Interim Report Quarter 1/2022

The Power
to Transform

Verbund

Contents

At a glance

- Sharp rise in EBITDA and Group result due to strong increase in wholesale prices for electricity
- Average sales prices achieved rose from €47.6/MWh in quarter 1/2021 to €113.8/MWh in quarter 1/2022
- Drop in own generation from run-of-river power plants due to lower water supply (hydro coefficient of 0.94 in quarter 1/2022 versus 0.99 in quarter 1/2021)
- Increased use of storage power plants caused by more pumping/turbining
- Significantly higher contribution of flexibility products due to greater volatility in wholesale prices (+€48.3m)
- Performance of VERBUND shares in quarter 1/2022 –3.4%; ATX –14.2%; STOXX Europe 600 Utilities –3.7%
- Earnings forecast for 2022 adjusted: EBITDA expected to reach between around €2,800m and €3,500m and the reported Group result to between around €1,550m and €2,000m based on average levels of own generation from hydropower, wind power and photovoltaic production in quarters 2–4/2022 as well as the opportunities and risks currently identified

KPIs

	Unit	Q1/2021	**Q1/2022**	Change
Revenue	€m	818.1	**2,531.9**	209.5%
EBITDA	€m	302.7	**814.9**	169.3%
EBITDA adjusted	€m	302.7	**814.9**	169.3%
Operating result	€m	207.9	**705.7**	239.4%
Group result	€m	144.7	**514.4**	255.6%
Group result adjusted	€m	144.6	**463.7**	220.6%
Earnings per share	€	0.42	**1.48**	255.6%
EBIT margin	%	25.4	**27.9**	–
EBITDA margin	%	37.0	**32.2**	–
Cash flow from operating activities	€m	203.7	**209.2**	2.7%
Additions to property, plant and equipment	€m	93.0	**360.1**	287.2%
Free cash flow before dividends	€m	35.3	**–105.1**	–
Free cash flow after dividends	€m	35.3	**–105.1**	–
Average number of employees		2,949	**3,435**	16.5%
Electricity sales volume	GWh	13,078	**16,187**	23.8%
Hydro coefficient		0.99	**0.94**	–
New renewables coefficient		0.86	**1.06**	–

	Unit	31/12/2021	**31/3/2022**	Change
Total assets	€m	17,111.6	**18,006.7**	5.2%
Equity	€m	6,362.9	**6,092.6**	–4.2%
Equity ratio (adjusted)	%	38.2	**34.6**	–
Net debt	€m	3,510.8	**3,695.9**	5.3%
Gearing	%	55.2	**60.7**	–

Report of the Executive Board

Dear Shareholders,

Prices for primary energy in the international procurement markets had already rocketed in 2021. This trend was exacerbated by the outbreak of the war in Ukraine in late February 2022. Supply shortages and low stocks in Europe coupled with high demand were especially noticeable in the development of gas prices. The geopolitical conflict in Eastern Europe and the related uncertainty around future gas deliveries from Russia further pushed up the price of commodities across the board and created considerable volatility. As a consequence of the surge in global market prices for primary energy and the high cost of emission allowances, Europe also witnessed a rise in wholesale prices for electricity.

The geopolitical challenges are putting growing pressure on policy-makers in Europe to exit from fossil fuels and reduce dependence on energy imports. This calls for increased expansion of renewables as well as renewed efforts to enlarge grids and storage facilities. VERBUND is making an important contribution to this endeavour. Over the coming years, for example, VERBUND will invest heavily in the expansion of renewable energy plants and grids and be instrumental in guaranteeing security of supply in Austria. The revised VERBUND strategy supports this path. When this was being updated, three strategic focus areas were defined: strengthening VERBUND's integrated positioning in its home market; expanding renewable electricity generation in Europe; and positioning VERBUND as a player in the development of the European hydrogen economy.

VERBUND's integrated positioning in its home market comprises its core business of efficient, environmentally friendly generation of electricity from hydropower in addition to the transmission and sale of electricity and gas. VERBUND will progressively combine electricity generation from renewables with flexibility products for an increasingly volatile electricity market. The current trend in the international energy markets radically shows us the urgency of expanding renewable energy. VERBUND will invest around €3bn in total over the next three years. The bulk of the investments, which include both growth CAPEX and maintenance CAPEX, will be made in Austria. Not only hydropower – for example VERBUND's new power plant project in Gratkorn near Graz – but also wind power and photovoltaic production will be the main pillars of renewable energy going forward. In building out renewable generation capacity across Europe, VERBUND chalked up another big success in quarter 1/2022 when it acquired a 70% share of four wind farms developed by Capital Energy and one solar farm in Spain. The four wind power project companies and the solar project company will have aggregate capacity of 171 MW. The facilities are currently under construction and will progressively come on stream between quarter 2/2022 and quarter 1/2023. Yet, green electricity is not the only decarbonisation solution. VERBUND is looking to carve out a niche for itself in Europe's nascent hydrogen economy and expand its value chain – towards production, transportation and storage as well as the distribution of green hydrogen. However, for demand for green hydrogen to be met, the necessary infrastructure needs to be created, followed at a later stage by hydrogen imports. VERBUND is therefore currently evaluating promising projects and participating in ventures and initiatives to create a European hydrogen import corridor – as presently in the Bavarian hydrogen alliance.

VERBUND saw a significant improvement in the results posted for quarter 1/2022. EBITDA climbed by 169.3% to €814.9m. The Group result soared by 255.6% to €514.4m compared with the same period of the previous year. The hydro coefficient for the run-of-river power plants dropped to 0.94, or 5 percentage points below the prior-year figure and 6 percentage points below the long-term average. By contrast, generation from annual storage power plants rose by 15.1% in quarter 1/2022 compared with the prior-year reporting period. Generation from hydropower thus fell only slightly by 47 GWh. The sharp increase in wholesale electricity prices on the futures and spot markets gave a significant boost to earnings. The average sales prices obtained for our own generation from hydropower rose by €66.3/MWh to €113.8/MWh. The consolidation of Gas Connect Austria GmbH (GCA), the regulated gas transmission and distribution system operator in Austria acquired with effect from 31 May 2021, and the higher contribution from flexibility products also had a positive effect. The Group result in quarter 1/2022 was also bolstered by a positive non-recurring effect in taxes on income in the amount of €56.6m. This effect results from the revaluation of deferred tax as a consequence of the decision to lower Austria’s corporate income tax rate in connection with the Eco-social Tax Reform Act (Ökosoziales Steuerreformgesetz). The Group result after adjustment for this non-recurring effect was €463.7m, an increase of 220.6% on the year-earlier figure.

Based on average own generation from hydropower, wind power and PV production in quarters 2–4/2022 and the opportunities and risks identified, VERBUND expects EBITDA of between approximately €2,800m and €3,500m and a reported Group result of between approximately €1,550m and €2,000m in financial year 2022. VERBUND is also planning a payout ratio for 2022 of between 45% and 55% of the Group result of between around €1,500m and €1,950m, after adjustment for non-recurring effects.

Achieving the climate targets through decarbonisation of the energy systems is at the core of our corporate strategy. Our solutions to this challenge lie, for example, in the expertise in hydropower that we have built up over the last 75 years. Together we will be able to transition to renewable sources of energy, expand renewables and push ahead with the exit from fossil fuels!

Mag. Dr. Michael Strugl MBA

Dr. Peter F. Kollmann

Mag. Dr. Achim Kaspar

Investor relations

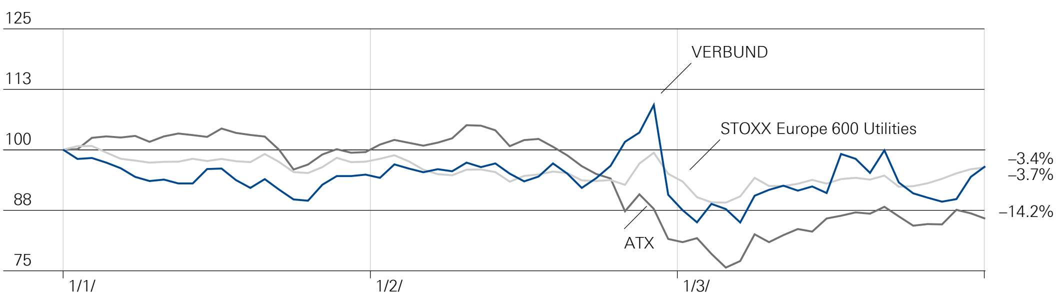
Contact:
Andreas Wollein
Head of Group Finance and Investor Relations
Tel.: 43 (0)50 313-52604
E-mail: investor-relations@verbund.com

Despite the ongoing COVID-19 crisis and a tough Omicron wave, global equity indices started 2022 trading on a solid footing, though volatility remained high due to various factors of uncertainty (such as growing geopolitical tensions and persistent supply chain issues). The spike in inflation, mainly stoked by high energy prices, put pressure on the European Central Bank (ECB) in particular during the opening weeks of the current year. In contrast, the US Federal Reserve announced at the beginning of the year that it was planning several interest rate hikes over the coming months.

The outbreak of war in Ukraine in late February 2022 sent the capital markets into a tailspin. The negative effects mostly led to growth forecasts being revised downwards plus spiralling inflation, even if the USA was not impacted by this to the same degree as Europe at the end of quarter 1/2022. China could conceivably benefit from the conflict in Ukraine in the medium term, though the Chinese economy took a hit at the end of this reporting period as a consequence of new lockdowns resulting from the country's ongoing 'zero-COVID' strategy. Equity market volatility and uncertainty are likely to remain high in the upcoming quarters owing to the war, high commodity and energy prices and rising interest rates.

The US benchmark index Dow Jones Industrial Average ended quarter 1/2022 down 4.6%. The Euro Stoxx 50 turned in an even worse performance, closing 9.2% lower than at year-end 2021. The Nikkei 225, the leading Japanese index, finished with losses of 3.4% compared with 31 December 2021.

VERBUND share price: relative performance 2022



Upcoming dates:
Interim financial report quarters 1–2/2022: 28 July 2022
Dividend payment date: 13 May 2022

The performance of VERBUND shares in quarter 1/2022 was impacted in particular by the war in Ukraine and the knock-on effects on primary energy prices. After reaching their high for the quarter on 28 February, the shares experienced a sharp correction, followed by a volatile sideways movement lasting until the end of the period now ended. The correction was triggered by speculation about windfall taxes and a short, sharp drop in carbon prices. Trading at a closing price of €95.5 as at 31 March 2022, VERBUND shares nevertheless recorded a comparatively small loss of 3.4% in quarter 1/2022 against year-end 2021, which meant that the stock outperformed the Austrian benchmark index ATX (–14.2%) and the sector index STOXX Europe 600 Utilities (–3.7%).

