Interim Report
Quarter 1/2023

The power to transform.
Together.

Verbund

Contents

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KPIs

	Unit	Q1/2022	**Q1/2023**	Change
Revenue	€m	2,531.9	**3,262.7**	28.9 %
EBITDA	€m	814.9	**967.3**	18.7 %
EBITDA adjusted	€m	814.9	**967.3**	18.7 %
Operating result	€m	705.7	**841.4**	19.2 %
Group result	€m	514.4	**529.0**	2.8 %
Group result adjusted	€m	463.7	**529.0**	14.1 %
Earnings per share	€	1.48	**1.52**	2.8 %
EBIT margin	%	27.9	**25.8**	–
EBITDA margin	%	32.2	**29.6**	–
Cash flow from operating activities	€m	209.2	**1,363.7**	–
Additions to property, plant and equipment	€m	360.1	**117.2**	–67.5 %
Free cash flow before dividends	€m	–105.1	**1,160.5**	–
Free cash flow after dividends	€m	–105.1	**1,160.5**	–
Average number of employees		3,435	**3,659**	6.5 %
Electricity sales volume	GWh	16,187	**14,430**	–10.9 %
Hydro coefficient		0.94	**0.93**	–
New renewables coefficient		1.06	**1.03**	–

	Unit	31/12/2022	**31/3/2023**	Change
Total assets	€m	19,156.6	**19,541.3**	2.0 %
Equity	€m	8,323.0	**9,967.9**	19.8 %
Equity ratio (adjusted)	%	44.5	**52.1**	–
Net debt	€m	3,898.3	**2,739.3**	–29.7 %
Gearing	%	46.8	**27.5**	–

Report of the Executive Board

Dear Shareholders,

Difficult geopolitical and energy market developments cast a shadow over 2022, radically changing the energy market environment and giving rise to associated risks. The war in Ukraine in particular caused significant turmoil in Europe's energy markets that led to rocketing prices and extreme price volatility. Towards the end of last year, the situation in the energy markets began to ease slightly, with this continuing in quarter 1/2023. Wholesale prices for gas and electricity receded significantly in the quarter now ended – at times even falling below the levels recorded before the outbreak of war in Ukraine – as concerns about Europe having adequate supplies of gas for the winter were allayed by filling levels at gas storage facilities reaching all-time highs.

The European Commission's proposals published on 14 March 2023 on the reform of the EU's electricity market design are expected to further calm and stabilise the energy market. Here the Commission is seeking to accelerate a surge in renewables and the phase-out of gas, make consumer bills less dependent on volatile fossil fuel prices, and better protect consumers from future price spikes and potential market manipulation. The reform of several pieces of legislation will therefore concentrate on maintaining the existing market design while strengthening the energy market's focus on volatile renewables. The measures introduced will primarily aim to incentivise longer-term contracts, increase the deployment of renewables and allow consumers to benefit from more price stability.

If we are to overcome the challenges facing us in the coming years and decades, then we need to prevail within this difficult framework and continue to evolve. As a leading Austrian utility, VERBUND is a key player in the success of the energy transition and to achieving decarbonisation of the energy system in Austria. This is why we launched Mission V, a long-term comprehensive transformation programme based on VERBUND's 2030 strategy with its three strategic focus areas: strengthening VERBUND's integrated positioning in its home market of Austria, expanding renewables in Europe and positioning VERBUND as a European hydrogen player. Mission V will help us achieve our strategic objectives for 2030 and ensure their implementation.

VERBUND achieved further milestones in quarter 1/2023, not only in its Hydro and New renewables segments, but also in the Grid segment. Our hydropower projects (Reißeck II plus, Limberg III, Gratkorn) are proceeding as planned. By driving the development of new renewables in Europe, VERBUND will also help reduce reliance on fossil fuels in the medium term and contribute to a climate-neutral Europe. Implementation of the wind and photovoltaic projects in Spain as well as the other projects in the international markets was likewise on track in quarter 1/2023. However, strong, stable grids are imperative for a successful transition to clean energy, which is why the main emphasis of our ambitious investment programme is currently on investments in grid expansion. VERBUND achieved a further milestone in putting Bavaria's largest battery storage units into operation. The two storage facilities in Diespeck and Iphofen together make up VERBUND's North Bavaria battery storage chain with total output of 42 MW and a storage volume of 48 MWh. The large-scale batteries are deployed when the load on the distribution network is particularly high.

Green hydrogen is an important contributor to the energy transition and a pioneering field in which VERBUND will play a vital role. With this in mind, VERBUND signed a Memorandum of Understanding with two enterprises in quarter 1/2023. VERBUND has now partnered with Saudi energy company ACWA Power to explore joint projects for green hydrogen. In addition, VERBUND inked an agreement with Masdar (UAE) with the objective of exploring projects for production of green hydrogen for the Central Europe market.

VERBUND saw an improvement in the results posted for quarter 1/2023. EBITDA climbed by 18.7 % year-on-year to €967.3m. The reported Group result rose by 2.8 % to €529.0m and the Group result after adjustment for non-recurring effects (non-recurring effects in Q1/2023: €0.0m; Q1/2022: €+50.7m) was up 14.1 %. At 0.93, the hydro coefficient for the run-of-river power plants was 1 percentage point below the prior-year figure and 7 percentage points lower than the long-term average. By contrast, generation from annual storage power plants rose by 13.5 % in quarter 1/2023 compared with the prior-year reporting period. Generation from hydropower plants thus increased by 121 GWh to 6,089 GWh. The sharp rise in wholesale electricity prices on the futures markets that were relevant for the reporting period gave earnings a considerable boost. Prices on the spot markets declined in quarter 1/2023. Consequently, the average sales price obtained for our own generation from hydropower rose by €88.9/MWh to €202.8/MWh. Higher generation from photovoltaic installations and wind power plants, especially from the plants put into operation in Spain, also had a positive effect. This stood in contrast to the negative effect caused by a significant decrease in thermal generation and the negative earnings contribution from the Sales segment attributable to high procurement costs, among other factors. The taxation of the windfall revenues of inframarginal power generators in Austria and Germany from December 2022 and corresponding windfall profits in Romania additionally had a negative impact on the Group's result.

Based on expectations of average levels of own generation from hydropower, wind power and solar power in quarters 2–4/2023 as well as the opportunities and risks identified, VERBUND expects EBITDA of between around €3,700m and €4,300m and a Group result of between around €2,000m and €2,400m in financial year 2023. VERBUND's planned payout ratio for financial year 2023 is between 45 % and 55 % of the Group result of between around €2,000m and €2,400m, after adjusting for non-recurring effects.

VERBUND is aware of the challenges presented by rising energy costs and living expenses. It is the reason we have set up the €10m VERBUND hardship fund. Together, we have the power to transform. And with VERBUND's 2030 strategy we have set the course for a sustainable energy future.

Mag. Dr. Michael Strugl MBA | Dr. Peter F. Kollmann | Mag. Dr. Achim Kaspar

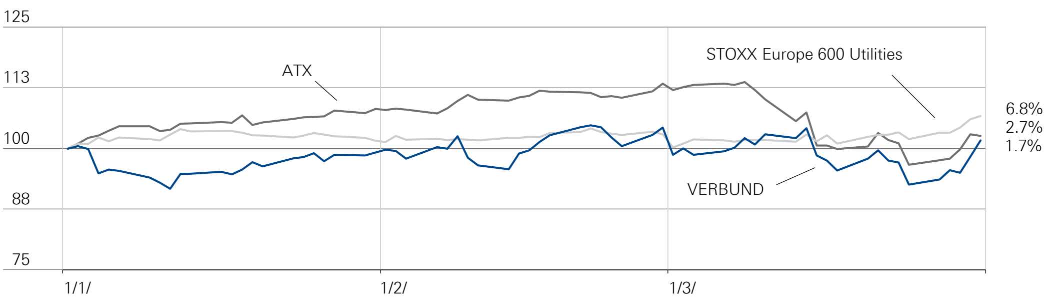
Investor relations

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

In quarter 1/2023, the pronounced downturn caused by the continuing war in Ukraine and high – albeit in many places now falling – inflation rates coupled with rising key interest rates in Europe and the USA continued to have a dampening effect on national economies. However, falling energy prices and a decline in the COVID-19 infection rate had a positive effect. Additional uncertainty was generated by the collapse of several U.S. banks and the takeover of Credit Suisse by UBS in Switzerland, which unleashed fears of a fresh banking crisis.

The US benchmark index Dow Jones Industrial Average ended quarter 1/2023 up marginally by 0.4 %. The Euro Stoxx 50 performed much better in the reporting period, closing 13.7 % higher than at year-end 2022. The Japanese benchmark index Nikkei 225 finished the quarter up 7.5 % on 31 December 2022.

VERBUND share price: relative performance 2023



Upcoming dates:
Dividend payment date: 15 May 2023
Interim financial report quarters 1 – 2/2023: 27 July 2023

Despite very strong annual results for 2022 being published on 16 March 2023, VERBUND's shares were characterised by volatile sideways movement overall in quarter 1/2023. Continuing regulatory uncertainties such as the debate on changes to the electricity market design at EU level weighed on VERBUND's share price.

Trading at a closing price of €80.0 as at 31 March 2023, VERBUND shares were therefore up only a moderate 1.7 % in quarter 1/2023 against year-end 2022. The shares thus underperformed against the Austrian ATX (+ 2.7 %) as well as against the STOXX Europe 600 Utilities sector index (+ 6.8 %).

