

Spin-off report

of the

Executive Board

of

VERBUND AG
Vienna, FN 76023 z

on the

spin-off of a business unit of VERBUND AG

for absorption into

VERBUND Energy4Customers GmbH
Vienna, FN 524138 t

as follows:

I. Subject of the report

- 1.1. Pursuant to Section 4 of the Austrian Demerger Act (*Spaltungsgesetz*, SpaltG), the Executive Board of the transferring company, VERBUND AG, must submit a written report explaining and justifying in legal and economic terms the spin-off, the Spin-off and Takeover Agreement itself and, in particular, any exchange ratio and any distribution of shares to the shareholders as well as measures pursuant to Section 15(5) of the Demerger Act (spin-off report).

Section 4(1) sentence 2 of the Austrian Demerger Act (SpaltG) also requires particular difficulties in the valuation of the companies to be pointed out.

Because the share ratio will be retained in the spin-off of a business unit of VERBUND AG for absorption into VERBUND Energy4Customers GmbH, a detailed valuation of the companies can be omitted.

- 1.2. In accordance with Section 100(1) of the Austrian Limited Liability Companies Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*, GmbHG), VERBUND AG, as the sole shareholder of VERBUND Energy4Customers GmbH, dispensed with the preparation of a report by the managing directors of VERBUND Energy4Customers GmbH in accordance with Section 17 no. 5 of the Austrian Demerger Act (SpaltG) in conjunction with Section 220a of the Austrian Stock Corporation Act (*Aktiengesetz*, AktG) in conjunction with Section 96(2) of the Limited Liability Companies Act (GmbHG).

A joint report by the Executive Board of VERBUND AG and the managing directors of VERBUND Energy4Customers GmbH is therefore not required, and the present report has been prepared exclusively by the Executive Board of VERBUND AG.

- 1.3. This spin-off report serves to inform the shareholders of VERBUND AG in preparation for the resolution to approve the split-off at the Annual General Meeting of VERBUND AG on 29 April 2025.

II. Initial situation

2.1. VERBUND AG as transferring company

2.1.1. The transferring company VERBUND AG, entered in the commercial register under FN 76023 z, with its registered office in the political municipality of Vienna and its business address at Am Hof 6a, 1011 Vienna, is a stock corporation established under Austrian law. Its financial year is the calendar year.

2.1.2. Object of the company:

Pursuant to Article 2 of the Articles of Association of VERBUND AG, as amended on 30 April 2024, the object of VERBUND AG is as follows:

“Article 2 Company objectives, object of the company

- (1) The Company is an electricity company that is required to strive for and implement the legal principles of the electricity industry as corporate objectives in its operations; the Company must fulfil its public service obligations to the best of its ability.*
- (2) The object of the Company is the performance of all activities of electricity companies and the implementation of all measures and transactions that directly and indirectly support these activities. These include in particular:*
 - a) Generation of energy and energy sources of any kind and purchase, storage, processing, transportation and sale and distribution of said energy and energy sources as well as all by-products and waste products produced when generating, converting and utilising energy and energy sources;*
 - (b) Planning, building and operation of power plants, electricity distribution plants and associated railway facilities;*
 - (c) Development and utilisation of energy sources;*
 - (d) Development and utilisation of technologies for generating, transporting and storing electricity, for electricity consumption control and electricity saving, for the use of power and for the development and use of new energy sources;*
 - (e) Use of its experience and knowledge in its entire range of activities, especially within the scope of engineering, consulting, licencing and knowledge transfer agreements;*

- (f) *Provision of services in automatic data processing and information technology and performance of activities as part of operating social amenities, e.g. restaurants, on a commercial basis;*
 - (g) *Development and promotion of measures aimed at economically reasonable utilisation of electric energy (conservation of energy, energy efficiency), taking environmental protection into account;*
 - (h) *Planning and implementation of waste management measures, in particular the planning, building and operation of all types of waste disposal facilities;*
 - (i) *Planning and implementation of measures concerning the water industry, planning, building and operation of water supply and water treatment plants;*
 - (j) *Planning, building and operation of facilities serving the tourist industry, especially in connection with power plants and power distribution plants;*
 - (k) *Hedging of risks connected with all activities and trading in energy contracts, including energy options and other traded rights;*
 - (l) *Arrangement of financing transactions, excluding banking transactions requiring a licence;*
 - (m) *Loan of workers to third parties;*
 - (n) *Establishment of domestic and foreign branch offices and the acquisition, operation, rental, lease and disposal of other enterprises, in particular those whose corporate purposes relate wholly or partly to the above activities. The Company may combine companies in which it has an equity interest under its single management or limit itself to management of the equity interest.*
- (3) *The Company may acquire interests in other enterprises and companies with the same or a similar corporate purpose, control them and place them under single management or integrate them into the group it manages. It may carry out all activities directly and indirectly.*
- (4) *The Company's activity extends to Austria and other countries.*
- (5) *The Company is entitled to take any action and engage in any activity that is directly or indirectly likely to further its business purpose. In particular, the Company has the right to do business, execute orders, establish or operate enterprises or participate in such enterprises, acquire such enterprises or merge with them as required in order to serve the corporate purpose."*

2.1.3. **Share capital and shares:**

The share capital of VERBUND AG amounts to €347,415,686.00 and is divided into 347,415,686 no-par value shares, each share representing a notional value of the company's share capital of €1.00. The share capital of VERBUND AG will not be reduced or otherwise changed as a result of this spin-off.

At the time this spin-off report was being prepared, VERBUND AG held no treasury shares.

The shareholder structure of VERBUND AG is largely defined by the majority holding of the Republic of Austria:

In accordance with constitutional law, 51.00% of the shares in VERBUND AG are owned by the Republic of Austria.

More than 30% of the share capital is owned by regional energy suppliers. Less than 20% of the share capital is in free float.

