ENERGIE STEIERMARK

BUSINESS REPORT 2025

CONSOLIDATED MANAGEMENT REPORT

FOR THE FINANCIAL YEAR 2025

CONTENTS

1 General Economic Development 1
2 Energy Industry Environment 2
3 Economic Development of the Group 5
4 Non-financial performance indicators 7
5 Risk Management 18
6 Research, Development and Innovation 29
7 Projections and Future Outlook 32

1 GENERAL ECONOMIC DEVELOPMENT

In the 2025 financial year, global growth picked up slightly compared with earlier forecasts. However, there are marked differences between the economies. Whilst economic output in the US is expected to grow at a rate of 1.8 percent, the eurozone economy is likely to grow by only 1.4 percent. Germany, in particular, with growth of 0.1 percent this year, is falling short of expectations. China's economic output is expected to grow by 5.0 percent again. According to the forecast, global economic growth is therefore set to fall from 3.3 percent to 3.1 percent in 2025.

In Austria, private consumption picked up significantly again in 2025. However, a recovery in the manufacturing and construction sectors is being held back by a sluggish global economy and domestic structural problems. Protracted inflation and the need for fiscal consolidation are holding back growth in real disposable household income. According to the forecast, domestic economic output is expected to grow by just 0.5 percent over the course of the year, meaning that current and forecast growth remains subdued and, in any case, lower than in previous periods of economic recovery.

Inflation in Austria is expected to remain higher than anticipated at 3.6 percent and will also be 1.4 percent higher than in the eurozone. There are many reasons for this. The key factors here are the energy sector (due to the phasing out of fiscal stimulus measures), the resulting rise in food and service prices, and higher public charges. The unemployment rate is expected to rise to 7.4 percent, showing that the labour market is proving relatively resilient despite the prolonged economic downturn. Following a sharp decline in investment over the past two years, the economic climate is currently improving again, particularly for investment in equipment. However, uncertainties surrounding trade policy are hampering this development. Under these circumstances, the budget deficit for 2025, at 4.4 percent, also exceeds the established criteria.

2 ENERGY INDUSTRY ENVIRONMENT

Electricity

In the 2025 calendar year, the stabilisation in the relevant spot and futures markets continued.

On the spot market, there were largely no extreme price spikes in 2025. At the start of the year, colder temperatures combined with low availability of renewable energy led to three-figure prices, which peaked in February (average: Germany € 128.52/MWh, Austria € 140.81/MWh). As was the case last year, the mild spring temperatures and very high levels of solar power generation, combined with abundant wind and hydropower, put significant downward pressure on prices in the second quarter.
The disproportionately rapid expansion of renewable energy sources, particularly photovoltaics, has led to a significant drop in prices, particularly at midday when supply is high. In contrast, the evening hours saw relatively sharper price rises. A look at Germany's energy generation mix shows that the role of coal-fired power is continuing to decline, whilst the share of gas in net electricity generation is gradually increasing.

In 2025, the pricing of the German EEX benchmark contract Cal 26 DE Base was significantly affected by developments in primary energy sources – particularly gas and coal – as well as by CO_2 prices. The ongoing geopolitical conflicts and wars led to concerns about supply-side bottlenecks and were reflected, particularly in the first quarter, in the form of higher risk premiums. At the same time, the prolonged economic upturn, particularly with regard to the export-oriented industries in Germany and Austria, gradually dampened expectations regarding demand.
In the second half of the year, policymakers responded to the economic challenges with further relief measures, such as the industrial electricity price scheme in Germany (to boost competitiveness) and the Electricity Industry Act in Austria (grid stability, expansion of renewable energy, storage, and relief).

The annual average spot price in the German-Luxembourg market in 2025 was € 87.64/MWh. In contrast to the previous year, the Austrian spot price rose significantly, reaching an annual average of € 98.94/MWh. This is also reflected in the widening spreads between the front-year contracts; the AT-DE spread (base) for Cal 26 ended the trading year at € 6.90/MWh.

The front-year reference contract Cal 26 DE Base traded for the most part within a narrow sideways range between € 80/MWh and € 90/MWh.

Gas, coal, crude oil and CO_2

The first winter in three years that was not consistently warmer than average caused EU gas storage levels to fall below 50 percent well before the end of the winter. Combined with the EU's fixed storage targets and the launch of the new storage concept by the German Trading Hub Europe (THE), which provided for subsidies for gas storage linked to the summer-winter spread and subject to a cap, this caused prices for the Next Month Future on the THE to rise to € 58.75/MWh by 10 February, and thus above the long-term technical chart target of € 56.10/MWh.

The move to make the EU's fixed storage targets more flexible was introduced very late in the day, but was nevertheless brought into play in early February against the backdrop of an overbought market, and in May the mandatory storage target for 1 November was reduced from 90 percent to 83 percent of the required fill level, accompanied by further reduction measures and made possible on a country-by-country basis. Profit-taking following the achievement of the long-term target was exacerbated by significantly warmer forecasts for the remainder of the winter, in addition to the US-Ukraine deal talks and the aforementioned more flexible approach to the EU's fixed storage targets.

Based on the closing price on 30 December 2025, the THE Next Month fell by € 29.50/MWh, or 50.2 percent, compared with its February high. Positive developments in the Ukraine peace talks, and the resulting resurgence of speculation about future Russian energy flows, caused the geopolitical risk premium factored into prices to fall once again – even the definitive ban on imports of Russian natural gas (including Liquefied Natural Gas [LNG]) from 2026, with a few exceptions, was unable to halt the downward pressure.

There continued to be little competition with Asia for LNG supplies, against a backdrop of weak demand in Europe. In the absence of a cold snap, the winter risk premium narrowed and European front-month contracts fell below €

30/MWh.
The market is thus pricing in a relaxed situation and, in doing so, is ignoring some of the risks associated with extreme scenarios.
It implicitly assumes that the facility will operate without disruption and that additional LNG supplies will be available to ensure that the storage facility is filled and that consumption can be managed flexibly.

On the demand side for gas and coal, Europe remains below its pre-pandemic levels. Asia, the Middle East, and the emerging markets remain the key drivers of demand that are counterbalancing the surge in LNG supply. It should be noted, however, that last year the resurgence in LNG demand in Asia was a key driver of LNG demand. This year, Asian demand for LNG – not just in China – is however noticeably weaker. Consequently, Asian LNG demand – the key factor in determining whether the global increase in LNG supply, amounting to more than 200 million tonnes or 50 percent by 2030, can be absorbed – is expected to be less robust, a situation reflected in a corresponding backwardation in gas futures.

Trump's fulfilment of almost all his election pledges brought about the pivotal shift of the decade announced last year in the areas of energy, the environment, geopolitics and, consequently, security policy (tariffs, sanctions, more extreme positions and appointments, etc.), including the volatility that had been feared. The fact is that Trump's "Big Beautiful Bill", alongside rising government debt almost everywhere in the world, will also bring more inflation into the market, and investors will have to try to protect themselves against it.

At the end of the first quarter of 2025, the oil markets had still been accustomed to seeing spare capacity of 5 to 6 million barrels per day; six months later, largely as a result of OPEC+ production increases, this buffer had already fallen to around 3.5 million barrels per day. This brings the spread, which had been on the sidelines, back into line with what key players in the Brent futures market are accustomed to, and is seen as a normalisation of the Covid and post-Covid effects. OPEC+ will remain the manager of crude oil supply in 2026, whilst geopolitics (Russia, the US, Ukraine, Venezuela, Iran, etc.) and the continued erratic duality of US policy (decisions) represent the unknowns amidst rising supply; however, these are not sufficient to offset the bearish supply-demand assessment, leading to a second attempt this year to shift the crude oil futures curve from backwardation to contango.

This brings the year to a close for gas (THE Cal 26, approx. -28 percent year-on-year change in market price) with a growing supply surplus and, consequently, record-high short positions in some cases, as well as falls below key technical support levels, whilst the emissions market (expired 25 Dec with 15 Dec 2025 +18.1 percent) finds itself, despite globally less ambitious climate protection targets than previously set at the preceding COP summits, in a situation of regulatory-driven supply reduction with correspondingly high long positions and repeated attempts to overcome key technical resistance levels.

Heat

In Austria, district heating is one of the most dynamic and, at the same time, strategically significant sectors of the heating supply industry. It is a key driver of efforts to decarbonise urban energy systems and is gaining ground year on year. The number of households and businesses connected to such systems is rising steadily, particularly in metropolitan areas, which underscores its role as a key technology in the urban heating market. At the same time, operators face the challenging task of systematically shifting their fuel mix towards renewable energy sources and industrial waste heat, whilst meeting the growing demands of new legal and strategic requirements at the European, national and regional level.
These guidelines – ranging from the updated National Energy and Climate Plan and the EU's Energy Efficiency and Renewable Energy Directives, to the Renewable Heat Act and regional strategies such as the Styrian Climate and Energy Strategy (KESS 2030+) – essentially pursue a common goal: to significantly increase the share of renewable heat sources, expand the use of industrial waste heat and highly efficient technologies such as combined heat and power, gradually replace fossil fuels, and improve the energy efficiency of the networks. They are also relying on innovative approaches such as low-temperature networks and seasonal heat storage systems to make district heating climate-neutral and sustainable in the long term.

The "District Heating" sector investigation launched by the Austrian Federal Competition Authority in August 2024 is also of considerable economic and political significance. The aim is to conduct a comprehensive analysis of the competitive environment in the district heating sector and to identify any market distortions, monopolistic structures and barriers to competition. A key issue is price transparency, as district heating in many regions is dominated by a

small number of suppliers whose pricing is often difficult for customers to understand. As part of the investigation, all major district heating operators were consulted and were required to provide extensive data. The findings could have far-reaching consequences. It is entirely possible that, with these actions, the authority sparks a political debate that will lead to market structures being reformed and ultimately to fundamental changes to the supply of district heating in Austria.

Grids

The energy industry environment and the resulting effects relevant to the energy grids continued to be characterised by the integration of photovoltaic systems in the reporting year. The installed feed-in capacity in Energienetze Steiermark GmbH's catchment area surpassed 1,000 MW for the first time.

The legal focus within the energy sector was on helping to shape the successor legislation to the Electricity Industry and Organisation Act (ElWOG). The Electricity Industry Act (ElWG), which came into force on 24 December 2025, established a forward-looking regulatory framework that takes account of the demands of the energy transition, increasing decentralisation and changes in grid usage.
Particular attention is paid to special structures such as direct lines, energy communities and closed distribution networks, as these can result in a shift in system costs and thereby undermine the solidarity-based system of network charges. The goal remains to ensure a regulatory framework that takes equal account of rising system costs, higher investment requirements and, in the long term, fair and cost-reflective network charges.

The smart meter roll-out reached the 95 percent target by the end of 2024, in line with the requirements of the Smart Metering Roll-out Regulation (IME-VO), and continued as planned during the reporting year. The rollout is a key part of the ongoing digitalisation of network operations; at the same time, legal and regulatory requirements regarding data quality and availability are increasing, which is further driving the expansion of digital infrastructure and data processing procedures.

During the reporting year, the focus of developments in energy law also shifted to the national implementation of the EU hydrogen and gas decarbonisation package. The legislative package, which has been in force since mid-2024, establishes the EU legal framework for the gradual transformation of the gas sector into an integrated and decarbonised internal energy market. In preparation for the necessary amendment to the Gas Industry Act (GWG) and related legislation, the respective federal ministry coordinated a number of specialist workshops and consultations with E-Control, network operators, market area coordinators and storage companies, during which key issues such as financing, unbundling, network access, tariff setting and the future separation of gas and hydrogen market areas were discussed. The implementation of the EU hydrogen and gas decarbonisation package represents a key step towards creating a sustainable, secure and future-proof gas market in Austria.

With the 2025 amendment to the Ordinance on Use of System Charges (SNE-VO) and the 2025 amendment to the Ordinance on Use of Gas System Charges (GSNE-VO), the system usage fees and the compensation payments for the electricity and gas network of the Energienetze Steiermark GmbH were newly set for 2025. The cost base, the targets and the volume structure for the 2025 tariff were initially set in October 2024 by a decision of the Board of Energie-Control Austria (ECA) in accordance with the ElWOG 2010 and the GWG 2011. The system usage fees and the compensation payments are then subsequently determined by E-Control's regulatory commission. The recognised cost basis and the quantity structure of all grid operators (in the electricity grid segment with an annual sales volume of more than 50 GWh) are taken into account to set the grid usage and grid loss charges for the Styrian grid.

3 ECONOMIC DEVELOPMENT OF THE GROUP

Selected P&L, balance sheet and cash flow positions develop as follows in the 2025 financial year:

in € millions	Full year		Deviation	
	2025	**2024**	**absolute**	**%**
Sales revenues	2,141.2	2,191.9	-50.7	-2%
Cost of materials	-1,536.0	-1,613.8	77.7	5%
Operating result (EBIT)	122.9	113.6	9.3	8%
Result before income taxes	194.4	209.7	-15.3	-7%
Result after income taxes	178.9	192.5	-13.5	-7%
Equity	2,004.5	1,901.2	103.3	5%
Balance sheet total	4,678.2	4,461.6	216.5	5%
Net cash flow from ongoing operating activities	215.2	310.9	-95.7	-31%
Net cash flow resulting from investment activities	-220.9	-128.4	-92.5	-72%
Net cash flow resulting from financing activities	155.2	-114.1	269.3	236%
Investments in property, plant and equipment	352.8	281.5	71.3	25%

In the 2025 financial year, the operating result (EBIT) was € 122.9 million, which is an increase of € 9.3 million in comparison with the previous year.

Sales revenue includes both revenue from the energy business and revenue from the grid segment. In particular, the cost of materials tended to fall more sharply compared to the previous year, resulting in an increase in the gross profit margin of € 27.0 million.

In addition to sales revenues, changes in inventories, own work capitalised and other operating income also contributed to operating performance. Own work capitalised including changes in inventory amounted to € 50.4 million in 2025 and was € 6.9 million above the level of the previous year. Other operating income amounted to € 19.1 million.

Personnel expenses in 2025 were up € 11.6 million over the previous year, mainly due to rises in the collectively agreed salaries and the higher number of employees.

Higher investments, especially in the grid segment and generation facilities, lead to an increase of € 0.6 million depreciation.

At € 157.6 million, other operating expenses were € 10.2 million higher than the previous year's figure, mainly due to higher expenses for maintenance and servicing.

In 2025, income from shares held in associated companies mainly comprised the result of Energie Graz GmbH. Other income from shareholdings primarily includes the dividend from VERBUND Hydro Power GmbH.

Overall, after taking into account the higher financial result, as a result of higher interest rates on financial liabilities, and taxes, the consolidated net profit for 2025 amounted to € 178.9 million. Majority shareholders account for a result of € 177.4 million (previous year: € 191.1 million).

In 2025, investments in property, plant and equipment totalling € 352.8 million were made. Investments in the energy grids and in renewable energy generation here are essential.

The following key figures were calculated for the 2025 financial year:

	Full year	
	2025	**2024**
EBITDA (EBIT + depreciation and amortisation) in € million	266.4	256.5
EBIT margin (EBIT/sales revenues)	5.7%	5.2%
Return on equity (taxed results/ø equity))	9.2%	10.9%
Capitalisation ratio (property, plant and equipment/balance sheet total)	46.3%	43.7%
Equity ratio (equity/total capital)	42.8%	42.6%

4 NON-FINANCIAL PERFORMANCE INDICATORS

Energy report

in GWh	Full year		Deviation	
	2025	**2024**	**absolute**	**%**
Sales				
Electrical energy				
Electricity sales on the customer market	**8,471**	7,957	514	6%
Portfolio and compensation energy sales	**247**	218	28	13%
Trading	**3,720**	1,665	2,055	123%
Total sales	**12,438**	9,841	2,597	26%
Gas energy				
Gas sales on the customer market	**4,296**	4,015	282	7%
Portfolio and compensation energy sales	**3,794**	2,691	1,103	41%
Trading	**0**	11	-11	-100%
Total sales	**8,090**	6,717	1,374	20%
Grids				
Electricity grid	**7,573**	7,622	-49	-1%
Gas network	**13,196**	11,905	1,291	11%
Heat				
Domestic heat sales	**1,387**	1,305	83	6%
Foreign heat sales	**553**	516	37	7%
Total sales	**1,940**	1,820	119	7%
Generation				
Electricity generation (including abroad)	**364**	380	-16	-4%

Electricity sales on the customer market increased compared to the previous year, with the additional demand being primarily due to the investments in France and higher sales in the industrial customers segment.

Sales in the gas energy segment in the customer market have grown compared to the previous year, driven in particular by higher demand in the final quarter due to weather conditions, as well as by increased sales to secondary distributors in Germany.

Both portfolio and trading volumes are driven by market price volatility and can vary widely each year.

Sales in the electricity grid are at the previous year's level. The higher sales in the gas grid are mainly due to the higher volume in grid level 2.

The higher level of heat sales results from different weather conditions compared to 2024.

The lower electricity generation over the year as a whole affects all sectors, particularly hydropower, due to low water levels.

Sales

We continue to face a competitive and volatile market environment. The sharp increase in the expansion of renewable energy generation plants is leading to strong intraday volatility and changes in our customers' load profiles due to in-house generation. We are countering this with improvements in load forecasting and new tariff models. In future, however, it will be necessary to adapt the market rules in the energy industry to take account of these changes. The end of the "electricity price brake" and the passing on of fees and charges as well as rising grid fees have led to higher overall electricity costs for end customers.

The new business models (mobility, smart tariffs, decarbonisation of the heating sector) need a lot of management attention to get off the ground, and stakeholder expectations and public pressure to be innovative and customer-friendly remain high. The development to ensure an improved, seamless and holistic shopping and service experience for our customers was also further promoted this year with additional digitalisation and automation initiatives.

The business performance was largely determined by the volatile wholesale prices for electricity, gas and certificates, green power surcharges and energy efficiency measures, as well as by weather conditions. The price of electricity and gas is influenced here by demand, decentralised generation and the development of global fuel/CO_2 markets.

Another important component of a satisfactory business model is optimised customer management – key words data analysis and customer experience – the ability to retain customers and lose as few as possible to ensure a solid business base. The ability of our organisation to have the skills required to meet the challenges of the future, as well as the attractiveness of our company to attract a suitable mix of young talents and experienced professionals will also be a key competitive advantage.

Federal Law Gazette I No. 91/2025, published on 23 December 2025, enacted a federal law regulating the electricity sector (Electricity Industry Act, ElWG). Sections 36 to 40 of the ElWG ("social tariff") contained therein have been taken into account in the financial statements accordingly. Suppliers whose business activities include supplying domestic customers are legally obliged to supply electricity to "eligible households" at a subsidised price (section 36(1)). These obligations, which apply throughout the entire period pursuant to sections 36 to 40, remain in force until 31 March 2036 in accordance with section 188(2). The consequences arising from this obligation must be assessed in terms of their basis, extent and nature. The company-specific calculations were therefore taken into account in the consolidated financial statements in the form of a provision.

In view of current market dynamics, Energie Steiermark has publicly announced a price adjustment effective 1 June 2026, including an energy bonus, to take effect on 6 February 2026 for all fixed-rate metering points, and has also factored this into its forward-looking financial projections.

Grids

Energienetze Steiermark GmbH is an independent electricity distribution network operator and gas network operator within the meaning of section 6(1) no. 168 of the Electricity Industry Act (ElWG) and section 106(1) of the Gas Industry Act 2011, as amended (GWG). Energienetze Steiermark GmbH operates its own electricity and gas transmission grids to distribute electricity and natural gas. The electricity grid covers a length of around 32,100 km in the high, medium and low voltage areas, while the natural gas grid covers around 4,200 km in the high and low pressure areas.

The revision of the electricity grid fees for consumers (grid usage and grid losses) resulted in an average change of +21 percent in the electricity grid fees for Energienetze Steiermark GmbH for 2025, with the grid usage fees increasing by an average of +28 percent and the grid loss fees decreasing by an average of -44 percent compared to 2024. For decentralised suppliers, the grid usage fee for 2025 is reduced by an average of -35 percent (differentiation of the grid loss fee between consumers and decentralised suppliers).

The revision of gas system usage fees for Energienetze Steiermark GmbH with effect from 1 January 2025 shows an average increase of 18.8 percent. This resulted in an average increase in charges of +17.3 percent at network level 2 and an average increase of +19.7 percent at network level 3.

