



(incorporated as a joint-stock corporation (Aktiengesellschaft) under the laws of the Republic of Austria)

**€ 500,000,000 0.900 per cent. Green and Sustainability-Linked Notes
due 1 April 2041**

ISIN XS2320746394, Common Code 232074639, WKN A3KNZ9

Issue price: 98.446 per cent.

VERBUND AG, Vienna, Republic of Austria (the "**Issuer**" or "**VERBUND**") will issue on 1 April 2021 (the "**Issue Date**") € 500,000,000 0.900 per cent. green and sustainability-linked notes due 1 April 2041 (the "**Notes**") in the denomination of € 100,000 per Note.

The Notes will be governed by the laws of the Federal Republic of Germany ("**Germany**").

The Notes will bear interest on their principal amount from, and including, the Issue Date to but excluding 1 April 2041 at a rate of 0.900 per cent. *per annum* (the "**Original Rate of Interest**"), payable annually in arrear on 1 April in each year, commencing on 1 April 2022. If the Step-up Event (as defined in the terms and conditions of the Notes - the "**Terms and Conditions**") occurs, the rate of interest will be increased to the sum of the Original Rate of Interest and 0.25 per cent. *per annum* with effect from and including the Interest Payment Date (as defined in the Terms and Conditions) immediately following the Notice Date (as defined in the Terms and Conditions) to but excluding 1 April 2041 (the "**Maturity Date**").

Unless previously redeemed or repurchased and cancelled, the Notes will be redeemed at par on the Maturity Date. The Issuer may, at its option, redeem the Notes prior to the Maturity Date on the terms set forth in Clause 5 of the Terms and Conditions. Upon occurrence of a Put Event or an Event of Default (each as defined in the Terms and Conditions), each holder of Notes (each a "**Holder**") will have the option to declare all or some only of its Notes not previously redeemed due prior to the Maturity Date. In such case the Issuer will redeem such Notes at their principal amount.

The Notes will initially be represented by a temporary global note in bearer form (the "**Temporary Global Note**"). Interests in the Temporary Global Note will be exchangeable, in whole or in part, for interests in a corresponding permanent global note (the "**Permanent Global Note**" and together with the Temporary Global Note, the "**Global Notes**") not earlier than 40 days after the Issue Date (the "**Exchange Date**"), upon certification as to non-U.S. beneficial ownership.

This prospectus (the "**Prospectus**") constitutes a prospectus within the meaning of Article 6.3 of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended, the "**Prospectus Regulation**"). This Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.verbund.com).

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier*, Luxembourg ("**CSSF**") in its capacity as competent authority under the Prospectus Regulation. The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should neither be considered as an endorsement of the Issuer that is subject of this Prospectus nor of the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. The Issuer has requested the CSSF to provide the

competent authority in the Republic of Austria with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Regulation.

This Prospectus will be valid until 30 March 2022 and may in this period be used for admission of the Notes to trading on a regulated market. In case of a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Notes, the Issuer will prepare and publish a supplement to the Prospectus without undue delay in accordance with Article 23 of the Prospectus Regulation.

The obligation of the Issuer to supplement this Prospectus will cease to apply once the Notes have been admitted to trading on the regulated market of the Luxembourg Stock Exchange or upon expiry of the validity period of this Prospectus, whichever occurs later.

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, the Notes in any jurisdiction where such offer or solicitation is unlawful.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and subject to certain exceptions, the Notes may not be offered or sold within the United States of America or to, or for the account or benefit of, U.S. persons.

Application has been made to the Luxembourg Stock Exchange for the Notes (i) to be listed on the official list of the Luxembourg Stock Exchange (the "**Official List**"), (ii) to be admitted to trading on the Luxembourg Stock Exchange's regulated market and (iii) to be listed on the segment corporate standard and admitted to trading on the regulated market (Official Market – *Amtlicher Handel*) of the Vienna Stock Exchange. Each of the Luxembourg Stock Exchange's regulated market and the Vienna Stock Exchange's regulated market (Official Market – *Amtlicher Handel*) are regulated markets for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (as amended, "**MiFID II**").

The Notes are expected to be rated "A/Stable Outlook" by S&P (as defined in the Terms and Conditions) and "A3/Stable Outlook" by Moody's (as defined in the Terms and Conditions). Each of S&P and Moody's is established in the European Union (the "**EU**") and is registered under Regulation (EC) No. 1060/2009 (as amended) of the European Parliament and of the Council of 16 September 2009 on credit rating agencies. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. Investing in the Notes involves certain risks. Please review the section entitled "*Risk Factors*" beginning on page 9 of this Prospectus.

Joint ESG Structuring Agents to the Issuer

BofA Securities

J.P. Morgan

Joint Bookrunners

BofA Securities

Erste Group

J.P. Morgan

Morgan Stanley

**Société Générale
Corporate and
Investment Banking**

RESPONSIBILITY STATEMENT

The Issuer with its registered office in Vienna, Austria, accepts responsibility for the information contained in this Prospectus and hereby declares that the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The Issuer further confirms that (i) this Prospectus contains all relevant information with respect to the Issuer and its consolidated subsidiaries taken as a whole ("**VERBUND Group**") and to the Notes which is material in the context of the issue and the offering of the Notes, including all relevant information which, according to the particular nature of the Issuer and of the Notes is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the VERBUND Group and of the rights attached to the Notes; (ii) the statements contained in this Prospectus relating to the Issuer, the VERBUND Group and the Notes are in every material respect true and accurate and not misleading; (iii) there are no other facts in relation to the Issuer, the VERBUND Group or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in the Prospectus misleading in any material respect; and (iv) reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

NOTICE

No person is authorised to give any information or to make any representation other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by or on behalf of the Issuer or BofA Securities Europe SA and J.P. Morgan AG (together, the "**Joint ESG Structuring Agents**"), Erste Group Bank AG, Morgan Stanley Europe SE and Société Générale (together with the Joint ESG Structuring Agents, the "**Joint Bookrunners**").

This Prospectus should be read and understood in conjunction with any supplement hereto and with all documents incorporated herein or therein by reference.

The legally binding language of this Prospectus is English except for the Terms and Conditions in respect of which German is the legally binding language.

In this Prospectus, all references to "€", "EUR" or "**Euro**" are to the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the Euro, as amended. References to "**billions**" are to thousands of millions.

Certain financial information (including percentages) in this Prospectus is rounded according to established commercial standards. As a result, the aggregate amounts (sum totals or sub-totals or differences or if numbers are put in relation) in tables in this Prospectus may not correspond in all cases to the aggregated amounts of the underlying (unrounded) figures appearing elsewhere in this Prospectus. Furthermore, in those tables, these rounded figures may not add up exactly to the totals contained in those tables.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

This Prospectus does not constitute an offer of Notes or an invitation by or on behalf of the Issuer or the Joint Bookrunners to subscribe for, or purchase, any Notes. Neither this Prospectus nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer or the Joint Bookrunners to a recipient hereof and thereof that such recipient should subscribe or purchase any Notes.

This Prospectus reflects the status as at its date. The offering, placement, sale, listing and delivery of the Notes and the distribution of the Prospectus may not be taken as an implication that the information contained herein is accurate and complete subsequent to the date hereof or that there has been no adverse change in the financial condition of the Issuer or the VERBUND Group since the date hereof.

To the extent permitted by the laws of any relevant jurisdiction, none of the Joint Bookrunners, any of its affiliates or any other person mentioned in the Prospectus, except for the Issuer, accepts responsibility for the accuracy and completeness of the information contained in this Prospectus or any other documents incorporated by reference and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accept any responsibility for the accuracy and completeness of the information contained in any of these documents. The Joint Bookrunners have not independently verified any such information and accept no responsibility for the accuracy thereof.

None of the Joint Bookrunners, any of its affiliates or any other person mentioned in the Prospectus makes any representation as to the suitability of the Notes to fulfil environmental and sustainability criteria required by any prospective investors. The Joint Bookrunners have not undertaken, nor are responsible for, any assessment of the VERBUND Green Finance Framework or the Eligible Green Projects (each as defined in the section "*Use of Proceeds*"), any verification of whether the Eligible Green Projects meet the criteria set out in the VERBUND Green Finance Framework or the monitoring of the use of proceeds.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restrictions. For a description of the restrictions see the section "*Subscription and Sale – Selling Restrictions of the Notes*" below.

In particular, the Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States of America. The Notes will be issued in bearer form and are subject to United States of America tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States of America or to U.S. persons as defined in Regulation S under the Securities Act ("**Regulation S**").

For the avoidance of doubt, the content of any website referred to in this Prospectus, unless specifically incorporated by reference, does not form part of this Prospectus and the information on such websites has not been scrutinized or approved by the CSSF as competent authority under the Prospectus Regulation.

The Notes issued pursuant to this Prospectus are complex financial instruments and are not suitable or appropriate investments for all investors. An investment in the Notes is only suitable for investors experienced in financial matters who are in a position to fully assess the risks relating to such investment and who have sufficient financial means to absorb potential loss stemming therefrom.

EACH POTENTIAL INVESTOR IN NOTES MUST DETERMINE THE SUITABILITY OF THAT INVESTMENT IN LIGHT OF ITS OWN CIRCUMSTANCES.

In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference into this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of financial markets;

- (v) be aware that it may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions;
- (vi) ask for its own tax adviser's advice on its individual taxation with respect to the acquisition, sale and redemption of the Notes; and
- (vii) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET: PROFESSIONAL INVESTORS AND ECPS ONLY

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPS REGULATION / PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Issuer and/or the Joint Bookrunners the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

IMPORTANT – UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2 (1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Issuer and/or the Joint Bookrunners the foregoing

representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION

In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

STABILISATION

IN CONNECTION WITH THE ISSUE OF THE NOTES, MORGAN STANLEY EUROPE SE (THE "**STABILISING MANAGER**") (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISING MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. They are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements are identified by the use of terms and phrases such as "*anticipate*", "*believe*", "*could*", "*estimate*", "*expect*", "*intend*", "*may*", "*plan*", "*predict*", "*project*", "*will*" and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Prospectus containing information on future earning capacity, plans and expectations regarding VERBUND Group's business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect it.

Forward-looking statements in this Prospectus are based on current estimates and assumptions that the Issuer makes to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including VERBUND Group's financial condition and results of operations, to differ materially from and be worse than results that have expressly or implicitly been assumed or described in these forward-looking statements. VERBUND Group's business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate or prediction in this Prospectus to become inaccurate. Accordingly, investors are strongly advised to read the following sections of this Prospectus: "*Risk Factors*" and "*Description of the Issuer*". These sections include more detailed descriptions of factors that might have an impact on VERBUND Group's business and the markets in which it operates.

In light of these risks, uncertainties and assumptions, future events described in this Prospectus may not occur. In addition, neither the Issuer nor the Joint Bookrunners assume any obligation, except as required by law, to update any forward-looking statement or to conform these forward-looking statements to actual events or developments.

ALTERNATIVE PERFORMANCE MEASURES

Certain financial measures presented in this Prospectus and in the documents incorporated by reference are not recognised financial measures under International Financial Reporting Standards as adopted by the European Union ("**IFRS**") ("**Alternative Performance Measures**") and may therefore not be considered as an alternative to the financial measures defined in the accounting standards in accordance with generally accepted accounting principles. The Alternative Performance Measures are intended to supplement investors' understanding of VERBUND Group's financial information by providing measures which investors, financial analysts and management use to help evaluate VERBUND Group's financial leverage and operating performance. Special items which the Issuer does not believe to be indicative of ongoing business performance are excluded from these calculations so that investors can better evaluate and analyse historical and future business trends on a consistent basis. Definitions of these Alternative Performance Measures may not be comparable to similar definitions used by other companies and are not a substitute for similar measures according to IFRS.

ESG RATINGS

The Issuer's exposure to Environmental, Social and Governance ("**ESG**") risks and the related management arrangements established to mitigate those risks has been assessed by several agencies, including Sustainalytics ("**ESG ratings**"). For more information on the Issuer's ESG ratings reference is made to "*Description of the Issuer – ESG ratings*".

ESG ratings may vary amongst ESG ratings agencies as the methodologies used to determine ESG ratings may differ.

The Issuer's ESG ratings are not necessarily indicative of its current or future operating or financial performance, or any future ability to service the Notes and are only current as of the dates on which they were initially issued. Prospective investors must determine for themselves the relevance of any such ESG ratings information contained in this Prospectus or elsewhere in making an investment decision. Furthermore, ESG ratings shall not be deemed to be a recommendation by the Issuer, the Joint Bookrunners, the Joint ESG Structuring Agents or any other person to buy, sell or hold the Notes. Currently, the providers of such ESG ratings are not subject to any regulatory or other similar oversight in respect of their determination and award of ESG ratings. For more information regarding the assessment methodologies used to determine ESG ratings, please refer to the relevant ratings agency's website (which website does not form a part of, nor is incorporated by reference in, this Prospectus).

VERBUND GREEN FINANCE FRAMEWORK, SECOND PARTY OPINION, KEY PERFORMANCE INDICATORS AND SUSTAINABILITY TARGETS

The Issuer has established a framework to support the future issuance of sustainable financing instruments, including green bonds, sustainability-linked bonds or a combination of the two (the "**VERBUND Green Financing Framework**") in order to support its 2030 Strategy and broader sustainability aims (see "*Green Financing and VERBUND Green Finance Framework*" below). The VERBUND Green Financing Framework also includes key performance indicators, which the Issuer has selected for the purposes of the Notes and for supporting potential further sustainability-linked financing instruments in the future.

For the Notes, the Issuer selected the following two key performance indicators: "**KPI 1**" refers to newly-installed production capacity of hydropower, wind power and photovoltaic (PV) solar renewable energy of the Issuer (including its Subsidiaries (as defined in the Terms and Conditions)), measured as Megawatts ("**MW**"). "**KPI 2**" refers to additional installed transformer capacity of the Issuer (including its Subsidiaries (as defined in the Terms and Conditions)) installed to facilitate interaction with the grid and integrate renewable energy (as defined in Art. 2 No. 1 of Directive (EU) 2018/2001 of the European Parliament and of the Council on the promotion of the use of energy from renewable sources (recast)) generation, measured as MegaVolt-Ampere ("**MVA**") (KPI 1 and KPI 2 each an "**KPI**" and together, the "**KPIs**"). Both KPIs are aligned with EU Environmental Objective 1 "*Climate Change Mitigation*" and the UN Sustainable Developments Goals No. 7 "*Affordable and Clean Energy*" and No. 13 "*Climate Action*".

With regard to the KPIs, the Issuer determined the following sustainability performance targets for the Notes: "**SPT 1**" means that the newly-installed Relevant Renewable Energy production capacity of the Issuer (including its Subsidiaries) reached at least 2,000 MW by 31 December 2032 (the "**Sustainable Performance Target Observation Date**"), whereby in this context, "**newly-installed Relevant Renewable Energy production capacity**" means the capacity from Relevant Renewable Energy which results from installations commissioned after 31 December 2020. As at 31 December 2020, the Relevant Renewable Energy production capacity of the Issuer (including its Subsidiaries) amounts to 8,687 MW. This demonstrates a compound annual growth rate (CAGR) of above 1.7 per cent. *versus* the applicable regional forecast of approximately 1.5 per cent. for the Northern European region over the same period. "**SPT 2**" means that the additionally installed Transformer Capacity of the Issuer (including its Subsidiaries) reached at least 12,000 MVA by the Sustainable Performance Target Observation Date, whereby in this context, "**additionally installed Transformer Capacity**" means additional Transformer Capacity which is commissioned after 31 December 2020. As at 31 December 2020, Transformer Capacity of the Issuer (including its Subsidiaries) amounts to 30,810 MVA. This represents a growth target of approximately 39 per cent. in comparison with installation trends reported by a selected sector peer (i.e. Northern European competitor).

For further information on the Issuer's intention to report on the development of the respective SPT on an annual basis as well as the external review and assurance thereof on an annual basis reference is made to the VERBUND Green Finance Framework.

The VERBUND Green Financing Framework has been developed in alignment with the Green Bond Principles 2018¹ and the Sustainability-Linked Bond Principles, 2020². It also aligns with the most recent draft of the draft Delegated Acts of the EU Taxonomy, published in November 2020. The Issuer appointed Institutional Shareholder Services Inc. ("**ISS ESG**") who has provided a second party opinion (the "**Second Party Opinion**") on VERBUND's Green Financing Framework. Investors should refer to the Issuer's website (www.verbund.com) and to the Second Party Opinion, which is available at www.iss-esg.com and on the Issuer's website (www.verbund.com), for information regarding VERBUND's Green Finance Framework. The second party opinion providers and providers of similar opinions and certifications are not currently subject to any specific regulatory or other regime or oversight. The Second Party Opinion and any such other opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, any member of the VERBUND Group, the Joint Bookrunners, the Joint ESG Structuring Agents or any other person to buy, sell or hold any Notes. For more information regarding the assessment methodologies used to determine the Second Party Opinion, please refer to ISS ESG's website (which website does not form a part of, nor is incorporated by reference in, this Prospectus).

¹ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

² <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slbp/>

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RISK FACTORS

*Before deciding to purchase the Notes, investors should carefully review and consider the following risk factors and the other information contained in this Prospectus. Should one or more of the risks described below materialise, this may have a material adverse effect on the business, prospects, shareholders' equity, assets, financial position and results of operations (Vermögens-, Finanz- und Ertragslage) or general affairs of the Issuer. Moreover, if any of these risks occur, the market value of the Notes and the likelihood that the Issuer will be in a position to fulfil its payment obligations under the Notes may decrease, in which case the holders of the Notes (the "**Holders**") could lose all or part of their investments. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.*

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay principal or other amounts on or in connection with the Notes for other reasons than those described below. Additional risks of which the Issuer is not presently aware could also affect the business operations of the Issuer and have a material adverse effect on the Issuer's business activities and financial condition and results of operations. The occurrence of one or more risks may have a material adverse effect on the Issuer's business activities and financial condition and results of operations. Should one or several of the following material risks materialise, this could lead to a material decline in the price of the Notes or, in the worst-case scenario, to a total loss of interest and the amount invested by investors.

Prospective investors should read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and consult with their own professional advisers (including their financial, accounting, legal and tax advisers) if they consider it necessary. In addition, investors should be aware that the risks described might combine and thus intensify one another.

Words and expressions defined in the Terms and Conditions below shall have the same meanings in this section.

Potential investors should, among other things, consider the following:

Risks relating to the Issuer

The risk factors regarding the Issuer are presented in the following categories depending on their nature with the most material risk factor, based on the probability of their occurrence and the expected magnitude of their negative impact, presented first in each category:

1. Markets Risks

Strategic Risks

Each investment in the development of a new product or market as well as the extension of infrastructure and generation capacity is a strategic decision. These strategic developments involve long-term risks arising from a misinterpretation of customer demand, technological misjudgements and changing framework conditions like altering market, regulatory or environmental conditions. Changing environmental conditions, especially due to climate change, and the efforts at national and international level to reduce its negative effects, may also have an impact on the market and regulatory framework. Current and emerging regulations enforcing environmental protection as well as regulations targeting energy consumption and reduction of emissions create the market conditions VERBUND operates in. The inherent risks, if they materialize, could have a major impact on VERBUND Group's operations if VERBUND is not able to recoup its investment plus an adequate return and thus may have material adverse effects on the net assets, financial position and/or results of operations of VERBUND Group and the Issuer's ability to fulfil its obligations under the Notes.

Price Risk

"Price risk" refers to the risk that VERBUND Group is subject to price fluctuations on the electricity wholesale and retail market. VERBUND Group sells most of its produced electricity on the wholesale markets linked to prices derived from the electricity exchanges and buys electricity which it distributes to different groups of customers on the market.

Therefore, the development of the wholesale prices on the electricity market has a significant influence on VERBUND Group, which is partially mitigated by the fact that VERBUND sells approximately 80 % of the own electricity produced on the basis of forward prices with different durations. As a consequence, changes in wholesale prices affect the business development of VERBUND with a certain delay since VERBUND is hedged by forward transactions against such fluctuations but only for a certain period of time which corresponds the tenor of the relevant hedge. Having to enter into such hedging transactions more or less on a rolling basis leaves VERBUND with a certain risk resulting from aforementioned pricing fluctuations. Therefore, detrimental developments of wholesale electricity prices could have significant adverse effects on the net assets, financial position and/or results of operations of VERBUND Group and on the Issuer's ability to fulfil its obligations under the Notes.

Volume risks

The term "volume risk" refers to the risk that the planned average volume of generated electricity cannot be reached. As VERBUND Group's asset base is predominantly based on hydropower assets and some wind power plants, the business development of VERBUND is affected by hydro availability and wind which cannot be influenced. Output from run-of-river plants is subject to seasonal fluctuations in the water supply of rivers and can be controlled only to a minor extent (hydropeaking). In addition, the generation from wind and photovoltaic plants varies due to seasonal and regional deviations of meteorological conditions. Over the long term, climate changes may also have an impact as changing climate conditions can affect water, wind and solar supply and may cause greater seasonal or annual fluctuations in generation in the future. These fluctuations can lead to differences between expected/planned and actual supply of water, wind volume and solar radiation and therefore may cause a variation in sales. Furthermore, VERBUND Group may be forced to buy electricity from third parties on the markets to cover the electricity demand fixed in its sales contracts. Hence, an adverse weather development could negatively affect VERBUND Group's ability to produce the planned volume of electricity and might have adverse effects on the net assets, financial position and/or results of operations of VERBUND Group and the Issuer's ability to fulfil its obligations under the Notes.

Electricity and primary energy market risks

Market prices of electricity and generation costs have an effect on VERBUND Group's financial performance. Increases in generation costs resulting from higher commodity prices for gas and from higher prices of CO₂ certificates may negatively impact the operating result and consequently the financial position of VERBUND Group, in particular if higher generation costs cannot be passed on. The same applies to CO₂ emission allowances (European Emission Allowances; Certified Emission Reductions) if these must be purchased. With regard to the purchase and sale of gas to end customers, VERBUND Group is also exposed to market price risks. The occurrence of any of these risks could have adverse effects on the net assets, financial position and/or results of operations of the VERBUND Group and the Issuer's ability to fulfil its obligations under the Notes.

Risks arising from economic and/or political development or pandemic crisis (COVID-19)

As a result of its activities in central Europe, VERBUND Group is affected by global and national economic factors such as changes on the financial markets. Changes in international commodity markets with regard to certain commodities which relate to the Issuer's activities may also have an impact on the business development of VERBUND Group. Furthermore, cyclical economic volatility also entails an element of risk for future business development. Unforeseeable interventionist economic policies can also impair the performance in specific markets and an escalation of political tensions or terrorist activities could have a negative impact on the economic situation, the international capital markets and, as a result, the business development of the Issuer. The further development of the European single market, the Euro and the European Union itself as well as forecasts of future economic development and the related demand for energy are essential components of VERBUND Group's projection of sales of electricity. Any significant negative deviation between actual and projected economic development exposes VERBUND Group to numerous risks. A general economic downturn (recession) or a decline in industrial production in particular in the main markets of VERBUND Group (i.e. Austria and Germany) could have significant negative effects on VERBUND Group's business operations since such negative developments may result in lower demand for electricity and thus lower levels of demand from VERBUND Group customers.

A current example for such possible negative effects of a declining economic development is the recent COVID-19 crisis where the demand for energy and grid transmission declined for a short time, especially during the first lockdown in Austria in March, April and May 2020 but also during the ongoing lockdown in 2021. In case of a growing number of company insolvencies and companies experiencing financial difficulties, VERBUND Group may face difficulties to recover customer claims and bad debts may increase.

The realisation of these risks could have material adverse effects on the net assets, financial position and/or results of operations of VERBUND Group and the Issuer's ability to fulfil its obligations under the Notes.

Project Risks

VERBUND Group invests in the development of new products, markets and construction projects in the area of generation capacities. Over the next three years, VERBUND intends to invest approximately EUR 1.1 bn. in new renewable generation capacities. All these projects entail the risk that the phase of economic viability may not be reached at all or only with a delay. In this respect, the development, construction and operation of projects in the area of generation capacities is subject to complex administrative procedures, which require the procurement of numerous permits. Requests for permits may be rejected by the relevant authorities for various reasons or approved with delays which may be significant and projects may have to be abandoned or postponed. In such case, any investments already made would have to be written off. Furthermore, the implementation phase of a project generally entails quality, deadline and cost risks. Any failure or delay to obtain permits, concessions and/or necessary authorizations with regard to plants being built, and any revocation, cancellation or non-renewal of permits and/or authorizations in relation to existing plants, and objections by third parties to the issuance of these permits, concessions and authorization may have material adverse effects on the net assets, financial position and/or results of operations of VERBUND Group and the Issuer's ability to fulfil its obligations under the Notes.

Competition risks in the retail markets and changing customer demand

Based on revenues, approximately 20 per cent. of VERBUND Group's business relates to the retail sale of energy to consumers in Austria. To cover consumer demand, the energy sourcing and allocation processes occur before ultimate delivery. Since a broad range of different procurement strategies are implemented to meet customers' needs and since retail consumers are free to change their provider, VERBUND Group may not be able to pass on the acquisition costs, e.g. for energy sourcing, renewable energy compensation fees, transmission charges, sales and distribution costs to customers. In addition, new competitors, especially from the oil and gas industry (which have a profound knowledge of the energy sector, good ratings and financial resources) are entering the market of production, trade and sale of energy. The rising number of competitors in combination with the high level of digitalisation allowing customers to compare different energy providers and facilitating the change from one provider to the other leads to an increasingly competitive environment in the energy sector. Furthermore the combination of socially and politically endorsed trends towards a more decentralised structure of energy production, the availability of cost-efficient technical solutions and targeted governmental financial support encourage private and commercial customers as well as industrial companies not only to reduce and more efficiently manage their energy consumption but also to produce their own green energy. In order to address and benefit from changing market and customer demands, VERBUND Group has to invest into different projects and the development of new products regarding energy production and storage, alternative green energy sources and improvement of energy efficiency. If specialised competitors succeed in gaining a substantial share in markets which VERBUND Group recently entered, margins may decrease substantially. Such competition in retail markets as well as the consequences relating thereto (including the decline of margins) might have negative effects on the net assets, financial position and/or results of operations of VERBUND Group and on the Issuer's ability to fulfil its obligations under the Notes.