KPIs – shares

	Unit	Q1/2022	Q1/2023	Change
Share price high	€	108.0	82.5	– 23.7 %
Share price low	€	84.1	72.2	– 14.2 %
Closing price	€	95.5	80.0	– 16.2 %
Performance	%	– 3.4	1.7	–
Market capitalisation	€m	33,178.2	27,793.3	– 16.2 %
ATX weighting	%	11.9	10.7	–
Value of shares traded	€m	1,823.2	1,287.2	– 29.4 %
Shares traded per day	Shares	305,214	256,080	– 16.1 %

Interim Group management report

Business performance

Electricity supply and sales volume

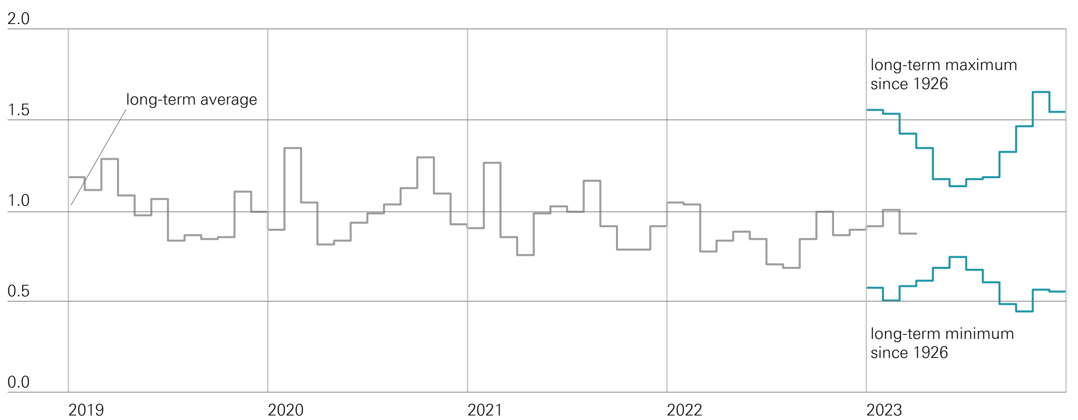
Group electricity supply GWh

	Q1/2022	Q1/2023	Change
Hydropower[1]	5,968	6,089	2.0 %
Wind power	314	337	7.3 %
Solar power	1	35	–
Thermal power	688	307	–55.4 %
Own generation	6,970	**6,768**	–2.9 %
Electricity purchased for trading and sales	9,165	7,691	–16.1 %
Electricity purchased for grid loss and control power volumes	1,272	1,061	–16.6 %
Electricity supply	17,407	**15,520**	–10.8 %

[1] incl. purchase rights

VERBUND's own generation declined by 203 GWh, or 2.9 %, to 6,768 GWh in quarter 1/2023 compared with the same period of the previous year. Generation from hydropower plants increased by 121 GWh in the reporting period to 6,089 GWh. At 0.93, the hydro coefficient for the run-of-river power plants was 7 percentage points below the long-term average and 1 percentage point lower than the comparative prior-year figure. However, generation from VERBUND's annual storage power plants rose by 13.5 % in quarter 1/2023 due to a more pronounced reduction in reservoir levels in spite of lower generation from turbining.

Hydro coefficient (monthly averages)



Although wind conditions were down overall, the volume of electricity generated by VERBUND's wind power plants in quarter 1/2023 was up 23 GWh on the figure for the prior-year period due to the commissioning of plants in Spain. Electricity generated from proprietary photovoltaic installations totalled 35 GWh in the reporting period.

Generation from thermal power plants dropped by 381 GWh year-on-year due to a reduction in congestion management and a decrease in the market-driven deployment of the Mellach combined cycle gas turbine power plant (Mellach CCGT) for supplying electricity and district heating.

Purchases of electricity from third parties for trading and sales declined by 1,474 GWh in quarter 1/2023. Electricity purchased from third parties for grid losses and control power volumes likewise decreased, falling by 211 GWh.

Group electricity sales volume and own use

GWh

	Q1/2022	**Q1/2023**	Change
Consumers	3,618	3,581	– 1.0 %
Resellers	6,902	6,310	– 8.6 %
Traders	5,668	4,539	– 19.9 %
Electricity sales volume	16,187	**14,430**	– 10.9 %
Own use	950	821	– 13.6 %
Control power	269	268	– 0.2 %
Electricity sales volume and own use	17,407	**15,520**	– 10.8 %

VERBUND's electricity sales volume dwindled by 1,758 GWh, or 10.9 %, to 14,430 GWh in quarter 1/2023, with no customer segments being immune to this decrease. Sales to consumers were down marginally by 36 GWh (the customer base at 31 March 2023 comprised around 520,000 electricity and gas customers) and sales to resellers declined by 592 GWh. Sales to traders tumbled by 1,129 GWh due in particular to lower delivery volumes to international customers. Sales to resellers also took a hit as a consequence of the decrease in international markets.

Own use of electricity declined by 129 GWh in quarter 1/2023. This increase is mainly attributable to lower operation of the power plants in turbining mode.

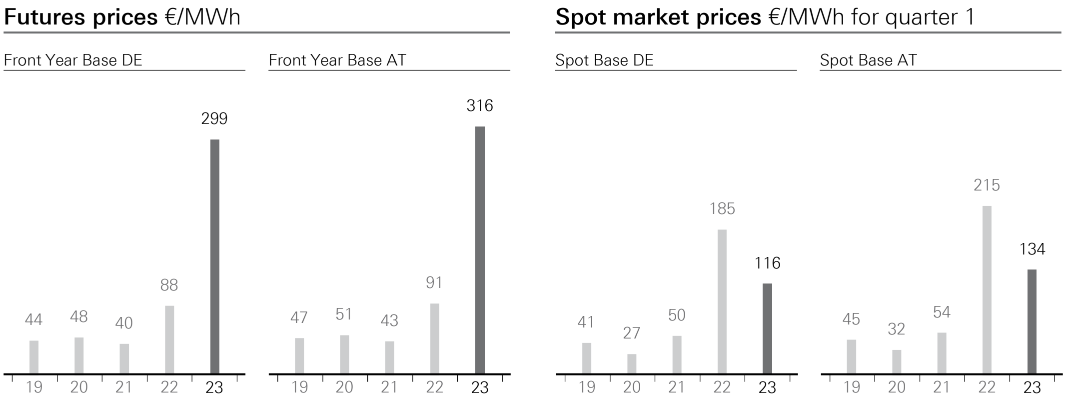
Electricity sales by country

GWh

	Q1/2022	**Q1/2023**	Change
Austria	7,740	7,409	– 4.3 %
Germany	6,947	5,796	– 16.6 %
France	1,287	909	– 29.4 %
Others	212	316	49.0 %
Electricity sales volume	16,187	**14,430**	– 10.9 %

Approximately 51.3 % of the electricity sold by VERBUND in quarter 1/2023 went to the Austrian market. The German market, which accounted for around 83 % of all volumes sold abroad, 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.
Market area Germany or Austria respectively. Average prices.

Source: EEX, EPEX Spot

VERBUND contracted for most of its own generation for 2023 on the futures market back in 2021 and 2022. Prices for AT 2023 front-year base load contracts (traded in 2022) averaged €315.6/MWh and prices for DE 2023 front-year base load contracts averaged €298.9/MWh. Compared with the prior-year period, futures market prices were therefore up by as much as 245.8 % (AT) and 238.0 % (DE). Front-year peak load (AT) contracts traded at an average of €417.7/MWh and front-year peak load (DE) contracts traded at €400.2/MWh. Futures market prices in this area thus also increased year-on-year by 279.5 % (AT) and 273.2 % (DE).

On both the Austrian and German spot markets, wholesale trading prices for electricity retreated in quarter 1/2023. Prices for base load electricity decreased by an average of 37.7 % to €133.8/MWh in Austria and by 37.3 % to €115.8/MWh in Germany. Prices for peak load fell by 38.0 % to €154.3/MWh in Austria and by 38.2 % to €134.3/MWh in Germany.

The decrease in spot market prices is mainly attributable to lower gas prices, which in turn are due to a decrease in demand and higher stocks of gas.

Financial performance

Results €m

	Q1/2022	Q1/2023	Change
Revenue	2,531.9	3,262.7	28.9 %
EBITDA	814.9	967.3	18.7 %
Operating result	705.7	841.4	19.2 %
Group result	514.4	529.0	2.8 %
Earnings per share in €	1.48	1.52	2.8 %

Electricity revenue

VERBUND's electricity revenue rose by €702.0m to €2,765.7m in quarter 1/2023. While the futures market prices in the wholesale market for electricity that were relevant for the reporting period were significantly up year-on-year, spot market prices in quarter 1/2023 were down (for details please refer to the Electricity prices section). The average sales price obtained for our own generation from hydropower in quarter 1/2023 increased by €88.9/MWh to €202.8/MWh. In terms of quantities, electricity sales volumes fell by 1,758 GWh, or 10.9 %, year-on-year.

Grid revenue

Grid revenue rose by €52.2m to €400.6m in quarter 1/2023 compared with the same period of the previous year. The revenue increase at Austrian Power Grid AG (APG) amounted to €37.2m. While international revenues from the auctioning off of cross-border capacity were down overall year-on-year, higher national tariff revenue and higher revenue from control power had a clearly positive effect. The €15.0m rise in revenue from Gas Connect Austria GmbH (GCA) is mainly attributable to higher revenue from the transmission pipeline, mostly as a result of the commodity tariff, as well as higher auction revenue. Lower revenue from the distribution network had an offsetting effect.