KPIs – shares

	Unit	Q1/2021	**Q1/2022**	Change
Share price high	€	81.7	**108.0**	32.3%
Share price low	€	59.6	**84.1**	41.0%
Closing price	€	62.0	**95.5**	54.0%
Performance	%	–11.2	**–3.4**	–
Market capitalisation	€m	21,539.8	**33,178.2**	54.0%
ATX weighting	%	8.3	**11.9**	–
Value of shares traded	€m	2,242.9	**1,823.2**	–18.7%
Shares traded per day	Shares	515,555	**305,214**	–40.8%

Interim Group management report

Business performance

Electricity supply and sales volume

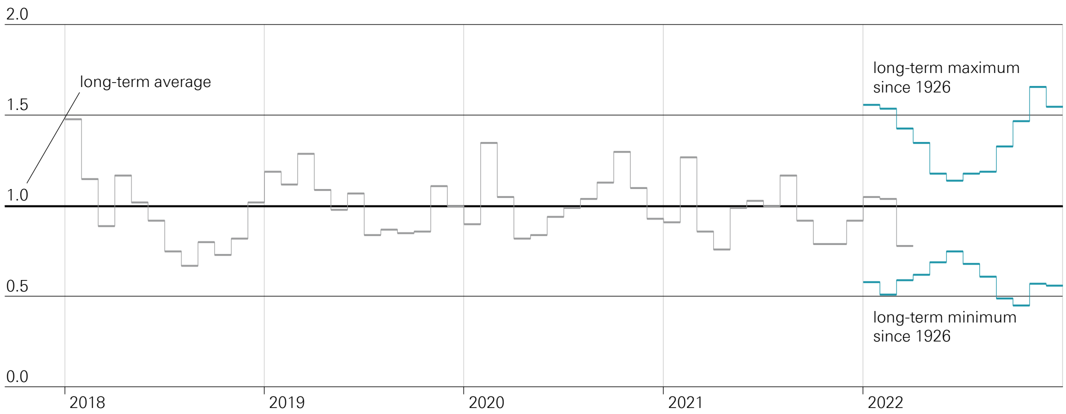
Group electricity supply GWh

	Q1/2021	Q1/2022	Change
Hydropower[1]	6,015	5,968	–0.8%
Wind power	253	314	23.9%
Solar power	0.3	0.7	–
Thermal power	131	688	–
Own generation	6,400	**6,970**	8.9%
Electricity purchased for trading and sales	6,592	9,165	39.0%
Electricity purchased for grid loss and control power volumes	925	1,272	37.5%
Electricity supply	13,917	**17,407**	25.1%

[1] incl. purchase rights

VERBUND's own generation increased by 571 GWh, or 8.9%, to 6,970 GWh in quarter 1/2022 compared with the same period of 2021. Generation from hydropower fell by 47 GWh versus the prior-year reporting period. The hydro coefficient for the run-of-river power plants dropped to 0.94, or 6 percentage points below the long-term average and 5 percentage points below the comparative prior-year figure. By contrast, generation from VERBUND's annual storage power plants rose by 15.1% in quarter 1/2022, due in particular to higher generation from turbining.

Hydro coefficient (monthly averages)



The volume of electricity generated by VERBUND's wind power plants in quarter 1/2022 was up 61 GWh on the comparative prior-year figure due to the higher wind supply. Electricity generated by photovoltaic installations totalled 0.7 GWh in quarter 1/2022.

Generation from thermal power plants increased by 557 GWh year-on-year due to the market-driven operations of the Mellach combined cycle gas turbine power plant (Mellach CCGT) in connection with the agreement to supply district heating.

Purchases of electricity from third parties for trading and sales rose by 2,573 GWh in quarter 1/2022. Electricity purchased from third parties for grid loss and control power volumes increased by 346 GWh in the reporting period.

Group electricity sales volume and own use

GWh

	Q1/2021	**Q1/2022**	Change
Consumers	3,515	3,618	2.9%
Resellers	6,025	6,902	14.6%
Traders	3,539	5,668	60.2%
Electricity sales volume	13,078	**16,187**	23.8%
Own use	606	950	56.8%
Control power	232	269	15.8%
Electricity sales volume and own use	13,917	**17,407**	25.1%

VERBUND's electricity sales volume climbed by 3,109 GWh, or 23.8%, in quarter 1/2022. The increase was spread across all segments. Sales to consumers were up marginally by 2.9% – the customer base at 31 March 2021 comprised around 533,000 electricity and gas customers –, while sales to resellers rose by 877 GWh and sales to traders by 2,129 GWh. In respect of sales to traders, this is mainly attributable to higher delivery volumes to international customers, whereas in sales to resellers it is due to an increase in deliveries in Austria and abroad. Own use of electricity rose by 344 GWh in quarter 1/2022. This increase is attributable above all to increased operation of the Group's power plants in turbining mode.

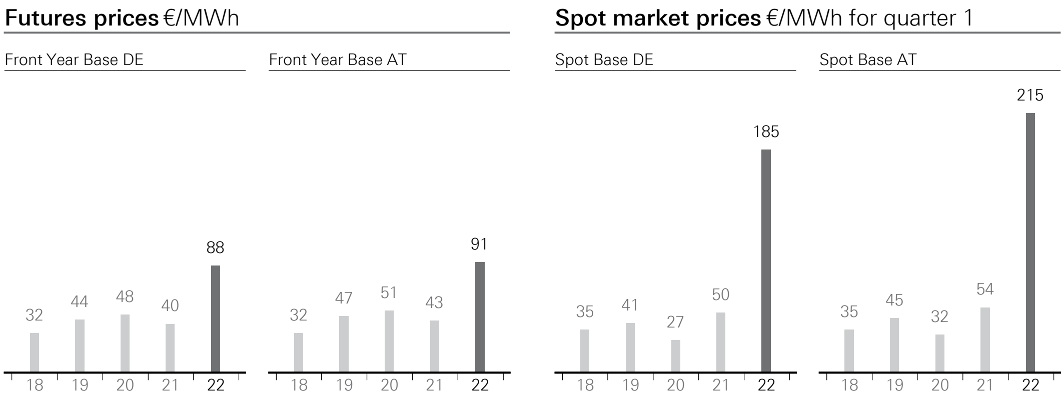
Electricity sales by country

GWh

	Q1/2021	**Q1/2022**	Change
Austria	7,053	7,740	9.8%
Germany	4,748	6,947	46.3%
France	1,067	1,287	20.7%
Others	211	212	0.6%
Electricity sales volume	13,078	**16,187**	23.8%

Approximately 48% of the electricity sold by VERBUND in quarter 1/2022 went to the Austrian market. The German market, which accounted for around 82% of all volumes sold abroad in quarter 1/2022, was VERBUND's largest foreign market for its international trading and sales activities.

Electricity prices



Futures prices traded in the year before supply. The years stated are the respective years of supply. 2018: Market area Germany/Austria. Starting 2019: Market area Germany or Austria respectively.
Spot prices 2018: Market area Germany/Austria. Starting 2019: Market area Germany or Austria respectively. Average prices.

Source: EEX, EPEX Spot

VERBUND contracted for most of its own generation for 2022 on the futures market back in 2020 and 2021. Ever since the split of the joint German-Austrian price zone in October 2018, separate, higher prices have prevailed in Austria. Prices for AT 2022 front-year base load contracts (traded in 2021) averaged €91.3/MWh, and prices for DE 2022 front-year base load contracts averaged €88.4/MWh. Futures market prices thus increased significantly year-on-year by 113.0% (AT) and 120.1% (DE). Front-year peak load (AT) contracts traded at an average of €110.1/MWh and front-year peak load (DE) contracts traded at an average of €107.2/MWh. Futures market prices in this area thus also increased year-on-year by 111.7% (AT) and 118.6% (DE).

On both the Austrian and German spot markets, wholesale trading prices for electricity ballooned in quarter 1/2022. Prices for base load electricity increased by an average of 297.4% to €214.6/MWh in Austria and by 272.3% to €184.5/MWh in Germany. Prices for peak load rose by 286.2% to €248.8/MWh in Austria and by 266.4% to €217.4/MWh in Germany.

The spike in electricity prices is mainly fuelled by the increase in gas prices. This in turn is attributable to stronger demand for gas following the pandemic, lower gas stocks and fears of shortages. The Ukraine war and the uncertainty it has generated further compounded the situation.

Financial performance

Results

€m

	Q1/2021	Q1/2022	Change
Revenue	818.1	2,531.9	209.5%
EBITDA	302.7	814.9	169.3%
Operating result	207.9	705.7	239.4%
Group result	144.7	514.4	255.6%
Earnings per share in €	0.42	1.48	255.6%

Electricity revenue

VERBUND's electricity revenue rose by €1,423.8m to €2,063.8m in quarter 1/2022. The sharp increase in electricity revenue can be attributed to the massive increase in wholesale electricity prices. Both futures and spot market prices surged. The average sales price obtained for our own generation from hydropower rose by €66.3/MWh to €113.8/MWh. In terms of quantities, electricity sales volumes increased by 3,109 GWh, or 23.8%, year-on-year.

Grid revenue

Grid revenue increased by €209.4m to €348.5m in quarter 1/2022 compared with the same period of the previous year. The revenue increase at Austrian Power Grid AG (APG) of €139.6m is primarily due to significantly higher international revenue from the auctioning off of cross-border capacity as a consequence of higher DE/AT market spreads. In addition, higher national tariff revenue resulting from price effects and an increase in revenues from balancing services had a positive impact. The consolidation of Gas Connect Austria GmbH (GCA), the regulated gas transmission and distribution system operator in Austria, acquired with effect from 31 May 2021, also lifted grid revenue.

Other revenue and other operating income

Other revenue rose by €80.7m to €119.7m. District heating revenue rose significantly due to the inception of the new agreement to supply district heating from the Mellach CCGT at 1 October 2021. Higher proceeds from the sale of green electricity certificates and emission allowances also had a positive effect. Other operating income rose by €6.3m to €23.3m. This is mainly attributable to loss settlements, subsidies and the first-time consolidation of GCA.