VERBUND AG shares are listed on the Vienna Stock Exchange and are available in the USA under an ADR programme. [American Depositary Receipts (ADR) are dollar-denominated share certificates or depositary receipts issued by US depositary banks in the USA. They securitise a certain number of deposited shares of a foreign company and are traded in their place on the US capital market like shares. Each ADR of VERBUND AG securitises the right to receive 0.2 bearer shares.] The bearer shares of VERBUND AG are traded under the International Securities Identification Number (ISIN) AT0000746409.

2.1.4. **Activity of the company:**

VERBUND AG is the parent company of the VERBUND Group, Austria's leading energy company. As the most important energy company in the country, the VERBUND Group supplies millions of people with vital energy every day.

The VERBUND Group is not only Austria's leading utility but also one of Europe's largest producers of hydroelectricity.

2.2. VERBUND Energy4Customers GmbH as the acquiring company

VERBUND Energy4Customers GmbH is a wholly owned subsidiary of VERBUND AG.

2.2.1. The acquiring company VERBUND Energy4Customers GmbH, entered in the commercial register under FN 524138 t, with its registered office in the political municipality of Vienna and its business address at Erdberger Lände 26A, 1030 Vienna, is a limited liability company established under Austrian law. Its financial year corresponds to the calendar year.

2.2.2. In accordance with Article 2 of the Partnership Agreement of VERBUND Energy4Customers GmbH, as amended on 3 October 2023, the object of the company VERBUND Energy4Customers GmbH is as follows:

“Article 2

Object of the company

(1) The object of the company comprises

- a. the trading and sale of electricity and other energy sources;*
- b. the brokerage of trading and sales transactions involving electricity and other energy sources;*
- c. the provision of marketing and sales services;*
- d. consultancy activities in the energy area.*

(2) In addition, the Company is entitled to take any action and engage in any activity that is directly or indirectly likely to further its business purpose. In particular, the Company has the right to do business, execute orders, establish or operate enterprises or participate in such enterprises, acquire such enterprises or merge with them as required in order to serve the corporate purpose. It is also authorised to establish branch offices in Austria and abroad and to establish, acquire, operate or invest in companies with the same or similar corporate purpose. However, transactions under the Austrian Banking Act (Bankwesengesetz, BWG) are excluded.

Banking and insurance transactions are excluded from the purpose of the Company.”

2.2.3. The ordinary share capital of VERBUND Energy4Customers GmbH amounts to €35,000.00.

The sole shareholder of VERBUND Energy4Customers GmbH is VERBUND AG with an equity interest corresponding to a fully paid-up ordinary capital contribution in the amount of €35,000.00. The ordinary share capital of VERBUND Energy4Customers GmbH will not be increased or otherwise changed as a result of this spin-off. No new shares in VERBUND Energy4Customers GmbH will be granted in the course of this spin-off.

- 2.2.4. VERBUND Energy4Customers GmbH serves end-users, i.e. private households and small enterprises. To date, VERBUND Energy4Customers GmbH has managed the Household and Small Enterprise business unit on behalf and for the account of VERBUND AG on the basis of a service contract, and VERBUND Energy4Customers GmbH already has all employees, the necessary operating and office equipment and all other resources that were required to operate the Household and Small Enterprise business unit for VERBUND AG. As a result of this spin-off, the Household and Small Enterprise business unit, which was previously part of VERBUND AG, will be fully merged into VERBUND Energy4Customers GmbH and managed by it in its own name and for its own account.

III.

Reasons for the transfer of the business unit of VERBUND AG for absorption into VERBUND Energy4Customers GmbH

- 3.1. The Executive Board of VERBUND AG has been working intensively on a spin-off of VERBUND AG's "Household and Small Enterprise" business unit. The decision to submit the Spin-off and Takeover Agreement to the Annual General Meeting for resolution is the result of a comprehensive analysis of the available options, which the Executive Board carried out in consultation with the Supervisory Board.
- 3.2. In the interests of a clearly organised Group structure, the Executive Board has come to the conclusion that VERBUND Energy4Customers GmbH, as a wholly owned subsidiary of VERBUND AG, should operate the Household and Small Enterprise segment in its entirety, i.e. for its own account and in its own name.
- 3.3. The structural adjustment of the Group will continue with the spin-off of the Household and Small Enterprise business unit: VERBUND AG will act as a management holding company and the respective operating segments and value creation stages will be bundled in operational lead companies, which in turn will be controlled by VERBUND AG.

To date, the following adjustments have been made to implement the Group structure:

- Services provided by VERBUND AG have been transferred to VERBUND Services GmbH.
- The electricity transmission grid has been hived off to Austrian Power Grid AG.
- VERBUND Energy4Business GmbH has been given responsibility for electricity trading and the market-oriented management of power plant utilisation.
- VERBUND AG has transferred the management of equity interests in start-ups to VERBUND Ventures GmbH and the business activities in the area of hydrogen to VERBUND Green Hydrogen GmbH.

VERBUND Energy4Customers GmbH was founded in November 2019 to consolidate the processing of B2C end-user sales (household and small enterprise

customers) and ensure a standardised presence for this customer segment (one face to the customer). To this end, the company took over the business activities, including personnel, for B2C end-user sales from VERBUND Sales GmbH and VERBUND Solutions GmbH at the beginning of 2020. Since the beginning of 2020, VERBUND Energy4Customers GmbH has been tasked with further developing B2C end-user sales in the name and on behalf of VERBUND AG.

In the meantime, VERBUND Energy4Customers GmbH has significantly expanded its original activities in the end-user segment beyond electricity sales to include gas sales, photovoltaic systems, charging solutions for e-cars and heat pumps as well as energy consulting and has become an integrated full-service provider in the Austrian energy market. In order to strengthen the market presence, the end-user segment previously covered by VERBUND AG is now to be transferred to VERBUND Energy4Customers GmbH and operated by the latter in its own name and for its own account.