Other revenue and other operating income

Other revenue decreased by €23.4m to €96.4m. District heating revenue fell significantly due to the reduction in generation of district heating. Higher revenue from gas deliveries and other invoiced services as well as from the sale of green electricity certificates had a positive effect, however. Other operating income declined by €3.1m to €20.1m, due in particular to changes in inventories.

Expenses for electricity, grid, gas and certificates purchases

Expenses for electricity, grid, gas and certificates purchases increased by €265.4m to €1,800.2m. A total of 1,684 GWh less electricity was purchased from third parties for trading and sales as well as for grid losses and control power. The higher procurement prices arising from higher price levels for wholesale electricity overall gave rise to a significant increase in expenses. Expenses for electricity purchases thus increased by €263.1m compared with the previous year. Expenses for grid purchases rose by €10.9m, whereas expenses for gas purchases fell by €6.3m.

Fuel expenses and other usage-/revenue-dependent expenses

Fuel expenses and other usage-/revenue-dependent expenses were up €36.4m to €222.5m. There was a marked decrease in gas expenses due in particular to the much-reduced use of the Mellach CCGT (for details please refer to the section entitled Electricity supply and sales volumes). Another contributing factor to the reduction in expenses was the drop in expenses for emission allowances, which was likewise attributable to the fall in output. The expenses incurred in connection with the measures to tax the windfall revenues of inframarginal power generators in Austria and Germany and corresponding windfall profits in Romania totalled €68.6m in quarter 1/2023 (Q1/2022: €0.0m).

Personnel expenses

Personnel expenses were up €6.9m year-on-year to €112.2m in quarter 1/2023. This increase is due to the 8.6 % to 9.6 % increase in pay rates under the collective bargaining agreement and to the hiring of additional employees for the implementation of strategic growth projects.

Other operating expenses

Other operating expenses rose by €7.6m to €97.2m. The increase is attributable to higher IT expenses, a rise in goods and services purchased from third parties, and higher legal, audit and consulting expenses.

Measurement and realisation of energy derivatives

This account includes €–83.6m (Q1/2022: €+121.3m) from the realisation of energy derivatives, offset by countervailing effects in revenue and/or procurement cost. The measurement and realisation of energy derivatives for future delivery periods is €+0.1m (Q1/2022: €+54.1m). In quarter 1/2023, the result came to €–83.5m (Q1/2022: €+175.4m). 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 18.7 % to €967.3m.

Depreciation and amortisation

Amortisation of intangible assets and depreciation of property, plant and equipment rose by €16.7m to €125.9m. Along with the amortisation of the acquired Spanish companies, this is also due in particular 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 rose by €30.3m to €18.0m. This is mainly due to the earnings contributions from KELAG-Kärntner Elektrizitäts-Aktiengesellschaft (KELAG) in the amount of €14.0m (Q1/2022: €–8.8m; for more information, please refer to the section entitled All other segments) and from Trans Austria Gasleitung GmbH (TAG) in the amount of €3.9m (Q1/2022: €–3.9m).

Interest income and expenses

Interest income rose by €7.1m to €16.1m compared with quarter 1/2022, due mainly to higher interest payments from money market transactions. Interest expenses rose by €17.1m to €38.4m. This increase is mostly due to the issuance of a €500m promissory note loan in November 2022, higher net interest charged on money market transactions and the higher cost of procuring credit.

Other financial result

The other financial result increased by €9.2m to €5.6m in quarter 1/2023. This effect can be attributed primarily to the measurement of securities funds through profit or loss and a profit participation right.

Group result

After taking account of an effective tax rate of 24.0 % and non-controlling interests in the amount of €112.0m, the Group result amounted to €529.0m. This represents an increase of 2.8 % against the previous year. Earnings per share amounted to €1.52 (Q1/2022: €1.48) for 347,415,686 shares. The Group result after adjustment for non-recurring effects (Q1/2023: €0.0m; Q1/2022: €+50.7m) was up 14.1 %.

Financial position

Consolidated balance sheet (condensed)

€m	31/12/2022	Share	**31/3/2023**	**Share**	Change
Non-current assets	15,244.6	80 %	15,165.9	78 %	–0.5 %
Current assets	3,912.0	20 %	4,375.4	22 %	11.8 %
Total assets	19,156.6	100 %	**19,541.3**	**100 %**	2.0 %
Equity	8,323.0	43 %	9,967.9	51 %	19.8 %
Non-current liabilities	6,688.2	35 %	6,303.7	32 %	–5.7 %
Current liabilities	4,145.4	22 %	3,269.7	17 %	–21.1 %
Equity and liabilities	19,156.6	100 %	**19,541.3**	**100 %**	2.0 %

Assets

Non-current assets remained practically unchanged from the level as at 31 December 2022. The additions to property, plant and equipment of €117.2m were reduced by depreciation amounting to €118.4m. The main additions to property, plant and equipment related to (replacement) investments at Austrian and German hydropower plants and investments in the Austrian transmission grid. The increase in current assets resulted in particular from higher cash and cash equivalents, while receivables for guarantees in electricity trading fell.

Equity and liabilities

The increase in equity is mostly due to the profit for the period generated in quarter 1/2023 and the positive effects from the measurement of cash flow hedges recognised in other comprehensive income. The decrease in current and non-current liabilities primarily resulted from substantially lower negative fair values for derivative hedging transactions in the electricity business and from lower financial liabilities attributable to the repayment of short-term money market transactions. Higher deferred tax liabilities from the measurement of cash flow hedges in particular had an offsetting effect.

Cash flows

Cash flow statement (condensed)

€m	Q1/2022	Q1/2023	Change
Cash flow from operating activities	209.2	1,363.7	–
Cash flow from investing activities	–313.5	–212.7	–
Cash flow from financing activities	–78.4	–497.6	–
Change in cash and cash equivalents	–182.8	653.4	–
Cash and cash equivalents as at 31/3/	135.8	**1,062.6**	–

Cash flow from operating activities

Cash flow from operating activities amounted to €1,363.7m in quarter 1/2023, up €1,154.6m on the prior-year figure. The significantly higher average prices achieved for electricity sales and returns on margining payments for hedging transactions in the electricity business provided as security for open positions held with exchange clearing houses had a positive effect. Higher income tax payments and higher interest payments had a negative impact on cash flow from operating activities.

Cash flow from investing activities

Cash flow from investing activities amounted to €–212.7m in quarter 1/2023 (Q1/2022: €–313.5m). The change compared with quarter 1/2022 is mainly due to a lower cash outflow from capital expenditure for intangible assets and property, plant and equipment (€+113.2m). The higher cash outflow from capital expenditure for interests accounted for using the equity method and other equity interests (€–6.0m) and the higher cash outflow from capital expenditure for investments (€–8.7m) had an offsetting effect.

Cash flow from financing activities

Cash flow from financing activities amounted to €–497.6m in quarter 1/2023, a difference of €–419.2m. The main reasons for the change were higher net outflows associated with money market transactions (€–398.6m) and the non-recurrence of the inflow from shifts between shareholder groups from the previous year (€–16.4m).

Opportunity and risk management

Operating result

Potential changes in the operating result are caused primarily by the volatility of electricity prices and by fluctuations in the water supply. In the Grid segment, possible fluctuations in the contribution margin may arise in relation to control power and congestion management. In the Gas grid segment, the volatility of gas prices and delivery volumes in particular could generate corresponding revenue and cost fluctuations. It is also possible that changes in the legal environment and ongoing judicial proceedings will bring about measurement-related adjustments of VERBUND's assets or changes in provisions in addition to changes in market prices and interest rates.

Financial result

Changes 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 changes in the general environment, as well as potential expenses from collateral provided being called in and fluctuating interest rates.

Sensitivities

A change in the factors shown below (all else remaining equal) would be reflected in a projected Group result for full-year 2023 as follows based on the hedging status as at 31 March 2023 for generation volumes and interest rates:

- +/– 1 % generation from hydropower plants: +/– €18.8m
- +/– 1 % generation from wind and solar power: +/– €1.7m
- +/– €1/MWh wholesale electricity prices (renewable generation): +/– €3.8m
- +/– 1 percentage point in interest rates: +/– €8.8m

Segment report

Hydro segment

Hydropower activities are reported in the Hydro segment.

KPIs – Hydro segment

	Unit	Q1/2022	Q1/2023	Change
Total revenue	€m	598.7	1,057.7	76.7 %
EBITDA	€m	515.2	871.2	69.1 %
Result from interests accounted for using the equity method	€m	0.1	0.0	–

KPIs – Hydro segment

	Unit	31/12/2022	31/3/2023	Change
Capital employed	€m	6,180.5	**5,960.6**	–3.6 %

The increase in both total revenue and EBITDA is due to higher average prices achieved for electricity on the whole. EBITDA, however, was reduced by the expense arising from the taxing of windfall profits. 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 0.93 (Q1/2022: 0.94).

The decrease in capital employed was largely due to higher current income tax provisions as well as to higher current liabilities. Higher current receivables had an offsetting effect.

Current information on the Hydro segment

Current hydropower projects

During quarter 1/2023, operation and maintenance as well as all current new build, expansion and rehabilitation projects were conducted without significant restrictions. The sourcing difficulties for multiple materials, components and services as a consequence of the war in Ukraine persisted, however.

In the Gratkorn project, concreting was carried out as planned and has already been completed for the two weir fields. The weir linings were also produced. Turbine assembly began with the assembly of the stay vane ring in March 2023.

In the Reißeck II plus project, the finishing work on the headrace channel (headrace and tailrace tunnels) was completed. The upstream and downstream distribution pipelines have now been assembled and encased in concrete. The downstream distribution pipeline is currently being protected against corrosion. Concreting of the upstream section of the crane runways is already complete and the crane rails have also been installed. Installation of the indoor crane began in early April 2023. The structural engineering above the distribution pipeline was carried out in tandem with the installation work and is 50 % complete.