In the electricity grid segment, grid sales volumes supplied from the electricity transmission grid amounted to 7,604 GWh in 2025, which is -48 GWh lower than the value of the previous year. This corresponds to a decrease of approximately -0.6 percent. The maximum grid load for 2025 was registered at 1,550 MW on 14 January 2025 and was thus +4.8 percent above the peak of 2024.

In the gas segment, the distributed natural gas volume for downstream grid operators and end customers amounted to 14,138.0 GWh in the year under review. This was an increase of approximately around 1,315 GWh or approx. +10 percent over the previous year.

The general situation for operations and disruptions in the supply area of Energienetze Steiermark was influenced by one extreme weather event ("regionally unusual event") in the 2025 year under review: The low-pressure system "Bastian" caused gusts of wind, flooding, fallen trees and hail damage, particularly in the Graz Basin and Eastern Styria. However, this incident did not result in any immediate power cuts in the 110 kV network. Apart from that, the overall number of incidents in the supply area of Energienetze Steiermark GmbH during the reporting year was limited due to the low number of weather-related incidents and was below the level seen in recent years.

Heating (excluding abroad)

Overall, 2025 was slightly cooler than the average for the past five years. This shorter reference period provides a much more accurate picture of current climatic conditions – and thus of actual heating requirements – than long-term averages. Given the significant climatic changes of recent years, longer time series would not adequately reflect current trends.

District heating supply stood at 1,412 GWh in 2025 (2024: 1,335 GWh). The share of heat from highly efficient CHP, industrial waste heat and renewable sources stood at 60.6 percent – a significant increase from 50.7 percent in the previous year. Outside the Greater Graz area (the city of Graz and the surrounding southern region), the figure even reached 81.3 percent, up from 79.1 percent in 2024.

In the coming years, Energie Steiermark Wärme GmbH's networks are expected to see continued moderate growth in district heating sales, driven by network expansion and new connections. The "Boiler Replacement 2026" scheme approved by the federal government as the successor to the "Ditch Oil and Gas" scheme, the continued positive image of district heating, and the return to more favourable prices will further support this trend.

Generation

Energie Steiermark Green Power GmbH, the sustainable energy generation subsidiary of Energie Steiermark AG, is the Group's internal centre of excellence for the topic of "construction". The company plans, builds and operates its own hydropower plants, wind farms and photovoltaic systems. In addition, the full scope of construction projects in building and line construction in the medium and low-voltage level as well as in the low-pressure gas grid in the entire supply area of Energienetze Steiermark GmbH is carried out, as well as the construction of grid connections, house connection lines and transformer stations for customers. In addition, an increasing number of installation services are being carried out at the medium- and low-voltage levels, primarily for consolidated companies. Technical services are also provided for third-party electrical systems.

Abroad

Energie Steiermark AG has shareholdings in Slovakia (STEFE SK Group), the Czech Republic (Jihlavske Kotelny s.r.o.), Slovenia (Adriaplin d.o.o.), Germany (E1 Energiemanagement GmbH) and France (la bellenergie SAS and LBE Business SaS), with the foreign countries being managed as a separate business field for the purpose of dedicated market development.
Positive growth is forecast for the 2025 financial year in all foreign markets relevant to Energie Steiermark AG. Growth of 0.8 percent in Slovakia, 2.4 percent in the Czech Republic, 1.0 percent in Slovenia, 0.2 percent in Germany and 0.7 percent in France.

Sustainability

In the 2025 financial year, the area of sustainability was characterised by a wide range of regulatory changes, coupled with rising ESG expectations, particularly from financial market representatives and customers. The proposed simplifications at European level, as part of the so-called "Omnibus Package", and the agreed postponement of the application requirements ("stop-the-clock"), mean that Energie Steiermark will now only be required to report in accordance with the CSRD (Corporate Sustainability Reporting Directive) and the EU Taxonomy Regulation from the 2027 financial year onwards. These changes resulted in adjustments to the timing and content of internal projects, in order to ensure efficient and appropriate preparation for future changes to reporting requirements.

For Austrian energy suppliers, sustainability – particularly the gradual decarbonisation and greening of their operations – is now a matter of course. Energie Steiermark's key strategic goal is therefore to achieve climate neutrality by 2040 at the latest (earlier in some areas).
Sustainability measures are also emerging as a powerful competitive differentiator, with a clear focus on delivering operational (business) benefits. Accordingly, in the second half of 2025, building on Energie Steiermark's existing sustainability strategy, a Group-wide process was launched to develop a growth-, customer- and competition-focused ESG strategy. The starting point for this is the set of issues identified in the dual materiality analysis, which was updated in the 2025 financial year with the involvement of all relevant stakeholders. In line with the overarching Group strategy, the ESG strategy sets out the level of ambition across key ESG areas, thereby laying the groundwork for leveraging sustainability as a value-creating differentiator. The finalisation of the focused and comprehensively refined ESG strategy is scheduled for the first half of 2026.

A key element of the company's sustainable strategy in 2025 was the transformation of the generation- and infrastructure sectors. The expansion of renewable energy continues to follow clearly defined targets: By 2030, around 600 MW of additional renewable generation capacity – from wind, solar and hydropower – is set to be brought online. This phase of expansion work, which began in 2024, continued as planned in 2025. Major projects such as the Freiländeralm II wind farm and the Soboth wind farm are currently being implemented or are in the ramp-up phase. Project volumes have also continued to grow in the photovoltaic sector; several installations are already in the process of being submitted for planning permission or electricity supply approval. This ongoing expansion is also reflected in the integration of the network.

The transformation of the heating supply remains another key priority. With green district heating already accounting for a high proportion of the supply in the Styrian regions (around 80 percent), the Group is working to ensure that supply of heating in these regions is entirely renewable by 2035. At the same time, measures are being implemented to secure the supply of resources (e.g. supply of biomass), improve efficiency and further expand local heating networks.

As regards hydrogen, the Group-wide strategy for an integrated H_2-value chain has been further defined. The hydrogen company set up in 2025 is being used to press ahead with the systematic addition of up of to 60 MW of electrolysis capacity by 2030 and up to 200 km of H_2-capable grids by 2035.- These activities are seen in the context of the long-term goal of creating a climate-neutral energy infrastructure and form a key element of the transformation portfolio.

The significant rise in investment activity in the wake of the energy transition is having a major impact on the Group and the environment in which it operates. Analysis of the economic footprint shows that these investments provide a significant boost to value creation and employment: Every euro generated directly generates an additional 90 cents in indirect and induced value added; furthermore, statistically, every direct job created in projects generates three further jobs along the value chain.

In the area of sustainable mobility, the Group took further steps in 2025 to decarbonise its vehicle fleet: The proportion of electric vehicles is rising steadily, the site-wide charging infrastructure is being expanded, and, in line with EU requirements, the entire fleet of passenger cars and light commercial vehicles is set to be emission-free by 2035. At the same time, the public charging network – which currently comprises around 1,000 charging points – is being further expanded.

The social dimension of sustainability has been strengthened through targeted initiatives. Consequently, the Energy Assistance Fund was increased to € 200,000 in collaboration with Caritas, in order to provide swift and effective support to people in financial distress. In addition, the Group-wide apprenticeship project "Sustainability Changemaker Energie Steiermark" was awarded the Lions Sustainability Prize 2025. It embeds environmental expertise and sustainable practices within training, thereby fostering long-term cultural change within the organisation. Another important aspect is the involvement of stakeholders, which is also reflected in the work of the Sustainability Advisory Board. The Sustainability Advisory Board is a group of experts comprising prominent stakeholders with whom we engage in regular dialogue on key sustainability issues.

In order to meet growing customer demand for ESG-specific ratings, particularly in the supply chain sector, Energie Steiermark carried out its first EcoVadis rating at the start of the 2025 financial year. In its first attempt at the rating process, Energie Steiermark was awarded the "committed" label. Based on the findings, recommendations were drawn up, which have since been evaluated with the relevant business units and are being consistently implemented. Another rating review is scheduled for 2026.

To optimise internal ESG governance, the ESG organisation was further developed through the establishment of a group-wide, interdisciplinary ESG core teams, and a new, interactive ESG e-learning programme was implemented. The e-learning course entitled "Knowledge Makes a Difference – Understanding ESG". Bringing sustainability to life. Shaping the future" covers the fundamentals, addresses strategic issues and their operational implementation, and must be taken by all employees at regular intervals. The modular e-learning programme was awarded the 2026 eLearning award in the "Sustainability" category by an independent panel of experts in the German-speaking world.

The measures and strategic developments outlined above form the basis for a consistent, regulatory-compliant and forward-looking sustainability management framework. By combining strategic development, organisational integration, systematic preparation for reporting requirements and targeted skills development, we are laying the groundwork to meet future requirements efficiently, accurately and to a high standard.
Energie Steiermark plans to make use of the exemption at individual company level and to report on its environmental, social and governance-related sustainability performance at consolidated level in the Group Management Report 2027. In the coming years, the focus will therefore be on the full integration of CSRD/ESRS and EU taxonomy requirements, the further expansion of the renewable generation portfolio, the decarbonisation of heating, and the development of a high-capacity grid infrastructure.

Renewable Energy

Energie Steiermark Green Power GmbH is consequently oriented on the new needs of the market and positions itself as a modern service company. In generation, Energie Steiermark Green Power GmbH continues to focus on renewable energy from water, wind and sun. In addition, efforts to implement energy storage projects were stepped up in the financial year and work on the first pilot projects to develop business models intensified.

Hydropower

Energie Steiermark Green Power GmbH's own generation in the hydropower segment currently results from the co-ownership shares in the Gössendorf, Kalsdorf and Gratkorn power plants as well as from the electricity procurement rights to the Mur power plant in Graz and several small hydropower plants. In October 2025, Energie Steiermark Green Power GmbH was granted first-instance approval under the Environmental Impact Assessment Act for the Leoben-Ost hydropower plant on the Mur River. In addition, Energie Steiermark Green Power GmbH is working with partners on further hydropower projects on the Mur and Enns rivers, with a total annual generation capacity of around 250 GWh.

Wind Power

With the Handalm, Freiländeralm 1-4 and Plankogel wind farms, Energie Steiermark Green Power GmbH currently also has significant generation capacities in the wind power segment.

Construction of the wind turbines at the Freiländeralm 2 wind farm began in the 2025 financial year. The first set of wind turbines will be commissioned in the second half of 2025, followed by the second set in 2026. Implementing the project will increase the wind power capacities of Energie Steiermark Green Power by more than 100 MW.

Main construction work on the Soboth-Eibiswald wind farm began in 2025. The wind turbines will also be installed here in two phases in 2026 and 2027, increasing wind generation capacity by a further 100 MW or so once fully operational.

In the fourth quarter, planning permission was granted for the Stubalm wind farm. Initial steps to keep to the schedule had already been taken in the run-up to this. The wind farm, with a capacity of around 60 MW, is scheduled to become fully operational in the 2028 financial year.

In addition, further areas for increasing wind power potential are continuously being evaluated and secured.

Photovoltaics

Energie Steiermark Green Power GmbH currently has an installed photovoltaic capacity of around 40 MWpeak, taking into account the proportionate share of plants built by associated companies. Decisions to proceed with the construction of plants with a capacity of around 70 MWpeak (share of Energie Steiermark Green Power GmbH) were made in the financial year. Due to fierce competition at the last EAG market premium auction in 2025, the bid was unsuccessful, meaning that the projects will be revised and resubmitted in Q1 2026. Project volumes in the photovoltaic sector are expected to remain at a similar level in 2026.

The strategic specifications in the area of photovoltaics remain valid. Current project developments and implementation are on the required path towards 300 MWpeak in 2030. In the short and medium term, the focus is on areas designated in the photovoltaics program and on areas with existing dedications. Areas with the potential to obtain individual site approval are also being developed.

Branches

Energie Steiermark AG does not have any registered branches.

Human Resources

Human Resources Management

The ever-advancing digital transformation, demographic change, climate change and social and global developments are leading to deep changes and dynamic processes within the energy sector. These factors have a lasting impact on the working environment and our company's HR policy.
Against such a backdrop of significant upheaval, a human resources strategy is needed that is both adaptable and forward-looking. Our main focus is on supporting Styria's leading green business and securing its position as an attractive and reliable employer in the region for the long term.

The implementation, further development and reorientation of strategic business processes require all organisational units to have the courage to make room for new perspectives and ways of thinking, to think outside the box and to embrace new and innovative approaches. In the energy policy triangle of sustainability, competitiveness and security of supply, priorities in personnel management must be continuously adapted or redefined.

The employees of Energie Steiermark are the central factor in the success of the company and form the basis of sustainable corporate success. Aware of their great strategic importance, we act toward them as a responsible, fair and stable employer. Promoting diversity and equal opportunities, pushing training and development, and offering a diverse and commensurably paid range of tasks in a modern working environment stand for our claim as one of the most attractive, largest and most crisis-proof employers in the country.

Our employees demonstrate considerable flexibility, understanding and loyalty. Respect, appreciation and fairness are the pillars of a good working atmosphere and cooperation in order to shape the new challenges of the country's energy future in exciting fields of activity and innovative projects, even in difficult times.

The professional cooperation of managers at all levels is the indispensable prerequisite for achieving the ambitious strategic goals. All employees are called upon to play an active role, to help shape change and to tread new paths together with the company. This approach enables the Group to grow steadily and healthily in the long term despite ongoing changes and new challenges.

As an employer, we also motivate our employees by offering a range of voluntary benefits in addition to performance-based, attractive remuneration. Fundamental principles, such as equal treatment and equal opportunities, work-life balance, flexible working time models, high standards of health care, occupational health and safety, diversity and inclusion management, are also actively practised.

Employee satisfaction is a core aspect of the company's strategy. A comprehensive employee survey throughout the entire Group is carried out at regular intervals with the aim of visualising the level of satisfaction with the status quo among employees. It also offers them room to make suggestions or indicate any changes they would like to see.

The experiences of the recent global health crisis, which has led to a fundamental transformation of the world of work, have provided valuable insights in many respects for tackling future challenges. With the aim of not just reacting, but acting with foresight, and subsequently creating new working models and new organisational structures adapted to the situation, the crisis became an opportunity to create new framework conditions within the company, optimise work processes and create greater employee satisfaction and a competitive advantage over the competition in the long term.

Personal responsibility and innovative, team-oriented working methods combined with working from home have proven their worth in the face of special challenges and demonstrated the resilience of the overall system. In addition to the digitalisation of working practices, new requirements have emerged, particularly in terms of networking, communication, self-organisation and employee resilience.

Individual Framework Conditions

Another key area of concern for Energie Steiermark is ensuring a good balance between work and family life. Energie Steiermark provides its employees with numerous instruments and opportunities to keep professional and private interests in balance. This allows for the individual needs of each employee to be taken into account, bringing tangible benefits to both sides.

Individual and highly flexible flexitime and part-time models, offered alongside statutory regulations in line with requirements, make it easier for young parents in particular to resume their careers soon. This maintains a close connection to the company and allows them to actively experience and shape the ongoing digital and organisational changes in the individual areas.

A full-day childcare service in the form of a crèche or kindergarten completes the offer for employees. The option of using decentralised workplaces close to home also continues to be utilised – in addition to working from home.

A competitive working environment also includes attractive remuneration and benefits in kind. The remuneration of our employees is job-related and is based on the job, experience and qualifications, regardless of gender and origin. Ideas management, which has been established in the company for years, also promotes the creativity and ideas potential of employees with lucrative bonuses and supports participation in suggestions for improvement, innovative input and efficiency improvement measures in all areas of the company.
The company pension scheme in the form of a pension fund is another important component of overall employee remuneration and also contributes to the loyalty to the company.

High transparency of internal information

Management attaches great importance to continuous transparency with regard to all current issues and changes within the company. Regular information and corresponding video messages are provided to ensure that all employees are informed promptly and comprehensively both digitally and using appropriate video messages.

Dynamic labour market
Employer brand management and recruitment

The labour market was characterised by significant shifts in 2025. Whilst economic growth from the middle of the year onwards led to a noticeable increase in the number of applications, the supply of qualified specialists remained a challenge – particularly in technical, IT-related and specialist roles. At the same time, competitive pressure in the market continued to mount. Companies were increasingly competing for talent that not only possesses skills relevant to the future but can also help to secure the energy transition in the long term. This momentum was further reinforced by technological changes: Automation and artificial intelligence are having a growing impact on how work is organised and what skills are required.

In an increasingly uncertain job market, candidates' desire for stability and security continued to grow. Against this backdrop, Energie Steiermark continues to be seen as a reliable employer, which is reflected in the number of applications received. At the same time, there was a marked increase in the level of awareness among candidates in 2025: Feedback became more frequent, more direct and more critical – both in person and on review sites and social media. This required a high standard of communication, transparency and reliability at every touchpoint along the candidate journey.
In light of these developments, employer brand management has become increasingly important from a strategic perspective. The rebranding of the employer brand, launched on 1 April 2025, featured a comprehensive overhaul of the visual identity, authentic stories offering insights into the workplace, and new brand ambassadors. The aim was to strengthen the brand's authenticity and its distinctiveness in the market. The roll-out of the new branding at career and trade fairs is intended to generate greater visibility and improve brand recognition, particularly among target groups where competition is fierce. In addition, the latest market research findings formed a key basis for target group-oriented communication. They provided valuable insights into expectations and decision-making processes in the labour market and helped to further develop job advertisement standards and recruitment communications.

Recruitment processes proved even more challenging in 2025 than in previous years. On the one hand, the high volume of applications led to an increased administrative burden; on the other hand, targeting specialist and key personnel remained of paramount importance. Decision-making processes took longer – candidates required more detailed information, and the need for negotiation continued to grow. Personal communication has therefore become an even more important factor for success, instilling confidence, building trust and playing a key role in supporting decision-making.

In 2025, word-of-mouth and referral marketing had become a key pillar of target group engagement. Collaboration with educational and research institutions, as well as recruitment platforms, has been stepped up, leading to an expansion of our network of contacts. In total, over 13,000 potential applicants were reached through career events. The employer brand was also made more approachable and personal by involving the various departments in trade fair and cooperation activities.
Another key factor for quality in 2025 was the comprehensive digitalisation of the recruitment process, from vacancy announcement to application and hiring. The option of submitting am AI-supported quick application using the "Quick Apply" feature facilitates the initial contact, whilst the rest of the process focuses on tailoring communication to each individual and taking applicants' needs into account. This clearly demonstrates that modern recruitment technologies and face-to-face interaction are not mutually exclusive, but instead work together to shape the candidate experience.

Another key focus was on handling the high volume of applications in a professional and respectful manner. Rejection management, which has seen more than 14,000 responses since 2020, has maintained a high standard of quality despite its scale and had no negative impact on the perception of the employer brand. This underscores the fact that respectful communication – regardless of the outcome of a recruitment process – is a key component of an employer brand strategy.
The continued success of the employer brand was once again recognised through external awards in 2025. Energie Steiermark has been recognised both as a "Top Company" on kununu and as a "Trend Top Employer" for Styria. These awards highlight our position as an attractive employer and provide a valuable foundation for effectively addressing the ongoing shortage of skilled workers in the long term.

Overall, 2025 was characterised by a significant intensification of labour market challenges, whilst at the same time seeing a clear evolution in the strategic direction of recruitment and employer brand management. The combination of technology, a personal touch, target-group-oriented communication and a visible, authentic employer brand formed the basis for successfully attracting qualified staff despite the high level of complexity, and for further enhancing the organisation's appeal as an employer. This means that, even in a challenging market environment, Energie Steiermark remains a reliable and modern employer that offers long-term prospects to both job applicants and employees.

Employee experience
HR, skills and corporate culture development

In addition to a strong positioning on the labour market and strategic partnerships for different target groups, comprehensive development opportunities, individual training opportunities and an open corporate culture are key success factors for creating loyalty and a sense of belonging to the company.

The main areas of responsibility for strategic HR development include systematic onboarding, retention and diversity management, training and skills development. Effective HR development is directly linked to positive experiences in everyday working life and the corporate culture in order to strengthen the commitment and identification of employees effectively. Dealing with complexity, flexibility, agility, goal orientation and sustainable leadership are essential skills for mastering these challenges and successfully breaking new ground. Self-directed learning, developing digital literacy – particularly in the use of artificial intelligence – collaborative working and diversity management are key factors for success in times of change.

Talent and generation management is essential when it comes to securing the Group's key positions over the long term. On the one hand, this involves maintaining and further developing the necessary skills and abilities within the company and, on the other, recognising the professional and personal development potential of skills and systematically building them up. Supporting new colleagues through a structured onboarding process from the outset, along with role-specific training programmes that include mentoring and personalised development pathways, is designed to ensure skills-based preparation for successful internal succession planning.

