VERBUND
Full year results 2022

Verbund

Vienna, 16/3/2023

Full year results 2022 - At a glance

Influencing factors

- Significantly higher average achieved contract prices due to higher wholesale prices
- Weak hydro coefficient especially in Q3/2022 leading to electricity buy backs at high market prices (total EBITDA effect in 2022: €–1,095m)
- Higher production from wind, PV and thermal generation
- Strongly increasing contribution from flexibility products on the back of higher volatility and price spreads (2022: €478m)
- Positive valuation effects mainly from hedging of own generation due to decreasing wholesale prices for electricity in Q4/2022 (total EBITDA effect in 2022: €+216m)
- Negative contribution from levy on excess profits in Austria, Germany, Romania and Spain (total EBITDA effect: €34m)
- Negative non-recurring effects mainly because of higher WACC

Development of results and cash flows

- Reported and adjusted EBITDA €3,160.7m (+100.2%)
- Group result €1,717.0m (+96.6%), adjusted Group result €1,754.9m (+119.8%)
- Operating cash flow €2,019.9m (2021: €98.2m); Free cash flow after dividends €–25.7m (2021: €–1,329.5m)

Dividend 2022

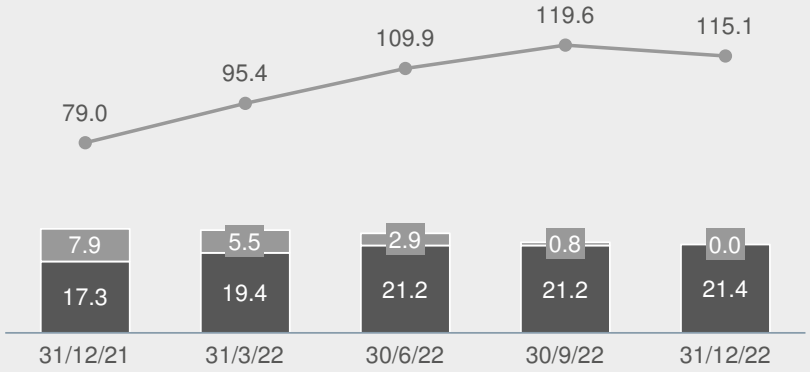
- Dividend proposal 2022: €3.60/share (ordinary dividend €2.44/share, special dividend €1.16/share)
- Pay-out ratio (ordinary & special dividend) of 72.8% (71.3% on adjusted Group result)

Group level guidance 2023

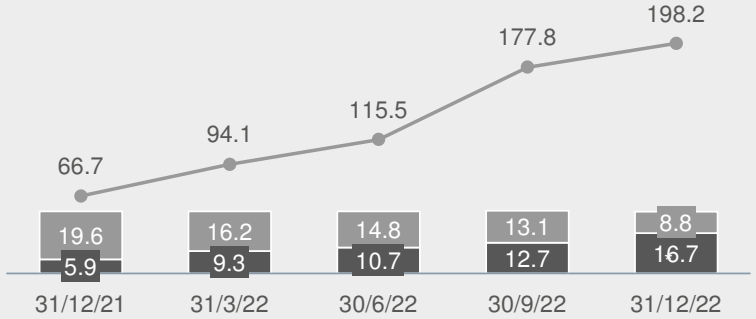
- EBITDA rep. & adj. approx. €3,500m – €4,400m; Group result reported approx. €1,900m – €2,500m
- Pay-out ratio 45% – 55% on adjusted Group result between approx. €1,900m – €2,500m

Hedging volumes

Hedging volumes 2022[1]/ TWh

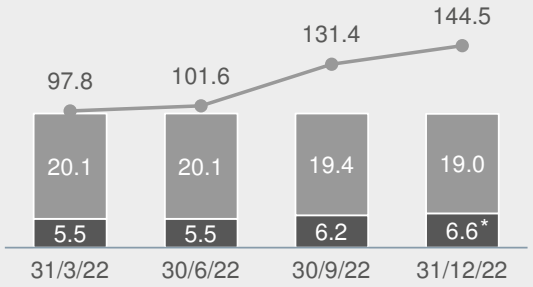


Hedging volumes 2023[1]/ TWh



MtM (28/2/23): €181.0

Hedging volumes 2024[1] / TWh



MtM (28/2/23): €155.6

* Additional hedging measures by options amounting to 1.8 TWh

Historic contract prices

- FY2021: €54.8/MWh
- FY2020: €44.6/MWh
- FY2019: €39.0/MWh

[1] Hydro production excluding volumes for holders of interests (at cost) and volumes resulting from pumping.

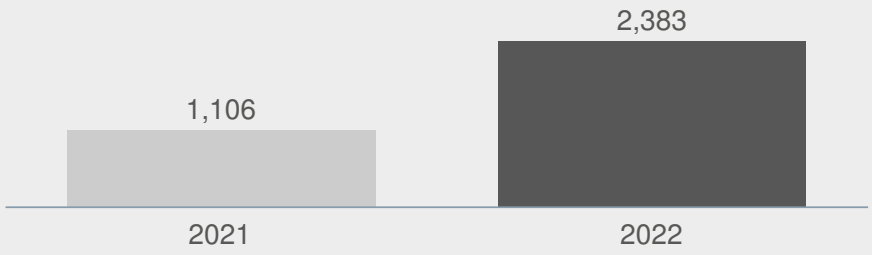
Achieved contract price | Open volumes | Hedged volumes