Expenses for electricity, grid, gas and certificates purchases

Expenses for electricity, grid, gas and certificate purchases increased by €1,147.3m to €1,534.8m. A total of 2,919 GWh more electricity was purchased from third parties for trading and sales as well as for grid loss and control power volumes. The higher procurement prices arising from higher price levels for wholesale electricity gave rise to a significant increase in expenses. Expenses for electricity purchases thus increased by €1,097.9m compared with the previous year. Expenses for grid purchases fell by €1.6m and expenses for gas purchases rose by €48.1m.

Fuel expenses

Fuel and other usage-/revenue-dependent expenses were up €174.0m to €186.1m. There was a marked increase in gas expenses due in particular to the sharp rise in gas prices. Production was also up year-on-year (for details please refer to the section entitled Electricity supply and sales volumes). Another contributing factor to the increased expenditure was the higher expenses for emission allowances, likewise attributable to the significant price increases and higher generation volumes.

Personnel expenses

Personnel expenses rose by €15.3m year-on-year to reach €105.3m in quarter 1/2022. This increase is attributable to the consolidation of GCA and SMATRICS GmbH & Co KG, the hiring of additional employees for the implementation of strategic growth projects in particular and the 3.6% to 4.0% increase in pay rates under the collective bargaining agreement.

Other operating expenses

Other operating expenses rose by €30.1m to €89.6m. The increase was mainly due to the consolidation of GCA, an increase in goods and services purchased for third-party maintenance of power plants and line systems and higher fees in connection with the wind farms in Romania.

Measurement and realisation of energy derivatives

Starting in the 2021 reporting period, the result from the measurement and realisation of energy derivatives for which hedge accounting in accordance with IFRS 9 is not applied is no longer presented under revenue and electricity, grid, gas and certificates purchases but combined in a separate item entitled Measurement and realisation of energy derivatives. In quarter 1/2022, the result amounted to €175.4m (Q1/2021: €16.6m). Further details are presented in the notes to the consolidated interim financial statements.

EBITDA

As a result of the above-mentioned factors, EBITDA rose by 169.3% to €814.9m.

Depreciation and amortisation

Amortisation of intangible assets and depreciation of property, plant and equipment rose by €14.5m to €109.2m. Along with the first-time consolidation of GCA, this is also due to an increase in the investment volume at APG.

Result from interests accounted for using the equity method

The result from interests accounted for using the equity method decreased by €14.8m to €–12.3m. This is mainly due to the earnings contributions from KELAG-Kärntner Elektrizitäts-Aktiengesellschaft in the amount of €–8.8m (Q1/2021: €2.8m; see the section entitled All other segments for more information).

Interest income and expenses

Interest income decreased by €2.1m to €9.0m compared with quarter 1/2021. Interest expenses rose by €3.2m to €21.3m. This increase is partly due to the issuance of a €500m bond in April 2021.

Other financial result

The other financial result decreased by €6.2m in quarter 1/2022 to €–3.6m. This decline mainly stemmed from the measurement of securities funds through profit or loss in accordance with IFRS 9.

Taxes on income

Taxes on income rose by €62.3m to €111.0m. In quarter 1/2022, the figure for taxes on income includes a positive non-recurring effect in the amount of €56.6m. This effect results from the revaluation of deferred tax as a consequence of the decision to lower Austria's corporate income tax rate from 25% to 24% in 2023 and from 24% to 23% beginning in 2024 in connection with the Eco-social Tax Reform Act.

Group result

After taking account of an effective tax rate of 16.4% and non-controlling interests in the amount of €53.2m, the Group result amounted to €514.4m. This represents an increase of 255.6% against the previous year. Earnings per share amounted to €1.48 (Q1/2021: €0.42) for 347,415,686 shares. The Group result after adjustment for non-recurring effects was €463.7m, an increase of 220.6% on the prior-year period.

Financial position

Consolidated balance sheet (condensed)

€m

	31/12/2021	Share	**31/3/2022**	**Share**	Change
Non-current assets	12,877.4	75%	13,093.3	73%	1.7%
Current assets	4,234.1	25%	4,913.4	27%	16.0%
Total assets	17,111.6	100%	**18,006.7**	**100%**	5.2%
Equity	6,362.9	37%	6,092.6	34%	–4.2%
Non-current liabilities	4,404.4	26%	4,196.9	23%	–4.7%
Current liabilities	6,344.2	37%	7,717.2	43%	21.6%
Total equity and liabilities	17,111.6	100%	**18,006.7**	**100%**	5.2%

Assets

The rise in non-current assets compared with 31 December 2021 is mainly attributable to the increase in property, plant and equipment due in particular to the initial recognition of the Spanish solar and wind power companies acquired during the reporting period. The additions to property, plant and equipment of €360.1m were reduced by depreciation of €103.2m. Besides the photovoltaic installations and wind power plants being built in Spain, the main additions to property, plant and equipment related to capital expenditure for the Austrian transmission grid and replacement investments at Austrian and German hydropower plants. The increase in current assets is primarily due to substantially higher positive fair values for derivative hedging transactions in the electricity business resulting from the sharp increase in wholesale prices for electricity, as well as to higher receivables for guarantees in electricity trading.

Equity and liabilities

The decrease in equity is mostly due to considerable negative effects from the measurement of cash flow hedges recognised in other comprehensive income, mainly driven by the significant increase in wholesale prices for electricity, which were unable to be fully compensated by the profit for the period generated in quarter 1/2022. The increase in current and non-current liabilities was primarily the result of sharply higher negative fair values for derivative hedging transactions in the electricity business arising from the steep rise in wholesale prices for electricity, offset by lower provisions for deferred taxes, mainly in connection with the cash flow hedges recognised in other comprehensive income, and by lower liabilities for outstanding receipts for investments.

Cash flows

Cash flow statement (condensed) €m

	Q1/2021	**Q1/2022**	Change
Cash flow from operating activities	203.7	209.2	2.7%
Cash flow from investing activities	–167.4	–313.5	87.3%
Cash flow from financing activities	–44.2	–78.4	77.5%
Change in cash and cash equivalents	–7.8	–182.8	–
Cash and cash equivalents as at 31/3/	41.4	**135.8**	–

Cash flow from operating activities

Cash flow from operating activities amounted to €209.2m in quarter 1/2022, up €5.4m on the prior-year figure. The Grid segment's higher operating cash flow and the higher average prices obtained for electricity sales had a positive effect, offset by higher income tax payments as well as higher margining payments for hedging transactions in electricity business provided as security for open positions held with exchange clearing houses (note: the security deposits shall be returned upon fulfilment of the supply agreements).

Cash flow from investing activities

Cash flow from investing activities amounted to €–313.5m in quarter 1/2022 (Q1/2021: €–167.4m). The change compared with quarter 1/2021 is mainly due to a higher cash outflow from capital expenditure for intangible assets and property, plant and equipment (€–140.1m).

Cash flow from financing activities

Cash flow from financing activities amounted to €–78.4m in quarter 1/2022, representing a change of €–34.2m. This was chiefly due to higher net outflows associated with money market transactions (€–59.4m). An inflow from shifts between shareholder groups (€+16.4m) and a lower cash outflow from the repayment of lease liabilities (€+5.0m) had an offsetting effect.

Opportunity and risk management

Operating result

In addition to the usual risks arising from operating activities (such as the volatility of electricity prices and fluctuations in the water supply because hydrological conditions cannot be controlled), direct and indirect effects triggered by the current crisis in Ukraine could also potentially lead to changes in the operating result. For one thing, over the past few months there has already been a marked increase in electricity and gas price volatility in the markets, exacerbated by the uncertainty caused by the war in Ukraine. Changes in the price of electricity are also creating volatility in expenses for grid loss and control power in the electricity transmission grid, leading to variability in the contribution margin. For another, fluctuations in gas prices and delivery volumes have a direct influence and may cause revenue or cost fluctuations in the field of gas transmission.

Financial result

Fluctuations in the financial result are determined by the following factors: the volatility of investment income, measurement effects on the balance sheet arising from changes in market prices, interest rates and changing conditions, and potential expenses from collateral provided being called in.

Sensitivities

A change in the factors shown below (all else remaining equal) would be reflected in a projected Group result for full-year 2022 as follows based on the hedging status as at 31 March 2022 for generation volumes and interest rates:

+/–1% in generation from hydropower: €+/–28.6m
+/–1% in generation from wind power: €+/–0.8m
+/–1€/MWh in wholesale electricity prices (renewable generation): €+/–3.5m
+/–1 percentage point in interest rates: €–/+8.5m

Segment report

Hydro segment

Generation from hydropower is reported under the Hydro segment.

KPIs – Hydro segment

	Unit	Q1/2021	Q1/2022	Change
Total revenue	€m	256.9	598.7	–
EBITDA	€m	175.5	515.2	–
Result from interests accounted for using the equity method	€m	–0.1	0.1	–

KPIs – Hydro segment

	Unit	31/12/2021	31/3/2022	Change
Capital employed	€m	5,920.6	5,938.6	0.3%

The increase in total revenue and EBITDA is mainly due to higher average prices obtained for electricity. While generation from storage power plants rose, generation from run-of-river power plants declined. The hydro coefficient for the run-of-river power plants was 0.94 (Q1/2021: 0.99).

The change in capital employed is mostly attributable to an increase in financial assets as well as to higher current receivables and lower deferred tax liabilities, offset in particular by an increase in current tax provisions.

Current information on the Hydro segment

Current hydropower projects

Alongside ongoing power plant operations, work on current new build, expansion and rehabilitation projects continued in quarter 1/2022 in compliance with all of the health and safety protocols in place due to the COVID-19 pandemic.

However, the Ukraine crisis is currently impacting on power plant operations and ongoing projects. For one thing, substantial price increases can be observed in many areas. For another, the difficulties in procuring cables, cement, various raw materials (ores, iron, steel) and explosives are posing new challenges, especially in the projects.

The ground-breaking ceremony for the Gratkorn power plant construction project on the Mur River was held on 25 March 2022 and the Mur diversion took place at the end of March. Work also began on laying the drainage line and the transmission line near the powerhouse.

In the project to expand and improve efficiency in Töging, it was possible to complete the work on connecting the new power plant to the headrace and tailrace channels on schedule after the existing power plant had been decommissioned at the end of September 2021. Installation activities were also advanced, enabling commissioning of generator set 1 to begin in early March 2022. The two remaining generator sets will be successively put into operation in April/May and in May/June 2022.

