction or expansion projects for electricity generation, storage facilities and the transportation of electricity require comprehensive nature conservation permits and/or strict environmental impact assessments, and generally need to positively contribute to biodiversity, permits granted in the past were subject to different requirements and regulations in line with the state of knowledge at the time. Thorough examinations of biodiversity and positive environmental impact assessments are a key requirement for the successful implementation of Mission V and VERBUND's expansion plans. In this respect, stricter requirements in environmental regulations and long approval processes for environmental impact assessments can pose transition risks when it comes to achieving expansion targets or lead to restrictions on the use of facilities coupled with higher investment or operating costs. No physical risks have been identified in relation to biodiversity. A lack of or insufficient consideration of biodiversity issues, as well as a lack of communication, can lead to reputational damage and resistance against new construction or expansion projects, which also poses risks for the business model. By contrast, a responsible approach to protecting, preserving, restoring and nurturing biodiversity offers opportunities to improve VERBUND's reputation.

Biodiversity and ecosystem impacts arise mainly from changes in the way land is used, the construction or expansion of renewable energy generation plants and grid facilities for transporting energy. These impacts can affect the biodiversity, population size and gene pool of species.

Greenhouse gas emissions indirectly contribute to climate change and negatively impact biodiversity. 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 GmbH.

Hydropower generation technology can have various impacts on the environment. Positive impacts on aquatic and terrestrial ecosystems include, for example, the designation of Natura 2000 areas in the immediate vicinity of hydropower plants after the plants have been put into operation, the development of semi-dry grassland with orchid vegetation on embankments, and the removal of floating anthropogenic material (e.g. plastic waste) from the screens of hydropower plants. In addition, many areas close to power plants and rivers have lower utilisation rates and are used as recreational areas. However, hydropower plants can also have negative impacts on rivers, particularly their morphology, sediment regime and water balance. For example, transverse structures without fish passes create barriers that divide river habitats.

Wind turbines occupy very little space, and most of that space is for the construction of access roads. Although, when in use, wind farms can affect habitats and populations of birds and bats. Open-field solar installations are preferably built on industrial sites, landfills, etc. As a rule, minimal space is required for the racking.

Indirect impacts of VERBUND on biodiversity along the value chain concern the sourcing of commodities whose generation requires a high volume of natural resources, or uses scarce natural resources, thereby damaging ecosystems.

VERBUND's power plant and grid facilities as well as associated 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 facilities situated in or near aforementioned biodiversity sensitive areas and that have a potentially negative impact on protected areas or resources. In the analysis, a 5 km buffer was applied for wind turbines to determine whether the sites are in the vicinity of protected areas. For hydropower plants, the areas belonging to the facilities were analysed and included on the list if they were found to be in protected areas. Open-field solar installations, substations, Austrian Power Grid AG overhead lines and Gas Connect Austria GmbH gas compressor stations were analysed based solely on their location in 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 recorded as sites at VERBUND, 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.

Direct dependencies of business activities on natural resources and ecosystem services relate in particular to the supply of water and wind. Indirect dependencies in the upstream value chain result from the raw materials and materials required for plant construction and modernization. These dependencies arise from VERBUND's business model and are not disaggregated by site.

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	Plant type	Plant in protected area?	VERBUND property in protected areas (hydropower only)	Associated land in protected areas (ha)	Types of protected area[1]	Potential negative impact
Austria/Bavaria – hydropower plants						
Abwinden-Asten (AT)	Run-of-river power plant	No	Yes	13	A, B, J	Morphology, barriers, pressure surges/drops, residual waters, lack of river continuity
Aschach (AT)	Run-of-river power plant	Yes	Yes	6	A	
Altenwörth (AT)	Run-of-river power plant	Yes	Yes	197	A, B, C, D	
Freudenau (AT)	Run-of-river power plant	No	Yes	2	D, K	
Greifenstein (AT)	Run-of-river power plant	Yes	Yes	211	A, B, D	
Melk (AT)	Run-of-river power plant	Yes	Yes	132	A, B, C, D	
Ottensheim-Wilhering (AT)	Run-of-river power plant	Yes	Yes	3	A	
Wallsee-Mitterkirchen (AT)	Run-of-river power plant	Yes	Yes	263	A, D	
Ybbs-Persenbeug (AT)	Run-of-river power plant	Yes	Yes	62	A, B, D	
Annabrücke (AT)	Run-of-river power plant with hydropeaking	No	Yes	55	A, B, F, J	
Edling (AT)	Run-of-river power plant with hydropeaking	No	Yes	93	A, B, F, J	
Feistritz-Ludmannsdorf (AT)	Run-of-river power plant with hydropeaking	No	Yes	26	A, B, K	
Ferlach-Maria Rain (AT)	Run-of-river power plant with hydropeaking	No	Yes	27	A, B, J	
Malta-Hauptstufe (AT)	Pumped annual storage power plant	No	Yes	85	A, B, D, J, G	
Paternion (AT)	Run-of-river power plant with hydropeaking	No	Yes	3	A, B, K	

Site with facilities located in or near protected areas	Plant type	Plant in protected area?	VERBUND property in protected areas (hydropower only)	Associated land in protected areas (ha)	Types of protected area[1]	Potential negative impact
Rosegg-St. Jakob (Austria)	Run-of-river power plant with hydropeaking	No	Yes	25	A, J	
Schwabeck (Austria)	Run-of-river power plant with hydropeaking	No	Yes	5	A	
Braunau-Simbach (Austria)	Run-of-river power plant	Yes	Yes	204	A, B, D, J, K	
Egglfing-Obernberg (Austria)	Run-of-river power plant	Yes	Yes	426	A, B, D, J, K	
Ering-Frauenstein (Austria)	Run-of-river power plant	Yes	Yes	332	A, B, D, J, K	
Jochenstein (AT)	Run-of-river power plant	Yes	Yes	14	A, J	
Nussdorf (DE)	Run-of-river power plant	Yes	Yes	11	A	
Passau-Ingling (DE)	Run-of-river power plant	Yes	Yes	13	A	
Schärding-Neuhaus (AT)	Run-of-river power plant	Yes	Yes	259	A, B, D, J, K	
Perach (DE)	Run-of-river power plant	Yes	Yes	42	A	
Feldkirchen (DE)	Run-of-river power plant	Yes	Yes	64	A	
Gars (DE)	Run-of-river power plant	Yes	Yes	34	A	
Neuötting (DE)	Run-of-river power plant	No	Yes	5	A	
Rosenheim (DE)	Run-of-river power plant	Yes	Yes	8	A	
Teufelsbruck (DE)	Run-of-river power plant	Yes	Yes	86	A	
Stammham (DE)	Run-of-river power plant	Yes	Yes	80	A, B, J, K	
Töging (DE)	Run-of-river power plant	No	Yes	63	A, J	
Wasserburg (DE)	Run-of-river power plant	Yes	Yes	70	A, B, J	
Altenmarkt (AT)	Run-of-river power plant	Yes	Yes	22	I	
Gralla (AT)	Run-of-river power plant	Yes	Yes	22	J	

Site with facilities located in or near protected areas	Plant type	Plant in protected area?	VERBUND property in protected areas (hydropower only)	Associated land in protected areas (ha)	Types of protected area[1]	Potential negative impact
Hieflau (AT)	Daily storage power plant	No	Yes	14	A, B, J	
Krippau (AT)	Run-of-river power plant	Yes	Yes	6	I	
Landl (AT)	Run-of-river power plant	Yes	Yes	3	I	
Obervogau (AT)	Run-of-river power plant	Yes	Yes	1	A, B, J, I	
Spielfeld (AT)	Run-of-river power plant	Yes	Yes	10	I	
Pernegg (AT)	Run-of-river power plant	No	Yes	3	A, J	
Pack (AT)	Daily storage power plant	Yes	Yes	3	J	
Retznei (AT)	Run-of-river power plant	Yes	Yes	4	A, B, J, I	
Sölk (AT)	Daily storage power plant	Yes	Yes	49	B, D, J, I	
Talbach (AT)	Run-of-river power plant	No	Yes	1	D	
Kaprun-Hauptstufe (AT)	Annual storage power plant	Yes	Yes	22	A, D, H	
Kaprun-Oberstufe (AT)	Pumped annual storage power plant	No	Yes	47	A, B, D, G	
Häusling (AT)	Pumped annual storage power plant	No	Yes	173	I	
Mayrhofen (AT)	Annual storage power plant	No	Yes	53	I	
Roßhag (AT)	Pumped annual storage power plant	No	Yes	148	I	
Mühlrading (AT)	Run-of-river power plant	No	Yes	10	A, F	
Thurnsdorf (AT)	Run-of-river power plant	No	Yes	5	A, F	
Austria/ Germany/ Spain – photovoltaic installations and wind power plants						
Mitterkirchen (AT)	Open-field photovoltaic installation	Yes		5	D	Interference with bird breeding sites

Site with facilities located in or near protected areas	Plant type	Plant in protected area?	VERBUND property in protected areas (hydropower only)	Associated land in protected areas (ha)	Types of protected area[1]	Potential negative impact
Labrador – Madrigalejo (ES)	Open-field photovoltaic installation	Yes		10	B	and habitats of deer, insects, other native endangered) animal and plant species
Ellern / Dichtelbach / Seibersbach-Hochsteinichen / Seibersbach-Dörrebach (DE)	Wind	Near to protected area			A, B, D	Impact on the habitats of birds, bats, other native (endangered) species of flora and fauna
Stetten (DE)	Wind	Yes		3	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	

Site with facilities located in or near protected areas	Plant type	Plant in protected area?	VERBUND property in protected areas (hydropower only)	Associated land in protected areas (ha)	Types of protected area[1]	Potential negative impact
Sorolla – El Marquesado (ES)	Wind	Near to protected area			A, B	
Austria – gas network						
Baumgarten (AT)	Compressor station and competence center	Yes		20	A, B, D, K	Local warming of habitats, noise pollution
Austria – electricity grid						
Wallsee (AT)	Substation	Yes		2	D	Impact on the habitats of birds, bats, other native (endangered) species of flora and fauna
Neusiedl (AT)	Substation	Yes		3	A, B, C	
Pyhrn (AT)	Substation	Yes		1	D	
Ottensheim (AT)	Substation	Near to protected area			A	
Zurndorf (AT)	Substation	Yes		5	D	
110 kV line Reißeck – Lienz (AT)	Overhead line (servitude)	Yes		11	A, B, K	
110 kV line Reißeck – Landskron (AT)	Overhead line (servitude)	Yes		10	A, B, K	
110 kV line Schwabeck – Obersielach (AT)	Overhead line (servitude)	Yes		1	A	
110 kV line Ternitz – Ebenfurth (AT)	Overhead line (servitude)	Yes		6	A	
110 kV line Ebenfurth – Wien Südost (AT)	Overhead line (servitude)	Yes		6	A, B, D, H	
110 kV line Großraming – Hessenberg (AT)	Overhead line (servitude)	Yes		1	I	
110 kV line Ernsthofen – Hessenberg (AT)	Overhead line (servitude)	Yes		3	A, J, H	
110 kV line Ternberg – Rosenau (AT)	Overhead line (servitude)	Yes		1	A	
110 kV line Landskron – Obersielach (AT)	Overhead line (servitude)	Yes		9	A, H, J, K	
110 kV line Wien West – Bisamberg (AT)	Overhead line (servitude)	Yes		114	A, B, D, F, I, J	
110 kV line Passau – Egglfing (AT)	Overhead line (servitude)	Yes		3	A, D	

Site with facilities located in or near protected areas	Plant type	Plant in protected area?	VERBUND property in protected areas (hydropower only)	Associated land in protected areas (ha)	Types of protected area[1]	Potential negative impact
110 kV line Lavamünd – Koralpe (AT)	Overhead line (servitude)	Yes		1	A, B	
220 kV line Weißenbach – Ernsthofen (AT)	Overhead line (servitude)	Yes		209	A, J, D	
220 kV line Weibern – Aschach (AT)	Overhead line (servitude)	Yes		5	A	
220 kV line St. Peter – Ernsthofen (AT)	Overhead line (servitude)	Yes		13	A, B, D	
220 kV line Ernsthofen – Ybbsfeld (AT)	Overhead line (servitude)	Yes		8	A, D	
220 kV line Ybbsfeld – Bisamberg (AT)	Overhead line (servitude)	Yes		53	A, B, D	
220 kV line Dürnrohr – Altenwörth (AT)	Overhead line (servitude)	Yes		29	A, B, D	
220 kV line Tauern – Weißenbach (AT)	Overhead line (servitude)	Yes		132	A, B, D, H	
220 kV line Hessenberg – Weißenbach (AT)	Overhead line (servitude)	Yes		160	B, D	
220 kV line Hessenberg – Ternitz (AT)	Overhead line (servitude)	Yes		46	C	
110 kV line Mürz – Ternitz (AT)	Overhead line (servitude)	Yes		28	C	
110 kV line Mürz – Ternitz (AT)	Overhead line (servitude)	Yes		22	A	
220 kV line Ternitz – Wien Südost (AT)	Overhead line (servitude)	Yes		183	A, B, D, J, H	
220 kV line Wien Südost – Bisamberg (AT)	Overhead line (servitude)	Yes		57	A, B, D, K, G	
220 kV line St. Peter – Simbach/Altheim (AT)	Overhead line (servitude)	Yes		1	A	
220 kV line Tauern – Salzburg (AT)	Overhead line (servitude)	Yes		141	A, J	
220 kV line Salzburg – Salzach (AT)	Overhead line (servitude)	Yes		5	J	
220 kV line Jochenstein – St. Peter (AT)	Overhead line (servitude)	Yes		7	A, D	
220 kV line Greifenstein – Bisamberg (AT)	Overhead line (servitude)	Yes		14	A, B, D, J	

Site with facilities located in or near protected areas	Plant type	Plant in protected area?	VERBUND property in protected areas (hydropower only)	Associated land in protected areas (ha)	Types of protected area[1]	Potential negative impact
220 kV line Wien Südost – Györ (AT)	Overhead line (servitude)	Yes		163	A, B, D	
220 kV line St. Peter – Pirach/Pleinting (AT)	Overhead line (servitude)	Yes		2	A	
220 kV line Obersielach – Lienz (AT)	Overhead line (servitude)	Yes		73	A, B, D, H, J, K	
220 kV line Malta-Hauptstufe – Lienz (AT)	Overhead line (servitude)	Yes		1	H	
220 kV line Zell am Ziller – Westtirol II (AT)	Overhead line (servitude)	Yes		15	B, D, H	
220 kV line Hessenberg – Obersielach (AT)	Overhead line (servitude)	Yes		148	A, D	
220 kV line Dürnrohr – Bisamberg (AT)	Overhead line (servitude)	Yes		32	A, B, D	
380 kV line Westtirol – Memmingen, Leupolz (AT)	Overhead line (servitude)	Yes		70	A, B, D, I, J	
380 kV line Westtirol – Bürs (AT)	Overhead line (servitude)	Yes		57	A, D, I, J, H	
380 kV line Kronstorf – St. Peter (AT)	Overhead line (servitude)	Yes		12	A, B, D	
380 kV line Dünrohr – Kronstorf (AT)	Overhead line (servitude)	Yes		29	A, B, D	
380 kV line Dürnrohr – Wien Südost (AT)	Overhead line (servitude)	Yes		201	A, B, D, G, K	
380 kV line Dürnrohr – Slavetice (AT)	Overhead line (servitude)	Yes		184	A, B, D	
380 kV line Sarasdorf – Györ/Szombathely (AT)	Overhead line (servitude)	Yes		135	A, B, D	
380 kV line Lienz – Tauern (AT)	Overhead line (servitude)	Yes		29	A, B, D, G, H	
380 kV line St. Peter – Salzburg (AT)	Overhead line (servitude)	Yes		1	A	
380 kV line Obersielach – Kainachtal (AT)	Overhead line (servitude)	Yes		12	A, B	
380 kV line Kainachtal – Maribor (AT)	Overhead line (servitude)	Yes		17	A, B, D	
380 kV line Kainachtal – Südburgenland (AT)	Overhead line (servitude)	Yes		2	A, B, K	
380 kV line Südburgenland – Wien Südost (AT)	Overhead line (servitude)	Yes		182	A, B, D, I, H	

Site with facilities located in or near protected areas	Plant type	Plant in protected area?	VERBUND property in protected areas (hydropower only)	Associated land in protected areas (ha)	Types of protected area[1]	Potential negative impact
110/220 kV line Wegscheid – Ernsthofen (AT)	Overhead line (servitude)	Yes		5	A, B	
110 kV line Pichling – Linz Ost (AT)	Overhead line (servitude)	Yes		6	A, B, J	
110/220 kV line Ernsthofen – Hütte Linz (AT)	Overhead line (servitude)	Yes		5	A, B, J	
110 kV line Ering – St. Peter (AT)	Overhead line (servitude)	Yes		2	A, D	
110 kV line Egglfing – St. Peter (AT)	Overhead line (servitude)	Yes		14	A, D	

[1] Abbreviations for protected area types: A: Natura 2000 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.

Endangered species listed in the International Union for Conservation of Nature (IUCN) Red List are also found in the areas in which many VERBUND facilities operate. 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 excluded in biodiversity sensitive areas.

Impact, risk and opportunity management

Disclosure requirement related to ESRS 2 IRO-1 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks 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.

Disclosure Requirement E4-2 – Policies related to biodiversity and ecosystems

Biodiversity has been an integral part of the environmental mission statement and the Code of Conduct for Sustainable Business for several years now. In order to highlight the importance of biodiversity at VERBUND, a biodiversity policy was developed in 2024. The policy covers VERBUND and all consolidated companies with their direct activities in all nations in which VERBUND operates, with the exception of Austrian Power Grid AG and Gas Connect Austria GmbH. The biodiversity policy sets forth principles and practices already in place and provides them with an internal definition.

With these provisions, VERBUND addresses the following impact drivers from the materiality assessment: changes in the use of land and freshwater, direct exploitation, impacts on the condition of

species and ecosystems. 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 the fields of 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 of protected areas and biodiversity sensitive areas. However, VERBUND has not implemented any Group-wide policies to specifically address these issues beyond the biodiversity policy.

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), also provide a framework for planning ecosystem-related projects and were accounted for during the preparation of the VERBUND biodiversity policy.

VERBUND is working to mitigate the root causes of biodiversity loss by expanding renewable energies and transmission capacities to promote climate change mitigation and the efficient use of resources with accompanying environmental measures and sustainable land management concepts.

Transmission system operator Austrian Power Grid has developed a comprehensive mission statement for sustainable habitat management. One of the cornerstones of this strategy is ecological route maintenance, which is intended to minimise or completely avoid interference with the landscape and the balance of nature. At Austrian Power Grid, sustainable habitat management is based on the following four guiding principles:

- Ensuring operational safety is of the utmost priority. Austrian Power Grid maintenance personnel are responsible for implementing measures that are absolutely necessary to achieve this. Where there are several options for ensuring security of supply, the property owner makes the final decision.
- Austrian Power Grid takes a precautionary approach to high-voltage system maintenance by avoiding any encroachment on the local community and their environment to the best of its ability.
- Austrian Power Grid gears its upkeep activities towards the natural potential of the site and its surroundings. In so doing, it endeavours to establish harmony between the natural landscape and the man-made elements in the region. Austrian Power Grid maintenance personnel are available to property owners and advocacy groups in an advisory capacity and promote awareness of the advantages of ecological route upkeep.
- Austrian Power Grid wants to promote ecologically valuable projects in the region.

Pipeline operator Gas Connect Austria GmbH has also enshrined in its mission statement that the impact of its business activities on people and the environment must be taken into account in a sustainable manner. This also includes accounting for biodiversity. Above all, this guiding principle is reflected in the implementation of projects. A large number of measures are being taken as a result of official requirements which focus on protecting biodiversity. As a rule, Gas Connect Austria GmbH is guided by the biodiversity mitigation hierarchy when implementing projects that impact biodiversity and ecosystems.

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 binding commitments such as laws and orders, and relate to the material impacts of VERBUND's activities. In addition, VERBUND voluntarily pursues additional actions to protect, conserve and promote biodiversity.

Actions are taken 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 to the greatest possible extent through the choice of location, project organisation, scheduling and stakeholder involvement. Actions to ensure continuous environmental functionality (CEF) are implemented before any action is taken in natural habitats. VERBUND also resettles protected animal and plant species as necessary for preventive purposes. During the construction of facilities, impacts on fauna, flora and habitats are monitored and minimised to the greatest possible extent. Before, during or after the completion of projects, seeding and planting take place along with the creation or restoration of habitats. A wide variety of suitable actions are implemented, for example, near-natural structures such as gravel bars, rock piles, deadwood, as well as meadow orchards, hedge structures and extensive grassland.

Where compensatory actions or replacement habitats are required, they are implemented or created to the necessary extent. Replacement habitats are designed in such a way as to be able to achieve an additional ecological enhancement of the areas in question. The costs of these actions are taken into account in the project budget and are therefore part of expansion projects. At present, the monetary impacts from the implementation of compensatory actions are not collected or disclosed separately and therefore cannot be reported.

In 2024, the European electricity industry association Eurelectric developed a guide entitled "Guidebook to electrify in harmony with nature" on integrating biodiversity into planning and implementing projects related to the expansion of renewable energy under the project title Power Plant 2.0. VERBUND experts contributed to the preparation of the document, allowing them to share their knowledge and benefit from valuable exchanges on biodiversity issues. The biodiversity guide sets forth twelve principles that need to be taken into account in biodiversity-related projects. Specific examples of how VERBUND and other electric utilities in Europe are successfully applying these principles in projects are also included in the guide.

Aquatic actions

Connecting riverways is of great significance in restoring the natural diversity of revitalised stretches, in genetic exchange and in balancing out population fluctuations. Establishing fish passes enables fish and other organisms to pass through the barrage barriers and continue their migration in the usual way. The fish passes, most of which are designed to blend in with their surroundings, offer additional habitats for flora and fauna. At power plant sites where there is either limited land availability or a large altitude difference to overcome, technical fish passes are erected. Numerous projects are being carried out in cooperation with scientists to examine how fish passes can be optimised, and the findings are being incorporated into future planning at hydropower plant sites. Other measures aimed at promoting biodiversity in the vicinity of hydropower plants include designing riparian zones near bodies of water in accordance with ecological criteria. Such projects entail structural measures and morphological improvements, for example creating shallow water areas and additional side channels. Capital

expenditure in the region of €400m has been earmarked for the implementation of these environmental actions at rivers by 2027 (see section E4-4).

VERBUND has started to conduct feasibility studies for all bodies of water affected by hydropeaking to reduce the impacts of hydropeaking and drops on water habitats. Work on three stretches of water is currently in the report preparation phase following the completion of active adaptions.

Residual water studies were initiated at 13 diversion power plants in Styria to assess residual water discharge. Initial preparatory work began in 2024 and the project will be completed in the course of 2025.

Rehabilitation measures that have already been implemented and are currently planned in connection with a turbine replacement not only promote the energy yield of existing power plants, but also reduce turbine-related damage to fish through limited clearance measures and improved turbine geometries.

Measures are being implemented on the Inn River in partnership with the WWF, the Natopia Association, Naturium Inn, and the Technical University of Munich as part of the INNsieme action plan. The project aims to improve biodiversity and restore a vibrant Inn River through integrated pilot measures and runs from 2023 to 2026. It consists of three modules: species protection measures, restoration of ecological networks and publicity. Three restoration projects are being planned as part of the restoration of ecological networks module. These projects are being executed as part of a participatory planning process in which the public is actively involved. The aim is to reconnect lateral tributaries and improve the continuity of the river network. Gravel spawning grounds and juvenile fish habitats will be created or restored in the process. In detail, the plans already include a flow-through distributary in the tailrace of the Perach power plant. Concepts for optimised bedload management will also be developed and implemented.

LIFE projects

LIFE projects are often implemented in close coordination with the responsible ministry, the waterway operator viadonau, the National Park Donau-Auen, the offices of the state governments, the state fishing associations, and the landowners. VERBUND is currently involved in five LIFE projects on the rivers Danube, Inn and Enns rivers: LIFE Network Danube+ (2019–2024), LIFE Riverscape Lower Inn (2020–2028), LIFE Blue Belt Danube Inn (2021–2029), LIFE Wild Island (2021–2027), and LIFE Nature WeNatureEnns (2024–2031). The following measures are being taken as part of these projects:

- Fish passes constructed as semi-natural bypasses, where possible, in line with the pursuit of nature-based solutions;
- Lateral expansion of rivers to promote dynamic riparian zones;
- Desedimentation measures in the foodplains along the river;
- Structuring measures in the vicinity of reservoir heads to promote the formation of islands and distributaries;
- Forest management measures to promote protected riparian forest habitats;
- Ecological upkeep measures, including on river embankments to promote protected dry sites; and
- Management of non-native and invasive species.

Kilometre stretches of semi-natural rivers have already been created around the power plants in Ottensheim, Abwinden-Asten, Greifenstein, Altenwörth, Ering-Frauenstein and Braunau-Simbach. Over the coming years, semi-natural bypasses will also be built at the power plants in Jochenstein and Egglfing,

and fish passes at all power plants on the Danube and Inn Rivers will allow fish to migrate to key habitats largely unhindered.

Large island distributary systems have already been implemented downstream of the Ottensheim-Wilhering and Ering-Frauenstein power plants and are planned for further sites as part of LIFE projects.

Measures for the de-sedimentation of silted-up-foodplains have already been implemented on the Inn and Danube rivers, and will be implemented in many more reservoirs over the coming years, starting at the Aschach and Jochenstein reservoirs.

Research

Several research projects are conducting scientific studies to explore sustainable, ecologically effective actions in river habitats over the course of several years. The aim is to enhance the value of the aquatic habitat while continuing to meet society's high expectations when it comes to sustainable, economically viable hydropower generation.

In the ÖkoResch project, for example, researchers from the BOKU University of Natural Resources and Life Sciences will be scientifically monitoring planned measures to limit hydropeaking and studying the effect of new residual water releases on aquatic habitats in alpine regions. Research will be conducted over the course of six years (2020–2026). The long duration of the project stems primarily from the necessary field work in the high-alpine habitat. These research activities are carried out in bodies of water affected by hydropeaking and semi-natural reference waters. Dotation tests are also being conducted at representative test sites. At VERBUND, the Hundskehlbach catchment is currently being investigated. Based on the analyses, an ecological assessment and monitoring system will be developed by the end of the project.

The Christian Doppler Laboratory for Sediment Research and Management (BOKU) is evaluating ecologically compatible options for sediment remobilisation. In addition, a new sensor method is being studied at the Gries power plant on the Salzach River to record the beginning and end of bedload transport during water lowering processes. The Christian Doppler Laboratory for Meta Ecosystem Dynamics in Riverine Landscapes (MERI) (BOKU) is analysing the long-term added value of selected LIFE projects on the Danube. The fish bypass project in partnership with Graz University of Technology and engineering offices that specialise in the environment is dedicated to the effects of transverse structures on the fish population, which are assessed in the laboratory and at the sites themselves. The project results will be published and presented at conferences in Germany and Austria in 2025.

In collaboration with the Technical University of Munich, the migration behaviour and habitat use of selected fish species are being closely studied in the Inn River with the use of fish tagging based on PIT tags. PIT tag antennas were installed at a total of 25 sites, 12 of which were equipped with fish passes, to analyse the tagged fish.

In collaboration with the Leibniz Institute of Freshwater Ecology and Inland Fisheries, the impacts of the restoration measures at the Ering-Frauenstein power plant were examined to determine the population dynamics of selected fish species. The project was completed in late 2023 with the findings subsequently presented and published in international publications in 2024.

Terrestrial actions

In the future, additional measures will be taken to promote biodiversity in the terrestrial ecosystems of green spaces owned by VERBUND. Easy-to-implement measures for the management, procurement and design of green spaces at VERBUND are set forth in an internal VERBUND catalogue of biodiversity

measures along with resulting areas of potential. Sections in the catalogue include background information, best practices and recommendations for action on topics such as mowing management, creating structures such as rock piles, deadwood elements, or hedges, forest management, commissioning services on VERBUND plots of land, planting and seeding, and the management of non-native and invasive species. The catalogue of measures was published and communicated internally by VERBUND in 2024 and is intended to raise environmental awareness among employees and to serve as a basis for sustainable management plans.
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.

The following actions have been taken in particular in relation to sustainable land-use practices, including forest management:

In 2024, the forest area owned by VERBUND Hydro Power GmbH was certified as active, sustainable and climate-fit in accordance with the quality criteria of the Programme for the Endorsement of Forest Certification (PEFC). PEFC Austria develops standards and procedures for the system used to certify the domestic forests and the entire downstream value chain.

A tree cadastre was introduced in 2024 to allow trees to be preserved for longer so that the special potential of old trees, as habitat trees and carriers of microhabitats, can be utilised. Such microhabitats provide dedicated habitats for animal, plant, lichen and fungus species. Woodpecker and detritus cavities and hollows in these old trees along with exposed wood and deadwood also provide a diverse range of food and habitat for various species. Road safety assessments in accordance with ÖNORM L1122 in conjunction with ÖNORM L1125 (tree cadastre) are required to maintain these valuable habitat trees in areas frequented by the public or by operating personnel.

The Altenwörth and Greifenstein power plants are located in the Tullnerfelder-Donau-Auen Natura 2000 area. VERBUND Hydro Power GmbH and other landowners participated in the project "Development of an inter-company forest biodiversity monitoring and management concept for maintaining and promoting biodiversity in the Tullnerfelder-Donau-Auen Natura 2000 area" (WAMO). All surveys (inventory sampling, mapping of forest biodiversity elements, faunistic surveys, including bird species surveys) were carried out and completed in 2024. The final report will be published in 2025.

Timber harvesting has largely been 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 where possible only under suitable soil conditions (dry or frozen). When used with care, harvesters can reduce soil contamination and protect fauna and flora.

VERBUND leases grasslands to farms as well and often sets out criteria in leases, including bans on fertilising and spraying for semi-natural, biodiversity-enhancing land management. Information on the types of land use and related intensity along with ecological cultivation is obtained from Agrarmarkt Austria and, subject to consent being granted by leaseholders, is transmitted to VERBUND to obtain an overview of the land use. Extensive cultivation is intended not only to avoid the introduction of herbicides and fertilisers along with the associated loss of species, but also to contribute to soil protection through reduced driving on the land and thereby reduce the load placed on the soil by agricultural equipment.

In green spaces located close to bodies of water, the biodiversity of plants and animals (such as rare orchids, herbs, wild bees, lizards, grasshoppers, butterflies and spiders) is promoted through responsible meadow management and ecological maintenance measures. VERBUND is currently in the process of

setting up environmentally optimised dam maintenance at the power plants in Egglfing-Obernberg, Ering-Frauenstein and Braunau-Simbach in Bavaria.

To minimise potential negative impacts of wind turbines on populations and habitats, independent environmental agencies and the related authorities have prescribed a range of actions to be taken as part of environmental assessments. For one, many sites require periodic monitoring of bird and bat populations, often in conjunction with related adjustments to operations and temporary plant shutdowns for certain observed species or specified circumstances, such as the harvest period for cornfields. 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. Sections of the land may be mowed on a rare or partial basis to ensure cover is maintained for small mammals, deer and ground nesting species. Another area in the green space is kept mown to provide a biotope where birds of prey can hunt. In order to promote biodiversity, (mineral) fertilisers and pesticides are not permitted in these compensation areas. Following the construction phase of new wind farms, temporary access routes and crane parking spaces are reduced to a minimum and restored to their original condition. Other measures related to wind farms include replacement or reforestation of prescribed tree species, as well as the protection and developmental upkeep of trees and shrubs.

Action plans have been established for open-field solar installations in Austria and Spain, both for the construction phase and for the operation of the installations. These related measures may be one-off or recurring, and follow the biodiversity mitigation hierarchy. For instance, to prevent negative impacts on biodiversity, construction times and any necessary clearing work are adapted to the breeding behaviour of native species, as is the case at the installations in Mitterkirchen and Ludmannsdorf. Valuable habitats are not touched during construction or, where this is not possible, restored after construction. Permeable fences are also built to facilitate the unhindered passage of wild animals, for example at the La Solana installation in Spain. Restoration measures taken after the construction of installations include replanting native plants affected by the construction work. Compensatory measures can include the establishment of insect hotels, wildflower strips on the edge of the installation, or planting new trees and shrubs on the installation land to create additional habitats. In Austria, care is also taken to ensure extensive land cultivation without fertilisation and with the removal of mowed grass clippings. As part of mowing management, attention is paid to ensuring that animals such as partridges remain protected by visual cover and to the management of non-native and invasive species. An example of this approach can be found at the photovoltaic installation in Güssing, which opened in 2024.

Austrian Power Grid AG and Gas Connect Austria GmbH also take measures to maintain and promote biodiversity and base their actions on the mitigation hierarchy as a matter of course. This helps to both minimise the environmental impacts in relation to the grid and avoid unnecessary environmental impacts from the outset. In addition to statutory requirements, special consideration is given to species protection in projects undertaken by Gas Connect Austria GmbH. As part of its sustainable habitat management, Austrian Power Grid AG has a long history of implementing environmental and species protection measures in relation to the power grid that go far beyond the stringent legal requirements.

The Gas Connect Austria GmbH gas network and the Austrian Power Grid AG electricity grid lead through various landscape areas in Austria. Depending on the region, the climate, the naturally occurring circumstances and the type of use by humans, Austrian Power Grid AG and Gas Connect Austria GmbH routes pass through various landscapes, including 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 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.). If this is not possible, nature conservation experts are consulted to determine whether interfering with nature can be avoided to the greatest possible extent.

At Gas Connect Austria GmbH, biodiversity measures include ecological site supervision, compliance with guidelines for proper soil recultivation, reforestation, regulatory monitoring, management of non-native and invasive species, relocation of protected species and wildlife corridors.