Hydro segment

Facts and figures

- Lower generation from hydropower in 2022
  - Hydropower: 26,754 GWh (–8.8%)
    - Lower hydro coefficient in 2022 (0.86 vs. 0.95)
    - Storage power: 4,777 GWh (–2.7%)
- Higher average achieved prices
- Flexibility products increased by €200.7m

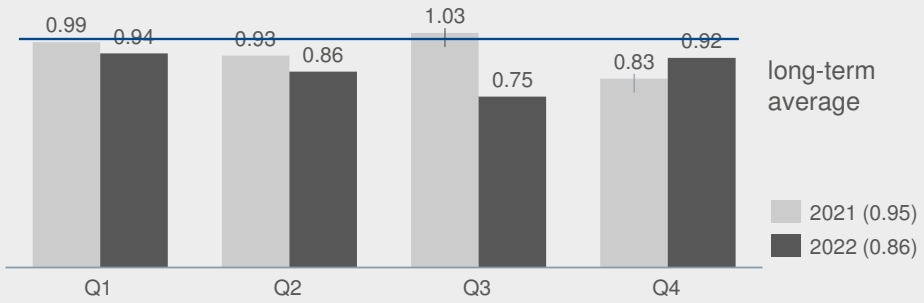
EBITDA/ €m



Current information

- 480 MW Limberg III pumped-storage power plant project
  - planned COD 2025
- 45 MW Reißeck II+ pumped storage power plant project
  - planned COD 2023
- 118 MW Jettenbach-Töging run-of-river power plant project
  - finalized and in operation

Hydro coefficient (run-of-river)

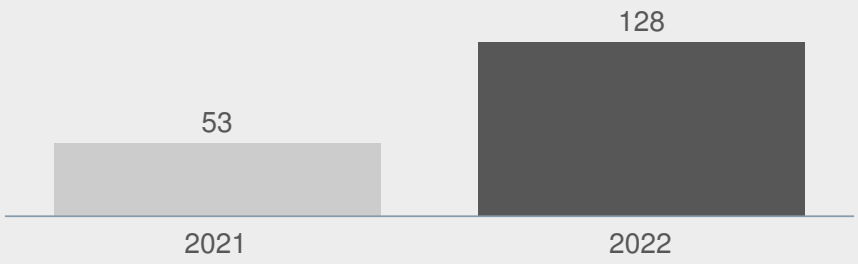


New renewables segment

Facts and figures

- Higher generation from wind power in 2022: 954 GWh (+13.7%)
  - Austria 218 GWh (–2.7%)
  - Germany 184 GWh (+12.5%)
  - Romania 480 GWh (+6.4%)
  - Spain 72 GWh
- Photovoltaic: 70 GWh
  - Austria: 4 GWh
  - Spain: 66 GWh

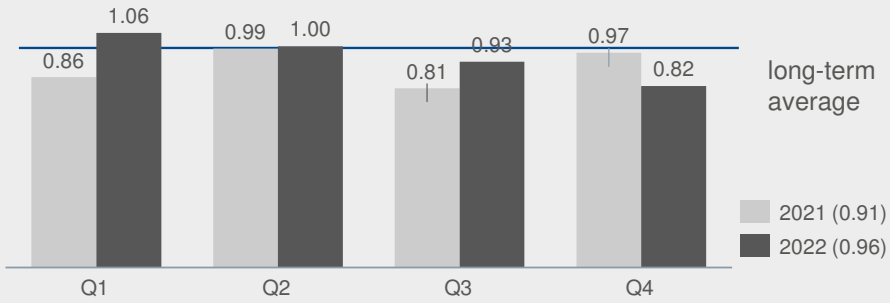
EBITDA/ €m



Current information

- Acquisition of operational renewables portfolio (82 MWp) and development platform (~2,100 MW at an advanced stage) from Q-Energy in Spain
- Acquisition of 171 MW wind-/PV projects from Capital Energy in Spain
- Acquisition of 147.6 MWp solar park project from BayWa r.e. in Southern Spain *
- JLW PV cooperation in Germany **
- Market entry Italy

New renewables coefficient



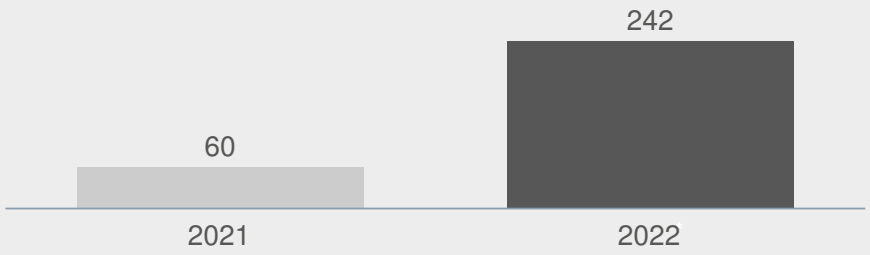
* 11/2021 ** 4/2021

Sales segment

Facts and figures

- The higher EBITDA is due, among other things, to a positive result from the valuation of energy derivatives in connection with future energy deliveries and to higher earnings contributions from flexibility products while higher procurement prices for electricity and gas in particular had a counteracting effect.
- Flexibility products increased by €104.1m
- 526.000 end customers (–0.2%)

EBITDA/ €m



Current information

- Focus on
  - E-Mobility
  - Batteries
  - Green hydrogen
- Various mitigating measures to compensate price increases for end customers