This will increase efficiency by eliminating the contractual relationship and the allocation relationships between VERBUND AG and VERBUND Energy4Customers GmbH. The spin-off will involve one-off transaction costs that will be outweighed by the benefits. This spin-off is the next logical step towards a uniform Group structure.

IV. Legal and organisational measures

- 4.1 Legal and organisational implementation of the transfer of the “Household and Small Enterprise” business unit from VERBUND AG to VERBUND Energy4Customers GmbH.

What is happening in practice?

All systems associated with the processing of end-users are already utilised and managed by the acquiring company. For this reason, the spin-off will not necessitate any changes to the systems.

What will change for end-users?

As a result of universal succession, the contractual partner will formally change from VERBUND AG to VERBUND Energy4Customers GmbH. The subject matter of the contract and the resulting rights and obligations of the end-users will remain unchanged. By way of universal succession, all contractual relationships will be transferred to VERBUND Energy4Customers GmbH. All other contact information such as email address, service line, Verbund shop, etc. will remain unchanged. This is to ensure that end-users are not inconvenienced.

How will end-users be informed about the spin-off?

End-users will be informed individually about the spin-off via suitable channels as part of the communication with existing customers. In any case, information will be provided on the website of the transferring company.

In addition, the service centre will be extensively briefed in order to answer any questions on this topic.

What actions must be taken after the spin-off has been entered in the commercial register?

All documents, such as contracts and forms, will be converted in good time before registration so that, once the spin-off enters into effect, all contract processing and communication will take place in the name of the acquiring company.

V. Legal implementation of the spin-off

5.1. Overview

VERBUND AG, as the transferring company, and its wholly owned subsidiary VERBUND Energy4Customers GmbH, as the acquiring company, concluded a Spin-off and Takeover Agreement on 11 March 2025. By means of the Spin-off and Takeover Agreement, VERBUND AG and VERBUND Energy4Customers GmbH intend to transfer the “Household and Small Enterprise” business unit of VERBUND AG described in paragraph 2.10 of the Spin-off and Takeover Agreement from VERBUND AG to VERBUND Energy Customers4GmbH by way of a spin-off for absorption (Sections 1(2)(2) and 17 of the Austrian Demerger Act (SpaltG)) without the granting of shares, taking advantage of the tax benefits provided under Art. VI of the Austrian Reorganisation Tax Act (UmgrStG).

As part of this spin-off for absorption, some assets will be transferred to VERBUND Energy4Customers GmbH.

The regulations pertaining to a spin-off for absorption must be complied with.

The spin-off for absorption takes place with accounting and tax effect as at 31 December 2024. With effect from 1 January 2025, all actions of VERBUND AG relating to the “Household and Small Enterprise” business unit of VERBUND AG are deemed to have been performed for the account of VERBUND Energy4Customers GmbH. The share ratio will be retained in the spin-off for absorption.

There will be no changes to the ownership structure of either the transferring company VERBUND AG or the acquiring company VERBUND Energy4Customers GmbH. While the transfer of the spin-off assets from VERBUND AG to VERBUND Energy4Customers GmbH in the context of the spin-off for absorption will result in a spin-off loss equal to the carrying amount of the net spin-off assets transferred by VERBUND AG, the carrying amount of the equity interest of VERBUND AG in VERBUND Energy4Customers GmbH will increase by the same amount.

Overall, neither a profit nor a loss will be realised.

The transferring company VERBUND AG will continue to exist after the spin-off.

The share capital of VERBUND AG will not be changed as a result of the spin-off and will remain unaltered after the spin-off.

The acquiring company VERBUND Energy4Customers GmbH will remain in existence after the spin-off.

The sole shareholder of VERBUND Energy4Customers GmbH is and remains VERBUND AG.

5.2. Subject of the spin-off

The subject of the intended spin-off and transfer as part of the spin-off for absorption is the “Household and Small Enterprise” business unit of VERBUND AG, consisting in particular of loans, inventories, bank accounts, customer contracts including all associated legal relationships and assets, supply contracts as well as provisions and liabilities.

This “Household and Small Enterprise” business unit of VERBUND AG includes:

- a) the assets and liabilities indicated in the takeover balance sheet of VERBUND Energy4Customers GmbH as at 1 January 2025 (indicated in Annex .3 of the Spin-off and Takeover Agreement), and specified in detail in the annexes named below. This also includes a loan of €19 million to an affiliated company;
- b) all household and commercial customers, customer contracts and other contractual relationships of the transferring company that belong to the “Household and Small Enterprise” business unit of VERBUND AG (indicated in Annex .4 of the Spin-off and Takeover Agreement);
- c) all off-balance sheet assets and legal relationships (e.g. rights, entitlements, know-how such as technical information, knowledge, expertise and inventions, if these exclusively pertain to the transferring company and have been used exclusively or predominantly by the “Household and Small Enterprise” business unit of VERBUND AG prior to the entry of this spin-off in the

- commercial register, obligations, charges or contingent liabilities that have arisen or will arise in the future) pertaining to the “Household and Small Enterprise” business unit of VERBUND AG;
- d) litigation (civil proceedings, enforcement, insolvency and probate proceedings) brought by VERBUND AG or a third party in connection with the “Household and Small Enterprise” business unit of VERBUND AG (indicated in Annex ./5 of the Spin-off and Takeover Agreement);
 - e) business documents and other records exclusively pertaining to the “Household and Small Enterprise” business unit of VERBUND AG.