At Austrian Power Grid AG, for example, CEF measures have been introduced to ensure the continuous ecological functionality of the habitats in which the wood grouse is found. In addition, numerous amphibian spawning grounds along with nesting areas and woodpiles have been established to compensate for encroaching on the terrestrial ecosystem. Bird conservation is of particular importance for Austrian Power Grid AG. When constructing overhead line systems, special care is taken to observe the breeding periods of rare species along with other measures. Numerous nesting aids for endangered bird species have been installed on electricity pylons and around lines. For example, if the habitat of gophers is affected during line construction, they are temporarily resettled for the duration of the construction work until their habitat is restored. Nature and species protection experts as well as local residents contribute their experience in resettling the gophers. Compensatory measures and spaces are defined in the planning phase and are legally secured through land purchases or long-term lease agreements. Current biodiversity measures in connection with construction projects are reported for Austrian Power Grid AG in the year during which new installations are put into initial operation. Every year, experts from various specialist fields are invited to participate in the Austrian Power Grid AG nature conservation meeting to share their experiences, engage in scientific debate and talk to stakeholders.

VERBUND has been implementing a wide range of 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

VERBUND has set itself the goal of investing around €400m between 2002 and 2027 in environmental measures such as constructing fish passes and restoring stretches of rivers. By the end of 2024, €194m had already been allocated to corresponding measures, as described in the previous section. Of the 92 installations required to ensure fish passage at present, 71 had achieved fish passability by the end of 2024. In base year 2021, upon the launch of the third National River Basin Management Plan in Austria, this figure stood at 66. By 2027, 89 installations are expected to be passable, subject to the timely receipt of the required public permits. Both corporate targets include VERBUND Hydro Power GmbH, Grenzkraftwerke GmbH and VERBUND Innkraftwerke GmbH as well as Ennskraftwerke AG. They primarily address the impacts of hydropower on the river ecosystem, particularly on the historically altered river morphology, the barrier function, and the associated impacts on the development of the fish population. The targets cover the catchment areas of the Danube, Drau, Salzach, Enns, Mur and Inn rivers in Austria and Bavaria. These targets have been allocated to the restoration step of the mitigation hierarchy.

Restoring the passability of major rivers is one of the objectives set out in the European Water Framework Directive. This Directive was enshrined in Austrian law by the Third National River Basin

Management Plan in 2021 and in Germany by the coordinated management plan (2022–2027). Among other things, the plans specify which stretches of river are to be morphologically restored to achieve good ecological condition or good ecological potential of the surface water bodies, and where measures for passability and residual water discharges need to be implemented. The international and national requirements are based on ecological thresholds for river basins. VERBUND uses these findings to improve its knowledge and contributes to the sustainable use and improvement of bodies of water through its targets and actions.

In addition, VERBUND targets are linked to the restoration of freshwater ecosystems objective set in the EU Biodiversity Strategy. Fish and all organisms found in and around the water habitat benefit from fish passes and the many bypass channels around them. Ecological thresholds for monitoring the functionality of fish passes are set forth by the responsible federal ministry in the form of guidelines. The functionality of fish passes and compliance with the requirements must be verified by VERBUND in the context of monitoring and corresponding reports. In Bavaria, the Technical University of Munich carries out comprehensive functionality monitoring in coordination with the Bavarian State Ministry of the Environment and Consumer Protection.
If compensation measures are required in relation to the implementation of semi-natural projects (e.g. for clearing work to reconnect silted distributaries), these are ordered by the authorities and executed alongside project implementation. However, these measures are not subject to any set targets.

Sustainability commitments have been developed for wind and photovoltaics, including biodiversity commitments. Through these commitments, VERBUND aims to achieve biodiversity net gains by 2030 for wind and photovoltaic projects. Specific targets for biodiversity net gains in the construction and operation of installations are currently being developed on the basis of these commitments. These targets include the development of comprehensive biodiversity concepts for wind farms and open-field solar installations. The aim is to not only minimise the negative impacts of infrastructure projects on the environment, but also to actively contribute to promoting biodiversity and creating sustainable habitats. For further business areas, compliance with policies and the implementation of measures related to biodiversity will be ensured through environmental management systems, annually updated action plans, monitoring requirements and the schedule of legal provisions, as well as through external certifications. These plans concern one-off, ongoing measures to be implemented at defined intervals. Progress of the measures is documented at least once a year.

Disclosure Requirement E4-5 – Impact metrics related to biodiversity and ecosystems change

At VERBUND, 128 sites with a potential negative impact on protected areas are located in or near biodiversity sensitive areas (see table for E4 SBM 3). Of this amount, 6,242 hectares comprise land that is either owned by VERBUND or which is under third-party ownership with easements (servitude) for VERBUND.

The number of fish passes completed is used as a metric for determining changes in the passability of rivers. As of the end of 2024, a total of 71 VERBUND power plant sites, including Ennskraftwerke AG, were passable for fish. This corresponds to 76% of the run-of-river power plants. Plans for a further eleven run-of-river power plants are already in the advanced stage, and completion is planned for 2025 and 2026. Construction of the fish passes at the Rosenheim power plant (Inn River), the Laufnitzdorf and Bodendorf power plants (Mur River), as well as the Landl (Enns River) and Sölk power plants (Donnersbach River) is scheduled to begin in 2025. The metric “Number of fish passes” covers both the restoration of the

structural continuity 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.

Fish passes

		Base year	Comparison (N-1)	(N)
		2021	2023	2024
Sites	Number	66	69	71

More than 80% of VERBUND wind turbines and all open-field solar installations throughout Europe are already accompanied by environmental measures during construction and operation. Compensation, offsetting and substitute measures as well as ensuring environmental continuity are the most common measures. The majority of wind turbines are monitored on an annual basis. While bird and bat populations are usually checked, plant species and native animal species are also frequently monitored.

ESRS E5 Resource use and circular economy

ESRS 2 General Disclosures

VERBUND recognises the need to implement a fully functional circular economy at national and international level without delay. Accordingly, VERBUND strives to expand on measures implemented to date on the topics of resource efficiency and circular economy and to identify further relevant topics.

VERBUND wants to contribute to a successful circular economy. Measures already implemented include, for example, the utilisation of by-products from thermal energy generation as well as comprehensive maintenance programmes for VERBUND facilities. These initiatives are aimed at extending the service life of VERBUND facilities, reducing the use of raw materials and minimising the generation of waste in the long term.

Impact, risk and opportunity management

The provision of electricity requires the construction and maintenance of various types of power plants along with the necessary related infrastructure. For this reason, both resource inflows and waste were categorised as material topics.

More information on the assessment methodology applied in the double materiality assessment and on how affected communities were involved in the process is described in the section ESRS 2 IRO-1.

The following sections discuss the approaches to managing identified opportunities and risks, allocated actions and resources, and related key metrics and targets.

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

Topic-specific disclosures on processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities can be found in the section ESRS 2 IRO-1.

Disclosure Requirement E5-1 – Policies related to resource use and circular economy

At VERBUND, the management of impacts, risks and opportunities related to resource use and circular economy is of importance when it comes to keeping primary resource consumption to a minimum while maximising the circularity of waste streams.

A comprehensive Group-wide approach to conserving resources and the circular economy is yet to be established as the related direct impacts on the environment are considered to be low compared to the other environmental topics. However, VERBUND has launched an analysis process to evaluate the aspects of the circular economy relevant to the Group. The aim is to develop a circular economy strategy that generates both environmental and economic benefits for society and for VERBUND.

The VERBUND Executive Board has already adopted and regularly updates executive orders that define responsibilities and areas of responsibility in relation to materials management and sustainability management within the Group.

The following ecological criteria have been established to support the transition to a circular economy at VERBUND:

Responsible use of natural raw materials and resources. VERBUND records the proportion of renewable energy sources in its total energy consumption and monitors the development of energy consumption and materials on an annual basis.

Waste management represents another important topic. 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: waste prevention before preparation for reuse, before recycling, before recovery and before disposal. The VERBUND Group Waste Coordinator and their deputy monitor waste management and provide advice based on the VERBUND Waste Management work instruction. 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.

Procurement takes place in accordance with the specially defined executive order for materials management and the VERBUND procurement guidelines, which stipulate that materials management must be carried out in accordance with the 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 addition to the executive orders, a Supplier Code of Conduct (SCoC) has been established for the management of resource inflows to ensure resource-efficient waste and materials management at VERBUND and all subsidiaries. Resource inflows related to procurement are subject to this Supplier Code of Conduct (SCoC). Among other things, the Group-wide SCoC provides recommendations for VERBUND contractors on resource use and circular economy. The SCoC applies to all suppliers and business partners that supply products or services to the Group, including both domestic and

international suppliers. Suppliers in business relationships with VERBUND must adhere to the standards and expectations set out therein.

In order to improve energy and resource efficiency, VERBUND suppliers are advised to implement measures that significantly reduce the use thereof. These recommendations are listed in the SCoC, are available to all suppliers, and form part of VERBUND's general terms and conditions for orders. 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.

With these recommendations for action, VERBUND aims to help create the conditions for resource-efficient and sustainable management. The full 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.

Disclosure Requirement E5-2 – Actions and resources related to resource use and circular economy

The topic of resource flows related to resource use and circular economy (ESRS E5) was categorised as material in the double materiality assessment.

VERBUND is working on identifying measures to improve resource use and circular economy. This involves a comprehensive analysis of existing practices and obtaining feedback from various departments and companies throughout the Group. By incorporating the perspectives of its employees and partners, VERBUND hopes to gain valuable insights that will enable it to expand and optimise its measures in a targeted manner.

The measures listed below are not one-off measures but instead recurring measures that form part of ongoing business processes for which it is not possible to make any estimates with regard to financial figures.

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. Through these ongoing measures, VERBUND actively contributes to the conservation of resources and environmental compatibility of its construction and demolition projects. This directive is part of VERBUND's General Terms and Conditions.

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. By consistently implementing this hierarchy, VERBUND ensures that waste is prevented at the earliest possible stage and, where this is not possible, is considered a valuable

resource through reuse or recycling. This not only reduces the volume of waste, but also promotes environmentally friendly and resource-efficient operations management.

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, the long-term use of installations in operation, and repair policies designed to maximise the useful life of installations. 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.

The aim of elongating the useful life of operated facilities and thereby saving materials for new construction is pursued through ongoing maintenance measures and optimised service intervals for wind farms and photovoltaic installations. 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. The resulting material flow accounts for only a fraction of the material streams of coarse ash, fly ash and gypsum generated prior to 2020. The phase-out of coal-fired power generation completely eliminated these material streams.

A waste recovery project 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. Thanks to this ongoing measure, the material properties of the soda ash are being put to good use while simultaneously saving natural raw materials in the cement industry.

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.

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 the course of developing its circular economy strategy.

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 for the financial year 2024 will be carried out for the first time using the structure outlined in this report 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).

Disclosure Requirement E5-4 – Resource inflows

The products and technical materials relevant to VERBUND are listed in the table below.

Products and technical materials

	Unit	**2024**
IT equipment	t	17
Auxiliary and operating materials	t	500
Products for customer projects	t	360
Buildings and infrastructure	t	236,730
Vehicle fleet	t	500

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

	Unit	**2024**
Steel	t	29,570
Copper	t	990
Aluminium	t	6,010
Concrete	t	40,500
Glass	t	11,380
Iron	t	960
Gravel	t	128,750
Total	t	218,160

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.

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.

At VERBUND, waste streams are divided into five categories: non-hazardous waste from ongoing operations, non-hazardous waste from projects, hazardous waste from ongoing operations, hazardous waste from projects, and screened debris. The disclosed figures 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.

The following table shows the breakdown of data on waste.

Waste

	Unit	2023	**2024**
Total waste	t	535,149	93,576
Total hazardous waste	t	3,601	1,859
from ongoing operations	t	795	902
from projects	t	2,806	958
Total non-hazardous waste	t	501,302	59,923
from ongoing operations	t	8,612	7,593
from projects	t	492,690	52,330
Screened debris – hydropower plants	t	30,246	31,794
Radioactive waste	t	0	0

All waste is recorded directly and subsequently passed on to authorised waste collection and treatment firms. By directly handing waste over to waste collection and treatment firms, VERBUND ensures that all waste accrued is properly treated and recycled.

In 2024, VERBUND recorded a lower volume of waste compared with the 2023 reporting period. This decline can be attributed to one-off activities in 2023 in different power plant groups, including dredging, de-sedimentation and the construction of a sewer, which resulted in a greater amount of excavated material (excavated soil). As a result, the volume of non-hazardous waste has decreased significantly. The reduction in hazardous waste from 2023 to 2024 can be attributed to a number of factors. For one, hazardous waste such as used batteries, fluorescent tubes and waste oils are generally not produced at the same frequency as non-hazardous waste, resulting in a lower waste disposal intensity. In addition, project-related waste, which is often solely generated by one-off activities such as changing oil in generator sets, varies, leading to fluctuations in the annual volume of waste. Another decisive factor is the inventory of the work materials and hazardous substances as part of the "Work materials, hazardous goods and waste management strategy" Group project, which was carried out in the 2023 reporting period. This inventory made it possible to identify many obsolete substances that are no longer required and dispose of them as hazardous waste, which also contributed to the reduction in hazardous waste in 2024.

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 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).

A breakdown of hazardous and non-hazardous waste into recovery and disposal categories (non-recycled waste) can be found in the table below.

Recovery or disposal of hazardous and non-hazardous hazardous waste

	Unit	**2024**
Hazardous waste		
Recovery	t	976
Disposal (non-recycled waste)	t	882
Non-hazardous waste (incl. screened debris)		
Recovery	t	79,872
Disposal (non-recycled waste)	t	11,846
Total recovery	t	80,848
Total disposal (non-recycled waste)	t	12,728
Disposal share (non-recycled waste)	%	14

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 haulers for transport and to waste disposal companies or licensing-exempt 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

tons (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 according to disclosure requirement ESRS 2 BP-2 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 2024 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.

Social information

ESRS S1 Own workforce

ESRS 2 General Disclosures

Strategy

Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders
Topic-specific disclosures on the interests and viewpoints of VERBUND's own workforce 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
Actual and potential impacts related to own workforce were examined in the course of the materiality assessment. 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.

The assessment did not identify any risks or opportunities with respect to own workforce. This is due to the approach selected for 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.

The material impacts of VERBUND's business activities on its own workforce identified in the materiality assessment are as follows:

Positive impacts:

- Work-life balance accompanied by social benefits, a stable income and flexible working models.
- Continuing professional development options that promote ongoing personal development.
- Active worker participation through a structured dialogue between the workforce and management fosters a higher degree of motivation and satisfaction.

Negative impacts:

- Work-related accidents in relation to plant operation and on construction sites that result in temporary or permanent ill-health.
- Violation of privacy rights due to loss of data.
- Unequal pay and unequal promotion prospects for men and women.

As the materiality assessment is conducted on the basis of a gross presentation, negative impacts must be reported prior to the effect of compensatory measures. Accordingly, even impacts that were identified as negative some time ago and are already being addressed with measures must also be assessed before the effects of the compensatory safeguarding measures. The material negative impacts of work-related

accidents and breaches of privacy rights resulting from data loss relate to non-recurring events, such as an accident or an individual incident involving the disclosure of personal data.

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. In the future, there will be no negative impacts on VERBUND's own workforce arising from the current business model and the strategy pursued by VERBUND. 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.

VERBUND is committed to protecting vulnerable individuals who could be particularly affected by negative impacts based on their age, gender or other diversity criteria.

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 young people who may be more susceptible to impacts on their physical and mental development, or women in an environment where women are routinely subjected to unequal treatment.

Impact, risk and opportunity 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 refers to temporary staff, namely workers mediated by third party undertakings primarily engaged employment anctivities. All employees may be affected by any material impacts that exist 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. The Executive Board bears ultimate responsibility for implementation of these policies. Disclosure requirement S1-2 explains how the interests and views of stakeholders were considered in the adoption of the policies outlined below. The policies are accessible to all VERBUND employees on the intranet. News reports are regularly published on the intranet, and the mandatory annual training courses on employee protection, compliance, data protection and information security continually remind employees of this fact and help improve their knowledge on the subject.

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 they become aware of. This responsibility is enshrined in the VERBUND Group Policy on human rights due diligence and included in VERBUND's Code of Conduct for Sustainable Business. 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 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.

Policies to prevent work-related accidents and promote health in the workplace

Work-related accidents and injuries can be avoided if Group processes are adequately optimised by an occupational health and safety management system. All VERBUND employees are covered by appropriate occupational health and safety management systems. Currently, Austrian Power Grid AG and Gas Connect Austria GmbH, and, since 2023, VERBUND AG, have a management system certified according to ISO 45001 in place. As a result, as many as 33% of the employees work in companies with externally certified occupational health and safety management systems. The remaining Group companies are in the process of obtaining certification and will have received certification by 2025.

VERBUND strengthens the physical and mental health of its employees through comprehensive occupational health management that goes above and beyond the legal requirements. VERBUND is aware of its corporate duty of care and aims to preserve the creative energy of its employees into old age 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.

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 measures to minimise hazards and risks in the work environment.

In 2024, the occupational health management at VERBUND was 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. In the future, a participatory approach will result in the creation of offerings tailored to specific needs and target groups, for example for apprentices or older employees. The "Fit and Healthy at VERBUND" initiative focuses on three implementation levels: employees health behaviour and awareness, framework conditions to promote health and a health-oriented leadership culture.

Equal treatment and diversity policies

VERBUND is committed to fostering tolerance and respect for all employees, regardless of gender, skin colour, nationality, ethnic origin, religious or cultural beliefs, disabilities, age, sexual orientation or identity. Several policies have been adopted at VERBUND to address unequal treatment. 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 in 2012 and has been a premium member since 2015. ZukunftVIELFALT® is both a management policy that helps companies to develop a comprehensive diversity management system and a distinction honouring comprehensive diversity management. VERBUND aims to embrace diversity within the Group and to systematically expand on and update its diversity strategy. 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.

The established Diversity Network puts equal opportunity issues at the heart of the Group's organisational structure and focuses on promoting diversity at VERBUND. The network 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.

Data protection policy

VERBUND has a Group-wide data protection management system (DSMS) in place. Two subsidiaries and the companies in the unbundled segment each operate their own data protection management systems. This management system ensures processes are in place to 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.) must be safeguarded.

Personal skills development policy

VERBUND trains its employees on a continuous basis and offers numerous opportunities for training and education. The workforce is continuously gaining further qualifications, developing their skills and therefore prepared to meet constantly changing requirements. The employee entitlement to educational leave is enshrined in a collective agreement.

Work-life balance policy

The audit berufundfamilie is a management system designed to improve work-life balance. VERBUND has been conducting this audit since 2009, with a three-year reaudit cycle. As part of the audit, 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.

Collective bargaining and wage agreements

Collective bargaining and works agreements provide the basis for the cooperation between VERBUND and its employees. The rules set out therein strengthen positive impacts that affect VERBUND's own workforce, namely personal skill development, work-life balance, and employee satisfaction. They uphold human rights and are consistent with the UN Guiding Principles on Business and Human Rights. Due to the "outsider effect" enshrined in employment law, all employees are covered by the collective

bargaining agreements regardless of whether they belong to a trade union or not. Some of the aspects governed by collective bargaining agreements are minimum salaries, working hours and special payments (holiday and Christmas bonuses) along with the employee entitlement to educational leave. A number of voluntary benefits including company pension scheme, supplementary health insurance coverage, discounted lunches and health check-ups, and social benefits governed by collective bargaining agreements such as the child allowance are available to its employees, regardless of whether they work part time or full time. The right of employees to take family-related leave, including maternity leave, paternity leave, parental leave and carers' leave, are legal entitlements. The same applies in Germany, where employees are subject to the provisions of a German collective wage agreement consistent with those found in the Austrian collective bargaining agreement. In other countries such as Italy, Spain and Romania, local collective bargaining agreements or equivalent individual agreements have been concluded.

Anti-discrimination policies

VERBUND rejects any form of discrimination, bullying, and sexual harassment and works with all people, regardless of their racial and ethnic origin, colour, sex, sexual orientation, gender identity, disability, age, religion, political opinions, national extraction or social origin. In doing so, VERBUND stands for mutual respect and a respectful approach to individuality. 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. "Measures against violence and harassment in the workplace" in section S1-4 summarises a number of targeted measures implemented to ensure that discrimination is prevented, mitigated and acted upon once detected. 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.

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.

Disclosure Requirement S1-2 – Processes for engaging with own workers and workers' representatives about impacts

In the course of the materiality assessment, the structured dialogue maintained between workers' representatives and 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 with fulfilling this responsibility.

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.

An employee survey is conducted on a regular basis to assess the effectiveness of VERBUND's engagement with its workforce. The survey provides an opportunity to ask questions on a wide range of factors, all of which affect employee satisfaction. Every three years VERBUND participates in the Group-wide Trust Index© employee survey conducted by Great Place to Work®. Due to the high participation rate of 72% and a Trust Index© rating of 76%, VERBUND was once again certified as a Great Place to Work® in 2024. VERBUND was also included among the GREAT 50 in the reporting period as on one of the Best Workplaces™ in Austria for 2024 and the Best Workplaces™ in Bavaria for 2024. Findings from the 2024 employee survey showed a high level of overall satisfaction with VERBUND as an employer (89% responded yes to the question: "All in all, I can say this is a very good place to work"). However, room for improvement was cited in the management-related aspects of "credibility, respect and fairness", particularly with regard to "cooperation, balance and neutrality". The results of the surveys are used by the Strategic Human Resources Management team and the responsible operational management team to develop appropriate measures. The findings are also analysed and monitored.

Healthy and motivated 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 issues instructions, 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 and Romania in accordance with the applicable laws.

A select group of employees is also actively involved in developing measures to improve specific issues during the regular certification and audits of the ZukunftVIELFALT® and Work and Family management systems. This contributes to work-life balance. 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. Holiday care for the children of VERBUND employees was initially established in response to feedback received from employees through the audit berufundfamilie, and has formed an integral part of the summer programme ever since.

The Diversity Network allows 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 employees. 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.

Within the Group, all stakeholders undertake to comply with the Code of Conduct and with the Human rights due diligence guideline. 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.

Disclosure Requirement S1-3 – Processes to remediate negative impacts and channels for own workers 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 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 concerns to the Diversity Network and the Works Council, and reporting incidents. 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 employees also includes information on the options available for reporting compliance incidents. More information on this topic can be found in section G1.

Employee performance reviews

Employee performance reviews are conducted for all members of VERBUND's own workforce and thereby provide comprehensive insight into the views of all internal stakeholders. The reviews are confidential, cooperative discussions that generally take place in private and last one to two hours. Employee performance reviews are carried out 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 between 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. By providing a safe setting, material negative impacts such as gender inequality can be discussed with confidence.

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 employees not only have access to these channels, but are aware of them and have enough trust in them to use them when required. Please consult section G1 for more information.

Reporting to the Diversity Network

If employees have questions, concerns, suggestions and grievances about gender equality or suspect discrimination has occurred, they can contact any member of the Diversity Network. Enquiries are treated confidentially as a matter of course. All questions are answered, any suspicions of gender equality 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 members of the network are not responsible for deciding on repercussions under employment law. This responsibility instead lies with top management.

Reporting to the Works Council

The Works Council provides advice on all social, 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. Then, depending on the case, a solution is found. All conversations and data are treated confidentially, and the employees are provided with information about the result at the end of the process.

Incident reporting system

All employees are able to submit suggestions for safety measures, hazard reports and reports of near misses directly to an incident database. This process is designed to reduce the number of work-related accidents. The reports are reviewed by the Group's safety experts, and, wherever possible, the appropriate improvements are identified and made in consultation with the responsible organisational unit.

Work-related hazards and hazardous situations may be reported to the incident database anonymously to protect employees against reprisals. Confidential reports may also be made to the respective safety officer or, later in the process, to the responsible employee representative.

Disclosure Requirement S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

VERBUND is aware of the material impacts of its business activities on its own workforces. Positive impacts are continuously reinforced through numerous measures. Negative impacts, on the other hand, are mitigated through ongoing action. With regard to occupational health and safety and equal treatment, impacts have also been linked to specific measurable targets that can be used to track the effectiveness of implemented measures. The targets are outlined in section S1-5 under Disclosure requirements. All

measures apply to the entire VERBUND workforce, which includes both employees and non-employees. Occupational health and safety measures also apply to workers in the value chain who work at VERBUND sites. The measures have no time limits, as the significant negative and positive impacts of the business activities on the workforce are also of a lasting nature and therefore require permanent measures to mitigate or reinforce them. 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. To summarise, the measures listed below are not one-off measures but instead recurring measures 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.

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.

Occupational health and safety measures

To enhance the occupational health and safety culture at the Group, the We Live Safety project was launched in 2018 and 2019. Since 2020, the project has been continued as a policy. The project 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. In 2024, a month of action on occupational health and safety with a comprehensive informational campaign was organised to celebrate the World Day for Safety and Health at Work in April. In addition, refresher workshops on behaviour-oriented occupational health and safety were held for top management.

The focus topic of safety briefings in 2024 was "Evaluating psychological working conditions". Every year, as was the case in financial year 2024, legally mandated safety briefings are successfully completed by close to 100% of the workforce, either in person or via an e-learning programme that includes a final test. In 2024, the most common types of injuries were skin injuries and bruises. The most common injury-causing incidents included tripping, and workers accidentally cutting or stabbing themselves with sharp or pointed objects.

With regard to health protection, in 2024 the focus was on expanded medical check-ups and health checks, which were offered free of charge at numerous sites during working hours. In order to raise awareness of the topic of health in general and to publicise the availability of the services on offer, several VERBUND sites held a health tour with well-known speakers from the world of elite sport. Keynote speeches by speakers on the health tour focused on mental and physical health and provided employees with inspiration for their own everyday (working) lives. Informational events were also held for top management to draw attention to the importance of occupational health and safety management and the measures taken. Services already available included both discounted access to sport and exercise facilities and mental health counselling. Another point of contact has been set up for questions regarding providing care and support to relatives to assist affected employees in challenging situations. Webinars on the topic of healthy eating, online 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 2024.

Gender equality measures

VERBUND has published a gender pay gap analysis in accordance with ESRS reporting requirements 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. Differences in pay between 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. The percentage of women in top management positions did not increase at the same rate as in the overall organisation and is lower than the Group average, especially in the companies VERBUND is unable to influence due to statutory unbundling provisions.

VERBUND pursues the policy of gender equality at all levels. For this reason, numerous measures have been defined based on the VERBUND diversity strategy, including the inclusion of the metric "percentage of women among new employee hires" in the target agreements for top management, a gender-inclusive high potential employees programme to increase women's career opportunities (50% female participation in the first cycle), monitoring the percentage of women in projects and with regard to salary adjustments, work-life balance measures such as flexible working hours, childcare vouchers and holiday care for children, promoting paternity leave and increasing the number of female apprentices.

The women's network Mission V-emale is 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 Network (Employee Assistance & Support Group) puts equal opportunity issues at the heart of the Group's organisational structure and addresses issues such as gender balance.

Measures to achieve gender equality have started to bear fruit: the percentage of women among employees has increased by more than 20% to 22.6% since 2020.

Data protection measures

To maintain data protection awareness, the training policy requires all employees 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. Initiatives such as these create the conditions for the optimum protection of personal data.

Skills development measures

VERBUND has highly trained employees whose dedication, motivation and versatility make a significant contribution to the success of the Group. This is why the Group invests in comprehensive further training. The aim is to provide a central, Group-wide training structure for all employees that supports VERBUND's global reach. An important milestone in this respect was the expansion of the learning management system (LMS) to include English-language content in 2024, which involved the development of various e-learning modules in English.

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 and a high potential employees programme as personnel development measures.

Work-life balance measures

VERBUND offers its employees 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 company agreement on remote work and mobile working, various working time models, a pension scheme, a child allowance and more. Other measures include a free crisis hotline for employees in difficult situations, child care options during holidays and an optional parental leave month for fathers. VERBUND has used the Work and Family 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. Another re-audit was successfully carried out in 2024. The newly defined action areas include instating a family-friendly management culture throughout the Group, further developing flexible working hours, holiday care options and remote working rules, and promoting part-time management roles.

VERBUND has also been a part of the Companies for Families network since 2015. The goal is to improve and update the level of knowledge of executives and employees via activities on the topic of work-life balance and to initiate additional projects.

Measures to ensure employee satisfaction

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" enshrined in labour law, all employees are subject to the collective agreements regardless of whether they themselves belong to the union or not. Employment contracts must adhere to collective bargaining agreements and may not contain any provisions that are less advantageous than those contained in the respective collective bargaining agreement. Some of the aspects governed by collective bargaining agreements include employees' minimum salaries, working hours and supplemental payments (holiday and Christmas bonuses). The inflation-driven increase in wages and salaries is negotiated in annual collective bargaining rounds. VERBUND also declares its commitment to paying its employees in line with market standards and employee performance. Nearly 99% of employees are covered by collective bargaining agreements. 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.

Initiatives on the topic of diversity are pooled under the umbrella DEI (diversity, equity and inclusion) strategy set by VERBUND. Measures have been defined with regard to age, gender, disability, sexual orientation, social and national origin, and religion and ideology. 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 ZukunftVIELFALT® management system certification.

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 ZukunftVIELFALT®

certification. 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) and to recruit and employ people with disabilities beyond these quotas. 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 diversity and inclusion webinars. In addition to 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. Both measures focus on inclusion.

The collaboration with the Austrian Disabled Sports Association (*Österreichischer Behindertensportverband*) continued in 2024, strengthening the connection to the affected groups. Participation in the Hidden Potential (*Versteckte Potenziale*) initiative helped to promote the search for apprentices with disabilities. VERBUND has also improved digital accessibility with the establishment of the Digital Accessibility Team. Employees with disabilities and allies can share their experiences as part of the newly established employee resource group DiversAbility.

VERBUND rejects any form of discrimination, bullying or (sexual) harassment. Combating violence and harassment requires comprehensive strategies and measures that are both preventive and reactive. The VERBUND Code of Conduct and the BlueCode (see G1) set out clear guidelines and behavioural standards. With Mission V (see G1), VERBUND is also actively promoting a respectful corporate culture in which violence and harassment are not tolerated.

Different platforms are used to raise awareness among the workforce and top management and train them on the topic of diversity and inclusion: the VERBUND diversity and inclusion training programme is available to all employees in the form of webinars. Information on various topics is published on an ongoing basis on the intranet. Both diversity management and top management continuously convey VERBUND's stance, provide information and outline available reporting channels in various settings. Various points of contact and support systems are in place for reporting incidents or suspected violations, including the Works Council, the Diversity Network and the whistleblower system (see S1-3). The consistent handling of reported cases enables VERBUND to better protect those affected, find solutions and impose the necessary sanctions in the event of violations. The measures taken in specific cases strengthen awareness of the importance of a respectful, appreciative and non-discriminatory corporate culture. This enables VERBUND as a company to intervene at an earlier stage and minimise more serious cases.

All of the measures described above are not one-off measures but instead recurring measures that are implemented on a routine and continuous basis as part of ongoing business processes for which it is not possible to make any estimates with regard to financial figures.

A major step toward decarbonisation has been achieved in recent years with the closure of coal-fired power plants. Several measures related to 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.

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. All targets focus on achieving a healthy and stable workforce with a high level of employee satisfaction, an optimal work-life balance, ongoing skills development, diversity and disability inclusion. At the same time, unequal treatment on the basis of gender must be eliminated. With this, many of the sustainability matters enshrined in the ESRS are covered and VERBUND is pursuing European Union targets. The targets are formulated and defined in ongoing coordination between management, workers' representatives, and strategic HR management. In financial year 2024, there were no amendments to targets, metrics, underlying measurement methods, significant assumptions, restrictions, sources or data collection practices.

Target: occupational health and safety

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 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 ≤5 by 2025. 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. It applies to all VERBUND workers and value chain workers working at VERBUND sites.

As a corporate objective, VERBUND is striving to achieve ISO 45001 certification for all VERBUND companies by the end of 2025. Initial preparatory work and ISO readiness audits began in 2020. In June 2023, VERBUND AG's management system was successfully externally certified according to ISO 45001. In the 2024 reporting period, a Group project was launched to roll out the management system to other core companies in order to ensure safety and health at all consolidated companies.

Target: gender equality

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. 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 also included in the Executive Board's target agreement. In 2024, women represented 22.6% of the workforce.

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.

Target: data protection

Annual completion of data protection training is defined as a target for addressing the material negative impact of "violations of privacy rights". This target is monitored by the Group Data Protection Officer and has been achieved at a rate of 100% over the past three years.

Target: personal skills development

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. The target is enshrined in the collective bargaining agreements concluded with electric utilities and applies to all employees of VERBUND. Target achievement fell sharply following the outbreak of the COVID-19 pandemic. In recent years, the figure has gradually moved closer to the target, and by 2024 it had almost been reached with 37.6 hours of training for every employee per year.

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 successfully addresses 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.

Target: work-life balance

As part of the recertification by the Work and Family Audit, the following targets were set for 2025–2027 with regard to the positive impact of work-life balance:

- Fostering a family-friendly management culture throughout the Group through clear, consistent guidelines on managing remote work;
- Further improving flexible working hours and remote work guidelines;
- Continuing to communicate family-friendly services and programmes;
- Enhancing holiday child care options; and
- Promoting part-time work and part-time management positions along with family-friendly personnel planning.

As addressed in S1-2, recertification as part of the Work and Family Audit involves consulting workers from various divisions when setting targets. The targets are scheduled to last three years, but there is usually no defined metric. Progress made in the working group will therefore 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.

Target: Employee satisfaction

With regard to the material topic of "structured dialogue between management and employees", the set target is to conduct a direct dialogue on the employee satisfaction analysis every three years. In the year of implementation, targets were also set for management: participation rates were defined and a minimum satisfaction index was prescribed. 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.
VERBUND strives to achieve a low employee turnover rate (with the exclusion of employees going into retirement) of < 5%. At 3.7%, this figure was once again surpassed in 2024. 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.

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.

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. This not only ensures comparability between nations, but also the recognition of all forms of disability. A target to increase the percentage of people with disabilities in the workforce is enshrined in the Executive Boards' 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.