In the Limberg III project, excavation in the headrace tunnel was approximately 62 % completed by the end of March. The lining of the pressure/riser shaft is currently underway. Concreting in the caverns (around 40 % completed as of the end of quarter 1/2023) is progressing on schedule. The first main crane was installed and put into operation in December 2022. Assembly work (currently of the coil for generator set 1) is on schedule for both generator sets. The hearing for the plans to raise the Limberg Dam took place on 22 March 2023. A decision is expected for mid-May 2023.

In the Stegenwald project, construction work started in February 2023. The main construction work is scheduled for May 2023. Notification of funding approval under the Austrian Renewable Energy Development Act (*Erneuerbaren-Ausbau-Gesetz*, EAG) was received in March 2023.

In the Ottensheim-Wilhering and Ering-Frauenstein rehabilitation projects, assembly work on the two generator sets being upgraded since September 2022 is nearly finished. Trial operations in the two projects are slated to begin in April 2023.

In the Malta-Hauptstufe rehabilitation project, modernisation of turbine 1 is due to start in April 2023. At the new Reißeck pumping station another seal broke, causing bearing damage. This means that commissioning will not be completed until August 2023.

Construction and pilot testing began in the rehabilitation projects for the Jochenstein, Egglfing-Obernberg, Braunau-Simbach and Rosenheim power plants approved by the responsible bodies in December 2022.

Public participation for the Riedl energy store has ended and all official statements (with the exception of the one on pollution control) have been received. Responses are currently being prepared to the objections and comments submitted. Preparations for the scheduled hearing in October 2023 are underway.

Reinforced concrete work for the new vocational training campus being built at the Ybbs-Persenbeug power plant had been completed by the end of March 2023. It is expected that the topping-out ceremony can be held at the beginning of June 2023.

On the environmental side, the planning of fish passes at the Ybbs-Persenbeug and Aschach power plants continued in quarter 1/2023. At the Inn River to the German border, fish passes are being designed in Braunau-Simbach, Schärding-Neuhaus and Passau-Ingling or are awaiting regulatory approval. The regulatory approval process is currently underway for the Egglfing-Obernberg fish pass. Currently, the fish pass in Rosenheim is expected to be put into operation in winter 2023/24.

In hydro consulting, job execution in Laos (Xajaburi and Luang Prabang) and Israel (Manara PSPP) continued, with further smaller orders being completed.

New renewables segment

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

KPIs – New renewables segment

	Unit	Q1/2022	Q1/2023	Change
Total revenue	€m	59.0	83.4	41.4 %
EBITDA	€m	24.2	60.4	–
Result from interests accounted for using the equity method	€m	0.0	0.0	–

KPIs – New renewables segment

	Unit	31/12/2022	31/3/2023	Change
Capital employed	€m	1,356.6	1,487.6	9.7 %

The New renewables segment had been expanded during the previous year through the addition of photovoltaic and wind farms in Spain, most of which are still under construction or in the planning phase.

The increase in both total revenue and EBITDA mainly resulted from higher average prices achieved for electricity as well as a rise in generation volumes resulting from photovoltaic installations coming on stream in Spain. The new renewables coefficient was 1.03 (Q1/2022: 1.06). The increase in capital employed was largely attributable to the rise in net property, plant and equipment stemming from the commissioning of photovoltaic farms in Spain.

Current projects in the New renewables segment

In Austria, work continued in quarter 1/2023 on the development of one wind farm in Styria with a potential capacity of approximately 60 MW, among other things. VERBUND also achieved ready-to-build status for an approximately 3 MW open-field solar installation. Further land spanning around 16 hectares was acquired for photovoltaic projects as well as for a wind power project with potential capacity of up to 33 MW. By order of VERBUND Energy4Business GmbH (VEB), VERBUND Green Power GmbH (VGP) was once again tasked in quarter 1/2023 with the construction as well as the maintenance and monitoring of rooftop and open-field solar installations at industrial customers in Austria.

In the collaboration with JLW/Visiolar, individual photovoltaic projects from the portfolio were developed further in Germany in quarter 1/2023. As things stand today, the first project should go into operation in 2025, subject to regulatory approval.

In addition, development of wind power projects in western Germany continued in partnership with EFI/Felix Nova GmbH. These comprise two portfolios with a total of 14 wind farms and planned installed capacity of up to 234 MW. Construction on the first of the two projects could start before the end of 2023 as long as it gets the green light from the authorities, among other factors.

Activities in Spain included the implementation of three wind farms (around 100 MW) that are scheduled to come on stream in quarters 2–3/2023. The transfer of the three open-field solar installations (around 148 MW) acquired in late 2021 is expected to be finalised by early April 2023. Work also continued on the development of the project pipeline acquired in summer 2022 (with projects at different stages of development). The first of the projects reached ready-to-build status in quarter 1/2023.

In Italy, a cooperation agreement was signed with the PV-Invest Group in late 2022 for the acquisition of a project development company including development of a photovoltaic project portfolio of up to 250 MW in the region of Apulia in southern Italy. The projects, which are in the development phase, are set to progressively reach ready-to-build status by mid-2024 and come on stream by mid-2025.

A wind power project in Romania is in the approval process. Furthermore, possibilities for hybridisation alongside the existing wind power plants are being evaluated and land is being purchased in the surrounding area.

In Albania, work on developing initial wind power and photovoltaic projects continued in the reporting period. The projects are currently in the approval process and efforts are being made to acquire the land required.

Sales segment

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

KPIs – Sales segment

	Unit	Q1/2022	Q1/2023	Change
Total revenue	€m	2,115.2	2,681.6	26.8 %
EBITDA	€m	37.5	– 103.5	–
Result from interests accounted for using the equity method	€m	0.2	0.1	– 77.2 %

KPIs – Sales segment

	Unit	31/12/2022	31/3/2023	Change
Capital employed	€m	1,413.4	**824.5**	– 41.7 %

The rise in total revenue is primarily attributable to higher prices achieved in electricity trading, which were nevertheless offset by correspondingly higher expenses for the purchase of electricity. The decrease in EBITDA was due to higher prices for purchasing electricity and gas as well as lower earnings contributions from flexibility products, among other factors.

The decline in capital employed is principally attributable to a decrease in deferred tax assets from the measurement of derivative financial instruments in other comprehensive income as well as to lower working capital.

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. The North Bavarian battery storage chain with total capacity of 42 MW was put into operation in 2022 and a further 44 MW is scheduled to come on stream in 2023.

In addition, VERBUND offers photovoltaic systems in the contracting model for industrial and commercial customers. These are rooftop or open-field solar installations where the customer consumes over 90 % of the electricity generated. Contracts for the implementation of 6 MWp in 2023 were signed in quarter 1/2023. Other projects with a volume of 20 MWp are being prepared and are due to reach completion in 2023.

The charging network that SMATRICS EnBW operates across Austria is continuing to develop very positively, with the number of kWh sold in the first two months of 2023 up around 80 % on the previous year. A large number of new high-power charging stations (output > 150 kW) is also available. SMATRICS EnBW currently operates 116 high-power charging stations (HPCs) – over 50 more HPCs are awaiting connection to the grid. An initial location has already been contractually secured for the market expansion with selected flagship locations along the main travel routes in Italy.

As a result of the ÖBB tender, the largest master agreement to date has been concluded with SMATRICS for an amount in the mid-double-digit millions. Up to 8,000 charging points will be built and put into operation over the coming years, with SMATRICS taking over all customer management in the area of white labelling.

Thanks to the product partnerships with EnBW, new sectors are being opened up all the time. For example, orders with a volume of more than €1m have been secured with logistics companies.

By continuing to build up internal resources, VERBUND is increasingly securing the engineering and planning expertise needed to implement such projects as well as to meet the growing demand for maintenance contracts. In addition to the promising start-up of the charging station products offered by VEB and VEC, some 150 charging points have already been put into operation at the locations of VERBUND Hydro Power GmbH (VHP), with more to follow in the coming weeks.

Current information on B2C activities

The customer base as at the end of March 2023 amounted to around 520,000 residential customers in the electricity and gas sector.

High procurement costs forced VERBUND to raise electricity prices for its existing customers at the beginning of March 2023.

Several cases have been filed against VERBUND in connection with consumer pricing. VERBUND is therefore calling for a clear legal regulation for energy suppliers and customers alike.

Among other things, a class action lawsuit was brought against VERBUND AG regarding the substantive validity of the price adjustment clause in the General Terms and Conditions (GTC), based on which a price increase for electricity was implemented in 2022. The Commercial Court of Vienna, as the court of first instance, upheld the action. VERBUND AG filed an appeal against the ruling with the Higher Regional Court of Vienna within the prescribed time period.

Grid segment

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

KPIs – Grid segment

	Unit	Q1/2022	Q1/2023	Change
Total revenue	€m	572.1	725.2	26.8 %
EBITDA	€m	165.2	134.1	– 18.8 %
Result from interests accounted for using the equity method	€m	– 3.8	3.9	–

KPIs – Grid segment

	Unit	31/12/2022	31/3/2023	Change
Capital employed	€m	2,740.4	2,666.1	– 2.7 %

Total revenue increased, primarily due to APG generating higher revenue from the recharging of expenses for grid loss, while revenue from the recharging of expenses for congestion management fell. However, there was an equally sharp increase in expenses arising from grid loss energy purchases and lower expenses from congestion management. This as well as the lower revenue from APG from the auctioning off of cross-border capacity are the main causes of the drop in EBITDA. The result from interests accounted for using the equity method was generated mainly from TAG.