With respect to the asset items pertaining to the “Household and Small Enterprise” business unit of VERBUND AG that are to be transferred and are mentioned in section 2.10.1. of this Spin-off and Takeover Agreement, those changes in inventories that occur in the period from 1 January 2025 until the effective date of the spin-off at the time of entry in the commercial register and which, if applicable, are evident from the other records pertaining to the accounting system, such as customer directories, accounts payable and accounts receivable lists, must be taken into account. Any revisions with an impact on the result – in connection with balancing energy, clearing and the like – that occur after the effective date and relate to the period before the effective date of the spin-off shall already take place for the benefit of or at the expense of the acquiring company.

The aforementioned “Household and Small Enterprise” business unit of VERBUND AG will be transferred from the transferring company to the acquiring company in the course of this spin-off for absorption.

Other assets of the transferring company will not be transferred to the acquiring company.

It is noted that no employees belong to the “Household and Small Enterprise” business unit of VERBUND AG and therefore no employees and no personal insurance relationships, in particular no pension fund agreement, will be transferred to the acquiring company in connection with this spin-off for absorption.

5.3. **Residual assets**

All other assets, rights, liabilities, contractual relationships and other legal positions will remain with the transferring company, in particular the assets and liabilities recognised in the spin-off balance sheet, *Annex .6 of the Spin-off and Takeover Agreement*.

5.4. **Annual General Meeting of VERBUND AG, general meeting of shareholders of VERBUND Energy4Customers GmbH**

The spin-off for absorption requires the approval of the Annual General Meeting of VERBUND AG pursuant to Section 8 of the Austrian Demerger Act (SpaltG) and the approval of the general meeting of shareholders of VERBUND Energy4Customers GmbH pursuant to Section 17 no. 5 of the Austrian Demerger Act (SpaltG) in conjunction with Section 98 of the Austrian Limited Liability Companies Act (GmbHG). At VERBUND AG, the resolution must be passed with a majority of three-quarters of the share capital represented at the time of the resolution and at VERBUND Energy4Customers GmbH with a majority of three-quarters of the votes validly cast. Adoption of the resolution by VERBUND AG is planned for the Annual General Meeting on 29 April 2025. VERBUND AG, as the sole shareholder of VERBUND Energy4Customers GmbH, will grant the approval of the general meeting of shareholders of VERBUND Energy4Customers GmbH.

In preparation for the Annual General Meeting of VERBUND AG, the spin-off documents will be made available on the website of VERBUND AG entered in the commercial register in accordance with Section 108 (3) to (5) of the Austrian Stock Corporation Act (AktG) (www.verbund.com or <https://www.verbund.com/en-at/about-verbund/investor-relations/general-meeting/2025>).

The spin-off documents pursuant to Section 17 in conjunction with Section 7(2) of the Austrian Demerger Act (SpaltG) and Section 221a(2) of the Austrian Stock Corporation Act (AktG) are:

- the Spin-off and Takeover Agreement with all appendices;

- the audited annual financial statements and management reports of VERBUND AG for the last three financial years (2022, 2023 and 2024);
- the annual financial statements of VERBUND Energy4Customers GmbH for the last three financial years (2022, 2023 and 2024);
- the audited closing balance sheet of VERBUND AG as at 31 December 2024 (closing balance sheet for the spin-off for absorption; corresponds to the balance sheet of the audited separate financial statements including the notes and auditor's report);
- the corporate governance reports of VERBUND AG for the last three financial years (2022, 2023 and 2024);
- the spin-off report of the Executive Board of VERBUND AG pursuant to Section 4 of the Austrian Demerger Act (SpaltG);
- the spin-off audit report of the spin-off auditor pursuant to Section 5 of the Austrian Demerger Act (SpaltG);
- the report of the Supervisory Board of VERBUND AG pursuant to Section 6 of the Austrian Demerger Act (SpaltG).

The spin-off documents will also be made available at the Annual General Meeting of VERBUND AG.

5.5. Effective date of the spin-off

The relevant effective date of the spin-off within the meaning of Section 2(1)(7) of the Austrian Demerger Act (SpaltG) and Section 33(6) of the Austrian Reorganisation Tax Act (UmgrStG) is 31 December 2024 (effective date of the spin-off). The effective date of the spin-off is the same as the closing balance sheet date of the transferring company. In the relationship between the transferring company and the acquiring company, all actions of the transferring company in relation to the "Household and Small Enterprise" business unit of VERBUND AG that is the subject of this agreement are deemed to have been taken for the account of the acquiring company for tax and accounting purposes with effect from midnight on 1 January 2025.

5.6. No cash settlement

The spin-off that is the subject of the agreement is a spin-off taking place between entities with different legal forms within the meaning of Section 11 of the Austrian

Demerger Act (SpaltG). Because the ownership structure will remain unchanged, the share ratio will be maintained. The transferring company is the sole shareholder of the acquiring company, which is why a share grant pursuant to Section 17 of the Austrian Demerger Act (SpaltG) in conjunction with Section 224(2)(1) of the Austrian Stock Corporation Act (AktG) can be omitted. Information on the conditions of a cash settlement can therefore be omitted.

5.7. **Tax benefits**

The spin-off for absorption that is the subject of the agreement will take advantage of the tax benefits provided under Article VI of the Austrian Reorganisation Tax Act (*Umgründungssteuergesetz, UmgrStG*).

This will ensure tax neutrality for both the companies involved in the spin-off and their shareholders.

5.8. **Spin-off audit report**

The spin-off that is the subject of the agreement must be audited by a spin-off auditor in accordance with Section 5 of the Austrian Demerger Act (SpaltG).

The Commercial Court of Vienna, as the Commercial Register Court responsible for the transferring company, VERBUND AG, appointed Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. as the spin-off auditor in a decision dated 17 February 2025.

The spin-off auditor must conduct a spin-off audit on the basis of the Spin-off and Takeover Agreement and this spin-off report and prepare a written report on the results of the audit. This audit report of the spin-off auditor will be made available in preparation for the Annual General Meeting of VERBUND AG, which is to decide on the approval of the spin-off, and will be published at the same time as this report of the Executive Board of VERBUND AG.