2. Financial Risks

Financial market risks

In the course of its ordinary operations, VERBUND Group is exposed to financial market risks such as financial asset price, interest rate and currency risks. The volatile financial markets make VERBUND Group's financial assets subject to

price risks and other risks of potential losses. Impairment losses have to be recognised on securities if these risks lead to a significant or prolonged decline in the fair value of these investments below their present value. Depending on the market environment, there is a risk that impairment losses will have to be recognised on the portfolio of assets held. Pension provisions are subject to a risk in respect of the development of the interest rate, since the actual cash value of pension obligations is very dependent on the discount rate. A lower discount rate leads to a higher current actual cash value for future financial liabilities. As a result, this could have a negative impact on the value of net financial liabilities and, as a consequence, on VERBUND's external credit rating. VERBUND's rating is a key driver for the costs of funding of VERBUND Group and therefore a key risk factor. The occurrence of such risks could have adverse effects on the net assets, financial position and/or results of operations of VERBUND Group and the Issuer's ability to fulfil its obligations under the Notes.

Liquidity risks

Liquidity risks refer to VERBUND Group's ability of ensuring adequate liquidity to meet its financial obligations in due time. VERBUND Group is dependent upon adequate free lines of credit at banks, capital market access as well as free cash and cash equivalents in order to meet its financial obligations. Margin regulations for transactions in exchange traded instruments and bilateral margin agreements may lead to short-term cash outflows as a result of unfavourable market developments. In the event that VERBUND Group does not have sufficient liquidity, this would result in negative effects on the net assets, financial position and/or results of operations of VERBUND Group and the Issuer's ability to fulfil its obligations under the Notes.

Credit risks

VERBUND Group refers to credit risk as the risk arising from the uncertainty in a counterparties' ability to meet its obligations towards the Issuer or members of VERBUND Group. When evaluating credit risks certain parameters of the counterparties are evaluated and defined: credit exposure, eligible collateral; and recovery rate. Generally, counterparty risks are not insured. A realisation of the credit risk could adversely affect the net assets, financial position and/or results of operations of VERBUND Group and could have considerable negative impact on the Issuer's ability to fulfil its obligations under the Notes.

Interest Rate Risk

Interest rate risk refers to potential changes of value in financial assets, liabilities or derivatives caused by fluctuations in interest rates. VERBUND Group holds interest rate sensitive assets and liabilities for financing activities. Changes in interest rates could have adverse effects on the financial position of the Issuer and could have negative impact on the Issuer's ability to fulfil its obligations under the Notes.

Impairment risks

Changes in the energy market, the economic environment, the cost of capital and other assumptions for calculation (e.g. remaining useful economic life) can lead to a decrease or increase of the value of VERBUND Group's assets (impairment losses). Any negative changes of the calculation parameters could result in material adverse effects on the net assets, financial position and/or results of operations of VERBUND Group and on the Issuer's ability to fulfil its obligations under the Notes.

Risks from contingent liabilities

In order to fulfil its ordinary course of business VERBUND has provided different kinds of liabilities to subsidiaries within VERBUND Group or has provided back to back liabilities in order to cover bank liabilities for subsidiaries within VERBUND Group, including parent company guarantees, letter of comforts, letter of credits, margining for electricity trading activities. In case these liabilities against external business partners become effective, this would result in adverse effects on the net assets, financial position and/or results of operations of VERBUND Group and the Issuer's ability to fulfil its obligations under the Notes.

Risk of suspension, downgrading or withdrawal of VERBUND's ratings

The risk in connection with the capability of a rated company to fulfil its payment obligations under certain unsubordinated obligations is described by its external rating. Ratings of VERBUND are dependent on, in particular, its business development and its analysis by a rating agency. A rating of a company such as VERBUND may not adequately reflect all risks of the investment in financial instruments of such rated company. Equally, ratings may be suspended, downgraded or withdrawn. Such suspension, downgrading or withdrawal may have an adverse effect on the market value and trading price of financial instruments issued by a rated company such as VERBUND and the Notes issued by the Issuer.

3. Operational Risks

VERBUND Group may incur significant expenses for the protection and maintenance of its facilities.

VERBUND's plants and its grid infrastructure are highly exposed to weather events which cannot be influenced by the Issuer. Natural events like floods, storms, avalanches and mudslides may cause damages and unscheduled outages of electricity generation or transmission as well as additional costs for reconstruction and maintenance. In order to minimize the negative impacts of such weather events structural protection measures have to be built and emergency processes and plans have to be put in place even more in the light of climate change as changing meteorological and geological conditions may lead to an increase in the frequency and severity of extreme weather events in the future. Besides, many of VERBUND Group's facilities were constructed many years ago. Older equipment, even if maintained in accordance with good engineering practices, may require significant capital expenditures to operate at peak efficiency. In addition, other equipment may require maintenance or modernisation even though it was put in use only recently. If VERBUND Group underestimates required maintenance or is unable to make required expenditures due to liquidity constraints or for other reasons, it risks incurring more frequent unplanned outages, higher than anticipated maintenance expenditures or the need to purchase electricity from third parties to meet its supply obligations, possibly at times when the market price for electricity is high. The occurrence of any of these risks could have material adverse effects on the net assets, financial position and/or results of operations of the VERBUND Group and the Issuer's ability to fulfil its obligations under the Notes.

Information and communication technology risks (Cyber Risk)

Information and communication technology ("ICT") has an important role in the production and business processes of VERBUND Group as state-of-the-art -information and communication systems increasingly support the Issuer's business activities and therefore are a key success factor. For this reason, the security and availability of the ICT network and ICT applications employed are of special importance. VERBUND Group is exposed to ICT risks in connection with the development, deployment and usage (plan, build, run) of ICT solutions designed to support the business processes. Further risks exist in the context of the storing and usage of business-related data. The fast technological progress supports the transformation of processes for data and information exchange to be simpler and faster but also opens up the doors for cyber criminals. The higher the level of digitalization within an organisation is the higher the issue with cyber risk (the potential exposure to loss or harm stemming from information or communications systems) and the security of the information and communication systems gets. Unauthorised access to sensitive data from outside, the improper use of such data, or the unintentional forwarding of such data by employees might lead not only to the loss of company secrets, they may also breach data privacy regulations and terms and expose the VERBUND Group to lawsuits, fines and other means of regulatory enforcement. Furthermore, by providing critical infrastructure the VERBUND Group is also a potential target of cyber-criminal attacks with the objective to get access to controlling components of the grid infrastructure and/or power plants by exploiting possible security vulnerabilities. While rigorous safety measures within the information and communication system have been taken to guarantee supply security, the VERBUND Group may be subject to cyber attacks and other security threats to its ICT. These kinds of security incidents can also involve considerable reputational damage. The occurrence of cyber risks, cyber attacks and data security breaches may have material adverse effects on the net assets, financial position and/or results of operations of VERBUND Group and the Issuer's ability to fulfil its obligations under the Notes.

Blackout Risk

A collapse of the power grid (collapse of the supply voltage and/or a failure or delay in performance) or an unexpected high imbalance between generation and consumption of electricity within the grid (deterioration of the grid frequency) can lead to a blackout (extensive, supra-regional power-outage). Power fluctuations may arise because of unpredictable deviations of forecasted feed-in power which is increased by the rise in photovoltaic and/or wind energy production. Unexpected, quick changes of the energy production or extremely high load flows across the European extra-high voltage grid can lead to high network loads, that have to be balanced by using suitable power plants. Technical causes, cyber-attacks, natural disaster or terror attacks can cause a blackout. The occurrence of a blackout may have material adverse effects on the reputation, net assets, financial position and/or results of operations of VERBUND Group and the Issuer's ability to fulfil its obligations under the Notes.

Compliance Risks

As a listed company, VERBUND Group is subject to numerous internal and external regulations violations of which may lead to fines or expose VERBUND Group to lawsuits. Furthermore, compliance infringements may also have negative implications on VERBUND Group's reputation which could result in additional costs for marketing and brand advertising. The realisation of such risks could have an adverse effect on the net assets, financial position and/or results of operations of VERBUND Group and could have considerable negative impact on the Issuer's ability to fulfil its obligations under the Notes.

Personnel risks

Operation and maintenance of the VERBUND Group's assets require highly qualified employees which are a key success factor in VERBUND Group's operating and strategic corporate development. In this respect, VERBUND Group is exposed to the risk of not having a sufficient number of employees with the necessary qualifications or skills. When recruiting in the relevant target groups, for example, this risk is primarily caused by competition on the labour market from other companies, exacerbated by demographic developments and stricter conditions for the energy industry. Any of these risks could result in adverse effects on the net assets, financial position and/or results of operations of VERBUND Group and on the Issuer's ability to fulfil its obligations under the Notes.

Litigation risk

VERBUND Group is subject to the risk of litigation by customers, employees, shareholders, competitors or others through private actions, and to administrative proceedings and regulatory actions. The outcome of litigation or similar proceedings or of administrative or regulatory actions is difficult to assess or quantify. Plaintiffs in private action, regulators, supervisory authorities or prosecutors in these types of actions against VERBUND Group may seek recovery or fines or penalties in large or indeterminate amounts or other remedies that may affect the ability of VERBUND Group to conduct its business, and the magnitude of the potential losses relating to such actions may remain unknown for substantial periods of time. The cost of defending future actions may be significant. There may also be adverse publicity associated with litigation, administrative proceedings or regulatory action against VERBUND Group that could damage its reputation, regardless of whether the allegations are valid or whether VERBUND Group is ultimately found liable. As a result, litigation or other proceedings may have negative effects on the net assets, financial position and/or results of operations of VERBUND Group and the Issuer's ability to fulfil its obligations under the Notes.

Risks of force majeure and sabotage

Force majeure and sabotage could materially impair the production and distribution capabilities of VERBUND Group and significantly affect its business operations as well as its reputation. Against such force majeure and sabotage no insurance is available. Thus, VERBUND Group must bear the consequences if such risk materialises on its own. The occurrence of force majeure or sabotage could adversely affect the net assets, financial position and/or results of operations of VERBUND Group and could have considerable negative impact on the Issuer's ability to fulfil its obligations under the Notes.

Reputation risks

VERBUND Group is subject to reputation risks of loss of customer satisfaction and trust, e.g. due to dissatisfactory management of elementary incidents (floods, black out) or management failures. The realisation of such risks could have an adverse effect on the net assets, financial position and/or results of operations of VERBUND Group and could have considerable negative impact on the Issuer's ability to fulfil its obligations under the Notes.

4. Regulatory risks

VERBUND Group is affected by actions taken by the relevant supervisory authorities: Energie-Control Austria and Regulatory Commission (Regulierungskommission)

Energie-Control Austria for the Regulation of the Electricity and Natural Gas Industry (*Energie-Control Austria für die Regulierung der Elektrizitäts- und Erdgaswirtschaft – "E-Control"*) was established on the basis of the Energy Liberalization Act and is tasked with monitoring the implementation of the liberalization of the Austrian electricity and gas markets, providing support and, if necessary, intervening in a regulatory capacity. Its responsibilities and duties are defined in the Energy Control Act and include the supervision of competition in Austria for all market participants and network operators, in particular with regard to equal treatment of all market participants, supervision of unbundling, supervision of persons responsible for balance groups, balance group coordinators and control area leaders as well as supervision of import of electricity and natural gas from the EU and third countries. E-Control may require market participants to remedy any infringements within an appropriate period. If a market participant fails to do so, E-Control has to issue a decree ordering the remediation of the breach and can further take "all measures" in this regard.

The Regulatory Commission (*Regulierungskommission*) is a body of E-Control and consists of five members appointed by the federal government. It is responsible, in particular, for the determination of the system utilisation fees (i.e. the fees for utilising the networks) and other tariffs, the approval of the general terms and conditions of network operators for the usage of the transmission and distribution networks, the prohibition of conditions for end users, which infringe statutory law or good morals, dispute resolution as well as functioning as appeal authority for appeals against decisions of the Executive Board (*Vorstand*) of E-Control.

Both, E-Control and the E-Control Commission (*Regulierungskommission*) directly influence and regulate the electricity and gas business by their actions.

VERBUND Group is subject to the risk of regulatory actions by the competent authorities E-Control Austria and Regulatory Commission (*Regulierungskommission*), which could adversely affect the net assets, financial position and/or results of operations of VERBUND Group and could have considerable negative impact on the Issuer's ability to fulfil its obligations under the Notes.

VERBUND Group is affected by changes of the legal and regulatory framework as well as statutory interventions and actions at national and international level.

VERBUND Group and its operations are subject to significant regulation and supervision by various regulatory bodies, including Austrian municipal, state, and federal as well as EU authorities. These regulations and supervision are subject to change (including the expansion to areas not yet regulated or the subjection to voluntary arrangements such as, for example, for balancing energy and grid loss energy). The ambitious targets towards expansion of renewable generated energy at national (e.g. 100% renewable generated energy by 2030 in Austria) and EU-level (e.g. European Green Deal) are changing the European electricity market and are critical for VERBUND Group. Furthermore, the negative effects of climate change may force legal authorities to implement new/additional environmental protection standards or intensify and tighten existing ones. These current and emerging regulations enforcing environmental protection as well as regulations targeting energy consumption and reduction of emissions build the market conditions VERBUND Group operates in. Such regulations can be directly correlated to price risk and demand risk but also can have implications on planned infrastructure and investment projects which could lead to increasing costs for VERBUND Group to implement the necessary measures in order to comply with them. Governmental regulation and supervision, as well as future changes to laws, regulations or government policy (or in the interpretation or enforcement of existing laws or regulations) that affect VERBUND Group, its competitors or the industry as a whole may result in increased operational and administrative

expenses and thus adversely affect the net assets, financial position and/or results of operations of VERBUND Group and could have considerable negative impact on the Issuer's ability to fulfil its obligations under the Notes.

Risks relating to the Notes

The risk factors relating to the Notes are presented in the following categories depending on their nature with the most material risk factor, based on the probability of their occurrence and the expected magnitude of their negative impact, presented first in each category:

1. Risks related to the nature of the Notes;
2. Risks related to specific conditions of the Notes; and
3. Other related risks.

1. Risks related to the nature of the Notes

Market price risk

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels or the lack of or excess demand for the type of Notes. The Holders are therefore exposed to the risk of an unfavourable development of market prices of their Notes, which materializes if Holders sell the Notes prior to the final maturity of such Notes.

In particular, a Holder is exposed to the risk that the price of the Notes falls as a result of changes in the market interest rate levels. While the nominal interest rate of a fixed rate note is fixed during the life of such notes, the current interest rate on the capital market ("market interest rate") typically changes on a daily basis. As the market interest rate changes, the price of fixed rate notes also changes, but in the opposite direction. If the market interest rate increases, the price of fixed rate notes typically falls, until the yield of such notes is approximately equal to the market interest rate of comparable issues. If the market interest rate falls, the price of fixed rate notes typically increases, until the yield of such notes is approximately equal to the market interest rate of comparable issues. If a Holder holds such notes until maturity, changes in the market interest rate are without relevance to such Holder as the Notes will be redeemed at a specified redemption amount, the principal amount of the Notes.

Liquidity risk

Application has been made to the Luxembourg and Vienna Stock Exchange for the Notes (i) to be admitted to trading on the respective regulated market of the Luxembourg Stock Exchange and of the Vienna Stock Exchange, (ii) to be listed on the official list of the Luxembourg Stock Exchange and (iii) to be listed and traded on the segment corporate standard of the regulated market of the Vienna Stock Exchange. However, there is a risk that no liquid secondary market for the Notes will develop or, if it does develop, that it will not continue. The fact that the Notes may be listed does not necessarily lead to greater liquidity as compared to unlisted Notes. The liquidity of the Notes could also be subject to fluctuations during the term of the Notes and may deteriorate, in particular as a result of repurchases and redemptions.

In an illiquid market, an investor is subject to the risk that he will not be able to sell his Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons.

The market value of the Notes could decrease if the creditworthiness of the Issuer worsens

If, e.g., because of the materialisation of any of the risks regarding the Issuer (see above "*Risk Factors – Risks relating to the Issuer*"), the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due decreases, the market value of the Notes will suffer. In addition, even if the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could, nevertheless, have a different perception. In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as VERBUND could adversely change.

If any of these risks occurs, third parties would only be willing to purchase Notes for a lower price than before the materialisation of any of the aforementioned risks regarding the Issuer. Under these circumstances, the market value of the Notes will decrease.

Risks associated with "Green Bonds" or "Sustainability Bonds"

Due to the envisaged use of the net proceeds (or an equivalent amount) from the issuance of the Notes in accordance with the VERBUND Green Financing Framework, the Issuer refers to the Notes as "green" or "sustainability" bonds. The definition or nomenclature (legal, regulatory or otherwise) of, and market consensus as to what constitutes or may be classified as, a "sustainable", "green" or equivalently labelled project or a loan that may finance such project, has, for several years, been, and continues to be, under constant development. In addition, it is an area which has been, and continues to be, the subject of many and wide-ranging voluntary and regulatory initiatives to develop rules, guidelines, standards, taxonomies and objectives.

For example, at the EU level, on 18 December 2019, the Council and the European Parliament reached a political agreement on a regulation to establish a framework to facilitate sustainable development (the "**Taxonomy Regulation**"). On 9 March 2020, the Technical Expert Group on Sustainable Finance published its final report on the EU taxonomy containing recommendations relating to the overarching design of the EU Taxonomy, as well as extensive implementation guidance on how companies and financial institutions can use and disclose against the taxonomy, including in relation to a future European standard for green bonds proposed by the Technical Expert Group on Sustainable Finance in 2019 (the "**EU Green Bond Standard**"). On 18 June 2020, Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 entered into force and will apply as of 1 January 2023. On 12 June 2020, the European Commission launched a public consultation on the creation of the EU Green Bond Standard. This consultation was running for an extended period of 16 weeks until 2 October 2020. Based on the outcome of this consultation, as well as ongoing bilateral stakeholder dialogues, the European Commission is likely to establish the EU Green Bond Standard in the second quarter of 2021 according to Annex 1 of the European Commission Work Programme 2021.

There can be no assurance by the Issuer, the Joint Bookrunners or the Joint ESG Structuring Agents that the VERBUND Green Financing Framework and the use of proceeds of the Notes will satisfy, whether in whole or in part, any existing or future legislative or regulatory requirements, or any present or future investor expectations or requirements with respect to investment criteria or guidelines with which any investor or its investments are required to comply under its own by-laws or other governing rules or investment portfolio mandates.

While it is the intention of the Issuer to apply the proceeds of the Notes for "Eligible Green Projects" (as defined in the section "*Use of Proceeds*") in, or substantially in, the manner described in the section "*Use of Proceeds*", there can be no assurance by the Issuer, the Joint Bookrunners or the Joint ESG Structuring Agents that the relevant project(s) or use(s) the subject of, or related to, any Eligible Green Projects will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Green Projects. Nor can there be any assurance by the Issuer, the Joint Bookrunners or the Joint ESG Structuring Agents that such Eligible Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer.

The Issuer has appointed ISS ESG to provide a Second Party Opinion on the VERBUND Green Finance Framework. Such Second Party Opinion provides an opinion regarding the alignment of the VERBUND Green Finance Framework with relevant market standards and its robustness and credibility in the meaning of such market standards. The Second Party Opinion does not form part of this Prospectus and is only an opinion and not a statement of fact. Holders will have no recourse against the provider of any Second Party Opinion.

Investors should note that it will not constitute an event of default under the terms of the Notes or trigger any kind of put right if the Issuer fails to observe the provisions in the Prospectus or the VERBUND Green Finance Framework relating to the envisaged use of proceeds of the Notes or the Issuer's intentions as regards allocation and impact reporting or if the

Issuer fails to publish a Sustainability Report or a Verification Assurance Certificate, as the case may be, as required under the Terms and Conditions (each as defined in the Terms and Conditions).

Materialization of any of the risks described above and in particular a negative change to, or a withdrawal of, any Second Party Opinion, may affect the value of the Notes and may have consequences for certain investors with portfolio mandates to invest in green, sustainable or other equivalently labelled assets.

The Notes may not be a suitable investment for all investors seeking exposure to assets with sustainability characteristics.

Although the interest rate relating to the Notes is subject to upward adjustment in certain circumstances specified in the Terms and Conditions, such Notes may not satisfy an investor's requirements or any future legal or quasi legal standards for investment in assets with sustainability characteristics.

The Adjusted Rate of Interest (as defined in the Terms and Conditions) in respect of the Notes depends on the occurrence of a Step-up Event (as defined in the Terms and Conditions). A Step-up Event occurs, *inter alia*, if the Verification Assurance Certificate (as defined in the Terms and Conditions) fails to confirm that the performance of both or either one KPI meets or exceeds the relevant (corresponding) Sustainability Performance Target (as defined in the Terms and Conditions). The definition of Sustainability Performance Target may be inconsistent with investor requirements or expectations or other definitions relevant to renewable energy and/or greenhouse emissions.

Adverse environmental or social impacts may occur during the design, construction and operation of any investments the Issuer makes in furtherance of their targets or such investments may become controversial or criticized by activist groups or other stakeholders. Lastly, no event of default shall occur under the Notes, nor will the Issuer be required to repurchase or redeem such Notes, if the Issuer fails to meet any Sustainability Performance Target or if the Issuer fails to publish a Sustainability Report or a Verification Assurance Certificate, as the case may be, as required under the Terms and Conditions (each as defined in the Terms and Conditions).

No assurance or representation is given by the Issuer, any other member of the VERBUND Group, the Joint Bookrunners, the Joint ESG Structuring Agents, ISS ESG in its capacity as second party opinion provider or the Independent Verifier (as defined in the Terms and Conditions) as to the suitability or reliability for any purpose whatsoever of any opinion, report or certification of any third party in connection with the offering of the Notes or the Sustainability Performance Target (as defined in the Terms and Conditions) to fulfil any social, sustainability, sustainability-linked and/or other criteria. Any such opinion, report or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this Prospectus.

Second party opinion providers such as ISS ESG and providers of similar opinions and certifications (including the the Independent Verifier (as defined in the Terms and Conditions) are not currently subject to any specific regulatory or other regime or oversight. Any such opinion, certification or verification is not, nor should be deemed to be, a recommendation by the Issuer, any member of the VERBUND Group, the Joint Bookrunners, the Joint ESG Structuring Agents, any second party opinion providers such as ISS ESG, the Independent Verifier or any other person to buy, sell or hold any Notes. Holders have no recourse against the Issuer, any of the Joint Bookrunners, the Joint ESG Structuring Agents, any second party opinion provider, the Independent Verifier or the provider of any opinion, certification or verification for the contents of any such opinion, certification or verification, which is only current as at the date it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion, certification or verification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Notes. Any withdrawal of any such opinion, certification or verification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining on or certifying on may have a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

2. Risks related to specific conditions of the Notes

If Notes are redeemed prior to maturity, a Holders of such Notes is exposed to the risk of a lower yield than expected.

At the Issuer's option, the Notes may be redeemed prior to the Maturity Date *at par* plus accrued interest if, as a result of a future change of the laws applicable in the Republic of Austria, the Issuer will be obliged to pay Additional Amounts (as defined in the Terms and Conditions).

In addition, the Notes may be redeemed prior to the Maturity Date (i) at the option of the Issuer at the Make-Whole Redemption Amount (*make-whole call*), (ii) at the option of the Issuer on each Business Day within a three-month period prior to the maturity date of the Notes (*3-month par call*), or (iii) at the option of the Issuer if at any time the aggregate principal amount of the Notes is equal to or less than 25 per cent. of the aggregate principal amount of the Notes originally issued (*clean-up call*). If the Notes are redeemed by the Issuer earlier than expected by a Holder, a Holder is exposed to the risk that due to the early redemption his investment will have a lower than expected yield and to the risks connected with any reinvestment of the cash proceeds received as a result of the early redemption. The redemption amount may be lower than the then prevailing market price of and the purchase price for the Notes paid by the Holder for the Notes so that the Holder in such case would not receive the total amount of the capital.

The Issuer's ability to redeem or repurchase the Notes upon the occurrence of a change of control event may be limited by its access to funds.

Upon the occurrence of a Change of Control (as defined in the Terms and Conditions) and the Issuer's rating being below a certain threshold (as further specified in the Terms and Conditions), Holders will have the right to require the redemption in whole but not in part of their Notes at the principal amount of such Notes together with unpaid interest accrued to but excluding the date of redemption. The Issuer's ability to redeem the Notes upon such a change of control event will be limited by its access to funds at the time of the redemption. Upon such change of control event, the Issuer may be required to repay the aggregate principal amount of such Notes then outstanding, plus accrued and unpaid interest within a short period of time. The source of funds for these repayments would be the available cash or cash generated from other sources. However, there can be no assurance that there will be sufficient funds available upon a change of control event to make these repayments and any required redemption of tendered Notes.

The Terms and Conditions, including the terms of payment of principal and interest, can be amended by a Holders' resolution and any such resolution will be binding for all Holders. Any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the Notes then outstanding.

The Terms and Conditions may be amended or other measures relating to the Notes may be resolved by majority resolution of the Holders. The voting process under the Terms and Conditions will be governed by the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*) ("**SchVG**"), pursuant to which the required participation of Holder votes (quorum) is principally set at 50 per cent. of the aggregate principal amount of the Notes then outstanding. In case there is no sufficient quorum, there is no minimum quorum requirement at a second meeting (unless the resolution to be passed requires a qualified majority, in which case Holders representing at least 25 per cent. of the principal amount of Notes then outstanding must participate in the meeting or voting). As the relevant majority for Holders' resolutions is generally based on votes cast, rather than on principal amount of the Notes outstanding, the aggregate principal amount required to vote in favor of an amendment will vary based on the Holders participating in such vote. Therefore, a Holder is subject to the risk of being outvoted by a majority resolution of other Holders and losing rights towards the Issuer against his will in the event that Holders holding a sufficient aggregate principal amount of the Notes participate in the vote and agree to amend the Terms and Conditions or on other matters relating to the Notes by majority vote in accordance with the Terms and Conditions and the SchVG. Furthermore, despite the Terms and Conditions being governed by German law, it cannot be ruled out that investors seek remedies under the Austrian Bond Trustee Act (*Kuratorengesetz*) Gazette RGBI 1874/49, as amended and as supplemented by the Austrian Bond Trustee Supplementation Act (*Kuratorenergänzungsgesetz*) Gazette RGBI 111/1877, leading to the appointment of a bondholder trustee (*Kurator*) by an Austrian court, if such court accepts jurisdiction, to represent the joint interests of the Holders. If appointed, such trustee will exercise the rights and represent the interests of the Holders and is entitled to make statements

on their behalf which shall be binding on all Holders. This can conflict with decisions passed by a Holder majority under the SchVG as described above or otherwise adversely affect the interests of individual or all Holders.

In case of certain events of default, the Notes will only be redeemable if Holders holding at least 25% of the aggregate principal amount of the Notes then outstanding declare the Notes due and payable. Such declaration of acceleration may be rescinded by majority resolution of the Holders.