The decline in capital employed was mostly attributable to lower working capital and higher other non-interest-bearing debt.

Current information on the Grid segment – Austrian Power Grid AG

Security of supply and congestion management

As in the previous quarters, action had to be taken at Austrian power plants in quarter 1/2023 to manage congestion both within and outside the APG grid.

Tariff regulation

The 2023 cost calculation process for determining the tariffs for 2024 was initiated on 2 February 2023. The cost notice from the regulator to serve as a basis for the tariffs in 2023 was delivered in quarter 4/2022. APG filed a complaint against this notice within the prescribed time period.

EIA approval of "220-kV grid expansion in central Upper Austria"

On 9 March 2023, the federal state of Upper Austria, as the environmental impact assessment authority conducting the proceedings (EIA authority), granted EIA approval for the joint 220-kV grid expansion project in central Upper Austria being implemented by APG, Netz OÖ and LINZ NETZ. EIA approval is of fundamental importance for swift implementation of the project, which will serve to increase feed-in capacity and advance the integration of renewable energy sources into the grid in central Upper Austria. This in turn will support the energy transition.

Ground-breaking ceremony and start of construction at the Hütte Süd substation (220/110 kV)

The ground-breaking ceremony for expansion of the Hütte Süd substation, which is also part of the 220-kV grid expansion in central Upper Austria project, took place on 21 March 2023. As a new 220/110-kV node, the APG substation is a vital component of voestalpine's decarbonisation strategy and essential for safeguarding Upper Austria as a centre of industry and commerce.

Germany line (380 kV): ground-breaking ceremony and start of construction

The Germany line is a joint project between the transmission system operators APG and TenneT. The ground-breaking ceremony for the cross-border construction phase was held on the German side on 9 March 2023.

Current information on the Grid segment – Gas Connect Austria GmbH

Gas flows

In quarter 1/2023, gas flows in the East market area were at a much lower level than in the prior-year reporting period (i.e. in some cases even before the outbreak of war in Ukraine). Particularly the Baumgarten entry point and the Arnoldstein exit point (TAG) recorded a marked decrease compared with quarter 1/2022, while use of the Oberkappel entry point remains steady. A decrease in nominations at the exit distribution area was subsequently observed due to high filling levels in the storage systems and the warm winter months. Reduced demand for gas or rather the sufficient supply of natural gas was also reflected in the wholesale prices for gas (and also electricity) and thus in the costs for compressor energy. In this context, a portion of the lower cover for energy costs in 2022 was recovered by continuously offsetting it against the commodity tariff that was increased in November 2022.

Regulation

On 1 January 2023, a new regulatory period began for the distribution network, analogous to the electricity grid segment. The WACC in the distribution network for the regulatory period of 2023 – 2027 is 3.72 % for existing capital expenditures and 4.88 % for new capital expenditures; the WACC for new capital expenditures is adjusted annually.

Talks with Energie-Control Austria (ECA) have been scheduled for 2023 to discuss the imminent fifth regulatory period for transmission rates.

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	Q1/2022	Q1/2023	Change
Total revenue	€m	256.8	183.8	–28.4 %
EBITDA	€m	81.1	19.3	–76.2 %
Result from interests accounted for using the equity method	€m	–8.8	14.0	–

KPIs – All other segments

	Unit	31/12/2022	31/3/2023	Change
Capital employed	€m	655.2	602.8	–8.0 %

The decrease in total revenue is mainly attributable to reduced use of the Mellach CCGT in the reporting period which, on account of higher sales prices, led to a fall in electricity revenue. Lower volumes of district heating generated also reduced district heating revenue. This, along with negative effects from the measurement of energy derivatives relating to future energy deliveries, brought about a sharp drop in EBITDA as well, despite the fact that the use of fuels decreased as a consequence of reduced power plant use. The result from interests accounted for using the equity method was generated by KELAG.

The decrease in capital employed is mostly due to lower working capital.

Current information on the Thermal generation segment

In quarter 1/2023, generator 20 of the Mellach CCGT was used primarily in the electricity and heating market. Generator 10 of the Mellach CCGT was also used to ensure security of supply. As regards the Mellach district heating power plant, preparations for fulfilling the contractual obligations for congestion management (from 1 April 2023) were completed.

At the end of February 2023, APG launched a call for expression of interest in participation in the bidding process for the grid reserve for the period 1 October 2023 to 30 September 2024. The required documents were submitted in a timely manner at the end of March.

Current information on the Services segment

As a shared service organisation, VERBUND Services GmbH again handled central service processes in the Group effectively, cost-efficiently and to a high level of customer satisfaction in the quarter now ended.

Implementation of the SAP Excellence programme progressed on schedule. Technical implementation of the S/4 system in the test systems had been completed by the end of March 2023, and Group-wide testing and user training are on the agenda for the coming months.

In the "New world of work" project, preparations for the general refurbishment and redesign of the Group headquarters at Am Hof started in quarter 1/2023. Technical and architectural design for three companies at Group headquarters has been completed; the required tenders are currently underway and are scheduled to be finalised by the end of April 2023.

In IT services, the “Smart Office” project to roll out the Microsoft 365 collaboration platform was brought to a successful conclusion by 31 March 2023.

A major challenge on the telecommunications side in the past quarter was the continued sharp rise in demand for telecommunications services, which was exacerbated by long delivery times, among other factors. Major investment in generation and transmission with increasing automation and digitalisation are driving telecommunications demand.

Current information on the Equity interests segment

KELAG-Kärntner Elektrizitäts-Aktiengesellschaft

KELAG’s contribution to the result from interests accounted for using the equity method was €14.0m in quarter 1/2023 (Q1/2022: €– 8.8m). The increase is attributable to higher trading income and an increase in income from heating. The absence of non-recurring effects on the balance sheet also had a positive effect compared with the previous year.

Based on the current opportunities and risks, the results for 2023 as a whole are expected to be positive.

Events after the reporting date

There were no events requiring disclosure between the reporting date of 31 March 2023 and authorisation for issue on 25 April 2023.

Consolidated interim financial statements

Consolidated interim financial statements

of VERBUND

Income statement

€m

In accordance with IFRSs	Notes	Q1/2022	**Q1/2023**
Revenue		2,531.9	**3,262.7**
Electricity revenue	1	2,063.8	2,765.7
Grid revenue	1	348.5	400.6
Other revenue	1	119.7	96.4
Other operating income		23.3	20.1
Expenses for electricity, grid, gas and certificates purchases	2	–1,534.8	–1,800.2
Fuel expenses and other usage-/revenue-dependent expenses	3	–186.1	–222.5
Personnel expenses	4	–105.3	–112.2
Other operating expenses		–89.6	–97.2
Measurement and realisation of energy derivatives	5	175.4	–83.5
EBITDA		814.9	**967.3**
Depreciation and amortisation	6	–109.2	–125.9
Operating result		705.7	**841.4**
Result from interests accounted for using the equity method	7	–12.3	18.0
Other result from equity interests		1.1	1.0
Interest income	8	9.0	16.1
Interest expenses	9	–21.3	–38.4
Other financial result	10	–3.6	5.6
Financial result		–27.1	**2.2**
Profit before tax		678.6	**843.6**
Taxes on income		–111.0	–202.6
Profit for the period		567.6	**641.0**
Attributable to the shareholders of VERBUND AG (Group result)		514.4	529.0
Attributable to non-controlling interests		53.2	112.0
Earnings per share in €[1]		1.48	**1.52**

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

Statement of comprehensive income

€m

In accordance with IFRSs	Notes	Q1/2022	**Q1/2023**
Profit for the period		567.6	**641.0**
Remeasurements of net defined benefit liability		–0.7	–0.1
Other comprehensive income from interests accounted for using the equity method[1]		–12.5	–4.6
Total of items that will not be reclassified subsequently to the income statement		–13.2	**–4.7**
Differences from currency translation		0.0	–0.1
Measurements of cash flow hedges		–1,093.9	1,337.9
Other comprehensive income from interests accounted for using the equity method[2]		0.0	–13.6
Total of items that will be reclassified subsequently to the income statement		–1,093.9	**1,324.2**
Other comprehensive income before tax		–1,107.0	**1,319.5**
Taxes on income relating to items that will not be reclassified subsequently to the income statement		–8.6	0.0
Taxes on income relating to items that will be reclassified subsequently to the income statement		262.4	–316.3
Other comprehensive income after tax		–853.2	**1,003.2**
Total comprehensive income for the period		–285.6	**1,644.2**
Attributable to the shareholders of VERBUND AG		–338.1	1,531.0
Attributable to non-controlling interests		52.4	113.2

[1] deferred taxes included therein in quarter 1/2023: €1.4m (Q1/2022: €4.2m) // [2] deferred taxes included therein in quarter 1/2023: €3.8m (Q1/2022: €0.0m)

Balance sheet

€m

In accordance with IFRSs	Notes	31/12/2022	31/3/2023
Non-current assets		15,244.6	**15,165.9**
Intangible assets		1,244.8	1,246.8
Property, plant and equipment		11,876.4	11,866.9
Right-of-use assets		146.6	148.0
Interests accounted for using the equity method		365.5	366.4
Other equity interests	12	192.7	202.9
Investments and other receivables	12	945.5	845.2
Receivables from derivative financial instruments	12	437.3	456.1
Deferred tax assets		35.8	33.7
Current assets		3,912.0	**4,375.4**
Inventories	11	123.0	75.6
Receivables from derivative financial instruments	12	1,833.7	1,865.3
Trade receivables, other receivables and securities	12	1,546.1	1,371.9
Cash and cash equivalents	12	409.3	1,062.6
Total assets		19,156.6	**19,541.3**