A scientifically based potential analysis procedure, which is based on self-assessment, is used in recruitment as well as in development programmes and team development. The goal is to create awareness of personal strengths, behaviours and values, as well as of one's own needs and motivators in professional situations, and thus to promote the strength-oriented development of employees and managers.

The employee interview as a central tool for deciding on the appropriate site and determining future developments accompanies employees and managers on the basis of the values and competence model. Every development measure agreed between managers and employees on the basis of the identified skills is intended to contribute to the successful implementation of the corporate strategy.

Focus on Young People

Since 1956, Energie Steiermark has relied on filling vacancies with graduates from its own apprenticeship scheme. Training in a wide range of professions is becoming increasingly important and is being further promoted and constantly developed. Fresh commitment is brought into the company with the targeted recruitment of apprentices adjusted to the needs and expectations of "new" generations, and resulting in a profitable mixture with the existing know-how.

26 apprentices in 6 professions started at Energie Steiermark at the beginning of 2025. With its strategic approach to HR planning and retention, the company is therefore continuing to focus on replacing retirees and filling new innovative positions with young professionals from our own apprenticeship program.

Training takes place in the first part of the apprenticeship in the e-campus area. Using state-of-the-art infrastructure, the basics of the respective job profile are taught by competent instructors. The individual requirements of management and specialist departments are addressed decentrally in the second part of the apprenticeship, the focus being on high-quality training for the challenges of an energy company and support for personal development.

In 2025 (31 December 2025), the following occupational profiles were trained in the apprenticeship programme:

Office administrator (11 apprentices)
Electrical and building technician (59 apprentices)
Plant and operations technician (12 apprentices)
Installation and building technician (8 apprentices)
Dual occupation plant and operation technician, construction draftsperson (10 apprentices)
Operations logistics clerk (6 apprentices)
District heating technicians: new from 2025 (1 apprentice)

As at 31 December 2025, a total of 107 apprentices and 27 young professionals were employed by the company.

When looking for suitable young people for apprenticeships, it is important to position the company as an interesting and high-quality training company and employer among the target group and legal guardians. Direct contact with schools is constantly being intensified. School visits by Energie Steiermark colleagues and company visits for school classes are intended to provide insights into working life and facilitate or support decision-making and career choices for the young people. Increased use of resources in target group-oriented recruiting should positively support the application process for apprenticeships in the future.
One key element of this is the close collaboration with the Climate and Energy Workshop (Climate & Energy Workshop – Styrian Energy Forum). Together, they developed their own programme entitled "Green Energy in Practice".

We are constantly expanding the opportunities to get to know potential applicants during open days. In addition, there is regular collaboration with teacher training colleges in the area of training career guidance teachers.

Training deficits at the start of the apprenticeship are compensated for by additional measures in the course of basic training in the first year of apprenticeship. Mathematics, German and English courses are currently also offered. The digital skills of young colleagues are promoted through hardware and software training in collaboration with the IT department.

By using the "teleworking agreement" in apprenticeship training, we offer an attractive opportunity to use digital communication from home for individual teaching units.

In order to promote apprenticeships as a suitable entry into the world of work, Energie Steiermark has been a member of the "Zukunft Lehre Österreich" association since 2022. We also provide support for the working group for apprenticeship issues within the industry in a subgroup of the Austrian Energy Personnel Committee.

Integrating and promoting young employees are concerns of Energie Steiermark which go far beyond the training of the apprentices. Every year trainees from universities, technical colleges and secondary schools have the opportunity to familiarise themselves with a job in Energie Steiermark, enabling them to gain their first practical experience for their future everyday working life.

Health and safety of employees

Energie Steiermark considers it a top priority to ensure the safety and health of its employees. This responsibility includes the promotion and protection of physical and mental health, occupational safety and accident prevention, prevention and the promotion of personal responsibility in all areas of the company.

The digital health and safety management system introduced in the Group in 2022 was also successfully continued in 2024, enabling Energie Steiermark to provide safe and healthy workplaces, to prevent work-related injuries and illnesses, and to continuously and sustainably improve the safety performance and the mental and physical health performance of its employees. The digital implementation of clearly defined processes and standardised internal procedures enables the rapid implementation of legal and internal requirements. Internal audits, regular inspections and evaluation by top management serve as a control system and performance evaluation with regard to the up-to-dateness, effectiveness, appropriateness and further development of this tool.

In-house preventative health care goes far beyond the measures required by law and thus sensitises employees to greater health awareness through measures such as targeted preventative initiatives. Supported by occupational physicians, occupational psychologists and safety specialists, there are numerous points of contact regularly available for employees.

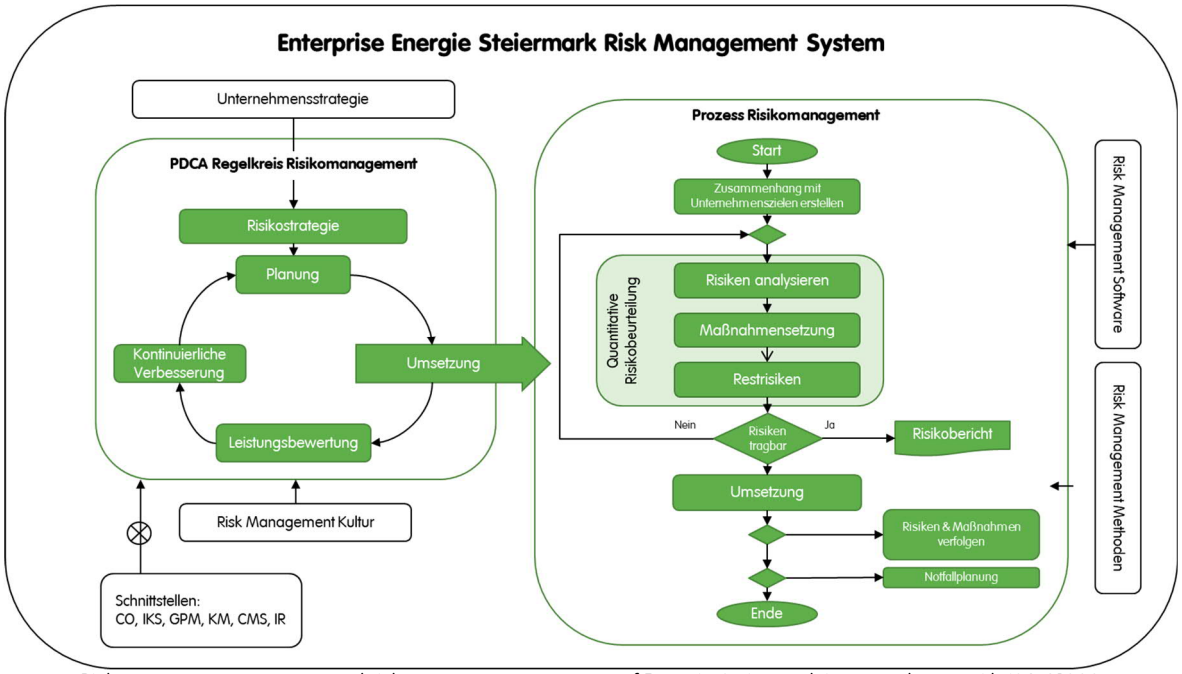
In order to prevent and reduce the number of accidents at work, compliance with all legal and internal requirements is constantly monitored and, if necessary, adjusted accordingly. Any occupational accidents are recorded centrally, documented fully, analysed and subsequently evaluated, This has resulted in measures to prevent hazards and accidents, such as additional instructions, training or courses in person, but also virtually via e-learning modules, throughout the entire Group.

Since 2025, the Health and Safety Management Dashboard has been available as a centralised tool that provides an up-to-date and transparent overview of health and safety measures. Risks are identified at an early stage and dealt with in a targeted manner in order to minimise accidents and health problems. Graphical representations make it easier to identify trends and areas of risk, enabling preventive measures to be planned effectively.

5 RISK MANAGEMENT

Company-wide risk management system

On the basis of its mission statement and in line with its corporate strategy, Energie Steiermark pursues the goal of achieving a sustainable increase in corporate value. The Group-wide sustainability strategy ensures that environmental, social and responsible corporate governance issues are dealt with in a sustainable manner. This sustainable value creation through the systematic exploitation of opportunities at a tenable risk is inseparably linked to the corporate activity of Energie Steiermark for its stakeholders. Associated risks and opportunities are generally defined and managed as being negative or positive deviations from company objectives.
Inadequate company-wide risk management can have serious consequences. Risks that are identified too late can lead to increased costs, a decline in profits and liquidity shortages, as well as the resulting damage to reputation. This means that a functional and effective risk management system is therefore implemented, operated and developed throughout the company for the systematic and holistic management of business risks and opportunities. Recognising that target-oriented management of decisive opportunities and risks is a central component of all successful business activities, Energie Steiermark has operated a company-wide risk and opportunity management system as an integrated part of corporate management processes since 2005.
The risk management system is implemented according to the norms and standards of Önorm D4900 and ISO 31000 (risk management for organisations and systems). All statutory requirements and Corporate Governance regulations are met in full. Risk Management as a governance function is implemented as part of the Three Lines model and deals centrally and uniformly with all key risk issues in coordination with the operational business units and the central company functions in close coordination with the crisis management, internal control system and compliance management functions. In accordance with the Corporate Governance Code, the company-wide risk management system is reviewed annually by the external auditors and audited periodically by the internal audit department.



Risk management system and risk management process of Energie Steiermark in accordance with ISO 31000

Enterprise Energie Steiermark Risk Management System	Enterprise Energie Steiermark Risk Management System
Unternehmensstrategie	Corporate strategy
PDCA Regelkreis Risikomanagement	PDCA risk management control loop
Risikostrategie	Risk Strategy
Planung	Planning

Umsetzung	Implementation
Leistungsbewertung	Performance evaluation
Kontinuierliche Verbesserung	Continuous improvement
Risk Management Kultur	Risk management culture
Schnittstellen: CO, IKS, GPM, KM, CMS, IR	Interfaces: CO, ICS, GPM, CM, CMS, IR
Prozess Risikomanagement	Risk management process
Start	Start
Zusammenhang mit Unternehmenszielen erstellen	Create a connection with corporate goals
Quantitative Risikobeurteilung	Quantitative risk assessment
Risiken analysieren	Analyse risks
Maßnahmensetzung	Implementation of measures
Restrisiken	Residual risks
Nein	No
Ja	Yes
Risiken tragbar	Risks bearable
Risikobericht	Risk report
Umsetzung	Implementation
Risiken & Maßnahmen verfolgen	Tracking risks and measures
Notfallplanung	Emergency planning
Ende	End
Risk Management Software	Risk management software
Risk Management Methoden	Risk management methods

Risk Strategy

Company-wide risk management enables the organisation to manage its key risks in a transparent, informed, targeted, effective, sustainable and efficient manner, in line with its risk strategy. The risk strategy aims to consciously manage all risks in order to provide clarity and transparency regarding the risk profile in terms of financial impact and probability of occurrence, and to capitalise on investment opportunities on this basis. The risk strategy stipulates that absolutely no risks which could jeopardise the company's continued existence must be taken, and that measures must be implemented for significant risks, based on cost-benefit criteria, until the residual risk can be accepted as being within an acceptable range.

Risk management process

All material risks and opportunities are managed and reported on a quarterly basis through a structured, systematic process of early identification, analysis, quantification, assessment, monitoring and control. In addition, specific risk analyses and reports are prepared for individual projects using a standardised risk management methodology, e.g. for investment projects and M&A projects.

In the risk management process, the risk inventory of all material risk positions of Energie Steiermark is updated and reported on a quarterly basis. In doing so, all existing and newly identified risks and opportunities are analysed according to a standard method and quantitatively assessed by means of their potential financial effects and occurrence probabilities. After checking the most important individual risks and existing measures as well as the aggregated total risk position, additional effective control measures are set, where required, according to cost-benefit criteria and subsequently monitored. The entire risk management process is supported, illustrated and documented in audit proof manner and on an ongoing basis by means of a leading, company-wide risk and opportunities management software. Standardised risk management reporting, including risk aggregation and the calculation of value-at-risk risk indicators using Monte Carlo simulation, takes place on a quarterly basis.

Risk Portfolio

Energie Steiermark has mapped all its material risk positions in a risk portfolio in line with the corporate structure of a modern energy service provider. This makes it easier to efficiently and effectively manage the material risk and opportunity positions of the business areas and company functions.

Grids	Generation	Distribution and trading	Heat	Innovation and growth
Regulatory framework for networks	Regulatory framework for renewables	Regulatory framework for customer market	Weather conditions, heating degree days	Country-specific market risks
Grid operation / power outage risks	Water supply	Market price risks	Generation/procurement risk	Political country risks
Grid volume risk, decentralised feed-in	Levels of wind/sunlight	Competition and innovation risks	Heat sales risks	Project development risks
Smart metering	Project development risks	Digitalisation	Expansion of renewables	Stranded costs
Management and support processes				
Strategic risks	Liquidity risks	Credit rating risk	HR cost risks	IT/OT operating risks
Governance and compliance risks	Credit and counterparty risks	Material management risks	Personnel development risks	Information security risks
Balance sheet valuation risks	Exchange rate risks Social capital	Legal risks	Tax and duties risks	Organisational and process risks
Results from investments	Interest rate risks	Reputational risks	Data protection risks	Business process risks

Portfolio of the key risk clusters at Energie Steiermark

Strategic Company Risks

The planning is based on an environment of a slowly growing macroeconomic development with a high degree of uncertainty. Strategic risks include the uncertain recovery in economic demand, supply chain constraints and high volatility in European energy markets, emerging economic trends, shifts in public opinion, changes to the regulatory framework and market rules, medium- and long-term technology risks, and the impacts of climate change. The consistent alignment of the corporate strategy with the most critical sustainability issues is essential to the company's medium-term development and is managed through a structured strategic process, including a future outlook and the resulting business unit strategies for the subsidiaries.

Energy prices secured in line with sales and procurement strategy

In 2025, energy prices on the wholesale markets remained stable, though above pre-crisis levels. Through portfolio management on energy markets and exchanges, we ensure that our client portfolio is risk-averse and maintains an appropriate risk-return balance across all client segments. The liquidity requirements for security deposits on energy exchanges were taken into account at an early stage and monitored and managed within a sufficiently large liquidity framework. Sales continue to pursue the goal of stable prices and secure these by means of a reinsurance strategy that is long-term, enabling price adjustments to be made smoothly.

Sales risks

Energie Steiermark has competitively developed its sales as a modern energy service provider on an ongoing basis while maintaining traditional energy distribution work. The areas of renewable energies, mobility solutions and energy efficiency services are being systematically developed further. Opportunities arising from digitalisation and disruptive technological developments are considered in order to be able to operate in a customer and market-oriented, economic and competitive manner at all times.

Market shares in the Business to Consumer (B2C) segment for electricity and gas

Thanks to its consistently successful procurement strategy, Energie Steiermark continues to offer attractive energy prices in the B2C sector. Customer-focused and competitive energy products and services, combined with a stronger digital sales presence, ensure that market share remains at a high level.

Default risks insured

In the B2C area, known payment default risks are taken into account by means of individual value adjustments in a low and stable amount. Comprehensive credit default insurance is available for business customers. The residual risk of customer payment defaults is to be assessed as self-acceptable in relation to Sales' customer portfolio.

Financial Risks

Liquidity, exchange and interest rate change risks are combined in the central treasury and controlled based on the Group's targets. Proven elements of the financial risk management framework are limit systems, liquidity monitoring, sensitivity analyses and value-at-risk models. Derivative interest rate instruments are used only in combination with underlying transactions to fix the desired interest rates and financing structure. Counterparty risk in the field of cash investment at banks is managed to minimise risk within a strict limit system differentiated according to rating or balance sheet criteria. Through a counterparty diversification which is as wide as possible with investment grade ratings and through a conservative and risk-averse investment policy, the non-payment risk of financial counterparties is minimised.

Liquidity risk covered to a high degree

Due to the extreme price fluctuations on the energy exchanges, the liquidity requirements for hedging transactions on the energy exchanges must be guaranteed to a sufficiently high degree. Liquidity requirements are secured consistently and in a risk-averse way within a robust liquidity framework including a multi-stage early warning system with a high level of security.

Regulatory risks

Energie Steiermark sees significant regulatory planning uncertainties as regards the long-term regulatory system of electricity and gas as well as the energy market and grid design. In the regulated area of networks, the most significant risk is a change in the regulatory system, in particular cost control and recognition by Energie-Control Austria.
Adjustments to recognised operating expenses (OPEX) and the permitted rate of return on the regulated capital base (CAPEX) have a direct impact on the adjusted operating profit under IFRS, including the regulatory account. By playing an active role in the discussions and negotiations with the ECA, we can best ensure that costs are adequately covered and a fair return is achieved.

Plant and operating risks minimised

Risks associated with the operation and infrastructure of the electricity and gas networks, as well as generation facilities, are mitigated through efficient investment, maintenance and operational management programmes. Key default risks are insured; in the event of major losses, the crisis management team is activated. The central network control system is protected against technical failures and deliberate damage by means of full redundancy in the high-security network control centre and is certified to ISO 27001, thereby ensuring the highest level of IT security.

Valuation risks

A significant risk and opportunity position for Energie Steiermark AG is the valuation or potential valuation measures, e.g. due to impairment tests, for the major subsidiaries Energienetze Steiermark GmbH, Energie Steiermark Kunden GmbH, Energie Steiermark Service GmbH, Energie Steiermark Green Power GmbH, Energie Steiermark Wärme GmbH, STEFE SK a.s., and la bellenergie SAS. Due to adverse developments in forward-looking planning assumptions in both the regulated grid sector and the liberalised energy market, there is a risk that the carrying amounts of investments will have to be written down accordingly, with an effect on profit or loss or on equity. One measure to safeguard the value of the subsidiaries is the structured strategy process, which ensures a modern, market-appropriate corporate structure and orientation as a modern energy service provider on the basis of an economic sustainability strategy. Valuation risks associated with major associated companies such as Energie Graz GmbH and significant minority shareholdings such as VERBUND Hydro Power GmbH are minimised through rigorous investment management.

PACE: A project for value preservation and growth

The financial health of Energie Steiermark AG was further strengthened in the 2025 financial year with the implementation of the PACE performance and growth programme. A 360-degree analysis confirmed the company's strategic positioning as a partner in energy and decarbonisation, as well as its high level of organisational efficiency and financial strength. A process benchmarking exercise identified opportunities for efficiency gains across the Group when compared with best practice. Building on this, measures have been developed that strike a balance between reducing costs and spurring growth; their structured implementation will begin in early 2026. From a risk management perspective, consistent implementation, monitoring and ensuring that targets are met are key measures for mitigating valuation risks in the long term and realising identified opportunities for development.

Shared services risks

Operational risks associated with central services (Strategy, Business Development, Communications, Innovation Management, Internal Audit, Controlling, Accounting, Legal and Human Resources) are minimised through a high degree of organisation, continuous improvement, the digitalisation and standardisation of business processes, integrated systems and consistent procedures. Working from home is now well established and supported by an advanced IT infrastructure that ensures a high standard of service.

Risks in the Business Environment

Fluctuations in grid power are balanced out via the regulatory account. The medium-term development of network tariffs and new strategic areas such as smart metering and smart grids is being driven forward through constructive collaboration with regulatory authorities and industry associations. The slow economic recovery is reflected in a positive trend in volumes; however, the risk of default among industrial and commercial customers remains high; provisions have been adjusted.

Security of supply guaranteed

The risk of grid outages cannot be ruled out due to external risks such as freezing rain, storms, floods, landslides, force majeure events or the failure of the upstream grid. In the event of a risk become reality, the effects range from the non-supply of certain grid areas or grid customers to increased costs for the repair of major damage and the endangerment of operational safety for personnel and systems. One of the core tasks of operations is to handle small and medium-sized network outages. Extensive storm and frost damage is adequately covered by comprehensive and third-party liability insurance. Response, recovery and business continuity processes have been established as part of the crisis management framework to deal with serious incidents. The long-term effects of climate change in terms of an increase in severe weather events and the impact on grid operation are being addressed as a sustainability issue and countered with protective measures.

Climate risk and vulnerability analysis (CRVA)

Energie Steiermark has carried out a comprehensive scenario-based climate risk and vulnerability analysis (CRVA) in accordance with the regulatory requirements of the CSRD, ESRS and the EU Taxonomy. The aim is to systematically identify, assess and manage the key climate-related physical hazards (climate risks) affecting its physical assets and business operations. The analysis was carried out in accordance with a multi-stage, internationally recognised standard process.