The Sales segment comprises

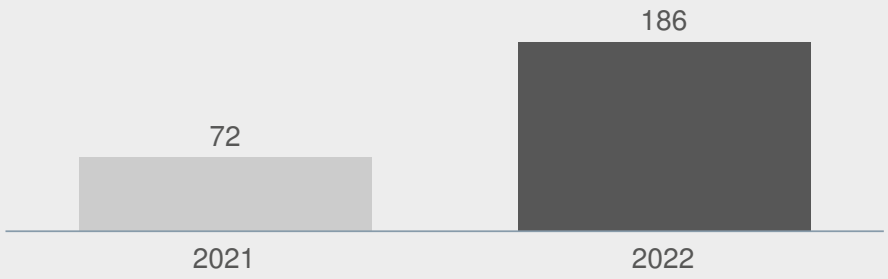
- trading
- sales activities and
- energy services

All other segments

Facts and figures

- Increased EBITDA due to increased use of CCGT Mellach together with positive effects from valuation of energy derivatives in connection with future energy deliveries
- Thermal Power: 1,264 GWh (+12.4%)
  - CCGT Mellach: 1,264 GWh
- Flexibility products decreased by €–7.6m

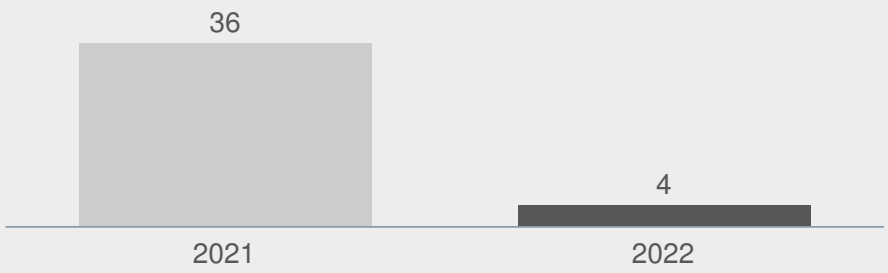
EBITDA/ €m



Current information

- CCGT Mellach contracted from APG for future congestion management
  - Line 10 from 1 October 2021 to 30 September 2023
  - Line 20 from 1 April 2022 to 30 September 2022 and from 1 April 2023 to 30 September 2023
- District heating power plant Mellach contracted from APG from 1 April 2023 to 30 September 2023

KELAG contribution to financial result / €m



Grid segment

Local GAAP: stable earnings

- Differences compensated by a regulatory account

IFRS: volatile earnings (no regulatory account)

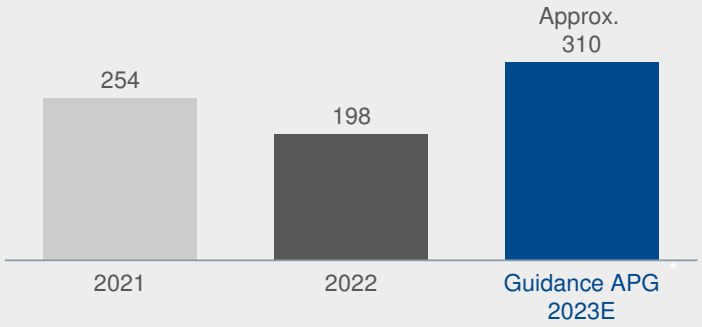
Contribution from APG in 2022 (IFRS): €198m EBITDA

APG WACC for regulatory period (2023)

- Ø 3.97% pre-tax (3.72% for existing, 4.88% for new assets)
- WACC for new assets to be reviewed on a yearly basis
- WACC for existing assets to be reviewed 2023 (valid until 2028)

APG EBITDA/ €m

RAB 2022: €2,182m
RAB 2023: €2,600m



Contribution from GCA in 2022 (IFRS)

- €100m EBITDA

GCA TSO WACC for regulatory period (2021-2024)

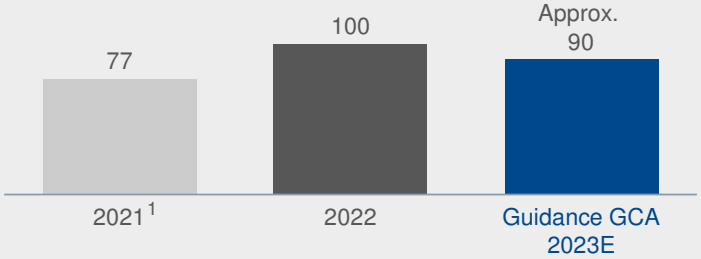
- 4.98% nominal incl. capacity risk

GCA DSO WACC for regulatory period (2023-2027)

- 3.72% pre-tax for existing assets, 4.88% pre-tax for new assets; WACC for new assets to be reviewed annualy