€m

In accordance with IFRSs	Notes	31/12/2022	**31/3/2023**
Equity		8,323.0	**9,967.9**
Attributable to the shareholders of VERBUND AG		7,276.0	8,808.3
Attributable to non-controlling interests		1,047.0	1,159.6
Non-current liabilities		6,688.2	**6,303.7**
Financial liabilities	12	2,844.6	2,807.0
Provisions		619.5	616.9
Deferred tax liabilities		800.5	1,130.7
Contributions to building costs and grants		791.2	785.2
Liabilities from derivative financial instruments	12	1,069.2	347.4
Other liabilities	12	563.4	616.4
Current liabilities		4,145.4	**3,269.7**
Financial liabilities	12	1,109.3	632.3
Provisions		50.9	50.2
Current tax liabilities		457.9	595.5
Liabilities from derivative financial instruments	12	1,491.6	926.4
Trade payables and other liabilities	12	1,035.8	1,065.3
Total equity and liabilities		19,156.6	19,541.3

Cash flow statement

€m

In accordance with IFRSs	Notes	Q1/2022	Q1/2023
Profit for the period		567.6	**641.0**
Amortisation of intangible assets and depreciation of property, plant and equipment (net of reversals of impairment losses)		109.2	125.9
Impairment losses on investments (net of reversals of impairment losses)		5.0	–1.9
Result from interests accounted for using the equity method (net of dividends received)		12.3	–18.0
Result from the disposal of non-current assets		0.5	0.4
Change in non-current provisions and deferred tax liabilities		–25.1	13.2
Change in contributions to building costs and grants		–5.9	–5.9
Other non-cash expenses and income		–4.4	6.6
Subtotal		659.2	**761.2**
Change in inventories		3.3	47.4
Change in trade receivables and other receivables		–324.0	266.4
Change in trade payables and other liabilities		9.1	163.9
Change in non-current and current receivables from derivative financial instruments		–306.4	159.8
Change in non-current and current liabilities from derivative financial instruments		62.4	–171.9
Change in current provisions and current tax liabilities		105.5	137.0
Cash flow from operating activities[1]		209.2	**1,363.7**

[1] Cash flow from operating activities includes income taxes paid of €53.1m (Q1/2022: €32.7m), interest paid of €7.6m (Q1/2022: €3.9m), interest received of €6.3m (Q1/2022: €0.6m) and dividends received of €1.1m (Q1/2022: €1.1m).

€m

In accordance with IFRSs	Notes	Q1/2022	Q1/2023
Cash outflow from capital expenditure for intangible assets and property, plant and equipment		–309.2	–196.0
Cash inflow from the disposal of intangible assets and property, plant and equipment		0.1	4.0
Cash outflow from capital expenditure for investments		–0.8	–9.6
Cash inflow from the disposal of investments		1.5	0.0
Cash outflow from capital expenditure for interests accounted for using the equity method and other equity interests		–5.2	–11.2
Cash flow from investing activities		–313.5	**–212.7**
Cash inflow from shifts between shareholder groups		16.4	0.0
Cash inflow from money market transactions		1,341.0	562.4
Cash outflow from money market transactions		–1,430.0	–1,050.0
Cash inflow from the assumption of financial liabilities (excluding money market transactions)		3.7	0.2
Cash outflow from the repayment of financial liabilities (excluding money market transactions)		–5.0	–5.2
Cash outflow from the repayment of lease liabilities		–4.5	–5.0
Cash flow from financing activities		–78.4	**–497.6**
Change in cash and cash equivalents		–182.8	**653.4**
Cash and cash equivalents as at 1/1/		318.6	**409.3**
Change in cash and cash equivalents		–182.8	653.4
Cash and cash equivalents as at 31/3/		135.8	**1,062.6**

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 1/1/2022	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
As at 1/1/2023	347.4	954.3	7,305.0	– 205.5
Profit for the period	–	–	529.0	–
Other comprehensive income	–	–	0.0	–4.7
Total comprehensive income for the period	–	–	529.0	–4.7
Other changes in equity	–	–	1.3	0.0
As at 31/3/2023	**347.4**	**954.3**	**7,835.3**	**–210.2**

€m

Difference from currency translation	Measurements of financial instruments	Measurements of cash flow hedges	Equity attributable to the shareholders of VERBUND AG	Equity attributable to non-controlling interests	Total equity
– 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
– 18.2	29.0	– 1,136.1	7,276.0	1,047.0	8,323.0
–	–	–	529.0	112.0	641.0
– 0.1	0.0	1,006.9	1,002.0	1.1	1,003.2
– 0.1	0.0	1,006.9	1,531.0	113.2	1,644.2
0.0	0.0	0.0	1.3	– 0.6	0.7
– 18.3	**29.0**	**– 129.2**	**8,808.3**	**1,159.6**	**9,967.9**

Selected explanatory notes

Financial reporting principles

Basic principles

These consolidated interim financial statements of VERBUND for the period ended 31 March 2023 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 2022, which form the basis for these consolidated interim financial statements of VERBUND.

Basis of consolidation

There were no changes in the basis of consolidation in quarter 1/2023.

Effects of the war in Ukraine

The beginning of hostilities on the part of Russian forces in Ukraine in the year 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 2023. There were no significant changes compared with 31 December 2022.

There were no restrictions on either gas flows or current payments for gas transport capacity during quarter 1/2023 for the subsidiaries Gas Connect Austria GmbH (GCA) and Trans Austria Gasleitung GmbH (TAG), which operate the gas network. 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 as in the consolidated financial statements for the period ended 31 December 2022.

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
IAS 1 and IFRS Practice Statement 2	Amendment: Disclosure of Accounting Policies	12/2/2021 (2/3/2022)	1/1/2023	None
IAS 8	Amendment: Definition of Accounting Estimates	12/2/2021 (2/3/2022)	1/1/2023	None
IAS 12	Amendment: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	7/5/2021 (11/8/2022)	1/1/2023	None
IFRS 17	Amendment: First-time Adoption of IFRS 17 and IFRS 9 – Comparative Information	9/12/2021 (8/9/2022)	1/1/2023	None
IFRS 17	Insurance Contracts (First-time Adoption) including Amendment	18/5/2017 (19/11/2021)	1/1/2023	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	Reconciliation/ consolidation	Total Group
Q1/2023							
External revenue	48.8	57.2	2,460.4	688.2	6.2	1.9	3,262.7
Internal revenue	1,008.9	26.2	221.3	37.0	177.6	–1,470.9	0.0
Total revenue	1,057.7	83.4	2,681.6	725.2	183.8	–1,469.1	3,262.7
EBITDA	**871.2**	**60.4**	**–103.5**	**134.1**	**19.3**	**–14.2**	**967.3**
Depreciation and amortisation	–57.7	–15.3	–0.9	–44.4	–6.8	–0.8	–125.9
Other material non-cash items	–52.5	2.8	–39.5	3.5	–24.7	0.1	–110.3
Result from interests accounted for using the equity method	0.0	0.0	0.1	3.9	14.0	0.0	18.0
Capital employed	**5,960.6**	**1,487.6**	**824.5**	**2,666.1**	**602.8**	**–213.8**	**11,327.7**
of which carrying amount of interests accounted for using the equity method	22.8	1.4	16.8	35.2	290.2	0.0	366.4
Additions to intangible assets and property, plant and equipment	68.3	10.3	0.3	37.8	3.3	0.4	120.4

€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

Notes to the income statement

(1) Revenue

Revenue

€m

	Q1/2022 Domestic	**Q1/2023 Domestic**	Q1/2022 Foreign	**Q1/2023 Foreign**	Q1/2022 Total	**Q1/2023 Total**	Change
Electricity revenue resellers	15.1	22.5	4.4	19.2	19.5	41.6	113.9 %
Electricity revenue traders	0.0	0.0	1.3	4.3	1.4	4.3	n/a
Electricity revenue – Hydro segment	15.1	**22.5**	5.8	**23.5**	20.8	**46.0**	120.7 %
Electricity revenue resellers	0.0	0.0	0.0	16.3	0.0	16.3	n/a
Electricity revenue traders	0.0	0.0	20.5	15.5	20.5	15.5	–24.7 %
Electricity revenue consumers	0.0	0.0	14.0	20.8	14.0	20.8	48.5 %
Electricity revenue – New renewables segment	0.0	**0.0**	34.6	**52.6**	34.6	**52.6**	52.3 %
Electricity revenue resellers	390.5	554.6	261.9	510.5	652.4	1,065.0	63.2 %
Electricity revenue traders	356.5	307.8	335.1	522.1	691.5	829.9	20.0 %
Electricity revenue consumers	254.3	244.0	200.9	247.1	455.2	491.0	7.9 %
Electricity revenue – Sales segment	1,001.4	**1,106.3**	797.8	**1,279.7**	1,799.2	**2,386.0**	32.6 %
Electricity revenue resellers	42.7	218.9	156.9	49.8	199.6	268.6	34.6 %
Electricity revenue traders	8.8	11.2	0.9	1.4	9.6	12.5	30.3 %
Electricity revenue – Grid segment	51.4	**230.1**	157.8	**51.1**	209.2	**281.2**	34.4 %
Total electricity sales revenue	1,067.8	**1,358.9**	995.9	**1,406.9**	2,063.8	**2,765.7**	34.0 %
Grid revenue electric utilities	144.5	198.5	10.4	7.2	154.9	205.7	32.8 %
Grid revenue industrial customers	2.8	4.1	0.0	0.0	2.8	4.1	48.7 %
Grid revenue other	50.1	57.3	140.7	133.5	190.8	190.8	0.0 %
Total grid revenue – Grid segment	197.4	**259.9**	151.1	**140.8**	348.5	**400.6**	15.0 %
Other revenue – Hydro segment					1.6	**2.8**	81.3 %
Other revenue – New renewables segment					3.2	**4.6**	43.5 %
Other revenue – Sales segment					60.8	**74.4**	22.3 %
Other revenue – Grid segment					4.0	**6.4**	60.0 %
Other revenue – All other segments					48.5	**6.2**	–87.1 %
Other revenue – reconciliation					1.7	**1.9**	13.9 %
Total of other revenue					119.7	**96.4**	–19.5 %
Total revenue					2,531.9	**3,262.7**	28.9 %