Data collection and scoping: all relevant sites and networks were fed into a climate risk model, categorised by asset class, along with their geographical coordinates and usage data.
Exposure: a quantitative modelling of exposure to 21 physical climate risks (storms, landslides, floods, etc.) across four IPCC RCP scenarios (2.6, 4.5, 6.0, 8.5) and a 30-year time horizon was carried out.
Vulnerability: Subsequently, the relevant experts carried out a vulnerability analysis to provide a qualitative assessment of the vulnerability of exposed assets and business activities to physical climate risks, broken down by asset class (office buildings, generation sites, energy grids, etc.) and location.
Risk assessment: A quantitative risk assessment was carried out for all vulnerable assets using a climate risk model, and all assets with a risk score above the threshold were identified as significant. Floods, landslides and wildfires, as well as storms (snow, hail, wind) and rising annual temperatures, have been identified as significant and relevant physical climate risks.
Adaptation measures: For all significant risks, the relevant experts have documented the existing and planned risk mitigation measures and quantified their effectiveness. These include, amongst other things, flood protection, forward-looking construction planning and standards in vulnerable areas, structural protective measures, flood and storm early warning systems via central control centres for extreme weather events, crisis management for natural disasters, maintenance strategies that take climate change into account, and all-risk insurance.
Residual risk assessment: once the adaptation measures have been taken into account in the climate risk analysis, a quantitative risk assessment based on the measures (residual risk assessment) is available. The CRVA concludes that, once mitigation measures against physical climate risks have been taken into account, no assets remain with a residual risk above the materiality threshold.
Financial implications: without adaptation measures, physical climate risks could have significant financial implications in the medium term and substantial financial implications in the long term. However, given the adaptation measures planned, the risk of damage that could threaten the existence of Energie Steiermark is considered to be low.
Conclusion: The CRVA provides a robust basis for decision-making as regards physical climate risks for Group-wide risk management. By systematically identifying, assessing and managing physical climate risks, and by consistently implementing adaptation measures, Energie Steiermark is able to meet regulatory requirements and ensure the long-term resilience of its infrastructure and value creation.

Key ESG impacts, risks and opportunities (IROs)

The key ESG impacts, risks and opportunities (IROs) were identified in the ESG strategy. In accordance with the dual materiality approach, this encompasses both the impact of Energie Steiermark on the environment, people and society, and the potential financial impact on the company. The key IROs for sustainable value creation and resilience are set out below.

ESRS topic	Causal relationship	Measures
E1 Climate change adaptation		
Impact(+): Security of supply despite climate change	Technical and organisational measures to adapt to climate change reduce the vulnerability of generation and grid infrastructure, as well as operational sites, to the effects of climate change and ensure a high level of security of supply for electricity, gas, heating and broadband.	Climate risk and vulnerability analysis ensures the early identification of vulnerabilities to physical climate risks (landslides, flooding, forest fires, snowstorms) and the implementation of measures to enhance the resilience of facilities and sites.
Risk: Major damage to generation and grid facilities and operational sites	Acute physical climate risks such as flooding, landslides, (forest) fires, (snow) storms, earthquakes and deliberate damage can cause major damage to facilities.	(Adequate provision of replacement materials and equipment, as well as on-call services). All-risk insurance for grid and generation facilities. Crisis management for rapid response and recovery measures.
Risk: Crisis management for rapid response and recovery measures.	Transitional climate risks relating to changes in key forward-looking assumptions – including the impacts of climate change and the recoverability of fossil fuel assets/infrastructure and business models – may lead to valuation adjustments or impairments.	Ongoing evaluation as part of the sustainable corporate strategy, medium-term planning and annual financial statements. Regular review of equity method valuations through triggering event tests. Company-wide programme for value retention, growth and performance.
Risk/opportunity: Trends in energy and grid supply volumes	Transitional technological climate risks associated with changes in the volumes of energy and network services supplied for electricity, gas and heat relate to shifts in energy demand arising from the energy transition and have a direct impact on revenue.	Planning assumptions regarding energy and grid volumes, taking explicit account of the energy transition and the shift to zero-emission renewables as part of the company's sustainable strategy. Proactive involvement in developing a forward-looking and fair regulatory framework for the regulated sectors of the electricity grid, gas network and heating. Taking into account fluctuations and trends in network volumes in the regulatory account in accordance with the Austrian Business Code (UGB).
Risk/opportunity: Trends in weather-related energy generation volumes	Physical chronic climate risks relate to weather-related trends and fluctuations in generation volumes from hydropower (water flow), wind energy (wind yield) and photovoltaics (solar radiation).	Risk-averse planning of production volumes and the associated marketing, taking climate change explicitly into account. The benefits of generating more electricity than planned are directly reflected in revenue from energy generation and certificates of origin.
Risk/opportunity: Energy services and products	Transitional technological climate risks relating to the development and performance of the business segments for sustainable energy services (energy audits) and products (PV, heat pumps) in the context of the energy transition.	The energy services strategy envisages the sustainable expansion of this business area, with growth in line with overall economic trends.

E1 Energy		
Impact(-): Own energy consumption	The company's own energy consumption for grid operations, its own energy generation facilities (hydropower, wind, solar, heat generation) and its operational sites, including its fleet of vehicles.	Through energy audits of the networks and sales operations, as well as improvements in energy efficiency at our sites, we are minimising our own energy consumption.
Impact(+): Making the grid fit for the energy transition	Supporting the energy transition by upgrading the electricity, gas, heating and broadband networks.	Gas network strategy: Expansion of the southern link, hydrogen strategy. Electricity grid strategy: Expansion of distributed generation and feed-in, smart metering, and grid-friendly storage. Heating strategy: Expansion of the geothermal heating network.
Risk: Project development costs, stranded costs	Transitional technological risks, such as changes to the project environment and framework conditions – particularly those resulting from climate change – can prevent projects from being implemented economically or lead to stranded costs in project development.	Sustainable project planning in line with strategy Feasibility studies incorporating risk analysis, with a particular focus on the sensitivities of key environmental parameters.
Risk/opportunity: Electricity price trends	Transitory market price risks and opportunities relate to the uncertain development, volatility and structure of electricity market prices, which directly determine the level of revenue and the profitability of our own generation of renewable energy (electricity and guarantees of origin).	Market price risks for wind power and photovoltaic plants are hedged through the tariffs set out in the Renewable Energy Expansion Act, whilst ensuring that operators can still benefit from market price opportunities. Market price risks and opportunities are realised through the Group's significant holdings in the Austrian hydropower generation sector.
E1 Climate change mitigation		
Impact(+): Decarbonisation of the energy sector	Contributing to the decarbonisation of the energy sector and, consequently, to the achievement of European and Austrian climate targets by 2030. A reduction in emissions of at least 55 percent compared with 1990 levels through the expansion of renewable energy, sustainable grid development and energy services.	As part of the Group's sustainable strategy, the network strategy, green gas strategy, heating strategy and renewable energy generation strategy ensure structured planning and implementation, as well as the achievement of decarbonisation targets.
Impact(-): GHG emissions from the distribution of electricity and gas (Scope 3)	GHG emissions resulting from the trading of electricity and gas to end customers (Scope 3).	Climate neutrality roadmap. Phase-out of grey electricity. Declining sales of natural gas, rising sales of green gas and hydrogen. Targets: a 50-percent reduction by 2030 and achieving climate neutrality by 2040.
Risk/opportunity: Distribution of electricity and gas in the B2C sector	Transitional market price risks relate to the risks and opportunities associated with the supply of renewable energy in the B2C segment. Risks are seen in increased competition, whilst opportunities lie in the growing demand for renewable, emission-free energy.	The sales strategy involves the targeted marketing of high-quality, emission-free, regional renewable energy in the B2C sector. Energie Steiermark is positioning itself as a decarbonisation partner in the context of the energy transition.
S1 Health and safety		
Impact(-): Work-related accidents and occupational illnesses	Temporary and permanent (mental and physical) health problems caused by accidents at work and work-related illnesses.	Comprehensive health and safety measures. Comprehensive health and safety training. Provision of occupational health physicians and occupational psychology services. Health committee. Group policy on health and safety: LTIF <5.

Risk: Employee protection	Due to the nature of our business as an energy supplier and service provider, particularly the construction and operation of energy supply facilities and networks, there is a risk of accidents at work and damage to health. In addition to the health risks for employees, the consequences include administrative penalties, joint liability and compensation payments.	A wide range of state-of-the-art employee protection measures. Comprehensive training programme and work instructions. Liability insurance for employee protection. Compliance monitoring system.
S4 Data privacy		
Impact (-): potential risk to data security	Impact on customers' privacy due to the handling of customer data in a manner that does not comply with the GDPR, and the compromise of customer data through cyber attacks.	Strict Group-wide requirements set out in the Group's data protection guidelines. Mandatory data protection training and e-learning programmes. Information Security Management System in accordance with ISO 27001. IT emergency and crisis management ensures rapid response and recovery measures in the event of a risk.
Risk: Privacy violations	Failure to comply with processes or security measures may result in breaches of the GDPR. The potential consequences include criminal charges, fines and claims for damages.	Strict Group-wide requirements set out in the Group's data protection guidelines. Mandatory data protection training and e-learning programmes.
Risk: Failure of critical IT systems	Cyberattacks, hardware and software faults, and cloud outages can cause critical IT systems to fail or compromise their confidentiality, integrity and availability.	Information Security Management System in accordance with ISO 27001. IT emergency and crisis management ensures rapid response and recovery measures in the event of a risk.
S4 Access to products and services		
Impact(+): Securing the energy supply	Ensuring the supply of energy, electricity, gas, district heating and broadband. Maintaining grid stability and preventing power cuts for residential, commercial and industrial customers.	Grid strategy with an ASISI target of less than 20 minutes. Comprehensive operational manuals. Emergency power units. Adequate provision of replacement materials and equipment, as well as on-call services. Crisis management for rapid response and recovery measures.
Risk: Security of supply: electricity, gas and heating	In order to ensure a continuous supply of electricity, gas and heat despite the materialisation of serious economic risks (the war in Ukraine, disruptions in the gas market), significant additional costs may be incurred.	Diversified supply of gas, including storage and electricity. Crisis management for supply shortages.
Risk: Failure of the grid control system	Due to technical faults, deliberate damage or a breach of the integrity of the network control system's data, there is a risk of restricted grid control or even widespread power cuts.	High-security grid control centre. Increasing the availability of grid control centres. Gas and electricity emergency reporting system. Information Security Management System in accordance with ISO 27001 IT emergency and crisis management ensures rapid response and recovery measures in the event of a risk.
G1 Corporate governance		
Impact(-): Corruption and bribery	Cases of corruption and bribery can result in economic damage and a loss of trust within society.	Compliance management system and training programmes on corruption prevention.

Impact(+): Protection of whistleblowers	Breaches of applicable whistleblower protection laws can result in personal harm to whistleblowers and financial loss to the company.	Whistleblower schemes with transparent procedures for the protection of whistleblowers, in accordance with whistleblower protection legislation.
Impact(-): Corporate culture	Breaches of Energie Steiermark's codes of conduct and ethics may lead to a lack of transparency and a loss of trust among stakeholders.	A code of conduct and ethics has been implemented and communicated to reinforce shared values and principles of conduct.

Key ESG impacts, risks and opportunities (IROs)

Mandatory project risk management for major investment projects

As part of its integrated corporate and ESG strategy, Energie Steiermark implements major investment projects, which are associated with material entrepreneurial risks. At Energie Steiermark, these are accompanied by proven project risk management. The objectives are to reliably identify the key project-specific opportunities and risks, to establish a balanced and binding planning framework for the investment decision that takes account of both risks and opportunities, and to manage the project proactively by implementing measures at an early stage, thereby ensuring that economically viable investment projects are approved with an acceptable risk profile.

Energie Steiermark: Overall risk exposure and assessment

Energie Steiermark is strategically well positioned to navigate volatile markets, growing regulatory requirements and market-driven and technological challenges. The integrated risk management system ensures that significant risks are identified and managed at an early stage. By implementing risk mitigation measures and consistently capitalising on opportunities in the areas of sustainability, market growth, efficiency improvements and digitalisation, the achievement of the planned results is secured for the long term and the company's long-term competitiveness is strengthened.

The risk management system of Energie Steiermark did not identify any significant risks and threats in the year under review that could have a lasting effect on the future of subsequent financial years for Energie Steiermark. With respect to the company's equity, the occurrence of the total value-at-risk value would have only a minor effect on the equity ratio, which means that the total risk position of Energie Steiermark is to be considered as acceptable in any case.

According to the Corporate Governance Code of Energie Steiermark AG, the functionality of the risk management system is confirmed by the Group auditor.

6 RESEARCH, DEVELOPMENT AND INNOVATION

R&D coordination

The Group-wide R&D portfolio for the 2025 financial year comprises a total of 60 R&D undertakings, including 45 funded R&D projects, with a total cost of € 2.28 million. In addition, the Innovation department provides key R&D services, in particular representation on R&D committees, R&D process management – including statistics and reporting – as well as the management and coordination of selected R&D projects at holding company level.

The main focus of R&D activities at holding company level is, in particular:

- Living Labs on 100% renewable energy Collaborative work with the innovation labs Weiz+, Murau and Stegersbach "act4energy next level".
- E-mobility and digitalisation Development of charging infrastructure as a smart interface between energy grids and mobility (including in the R&D projects "friendlyCharge", "Divergent", "DiPS4EV@work", "O-CEI" and "Car2Flex" (bidirectional charging)).
- Energy storage: R&D activities such as the "Battery Storage Study" (brownfield project), "Flexmodul" (seasonal heat storage) and the "EGent" project (agent-based optimisation of battery storage in energy communities)
- Heating transition: Launching new R&D projects as part of the "Beacons of the Heat Transition" funding programme.

Green Energy Lab (GEL) research initiative

Energie Steiermark AG is a founding member of the Green Energy Lab research initiative (www.greenenergylab.at). During the reporting year, a strategic realignment took place, as a result of which funding was secured for the "Innovation Laboratory for the Heat Transition" for the period 2026 to 2033. The Green Energy Lab is thus establishing itself as a key player within the R&D community and at the interface with public organisations.

R&D partnerships / collaborations

- Through the Next-Incubator, the Innovation division operates a platform for sustainability partnerships – in the field of R&D, it has established collaborations with, amongst others, JOANNEUM RESEARCH / LIFE Institute, the University of Graz / Wegener Centre, Fraunhofer ISI (Germany), the Green Tech Cluster and Climate-KIC (EU).
- Energie Steiermark AG is a member of the Association for the Promotion of Research and Development in the Field of Hydrogen and Renewable Gases (WIVA P&G) and the Christian Doppler Association (CDG).

Innovation management

next-incubator (www.next-incubator.com) is Energie Steiermark's innovation hub for sustainability. The Hub initiates and leads innovative projects and initiatives in collaboration with internal and external experts and partners. The next-incubator works with national and international start-ups, companies and organisations to develop solutions in areas such as energy generation, energy storage, energy efficiency and sustainable mobility. In addition to technical expertise, he offers access to an extensive network spanning the business world, the public sector and relevant innovation and sustainability networks. Key activities include innovation projects, calls for start-ups, Group-wide idea and funding management, as well as the organisation of workshops, events and our own podcast on relevant future-oriented topics. In 2025, the focus was particularly on flexibility, energy innovation and digitalisation/AI.

Innovation projects from our companies

Business Trading GmbH:

Business Trading GmbH is involved in two subsidised research projects:

- **URBAN HP** (cooperation with Graz University of Technology): The aim is to integrate heat pumps into existing neighbourhoods in a way that supports the grid, taking into account future, time-dependent electricity prices. The work involves energy modelling, economic and environmental assessment, and a semi-virtual implementation in a real-world case study.
- **UMBERTO** (cooperation with Fraunhofer Austria): Development of a digital planning method to optimise production and energy use across companies in the industry. Intended effect: Supporting the energy transition and reducing industrial CO_2 emissions by 5 to 10 percent.

Energie Steiermark Green Power GmbH:

- In the **Natel Energy** research project, it was possible to secure the Großsulz power plant as a renowned partner for the necessary fish tests. Negotiations are currently underway as regards the scope of the tests. Implementation is scheduled for autumn 2026, subject to a financial agreement.

- As part of the research project "**Feasibility Study – Flood Retention Basins in Styria**" , discussions were held with a renowned pump manufacturer. The aim is to develop a technical project study together.

Energienetze Steiermark GmbH:

Energienetze Steiermark GmbH, together with various research institutions and other companies, is a project partner in innovative grid projects in both the electricity and gas sectors.

- A new energy management system is being tested in the Gasen and Heimschuh local grids as part of the European **PARMENIDES** research project, the focus being on the interaction between battery storage systems, customer behaviour and grid technology measures. A newly developed control algorithm is intended to optimise voltage levels and power flows in the grid and enable the dynamic use of storage capacities. The project helps to better understand and overcome the challenges of the energy transition and decentralised energy generation. In the long term, the algorithm should enable a high level of integration of PV systems and battery storage systems into the grid, avoid grid overloads and enable efficient grid expansion. The dynamic envelopes developed as part of the PARMENIDES project were successfully validated in a closed-loop test in 2025.

- The **WEIZ+ Living Lab** aims to develop an integrated, regional energy system that can be transferred to many other regions in Austria. Region-specific challenges in the areas of electricity, heating and mobility are being examined. Energienetze Steiermark GmbH is a project partner in the WEIZ+ Living Lab and in the Fossilfree4Industry flagship project and provides data from various sources. It also develops and verifies simulation algorithms. The Passail (large-scale storage) and St. Margarethen a. d. Raab (P2G system and battery storage) sites are being developed and integrated into the living lab. All sites are managed centrally. From Energienetze Steiermark's

perspective, the focus of and reason for participating in the these is to determine how they can be used to improve grid operations.

- The **iKlimEt** project is developing open-source simulation tools for energy system planning that take climate change impacts and extreme events into account. In 2025, a data exchange platform was created and populated with extensive energy data and climate scenarios. This data is processed by the Vienna University of Technology and the University of Salzburg using machine learning for modelling purposes. In addition, a model for estimating weather-related overhead line operations was applied at Energienetze Steiermark GmbH in order to illustrate the impact of climate change on transmission capacity. At the same time, work continued on the LEGO energy system model, enabling a comprehensive energy system simulation up to 2040 that takes climate change into account.

- The European research project **INSIEME** aims to establish a common energy data space in Europe. The focus is on cross-sector data exchange, interoperability and the promotion of technological innovation. A key aspect is the integration of existing data platforms. Since the project began in April 2025, reference models for process development have been designed and implemented. Work began in November on governance models, information standards, IT security and data protection. Pilot projects involving flexible follow-up arrangements are planned for the coming year. These are based on digital interfaces, forecasting models and envelope methods. Initial tests include interface initialisation, onboarding flexible customers and activating flexibility options. The aim is to ensure that the concepts are fit for purpose and to lay the foundations for their widespread implementation within the Common European Energy Data Space.

- The **H2REAL** project aims to establish a "Hydrogen Valley" in eastern Austria, thereby laying the foundations for hydrogen technologies and their applications. By integrating existing and new technologies across the entire value chain, the aim is to reduce emissions, drive forward decarbonisation and lower the cost of green hydrogen. Energienetze Steiermark is making a significant contribution to the optimised integration of hydrogen into the grid. The project is increasingly focusing on the planned inclusion of hydrogen into the existing natural gas network at the Gabersdorf site. The findings from H2REAL to date are being incorporated into the technical design of this project. This marks an important step towards the practical implementation of sector coupling and the integration of hydrogen into existing infrastructure. In addition, the feasibility of recovering heat from the electrolysis plant already in operation in Gabersdorf is being investigated using modelling techniques.

- **HyGrid²** is a strategic innovation project aimed at transforming existing natural gas infrastructure for the transport of hydrogen. The aim is to establish the technical and safety-related foundations for the operation of pipelines carrying nothing but hydrogen, thereby making a decisive contribution to the decarbonisation of the energy system. The project has been extended by a year and will now run until September 2026. The current focus is on comprehensive material testing, the results of which are intended to demonstrate the suitability of the materials for hydrogen applications. The technical specifications for the planned demonstrator in Gabersdorf have been finalised and the approval processes have been completed. The repurposed natural gas pipeline integrated into the demonstrator will come into operation from June 2025. This enables practical experience to be gained and the feasibility to be validated.