GCA EBITDA/ €m

RAB 2022: €647m
RAB 2023: €647m



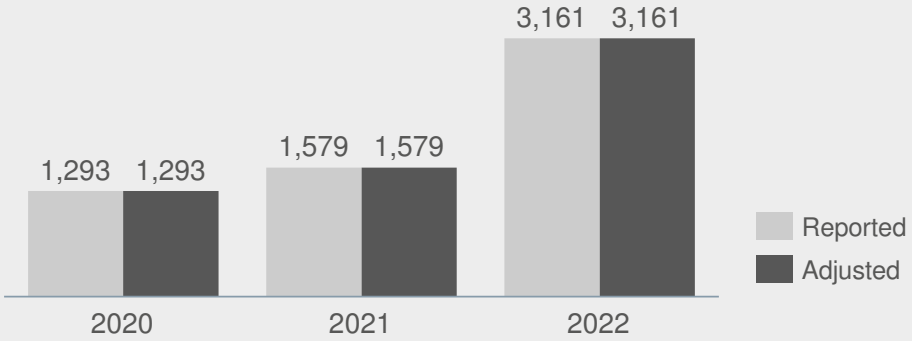
[1] Consolidation as of 31 May 2021

Non-recurring effects

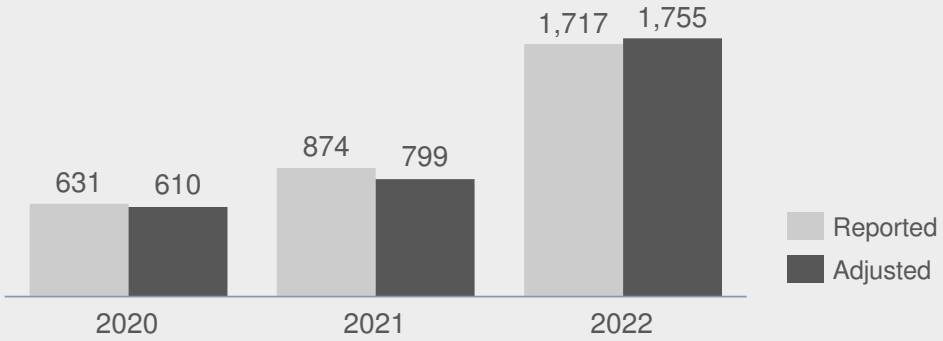
€m	Detail	2022	2021
EBITDA	**Total**	**0**	**0**
Impairments	HPP Gratkorn, Spanish assets & goodwill, CGU GCA, goodwill gas grid	-198	-10
Reversal of impairments	CCGT Mellach	126	115
Operating result	**Total**	**-72**	**105**
Other result from equity interests		0	12
Other financial result	Measurement of an obligation to return an interest (DKJ), TAG PPR	9	-27
Impairments	HPP Ashta, TAG	-46	-18
Reversal of impairments		0	17
Financial result	**Total**	**-37**	**-16**
Taxes	Revaluation of deferred taxes and effects due to the non-recurring effects above	49	**-14**
Minorities		22	0
Group result	**Total**	**-38**	**75**

Key financial figures (1)

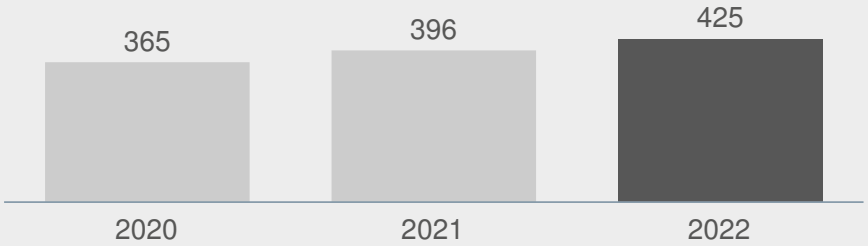
EBITDA/ €m



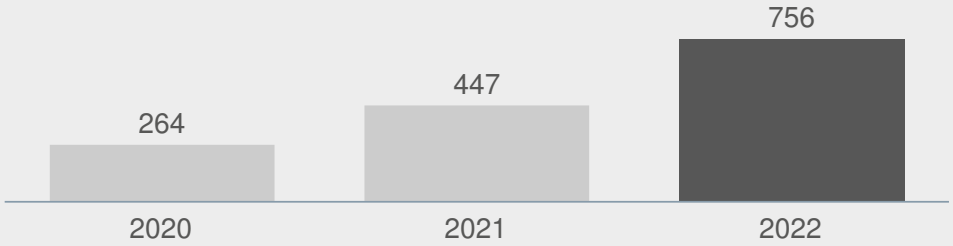
Group result/ €m



Additions to tangible assets (infrastructure) / €m



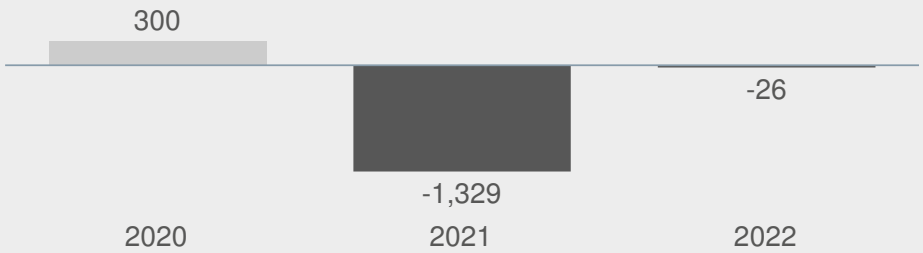
Additions to tangible assets (renewables business & others) / €m



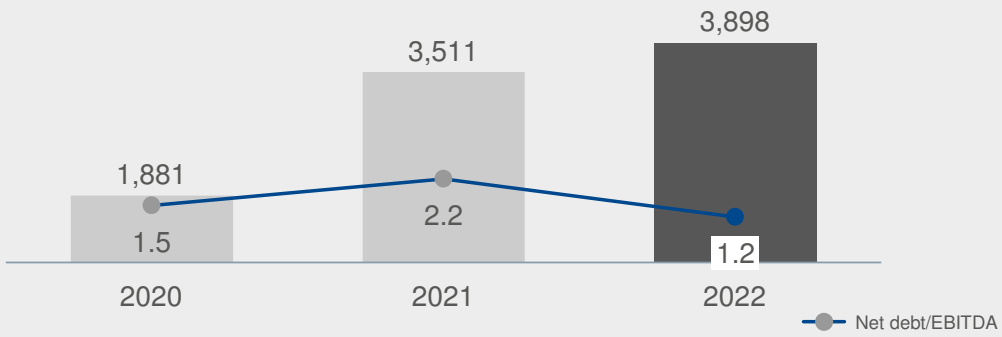
Key financial figures (2)