The Limberg III project kicked off in mid-February 2022 with the building of the tunnel boring machine for the pressure shaft. Tunnelling is scheduled to start in mid-May of this year. Tunnelling work at the Drossen inlet tunnel (15% completed) and at the tailrace (20% completed) was continued. What is more, excavation is already approximately 15% completed in the power plant cavern and the transformer cavern.

In the environmental impact assessment (EIA) process for the raising of the Limberg Dam, documentation for the completeness check and rectifications was submitted at the end of February 2022. At the end of March, Austria's Dam and Reservoir Commission approved the plans to raise the dam.

Work on the Reißeck II plus project recommenced in early February 2022 after the winter break. Construction of the 110-kV energy transmission system and work to install the tunnel lining in the tailrace and in the headwater channel is currently ongoing.

The Malta-Oberstufe rehabilitation project was successfully completed in December 2021 when generator set 2 came on stream. Remaining work is currently being carried out. The new pumping station in Reißeck also started trial runs at the end of March 2022. As regards the pump modernisation at the Malta-Hauptstufe power plant, renovation work on generator set 1 likewise got under way in March.

In the Kaprun-Oberstufe and Malta-Oberstufe rehabilitation projects, commissioning of generator set 1 (Kaprun) and generator set 2 (Ottensheim-Wilhering) began in March 2022.

Installation work in the Ering-Frauenstein and Ybbs-Persenbeug rehabilitation projects continued. Commissioning at Ering-Frauenstein will begin in April and at Ybbs-Persenbeug in June.

In the Gerlos generator set 6 rehabilitation project, dismantling of the existing components and the concrete demolition work in the machinery hall was completed.

Trial operation of the fish pass at the Altenwörth power plant also started in quarter 1/2022. Likewise, further work was done on the fish pass at the Feistritz power plant and on the fish passes at Erzbach and Altenmarkt an der Enns.

New renewables segment

We report on our wind and solar power activities in the New renewables segment.

KPIs – New renewables segment

	Unit	Q1/2021	Q1/2022	Change
Total revenue	€m	25.4	59.0	–
EBITDA	€m	13.5	24.2	79.6%
Result from interests accounted for using the equity method	€m	0.0	0.0	–

KPIs – New renewables segment

	Unit	31/12/2021	31/3/2022	Change
Capital employed	€m	455.2	485.4	6.6%

The New renewables segment was expanded during the reporting period through the addition of the photovoltaic installations and wind farms being built in Spain.

The increase in total revenue and EBITDA mainly resulted from higher average prices obtained for electricity as well as a significant rise in generation volumes. The new renewables coefficient was 1.06 (Q1/2021: 0.86).

The increase in capital employed was due in particular to higher current receivables and higher deferred tax assets.

Current projects in the New renewables segment

Operation of the 1.7 MWp open-field solar installation in Mitterkirchen was taken over at the end of February 2022 after any obvious defects had been rectified. The installation had already been put into operation in October 2021.

By order of VERBUND Energy4Business GmbH (VEB), VERBUND Green Power GmbH (VGP) was once again tasked in quarter 1/2022 with the construction as well as the maintenance and monitoring of rooftop and open-field solar installations at industrial customers in Austria.

In terms of project development and asset acquisition, intensive work also continued on the implementation of the wind power and solar photovoltaic project pipeline in and outside Austria.

In Austria, the measures implemented concentrated on evaluating projects at different stages of development. Another area of focus was continuing the development of projects with existing project development partners. Further open fields of around 69 hectares in total were also secured.

In Germany, work continued on the development of wind power projects from the existing portfolio under the project partnership with EFI/Felix Nova GmbH. The portfolio currently comprises eight wind farms with locations in western Germany with a potential capacity of up to 80 MW, with the first turbines scheduled to come on stream from 2025.

A project partnership to develop large-scale open-field solar installations in Brandenburg was signed with German partner JLW/Visiolar back at the end of 2020. Development of the projects from this portfolio continued in quarter 1/2022. The first project is to go into operation in 2024, subject to regulatory approvals.

On the one hand, construction of the open-field solar installations acquired in Spain at the end of 2021 is advancing, with the three installations scheduled to be put into operation in quarter 2/2022. On the other hand, four wind farms and another photovoltaic farm with total potential capacity of 171 MWp were acquired in quarter 1/2022. Based on current information, the facilities are to come on stream between quarter 2/2022 and quarter 1/2023.

A VGP subsidiary was established in Albania in quarter 1/2022 to simplify legal and administrative processes in project development.

Sales segment

The Sales segment comprises VERBUND's trading and sales activities and its energy services.

KPIs – Sales segment

	Unit	Q1/2021	**Q1/2022**	Change
Total revenue	€m	624.1	2,115.2	–
EBITDA	€m	29.1	37.5	28.8%
Result from interests accounted for using the equity method	€m	–0.2	0.2	–

KPIs – Sales segment

	Unit	31/12/2021	**31/3/2022**	Change
Capital employed	€m	1,609.0	2,048.6	27.3%

The rise in total revenue is mainly attributable to significantly higher prices in the electricity market and is offset by correspondingly higher expenses for the purchase of electricity. Reasons for the higher EBITDA include a better result from the measurement of energy derivatives, higher transfer price margins and higher earnings contributions of flexibility products, while higher prices for purchasing electricity and gas for consumers were the main factor reducing earnings.

The increase in capital employed is mainly attributable to higher deferred tax assets and receivables for guarantees in electricity trading, while lower trade receivables had an offsetting effect.

Current information on B2B activities

Sales activities focus on expanding VERBUND's position as one of the leading providers of innovative green electricity and flexibility products as well as energy services and on marketing renewable energy (particularly wind, solar photovoltaic and small-scale hydropower). The expanded range of products and services will be supplemented by innovative projects and cooperation models involving large-scale batteries.

One of the ways VERBUND plans to achieve this is by building large-scale battery sites in Germany for the provision of grid services and marketing of control power. In this regard, the first battery storage facility with a capacity of 10 MW became fully operational in Breitenworbis (Thuringia) in quarter 1/2022. Further battery storage projects in Germany are planned for the current financial year.

VERBUND also offers photovoltaic systems in the contracting model for industrial and commercial customers in Austria and Germany. These are either rooftop or open-field solar installations where the customer consumes over 90% of the electricity generated.

The competition authorities gave the green light for SMATRICS on 18 March 2022. EnBW Energie Baden-Württemberg's acquisition of a shareholding in Austrian e-mobility pioneer SMATRICS through its subsidiary EnBW mobility+ AG & Co. KG was completed after being approved by the relevant authorities. EnBW subsidiary EnBW mobility+ AG & Co. KG is taking a 25.1% stake in VERBUND's subsidiary SMATRICS. The companies involved aim to develop and offer forward-looking e-mobility solutions for companies as a "Powered by SMATRICS" solution by stepping up collaboration.

The public charging network of SMATRICS EnBW in Austria is continuing its rapid growth: in addition to the nearly 250 direct current charging points (DC charging points) and high-power charger charging points (HPC charging points) at present, another 18 charging points were added in quarter 1/2022. For the expansion of the public charging network, SMATRICS EnBW concluded location partnerships with retail chains and oil companies and is still looking for additional location partners and land for construction of charging hubs in the future.

As regards product partnerships, SMATRICS is accelerating the expansion of business-to-business-to-customers (B2B2X) in conjunction with shareholders. With the VERBUND business charging and VERBUND eCharging products, e-mobility products “Powered by SMATRICS” are offered on a collaborative basis, supporting the switch to emission-free mobility and innovative energy management. In the field of software, SMATRICS’ Charge Point Management System (CPMS) charVIS Business has already been put into operation at several “friendly customers” with a total of 10,000 cards.

Current information on B2C activities

The customer base as at the end of March 2022 amounted to around 533,000 residential customers in the electricity and gas sector.

Grid segment

The Grid segment comprises the activities of Austrian Power Grid AG (APG) and Gas Connect Austria GmbH (GCA).

KPIs – Grid segment

	Unit	Q1/2021	Q1/2022	Change
Total revenue	€m	202.4	572.1	–
EBITDA	€m	81.3	165.2	–
Result from interests accounted for using the equity method	€m	0.0	–3.8	–

KPIs – Grid segment

	Unit	31/12/2021	31/3/2022	Change
Capital employed	€m	2,647.8	2,707.4	2.3%

Since 31 May 2021, the Grid segment has also comprised GCA, Austrian Gas Grid Management AG (AGGM) and the investment in Trans Austria Gasleitung GmbH (TAG).

Total revenue increased – apart from the companies not yet included in the same period of the previous year – primarily due to higher revenue from the auctioning off of cross-border capacity and higher national grid usage fees. In spite of higher expenses arising from the purchase of grid loss energy as well as from congestion management, this also gave rise to an increase in EBITDA. The result from interests accounted for using the equity method was generated mainly from TAG.

The increase in capital employed was mostly attributable to higher current trade receivables.

Current information on the Grid segment – Austrian Power Grid AG

Security of supply and congestion management

Action had to be taken at Austrian power plants in quarter 1/2022 to manage congestion both within and outside the APG grid.

Tariff regulation

The 2022 cost calculation process for the current financial year was initiated on 28 January 2022, almost a month earlier than in the previous year. This is due to the setting of new WACC and regulation parameters in this process for the period of validity starting on 1 January 2023. The list of requirements submitted with the initiation of proceedings is currently being processed.

Modernisation of the south connection to Lienz

Regular coordination with the partner transmission system operator (TSO) TERNA and stakeholder contacts was initiated for this programme. The notice of preliminary work has been filed with the authorities and is expected to be approved in April 2022.

Weinviertel line

Construction of the Weinviertel line and the Zaya substation is on schedule and nearing completion. Initial operation is scheduled for the beginning of July 2022. Integration of the additional Dürnrohr – Sarasdorf/Vienna South-East line system into the Bisamberg substation has been completed.

Salzburg line

Line construction activities for the Salzburg line are being gradually restarted after the winter break, depending on the snow conditions in the mountains. Construction at the substation sites is on or even ahead of schedule in some cases. Securing the construction materials needed for 2022 has become more difficult, and targeted measures are required to be implemented owing to the current market distortion (post-COVID-19 pandemic, Ukraine, raw materials and material prices). Pylon 28 in the municipality of Hallwang, which was buckled due to an installation error by the line construction company, was still under construction on 17 February 2022.