The Terms and Conditions provide that, in case of certain events of default, any notice declaring the Notes due and payable shall become effective only when Citibank Europe plc (the "**Paying Agent**") has received such default notices from Holders representing at least 25% of the aggregate principal amount of the Notes then outstanding. In addition, under the SchVG, even if the threshold of 25% for a default notice has been reached, the Holders could rescind such acceleration by majority resolution within three months. A simple majority of votes would be sufficient for a resolution on the rescission of such acceleration but, in any case, more Holders would have to consent to a rescission than have delivered default notices.

Holders should be aware that, as a result, they may not be able to accelerate the Notes upon the occurrence of certain events of default, unless the required quorum of Holders delivers default notices and such acceleration is not rescinded by majority resolution of the Holders.

Since no Joint Representative will be appointed as from the Issue Date, it may be difficult for Holders to take collective action with respect to the Notes.

No initial joint representative for the Holders ("**Joint Representative**") will be appointed under the Terms and Conditions. However, any appointment of a Joint Representative post-issuance of the Notes will require a majority resolution of the Holders and as a consequence it will become more difficult for Holders to take collective action with respect to the Notes.

It is possible that a Holder may be deprived in its individual right to pursue and enforce its rights under the Terms and Conditions if such right was passed on a Joint Representative.

If a Joint Representative will be appointed by majority decision of the Holders it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer, if such right was passed to the Joint Representative by majority vote for the Notes who is then exclusively responsible to claim and enforce the rights of all the Holders.

3. Other related risks

No restriction on the amount of debt which the Issuer may incur in the future or on securing other debt which is not Capital Market Indebtedness (as defined in the Terms and Conditions)

There is no restriction on the amount of debt which the Issuer or any of its subsidiaries may issue which ranks equal to the Notes. The negative pledge contained in the Terms and Conditions does not prevent the Issuer from securing financial indebtedness provided by banks but only refers to Capital Market Indebtedness (as defined in the Terms and Conditions). Such issuance of further debt or securing debt which is not Capital Market Indebtedness may reduce the amount recoverable by the Holders upon winding-up or insolvency of the Issuer and may negatively affect the Issuer's ability to perform its obligations under the Notes. In such case, the market price of the Notes may be negatively affected, and the Holders might not be able to realize the expected yield from the investment in the Notes.

Structural subordination of the rights under the Notes

The Issuer is the parent company of the VERBUND Group and as such receives a significant part of its financial resources from distributions on equity instruments issued by its subsidiaries. Distributions on such equity instruments can only be made after full payment of, or provisioning for, amounts due to the creditors of such subsidiaries. As a result, the rights under the Notes are structurally subordinated to the rights of creditors of the Issuer's subsidiaries and in the event of an insolvency of the Issuer such creditors need to be paid in full before any amount can be made available to the Issuer for payment to its creditors. If this risk materializes this could have a material adverse effect on the value of and return on the Notes; investors may receive less principal than expected, or no principal at all.

A potential investor may not rely on the Company, any Joint Bookrunner or any of their respective affiliates in connection with its determination as to the legality or suitability of its acquisition of the Notes.

Each potential investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, whether its acquisition of the Notes is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A potential investor may not rely on the Issuer, any Joint Bookrunner or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

TERMS AND CONDITIONS OF THE NOTES

Diese Emissionsbedingungen der Schuldverschreibungen (die "**Emissionsbedingungen**") sind in deutscher Sprache abgefasst und mit einer englischen Übersetzung versehen. Der deutsche Wortlaut ist rechtsverbindlich. Die englische Übersetzung dient nur zur Information.

These terms and conditions of the notes (the "**Terms and Conditions**") are written in the German language and provided with an English language translation. The German text shall be the legally binding version. The English language translation is provided for convenience only.

1. WÄHRUNG, STÜCKELUNG, FORM

1.1 *Währung; Stückelung.* Diese Schuldverschreibungen (die "**Schuldverschreibungen**") der VERBUND AG (die "**Emittentin**") werden in Euro im Gesamtnennbetrag, vorbehaltlich Ziffer 1.6, von Euro 500.000.000 (in Worten: fünfhundert Millionen Euro) mit einem Nennbetrag von jeweils Euro 100.000 (der "**Nennbetrag**") begeben.

1.2 *Form.* Die Schuldverschreibungen lauten auf den Inhaber.

1.3 *Vorläufige Globalurkunde – Austausch.*

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird gegen eine Dauerglobalurkunde (die "**Dauerglobalurkunde**") und zusammen mit der vorläufigen Globalurkunde eine "**Globalurkunde**") ohne Zinsscheine, ausgetauscht. Die vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die Unterschriften eines oder zweier ordnungsgemäß bevollmächtigte(n)(r) Vertreter(s) der Emittentin und sind jeweils von der Zahlstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

(b) Die vorläufige Globalurkunde wird an einem Tag (der "**Austauschtag**") gegen die Dauerglobalurkunde ausgetauscht, der nicht weniger als 40 Tage nach dem Tag der Ausgabe der vorläufigen Globalurkunde liegt. Ein solcher Austausch

1. CURRENCY, DENOMINATION, FORM

1.1 *Currency; Denomination.* These Notes (the "**Notes**") of VERBUND AG (the "**Issuer**") are being issued in Euro in the aggregate principal amount, subject to Clause 1.6, of Euro 500,000,000 (in words: five hundred million euro) with a principal amount of Euro 100,000 each (the "**Principal Amount**").

1.2 *Form.* The Notes are being issued in bearer form.

1.3 *Temporary Global Note – Exchange.*

(a) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without coupons. The Temporary Global Note will be exchangeable by a permanent global note (the "**Permanent Global Note**") and together with the Temporary Global Note, a "**Global Note**") without coupons. The Temporary Global Note and the Permanent Global Note shall each be signed by one or two authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Paying Agent. Definitive Notes and interest coupons will not be issued.

(b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the "**Exchange Date**") not earlier than 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect

soll nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen auf durch eine vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist hinsichtlich einer jeden solchen Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Ausgabe der vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt, diese vorläufige Globalurkunde gemäß Absatz (b) dieser Ziffer 1.3 auszutauschen. Wertpapiere, die im Austausch für die vorläufige Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten zu liefern (wie in Ziffer 4.3 definiert).

- 1.4 *Clearing System.* Die die Schuldverschreibungen verbriefende Globalurkunde wird von einem oder im Namen eines Clearing Systems verwahrt. "**Clearing System**" bedeutet jeweils folgendes: Clearstream Banking, société anonyme, Luxembourg, ("**CBL**"), 24 Avenue JF Kennedy, 1855 Luxemburg und Euroclear Bank SA/NV ("**Euroclear**"), 1 Boulevard du Roi Albert II, 1210 Brüssel, Belgien (CBL und Euroclear jeweils ein "**International Central Securities Depositary**" oder "**ICSD**" und zusammen die "**ICSDs**").

Die Schuldverschreibungen werden in Form einer new global note ("**NGN**") ausgegeben und von einem common safekeeper im Namen beider ICSDs verwahrt.

- 1.5 *Gläubiger von Schuldverschreibungen.* "**Gläubiger**" bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen

that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this Clause 1.3. Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in Clause 4.3).

- 1.4 *Clearing System.* Each Global Note representing the Notes will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System**" means each of the following: Clearstream Banking, société anonyme, Luxembourg, ("**CBL**"), 24 Avenue JF Kennedy, 1855 Luxembourg and Euroclear Bank SA/NV ("**Euroclear**"), 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium (CBL and Euroclear each an "**International Central Securities Depositary**" or "**ICSD**" and together the "**ICSDs**").

The Notes are issued in new global note ("**NGN**") form and are kept in custody by a common safekeeper on behalf of both ICSDs.

- 1.5 *Holder of Notes.* "**Holder**" means any holder of a proportionate co-ownership or other beneficial interest or right in the Global Notes.

treugeberischen oder eigenen Rechts an den Globalurkunden.

- 1.6 *Register der ICSDs.* Der Nennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen man die Register versteht, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind schlüssiger Nachweis über den Nennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen, und eine zu diesem Zweck von einem ICSD jeweils ausgestellte Bescheinigung mit dem Nennbetrag der so verbrieften Schuldverschreibungen ist ein schlüssiger Nachweis über den Inhalt des Registers des jeweiligen ICSD zu diesem Zeitpunkt.

Bei Rückzahlung oder einer Zinszahlung bezüglich der durch die Globalurkunde verbrieften Schuldverschreibungen bzw. bei Kauf und Entwertung der durch die Globalurkunde verbrieften Schuldverschreibungen stellt die Emittentin sicher, dass die Einzelheiten über Rückzahlung und Zahlung bzw. Kauf und Löschung bezüglich der Globalurkunde pro rata in die Unterlagen der ICSDs eingetragen werden, und dass nach dieser Eintragung vom Nennbetrag der in die Register der ICSDs aufgenommenen und durch die Globalurkunde verbrieften Schuldverschreibungen der Gesamtnennbetrag der zurückgekauften bzw. gekauften und entwerteten Schuldverschreibungen bzw. der Gesamtbetrag der so gezahlten Raten abgezogen wird.

Bei Austausch eines Anteils von ausschließlich durch eine vorläufige Globalurkunde verbriefter Schuldverschreibungen wird die Emittentin sicherstellen, dass die Einzelheiten dieses Austauschs pro rata in die Aufzeichnungen der ICSDs aufgenommen werden.

2. STATUS, NEGATIVVERPFLICHTUNG

- 2.1 *Status.* Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und

- 1.6 *Records of the ICSDs.* The nominal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and, for these purposes, a statement issued by a ICSD stating the nominal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption or interest payment being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the Issuer shall procure that details of any redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered pro rata in the records of the ICSDs and, upon any such entry being made, the nominal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the aggregate nominal amount of the Notes so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid.

On an exchange of a portion only of the Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered pro rata in the records of the ICSDs.

2. STATUS, NEGATIVE PLEDGE

- 2.1 *Status.* The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu*

mit allen anderen gegenwärtigen und zukünftigen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, soweit diesen Verbindlichkeiten nicht durch gesetzliche Bestimmungen ein Vorrang eingeräumt wird.

- 2.2 *Negativverpflichtung der Emittentin.* Die Emittentin verpflichtet sich, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen den Clearing Systemen zur Verfügung gestellt worden sind, keine dinglichen Sicherungsrechte (zusammen die "**Dinglichen Sicherheiten**") an ihrem gegenwärtigen oder zukünftigen Vermögen ganz oder teilweise zur Besicherung einer gegenwärtigen oder zukünftigen Kapitalmarktverbindlichkeit (wie im Folgenden definiert), die von der Emittentin oder einer Wesentlichen Tochtergesellschaft eingegangen oder gewährleistet ist, zu bestellen oder eine solche Belastung zu diesem Zweck bestehen zu lassen, es sei denn, die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen werden vorbehaltlich Ziffer 2.3 durch die betreffende Dingliche Sicherheit gleichrangig mit der jeweiligen Kapitalmarktverbindlichkeit (oder, sofern es sich dabei um eine nachrangige Verbindlichkeit handelt, im Vergleich dazu vorrangig) besichert.

"**Kapitalmarktverbindlichkeit**" ist jede Zahlungsverpflichtung aus Mittelaufnahmen in Form von oder verbrieft in Schuldscheinen, Teilschuldverschreibungen, Schuldverschreibungen, Anleihen oder sonstigen Wertpapieren, die an einer Wertpapierbörse oder in einem anderen anerkannten Wertpapiermarkt notiert oder zugelassen sind oder gehandelt werden bzw. notiert, zugelassen oder gehandelt werden können, in einem Betrag von mindestens EUR 50.000.000 oder Gegenwert in einer oder mehreren anderen Währung/en. Wertpapiere, die im Rahmen einer Verbriefung von Forderungen (z.B. Asset Backed-Wertpapiere) oder einer Projektfinanzierung begeben wurden, stellen keine Kapitalmarktverbindlichkeiten dar.

"**Wesentliche Tochtergesellschaft**" bezeichnet jede Tochtergesellschaft der Emittentin, die

among themselves and *pari passu* with all other present or future unsecured and unsubordinated obligations of the Issuer, except for any obligations preferred by law.

- 2.2 *Negative Pledge of the Issuer.* So long as any of the Notes remain outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Clearing Systems, the Issuer undertakes not to grant or permit to subsist any form of security interest in rem (*dingliches Sicherungsrecht*) (together, "**Encumbrances**") upon any or all of its present or future assets, as security for any present or future Capital Market Indebtedness (as defined below) issued or guaranteed by the Issuer or any of its Material Subsidiaries unless, subject to Clause 2.3, the Issuer's obligations under the Notes are secured equally with (or, in case such Capital Market Indebtedness is subordinated debt, senior in priority to) the Capital Market Indebtedness secured by such Encumbrance.

"**Capital Market Indebtedness**" means any obligation for the payment of borrowed money which is in the form of, or represented by, a certificate of indebtedness or in the form of, or represented by bonds, notes, loan stock or other securities which are, or are capable of being quoted, listed, dealt in or traded on a stock exchange or other recognised securities market amounting to or exceeding EUR 50,000,000 or its equivalent in another currency or currencies. Any security which has been issued within the scope of a securitisation of assets (e. g. asset backed securities) or with regard to project financings is not a Capital Market Indebtedness.

"**Material Subsidiary**" means any subsidiary of the Issuer consolidated in accordance with the International Financial Reporting Standards

nach Maßgabe der International Financial Reporting Standards (IFRS) oder anderer auf die Emittentin anwendbarer Rechnungslegungsgrundsätze konsolidiert ist und deren Nettoumsatz oder Bilanzsumme (mit Ausnahme konzerninterner Umsätze oder Vermögenswerte einer Tochtergesellschaft, die sich nicht in den konsolidierten Umsatzerlösen oder der konsolidierten Bilanzsumme der Emittentin niederschlagen) mindestens 10 % der konsolidierten Umsatzerlöse oder der konsolidierten Bilanzsumme der Emittentin gemäß Ausweis im jüngsten geprüften konsolidierten Abschluss der Emittentin entspricht.

- 2.3 *Beschränkung.* Die Verpflichtungserklärung nach Ziffer 2.2 gilt nicht für eine Erlaubte Belastung.

"Erlaubte Belastung" bezeichnet (i) jede Dingliche Sicherheit, die sich ausschließlich per Gesetz ergibt sowie (ii) jede zum Tag der Begebung der Schuldverschreibungen bestehende Dingliche Sicherheit sowie jede andere künftige Dingliche Sicherheit, die diese bestehende Dingliche Sicherheit ersetzt, bis zur Höhe ihres ursprünglichen Betrags.

- 2.4 *Bestellung zusätzlicher Sicherheiten.* Entsteht für die Emittentin die Verpflichtung zur Besicherung der Schuldverschreibungen gemäß Ziffer 2.2, so ist die Emittentin berechtigt, diese Verpflichtung dadurch zu erfüllen, dass ein Sicherungsrecht an dem jeweiligen Sicherungsgegenstand zugunsten eines von der Emittentin bestellten Sicherheitentreuhänders begründet wird, und zwar in einer Weise, dass der Sicherheitentreuhänder diesen Sicherungsgegenstand dinglich oder, falls rechtlich nicht möglich, aufgrund schuldrechtlicher Vereinbarung gleichrangig zugunsten der Gläubiger der Schuldverschreibungen und der Gläubiger derjenigen Kapitalmarktverbindlichkeit hält, die aufgrund einer Besicherung mit einem Sicherungsrecht zur Bestellung dieses Sicherungsrechts an dem betreffenden Sicherungsgegenstand führte.

(IFRS) or any other accounting standard applicable to the Issuer, the net revenues or total assets of which (other than intra group revenues or intra group assets of a subsidiary which are not reflected in the consolidated revenues or the consolidated total assets of the Issuer) represent at least 10 per cent. of the consolidated revenues or the consolidated total assets of the Issuer as shown in the most recent audited consolidated financial statements of the Issuer.

- 2.3 *Limitation.* The undertaking pursuant to Clause 2.2 shall not apply to a Permitted Encumbrance:

"Permitted Encumbrance" means (i) any Encumbrance arising solely by operation of law and (ii) any existing Encumbrance on the issue date of the Notes and any other future Encumbrance replacing such existing Encumbrance up to the original amount thereof.

- 2.4 *Provision of Additional Security.* Whenever the Issuer becomes obligated to secure the Notes pursuant to Clause 2.2, the Issuer shall be entitled to discharge such obligation by a security interest in the relevant collateral to a security trustee appointed by the Issuer, such security trustee to hold such collateral and the security interest that gave rise to the creation of such collateral, equally (*dinglich oder, falls rechtlich nicht möglich, aufgrund schuldrechtlicher Vereinbarung gleichrangig*), for the benefit of the Holders and the holders of the Capital Market Indebtedness secured by the security interest that gave rise to the creation of such security interest in such collateral.

3. ZINSEN

3.1 *Zinssatz und Zinszahlungstage.* Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag ab dem 1. April 2021 (der "**Verzinsungsbeginn**") (einschließlich) bis zum Fälligkeitstag (wie in Ziffer 5.1 definiert) (ausschließlich), vorbehaltlich Ziffer 3.2, mit 0,900 % *per annum* (der "**Ursprüngliche Zinssatz**") verzinst. Die Zinsen sind nachträglich am 1. April eines jeden Jahres (jeweils ein "**Zinszahlungstag**") zu zahlen. Die erste Zinszahlung erfolgt am 1. April 2022.

3.2 *Anpassung des Zinssatzes bei Eintritt eines Step-up-Ereignisses.* Der auf die Schuldverschreibungen zu zahlende Zinssatz wird im Fall eines Step-up-Ereignisses folgendermaßen angepasst:

Wenn das Step-up-Ereignis eintritt, erhöht sich der Zinssatz für die Zinsperiode (wie in Ziffer 3.4 definiert), die an dem Step-up-Tag beginnt und jede nachfolgende Zinsperiode auf die Summe (dem "**Angepassten Zinssatz**") aus dem Ursprünglichen Zinssatz und 0,25 % *per annum*.

"**Step-up-Tag**" bezeichnet den Zinszahlungstag, der dem Mitteilungstag, spätestens dem fünften Geschäftstag nach Ende der Ausschlussfrist, unmittelbar nachfolgt.

Falls das Step-up-Ereignis eingetreten ist, hat die Emittentin:

- (i) den Eintritt des Step-up-Ereignisses, und
- (ii) den Angepassten Zinssatz

unverzüglich (*ohne schuldhaftes Zögern*) nach der Veröffentlichung des Nachhaltigkeitsberichts für das an dem Nachhaltigkeits-Leistungskennzahl-Beobachtungsstichtag endende Geschäftsjahr, spätestens jedoch an dem fünften Geschäftstag nach Ende der Ausschlussfrist, gemäß Ziffer 12 mitzuteilen (der Tag, an dem die Emittentin

3. INTEREST

3.1 *Rate of Interest and Interest Payment Dates.* The Notes shall bear interest on their Principal Amount at the rate of 0.900 per cent. per annum (the "**Original Rate of Interest**") from and including 1 April 2021 (the "**Interest Commencement Date**") to but excluding the Maturity Date (as defined in Clause 5.1), subject to Clause 3.2. Interest shall be payable in arrear on 1 April in each year (each such date, an "**Interest Payment Date**"). The first payment of interest shall be made on 1 April 2022.

3.2 *Interest Rate Adjustment upon occurrence of a Step-up Event.* The rate of interest payable on the Notes will be subject to adjustment in the event of a Step-up Event, as follows:

If the Step-up Event occurs, the rate of interest for the Interest Period (as defined in Clause 3.4) commencing on the Step-up Date and each subsequent Interest Period shall be increased to the sum (the "**Adjusted Rate of Interest**") of the Original Rate of Interest and 0.25 per cent. *per annum*.

"**Step-up Date**" means the Interest Payment Date immediately following the earlier of the Notice Date or the fifth Business Day after at the end of the Deadline.

If the Step-up Event has occurred, the Issuer must give notice of:

- (i) the occurrence of the Step-up Event; and
- (ii) the Adjusted Rate of Interest

in accordance with Clause 12 without undue delay (*ohne schuldhaftes Zögern*) following the publication of the Sustainability Report for the financial year ending on the Sustainable Performance Target Observation Date, but in any event not later than on the fifth Business Day after at the end of the Deadline (the date on which the Issuer publishes such notice, the "**Notice Date**").

diese Mitteilung veröffentlicht, der "**Mitteilungstag**").

"**Ausschlussfrist**" bezeichnet den 30. April 2033.

Das "**Step-up-Ereignis**" tritt ein, wenn eines der folgenden Ereignisse eintritt:

- (A) Die Emittentin veröffentlicht vor Ablauf der Ausschlussfrist keinen Nachhaltigkeitsbericht für das an dem Nachhaltigkeits-Leistungskennzahl Beobachtungsstichtag endende Geschäftsjahr oder keine Zertifizierungsbestätigung in Bezug auf diesen Nachhaltigkeitsbericht.
- (B) Die Emittentin veröffentlicht zwar vor Ablauf der Ausschlussfrist einen Nachhaltigkeitsbericht für das an dem Nachhaltigkeits-Leistungskennzahl Beobachtungsstichtag endende Geschäftsjahr und eine Zertifizierungsbestätigung in Bezug auf diesen Nachhaltigkeitsbericht, jedoch
 - (I) bestätigt die Zertifizierungsbestätigung nicht, dass sowohl die KPI 1 die NEZ 1 erreicht oder übertrifft als auch die KPI 2 die NEZ 2 erreicht oder übertrifft; oder
 - (II) enthält die Zertifizierungsbestätigung einen Hinweis, dass (i) die Unabhängige Prüfstelle ein NEZ oder beide NEZs nicht berechnen oder feststellen kann oder (ii) die Berechnung oder Feststellung der Unabhängigen Prüfstelle nur mit einem Vorbehalt oder einer Einschränkung in Bezug auf die Berechnung oder die Feststellung eines oder beider NEZs erfolgen kann oder erfolgte.

Dabei gilt Folgendes:

"**Nachhaltigkeits-Leistungskennzahl Beobachtungsstichtag**" bezeichnet den 31. Dezember 2032.

"**Deadline**" means 30 April 2033.

The "**Step-up Event**" occurs if any of the following events occurs:

- (A) The Issuer fails to publish, by the Deadline, a Sustainability Report for the financial year ending on the Sustainable Performance Target Observation Date or a Verification Assurance Certificate in respect of such Sustainability Report.
- (B) The Issuer publishes, by the Deadline, a Sustainability Report for the financial year ending on the Sustainable Performance Target Observation Date and a Verification Assurance Certificate in respect of such Sustainability Report, but
 - (I) the Verification Assurance Certificate fails to confirm that both the KPI 1 meets or exceeds the SPT 1 and the KPI 2 meets or exceeds the SPT 2; or
 - (II) the Verification Assurance Certificate contains a notice that (i) the Independent Verifier cannot calculate or observe either or both of the SPT or (ii) that the calculation or observation by the Independent Verifier was or can only be completed with a reservation or qualification with regard to the calculation or observation of either or both SPT.

Where:

"**Sustainable Performance Target Observation Date**" means 31 December 2032.

"**Nachhaltigkeitsbericht**" bezeichnet die Veröffentlichung der Emittentin auf ihrer website (www.verbund.com) oder einer Nachfolgewebsite für das jeweilige Geschäftsjahr ab dem an dem 31. Dezember 2021 endenden Geschäftsjahr (einschließlich) bis zu dem an dem Nachhaltigkeits-Leistungskennzahl Beobachtungsstichtag endenden Geschäftsjahr (einschließlich), wobei diese Veröffentlichung Daten und Informationen für die jeweilige Berechnung der KPI 1 und der KPI 2 sowie die jeweilige Entwicklung gegenüber dem entsprechenden Nachhaltigkeits-Entwicklungs-Ziel 1 und Nachhaltigkeits-Entwicklungs-Ziel 2 jeweils offenlegt.

"**KPI 1**" bezeichnet die neu installierte Produktionskapazität der Emittentin (einschließlich ihrer Tochtergesellschaften) von erneuerbaren Energien aus Wasserkraft, Windkraft sowie Solarkraft (PV) (zusammen "**Relevante Erneuerbare Energien**"), gemessen in Megawatt ("**MW**");

"**KPI 2**" bezeichnet die zusätzlich installierte Transformatorleistung der Emittentin (einschließlich ihrer Tochtergesellschaften), die der Verbindung mit dem Netz sowie zur Integration der Gewinnung Erneuerbarer Energien dient (wie in Art. 2 Nr. 1 der Richtlinie (EU) 2018/2001 des Europäischen Parlaments und des Rates vom 11. Dezember 2018 zur Förderung der Nutzung von Energie aus erneuerbaren Quellen (Neufassung) definiert) (die "**Transformatorleistung**"), gemessen in Megavoltampere ("**MVA**") (KPI 1 und KPI 2 jeweils ein "**KPI**" und zusammen die "**KPIs**");

"**Nachhaltigkeits-Entwicklungs-Ziel 1**" oder "**NEZ 1**" bezeichnet, dass die neu installierte Produktionskapazität von Relevanten Erneuerbaren Energien der Emittentin (einschließlich ihrer Tochtergesellschaften) bis zum Nachhaltigkeits-Leistungskennzahl Beobachtungsstichtag mindestens 2.000 MW erreicht hat, wobei "**neu installierte Produktionskapazität von Relevanten Erneuerbaren Energien**" in diesem Zusammenhang die Produktionskapazität von Relevanten Erneuerbaren Energien aus Anlagen

"**Sustainability Report**" means the relevant publication by the Issuer on its website (www.verbund.com) or any successor website thereto, covering each relevant financial year from and including the financial year ending on 31 December 2021 to and including the financial year ending on the Sustainable Performance Target Observation Date, whereby such publication will provide data and information relevant for calculation of the KPI 1 and the KPI 2, respectively, and the respective performance against the associated Sustainability Performance Target 1 and Sustainability Performance Target 2, respectively.