Disclosure Requirement S1-6 – Characteristics of the undertaking's employees

In the 2024 reporting period, 4,424 people were employed directly by VERBUND. This equates to 4,278.9 full-time equivalents and an average of 4,149.2 full-time equivalents for the entire reporting period. 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.

Employees by gender

Gender	2023	**2024**
Male	3,195	3,423
Female	900	1,001
Diverse[1]	-	-
Not specified	-	-
Total number of employees	4,095	**4,424**

[1] gender as reported by employees

Employees by type of contract and gender

	Female	Male	Diverse[1]	Not specified	**Total**
Number of employees (head count)	1,001	3,423	-	-	4,424
Number of permanent employees (head count)	958	3,160	-	-	4,118
Temporary employees (head count)	43	263	-	-	306
of which apprentices and apprentices in post-qualification retention period (head count)	26	162	-	-	188
Number of non-guaranteed hours employees (head count)	0	0	-	-	0
Number of full-time employees (head count)	779	3,338	-	-	4,117
Number of part-time employees (head count)	222	85	-	-	307

[1] gender as reported by employees

The data cited above refers to the number of individuals as at 31 December 2024. 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.

Non-guaranteed hours employees are employed by an undertaking without a guarantee of a minimum or fixed number of working hours. 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 2024, 237 individuals left the company, representing an employee turnover rate of 5.4%, and taking into account 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.

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 2024, the number of temporary staff at VERBUND was 98. As VERBUND has been offering temporary staff permanent employment in recent years, the number of temporary staff fell by 14% in the reporting period. 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.

Disclosure Requirement S1-8 – Collective bargaining coverage and social dialogue

A total of 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.

Disclosure Requirement S1-9 – Diversity metrics

In 2024, there were 24 female (18.6%), 105 male (81.4%), and 0 diverse (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.

Metrics – total distribution by age

	Unit	2023	**2024**
under 30 years old	%	22.0	20.8
30–50 years old	%	51.3	54.0
over 50 years old	%	26.7	25.2

In order to cushion demographic change in the Group, VERBUND takes care to ensure a balanced age structure for its employees. The benchmark for this is the breakdown of salaried employees by age group in Austria. Around 25% of VERBUND employees are in the oldest age group and are accordingly less represented than the working-age population in the whole of Austria, as intended (working population in Austria: <30 years old: 21%, 30-50 years old: 47%, >50 years old: 32%, source: Statistik Austria).

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 a collective bargaining agreement 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.

Disclosure Requirement S1-11 – Social protection

Employees in all countries in which VERBUND operates, namely Austria, Germany, Spain, Italy, 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.

Disclosure Requirement S1-12 – Persons with disabilities

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. The Group 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. 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. In 2024, the percentage of employees with disabilities at VERBUND was 2.4%, marking a slight year-on-year increase. This figure demonstrates that the measures put in place are working.

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

	Unit	Female	Male	Diverse[1]	Not specified	Total
Employee performance review rate	%	93.6	93.6	-	-	93.6
Average number of training hours per employee	Hours	36.8	37.6	-	-	37.4

[1] gender as reported by employees

In 2024, each VERBUND employee completed 38 hours of training. Personnel development in financial year 2024 focused on safety, technology and IT training. An uptake in interest in AI training was also observed.

Disclosure Requirement S1-14 – Health and safety metrics

All VERBUND employees are covered by appropriate occupational health and safety management systems. Currently, Austrian Power Grid AG and Gas Connect Austria GmbH, and, since 2023, VERBUND AG, have a management system certified according to ISO 45001 in place. As a result, as many as 33% of the employees work in companies with externally certified occupational health and safety management systems. The remaining Group companies are in the process of obtaining certification and will have received certification by 2025.

Occupational safety metrics

	Unit	2024
People in own workforce covered by a health and safety management system (total)	%	100.0
Employees according to ESRS definition of employees	%	100.0
Temporary staff according to ESRS definition of non-employees	%	100.0
People in own workforce covered by an ISO 45001-certified health and safety management system (total)	%	33.3
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
Employees S1	Number	0
Non-employees S1	Number	0
Value chain workers S2 if they work at the Group's sites	Number	0
Number of recordable work-related accidents (total including value chain workers who work at the Group's sites)	Number	82
Employees S1	Number	41
Non-employees S1	Number	4
Value chain workers S2 if they work at the Group's sites	Number	37
LTIFR: Rate of reportable work-related accidents (total including value chain workers who work at the Group's sites)	Number	5.8
Employees S1	Number	5.0
Non-employees S1	Number	22.3
Value chain workers S2 if they work at the Group's sites	Number	6.4
Number of days lost to work-related injuries and fatalities (employees S1)	Number	903
Number of days lost to work-related injuries and fatalities (non-employees S1)	Number	101
Accident severity (employees + non-employees S1)	Days/accident	22.3
Number of severe accidents (employees + non-employees S1)	Number	5

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 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 was one workplace accident resulting in serious injury in financial year 2024.

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 set forth in S1-14, 88d is hereby omitted.

Disclosure Requirement S1-15 – Work-life balance metrics

All VERBUND 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, 13.0% of employees and 17.2% of female employees took leave for family reasons in the past year.

Disclosure Requirement S1-16 – Remuneration metrics (pay gap and total remuneration)

The gender pay gap at VERBUND is 11.4%. This means that female VERBUND employees earn on average 11.4% 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 7.6%, the gender pay gap is much lower at companies on which VERBUND can exert influence.

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 1:20.

Disclosure Requirement S1-17 – Incidents, complaints and severe human rights impacts

Thirteen cases of discrimination were reported in the reporting period. In addition, five 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 three cases, no discrimination was identified. In all other cases, remediation plans have been developed and implemented. Remedies included holding discussions or offering further counselling. In addition, VERBUND has parted ways with three individuals who harassed others, either through termination of their employment contracts or dismissal.

The total amount of fines, penalties and compensation for damages as a result of the incidents and complaints disclosed above came to €0.

There were no severe human rights incidents involving the Group's workforce in financial year 2024. 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.

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

Topic-specific disclosures on the interests and views of workers in the value chain 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 contribute to the deterioration or exacerbation of poor working and environmental conditions. Construction projects may involve work-related accidents affecting external contractors on VERBUND construction sites, resulting in negative impacts on health and employability. VERBUND also relies on the availability of workers in the value chain; without value chain workers, the construction and revitalisation of plants would either not be possible in the first place, or take much longer.

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.

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.

Material impacts primarily involve VERBUND construction sites due to new construction and revitalisation 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.

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).

No financially material risk drivers that could be directly or indirectly either positively or negatively influenced by factors affecting value chain workers have been identified.

As described above, negative impacts affect workers on VERBUND construction sites in particular, especially in light of the higher accident rate among workers for external contractors compared to VERBUND's own workforce and the LTIFR (see LTIFR in section S1-14). These factors provided the basis for assessing the negative impacts in the materiality assessment.

No specific affected groups of workers have been identified beyond the workers on VERBUND construction sites described above.

Impact, risk and opportunity management

Disclosure Requirement S2-1 – Policies related to value chain workers

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, and is a component of all VERBUND tenders and contracts. 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. 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. Ultimate responsibility for sustainable management lies with the Executive Board.

The Supplier Code of Conduct covers the workers of all direct suppliers, and also requires them to pass on responsibility to their suppliers. The Supplier Code of Conduct is publicly available on the VERBUND website. It covers ESG issues in line with 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. The Supplier Code of Conduct was extensively revised in 2024. Please consult section S2-4 for more information.

The Supplier Code of Conduct is based on international, European and national requirements, including the following in particular:

- 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 companies;
- 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 is not aware of any corresponding incidents. Details on procurement procedures and the organisational structure for procurement can be found in section G1.

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 directives on redress and, in the absence of corresponding rules, considering remedial measures equivalent to those granted in similar cases.

Disclosure Requirement S2-2 – Processes for engaging with value chain workers about impacts

In order to avoid work-related 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.

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 (*Baustellenverordung*, BaustellV), in Germany. Compliance with all occupational safety provisions is monitored on an ongoing basis. Any work-related accidents suffered by a worker of an external contractor engaged by the Group must be reported to VERBUND immediately. The accident data are also captured, 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.

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 work-related accidents involving external contractors and the consequent negative impacts on their 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.

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.

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.

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.

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

The following section outlines how negative impacts on value chain workers can be prevented and mitigated through concrete requirements and rules, supplier audits and the further development of ESG criteria in procurement. Notably, these are not one-off measures but instead recurring measures 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. Details on the "best bidder" principle and supplier integrity checks can be found in section G1-2.

Due to the integration of the SCoC into supplier contracts, VERBUND suppliers are bound to behave responsibly and ethically. In supplier meetings VERBUND engages in dialogue with selected suppliers to identify risks and to build a mutual understanding of sustainability issues such as occupational safety, the environment, compliance or human rights. Suppliers are also required to submit sustainability assessments in the form of ESG ratings as part of tenders. In addition to the top A-suppliers, other strategic contractual partners were also included in the ESG rating analysis.

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. This policy, which is binding for all deliveries and services, include additional safety requirements for contractors engaged in major projects and work involving particular hazards in order to promote accident prevention, especially at construction sites. In the event of non-compliance with or infringement of the provisions of the Health, Safety and Environmental 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 repeated 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.

VERBUND develops its ESG criteria for procurement on an ongoing basis. For example, the Supplier Code of Conduct was revised in 2024, updated along the pillars of environmental, social, and governance pillars and supplemented with current topics, including those from ESRS. The hotspot analysis, which also analyses social issues relevant to value change workers, was also updated. In addition, the Group's Procurement Excellence project defined sustainability criteria for different sourcing groups that are also related to human rights. VERBUND is keen to intensify its efforts along its value chain along with its positive impacts and is exploring the possibility of collaborating with industry associations such as Solar Power Europe with this objective in mind.

No cases of serious human rights violations or other incidents related to value chain workers were reported in the reporting period.

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. Accidents affecting non-employee workers, however, are an integral element of the overall LTIFR (quota for work-related accidents among VERBUND's own employees and non-employee workers) and, accordingly, of the We live Safety initiative, which has been ongoing since 2018. Please consult section S1-5 for more information on this topic. The current aim is to reduce the LTIFR to ≤5 by 2025, which can only be achieved by simultaneously improving the LTIFR among external contractors. Achieving this would also ensure the effectiveness of the policies and measures put in place, as reducing the LTIFR among external contractors involves fewer work-related accidents.

ESRS S3 Affected communities

ESRS 2 General Disclosures

Strategy

Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders
Topic-specific disclosures on the interests and viewpoints of affected communities 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
By adopting a forward-looking strategy, VERBUND has positioned itself as a pioneer with a focus on the major expansion of renewable energies and the development of market-ready storage technologies. 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. Due to their direct proximity to the facilities and dependence on natural resources such as water and land, which could be affected by VERBUND activities, local residents are a core focus.

Another significant group of affected communities includes the general population and the industrial sector. VERBUND bears the crucial responsibility of guaranteeing a secure energy supply. Security of supply is essential for this group to maintain their daily private and economic livelihoods.

In addition, VERBUND is serious regarding its responsibility towards those communities potentially affected by the activities along its value chain. This includes 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.

VERBUND has identified and assessed its actual and potential impacts, dependencies, risks and opportunities related to these affected communities (see ESRS 2 IRO-1). All sub-topics for the S3 standard Affected communities were analysed and discussed as part of the materiality assessment. The sub-topics "Communities' economic, social and cultural rights" and "Communities' civil and political rights" were identified as material. The sub-topic "Rights of indigenous peoples" was not found to be material, as VERBUND's business activities have little to no influence on indigenous peoples.

Conflicts of interest and land-use conflicts in connection with the expansion of renewable energies represent the most material impacts VERBUND has on affected communities. For example, the construction and expansion of facilities can raise concerns among local communities about noise levels, obscured views, environmental impacts and space requirements. Another potential impact on affected communities is disruptions to supply. Technical disruptions or maintenance work on energy pipelines can adversely affect the everyday life of the local population and industry, both private and commercial, in an unforeseeable manner.

Public feedback, which is actively sought through dialogue formats such as citizen forums and open days, allows for the wishes and concerns of local residents to be adequately addressed. Prior, informed consent from local residents for new construction projects, for instance, can have a positive impact on all involved. This transparent and responsible behaviour promotes trust in communities, improves relations with affected communities and strengthens VERBUND's reputation as a reliable partner.

Consideration of these impacts in the context of affected communities leads to the regular adaptation and fine-tuning of activities with the aim of minimising potential conflict and maximising positive impacts on the communities and all stakeholders to the greatest possible extent.

Impact, risk and opportunity management

Disclosure Requirement S3-1 – Policies related to affected communities

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. In addition, social media communication activities have been further stepped up and professionalised.

In addition to strictly adhering to the legal framework, VERBUND has defined its own directives regulating correct conduct with regard to affected communities.

VERBUND is guided in particular by the requirements of the OECD Due Diligence Guidance for Responsible Business Conduct. 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 Supplier Code of Conduct (SCoC) 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. Due to the unbundling provisions, the grid companies Austrian Power Grid AG and Gas Connect Austria GmbH have established independent integrated management systems in connection with affected communities, and prepared equivalent codes of conduct and directives.

Communicating with local residents

VERBUND and all its subsidiaries are subject to a standardised communication policy that sets out the quality of communication with all affected communities. 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 key aspect stipulated by the policy is taking the interests of affected communities into account by communicating on investment projects in a timely and transparent manner. The most important objectives of this policy include increasing project acceptance, minimising potential conflicts at an early stage, and continuously monitoring communication measures to ensure coordination with relevant stakeholders. Ultimate responsibility for communication with affected communities lies with the project manager who approves the communication measures, and the communication managers who coordinate their implementation. The interests of affected parties are taken into account through targeted analyses and feedback mechanisms.

The communication strategy in place at Austrian Power Grid AG aims to address target groups in a way that is tailored to their concerns and interests with the help of a 360-degree communication tool that ranges from newsletters and project websites to social media. The focus is on energy security, achieving climate and energy goals, and integrating new players into the energy system. By using modern social research methods and engaging in a direct dialogue with affected communities, Austrian Power Grid AG fosters the necessary acceptance of projects.

Gas Connect Austria GmbH acts with great care and sensitivity when carrying out projects or activities along pipelines and facilities that encroach on the habitats of local residents. The aim is to promote acceptance and awareness of the need to operate, maintain and adapt the gas infrastructure system in a way that promotes security of supply and a sustainable energy future among those affected. This is achieved through a wide range of communication channels and measures. Timely and open communication as well as dialogue events strengthen trust and help build a cooperative relationship.

Secure energy supply

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 thereby preventing disruptions to supply. As an independent transmission system operator for electricity and VERBUND's grid subsidiary, Austrian Power Grid is responsible for energy security in Austria through a powerful, reliable high-voltage grid. The gas network of Gas Connect Austria GmbH enables VERBUND to make a significant contribution to providing a secure gas supply for Austria and the countries Germany, Slovakia,

Slovenia and Hungary. 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. Accordingly, in addition to the officially prescribed regulations and statutory provisions, VERBUND has established its own standards for the operation of power plant and grid facilities, some of which go beyond the official requirements. VERBUND also complies with internationally coordinated standards for grid operation.

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.

These measures are designed to gain insights into the views of affected parties and secure broad acceptance for the projects. 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.

The relevant internal experts, who maintain a direct or indirect line of contact with the local residents and other stakeholders, incorporate the views and concerns of these communities in the materiality assessment process. In this way, the views of affected communities on specific topics are accounted for in the process of identifying relevant impacts, risks and opportunities. Furthermore, a communication schedule is drawn up in good time before each project that covers all phases of the project (planning phase, environmental impact assessment, construction phase) and involves affected parties. The roadmap defines the identification of the affected parties, schedules, responsibilities and budgets for communication measures.

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.

Disclosure Requirement S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns

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.

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.

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.

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.

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

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 measures but instead recurring measures 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.

The various dialogue platforms available, such as 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 on all stakeholders. At the same time, these platforms help to effectively counteract negative impacts by allowing potential issues and concerns to be raised and discussed in advance. The success of these measures is based on the experience of the internal experts, who maintain a direct line of contact with the local residents or are directly involved in the projects.

As a responsible power plant operator, 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. By maintaining close links to the local authorities and emergency services, quick action is guaranteed in the case of an emergency, as demonstrated by the floods in September 2024 in Lower Austria, first and foremost in Tullnerfeld. Thanks to collaboration with the local fire department, an important pumping station was protected from flooding.

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 format also raises additional awareness of current issues, especially with regard to 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.

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.

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 energies are built, residents of the affected communities are given the exclusive opportunity to participate in the financial return of a facility through an 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.

In order to prevent negative impacts due to grid failures or a lack of electricity and natural gas supplies and to ensure supply security, grid capacities are being continuously expanded (e.g. 380 kV Salzburg line) and reacting to changed parameters, such as the war in Ukraine and the change in the gas flow direction (west-east instead of east-west), by reinforcing the west-east line with a new parallel pipeline (WAG Loop 1). Effectiveness is then determined by the occurrence, or non-occurrence, of grid outages. Should outages occur, immediate steps are taken to restore supply. First, a root cause analysis is carried out to determine subsequent measures required to restore supply. Corresponding measures may include repairs or rebuilding the grid on the basis of reconstruction plans.

Sustainability risks in the supply chain are identified and assessed through regular hotspot analyses. These analyses also consider information from recognised external sources, such as the Business and Human Rights Resource Center. Risk mitigation measures and processes are derived from the hotspot analyses and integrated into the regulatory system and into contracts with business partners. Grievance mechanisms and due diligence reviews are used to effectively counter negative impacts and ensure consistent compliance with human rights standards.

In the reporting period, there were no cases of serious human rights violations and no other incidents in connection with affected communities at VERBUND.

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 above 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 based on the principles of the Group policy that has been in force since 2011. 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.

ESRS S4 Consumers and end-users

ESRS 2 General Disclosures

Strategy

Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders

Topic-specific disclosures on the interests and views of consumers and end-users 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 topics "Information-related impacts for consumers and/or end-users" and "Social inclusion of consumers and end-users" were defined as material for VERBUND on the basis of their material impacts. These material impacts may potentially affect all VERBUND residential customers, and language barriers can affect non-German-speaking residential customers in particular. Any subsequent mention of customers refers exclusively to VERBUND residential customers. 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.

At VERBUND, there are a number of non-commodity products for residential customers, the proper use of which depends on customers receiving accurate and accessible information. Examples include the installation of photovoltaic systems and the installation of wall-mounted charging stations for electric vehicles by external assembly partners. No material impacts have been identified with respect to non-commodity products.

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. Negative impacts can primarily be attributed to one-off incidents or circumstances pertaining to individual customers (data protection, income, language) and are not systemic or widespread.

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.

Impact, risk and opportunity management

Disclosure Requirement S4-1 – Policies related to consumers and end-users

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), and the Consumer Protection Act (*Konsumentenschutzgesetz*, KSchG) and the General Data Protection Regulation (*Datenschutz-Grundverordnung*, 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). The VERBUND Code of Conduct provides a further 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. Senior management is primarily responsible for the policies cited above.

Loss of customer data and access to company information

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 their data, and to provide them with 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.

Understandability of information

In addition, 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 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. Related training covers topics such as de-escalative behaviour, learning how to anticipate objection, non-discriminatory behaviour and respectful communication. As a result, all employees are prepared to treat customers with respect and in a professional manner. 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.

Disclosure Requirement S4-2 – Processes for engaging with consumers and end-users about impacts

VERBUND provides a wide range of communication channels and contact options to ensure that customers can access all relevant information. Contact takes place either through direct communication by telephone or e-mail, or by means of regular newsletters or current offers published on the VERBUND website. The EcoClub newsletter is sent out on a quarterly basis. Other newsletters, such as the Advent Calendar newsletter, the Hardship Fund newsletter, the Birthday newsletter, the Loyalty Bonus newsletter, and the Online Invoice newsletter are not sent out at fixed intervals. Instead, these newsletters are sent out ad hoc or as required to draw attention to specific events or special offers.

- 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.

An external party also conducts a monthly customer satisfaction analysis, with contact taking place by e-mail. 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.

Relationships with vulnerable groups (multilingual call centre, VERBUND Hardship Fund) are described in section S4-4.

Disclosure Requirement S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

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.

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.

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.

In addition, 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 departments or 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.

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.

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.

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

VERBUND 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. The measures listed below are not one-off measures but instead recurring measures that form part of ongoing business processes for which it is not possible to make any estimates with regard to financial figures.

Understandability of information

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.

In cases where incorrect or incomplete data 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 due to incomplete or incorrect information, for example with regard to the meter number, metering point name or address. Customer service also steps up contact in an effort to quickly resolve problems and ensure an uninterrupted electricity supply.

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 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 termination.

When available, VERBUND offers multilingual support at its call centre to overcome any language barriers and ensure that customers receive comprehensive support. This service is used as required and is not actively promoted.

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. 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, 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.

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.

Support for low-income households

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. The aim of the fund is to reduce or even fully offset existing claims, thereby providing tangible relief to the affected customers. 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.

Protection of customer data

VERBUND takes the protection of customer data very seriously. The data protection guidelines were drawn up in accordance with the EU General Data Protection Regulation (GDPR) to ensure the secure processing, storage, and transfer of customer data. Related measures ensure that the personal and financial information of customers is handled in a secure and confidential manner. Employees receive regular training on the topic of data protection to promote the safe handling of sensitive data. (see section G1-1).

Metrics and targets

Disclosure Requirement S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

VERBUND has defined targets and metrics to both promote positive impacts and manage material negative impacts. Customer opinions are incorporated into the targets through customer feedback. The metrics are not validated beyond the validation by the external quality assurance authority.

At present, the main target is to increase customer satisfaction through targeted measures and to minimise the number of complaints. 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.

VERBUND aims to go above and beyond the market benchmark in this regard, and has done so every year since 2015 with the exception of the energy crisis, where this target was missed in 2022 and for 2023, when no survey was carried out. In 2024, household customers returned to the target CLI level of 70.9 (benchmark 70.1). In 2025 and over the coming years the CLI is also expected to rise to pre-crisis levels following upheaval from the energy crisis.

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 2024, 51% 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. This ensures short waiting times and fast query processing.

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 are issued by the Executive Board. The Group Executive Board and the respective management at Group companies are responsible for upholding these requirements. Compliance officers have been appointed at all major Group companies to assist management. They ensure consistent compliance management in close coordination with the Chief Compliance Officer. Further development of the CMS is managed by the Chief Compliance Officer in cooperation with the compliance officers from the Group companies and the Compliance Committee. The Chief Compliance Officer reports to the CEO.

The Code of Conduct for Sustainable Business is drawn up by the CEO and enforced by the entire Executive Board. The code of conduct applies to all employees and top management across the Group and is also communicated to stakeholders on VERBUND's website.

The other Group Policies listed in the section on governance are drawn up under the leadership of the respective specialist department and enforced by the entire Executive Board. All rules and regulations are transparently available to employees to download and view on the intranet at any time.

Austrian Power Grid AG, Gas Connect Austria GmbH and SMATRICS GmbH & Co KG have implemented their own codes of conduct and regulations based on VERBUND guidelines in accordance with the circumstances required for their business activities.

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 both by acting as role models and through appropriate rules and by enacting suitable measures. Information on the role of the administrative, management, and supervisory bodies can be found in the section entitled General information and ESRS 2.

Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

Topic-specific disclosures for identifying and assessing business conduct-related material impacts, risks, and opportunities can be found in the ESRS 2 IRO-1.

Disclosure Requirement G1-1– Corporate culture and business conduct policies

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 a loss of 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, 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. In addition, 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.

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.

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.

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.

The Code of Conduct for Sustainable Business 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.

VERBUND is subject to the Austrian Code of Corporate Governance (*Österreichischer Corporate Governance Kodex*, ÖCGK, as amended in January 2023) 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, 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.

Corporate culture policies

Compliance management system

Based on the requirements of capital market regulations, VERBUND launched a Group-wide compliance management system (CMS) back in 2002. Since then, this CMS has been continually refined and expanded using a risk-based approach. The scope of the CMS is defined in a separate executive order, which sets out the topics and principles of the CMS as well as the roles and functions of the Chief Compliance Officer, the compliance officers at the Group companies and the Compliance Committee.

Topics covered by the CMS include material 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 for Sustainable Business
- 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.

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/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.
He is not subject to instructions in his work	Report to the Chief Compliance Officer and the respective management	Main task: coordination and further development of the CMS within the Group

This compliance organisation makes it possible to communicate the relevant matters to all divisions and companies within the Group and to control and refine internal processes.

All controlled Group companies are included in the compliance organisation. 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 CMS and has also implemented its own compliance guidelines in coordination with VERBUND.

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.

Code of Conduct for Sustainable Business

The Code of Conduct for Sustainable Business included in VERBUND's mission statement governs internal and external action and aims to uphold fair, transparent and sustainable business practices. It is implemented, refined and communicated through the CMS. Its content is defined by internal executive orders and Group guidelines, which are also issued by the Executive Board.

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, environmental protection and anti-corruption. The Code is divided into five sections: our ethical corporate governance, our commitment to the climate and the environment, our way of working, our economic responsibility and our commitment to society. Each of these sections is broken down into further sub-topics, such as compliance and transparency, sustainable supply chain, climate change commitment, and diversity and inclusion.

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 AG, Gas Connect Austria GmbH and SMATRICS GmbH & Co KG. These companies have implemented their own codes of conduct.

Serious code of conduct violations can be reported using the Group-wide whistleblower system. (See information on the material topic of whistleblower protection provided in section G1.)

Group policy on corruption prevention

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. Reports on suspected violations in connection with corruption and bribery can be submitted using VERBUND's whistleblower system. The policy was updated and modernised in the past financial year.

Austrian Power Grid AG, Gas Connect Austria GmbH and SMATRICS GmbH & Co KG have implemented their own directives based on the VERBUND policy.

Group policy on business partner compliance

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 CMS. This counteracts the potential risk of anti-competitive behaviour before transactions are entered into and prevents contracts being signed with high-risk or sanctioned business partners.

The most important business partner compliance measures include standardised business partner integrity checks, which are implemented throughout the VERBUND Group. They are used to actively manage integrity risks. Aside from fulfilling legal requirements, VERBUND's primary aim is to safeguard the Group's reputation. The results of the analysis underpin the more extensive assessment of business partners. In our business partner integrity checks, we check in particular whether any partners are affected by sanctions and embargoes; country risks – which also include human rights risks – were also analysed from a compliance perspective in the reporting period. 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. The value of the transaction in question is taken into account. Certain business partners are also subject to a review regardless of their contract value based on the nature of their business activities and/or geographic location (integrity check).

No contracts with business partners had to be terminated due to corruption-related breaches in 2024.

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.

Due to unbundling, corresponding integrity checks are not conducted at Austrian Power Grid AG and Gas Connect Austria GmbH. These two companies carry out their own business partner assessments according to their own requirements.

Group policy on competition law

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. The mere suspicion of being involved in conduct in violation of competition law can have considerable consequences for an enterprise, including loss of image and reputation. 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.

Austrian Power Grid AG and Gas Connect Austria GmbH have implemented their own directives on compliance with the provisions of competition law based on the VERBUND policy.

Group policy on financial market compliance

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. 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. The management teams of the major Group companies (including Austrian Power Grid AG and Gas Connect Austria GmbH) 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. Austrian Power Grid AG 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.

Corporate culture actions and metrics

Compliance risk survey

A systematic, annual Group-wide compliance risk survey for the topics covered by the CMS gives insight into whether and in which business areas potential risks exist for VERBUND. Targeted measures are derived and implemented on the basis of these risk surveys. In the survey, risk owners can also report their own department-specific risks along with the specified risk areas. The results are discussed and necessary actions planned during an annual compliance meeting between the Chief Compliance Officer and the respective risk owners.

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 of reputational damage, loss of stakeholder trust and potential penalties. Austrian Power Grid AG, Gas Connect Austria GmbH and SMATRICS GmbH & Co KG are involved in the risk survey.

The results of the compliance risk survey are also incorporated into Group risk management and are used as input in the materiality assessment.

Compliance meetings

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 measures defined and current compliance issues discussed. The results 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. Compliance meetings are also held with Austrian Power Grid AG, Gas Connect Austria GmbH and SMATRICS GmbH & Co KG.

Training, consulting and provision of information

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, particularly for new employees and new managers, 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.

The main focal points of these training courses in financial year 2024 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 14 training sessions in the reporting period (several of which as video conferences). In addition to VERBUND subsidiaries, the target groups for these sessions were individual holding company divisions as well as new employees and new executives. The compliance officers at the subsidiaries also held training sessions on compliance matters. The intranet-based e-training programme was once again a key pillar of the training programme in 2024. The compliance e-learning programme comprises courses on compliance basics, anti-corruption and financial market compliance and has now been integrated into the Group-wide Learning Management System (LMS), along with the related surveys.

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, 98% received training on anti-corruption.

Group companies in Spain, Italy and Romania held classroom training courses on compliance issues for new employees during the reporting period. In addition, training was provided to all employees on

the Group policy on corruption prevention. The companies in these countries are also included in the online training programme. Austrian Power Grid AG and Gas Connect Austria GmbH have established their own online training programmes on the compliance topics relevant to them.

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.

Additional training and information measures related to corporate culture were also carried out in the context of the projects Mission V and KraftWert.

Mission V and KraftWert

At VERBUND, we view good corporate culture as the way in which we act and work together on a daily basis. Mission V, VERBUND's strategy on the transition to clean energy and the fight against climate change, is supported internally by the KraftWert project. The KraftWert project involves three pillars of good cooperation, referred to as the BlueCode, which are defined as determined, united and proactive. In addition, various measures were developed in the course of this project to make the values tangible for all employees and to incorporate them as fixed elements in the daily workflow.

Maintaining a positive corporate culture of integrity, transparency and ethical business practices is a high priority at VERBUND and serves as a strategic opportunity. Focusing on strong values and a clear code of conduct improves the morale, commitment and sense of purpose of employees within the Group. VERBUND's corporate values underscore the Group's stance as an employer, partner, competitor and as a driver of the transition to clean energy that assumes social responsibility. The Group's corporate values are continuously communicated to its employees as part of the aforementioned KraftWert communication project. This is supported through Group-wide workshops and communicating the corporate values in a Mission V workbook with practical tips and suggestions for collaboration.

Austrian Power Grid AG and Gas Connect Austria GmbH are not included in this project.

Data protection management system

VERBUND takes the implementation of the provisions of the EU General Data Protection Regulation (GDPR) very seriously. VERBUND operates a Group-wide data protection management system. 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. The level of protection is guaranteed through technical and organisational measures, recorded using TOM&PIA, the data protection database developed by VERBUND, and allocated to the respective processing operation, or several processing operations as required, using a risk-based approach. 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.

Two subsidiaries and the companies in the unbundled segment each operate their own data protection management systems.

In financial year 2024, a total of 19 enquiries from data subjects were processed and responded to, compared with 28 enquiries in 2023. In the past financial year, one complaint was lodged with the Data Protection Authority, which was processed in accordance with the rules and did not result in any penalties for VERBUND.

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 investigating, investigating and taking measures to eliminate suspected incidents.

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.

Whistleblower protection policies

The main aspects of VERBUND's whistleblower system are set out in the executive order for the CMS 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. He is not bound by instructions in his work.

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
- Data protection
- 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.

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.

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.

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.

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 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.

Whistleblower protection actions and metrics

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.

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 Training, consulting and provision of information.)

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.

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. 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 AG and Gas Connect Austria GmbH 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. A system that takes national legal requirements into account is to be set up for VERBUND Green Power Iberia.

No specific metrics have been defined for whistleblower protection; effectiveness is ensured through the processes listed above.

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, 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 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 ESRS G1-5 below.)

Political engagement policies

Principles for the responsible representation of interests and the interaction between the individual organisational units of VERBUND in relation to those principles are governed by the Group policy on the responsible advocacy of interests. In addition, a further Group policy specifies the organisations and bodies in which VERBUND is represented and the principles and documentation requirements that apply. Along with other decision-making bodies, the Group Executive Board decides whether to enter into and when to end memberships of Group-wide significance.

VERBUND has prepared a code of conduct for lobbying activities in accordance with the Austrian Lobbying and Advocacy Transparency Act (*Lobbying- und Interessenvertretungs-Transparenzgesetz*, LobbyG). The code governs dealings with stakeholders in Austria as well as at the European and international level, and sets out the principles for transparent and responsible lobbying activities. It is published on the Group's website.

Please consult General information and ESRS 2 for information on stakeholder management.

Political engagement actions and metrics

Advocacy of interests

VERBUND closely followed the developments and changes in the regulatory framework at EU level as well as in Austria again in 2024. The main developments in the regulatory framework in Germany were also monitored. 2024 was dominated by the European Parliament election and the Austrian election at

both the European and national level. At the European level, important outstanding packages of measures were adopted in the first half of 2024, including the reform of the EU electricity market design, the adoption of the gas market decarbonisation package, the Net Zero Industry Act, the Nature Restoration Law, and the EU Corporate Sustainability Due Diligence Directive (EU Supply Chain Directive). The Council of the European Union elections on 9 June 2024 led to a fragmented outcome that resulted in losses among the main political groups, such as the European People's Party (EPP) and the Socialist Group (S&D) in some cases. Parties critical of the EU gained influence. The newly-formed European Commission under Commission President Ursula von der Leyen clearly focused on the competitiveness of European industry in its work programme and announced that a clean industrial deal to complement the Green Deal from the previous legislative period would be presented in the first 100 days of its mandate. The new European Commission took office on 1 December 2024.

At the national level, the first half of 2024 was dominated entirely by the Federal Government's efforts to submit and conclude key legislative packages, such as the Electricity Act, the Renewable Energy Expansion Act and the Renewable Gases Act. However, the legislation could no longer be enacted. In the 2024 federal election, the Freedom Party of Austria (FPÖ) emerged as the largest party in the vote for the first time. The autumn of 2024 was characterised by exploratory talks and coalition negotiations between the Austrian People's Party (ÖVP), the Social Democratic Party of Austria (SPÖ), and NEOS (The New Austria and Liberal Forum).