Current information on the Grid segment – Gas Connect Austria GmbH

Gas flows

In quarter 1/2022, gas flows in the East market area were unchanged year-on-year. However, significantly higher wholesale electricity prices led to a sharp increase in the costs for compressor energy. Gas flows from Russia were stable. Due to increased demand at specific points in the GCA grid, significant additional income was generated at some auctions.

Regulation

A consultation on the amendment of the Gas System Charges Ordinance (Gassystemnutzungsentgelteverordnung, GSNE-VO) is taking place until mid-April 2022. This amendment seeks to introduce a volume-based charge in addition to the capacity-based charge for transmission system operators from June 2022 in order to compensate for the sharp rise in costs for compressor energy.

All other segments

"All other segments" is a combined heading under which the Thermal generation segment, Services segment and Equity interests segment are brought together given that they are below the quantitative thresholds.

KPIs – All other segments

	Unit	Q1/2021	**Q1/2022**	Change
Total revenue	€m	36.9	256.8	–
EBITDA	€m	9.3	81.1	–
Result from interests accounted for using the equity method	€m	2.8	–8.8	–

KPIs – All other segments

	Unit	31/12/2021	**31/3/2022**	Change
Capital employed	€m	512.6	474.8	–7.4%

The sharp rise in total revenue and EBITDA stemmed mainly from the increased use of the Mellach CCGT in the reporting period which, as a consequence of high sales prices, led to higher electricity and district heating revenue as well as to higher gas usage. The result from interests accounted for using the equity method was generated by KELAG.

The decrease in capital employed is mostly due to the lower investment in KELAG accounted for using the equity method attributable to the negative result and higher current liabilities.

Current information on the Thermal generation segment

In quarter 1/2022, line 20 of the Mellach CCGT was used primarily for domestic electricity supply and to supply heating for the Graz urban area. Line 10 was used to ensure security of supply in congestion management.

At the end of February 2022, APG also launched a call for expression of interest in participation in the bidding process for the grid reserve for the period 1 October 2022 to 30 September 2023. The required documents were submitted in a timely manner at the end of March 2022.

Current information on the Services segment

The Omicron variant presented a fresh challenge for the Group crisis team in quarter 1/2022 that was professionally managed.

Facility management continued to focus on the COVID-19 prevention measures. Putting 3G scanners into operation at the Vienna office locations and at the Mellach CCGT made it possible to minimise personal contact on site. In addition, a quality management system was implemented in connection with the Group-wide re-tendering of cleaning services.

In the SAP Excellence Realize project, implementation of the transformation to SAP S/4 HANA and BW/4 HANA began on schedule in quarter 1/2022.

In the Financial Accounting division, the annual financial statements of the companies serviced were prepared in quarter 1/2022. Furthermore, the OCR server including the corresponding software for the incoming invoice process was updated. Five foreign Group companies were also successfully integrated.

In IT services, the introduction of a privileged account management system to ensure that administrators have privileged access to servers was finalised in quarter 1/2022. Roll-out began in the Microsoft 365 collaboration platform project.

In telecommunications, the pilot project to install Wi-Fi throughout the power plants was planned in quarter 1/2022.

VERBUND Services GmbH's remaining service processes were operating at full capacity during quarter 1/2022.

Current information on the Equity interests segment

KELAG-Kärntner Elektrizitäts-Aktiengesellschaft

The contribution of KELAG to the result of the interests accounted for using the equity method amounted to €–8.8m in quarter 1/2022 (Q1/2021: €2.8m). This year-on-year decrease was attributable to one-off accounting effects, derivative measurements and a deterioration in operating performance (in particular lower water supply). Based on the current opportunities and risks, the results for 2022 as a whole are expected to be stable.

Events after the reporting date

There were no events requiring disclosure between the reporting date of 31 March 2022 and authorisation for issue on 26 April 2022.

Consolidated interim financial statements

of VERBUND

Income statement

€m

In accordance with IFRSs	Notes	Q1/2021	Q1/2022
Revenue		818.1	**2,531.9**
Electricity revenue	1	640.0	2,063.8
Grid revenue	1	139.1	348.5
Other revenue	1	39.0	119.7
Other operating income		16.9	23.3
Expenses for electricity, grid, gas and certificates purchases	2	–387.5	–1,534.8
Fuel expenses and other usage-/revenue-dependent expenses	3	–12.0	–186.1
Personnel expenses	4	–90.0	–105.3
Other operating expenses		–59.5	–89.6
Measurement and realisation of energy derivatives	5	16.6	175.4
EBITDA		302.7	**814.9**
Depreciation and amortisation	6	–94.7	–109.2
Operating result		207.9	**705.7**
Result from interests accounted for using the equity method	7	2.5	–12.3
Other result from equity interests		1.0	1.1
Interest income	8	11.1	9.0
Interest expenses	9	–18.0	–21.3
Other financial result	10	2.5	–3.6
Financial result		–0.9	**–27.1**
Profit before tax		207.0	**678.6**
Taxes on income	11	–48.7	–111.0
Profit for the period		158.3	**567.6**
Attributable to the shareholders of VERBUND AG (Group result)		144.7	514.4
Attributable to non-controlling interests		13.6	53.2
Earnings per share in €[1]		0.42	**1.48**

[1] Diluted earnings per share correspond to basic earnings per share.

Statement of comprehensive income

€m

In accordance with IFRSs	Notes	Q1/2021	**Q1/2022**
Profit for the period		158.3	**567.6**
Remeasurements of net defined benefit liability		–0.2	–0.7
Other comprehensive income from interests accounted for using the equity method[1]		0.6	–12.5
Total of items that will not be reclassified subsequently to the income statement		0.4	**–13.2**
Differences from currency translation		–2.3	0.0
Measurements of cash flow hedges		–88.2	–1,093.9
Other comprehensive income from interests accounted for using the equity method[2]		0.1	0.0
Total of items that will be reclassified subsequently to the income statement		–90.3	**–1,093.9**
Other comprehensive income before tax		–89.9	**–1,107.0**
Taxes on income relating to items that will not be reclassified subsequently to the income statement		0.0	–8.6
Taxes on income relating to items that will be reclassified subsequently to the income statement		22.0	262.4
Other comprehensive income after tax		–67.9	**–853.2**
Total comprehensive income for the period		90.4	**–285.6**
Attributable to the shareholders of VERBUND AG		76.7	–338.1
Attributable to non-controlling interests		13.7	52.4

[1] deferred taxes included therein in quarter 1/2022: €4.2m (Q1/2021: €–0.1m) // [2] deferred taxes included therein in quarter 1/2022: €0.0m (Q1/2021: €0.0m)

Balance sheet

€m

In accordance with IFRSs	Notes	31/12/2021	31/3/2022
Non-current assets		12,877.4	**13,093.3**
Intangible assets		788.7	797.0
Property, plant and equipment		10,672.0	10,928.0
Right-of-use assets		103.8	112.9
Interests accounted for using the equity method		404.1	379.7
Other equity interests	13	177.1	182.4
Investments and other receivables	13	695.8	647.4
Deferred tax assets		35.8	46.0
Current assets		4,234.1	**4,913.4**
Inventories	12	49.9	46.6
Trade receivables, other receivables and securities	13	3,865.7	4,731.0
Cash and cash equivalents	13	318.6	135.8
Total assets		17,111.6	**18,006.7**

€m

In accordance with IFRSs	Notes	31/12/2021	31/3/2022
Equity		6,362.9	**6,092.6**
Attributable to the shareholders of VERBUND AG		5,461.6	5,138.0
Attributable to non-controlling interests		901.3	954.7
Non-current liabilities		4,404.4	**4,196.9**
Financial liabilities	13	1,834.2	1,885.5
Provisions		832.9	828.3
Deferred tax liabilities		486.9	211.7
Contributions to building costs and grants		788.4	782.5
Other liabilities	13	462.1	488.9
Current liabilities		6,344.2	**7,717.2**
Financial liabilities	13	1,462.5	1,377.0
Provisions		44.7	48.5
Current tax liabilities		222.4	324.0
Trade payables and other liabilities	13	4,614.7	5,967.7
Total equity and liabilities		17,111.6	**18,006.7**

Cash flow statement

€m

In accordance with IFRSs	Notes	Q1/2021	**Q1/2022**
Profit for the period		158.3	567.6
Amortisation of intangible assets and depreciation of property, plant and equipment (net of reversals of impairment losses)		94.7	109.2
Impairment losses on investments (net of reversals of impairment losses)		–1.3	5.0
Result from interests accounted for using the equity method (net of dividends received)		–2.5	12.3
Result from the disposal of non-current assets		–0.4	0.5
Change in non-current provisions and deferred tax liabilities		–2.1	–25.1
Change in contributions to building costs and grants		2.6	–5.9
Other non-cash expenses and income		–3.1	–4.4
Subtotal		246.2	**659.2**
Change in inventories		–6.1	3.3
Change in trade receivables and other receivables		–84.5	–630.4
Change in trade payables and other liabilities		13.4	71.5
Change in current provisions and current tax liabilities		34.7	105.5
Cash flow from operating activities[1]		203.7	**209.2**

[1] Cash flow from operating activities includes income taxes paid of €32.7m (Q1/2021: €10.4m), interest paid of €3.9m (Q1/2021: €2.5m), interest received of €0.6m (Q1/2021: €0m) and dividends received of €1.1m (Q1/2021: €1.1m).