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

Expenses for electricity, grid, gas and certificates purchases

€m	Q1/2022	Q1/2023	Change
Expenses for electricity purchases (including control power)	1,460.3	1,723.4	18.0 %
Expenses for gas purchases	64.8	58.5	−9.7 %
Expenses for grid purchases (system use)	6.3	17.2	173.8 %
Purchases of proof of origin and green certificates	2.1	1.8	−15.0 %
Purchases of emission rights (trading)	1.2	−0.8	n/a
Expenses for electricity, grid, gas and certificates purchases	1,534.8	**1,800.2**	17.3 %

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

Fuel expenses and other usage-/revenue-dependent expenses

€m	Q1/2022	Q1/2023	Change
Fuel expenses	156.6	134.5	−14.1 %
Windfall tax expenses	0.0	68.6	n/a
Emission rights acquired in exchange for consideration	20.6	9.4	−54.5 %
Other revenue-dependent expenses	7.4	8.1	10.0 %
Other usage-dependent expenses	1.4	1.9	29.0 %
Fuel expenses and other usage-/revenue-dependent expenses	186.1	**222.5**	19.6 %

(4)
Personnel expenses

Personnel expenses

€m	Q1/2022	Q1/2023	Change
Wages and salaries	81.5	88.1	8.0 %
Expenses for social security contributions as required by law as well as income-based charges and compulsory contributions	17.9	19.4	8.4 %
Other social expenses	1.5	1.9	24.7 %
Subtotal	101.0	**109.4**	8.3 %
Expenses for pensions and similar obligations	3.4	2.4	−30.1 %
Expenses for termination benefits	0.8	0.4	−55.2 %
Personnel expenses	105.3	**112.2**	6.5 %

(5)
Measurement and realisation of energy derivatives

Measurement and realisation of energy derivatives

€m	Q1/2022	Q1/2023	Change
Realisation of futures	−100.0	**−404.3**	n/a
of which positive	311.8	570.3	82.9 %
of which negative	−411.8	−974.6	−136.7 %
Measurement	275.4	**320.8**	16.5 %
of which positive	1,543.7	1,955.0	26.6 %
of which negative	−1,268.3	−1,634.2	−28.8 %
Measurement and realisation of energy derivatives	175.4	**−83.5**	−147.6 %

(6) Depreciation and amortisation

Depreciation and amortisation

€m

	Q1/2022	Q1/2023	Change
Depreciation of property, plant and equipment	103.2	118.4	14.8 %
Amortisation of intangible assets	3.8	4.7	25.1 %
Depreciation of right-of-use assets	2.2	2.8	22.9 %
Depreciation and amortisation	109.2	**125.9**	15.3 %

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

Result from interests accounted for using the equity method

€m

	Q1/2022 Domestic	Q1/2023 Domestic	Change	Q1/2022 Foreign	Q1/2023 Foreign	Change
Income or expenses	– 12.3	**18.1**	n/a	0.0	**– 0.1**	n/a

(8) Interest income

Interest income

€m

	Q1/2022	Q1/2023	Change
Interest from investments under closed items on the balance sheet	7.8	8.0	2.0 %
Interest from money market transactions	0.7	3.4	n/a
Other interest and similar income	0.5	4.6	n/a
Interest income	9.0	**16.1**	78.4 %

(9) Interest expenses

Interest expenses

€m

	Q1/2022	Q1/2023	Change
Interest on bank loans	1.7	8.3	n/a
Interest on financial liabilities under closed items on the balance sheet	7.8	8.0	2.1 %
Net interest expense on personnel-related liabilities	1.7	4.5	159.4 %
Interest on bonds	3.0	3.9	30.6 %
Interest on money market transactions	0.0	3.8	n/a
Interest on other liabilities from electricity supply commitments	3.3	3.0	– 8.5 %
Interest on a share redemption obligation	2.1	1.8	– 16.9 %
Interest on other non-current provisions	0.3	0.9	n/a
Interest on leases	0.3	0.5	86.0 %
Borrowing costs capitalised in accordance with IAS 23	– 1.7	– 1.7	1.4 %
Other interest and similar expenses	2.8	5.4	95.1 %
Interest expenses	21.3	**38.4**	80.3 %

(10)
Other financial result

Other financial result

€m

	Q1/2022	Q1/2023	Change
Measurement of non-derivative financial instruments	–5.0	1.9	n/a
Measurement of a profit participation right with respect to material assets[1]	0.0	1.7	n/a
Measurement of derivatives in the finance area	1.3	1.5	16.5 %
Income from securities and loans	0.5	0.4	–10.1 %
Other	–0.4	0.0	n/a
Other financial result	–3.6	**5.6**	n/a

[1] VERBUND has a profit participation right with respect to the material assets of TAG. They are measured at fair value through profit or loss in accordance with IFRS 9.

Notes to the balance sheet

(11)
Inventories

Inventories

€m

	31/12/2022	31/3/2023	Change
Inventories of primary energy sources held for generation[1]	103.0	**54.8**	–46.8 %
Emission rights held for trading	0.7	0.7	0.0 %
Measurements of emission rights held for trading	0.4	0.5	24.5 %
Fair value of emission rights held for trading	1.1	**1.2**	9.4 %
Proof of origin and green electricity certificates	1.7	**5.0**	191.8 %
Other	17.2	**14.6**	–15.3 %
Inventories	123.0	**75.6**	–38.5 %

[1] In quarter 1/2023, a write-down of gas inventories of around €32.4m (31 December 2022: €19.0m) was recognised as an expense in the income statement.

The measurement benchmark for inventories of natural gas and emission allowances 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 market 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 allowances held for trading corresponds to the market price on the European Energy Exchange (EEX). The fair values are thus based on Level 1 measurements.

(12) Additional information regarding financial instruments

Carrying amounts and fair values by measurement category 31/3/2023

€m

Assets – balance sheet items	Measurement category in accordance with IFRS 9	Level	Carrying amount	Fair value
Interests in unconsolidated subsidiaries	FVOCI	2	15.4	15.4
Interests in unconsolidated subsidiaries	FVOCI	AC	23.8	23.8
Other equity interests	FVOCI	1	27.4	27.4
Other equity interests	FVOCI	2	121.2	121.2
Other equity interests	FVOCI	AC	15.1	15.1
Other equity interests			**202.9**	
Derivatives in the energy area	FVPL	2	402.3	402.3
Derivatives in the finance area	FVPL	2	35.0	35.0
Derivatives in the finance area – closed items on the balance sheet	FVPL	2	18.8	18.8
Receivables from derivative financial instruments			**456.1**	
Securities	FVPL	1	154.3	154.3
Securities	FVOCI	3	7.3	7.3
Securities	FVOCI	AC	1.3	1.3
Securities – closed items on the balance sheet	AC	2	69.1	69.0
Other loans – closed items on the balance sheet	AC	2	316.8	328.0
Loans	AC	2	57.2	52.4
Other	FVPL	3	23.1	23.1
Other	AC	–	176.7	–
Other	–	–	39.3	–
Other investments and non-current other receivables			**845.2**	
Derivatives in the energy area	FVPL	1	22.7	22.7
Derivatives in the energy area	FVPL	2	1,835.6	1,835.6
Derivatives in the finance area	FVPL	2	6.9	6.9
Receivables from derivative financial instruments			**1,865.3**	
Trade receivables	AC	–	1,018.5	–
Receivables from investees	AC	–	50.3	–
Loans to investees	AC	2	22.5	22.1
Securities	FVPL	1	0.2	0.2
Emission rights	–	–	50.6	–
Other	AC	–	171.0	–
Other	–	–	58.8	–
Trade receivables, other current receivables and securities			**1,371.9**	
Cash and cash equivalents	**AC**	**–**	**1,062.6**	**–**

Carrying amounts and fair values by measurement category 31/3/2023

€m

Assets – balance sheet items	Measurement category in accordance with IFRS 9	Level	Carrying amount	Fair value
Aggregated by measurement category				
Financial assets at amortised cost	AC		2,944.9	
Financial assets at fair value through profit or loss	FVPL		2,498.9	
Financial assets at fair value through other comprehensive income	FVOCI		211.5	