External memberships and representation on boards and panels

Membership in and cooperation with associations and professional organisations are an important part of responsible advocacy work. 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.

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 the form of an internal guideline, which is currently being revised in light of organisational changes. 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 pooled 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 the 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.

VERBUND and the companies in the VERBUND Group are members of the following organisations, among others (excluding memberships of Austrian Power Grid AG and Gas Connect Austria GmbH):

- Oesterreichs Energie
- Bundesverband der Energie- und Wasserwirtschaft e.V. (German Association of Energy and Water Industries)
- Hydrogen Europe
- Energy Traders Europe (formerly European Federation of Energy Traders)
- 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
- Global Reporting Initiative: Organizational Stakeholder 24
- respACT
- UN Global Compact ("Network Austria")
- Transparency International

VERBUND employees are also active in Eurelectric bodies based on a nomination by Oesterreichs Energie.

No specific metrics have been defined for political engagement; effectiveness is ensured through the processes listed above.

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 one of the focus areas in procurement. VERBUND also 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

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 executive order 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 executive order defines the procurement processes, regulates the Group's cooperation with requesters and sets forth the decentralised procurement powers. Guidelines for invitations to tenders and contract awards ensure compliance with legal regulations and internal competencies and requirements.

Another Group policy – the Payment Regulations – ensures standardised processing from the point an invoice is received and approved up to payment. This facilitates the rapid processing of payment runs, in turn ensuring compliance with the agreed payment and discount periods as well as deadlines for claiming tax benefits. It also ensures that monetary resources are used in a legal manner for their intended purpose. There is no separate policy in place for small and medium-sized enterprises.

Due to the integration of the Supplier Code of Conduct (SCoC) into supplier contracts, VERBUND suppliers are bound to behave responsibly and ethically. In supplier meetings VERBUND engages in dialogue with selected suppliers to identify risks and to build a mutual understanding of sustainability issues such as occupational safety, the environment, compliance or human rights. The SCoC and an explicit anti-corruption clause are included as part of the contract award procedure and the General Terms and Conditions.

In light of the applicable unbundling provisions, Gas Connect Austria GmbH and Austrian Power Grid AG have implemented their own policies on the topic of supplier management based on VERBUND policies.

Supplier management actions and metrics

VERBUND is working to further refine the sustainability assessment of its suppliers, which it has done since 2022 based on the ESG ratings of a rating agency. This will also indicate to suppliers areas in which there is potential for development and improvement with respect to sustainability matters in their supply chain. In addition to the top A-suppliers, other strategic contractual partners were also included in the ESG rating analysis.

VERBUND not only briefs all of its Board members and employees on anti-corruption strategies and measures internally but also provides information to all external stakeholders via its website. In addition, compliance and anti-corruption topics are communicated to suppliers over the electronic supplier portal and via the General Terms and Conditions of Purchase Orders. The Group's own Supplier Code of Conduct (SCoC) has also been in force since 2020. This formulates VERBUND's requirements for its contractors with respect to sustainability and compliance and, along with the General Terms and Conditions, is a binding part of all of the Group's orders in the procurement process. The SCoC was revised in 2024 due to the increasingly stringent regulatory framework regarding supply chain responsibilities enshrined in law in the CSRD, in the German Supply Chain Due Diligence Act (*Lieferkettensorgfaltspflichtengesetz*, LkSG), and, in the future, in the European Corporate Sustainability Due Diligence Directive (CSDDD). The VERBUND SCoC is divided into the topic areas environmental,

social and governance and is based on generally recognised international standards. It addresses topics from European Sustainability Reporting standards (ESRS), and takes into account the requirements of business partners and suppliers.

In tender processes, VERBUND suppliers are requested to provide information on awarded ESG ratings along with ESG activities and measures. In addition, they are asked to obtain an ESG rating from an external audit agency, if not already available. VERBUND also actively uses rating platforms to obtain more detailed ESG information on suppliers.

Several requests from business partners regarding the acceptance of their codes of conduct were submitted to VERBUND during the reporting period. The Compliance department reviewed the relevant requirements in each case.

Sustainability risks in the supply chain are identified and assessed through regular hotspot analyses. These analyses also consider information from recognised external sources, such as the Business and Human Rights Resource Center. Risk mitigation measures and processes were derived from the hotspot analysis and integrated into the regulatory system and into contracts with business partners. This hotspot analysis was updated in quarter 2/2024 to reflect the revised framework and outlook.

The Group-wide whistleblower system plays a key role in ensuring that due diligence requirements are met. Anonymous reports can also be easily and securely submitted over the VERBUND Integrityline by third parties, for example by employees of business partners. (See Material topic – whistleblower protection.)

Organisational allocation of procurement activity

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 light of the applicable unbundling provisions, Gas Connect Austria GmbH and Austrian Power Grid AG have implemented their own procurement management and internal policies on procurement and supplier management based on VERBUND policies.

The processes for procurement at Gas Connect Austria GmbH differ from those of the rest of the Group, which is why they are covered in greater detail below.

In its procurement processes, Gas Connect Austria GmbH adheres to an internal purchasing policy, guidelines on safety regulations, general order conditions, and a code of conduct, and awards contracts in accordance with the best bidder principle in line with the rest of the Group. At Gas Connect Austria GmbH, supplier performance is evaluated on the basis of an annual ABC analysis under the three pillars of technical, commercial and HSEQ using standardised questionnaires. In addition, suppliers may be required to undergo a comprehensive on-site supplier assessment over the course of one to two days. In the case of new suppliers – with the intention of establishing a longer business relationship – as well as major projects and framework agreements, a supplier assessment must be conducted prior to or shortly after the conclusion of an agreement. Gas Connect Austria GmbH also partnered with an external consultant to develop an appropriate format that has been in use for more than 15 years. It covers performance management, finance, management and organisation, external environment, compliance and health safety environment quality (HSEQ). NIS requirements and sustainability are integrated into the supplier assessment. Findings from the assessment are summarised in a report and form part of the supplier evaluation process.

Procurement processes

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. VERBUND takes part in the local and regional economy in the areas in which it maintains sites. The plant sites are combined into power plant groups responsible for on-site decision making, including decisions with far-reaching consequences. 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 (SCoC) 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.

No specific metrics have been defined for supplier management; effectiveness is ensured through the processes listed above.

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 2024. Among the functions-at-risk, 98% completed training on anti-corruption (e-training or in-person course).

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. He monitors whether mandatory value limits and authorisations are being observed and whether the documentation

requirements are met. He is 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 32 cases; in seven cases 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".)

The Executive Board and Supervisory Board were briefed on corruption prevention in 2024, and the Group policy on corruption prevention was adopted by the Executive Board. The Chief Compliance Officer provided an update report on this issue, 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 2024. The new member of the Executive Board received training from the Chief Compliance Officer. The Group policy is communicated to all employees in the training programme (in-person and e-learning training) and is available on the intranet to consult at any time.

Disclosure Requirement G1-4 – Confirmed incidents of corruption or bribery

No incidents of corruption or bribery were identified in the reporting period, nor were any claims asserted against the Group or its employees as a result thereof. Accordingly, there were also no convictions and/or fines levied in connection with corruption or bribery offences.

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 focussed on measures and activities to support the expansion of renewable energies 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. The responsible member of the Executive Board directs and oversees these activities and provides information on this topic throughout the Executive Board and Supervisory Board.

In 2024, VERBUND supported the efforts of the European Union and the Republic of Austria to achieve climate neutrality. In line with this, measures from the Green Deal were closely monitored and supported in both the electricity and hydrogen sectors, as was the European Commission's indicative proposal to achieve a 90% reduction in greenhouse gas emissions by 2040. VERBUND supports all 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 all 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.

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 aforementioned 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 Talk 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.

VERBUND AG and subsidiaries of VERBUND AG are registered in the following transparency registers:

- 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.

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.

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 16.17 days. The calculation of the average payment term is based on all invoices received and paid in 2024 relating to trade payables of major Group companies that are incorporated into the VERBUND payment system (ERP system). Due to unbundling, Austrian Power Grid AG and Gas Connect Austria GmbH are not included among these companies.

As of 31 December 2024, there were no pending legal proceedings concerning late payment claims. At VERBUND, separate payment practices are not employed for small and medium-sized enterprises.

Events after the reporting date

There were no events requiring disclosure between the reporting date of 31 December 2024 and authorisation for issue on 19 February 2025.

Vienna, 19 February 2025

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 2024[1]

We have performed a limited assurance engagement on the consolidated non-financial statement included in the group non-financial statement section of the group management report of VERBUND AG for the fiscal year ended 31 December 2024.

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 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.

[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.

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.

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 2024, 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 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 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 scepticism 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.
- We obtain evidence on the methods presented to develop estimates and forward-looking information.
- 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 of VERBUND AG) fulfil 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 2025 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 wilful 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 2025

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	Note(s)	2023	**2024**
Revenue		10,449,504	**8,244,566**
Electricity revenue	3.2.1	8,766,257	7,027,343
Grid revenue	3.2.1	1,376,027	912,152
Other revenue	3.2.2	307,221	305,070
Other operating income	3.2.3	106,442	130,991
Expenses for electricity, grid, gas and certificates purchases	3.2.4	–5,234,305	–3,672,204
Fuel expenses and other usage-/ revenue-dependent expenses	3.2.5	–433,918	–319,913
Personnel expenses	3.2.6	–488,878	–570,771
Other operating expenses	3.2.7	–446,496	–516,778
Measurement and recognition of energy derivatives	3.2.8	538,118	184,396
EBITDA		4,490,467	**3,480,287**
Depreciation and amortisation	3.2.9	–536,966	–577,752
Impairment losses[1]	3.2.10	–482,569	–290,913
Reversals of impairment losses[1]	3.2.10	31,012	114,338
Operating result		3,501,944	**2,725,961**
Result from interests accounted for using the equity method	3.2.11	84,920	101,297
Other result from equity interests	3.2.12	8,031	10,918
Interest income	3.2.13	69,270	81,812
Interest expenses	3.2.14	–143,188	–125,182
Other financial result	3.2.15	25,674	–30,183
Impairment losses	3.2.16	–15,847	0
Reversals of impairment losses	3.2.16	26,623	13,570
Financial result		55,483	**52,232**
Profit before tax		3,557,427	**2,778,193**
Taxes on income	3.2.17	–825,297	–638,488
Profit for the period		2,732,130	**2,139,704**
attributable to shareholders of VERBUND AG (Group result)		2,266,145	1,875,276
attributable to non-controlling interests		465,985	264,428
Earnings per share in €[2]	3.2.18	6.52	**5.40**

[1] The impairment losses and reversals of impairment losses have been reduced by the amount of any change in the related deferred contributions to building costs or 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	Note(s)	2023	2024
Profit for the period		2,732,130	**2,139,704**
Remeasurement of the net defined benefit liability	9.2	–30,647	–53,578
Changes in financial instruments	5.1	32,690	–4,180
Other comprehensive income from interests accounted for using the equity method[1]	4.5.1	–5,187	–5,792
Total for items that will not be reclassified subsequently to the income statement		–3,145	**–63,550**
Foreign exchange differences	3.3.1	–1,484	585
Changes in cash flow hedges	3.3.1, 5.1	2,150,063	–505,608
Other comprehensive income from interests accounted for using the equity method[2]	3.3.1	30,586	7,175
Total for items that will be reclassified subsequently to the income statement		2,179,165	**–497,847**
Other comprehensive income before tax		2,176,020	**–561,397**
Taxes on income relating to items that will not be reclassified subsequently to the income statement	3.3.2	102	13,019
Taxes on income relating to items that will be reclassified subsequently to the income statement	3.3.2	–503,266	116,363
Other comprehensive income after tax		1,672,856	**–432,015**
Total comprehensive income for the period		4,404,985	**1,707,689**
attributable to shareholders of VERBUND AG (Group result)		3,941,541	1,447,041
attributable to non-controlling interests		463,445	260,648

[1] deferred taxes included therein in the 2024 reporting period: €1.7m (previous year: €1.7m) // [2] deferred taxes included therein in the 2024 reporting period: €– 2.2m (previous year: €– 9.4m)

Balance sheet

of VERBUND

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In accordance with IFRSs	Note(s)	31/12/2023	**31/12/2024**
Non-current assets		15,895,088	**16,219,867**
Intangible assets	4.1	1,000,201	1,105,207
Property, plant and equipment	4.2	12,697,911	13,069,862
Right-of-use assets	4.3	169,731	194,654
Interests accounted for using the equity method	4.5	516,682	632,993
Other equity interests	4.6, 5.1	227,457	272,059
Investments and other receivables	4.7, 5.1	819,229	803,026
Receivables from derivative financial instruments	6.2, 5.1	401,083	82,802
Deferred tax assets	10.0	62,794	59,264
Current assets		3,590,228	**2,498,444**
Inventories	6.1	80,768	94,285
Receivables from derivative financial instruments	6.2, 5.1	1,211,620	337,105
Trade receivables, other receivables and securities	6.3, 5.1	1,333,796	1,271,919
Cash and cash equivalents	6.4	964,044	795,135
Total assets		19,485,316	**18,718,311**

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In accordance with IFRSs	Note(s)	31/12/2023	**31/12/2024**
Equity		11,220,909	**11,064,830**
Attributable to shareholders of VERBUND AG	7.0	9,969,120	9,977,580
Attributable to non-controlling interests	7.0	1,251,789	1,087,249
Non-current liabilities		5,103,116	**5,879,762**
Financial liabilities	5.1, 8.1	1,555,040	2,120,104
Provisions	9.0	566,004	621,288
Deferred tax liabilities	10.0	1,359,462	1,235,532
Contributions to building costs and grants	4.2.2	788,937	812,404
Liabilities from derivative financial instruments	5.1, 6.5	60,855	138,080
Other liabilities	5.1, 8.2	772,817	952,354
Current liabilities		3,161,290	**1,773,720**
Financial liabilities	5.1, 8.1	852,929	155,112
Provisions	9.0	78,863	63,734
Current tax liabilities	10.0	651,795	367,427
Liabilities from derivative financial instruments	5.1, 6.5	302,352	103,023
Trade payables and current other liabilities	5.1, 6.6	1,275,352	1,084,424
Total liabilities		19,485,316	**18,718,311**

Cash flow statement

of VERBUND

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In accordance with IFRSs	Note(s)	2023	**2024**
Profit for the period		2,732,130	**2,139,704**
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	988,516	754,326
Impairment losses on investments (net of reversals of impairment losses)	3.2.15, 4.7.1	–10,693	–5,455
Result from interests accounted for using the equity method (net of dividends received)	3.2.11	–48,561	–18,713
Result from the disposal of non-current assets		2,403	2,770
Change in non-current provisions and deferred tax liabilities		–25,341	3,711
Change in contributions to building costs and grants		–2,223	23,467
Other non-cash expenses and income		–38,973	41,130
Subtotal		3,597,258	**2,940,940**
Change in inventories	6.1.1	45,889	–13,518
Change in trade receivables and other receivables	6.3.1	357,028	165,746
Change in trade payables and other liabilities	6.6.1	266,976	–107,866
Change in non-current and current receivables from derivative financial instruments	6.2.1	726,583	502,784
Change in non-current and current liabilities from derivative financial instruments	6.5.1	–125,173	60,087
Change in current provisions and current tax liabilities		214,408	–299,617
Cash flow from operating activities[1]		5,082,969	**3,248,556**

[1] Cash flow from operating activities includes income taxes paid of €874.5m (previous year: €620.7m), interest paid of €39.1m (previous year: €62.5m), interest received of €36.6m (previous year: €29.2m) and dividends received of €90.2m (previous year: €44.8m).

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In accordance with IFRSs	Note(s)	2023	**2024**
Cash outflow from capital expenditure for intangible assets and property, plant and equipment	1.2, 3.4, 4.1.1, 4.2.1	–1,398,520	**–1,137,511**
Cash inflow from the disposal of intangible assets and property, plant and equipment		8,177	**5,993**
Cash outflow from capital expenditure for investments		–9,758	**–20,758**
Cash inflow from the disposal of investments		85	**24,100**
Cash outflow from business acquisitions	1.2	–11,670	**0**
Cash outflow from capital expenditure for interests accounted for using the equity method and other equity interests		–29,311	**–38,240**
Cash flow from investing activities		–1,440,996	**–1,166,416**
Cash inflow and outflow from shifts between shareholder groups	3.4.2, 7.0	–53,508	**0**
Cash inflow from money market transactions	3.4.2	143,101	**0**
Cash outflow from money market transactions	3.4.2	–1,050,000	**–173,195**
Cash inflow from the assumption of financial liabilities (excluding money market transactions)	3.4.2	12,113	**628,762**
Cash outflow from the repayment of financial liabilities (excluding money market transactions)	3.4.2	–569,666	**–746,295**
Cash outflow from the repayment of lease liabilities		–15,632	**–26,370**
Dividends paid	3.4.1	–1,553,590	**–1,933,951**
Cash flow from financing activities		–3,087,181	**–2,251,049**
Change in cash and cash equivalents		554,792	**–168,909**
Cash and cash equivalents as at 1/1		409,252	**964,044**
Change in cash and cash equivalents		554,792	**–168,909**
Cash and cash equivalents as at 31/12		964,044	**795,135**

Statement of changes in equity

of VERBUND

In accordance with IFRSs	Called and paid-in share capital	Capital reserves	Retained earnings	Remeasure-ments of net defined benefit liability	
Note(s)	7.0	7.0	7.0	9.2	
As at 1/1/2023	347,416	954,327	7,305,000	–205,455	
Profit for the period	–	–	2,266,145	–	
Other comprehensive income	–	–	0	–25,686	
Total comprehensive income for the period	–	–	2,266,145	–25,686	
Change in the scope of consolidation	–	–	–3,880	0	
Shift between shareholder groups	–	–	4,117	0	
Dividend	–	–	–1,250,696	–	
Other changes in equity	–	–	2,053	0	
As at 31/12/2023	347,416	954,327	8,322,739	–231,140	
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	

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	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	
	– 18,206	28,954	– 1,136,050	7,275,986	1,047,033	8,323,019
	–	–	–	2,266,145	465,985	2,732,130
	– 1,482	25,183	1,677,381	1,675,396	– 2,540	1,672,856
	– 1,482	25,183	1,677,381	3,941,541	463,445	4,404,985
	0	0	0	– 3,880	0	– 3,880
	0	0	0	4,117	– 1,588	2,529
	–	–	–	– 1,250,696	– 257,079	– 1,507,775
	0	0	0	2,053	– 22	2,031
	– 19,688	54,137	541,331	9,969,120	1,251,789	11,220,909
	– 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**

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 Austria 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 (*Unternehmensgesetzbuch*, UGB) were also 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 2024 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 that are directly or indirectly substantially influenced by VERBUND AG 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 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 perform 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 2024 reporting period:

Scope of consolidation

	Consolidated	Accounted for using the equity method	Accounted for as a joint operation
As at 31/12/2023	57	8	1
Additions from newly formed entities	1	0	0
Change in consolidation method	0	–1	0
Other additions	10	2	0
Disposals by means of merger	–5	0	0
As at 31/12/2024	63	9	1
of which domestic companies	22	6	1
of which foreign companies	41	3	0

In January 2024, Convex Set GmbH, Scalar GmbH and N2 Energie GmbH were consolidated for the first time in the context of an asset acquisition. The assets acquired concerned wind parks in Austria. As of July 2024, Scalar GmbH and Convex Set GmbH were merged with their sister company, N2 Energie GmbH. N2 Energie GmbH was subsequently renamed VERBUND Green Power Österreich GmbH.

At the beginning of April 2024, 50% of the shares in Amaranta Energy s.l. and in PH Tambre Energy s.l. were acquired for the purpose of developing pumped storage power plants in Spain. The interests in these companies are accounted for using the equity method.

The following companies were newly added to the consolidated financial statements as of April 2024: VERBUND Windpark Münster GmbH, VERBUND Windpark Quelkhorn GmbH, VERBUND Windpark Mariengarten GmbH and VERBUND Windpark Oedelum GmbH. In July 2024, VERBUND Windpark Frielendorf GmbH & Co. KG was newly added to the scope of consolidation in connection with an acquisition of assets. That group of assets involves wind parks in Germany.

In August 2024, the remaining 50% of the shares in SOLAVOLTA Energie- und Umwelttechnik GmbH were acquired, and accounting using the equity method ceased.

In addition, VERBUND Business Solutions GmbH was founded in August 2024 and included in the scope of consolidation for the first time.

As of September 2024, ICA One S.r.l. and Tenuta del Campo S.r.l. were included in the scope of consolidation for the first time through an acquisition of assets.

Within our Spain renewables portfolio, Catalpa Solar S.L.U. was merged into Tejo Solar S.L.U., and Blacky Energy S.L.U. and VERBUND Green Power Valderrama S.L.U. were merged into VERBUND Green Power Renewable Projects S.L.U. in November 2024.

Details on the acquisitions of groups of assets are presented in the following tables:

Acquisitions of groups of assets 2024 €m

	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	72.1	43.8
Photovoltaic projects under construction in Italy	10.0	0.0	15.5	0.0

Acquisitions of groups of assets 2023 €m

	Cash purchase price	Cash and cash equivalents acquired	Assets acquired	Financial liabilities acquired
Wind parks acquired in Spain	482.6	6.5	475.9	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 from 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 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 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	31/12/2023 Closing rate	**31/12/2024 Closing rate**	2023 Average rate	**2024 Average rate**
Romania	€1 = RON	4.9746	4.9741	4.9516	4.9748

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 2024 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 7 and IFRS 7	Amendment: Disclosure requirements and additions to supplier finance arrangements	25/5/2023 (15/5/2024)	1/1/2024	None
IAS 1	Amendment: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	23/1/2020 (19/12/2023)	1/1/2024	None
IFRS 16	Amendment: Lease Liability in a Sale and Leaseback	22/9/2022 (20/11/2023)	1/1/2024	None

New accounting standards not yet applicable or applied

The IASB has also adopted new standards that were not applied by VERBUND in the 2024 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
IAS 21	Amendment: Clarification of accounting when there is a lack of exchangeability	15/8/2023	1/1/2025	None
IFRS 9 and IFRS 7	Amendment: Contracts Referencing Nature-dependent Electricity	18/12/2024 (pending)	1/1/2026	Easier application of the own-use exemption for energy supply contracts
IFRS 9 and IFRS 7	Amendment: Classification and Measurement of Financial Instruments	30/5/2024 (pending)	1/1/2026	None
Various	Annual Improvements (Volume 11)	18/7/2024 (pending)	1/1/2026	None
IFRS 18	Presentation and Disclosure in Financial Statements	9/4/2024 (pending)	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 (pending)	1/1/2027	None

[1] Basis: EU Endorsement Status Report dated 16 January 2025

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. With these kinds of PPAs, VERBUND sells the output 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, at VERBUND they are accounted for 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 provide all relevant findings with respect to climate (change) issues 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. Those 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's (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 to the current situation. Specifically, the analyses showed that generation potential tended to trend downward in the summer months and trend upward in the winter months over the long term.

In addition, the annual average water supply values for the last twenty years for the Danube, Drau, Inn, Enns, Mur and Salzach rivers, which are important for VERBUND, were analysed at relevant meter points at VERBUND power plants. None of the rivers 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.

Hydropower plants of VERBUND are naturally affected by extreme weather events such as heavy rainfall and flooding. Floods can jeopardise the infrastructure and operational safety of the generation facilities. In this respect, VERBUND has previously relied on preventive countermeasures such as improving infrastructure resilience, strengthening flood protection measures, and integrating surveillance technologies and early warning systems. As in autumn 2024, flooding was overcome without incurring significant, sustained damage.

At VERBUND, climate risks can additionally impact wind and photovoltaic installations. Storms, among other things, can pose risks to wind turbines. In addition, unusual wind patterns or rapid changes in wind direction can influence the efficiency of the turbines. Extreme weather events can also affect energy generation in photovoltaic systems. VERBUND has minimised these risks as far as possible through the use of robust, resistant 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 any temporary regional weather anomalies can be largely offset by technological advances in photovoltaic modules and wind turbines. Furthermore, VERBUND relies on regional and technological diversification in its generation activities.

GCA and APG, as network operators, are exposed to potential risks including storms and extreme precipitation along pipelines. Measures to prevent damage particularly include monitoring line systems aided by cameras, drones, and satellite data. To date, VERBUND has not suffered any relevant damage from this risk.

The generated output from hydropower, wind and photovoltaic power plants is a significant profit driver for VERBUND. The 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 2025 as follows (based on the hedging status as at 31 December 2024 for generation output):

2025 Group result: sensitivities €m

	+1%	–1%
Generation from hydropower	15.8	–15.8
Wind power and photovoltaic generation	1.9	–1.9

VERBUND is currently carrying out another extensive study to enable more effective recording of potential changes arising from advancing climate transformation. The aforementioned analysis is based on climate scenarios presented in the IPCC report. The IPCC reports are updated regularly. The current publication is the Sixth IPCC 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 2025 and 2026. Those assessments can then be applied to the catchment areas 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. The study 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 to 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 to the current situation under the various climate scenarios up to the year 2100.
- Potential changes in the energy generated from VERBUND photovoltaic installations compared to 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 with VERBUND power plants 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 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 when calculating impairment losses. Based on the current data situation as described above, no significant adjustments have been identified that need to be made 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 included in the measurement of assets.

VERBUND also endeavours to implement sustainable projects using green financing instruments as part of its corporate responsibility strategy. In May 2024, VERBUND expanded its sustainable financing portfolio by issuing a bond in the amount of €500.0m. VERBUND will use the net proceeds from the issue for green projects that are in line with the VERBUND Green Financing Framework, which was updated in May 2024. VERBUND plans to use up to 90% of the proceeds from the bond to finance the construction of the 380 kV high-voltage Salzburg line. The Salzburg line will contribute to the implementation of Austria's energy strategy and to the achievement of Austria's climate change targets. In addition, the proceeds from the bond will be used to finance various biodiversity projects on the Inn and Danube rivers. As at 31 December 2024, 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 enshrined in the long-term remuneration (LTI) granted in financial year 2024 as part of the remuneration of the 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

In 2024, the business environment in which VERBUND operates remained uncertain owing to ongoing global geopolitical tensions, in particular the war in Ukraine and the conflict in the Middle East. The hoped-for upturn in the European economic area had not materialised by the end of the year either. Despite marginal improvements in economic output, growth in the EU was below the internationally average. These trends were also evident in Austria. 2024 was the second year in a row in which economic output declined, accompanied by declines in both production and capital spending.

The economy was also significantly impacted by lower interest rates and lower inflation in 2024. Average inflation over the twelve months from January 2024 to December 2024 was 2.9% (previous year: 7.8%). Declining inflation rates in Europe prompted the ECB to cut interest rates multiple times. In accordance with its resolutions of 6 June and 12 September 2024, the ECB decided to cut the key interest rate by 0.25 percentage points and 0.60 percentage points, respectively. Additional rate cuts of 0.25 percentage points each were made on 17 October and 12 December 2024. For VERBUND, the declining interest rate trend impacted the calculation of the weighted average cost of capital, among other things.

The impairment tests performed by VERBUND as at 31 December 2024 therefore took forecasted inflation into account.

The futures prices for wholesale electricity relevant to the reporting period trended significantly downward in the year under review. Spot market prices likewise fell in quarters 1–4/2024. The average sales price achieved by VERBUND for its own generation from hydropower fell by €49.1/MWh to €118.0/MWh.

In addition, the energy market environment for gas power plants showed a significant deterioration in 2024 in the clean spark spreads achievable in the medium term. Clean spark spreads declined due to the mild winter, high gas storage levels and the high level of electricity generated from hydro, wind and photovoltaic power plants. The decline was offset by the impact of short-term price spikes in the spot electricity market, which occurred when weather conditions caused a drop in production volumes from wind and photovoltaic systems.

The ongoing war in Ukraine continues to affect GCA, our subsidiary that operates the gas network. As a regulated entity, GCA is highly dependent on the energy environment. Impacts on the recoverable amount of the Company's investment in GCA resulted from a lower level of capacity bookings and the associated revenue shortfalls. In addition, deliveries of Russian natural gas from Ukraine were suspended as of 1 January 2025, as announced in 2024. All of these factors were taken into account when conducting the impairment test on GCA as at 31 December 2024.

All else remaining equal, changes in the interest rate level and the price of electricity would be reflected in the projected Group result for 2025 as follows (based on the hedging status as at 31 December 2024 for interest rates):

2025 Group result: sensitivities €m

	€+ 1/MWh	€– 1/MWh
Wholesale electricity prices (renewable generation)	5.9	– 5.9
	+ 1%	– 1%
Interest rate percentage points	– 1.2	1.2

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 budget approved by management includes the parameters used in impairment testing. VERBUND defines and monitors risks through ongoing risk management, which also accounts for additional risks that could have a material impact on VERBUND's assets.

2. Judgements and forward-looking assumptions

Preparers of financial statements are granted various options in connection with the application of IFRSs. 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 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 5.1.1
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
Evaluation of whether other entities are controlled or jointly managed by VERBUND or whether VERBUND can exert a significant influence on another entity or whether an entity represents a joint operation of VERBUND	Section 13.4

3. Performance in the financial year

3.1 Segment reporting

In accordance with Section 8(3) of the Austrian Electricity Industry and Organisation Act (*Elektrizitätswirtschafts- und -organisationsgesetz*, ElWOG), 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 and eliminations to be carried out at Group level.

The following key performance indicators are reported for the purpose of monitoring and managing the 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
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[1]	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

[1] excl. additions from business acquisitions in the amount of €0.0m (previous year: €10.6m)

Operating segment data €m

	Hydro	New renewables	Sales	Grid	All other segments	Reconciliation/ consolidation	Group total
2023							
External revenue	235.9	247.3	7,607.1	2,339.8	15.7	3.7	10,449.5
Internal revenue	4,250.0	81.0	670.5	156.6	497.5	–5,655.7	0.0
Total revenue	4,485.9	328.3	8,277.6	2,496.4	513.2	–5,651.9	10,449.5
Expenses for electricity, grid, gas and certificate procurement	–209.2	–72.2	–8,856.7	–1,630.6	–25.6	5,560.0	–5,234.3
EBITDA	3,856.4	227.6	–196.9	579.1	89.5	–65.1	4,490.5
Depreciation and amortisation	–234.1	–89.9	–5.0	–181.9	–22.9	–3.1	–537.0
Effects from impairment tests (operating result)	0.0	–331.7	0.0	–56.9	–63.0	0.0	–451.6
Other material non-cash items	–25.5	25.3	–77.6	14.8	–41.9	1.6	–103.3
Result from interests accounted for using the equity method	0.7	0.6	–0.6	6.0	78.2	0.0	84.9
Effects from impairment tests (financial result)	12.7	0.0	0.0	14.0	0.0	–15.8	10.8
Capital employed	5,957.9	1,643.2	585.4	2,762.3	674.4	–413.8	11,209.3
of which carrying amount of interests accounted for using the equity method	35.8	1.5	20.5	51.0	407.9	0.0	516.7
Additions to intangible assets and property, plant and equipment	393.7	572.2	23.8	513.9	25.5	13.6	1,542.8
Additions to interests accounted for using the equity method	0.0	0.0	5.4	0.0	0.0	0.0	5.4

Reconciliation

EBITDA in the Total column corresponds with the EBITDA 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

	2023	**2024**
Capital employed	11,209.3	12,231.1
Assets not used in the production and commercialisation process	3,891.0	2,578.4
Non-interest-bearing debt	4,384.9	3,908.8
Total assets of VERBUND	19,485.3	**18,718.3**

Entity-wide disclosures

Under IFRS 8, entity-wide disclosures include geographical segment reporting for revenue (based on the point of delivery) and non-current assets. In addition, information on major customers must be provided. Disclosures regarding revenue are presented in section 3.2.1 "Revenue". VERBUND does not have any customers whose revenue equals or exceeds 10% of the total revenue.

Geographical segment reporting: non-current assets €m

	2023	**2024**
Intangible assets and property, plant and equipment	13,698.1	**14,175.1**
of which in Austria	9,415.2	9,777.8
of which in Germany	2,699.6	2,747.6
of which in Spain	1,394.6	1,450.7
of which in other EU countries	188.7	199.0
Interests accounted for using the equity method	516.7	**633.0**
of which in Austria	464.4	562.9
of which in Germany	20.5	30.0
of which in Spain	0.0	8.5
of which in other countries[1]	31.7	31.6

[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 the revenue generated 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 or has already done so) and a right to invoice for performance completed to date has been established.	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 and 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

	2023 Domestic	**2024 Domestic**	2023 Foreign	**2024 Foreign**	2023 Total	**2024 Total**
Electricity revenue from resellers	93.1	87.0	116.2	85.4	209.2	172.4
Electricity revenue from traders	0.7	19.4	17.4	0.2	18.1	19.6
Electricity revenue – Hydro segment	93.8	**106.4**	133.6	**85.6**	227.4	**192.0**
Electricity revenue from resellers	0.0	0.0	91.4	119.5	91.4	119.5
Electricity revenue from traders	0.0	11.7	48.0	42.4	48.0	54.1
Electricity revenue from consumers	0.0	0.0	76.6	68.5	76.6	68.5
Electricity revenue – New Renewables segment	0.0	**11.7**	216.0	**230.4**	216.0	**242.2**
Electricity revenue from resellers	1,753.9	1,012.3	1,163.7	817.2	2,917.6	1,829.5
Electricity revenue from traders	993.2	1,137.4	1,844.1	1,692.9	2,837.3	2,830.4
Electricity revenue from consumers	858.7	779.2	773.7	708.6	1,632.4	1,487.8
Electricity revenue – Sales segment	3,605.9	**2,928.9**	3,781.5	**3,218.8**	7,387.4	**6,147.7**
Electricity revenue from resellers	754.2	352.1	144.2	79.8	898.4	431.9
Electricity revenue from traders	32.0	11.5	5.1	2.1	37.1	13.6
Electricity revenue – Grid segment	786.2	**363.6**	149.3	**81.9**	935.5	**445.5**
Total electricity sales revenue	4,485.8	**3,410.6**	4,280.4	**3,616.7**	8,766.3	**7,027.3**
Grid revenue: electric utilities	661.3	453.1	36.7	34.1	698.0	487.2
Grid revenue: industrial customers	15.4	15.7	0.0	0.0	15.4	15.7
Grid revenue: other	220.7	118.8	441.9	290.5	662.6	409.3
Total grid revenue – Grid segment	897.5	**587.5**	478.6	**324.6**	1,376.0	**912.2**
Other revenue – Hydro segment					8.6	**11.5**
Other revenue – New Renewables segment					31.3	**28.4**
Other revenue – Sales segment					219.7	**207.8**
Other revenue – Grid segment					28.3	**27.1**
Other revenue – All other segments					15.7	**26.6**
Other revenue – reconciliation					3.7	**3.7**
Total other revenue					307.2	**305.1**
Total revenue					10,449.5	**8,244.6**

Contracts for the purchase or sale of non-financial line items that are not classified as own-use contracts under IFRS 9 and are 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 2024 reporting period, €2.5m (previous year: €3.0m) 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 are presented net of expenses. As a result, €514.8m (previous year: €2,398.8m) in expenses was presented as a net amount in electricity revenue and €104.2m (previous year: €141.9m) in other revenue.