€m

In accordance with IFRSs	Notes	Q1/2021	Q1/2022
Cash outflow from capital expenditure for intangible assets and property, plant and equipment		–169.0	–309.2
Cash inflow from the disposal of intangible assets and property, plant and equipment		0.5	0.1
Cash outflow from capital expenditure for investments		–0.1	–0.8
Cash inflow from the disposal of investments		1.2	1.5
Cash outflow from capital expenditure for interests accounted for using the equity method and other equity interests		0.0	–5.2
Cash flow from investing activities		–167.4	**–313.5**
Cash inflow from shifts between shareholder groups		0.0	16.4
Cash inflow from money market transactions		0.0	1,341.0
Cash outflow from money market transactions		–29.6	–1,430.0
Cash inflow from the assumption of financial liabilities (excluding money market transactions)		0.0	3.7
Cash outflow from the repayment of financial liabilities (excluding money market transactions)		–5.0	–5.0
Cash outflow from the repayment of lease liabilities		–9.5	–4.5
Cash flow from financing activities		–44.2	**–78.4**
Change in cash and cash equivalents		–7.8	**–182.8**
Cash and cash equivalents as at 1/1/		49.2	**318.6**
Change in cash and cash equivalents		–7.8	–182.8
Cash and cash equivalents as at 31/3/		41.4	**135.8**

Statement of changes in equity

In accordance with IFRSs	Called and paid-in share capital	Capital reserves	Retained earnings	Remeasurements of net defined benefit liability	
Notes					
As at 1/1/2021	347.4	954.3	5,325.5	–388.8	
Profit for the period	–	–	144.7	–	
Other comprehensive income	–	–	0.0	0.3	
Total comprehensive income for the period	–	–	144.7	0.3	
Other changes in equity	–	–	–0.3	0.0	
As at 31/3/2021	347.4	954.3	5,469.9	–388.5	
As at 1/1/2022	**347.4**	**954.3**	**5,937.5**	**–327.8**	
Profit for the period	–	–	514.4	–	
Other comprehensive income	–	–	0.0	–11.1	
Total comprehensive income for the period	–	–	514.4	–11.1	
Changes in the basis of consolidation	–	–	0.5	0.0	
Shifts between shareholder groups	–	–	10.5	0.0	
Other changes in equity	–	–	3.3	0.0	
As at 31/3/2022	**347.4**	**954.3**	**6,466.2**	**–338.9**	

€m

	Difference from currency translation	Measure-ments of financial instruments	Measure-ments of cash flow hedges	Equity attributable to the shareholders of VERBUND AG	Equity attributable to non-controlling interests	Total equity
	–15.2	7.7	–79.8	6,151.2	656.2	6,807.4
	–	–	–	144.7	13.6	158.3
	–2.1	0.0	–66.1	–68.0	0.1	–67.9
	–2.1	0.0	–66.1	76.7	13.7	90.4
	0.0	0.0	0.0	–0.3	0.0	–0.3
	–17.4	7.7	–145.9	6,227.6	670.0	6,897.5
	–18.5	**25.5**	**–1,456.8**	**5,461.6**	**901.3**	**6,362.9**
	–	–	–	514.4	53.2	567.6
	0.0	–9.0	–832.3	–852.4	–0.8	–853.2
	0.0	–9.0	–832.3	–338.1	52.4	–285.6
	0.0	0.0	0.0	0.5	1.4	1.9
	0.0	0.0	0.0	10.5	0.0	10.5
	0.0	0.0	0.0	3.3	–0.5	2.9
	–18.5	**16.5**	**–2,289.1**	**5,138.0**	**954.7**	**6,092.6**

Selected explanatory notes

Financial reporting principles

Basic principles

These consolidated interim financial statements of VERBUND for the period ended 31 March 2022 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) applicable to interim financial statements as adopted by the European Union.

The condensed format of VERBUND's consolidated interim financial statements is consistent with IAS 34 "Interim Financial Reporting"; for further information and disclosures please refer to VERBUND's consolidated financial statements for the year ended 31 December 2021, which form the basis for these consolidated interim financial statements of VERBUND.

Basis of consolidation

VERBUND Ventures GmbH was newly founded and included in the basis of consolidation for the first time in quarter 1/2022.

In addition, five Spanish companies – Parque Eólico Buseco, S.L.U., Parque Eólico Loma de los Pinos, S.L.U., Parque Eólico El Barroso, S.L.U., Parque Eólico Ayamonte, S.L.U. and Lusitania Renovables, S.L.U. – were acquired and included in the basis of consolidation for the first time on 28 February 2022.

Effects of the war in Ukraine

The beginning of hostilities on the part of Russian forces in Ukraine on 24 February 2022 represents a watershed event. The potential financial impact on VERBUND's assets was analysed in the course of preparing the interim financial statements for the period ended 31 March 2022. The immediate effects on the asset valuations included the increase in electricity and gas prices in quarter 1/2022 as well as the increase in the cost of capital. Updating these parameters did not lead to any material changes in the carrying amounts of assets recognised by VERBUND. In addition, the gas network operating subsidiaries Gas Connect Austria GmbH (GCA) and Trans Austria Gasleitung GmbH (TAG) did not experience any restrictions on either gas flows or current payments for gas transport capacity during quarter 1/2022. There are uncertainties primarily due to possible future economic sanctions on the part of the European Union in connection with Russian natural gas supplies on the one hand and a possible suspension of gas deliveries by Russia on the other, the financial impact of which is difficult to assess from the current perspective. Developments in Ukraine, the resulting risks and the financial impact on VERBUND continue to be evaluated on an ongoing basis.

Accounting policies

With the exception of the IASB's new accounting standards described below, the same accounting policies were applied in these consolidated interim financial statements of VERBUND as in VERBUND's consolidated financial statements for the period ended 31 December 2021.

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

Newly applicable or applied accounting standards

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 interim financial statements of VERBUND
IFRS 3	Business Combinations – Reference to the Conceptual Framework	14/5/2020 (28/6/2021)	1/1/2022	None
IAS 16	Amendment: Proceeds before Intended Use	14/5/2020 (28/6/2021)	1/1/2022	None
IAS 37	Amendment: Onerous Contracts – Cost of Fulfilling a Contract	14/5/2020 (28/6/2021)	1/1/2022	None
Various	Annual Improvements to IFRS Standards 2018–2020	14/5/2020 (28/6/2021)	1/1/ 2022	None

Segment reporting

EBITDA in the total column corresponds to EBITDA in the income statement. Therefore, the reconciliation to profit before tax can be taken from the income statement. Transactions between segments are carried out at arm's length. All segment data are measured in accordance with IFRSs.

€m

	Hydro	New renewables	Sales	Grid	All other segments	Recon-ciliation/ consoli-dation	Total Group
Q1/2022							
External revenue	22.4	37.8	1,860.0	561.6	48.5	1.7	2,531.9
Internal revenue	576.3	21.2	255.2	10.5	208.3	−1,071.6	0.0
Total revenue	598.7	59.0	2,115.2	572.1	256.8	−1,069.9	2,531.9
EBITDA	**515.2**	**24.2**	**37.5**	**165.2**	**81.1**	**−8.3**	**814.9**
Depreciation and amortisation	−55.2	−7.6	−0.6	−39.8	−5.2	−0.7	−109.2
Other material non-cash items	11.1	0.0	31.7	3.2	16.9	0.4	63.3
Result from interests accounted for using the equity method	0.1	0.0	0.2	−3.8	−8.8	0.0	−12.3
Capital employed	5,938.6	485.4	2,048.6	2,707.4	474.8	−5.1	11,649.7
of which carrying amount of interests accounted for using the equity method	22.2	1.6	12.8	74.1	269.0	0.0	379.7
Additions to intangible assets and property, plant and equipment	96.0	221.0	6.7	32.5	15.7	0.2	372.1
Additions to interests accounted for using the equity method	0.0	0.0	0.0	0.0	0.0	0.0	0.0

€m

	Hydro	New renewables	Sales	Grid	All other segments	Recon-ciliation/ consoli-dation	Total Group
Q1/2021							
External revenue	21.6	19.1	576.5	197.2	2.1	1.6	818.1
Internal revenue	235.3	6.3	47.6	5.2	34.9	−329.2	0.0
Total revenue	256.9	25.4	624.1	202.4	36.9	−327.7	818.1
EBITDA	175.5	13.5	29.1	81.3	9.3	−6.1	302.7
Depreciation and amortisation	−53.6	−6.7	−0.5	−29.9	−3.5	−0.7	−94.7
Other material non-cash items	8.8	0.0	6.5	2.9	0.7	0.3	19.3
Result from interests accounted for using the equity method	−0.1	0.0	−0.2	0.0	2.8	0.0	2.5
Capital employed	5,946.2	412.7	272.2	1,689.0	414.0	30.2	8,764.4
of which carrying amount of interests accounted for using the equity method	4.9	1.3	9.4	1.4	268.6	0.0	285.6
Additions to intangible assets and property, plant and equipment	50.8	0.4	0.8	39.8	1.5	0.9	94.2
Additions to interests accounted for using the equity method	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Notes to the income statement

(1)
Revenue

Revenue

€m

	Q1/2021 Domestic	**Q1/2022 Domestic**	Q1/2021 Foreign	**Q1/2022 Foreign**	Q1/2021 Total	**Q1/2022 Total**	Change
Electricity revenue resellers	15.6	15.0	3.5	4.4	19.1	19.5	1.9%
Electricity revenue traders	0.0	0.0	0.8	1.3	0.8	1.4	62.5%
Electricity revenue – Hydro segment	15.7	**15.1**	4.3	**5.8**	19.9	**20.8**	4.4%
Electricity revenue traders	3.6	0.0	4.5	20.5	8.1	20.5	154.4%
Electricity revenue consumers	0.0	0.0	7.7	14.0	7.7	14.0	81.7%
Electricity revenue – New renewables segment	3.6	**0.0**	12.2	**34.6**	15.8	**34.6**	118.9%
Electricity revenue resellers	113.7	390.5	100.2	261.9	213.9	652.4	n.a.
Electricity revenue traders	79.8	356.5	88.3	335.1	168.1	691.5	n.a.
Electricity revenue consumers	62.2	254.3	104.9	200.9	167.1	455.2	172.4%
Electricity revenue – Sales segment	255.7	**1,001.4**	293.4	**797.8**	549.0	**1,799.2**	n.a.
Electricity revenue resellers	31.0	42.7	20.9	156.9	51.9	199.6	n.a.
Electricity revenue traders	4.2	8.8	–0.8	0.9	3.3	9.6	189.0%
Electricity revenue – Grid segment	35.2	**51.4**	20.1	**157.8**	55.2	**209.2**	n.a.
Total electricity sales revenue	310.1	**1,067.8**	329.9	**995.9**	640.0	**2,063.8**	n.a.
Grid revenue electric utilities	94.9	144.5	4.0	10.4	99.0	154.9	56.5%
Grid revenue industrial customers	1.0	2.8	0.0	0.0	1.0	2.8	176.1%
Grid revenue other	13.7	50.1	25.5	140.7	39.1	190.8	n.a.
Total grid revenue – Grid segment	109.6	**197.4**	29.5	**151.1**	139.1	**348.5**	150.5%
Other revenue – Hydro segment					1.7	**1.6**	–4.9%
Other revenue – New renewables segment					3.4	**3.2**	–4.0%
Other revenue – Sales segment					27.5	**60.8**	121.2%
Other revenue – Grid segment					2.9	**4.0**	38.0%
Other revenue – All other segments					2.1	**48.5**	n.a.
Other revenue – reconciliation					1.6	**1.7**	5.1%
Total of other revenue					39.0	**119.7**	n.a.
Total revenue					818.1	**2,531.9**	n.a.