5.9. **Review by the Supervisory Board of VERBUND AG**

The spin-off that is the subject of the agreement must be reviewed by the Supervisory Board of VERBUND AG (Sections 6, 17 of the Austrian Demerger Act (SpaltG)). A supervisory board has not been established at VERBUND Energy4Customers GmbH. The Supervisory Board of VERBUND AG must review the spin-off on the basis of the Spin-off and Takeover Agreement prepared by the Executive Board of VERBUND AG and the managing directors of VERBUND Energy4Customers GmbH, this spin-off report and the spin-off audit report prepared by the joint spin-off auditor and submit a written report hereon. The review report of the Supervisory Board of VERBUND AG will be made available in preparation for the Annual General Meeting of VERBUND AG, which is to resolve on the approval of the spin-off, and will be published at the same time as this report of the Executive Board of VERBUND AG.

5.10. **Audit of the residual assets of VERBUND AG**

The market value of the net assets remaining with VERBUND AG after the spin-off covers the share capital and the allocated reserves of VERBUND AG, which means that no reduction in the share capital of VERBUND AG is required as part of the spin-off. This spin-off will not result in any change to the value of the remaining net assets of VERBUND AG as VERBUND Energy4Customers GmbH is a wholly owned subsidiary of VERBUND AG.

The Vienna Commercial Court appointed Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. as the auditor of the residual assets in a decision dated 17 February 2025. The residual assets auditor must examine whether the actual value of the net assets remaining with VERBUND AG after the spin-off corresponds at least to the amount of the share capital of VERBUND AG plus allocated reserves after the spin-off. The residual assets auditor will prepare a written report, which will be submitted to the commercial register when the spin-off is presented for entry.

5.11. **Registration of the spin-off for entry in the commercial register**

The Executive Board of VERBUND AG and the managing directors of VERBUND Energy4Customers GmbH will register this spin-off for absorption with the Commercial Court of Vienna as the competent Commercial Register Court. The registration will be filed once all documents are available and, if applicable, after the one-month objection period has expired.

5.12. **Effect of the registration**

The spin-off for absorption will become legally effective upon entry in the commercial register of VERBUND AG as the transferring company. Pursuant to Section 14(2) of the Austrian Demerger Act (SpaltG), the following legal effects occur at the time of entry in the commercial register.

The spin-off assets consisting of VERBUND AG's "Household and Small Enterprise" business unit will be transferred from VERBUND AG to VERBUND Energy4Customers GmbH by way of universal succession. The spin-off in question represents a spin-off for absorption into a wholly owned subsidiary of VERBUND AG, retaining the share ratio. No new shares will be issued as part of the spin-off to the wholly owned subsidiary, making any detailing of the allocation ratio unnecessary.

VI.

Accounting and tax impacts of the spin-off

6.1. **Accounting impacts of the spin-off**

The transferring company VERBUND AG holds 100% of the shares in the acquiring company VERBUND Energy4Customers GmbH, to which the "Household and Small Enterprise" business unit will be spun off for absorption (known as a downstream spin-off). The spin-off will take place on 31 December 2024 (effective date of the spin-off), with the acquiring company rolling over the carrying amounts. The carrying amounts of the transferred assets exceed the transferred liabilities by €914,763.

While the transfer of the spin-off assets from VERBUND AG to VERBUND Energy4Customers GmbH will result in a spin-off loss equal to the carrying amount of the net spin-off assets transferred by VERBUND AG of €914,763, the carrying amount of the equity interest of VERBUND AG in VERBUND Energy4Customers GmbH will increase by the same amount. Overall, neither a profit nor a loss will be realised.

VERBUND Energy4Customers GmbH will recognise the acquired assets and liabilities at their carrying amounts. The net spin-off asset surplus will be included by the acquiring company in the unallocated capital reserves. The transfer of assets will thus have no effect on profit or loss at VERBUND Energy4Customers GmbH. With effect from 1 January 2025, all actions of VERBUND AG relating to the “Household and Small Enterprise” business unit of VERBUND AG are deemed to have been performed for the account of VERBUND Energy4Customers GmbH. Following the entry of the spin-off in the commercial register, the assets and business operations in the “Household and Small Enterprise” business unit will therefore be taken over by VERBUND Energy4Customers GmbH with retroactive effect as of 1 January 2025 on a contractual and accounting basis.

6.2. Tax impacts of the spin-off

The household and small enterprise segment of VERBUND AG is a business unit for tax purposes (Section 32 (2) in conjunction with Section 12(2)(1) of the Austrian Reorganisation Tax Act (UmgrStG)). The spin-off for absorption that is the subject of the agreement will take advantage of the benefits provided under Article VI of the Austrian Reorganisation Tax Act (UmgrStG). This will ensure tax neutrality for both the companies involved in the spin-off and their shareholders.

In accordance with paragraph 2.7 of the Spin-off and Takeover Agreement, the spin-off assets of VERBUND AG will be taken over by VERBUND Energy4Customers GmbH for both accounting and income tax purposes with effect from 31 December 2024 (effective date of the spin-off within the meaning of Section 2(1)(7) of the Austrian Demerger Act (SpaltG) and Section 33(6) of the Austrian Reorganisation Tax Act (UmgrStG)).

VERBUND AG will prepare a transfer balance sheet for tax purposes as at the effective date of the spin-off, in which the transferred assets are recognised at the relevant carrying amounts for tax purposes and the resulting transfer capital is recorded. The carrying amount for tax purposes of VERBUND AG's equity interest in VERBUND Energy4Customers GmbH will increase in the amount of the net assets transferred. Neither the effect from the transfer of the net assets nor the increase in the carrying amount of the equity interest in the acquiring company will be recognised for tax purposes at VERBUND AG. The spin-off will have no effect on VERBUND AG's earnings for tax purposes.