3.2.2 Other revenue

Other revenue €m

	2023	**2024**
Sale of guarantees of origin and green electricity certificates	70.9	93.8
Sale of gas	133.9	79.7
Consulting or planning services as well as other services	44.2	55.6
User and management fees	23.1	23.0
District heating deliveries	11.5	22.0
Other	23.6	31.0
Other revenue	307.2	**305.1**

3.2.3 Other operating income

Other operating income €m

	2023	**2024**
Changes in inventories and own work capitalised	61.1	86.6
Various goods and services	21.4	13.5
Income from (insurance) compensation	3.4	6.2
Rent and lease income	2.0	1.6
Disposal of property, plant and equipment and intangible assets	1.6	0.7
Other	17.0	22.4
Other operating income	106.4	**131.0**

3.2.4 Expenses for electricity, grid, gas and certificate purchases

Expenses for electricity, grid, gas and certificate purchases		€m
	2023	**2024**
Expenses for electricity purchases	4,984.1	3,466.2
Expenses for grid purchases	167.2	124.7
Expenses for gas purchases	67.7	73.9
Expenses for guarantees of origin and green electricity certificate purchases	12.9	7.5
Purchase of emission rights (trade)	2.3	0.0
Expenses for electricity, grid, gas and certificate purchases	5,234.3	**3,672.2**

3.2.5 Fuel expenses and other usage-/revenue-dependent expenses

Fuel expenses and other usage-/revenue-dependent expenses		€m
	2023	**2024**
Natural gas usage	258.1	207.5
Other revenue-dependent expenses	46.6	57.4
Emission allowances acquired in exchange for consideration	25.6	35.7
Windfall tax expenses	95.1	7.7
Other usage-dependent expenses	8.5	11.7
Fuel expenses and other usage-/revenue-dependent expenses	433.9	**319.9**

3.2.6 Personnel expenses

Personnel expenses		€m
	2023	**2024**
Wages and salaries	377.3	445.1
Expenses for social security contributions as required by law as well as income-based charges and compulsory contributions	82.0	95.1
Other social benefit expenses	9.0	8.6
Subtotal	468.3	**548.8**
Expenses for pensions and similar obligations	15.6	16.0
Expenses for termination benefits	5.0	6.0
Personnel expenses	488.9	**570.8**

Total pension fund contributions to the defined contribution investment and risk association amounted to €10.3m in the 2024 reporting period (previous year: €9.1m). Expenses for termination benefits included a total of €4.8m (previous year: €3.9m) in contributions to an employee pension fund.

3.2.7 Other operating expenses

Other operating expenses €m

	2023	**2024**
Third-party maintenance of power plants and line systems	131.0	178.2
Other third-party services received	87.2	74.3
IT expenses	56.8	63.8
Legal, consulting and audit expenses	26.6	30.2
Advertising expenses and donations	23.6	23.8
Expenses for supervision by E-Control	17.3	23.8
Travel expenses, advanced training	14.7	17.0
Costs for personnel provided	13.4	11.7
Fees	11.3	10.9
Compensation payments	7.2	10.4
Insurance	7.9	9.3
Operating costs	9.6	8.7
Materials costs for motor vehicle operation and maintenance	7.1	6.7
Rent and lease	6.0	4.6
Usage fees	3.5	4.3
Purchased telecommunication services	5.0	4.1
Membership fees	3.9	4.0
Other	14.4	31.1
Other operating expenses	446.5	**516.8**

3.2.8 Measurement and recognition of energy derivatives

Measurement and recognition of energy derivatives €m

	2023	**2024**
Realisation of futures	–1,425.7	**–195.7**
of which negative	1,886.8	767.4
of which positive	–3,312.5	–963.0
Valuations	1,963.8	**380.1**
of which negative	4,940.9	899.5
of which positive	–2,977.1	–519.5
Measurement and recognition of energy derivatives	538.1	**184.4**

3.2.9 Depreciation and amortisation

Depreciation and amortisation €m

	2023	**2024**
Depreciation of property, plant and equipment	502.9	537.0
Amortisation of intangible assets	21.4	25.1
Depreciation of right-of-use assets	12.7	15.7
Depreciation and amortisation	537.0	**577.8**

3.2.10 Impairment losses and reversals of impairment losses

Impairment losses and reversals of impairment losses €m

	2023	**2024**
Gas Connect Austria GmbH[1]	–56.9	**–172.4**
Mellach combined cycle gas turbine power plant[1]	–64.7	**–66.8**
Deferred grants for the Mellach combined cycle gas turbine power plant[1]	1.7	**0.7**
Spain photovoltaic portfolio: cash-generating units[1]	–25.0	**–8.3**
Of CGUs in the Spain renewables portfolio – existing projects[1]	29.9	**–7.2**
Graz power plant on the Mur River[1]	0.0	**1.3**
Spain wind portfolio: cash-generating units[1]	–54.0	**11.6**
CGUs in the Spain renewables portfolio – development projects[1]	–204.1	**64.5**
Goodwill Spanish renewables portfolio[2]	–78.4	**0.0**
Impairment losses and reversals of impairment losses	–451.6	**–176.6**

[1] See section 4.4.2 "Impairment testing of power plants and grid infrastructure" for details regarding changes in value. // [2] See section 4.4.1 "Impairment testing of goodwill for details on changes in the value of goodwill".

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

	2023	**2024**
Income from equity interests and unconsolidated subsidiaries	8.5	**10.9**
Other	–0.4	**0.0**
Other result from equity interests	8.0	**10.9**

3.2.13 Interest income

Interest income €m

	2023	**2024**
Interest from investments under closed items on the balance sheet	32.2	**33.3**
Interest from money market transactions	23.6	**37.7**
Interest from clearing and trading banks	6.5	**4.3**
Other interest and similar income	7.0	**6.5**
Interest income	69.3	**81.8**

Interest expenses €m

3.2.14 Interest expenses

	2023	**2024**
Interest on financial liabilities under closed items on the balance sheet	32.2	33.3
Net interest expense for personnel-related liabilities	18.3	18.7
Interest on bonds	20.0	17.9
Provision fees and cost of procuring credit	9.4	16.3
Interest on bank loans	28.2	11.8
Interest on other liabilities from electricity supply commitments	11.5	10.2
Interest on a share redemption obligation	7.3	8.2
Interest on other non-current provisions	2.1	3.4
Interest on money market transactions	10.7	2.6
Borrowing costs capitalised in accordance with IAS 23	–8.3	–11.7
Other interest and similar expenses	11.7	14.5
Interest expenses	143.2	**125.2**

Other financial result €m

3.2.15 Other financial result

	2023	**2024**
Change in a profit participation right with respect to material assets[1]	11.5	13.0
Income from securities and loans	2.8	7.6
Reversal of impairment losses on securities	9.9	4.4
Change in an obligation to return an interest[2]	1.5	–54.0
Other	0.0	–0.8
Other financial result	25.7	**–30.2**

[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 "Non-current other liabilities".

As a rule, the changes in value of derivative financial instruments associated with closed items on the balance sheet and liabilities measured at fair value through profit or loss are, in principle, also recognised under the other financial result. However, the effects on profit or loss of these two items essentially offset each other and were therefore not included in the above table.

The financial result includes impairment losses from other equity interests (see section 4.6.1 "Other equity interests") and one reversal of an impairment loss relating to Trans Austria Gasleitung GmbH.

3.2.16 Impairment losses and reversals of impairment losses

Impairment testing of Trans Austria Gasleitung GmbH

	31/12/2023	**31/12/2024**
Cash-generating unit	Trans Austria Gasleitung GmbH, Austrian transmission system operator	Trans Austria Gasleitung GmbH, Austrian transmission system operator
Indications of impairment	Significant changes in the energy industry and regulatory environment	Significant changes in the energy industry and regulatory environment
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	Trans Austria Gasleitung GmbH budgets (based primarily on market data)	Trans Austria Gasleitung GmbH budgets (based primarily on market data)
Volume	Capacity bookings	Capacity bookings
Pricing	Tariffs set by the regulator	Tariffs set by the regulator
Planning period	Detailed planning phase: 6 years; rough planning phase: 5 years plus Regulatory Asset Base (RAB) as exit value	Detailed planning phase: 5 years; rough planning phase: 5 years plus Regulatory Asset Base (RAB) as exit value
Key valuation assumptions	Regulatory return on the RAB	Regulatory return on the RAB
After-tax discount rate	Determination of discount rate taking into account regulatory framework conditions	Determination of discount rate taking into account regulatory framework conditions
Recoverable amount	€33.6m	€45.8m
Change in value during the period	€+14.0m	€+13.5m

Sensitivity analysis for Trans Austria Gasleitung GmbH 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	(Please refer to the table above)	± 0.25 PP	€–0.9m €+0.9m

Sensitivity analysis for Trans Austria Gasleitung GmbH as at 31/12/2023

	Value assigned to the key valuation assumption	Change in key valuation assumption	Effects on the recoverable amount
After-tax discount rate	(Please refer to the table above)	± 0.25 PP	€–0.6m €+0.6m

3.2.17 Taxes on income

The corporate income tax rate applicable to VERBUND AG for the 2024 reporting year was 23.0% (previous year: 24.0%). 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 %

	2023	**2024**
Austria	24.0	23.0
Germany – partnerships[1]	28.6	29.1
Germany – limited companies[1]	24.2–32.4	24.2–32.4
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 municipality to another.

Beginning with the 2005 reporting period, VERBUND took advantage of the option to form a consolidated tax group as granted 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. No draft Pillar Two legislation had been issued for Albania or Israel at the time of preparation of these financial statements.

VERBUND has reviewed the use of the Transitional CbCR Safe Harbor framework for financial year 2024 with respect to all of the aforementioned legal entities. All entities were able to meet at least one of the three CbCR Safe Harbour conditions in 2024. Hence no addition 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
	2023	**2024**
Current tax expenses[1]	759.9	630.5
Deferred income tax expenses[2]	65.4	8.0
Taxes on income	825.3	**638.5**

[1] Current tax expenses include adjustments from prior periods of €-10.5m (previous year: €+15.0m). // [2] Deferred income tax expenses include adjustments from prior periods in the amount of €– 8.5m (previous year: €–10.6m).

The reasons for the difference between VERBUND's computed and recognised tax expense are as follows:

Tax reconciliation		€m
	2023	**2024**
Computed income tax expense	853.8	639.0
Deviating tax rates	10.3	9.0
Impairment testing of fixed assets	19.8	–0.8
Tax-exempt investment income	–1.8	–2.1
Write-offs and write-ups of equity investments	–45.2	–7.4
Interests accounted for using the equity method	–20.4	–23.3
Goodwill amortisation (IFRS)	18.8	0.0
Impairment testing of equity-accounted and other interests	–3.0	0.0
Other line items	–2.6	5.0
Income tax expenses for the period	829.7	**619.4**
Income tax income or expenses from prior periods (current and deferred)	–4.4	19.0
Recognised income tax expenses	825.3	**638.5**
Effective tax rate	23.2%	**23.0%**

3.2.18 Earnings per share

Earnings per share		€m
	2023	**2024**
Profit for the period	2,732.1	2,139.7
Profit for the period attributable to non-controlling interests	–466.0	–264.4
Group result	2,266.1	**1,875.3**
Weighted average number of shares in circulation	347,415,686	347,415,686
Earnings per share in €[1]	6.52	**5.40**

[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 items listed in the statement of comprehensive income that can be reclassified subsequently to the income statement.

Breakdown of OCI

3.3.1 Breakdown of OCI

€m

	2023	**2024**
Measurement gains or losses recognised in equity	–1.5	0.6
Foreign exchange differences	–1.5	**0.6**
Measurement gains or losses recognised in equity	1,141.5	–108.1
Reclassification adjustments recognised in the income statement	1,008.5	–397.3
Changes in cash flow hedges	2,150.1	**–505.6**
Measurement gains or losses recognised in equity	30.6	7.2
Other comprehensive income from interests accounted for using the equity method	30.6	**7.2**
Total for items that will be reclassified subsequently to the income statement	2,179.2	**–497.8**

Taxes on other comprehensive income

3.3.2 Taxes on other comprehensive income

€m

	2023 Before taxes	2023 Taxes	2023 After taxes	**2024** Before taxes	**2024** Taxes	**2024** After taxes
Remeasurement of the net defined benefit liability	–30.6	7.6	–23.0	–53.6	12.1	–41.5
Changes in financial instruments	32.7	–7.5	25.2	–4.2	1.0	–3.2
Other comprehensive income from interests accounted for using the equity method	–5.2	–	–5.2	–5.8	–	–5.8
Total for items that will not be reclassified subsequently to the income statement	–3.2	0.1	–3.1	**–63.6**	**13.0**	**–50.5**
Foreign exchange differences	–1.5	–	–1.5	0.6	–	0.6
Changes in cash flow hedges	2,150.1	–503.3	1,646.8	–505.6	116.4	–389.2
Other comprehensive income from interests accounted for using the equity method	30.6	–	30.6	7.2	–	7.2
Total for items that will be reclassified subsequently to the income statement	2,179.2	–503.3	1,675.9	**–497.8**	**116.4**	**–381.5**
Other comprehensive income	2,176.0	–503.2	1,672.8	**–561.4**	**129.4**	**–432.0**

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 €246.0m (previous year: €250.4m).

3.4.1 Additional information on cash flow from financing activities

Additional information on cash flow from financing activities €m

	2023	**2024**
Dividends paid to the shareholders of VERBUND AG	–1,250.7	**–1,441.8**
Dividends paid to non-controlling interests	–302.9	**–492.2**

3.4.2 Change in liabilities from financing activities

The following table shows the change 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				
2024	Balance at 1/1/2024	Cash flow from financing activities	Changes in the scope of consolidation	Fair value adjustments	Changes in exchange rates	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

Additional information regarding liabilities from financing activities €m

2023	Balance at 1/1/2023	Cash flow from financing activities	Non-cash changes: Changes in the scope of consolidation	Non-cash changes: Fair value adjustments	Non-cash changes: Changes in exchange rates	Non-cash changes: Other changes	Balance at 31/12/2023
Bonds	1,151.0	–13.1	0.0	0.0	0.0	4.8	1,142.7
Financial liabilities to banks	2,568.3	–1,451.4	1.5	–12.3	–16.9	8.1	1,097.3
Other financial liabilities	175.1	0.0	0.0	0.0	0.0	–15.5	159.6
Liability from put option	52.1	–53.5	0.0	0.0	0.0	1.4	0.0
Capital shares attributable to limited partners	7.3	0.0	0.0	0.0	0.0	1.0	8.3
Total liabilities from financing activities	3,953.9	–1,518.0	1.5	–12.3	–16.9	–0.3	2,407.9

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 as 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 ten and 20 years. Software is amortised over a period of four years.

Research and development costs

Development costs were capitalised in the amount of €2.4m (previous year: €3.1m) in accordance with IAS 38. Expenses for research in a total amount of €12.3m were recognised in profit or loss in the 2024 reporting period (previous year: €12.7m).

Emission allowances

Emission allowances are accounted for in accordance with the accounting policies set out in IAS 38, IAS 20 and IAS 37. Emission allowances are recognised at fair value (allowances allotted without exchange of consideration) or at cost (purchased allowances). For 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 missing emission allowances.

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
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	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	470.7	634.5	1,105.2
Net carrying amount as at 1/1	365.7	634.5	1,000.2

Intangible assets €m

	Concessions, rights, licences	Goodwill	Total
2023			
Cost as at 1/1	922.5	1,027.9	1,950.4
Change in the scope of consolidation	–39.9	0.0	–39.9
Additions from business acquisitions	1.8	6.4	8.2
Additions	92.3	0.0	92.3
Disposals	–4.7	0.0	–4.7
Reclassifications	4.3	0.0	4.3
Cost as at 31/12	976.2	1,034.3	2,010.5
Accumulated amortisation as at 1/1	384.2	321.4	705.6
Additions from business acquisitions	0.1	0.0	0.1
Depreciation	21.4	0.0	21.4
Impairment losses	207.5	78.4	285.9
Disposals	–2.7	0.0	–2.7
Accumulated amortisation as at 31/12	610.5	399.8	1,010.3
Net carrying amount as at 31/12	365.7	634.5	1,000.2
Net carrying amount as at 1/1	538.2	706.5	1,244.8

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 2024 reporting period were around 2.0% (previous year: around 2.1%).

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 "Non-current other 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
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	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

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
2023								
Cost as at 1/1	8,480.5	5,123.2	4,625.7	1,672.4	276.6	767.9	1,547.8	22,494.0
Foreign exchange differences	–0.2	–1.5	0.0	0.0	0.0	0.0	0.0	–1.7
Change in the scope of consolidation	0.0	0.0	0.0	0.0	0.0	0.0	51.5	51.5
Additions from business acquisitions	1.8	0.0	1.0	0.0	0.3	0.0	0.0	3.0
Additions	50.3	465.0	111.0	12.8	35.7	4.2	771.5	1,450.5
Disposals	–2.1	–258.2	–62.5	–1.7	–15.1	–0.5	–0.4	–340.6
Reclassifications	67.3	252.1	277.0	5.1	0.4	0.4	–372.1	230.4
Cost as at 31/12	**8,597.7**	**5,580.6**	**4,952.3**	**1,688.6**	**297.8**	**771.9**	**1,998.4**	**23,887.2**
Accumulated depreciation as at 1/1	3,596.6	2,818.4	2,752.7	876.9	187.9	373.2	11.9	10,617.5
Foreign exchange differences	0.0	–0.8	0.0	0.0	0.0	0.0	0.0	–0.8
Additions from business acquisitions	0.3	0.0	0.1	0.0	0.1	0.0	0.0	0.6
Depreciation	123.2	139.0	157.2	–4.3	23.2	64.4	0.0	502.9
Impairment losses	20.5	101.9	34.6	40.3	0.5	0.0	0.6	198.3
Reversals of impairment losses	–11.6	0.0	–19.4	0.0	0.0	0.0	0.0	–31.0
Disposals	–1.7	–257.3	–57.5	–0.7	–14.8	–0.6	–0.3	–333.0
Reclassifications	0.8	230.1	0.2	0.0	0.0	0.0	3.7	234.7
Accumulated depreciation as at 31/12	**3,728.1**	**3,031.4**	**2,867.9**	**912.2**	**196.9**	**437.0**	**15.8**	**11,189.2**
Net carrying amount as at 31/12	**4,869.5**	**2,549.3**	**2,084.4**	**776.5**	**100.9**	**334.9**	**1,982.5**	**12,697.9**
Net carrying amount as at 1/1	4,883.9	2,304.8	1,873.1	795.5	88.7	394.6	1,535.9	11,876.5

Additions[1] €m

	2023	**2024**
Kaprun – Limberg III power plant	136.5	168.7
Replacement and general overhaul of substations	63.6	83.5
Upper Austrian grid area/Weinviertel	36.2	76.4
Wind parks acquired in Germany	0.0	71.1
380 kV Salzburg line	159.4	68.3
Automation of hydropower plants	18.4	47.0
Wind farm projects in Spain	23.3	29.0
Wind parks acquired in Austria	0.0	28.8
Photovoltaic projects under construction in Spain	12.6	25.1
Photovoltaic projects under construction in Italy	0.0	23.4
Reißeck pumping station	32.6	18.9
Expansion of 380kV plants	15.6	16.5
Photovoltaic installations in Austria	12.4	15.4
Mayrhofen power plant	16.3	15.2
Stegenwald power plant	13.7	14.4
Various construction projects	17.2	14.3
Restructuring the 110 kV Reißeck/Malta grid	3.3	13.7
Wallsee-Mitterkirchen power plant	7.1	13.3
Ottensheim power plant	9.2	11.9
Battery storage projects	6.3	11.9
Laufnitzdorf power plant	0.0	10.9
Gratkorn power plant	12.4	9.2
Reschenpass line	29.2	2.4
Acquisition of Spain wind portfolio	452.3	0.0
Other additions (< €10.0m each)	372.9	371.8
Total additions to property, plant and equipment	1,450.5	**1,161.1**

[1] The additions relating to acquisitions from subsidiaries classified as acquisitions of assets (see 1.2 "Basis of consolidation") 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 €27.9m (previous year: €28.2m).

4.2.2 Contributions to building costs and grants

Building cost contributions and government grants		€m
	2023	**2024**
Contributions to building costs	743.2	766.4
Government grants	45.8	46.0
Building cost contributions and government grants	788.9	**812.4**

4.3 Leases

VERBUND's leases mainly comprise agreements for the provision of power plants, buildings, land, power lines or 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 as well as any 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 not exercise a termination option are taken into account when determining the lease term. For land leases in particular, contracts are frequently concluded 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

The right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the 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
Balance 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
Balance at 31/12/2024	150.5	8.4	28.5	7.3	194.6

Right-of-use assets €m

	Land and buildings	Electrical installations	Power lines	Operating and office equipment	Total
Balance at 1/1/2023	113.1	9.2	20.0	4.4	146.6
Additions	35.8	4.7	1.1	3.6	45.2
Depreciation	–9.9	–0.8	0.0	–2.1	–12.8
Disposals	–9.1	0.0	0.0	–0.2	–9.3
Balance at 31/12/2023	129.9	13.1	21.1	5.7	169.7

Amounts from leases recognised in profit or loss €m

	2023	**2024**
Expenses from unwinding the discount on the lease liability	3.0	4.2
Variable lease payments that were not recognised in the lease liability	0.9	2.5
Expenses from short-term leases[1]	95.2	67.8
Expenses from underlying assets of low value	0.0	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 31/12/2024 €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

Expected cash outflows as at 31/12/2023				€m
Maturity	2024	2025	2026–2028	from 2029
Cash outflows on lease liabilities in accordance with IFRS 7	15.7	15.0	37.0	167.5

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 determined 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 cost of debt before tax 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 determined 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 determining fair value. Price listings for energy futures are used for pricing purposes as long as there is a liquid market. This involves taking the most recent price listings and applying them to the price forecast from a reputable information service provider 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 determined using price listings for energy futures and the VERBUND Outlook model. VERBUND Outlook is an energy simulation tool for the development of medium and long-term electricity and natural gas price scenarios for energy markets. Cash flows are generally derived from the current medium-term budgets 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. Impairment losses as well as reversals of impairment losses are recognised in profit or loss and presented in the income statement and the segment report as 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
	2023	**2024**
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
Solarpower	6.4	6.4
Goodwill	634.6	**634.6**

Impairment testing of goodwill for the Hydro segment

	31/12/2023	**31/12/2024**
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 budgets (based primarily on market data)	VERBUND 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 31 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 30 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: 5.75%–11.25% depending on the location	WACC: 5,00%–9.50% 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 6.15%– 10.75% (previous year: 7.26%– 12.52%). // [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 the key valuation assumptions change, as is considered possible by management.

Impairment testing of goodwill for the Sales segment

	31/12/2023	**31/12/2024**
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 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 sales margins	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: 5.75%–12.50%	WACC after taxes: 5.00%– 11,75%
Impairment loss during the period[2]	–	–

[1] The implicit input tax interest rate determined through a process of iteration amounted to 7.10%– 12.89% (previous year: 8.03%– 15.07%). // [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 the key valuation assumptions change, as is considered possible by management.

Impairment testing of goodwill for the Inn River run-of-river power plant group

	31/12/2023	**31/12/2024**
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	Value in use
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 prices); consideration of water charges based on official notices; estimate of maintenance costs by the managers responsible	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 prices); consideration of water charges based on official notices; estimate of maintenance costs by the managers responsible
Planning period	Detailed planning phase: 6 years; rough planning phase: 31 years followed by a terminal value phase	Detailed planning phase: 6 years; rough planning phase: 30 years followed by a terminal value phase
Key valuation assumptions	Electricity price, discount rate	Electricity price, discount rate
After-tax discount rate[2]	WACC: 5.75%	WACC: 5.00%
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 6.15% (previous year: 7.26%). // [3] In the opinion of management, the carrying amount of Kraftwerksgruppe Inn assets including goodwill will not exceed the recoverable amount, even if the key valuation assumptions change, as is considered possible by management.

Impairment testing of goodwill for the Grenzkraftwerke run-of-river power plant group[1]

	31/12/2023	**31/12/2024**
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	Value in use
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 3,957 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 prices); consideration of water charges based on official notices; estimate of maintenance costs by the managers responsible	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
Planning period	Detailed planning phase: 6 years; rough planning phase: 31 years followed by a terminal value phase	Detailed planning phase: 6 years; rough planning phase: 30 years followed by a terminal value phase
Key valuation assumptions	Electricity price, discount rate	Electricity price, discount rate
After-tax discount rate[3]	WACC: 6.25%	WACC: 5.25%
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 6.35%– 6.43% (previous year: 7.93%– 8.05%). // [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 the key valuation assumptions change, as is considered possible by management.

Impairment testing of goodwill for SMATRICS GmbH & Co KG

	31/12/2023	**31/12/2024**
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	Fair value (level 3) less costs of disposal	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 ramp-up	Electric vehicle charging points
Pricing	EV charging rates	EV charging rates
Planning period	Detailed planning phase: 7 years plus subsequent terminal value phase	Detailed planning phase: 11 years plus subsequent terminal value phase
Key valuation assumptions	Electric vehicle ramp-up, discount rate	Electric vehicle charging points, discount rate
After-tax discount rate[1]	WACC: 12.50%	WACC: 11.75%
Impairment loss during the period	–	–

[1] The implicit input tax interest rate determined through a process of iteration amounted to 12.89% (previous year: 15.07%).

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

[1] A change in the after-tax discount rate of + 2.3 PP or more would mean that the carrying amount exceeds the recoverable amount.

Sensitivity analysis for SMATRICS GmbH & Co KG as at 31/12/2023

	Value assigned to the key valuation assumption	Change in key valuation assumption	Effects on the recoverable amount
After-tax discount rate	12.50%	± 0.25 PP	€–1.8m €+1.8m

Impairment testing of goodwill from Solarpower

	31/12/2023	**31/12/2024**
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 PV components	MWp plant engineering, sales volumes of PV 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: 6.25%	WACC: 5.50%
Impairment loss during the period	–	–

[1] The implicit input tax interest rate determined through a process of iteration amounted to 7.12% (previous year: 8.11%).

Sensitivity analysis for Solarpower 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	5.50%	± 0.25 PP	€–1.8m €+2.0m

[1] A change in the after-tax discount rate of + 3.7 PP or more would mean that the carrying amount exceeds the recoverable amount.

Sensitivity analysis for Solarpower as at 31/12/2023

	Value assigned to the key valuation assumption	Change in key valuation assumption	Effects on the recoverable amount
After-tax discount rate	6.25%	± 0.25 PP	€–1.3m €+1.4m

4.4.2 Impairment testing of power plants and grid infrastructure

Impairment testing of Gas Connect Austria GmbH, including Austrian Gas Grid Management AG

	31/12/2023	**31/12/2024**
Cash-generating unit	GCA's transmission system and distribution network, including AGGM	GCA's transmission system and distribution network, including AGGM
Indications of impairment	Significant changes in the energy industry and regulatory environment	Significant changes in the energy industry and regulatory environment
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	GCA budgets (based primarily on market data)	GCA budgets (based primarily on market data)
Volume	Capacity bookings	Capacity bookings
Pricing	Tariffs set by the regulator	Tariffs set by the regulator
Planning period	Detailed planning phase: 6 years; rough planning phase: 21 years plus Regulatory Asset Base (RAB) as exit value	Detailed planning phase: 6 years; rough planning phase: 20 years plus Regulatory Asset Base (RAB) as exit value
Key valuation assumptions	Regulatory return on the RAB	Regulatory return on the RAB
After-tax discount rate	Determination of discount rate taking into account regulatory framework conditions	Determination of discount rate taking into account regulatory framework conditions
Recoverable amount	€444.4m	€344.8m
Change in value during the period[1]	€–56.9m	€–172.4m

[1] An impairment loss had already been recognised in the 2024 reporting period in the amount of €–169.7m as at 30 June 2024. By 31 December 2024, the impairment loss recognised during the year had increased to €–172.4m. The impairment loss was mainly attributable to the adjustments made to the business plan based on the final cost assessment for the fifth regulatory period issued by E-Control Austria.

Sensitivity analysis for GCA (including AGGM) 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	(Please refer to the table above)	± 0.25 PP	€+ 5.9m €– 6.2m

Sensitivity analysis for GCA incl. AGGM 31/12/2023

	Value assigned to the key valuation assumption	Change in key valuation assumption	Effects on the recoverable amount
After-tax discount rate	(Please refer to the table above)	± 0.25 PP	€+ 6.0m €– 6.0m

Impairment testing of the Mellach combined cycle gas turbine power plant

	31/12/2023	**31/12/2024**
Cash-generating unit	Combined cycle gas turbine power plant (installed electrical capacity: 838 MW)	Combined cycle gas turbine power plant (installed electrical capacity: 838 MW)
Indications of impairment	Updated electricity or gas price forecasts	Updated electricity or gas price forecasts
Basis for recoverable amount	Fair value (level 3) less costs of disposal	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 Thermal Power GmbH & Co KG budgets (based primarily on market data)	VERBUND Thermal Power GmbH & Co KG budgets (based primarily on market data)
Volume	Optimisation model with primary inputs: installed capacity, heat extraction (maximum 400 MW) and efficiency at full capacity (58.8%)	Optimisation model with primary inputs: installed capacity, heat extraction (maximum 400 MW) and efficiency at full capacity (58.8%)
Pricing	Internal and external price forecasts; temporarily expected revenue from the grid reserve, congestion management, redispatch and market use, including heat extraction in the winter for one line (Q4/2023 to Q1/2024); estimate of operating, maintenance and downtime costs by the responsible managers	External price forecasts; temporarily expected revenue from the grid reserve, congestion management, redispatch and market use, including heat extraction in the winter until Q1/2027; estimate of operating, maintenance and downtime costs by the responsible managers
Planning period	Total capacity averaging around 100,000 equivalent operating hours or until 2040 (dependent on earlier start)	Total capacity averaging around 100,000 equivalent operating hours or until 2040 (dependent on earlier start)
Key valuation assumptions	Discount rate, expected revenue from the grid reserve, congestion management and redispatch, performance of clean spark spreads	Discount rate, expected revenue from the grid reserve, congestion management and redispatch, development of clean spark spreads
After-tax discount rate	WACC: 6.25%	WACC: 5.50%
Recoverable amount	€161.3m	€90.9m
Change in value during the period[1]	€–63.0m	€–66.1m

[1] An impairment loss had already been recognised in the 2024 reporting period in the amount of €–25.0m as at 30 June 2024. By 31 December 2024, the impairment loss recognised during the year had increased to €–66.1m. The impairment loss recognised in the 2024 reporting period was reduced by the change in deferred government grants in the amount of €–0.7m (previous year: €–1.7m).

Sensitivity analysis for the Mellach combined cycle gas turbine power plant as at 31/12/2024[1]

	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	€+4.4m €–4.1m

[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) neutralize their impact.

Sensitivity analysis for the Mellach combined cycle gas turbine power plant as at 31/12/2023

	Value assigned to the key valuation assumption	Change in key valuation assumption	Effects on the recoverable amount
After-tax discount rate	6.25%	± 0.25 PP	€+2.9m €–2.9m

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

	31/12/2023	**31/12/2024**
Group of cash-generating units	PV portfolios with a capacity of 82.1 MWp in operation (Anselma Issuer, S.A.U. and Topacio Energy, S.L.U.)	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.)[1]
Basis for recoverable amount	Value in use	Value in use
Indications of impairment	Updated electricity price forecasts	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 budgets (based primarily on market data)	VERBUND's budgets (based primarily on market data)
Volume	Electricity generation	Electricity generation
Pricing	Tariffs for the next 14–17 years, followed by internal price forecasts	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.)
Planning period	Detailed planning phase: 6 years; rough planning phase: 13–14 years for the Anselma Issuer, S.A.U. portfolio and 13–16 years for the Topacio Energy, S.L.U. portfolio.	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.
Key valuation assumptions	Electricity price, discount rate	Electricity price, discount rate
After-tax discount rate[2]	WACC: 5.75% / 6.50%	WACC: 5.00% / 5.50%
Recoverable amount	€348.8m	€438.9m
Change in value during the period[3]	€+29.9	€–7.2m

[1] The VERBUND Green Power Renewable Projects, S.L.U. portfolio consisting of three CGUs (comprising two photovoltaic projects and one wind project) will be reported under "Existing projects" as of financial year 2024, as one of the CGUs is already in operation and the other two CGUs have obtained planning permission. // [2] 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 13 to 16 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 6.79%–8.69% (previous year: 7.25%–8.08%). // [3] The impairment loss as at 31 December 2024 comprised reversals of impairment losses at 16 CGUs from the Anselma Issuer, S.A.U. portfolio in a total amount of €+7.7m (previous year: impairment losses and reversals of impairment losses in a total amount of €+6.0m); reversals of impairment losses at 19 CGUs from the Topacio Energy, S.L.U. portfolio in a total amount of €+7.3m (previous year: reversals of impairment losses in a total amount of €+23.9m) and impairment losses at three CGUs in the VERBUND Green Power Renewable Projects, S.L.U. portfolio in a total amount of €–22.3m (previous year: €0.0m).