- The **INNOnet** project is investigating the effects of load-dependent grid tariffs on customer load behaviour in a regulatory sandbox with more than 1,000 households and is developing optimised tariff structures to effectively meet the challenges of the energy transition for the electricity grids. The results of the project will enable decision-makers in the energy system to evaluate the suitability of different options for future grid types in order to both mitigate future grid-related problems and ensure customer acceptance. In 2025, the application for the regulatory sandbox to test dynamic network tariffs was approved, and the pilot phase was launched in the field test regions. After a period of one year, the impact of dynamic network tariffs will be analysed. Due to the consultation and approval process for the regulatory sandbox, the INNOnet project has been extended until autumn 2026.

- In addition, work is underway on further R&D projects aimed at developing innovative solutions for the energy transition. These include the multimodal use of battery storage systems, bidirectional charging of electric vehicles for grid-related applications, and the development of digital customer interfaces. In addition, we are working on advanced grid technologies such as **Dynamic Line Rating** to optimise the utilisation of overhead lines and the application of **Operational Envelopes** to define flexible operating limits for grid connections. These approaches help to facilitate the integration of renewable energy and ensure security of supply, even in the face of changing circumstances.

7 PROJECTIONS AND FUTURE OUTLOOK

In the 2026 financial year and beyond, Energie Steiermark's activities will continue to focus on the safe, cost-effective and climate-friendly transformation of the energy system.

In the area of networks, the expansion of high-capacity electricity and gas networks remains a key priority. The implementation of the new Electricity Industry Act and the gradual integration of the EU's internal market package for gas and hydrogen will provide the framework for further investment. Priority is being given to the expansion of the 110 kV grid, the integration of decentralised feeders, the digitalisation of system management, and measures to improve security of supply. In the gas sector, preparations are being made for the H_2 readiness of individual network sections.

The decarbonisation of the heating supply is also being driven forward in the district heating sector, while the share of renewable heat sources is to be further increased, supported by ongoing investment in biomass, waste heat recovery and highly efficient CHP systems, as well as geothermal energy. Demand is expected to grow moderately as a result of network expansion, new connections and the "Boiler Replacement 2026" subsidy scheme.

The work on expanding renewable energies will continue. The wind power projects currently underway at Freiländeralm and Soboth Eibiswald, as well as the development of the Stubalm wind farm, will gradually increase generation capacity. In the photovoltaic sector, steady progress is expected despite the tight market premium situation,

with the establishment of the Hydrogen Company in 2025 laying the groundwork for this. In the coming years, the focus will be on project decisions and pilot schemes. Focus remains squarely on achieving the defined targets: up to 60 MW of electrolysis capacity and a grid infrastructure capable of supporting around 200 km of H_2 by 2035.

Energie Steiermark believes it is well positioned for the coming years. Through the ongoing expansion of renewable energy, the modernisation of the grids, the decarbonisation of heating, and the further development of its sustainability and innovation agenda, the Group is laying the foundations for a secure, competitive and climate-neutral energy supply in Styria.

Graz, 23 February 2026

The Management Board

Dipl.-Ing. (FH) Mag. (FH) Martin Graf, MBA

MMag. Werner Ressi

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 DEZEMBER 2025
ACCORDING TO IFRS

CONTENTS

CONSOLIDATE PROFIT AND LOSS STATEMENT 3

TOTAL CONSOLIDATED NET INCOME 4

CONSOLIDATED BALANCE SHEET 5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 6

CONSOLIDATED CASH FLOW STATEMENT 7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 9

1 FUNDAMENTALS OF FINANCIAL STATEMENT PREPARATION 9

2 SCOPE OF CONSOLIDATION 13

3 RESULTS FOR THE FINANCIAL YEAR 15

4 INCOME TAXES 24

5 ASSETS 31

6 EQUITY AND LIABILITIES 51

7 FINANCIAL INSTRUMENTS 69

8 RISK MANAGEMENT 77

9 CAPITAL MANAGEMENT 87

10 CASH FLOW STATEMENT 88

11 OTHER NOTES 90

12 GROUP COMPANIES 94

13 ACCOUNTING METHODS 97

14 CORPORATE BODIES 101

CONSOLIDATE PROFIT AND LOSS STATEMENT

1 January to 31 December

in K€	Note	2025	2024
Sales revenues	3.1	**2,141,188**	**2,191,935**
Changes in inventories and own work capitalised	3.2	50,418	43,481
Other operating income	3.3	19,102	21,362
Cost of material and other purchased manufacturing services	3.4	-1,536,047	-1,613,764
Personnel costs	3.5	-250,597	-239,015
Amortisation and expenses from impairments of intangible assets and depreciation of tangible assets	3.6	-143,501	-142,915
Other operating expenses	3.7	-157,632	-147,464
Operating result		**122,930**	**113,621**
Other results from shareholdings	3.8	89,160	109,482
Financial income	3.9	8,932	11,926
Financial expenses	3.9	-34,334	-37,906
Financial result		**63,758**	**83,501**
Result from shares held in associated companies	5.4	7,691	12,563
Earnings before taxes		**194,379**	**209,685**
Income taxes	4.1, 4.3	-15,432	-17,196
Consolidated net income		**178,947**	**192,489**
Of which:			
shareholders of the parent company		177,417	191,082
non-controlling interests		1,530	1,406

TOTAL CONSOLIDATED NET INCOME

1 January to 31 December

in K€	Note	2025	2024
Consolidated net income		**178,947**	**192,489**
Items that will not be reclassified ("recycled") subsequently to the Profit and Loss Statement			
Revaluation of net debt from defined benefit obligations	6.3, 6.1.4	7,017	7,057
Net change in the fair value of investments measured at fair value through equity	6.1.4	-2,075	-276,249
Other results from investments accounted for using the equity method (revaluation of net debt from defined benefit obligations)	5.4, 6.1.4	3,391	1,890
Sum of items that will not be subsequently reclassified ("recycled") to the Profit and Loss Statement		**8,333**	**-267,302**
Items that will be reclassified ("recycled") subsequently to the Profit and Loss Statement			
Market valuation of hedging instruments (cash flow hedges)			
Change not affecting the result	6.1.4	-83,098	407,124
Realisation affecting income	6.1.4	67,404	45,681
Exchange rate differences resulting from the conversion of foreign businesses			
Change not affecting the result	6.1.4	269	-115
Sum of items that will be reclassified ("recycled") subsequently to the Profit and Loss Statement		**-15,424**	**452,690**
Other earnings before taxes		**-7,092**	**185,388**
Income taxes on other comprehensive income	4.2	2,479	-42,231
Other earnings after taxes		**-4,613**	**143,157**
Total consolidated net income		**174,334**	**335,646**
Of which:			
shareholders of the parent company		172,672	334,296
non-controlling interests		1,663	1,350

CONSOLIDATED BALANCE SHEET

in K€	Note	31/12/2025	31/12/2024
ASSETS			
Non-current assets			
Intangible assets	**5.1**	121,220	116,331
Property, plant and equipment	**5.2**	2,165,554	1,949,164
Financial investments recognised at equity	**5.4**	122,022	115,978
Financial assets	**5.5, 7.2**	1,040,524	1,057,320
Receivables and other assets	**5.8, 7.2**	26,111	26,541
Deferred tax assets	**4.4**	23,700	15,799
		3,499,130	**3,281,132**
Current assets			
Inventories	**5.9**	72,892	67,211
Contract assets	**3.1, 7.2**	6,376	3,087
Financial assets	**5.6, 7.2**	51,370	110,459
Receivables and other assets	**5.8, 7.2**	697,131	798,110
Cash and cash equivalents	**5.10, 7.2**	351,257	201,638
		1,179,026	**1,180,504**
Total assets		**4,678,157**	**4,461,636**
EQUITY			
Capital and reserves attributable to the shareholders of the parent company			
Share capital	**6.1.1**	100,000	100,000
Capital reserves	**6.1.2**	612,779	612,779
Accumulated results	**6.1.3**	804,419	697,003
Accumulated changes not affecting earnings	**6.1.4**	468,938	473,683
		1,986,136	**1,883,464**
Non-controlling interests	**6.1.5**	**18,342**	**17,721**
Total equity		**2,004,478**	**1,901,185**
LIABILITIES			
Non-current liabilities			
Financial liabilities	**6.2, 7.2**	1,033,165	803,028
Provisions and accruals	**6.3**	217,905	219,248
Deferred tax liabilities	**4.4**	198,046	181,864
Construction subsidies	**6.5**	249,785	245,248
Other liabilities and accruals/deferrals	**6.7, 7.2**	121,425	151,092
		1,820,327	**1,600,480**
Current liabilities			
Financial liabilities	**6.2, 7.2**	34,299	34,579
Provisions and accruals	**6.4**	95,089	110,913
Trade accounts payable	**6.6, 7.2**	356,386	468,205
Income tax liabilities		3,277	3,267
Contract liabilities	**3.1, 7.2**	1,444	1,785
Construction subsidies	**6.5**	19,840	18,138
Other liabilities and accruals/deferrals	**6.8, 7.2**	343,017	323,084
		853,352	**959,971**
Total liabilities		**2,673,679**	**2,560,451**
Total equity and liabilities		**4,678,157**	**4,461,636**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in K€	Share capital	Capital reserves	Accumulated Results	Accumulated changes not affecting earnings	Capital attributable to the parent company's shareholders	Non-controlling shares	**Total Equity**
Status as at 1/1/2025	**100,000**	**612,779**	**697,003**	**473,683**	**1,883,464**	**17,721**	**1,901,185**
Total of transactions with owners, recognised directly in equity	0	0	-70,000	0	-70,000	-1,041	**-71,041**
Capital increase	0	0	0	0	0	320	**320**
Dividends paid out	0	0	-70,000	0	-70,000	-1,361	**-71,361**
Total result	0	0	177,417	-4,745	172,672	1,663	**174,334**
Net income for the year	0	0	177,417	0	177,417	1,530	**178,947**
Other result	0	0	0	-4,745	-4,745	132	**-4,613**
Status as at 31/12/2025	**100,000**	**612,779**	**804,419**	**468,938**	**1,986,136**	**18,342**	**2,004,478**
Status as at 1/1/2024	**100,000**	**612,779**	**565,920**	**330,469**	**1,609,168**	**18,976**	**1,628,144**
Total of transactions with owners, recognised directly in equity	0	0	-60,000	0	-60,000	-2,604	**-62,604**
Dividends paid out	0	0	-60,000	0	-60,000	-2,604	**-62,604**
Total result	0	0	191,082	143,213	334,296	1,350	**335,646**
Net income for the year	0	0	191,082	0	191,082	1,406	**192,489**
Other result	0	0	0	143,213	143,213	-57	**143,157**
Status as at 31/12/2024	**100,000**	**612,779**	**697,003**	**473,683**	**1,883,464**	**17,721**	**1,901,185**

CONSOLIDATED CASH FLOW STATEMENT

1 January to 31 December

	in K€	Note	2025	2024
	Net cash flow from ongoing operating activities			
	Earnings before taxes		194,379	209,685
+	Depreciation, amortisation, impairment and (- appreciation) of intangible assets and tangible assets	3.6	143,501	142,860
-	Unrealised gains (+ losses) from financial assets and liabilities	3.8, 3.9	-280	388
-	Reversal of building cost and investment subsidies	3.1, 3.3	-24,191	-26,238
-	Gains (+ losses) from the disposal of non-current assets	3.3, 3.7, 3.9	1,198	381
±	Proportionate share of results accounted for using the equity method	5.4	-7,691	-12,563
-	Change in non-current provisions and accruals	6.1.3, 6.3	5,674	-7,435
±	Interest result recognised in profit or loss	3.9	17,873	15,011
-	Income from financial investments recognised in profit or loss	3.8	-88,845	-110,114
±	Other non-cash expenses/income		-3	-5
	Net cash flow from the result		**241,614**	**211,972**
-	Increase (+ decrease) from inventories incl. payments made on account		-5,842	26,390
+	Increase (- decrease) from payments received on account		22,598	3,260
-	Increase (+ decrease) from receivables and other assets		-62,396	-189,720
+	Increase (- decrease) from current provisions and accrued liabilities		-15,830	24,557
+	Increase (- decrease) from trade accounts payable and other liabilities		64,873	280,428
	Cash flow from ongoing operating activities		**245,017**	**356,886**
-	Interest paid		-25,699	-25,135
-	Income taxes paid		-4,089	-20,842
	Net cash flow from ongoing operating activities		**215,229**	**310,910**
	Net cash flow resulting from investment activities			
+	Payments received from the disposal of intangible assets and tangible assets		4,033	1,804
+	Payments received from the disposal of financial assets		8,182	4
+	Payments from building cost and investment subsidies		30,813	31,773
-	Payments made for investments in intangible assets and tangible assets		-365,423	-288,715
-	Payments made for investments in financial assets		-3,131	-1,698
+	Interest received		8,211	10,877
+	Dividends received		96,389	117,564
	Net cash flow resulting from investment activities		**-220,925**	**-128,391**
	Net cash flow resulting from financing activities			
+	Payments received from shareholder grants		320	0
-	Distribution to shareholders (profit distribution)		-70,000	-60,000
-	Distribution to non-controlling interests		-1,361	-2,604
+	Raising of loans and credits		255,082	304,490
-	Repayment of loans and credits		-25,425	-352,911
-	Repayment of lease liabilities		-3,409	-3,089
	Net cash flow resulting from financing activities		**155,207**	**-114,114**
	Cash flow			
±	Net cash flow from ongoing operating activities		215,229	310,910
±	Net cash flow resulting from investment activities		-220,925	-128,391
±	Net cash flow resulting from financing activities		155,207	-114,114
	Cash-effective net change in cash and cash equivalents		**149,510**	**68,405**
±	Exchange rate related and other value changes to cash and cash equivalents		109	-51
+	Cash and cash equivalents at the start of the period	5.10	201,638	133,283

Cash and cash equivalents at the end of the period		**351,257**	**201,638**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 FUNDAMENTALS OF FINANCIAL STATEMENT PREPARATION

1.1 Reporting company

Energie Steiermark AG ("Energie Steiermark" or "the company") – a stock corporation – is headquartered in Graz and registered at the Graz Commercial Court for Civil Matters under company registration number FN 148124 f. Energie Steiermark AG is located at Leonhardgürtel 10, 8010 Graz, Austria. The corporate purpose of Energie Steiermark mainly comprises the acquisition, management and sale of shareholdings in companies in the energy industry which are active in the fields of generation, distribution and sale of energy and energy-related services. As the Group's ultimate parent company, Energie Steiermark is obliged to prepare the Consolidated Financial Statements. On the balance sheet date, the Federal State of Styria holds all Energie Steiermark shares. The financial year of Energie Steiermark coincides with the calendar year.

At present, the Energie Steiermark Group mainly operates in the following segments:
generation of renewable energy; distribution of electricity, gas and heating; sale of and trade in electricity, gas, heat and energy-related certificates; design, set-up, operation and maintenance of energy installations as well as innovative energy services.

1.2 Accounting principles

The Consolidated Financial Statements of Energie Steiermark for the year ending 31 December 2025 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the additional requirements of Section 245a of the Austrian Business Code (UGB).

For more clarity, some report items in the Consolidated Balance Sheet, the Consolidated Profit and Loss Statement, the Consolidated Cash Flow Statement and the Statement of Changes in Consolidated Equity have been combined in conformity with the materiality principle; these items are discussed in the Notes. Moreover, all amounts are stated in thousand euro (K€) for the purpose of clarity. This also applies to the amounts of the previous year. Commercial rounding of individual items and percentage figures may result in minor calculation differences.

The Group's accounting and valuation meet uniform criteria. As a rule, the principle of historical cost is used, restricted by the measurement in profit or loss of financial assets and liabilities (including derivative financial instruments) at fair value. These Consolidated Financial Statements have been prepared based on the going concern principle.

The Energie Steiermark Group does not disclose segment information in accordance with IFRS 8.

As a principle, all financial statements are prepared as of the Group's balance sheet date. Differently to the Group's balance sheet date, Feistritzwerke-STEWEAG GmbH, which is included in the Consolidated Financial Statements under the equity method, uses a balance sheet date of 30 June. The proportionate result is included in the Consolidated Financial Statements on the basis of the interim financial statements prepared as of 31 December 2025.

The accounting methods applied are described in the relevant notes to the financial statements.

1.3 Changes to material accounting methods

Apart from the amendments described below, these Consolidated Financial Statements are subject to the same accounting and valuation methods which were applied in the preparation of the Consolidated Financial Statements for the 2024 financial year.

On 1 January 2025, the Group applied the amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' for the first time. The amendments concern the determination of the exchange rate in cases where currencies are not convertible in the long term. The amendments to IAS 21 did not give rise, as at the balance sheet date, to any assessment of whether one currency could be converted into another, nor did they result in any additional disclosure requirements.

1.4 Consolidation methods

If subsidiaries are acquired, an assessment must be made as to whether they constitute a business within the meaning of IFRS 3. This assessment is discretionary and regularly requires a detailed analysis of the processes and structures taken over. If a business exists, the acquisition is accounted for using the purchase method. In accordance with IFRS 3, assets, liabilities and contingent liabilities of the respective subsidiaries are measured at full fair value at the date of acquisition, regardless of the amount of any existing non-controlling interests. The non-controlling interests are measured at their pro rata value in the net assets (excluding any pro rata goodwill). Intangible assets are recognised separately from goodwill if they are separable from the enterprise or arise from a legal, contractual or other right. In the context of purchase price allocation, no new restructuring provisions may be formed. Any remaining differences on the assets side, compensating the seller for unidentifiable market opportunities and development potentials, are capitalised as goodwill in national currency and, pursuant to IAS 36, subjected to a minimum of one annual impairment test. Any negative differences are immediately recognised in profit or loss in the period of acquisition, following a review of the measurement of identifiable assets, liabilities and contingent liabilities of the acquired company and the cost of acquisition. A change of the shareholding held in a still fully consolidated company is recognised as an equity transaction not affecting income.

If there is no business, the purchase method is not applicable. In this case, financial assets and liabilities received are measured at fair value. The sum of the assets and liabilities measured in this way is then deducted from the transaction price. The remaining transaction price is then allocated to the remaining identified assets and liabilities based on their relative fair values at the time of acquisition. No deferred taxes are recognised due to the initial recognition exemption. No goodwill can arise.

The results of subsidiaries acquired or sold during the year are included in the Group's Consolidated Profit and Loss Statement as of the effective date of acquisition or until the effective date of disposal.

Expenses and income as well as receivables and liabilities among the fully consolidated entities are eliminated. Intercompany results are separated, unless they are of subordinate significance.

1.5 Currency conversion

The Financial Statements of the subsidiaries not belonging to the European Monetary Union are converted based on the concept of functional currencies. Assets and liabilities of those companies are converted using the average exchange rate on the balance sheet date, income and expenses are converted at the full year average rates. Equity capital is converted at the historical currency exchange rate. Resulting currency translation differences are not disclosed in the Profit and Loss Statement, but as a separate item under equity. When a foreign entity leaves the scope of consolidation, the currency differences are recognised in profit or loss.

Exchange rate gains and losses arising from the fluctuation of exchange rates for foreign currency transactions are disclosed under "Other operating income" or "Other operating expenses".

The following exchange rates are, among others, used for currency translation:

Exchange rates

	Average		Balance sheet date	
in EUR	2025	2024	31/12/2025	31/12/2024
100 Czech koruna	4.06	3.97	4.13	3.97

1.6 Use of discretionary decisions and estimates

In accordance with the generally accepted accounting and valuation policies in accordance with IFRS, some items in the Consolidated Financial Statements require the use of estimates and assumptions that will have an impact on the amount and presentation of assets, liabilities and contingencies recognised on the balance sheet date, and income and expenses recognised during the reporting period. The estimates are naturally subject to uncertainties. Thus, actual amounts may differ from the estimated amounts.

Estimates and underlying assumptions are reviewed on an ongoing basis and are therefore consistent with the Group's risk management and climate-related commitments. Revisions to estimates are recognised prospectively.

Information regarding accounting policy judgements that have the most significant impact on the amounts recognised in the financial statements is provided in the following notes:

- *Note 1.4 "Consolidation methods":*
  Determining whether a business combination constitutes a business combination under IFRS 3 or an acquisition of assets or a group of assets.

- *Note 5.4 "Financial investments recognised using the equity method":*
  Determining whether the Group has significant influence over the financial assets.