"**KPI 1**" means newly-installed production capacity of hydropower, wind power and photovoltaic (PV) solar renewable energy (together, "**Relevant Renewable Energy**") of the Issuer (including its Subsidiaries), measured as Megawatts ("**MW**");

"**KPI 2**" means additional installed transformer capacity of the Issuer (including its Subsidiaries) installed to facilitate interaction with the grid and integrate Renewable Energy (as defined in Art. 2 No. 1 of Directive (EU) 2018/2001 of the European Parliament and of the Council on the promotion of the use of energy from renewable sources (recast)) generation, measured as MegaVolt-Ampere (the "**Transformer Capacity**"), measured as MegaVolt-Ampere ("**MVA**") (KPI 1 and KPI 2 each an "**KPI**" and together, the "**KPIs**");

"**Sustainability Performance Target 1**" or "**SPT 1**" means that the newly-installed Relevant Renewable Energy production capacity of the Issuer (including its Subsidiaries) reached at least 2,000 MW by the Sustainable Performance Target Observation Date, whereby in this context, "**newly-installed Relevant Renewable Energy production capacity**" means the capacity from Relevant Renewable Energy which results from

bezeichnet, die nach dem 31. Dezember 2020 in Auftrag gegeben wurden;

"**Nachhaltigkeits-Entwicklungs-Ziel 2**" oder "**NEZ 2**" bezeichnet, dass die zusätzliche installierte Transformatorleistung der Emittentin (einschließlich ihrer Tochtergesellschaften) bis zum Nachhaltigkeits-Leistungskennzahl Beobachtungsstichtag mindestens 12.000 MVA erreicht hat, wobei "**zusätzliche installierte Transformatorleistung**" die zusätzliche Transformatorleistung bezeichnet, die nach dem 31. Dezember 2020 in Auftrag gegeben wurde (und NEZ 1 und NEZ 2 jeweils ein "**NEZ**" und zusammen die "**NEZs**");

"**Unabhängige Prüfstelle**" bezeichnet einen angemessen qualifizierten Dienstleister, der eingeschränkte Bestätigungsprozesse hinsichtlich der Berechnung und des Reportings von Leistungskennzahlen anbietet und vornimmt, wie in den "*Voluntary Guidelines for External Reviews*" beschrieben (wie durch die Green and Social Bond Principles entwickelt und durch die International Capital Markets Association (ICMA) oder einen Nachfolger veröffentlicht und wie von Zeit zu Zeit aktualisiert, geändert oder ersetzt). Die Emittentin kann die Unabhängige Prüfstelle nach freiem Ermessen bestimmen, wobei die Emittentin nicht die Gesellschaft als Unabhängige Prüfstelle bestimmen darf, die als sog. Second Party Opinion Provider ihres jeweils aktuellen VERBUND Green Finance Framework fungiert. Die Bestellung der Unabhängigen Prüfstelle wird zusammen mit der Veröffentlichung der Zertifizierungsbestätigung auf der Website der Emittentin (www.verbund.com) oder einer Nachfolgersite bekannt gegeben. Die Emittentin behält sich das Recht vor, jederzeit die Unabhängige Prüfstelle zu ändern und eine andere Unabhängige Prüfstelle zu bestellen. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel der Unabhängigen Prüfstelle wird auf der Website der Emittentin (www.verbund.com) oder einer Nachfolgersite bekannt gegeben. Die jeweilige Bekanntgabe ist keine Wirksamkeitsvoraussetzung für die

installations commissioned after 31 December 2020;

"**Sustainability Performance Target 2**" or "**SPT 2**" means that the additionally installed Transformer Capacity of the Issuer (including its Subsidiaries) reached at least 12,000 MVA by the Sustainable Performance Target Observation Date, whereby in this context, "**additionally installed Transformer Capacity**" means additional Transformer Capacity which is commissioned after 31 December 2020 (and SPT 1 and SPT 2 each a "**SPT**" and together, the "**SPTs**");

"**Independent Verifier**" means a suitably-qualified service provider to conduct limited assurance procedures with regard to the calculation and reporting of key performance indicators, as outlined in the "*Voluntary Guidelines for External Reviews*" (as developed by the Green and Social Bond Principles and published by the International Capital Markets Association (ICMA) or any successor thereto, as updated, modified or replaced from time to time). The Issuer may elect the Independent Verifier in its sole discretion provided that the Issuer may not select such entity as Independent Verifier which is acting as second party opinion provider of the Issuer's current VERBUND Green Finance Framework. The Issuer will publish the election of the Independent Verifier together with the publication of the Verification Assurance Certificate on the Issuer's website (www.verbund.com) or successor page thereto. The Issuer reserves the right at any time to terminate the appointment of the Independent Verifier and to appoint another Independent Verifier. Any termination of the appointment and new appointment of the Independent Verifier will be published by the Issuer on its website (www.verbund.com) or any successor website thereto. Such publication is not a legal prerequisite for the election or termination or new appointment of an Independent Verifier.

Bestellung oder Abberufung und Ersetzung einer Unabhängigen Prüfstelle.

"Zertifizierungsbestätigung" ist die von der Unabhängigen Prüfstelle ausgestellte Bescheinigung, die bestätigt, ob das KPI 1 dem NEZ 1 entspricht und/oder ob das KPI 2 dem NEZ 2 entspricht, wobei diese Bescheinigung nicht später als an dem Mitteilungstag entsprechend der Vorschriften dieser Emissionsbedingungen zu veröffentlichen ist.

"Tochtergesellschaft" bezeichnet im Rahmen der Verwendung in dieser Klausel 3.2 jede Gesellschaft, an der die Emittentin beteiligt ist und die nach Maßgabe der International Financial Reporting Standards (IFRS) oder anderer auf die Emittentin anwendbarer Rechnungslegungsgrundsätze mit der Emittentin konsolidiert wird (und zwar unabhängig davon, ob diese zur Gänze konsolidiert (Vollkonsolidierung), zum Teil konsolidiert (Quotenkonsolidierung) oder at equity konsolidiert wird).

3.3 *Auflaufende Zinsen.* Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, fallen auf den ausstehenden Gesamtnennbetrag der Schuldverschreibungen ab dem Tag der Fälligkeit (einschließlich) bis zum Tag (ausschließlich), an dem Kapital und Zinsen aus oder im Zusammenhang mit den Schuldverschreibungen dem Clearing System zur Verfügung gestellt worden sind, Zinsen zum gesetzlich festgelegten Satz für Verzugszinsen an¹.

3.4 *Zinsberechnungsmethode.* Sind Zinsen für einen Zeitraum zu berechnen, der kürzer als eine Zinsperiode (wie in dieser Ziffer 3.4 definiert) ist, so werden die Zinsen auf der Grundlage der tatsächlichen Anzahl der Kalendertage in dem jeweiligen Zeitraum ab dem Tag, an dem Zinsen auflaufen (einschließlich), bis zum letzten Tag, an dem Zinsen auflaufen, geteilt durch die Anzahl der Kalendertage in der

"Verification Assurance Certificate" means the certificate issued by Independent Verifier confirming whether the performance of the KPI 1 meets the SPT 1 and/or whether the performance of the KPI 2 meets the SPT 2, whereby such certification shall be published not later than on the Notice Date in accordance with the provisions of these Terms and Conditions.

"Subsidiary" as used in this Clause 3.2 means any entity the Issuer is commercially involved in and which in accordance with International Financial Reporting Standards (IFRS) or other applicable accounting standards is consolidated with the Issuer (independently of a full consolidation, partial consolidation or consolidation at equity).

3.3 *Accrual of Interest.* If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding aggregate principal amount of the Notes from and including the due date to but excluding such date as principal and interest on or in connection with the Notes has been placed at the disposal of the Clearing System at the default rate of interest established by law³.

3.4 *Day Count Convention.* Where interest is to be calculated in respect of a period which is shorter than an Interest Period (as defined in this Clause 3.4), the interest will be calculated on the basis of the actual number of calendar days elapsed in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the actual number of calendar

³ Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 BGB.

³ The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time, §§ 288(1), 247 German Civil Code.

Zinsperiode, in die der jeweilige Zeitraum fällt (einschließlich des ersten Tages, aber ausschließlich des letzten Tages).⁴

"Zinsperiode" bezeichnet den Zeitraum ab dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und danach ab dem jeweiligen Zinszahlungstag (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich).

4. ZAHLUNGEN

4.1 *Zahlungen von Kapital und Zinsen.* Die Emittentin verpflichtet sich, Kapital und Zinsen auf die Schuldverschreibungen sowie alle sonstigen auf die Schuldverschreibungen zahlbaren Beträge bei Fälligkeit in Euro zu zahlen. Die Zahlung von Kapital und Zinsen auf die Schuldverschreibungen erfolgt nach Maßgabe von Ziffer 4.2 an die Zahlstelle zur Weiterleitung an das Clearing System oder an dessen Order zur Gutschrift für die jeweiligen Kontoinhaber. Die Zahlung an das Clearing System oder an dessen Order, vorausgesetzt, die Schuldverschreibungen werden noch durch das Clearing System gehalten, befreit die Emittentin in Höhe der geleisteten Zahlung von ihren entsprechenden Verbindlichkeiten aus den Schuldverschreibungen.

4.2 *Geltende steuerliche und sonstige Vorschriften.* Sämtliche Zahlungen stehen in allen Fällen unter dem Vorbehalt geltender steuerlicher und sonstiger gesetzlicher Vorschriften, Richtlinien, Verordnungen oder Verträgen, denen sich die Emittentin oder eine Zahlstelle unterworfen haben. Die Emittentin ist nicht für irgendwelche Steuern oder Abgaben gleich welcher Art verantwortlich, die aufgrund solcher gesetzlichen Vorschriften, Richtlinien, Verordnungen oder Verträgen auferlegt oder erhoben werden. Dies berührt jedoch nicht die Bestimmungen von Ziffer 7. Den Gläubigern werden keine Kosten oder Gebühren in Bezug auf diese Zahlungen auferlegt.

days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

"Interest Period" means the period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and thereafter from, and including, each relevant Interest Payment Date to, but excluding, the next following Interest Payment Date.

4. PAYMENTS

4.1 *Payment of principal and interest.* The Issuer undertakes to pay, as and when due, principal and interest as well as all other amounts payable on the Notes in euro. Payment of principal and interest on the Notes shall be made, in accordance with Clause 4.2, to the Paying Agent for on-payment to the Clearing System or to its order for credit to the respective accountholders. Payments to the Clearing System or to its order shall, to the extent of amounts so paid and provided the Notes are still held on behalf of the Clearing System, constitute the discharge of the Issuer from its corresponding obligations under the Notes.

4.2 *Applicable fiscal and other laws.* All payments will be subject in all cases to any applicable fiscal and other laws, directives and regulations or agreements to which the Issuer or any Paying Agent agree to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Clause 7. No commission or expenses shall be charged to the Holders in respect of such payments.

⁴ To be amended in case of first/short first coupon

4.3 *Lieferung und Zahlungen nur außerhalb der Vereinigten Staaten.* Unbeschadet der übrigen Bestimmungen in diesen Emissionsbedingungen erfolgen die Lieferung oder Kapitalrückzahlungen oder Zinszahlungen bezüglich der Schuldverschreibungen, sei es in bar oder in anderer Form, ausschließlich außerhalb der Vereinigten Staaten. "**Vereinigte Staaten**" die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Rico, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands).

4.4 *Geschäftstagekonvention und Geschäftstag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Geschäftstag ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Tag, der ein Geschäftstag ist. Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verzögerung zu verlangen.

"**Geschäftstag**" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem alle betroffenen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) betriebsbereit sind.

4.5 *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Emissionsbedingungen auf einen Kapitalbetrag der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag; den Vorzeitigen Rückzahlungsbetrag, den Nennbetrag, den Make-Whole Redemption Amount sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge. Bezugnahmen in diesen Emissionsbedingungen auf Zinsen auf die Schuldverschreibungen sollen, soweit anwendbar, Zinszahlungen berechnet aufgrund des Ursprünglichen Zinssatzes oder des Angepassten Zinssatzes und sämtliche gemäß Ziffer 7 zahlbaren zusätzlichen Beträge einschließen.

4.3 *No delivery or payment except outside United States.* Notwithstanding any other provision of these Terms and Conditions, no delivery or payment of principal or interest in respect of the Notes, whether in cash, reference property or otherwise, shall be made unless such payment is made outside the United States. "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

4.4 *Business Day Convention and Business Day.* If the due date for payment of any amount in respect of any Note is not a Business Day, then the Holder shall not be entitled to payment until the next day that is a Business Day. The Holder shall not be entitled to further interest or any other payment in respect of such delay.

"**Business Day**" means any day which is a day (other than a Saturday or a Sunday) on which all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) are operational.

4.5 *References to Principal and Interest.* Reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount; the Early Redemption Amount; the Principal Amount, the Make-Whole Redemption Amount and any premium and any other amounts which may be payable under or in respect of the Notes. Reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, interest payments calculated at the Original Rate of Interest or the Adjusted Interest Rate, as applicable, and any Additional Amounts which may be payable under Clause 7.

5. RÜCKZAHLUNG

5.1 *Rückzahlung bei Endfälligkeit.* Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am 1. April 2041 (der "**Fälligkeitstag**") zurückgezahlt. Der "**Rückzahlungsbetrag**" in Bezug auf jede Schuldverschreibung entspricht dem Nennbetrag.

5.2 *Vorzeitige Rückzahlung aus steuerlichen Gründen.* Sollte die Emittentin zur Zahlung von Zusätzlichen Beträgen (wie in Ziffer 7 dieser Bedingungen definiert) aufgrund einer Änderung des Steuerrechts (wie nachstehend definiert) am nächstfolgenden Zinszahlungstag (wie in Ziffer 3.1 definiert) verpflichtet sein und kann diese Verpflichtung nicht durch das Ergreifen angemessener, der Emittentin zur Verfügung stehender Maßnahmen vermieden werden, können die Schuldverschreibungen insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gegenüber der Zahlstelle und gemäß Ziffer 12 gegenüber den Gläubigern vorzeitig gekündigt und zu ihrem Vorzeitigen Rückzahlungsbetrag (wie nachstehend definiert) zuzüglich bis zu dem für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden.

Eine "**Änderung des Steuerrechts**" ist (i) eine Änderung oder Ergänzung der Steuer- oder Abgabengesetze und -vorschriften der Republik Österreich oder deren politischen Untergliederungen oder Steuerbehörden, (ii) die Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften, (iii) jede von den Steuerbehörden oder der zuständigen Gerichtsbarkeit in der Republik Österreich oder deren politischen Untergliederungen oder Steuerbehörden getroffene Maßnahme/Entscheidung, unabhängig davon, ob eine derartige Maßnahme in Zusammenhang mit der Emittentin stehen, oder (iv) jede Änderung,

5. REDEMPTION

5.1 *Redemption at Maturity.* Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on 1 April 2041 (the "**Maturity Date**"). The "**Final Redemption Amount**" in respect of each Note shall be its Principal Amount.

5.2 *Early Redemption for Reasons of Taxation.* If as a result of any Tax Law Change (as hereinafter defined) the Issuer is required to pay Additional Amounts (as defined in Clause 7 herein) on the next succeeding Interest Payment Date (as defined in Clause 3.1) and this obligation cannot be avoided by the use of reasonable measures available to the Issuer, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Paying Agent and, in accordance with Clause 12 to the Holders, at their Early Redemption Amount (as defined below), together with interest (if any) accrued to the date fixed for redemption.

A "**Tax Law Change**" is (i) any change in, or amendment to, the laws or regulations of the Republic of Austria or any political subdivision or taxing authority thereof or therein affecting taxation or the obligation to pay duties of any kind, (ii) any change in, or amendment to, an official interpretation, administrative guidance or application of such laws or regulations, (iii) any action and/or decision which shall have been taken by any taxing authority, or any court of competent jurisdiction of the Republic of Austria or any political subdivision or taxing authority thereof or therein, whether or not such action was taken or brought with respect to the Issuer, or (iv) any change, amendment,

jeder Zusatz, jede Neufassung, Anwendung, Auslegung oder Durchsetzung der Gesetze der Republik Österreich (oder jeder dazu ergangenen Verordnung oder Regelung), der oder die offiziell vorgeschlagen wurde (vorausgesetzt, diese Änderung, dieser Zusatz, diese Neufassung, Anwendung, Auslegung oder Durchsetzung würde am oder nach dem Tag, an dem die letzte Tranche dieser Serie von Schuldverschreibungen begeben wird, wirksam werden).

Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühestmöglichen Termin erfolgen, an dem die Emittentin verpflichtet wäre, solche zusätzlichen Beträge zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig sein würde, oder (ii) erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erfolgt, die Verpflichtung zur Zahlung von zusätzlichen Beträgen nicht mehr wirksam ist.

Eine solche Kündigung hat gemäß Ziffer 12 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

- 5.3 *Kontrollwechsel.* Tritt ein Kontrollwechsel (wie nachstehend definiert) ein und kommt es innerhalb des Kontrollwechselzeitraums zu einer Absenkung des Ratings (wie nachstehend definiert) auf Grund des Kontrollwechsels (zusammen, ein "**Rückzahlungseignis**"), hat jeder Gläubiger das Recht (sofern nicht die Emittentin, bevor die nachstehend beschriebene Rückzahlungsmitteilung gemacht wird, die Rückzahlung der Schuldverschreibungen nach diesen Anleihebedingungen angezeigt hat), die Rückzahlung seiner Schuldverschreibungen im Ganzen aber nicht in Teilen durch die Emittentin zum Nennbetrag, zuzüglich angewachsener Zinsen bis zum Put-Rückzahlungstag (ausschließlich), zu verlangen.

application, interpretation or execution of the laws of the Republic of Austria (or any regulations or ruling promulgated thereunder), which change, amendment, action, application, interpretation or execution is officially proposed and would have effect on or after the date on which the last tranche of this series of Notes was issued.

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts where a payment in respect of the Notes then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts or make such deduction or withholding does not remain in effect.

Any such notice shall be given in accordance with Clause 12. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

- 5.3 *Change of Control.* If there occurs a Change of Control (as defined below) and within the Change of Control Period a Rating Downgrade (as defined below) in respect of that Change of Control occurs (together a "**Put Event**"), each Holder will have the option (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice to redeem the Notes in accordance with these Terms and Conditions) to require the Issuer to redeem, in whole but not in part, the Notes held by it on the Optional Redemption Date at their Principal Amount together with interest accrued to, but excluding, the Put Redemption Date.

Für Zwecke dieses Wahlrechts:

bedeutet "**Rating Agentur**" Standard and Poor's Rating Services, eine Abteilung von The McGraw-Hill Companies, Inc. ("**S&P**") und Moody's Investors Services Limited ("**Moody's**") oder eine ihrer jeweiligen Nachfolgesellschaften oder jede andere Rating Agentur vergleichbaren internationalen Ansehens, wie von Zeit zu Zeit durch die Emittentin bestimmt;

gilt eine "**Absenkung des Ratings**" in Bezug auf einen Kontrollwechsel als eingetreten, wenn (a) innerhalb des Kontrollwechselzeitraums irgendein vorher für die Emittentin oder die Schuldverschreibungen vergebenes Rating einer Rating Agentur (i) zurückgezogen oder (ii) von einem Investment Grade Rating (BBB- von S&P/Baa3 von Moody's oder jeweils gleichwertig, oder besser) in ein non-Investment Grade Rating (BB+ von S&P/Ba1 von Moody's oder jeweils gleichwertig, oder schlechter) geändert oder (iii) (falls das für die Schuldverschreibungen vergebene Rating einer Rating Agentur unterhalb des Investment Grade Ratings liegt) um einen ganzen Punkt (z.B. von BB+ auf BB von S&P oder von Ba1 auf Ba2 von Moody's oder eine ähnliche Absenkung eines gleichwertigen Ratings) abgesenkt wird oder (b) zur Zeit des Kontrollwechsels kein Rating für die Schuldverschreibungen oder die Emittentin vergeben ist und keine Rating Agentur während des Kontrollwechselzeitraums ein Investment Grade Rating für die Schuldverschreibungen vergibt (es sei denn, die Emittentin ist trotz zumutbarer Anstrengungen innerhalb dieses Zeitraums nicht in der Lage ein solches Rating zu erhalten, ohne dass dies seine Ursache im Kontrollwechsel hat);

gilt ein "**Kontrollwechsel**" als das Überschreiten des Schwellenwertes von 50% der stimmberechtigten Aktien der Emittentin durch jede direkte oder indirekte Erlangung des unmittelbaren oder wirtschaftlichen Besitzes sowie jede Erlangung eines direkten oder indirekten unmittelbaren oder wirtschaftlichen Anspruchs (wie in den §§ 130 bis 133 österreichisches Börsegesetz 2018 beschrieben); ein "Kontrollwechsel" gilt nicht als

For the purposes of this option:

"**Rating Agency**" means Standard and Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**") and Moody's Investors Services Limited ("**Moody's**") or any of their respective successors or any other rating agency of equivalent international standing specified from time to time by the Issuer.

A "**Rating Downgrade**" shall be deemed to have occurred in respect of a Change of Control (a) if within the Change of Control Period one of the ratings previously assigned to the Issuer or the Notes by any Rating Agency is (i) withdrawn or (ii) changed from an investment grade rating (BBB- by S&P/Baa3 by Moody's, or its equivalent for the time being, or better) to a non-investment grade rating (BB+ by S&P/Ba1 by Moody's, or its equivalent for the time being, or worse) or (iii) (if the rating assigned to the Notes by any Rating Agency shall be below an investment grade rating) lowered one full rating notch (e.g. from BB+ to BB by S&P or from Ba1 to Ba2 by Moody's or such similar lower of equivalent rating) or (b) if at the time of the Change of Control, there is no rating assigned to the Notes or the Issuer and no Rating Agency assigns during the Change of Control Period an investment grade credit rating to the Notes (unless the Issuer is unable to obtain such a rating within such period having used all reasonable endeavours to do so and such failure is unconnected with the occurrence of the Change of Control).

A "**Change of Control**" means exceeding the threshold of 50 per cent. of the voting shares of the Issuer through obtaining any direct or indirect legal or beneficial ownership or obtaining any direct or indirect legal or beneficial entitlement (as described in Sections 130 to 133 of the Austrian Stock Exchange Act 2018 (*Börsegesetz 2018*)); a "Change of Control" shall not have occurred if (i) the Republic of Austria or any of its directly or

eingetreten, wenn (i) die Republik Österreich oder eine von ihr direkt oder indirekt zu 100% gehaltene Tochtergesellschaft unmittelbar oder mittelbar mindestens 50% der stimmberechtigten Aktien der Emittentin hält oder anderweitig die Kontrolle über die Emittentin ausübt; oder (ii) die Republik Österreich oder eine direkte oder indirekte 100%ige Tochtergesellschaft weniger als 50% der Aktien der Emittentin hält und keine andere Person oder andere gemeinsam handelnde Personen die Kontrolle über die Emittentin erlangt/erlangen;

ist der "**Kontrollwechselzeitraum**" der Zeitraum, der 120 Tage nach dem Eintritt eines Kontrollwechsels endet;

bezeichnet "**Kontrolle**" die Ermächtigung, die Geschäftsführung eines Unternehmens zu steuern oder steuern zu lassen, entweder durch das Eigentum von Geschäftsanteilen, stimmberechtigten Wertpapieren oder anderen Beteiligungspapieren oder über Vorzugs- oder Vetorechte, aufgrund vertraglicher Vereinbarung oder anderweitig, durch das unmittelbare oder mittelbare Eigentum der Mehrheit der Anteile bzw. der stimmberechtigten Anteile an diesem Unternehmen; und "**Kontrolle ausüben**" ist entsprechend auszulegen; und

ist der "**Put-Rückzahlungstag**" der siebte Tag nach dem letzten Tag des Rückzahlungszeitraums.

Sofort nachdem die Emittentin von einem Rückzahlungsereignis Kenntnis erlangt, wird die Emittentin den Gläubigern gemäß Ziffer 12 Mitteilung vom Rückzahlungsereignis machen (eine "**Rückzahlungsmitteilung**"), in der die Umstände des Rückzahlungsereignisses sowie das Verfahren für die Ausübung des in dieser Ziffer 5.3 genannten Wahlrechts angegeben sind.

Zur Ausübung dieses Wahlrechts muss der Gläubiger während der normalen Geschäftsstunden innerhalb eines Zeitraums (der "**Rückzahlungszeitraum**") von 45 Tagen nachdem die Rückzahlungsmitteilung veröffentlicht ist eine ordnungsgemäß

indirectly held wholly-owned subsidiaries directly or indirectly holds at least 50 per cent. of the shares in the Issuer carrying voting rights or otherwise Controls the Issuer; or (ii) the Republic of Austria or any direct or indirect wholly-owned subsidiary holds less than 50 per cent. of the shares of the Issuer and no other person or persons acting in concert acquire Control over the Issuer.

"**Change of Control Period**" means the period ending 120 days after the occurrence of the Change of Control.

"**Control**" means the power to direct or cause the direction of the management of a company, whether through ownership of shares, voting securities, or other ownership interests, or through preferential or veto rights, by contract or otherwise, or owning, directly or indirectly, the majority of the shares in such company or the majority of the shares in such company carrying voting rights; and "**Controls**" shall be construed accordingly; and

"**Put Redemption Date**" is the seventh day after the last day of the Put Period.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a "**Put Event Notice**") to the Holders in accordance with Clause 12 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the option set out in this Clause 5.3.

In order to exercise such option, the Holder must submit during normal business hours at the specified office of the Paying Agent a duly completed option exercise notice ("**Exercise Notice**") in the form available from the specified office of the Paying Agent within the period (the "**Put Period**") of 45 days after a Put

ausgefüllte und unterzeichnete Ausübungserklärung bei der angegebenen Niederlassung der Zahlstelle einreichen (die "**Ausübungserklärung**"), die in ihrer jeweils maßgeblichen Form bei der angegebenen Niederlassung der Zahlstelle erhältlich ist. Ein so ausgeübtes Wahlrecht kann nicht ohne vorherige Zustimmung der Emittentin widerrufen oder zurückgezogen werden.

- 5.4 *Vorzeitige Rückzahlung bei geringem ausstehenden Gesamtnennbetrag.* Wenn zu irgendeinem Zeitpunkt der Gesamtnennbetrag der ausstehenden und nicht von der Emittentin gehaltenen Schuldverschreibungen auf 25 % oder weniger des Gesamtnennbetrags der Schuldverschreibungen, die ursprünglich ausgegeben wurden (einschließlich Schuldverschreibungen, die gemäß Ziffer 11.1 zusätzlich begeben worden sind), fällt, ist die Emittentin berechtigt, durch Kündigungserklärung unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen die ausstehenden Schuldverschreibungen (insgesamt und nicht nur teilweise) jederzeit mit Wirkung zu dem in der Kündigungserklärung festgelegten Rückzahlungstag zur vorzeitigen Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß Satz 1 ausübt, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem in der Kündigungserklärung festgelegten Rückzahlungstag zu ihrem Nennbetrag nebst etwaigen bis zu dem festgelegten Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen zurückzuzahlen.

Eine solche Kündigung hat gemäß Ziffer 12 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

- 5.5 *Vorzeitige Rückzahlung nach Wahl der Emittentin.* Die Emittentin ist berechtigt, unter Einhaltung einer Frist von nicht weniger als 15 und nicht mehr als 30 Tagen die Schuldverschreibungen (insgesamt und nicht nur teilweise) mit Wirkung zu jedem Optionalen Rückzahlungstag (wie nachstehend definiert) zur vorzeitigen Rückzahlung zu

Event Notice is given. No option so exercised may be revoked or withdrawn without the prior consent of the Issuer.