Sensitivity analysis for existing projects in the Spain renewables portfolio as at 31/12/2024[1]

	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[2]	37.0 € pro MWh (PV) / 76.4 € pro MWh (Wind)	± 5%	n/a	n/a	€+2.4m €–2.4m

[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) neutralize their impact. // [2] not applicable due to tariff revenue in the Anselma Issuer, S.A.U. and Topacio Energy, S.L.U. portfolios

Sensitivity analysis for existing projects in the Spain renewables portfolio as at 31/12/2023

	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
After-tax discount rate	5.75% / 6.50%	± 0.25 PP	€–2.0m €+2.0m	€–3.0m €+3.0m
Electricity price	n/a	n/a	n/a	n/a

The table of development projects in the Spain renewables portfolio includes 20 CGUs from the Tejo Solar, S.L.U. portfolio.

Impairment testing of development projects in Spain renewables portfolio

	31/12/2023	**31/12/2024**
Group of cash-generating units	Wind/photovoltaic portfolios with a capacity of 1,827 MW under development (Tejo Solar, S.L.U, Catalpa Solar, S.L.U. and VERBUND Green Power Renewable Projects, S.L.U.)	Photovoltaic portfolios with a capacity of 1,576.7 MW under development (Tejo Solar, S.L.U.)[1]
Basis for recoverable amount	Value in use	Value in use
Indications of impairment	Updated electricity price forecasts, increase in CapEx and postponement of commissioning	Updated electricity price forecasts, updated discount rate, increase in CapEx and postponement of commissioning
Valuation technique	Net present value approach (DCF method)	Net present value approach (DCF method)
Derivation of cash flow	VERBUND 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)	Internal 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), 24 years (wind)	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[2]	WACC: 6.50%	WACC: 5.50%
Recoverable amount	€202.2m	€222.4m
Change in value during the period[3]	€–204.1m	€+64.5m

[1] Catalpa Solar, S.L.U. was merged into Tejo Solar, S.L.U. in financial year 2024. The VERBUND Green Power Renewable Projects, S.L.U. portfolio, which consists of three CGUs and contains the only wind project in the Spain renewables portfolio, has been included in the "Impairment testing of existing projects in the Spain renewables portfolio" table since financial year 2024 based on the start of construction or commissioning respectively. // [2] The implicit input tax interest rate determined through a process of iteration amounted to 6.79% (previous year: 8.07%–8.30%). // [3] The impairment loss as at 31 December 2024 consisted of impairment losses and reversals of impairment losses at 19 CGUs in the Tejo Solar, S.L.U. portfolio totalling +€64.5 million (previous year: –€169.6m for the Tejo Solar, S.L.U. portfolio and –€34.6m for the Catalpa Solar, S.L.U. portfolio).

Sensitivity analysis for development projects in the Spain renewables portfolio as at 31/12/2024[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	5.50%	± 0.25 PP	€–34.3m €+36.4m
Electricity price[3]	€37.0 per MWh	± 5%	€+61.7m €–58.9m

[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) neutralize their impact. // [2] The sensitivities shown only relate to the 19 projects affected by impairment (previous year: 17 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 31/12/2023

	Value assigned to the key valuation assumption	Change in key valuation assumption	Effects on the recoverable amount of Catalpa Solar, S.L.U. portfolio	Effects on the recoverable amount of Tejo Solar, S.L.U. portfolio
After-tax discount rate	6.50%	± 0.25 PP	€–4.0m €+4.0m	€–23.0m €+23.0m
Electricity price	€40.5 per MWh	± 5%	€+9.0m €–9.0m	€+48.0m €–48.0m

Impairment testing of the Spain photovoltaic portfolio

	31/12/2023	**31/12/2024**
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	Value in use
Indications of impairment	Updated electricity price forecasts	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)	Internal 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: 29 years	Detailed planning phase: 6 years; rough planning phase: 28 years
Key valuation assumptions	Discount rate	Discount rate
After-tax discount rate[1]	WACC: 6.50%	WACC: 5.50%
Recoverable amount	€105.6m	€95.7m
Change in value during the period	€-25.0m	€–8.3m

[1] The implicit input tax interest rate determined through a process of iteration amounted to 6.51% (previous year: 7.91%).

Sensitivity analysis for the Spain photovoltaic portfolio as at 31/12/2024[1]

	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[2]	€37.0 per MWh	± 5%	€+6.1m €–6.1m

[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) neutralize 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 end of the planning horizon.

Sensitivity analysis for the Spain photovoltaic portfolio as at 31/12/2023

	Value assigned to the key valuation assumption	Change in key valuation assumption	Effects on the recoverable amount
After-tax discount rate	6.50%	± 0.25 PP	€–3.0m €+3.0m
Electricity price	€40.5 per MWh	± 5%	€+6.0m €–6.0m

Impairment testing of the Spain wind portfolio

	31/12/2023	**31/12/2024**
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	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
Price	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: 50 years	Detailed planning phase: 6 years; rough planning phase: 49 years
Key valuation assumptions	Electricity price, discount rate	Electricity price, discount rate
After-tax discount rate[1]	WACC: 5.75% / 6.50%	WACC: 5.00% / 5.50%
Recoverable amount	€438.1m	€431.2m
Change in value during the period	€–54.0m	€+ 11.6m

[1] Since the return is protected by tariff rate quotas for the next 1 to 7 years, followed by a period of merchant marketing, two WACCs were used for the valuation.

Sensitivity analysis for the Spain wind portfolio as at 31/12/2024[1]

	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	€– 16.0m €+ 17.2m
Electricity price[2]	n/a	n/a	n/a

[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) neutralize their impact. // [2] not applicable due to tariff revenue.

Sensitivity analysis for the Spain wind portfolio as at 31/12/2023

	Value assigned to the key valuation assumption	Change in key valuation assumption	Effects on the recoverable amount
After-tax discount rate	5.75% / 6.50%	± 0.25 PP	€–13.0m €+14.0m
Electricity price	n/a	n/a	n/a

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 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 as 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
	2023	**2024**
Amortised cost as at 1/1	425.4	549.9
Additions[1]	5.4	17.7
Dividends[2]	9.5	–15.6
Result from equity accounting	84.9	101.3
Other comprehensive income from equity accounting	24.7	2.2
Change in consolidation method	0.0	–2.7
Amortised cost as at 31/12	549.9	**652.6**
Accumulated value adjustments as at 1/1	–59.8	–33.1
Reversals of impairment losses	26.6	13.5
Accumulated value adjustments as at 31/12	–33.1	**–19.7**
Net carrying amount as at 31/12	516.7	**633.0**
Net carrying amount as at 1/1	365.5	516.7

[1] of which additions from acquisition of shares in the amount of €8.3m (previous year: €0.0m).// [2] of which distribution from KELAG in the amount of €80.9m (previous year: €35.2m), less the prorated dividend from VHP to KELAG in the amount of €67.0m (previous year: €45.8m).

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 and valuations based on either discounted cash flows, market multiples methods or the cost of the equity interest.

4.6.1 Other equity interests

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

Other equity interests €m

	Interests in unconsolidated subsidiaries	Other equity interests	Total
2023			
(Amortised) cost as at 1/1	17.8	143.2	161.0
Change in the scope of consolidation	–5.0	0.0	–5.0
Additions from acquisitions of interests and capital increases	22.8	1.5	24.3
Disposals	0.0	–0.6	–0.6
(Amortised) cost as at 31/12	35.6	144.1	179.7
Accumulated value adjustments as at 1/1	11.2	20.5	31.7
Fair value measurement in OCI	–0.6	32.5	31.9
Impairment losses	–15.8	0.0	–15.8
Accumulated value adjustments as at 31/12	–5.2	53.0	47.8
Net carrying amount as at 31/12	30.4	197.1	227.5
Net carrying amount as at 1/1	29.0	163.7	192.7

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 non-current other receivables €m

	2023	**2024**
Investments – closed items on the balance sheet	401.4	347.6
Other investments and other receivables	417.8	455.4
Total	819.1	**803.0**

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

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
2023			
Amortised cost as at 1/1	73.2	334.1	407.3
Foreign exchange differences	–2.7	–13.8	–16.5
Additions	2.7	3.8	6.5
Capitalised interest	0.0	11.5	11.6
Disposals	–1.3	–6.1	–7.4
Amortised acquisition cost as at 31/12	71.9	329.5	401.4
of which non-current assets	71.9	329.5	401.4
of which current assets	0.0	0.0	0.0

As at 31 December 2024, securities consisted of medium-term notes in a notional amount of $78.1m (previous year: $76.7m) and with an amortised cost of €77.9m (previous year: €71.9m).

Securities in the amount of €77.9m (previous year: €71.9m) and loans in the amount of €364.4m (previous year: €329.5m) have been pledged. All of the securities and loans all serve as collateral for bank loans.

Other investments and non-current other 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
Accumulated 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 measurement in OCI	0.0	1.0	0.0	1.0
Disposals	0.0	0.8	0.0	0.8
Accumulated 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
Net carrying amount total as at 31/12				455.4
Net carrying amount total as at 1/1				417.8

Other investments and non-current other receivables €m

	Loans to affiliated companies – not included in the basis of consolidation	Loans to investees	Securities (loan stock rights)	Other loans	Total
2023					
Cost as at 1/1	2.7	59.1	181.2	5.7	248.8
Additions from business acquisitions	–2.7	0.0	0.0	0.0	–2.7
Additions	0.0	0.0	0.0	0.1	0.1
Reclassifications	0.0	–13.0	–3.8	0.0	–16.8
Cost as at 31/12	**0.0**	**46.1**	**177.4**	**5.8**	**229.4**
Accumulated value adjustments as at 1/1	0.0	0.0	–20.3	0.0	–20.3
Reversals of impairment losses	0.0	0.0	10.7	0.0	10.7
Accumulated value adjustments as at 31/12	**0.0**	**0.0**	**–9.6**	**0.0**	**–9.6**
Net carrying amount as at 31/12	**0.0**	**46.1**	**167.8**	**5.9**	**219.8**
Net carrying amount as at 1/1	2.7	59.1	160.9	5.7	228.5
Net carrying amount of other non-current receivables as at 31/12					**198.0**
Net carrying amount of other non-current receivables as at 1/1					309.7
Net carrying amount total as at 31/12					**417.8**
Net carrying amount total as at 1/1					538.1

Securities in the amount of €174.8m (previous year: €167.8m) primarily include shares in investment funds to cover employee benefit obligations. The securities were classified as measured at fair value through profit or loss.

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 as at 31/12/2024 €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	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	–
Other investments and non-current other receivables			803.0	
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
Emission rights	–	–	48.9	–

Carrying amounts and fair values by measurement category as at 31/12/2024 €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	AC	–	120.9	–
Other	–	–	65.5	–
Trade receivables, other receivables and securities			1,271.9	
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 as at 31/12/2024 €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	1,135.4	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	–
Non-current other 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	

Carrying amounts and fair values by measurement category as at 31/12/2023 €m

Assets – balance sheet items	Measurement category in accordance with IFRS 9	Level	Carrying amount	Fair value
Interests in unconsolidated subsidiaries	FVOCI	2	14.8	14.8
Interests in unconsolidated subsidiaries	FVOCI	AC	5.3	5.3
Interests in unconsolidated subsidiaries	FVPL	3	10.3	10.3
Other equity interests	FVOCI	1	23.2	23.2
Other equity interests	FVOCI	2	157.9	157.9
Other equity interests	FVOCI	AC	16.0	16.0
Other equity interests and unconsolidated subsidiaries			227.5	
Derivatives in the energy area	FVPL	2	349.9	349.9
Derivatives in the energy area	FVPL	3	6.3	6.3
Derivatives in the finance area	FVPL	2	25.8	25.8
Derivatives in the finance area – closed items on the balance sheet	FVPL	2	19.2	19.2
Receivables from derivative financial instruments			401.1	
Securities	FVPL	1	158.4	158.4
Securities	FVOCI	3	8.1	8.1
Securities	FVOCI	AC	1.3	1.3
Securities – closed items on the balance sheet	AC	2	71.9	72.2
Loans – closed items on the balance sheet	AC	2	329.5	333.0
Loans	AC	2	52.0	49.2
Other	FVPL	3	28.7	28.7
Other	AC	–	143.4	–
Other	–	–	26.0	–
Investments and other receivables			819.2	
Derivatives in the energy area	FVPL	2	1,207.2	1,207.2
Derivatives in the finance area	FVPL	2	4.4	4.4
Receivables from derivative financial instruments			1,211.6	
Trade receivables	AC	–	972.0	–
Receivables from investees	AC	–	56.8	–
Loans to investees	AC	2	22.5	22.4
Securities	FVPL	1	4.4	4.4
Emission rights	–	–	45.4	–
Other	AC	–	142.2	–
Other	–	–	90.5	–
Trade receivables, other receivables and securities			1,333.8	
Cash and cash equivalents	AC	–	964.0	–

Carrying amounts and fair values by measurement category as at 31/12/2023 €m

Assets – balance sheet items	Measurement category in accordance with IFRS 9	Level	Carrying amount	Fair value
Aggregated by measurement category				
Financial assets measured at amortised cost	AC		2,754.4	
Financial assets measured at fair value through profit or loss	FVPL		1,814.4	
Financial assets measured at fair value through other comprehensive income	FVOCI		226.6	

Carrying amounts and fair values by measurement category as at 31/12/2023 €m

Liabilities – balance sheet items	Measurement category in accordance with IFRS 9	Level	Carrying amount	Fair value
Bonds	AC	2	1,142.7	983.0
Financial liabilities to banks and to others	AC	2	836.4	804.7
Financial liabilities to banks – closed items on the balance sheet	AC	2	125.3	135.1
Financial liabilities to banks – closed items on the balance sheet	FVPL – D	2	295.3	295.3
Capital shares attributable to limited partners	–	–	8.3	–
Non-current and current financial liabilities			2,408.0	
Derivatives in the energy area	FVPL	2	60.9	60.9
Liabilities from derivative financial instruments			60.9	
Electricity supply commitment	–	–	97.9	–
Obligation to return an interest	AC	3	122.5	122.5
Trade payables	AC	–	2.3	–
Lease liabilities	–	–	147.8	
Other	AC	–	402.2	–
Non-current other liabilities			772.8	
Derivatives in the energy area	FVPL	1	4.7	4.7
Derivatives in the energy area	FVPL	2	293.3	293.3
Derivatives in the energy area	FVPL	3	4.3	4.3
Liabilities from derivative financial instruments			302.4	
Trade payables	AC	–	327.4	–
Lease liabilities	–	–	12.6	
Other	AC	–	783.0	–
Other	–	–	152.4	–
Trade payables and current other liabilities			1,275.4	
Aggregated by measurement category				
Financial liabilities measured at amortised cost	AC		3,741.8	
Financial liabilities measured at fair value through profit or loss	FVPL		363.2	
Financial liabilities measured at fair value through profit or loss – designated	FVPL – D		295.3	

For financial liabilities (under closed items on the balance sheet) classified as FVPL in the above table, the difference between the carrying amount as at 31 December 2024 and the amount that VERBUND would have to pay upon maturity is €0.9m (previous year: €16.9m). The amount due upon maturity was translated at the rate of $1 = €1.0389 prevailing on the reporting date (previous year: $1 = €1.1050). 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 €405.7m (previous year: €1,092.7m) and negative fair values in the amount of €222.7m (previous year: €408.4m) 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 2024 €m

	Fair value as at 31/12/2023	**Fair value as at 31/12/2024**	Dividend as at 31/12/2023	**Dividend as at 31/12/2024**
Energie AG Oberösterreich	157.9	153.5	2.8	3.5
VERBUND Tourismus GmbH	3.6	28.7	0.0	0.0
Burgenland Holding Aktiengesellschaft	23.2	21.1	1.0	1.1
VUM Verfahren Umwelt Management GmbH	11.2	12.2	1.3	1.8
SOLAVOLTA Energie- und Umwelttechnik GmbH	–	8.8	–	0.0
Wiener Börse AG	8.1	9.1	0.6	0.7
TTTech Nexus GmbH	0.0	6.6	0.0	0.0
Gestionnaires du Réseau de Transport d'Électricité (RTE)	4.8	4.8	0.7	0.8
VERBUND Green Power Albania Sh.p.k.	3.5	3.5	0.0	0.0
Infraestructuras de Illora S.L.	3.4	3.4	0.0	0.0
CISMO GmbH	2.6	2.8	0.4	0.4
Necture GmbH	1.5	2.6	0.0	0.0
Other	6.8	15.0	1.7	1.0
Total	226.5	272.1	8.5	9.3

No interests in unconsolidated subsidiaries, other equity interests or other securities classified as FVOCI were sold in the reporting period. An amount of €–4.3m (previous year: €+32.7m) 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, non-current loans, liabilities to banks, bonds and other financial liabilities	Net present value approach	Payments associated with the financial instruments, yield curve, credit risk of the contracting parties (credit default swaps or credit spread curves)
2	Interests in unconsolidated subsidiaries, other equity interest in Energie AG Oberösterreich, among others	Market approach	Trading multiple, transaction price
2	Non-listed energy forwards	Net present value approach	Forward price curve derived from stock exchange, yield curve, credit risk of the contracting parties
2	Other assets and liabilities measured at fair value in the finance area	Net present value approach	Cash flows already fixed or determined via forward rates, yield curve, credit risk of the contracting parties
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 of Wiener Börse AG)	Net present value approach	Expected distribution of profits, cost of equity
3	Other non-current receivables (profit participation right with respect to material assets of TAG)	Net present value approach	Expected distribution of profits, cost of equity
AC	Other shares in unconsolidated subsidiaries, other equity interests and securities	–	Cost as the best estimate of fair value
–	Cash and cash equivalents, trade receivables and payables, other current receivables, other borrowing within current credit lines as well as other current liabilities	–	Carrying amount as the best estimate of fair value

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[1]	100.5	314.2	37.3	26.8
Capital shares attributable to limited partners	0.0	10.7	0.0	0.0
Cash outflows for 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 for trade payables and other payables	**943.3**	**450.4**	**111.6**	**141.0**
Derivatives in the energy area[2]	670.6	140.2	24.7	0.0
Derivatives in the finance area	0.1	0.0	0.0	0.0
Cash outflows for liabilities from derivative financial instruments	**670.7**	**140.2**	**24.7**	**0.0**
Cash outflows for liabilities in accordance with IFRS 7	**1,818.5**	**1,008.0**	**655.0**	**1,652.7**

[1] Cash outflows for 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 31/12/2023 €m

Maturity	2024	2025	2026–2028	From 2029
Bonds	528.5	20.9	59.6	673.1
Financial liabilities to banks	64.1	57.2	242.3	294.4
Financial liabilities to others	154.1	0.0	13.5	0.0
Financial liabilities to banks – closed items on the balance sheet	15.3	94.5	330.5	25.2
Capital shares attributable to limited partners	0.0	8.3	0.0	0.0
Cash outflows for financial liabilities	**761.9**	**180.9**	**645.9**	**992.7**
Trade payables	327.4	0.3	2.0	0.2
Other	783.0	336.2	32.5	156.0
Cash outflows for trade payables and other payables	**1,110.4**	**336.5**	**34.5**	**156.2**
Derivatives in the energy area	706.8	12.9	68.6	0.0
Cash outflows for liabilities from derivative financial instruments	**706.8**	**13.0**	**68.6**	**0.0**
Cash outflows for liabilities in accordance with IFRS 7	**2,579.1**	**530.4**	**749.0**	**1,148.9**

Net gains or losses by measurement category

The net gains or net losses in accordance with IFRS 7 mainly comprises 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

	2023	**2024**
		€m
Financial assets measured at amortised cost	–21.5	15.7
Financial assets measured at fair value through other comprehensive income	32.7	–4.3
Financial assets and liabilities measured at fair value through profit or loss – designated	22.5	–14.2
Financial liabilities measured at amortised cost	8.0	–59.2
Financial assets and liabilities measured at fair value through profit or loss	36.6	–109.9
Total interest income from financial assets measured at amortised cost	72.0	89.4
Total interest expenses from financial liabilities measured at amortised cost	–120.7	–104.2

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 incurred were recognised under interest expenses; interest income was recognised partly in 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 well as options 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, forwards and options 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 comprises the German price plus a German/Austrian spread. German forward products are therefore used to hedge Austrian electricity deliveries, whereby the conditions between the hedging instruments and the projected cash flows essentially 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 contract terms of the hedging instruments are almost identical to those of the hedged items (critical terms match). The qualitative basis of this 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 12 years (2025 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. With respect to individual closed items on the balance sheet (see section 8.1 “Financial liabilities” and section 11.1 “Risk management in the finance area”), the investments result in variable income and fixed expenses. In order to avoid risk, interest rate swaps have been entered into for the corresponding financial liabilities. These interest rate swaps exhibit a risk profile that perfectly opposes the corresponding profile 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 corresponds to 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 31/12/2024 €m

	Carrying amount	Balance sheet item	Notional amount	Change in fair value for the measurement of ineffectiveness	Hedging costs
Electricity futures and forwards – sales	363.1	Receivables from derivative financial instruments	12,759 GWh	12.2	0.0
Electricity futures and forwards – sales	–150.9	Liabilities from derivative financial instruments	13,523 GWh	–161.2	0.0
Electricity futures and forwards – purchases	42.5	Receivables from derivative financial instruments	–4,098 GWh	42.0	0.0
Electricity futures and forwards – purchases	–69.2	Liabilities from derivative financial instruments	–2,753 GWh	–2.4	0.0
Gas forwards – purchases	0.0	Receivables from derivative financial instruments	0 GWh	0.9	0.0
Gas forwards – purchases	0.0	Liabilities from derivative financial instruments	–9 GWh	0.0	0.0
Interest rate swaps	25.1	Receivables from derivative financial instruments	229.3	–5.1	0.0

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	Hedging costs
Future electricity sales volumes	148.9	212.1	0.0
Future electricity procurement	–39.6	–26.7	0.0
Future gas procurement	–0.9	0.0	0.0
Variable-rate financial liabilities	4.6	–3.2	0.0

Cash flow hedges – effects on the statement of comprehensive income and balance sheet in 2024

€m

	Gains/ losses recognised in other comprehen- sive 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	Reclassifi- cations from reserves to profit or loss	Line items in the income statement in which hedge ineffectiveness 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 procurement	–294.8	Electricity procurement
Gas forwards – purchases	0.9	0.0	0.0	Gas procurement	–15.3	Gas procurement
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

	2025	2026	2027	2028	From 2030
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%

Cash flow hedges – hedging instruments as at 31/12/2023 €m

	Carrying amount	Balance sheet item	Notional amount	Change in fair value for the measurement of ineffectiveness	Hedging costs
Electricity futures and forwards – sales	1,076.7	Receivables from derivative financial instruments	25,630 GWh	1,642.0	0.0
Electricity futures and forwards – sales	–13.3	Liabilities from derivative financial instruments	3,472 GWh	–4.9	0.0
Electricity futures and forwards – purchases	16.0	Receivables from derivative financial instruments	730 GWh	0.2	0.0
Electricity futures and forwards – purchases	–377.2	Liabilities from derivative financial instruments	6,953 GWh	–476.6	0.0
Gas forwards – purchases	0.0	Receivables from derivative financial instruments	0 GWh	0.0	0.0
Gas forwards – purchases	–15.4	Liabilities from derivative financial instruments	196 GWh	–9.6	0.0
Interest rate swaps	30.2	Receivables from derivative financial instruments	270.3	–13.2	0.0

Cash flow hedges – hedged items as at 31/12/2023 €m

	Change in fair value for the measurement of ineffectiveness	Carrying amount of the reserve for measurements of cash flow hedges	Hedging costs
Future electricity sales volumes	–1,637.5	1,062.9	0.0
Future electricity purchases	476.4	–361.2	0.0
Future gas purchases	9.6	–15.4	0.0
Variable-rate financial liabilities	13.3	–7.8	0.0

Cash flow hedges – effects on the statement of comprehensive income and balance sheet 2023 €m

	Gains/ losses recognised in other comprehen- sive 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	Reclassifica- tions from reserves to profit or loss	Line items in the income statement in which hedge ineffectiveness was recognised
Electricity futures and forwards – sales	1,637.1	0.0	0.4	Revenue	–900.2	Revenue
Electricity futures and forwards – purchases	–476.4	0.0	0.0	Electricity purchases	–108.0	Electricity purchases
Gas forwards – purchases	–9.6	0.0	0.0	Gas purchases	–7.9	Gas purchases
Interest rate swaps	–6.1	0.0	0.0	Other financial result	7.2	Interest expenses

Notional amount and average price or interest rate as at 31/12/2023 €m

	2024	2025	2026	2027	From 2028
Electricity futures and forwards – sales					
Notional amount	15,150 GWh	10,382 GWh	2,532 GWh	246 GWh	793 GWh
Average hedged price	135.3 €/MWh	129.5 €/MWh	89.0 €/MWh	50.9 €/MWh	40.5 €/MWh
Electricity futures and forwards – purchases					
Notional amount	5,023 GWh	2,027 GWh	537 GWh	96 GWh	0 GWh
Average hedged price	149.3 €/MWh	125.0 €/MWh	108.8 €/MWh	92.8 €/MWh	0.0 €/MWh
Gas forwards – purchases					
Notional amount	196 GWh	0 GWh	0 GWh	0 GWh	0 GWh
Average hedged price	111.5 €/MWh	0.0 €/MWh	0.0 €/MWh	0.0 €/MWh	0.0 €/MWh
Interest rate swaps					
Average notional amount in €m	249.8	220.1	196.9	179.5	107.9
Average fixed interest rate	0.5%	0.4%	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 and collection rates depending on the rating category serve to determine the amount of impairment losses to be recognised. The loss allowance is recognised in the amount of the present value of the expected credit losses.

For trade receivables, contract assets and receivables under leases, a simplified method is applied to measure the valuation allowance. For these receivables and assets, a valuation allowance is recognised in the amount of the lifetime expected credit loss using a loss allowance table.

6. Working capital

Working capital includes the following balance sheet items:

- Inventories
- Trade receivables, current other receivables and securities
- Receivables and liabilities from derivative financial instruments
- Cash and cash equivalents
- Trade payables and current other 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 measured through 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.

6.1.1 Inventories

Inventories €m

	2023	**2024**
Natural gas[1]	35.4	47.9
Inventories of primary energy sources	35.4	**47.9**
Emission rights held for trading	16.6	19.7
Changes in emission rights held for trading	–0.1	2.2
Fair value of emission rights held for trading	16.5	**21.9**
Guarantees of origin and green electricity certificates	8.0	**0.8**
Additives and consumables	14.9	**13.8**
Other	6.0	**9.8**
Inventories	80.8	**94.3**

[1] A write-up of approximately €6.3m (previous year: write-down of approximately €57.3m) on gas inventories was recognised in the income statement for the reporting period due to higher market prices.

6.2 Receivables from derivative financial instruments

Receivables from derivative financial instruments include derivatives and hedging instruments from both the financial and energy areas.

6.2.1 Receivables from derivative financial instruments

Receivables from derivative financial instruments €m

	2023 Non-current	**2024 Non-current**	2023 Current	**2024 Current**
Derivatives in the energy area	356.2	49.0	1,207.2	329.8
Derivatives in the finance area	44.9	33.8	4.4	7.3
Receivables from derivative financial instruments	401.1	**82.8**	1,211.6	**337.1**

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 assets”).

6.3.1 Trade receivables, other receivables and securities

Trade receivables, other receivables and securities €m

	2023 Non-current	**2024 Non-current**	2023 Current	**2024 Current**
Trade receivables	–	–	972.0	865.9
Receivables from investees	–	–	56.8	39.6
Loans – closed items on the balance sheet	329.5	269.7	0.0	94.7
Loans to investees	46.1	54.8	22.5	4.0
Other receivables and assets	198.1	218.2	282.4	267.8
Trade receivables, other receivables and securities	573.6	**542.7**	1,333.8	**1,271.9**

Other receivables with a maturity of more than one year are reported under investments or non-current other receivables.

Other receivables and assets €m

	2023 Non-current	**2024 Non-current**	2023 Current	**2024 Current**
Securities	–	–	4.4	2.5
Guarantees in electricity trading	132.9	132.0	108.9	77.2
Emission rights	–	–	45.4	48.9
Receivables from tax clearing	–	–	67.7	25.2
Other	65.2	86.2	56.0	113.8
Other receivables and assets	198.1	**218.2**	282.3	**267.7**

6.4 Cash and cash equivalents

6.4.1 Cash and cash equivalents

Cash and cash equivalents €m

	2023	**2024**
Cash at banks	964.0	795.1
Cash and cash equivalents	964.0	**795.1**

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 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.

6.5 Liabilities from derivative financial instruments

6.5.1 Liabilities from derivative financial instruments

Liabilities from derivative financial instruments €m

	2023 Non-current	**2024 Non-current**	2023 Current	**2024 Current**
Derivatives in the energy area	60.9	138.1	302.4	102.9
Derivatives in the finance area	0.0	0.0	0.0	0.1
Liabilities from derivative financial instruments	60.9	**138.1**	302.4	**103.0**

Further details on liabilities from derivative financial instruments can be found in section 11.2 "Risk management in the energy area".

6.6 Trade payables and current other liabilities

6.6.1 Trade payables and current other liabilities

Trade payables and current other liabilities €m

	2023	**2024**
Trade payables	327.4	370.8
Outstanding invoices for capital expenditure	217.7	224.0
Liabilities to unconsolidated subsidiaries and investees	48.9	100.1
Other liabilities for maintenance expenses	58.3	69.4
Other liabilities from electricity deliveries and grid services	201.0	67.9
Other personnel-related liabilities	49.9	58.2
Liabilities to the emissions registry	22.2	38.6
Security deposits for transport services	38.8	33.1
Liabilities to tax authorities	67.1	27.2
Electricity supply commitment	15.4	16.7
Accruals and deferred income	11.1	14.1
Lease liabilities	12.6	10.9
Advance payments received	7.8	5.4
Windfall tax liabilities	75.5	0.0
Liabilities from equity interest transactions	55.4	0.0
Other	66.2	47.7
Trade payables and current other liabilities	1,275.4	1,084.4

7. Equity

Share capital

As in the previous year, the share capital comprised 170,233,686 no-par value shares in the form of bearer shares (category A) and 177,182,000 no-par value shares in the form of 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 was 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 capital reserves not retained from the profit for the period in previous reporting periods.

Retained earnings

Retained earnings comprise retained profits plus the effects on equity attributable to the shareholders of VERBUND AG due to shifts between shareholder groups. Of the retained earnings, 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 2024, which are prepared in accordance with the Austrian Commercial Code (UGB). The (as yet unapproved) net profit for financial year 2024 amounted to €972.8m (previous year: €1,441.8m). A dividend distribution of €2.80 per share (previous year: €4.15 per share) – including a special dividend of €0.00 per share (previous year: €0.75 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 %

	2023	**2024**
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 were classified at fair value through profit or loss upon initial recognition using the fair value option. As a result, measurement inconsistencies that would have otherwise arisen could 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, balance sheet cover remains in place. Accounting balances denominated in foreign currency (US dollars) are measured at the exchange rate prevailing on the reporting date. The expenses and income so determined correspond to one another in terms of value as well as with respect to the value date, and are offset. Investments and liabilities resulting from the 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

	2023 Non-current	**2024 Non-current**	2023 Current	**2024 Current**
Bonds	629.2	1,127.3	513.5	8.1
Financial liabilities to banks	484.5	478.5	192.3	47.4
Financial liabilities to others	12.4	144.4	147.2	0.6
Capital shares attributable to limited partners	8.3	10.7	0.0	0.0
Financial liabilities not including closed items on the balance sheet	1,134.4	**1,760.8**	852.9	**56.2**
Financial liabilities to banks – closed items on the balance sheet	420.6	359.3	0.0	98.9
Non-current and current financial liabilities	1,555.0	**2,120.1**	852.9	**155.1**

Non-current and current financial liabilities[1] €m

	2023	**2024**
Carrying amount as at 1/1	3,515.0	1,987.3
Borrowings	12.1	628.8
Changes in the basis of consolidation	1.3	43.8
Net change in money market transactions	–906.8	–143.2
Change in put liability	–52.1	0.0
Changes in capital shares attributable to limited partners	1.0	2.4
Changes in interest accruals	2.1	13.1
Unscheduled repayments	–500.0	0.0
Scheduled repayments	–69.6	–715.3
Reclassifications	–15.6	0.0
Carrying amount as at 31/12	1,987.3	**1,817.0**
of which non-current liabilities	1,134.4	1,760.8
of which current liabilities	852.9	56.2

[1] excl. financial liabilities under closed items on the balance sheet

Financial liabilities – closed items on the balance sheet €m

	2023	**2024**
Carrying amount as at 1/1	438.9	420.6
Foreign exchange gains or losses	–16.9	22.9
Capitalisation	32.2	33.3
Repayments or disposals	–21.1	–15.3
Fair value changes	–12.3	–3.3
Carrying amount as at 31/12	420.6	**458.3**
of which non-current liabilities	420.6	359.3
of which current liabilities	0.0	98.9

VERBUND had no mortgage-backed liabilities as at 31 December 2024 or in the previous year.