Operating cash flow/ €m

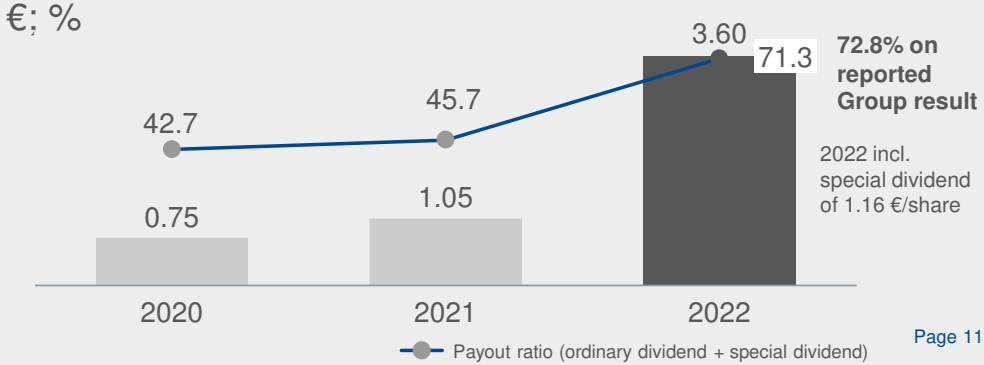
Free cash flow after dividends/ €m



Net debt/ €m

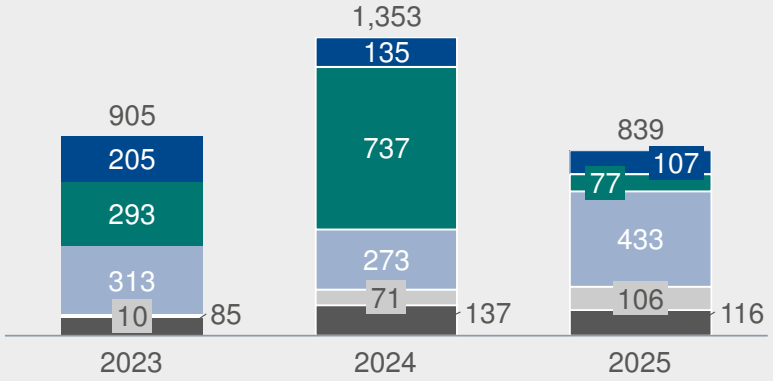


Dividend; Payout ratio from adj. Group result/ €; %

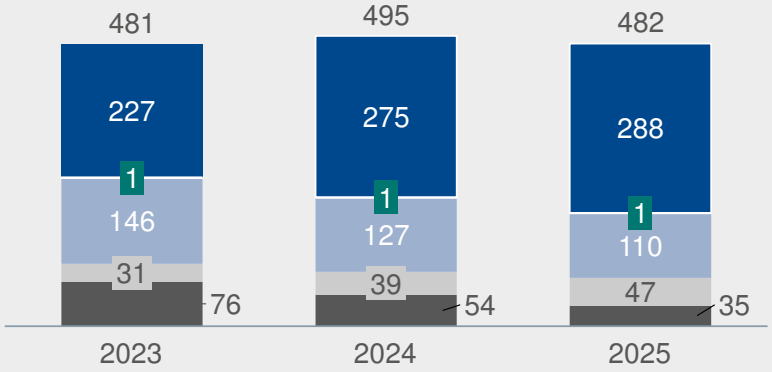


CAPEX plan 2023-2025 (total of €4,554m)

Growth CAPEX/ €m (total of €3,096m)



Maintenance CAPEX/ €m (total of €1,457m)



CAPEX plan according to Q4 mid-term planning 2022, excl. M&A

Impact on VERBUND of the levy on excess profits

- The Federal Act on the Electricity Energy Crisis Contribution in **Austria** provides for **electricity revenues to be capped at €140/MWh**
  - for hydropower (without pumped storage), wind power, solar (PV and solar thermal) and hard coal
- **Revenue cap** can increase to a **maximum of €176/MWh** due to **investments in renewables** and in energy efficiency
  - **Offsetting of 50% of investments in renewable energies**
- **Revenues above** the cap **will be levied at 90%**
  - **Monthly excess revenues** accrued **between 1 December 2022 and 31 December 2023 will be subject to the levy**
  - Reference value is the revenue that results when electricity derivatives and electricity purchase agreements are taken into account (average monthly price)
- **The amount levied is 100% tax-deductible**
- 2 application dates of the levy: 30 September 2023 for period 1.12.2022 – 30.6.202 and 31 March 2024 for period 1.7.2023 – 31.12.2023
- The regulations on the levying of profits have not yet been issued
- VERBUND is also affected by market interventions in **Germany, Spain and Romania**
  - **In Germany** the system is based on **differentiated limits depending on the generation technology**, as well as on the **type of marketing** in the case of renewable energy plants. **90% of the excess revenues accrued between 1.12.2022 and 30.6.2023 (extension possible) will be subject to the levy**
  - **In Romania all excess profits higher than 90 €/MWh are 100 % taxed**
  - **In Spain a revenue linked tax of 5 % is applied**

Outlook

Earnings outlook 2023

- EBITDA between approx. €3,500m and approx. €4,400m and reported Group result between approx. €1,900m and approx. €2,500m based on an average generation from hydro, wind and PV in 2023 as well as the actual opportunities and risk situation of the Group.