Information regarding assumptions and estimation uncertainties as at the balance sheet date, which may give rise to a significant risk that a material adjustment to the carrying amounts of the reported assets and liabilities will be required within the next financial year, is included in the following notes:

- *Note 4 "Income taxes"*
  Uncertainties regarding the tax treatment and the recognisability of deferred tax assets.

- *Note 5.2 "Property, plant and equipment"*

Determining the useful life of property, plant and equipment and estimating the term of leases.

- *Note 5.1 "Intangible assets"*
  Determining the useful life of intangible assets.

- *Note 5.3 "Impairment of non-financial assets"*
  Determining the discount rate and expected cash flows in impairment tests.

- *Note 6.3 "Non-current provisions" and 6.4 "Current provisions"*
  Determining the actuarial assumptions used to measure provisions for pensions and similar obligations, as well as severance pay provisions, and the measurement parameters for other provisions.

- *Note 5.4 "Financial investments recognised using the equity method":*
  Determining whether the Group has significant influence over the financial assets.

- *Note 5.8 "Receivables and other assets"*
  Assessing the provision for trade receivables based on expected credit losses.

2 SCOPE OF CONSOLIDATION

The Consolidated Financial Statements include all domestic and foreign entities in which Energie Steiermark holds, directly or indirectly, the majority of the voting rights or which are controlled by the company. Control exists when the company is exposed to variable returns from its investment and has the ability to affect those returns through its power.

The scope of consolidation is determined pursuant to the principles of IFRS 10, which includes a uniform definition of "control", thus governing the prerequisites under which companies are to be included in the consolidated financial statements by way of full consolidation. Besides Energie Steiermark AG as the parent company, the Consolidated Financial Statements include a total of 16 domestic (previous year: 17) and 13 foreign subsidiaries (previous year: 13) as fully consolidated companies. Eleven (previous year: nine) associated companies were shown in the balance sheet using the equity method.

The financial statements of domestic and foreign subsidiaries included in the consolidation have been prepared according to uniform accounting and valuation methods (see Note (8) "Risk management").

According to the materiality principle, shares in an affiliated or associated entity are not included if such company is of subordinate significance. The balance sheet total, the sum of the pro rata equity capital as well as the sales revenues and the operating result of the subsidiary in relation to the consolidated total are used for the assessment thereof. Companies included in the scope of consolidation based on these criteria represent over 99 percent of the respective total. One (previous year: one) associated company was not consolidated because of its minor significance for the asset, financial and earnings position of the Group.

An overview of the companies included in the Consolidated Financial Statements is given in the table "Group companies" in Note (12).

CHANGES IN THE SCOPE OF CONSOLIDATION

During the financial year, the scope of consolidation changed as follows:

Changes in the scope of consolidation

	Full scope of consolidation	Equity measurement
As at 31/12/2024	30	9
Business acquisitions/first-time consolidation	1	0
First-time inclusion in the scope of consolidation	0	2
Merger/contribution	-2	0
As at 31/12/2025	**29**	**11**
Of which foreign companies	13	3

Business acquisitions/initial consolidation

Energie Steiermark Wasserstoff GmbH (WA) was established as a wholly-owned subsidiary of Energie Steiermark AG following its entry in the Register of Companies on 13 May 2025. The purpose of Energie Steiermark Wasserstoff GmbH is the production, processing, supply, transport, sale and trading of renewable gases, in particular hydrogen. The internal spin-off and transfer of the "Hydrogen" business unit to the company did not result in any change to the Group's asset position. The company was included as a fully consolidated entity in the consolidated financial statements of Energie Steiermark AG as at 30 June 2025.

First-time inclusion in the scope of consolidation

As at 31 December 2025, the project companies ES SN Green Power GmbH and Enery Green Power GmbH were included in the consolidated financial statements for the first time using the equity method.

Merger/contribution

Following its entry in the Register of Companies on 14 June 2025, the "Sales" business unit was spun off from Elektrizitätswerke Bad Radkersburg GmbH (EBR) with retroactive effect from 1 January 2025 and incorporated into Energie Steiermark Kunden GmbH (KD). The spin-off did not result in changes in the Group's asset situation, since EBR had already been fully consolidated and included in the Consolidated Financial Statements.

Following its entry in the Register of Companies on 19 September 2025, the remaining Elektrizitätswerke Bad Radkersburg GmbH (EBR) with retroactive effect from 1 January 2025 was incorporated into Energie Steiermark GmbH (EN). EBR was subsequently removed from the Register of Companies. The merger has not resulted in changes in the Group's asset situation, since all the companies in question were already fully consolidated and included in the Consolidated Financial Statements.

Following its entry in the Register of Companies on 1 October 2025, Next Vertriebs- und Handels GmbH (NX) was incorporated into Energie Steiermark AG with retroactive effect from 1 January 2025. NX was subsequently removed from the Register of Companies. The merger has not resulted in changes in the Group's asset situation, since all the companies in question were already fully consolidated and included in the Consolidated Financial Statements.

3 RESULTS FOR THE FINANCIAL YEAR

3.1 Sales revenues

Sales revenues result from payments received or receivables recognised in the Balance Sheet arising from the sale of products, goods and the rendering of services, less discounts, value added tax and the elimination of intra-group sales.

Sales revenues

in K€	2025	2024
Energy revenue	1,640,064	1,746,060
thereof electricity	*1,019,108*	*1,151,443*
thereof gas	*360,417*	*318,020*
thereof heat	*236,161*	*251,514*
thereof other	*24,379*	*25,083*
Network revenue	416,903	357,146
thereof electricity grid	*356,795*	*310,024*
thereof gas grid	*60,109*	*47,122*
Other sales revenue	84,220	88,729
Total	**2,141,188**	**2,191,935**

Sales revenues are K€ 50,747 above the value of the previous year. This change results mainly from lower energy income in the electricity segment.

Sales revenues includes revenue from contracts with customers amounting to K€ 2,139,824 (previous year: K€ 2,188,854).

According to IFRS 15, sales revenues are realised when the customer acquires the power to dispose of the agreed goods and services and derive benefits therefrom. Sales revenues are measured with the amount of the consideration the company expects to receive.

The model applied by the Group from 1 January 2018 onwards in accordance with IFRS 15 provides for a five-level scheme according to which the customer contract and the separate performance obligations contained therein must first be identified. The transaction price of the customer contract is then to be determined and broken down for each of the individual performance obligations. Finally, revenue is to be realised for each performance obligation in the amount of the allocated pro rata transaction price as soon as the agreed service has been performed or the customer acquires control thereof. A distinction is to be made here between performance obligations for a point in time or a period of time on the basis of defined criteria.

Only free services were identified as separate performance obligations and discounts granted when new contracts were concluded as transactions relevant for IFRS 15 and which show special features as regards the realisation of income. Taking into account the materiality criteria, sales revenues are not currently subjected to any special treatment. However, both the identified transactions and future new products are subject to a review as of the respective balance sheet date and, as a result, a new materiality assessment.

When it comes to supplying electricity, gas and heat, control is transferred over the period during which the service is provided. Sales revenue is recognised at the amount at which the Group has fulfilled its obligations and a right to issue an invoice has arisen. There are no significant financing components as a result of business-specific payment terms.

Any receivables from electricity, gas and heating supplies not yet billed on the balance sheet date are accrued and are shown in the item "Trade accounts receivable" (See also Note 5.8 "Trade receivables").

Electricity trading activities ("trading") are presented on a net basis, taking into account the net gains/losses from derivative financial instruments held for trading purposes with these electricity trading activities within energy income in the electricity segment.

Electricity trading activities ("Trading")

in K€	2025	2024
Revenue from electricity trading activities	329,528	157,273
Expenses from electricity trading activities	-329,089	-143,655
Net result from electricity trading	**439**	**13,618**
Realised gains/losses from futures, electricity	-39,793	20,718
Realised gains/losses from forwards, electricity	25,204	-12,777
Unrealised gains/losses from the market valuation of electricity futures	12,708	37,652
Unrealised gains/losses from the market valuation of electricity forwards	2,100	-58,096
Net gain/loss from derivative financial instruments, electricity trading	**219**	**-12,503**
Total result	**658**	**1,115**

Gas trading activities ("trading") are presented net in the same way as electricity trading activities, taking into account the net gains/losses from derivative financial instruments held for trading purposes with these gas trading activities within energy income in the gas segment.

Gas trading activities ("Trading")

in K€	2025	2024
Revenue from gas trading activities	0	321
Expenses from gas trading activities	0	-320
Realised gains/losses from futures, gas	22	52
Net gain/loss from derivative financial instruments, gas trading	**22**	**52**
Total result	**22**	**53**

For further details on network revenues, please refer to the notes on the regulatory framework for electricity and gas networks in Note 13.2 "Regulatory framework for electricity and gas networks in accordance with section 137 of the Electricity Act (ElWG) and section 71 of the Gas Act (GWG)".

The table below shows the development of the consolidated sales quantities of the Group companies:

Gross sales quantities	2025	2024
Electricity sales in GWh *)	12,438	9,841
Sales of electricity in the grid segment in GWh	7,573	7,622
Gas sales in GWh **)	8,090	6,717
Sales of gas in the grid segment in GWh	13,196	11,905
Heating sales in GWh		
Domestic market	1,387	1,305
Abroad	553	516

*) The item "Sales of electricity in GWh" includes electricity trading activities ("trading") in the amount of 3,720 GWh (previous year: GWh 1,665) which are disclosed as net figures in sales revenue.

**) The item "Gas sales in GWh" for the previous year includes gas trading activities amounting to 11 GWh, which are shown under net sales revenue.

Other sales revenue is as follows:

Other sales revenue

in K€	2025	2024
Management fees and revenue for other services	20,023	20,900
Sales revenue from the reversal of building cost contributions	18,615	17,808
Sales revenue from the implementation of energy measures in buildings and technical plants	9,005	8,963
Sales revenue from deliveries and services other than energy deliveries	8,697	11,147
Sales revenue from the provision of telecommunication infrastructure	6,944	6,330
Sales revenue from the installation of house connections	2,566	3,553
Sales revenue from emission certificates and guarantees of origin	2,503	11,648
Rental and leasing revenue	2,176	2,193
Other	13,692	6,188
Total	**84,220**	**88,729**

Trading activities in connection with certificates ("trading") are presented on a net basis to provide an economic view:

Trading activities in connection with certificates ("trading")

in K€	2025	2024
Revenue from trading in certificates	178,501	172,765
Expenses from trading with certificates	-174,828	-179,057
Net result from trading with certificates	**3,673**	**-6,291**
Realised gains/losses from futures	-2,989	8,205
Net gain/loss from derivative financial instruments, trading certificates	**-2,989**	**8,205**
Total result	**684**	**1,913**

The following table provides information on receivables, contract assets and contract liabilities from contracts with customers:

Contract balances

in K€	2025	2024
Trade accounts receivable	566,083	626,736
Contract assets	6,376	3,087
Contract liabilities	-1,444	-1,785
Total	**571,014**	**628,038**

A contract asset is an entity's right to consideration when it has rendered its service to a customer and settlement of the consideration is not dependent on its due date alone. A contract liability is an obligation of an entity to a customer to deliver goods or render services for which the entity has already received payments.

Contract assets relate to claims from services which are not yet billable. These represent claims against customers, which, due the lack of a payment claim, do not yet meet the definition of a financial instrument. These are either tangible assets that are produced on behalf of a third party and are still in progress on the balance sheet date or service orders that have not yet been completed on the balance sheet date.

These unbilled customer contracts are measured at the actual manufacturing costs incurred. Cost of production includes direct material and production costs as well as material and production overheads allocated on a systematic basis. The contract costs are recognised in proportion to the stage of completion on the balance sheet date. Contract assets are reclassified to receivables when an invoice is issued to the customer.

If the result from a production contract can be measured reliably and if it is probable that the contract will be profitable, the contract revenue is recognised based on the stage of completion over the term of the contract. When it is probable that the total contract costs will exceed the total contract revenue, the expected loss is recognised as an expense immediately.

If the outcome of a production contract cannot be determined reliably, contract revenue is only recognised to the extent that it is probable that incurred contract costs can be recovered.

Contract liabilities include deferred revenues for the Customer Club. The amount of K€ 1,785 reported as contract liabilities at the beginning of the period was already recognised as revenue in previous years.

3.2 Changes in inventories and own work capitalised

This item includes decreases in inventories of K€ 233 (previous year: increases in inventories amounting to K€ 977) and own work capitalised amounting to K€ 50,651 (previous year: K€ 44,458).

3.3 Other operating income

Other operating income

in K€	2025	2024
Income from the reversal of investment subsidies	5,576	8,430
Income from the appreciation of receivables	4,969	861
Income from damage compensation	4,038	2,619
Income from the disposal of fixed assets	1,793	1,245
Subsidies from third parties	1,225	994
Income from payments on account	237	892
Income from termination benefits	0	5,271
Other	1,264	1,050
Total	**19,102**	**21,362**

The subsidies from third parties in the previous year related to compensation payments in accordance with the French energy price umbrella from energy deliveries to end customers.

3.4 Cost of material and other purchased manufacturing services

Cost of material and other purchased manufacturing services

in K€	2025	2024
Energy procurement from third parties	1,441,484	1,533,625
thereof electricity	*951,515*	*1,064,755*
thereof gas	*407,508*	*398,960*
thereof heat	*68,912*	*59,083*
thereof other	*13,549*	*10,827*
Grid utilisation by third parties	68,661	53,184
thereof electricity grid	*59,832*	*41,723*
thereof gas grid	*8,829*	*11,461*
Other expenses for materials	25,903	26,954
Total	**1,536,047**	**1,613,764**

The expenses for materials and other purchased production services are K€ 77,716 below the expenses of the previous year. This decrease is mainly due to lower electricity purchases.

3.5 Personnel costs

Personnel costs

in K€	2025	2024
Wages and salaries	192,004	185,063
Expenses for severance payments	2,246	1,964
Expenses for the pension scheme	5,809	5,652
Expenses for statutory social security contributions as well as duties and compulsory contributions depending on remuneration	47,555	43,690
Other social expenses	2,983	2,647
Total	**250,597**	**239,015**

With regard to expenses from interest on personnel provisions in the amount of K€ 6,407 (previous year: K€ 6,887), please refer to Note 3.9 "Financial Income and Expenses".

Payments under defined-contribution pension schemes (see Notes 6.3.1 "Provisions for pensions and similar obligations" and 6.3.2 "Provisions for severance pay") amounted to K€7,676 in the financial year (previous year: K€ 7,265).

3.6 Amortisation and expenses from impairments of intangible assets and depreciation of tangible assets

Amortisation and expenses from impairments of intangible assets and property, plant and equipment

in K€	2025	2024
Depreciation of tangible assets	137,016	127,879
Impairments of tangible assets	259	8,499
Reversal of impairment losses on property, plant and equipment	-644	0
Amortisation of intangible assets	6,870	6,537
Impairments of intangible assets	1	0
Total	**143,501**	**142,915**

Depreciation of property, plant and equipment includes depreciation of rights-of-use assets recognized in accordance with IFRS 16 in the amount of K€ 3,513 (previous year: K€ 3,220).

Impairments of property, plant and equipment in the previous year mainly include impairments in accordance with IAS 36 on the Gratkorn hydro power plant in the amount of K€ 7,839 and the Madstein hydro power plant in the amount of K€ 508. The fair value of the cash-generating unit was used as its recoverable amount. This item also includes, both in the current financial year and in the previous year, required adaptations due to technological innovations and preliminary project costs for projects with long pre-planning phases and uncertain outcomes.

In the current financial year, income from the reversal of impairment losses on property, plant and equipment mainly comprises the write-up of the Gratkorn hydro plant station amounting to K€ 622.

For the assumptions regarding impairment of assets, please refer to Note 5.3 "Impairment of non-financial assets".

3.7 Other operating expenses

Other operating expenses

in K€	2025	2024
Service and maintenance expense as well as various necessary operating expenses	69,450	61,808
Commission payments	12,576	9,127
Advertising	12,444	12,315
Expense allowances to employees and for training and further education	7,473	7,272
Legal, audit and consultancy costs	5,705	3,722
Security, cleaning and waste disposal expenses	4,750	4,324
Expenses arising from the derecognition of receivables less value adjustments used	4,551	1,427
Postage and telephone costs	4,181	4,043
Insurance policies	3,680	4,049
Car expenses	3,641	3,388
Taxes which are not dependent on income as well as contributions, fees and dues	3,050	3,399
Losses from the disposal of assets	2,998	1,627
Expenses arising from the value adjustment of receivables	497	10,342
Miscellaneous other operating expenses	22,637	20,620
Total	**157,632**	**147,464**

Research and development costs incurred in the research phase were K€ 564 (previous year: K€ 380) and were immediately recognised in profit or loss.

Other operating expenses in the current financial year include expenses for short-term leases in the amount of K€ 14 (previous year: K€ 18) and, in the previous year, expenses relating to low-value leases amounting to K€ 12.

3.8 Other results from shareholdings

Other results from shareholdings

in K€	2025	2024
Income from shareholdings recognised at fair value through equity	88,498	109,771
Market value changes from shareholdings measured at fair value through profit or loss	347	343
Income from shareholdings recognised at fair value through profit or loss	316	0
Total other income from shareholdings	**89,161**	**110,114**
Market value changes from shareholdings measured at fair value through profit or loss	-1	-632
Total other expenses from shareholdings	**-1**	**-632**
Balance of other income and expenses arising from shareholdings	**89,160**	**109,482**

Dividend income from shareholdings measured at fair value through equity mainly comprises income from shares held in VERBUND Hydro Power GmbH and RAG-Risikobewertung-Verlassenschaft. Dividend income is recorded when the shareholders' right to receive payment is established.

Net profits or net losses from shareholdings recognised at fair value through profit or loss include the changes in the fair value recognised impacting income and the results from the disposal of shareholdings allocated to this category. Net profits or net losses from financial assets are calculated from the results of the disposal and the recorded impairments of these financial instruments.

Net profits/losses

in K€	2025	2024
Net gains/losses from shareholding recognised at fair value through profit or loss	315	-632
Net gains/losses from shareholding recognised at fair value through equity	0	0
Total net profits/losses	**315**	**-632**

3.9 Financial income and expenses

Financial result

in K€	2025	2024
Interest income from:		
- loans and receivables	3,038	2,158
Total interest income from financial assets not measured at fair value through profit or loss	3,038	2,158
Other income from financial assets measured at amortised cost	5,436	8,933
Income from securities measured at fair value through profit or loss	416	591
Market value changes from securities measured at fair value through profit or loss	24	0
Income from the disposal of securities measured at fair value through profit or loss	18	244
Total financial income	**8,932**	**11,926**
Interest expenses from:		
- from loans and liabilities	-26,764	-26,692
- other accrued interest and expenses	-7,501	-11,214
Total interest expense from financial liabilities not measured at fair value through profit or loss	-34,265	-37,906
Expenses arising from severance payment obligations to non-controlling interests in partnerships	-53	0
Market value changes from securities measured at fair value through profit or loss	-17	0
Total financial expenses	**-34,334**	**-37,906**
Financial income and expenses balance	**-25,402**	**-25,980**

Interest income from loans and receivables consist mainly of interest income from loans granted by the company. Interest income is recognised pro rata temporis subject to the effective interest rate.

Other income from financial assets measured at amortised cost consists mainly of interest income from banks.

The effect of discounting leases in accordance with IFRS 16, amounting to K€ 632 (previous year: K€ 590), is included in interest expense on liabilities measured at amortised cost.

Other interest and similar expenses contain primarily expenses arising from interest on personnel provisions in the amount of K€ 6,407 (previous year: K€ 6,887).

The amount of transaction costs of financial liabilities not forming part of the effective interest rate is of subordinate importance.

Net profits or net losses from financial instruments recognised at fair value through profit or loss include the changes in the fair value recognised impacting income and the results from the disposal of financial assets allocated to this category. Net profits or net losses from loans and receivables and liabilities recognised at amortised cost of acquisition include recognised impairments and appreciation. As to net gains or net losses of loans and receivables, please refer to Note 5.8 "Receivables and Other Assets".

Net profits/losses

in K€	2025	2024
Net profits/losses from assets recognised at fair value through profit or loss	42	244
of which are from financial instruments measured at fair value	*42*	*244*
Net profits/losses from financial liabilities valued at amortised cost	-67	-38
Total net profits/losses	**-26**	**206**

3.10 Result from shares held in associated companies

Result from shares held in associated companies

in K€	2025	2024
Income from associated companies	8,141	13,263
Expenses from associated companies	-160	-700
Impairments	-289	0
Total	**7,691**	**12,563**

Income from associated companies mainly includes income from Energie Graz GmbH and Stromnetz Graz GmbH.