Non-current and current financial liabilities 2024

	Longest 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 a fixed interest rate	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 a fixed interest rate	2041	857.8	508.3	41.0	
of which at a variable interest rate	2030	50.0	17.6	6.4	
Financial liabilities to others					
EUR currency	2027	151.0	145.0	0.6	
Total financial liabilities to others		151.0	145.0	0.6	
of which at a variable interest rate	2027	151.0	145.0	0.6	
Financial liabilities to banks – closed items on the balance sheet[1]					
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 a fixed interest rate	2030		458.3	98.9	
Capital shares attributable to limited partners			10.7		
Total financial liabilities			2,275.2	155.1	

[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
	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**			

Non-current and current financial liabilities 2023

	Longest term to maturity	Issue volume	Carrying amount as at 31/12	1 year or less	
Bonds					
EUR currency	2041	1,203.0	1,142.7	513.5	
Total bonds			1,142.7	513.5	
of which at a fixed interest rate	2041	1,203.0	1,142.7	513.5	
Financial liabilities to banks					
EUR currency	2040	1,284.9	676.8	192.3	
Total financial liabilities to banks			676.8	192.3	
of which at a fixed interest rate	2040	814.0	510.4	46.6	
of which at a variable interest rate	2030	470.9	166.3	145.7	
Financial liabilities to other entities					
EUR currency	2027	159.4	159.6	147.2	
Total financial liabilities to other entities			159.6	147.2	
of which at a variable interest rate	2027	159.4	159.6	147.2	
Financial liabilities to banks – closed items on the balance sheet					
Foreign currencies (USD)	2030		420.6	0.0	
Total financial liabilities to banks – closed items on the balance sheet			420.6	0.0	
of which at a fixed interest rate	2030		420.6	0.0	
Capital shares attributable to limited partners			8.3		
Total financial liabilities			2,408.0	852.9	

€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
	14.2	12.9	13.1	13.0	575.9	1.29%	1.34%	983.0
	14.2	**12.9**	**13.1**	**13.0**	**575.9**	**1.29%**	**1.34%**	**983.0**
	14.2	12.9	13.1	13.0	575.9	1.29%	1.34%	983.0
	47.4	31.7	28.4	128.6	248.3	2.90%	2.42%	644.4
	47.4	**31.7**	**28.4**	**128.6**	**248.3**	**2.90%**	**2.42%**	**644.4**
	38.0	29.2	25.9	126.1	244.6	2.27%	2.45%	480.2
	9.4	2.5	2.5	2.5	3.8	4.80%	2.20%	166.9
	0.0	0.0	12.4	0.0	0.0	3.78%	2.78%	160.3
	0.0	**0.0**	**12.4**	**0.0**	**0.0**	**3.78%**	**2.78%**	**160.3**
	0.0	0.0	12.4	0.0	0.0	3.78%	2.78%	160.3
	87.8	281.9	29.7	0.0	21.3			430.4
	87.8	**281.9**	**29.7**	**0.0**	**21.3**			**430.4**
	87.8	281.9	29.7	0.0	21.3			430.4
	8.3							
	157.7	**326.5**	**83.7**	**141.6**	**845.5**			

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

	2023	2024
Other liabilities from electricity deliveries and grid services	212.6	313.4
Obligation to return an interest	122.5	184.7
Lease liabilities	147.8	168.1
Advance payments received for grid access fees (electricity)	62.2	98.9
Electricity supply commitment	97.9	81.2
Liabilities for grid usage fees (gas)	43.4	36.8
Liabilities from outstanding capital expenditure invoices	32.7	22.0
Trade payables	2.3	9.9
Security deposits for transport services	12.7	6.6
Other	38.7	30.7
Other non-current liabilities	772.8	**952.4**

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 set aside to settle claims more than twelve months into the future are discounted if the present value of the expected settlement amount differs significantly from its nominal 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 of 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

	2023 Non-current	**2024 Non-current**	2023 Current	**2024 Current**
Provisions for pensions	301.4	318.8	–	–
Provisions for obligations similar to pensions	105.7	120.8	–	–
Provisions for termination benefits	90.2	89.3	–	–
Provisions for partial retirement	2.7	2.2	1.3	1.2
Other personnel-related provisions	26.4	35.2	37.6	43.8
Other provisions	39.6	55.1	40.0	18.7
Non-current and current provisions	566.0	**621.3**	78.9	**63.7**

9.1.1 Non-current and current provisions

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 the employees of VERBUND Innkraftwerke GmbH, Innwerk AG and Grenzkraftwerke GmbH. VERBUND is obligated to provide additional funding to the extent that the obligations are 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 under 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 the employer's share of premiums for supplementary health insurance 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 from termination benefits (carrying amount as at 31 December 2024: €529.1m; previous year: €497.5m) 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

	2023	**2024**
Discount rate or expected rate of return from plan assets	3.75%	3.25%
Pension increases	2.00%–6.75%	2.00%–4.25%
Salary increases	2.75%–7.25%	2.50%–4.25%
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

	2023	**2024**
Discount rate	3.75%	3.25%
Employee turnover (depending on duration of employment)	0.00%–5.80%	0.00%–5.80%
Change in contributions based on hospital cost index	2.75%–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

	2023	**2024**
Discount rate	3.75%	3.00%
Salary increases	2.75%–7.25%	2.50%–4.25%
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 from 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 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%

Sensitivity analysis for net pension liability 2023

	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%	–2.38%	2.49%
Pension increases	0.50%	5.16%	–4.75%
Longevity based on mortality table	1 year	4.94%	–4.90%

Sensitivity analysis for obligations similar to pensions 2023

	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%	–3.18%	3.35%
Change in contributions based on hospital cost index	0.50%	6.79%	–6.16%
Longevity based on mortality table	1 year	5.91%	–5.73%

Sensitivity analysis for termination benefit obligations 2023

	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%	–1.70%	1.75%
Salary increases	0.50%	3.70%	–3.53%
Longevity based on mortality table	1 year	–0.01%	0.01%

9.2.2 Provisions for pensions and similar obligations

Reconciliation from defined benefit obligation to provisions €m

	2023 Pension obligations	**2024 Pension obligations**	2023 Obligations similar to pensions	**2024 Obligations similar to pensions**
Defined benefit obligation covered by plan assets	230.1	245.2	–	–
Fair value of plan assets	–163.0	–164.5	–	–
Net value of obligations covered by plan assets	67.1	**80.7**	–	**–**
Defined benefit obligation not covered by plan assets	234.3	238.1	105.7	120.8
Carrying amount of provisions as at 31/12	301.4	**318.8**	105.7	**120.8**

Pension expenses €m

	2023 Pension obligations	**2024 Pension obligations**	2023 Obligations similar to pensions	**2024 Obligations similar to pensions**
Service costs (vested claims)	1.5	1.5	0.9	1.0
Net interest expense	10.6	10.6	3.6	3.9
Pension expenses (recognised in profit for the period)	12.1	**12.1**	4.5	**4.9**
Remeasurements of the net liability	18.1	32.3	7.1	15.5
Pension expenses (recognised in total comprehensive income for the period)	30.2	**44.4**	11.6	**20.4**

Change in defined benefit obligation €m

	2023 Pension obligations	**2024 Pension obligations**	2023 Obligations similar to pensions	**2024 Obligations similar to pensions**
Defined benefit obligation as at 1/1	457.5	464.4	98.9	105.7
Service costs (vested claims)	1.5	1.5	0.9	1.0
Pension payments or contributions to supplementary health insurance (benefit payments)	–36.6	–37.8	–4.8	–5.3
Interest expenses	16.4	16.6	3.6	3.9
Remeasurements based on experience adjustments	5.7	3.3	2.7	3.5
Remeasurements arising from changes in financial assumptions	19.9	35.3	4.4	12.0
Defined benefit obligation as at 31/12	464.4	**483.3**	105.7	**120.8**

On 31 December 2024, the weighted average term of pension obligations was ten years (previous year: ten years) and that of obligations similar to pensions was 14 years (previous year: 14 years).

Change in plan assets €m

	2023 Pension obligations	**2024 Pension obligations**
Fair value of plan assets as at 1/1	156.4	163.0
Contributions by VERBUND	8.5	5.4
Payouts (benefit payments)	–15.2	–16.2
Interest income	5.8	6.0
Other gains (+) or losses (–)	7.5	6.3
Fair value of plan assets as at 31/12	163.0	**164.5**

The investment and risk sharing group in the pension fund attributable to VERBUND realised a gain of €12.3m in the 2024 reporting period (previous year: loss of €13.3m). The pension deficit represents the portion of pension obligations not covered by plan assets; these relate primarily to direct commitments to pension recipients. In the 2025 reporting period, current contributions to the pension fund for coverage of defined benefit pension plans are expected to amount to €6.3m (previous year: €4.1m).

Plan assets		in %
	2023 Quoted	**2024 Quoted**
Equities	40.6	43.1
Bonds	32.0	29.8
Money market	6.3	4.1
Other investments	21.1	23.0
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 monthly gross salary into an employee pension fund.

The weighted average term of obligations from termination benefits was seven years as at 31 December 2024 (previous year: seven years).

Analysis of provisions for termination benefits		€m
	2023	**2024**
Provisions for statutory termination benefits	89.9	89.1
Provisions for termination benefits based on special agreements as defined in the *Sozialplan* concluded between management and the works council	0.5	0.4
Carrying amount of provisions as at 31/12	90.4	**89.5**

Termination benefit expenses		€m
	2023	**2024**
Service costs	0.7	0.8
Net interest expense	3.1	3.2
Termination benefit expenses (recognised in profit for the period)	3.8	**4.0**
Remeasurements of termination benefits	5.5	5.6
Termination benefit expenses (recognised in total comprehensive income for the period)	9.3	**9.6**

Change in defined benefit obligation for statutory termination benefits €m

	2023	**2024**
Defined benefit obligation as at 1/1	93.4	89.9
Service costs (vested claims)	0.7	0.8
Interest expenses	3.1	3.2
Termination benefits (benefit payments)	–12.8	–10.4
Remeasurements based on experience adjustments	3.0	0.9
Remeasurements arising from changes in financial assumptions	2.5	4.7
Defined benefit obligation as at 31/12	89.9	**89.1**

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

	2023	**2024**
Defined benefit obligation covered by plan assets	7.3	6.7
Fair value of plan assets	–3.3	–3.2
Carrying amount of provisions as at 31/12	4.0	**3.5**

Expenses for partial retirement €m

	2023	**2024**
Service costs	1.1	2.4
Net interest expense	0.2	0.2
Remeasurements	0.7	–0.5
Expenses for partial retirement (recognised in profit for the period)	2.0	**2.1**

Change in defined benefit obligation €m

	2023	**2024**
Defined benefit obligation as at 1/1	8.1	7.3
Service costs (vested claims)	1.1	2.4
Net interest expense	0.2	0.2
Payments for early retirement	–3.0	–2.6
Remeasurements	0.9	–0.6
Defined benefit obligation as at 31/12	7.3	**6.7**

Change in plan assets €m

	2023	**2024**
Fair value of plan assets as at 1/1	3.1	3.3
Other gains (+) or losses (–)	0.2	–0.1
Fair value of plan assets as at 31/12	3.3	**3.2**

Plan assets in %

	2023	**2024**
Bonds	100.0	100.0
Total	100.0	**100.0**

9.2.5 Other personnel-related provisions

Analysis of other personnel-related provisions €m

	2023 Non-current	**2024** Non-current	2023 Current	**2024** Current
Provision for bonuses from the performance-based remuneration system	–	–	37.3	43.5
Provision for anniversary bonuses	20.7	28.1	–	–
Other	5.5	7.1	0.3	0.3
Other personnel-related provisions	26.4	**35.2**	37.6	**43.8**

Change in other personnel-related provisions €m

	2023	**2024**
Carrying amount as at 1/1	55.3	**64.0**
of which non-current	21.4	26.4
of which current	33.9	37.6
New provisions	33.8	43.8
Interest accrued	0.8	0.9
Appropriation	–23.6	–29.5
Reversal	–2.3	–0.2
Carrying amount as at 31/12	64.0	**79.0**
of which non-current	26.4	35.2
of which current	37.6	43.8

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. The key factors of influence were the expected dismantling dates, any possible expert reports to ascertain the

dismantling and decontamination costs or the proceeds from the sale of scrap, the valorisation of these costs and the discount rate of 3.25 – 7.18% (previous year: 3.75 – 7.02%).

9.3.1 Other provisions

Change in other provisions 2024 €m

	Dismantling and decontamination costs	Other	Total
Carrying amount as at 1/1/2024	35.3	44.3	79.6
of which non-current	32.4	7.2	39.6
of which current	2.9	37.1	40.0
Change in the scope of consolidation	0.7	0.0	0.7
New provisions	7.4	10.8	18.2
Interest accrued	1.0	0.9	1.9
Appropriation	–4.2	–14.3	–18.4
Reversal	–0.6	–7.7	–8.3
Carrying amount as at 31/12/2024	39.7	34.0	73.7
of which non-current	38.2	16.8	55.1
of which current	1.5	17.2	18.7

Change in other provisions 2023 €m

	Dismantling and decontamination costs	Other	Total
Carrying amount as at 1/1/2023	29.9	86.1	116.0
of which non-current	26.4	74.3	100.7
of which current	3.6	11.8	15.4
Change in the scope of consolidation	3.2	0.0	3.2
New provisions	6.4	13.5	19.9
Interest accrued	–2.1	2.3	0.2
Appropriation	–0.9	–43.0	–43.9
Reversal	–1.2	–14.6	–15.8
Carrying amount as at 31/12/2023	35.3	44.3	79.6
of which non-current	32.4	7.2	39.6
of which current	2.9	37.1	40.0

10. Taxes

Current tax liabilities for the 2024 reporting period can be broken down as follows:

Current tax liabilities €m

	2023	**2024**
Taxes on income	642.8	359.1
Other taxes	9.0	8.4
Current tax liabilities	651.8	**367.4**

Deferred taxes were netted against the same tax authority as follows:

Net deferred tax assets and liabilities €m

	2023		2024	
	Total assets	Total liabilities	Total assets	Total liabilities
Property, plant and equipment	71.2	1,034.7	2.3	1,059.7
Tax-deductible goodwill	0.0	108.9	0.0	117.8
Write-downs of equity interests	69.8	0.0	66.4	0.0
Financial instruments	0.1	206.2	6.0	70.5
Special depreciation for tax purposes	0.0	78.7	1.4	77.5
Provisions for employee benefits relating to pensions and termination benefits (Sozialkapital)	70.5	0.0	80.1	0.0
Regulatory obligations	0.0	120.7	0.0	134.7
Tax loss carryforwards	73.9	0.0	95.6	0.0
Other line items	123.3	156.3	67.6	35.6
Deferred tax assets/liabilities	408.7	1,705.4	**319.5**	**1,495.7**
Netting of deferred tax assets and liabilities from the same tax authority	–345.9	–345.9	**–260.2**	**–260.2**
Net deferred tax assets and liabilities	62.8	1,359.5	**59.3**	**1,235.5**

Outside basis differences

Outside basis differences refer to temporary differences between the Group's tax base and the proportionate share of equity recognised by the subsidiaries, branch offices, associates and joint arrangements included in VERBUND's consolidated IFRS financial statements. Such outside basis differences arise in particular in connection with retained earnings and uncovered losses. As at 31 December 2024 (and in the previous year), it could be assumed under present tax rules that such outside basis differences will remain tax-free for the foreseeable future. Therefore, no tax liability was recognised at 31 December 2024 for temporary differences in the amount of €4,190.4m (previous year: €4,668.3m) in connection with these interests.

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 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 actions 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 31.12.2023	Positive fair values 31/12/2024
Interest rate swaps – closed items on the balance sheet (fixed interest recipient)	$297.5m (Previous year: $286.9m)	19.2	15.8
Interest rate swaps – hedges (fixed interest payer)	€216.4m (Previous year: €270.3m)	30.2	25.2

[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 31/12/2023	Negative fair values 31/12/2024
Interest rate swaps – hedges (fixed interest payer)	€12.9m (Previous year: €0.0m)	0.0	0.1

[1] The reference value includes the reference basis of the derivative instruments. The actual cash flows only represent a fraction of these values.

The derivative financial instruments listed serve exclusively as financial hedges against existing currency and interest rate risks (see 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 has the highest priority. As at 31 December 2024, VERBUND had a sustainability-linked syndicated credit facility in the amount of €1,000.0m at its disposal that had not been drawn down. The credit facility, 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: €2,050.0m) as at 31 December 2024. None of those lines of credit had been drawn on as at 31 December 2024 (previous year: also no drawings). In addition, there are also 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 on financial liabilities in accordance with IFRS 7.

Credit risk

The amounts reported on the asset side generally 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 2024 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 2024, €82.9m of trade receivables (previous year: €81.2m) 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 2024 €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 and cash and cash equivalents[2]
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

[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 presentation.

Financial instruments with credit risk by assigned rating group 2023 €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	Invest-ments and cash and cash equivalents
A	up to Aa3	269.7	0.0	0.0	82.4	297.6
B	up to A3	150.8	4.6	38.1	158.0	617.7
C1–C3	up to Baa3	0.0	1.1	0.0	435.9	48.7
D1–D5	below Baa3	0.0	0.0	0.0	18.7	0.0
Not rated		0.0	166.5	437.7	277.1	0.0
Total		420.5	172.2	475.8	972.0	964.0

- 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 expansion of the consumer business, which led to a large number of receivables that individually lie below the de minimis threshold (< €0.2m). On the other hand, 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 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[1]	–	–	–	36.6	0.0	36.6
No recognition of expected credit losses[2]	–	–	–	–	–	1,067.3
Total						1,598.5

[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 €209,3m (previous year: €241,7m) 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 2023 €m

	Equivalent Moody's-rating	Probability of default	Loss ratio	Gross carrying amount	Valuation allowance	Net carrying amount
A	up to Aa3	0.04%	0.60%	269.9	–0.1	269.8
B	up to A3	0.09%	0.70%	160.3	–0.1	160.2
C1–C3	up to Baa3	0.10% –0.25%	0.80%	0.0	0.0	0.0
Loans portion of a net investment	–	–	–	40.1	0.0	40.1
No recognition of expected credit losses	–	–	–	–	–	1,255.4
Total						1,725.5

For trade receivables and receivables from investees that are primarily related to trade receivables, the credit losses expected over the term to maturity are measured using a valuation allowance matrix:

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

Expected credit losses 2023 €m

	Loss ratio	Gross carrying amount	Valuation allowance	Net carrying amount
Not past due	0%	998.4	0.0	998.4
1–30 days past due	0%	25.2	0.0	25.2
31–120 days past due	10–50%	1.9	–0.4	1.5
> 120 days past due	90%	15.8	–12.1	3.8
Total		1,041.3	–12.5	1,028.8

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) for which VERBUND was exposed to a corresponding interest rate risk was 9.6% as at 31 December 2024 (previous year: 17.0%).

A 1.0% increase in the interest rate would result in a decrease of €1.3m p.a. (previous year: €3.8m p.a.) in profit before taxes with respect to the loan portfolio in existence as 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 have a negative impact on financial performance.

As at 31 December 2024, interest rate swaps relating to closed items on the balance sheet were reported in a notional amount of $297.5m (previous year: $286.9m). 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 2024, the Group had additional interest rate swaps in a total notional amount of €229.3m (previous year: €270.3m). There was a change from variable to fixed interest rates due to interest rate swaps that 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 8.2 years (previous year: 6.9 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 securities and loans under closed items on the balance sheet as well as the associated liabilities 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"). Balance sheet cover remains in place for the amortised shares. Expenses and income from the measurement of these items correspond to one another in terms of both value and value date, and are offset. The reference value of the interest rate swaps amounts to $297.5m (previous year: $286.9m).

The financial assets and financial liabilities that relate to closed items on the balance sheet are not offset against each other. In the event of insolvency, interest rates swaps (€15.8m; previous year: €19.2m) can be offset against the financial liabilities to banks recognised at fair value (€320.4m; previous year: €295.3m). The net liability from both of these items therefore amounted to €304.6m as at 31 December 2024 (previous year: €276.1m).

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 both at Group level as well as at 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

		2023	2024
Credit rating group	Equivalent Moody's-rating	Derivatives in the energy area	**Derivatives in the energy area**
A	up to Aa3	109.9	0.1
B	up to A3	286.3	123.1
C1–C3	up to Baa3	1,147.9	247.7
D1–D5	below Baa3	19.2	8.0
Total		1,563.3	**378.8**

As at 31 December 2024, 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 31/12/2024 €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

As at 31 December 2023, 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 31/12/2023 €m

	Positive fair values	Negative fair values	Net
Futures	723.4	366.9	356.5
Forwards	369.3	39.0	330.3
Total before netting	**1,092.7**	**405.9**	**686.8**
of which current	939.7	388.3	551.5
of which non-current	152.9	17.6	135.3
of which in other comprehensive income			686.8

Wholesale as at 31/12/2023 €m

	Positive fair values	Negative fair values	Net
Futures	671.5	999.8	–328.3
Forwards	1,707.6	838.8	868.8
Total before netting	**2,379.2**	**1,838.6**	**540.6**
of which current	1,984.7	1,604.0	380.7
of which non-current	394.5	234.6	159.9
Futures already realised	840.9	1,219.5	–378.6
Total			**162.0**

Trading as at 31/12/2023 €m

	Positive fair values	Negative fair values	Net
Futures	21.9	23.0	–1.0
Forwards	300.8	295.0	5.8
Total before netting	322.7	318.0	4.8
of which current	280.6	275.6	5.1
of which non-current	42.1	42.4	–0.3

Total as at 31/12/2023 €m

	Positive fair values	Negative fair values	Net
Futures	1,416.9	1,389.7	27.2
Forwards	2,377.7	1,172.8	1,204.9
Total before netting	3,794.5	2,562.5	1,232.1
Including netting agreements	–2,199.3	–2,199.3	0.0
Total after netting	1,595.3	363.2	1,232.1
EEX/ECX clearing variation margins for futures	–31.9	0.0	–31.9
Recognised in either receivables from derivative financial instruments or liabilities from derivative financial instruments	1,563.3	363.2	1,200.1
of which current	1,207.2	302.4	904.8
of which non-current	356.2	60.9	295.3

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

	2023	**2024**
Effect on operating result (wholesale and trading portfolio)	–25.1	**–19.5**
Effect on equity (revaluation reserve from cash flow hedges)	–183.9	**–171.5**

Sensitivity: market price fluctuation of – 10% €m

	2023	**2024**
Effect on operating result (wholesale and trading portfolio)	25.1	**19.5**
Effect on equity (revaluation reserve from cash flow hedges)	183.9	**171.5**

The future sales and purchase transactions that are hedged by cash flow hedges will arise over the next eight years (2025 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 objectives of VERBUND's capital management include:

- safeguarding liquidity and ensuring suitable liquidity reserves;
- optimising the capital structure; 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, free cash flow (after dividends) and the return on capital employed (ROCE) of the Group's unregulated business activities. The Group strives for a net debt/EBITDA ratio of <3.0, a free cash flow (after dividends) of > €–500.0m and a ROCE for unregulated business activities of >10.0% in order to support its rating. These targets are based on the Group's existing asset and value chain structure.

Net debt/EBITDA €m

	2023	**2024**
Net debt	1,758.7	1,976.7
EBITDA	4,490.5	3,480.3
Net debt/EBITDA	0.4	**0.6**

Free cashflow after dividends €m

	2023	**2024**
Cash flow from operating activities	5,083.0	3,248.6
Cash flow from investing activities, excluding cash inflows and outflows for capital expenditure and disposals under Investments	–1,431.3	–1,169.8
Free cash flow before dividends	3,651.6	**2,078.8**
Dividends paid	–1,553.6	–1,934.0
Free cashflow after dividends	2,098.1	**144.8**

ROCE of unregulated business segments €m

	2023	**2024**
Net operating profit after taxes (NOPAT) of unregulated business segments	2,549.8	2,128.0
WACC of unregulated business segments	8,251.1	7,504.0
ROCE of unregulated business segments	30.9%	**28.4%**

The performance indicators are derived as follows:

Derivation of NOPAT (unregulated business segments) €m

	2023	**2024**
EBITDA (unregulated)	3,815.8	3,014.5
Depreciation and amortisation (unregulated)	–314.9	–315.2
Impairment losses and reversals of impairment losses (unregulated)	–273.1	–45.4
Result from equity interests (unregulated)	78.4	112.6
Other financial result (unregulated)	32.6	–17.7
Taxes on net operating profit before taxes (unregulated)	–789.1	–620.7
NOPAT of unregulated business segments	2,549.8	**2,128.0**

Derivation of capital employed (unregulated business segments) €m

	2023	**2024**
Non-current assets (unregulated)	8,808.0	8,485.9
Working capital (unregulated)	318.5	462.1
Non-interest-bearing liabilities (unregulated)	–1,743.9	–1,322.7
Capital employed of unregulated business segments	7,382.7	**7,625.3**

Derivation of net debt €m

	2023	**2024**
Financial liabilities not including closed items on the balance sheet	1,987.3	1,817.0
Interest-bearing provisions	571.9	623.3
Other interest-bearing liabilities	386.2	566.4
Liquid financial assets	–1,186.9	–1,030.0
Net debt	1,758.7	**1,976.7**

The reported Group result can be reconciled to the adjusted Group result as follows:

Reconciliation of the reported Group result to the adjusted Group result €m

	2023	**2024**
Reported Group result	2,266.1	**1,875.3**
Change in value of Gas Connect Austria GmbH[1]	22.4	67.7
Change in value of Mellach combined cycle power plant (net of investment grants) [1]	47.9	50.9
Measurement of obligation to return Donaukraftwerk Jochenstein[1]	–1.1	40.9
Change in value of CGUs in the Spain photovoltaics portfolio	25.0	8.3
Change in value of CGUs in the Spain renewables portfolio – existing projects[1]	–23.2	5.4
Change in a profit participation right with respect to material assets[1]	–3.8	–5.1
Change in value Trans Austria Gasleitung GmbH[1]	–5.5	–5.3
Change in value of CGUs in the Spain wind portfolio	54.0	–11.6
Change in value of CGUs in the Spain renewables portfolio – development projects[1]	153.9	–48.4
Other[1]	12.4	–2.6
Goodwill impairment – Spain renewables portfolio	78.4	0.0
Change in value of Ashta Beteiligungsverwaltung GmbH	–10.7	0.0
Total adjustments	349.7	**100.2**
Adjusted Group result	2,615.8	**1,975.5**

[1] Effect after taxes and non-controlling interests

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 number of pending court proceedings in Austria and Slovenia in connection with the Drau flooding in 2012 were reduced further in 2024. At present, only two cases are still pending in Austria. Most of the Slovenian proceedings are still in the first-instance evidentiary stage.
- The substantive validity of the price increase for electricity implemented in 2022 based on a price adjustment clause in the General Terms and Conditions (GTCs) was disputed in a class action lawsuit brought against VERBUND AG. An out-of-court settlement was reached in August 2024.

- 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.

- In connection with the Group's tax claim concerning the amortisation of goodwill from the equity interest in VERBUND Innkraftwerke GmbH for the years from 2014 to 2023, the appeals against the 2014–2022 notices of assessment for the tax group parent remain pending. The tax benefits for those years (tax payment reduction of €8.2m per year) will be recognised in accordance with VERBUND's accounting policies if the appeal is reasonably likely to succeed.
- In connection with the reversal of impairment losses recognised on an equity interest for tax purposes, appeals against the 2021 and 2022 assessment notices are currently pending. The write-up resulted in additional taxes of approximately €4.8m for the years in question.

Contracts and purchase commitments

Purchase commitments for property, plant and equipment and intangible assets as well as other commitments as at 31/12/2024

€m

	2025	2026–2029	From 2030
Total commitment	1,359.5	1,162.0	146.6

Purchase commitments for property, plant and equipment and intangible assets as well as other commitments as at 31/12/2023

€m

	2024	2025 - 2028	from 2029
Total commitment	1,134.2	652.2	71.6

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 number of employees

Average number of employees

	2023	**2024**	Change
Salaried employees	3,628	3,977	349
Apprentices	176	172	–4
Average number of employees[1]	3,804	**4,149**	345

[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 2024 and in the previous year was Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

Expenses for services provided by the Group auditor €k

	Ernst & Young 2023	**Ernst & Young 2024**
Audit services relating to consolidated and separate financial statements	691.6	863.7
Other assurance services	210.7	677.0
Other advisory services	76.1	81.6
Total expenses	978.3	**1,622.3**

Fees in the amount of €731.2k (previous year: €631.0k) were incurred for audit services provided by the Ernst & Young network in relation to the consolidated and separate financial statements. Fees of €201.6k (previous year: €266.5k) were incurred for other consulting and confirmation services provided by the Ernst & Young network.

VERBUND's joint ventures incurred expenses of €23.9k (previous year: €32.0k) 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;
- 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 not 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
	2023	**2024**
Income statement		
Other revenue	0.5	1.9
Expenses for electricity, grid, gas and certificate procurement	–1.9	–0.2
Fuel expenses and other usage-/ revenue-dependent expenses	–2.8	–0.7
Interest income	0.9	0.8
Interest expenses	–0.5	–0.8
Other financial result	0.6	0.6

Transactions with joint ventures		€m
	31/12/2023	**31/12/2024**
Balance sheet		
Investments and non-current other receivables	36.6	33.1
Trade receivables, other receivables and securities	3.6	3.6
Trade payables and other liabilities	22.5	22.2

Investments as at 31 December 2024 included a non-current loan to Energji Ashta Shpk in the amount of €33.1m (previous year: €36.6m) 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
	2023	**2024**
Income statement		
Electricity revenue	162.9	118.8
Grid revenue	57.7	41.4
Other revenue	9.0	22.6
Expenses for electricity, grid, gas and certificate procurement	–288.1	–70.2
Other operating expenses	–39.0	–17.3

Transactions with associates €m

	31/12/2023	**31/12/2024**
Balance sheet		
Investments and other non-current receivables	28.7	42.8
Trade receivables, other receivables and securities	22.5	16.5
Contributions to building costs	264.7	259.4

Details regarding material related party transactions:

- Electricity revenue was generated through KELAG (€105.3m; previous year: €161.1m) and OeMAG Abwicklungsstelle für Ökostrom AG (€13.5m; previous year: €1.8m).
- Electricity purchases amounted to €61.7m (previous year: €274.1m), primarily from KELAG.
- Grid revenue was generated primarily through KELAG (€30.7m; previous year: €49.3m).
- KELAG has acquired (proportionate) 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 €240.7m (previous year: €328.4m) in the 2024 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 €65.5m in the 2024 reporting period (previous year: €259.9m). The electricity was supplied primarily by ÖBB. Gas trading contracts with OMV resulted in an expense of €24.3m (previous year: €59.1m).

VERBUND's expenses for monitoring by E-Control totalled €23.8m in the 2024 reporting period (previous year: €17.3m).

Disclosures regarding the governing bodies of the Group

Detailed disclosures regarding VERBUND AG's boards are presented in the Corporate Governance Report. The following disclosures focus on the remuneration of members of the Executive Board and the Supervisory Board.

Current remuneration of the Executive Board (incl. variable remuneration) €

	2023		**2024**	
	Fixed remuneration	Variable remuneration	Fixed remuneration	Variable remuneration
Dr. Michael Strugl	750,000	826,750	765,000	1,035,000
Dr. Peter F. Kollmann	620,000	713,000	651,000	855,600
Dr. Achim Kaspar	475,000	546,250	485,000	655,500
Dr. Susanna Zapreva	–	–	485,000	–

Remuneration of active Executive Board members totalled €5,016,894 in the 2024 reporting period (previous year: €3,972,913) and included €53,783 in remuneration in kind (previous year: €41,913) as well as a one-off payment of €31,012 (previous year: €0) made to Dr. Susanna Zapreva, a new member of the Executive Board, to cover relocation expenses. Variable remuneration comprises performance-related

short-term and long-term components. In the 2024 reporting period, active members of the Executive Board received €1,107,000 in short-term variable remuneration (STI; previous year: €1,107,000) and €1,439,100 in long-term variable remuneration (LTI; previous year: €979,000).

Because it is not possible to ascertain whether targets have been fulfilled until the end of the year, the short-term variable remuneration components are paid out in the following year. The total amount therefore includes the short-term variable remuneration components granted to active members of the Executive Board in the 2024 reporting period for the 2023 reporting period. The long-term variable remuneration granted relates to the long-term remuneration for the 2021 reporting period (2021 LTI with a term until 2023).

The following table presents the benchmark data for performance-related variable remuneration components:

Short-term remuneration – Short-Term Incentive (STI)

	2023 STI	**2024 STI**
Assessment period	1 year	1 year
Target amount	60% of annual gross basic salary	60% of annual gross basic salary
Target achievement cap	100%, whereby 20% of any outperformance of non-financial targets may be credited to the remaining non-financial targets	150%, no credit for outperformance
Payout cap	60% of annual gross basic salary	90% of annual gross basic salary

Long-term remuneration – Long-Term Incentive (LTI)

	2021 LTI, 2022 LTI, 2023 LTI	**2024 LTI**
Assessment period	3 years	4 years
Amount allocated	65% of annual gross basic salary	90% of annual gross basic salary
Target achievement cap	100%, outperformance of up to 120% of the target is possible	150%
Payout cap	78% of annual gross basic salary	135% of annual gross basic salary

The following targets have been agreed for the 2023 and 2024 STIs:

Short-term remuneration – Short-Term Incentive (STI)

Assessment period	Criteria	Weighting
Short-term remuneration – 2023 Short-Term Incentive (STI)	Financial targets	70%
	2023 Group result	70%
	Non-financial targets	30%
	Occupational safety	10%
	Culture and transformation	10%
	Diversity	10%
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%

The actual outcome for the 2023 STI was 100% 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 2021 (term until 2023)	Relative total shareholder return	30%
	Free cash flow before dividends	35%
	Overhead costs	35%
LTI 2022 (term until 2024)	Relative total shareholder return	30%
	Free cash flow before dividends	35%
	Sustainability performance targets	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%

The actual outcome for the 2021 STI (vesting in 2023) 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 2024 reporting period (previous year: €184,500).

An amount of €195,552 was paid out in pensions to beneficiaries in the 2024 reporting period (previous year: €189,807). 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 €50,123 (previous

year: €46,431). In addition, remeasurement expenses of €130,895 (previous year: €265,478) were recognised in other comprehensive income.