No shares will be granted in the course of the spin-off. There will be no change in the carrying amounts of the shares in VERBUND AG in the financial statements and tax accounts for the shareholders of the transferring company VERBUND AG.

VERBUND Energy4Customers GmbH will roll over the carrying amounts of the acquired assets that are relevant for tax purposes as at the effective date of the spin-off. The addition to net assets resulting from the acquisition of the assets and liabilities will not be recognised for tax purposes at VERBUND Energy4Customers GmbH and will therefore be tax-neutral.

VII.

Other impacts of the intended spin-off

7.1. Liability-related consequences under the Austrian Demerger Act (SpaltG)

Section 15 of the Austrian Demerger Act (SpaltG) provides for joint and several liability of companies involved in a spin-off for those liabilities of the transferring company that were established prior to the registration of the spin-off and are allocated to the other company. The amount of liability is limited to the market value of the net assets allocated in each case (value of the assets allocated to the liable company less the value of the liabilities allocated to it). According to the wording of the law, liability pursuant to Section 15 of the Austrian Demerger Act (SpaltG) is unlimited in time. According to a decision of the Austrian Supreme Court, there is a restriction of this principle for synallagmatic continuing obligations and the

resulting individual liabilities, which limits liability to individual liabilities that fall due within five years of the registration of the spin-off.

On this basis, VERBUND AG is liable for liabilities that are established prior to the registration of the spin-off from VERBUND AG to VERBUND Energy4Customers GmbH and are transferred to VERBUND Energy4Customers GmbH. VERBUND Energy4Customers GmbH, in turn, is liable for liabilities of VERBUND AG that remain with VERBUND AG and are established prior to the registration of the spin-off.

VERBUND AG has not issued any debt securities or profit participation rights within the meaning of Section 15 (5) of the Austrian Demerger Act (SpaltG).

7.2. Impacts of the spin-off on employees

No employees or employment relationships will be transferred from VERBUND AG to VERBUND Energy4Customers GmbH in the course of this spin-off for absorption.

7.3. Impacts on customers, customer contracts of residential customers and small and medium-sized enterprises

Through universal succession, the customers supplied are to be transferred into a direct contractual relationship with VERBUND Energy4Customers GmbH. Due to universal succession, the contractual rights and obligations for customers will not change. The main objective of this measure is to relieve VERBUND AG of operational tasks and to organise the processing and handling of the customer segment more efficiently.

VIII. Explanations of the Spin-off and Takeover Agreement including Appendices

8.1. Preamble (Part I)

The preamble to the Spin-off and Takeover Agreement defines, among other things, the companies involved in the spin-off for absorption, VERBUND AG and VERBUND Energy4Customers GmbH, and briefly describes the business unit of VERBUND AG to be transferred as part of the spin-off for absorption. The share capital and ordinary share capital as well as the number of shares issued by VERBUND AG are also stated here.

It is also stated that a reorganisation plan pursuant to Section 39 of the Austrian Reorganisation Tax Act (UmgrStG) was not required and that the approval of the Annual General Meeting of VERBUND AG and the general meeting of shareholders of VERBUND Energy4Customers GmbH is required, with the resolution for VERBUND AG to be adopted at the Annual General Meeting on 29 April 2025. Finally, it is mentioned when the spin-off should ideally appear in the commercial register.

8.2. Mandatory content of the agreement (Part II)

Part II of the Spin-off and Takeover Agreement contains the (mandatory) content of the Spin-off and Takeover Agreement that must be included pursuant to Section 2(1) of the Austrian Demerger Act (SpaltG).

8.3. Transferring company and acquiring company (Section 2(1)(1) of the Austrian Demerger Act (SpaltG))

The content of paragraphs 2.1.1 and 2.1.2 of the Spin-off and Takeover Agreement contain the name and registered office of the companies involved. They are self-explanatory and may be consulted for the relevant information.

The Articles of Association of VERBUND AG and the Partnership Agreement of VERBUND Energy4Customers GmbH are each attached as annexes to the Spin-

off and Takeover Agreement and are not to be amended on the occasion of the spin-off.

8.4. Transfer agreement, no granting of shares (Section 2(1)(2) of the Austrian Demerger Act (SpaltG))

Paragraph 2.2 of the Spin-off and Takeover Agreement contains the agreement between the two companies involved in the spin-off for absorption, VERBUND AG and VERBUND Energy4Customers GmbH, to transfer the spin-off assets from VERBUND AG to VERBUND Energy4Customers GmbH by way of universal succession. Since VERBUND AG, as the transferring company, is the sole shareholder of VERBUND Energy4Customers GmbH, as the acquiring company, making this a downstream spin-off from the parent company to the subsidiary, no shares can be granted in accordance with Section 17 of the Austrian Demerger Act (SpaltG) in conjunction with Section 224(2)(1) of the Austrian Stock Corporation Act (AktG). This means that the information on the exchange ratio and details of a share grant required under Section 2(1)(3) and (5) of the Austrian Demerger Act (SpaltG) are not required.

8.5. Exchange ratio of the shares and their allocation to the shareholders (Section 2 (1)(3) of the Austrian Demerger Act (SpaltG))

Paragraph 2.3.1 describes the ownership structure and explains that VERBUND Energy4Customers GmbH will not grant any shares because VERBUND AG, the transferring company, is the sole shareholder of VERBUND Energy4Customers GmbH, the acquiring company, (omission of the granting of shares pursuant to Section 17 of the Austrian Demerger Act (SpaltG) in conjunction with Section 224(2)(1) of the Austrian Stock Corporation Act (AktG)) and therefore the information on the exchange ratio and the details of the granting of shares are also omitted.

Furthermore, paragraph 2.3.1 states that additional cash payments will not be made by the participating companies or by third parties.