- For financial year 2023, VERBUND plans to pay out between 45% and 55% of the Group result after adjustment for non-recurring effects between approx. €1,900m and approx. €2,500m.

Sensitivities 2023

A change of 1% (generation from hydropower/windpower) or €1/MWh (wholesale price) either way would be reflected as follows in the group result for 2023, other things being equal:

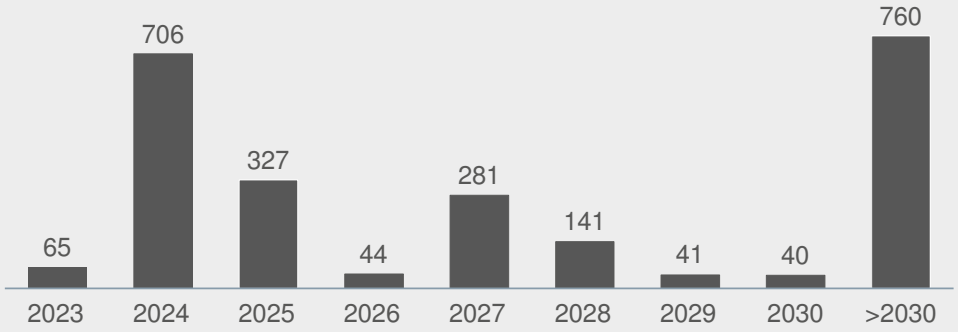
- Greater or less generation from hydropower: +/– €36.4m
- Greater or less generation from windpower: +/– €2.3m
- Wholesale prices (renewable generation): +/– €5.7m

Sensitivities 2023 as of 31 December 2022

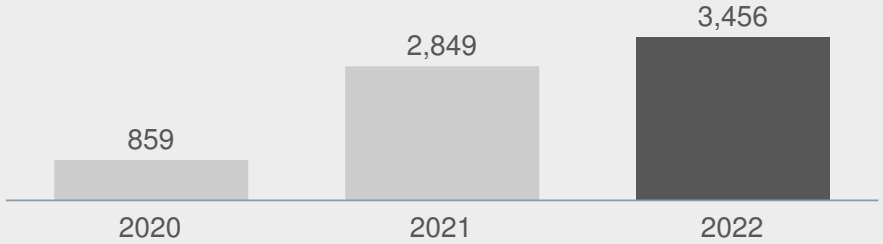
Appendix

Financial liabilities

Debt maturity profile/ €m



Financial liabilities/ €m



Financial liabilities

- Book value Financial liabilities: €3,455.7m

Financial ratios

- Duration: 4.0 years
- Effective interest rate: 2.10% p.a.
- Uncommitted lines of credit: €2,740m [1)]
- Commited lines of credit: €2,350m [2)]
- Syndicated loan: €500m

[1)] thereof used: €500m [2)] thereof used: €150m

Interest mix

- 40.6% fixed interest rate
- 59.4% floating interest rate

Currency

- 100% EUR

Rating

S&P Global Ratings — A/positive outlook

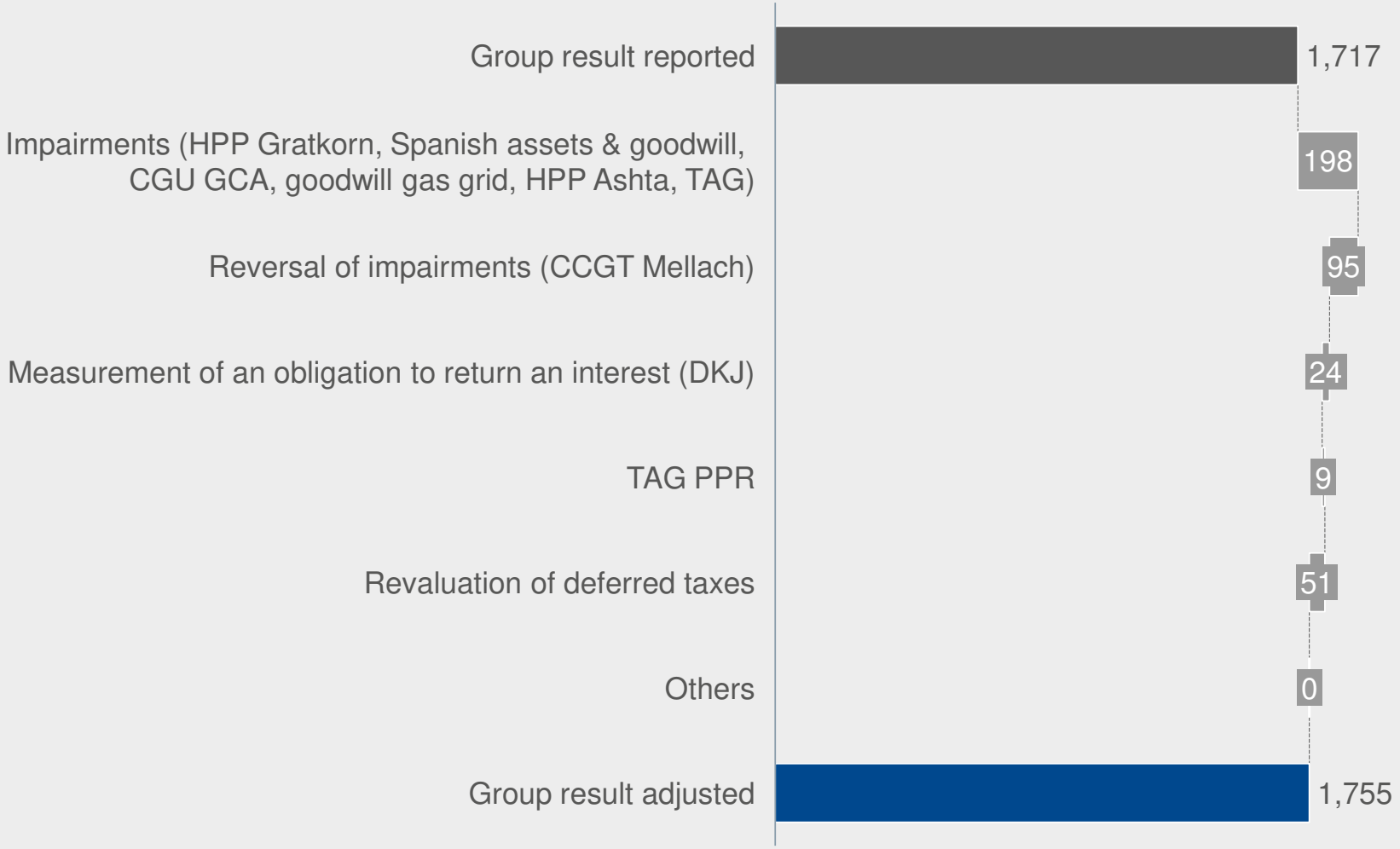
Moody's Investors Service — A3/stable outlook