Expenses from associated companies include expenses resulting from the consolidation of the current results of Enery Green Power GmbH.

With regard to impairment losses, please refer to Note 5.4 "Financial assets accounted for using the equity method".

4 INCOME TAXES

4.1 Taxes recognised in profit or loss

Tax expenses on the result before income taxes are as follows:

Income taxes

in K€	2025	2024
Current income taxes:		
Expenses for current income taxes	-4,541	-4,641
Income/expense from previous periods	-180	1,896
Total current income taxes	**-4,721**	**-2,745**
Deferred taxes:		
Entry and reversal of temporary differences	-24,775	-19,041
Change in other deferred taxes	14,067	5,175
Effect of the tax rate change abroad	-4	-585
Total deferred taxes	**-10,711**	**-14,451**
Income tax expenses	**-15,432**	**-17,196**

The impact of the change in the tax rate in the current financial year stems from the reduction in the corporation tax rate in Germany by 5 percentage points from 2028. The reduction in the corporation tax rate from 30 percent to 25 percent was already taken into account when calculating the deferred tax assets and liabilities of the German Group company.

The impact of the change in the tax rate in the previous year stems mainly from the increase in the corporation tax rate in Slovakia. The increase in the corporation tax rate from 21 percent to 24 percent was already taken into account from 1 January 2025 when calculating the deferred tax assets and liabilities of the Slovakian Group companies.

The table below shows the allocation of the income taxes in the Consolidated Financial Statements:

Allocation of income taxes in the consolidated financial statements

in K€	2025	2024
Ongoing operating activities	-15,432	-17,196
Taxes included in other comprehensive income (OCI) of the year	2,479	-42,231
Income taxes - total	**-12,953**	**-59,427**

4.2 Taxes recognised in other comprehensive income

The taxes recognised in other comprehensive income (OCI) for the year are shown in the table below.

Income taxes on other comprehensive income in K€	**2025** Before Taxes	**2025** Taxes	**2025** After Taxes	**2024** Before Taxes	**2024** Taxes	**2024** After Taxes
Revaluation of net debt from defined benefit obligations	7,017	-1,608	5,409	7,057	-1,628	5,430
Net change in the fair value of investments measured at fair value through equity	-2,075	477	-1,598	-276,249	63,542	-212,707
Other results from investments accounted for using the equity method (revaluation of net debt from defined benefit obligations)	3,391	0	3,391	1,890	0	1,890
Sum of items that will not be subsequently reclassified ("recycled") to the Profit and Loss Statement	**8,333**	**-1,131**	**7,202**	**-267,302**	**61,914**	**-205,388**
Market valuation of hedging instruments (cash flow hedges)	-15,694	3,610	-12,084	452,805	-104,145	348,660
Exchange rate differences resulting from the conversion of foreign businesses	269	0	269	-115	0	-115
Sum of items that will be reclassified ("recycled") subsequently to the Profit and Loss Statement	**-15,424**	**3,610**	**-11,815**	**452,690**	**-104,145**	**348,545**
Other result	**-7,092**	**2,479**	**-4,613**	**185,388**	**-42,231**	**143,157**

4.3 Reconciliation of the effective tax rate

Income tax expenses in the financial year are K€ 29,275 lower (previous year: K€ 31,032 lower) than the computed income tax expenses which would result by applying a tax rate of 23 percent to the profit before income tax.

Causes for the differences between the computed and the disclosed income tax expenses in the Group are as follows:

Reconciliation of the effective corporation tax rate

in K€	2025		2024	
Earnings before taxes		194,379		209,685
Computed income tax expense / income	23.00%	-44,707	23.00%	-48,227
Differences resulting from deviating rates of taxation abroad	0.06%	-111	-0.04%	91
Tax-free dividend income	-10.51%	20,434	-12.90%	27,040
Pro rata equity-method results that are not tax-deductible	-0.91%	1,769	-1.38%	2,889
Write-downs and write-ups of shareholdings	-2.69%	5,238	0.00%	0
Utilisation of non-capitalised loss carry forwards from previous years	-1.11%	2,152	-0.42%	884
Non-capitalised loss carry forwards of the current financial year	0.31%	-605	0.27%	-570
Other tax-free income and non-deductible expenses	-0.31%	602	0.52%	-1,082
Non-period tax expense/income	0.09%	-180	-0.90%	1,896
Other	0.01%	-25	0.06%	-116
	7.94%	**-15,432**	8.20%	-17,196

The difference between the effective tax rate and the statutory tax rate is mainly due to tax-free investment income received as well as the only partial utilisation of loss carry forwards and effects from the interest barrier in accordance with the medium-term planning.

As of the 2023 assessment date, the write-downs to the value of the investment in Energie Steiermark Czechia GmbH carried out in 2011 to 2013 and to the investment in Energie Steiermark Service GmbH in 2019 were not recognised as being tax deductible by the tax authorities in the amount of the distribution made in the respective year ("distribution-related write-down to going concern value"). Tax law stipulates here that the write-down of a shareholding to its going concern value is spread over seven years for tax purposes ("one-seventh of the write-down each year"). The taxes officially assessed and paid that were not due in the company's opinion were recognised as claims at the expected value. The company has taken legal recourse by way of a complaint against the respective notifications, but a decision has not yet been reached this matter. The entire threat potential has been fully considered.

Moreover, Energie Steiermark AG formed a group of companies in the 2005 financial year in accordance with Section 9 KStG (Corporation Tax Act). A group and tax equalisation agreement was concluded on 24 November 2005, which was revised on 19 December 2024. The founding of the group of companies, under the terms of the notification, took place on 2 February 2006. The tax balancing agreement was concluded for an indefinite period of time and is dependent on the tax load method.

Three Austrian companies (previous year: three) participated in this group of companies as group members as at 31 December 2025 and have concluded a relevant group agreement with the main company, Energie Steiermark AG.

4.4 Deferred taxes

Deferred taxes are recognised under the deferred liability method for all temporary differences between the tax value of assets and liabilities and the carrying amounts stated in the Consolidated Financial Statements. Significant temporary differences result from the recognition and the valuation of provisions, valuation differences of non-current and current assets and from tax loss carry-forwards. Deferred tax assets are disclosed only to the extent that it is probable that future taxable gains will be available for offsetting with the temporary differences.

The following deferred tax assets and liabilities are disclosed in the Balance Sheet:

Net position from deferred taxes

in K€	31/12/2025	31/12/2024
Deferred tax assets	23,700	15,799
Deferred tax liabilities	198,046	181,864
Net position	**-174,346**	**-166,065**

The net position of the Group's deferred taxes developed as follows in the financial year:

Change in net position from deferred taxes

in K€	31/12/2025	31/12/2024
Status at the start of the year	-166,065	-109,406
Currency changes	-49	23
Recognised through profit or loss in the financial year	-10,708	-14,451
Changes not affecting the result	2,479	-42,231
Effect of tax rate changes	-4	0
Status at the end of the year	**-174,346**	**-166,065**

For the determination of deferred income taxes, tax rates of the countries of the parent company and the respective subsidiaries bindingly released or in effect at the reference date are used.

In the 2025 and 2024 financial years, the following income tax rates were applied to the calculation of deferred taxes:

Income tax rates

Company headquarters	2025	2024
Austria	23.0%	23.0%
Germany	25.0%	30.0%
France	25.0%	25.0%
Slovakia	24.0%	24.0%
Czech Republic	21.0%	21.0%

Deferred tax assets and liabilities resulting from different valuations in the tax balance sheet and the IFRS Balance Sheet as well as from loss carry-forwards existing at the balance sheet date are as follows:

Deferred tax	2025		2024	
in K€	Assets	Liabilities	Assets	Liabilities
Intangible assets	5,071	266	4,962	278
Property, plant and equipment	0	93,403	0	73,257
Derivatives	40,992	22,327	102,878	72,808
Other financial assets	541	170,094	438	170,554
Inventories	0	148	34	218
Receivables and other assets	7,622	1	14,146	106
Financial liabilities	4,520	0	4,341	0
Provisions and accruals	21,525	268	23,373	308
Liabilities and accruals/deferrals	7,936	9,718	7,922	23,866
Tax losses carried forward	21,651	0	7,584	0
Write-down to going concern value of shareholdings	12,023	0	9,652	0
Total deferred tax assets/liabilities	121,878	296,225	175,331	341,396
Deferred tax assets/liabilities 31/12	**121,878**	**296,225**	**175,331**	**341,396**
Offsetting of deferred tax assets and liabilities vis-à-vis the same tax authority	-98,179	-98,179	-159,532	-159,532
Offset deferred tax assets/liabilities	**23,700**	**198,046**	**15,799**	**181,864**

Deferred tax assets of K€ 52,272 (previous year: K€ 41,967) were recognized for the partial write-downs outstanding as of 31 December from the tax distribution over seven years.

No deferred tax assets were recognised for tax losses carried forward amounting to K€ 16,024 (previous year: K€ 22,749), since it is not probable that there will be taxable results in the future which can be offset by the Group against deferred tax liabilities.

Non-capitalised loss carry-forwards relate mainly to loss carry-forwards of Austrian and German companies, which may be carried forward without restrictions.

The changes in deferred tax assets and liabilities recognised in the balance sheet in the current year are calculated as follows:

Changes in deferred tax assets and liabilities

in K€	2025	2024
DEFERRED TAX ASSETS		
Differences between depreciation for accounting purposes and for tax purposes	109	-597
Other non-deductible provisions	-1,849	-1,609
Losses from the valuation of derivatives	-61,886	-37,761
Losses from the measurement at fair value of other financial assets	103	434
Tax losses carried forward and unused tax credits	14,067	5,175
Write-down to going concern value of shareholdings	2,370	-2,919
Add-on of supplementary tax balance sheets	0	-6,291
Other deductible temporary differences	-6,367	-14,946
Offsetting of deferred tax assets and liabilities vis-à-vis the same tax authority	61,353	-54,822
Change in deferred tax assets	**7,901**	**-113,335**
DEFERRED TAX LIABILITIES		
Differences between depreciation for accounting purposes and for tax purposes	-20,134	-15,947
Other non-deductible provisions	40	-308
Gains from the valuation of derivatives	50,482	-31,923
Gains from the measurement at fair value of other financial assets	460	63,496
Other deductible temporary differences	14,323	-18,058
Add-on of supplementary tax balance sheets	0	4,593
Offsetting of deferred tax assets and liabilities vis-à-vis the same tax authority	-61,353	54,822
Change in deferred tax liabilities	**-16,182**	**56,676**
Change in the net position	**-8,281**	**-56,659**

4.5 Global minimum top-up tax

On 30 December 2023, the Minimum Taxation Reform Act (MinBestRefG, BGBl I No. 187/2023) was issued in Austria, which implements EU Directive 2022/2523 based on the OECD model regulations ("Pillar II") to ensure global minimum taxation for multinational groups of companies and large domestic groups in the Union with revenues of more than € 750 million. The Energie Steiermark Group falls within the scope of this legal provision because the turnover threshold is exceeded. Energie Steiermark AG is considered the ultimate parent company and is therefore fundamentally responsible for determining any surtax for the group of companies.

The Energie Steiermark Group is affected by Pillar II regulations in the following jurisdictions: Austria, Germany, Slovakia, Czech Republic, France.

For the 2025 financial year, no national surtax under Section 6 MinBestG was calculated for the entities located in Austria, as both the effective tax rate is above the required minimum of 15% and the exemption of the net profit tax under Section 48 MinBestG exceeds the minimum net profit tax. Safe harbour rules were in place for business units in foreign jurisdictions (NES safe harbour, CbCR safe harbour). The analyses are based on the latest available data from the respective company reports and are subject to ongoing review. For the 2025 financial year, no surtaxes have been recognised as a result of the application of the Minimum Taxation Act or a comparable foreign law.

5 ASSETS

5.1 Intangible assets

Intangible assets include electricity, gas and heat purchase rights, natural gas pipeline transportation rights, software and goodwill.

The carrying amount of intangible assets developed as follows:

Changes in intangible assets

in K€	Usage rights, electricity, gas and heating purchase rights, supply rights	Advance payments	Goodwill	Other assets having unlimited useful lives	Total
Acquisition/manufacturing costs 1/1/2024	**136,439**	**0**	**81,344**	**1,976**	**219,758**
Currency changes	-7	0	0	0	-7
Additions	7,244	7	0	0	7,251
Disposals	-3,868	0	0	0	-3,868
Reclassifications	715	0	0	0	715
Acquisition/manufacturing costs 31/12/2024	**140,522**	**7**	**81,344**	**1,976**	**223,849**
Accumulated amortisation/depreciation 1/1/2024	**91,099**	**0**	**13,751**	**0**	**104,851**
Currency changes	-3	0	0	0	-3
Scheduled amortisation/depreciation	6,537	0	0	0	6,537
Disposals	-3,867	0	0	0	-3,867
Accumulated amortisation/depreciation 31/12/2024	**93,767**	**0**	**13,751**	**0**	**107,518**
Carrying amount at 1/1/2024	45,339	0	67,593	1,976	114,908
Carrying amount at 31/12/2024	**46,755**	**7**	**67,593**	**1,976**	**116,331**
Acquisition/manufacturing costs 1/1/2025	**140,522**	**7**	**81,344**	**1,976**	**223,849**
Currency changes	13	0	0	0	13
Additions	12,608	42	0	0	12,650
Disposals	-6,245	0	0	0	-6,245
Reclassifications	1,264	0	0	0	1,264
Acquisition/manufacturing costs 31/12/2025	**148,162**	**50**	**81,344**	**1,976**	**231,531**
Accumulated amortisation/depreciation 1/1/2025	**93,767**	**0**	**13,751**	**0**	**107,518**
Currency changes	5	0	0	0	5
Scheduled amortisation/depreciation	6,870	0	0	0	6,870
Impairments (Note 3.6)	1	0	0	0	1
Disposals	-4,082	0	0	0	-4,082
Accumulated amortisation/depreciation 31/12/2025	**96,560**	**0**	**13,751**	**0**	**110,312**
Carrying amount at 1/1/2025	46,755	7	67,593	1,976	116,331
Carrying amount at 31/12/2025	**51,601**	**50**	**67,593**	**1,976**	**121,220**

Amortisation and depreciation of intangible assets is dependent on the estimated useful life, which is as follows:

Useful Life	Amortisation rate in %	Useful life in years
Intangible assets	1.11 - 100	1 - 90

Intangible assets acquired for consideration are carried at cost less accumulated straight-line depreciation and impairment losses (see Note 5.3 "Impairment of non-financial assets").

In accordance with IFRS 3, goodwill is not subject to scheduled depreciation, but annually and when there are indications of impairment subjected to an impairment test (see Note 5.3 "Impairment of non-financial assets").

Goodwill consists of the following:

Goodwill

in K€	31/12/2025	31/12/2024
Energie Steiermark Kunden GmbH	49,877	48,756
Energie Steiermark Green Power GmbH	7,288	7,288
Windpark Stubalm GmbH	4,719	4,719
la bellenergie SaS	3,744	3,744
E1 Energiemanagement GmbH	937	937
Energie Steiermark Wärme GmbH	890	890
STEFE ECB, s.r.o.	137	137
Elektrizitätswerke Bad Radkersburg GmbH	0	1,121
Total	**67,593**	**67,593**

Assets having undetermined useful lives are disclosed under "Other non-amortisable intangible assets".

5.2 Property, plant and equipment

The carrying amount of tangible assets changed as follows:

Changes in tangible assets

in K€	Properties and buildings on other plots	Undeveloped land	Technical plant and machinery	Other equipment, technical and office equipment	Properties under construction	Total
Acquisition/manufacturing costs 1/1/2024	**535,908**	**26,907**	**3,196,833**	**85,210**	**119,431**	**3,964,289**
Currency changes	-90	0	-375	-6	-4	-475
Additions	14,821	1,005	98,886	13,538	154,923	283,173
Disposals	-1,302	-20	-23,325	-12,789	-239	-37,675
Contract amendments	-107	0	2	-70	0	-175
Reclassifications	31,749	52	69,727	568	-102,811	-715
Acquisition/manufacturing costs 31/12/2024	**580,980**	**27,944**	**3,341,748**	**86,450**	**171,301**	**4,208,423**
Accumulated amortisation/depreciation 1/1/2024	**197,303**	**475**	**1,900,426**	**53,999**	**6,512**	**2,158,715**
Currency changes	-57	0	-230	-4	0	-291
Scheduled amortisation/depreciation	12,853	0	102,746	12,280	0	127,879
Impairments (Note 3.6)	6,134	0	2,345	0	20	8,499
Reversals of impairment losses	-6	0	-2	0	-46	-54
Disposals	-1,144	-9	-21,671	-12,666	0	-35,489
Reclassifications	3,467	0	456	0	-3,923	0
Accumulated amortisation/depreciation 31/12/2024	**218,550**	**467**	**1,984,071**	**53,608**	**2,563**	**2,259,259**
Carrying amount at 1/1/2024	338,605	26,432	1,296,406	31,211	112,919	1,805,574
Carrying amount at 31/12/2024	**362,430**	**27,478**	**1,357,677**	**32,842**	**168,737**	**1,949,164**
Acquisition/manufacturing costs 1/1/2025	**580,980**	**27,944**	**3,341,748**	**86,450**	**171,301**	**4,208,423**
Currency changes	194	0	823	13	26	1,057
Additions	18,887	1,016	115,945	15,411	205,972	357,231
Disposals	-3,271	-367	-33,556	-7,581	-216	-44,991
Contract amendments	-318	0	25	53	0	-241
Reclassifications	10,580	12	80,590	-2,168	-90,278	-1,264
Acquisition/manufacturing costs 31/12/2025	**607,050**	**28,605**	**3,505,575**	**92,179**	**286,804**	**4,520,214**
Accumulated amortisation/depreciation 1/1/2025	**218,550**	**467**	**1,984,071**	**53,608**	**2,563**	**2,259,259**
Currency changes	131	0	547	10	0	688
Scheduled amortisation/depreciation	13,865	0	109,640	13,510	0	137,016
Impairments (Note 3.6)	67	0	162	0	30	259
Reversals of impairment losses	-514	0	-130	0	0	-644
Disposals	-2,883	0	-31,516	-7,437	-82	-41,917
Reclassifications	-237	0	2,344	-2,108	0	0
Accumulated amortisation/depreciation 31/12/2025	**228,979**	**467**	**2,065,119**	**57,584**	**2,511**	**2,354,660**
Carrying amount at 1/1/2025	362,430	27,478	1,357,677	32,842	168,737	1,949,164
Carrying amount at 31/12/2025	**378,071**	**28,139**	**1,440,457**	**34,594**	**284,293**	**2,165,554**

Investments in property, plant and equipment amounted to K€ 352,773 in the past financial year (previous year: K€ 281,464), where K€ 146,801 were invested in finished plants and K€ 205,972 in plants under construction. The finished plants mainly relate to the construction and modernisation of transformer and electricity distribution systems, transmission systems, the roll-out of smart meters, the expansion of gas and fibre optic networks, increasing the coverage of heating networks and photovoltaic plants. The plants under construction consist primarily of investments in transformer and electricity distribution systems, the expansion of gas and heating supply networks, fibre optic cables, wind turbines and district heating generation plants as well as new office and operations buildings. Carrying amounts increased by 11 percent in the year under review.

The decreases of the carrying amount of K€ 3,074 (previous year: K€ 2,186) relate mainly to technical plants and machinery.

Depreciable property, plant and equipment are carried at cost less accumulated straight-line depreciation and impairment losses (see Note 5.3 "Impairment of non-financial assets").

Depreciation of property, plant and equipment is dependent on the estimated useful life, which is as follows:

Useful Life	Amortisation rate in %	Useful life in years
Residential buildings	2	50
Company buildings and other buildings	2 - 10	10 - 50
Thermal power plants	4 - 20	5 - 25
Hydraulic power plants	1.33 - 10	10 - 75
Wind turbines	5	20
Electrical plants	4 - 20	5 - 25
Lines	2.5 - 5.26	19 - 40
Office and business equipment	6.67 - 50	2 - 15

Besides costs of material and personnel expenses, production costs of self-produced tangible assets also include pro-rata overhead costs. Third party contributions (building cost contributions) as well as government grants are attributed to the assets concerned, disclosed on the liabilities side and reversed in line with the useful life of the corresponding asset.

Maintenance and repairs are reported as expenses, while replacement and expansion investments as well as reinstatement and demolition obligations are reported on the assets side. Profits or losses from asset disposals are recognised under "Other operating income" or "Other operating expenses".