8.6. No reduction of the share capital (Section 2(1)(4) of the Austrian Demerger Act (SpaltG))

According to paragraph 2.4.1 of the Spin-off and Takeover Agreement, the share capital of €347,415,686.00 of the transferring company VERBUND AG on the effective date of the spin-off for absorption will not be reduced and will remain unchanged even after the spin-off for absorption has been implemented. Although the transfer of the spin-off assets from VERBUND AG to VERBUND Energy4Customers GmbH as part of the spin-off for absorption will result in a spin-off loss equal to the carrying amount of the net spin-off assets transferred by VERBUND AG, the carrying amount of VERBUND AG's equity interest in VERBUND Energy4Customers GmbH will increase by the same amount, which means that neither a gain nor a loss will be realised overall.

Paragraph 2.4.1 of the Spin-off and Takeover Agreement states that the net assets remaining with VERBUND AG after the implementation of the spin-off for absorption will correspond at least to the amount of its share capital plus allocated reserves and that the ordinary share capital of the acquiring company VERBUND Energy4Customers GmbH as at the effective date of the spin-off for absorption will not be increased and will remain unchanged after the implementation of the spin-off for absorption.

8.7. No granting of shares (Section 2(1)(5) of the Austrian Demerger Act (SpaltG))

With regard to Section 2(1)(5) of the Austrian Demerger Act (SpaltG), paragraph 2.5 states that no shares in the acquiring company will be granted and therefore no corresponding agreement is required; the same applies to additional cash payments and additional contributions by third parties.

8.8. Entitlement to net profit (Section 2(1)(6) Austrian Demerger Act (SpaltG))

Paragraph 2.6 states that profit participation rights will remain unchanged even after the spin-off for absorption because no shares will be granted. The ownership interests will remain unchanged, so the respective claims to the net profit of the two companies will remain unchanged.

8.9. Effective date of the spin-off and retroactive effect (Section 2(1)(7) Austrian Demerger Act (SpaltG))

According to paragraph 2.7 of the Spin-off and Takeover Agreement, the spin-off assets of VERBUND AG will be taken over by VERBUND Energy4Customers GmbH for both accounting and income tax purposes with effect from 31 December 2024 (effective date of the spin-off within the meaning of Section 2(1)(7) of the Austrian Demerger Act (SpaltG) and Section 33(6) of the Austrian Reorganisation Tax Act (UmgrStG)).

Accordingly, in the relationship between the companies involved, VERBUND AG's "Household and Small Enterprise" business unit will be transferred from the transferring company to the acquiring company for tax and accounting purposes with effect from 1 January 2025.

8.10. No granting of special rights (Section 2(1)(8) Austrian Demerger Act (SpaltG))

Pursuant to Section 2(1)(8) of the Austrian Demerger Act (SpaltG), the Spin-off and Takeover Agreement must address the rights granted by the companies involved in the spin-off to individual shareholders and the holders of special rights, such as non-voting shares, preference shares, multiple voting shares, profit participation bonds and profit participation rights, and, if applicable, contain the measures intended for these persons.

Accordingly, paragraph 2.8 of the Spin-off and Takeover Agreement states that no special rights within the meaning of Section 2 (1) (8) of the Austrian Demerger Act (SpaltG) will be granted and therefore no special measures are envisaged.

8.11. No granting of special benefits (Section 2(1)(9) of the Austrian Demerger Act (SpaltG))

Pursuant to Section 2(1)(9) of the Spin-off and Takeover Agreement, the Spin-off and Takeover Agreement must include any special benefit granted to a member of the executive board or a supervisory body of the companies involved in the spin-off or to a financial statement, foundation or spin-off auditor.

Accordingly, paragraph 2.9 of the Spin-off and Takeover Agreement contains the declaration that no special benefits will be granted to board members or auditors within the meaning of Section 2(1)(9) of the Austrian Demerger Act (SpaltG).

8.12. Description and allocation of the assets (Section 2(1)(10) Austrian Demerger Act (SpaltG))

Paragraph 2.10 of the Spin-off and Takeover Agreement contains the description required under Section 2(1)(10) of the Austrian Demerger Act (SpaltG) of the spin-off assets which VERBUND AG is transferring to VERBUND Energy4Customers GmbH by means of a spin-off for absorption.

The subject of the spin-off for absorption is the “Household and Small Enterprise” business unit of VERBUND AG, consisting in particular of loans, inventories, bank accounts, customer contracts including all associated legal relationships and assets, supply contracts as well as provisions and liabilities.

In accordance with paragraph 2.10.1 of the Spin-off and Takeover Agreement, this comprises the “Household and Small Enterprise” business unit of VERBUND AG. This paragraph of the Spin-off and Takeover Agreement presents and explains in detail the assets and legal relationships associated with this business unit. Included are

- a) the assets and liabilities indicated in the takeover balance sheet of VERBUND Energy4Customers GmbH as at 1 January 2025 (Annex .3 of the Spin-off and Takeover Agreement) and specified in detail in the annexes named below. This also includes a loan of €19 million to an affiliated company;
- b) all household and commercial customers, customer contracts and other contractual relationships of the transferring company that belong to the “Household and Small Enterprise” business unit of VERBUND AG (indicated in Annex .4 of the Spin-off and Takeover Agreement);
- c) all off-balance sheet assets and legal relationships (e.g. rights, entitlements, know-how such as technical information, knowledge, expertise and inventions, if these exclusively pertain to the transferring company and have been used exclusively or predominantly by the “Household and Small Enterprise” business unit of VERBUND AG prior to the entry of this spin-off in the

- commercial register, obligations, charges or contingent liabilities that have arisen or will arise in the future) pertaining to the “Household and Small Enterprise” business unit of VERBUND AG;
- d) litigation (civil proceedings, enforcement, insolvency and probate proceedings) brought by VERBUND AG or a third party in connection with the “Household and Small Enterprise” business unit of VERBUND AG (indicated in Annex ./5 of the Spin-off and Takeover Agreement);
 - e) business documents and other records that exclusively pertaining to the “Household and Small Enterprise” business unit of VERBUND AG.