Income statement

€m	2021	2022
	Total	Total
Revenue	**4,776.6**	**10,346.1**
Electricity revenue	3,833.3	8,747.4
Grid revenue	735.0	1,309.3
Other revenue	208.4	289.4
Other operating income	97.4	113.1
Expenses for electricity purchases & use of fuels	–2,862.7	–7,324.5
Other operating & personnel expenses	–702.1	–831.9
Measurement and realisation of energy derivatives	269.7	858.0
EBITDA	**1,579.0**	**3,160.7**
Depreciation & amortisation	-417.3	–462.7
Effects from impairment tests	105.1	–71.8
EBIT	**1,266.8**	**2,626.2**
Result from equity interests & oth. interests	54.4	12.3
Interest income/expense	–39.4	–61.6
Other financial result	–15.8	1.6
Effects from impairment tests	–1.5	–46.5
Financial result	**–2.4**	**–94.1**
Taxes	–279.4	–583.4
Group result	**873.6**	**1,717.0**
Minorities	**111.5**	**231.8**
Earnings per share (€)	**2.51**	**4.94**
Proposed dividend and special dividend per share (€)	**1.05**	**3.60**
Payout ratio from Group result (%)	**41.8**	**72.8**

For detailed information on the calculation of key figures and adjustments, please refer to the explanations in the foot notes of the 2022 Integrated Annual Report / Five-year comparison.

Non-recurring effects influence Group result in €m



Balance sheet (short version)

€m	2021	2022	Change
Non-current assets	13,607	15,245	12%
Current assets	3,675	3,912	6%
Total assets	**17,281**	**19,157**	**11%**
Equity	6,363	8,323	31%
Non-current liabilities	5,139	6,688	30%
Current liabilities	5,779	4,145	-28%
Total liabilities	**17,281**	**19,157**	**11%**

For detailed information on the calculation of key figures and adjustments, please refer to the explanations in the foot notes of the 2022 Integrated Annual Report / Five-year comparison.

Cash flow statement (short version)

€m	2021	2022	Change
Cash flow from operating activities	98	2,020	–
Cash flow from investing activities	–1,105	–1,591	–
Cash flow from financing activities	1,277	–338	–
Change in cash and cash equivalents	**269**	**91**	-66%
Cash and cash equivalents at the end of the period	**319**	**409**	28%

For detailed information on the calculation of key figures and adjustments, please refer to the explanations in the foot notes of the 2022 Integrated Annual Report / Five-year comparison.

Strategy 2030 – In order to accelerate the energy transition, we are focusing on three strategic thrusts as a growing European energy player

Empowering the expansion of renewables in Europe

Significant expansion of wind and solar power facilities in Europe

Claiming a leading role as a European hydrogen player

Green hydrogen is the key to the energy transition and decarbonisation

Strengthening the integrated domestic market

Strengthening our position as an integrated supplier and leading hydropower producer and strong partner for decarbonisation in Austria and Germany

Our Strategy 2030 is divided into three distinct thrusts and provides a clear framework for consistent implementation

Integrated provider in the domestic market

Hydropower as key component:
- Driving maintenance and expansion in AT/DE
- Ensuring long-term revenue and Know-how
- *Diversification through M&A (opportunity-based)*

Thermal power as transitional technology for guaranteeing security of supply

Efficient commercialization of power generation

Accelerating the expansion of B2B PV solutions

Expansion of e-mobility solutions for B2C / B2B / en-route charging

Development of large-scale battery storage for the integration of new renewables

Implementation of grid development plans for a successful energy transition

Upgrade of the gas grid for the H_2-Transport

Expansion of renewables in Europe

Growth through **greenfield development:**
- Ensuring profitable development in domestic market and across Europe through use of own resources, know-how and reputation
- Accelerating project development by VERBUND (including origination and securing of land)

Growth through **structured M&A:**
- Building a diversified and return-oriented portfolio
- Expansion of existing pipelines in all target markets to achieve short and medium term goals