Remuneration for members of the Supervisory Board (including the reimbursement of recharged business/travel expenses) totalled €401,899 (previous year: €383,343). As in the previous year, no loans or advances were paid out to members of the governing bodies of the Group or its subsidiaries. As in the previous year, VERBUND does not have a stock option programme for either Executive Board members or senior management staff.

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

	2023			2024		
	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	3,392.1	324.0	424.9	2,714.0	183.8	279.0
Profit for the period	2,175.1	77.2	262.6	**1,632.8**	**–93.9**	**157.9**
Profit for the period attributable to non-controlling interests	345.3	40.5	78.1	**260.2**	**–47.2**	**47.0**
Other comprehensive income	–10.4	–2.0	0.5	–17.7	–1.1	–1.1
Total comprehensive income for the period	2,164.8	75.2	263.1	**1,615.1**	**–95.1**	**156.8**
Total profit or loss for the period attributable to non-controlling interests	345.1	36.8	78.2	**257.4**	**–46.6**	**46.6**

Subsidiaries with material non-controlling interests: balance sheet €m

	31/12/2023					**31/12/2024**
	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	5,158.7	695.9	941.3	5,389.8	544.4	930.5
Current assets	1,550.7	154.1	315.2	902.7	65.1	172.6
Non-current liabilities	–1,671.3	–79.8	–137.6	–1,649.3	–299.1	–182.2
Current liabilities	–472.3	–389.6	–55.2	–351.5	–64.5	–44.6
Net assets	4,565.8	380.5	1,063.7	**4,291.7**	**245.9**	**876.3**
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	727.8	186.4	316.3	**684.1**	**120.5**	**260.5**

Subsidiaries with material non-controlling interests: cash flows €m

	31/12/2023					**31/12/2024**
	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	2,326.0	163.2	359.9	1,747.7	37.0	224.0
Cash flow from investing activities	–302.7	–142.9	–19.2	–400.5	–34.8	–16.3
Cash flow from financing activities	–2,023.3	–41.1	–340.8	–1,347.2	–2.7	–207.7
Change in cash and cash equivalents	0.0	–20.8	0.0	**0.0**	**–0.4**	**0.0**
Dividends paid to non-controlling interests	253.0	20.1	29.7	**369.8**	**20.0**	**102.3**

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 the 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% as 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 2024 (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

	2023 KELAG-Kärntner Elektrizitäts-Aktiengesellschaft	**2024** KELAG-Kärntner Elektrizitäts-Aktiengesellschaft
Revenue	2,673.4	1,928.9
Profit after tax	432.1	**456.3**
Ownership interest of VERBUND	35.17%	35.17%
Profit or loss for the period attributable to VERBUND	152.0	**160.4**
Differences due to the application of the equity method of accounting	–73.8	–60.0
Share of profit or loss from associates accounted for using the equity method	78.2	**100.5**
Profit after tax	432.1	**456.3**
Other comprehensive income	70.2	4.0
Total comprehensive income for the period	502.3	**460.2**
Ownership interest of VERBUND	35.17%	35.17%
Total comprehensive income for the period attributable to VERBUND	176.6	**161.8**
Differences due to the application of the equity method of accounting	–73.8	–60.0
Total comprehensive income for the period from associates accounted for using the equity method	102.9	**101.9**
Dividends received from associates	35.2	**80.9**

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

	31/12/2023 KELAG-Kärntner Elektrizitäts-Aktiengesell-schaft	**31/12/2024** KELAG-Kärntner Elektrizitäts-Aktiengesell-schaft
Non-current assets	2,319.6	2,428.1
Current assets	1,023.8	1,032.1
Non-current liabilities	–1,117.1	–1,102.2
Current liabilities	–689.4	–586.5
Equity attributable to non-controlling interests	–14.4	–18.7
Net assets	1,522.5	**1,752.8**
Ownership interest of VERBUND	35.17%	35.17%
Net assets attributable to VERBUND	535.4	**616.4**
Differences due to the application of the equity method of accounting	–127.5	–120.0
Carrying amount of associates accounted for using the equity method	407.9	**496.3**

List of Group companies

The following list of Group companies prepared in accordance with Section 245a(1) in conjunction with Section 265(2) of the Austrian Commercial Code (UGB) comprises VERBUND's subsidiaries, joint ventures and associates. 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	2023 Headquarters	2023 Consolidation method	2023 Parent company	2023 Parent company's share of equity	**2024** Headquarters	**2024** Consolidation method	**2024** Parent company	**2024** 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 Inn-kraftwerke 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 Beteiligungs-verwaltung 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 Berungs-unternehmen 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	2023 Head-quarters	2023 Consoli-dation method	2023 Parent company	2023 Parent com-pany's share of equity	**2024** Head-quarters	**2024** Consoli-dation method	**2024** Parent company	**2024** 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)	Wörr-stadt	CS	VGP	100.00%	Berlin	CS	VGP	100.00%
VERBUND Green Power Österreich GmbH (VGP-AT)	–	–	–	–	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	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%
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%
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%

Segment: New renewables

Company	2023 Head-quarters	2023 Consoli-dation method	2023 Parent company	2023 Parent com-pany's share of equity	**2024** Head-quarters	**2024** Consoli-dation method	**2024** Parent company	**2024** Parent com-pany's share of equity
Topacio Energy, S.L.U.	Madrid	CS	VH	100.00%	Madrid	CS	VH	100.00%
Catalpa Solar, S.L.U. (VGP-IB-CAS)	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%
VERBUND Windpark Quelkhorn GmbH	–	–	–	–	Berlin	CS	VGP-DE	100.00%
VERBUND Windpark Mariengarten GmbH	–	–	–	–	Berlin	CS	VGP-DE	100.00%
VERBUND Windpark Oedelum GmbH	–	–	–	–	Scheller-ten	CS	VGP-DE	100.00%
VERBUND Windpark Frielendorf GmbH & Co. KG (VGP-DE-FS)	–	–	–	–	Berlin	CS	VGP-DE	100.00%
Blacky Energy, S.L.U. (VGP-IB-BLA)	Madrid	CS	VGP-IB-GRP	100.00%	–	–	–	–
Cyopsa-El Molino Energia Eólica, S.A.U.	Madrid	CS	VGP-IB-BLA	100.00%	Madrid	CS	VGP-IB-GRP	100.00%
VERBUND Green Power Valderrama, S.L.U. (VGP-IB-VAL)	Madrid	CS	VGP-IB-GRP	100.00%	–	–	–	–

Segment: New renewables

Company	2023 Head-quarters	2023 Consoli-dation method	2023 Parent company	2023 Parent com-pany's share of equity	**2024** Head-quarters	**2024** Consoli-dation method	**2024** Parent company	**2024** Parent com-pany's share of equity
Energias Renovables de Musas, S.L.U.	Madrid	CS	VGP-IB-VAL	100.00%	Madrid	CS	VGP-IB-GRP	100.00%
Energias Renovables de Ofion, S.L.U.	Madrid	CS	VGP-IB-VAL	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%
VERBUND Green Power Italia S.R.L. (VGP-IT)	Milan	CS	VGP	100.00%	Milan	CS	VGP	100.00%
PV Novoli S.R.L.	Lecce	CS	VGP-IT	100.00%	Milan	CS	VGP-IT	100.00%
ICA ONE S.R.L.	–	–	–	–	Milan	CS	VGP-IT	100.00%
Tenuta del Campo S.R.L.	–	–	–	–	Milan	CS	VGP-IT	100.00%
PH Tambre Energy, S.L	–	–	–	–	Madrid	EM[1]	VGP	50.00%
Amaranta Energy, s.l.	–	–	–	–	Madrid	EM[1]	VGP	50.00%
Infraestructuras de Illora S.L.	Madrid	UC	VGP-IB-IL1 VGP-IB-IL2 VGP-IB-IL3	20.00% 20.00% 20.00%	Madrid	UC	VGP-IB-IL1 VGP-IB-IL2 VGP-IB-IL3	20.00% 20.00% 20.00%
Windpark Frielendorf GmbH & Co. KG	–	–	–	–	Gilser-berg	UC	VGP-DE-FS	32.50%
cos phi GmbH	–	–	–	–	Vienna	UC	VGP-AT	100.00%
DA1 S.R.L.	–	–	–	–	Milan	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%

Segment: New renewables

Company	2023 Head-quarters	2023 Consoli-dation method	2023 Parent company	2023 Parent com-pany's share of equity	**2024** Head-quarters	**2024** Consoli-dation method	**2024** Parent company	**2024** Parent com-pany's share of equity
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%
Camareta Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	UC	VGP-IB-TES	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%
Cornamusa Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	UC	VGP-IB-TES	100.00%
Cruceta Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	UC	VGP-IB-TES	100.00%
Faballones Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	UC	VGP-IB-TES	100.00%
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%

Segment: New renewables

Company	2023 Head-quarters	2023 Consoli-dation method	2023 Parent company	2023 Parent com-pany's share of equity	**2024** Head-quarters	**2024** Consoli-dation method	**2024** Parent company	**2024** Parent com-pany's share of equity
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%
Natera Solar, S.L.U.	Madrid	UC	VGP-IB-CAS	100.00%	Madrid	UC	VGP-IB-TES	100.00%
Obenque Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	UC	VGP-IB-TES	100.00%
Orion Solar, S.L.U.	Madrid	UC	VGP-IB-GRP	100.00%	Madrid	UC	VGP-IB-GRP	100.00%
Orla Solar, S.L.U.	Madrid	UC	VGP-IB-CAS	100.00%	Madrid	UC	VGP-IB-TES	100.00%
Panol Solar, S.L.	Madrid	UC	VGP-IB-TES	51.00%	Madrid	UC	VGP-IB-TES	51.00%
Penalara Solar, S.L.U.	Madrid	UC	VGP-IB-CAS	100.00%	Madrid	UC	VGP-IB-TES	100.00%
Perdiguero Solar, S.L.U.	Madrid	UC	VGP-IB-CAS	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%
Posets Solar, S.L.U.	Madrid	UC	VGP-IB-CAS	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%
Reclamo Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	UC	VGP-IB-TES	100.00%

Segment: New renewables

Company	2023 Head-quarters	2023 Consoli-dation method	2023 Parent company	2023 Parent com-pany's share of equity	**2024** Head-quarters	**2024** Consoli-dation method	**2024** Parent company	**2024** Parent com-pany's share of equity
Rehala Solar, S.L.U.	Madrid	UC	VGP-IB-TES	100.00%	Madrid	UC	VGP-IB-TES	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%
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%

Segment: Sales

Company	2023 Headquarters	2023 Consolidation method	2023 Parent company	2023 Parent company's share of equity	**2024** Headquarters	**2024** Consolidation method	**2024** Parent company	**2024** 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 (formerly MSP Solarpower GmbH)	Feldkirchen an der Donau	CS	VEB	100.00%	Feldkirchen an der Donau	CS	VEB	100.00%
Electriply GmbH (formerly 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	SMATRICS	49.00%	Vienna	EM	SMATRICS	49.00%
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.	EM[1]	VGP	50.00 %	Sankt Margarethen im Bgld.	UC	VEC	100,00 %

Segment: Grid

Company	2023 Head-quarters	2023 Consoli-dation method	2023 Parent company	2023 Parent com-pany's share of equity	**2024** Head-quarters	**2024** Consoli-dation method	**2024** Parent company	**2024** Parent com-pany'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 Manage-ment GmbH	Klagen-furt	UC	APG	100.00%	Klagen-furt	UC	APG	100.00%
Equigy B.V.	Arnhem	UC	APG	20.00%	Arnhem	UC	APG	20.00%

All other segments: Thermal generation

Company	2023 Head-quarters	2023 Consoli-dation method	2023 Parent company	2023 Parent com-pany's share of equity	**2024** Head-quarters	**2024** Consoli-dation method	**2024** Parent company	**2024** Parent com-pany'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	2023 Headquarters	2023 Consolidation method	2023 Parent company	2023 Parent company's share of equity	**2024** Headquarters	**2024** Consolidation method	**2024** Parent company	**2024** Parent company's share of equity
VERBUND Services GmbH	Vienna	CS	VH	100.00%	Vienna	CS	VH	100.00%
VERBUND Business Solutions GmbH	–	–	–	–	Vienna	CS	VH	100.00%

All other segments: Equity interests

Company	2023 Headquarters	2023 Consolidation method	2023 Parent company	2023 Parent company's share of equity	**2024** Headquarters	**2024** Consolidation method	**2024** Parent company	**2024** Parent company's share of equity
VERBUND AG (VH) – Equity interests	Vienna	CS	–	–	Vienna	CS	–	–
KELAG-Kärntner Elektrizitäts-Aktiengesellschaft	Klagenfurt	EM	VH	35.17%	Klagenfurt	EM	VH	35.17%
C2PAT GmbH	Vienna	UC	VH	25.00%	Vienna	UC	VH	25.00%

Other Group companies

Company	2023 Head-quarters	2023 Consoli-dation method	2023 Parent company	2023 Parent com-pany's share of equity	**2024** Head-quarters	**2024** Consoli-dation method	**2024** Parent company	**2024** 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	VVE	100.00%	Vienna	UC	VEC	100.00%
HalloSonne PV Finanzierungs-Holding GmbH (HAF)	Vienna	UC	HAS	100.00%	–	–	–	–
HelloSonne 1. PV Vermietungs-GmbH	Vienna	UC	HAF	100.00%	–	–	–	–
HalloSonne Installations GmbH	Vienna	UC	HAS	100.00%	–	–	–	–
TTTech Nexus GmbH	–	–	–	–	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 venture // [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 2024 and authorisation for issue on 19 February 2025.

Vienna, 19 February 2025

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 (IFRSs) 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 2025

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 have audited the consolidated financial statements of VERBUND AG, Vienna, and of its subsidiaries (the Group) comprising the consolidated statement of financial position as of 31 December 2024, 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 accompanying 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 2024 and cashflows and its financial performance for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted by EU, and the additional requirements under Section 245a Austrian Company Code UGB.

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 (ISA). 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 2023, the carrying amount of goodwill was €635m and carrying amount of property, plant and equipment €13.070m (after an impairment loss of €177m).

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 the effectiveness of the controls used in 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 and involving our valuation specialists for analysing and assessing discount and growth rates as well as for assessing and reviewing the valuation models; and
- Assessing the adequacy of the disclosures in the financial statements.

Bilanzierung und Ausweis von derivativen Finanzinstrumenten

Description:

As of 31 December 2023, the carrying amount of assets related to derivative financial instruments was €420m and the carrying amount of liabilities related to derivative financial instruments was €241m (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 €159m as of 31 December 2024.

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 5.1 Accounting treatment of financial instruments, note 6.2 Receivables from derivative financial instruments, note 6.5.1 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 the risk management committee;
- 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;
- 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, the auditor's report and the non-financial statement contained in the Group's management 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 the 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, to 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 as adopted by the EU, and the additional requirements under Section 245a Austrian Company Code UGB 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 report 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 ISA, 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 in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout 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 control 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 for 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

Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the management report for the Group came to our attention.

Additional information in accordance with article 10 EU regulation

We were elected as auditor by the ordinary general meeting at 30 April 2024. We were appointed by the Supervisory Board on the 19 September 2024. 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 of the audited company in conducting the audit.

Responsible Austrian Certified Public Accountant

The engagement partner is Mag. Stefan Uher, Certified Public Accountant.

Vienna, 19th of February, 2025

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

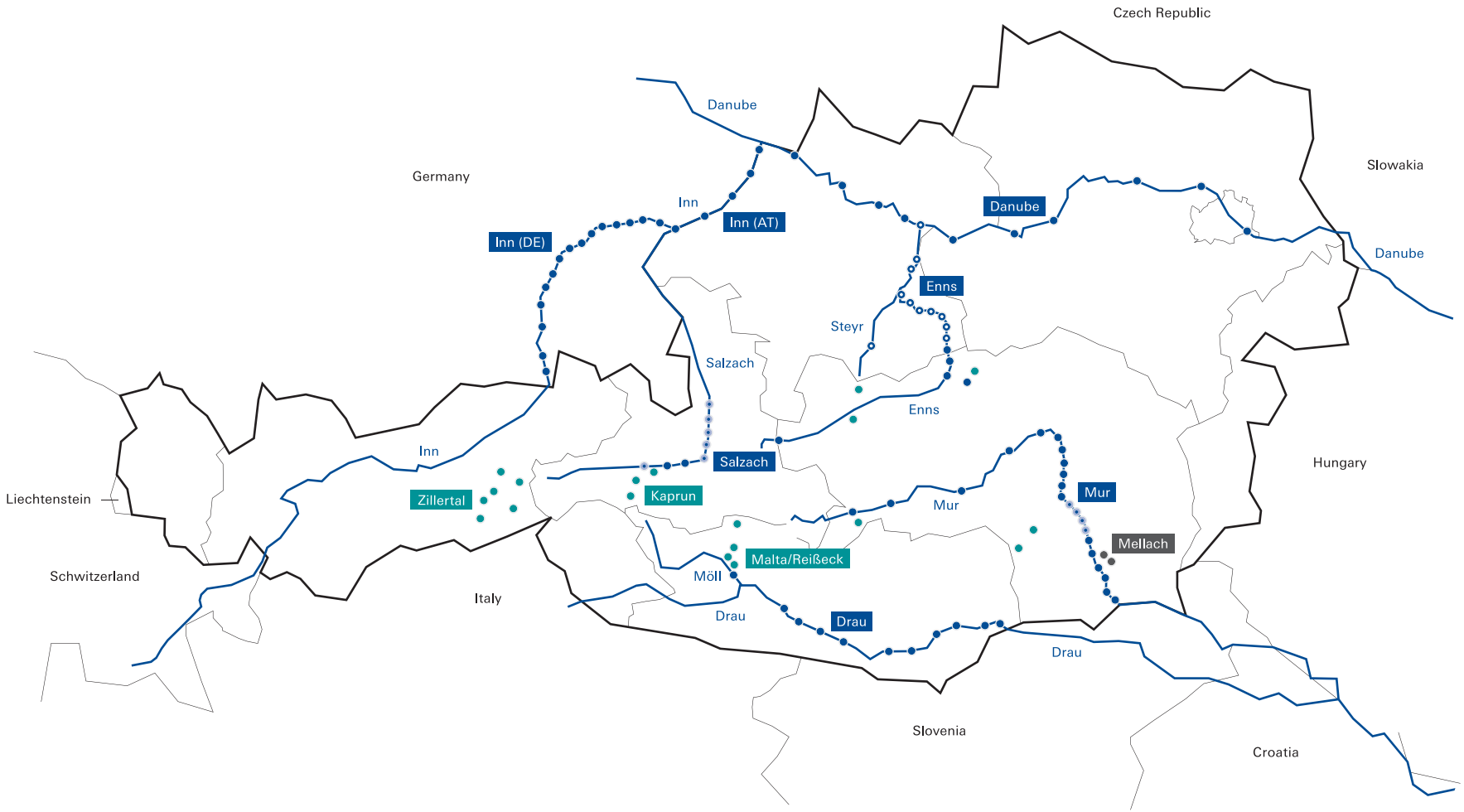
Mag. (FH) Rosemarie König
Wirtschaftsprüferin / Certified Public Accountant

Mag. Stefan Uher
Wirtschaftsprüfer / 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 paragraph 2 UGB (Austrian Company Code) applies to alternated versions.

VERBUND power plants, APG grid facilities and GCA pipeline facilities

VERBUND power plants Austria & Germany (hydro & thermal)



- Storage power plant > 5 MW
- Run-of-river power plant > 5 MW
- Joint venture power plant of VERBUND Hydro Power GmbH
- VERBUND participation
- Thermal power plant

VERBUND power plants Europe (wind & solar)

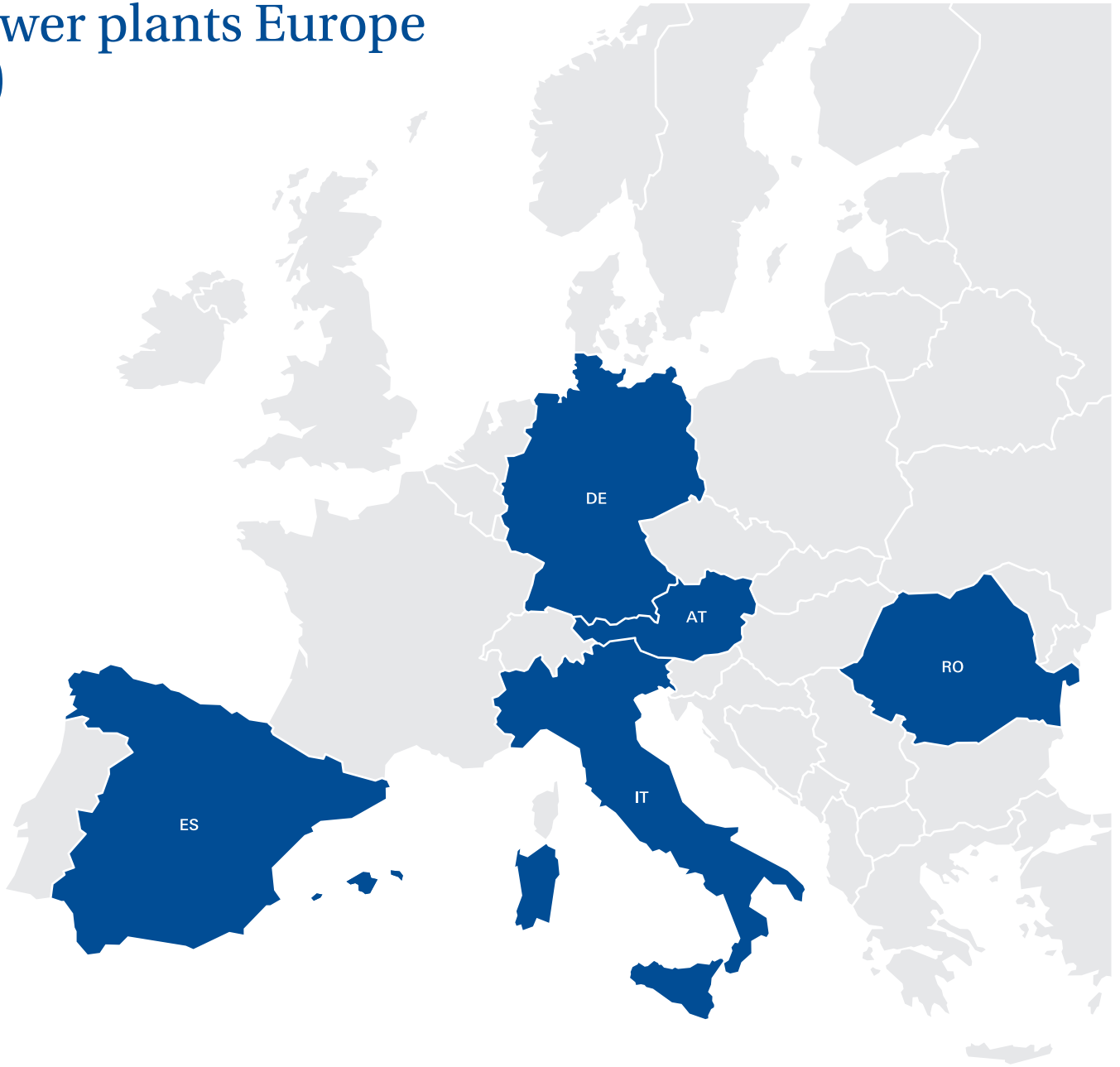
AT	Austria	MW
	In operation	116
	Under construction	0
	In operation	8
	Under construction	0

DE	Germany	MW
	In operation	125
	Under construction	0
	In operation	0
	Under construction	0

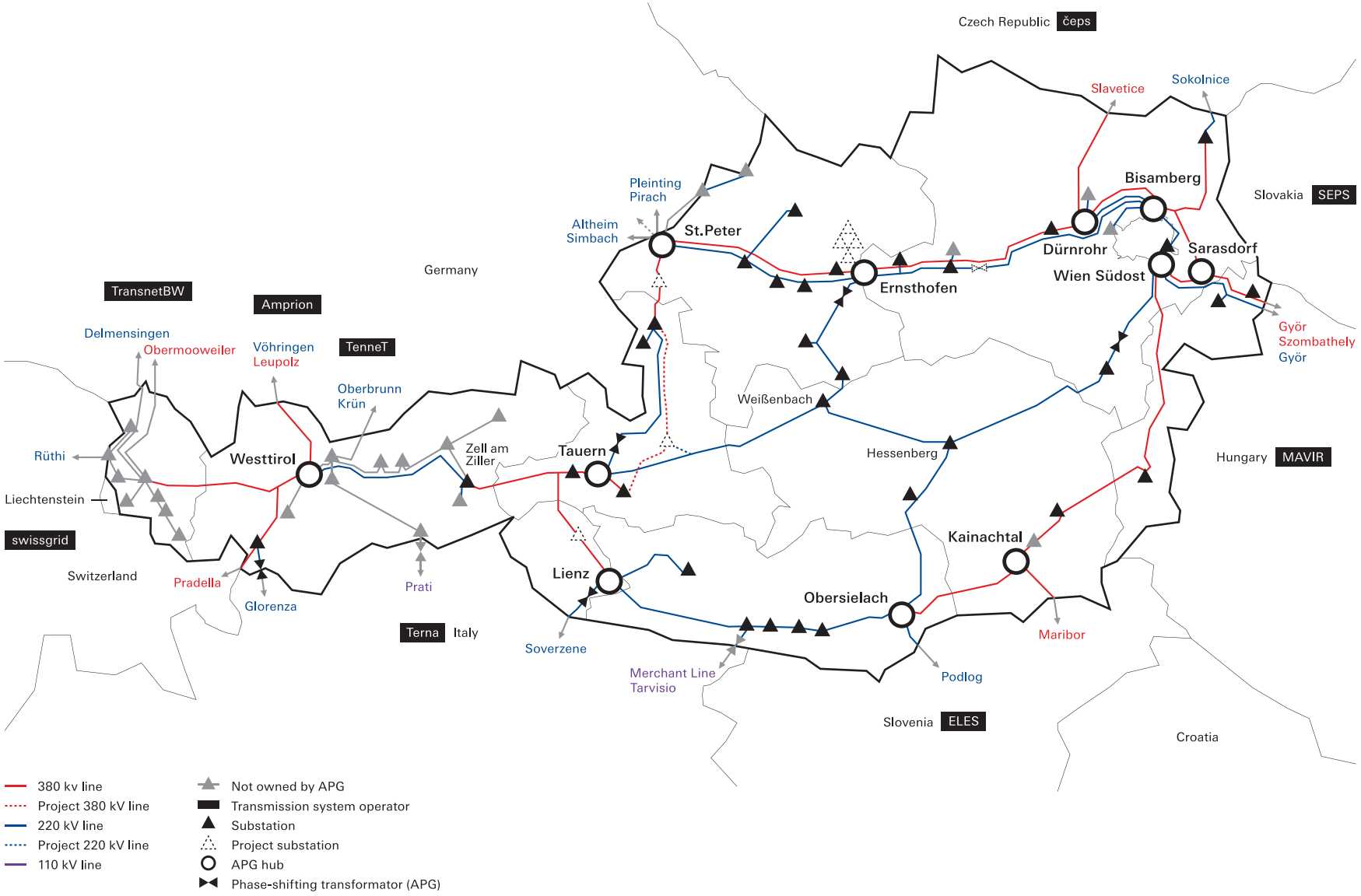
RO	Romania	MW
	In operation	226
	Under construction	0
	In operation	0
	Under construction	0

ES	Spain	MW
	In operation	407
	Under construction	18
	In operation	299
	Under construction	25

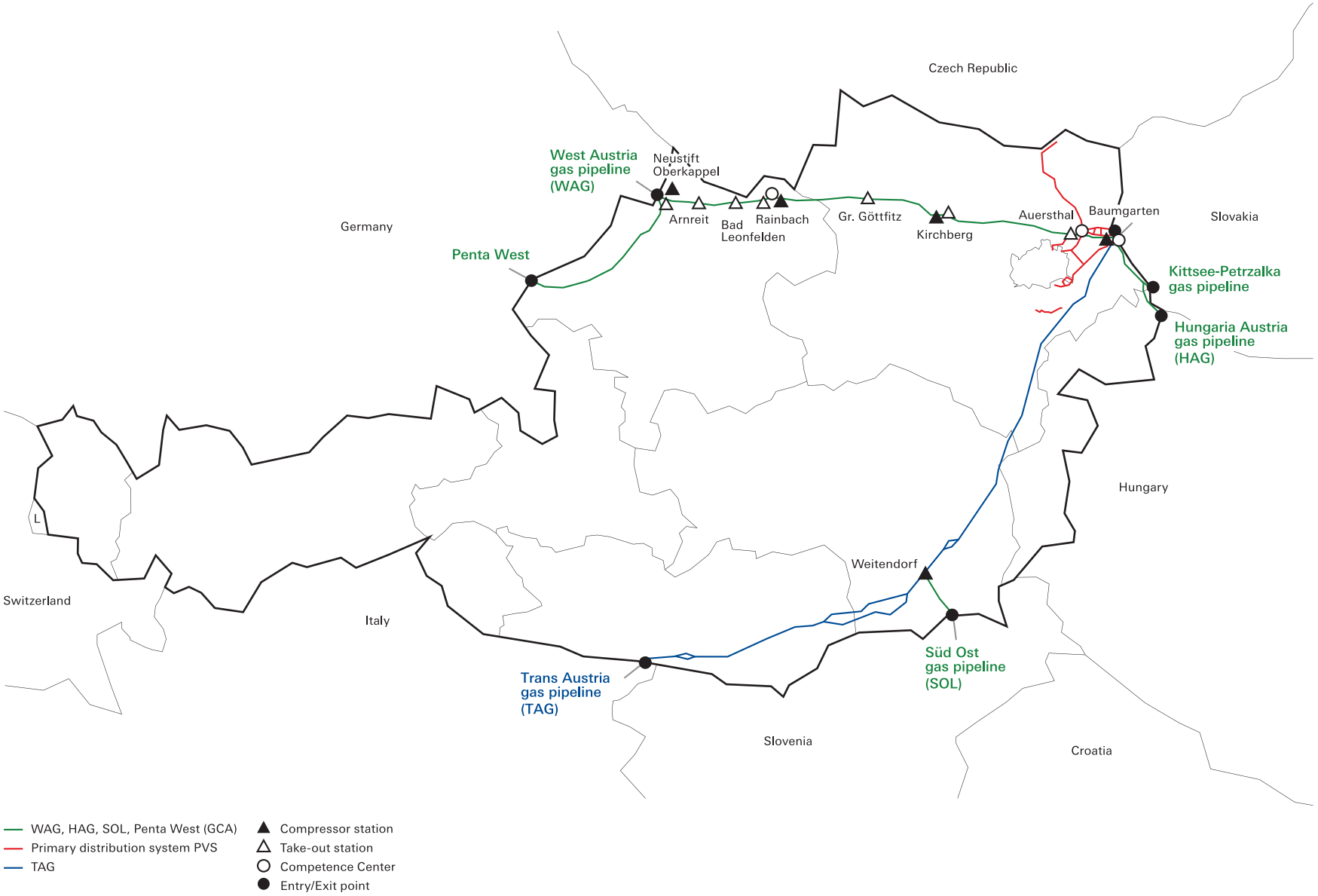
IT	Italy	MW
	In operation	0
	Under construction	0
	In operation	0
	Under construction	10



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 tests 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.

Average number of employees

Calculated according to actual effective dates of hires and resignations 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 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 (carbon dioxide) 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 CO_2e.

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 responsibility (CR)

This concept targets sustainable performance at the Group level and incorporates economic, environmental and social aspects into the core business. Attention is also given to the impacts arising from business activities and stakeholder requirements within all business processes.

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 whose securities are admitted to trading on a regulated market in the European Union as well as large credit institutions and insurance undertakings that exceed certain size criteria in terms of revenue, total assets and the average number of employees are required to include information on the undertaking's impacts on sustainability matters 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 obligations are laid down in the European Sustainability Reporting Standards (ESRS). The directive has yet to be transposed into national law.

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 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.

ElWOG

Austrian Electricity Industry and Organisation Act (*Elektrizitätswirtschafts- und -organisationsgesetz*, ElWOG). ElWOG implements the EU's Electricity Directive in Austria.

Employee turnover rate

Employee turnover refers to the percentage of employees who left the Company 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

ESG stands for environmental, social and governance. It refers to the analysis and assessment of companies according to environmental and social aspects as well as by the management style applied as opposed to a score based purely on financial aspects.

ESRS

The European Sustainability Reporting Standards have been adopted as a delegated act to the CSRD and are hence directly applicable. The first set consists of twelve cross-cutting standards. The overarching standards give guidance on general disclosures, while the sector-independent topical standards define the environmental, social and governance matters to be reported.

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 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, 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 grids.

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 regarding the disclosure of non-financial information and information related to diversity by certain large companies. See also 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

The Austrian federal government has implemented EU Directive 2014/95/EU for the disclosure of non-financial information – the NFR Directive – in its Sustainability and Diversity Improvement Act (*Nachhaltigkeits- und Diversitätsverbesserungsgesetz*, NaDiVeG), which applies to financial years beginning after 31 December 2016. This law requires large public interest entities with over 500 employees (including listed companies, insurance companies and banks) to include a non-financial statement in their management report or prepare a separate non-financial report. This statement or non-financial report includes information on environmental matters, social and employee-related matters, respect for human rights and anti-corruption matters. In addition, companies required to prepare a corporate governance report are also required to include information on their diversity policy in this report.

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 net profit or loss for the period to average equity.

Sustainable Development Goals (SDGs)

The 17 goals and 169 sub-goals for sustainable development set by the UN member nations, applicable since 2016 for all nations worldwide. 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 Directives (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, the E-Control Commission has issued the System Usage Rates Directive.

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

The United Nations Global Compact is the world's largest corporate social responsibility (CSR) and sustainable performance initiative. This global movement of businesses, policymakers and civil society aims to make globalisation more socially just and environmentally sustainable. Key elements of the UN Global Compact are its ten universal Principles and support of the United Nations' 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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