- 5.4 *Redemption in case of minimal outstanding aggregate principal amount.* If at any time the aggregate principal amount of the Notes outstanding and held by persons other than the Issuer is equal to or less than 25 per cent. of the aggregate principal amount of the Notes originally issued (including any Notes additionally issued in accordance with Clause 11.1), the Issuer may, upon giving not less than 30 and not more than 60 days prior notice of redemption, call the outstanding Notes for early redemption (in whole but not in part) at any time with effect as of the redemption date specified in the notice. If the Issuer exercises its call right in accordance with sentence 1, the Issuer shall redeem the Notes at their Principal Amount together with accrued interest, if any, to but excluding the specified redemption date on the redemption date specified in the notice.

Any such notice shall be given in accordance with Clause 12. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

- 5.5 *Early redemption at the option of the Issuer.* The Issuer may, upon giving not less than 15 and not more than 30 days prior notice of redemption, call the Notes for early redemption (in whole but not in part) with effect as of each Optional Redemption Date (as defined below). If the Issuer exercises its call right in accordance with sentence 1, the Issuer shall redeem the

kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß Satz 1 ausübt, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem in der Kündigungserklärung festgelegten Optionalen Rückzahlungstag zu ihrem Nennbetrag nebst etwaigen bis zu dem Optionalen Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen zurückzuzahlen.

"**Optionaler Rückzahlungstag**" bezeichnet jeden Geschäftstag während des Zeitraums ab dem 1. Januar 2041 (der "**Erste Optionale Rückzahlungstag**") (einschließlich) bis zum Fälligkeitstag (ausschließlich).

Eine solche Kündigung hat gemäß Ziffer 12 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Optionalen Rückzahlungstag nennen.

5.6 *Vorzeitige Rückzahlung nach Wahl der Emittentin zum Make-Whole Rückzahlungsbetrag.*

- (a) Die Emittentin ist berechtigt, unter Einhaltung einer Frist von nicht weniger als 15 und nicht mehr als 30 Tagen die Schuldverschreibungen (insgesamt und nicht nur teilweise) jederzeit mit Wirkung zu dem in der Kündigungserklärung (die "**Make-Whole-Kündigungserklärung**") gemäß Ziffer 5.6(e) festgelegten Kündigungstag (der "**Make-Whole Kündigungstag**") zur vorzeitigen Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß Satz 1 ausübt, ist die Emittentin verpflichtet, jede Schuldverschreibung an dem Make-Whole Kündigungstag zu ihrem Make-Whole Rückzahlungsbetrag nebst etwaigen vom Zinszahlungstag (einschließlich), der dem Make-Whole Kündigungstag vorhergeht (oder falls es einen solchen nicht gibt vom Verzinsungsbeginn (einschließlich)), bis zu dem in der Make-Whole-Kündigungserklärung festgelegten Make-Whole

Notes at their Principal Amount together with accrued interest, if any (to but excluding the Optional Redemption Date) on the Optional Redemption Date specified in the notice.

"**Optional Redemption Date**" means each Business Day during the period from and including 1 January 2041 (the "**First Optional Redemption Date**") to but excluding the Maturity Date.

Any such notice shall be given in accordance with Clause 12. It shall be irrevocable, must specify the Optional Redemption Date.

5.6 *Early Redemption at the Option of the Issuer at the Make-Whole Redemption Amount.*

- (a) The Issuer may, upon giving not less than 15 and not more than 30 days prior notice of redemption (the "**Make-Whole Call Notice**"), call the Notes for early redemption (in whole but not in part) at any time with effect on the redemption date (the "**Make-Whole Redemption Date**") specified in the notice in accordance with Clause 5.6(e). If the Issuer exercises its call right in accordance with sentence 1, the Issuer shall redeem each Note at its Make-Whole Redemption Amount together with accrued interest, if any, from and including the Interest Payment Date preceding the Make-Whole Redemption Date (or, if none, the Interest Commencement Date) to but excluding the Make-Whole Redemption Date on the Make-Whole Redemption Date.

Kündigungstag (ausschließlich) aufgelaufenen Zinsen zurückzuzahlen.

- (b) Der "**Make-Whole Rückzahlungsbetrag**" je Schuldverschreibung entspricht dem Abgezinsten Marktwert, mindestens jedoch dem Nennbetrag. Der Make-Whole Rückzahlungsbetrag wird von der Berechnungsstelle berechnet.
- (c) Der "**Abgezinsten Marktwert**" ist die Summe aus:
 - (i) dem auf den Make-Whole Kündigungstag abgezinsten Nennbetrag (wobei unterstellt wird, dass die Schuldverschreibungen an dem Ersten Optionalen Rückzahlungstag zurückgezahlt würden); und
 - (ii) der Summe der jeweils auf den Make-Whole-Kündigungstag abgezinsten Werte der verbleibenden Zinszahlungen für jede am oder nach dem Make-Whole-Kündigungstag endende Zinsperiode, welche Zinszahlungen ansonsten an jedem Zinszahlungstag nach dem Make-Whole-Kündigungstag bis zu dem Ersten Optionalen Rückzahlungstag (einschließlich) fällig werden würden (wobei unterstellt wird, dass der Zinslauf an dem Ersten Optionalen Rückzahlungstag (ausschließlich) enden würde), minus etwaiger, bis zu dem Make-Whole-Kündigungstag (ausschließlich) aufgelaufener Zinsen. Dabei wird die jeweilige Zinszahlung für eine Zinsperiode mit dem für diese Zinsperiode geltenden Relevanten Zinssatz berechnet.

Dabei bezeichnet "**Relevanten Zinssatz**"

- (x) für jede Zinsperiode bis zu der Zinsperiode

- (b) The "**Make-Whole Redemption Amount**" per Note shall be the higher of the Principal Amount and the Present Value. The Make-Whole Redemption Amount shall be calculated by the Calculation Agent.

- (c) The "**Present Value**" shall be the sum of:

- (i) the Principal Amount (assuming for this purpose that the Bonds would be redeemed on the First Optional Redemption Date) discounted to the Make-Whole Redemption Date; and
- (ii) the sum of the remaining interest payments for each Interest Period ending on or after the Make-Whole Redemption Date, which interest payments would otherwise become due on each Interest Payment Date falling after the Make-Whole Redemption Date to and including the First Optional Redemption Date (assuming for this purpose that interest would cease to accrue on but excluding the First Optional Redemption Date), each discounted to the Make-Whole Redemption Date, minus any interest accrued to but excluding the Make-Whole Redemption Date. Provided that each relevant interest payment for a relevant Interest Period will be calculated at the Relevant Interest Rate applicable to such Interest Period.

Where "**Relevant Interest Rate**" means

- (x) for each Interest Period to and including the Interest

(einschließlich), die an dem Step-up-Tag (ausschließlich) endet, den Ursprünglichen Zinssatz; und

- (y) für jede Zinsperiode, die an dem Step-up-Tag beginnt und jede nachfolgende Zinsperiode den Angepassten Zinssatz, es sei denn, vor dem Tag der Make-Whole Kündigungserklärung ist bereits eine ESG-Zielerreichung eingetreten, in welchem Falle **"Relevanter Zinssatz"** den Ursprünglichen Zinssatz bezeichnet.

Eine **"ESG-Zielerreichung"** liegt vor, sofern KPI 1 NEZ 1 und KPI 2 NEZ 2 bereits für das letzte, vor dem Tag der Make-Whole Kündigungserklärung beendete Geschäftsjahr jeweils trifft oder überschreitet, wobei die ESG-Zielerreichung

- (x) im Nachhaltigkeitsbericht dargelegt und
- (y) durch eine schriftliche Bestätigung der Unabhängigen Prüfstelle bestätigt worden

sein muss.

- (d) Die Berechnungsstelle errechnet den Abgezinsten Marktwert gemäß der Marktkonvention auf einer Grundlage, die der Berechnung von Zinsen gemäß Ziffer 3 entspricht, unter Anwendung eines Abzinsungssatzes, der dem Größeren von (i) der Benchmark-Rendite zuzüglich 0,20 % und (ii) 0 (null) entspricht.

Die **"Benchmark-Rendite"** bezeichnet die am Rückzahlungs-Berechnungstag bestehende Rendite wie sie um 12:00

Period ending on but excluding the Step-up Date, the Original Rate of Interest; and

- (y) for the Interest Period commencing on the Step-up Date and each subsequent Interest Period the Adjusted Rate of Interest, unless prior to the date of the Make-Whole Call Notice an ESG Achievement has occurred, in which case **"Relevant Interest Rate"** means the Original Rate of Interest.

An **"ESG-Achievement"** shall occur if the KPI 1 meets or exceeds the SPT 1 and the KPI 2 meets or exceeds the SPT 2 for the most recent fiscal year that ended prior to the date of the Make-Whole Call Notice, provided that ESG-Achievement shall be

- (x) set out in the Sustainability Report; and
- (y) confirmed by a written confirmation from the Independent Verifier.

- (d) The Calculation Agent will calculate the Present Value in accordance with market convention on a basis which is consistent with the calculation of interest as set out in Clause 3, using a discount rate equal to the greater of (i) the Benchmark Yield plus 0.20 per cent., and (ii) 0 (zero).

The **"Benchmark Yield"** means the yield at the Redemption Calculation Date as appearing at around 12:00 noon (local

Uhr (Frankfurter lokaler Zeit) auf der Bildschirmseite hinsichtlich des Benchmark-Wertpapiers erscheint oder falls eine solche Rendite zu der Uhrzeit nicht abgelesen werden kann, so liest die Zahlstelle die Rendite am Rückzahlungs-Berechnungstag zu einem Zeitpunkt ab, der ihr als angemessen erscheint.

"Benchmark-Wertpapier" bezeichnet DBR 4,75% fällig am 4. Juli 2040 (DE0001135366) und falls dieses Wertpapier am Rückzahlungs-Berechnungstag nicht länger ausstehend ist, ein solches das Benchmark-Wertpapier ersetzendes Benchmark-Wertpapier, das von der Berechnungsstelle festgelegt wird und das eine bis zum Optionalen Rückzahlungstag vergleichbare Rest-Laufzeit hat und das (soweit im Rahmen der Festlegung durch die Berechnungsstelle einschlägig) zum Zeitpunkt der Auswahl für die Preisfestlegung von neu begebenen Unternehmensanleihen mit einer Laufzeit vergleichbar zu der bis zum Optionalen Rückzahlungstag unter Anwendung einschlägiger Finanzpraxis üblicherweise herangezogen würde.

"Rückzahlungs-Berechnungstag" ist der 5. Geschäftstag vor dem Tag, an dem die Schuldverschreibungen gemäß dieser Ziffer 5.6 zurückgezahlt werden.

(e) Die Kündigung ist den Gläubigern durch die Emittentin gemäß Ziffer 12 bekannt zu machen und sollte zumindest Angaben enthalten über:

- (i) den Make-Whole Rückzahlungstag; sowie
- (ii) den Namen und die Geschäftsstelle der Institution, welche durch die Emittentin als Berechnungsstelle ernannt wurde.

time in Frankfurt am Main) on the Screen Page in respect of the Benchmark Security, or if such yield cannot be so determined at such time, the yield determined as aforesaid as appearing on the Screen Page at such other time on the Redemption Calculation Date as may be considered to be appropriate by the Calculation Agent.

"Benchmark Security" means the DBR 4.75% due 4 July 2040 (DE0001135366), or, if such security is no longer outstanding on the Redemption Calculation Date, such substitute benchmark security chosen by the Calculation Agent as having a maturity comparable to the remaining term of the Notes to the Optional Redemption Date and (if applicable in the determination of the Calculation Agent) that would be used at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Optional Redemption Date.

"Redemption Calculation Date" means the date falling 5 Business Day prior to the date on which the Notes are redeemed in accordance with this Clause 5.6.7

(e) Notice of redemption shall be given by the Issuer to the Holders in accordance with Clause 12 and shall at least specify:

- (i) the Make-Whole Redemption Date; and
- (ii) name and address of the institution appointed by the Issuer as Calculation Agent.

5.7 *Vorzeitiger Rückzahlungsbetrag.*

Für die Zwecke der Ziffer 9 und der Ziffer 5.2 dieser Ziffer 5, entspricht der "**Vorzeitige Rückzahlungsbetrag**" einer Schuldverschreibung dem Rückzahlungsbetrag.

6. **ZAHLSTELLE UND BERECHNUNGSSTELLE**

6.1 *Zahlstelle*

Die anfänglich bestellte Zahlstelle und ihre bezeichnete Geschäftsstelle lautet wie folgt:

Citibank Europe plc
1 North Wall Quay
Dublin 1
Irland

Die Zahlstelle behält sich das Recht vor, jederzeit seine bezeichnete Geschäftsstelle durch eine andere bezeichnete Geschäftsstelle in derselben Stadt zu ersetzen.

6.2 *Berechnungsstelle*

"**Berechnungsstelle**" bezeichnet eine unabhängige international anerkannte Bank oder eine unabhängige Finanzberaterin mit einschlägiger Expertise, die von der Emittentin rechtzeitig vor Ausübung des Kündigungsrechts gemäß Ziffer 5.6 ausgewählt und bestellt werden wird.

6.3 *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung Zahlstelle und der Berechnungsstelle zu ändern oder zu beenden und eine andere oder zusätzliche Zahlstelle oder Berechnungsstellen zu bestellen. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Gläubiger hierüber gemäß Ziffer 12 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.

6.4 *Beauftragte der Emittentin.* Die Zahlstelle und die Berechnungsstelle handeln ausschließlich als Beauftragte der Emittentin und übernehmen

5.7 *Early Redemption Amount.*

For purposes of subparagraph 5.2 of this Clause 5 and Clause 9, the "**Early Redemption Amount**" of a Note shall be its Final Redemption Amount.

6. **PAYING AGENT AND CALCULATION AGENT**

6.1 *Paying Agent*

Specified Offices. The initial Paying Agent and its initial specified office is:

Citibank Europe plc
1 North Wall Quay
Dublin 1
Ireland

The Paying Agent reserves the right at any time to change its respective specified office to some other specified office in the same city.

6.2 *Calculation Agent*

"**Calculation Agent**" means an independent bank of international standing or an independent financial adviser with relevant expertise, which will be selected and appointed by the Issuer in good time prior to the exercise of the call right in accordance with Clause 5.6.

6.3 *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent and the Calculation Agent and to appoint another Paying Agent or Calculation Agent or additional Paying Agents or additional Calculation Agents. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with Clause 12.

6.4 *Agents of the Issuer.* Each of the Paying Agent and the Calculation Agent acts solely as agent of the Issuer and does not have any obligations

keinerlei Verpflichtungen gegenüber den Gläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.

7. STEUERN

Alle in Bezug auf die Schuldverschreibungen an die Gläubiger zahlbaren Kapital- oder Zinsbeträge werden ohne Einbehalt oder Abzug an der Quelle für oder wegen gegenwärtiger oder zukünftiger Steuern, Abgaben oder Gebühren bzw. Veranlagungen gleich welcher Art gezahlt, die von Österreich oder einer politischen Untergliederung oder einer Steuerbehörde dieses Staates (die "**Steuerjurisdiktion**") im Wege des Einhalts oder des Abzugs auferlegt, einbehalten oder erhoben werden, es sei denn, ein solcher Abzug oder Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In diesem Fall wird die Emittentin diejenigen zusätzlichen Beträge ("**Zusätzliche Beträge**") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen an Kapital und Zinsen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern erhalten worden wären; jedoch sind solche Zusätzlichen Beträge nicht zu zahlen, falls:

- (a) diese auf andere Weise als durch Abzug oder Einbehalt an der Quelle aus Zahlungen auf die Schuldverschreibungen zu entrichten sind; oder
- (b) ein Gläubiger, der zu einer Steuerjurisdiktion eine andere aus steuerlicher Sicht relevante Verbindung hat, als den bloßen Umstand, dass er Inhaber der Schuldverschreibungen ist oder dies zum Zeitpunkt des Erwerbs der Schuldverschreibungen war, der Abgaben- oder Steuerpflicht unterliegt; oder
- (c) es sich bei dem Einbehalt oder Abzug um einen Steuerabzug gemäß § 93 Abs. 1 Satz 1 Einkommensteuergesetz oder um Abzugsbeträge nach einem Steuerabkommen Österreichs handelt; oder

towards or relationship of agency or trust to any Holder.

7. TAXATION

All payments of principal and interest in respect of the Notes to the Holders shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Austria or any authority therein or thereof having power to tax (the "**Taxing Jurisdiction**"), unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts (the "**Additional Amounts**") as shall result in receipt by the Holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Amounts shall be payable with respect to any Notes if:

- (a) these are to be paid otherwise than by withholding or deduction at the source of payments under the Notes; or
- (b) a Holder who has a relationship to a Taxing Jurisdiction that is relevant from a taxation point of view other than the mere fact that it is, or was at the time of acquisition of the Notes, a holder of the Notes, is thus liable to pay duties and taxes; or
- (c) the withholding or deduction constitutes a withholding pursuant to § 93 (1) first sentence of the Austrian Income Tax Act (*Einkommensteuergesetz*) or a withholding according to a tax

	convention concluded by the Republic of Austria; or
(d) diese aufgrund einer Rechtsänderung zahlbar sind, die später als 30 Tage nach Fälligkeit der betreffenden Zahlung auf die Schuldverschreibungen oder, wenn dies später erfolgt, nach ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß Ziffer 12 der Emissionsbedingungen wirksam wird; oder	(d) these are to be paid because of a change of law which will enter into force later than 30 days after the maturity date of the respective payment under the Notes or, if payment is made later, after proper provision of all due amounts and a respective notice in accordance with Clause 12; or
(e) diese nach Zahlung durch die Emittentin im Rahmen des Transfers an die jeweiligen Gläubiger abgezogen oder einbehalten werden; oder	(e) these are withheld or deducted after payment by the Issuer in the course of the transfer to the relevant Holder; or
(f) aufgrund eines Doppelbesteuerungsabkommens oder den Steuergesetzen einer Steuerjurisdiktion rückerstattbar wären oder aufgrund gemeinschaftsrechtlicher Bestimmungen (EU) an der Quelle entlastbar wären; oder	(f) these could be reclaimed pursuant to a double taxation treaty or the fiscal laws of a Taxing Jurisdiction or be dischargeable at the source due to community law (EU) provisions; or
(g) aufgrund oder infolge eines internationalen Vertrages, dessen Partei eine Steuerjurisdiktion ist oder einer Verordnung oder Richtlinie aufgrund oder infolge eines solchen internationalen Vertrages auferlegt oder erhoben werden; oder	(g) these are imposed or levied pursuant to or as a consequence of an international treaty to which a Taxing Jurisdiction is a party or a regulation or a directive on the basis of or as a consequence of such international treaty; or
(h) von einer auszahlenden Stelle einbehalten oder abgezogen werden, wenn die Zahlung von einer anderen auszahlenden Stelle ohne den Einbehalt oder Abzug hätte vorgenommen werden können; oder	(h) these are withheld or deducted by a disbursement agent, if such payment could have been effected by another disbursement agent without such withholding or deduction; or
(i) ihnen ein Gläubiger nicht unterläge, sofern er zumutbarerweise Steuerfreiheit oder eine Steuererstattung oder eine Steuervergütung hätte erlangen können; oder	(i) these would not have to be paid by a Holder if it could have obtained tax exemption, tax restitution or tax rebate in a reasonable way; or
(j) ein Einbehalt oder Abzug im Hinblick auf die Schuldverschreibungen gemäß den Abschnitten 1471 bis 1474 des U.S. Internal Revenue Code of 1986, wie	(j) any withholding or deduction imposed with respect of any Note pursuant to Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as

geändert, ("FATCA"), hierunter erlassenen gegenwärtigen oder zukünftigen Verordnungen oder geschlossenen Verträge sowie offiziellen Auslegungen oder anderen offiziellen Richtlinien einer Steuerjurisdiktion oder einer Jurisdiktion, in die Zahlungen auf die Schuldverschreibungen geleistet werden, oder einem Gesetz, das ein zwischenstaatliches Konzept hierzu umsetzt, auferlegt wird.

- (k) jegliche Kombination der Absätze (a)-(j).

8. VORLEGUNGSFRIST

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist wird auf 10 Jahre verkürzt.

9. KÜNDIGUNG

- 9.1 *Kündigungsgründe.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibung zu kündigen und deren sofortige Rückzahlung zu ihrem vorzeitigen Rückzahlungsbetrag (wie in Ziffer 5 definiert), zuzüglich etwaiger bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, falls (jeweils ein "**Kündigungsgrund**"):

- (a) Kapital nicht innerhalb von 30 Tagen oder Zinsen in Bezug auf solche Schuldverschreibungen nicht innerhalb von 14 Tagen nach dem betreffenden Fälligkeitstag gezahlt worden sind; oder
- (b) die Emittentin eine wesentliche Verpflichtung aus den Schuldverschreibungen unterlässt und diese Unterlassung nicht geheilt werden kann oder, falls sie geheilt werden kann, länger als 45 Tage fort dauert, nachdem die Zahlstelle hierüber eine Benachrichtigung von einem Anleihegläubiger erhalten hat, wobei klargestellt wird, dass weder die

amended ("FATCA"), any current or future regulations or agreements thereunder, or official interpretations of, or other official guidance enacted by any Taxing Jurisdiction or jurisdiction in which payments on Notes are made, or any law implementing an intergovernmental approach thereto.

- (k) any combination of items (a)-(j).

8. PRESENTATION PERIOD

The term for presentation of the Notes as laid down in § 801 paragraph 1, sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) is reduced to 10 years.

9. EVENTS OF DEFAULT

- 9.1 *Events of Default.* Each Holder shall be entitled to declare its Notes due and demand immediate redemption thereof at the Early Redemption Amount (as defined in Clause 5), together with accrued interest (if any) to the date of repayment, in the event that (each an "**Event of Default**"):

- (a) any principal has not been paid within 30 days, or interest on the Notes has not been paid within 14 days, following the due date for payment; or
- (b) the Issuer fails to perform any other material obligation arising from the Notes which failure is not capable of remedy or, if such failure is capable of remedy, such failure continues for more than 45 days after the Paying Agent has received notice thereof from a Holder, *for the avoidance of doubt*, neither the obligation for publication of (i) the notice of the occurrence of the Step-up

- Verpflichtung zur Veröffentlichung (i) einer Mitteilung vom Eintritt des Step-up Ereignisses, (ii) des Nachhaltigkeitsberichts, (iii) der Zertifizierungsbestätigung, (iv) der Bestellung, Änderung, Abberufung und Neubestellung der Unabhängigen Prüfstelle noch die Verpflichtung zur Bestellung einer Unabhängigen Prüfstelle (jeweils wie in Klausel 3.2 näher beschrieben) eine wesentliche Verpflichtung im Sinne dieser Klausel 9.1 (b) darstellt; oder
- (c) die Emittentin eine Zahlungsverpflichtung aus einer Kapitalmarktverbindlichkeit oder aufgrund einer Bürgschaft oder Garantie, die für eine Kapitalmarktverbindlichkeit Dritter gegeben wurde, nicht innerhalb von 30 Tagen nach ihrer Fälligkeit oder im Falle einer Bürgschaft oder Garantie nicht innerhalb von 30 Tagen nach Inanspruchnahme aus dieser Bürgschaft oder Garantie erfüllt; oder
- (d) gegen die Emittentin ein österreichisches Insolvenzverfahren oder ein vergleichbares Verfahren in einer anderen Rechtsordnung eröffnet wird und ein solches Verfahren nicht innerhalb von 90 Tagen aufgehoben oder ausgesetzt wird, soweit ein solches Ereignis als Kündigungsgrund vereinbart werden kann; oder
- (e) die Emittentin durch wirksamen Beschluss in ein Auflösungs- oder ein Liquidationsverfahren eintritt oder ein Ereignis eintritt, das unter dem anwendbaren Recht einer Jurisdiktion eine mit solchen Ereignissen vergleichbare Wirkung hat (außer (i) zum Zweck einer Restrukturierung oder Verschmelzung, deren Bedingungen zuvor durch eine Versammlung der Gläubiger genehmigt wurde oder (ii) im Zusammenhang mit einer Verschmelzung oder einer anderen Restrukturierung bei der die Emittentin
- Event, (ii) the Sustainability Report, (iii) the Verification Assurance Certificate, (iv) the appointment, termination of appointment and new appointment of the Independent Verifier nor the obligation to appoint any Independent Verifier (each as further specified in Clause 3.2) shall be deemed to be a material obligation pursuant to this Clause 9.1(b); or
- (c) the Issuer fails to fulfil any payment obligation under any Capital Market Indebtedness or under any guarantees or suretyships given for any Capital Market Indebtedness of others within 30 days from its due date or, in the case of a guarantee or suretyship, within 30 days of such guarantee or suretyship being invoked; or
- (d) Austrian insolvency proceedings or similar proceedings in other jurisdictions are commenced by a court in the relevant place of jurisdiction against the Issuer and such proceedings are not set aside or suspended within 90 days as far as the occurrence thereof may be stipulated as an event of default; or
- (e) an order is made or an effective resolution is passed for the winding up or liquidation of the Issuer or any event which under the applicable laws of any jurisdiction has an analogous effect to such events (other than (i) in connection with a scheme of reconstruction, merger or amalgamation the terms of which have previously been approved by a meeting of Holders or (ii) any merger or other restructuring where the Issuer is the surviving entity); or

die fortbestehende Rechtsperson ist);
oder

- (f) die Emittentin ihre Geschäftstätigkeit ganz oder überwiegend einstellt.

Zur Vermeidung von Missverständnissen: jegliche Änderung der Organisationsstruktur der VERBUND AG, die auf Grund oder in Folge europäischer oder nationaler Vorschriften durchzuführen ist (sog. Entflechtung – "Unbundling" gemäß Richtlinie (EU) 2019/944 des Europäischen Parlaments und des Rates vom 5. Juni 2019), fällt nicht unter dieser Ziffer 9.1 (f); oder

- (g) eine von der Emittentin geschaffene oder übernommene Hypothek, Belastung, Pfand, dingliches Sicherungsrecht oder andere Belastung, gegenwärtig oder zukünftig, im Hinblick auf die Summe der Nennbeträge von über Euro 25.000.000 oder dem Gegenwert davon durchsetzbar wird, und ein Schritt zur Durchsetzung vorgenommen wird (einschließlich der Übernahme von Besitz oder der Bestellung eines Zwangsverwalters, Verwalters oder einer anderen gleichartigen Person) und eine solche Durchsetzung nicht innerhalb von 60 Tagen aufgehoben oder ausgesetzt wird; oder
- (h) es für die Emittentin unrechtmäßig ist oder wird, eine oder mehrere ihrer Verpflichtungen nach den Schuldverschreibungen durchzuführen oder einzuhalten; oder
- (i) die Emittentin ihre Zahlungsunfähigkeit bekannt gibt oder ihre Zahlungen einstellt.