Carrying amounts and fair values by measurement category 31/3/2023

€m

Liabilities – balance sheet items	Measurement category in accordance with IFRS 9	Level	Carrying amount	Fair value
Bonds	AC	2	1,153.8	964.6
Financial liabilities to banks and to others	AC	2	1,822.1	1,838.0
Financial liabilities to banks – closed items on the balance sheet	AC	2	134.5	284.4
Financial liabilities to banks – closed items on the balance sheet	FVPL – D	2	270.4	270.4
Capital shares attributable to limited partners	–	–	7.2	–
Put liability	AC	–	51.4	–
Non-current and current financial liabilities			**3,439.3**	
Derivatives in the energy area	FVPL	2	347.4	347.4
Liabilities from derivative financial instruments			**347.4**	
Electricity supply commitment	–	–	109.6	–
Obligation to return an interest	AC	3	118.5	126.4
Trade payables	AC	–	2.2	–
Deferred income for grants (emission rights)	–	–	1.6	–
Lease liabilities	–	–	125.6	–
Other	AC	–	258.8	–
Non-current other liabilities			**616.4**	
Derivatives in the energy area	FVPL	1	44.5	44.5
Derivatives in the energy area	FVPL	2	882.4	882.4
Derivatives in the finance area	FVPL	2	–0.5	–0.5
Liabilities from derivative financial instruments			**926.4**	
Trade payables	AC	–	358.9	–
Lease liabilities	–	–	10.9	–
Other	AC	–	478.0	–
Other	–	–	217.5	–
Trade payables and current other liabilities			**1,065.3**	
Aggregated by measurement category				
Financial liabilities at amortised cost	AC		4,378.2	
Financial liabilities at fair value through profit or loss	FVPL		1,273.8	
Financial liabilities at fair value through profit or loss – designated	FVPL – D		270.4	

Carrying amounts and fair values by measurement category 31/12/2022

€m

Assets – balance sheet items	Measurement category in accordance with IFRS 9	Level	Carrying amount	Fair value
Interests in unconsolidated subsidiaries	FVOCI	2	15.4	15.4
Interests in unconsolidated subsidiaries	FVOCI	AC	13.6	13.6
Other equity interests	FVOCI	1	27.4	27.4
Other equity interests	FVOCI	2	121.2	121.2
Other equity interests	FVOCI	AC	15.1	15.1
Other equity interests			**192.7**	
Derivatives in the energy area	FVPL	2	369.7	369.7
Derivatives in the finance area	FVPL	2	36.2	36.2
Derivatives in the finance area – closed items on the balance sheet	FVPL	2	31.5	31.5
Receivables from derivative financial instruments			**437.3**	
Securities	FVPL	1	152.4	152.4
Securities	FVOCI	3	7.3	7.3
Securities	FVOCI	AC	1.3	1.3
Securities – closed items on the balance sheet	AC	2	73.2	71.2
Other loans – closed items on the balance sheet	AC	2	334.1	335.9
Loans	AC	2	67.5	61.1
Other	FVPL	3	21.2	21.2
Other	AC	–	250.2	–
Other	–	–	38.3	–
Investments and other receivables			**945.5**	
Derivatives in the energy area	FVPL	1	4.7	4.7
Derivatives in the energy area	FVPL	2	1,820.7	1,820.7
Derivatives in the finance area	FVPL	2	8.3	8.3
Receivables from derivative financial instruments			**1,833.7**	
Trade receivables	AC	–	968.3	–
Receivables from investees	AC	–	57.9	–
Loans to investees	AC	2	3.5	3.0
Securities	FVPL	1	0.2	0.2
Emission rights	–	–	49.0	–
Other	AC	–	428.3	–
Other	–	–	38.7	–
Trade receivables, other current receivables and securities			**1,546.1**	
Cash and cash equivalents	**AC**	**–**	**409.3**	**–**

Carrying amounts and fair values by measurement category 31/12/2022 €m

Assets – balance sheet items	Measurement category in accordance with IFRS 9	Level	Carrying amount	Fair value
Aggregated by measurement category				
Financial assets at amortised cost	AC		2,592.4	
Financial assets at fair value through profit or loss	FVPL		2,444.8	
Financial assets at fair value through other comprehensive income	FVOCI		201.3	

Carrying amounts and fair values by measurement category 31/12/2022

€m

Liabilities – balance sheet items	Measurement category in accordance with IFRS 9	Level	Carrying amount	Fair value
Bonds	AC	2	1,151.0	956.5
Financial liabilities to banks and to others	AC	2	2,304.6	2,323.5
Financial liabilities to banks – closed items on the balance sheet	AC	2	126.6	140.2
Financial liabilities to banks – closed items on the balance sheet	FVPL – D	2	312.3	312.3
Capital shares attributable to limited partners	–	–	7.3	–
Put liability	AC	–	52.1	–
Non-current and current financial liabilities			3,953.9	
Derivatives in the energy area	FVPL	2	1,069.2	1,069.2
Liabilities from derivative financial instruments			1,069.2	
Electricity supply commitment	–	–	113.4	–
Obligation to return an interest	AC	3	116.7	124.5
Trade payables	AC	–	2.8	–
Deferred income for grants (emission rights)	–	–	0.1	–
Lease liabilities	–	–	126.0	
Other	AC	–	204.3	–
Non-current other liabilities			563.4	
Derivatives in the energy area	FVPL	1	216.7	216.7
Derivatives in the energy area	FVPL	2	1,274.9	1,274.9
Liabilities from derivative financial instruments			1,491.6	
Trade payables	AC	–	412.7	–
Lease liabilities	–	–	10.8	
Other	AC	–	467.7	–
Other	–	–	144.6	–
Trade payables and current other liabilities			1,035.8	
Aggregated by measurement category				
Financial liabilities at amortised cost	AC		4,838.6	
Financial liabilities at fair value through profit or loss	FVPL		2,560.8	
Financial liabilities at fair value through profit or loss – designated	FVPL – D		312.3	

Of the derivative financial instruments in the energy area classified as FVPL in the above tables, positive fair values of €1,234.9m (31 December 2022: €1,012.1m) and negative fair values of €1,375.6m (31 December 2022: €2,491.9m) 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

	31/3/2023	of which due in 2023	of which due 2024-2028
Total commitment	**1,187.7**	768.0	419.6

Court proceedings pending

The substantive validity of the price increase for electricity implemented in 2022 based on a price adjustment clause in the General Terms and Conditions (GTC) was disputed in a class action lawsuit brought against VERBUND AG. The Commercial Court of Vienna, as the court of first instance, upheld the action. VERBUND AG filed an appeal against the ruling with the Higher Regional Court of Vienna within the prescribed time period. A corresponding provision has been recognised in the balance sheet for this matter.

There were no significant developments compared with the status described on 31 December 2022 in connection with the claims for damages asserted in the wake of the flooding of the Drau River in 2012.

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. There were no significant developments compared with the situation described as of 31 December 2022.

No information is provided on any contingent liabilities or provisions for the above-mentioned proceedings, as it is to be expected that such disclosures in the notes to the financial statements will seriously affect the position of the Group companies sued in these 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 2020 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.

Transactions with related parties

Transactions with investees accounted for using the equity method €m

	Q1/2022	Q1/2023	Change
Income statement			
Electricity revenue	17.1	44.5	160.2 %
Grid revenue	14.4	18.1	25.2 %
Other revenue	2.0	2.1	5.2 %
Other operating income	0.0	0.5	n/a
Expenses for electricity, grid, gas and certificates purchases	–12.4	–65.3	n/a
Fuel expenses and other usage-/revenue-dependent expenses	–0.6	–0.2	60.0 %
Other operating expenses	–5.7	–10.1	–76.3 %
Interest income	0.2	0.4	70.9 %
Interest expenses	0.0	–0.1	n/a
Other financial result	0.4	1.9	n/a

Transactions with investees accounted for using the equity method €m

	31/12/2022	31/3/2023	Change
Balance sheet			
Investments and other receivables	40.1	39.3	–2.2 %
Trade receivables, other current receivables and securities	29.6	38.7	30.8 %
Contributions to building costs and grants	275.1	272.5	–0.9 %
Current provisions	0.0	0.1	n/a
Trade payables and other current liabilities	15.9	14.1	–11.5 %

Electricity revenue with investees accounted for using the equity method of accounting was generated mainly with KELAG-Kärntner Elektrizitäts-Aktiengesellschaft (KELAG) (€44.1m; previous year: €16.6m). The electricity revenue was offset by electricity purchases from KELAG in the amount of €65.1m (previous year: €12.2m). 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 €79.6m (previous year: €32.7m). Electricity was purchased mainly by ÖBB, Bundesbeschaffung GmbH and OMV. Electricity purchased from companies controlled or significantly influenced by the Republic of Austria totalled €68.1m (previous year: €9.8m). 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 €42.2m reported under other revenue or gas purchases, respectively (previous year: expense of €13.7m).

VERBUND's expenses for monitoring by E-Control amounted to €3.2m (previous year: €2.1m).

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 2023 and authorisation for issue on 25 April 2023.

Vienna, 25 April 2023

Executive Board

Michael Strugl	Peter F. Kollmann	Achim Kaspar
Chairman of the Executive Board of VERBUND AG	**CFO, Member of the Executive Board of VERBUND AG**	**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 2023, 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 2023 as well as with respect to the principal risks and uncertainties in the remaining nine months of the financial year.

Vienna, 25 April 2023

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

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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

Company spokesperson:
Ingun Metelko
Phone: +43 (0)50 313-53748
E-mail: ingun.metelko@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:
Energie-Control Austria für die Regulierung der Elektrizitäts- und Erdgaswirtschaft (E-Control)
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.

Executive Board:
Michael Strugl (Chairman),
Peter F. Kollmann,
Achim Kaspar

Supervisory Board:
Martin Ohneberg (Chairman), Edith Hlawati (1st Vice-Chairwoman), Christine Catasta (2nd Vice-Chairwoman), Barbara Praetorius, Jürgen Roth, Eckhardt Rümmler, Christa Schlager, Robert Stajic, Stefan Szyszkowitz, Peter Weinelt, Kurt Christof, Isabella Hönlinger, Wolfgang Liebscher, Veronika Neugeboren, Hans-Peter Schweighofer

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.


Pioneering the
energy transition