Expenses for electricity, grid, gas and certificates purchases

(2) Expenses for electricity, grid, gas and certificates purchases

€m	Q1/2021	Q1/2022	Change
Expenses for electricity purchases (including control power)	362.4	1,460.3	n.a.
Expenses for gas purchases	16.8	64.8	n.a.
Expenses for grid purchases (system use)	7.9	6.3	–19.8%
Purchases of proof of origin and green certificates	0.3	2.1	n.a.
Purchases of emission rights (trade)	0.1	1.2	n.a.
Expenses for electricity, grid, gas and certificates purchases	387.5	**1,534.8**	n.a.

Fuel expenses and other usage-/revenue-dependent expenses

(3) Fuel expenses and other usage-/revenue-dependent expenses

€m	Q1/2021	Q1/2022	Change
Fuel expenses	5.3	156.6	n.a.
Emission rights acquired in exchange for consideration	1.3	20.6	n.a.
Other revenue-dependent expenses	5.4	7.4	35.5%
Other usage-dependent expenses	0.0	1.4	n.a.
Fuel expenses and other usage-/ revenue-dependent expenses	12.0	**186.1**	n.a.

Personnel expenses

(4) Personnel expenses

€m	Q1/2021	Q1/2022	Change
Wages and salaries	70.1	81.5	16.4%
Expenses for social security contributions as required by law as well as income-based charges and compulsory contributions	15.8	17.9	13.6%
Other social expenses	0.8	1.5	88.5%
Subtotal	86.7	**101.0**	16.5%
Expenses for pensions and similar obligations	3.1	3.4	12.3%
Expenses for termination benefits	0.2	0.8	n.a.
Personnel expenses	90.0	**105.3**	17.0%

Measurement and realisation of energy derivatives

(5) Measurement and realisation of energy derivatives

€m	Q1/2021	Q1/2022	Change
Realisation of futures	–6.7	**–100.0**	n.a.
of which positive	8.4	311.8	n.a.
of which negative	–15.0	–411.8	n.a.
Measurement	23.2	**275.4**	n.a.
of which positive	136.1	1,543.7	n.a.
of which negative	–112.8	–1,268.3	n.a.
Measurement and realisation of energy derivatives	16.6	**175.4**	n.a.

(6) Depreciation and amortisation

Depreciation and amortisation

€m

	Q1/2021	Q1/2022	Change
Depreciation of property, plant and equipment	83.5	103.2	23.5%
Amortisation of intangible assets	2.3	3.8	67.3%
Depreciation of right-of-use assets	9.0	2.2	– 75.0%
Depreciation and amortisation	94.7	**109.2**	15.3%

(7) Result from interests accounted for using the equity method

Result from interests accounted for using the equity method

€m

	Q1/2021 Domestic	Q1/2022 Domestic	Change	Q1/2021 Foreign	Q1/2022 Foreign	Change
Income or expenses	2.7	**– 12.3**	n.a.	– 0.2	**0.0**	96.4%

(8) Interest income

Interest income

€m

	Q1/2021	Q1/2022	Change
Interest from investments under closed items on the balance sheet	7.7	7.8	1.9%
Other interest and similar income	3.4	1.2	– 66.1%
Interest income	11.1	**9.0**	– 13.8%

(9) Interest expenses

Interest expenses

€m

	Q1/2021	Q1/2022	Change
Interest on financial liabilities under closed items on the balance sheet	7.7	7.8	1.8%
Interest on other liabilities from electricity supply commitments	3.5	3.3	– 6.7%
Interest on bonds	1.8	3.0	60.0%
Interest on a share redemption obligation	1.7	2.1	27.0%
Interest on bank loans	1.9	1.7	– 11.7%
Net interest expense on personnel-related liabilities	1.3	1.7	33.0%
Interest on other non-current provisions	0.2	0.3	66.3%
Interest on leases	0.2	0.3	8.8%
Borrowing costs capitalised in accordance with IAS 23	– 1.3	– 1.7	– 38.2%
Other interest and similar expenses	0.9	2.8	n.a.
Interest expenses	18.0	**21.3**	18.0%

(10)
Other
financial result

Other financial result €m

	Q1/2021	**Q1/2022**	Change
Measurement of derivatives in the finance area	0.6	1.3	105.7%
Income from securities and loans	0.5	0.5	–4.6%
Measurement of non-derivative financial instruments	1.3	–5.0	n.a.
Other	0.1	–0.4	n.a.
Other financial result	2.5	**–3.6**	139.6%

(11)
Taxes on income

The Austrian National Council approved the eco-social tax reform in its third reading in quarter 1/2022. The corporate income tax rate applied in Austria will be lowered from 25% at present to 24% in 2023 and to 23% beginning in 2024. The revaluation of deferred tax necessitated by these changes resulted in income of €56.6m.

Notes to the balance sheet

(12)
Inventories

Inventories €m

	31/12/2021	**31/3/2022**	Change
Inventories of primary energy sources held for generation	23.1	**10.6**	–54.0%
Emission rights held for trading	4.8	14.6	n.a.
Measurements of emission rights held for trading	8.6	7.0	–17.8%
Fair value of emission rights held for trading	13.3	**21.7**	62.7%
Proof of origin and green electricity certificates	1.7	**1.8**	7.8%
Other	11.8	**12.5**	5.5%
Inventories	49.9	**46.6**	–6.7%

The measurement benchmark for inventories of natural gas and emission rights held for trading by VERBUND is the fair value less costs to sell in accordance with the exemption provided for raw materials and commodity broker-traders (brokerage exemption). The stock exchange price for front-month gas forwards on the Central European Gas Hub (CEGH) or NetConnect Germany (NCG) is the relevant price for inventories of natural gas held for trading. The fair value of emission rights held for trading corresponds to the price quoted on the European Energy Exchange (EEX). The fair values are thus based on Level 1 measurements.

(13) Additional disclosures regarding financial instruments

Carrying amounts and fair values by measurement category 31/3/2022

€m

Assets – balance sheet items	Measurement category in accordance with IFRS 9	Level	Carrying amount	Fair value
Interests in unconsolidated subsidiaries	FVOCI	2	13.4	13.4
Interests in unconsolidated subsidiaries	FVOCI	AC	5.8	5.8
Other equity interests	FVOCI	1	29.7	29.7
Other equity interests	FVOCI	2	117.0	117.0
Other equity interests	FVOCI	AC	16.4	16.4
Other equity interests			**182.4**	
Securities	FVPL	1	125.4	125.4
Securities	FVOCI	3	6.7	6.7
Securities	FVOCI	AC	1.3	1.3
Securities – closed items on the balance sheet	AC	2	66.5	64.7
Other loans – closed items on the balance sheet	AC	2	303.8	324.5
Derivatives in the finance area – closed items on the balance sheet	FVPL	2	44.2	44.2
Loans to investees	AC	2	24.5	21.6
Other loans	AC	2	5.6	5.6
Other	FVPL	3	43.6	43.6
Other	–	–	25.7	–
Investments and other receivables			**647.4**	
Trade receivables	AC	–	832.1	–
Receivables from investees	AC	–	65.3	–
Loans to investees	AC	2	48.3	48.4
Other loans	AC	2	0.1	0.1
Derivatives in the energy area	FVPL	1	10.4	10.4
Derivatives in the energy area	FVPL	2	2,782.2	2,782.2
Securities	FVPL	1	4.3	4.3
Emission rights	–	–	49.5	–
Other	AC	–	882.8	–
Other	–	–	56.1	–
Trade receivables, other receivables and securities			**4,731.0**	
Cash and cash equivalents	**AC**	**–**	**135.8**	**–**
Aggregated by measurement category				
Financial assets at amortised cost	AC		2,364.9	
Financial assets at fair value through profit or loss	FVPL		3,010.0	
Financial assets at fair value through other comprehensive income	FVOCI		190.4	

Carrying amounts and fair values by measurement category 31/3/2022

€m

Liabilities – balance sheet items	Measurement category in accordance with IFRS 9	Level	Carrying amount	Fair value
Bonds	AC	2	993.9	923.0
Financial liabilities to banks and to others	AC	2	1,815.5	1,795.2
Financial liabilities to banks – closed items on the balance sheet	AC	2	115.0	139.2
Financial liabilities to banks – closed items on the balance sheet	FVPL – D	2	299.4	299.4
Capital shares attributable to limited partners	–	–	5.9	–
Put liability	AC	–	32.7	–
Non-current and current financial liabilities			3,262.4	
Electricity supply commitment	–	–	123.3	–
Obligation to return an interest	AC	3	142.5	245.8
Trade payables	AC	–	2.3	–
Lease liabilities	–	–	93.3	–
Other	AC	–	122.3	–
Non-current other liabilities			488.9	
Trade payables	AC	–	298.8	–
Derivatives in the energy area	FVPL	1	268.4	268.4
Derivatives in the energy area	FVPL	2	4,965.2	4,965.2
Derivatives in the finance area	FVPL	2	3.3	3.3
Lease liabilities	–	–	8.7	–
Other	AC	–	282.7	–
Other	–	–	140.7	–
Trade payables and current other liabilities			5,967.7	
Aggregated by measurement category				
Financial liabilities at amortised cost	AC		3,805.7	
Financial liabilities at fair value through profit or loss	FVPL		5,236.9	
Financial liabilities at fair value through profit or loss – designated	FVPL – D		299.4	