9.2 *Heilung.* Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde.

9.3 *Quorum.* In den Fällen des § 9.1(b) und Ziffer 9.1(c) wird eine Kündigung, sofern nicht bei deren Eingang zugleich einer der in

- (f) the Issuer ceases all or substantially all of its business operations.

For the avoidance of doubt, any organisational change in VERBUND AG required by or as a result of European or national legal or other provisions (so-called "unbundling" according to Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019) shall not fall under this Clause 9.1(f); or

- (g) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer, in respect of any indebtedness in an aggregate principal amount in excess of Euro 25,000,000 or its equivalent becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and such enforcement is not set aside or suspended within 60 days; or
- (h) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes; or
- (i) the Issuer announces its inability to meet its financial obligations or ceases its payments.

9.2 *Cure.* The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.

9.3 *Quorum.* In the events specified in Clause 9.1(b) and Clause 9.1(c), any notice declaring Notes due shall, unless at the time

Ziffer 9.1(a) und Ziffer 9.1(d) bis (i) bezeichneten Kündigungsgründe vorliegt, erst wirksam, wenn bei der Zahlstelle Kündigungserklärungen von Gläubigern von Schuldverschreibungen im Gesamtnennbetrag von mindestens 25 % der dann ausstehenden Schuldverschreibungen eingegangen sind.

- 9.4 *Benachrichtigung.* Eine Benachrichtigung einschließlich einer Kündigung der Schuldverschreibungen gemäß vorstehender Ziffer 9.1 ist schriftlich in deutscher oder englischer Sprache gegenüber der Zahlstelle zu erklären und dieser persönlich oder per Einschreiben zu übermitteln. Der Benachrichtigung ist ein Nachweis beizufügen, aus dem sich ergibt, dass der betreffende Gläubiger zum Zeitpunkt der Abgabe der Benachrichtigung Inhaber der betreffenden Schuldverschreibung ist. Der Nachweis kann durch eine Bescheinigung der Depotbank (wie in Ziffer 14.3 definiert) oder auf andere geeignete Weise erbracht werden.

10. ERSETZUNG

- 10.1 *Ersetzung.* Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger jede andere Gesellschaft, deren stimmberechtigte Anteile zu mehr als 90% direkt oder indirekt von der Emittentin gehalten werden, an Stelle der Emittentin als Hauptschuldnerin (die "**Nachfolgeschuldnerin**") für alle Verpflichtungen aus und im Zusammenhang mit dieser Emission einzusetzen, vorausgesetzt, dass:

- (a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen übernimmt;
- (b) die Nachfolgeschuldnerin alle erforderlichen Genehmigungen erhalten hat und berechtigt ist, an die Zahlstelle die zur Erfüllung der

such notice is received any of the events specified in Clause 9.1(a) and Clause 9.1(d) through (i) entitling Holders to declare their Notes due has occurred, become effective only when the Paying Agent has received such notices from the Holders of at least 25 per cent. in aggregate principal amount of Notes then outstanding.

- 9.4 *Notice.* Any notice, including any notice declaring Notes due, in accordance with Clause 9.1 above shall be made by means of a written declaration in the German or English language delivered by hand or registered mail to the Paying Agent together with proof that such Holder at the time of such notice is a holder of the relevant Notes by means of a certificate of his Custodian (as defined in Clause 14.3) or in any other appropriate manner.

10. SUBSTITUTION

- 10.1 *Substitution.* The Issuer may, without the consent of the Holders, if no payment of principal of or interest on any of the Notes is in default, at any time substitute for the Issuer any other company more than 90 per cent. of the voting share or other equity interests of which are directly or indirectly owned by the Issuer as principal debtor in respect of all obligations arising from or in connection with the Notes (the "**Substitute Debtor**") provided that:

- (a) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes;
- (b) the Issuer and the Substitute Debtor have obtained all necessary authorisations and may transfer to the Paying Agent in the currency required hereunder and without

Zahlungsverpflichtungen aus den Schuldverschreibungen zahlbaren Beträge in der hierin festgelegten Währung zu zahlen, ohne verpflichtet zu sein, jeweils in dem Land, in dem die Nachfolgeschuldnerin oder die Emittentin ihren Sitz oder Steuersitz haben, erhobene Steuern oder andere Abgaben jeder Art abzuziehen oder einzubehalten;

- (c) die Nachfolgeschuldnerin sich verpflichtet hat, jeden Gläubiger hinsichtlich solcher Quellensteuern, Abgaben oder behördlichen Lasten freizustellen, die einem Gläubiger bezüglich der Ersetzung auferlegt werden;
- (d) die Emittentin unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin in Zusammenhang mit den Schuldverschreibungen zahlbaren Beträge garantiert; und
- (e) der Zahlstelle jeweils ein Rechtsgutachten bezüglich der betroffenen Rechtsordnungen von anerkannten Rechtsanwälten vorgelegt werden, die bestätigen, dass die Bestimmungen in den vorstehenden Unterabsätzen (a), (b), (c) und (d) erfüllt wurden.

10.2 *Bekanntmachung.* Jede Ersetzung ist gemäß Ziffer 12 bekanntzumachen.

10.3 *Änderung von Bezugnahmen.* Im Fall einer Ersetzung gilt jede Bezugnahme in diesen Emissionsbedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz oder Steuersitz hat, gilt ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat.

being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;

- (c) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any withholding tax, duty, assessment or governmental charge imposed on such Holder in respect of such substitution;
- (d) the Issuer irrevocably and unconditionally guarantees in favour of each Holder the payment of all amounts payable by the Substitute Debtor in connection with the Notes; and
- (e) there shall have been delivered to the Paying Agent an opinion or opinions of lawyers of recognised standing to the effect that subparagraphs (a), (b), (c) and (d) above have been satisfied.

10.2 *Notice.* Notice of any such substitution shall be published in accordance with Clause 12.

10.3 *Change of References.* In the event of any such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor.

Außerdem gilt im Falle der Ersetzung folgendes:

- (a) in Ziffer 7 und Ziffer 5.2 gilt eine alternative Bezugnahme auf die Republik Österreich als aufgenommen (zusätzlich zu der Bezugnahme nach Maßgabe des vorstehenden Satzes auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat); und
- (b) in Ziffer 9.1(a) bis (e) gilt eine alternative Bezugnahme auf die Emittentin in ihrer Eigenschaft als Garantin als aufgenommen (zusätzlich zu der Bezugnahme auf die Nachfolgeschuldnerin).

11. BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN, ANKAUF UND ENTWERTUNG

- 11.1 *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit den gleichen Bedingungen (gegebenenfalls mit Ausnahme des Tags der Begebung, des Verzinsungsbeginns und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit den Schuldverschreibungen eine einheitliche Serie bilden.
- 11.2 *Ankauf.* Die Emittentin ist berechtigt, jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei der Zahlstelle zwecks Entwertung eingereicht werden.
- 11.3 *Entwertung.* Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.

Furthermore, in the event of such substitution the following shall apply:

- (a) in Clause 7 and Clause 5.2 an alternative reference to the Republic of Austria shall be deemed to have been included in addition to the reference according to the preceding sentence to the country of domicile or residence for taxation purposes of the Substitute Debtor; and
- (b) in Clause 9.1(a) to (e) an alternative reference to the Issuer in its capacity as Guarantor shall be deemed to have been included in addition to the reference to the Substitute Debtor.

11. FURTHER ISSUES, PURCHASES AND CANCELLATION

- 11.1 *Further Issues.* The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price) so as to form a single Series with the Notes.
- 11.2 *Purchases.* The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Paying Agent for cancellation.
- 11.3 *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

12. MITTEILUNGEN

- 12.1 *Bekanntmachung.* Solange Schuldverschreibungen an der offiziellen Liste (*official list*) der Luxemburger Börse notiert sind oder an der Luxemburger Börse gehandelt werden, sind alle die Schuldverschreibungen betreffenden Mitteilungen, außer den in Ziffer 13.6 vorgesehenen Bekanntmachungen, die ausschließlich gemäß den Bestimmungen des SchVG erfolgen, auf der Website der Luxemburger Börse (www.bourse.lu) zu veröffentlichen. Jede derartige Mitteilung gilt mit dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen mit dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.
- 12.2 *Veröffentlichungen auf der Webseite der Emittentin.* Solange Schuldverschreibungen am regulierten Markt der Wiener Börse zugelassen sind oder an der Wiener Börse gehandelt werden, sind alle die Schuldverschreibungen betreffenden Mitteilungen auf der Internetseite der Emittentin (www.verbund.com) bekannt zu machen, sofern die Regeln der Wiener Börse dies zulassen. Jede Mitteilung gilt am dritten Tag nach dem Tag der Veröffentlichung als wirksam erfolgt.
- 12.3 *Mitteilung an das Clearing System.* Betreffend Mitteilungen über den Zinssatz oder soweit die Regeln der Luxemburger Börse und der Wiener Börse dies zulassen, kann die Emittentin eine Veröffentlichung nach Ziffer 12.1 durch eine Mitteilung an das Clearing System zur Weiterleitung an die Gläubiger ersetzen; jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.

12. NOTICES

- 12.1 *Publication.* So long as any Notes are listed on the official list of the Luxembourg Stock Exchange or traded on the Luxembourg Stock Exchange, all notices concerning the Notes other than any notices stipulated in Clause 13.6, which shall be made exclusively pursuant to the provisions of the SchVG, will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any notice so given will be deemed to have been validly given on the day of such publication (or, if published more than once, on the first day of such publication).
- 12.2 *Publication on the Issuer's website.* So long as any Notes are admitted to trading on the regulated market of the Vienna Stock Exchange or traded on the Vienna Stock Exchange, all notices concerning the Notes will be published on the Issuer's webpage (www.verbund.com) if the rules of the Vienna Stock Exchange so permit. Any notice so given will be deemed to have been validly given on the third day following the date of such publication.
- 12.3 *Notification to Clearing System.* In the case of notices regarding the Rate of Interest or, if the Rules of the Luxembourg Stock Exchange and the Vienna Stock Exchange so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Holders in lieu of publication pursuant to Clause 12.1 above; any such notice shall be deemed to have been given to the Holders on the seventh day after the day on which the said notice was given to the Clearing System.

13. ÄNDERUNG DER EMISSIONSBEDINGUNGEN DURCH BESCHLUSS DER GLÄUBIGER; GEMEINSAMER VERTRETER

13.1 Die Emittentin kann die Emissionsbedingungen mit Zustimmung aufgrund Mehrheitsbeschlusses der Gläubiger nach Maßgabe der §§ 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen ("**SchVG**") in seiner jeweiligen gültigen Fassung ändern. Eine Änderung der Emissionsbedingungen ohne Zustimmung der Emittentin scheidet aus. Die Gläubiger können insbesondere einer Änderung wesentlicher Inhalte der Emissionsbedingungen, einschließlich der in § 5(3) SchVG vorgesehenen Maßnahmen, mit den in der nachstehenden Ziffer 13.2 genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Gläubiger verbindlich.

13.2 Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Gläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Emissionsbedingungen, insbesondere in den Fällen des § 5(3) Nummer 1 bis 9 SchVG, geändert wird, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75% der an der Abstimmung teilnehmenden Stimmrechte (eine "**Qualifizierte Mehrheit**").

13.3 Die Gläubiger können Beschlüsse in einer Gläubigerversammlung gemäß §§ 5 ff. SchVG oder im Wege einer Abstimmung ohne Versammlung gemäß § 18 und § 5 ff. SchVG fassen.

- (a) Die Teilnahme an der Gläubigerversammlung und die Ausübung der Stimmrechte ist von einer vorherigen Anmeldung der Gläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse

13. AMENDMENTS TO THE TERMS AND CONDITIONS BY MAJORITY RESOLUTION OF THE HOLDERS; JOINT REPRESENTATIVE

13.1 The Issuer may amend the Terms and Conditions with the consent of a majority resolution of the Holders pursuant to §§ 5 et seqq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*) (the "**SchVG**"), as amended from time to time. There will be no amendment of the Terms and Conditions without the Issuer's consent. In particular, the Holders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under § 5(3) of the SchVG, with such majority of the votes of the Holders as stated under Clause 13.2 below. A duly passed majority resolution shall be binding upon all Holders.

13.2 Except as provided by the following sentence and provided that the quorum requirements are being met, the Holders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of § 5(3) numbers 1 through 9 of the SchVG, may only be passed by a majority of at least 75 per cent. of the voting rights participating in the vote (a "**Qualified Majority**").

13.3 The Holders can pass resolutions in a meeting (*Gläubigerversammlung*) in accordance with § 5 et seqq. of the SchVG or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 18 and §§ 5 et seqq. of the SchVG.

- (a) Attendance at the meeting and exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the meeting. As part of the registration, Holders must demonstrate

spätestens am dritten Tag vor der Gläubigerversammlung zugehen. Mit der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß Ziffer 14.3 (i) und (ii) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Gläubigerversammlung (einschließlich) nicht übertragbar sind, nachweisen.

- (b) Zusammen mit der Stimmabgabe müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß Ziffer 14.3 (i) und (ii) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Stimmabgabe (einschließlich) bis zum letzten Tag des Abstimmungszeitraums (einschließlich) nicht übertragbar sind, nachweisen.

13.4 Wird für die Gläubigerversammlung gemäß Ziffer 13.3(a) oder die Abstimmung ohne Versammlung gemäß Ziffer 13.3(b) die mangelnde Beschlussfähigkeit festgestellt, kann – im Fall der Gläubigerversammlung – der Vorsitzende eine zweite Versammlung im Sinne von § 13(3) Satz 2 SchVG und – im Fall der Abstimmung ohne Versammlung – der Abstimmungsleiter eine zweite Versammlung im Sinne von § 13(3) Satz 3 SchVG einberufen. Die Teilnahme an der zweiten Versammlung und die Ausübung der Stimmrechte sind von einer vorherigen Anmeldung der Gläubiger abhängig. Für die Anmeldung der Gläubiger zu einer zweiten Versammlung gelten die Bestimmungen der Ziffer 13.3(a) entsprechend.

13.5 Die Gläubiger können durch Mehrheitsbeschluss die Bestellung und Abberufung eines gemeinsamen Vertreters, die

their eligibility to participate in the vote by means of a special confirmation of the depositary bank in accordance with Clause 14.3 (i) and (ii) hereof in text form and by submission of a blocking instruction by the depositary bank stating that the relevant Notes are not transferable from and including the day such registration has been sent to and including the stated end of the meeting.

- (b) Together with casting their votes, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the depositary bank in accordance with Clause 14.3 (i) and (ii) hereof in text form and by submission of a blocking instruction by the depositary bank stating that the relevant Notes are not transferable from and including the day such vote has been cast to and including the day the voting period ends.

13.4 If it is ascertained that no quorum exists for the meeting pursuant to Clause 13.3(a) or the vote without a meeting pursuant to Clause 13.3(b), in case of a meeting, the chairman (*Vorsitzender*) may convene a second meeting in accordance with § 13(3) sentence 2 of the SchVG or, in case of a vote without a meeting, the scrutineer (*Abstimmungsleiter*) may convene a second meeting within the meaning of § 13(3) sentence 3 of the SchVG. Attendance at the second meeting and exercise of voting rights is subject to the Holders' registration. The provisions set out in Clause 13.3(a) shall apply mutatis mutandis to the Holders' registration for a second meeting.

13.5 The Holders may by majority resolution provide for the appointment or dismissal of a joint representative, the duties and

Aufgaben und Befugnisse des gemeinsamen Vertreters, die Übertragung von Rechten der Gläubiger auf den gemeinsamen Vertreter und eine Beschränkung der Haftung des gemeinsamen Vertreters bestimmen. Die Bestellung eines gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt wird, wesentlichen Änderungen der Emissionsbedingungen oder sonstigen wesentlichen Maßnahmen gemäß Ziffer 13.2 zuzustimmen.

- 13.6 Bekanntmachungen betreffend diese Ziffer 13 erfolgen ausschließlich gemäß den Bestimmungen des SchVG.
- 13.7 Die oben aufgeführten auf die Schuldverschreibungen anwendbaren Bestimmungen gelten entsprechend für die Bestimmungen einer etwaigen Garantie gemäß Ziffer 10.1(d).

14. ANWENDBARES RECHT, GERICHTSSTAND UND GERICHTLICHE GELTENDMACHUNG

- 14.1 *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen und der Globalurkunde(n) sowie alle sich daraus ergebenden Rechte und Pflichten bestimmen sich ausschließlich nach dem Recht der Bundesrepublik Deutschland.
- 14.2 *Gerichtsstand.* Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeiten**") ist das Landgericht Frankfurt am Main.
- 14.3 *Gerichtliche Geltendmachung.* Jeder Gläubiger ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage wahrzunehmen oder geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den

responsibilities and the powers of such joint representative, the transfer of the rights of the Holders to the joint representative and a limitation of liability of the joint representative. Appointment of a joint representative may only be passed by a Qualified Majority if such joint representative is to be authorised to consent, in accordance with Clause 13.2 hereof, to a material change in the substance of the Terms and Conditions or other material matters.

- 13.6 Any notices concerning this Clause 13 shall be made exclusively pursuant to the provisions of the SchVG.
- 13.7 The provisions set out above applicable to the Notes shall apply mutatis mutandis to any guarantee granted pursuant to Clause 10.1(d).

14. APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

- 14.1 *Applicable Law.* The form and content of the Notes and the Global Note(s) and all the rights and duties arising therefrom shall be governed exclusively by the laws of the Federal Republic of Germany.
- 14.2 *Submission to Jurisdiction.* The District Court (*Landgericht*) in Frankfurt am Main shall have non-exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.
- 14.3 *Enforcement.* Any Holder may in any proceeding against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian (as defined below) with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to

vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; und (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing Systems oder des Verwahrers des Clearing Systems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet "**Depotbank**" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing Systems. Unbeschadet des Vorstehenden kann jeder Gläubiger seine Rechte aus den Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land des Rechtsstreits prozessual zulässig ist

15. SPRACHE

Diese Emissionsbedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigelegt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.

such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Note in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the Proceedings.

15. LANGUAGE

These Terms and Conditions are written in the German language and provided with an English language translation. The German text shall be controlling and binding. The English language translation is provided for convenience only.

USE OF PROCEEDS

The net proceeds from the issue and sale of the Notes will amount to approximately € 490,230,000 (the "**Net Proceeds**").

VERBUND will allocate an amount equal to the Net Proceeds to the Eligible Green Projects (as defined below). On a best effort basis, VERBUND aims to complete such allocation within three years of the issuance of the Notes. The total envisaged investment in the context of the Eligible Green Projects amount to EUR 1,400,000,000. With regard to the allocation of the Net Proceeds, the Issuer will focus on the projects hydropowerplant Töging-Jettenbach (as defined below), Weinviertel line (as defined below) and the Reschenpass project (as defined below).

Pending full allocation of an amount equivalent to the Net Proceeds to the Eligible Green Projects, the Net Proceeds will be invested on a temporary basis in accordance with the relevant internal treasury policies of VERBUND, in cash, cash equivalents or similar instruments (including green, social and/or sustainability bonds issued by other issuers).

"**Eligible Green Projects**" means each of the following three grid projects as further specified under (i) through (iii) below and the hydropower plant project as further specified under (iv) below:

- (i) "**Weinviertel line**": Parts of the existing 220-kV overhead line from Bisamberg to the national border (*Sokolnice*) were constructed during World War II or shortly after and put in operation in 1958. The route of the Weinviertel line crosses the eastern "Weinviertel" region where power generation from renewables (mainly wind energy) is being expanded. As of the end of 2017, wind energy plants with a total combined generating capacity of approximately 880 MW were connected to the grid in the "Weinviertel" region.

To facilitate the integration of renewable sources in the grid, the transmission grid infrastructure in the eastern "Weinviertel" region has to be strengthened (new line to replace the old line) and substations have to be expanded. For this purpose, a new 110-kV support line in the northern "Weinviertel" region with the substation Zaya and a new 220-kV line connection to the national border are planned. The construction of the new APG Weinviertel line will result in a 380/110-kV grid concept by the summer of 2022. Envisaged investment amounts to approximately EUR 165,000,000. The envisaged start of operation of the Weinviertel line is in 2022.

- (ii) 380-kV Salzburg line node St. Peter – node Tauern ("**Salzburg line**"): As trans-regional transmission line project the Salzburg line links the grid hub St. Peter in Upper Austria with the grid hub Tauern in Salzburg. The current bottleneck on the existing 220-kV Salzburg line will be eliminated with the new 380-kV Salzburg line. The Salzburg line is an important step towards the realization of the 380-kV ring – which will be the backbone for the power supply in Austria – a key grid expansion project of APG.

The project provides for the construction of a double-system 380-kV overhead line between the grid hub St. Peter and the grid hub Tauern. Along this route several substations will be integrated for feeding in regional distribution grids. Envisaged investment amounts to approximately EUR 890,000,000. Envisaged start of operation of the Salzburg line is in 2025.

- (iii) "**Reschenpass project**": The currently existing APG line between Austria (Lienz) and Italy (Soverzene) dates back to the year 1952 and does nowhere near live up to the requirements of the modern European electricity market with a current carrying capacity of approximately 290 MVA. The increasing production from hydropower plants in the Western Alpine regions of Austria (mainly pumped storage power plants), the continuing expansion of wind energy in Northern Europe, and the developments in Italy's energy industry (including substantial expansion of renewables) require higher transmission capacities to Italy. With a new line between the region around Nauders and Premadio (respectively the region of Lombardia) another interconnecting line between the transmission grids of TERNA and APG with additional capacities can be established and is known as the Reschenpass project.

The APG Reschenpass project comprises the 380/220-kV substation "Nauders" with a phase shifting transformer (220/220 kV) and a single-circuit 220-kV connection to the national border at Passo di Resia (*Reschenpass*). The point of connection for the substation is the existing 380-kV line "Westtirol – Pradella" (CH) close to the borders Austria, Switzerland and Italy. On the Italian side, in the region of Lombardia, the line will be integrated in the

existing 220-kV grid of TERNÄ at the substation Glorenza. Envisaged investment amounts to approximately EUR 92,000,000. Envisaged start of operation of the Reschenpass project is in 2023.

- (iv) Refurbishment and extension of the hydropower plant "**Töging-Jettenbach**": The run off river plant Töging started operation almost 100 years ago in 1924. Until now mainly refurbishment works have been carried out in the 20 km channel with its structures (including several bridges). Maintenance works at turbines and replacement of generators as well as transformers are scheduled to take place over the next years. The Refurbishment and extension of the hydropower plant "Töging-Jettenbach" includes (a) a new construction of a hydropower plant and an increase of the power plant discharge capacity; (b) the new construction of weir Jettenbach and increase of operation water level; (c) the adaption of the existing channel to cope with the new conditions in the context of boundaries resulting from water level and discharge; and (d) improving flood protection measures. Through these measures and further measures, VERBUND believes to increase annual renewable energy production by up to 40 per cent and to strengthen the local renewable power production and grid. Envisaged investment amounts to approximately EUR 250,000,000. Envisaged start of operation of the hydropower plant Töging-Jettenbach is in 2023.

Green Bond Committee

To ensure that allocations of an amount equal to the Net Proceeds are made to Eligible Green Projects, VERBUND has established a Green Bond Committee ("**GBC**").

The GBC will be responsible for:

- Ensuring the proposed Eligible Green Projects are aligned with the categories as specified in the VERBUND Green Finance Framework (including alignment with the EU Taxonomy), and approving any proposed changes in the event that projects no longer meet the eligibility criteria (e.g. following divestment, liquidation, technology switch, concerns regarding alignment of underlying activity with eligibility criteria etc.);
 - In relation to the EU Taxonomy alignment, the GBC will, on a best efforts basis, specifically ensure alignment of each Eligible Green Project with the EU Taxonomy in the following areas (1) substantial contribution to at least one of the six environmental objectives, (2) do-no significant harm to other environmental objectives, (3) minimum safeguards and where developed (4) meeting the technical screening criteria ("**TSC**");
- Reviewing and approving any proposed updates to the VERBUND Green Financing Framework; and,
- Reviewing and approving allocation and where relevant, impact reports, where suitable data is available.

The Issuer intends to have a composition of the GBC of representatives from the following functions of the Issuer:

- Group Finance;
- Investor Relations; and
- Corporate Responsibility;

and from the following subsidiaries of the Issuer:

- VERBUND Hydro Power GmbH;
- Austrian Power Grid AG; and
- VERBUND Green Power GmbH.

The Issuer intends to call for meetings of the GBC at least twice per year in order to review proposed allocations and ensure these are made in line with the specified criteria of the VERBUND Green Finance Framework.

Further information on the Issuer's intention to manage the Net Proceeds as well as on reporting and the external review of the VERBUND Green Finance Framework can be obtained from the VERBUND Green Finance Framework as amended from time to time and as published on the website of the Issuer (www.verbund.com). *For the avoidance of doubt*, the content of any website referred to in this Prospectus, unless specifically incorporated by reference, does not form part of this Prospectus.

DESCRIPTION OF THE ISSUER

GENERAL INFORMATION

VERBUND AG (the "**Issuer**" or "**VERBUND**" and, together with its consolidated subsidiaries, "**VERBUND Group**") is incorporated as an Austrian stock corporation (*Aktiengesellschaft*) and operates under the laws of Austria. The Issuer's commercial name is "VERBUND".

The Issuer has its corporate seat in Vienna, Austria, with its registered office at Am Hof 6a, 1010 Vienna, Austria (telephone number: +43 5 03 13-0). The Issuer is registered with the commercial register (*Firmenbuch*) of the Commercial Court (*Handelsgericht*) of Vienna under FN 76023 z. The Issuer's website is: www.verbund.com. The information on the Issuer's website does not form part of this Prospectus unless such information is incorporated by reference into the Prospectus.

The legal entity identifier (LEI) of the Issuer is: 5299006UDSEJCTTEJS30.

OBJECTS

The Issuer's objects are described in section 3 (1) and (2) of its articles of incorporation (the "**Articles of Incorporation**").

HISTORY AND DEVELOPMENT

The Issuer was incorporated on 26 September 1947 in Austria for an indefinite term. The legal name of the Issuer was "Österreichische Elektrizitätswirtschafts-Aktiengesellschaft" and was changed to "VERBUND AG" in May 2010.