Finally, it is noted that no employees belong to the described business unit and therefore no employees and no personal insurance relationships will be transferred to the acquiring company in connection with this spin-off for absorption.

In addition, paragraph 2.10.2 stipulates that all other assets, rights, liabilities, contractual relationships and other legal positions shall remain with the transferring company, in particular the assets and liabilities listed in the spin-off balance sheet (Annex ./6 to the Spin-Off and Takeover Agreement).

In paragraph 2.10.3, the companies involved undertake to take all legal actions and measures that are necessary or expedient for implementation.

8.13. **Provisions for the allocation of assets in cases of doubt (Section 2(1)(11) Austrian Demerger Act (SpaltG))**

Paragraph 2.11. of the Spin-off and Takeover Agreement contains the fallback provisions for the allocation of assets and clarifies that all those assets that cannot otherwise be allocated to either VERBUND AG or VERBUND Energy4Customers GmbH on the basis of the Spin-off and Takeover Agreement will remain with VERBUND AG as the transferring company.

8.14. **Balance sheets (Section 2(1)(12) Austrian Demerger Act (SpaltG))**

Paragraph 2.12. of the Spin-off and Takeover Agreement states that the closing balance sheet of VERBUND AG as at 31 December 2024, the spin-off balance sheet of VERBUND AG as at 1 January 2025 and the takeover balance sheet of

VERBUND Energy4Customers GmbH as at 1 January 2025 are attached to the agreement in accordance with the statutory provisions.

Closing balance sheet

Pursuant to Section 2(2) of the Austrian Demerger Act (SpaltG), the transferring company VERBUND AG must prepare a closing balance sheet as at the effective date of the spin-off (31 December 2024), to which the provisions of the Austrian Commercial Code (UGB) on the annual financial statements and their auditing apply mutatis mutandis. The closing balance sheet was audited by the auditor of VERBUND AG, Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., and issued with an unqualified audit opinion. The closing balance sheet must be prepared as of a date no more than nine months prior to the application for entry of the spin-off in the commercial register. The closing balance sheet was prepared in accordance with the statutory provisions.

Spin-off balance sheet

In accordance with Section 2(1)(12) of the Austrian Demerger Act (SpaltG), the transferring company VERBUND AG must prepare a spin-off balance sheet in addition to the closing balance sheet, in which the remaining assets of VERBUND AG are recognised as at the day after the effective date of the spin-off (1 January 2025). The spin-off balance sheet has been prepared in accordance with the statutory provisions and attached to the Spin-off and Takeover Agreement.

Takeover balance sheet

In addition, a takeover balance sheet has been prepared and attached to the Spin-off and Takeover Agreement. The takeover balance sheet contains the spin-off assets transferred to the acquiring company VERBUND Energy4Customers GmbH as at the day after the effective date of the spin-off (1 January 2025).

8.15. Real estate and leasing rights

Part III, paragraph 3.1 states that no real estate, property shares or leasehold rights will be transferred as assets directly or immediately by the spin-off for absorption and therefore the spin-off for absorption will not give rise to any real estate transfer tax or land register entry fees.

It is also stated in part III, paragraph 3.2 that no leasing relationships will be transferred from the transferring company to the acquiring company in the course of this spin-off for absorption.

8.16. **Reorganisation Tax Act (UmgrStG)**

Paragraphs 4.1, 4.2 and 4.3 as well as paragraph 4.6 of Part IV state that the tax benefits provided under Article VI of the Austrian Reorganisation Tax Act (UmgrStG) will be utilised, qualifying assets within the meaning of Section 32(2) in conjunction with Section 12(2)(1) of the Reorganisation Tax Act (UmgrStG) (business unit) will be transferred and there is no restriction of the Austrian right of taxation and therefore Article VI of the Reorganisation Tax Act (UmgrStG) applies.

Part IV, paragraph 4.4. states that the carrying amounts for tax purposes will be rolled over.

Part IV, paragraph 4.5. states that the spun-off assets have a positive market value on the effective date of the spin-off and also on the date of the Spin-off and Takeover Agreement.

8.17. **Reciprocal indemnification**

In part V of the Spin-off and Takeover Agreement, the companies mutually undertake to indemnify and hold each other harmless, acknowledge that this only applies internally and confirm that they are aware of the provisions of Section 15 of the Austrian Demerger Act (SpaltG) on the protection of creditors and that the effects of Section 15 of the Demerger Act remain unaffected by the agreed indemnification.

8.18. **Condition precedent and condition subsequent**

Part VI contains the resolution on the spin-off by the Annual General Meeting of the transferring company and the Annual General Meeting of the acquiring company as a condition precedent. For reasons of prudence, it is agreed in part VII of the Spin-off and Takeover Agreement that the effectiveness of the Spin-off and

Takeover Agreement is subject to a condition subsequent: if the spin-off is not filed for entry in the commercial register by 30 September 2025 at the latest, it is deemed to have been dissolved.

8.19. **Other provisions**

The Spin-off and Takeover Agreement addresses costs and charges in part VIII and contains various final provisions in part IX, including a provision according to which the costs and charges incurred as a result of the spin-off will be borne by VERBUND AG.

[Signatures on next page]

Vienna, 11 March 2025

The Executive Board
[all members]

.....
Mag. Dr. Michael Strugl MBA
Chairman
[uncertified copy]

.....
Dr. Peter F. Kollmann
Vice-Chairman
[uncertified copy]

.....
Mag. Dr. Achim Kaspar
[uncertified copy]

.....
Dr. Susanna Zapreva-Hennerbichler
[uncertified copy]