Carrying amounts and fair values by measurement category 31/12/2021

€m

Assets – balance sheet items	Measurement category in accordance with IFRS 9	Level	Carrying amount	Fair value
Interests in unconsolidated subsidiaries	FVOCI	2	13.4	13.4
Interests in unconsolidated subsidiaries	FVOCI	AC	0.6	0.6
Other equity interests	FVOCI	1	29.7	29.7
Other equity interests	FVOCI	2	117.0	117.0
Other equity interests	FVOCI	AC	16.4	16.4
Other equity interests			**177.1**	
Securities	FVPL	1	130.4	130.4
Securities	FVOCI	3	6.7	6.7
Securities	FVOCI	AC	1.3	1.3
Securities – closed items on the balance sheet	AC	2	67.7	65.4
Other loans – closed items on the balance sheet	AC	2	309.2	328.9
Derivatives in the finance area – closed items on the balance sheet	FVPL	2	70.3	70.3
Loans to investees	AC	2	24.6	23.8
Other loans	AC	2	5.6	6.0
Other	FVPL	3	43.5	43.5
Other	–	–	36.5	–
Investments and other receivables			**695.8**	
Trade receivables	AC	–	818.4	–
Receivables from investees	AC	–	57.6	–
Loans to investees	AC	2	49.1	49.6
Other loans	AC	2	0.0	0.0
Derivatives in the energy area	FVPL	1	31.3	31.3
Derivatives in the energy area	FVPL	2	2,226.5	2,226.5
Securities	FVPL	1	4.3	4.3
Emission rights	–	–	31.2	–
Other	AC	–	609.3	–
Other	–	–	38.1	–
Trade receivables, other receivables and securities			**3,865.7**	
Cash and cash equivalents	**AC**	**–**	**318.6**	**–**
Aggregated by measurement category				
Financial assets at amortised cost	AC		2,260.0	
Financial assets at fair value through profit or loss	FVPL		2,506.2	
Financial assets at fair value through other comprehensive income	FVOCI		185.2	

Carrying amounts and fair values by measurement category 31/12/2021 €m

Liabilities – balance sheet items	Measurement category in accordance with IFRS 9	Level	Carrying amount	Fair value
Bonds	AC	2	990.6	1,019.8
Financial liabilities to banks and to others	AC	2	1,858.8	1,740.2
Financial liabilities to banks – closed items on the balance sheet	AC	2	117.1	150.9
Financial liabilities to banks – closed items on the balance sheet	FVPL – D	2	330.1	330.1
Capital shares attributable to limited partners	–	–	0.0	–
Non-current and current financial liabilities			3,296.6	
Electricity supply commitment	–	–	126.5	–
Obligation to return an interest	AC	3	140.4	243.3
Trade payables	AC	–	2.1	–
Lease liabilities	–	–	86.0	
Other	AC	–	107.2	–
Non-current other liabilities			462.1	
Trade payables	AC	–	293.6	–
Derivatives in the energy area	FVPL	1	117.4	117.4
Derivatives in the energy area	FVPL	2	3,755.1	3,755.1
Derivatives in the finance area	FVPL	2	5.9	5.9
Lease liabilities	–	–	8.3	
Other	AC	–	324.8	–
Other	–	–	109.8	–
Trade payables and current other liabilities			4,614.7	
Aggregated by measurement category				
Financial liabilities at amortised cost	AC		3,834.5	
Financial liabilities at fair value through profit or loss	FVPL		3,878.3	
Financial liabilities at fair value through profit or loss – designated	FVPL – D		330.1	

Of the derivative financial instruments in the energy area classified as FVPL in the above tables, positive fair values of €728.4m (31 December 2021: €504.1m) and negative fair values of €3,746.1m (31 December 2021: €2,425.8m) 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, cash flow hedges can no longer be isolated.

Valuation techniques and input factors for determining fair values

Level	Financial instruments	Valuation technique	Input factor
1	Energy forwards	Market approach	Settlement price published by the stock exchange
1	Securities, other equity interest in Burgenland Holding AG	Market approach	Stock exchange price
2	Securities and other loans under closed items on the balance sheet, long-term loans, liabilities to banks, bonds and other financial liabilities	Net present value approach	Payments associated with 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 interests in Energie AG Oberösterreich and RTE	Market approach	Trading multiple, transaction price
2	Non-listed energy forwards	Net present value approach	Forward price curve derived from stock exchange prices, yield curve, credit risk of the contracting parties
2	Other financial assets and liabilities measured at fair value through profit or loss 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 (TAG profit participation right with respect to material assets)	Net present value approach	Expected distribution of profits, cost of equity
AC	Other interests in unconsolidated subsidiaries, other equity interests and other securities	–	Cost as a best estimate of fair value
–	Cash and cash equivalents, trade receivables and payables, current other receivables, other borrowing within current credit lines as well as current other liabilities	–	Carrying amounts as a best estimate of fair value

Other note disclosures

Purchase commitments

Purchase commitments for property, plant and equipment, intangible assets and other services

€m

	31/3/2022	of which due in 2022	of which due 2023–2027
Total commitment	**1,200.0**	367.8	832.2

Court proceedings pending

There were no significant developments compared with the status described as at 31 December 2021 in connection with the claims for damages asserted in the wake of the flooding of the Drau River in 2012. No disclosures have been provided in respect of any contingent liabilities or provisions because it is likely that such note disclosures would seriously prejudice VERBUND's position in the proceedings.

In connection with the amortisation of goodwill for the investment in VERBUND Innkraftwerke GmbH claimed for tax purposes for the years 2014–2023, the appeals against the 2014 to 2019 notices of assessment for the group parent remain pending. The tax benefit for these years (reduction of future tax payments in the amount of €8.2m per year) is recognised in accordance with VERBUND's accounting policies if it is reasonably likely to arise.

In January 2020, GCA was informed of the initiation of arbitration proceedings by a transportation customer under Article 4 of the International Chamber of Commerce (ICC) Rules of Arbitration. The subject of the proceedings is contracts for the provision of capacities for the transportation of natural gas. The amount in dispute is approximately €194.0m. No disclosures have been provided in respect of any contingent liabilities or provisions that may arise in relation to these claims for damages because it is likely that such note disclosures would seriously prejudice GCA's position in these proceedings.

Transactions with related parties

Transactions with investees accounted for using the equity method

€m

	Q1/2021	Q1/2022	Change
Income statement			
Electricity revenue	15.5	17.1	10.2%
Grid revenue	10.4	14.4	38.4%
Other revenue	1.0	2.0	102.0%
Other operating income	1.0	0.0	–96.5%
Expenses for electricity, grid, gas and certificates purchases	–3.7	–12.4	n.a.
Fuel expenses and other usage-/revenue-dependent expenses	0.0	–0.6	n.a.
Other operating expenses	–0.8	–5.7	n.a.
Interest income	0.3	0.2	–9.4%
Other financial result	0.4	0.4	–7.4%

Transactions with investees accounted for using the equity method

€m

	31/12/2021	31/3/2022	Change
Balance sheet			
Investments and other receivables	5.7	5.5	–2.0%
Trade receivables, other current receivables and securities	67.6	66.5	–1.6%
Contributions to building costs and grants	277.8	275.0	–1.0%
Trade payables and other current liabilities	9.0	10.6	18.0%

Electricity revenue with equity-accounted investees was generated with KELAG-Kärntner Elektrizitäts-Aktiengesellschaft (KELAG) (€16.6m; previous year: €11.6m) and with OeMAG (€0.5m; previous year: €3.9m). The electricity revenue was offset by electricity purchases from KELAG in the amount of €12.2m (previous year: €3.4m). Grid revenue with investees accounted for using the equity method of accounting was generated with KELAG.

Electricity revenue with companies controlled or significantly influenced by the Republic of Austria amounted to a total of €32.7m (previous year: €17.3m). Electricity was purchased mainly by ÖBB, OMV and Telekom Austria. Electricity purchased from companies controlled or significantly influenced by the Republic of Austria totalled €9.8m (previous year: €1.7m). The electricity was supplied primarily by ÖBB. Gas trading contracts with OMV and gas deliveries on the part of OMV resulted in a total expense of €13.7m reported under other revenue and purchased gas, respectively (previous year: €16.6m).

VERBUND's expenses for monitoring by E-Control amounted to €2.1m (previous year: €1.3m).

Audit and/or review

These consolidated interim financial statements of VERBUND have been neither audited nor reviewed by an auditor.

Events after the reporting date

There were no events requiring disclosure between the reporting date of 31 March 2022 and authorisation for issue on 26 April 2022.

Vienna, 26 April 2022

Executive Board

Michael Strugl **Chairman of the Executive Board of VERBUND AG**	Peter F. Kollmann **CFO, Member of the Executive Board of VERBUND AG**	Achim Kaspar **Member of the Executive Board of VERBUND AG**

Responsibility statement of the legal representatives

We confirm according to the best of our knowledge that the condensed consolidated interim financial statements of VERBUND for the period ended 31 March 2022, prepared in accordance with the accounting standards for interim financial reports under International Financial Reporting Standards (IFRSs), give a true and fair view of the assets and liabilities, financial position and profit or loss of the Group.

We also confirm that the interim Group management report of VERBUND gives a true and fair view of the assets and liabilities, financial position and profit or loss of the Group with respect to the important events during the first three months of the financial year and their effects on the condensed consolidated interim financial statements for the period ended 31 March 2022 as well as with respect to the principal risks and uncertainties in the remaining nine months of the financial year.

Vienna, 26 April 2022

Executive Board

Michael Strugl
Chairman of the Executive Board of VERBUND AG

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

Achim Kaspar
Member of the Executive Board of VERBUND AG

EDITORIAL DETAILS

Published by: VERBUND AG
Am Hof 6a, 1010 Vienna, Austria

This **Interim Financial Report** was produced in-house with firesys.
Charts and table concept:
Roman Griesfelder, aspektum gmbh
Creative concept and design:
Brainds Marken und Design GmbH
Consulting: Ute Greutter, UKcom Finance
Translation and linguistic consulting:
ASI GmbH
Printing: VERBUND AG (in-house)

Contact: VERBUND AG
Am Hof 6a, 1010 Vienna, Austria
Phone: +43 (0)50 313-0
Fax: +43 (0)50 313-54191
E-mail: information@verbund.com
Web: www.verbund.com
Commercial register number: FN 76023z
Commercial register court:
Commercial Court of Vienna
VAT No.: ATU14703908
DPR No.: 0040771
Registered office: Vienna, Austria

Investor Relations:
Andreas Wollein
Phone: +43 (0)50 313-52604
E-mail: investor-relations@verbund.com

Group Communications:
Corinna Tinkler
Phone: +43 (0)50 313-53702
E-mail: media@verbund.com

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 Kommission
Wirtschaftskammer Österreich
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.

Purpose of publication:
Information of customers, partners and the general public about the utilities sector and the Group.

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.

V

Responsibility for the Future