When the Issuer was founded in 1947 on the basis of the 2nd Nationalisation Act, the Austrian legislator gave the Issuer the task of rebuilding and expanding the Austrian electricity system. In 1987, in an amendment to the 2nd Nationalisation Act (and after the cancellation of the 2nd Nationalisation Act in 1998 in form of an Austrian constitutional law), the Austrian legislator decreed that at least 51 per cent. of the shares in VERBUND must be held by the Republic of Austria and at least 51 per cent. of the shares in (the legal predecessors of) VERBUND Hydro Power GmbH and at least 50 per cent. of the shares in Donaukraftwerk Jochenstein AG, Ennskraftwerke AG and Österreichisch-Bayerische Kraftwerke AG must be held by the Republic of Austria or VERBUND.

In 1988, 49 per cent. of the shares of the Issuer were privatised way of an initial public offering (IPO) and the Issuer acquired the federal shares in special companies (such as Donaukraft, Tauernkraft and Draukraft, now merged into VERBUND-Hydro Power GmbH). After Austria joined the European Union in 1995 and the European electricity market was deregulated in 1999, VERBUND implemented reorganisational measures to modernise and internationalise its business activities. In 2001, the Austrian electricity market was fully deregulated.

After a period of expanding its business in Germany, Italy, France, Turkey and certain central and eastern European (CEE) countries through acquisitions and joint ventures, which lasted until 2011/2012, VERBUND adjusted its strategy due to the transformation of the European electricity markets resulting from massive subsidies for wind and solar power and the failure of the CO₂ market. As a result of a weak market environment, VERBUND focused on its core business, i.e., the generation of electricity from hydropower and wind power in Austria and Germany and operating the Austrian high-voltage grid. In 2013, VERBUND sold its 50% interest in Enerjisa Enerji A.S. in Turkey and, in return, acquired shares in 8 run-of-river power plants in Germany and also sold its participations in Italy and France.

As from May 2014, VERBUND started to restructure its thermal generation business in Austria including the closure of Dürnrohr hard coal power plant and the Neudorf-Werndorf oil-fired power plant. As of the date of this Prospectus, VERBUND operates the combined cycle gas turbine power plant in Mellach and the converted district heating plant Mellach, both of which generate electricity by means of natural gas for the provision of congestion management and control energy out of the market. Due to the turmoils in the electricity markets starting in 2015, including the significant decrease of wholesale electricity prices, and culminating at the beginning of 2016, VERBUND reduced costs and decreased its investments by way of various cost savings and efficiency improvement programmes.

BUSINESS

Overview

VERBUND Group believes that it is Austria's leading utility company and one of the largest producers of hydroelectricity in Europe (based on megawatt hours "MWh"). Its business comprises the generation, transportation, trading and sale of electrical energy and other energy sources as well as the provision of energy services.

Generating environmentally-friendly, cost-effective electricity forms the basis of VERBUND Group's business. Hydropower, a renewable power source, accounts for approximately 94% of the energy produced by VERBUND Group. As of 31 December 2020, VERBUND Group had a total of 129 hydropower plants that generated approximately 31.5 terawatt hours ("TWh") of energy (source: VERBUND Integrated Report 2020).

Through its wholly owned subsidiary Austrian Power Grid AG ("APG"), VERBUND also operates the Austrian high-voltage transmission grid, which extends over 3,428 kilometres and includes 64 substations and switching stations, and forms the backbone of Austrian electricity supply.

VERBUND Group is also an electricity wholesaler and trader. As of 31 December 2020, approximately 519,000 customers obtained electricity from VERBUND. Approximately 55 per cent. of the electricity sold by VERBUND in 2020 went to the Austrian market. VERBUND's international trading and sales activities focused on the German market, which accounted for approximately 82 per cent. of total volumes sold abroad in 2020.

In 2020, VERBUND Group had 2,870 employees (2019: 2,772 employees), achieved annual sales of EUR 3.2 billion (2019: EUR 3.9 billion) and a group result of EUR 631 million (2019: EUR 555 million).

Strengths

Both globally and in Europe, the energy and utility sectors are undergoing significant changes characterised by the trends towards decarbonisation, digitalisation and decentralisation. Due to its existing business of producing renewable energy, the Issuer's believes that it is well-positioned to benefit from these trends in and the upcoming significant changes in the European energy sector. VERBUND owns and operates 129 carbon-free hydropower plants as well as the Austrian high-voltage grid, which is necessary to integrate the new renewables into the European energy system. Moreover, as an energy trader and seller, VERBUND offers innovative and sustainable products to its customers. Finally, as a result of its conservative financial policy, VERBUND has a resilient capital structure and is one of the highest rated utilities company in Europe (based on publicly available ratings of competitors).

The Issuer intends to capitalize on its above-mentioned strengths, to further develop its position in the renewable energy sector and thus contribute to Austrian and European political climate targets. This includes profitable growth in new renewable energy generation technologies, onshore wind and photovoltaic, further expansion of the renewable hydropower production and investments in the regulated high voltage grid. In addition, VERBUND intends to further engage in the areas of digitalisation and innovation (including storage technologies and green hydrogen) and focus on gender balance topics.

Between 2017 and 2020, VERBUND and its subsidiaries managed to reduce its greenhouse gas emissions⁵ in total from 41 g CO₂/kWh to 19 g CO₂/kWh. Since 2005, VERBUND and its subsidiaries reduced direct CO₂ emissions from thermal power plants by approximately 70 per cent.

Strategy and VERBUND Green Finance Framework

2030 Strategy

VERBUND's 2030 strategy is based on five pillars (the "**2030 Strategy**"): (i) efficient generation of electricity from hydropower; (ii) expansion of electricity generation to further renewable energy sources including wind and solar power;

⁵ Based on Scope 1 measured in g CO₂e/kWh. Scope 1 is based on total electricity generated including purchase rights excluding generation of district heating.

(iii) continued operation and expansion of the Austrian high-voltage grid; (iv) use of flexible power plants to secure power supply in Austria; and (v) providing innovative products and services in its sales segment.

In relation to electricity generation, VERBUND intends to maintain its 129 existing hydropower plants while continuously improving flexible generation facilities to ensure carbon-free base-load and (ii) expanding peak-load energy generation in core markets of Austria and Germany. VERBUND seeks to set new standards in the digitalisation of hydropower plants, e.g., by implementing new initiatives such as the Digital Hydro Power Plant pilot project.

VERBUND intends to expand electricity generation from onshore wind power plants and photovoltaic systems in the coming years. To this end, the subsidiary VERBUND Green Power GmbH ("**VGP**") was founded in 2019. The focus of VGP in the wind energy area is on onshore plants and in the photovoltaic area on large-scale and, via Energie- und Umwelttechnik GmbH (in which VERBUND owns a 50% stake), on rooftop plants. Photovoltaic plants are constructed for own power generation as well as for household, commercial and industrial customers. VGP acts as project developer, implementer, purchaser and asset owner of wind and solar power generation plants. VERBUND's goal is to build a profitable onshore wind and solar portfolio accounting for approximately 20 - 25 per cent. of its overall power generation by 2030. The Issuer believes that, combined with flexible generation facilities, this will enable VERBUND Group to make a considerable contribution to decarbonisation in Austria and Europe.

VERBUND plans to invest in the stability and expansion of the Austrian transmission grid to ensure a secure energy supply and implement energy transition goals and the network development plan, all of which are pivotal to achieving Austria's climate targets. VERBUND's flexible thermal power plants are instrumental in maintaining security of supply in Austria in connection with congestion management. In the future, VERBUND intends to research and test further technologies for the future of energy generation, especially at its Mellach site.

In relation to its electricity trading activities and the sales segment, VERBUND's aims to optimise the marketing of its own electricity, with a focus on green electricity and flexible products. VERBUND seeks to provide its customers with clean electricity and climate-neutral gas, together with other energy-related products and innovative solutions to promote the efficient use of energy. Particularly in the case of cross-sectoral projects involving alternative energy sources and new storage technologies, VERBUND aims to position itself as a leading enterprise in the field of sector coupling.

Green Financing and VERBUND Green Finance Framework

To support its 2030 Strategy and broader sustainability aims, VERBUND incorporated ESG-related considerations into the daily operations of all VERBUND's subsidiaries and the central functions of VERBUND. Furthermore, VERBUND reflects its commitment to sustainability through the raising of "Green financing". VERBUND has a track record in "Green finance", including the issuances of its first "Green Bonds" (2014), its first "Green Schuldschein" (2018) and entering into its first ESG-linked syndicated loan (2018).

VERBUND established its new VERBUND Green Finance Framework to support its future issuance of sustainable financing instruments, including so-called "Green Bonds", "Sustainability-Linked Bonds" or a combination of the two in order to support its 2030 Strategy and broader sustainability aims. Through the VERBUND Green Financing Framework, VERBUND wishes to contribute towards climate change mitigation environmental objectives.

The VERBUND Green Finance Framework has been developed in alignment with the Green Bond Principles 2018 and the Sustainability-Linked Bond Principles 2020, each as developed and published by the International Capital Markets Association (ICMA), its members and further market participants and market observers. The VERBUND Green Finance Framework also aligns with the most recent draft Delegated Acts of the EU Taxonomy, published in November 2020: the Issuer establishes a substantial contribution to at least one of six environmental objectives through the allocation of the Net Proceeds to the Eligible Green Projects (see "*Use of Proceeds*"); a set of "do-no-significant harm criteria" aligned with the EU Taxonomy has been established by the Issuer for each project category and has been reviewed by the Second Party Opinion provider; the Second Party Opinion provider assessed the alignment of the due diligence and selection process in place with the "EU Taxonomy Minimum Social Safeguards" and the Issuer aligned the selection criteria for the Eligible Green Projects with the EU Taxonomy Technical Screening Criteria and in this context, the Second Party Opinion provider reviewed the technical screening criteria.

Recent Acquisitions

In September 2020, VERBUND entered into an agreement with OMV AG in relation to the acquisition by VERBUND of a 51 per cent. stake in the Austrian gas transmission grid operator Gas Connect Austria GmbH from OMV AG. The transaction is expected to close in the first half of 2021, subject to regulatory approvals. The Issuer believes that this acquisition expands its business profile as an owner and operator of critical infrastructure and positions it to benefit from a hydrogen economy in the future as gas plays a major role as a bridge technology to a renewable energy system. The transport infrastructure of Gas Connect Austria GmbH may be combined with VERBUND's renewable generation portfolio to make a significant contribution to the achievement of climate targets.

Investments

VERBUND is primarily investing in the regulated Austrian high-voltage grid with stable results and a predictable return. The current investment plan amounts to EUR 2.3 billion for the period 2021 through 2023. Of this total, EUR 1.4 billion is intended to be spent on growth investments and EUR 0.9 billion on maintenance. The investments will mainly be made in VERBUND's core markets of Austria and Germany.

SELECTED FINANCIAL INFORMATION AND OTHER INFORMATION

Selected Financial Information

The following table shows selected financial information with regard to VERBUND Group which is derived from the consolidated financial statements of VERBUND Group for the financial years ended 31 December 2019 and 2020, respectively:

<u>(in Euro million)</u>	<u>31 December 2019</u>	<u>31 December 2020</u>
Total assets	11,838.6	12,054.2
Current liabilities	1,163.2	1,134.8
Equity attributable to shareholders of VERBUND	5,887.8	6,151.2
Equity attributable to non-controlling interests	680.2	722.8

Change in revenue and expenditure as from 1 January 2021

Persuant to IFRS, derivative financial instruments (relating to power, gas, CO₂) which are not designated as hedging instruments are measured at the current market price on the relevant reporting date. Such instruments are measured through profit and loss and have an effect on both revenue and expenditure. Measurement is reversed at the time of delivery (realisation of the contract) and therefore amounts to zero for all periods (from conclusion of the contract until delivery).

As at 29 February 2020, relevant prices had decreased significantly as compared to relevant prices as at 31 December 2019 and sales contracts showed a strong positive measurement whereas purchase contracts, in contrast, showed a negative measurement in the period YTD February 2020. In the same period of 2021 (YTD February 2021) this effect was much less significant. The difference between the two periods amounted to approximately EUR 162,000,000.

In addition, electricity revenue decreased by EUR 23,000,000 due to a decrease of electricity production in the hydro (EUR -7,000,000) and in the new renewables (EUR -5,000,000) segments, particularly caused by a decline of the hydro coefficient and the wind coefficient, respectively, as well as a decrease in the thermal generation segment (EUR -11,000,000). The decrease in the thermal generation segment as well as the lower other revenue (EUR -10,000,000) were mainly attributable to the termination of the district heating supply and purchase agreement vis-à-vis Energie Steiermark Wärme GmbH as at 30 June 2020. The remaining difference in sales revenues of approximately

EUR 12,000,000 is mainly linked to lower revenues from the grid segment in particular lower revenues from congestion management and lower revenues from auction of cross border capacities.

Additionally, a decrease of wholesale market activities attribute to a decline in revenues and expenses of approximately EUR 40,000,000. Firstly, a larger part of VERBUND's energy generation was directly hedged by forward contracts through the wholesale business instead of using future contracts on the stock exchange. Secondly, the wholesale market activities were more comprehensive in 2021 compared to 2020.

CREDIT RATINGS

The Issuer has been rated with "A3/stable outlook" by Moody's (as defined below) and "A/stable outlook" by Standard & Poor's (as defined below).

Each of Moody's Investors Services Limited ("**Moody's**") and S&P Global Ratings Europe Limited ("**S&P**") are established in the European Union and are currently registered pursuant to Regulation (EC) No 1060/2009 of the European Parliament and the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**"). Moody's and Standard & Poor's are each listed in the "List of registered and certified CRAs" as published by the European Securities and Markets Authority on its website (<http://www.esma.europa.eu>) in accordance with the CRA Regulation.

ESG RATINGS

The Issuer's exposure to ESG risks and the related management arrangements established to mitigate those risks has been assessed by several agencies. The following table provides an overview of such ESG ratings as well as its latest publication:

ESG rating provider	Last date of publication	ESG rating
Sustainalytics	28 October 2020	"18.1 out of 100 points"
ISS ESG	10 September 2020	"B"
MSCI	20 July 2020	"AA"
CDP	9 December 2020	"A-"
Evocadis	4 February 2021	"70 out of 100 points"

The Issuer's ESG ratings are not necessarily indicative of its current or future operating or financial performance, or any future ability to service the Notes and are only current as of the dates on which they were initially issued. Prospective investors must determine for themselves the relevance of any of the above ESG ratings. Furthermore, ESG ratings shall not be deemed to be a recommendation by the Issuer, the Joint Bookrunners, the Joint ESG Structuring Agents or any other person to buy, sell or hold the Notes. For more information regarding the assessment methodologies used to determine ESG ratings, reference is made to the relevant ESG rating provider's website (which website does not form a part of, nor is incorporated by reference in, this Prospectus).

SEGMENT OVERVIEW

VERBUND Group's business segments comprise "Hydro", "Grid", "New Renewables", "Sales" and "All other segments" (each a "Segment").

The following overview summarises VERBUND's operating segment data on a Group level for the financial years 2019 and 2020, respectively. A single break down for each Segment is provided in the sub-paragraphs below.

Operating segment data 2020

	Hydro	New Renewables	Sales	Grid	All other segments	Reconciliation/Consolidation	Total Group
2020 in in €m							
Total Revenue	1,267.4	110.6	2,523.3	730.4	184.8	-1,581.9	3,234.6
EBITDA	926.8	58.9	75.5	232.4	37.9	-38.8	1,292.8
Equity-Result	0.7	0.1	-0.2	0.1	42.6	0.0	43.3
Capital Employed*	5,985.3	419.5	168.2	1,651.6	479.2	44.7	8,748.4

* means total assets less those assets that do not (yet) contribute to the performance and commercialisation processes (advance payments, plants under construction (except from the grid segment), cash and cash equivalents, derivatives in the energy area, investments and interest rate swaps under closed items on the balance sheet related to terminated cross-border-leasing transactions)), less contributions for building costs and less other non-interest-bearing debt.

Operating segment data 2019

	Hydro	New Renewables	Sales	Grid	All other segments	Reconciliation/Consolidation	Total Group
2019 in €m							
Total Revenue	1,114.7	120.2	3,151.7	811.8	224.0	-1,527.3	3,895.0
EBITDA	797.5	62.2	49.4	257.8	51.0	-34.3	1,183.5
Equity-Result	3.7	0.2	-1.7	0.1	38.5	0.0	40.8
Capital Employed*	6,137.9	429.0	113.2	1,459.6	519.4	80.9	8,739.9

* means total assets less those assets that do not (yet) contribute to the performance and commercialisation processes (advance payments, plants under construction (except from the grid segment), cash and cash equivalents, derivatives in the energy area, investments and interest rate swaps under closed items on the balance sheet related to terminated cross-border-leasing transactions)), less contributions for building costs and less other non-interest-bearing debt.

Hydro

Power generation from hydropower is reported in the Hydro segment. In Austria, hydropower forms the basis of electricity generation from renewable energy sources. As of 31 December 2020, the maximum electrical capacity (maximum capacity for sustained operations) of electricity generation from hydropower was 8,267 megawatt ("MW"). The mean energy capability – the generation potential in one year with average water supply – was 29,130 gigawatt hours ("GWh").

The following overview summarises VERBUND's financial performance in the Hydro segment.

Key Performance Indicators – Segment Hydro			
(in Euro million)	2019	2020	Change
Total Revenue	1,114.7	1,267.4	13.7%
EBITDA	797.5	926.8	16.2%
Equity-Result	3.7	0.7	-81.1%
Capital Employed*	6,137.9	5,985.3	-2.5%

* means total assets less those assets that do not (yet) contribute to the performance and commercialisation processes (advance payments, plants under construction (except from the grid segment), cash and cash equivalents, derivatives in the energy area, investments and interest rate swaps under closed items on the balance sheet related to terminated cross-border-leasing transactions)), less contributions for building costs and less other non-interest-bearing debt.

Grid

VERBUND operates the supra-regional Austrian electricity transmission grid. Its primary task is to balance electricity generation and consumption and thus maintain system equilibrium. Due to the expansion of renewable energy sources, the demands on the power grid are constantly increasing. Therefore, VERBUND is expanding the domestic electricity grid in accordance with the grid development plan and pursues central line constructions such as the Salzburg line as an energy transition project, the implementation of which is a prerequisite for achieving Austria's climate targets.

The following overview summarises VERBUND's financial performance in the Grid segment.

Key Performance Indicators – Segment Grid			
(in Euro million)	2019	2020	Change
Total Revenue	811.8	730.4	-10.0%
EBITDA	257.8	232.4	-9.8%
Equity-Result	0.1	0.1	0.0%
Capital Employed*	1,459.6	1,651.6	13.2%

* means total assets less those assets that do not (yet) contribute to the performance and commercialisation processes (advance payments, plants under construction (except from the grid segment), cash and cash equivalents, derivatives in the energy area, investments and interest rate swaps under closed items on the balance sheet related to terminated cross-border-leasing transactions)), less contributions for building costs and less other non-interest-bearing debt.

New Renewables

Power generation from wind power and solar power is reported in the New Renewables segment. As of 31 December 2020, the maximum electrical capacity (maximum capacity for sustained operations) of electricity generation from wind

power was 418 MW and from Photovoltaic 2 MW. In 2020, VERBUND generated 924 GWh of electricity from wind in Austria, Germany and Romania and 1 GWh from Photovoltaic in Austria.

The following overview summarises VERBUND's financial performance in the New Renewables segment.

Key Performance Indicators – Segment New Renewables			
(in Euro million)	2019	2020	Change
Total Revenue	120.2	110.6	-8.0%
EBITDA	62.2	58.9	-5.3%
Equity-Result	0.2	0.1	-50.0%
Capital Employed*	429.0	419.5	-2.2%

* means total assets less those assets that do not (yet) contribute to the performance and commercialisation processes (advance payments, plants under construction (except from the grid segment), cash and cash equivalents, derivatives in the energy area, investments and interest rate swaps under closed items on the balance sheet related to terminated cross-border-leasing transactions)), less contributions for building costs and less other non-interest-bearing debt.

Sales

The Sales segment comprises all of VERBUND's trading and sales activities, including trading in electricity, gas, guarantees of origin, CO2 certificates, transport capacities and innovative green power and flexibility products. In this segment, VERBUND focuses on innovative products, fair business practices and the principles of sustainability. The core markets of VERBUND's sales activities are located in Austria and Germany. In Austria, VERBUND supplies the domestic/agricultural and commercial segment (in which its so-called standard load profile customers are located) exclusively with electricity from hydropower. In Germany, VERBUND supplies industrial companies and distributors. VERBUND believes to be one of the major suppliers of flexibility and green electricity products as well as a provider of comprehensive services for the energy industry in Austria and Germany. Among other things, VERBUND enables its customers to participate directly in the day-ahead and intra-day markets. The service is further supplemented with products and services from the areas of photovoltaics, e-mobility, batteries and hydrogen.

The following overview summarises VERBUND's financial performance in the Sales segment.

Key Performance Indicators – Segment Sales			
(in Euro million)	2019	2020	Change
Total Revenue	3,151.7	2,523.3	-19.9%
EBITDA	49.4	75.5	52.9%
Equity-Result	- 1.7	-0.2	-88.2%
Capital Employed*	113.2	168.2	48.6%

* means total assets less those assets that do not (yet) contribute to the performance and commercialisation processes (advance payments, plants under construction (except from the grid segment), cash and cash equivalents, derivatives in the energy area, investments and interest rate swaps under closed items on the balance sheet related to terminated cross-border-leasing transactions)), less contributions for building costs and less other non-interest-bearing debt.

All other segments

The segment "*All other segments*" includes thermal generation, services and shareholdings. The Thermal Generation segment comprises electricity and heat generation from coal (until 31 March 2020) and gas. The primarily group internal business activities of VERBUND Services GmbH are reported in the Services segment. The Shareholdings segment covers the interests that have been accounted using the equity method and have not been allocated to any other segment. As of 31 December 2020, only the interest in KELAG-Kärntner Elektrizitäts-Aktiengesellschaft was included in this segment.

The following overview summarises VERBUND's financial performance in the "*All other segments*" segment.

Key Performance Indicators – All other segments			
(in Euro million)	2019	2020	Change
Total Revenue	224.0	184.8	-17.5%
EBITDA	51.0	37.9	-25.7%
Equity-Result	38.5	42.6	10.6%
Capital Employed*	519.4	479.2	-7.7%

* means total assets less those assets that do not (yet) contribute to the performance and commercialisation processes (advance payments, plants under construction (except from the grid segment), cash and cash equivalents, derivatives in the energy area, investments and interest rate swaps under closed items on the balance sheet related to terminated cross-border-leasing transactions)), less contributions for building costs and less other non-interest-bearing debt.

ORGANISATIONAL STRUCTURE

The Issuer is the parent company of VERBUND Group and is not dependent upon other entities within VERBUND Group.

For further details on the significant consolidated subsidiaries of VERBUND Group as comprised in each Segment, see pages 299-305 of the Integrated Annual Report 2020 of Verbund Group as published on 17 March 2021, parts of which are incorporated by reference into this Prospectus (see "*Incorporation by Reference*" below).

TREND INFORMATION

Save as disclosed in this Prospectus, there has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements for the financial year ended 31 December 2020.

ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

Managing Board

The managing board of the Issuer (the "**Managing Board**") comprises the following three members:

Function	Name	Other relevant mandates
CEO, Chairman of the Managing Board	General Director Mag. Dr. Michael Strigl MBA	Chairman/President of Oesterreichs Energie, the Austrian Association of Electricity Companies
CFO	Managing Director Dr. Peter F. Kollmann	Member of the Supervisory Board of Telekom Austria AG

Member of the Managing Board	Managing Director Mag. Dr. Achim Kaspar	Member of the Supervisory Board of KELAG-Kärntner Elektrizitäts-Aktiengesellschaft
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The business address of the Managing Board is Am Hof 6a, 1010 Vienna, Austria.

Supervisory Board

The supervisory board of the Issuer (the "**Supervisory Board**") comprises the following 15 members:

Function	Name	Other relevant mandates
Member of the Supervisory Board, Chairman	MMag. Thomas Schmid	Österreichische Beteiligungs AG (member of the managing board); Supervisory boards of OMV AG (vice-chairman of the supervisory board); Telekom Austria AG (member of the supervisory board); Bundesimmobiliengesellschaft m.b.H. (chairman of the supervisory board); ARE Austrian Real Estate GmbH (chairman of the supervisory board); and Österreichische Lotterien GmbH (member of the supervisory board)
Member of the Supervisory Board, First Deputy-Chair	Mag. Martin Ohneberg	HENN Industrial Group GmbH & Co KG (managing partner); HENN GmbH (managing partner); HENN GmbH & Co KG (managing partner); Aluflexpack AG, Switzerland (president of the board of directors (<i>Verwaltungsrat</i>)); and ASTA Energy Transmission Components GmbH (member of the supervisory board)
Member of the Supervisory Board, Second Deputy-Chair	Mag. Dr. Christine Catasta	Österreichische Beteiligungs AG (director); Erste Bank der österreichischen Sparkassen AG (member of the supervisory board);

		<p>Austrian Airlines AG (member of the supervisory board);</p> <p>ÖLH Österreichische Luftverkehrs-Holding-GmbH (member of the supervisory board); and</p> <p>Casinos Austria AG (member of the supervisory board)</p>
Member of the Supervisory Board	Dr. Susan Hennersdorf	<p>cresc. GmbH. (CEO); and</p> <p>Tele Columbus AG Germany (member of the supervisory board)</p>
Member of the Supervisory Board	Prof. Dr. Barbara Praetorius	<p>Professor at the University of Applied Sciences, Berlin; and</p> <p>Berliner Wasserbetriebe (member of the supervisory board)</p>
Member of the Supervisory Board	Mag. Jürgen Roth	<p>Tank Roth GmbH (managing partner);</p> <p>ICS Internationalisierungscenter Steiermark GmbH (chairman of the supervisory board); and</p> <p>ELG (Erdöl-Lagergesellschaft m.b.H.) (member of the supervisory board)</p>
Member of the Supervisory Board	Dipl.-Ing. Eckhardt Rümmler	<p>PreussenElektra GmbH, Germany (member of the supervisory board)</p>
Member of the Supervisory Board	Mag. Christa Schlager	<p>Chief of Economy Politics at Arbeiterkammer Wien (Vienna); and</p> <p>Forschungsförderungsgesellschaft mbH (member of the supervisory board)</p>
Member of the Supervisory Board	Mag. Stefan Szyszkowitz	<p>EVN AG (Spokesman of the managing board);</p> <p>Burgenland Holding Aktiengesellschaft (chairman of the supervisory board);</p> <p>EVN Macedonia AD (chairman of the supervisory board);</p>

		<p>RAG-Beteiligungs-Aktiengesellschaft (chairman of the supervisory board);</p> <p>RAG Austria AG (chairman of the supervisory board);</p> <p>Energie Burgenland AG (vice-chairman of the supervisory board);</p> <p>Netz Niederösterreich GmbH (vice-chairman of the supervisory board);</p> <p>Österreichische Post AG (member of the supervisory board);</p> <p>Wiener Börse AG (member of the supervisory board); and</p> <p>CEESEG AG (member of the supervisory board)</p>
Member of the Supervisory Board	Dipl.-Ing. Peter Weinelt	<p>Wiener Stadtwerke GmbH (managing director);</p> <p>Wiener Stadtwerke Planvermögen GmbH (managing director);</p> <p>Wien Energie GmbH (chairman of the supervisory board);</p> <p>Wiener Netze GmbH (chairman of the supervisory board); and</p> <p>Burgenland Holding Aktiengesellschaft (member of the supervisory board)</p>
Member of the Supervisory Board (employees' representative)	Kurt Christof	None
Member of the Supervisory Board (employees' representative)	Doris Dangl	None
Member of the Supervisory Board (employees' representative)	Dr. Isabella Hönlinger	None
Member of the Supervisory Board (employees' representative)	Ing. Wolfgang Liebscher	None
Member of the Supervisory Board (employees' representative)	Veronika Neugeboren	None

Conflicts of interests

Supervisory Board

The Supervisory Board annually addresses possible conflicts of interest involving Supervisory Board members that could arise in particular as a result of activities or equity interests in the energy sector or in companies competing with

VERBUND Group or with single projects. In the financial year 2020, the Supervisory Board members reported no conflicts of interest. According to the assessment of the Supervisory Board, there are no conflicts of interest with regard to the members of the Supervisory Board, which exist between their private interests or other duties and their duties to VERBUND Group. Should such conflicts arise in future, suitable measures, such as abstention from voting or from providing advice and voting on individual agenda items, will have to be implemented promptly. An expert opinion obtained after the 2018 report from the Austrian Court of Audit confirms that VERBUND Group has taken adequate and suitable measures to manage potential conflicts of interest in the Supervisory Board in an appropriate manner.