European hydrogen player

Local **H2 production**:
- Market build-up and development of long-term customer relationships
- Know-how development as well as positioning as a reliable partner

Large-scale **H2 Import**:
- Large-scale import of cost-competitive hydrogen
- Development of additional generation from renewable sources

VERBUND strategy 2030 – important contribution to SDGs

Strategy's contribution to SDGs	Strategic pillar	Key implementation points
	Strengthening the integrated domestic market	
	Efficient hydropower	– Climate- and eco-friendly generation of electricity – Continuous development on fish passes, biodiversity measures and projects to restore river ecosystems
	Supply security	– Provider of flexibility products for the energy transition – Phase-out of coal-based electricity generation in 2020
	Safe grid operation and gas transportation partner for Europe	– System security in the Austrian electricity transmission grid as well as in the natural gas transportation system – Implementation of route management for the electricity transmission grid and further development of the high-pressure gas pipeline network in accordance with the requirements of industry and society and with due regard for sustainability
	Customer-centric solutions	– Innovative energy solutions for our responsible B2C and B2B customers, especially regarding emobility, battery storage and PV
	Empowering the expansion of renewables in Europe	
	Renewables	– Climate- and eco-friendly generation of electricity based on PV and Wind – Significant growth of installed renewables capacity
	Claiming the leading role as European hydrogen playern	
	Hydrogen	– Leader regarding the development of hydrogen projects to produce and transport of green hydrogen to support the energy transformation

EU-Taxonomy for ecological sustainability

Sectors

- Agriculture and forestry
- Manufacturing industry
- Energy
- Transportation
- Water and waste
- Information and communication technology
- Buildings
- Financing and insurance

80% CO_2 in EU

EU-Environmental objectives

- Climate change mitigation
- Climate change adaptation
- Protection of water and marine resources
- Transition to a circular economy
- Pollution prevention
- Protection of biodiversity and ecosystems

Criteria

- Substantial contribution to environmental objective(s)
- Do No Significant Harm
- Minimum social safeguards

KPIs

- Revenue
- CAPEX
- OPEX

Article 8 Taxonomy Regulation

Classification of selected activities at VERBUND

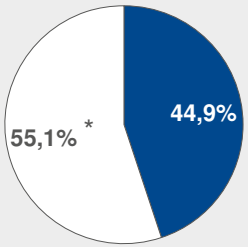
Activities with a substantial contribution to climate change mitigation
(Art. 10 para. 1 Taxonomy Regulation)

- Hydropower
- Photovoltaics
- Wind power

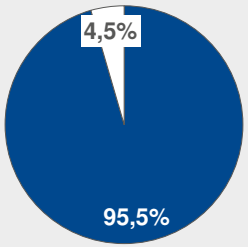
Enabling activities directly enable other activities to make a substantial contribution to environmental objectives
(Art. 16 Taxonomy Regulation)

- Grids
- Storage (Batteries & PSP)

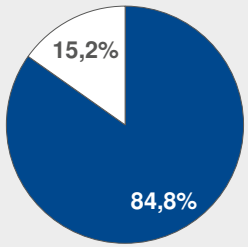
Revenue 2022



CAPEX 2022



OPEX 2022



Aligned activities
Non-aligned (or non-eligible) activities

* Relative high percentage due to double counting ban for generation / trading and sales

Disclosure 2022

- Identification of taxonomy-aligned activities (corresponding to the evaluation criteria)
- Disclosure of KPIs in the Integrated Annual Report 2022

Sustainability rating & rankings

SUSTAINALYTICS — **17.8/100 points / "Low Risk"**

Corporate ESG Performance — Prime — RATED BY ISS ESG — **ISS-ESG "B+" rating / Top 3**

MSCI ESG RATINGS — AAA — **"AAA" rating / leader category among 139 utility companies**

CDP — DISCLOSURE INSIGHT ACTION — **"B" rating – Leadership**

PLATINUM Top 1% 2022 ecovadis Sustainability Rating — **Platinum / 75 out of 100 points / among Top 1 %**

all data as at 31/12/2022

Verbund being part of

VÖNIX — VBV ÖSTERREICHISCHER NACHHALTIGKEITSINDEX

FTSE4Good

SOLACTIVE — German Index Engineering — Europe Corporate Social Responsibility Index

Capital market calendar 2023

16/3/2023	Annual result and publication of annual report 2022
15/4/2023	Record date for Annual General Meeting
25/4/2023	Annual General Meeting
2/5/2023	Ex-dividend date
3/5/2023	Record date dividends
15/5/2023	Dividend payment date
11/5/2023	Result and interim report quarter 1/2023
27/7/2023	Result and interim report quarters 1–2/2023
2/11/2023	Result and interim report quarters 1–3/2023

VERBUND Board of Directors

Michael Strugl
CEO, Chairman of the Executive Board

Peter F. Kollmann
CFO, Member of the Executive Board

Achim Kaspar
COO, Member of the Executive Board

Investor Relations Team

Andreas Wollein
Head of Group Finance and Investor Relations

T +43(0)503 13-52614
andreas.wollein@verbund.com

Martin Weikl
Senior Investor Relations Manager

T +43(0)503 13-52614
investor-relations@verbund.com

Stefan Wallner
Investor Relations Manager

T +43(0)503 13-52614
investor-relations@verbund.com

Tibor Hanifl
Investor Relations Manager

T +43(0)503 13-52614
investor-relations@verbund.com

Pioneering the
energy transition
Verbund