Several contracts exist between VERBUND and the EVN Group, of which Mag. Stefan Szyszkowitz is spokesman of the managing board. A majority of these contracts had been concluded prior to Mag. Szyszkowitz appointment as a member of the Supervisory Board. The business transacted under these contracts and their volume are reported to the Supervisory Board on an annual basis. In the financial year 2020, an order volume totalling EUR 531,000 was processed on the basis of these contracts (excluding transactions with grid subsidiary APG). They primarily involved electricity, gas or grid purchases and usage fees for various companies of VERBUND Group. In addition, there exist agreements concerning VERBUND Innkraftwerke GmbH and contractual relationships for the supply of electricity with ENERGIEALLIANZ Austria GmbH, in which EVN holds a 45% interest.

Several contracts exist between VERBUND and the Wiener Stadtwerke Group, of which Dipl.-Ing. Peter Weinelt is managing director. Most of these had already been entered into before Dipl.-Ing. Peter Weinelt became a member of the Supervisory Board. The business transacted under these contracts and their volume are reported to the Supervisory Board on an annual basis. In financial year 2020, an order volume totalling EUR 977,000 was processed on the basis of the existing contracts (excluding transactions with grid subsidiary APG). This primarily involved invoices for electricity and grid fees and operational management for VERBUND companies. In addition, there are agreements concerning VERBUND Innkraftwerke GmbH and contractual relationships for the supply of electricity with ENERGIEALLIANZ Austria GmbH, in which Wiener Stadtwerke holds a 45% interest.

Managing Board

No conflicts of interest exist between the members of the Managing Board and VERBUND Group.

BOARD PRACTICES

Strategy Committee

The strategy committee is responsible for developing a corporate strategy in collaboration with the Managing Board and for the annual review of strategy and support of any adaptive measures (the "**Strategy Committee**") (reference is made to the section "*Strategy and VERBUND Green Finance Framework*" above). Furthermore, it addresses issues that are not to be handled by the entire Supervisory Board in consideration of competition-related aspects and conflicts of interest.

The Strategy Committee of the Issuer comprises the following 8 members:

Function	Name
Chairman of the Strategy Committee	Mag. Martin Ohneberg
Member of the Strategy Committee	Dipl.-Ing. Eckehardt Rümmler
Member of the Strategy Committee	Dr. Susan Hennersdorf
Member of the Strategy Committee	Prof. Dr. Barbara Praetorius
Member of the Strategy Committee	MMag. Thomas Schmid
Member of the Strategy Committee	Doris Dangl
Member of the Strategy Committee	Ing. Wolfgang Liebscher

Member of the Strategy Committee	Veronika Neugeboren
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Audit Committee

The audit committee is established and responsible, among other things, to review and prepare the adoption of the annual accounts, to propose the distribution of profits, to prepare the management report and the consolidated accounts, all in accordance with article 92 section 4a of the Austrian Stock Corporation Act (the "**Audit Committee**"). It supervises the accounting process and acknowledges the semi-annual financial statements. The audit committee deals with the risk management and the auditor's report about risk management, and it reports on this to the Supervisory Board. Finally, the committee deals with the work and results of the VERBUND Group Auditors (as defined below). The members of the audit committee possess the necessary financial expertise for such responsibilities in sufficient number.

The audit committee of the Issuer comprises the following six members:

Function	Name
Chairwoman of the Audit Committee	Mag. Dr. Christine Catasta
Member of the Audit Committee	MMag. Thomas Schmid
Member of the Audit Committee	Mag. Jürgen Roth
Member of the Audit Committee	Mag. Christa Schlager
Member of the Audit Committee	Doris Dangl
Member of the Audit Committee	Kurt Christof

Sustainability Committee

The Issuer established a sustainability committee (the "**Sustainability Committee**") in 2020 in accordance with the rules of procedure. The new committee deals with all issues concerning sustainability, "New Green Deal", decarbonisation, energy transition, climate protection and environmental protection. It is responsible for developing appropriate strategies and implementation policies and it monitors the sustainability goals (reference is made to the section "*Strategy and VERBUND Green Finance Framework*" above).

The Sustainability Committee comprises the following 6 members:

Function	Name
Chairwoman of the Sustainability Committee	Prof. Dr. Barbara Praetorius
Member of the Sustainability Committee	Dipl.-Ing. Eckehardt Rümmler
Member of the Sustainability Committee	Mag. Jürgen Roth
Member of the Sustainability Committee	Mag. Christa Schlager
Member of the Sustainability Committee	Doris Dangl
Member of the Sustainability Committee	Dr. Isabella Hönlinger

Corporate Governance

The Issuer is committed to the Austrian Code of Corporate Governance (the "**Code**"). By actively implementing the Code, the Issuer aims to ensure that VERBUND Group is managed and controlled in a responsible manner that facilitates sustainable and long-term value creation and that a high level of transparency is created for all stakeholders. In the financial year 2003, the Issuer was one of the first companies in Austria to give the commitment to comply with the Code. Since then, to the greatest extent possible, the observance of all rules set up in the Code and the continuous optimisation of the high internal standards have been precedent tasks for the Managing Board and the Supervisory Board.

In accordance with the Code, compliance with the Code and the accuracy of the related reporting is evaluated externally by an independent auditor at regular intervals. The last such evaluation was carried out for 2019 and resulted in a positive report. The next evaluation is planned for the financial year 2022.

MAJOR SHAREHOLDERS

In accordance with Austrian constitutional law, 51 per cent. of the share capital in VERBUND is held by the Republic of Austria. A syndicate of the provincial energy companies Wiener Stadtwerke Holding GmbH and EVN AG holds more than 25 per cent. of the share capital in VERBUND. TIWAG-Tiroler Wasserkraft AG holds more than 5 per cent. of share capital in VERBUND. Less than 20 per cent. of the share capital in VERBUND is in free float.

Pursuant to the Articles of Incorporation and in accordance with Austrian constitutional law, which regulates the ownership structure of companies in the Austrian electricity sector, the following voting restriction applies:

"With the exception of regional authorities and companies in which regional authorities hold an interest of at least 51 per cent., the voting rights of each shareholder in the Annual General Meeting are restricted to 5 per cent. of the share capital."

Save for this voting restriction, all shares bear the same rights and obligations. There are no shares with special control rights.

FINANCIAL INFORMATION

The English-language translations of the consolidated financial statements of VERBUND for the financial years ended 31 December 2019 and 2020 together with translations of the Auditor's reports thereon, respectively, have been incorporated by reference into this Prospectus (see "*Incorporation by Reference*" below).

Statutory Auditors

The independent auditors of VERBUND and VERBUND Group for the financial years ended 31 December 2019 and 2020, respectively, are Deloitte Audit Wirtschaftsprüfungs GmbH, Renngasse 1, Freyung, 1010 Vienna, Austria, registered with the commercial register (*Firmenbuch*) of the Commercial Court (*Handelsgericht*) of Vienna under FN 36059 d (the "**VERBUND AG Auditors**"). The VERBUND AG Auditors are a member of the Chamber of Tax Advisers and Auditors (*Kammer der Steuerberater und Wirtschaftsprüfer*) in Austria and of the Institute of Austrian Accountants (*Institut Österreichischer Wirtschaftsprüfer*).

Auditing of Historical Financial Information

The consolidated financial statements of VERBUND for the financial years ended 31 December 2019 and 2020, respectively, were prepared on the basis of International Financial Reporting Standards as adopted by the European Union ("**IFRS**") and the additional requirements of Section 245a of the Austrian Commercial Code (*Handelsgesetzbuch* "**HGB**") and were audited by the VERBUND AG Auditors on the basis of International Standards of Auditing ("**ISA**"). The VERBUND AG Auditors rendered their German-language unqualified audit opinion on the German-language version of the Issuer's consolidated financial statements dated 18 February 2020 and 18 February 2021, respectively.

LEGAL AND ARBITRATION PROCEEDINGS

As of the date of this Prospectus, there were no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the last 12 months which may have, or have had in the recent past, significant effects on the Issuer's and/ or VERBUND Group's financial position or profitability other than the following:

Lawsuit - Energie Steiermark Kunden GmbH vs VERBUND, unfair competition

In December 2020, VERBUND was served with a UWG (law of unfair competition) lawsuit (amount in dispute: EUR 69,000) including an application for an interim injunction brought by Energie Steiermark Kunden GmbH to the Commercial Court of Vienna. This lawsuit was justified with alleged misleading price comparison advertisement (representation of cost savings as an example calculation). VERBUND, on the other hand, submitted a counterstatement and a statement on the application regarding interim injunction in due time. By decision of the Commercial Court of Vienna of January 11, 2021, the application for an interim injunction was dismissed at first instance and the costs were assigned to the plaintiff. It is expected that the plaintiff will appeal against this decision.

Lawsuit - VKI vs VERBUND

In March 2020, VERBUND was served with a class action suit brought by the Austrian Association for Consumer Information (VKI – Verein für Konsumenteninformation) to the Commercial Court of Vienna to prevent the use of a price adjustment clause in the general terms and conditions of VERBUND for the supply of electricity and gas to household customers. Months before taking the legal action against VERBUND the VKI had already reached a decision of principle at the Austrian Supreme Court (OGH) on a similar price adjustment regulation of another energy supplier, which the Supreme Court considered inadmissible. VERBUND submitted a statement of defence in due time. After the first court hearing in October 2020 the responsible court has not yet ruled in the matter because VERBUND and VKI started extrajudicial conciliation negotiations, which are held with the aim of achieving an out-of-court agreement. An inadmissible price adjustment clause could also justify repayment claims by the affected customers, which is the reason why these claims are also subject of these negotiations. As of end of 2020 these negotiations were still running.

Dispute - Bayernwerk Netz GmbH vs Österreichisch-Bayerische Kraftwerke AG concerning the hydropower plants Oberaudorf-Ebbs, Braunau-Simbach and Passau-Ingling

The Österreichisch-Bayerische Kraftwerke AG ("ÖBK") – a subsidiary of VERBUND – is operator of the three hydropower plants Oberaudorf-Ebbs, Braunau-Simbach and Passau-Ingling, situated in the German-Austrian border region along the Inn river. The electricity produced in the three hydropower plants is partly fed into the German power grid operated by Bayernwerk Netz GmbH ("BAGE") and marketed in the German electricity market by VERBUND Energy4Business GmbH ("VEB"), another VERBUND subsidiary.

In 2015, BAGE disputed ÖBK's right to transport the electricity produced in the three hydropower plants via BAGE's power grid and denied grid access and services, claiming a lack of a contractual basis for the services. In consequence, ÖBK and VEB were unable to transport and market the respective electricity amounts in the German energy market.

In its decision of 9 May 2019 (3 U 1655/17), the Regional Higher Court of Nuremberg as court of second instance however confirmed ÖBK's transport rights, which led BAGE to indemnify VEB for its damages by refunding a total amount of EUR 22,043,646.59 in 2020.

ÖBK and BAGE are currently finalizing an agreement to restructure the grid access conditions of the hydropower plants.

Lawsuit - DB Netz AG vs. VERBUND Innkraftwerke GmbH

DB Netz AG is claiming costs from VERBUND Innkraftwerke GmbH for additional planning and construction costs for the construction of a new railway bridge over the Innkanal near Mühlendorf. According to the decisions of the Oberlandesgericht München from 25 April 2018 and the Bundesgerichtshof on the Nichtzulassungsbeschwerde (a so called *complaint of non-admission*) from 21 February 2019, it is legally binding that VERBUND Innkraftwerke GmbH is basically obliged to bear the additional planning and construction costs based on the agreement of 1934.

The legal dispute about the additional planning costs is still pending in the first instance at the Landgericht Traunstein due to the amount of the claim. The proceedings are currently suspended. Since summer 2019, out-of-court settlement talks have been taking place regarding the planning and additional construction costs. These are carried out on both sides without legal assistance, so that we cannot provide any further information. To the best of our knowledge, in addition to the additional planning costs of EUR 240,721.05 already asserted in court, additional construction costs of around EUR 11,000,000 are being demanded from DB Netz AG.

Lawsuits - Flooding River Drava (Drau) 2012

With regards to the floods of the Drava river in Republic of Slovenia, approximately 80 proceedings were launched before Slovenian courts against VERBUND Hydro Power GmbH. The court proceedings are conducted by the competent courts in Slovenj Gradec, Maribor and Ptuj. The proceedings are in vast majority still in the phase of obtaining the hydrological expert opinion, wherein each competent court has decided to nominate different hydrological expert, either Slovenian or foreign. Therefore, concrete evaluation or prediction of the further course of the proceedings cannot be made.

Nevertheless, some of the proceedings have been decided in favor of VERBUND Hydro Power GmbH either due to plaintiff's decision to withdraw the claim or due to the court's decision that the claim did not meet the statutory requirements allowing the court to examine the claim. Furthermore, some of the proceedings are suspended due to the fact that the proceeding between the same parties have been launched before courts in Austria. In one of such cases, Austrian courts declared themselves to be competent and the Slovenian courts acknowledged this recently. The total disputed amount in Slovenia and Austria is approximately EUR 110.000.000.

SIGNIFICANT CHANGE IN FINANCIAL AND TRADING POSITION

Save as disclosed in this Prospectus, there has been no significant change in VERBUND Group's financial or trading position since 31 December 2020.

TAXATION WARNING

THE TAX LEGISLATION OF THE INVESTOR'S COUNTRY OF RESIDENCE AND OF THE ISSUER'S COUNTRY OF INCORPORATION MAY HAVE AN IMPACT ON THE INCOME RECEIVED FROM THE NOTES.

NO COMMENT IS MADE, OR ADVICE GIVEN BY THE ISSUER OR ANY BOOKRUNNER IN RESPECT OF TAXATION MATTERS RELATING TO THE NOTES AND EACH INVESTOR IS ADVISED TO CONSULT ITS OWN PROFESSIONAL ADVISER.

SUBSCRIPTION AND SALE OF THE NOTES

GENERAL

Pursuant to a subscription agreement dated 30 March 2021 among the Issuer and the Joint Bookrunners (the "**Subscription Agreement**"), the Issuer has agreed to sell to the Joint Bookrunners, and the Joint Bookrunners have agreed, subject to certain customary closing conditions, to purchase the Notes on 1 April 2021. The Issuer has furthermore agreed to pay certain fees to the Joint Bookrunners and to reimburse the Joint Bookrunners for certain expenses incurred in connection with the issue of the Notes.

The Subscription Agreement provides that the Joint Bookrunners under certain circumstances will be entitled to terminate the Subscription Agreement. In such event, no Notes will be delivered to investors. Furthermore, the Issuer has agreed to indemnify the Joint Bookrunners against certain liabilities in connection with the offer and sale of the Notes.

Each of the Joint Bookrunners and/or its affiliates might have or have provided from time to time, and expect to provide in the future, investment banking and other commercial services in the ordinary course of business to the Issuer and its affiliates, or the VERBUND Group for which each of the Joint Bookrunners or its affiliates have received or will receive customary fees and commissions. In addition, in the ordinary course of their business activities, the Joint Bookrunners and/or their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Joint Bookrunners and/or their respective affiliates that have a lending relationship with the Issuer or its affiliates routinely hedge their credit exposure to the Issuer or its affiliates consistent with their customary risk management policies. Typically, such Joint Bookrunners and/or their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the securities of the Issuer or its affiliates, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Joint Bookrunners and/or their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

There are no interests of natural and legal persons involved in the issue, including conflicting ones, which are material to the issue.

The Notes are freely transferable.

SELLING RESTRICTIONS

General

Each of the Joint Bookrunners has represented and agreed that it will (to the best of its knowledge and belief) comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers the Notes or possesses or distributes the Prospectus or any advertisement material relating to the Notes and that it will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Joint Bookrunners shall have any responsibility therefor.

Prohibition of Sales to EEA Retail Investors

Each of the Joint Bookrunners has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision the expression retail investor means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II (as amended); or
- (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Prohibition of sales to UK Retail Investors

Each of the Joint Bookrunners has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision:

The expression **retail investor** means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or
- (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each of the Joint Bookrunners has represented, warranted and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer, and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

United States of America and its territories

Each of the Joint Bookrunners has acknowledged that the Notes have not been and will not be registered under the Securities Act and may not be offered, or sold within the United States of America (the "**United States**") to or for the account or benefit of, United States persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each of the Joint Bookrunners has represented and agreed that neither it nor any persons acting on its behalf has offered, sold or delivered and will offer, sell or deliver any Notes within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each of the Joint Bookrunners has represented and agreed that neither it, nor its affiliates nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes. Terms used in this subparagraph have the meaning given to them by Regulation S.

The Notes will be issued in accordance with the provisions of United States Treasury Regulation § 1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**" or "**TEFRA D**") (or, any successor rules in substantially the same form as TEFRA D Rules, as applicable, for purposes of Section 4701(B) of the U.S. Internal Revenue Code or any successor provision governing an excise tax exception regarding TEFRA D).

Each of the Joint Bookrunners has represented and agreed that:

- (a) except to the extent permitted under TEFRA D, (i) it has not offered or sold, and agrees that during the restricted period it will not offer or sell, such Notes to a person who is within the United States or its possessions or to a United States person, and (ii) it has not delivered and agrees that it will not deliver within the United States or its possessions such Notes that are sold during the restricted period;

- (b) it has and throughout the restricted period they will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;
- (c) with respect to each affiliate that acquires such Notes from any Joint Bookrunner for the purposes of offering or selling such Notes during the restricted period, the Joint Bookrunner either (x) repeats and confirms the representations and agreements contained in subparagraphs (a) and (b) above on such affiliate's behalf or (y) agrees that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in subparagraphs (a) and (b) above.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA D Rules.

In addition, each of the Joint Bookrunners has represented and agreed that it has not entered and will not enter into any contractual arrangement with any distributor (as that term is defined for purposes of Regulation S and the D Rules) with respect to the distribution of the Notes, except with its affiliates or with the prior written consent of the Issuer.

Japan

Each of the Joint Bookrunners has represented and agreed that the Notes have not been and will not be registered under the Financial Instrument and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the "**Financial Instrument and Exchange Act**"). Each of the Joint Bookrunners has represented and agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except only pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instrument and Exchange Act and any applicable laws, regulations and guidelines of Japan.

Singapore

Each of the Joint Bookrunners has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Bookrunner has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Switzerland

Each of the Joint Bookrunners has acknowledged, represented and agreed that:

- (i) the Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act dated 15 June 2018 ("**FinSA**"), and no application has been or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland;
- (ii) neither this Prospectus nor any other offering or marketing material relating to the Notes (x) constitutes a prospectus as such term is understood pursuant to the FinSA or (y) has been or will be filed with or approved by a Swiss review body pursuant to article 52 of the FinSA; and
- (iii) neither this Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

GENERAL INFORMATION

1. **Authorisations:** The creation and issue of the Notes has been authorised by a resolution of the Managing Board (*Vorstand*) of the Issuer on 12 November 2020 and 24 November 2020 and by a resolution of the Supervisory Board (*Aufsichtsrat*) of the Issuer on 2 December 2020.
2. **Expenses of Admission to Trading:** The total expenses related to the admission to trading of the Notes are expected to amount to approximately EUR 35,000.
3. **Clearing Systems:** The Notes have been accepted for clearing and settlement through (i) Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and (ii) Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg (together, the "**Clearing Systems**").

The Notes have the following securities codes:

ISIN: XS2320746394

Common Code: 232074639

German Securities Code (WKN): A3KNZ9

No Eurosystem Eligibility: Due to the interest structure, as of the date of this Prospectus, the Notes will not be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem. The Notes are intended to be held in a manner which would allow Eurosystem eligibility.

4. **Listing and Admission to Trading:** Application has been made to the Luxembourg and Vienna Stock Exchange for the Notes (i) to be admitted to trading on the Luxembourg Stock Exchange's and the Vienna Stock Exchange's respective regulated market (which are both regulated markets for the purposes of MiFID II), (ii) to be listed on the Official List of the Luxembourg Stock Exchange and (iii) to be listed and traded on the segment corporate standard of the regulated market of the Vienna Stock Exchange, on or around the Issue Date.
5. **Notices to Holders:** For so long as the Notes are listed on the Luxembourg Stock Exchange, all notices to the Holders regarding the Notes shall be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). The Issuer will be entitled to deliver all notices concerning the Notes to the Clearing Systems for communication by the Clearing Systems to the Holders to the extent that the rules of the stock exchanges on which the Notes are listed so permit.
6. **Documents available for inspection:** Electronic versions of the following documents are available on the Issuer's website:
 - (a) the articles of association of the Issuer (accessed by using the hyperlink <https://www.verbund.com/-/media/verbund/ueber-verbund/investor-relations/verbund-satzung-20101124-de.ashx>, a convenience translation thereof can be accessed under <https://www.verbund.com/-/media/verbund/ueber-verbund/investor-relations/verbund-satzung-20101124-en.ashx>);
 - (b) the VERBUND Green Finance Framework (accessed by using the hyperlink <https://www.verbund.com/en-de/about-verbund/investor-relations/financing/bonds>); and
 - (c) the documents incorporated by reference into this Prospectus (accessed by using the hyperlinks set out in the section "*Documents Incorporated by Reference*" below).

This Prospectus and any supplement to this Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (<https://www.verbund.com/en-de/about-verbund/investor-relations/financing/bonds>).

In addition, copies of this Prospectus and any supplement are available from the Issuer free of charge to each investor on request. These documents can be requested from the Issuer through its website (www.verbund.com/en-at/about-verbund/investor-relations).

All such documents will be available on the indicated websites for a period of at least 10 years from the date of this Prospectus.

7. **Third Party Information:** With respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted the omission of which would render the reproduced information inaccurate or misleading and (ii) neither the Issuer nor any Joint Bookrunner has independently verified any such information and neither the Issuer nor any Joint Bookrunner accepts any responsibility for the accuracy thereof.

8. **Yield:**

For the Holders, the yield of the Notes is 0.986 % *per annum* based on the assumption that no Step-up Event occurs during the term of the Notes.

Such yield is calculated in accordance with the ICMA (International Capital Market Association) Method.

9. **Ratings:** The Notes are expected to be rated "A" by S&P⁶, and "A3" by Moody's⁷.

S&P and Moody's are established in the European Community and are registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**")⁸.

Investors in the Notes should be aware that a credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

10. **Legal Entity Identifier:** The LEI of the Issuer is 5299006UDSEJCTTEJS30.

⁶ S&P defines "A" as follows: An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitments on the obligation is still strong.

⁷ Moody's defines "A3" as follows: Obligations rated 'A' are considered upper-medium-grade and are subject to low credit risk.

⁸ The European Securities and Markets Authority publishes on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days following the adoption of a decision under Article 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the specified pages of the following source documents which have been previously been published or are published simultaneously with this Prospectus and which have been filed with the CSSF and are incorporated by reference into this Prospectus: (1) the Integrated Annual Report 2020 of VERBUND AG and (2) the Integrated Annual Report 2019 of VERBUND AG:

(1) Translations of the audited consolidated financial statements of VERBUND AG for the fiscal year ended on 31 December 2020 and translation of the Auditors' Report

Income statement	page 187
Statement of comprehensive income	page 188
Balance sheet	page 189
Cash flow statement	page 190 to 191
Statement of changes in equity	page 192 to 193
Notes	page 194 to 307
Independent Auditors' Report	page 308 to 313

VERBUND AG's Integrated Annual Report 2020 can be found on the following website:

<https://www.verbund.com/-/media/verbund/ueber-verbund/investor-relations/finanzpublikationen/en/2021/verbund-integrated-annual-report-2020-englisch.ashx>

(2) Translations of the audited consolidated financial statements of VERBUND AG for the fiscal year ended on 31 December 2019 and translation of the Auditors' Report

Income statement	page 169
Statement of comprehensive income	page 170
Balance sheet	page 171
Cash flow statement	pages 172 to 173
Statement of Changes in Equity	page 174 to 175
Notes	pages 176 to 283
Independent Auditors' Report	pages 284 to 290

VERBUND AG's Integrated Annual Report 2019 can be found on the following website:

<https://www.verbund.com/-/media/verbund/ueber-verbund/investor-relations/finanzpublikationen/en/2020/verbund-integrated-annual-report-2019-englisch.ashx>

All of these pages shall be incorporated by reference into, and to form part of, this Prospectus.

The non-incorporated parts of such documents, i.e. the pages not listed in the table above, are either not relevant for the investor or covered elsewhere in the Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the registered office of the Issuer and the website of the Luxembourg Stock Exchange (www.bourse.lu).

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