Rights-of-use assets from leases pursuant to IFRS 16 are reported under property, plant and equipment, where they are then divided into three categories: land and buildings, technical plants and machinery and office and business equipment.

The development of rights-of-use assets from leases is presented as follows:

Development of rights-of-use assets from leases in K€	Land and buildings	Technical plants and machinery	Office and business equipment
Carrying amount at 01/01/2024	**12,806**	**182**	**6,579**
Currency changes	-2	0	0
Additions	1,322	11	375
Disposals	0	-2	0
Contract amendments	-107	2	-70
Amortisation	-1,155	-40	-2,025
Carrying amount at 01/01/2025	**12,864**	**154**	**4,859**
Currency changes	4	0	0
Additions	3,724	17	717
Contract amendments	-318	25	53
Amortisation	-1,592	-41	-1,879
Carrying amount at 31/12/2025	**14,681**	**155**	**3,749**

The category office and business equipment includes vehicles leases amounting to K€ 2,256 (previous year: K€ 3,457). We refer to Note 6.2 "Non-current and current financial liabilities" as regards lease liabilities.

Contract adjustments refer to adjustments to the underlying contracts, such as prolongations of their validity, which are recognised directly in equity against the lease liability.

For all leases to be recognised in accordance with IFRS 16, the lessee recognises a lease liability for the future lease payments and capitalises a right-of-use asset corresponding to the present value of the future lease payments plus directly attributable costs.

The Group takes advantage of the relief provided by IFRS 16 for lessees and therefore does not apply this standard to intangible assets, short-term leases with a term of no more than 12 months and low-value leased assets.

5.3 Impairment of non-financial assets

Assets with indefinite useful lives such as goodwill or assets not yet ready for use are not amortised on a systematic basis but instead tested for impairment annually. Tangible and intangible assets that are subject to depreciation and amortisation are tested for impairment if corresponding events or changes in circumstances indicate an impairment.

Tangible or intangible assets are impaired when the carrying amount is higher than the fair value less costs to sell or the value in use. The fair value less costs to sell results from the realisable sales proceeds less costs directly attributable to the sale. The value in use results from the present value of the estimated future net cash flows arising from the use of the asset and its disposal value at the end of the useful life. Impairment losses are recognised in profit or loss under "Depreciation, amortisation and impairment losses on intangible and tangible assets" in the Consolidated Profit and Loss Statement (see Note 3.6).

Goodwill is subject to impairment tests on an annual basis and whenever indications for impairment exist. To perform an impairment test, goodwill is attributed to cash-generating units. An impairment requirement of the unit is determined by comparing the carrying amount to date recognised at amortised cost (including the attributed goodwill) with the recoverable amount.

The recoverable amount is determined by the net present value method based on the free cash flows planned by the Management and approved by the Supervisory Board. A perpetuity (terminal value) is recognised at the end of the detailed planning period of 5 years.

A medium-term company plan is used as a basis for data. In regulated areas, this is based on the regulatory system provided by the respective regulator (e.g. E-Control). For the terminal value, it is assumed that the regulator provides a corresponding return on the cost of capital. Distribution, generation and other areas account for the current and medium-term situation and development in the energy markets both on the purchase and the sales side. Events occurring after the balance sheet date that have an impact on the carrying amount have been taken into account.

Free cash flows are discounted at weighted average cost of capital (WACC). The capitalisation rate consists generally of a base rate and a risk surcharge. The base rate is equal to the rate of return of an alternative investment that is equivalent to the cash flow of the cash-generating unit (CGU) under valuation in terms of duration, risk and availability. For this purpose, the rates of return of corporate and sovereign bonds listed in the capital market are used as the basis. The risk surcharge is calculated using the capital asset pricing model (CAPM), which is the product of the market risk premium and the company's beta factor.

A company- and market-specific growth rate of between 0.75 percent and 1.5 percent is assumed for the WACC of the terminal value.

The following table shows the WACC after taxes for the individual countries:

WACC

Country	2025	2024
Austria	5.74%	5.99%
Germany	5.63%	5.85%
France	6.15%	6.07%
Slovakia	6.95%	6.47%
Slovenia	6.97%	6.88%
Czech Republic	6.13%	6.18%

The present value of the free cash flows determined as described above corresponds to the fair value of the CGU from the investors' point of view. The working capital (inventories, trade accounts receivable and trade accounts payable) was taken into account in the cash flow.

The results are plausibilised with other computational models (for example flow to equity) and specific parameters.

If the computed amount falls below the carrying amount, an impairment loss in the amount of the difference is to be made on goodwill as a matter of priority. Impairment losses are recognised under "Depreciation, amortisation and impairment losses on intangible and tangible assets" in the Consolidated Profit and Loss Statement (see Note 3.6). Any additional need for impairment is to be distributed over the remaining assets of the cash-generating unit (CGU) in relation to the carrying amount.

A corresponding appreciation in value is recognised when the reasons for write-ups no longer exist. Goodwill that has already been amortised once due to impairment can no longer be appreciated.

Significant goodwill relates to the companies Energie Steiermark Judgment GmbH (KD) and Energie Steiermark Green Power GmbH (GP). The CGUs to be allocated to these goodwill were those legally separate entities which are understood to be the smallest identifiable groups of assets that generate cash inflows from the continued use of these assets and which are largely independent of the cash inflows of other assets or groups of assets.

The fair values less the costs of sale of these CGUs are generally calculated pursuant to the measurement hierarchy of IFRS 13. No market values can be inferred for these CGUs. Correspondingly, the fair values are calculated according to level 3 of the measurement hierarchy.

The fair value of Energie Steiermark Kunden GmbH was determined using the discounted cash flow method on the basis of free cash flows (gross method). A perpetuity (terminal value) is recognised at the end of the detailed planning period of 5 years. In the perpetuity phase, an annual growth of 0.75 percent in financial surpluses was assumed. In the terminal value, an accumulation of part of the financial surplus was taken into account. The fair value of Energie Steiermark Kunden GmbH exceeds its carrying amount by K€ 41,365 (previous year: K€ 99,244).

The fair value of Energie Steiermark Green Power GmbH was determined using the discounted cash flow method on the basis of free cash flows (gross method). At the end of the detailed planning period, the planning calculation was supplemented by a 17-year planning phase until reaching a steady state. After this rough planning phase, a perpetuity (terminal value) was recognised. In the pension phase, an annual growth of 1.5 percent in financial surpluses was assumed. In the terminal value, an accumulation of part of the financial surplus was taken into account. The fair value of Energie Steiermark Green Power GmbH exceeds its carrying amount by K€ 96,912 (previous year: K€ 127,362).

The financial surpluses that can be achieved in the future are basically derived from the internal medium-term planning. Proceeds to be expected in the future are taken into account in the determination of future values, considering past and future market developments as well as operating, maintenance and investment costs.

The table below shows the sensitivities for significant assumptions, which are used to calculate the fair values for the material goodwill:

Sensitivities	2025		2024	
	GP	KD	GP	KD
WACC +1.0%	-17.56%	-19.75%	-22.94%	-22.40%
WACC -1.0%	24.86%	28.32%	32.49%	31.75%
Growth rate +0.1%	0.06%	0.16%	0.09%	0.19%
Growth rate -0.1%	-0.06%	-0.16%	-0.09%	-0.19%

If the WACC increased (decreased) by 1 percent in the 2025 financial year, the market value of the CGU at GP would have changed by -17.56 percent (change of +24.86 percent) and the market value of the CGU at KD would have changed by -19.75 percent (change of +28.32 percent).

If the growth factor increased (decreased) by 0.1 percent in the 2025 financial year, the market value of the CGU at GP would have changed by +0.06 percent (change of -0.06 percent) and the market value of the CGU and both KD would have changed by +0.16 percent (change of -0.16 percent).

5.4 Financial investments recognised at equity

Investments in associated companies are at-equity recognised participations in companies with a participation quota of between 20 percent and 50 percent, if significant control can be exercised.

Shareholdings in associated companies recognised using the equity method are included together with their prorated, revalued assets, liabilities and contingent liabilities. If the costs of acquisition for the Group's share exceed the fair values of the identifiable assets, liabilities and contingent liabilities of the associated company at the date of acquisition, the difference is recognised as goodwill. If the costs of acquisition for the share of the Group fall below the fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisition (i.e. an acquisition discount), the difference is recognised in profit or loss in the period of acquisition. Goodwill is recognised in the carrying amount of the shareholding.

Valuations of participations included at equity are increased or decreased on an annual basis by the respective change in equity and according to the capital share held by the Energie Steiermark Group. Losses exceeding the Group's share in associated companies are not recognised.

The carrying amount of entities recognised at equity developed as follows:

Change in companies included at equity

in K€	2025	2024
Status as at 1/1	115,978	108,275
Changes to method of consolidation	2,506	0
Additions	0	700
Other changes not affecting income	3,391	1,890
Pro rata results	7,980	12,563
Distributions	-7,544	-7,450
Impairments	-289	0
Status as at 31/12	**122,022**	**115,978**

The proportion contributing to results here mainly include income from Energie Graz GmbH and Stromnetz Graz GmbH. Dividends result mainly from Energie Graz GmbH.

Other changes recognised in equity include gains and losses that were recognised in equity by the shareholding. These arise from the revaluation of the net debt from defined benefit obligations, from the net change in the fair value of shareholdings measured at fair value, and from cash flow hedges.

The changes to the consolidation method relate to the carrying amounts of the project companies ES SN Green Power GmbH and Enery Green Power GmbH, which have been included in the consolidated financial statements for the first time using the equity method (see Note 2 "Scope of consolidation").

Additions in the previous year include shareholder contributions to homee GmbH.

The investment accounted for using the equity method is tested for impairment in accordance with IAS 36 if there are indications of impairment. In subsequent periods, a full reversal of impairment losses up to the amortised historical cost of the shareholding in the associated company accounted for using the equity method must be recognised if the reasons for the impairment no longer apply. Necessary impairments and reversals of impairments are reported under "Result from shares held in associated companies".

The impairment loss for the current financial year includes an impairment loss of K€ 289 on the goodwill of STEFE Trnava, s.r.o., in accordance with IAS 36.

Goodwill included in the carrying amount of companies recognised at equity consists of:

Goodwill

in K€	31/12/2025	31/12/2024
Energie Graz GmbH	57,279	57,279
Stadtwerke Bruck an der Mur GmbH	3,013	3,013
Feistritzwerke-STEWEAG GmbH	2,569	2,569
STEFE Trnava, s.r.o.	2,269	2,558
Stadtwerke Hartberg Energieversorgungs GmbH	992	992
Total	**66,122**	**66,411**

Summarised financial information in respect of the individually material entities included in the Consolidated Financial Statements at equity is presented in the tables below:

Financial information about material associated companies

in K€	31/12/2025				31/12/2024			
associated company	Energie Graz	Stromnetz Graz	Feistritz-werke[1]	Adriaplin[2]	Energie Graz	Stromnetz Graz	Feistritz-werke[1]	Adriaplin[2]
Balance sheet								
Non-current assets	475,874	32,442	220,875	53,834	473,161	32,228	192,256	55,027
Current assets	63,185	26,295	14,346	11,843	65,418	21,528	16,299	11,576
Non-current liabilities	-313,268	-37,484	-160,394	-1,604	-210,849	-37,338	-132,811	-1,789
Current liabilities	-23,457	-11,021	-19,268	-8,062	-129,428	-8,647	-21,830	-11,210
Reconciliation to the carrying amount of the interest in the associated company								
Net assets	202,333	10,232	55,560	56,011	198,302	7,771	53,913	53,604
Share in the net assets in %	49%	49%	27%	38%	49%	49%	27%	38%
Share in the net assets	99,143	5,013	15,001	21,284	97,168	3,808	14,557	20,370
+/- Revaluations	-87,033	-2,108	-112	-3,627	-87,033	-2,108	-167	-2,867
Carrying amount of the interest in the associated company (excluding goodwill)	12,110	2,906	14,889	17,658	10,135	1,700	14,390	17,503

[1] The balance sheet date of Feistritzwerke-STEWEAG - GmbH is 30 June. The proportionate result is included in the Consolidated Financial Statements on the basis of the interim financial statements prepared as at 31 December.

[2] The figures of ADRIAPLIN, Podjetje za distribucijo zemeljskega plina d.o.o. relate to the 2024 financial year and, in the previous year, to the 2023 financial year.

Financial information about material associated companies

in K€	2025				2024			
associated company	Energie Graz	Stromnetz Graz	Feistritz-werke[1]	Adriaplin[2]	Energie Graz	Stromnetz Graz	Feistritz-werke[1]	Adriaplin[2]
Profit and loss statement								
Sales revenues	338,268	57,310	42,685	40,536	367,238	59,869	38,487	51,900
Result after income taxes	6,991	1,699	4,147	4,444	12,659	6,138	4,056	4,747
Other result	6,187	762	0	-37	3,514	356	0	-18
Total result	13,178	2,461	4,147	4,406	16,174	6,494	4,056	4,728
Dividend paid to Energie Steiermark	4,632	-	675	760	5,440	-	675	760

[1] The balance sheet date of Feistritzwerke-STEWEAG - GmbH is 30 June. The proportionate result is included in the Consolidated Financial Statements on the basis of the interim financial statements prepared as at 31 December.

[2] The figures of ADRIAPLIN, Podjetje za distribucijo zemeljskega plina d.o.o. relate to the 2024 financial year and, in the previous year, to the 2023 financial year.

Summarised financial information in respect of individually immaterial associated companies is presented in the table below:

Summarised financial information of other associated companies

in K€	2025	2024
Result after income taxes	142	2,033
Other result	0	0
Total result	142	2,033
Carrying amount of the interest in the associated companies (excl. goodwill)	8,337	5,839

5.5 Non-current financial assets

Non-current financial assets consist of the following:

Non-current financial assets

in K€	2025	2024
Loans granted by the company	20,000	20,000
Assets at fair value through equity	938,304	945,309
of which shareholdings measured at fair value through equity (level 2)	938,304	945,309
Assets at fair value through profit and loss	82,220	92,011
of which securities measured at fair value through profit or loss (level 1)	33,369	36,024
of which securities measured at fair value through profit or loss (level 1)	6,626	6,311
of which derivative financial instruments (level 2)	42,225	49,676
Total	**1,040,524**	**1,057,320**

The following investments are designated as equity instruments at fair value through equity, as the Group intends to hold these investments for strategic purposes in the long term.

Investments held at fair value through equity include both immaterial shareholdings in associated companies not recognised at equity and other shareholdings with a percentage interest of less than 20 percent.

Shareholdings valued at fair value through equity (Level 2)

in K€	31/12/2025			31/12/2024		
	Shareholding % rate	Fair value	Dividend income recognised	*Shareholding % rate*	Fair value	Dividend income recognised
VERBUND Hydro Power GmbH	*5.31%*	878,496	79,650	*5.31%*	881,599	100,890
RAG-Beteiligungs- Aktiengesellschaft	*10.00%*	52,701	7,558	*10.00%*	51,451	7,032
ARGONET GmbH	*18.00%*	2,869	0	*34.00%*	5,016	0
E 1 Wärme und Energie GmbH	*100.00%*	2,740	900	*100.00%*	2,740	587
E-VO eMobility GmbH	*12.00%*	481	0	*12.00%*	459	0
AGGM Austrian Gas Grid Management AG	*15.00%*	429	278	*15.00%*	282	131
APCS Power Clearing and Settlement AG	*3.81%*	189	15	*3.81%*	162	14
CISMO Clearing Integrated Services and Market Operations GmbH	*3.31%*	117	90	*3.31%*	101	74
AGCS Gas Clearing and Settlement AG	*2.81%*	113	7	*2.81%*	116	10
EDA Energiewirtschaftlicher Datenaustausch GmbH	*6.67%*	59	0	*6.67%*	34	0
EXAA Abwicklungsstelle für Energieprodukte AG	*3.04%*	59	0	*3.04%*	57	0
Grazer Energieagentur Ges.m.b.H.	*5.00%*	53	0	*5.00%*	50	0
Enery Green Power GmbH*)	*50.00%*	0	0	*50.00%*	1,364	0
ES SN Green Power GmbH *)	*50.00%*	0	0	*50.00%*	1,143	299
AQUASYSTEMS Gospodarjenje z vodami d.o.o.	-	0	0	*20.87%*	735	734
Total		**938,304**	**88,498**		**945,309**	**109,771**

*) See Note 2 "Scope of consolidation"

Long-term loans granted by the company are as follows:

Long-term loans granted by the company

in K€	2025	2024
Energie Graz GmbH	20,000	20,000
Other	0	0
Total	**20,000**	**20,000**

As at 31 October 2013, Energie Graz GmbH was granted a subordinated, long-term loan of K€ 40,000 at a fixed interest rate of 7.5 percent until 31 October 2023. In December 2022, it was agreed to extend the existing subordinated shareholder loan with a final maturity in 2035 and a credit risk premium of 4.56 percent to 5.08 percent.

The market value of the long- and short-term loans which results from discounting of expected cash flows using current market interest rates amounts to K€ 21,972 (previous year: K€ 22,490). Short-term loans granted by the company are explained under Note 5.6 "Current Financial Assets".

The loans granted were examined on the basis of the future-oriented model of "expected loan defaults" in accordance with IFRS 9. External ratings could be allocated for the material amounts. No impairment loss was identified on the basis of published default rates (see also Note 5.7 "Impairment of financial assets").

Securities recognised at fair value through profit and loss in the amount of K€ 33,369 (previous year: K€ 36,024) consist of fund shares and equities and are recognised at market value on the balance sheet date. The market value is the price published on the reporting date.

Fund shares to the amount of K€ 33,351 (previous year: K€ 36,006) had an average stock market price of € 96.26 on the balance sheet date (previous year: € 96.44).

Shareholdings recognised at fair value through profit and loss in the amount of K€ 6,626 (previous year: K€ 6,311) contain mainly shares in Burgenland Holding Aktiengesellschaft, whose fair value is K€ 6,615 as at 31 December 2025 (previous year: K€ 6,300). The fair value was determined using the share price published on the reporting date.

Derivative financial instruments recognised at fair value through profit or loss include derivative financial instruments in the energy segment with positive market values. For a detailed explanation on derivative financial instruments, refer to Note 8.5 "Use of derivative financial instruments to minimise commodity price risks".

For information on net profits and losses from assets recognised at fair value through profit and loss and derivative financial instruments held for trading, please refer to Note 3.1 "Sales revenues" and Note 3.9 "Financial income and expenses".

The change in non-current financial assets is as follows:

Change in non-current financial assets

in K€	Loans granted by the company	Financial assets valued at fair value through equity	Assets at fair value through profit and loss
As at 01/01/2024	**20,000**	**1,220,564**	**55,176**
Additions	0	998	71,307
Disposals	0	-4	-34,513
Unrealised profits/losses	0	-276,249	42
As at 31/12/2024	**20,000**	**945,309**	**92,011**
Change in scope of consolidation (Note 2)	0	-2,506	0
Additions	0	3,106	18,129
Disposals	0	-5,751	-27,011
Unrealised profits/losses	0	-1,853	-909
As at 31/12/2025	**20,000**	**938,304**	**82,220**

5.6 Current financial assets

Current financial assets consist of the following:

Current financial assets

in K€	2025	2024
Loans granted by the company	1,383	1,129
Assets at fair value through profit and loss	49,988	109,330
of which derivative financial instruments (level 2)	49,988	109,330
Total	**51,370**	**110,459**

Loans granted are loans to associated companies and other shareholdings.

Long-term loans granted by the company are as follows:

Short-term loans granted by the company

in K€	2025	2024
Energie Graz GmbH	290	285
E 1 Wärme und Energie GmbH	1,093	843
Total	**1,383**	**1,129**

The market values of short-term and long-term loans, and the loans extended by the company are shown in Note 5 "Non-current financial assets".

Derivative financial instruments recognised at fair value through profit or loss include derivative financial instruments in the energy segment with positive market values. For a detailed explanation on derivative financial instruments, refer to Note 8.5 "Use of derivative financial instruments to minimise commodity price risks".

For information on net profits and losses from assets recognised at fair value through profit and loss and derivative financial instruments, disclosed in the previous year, please refer to Note 3.1 "Sales revenues" and Note 3.9 "Financial income and expenses".

5.7 Impairment of financial assets

For financial assets measured at amortised cost and for contract assets, IFRS 9 requires that an expected credit loss (ECL) be recognised when the financial asset is recognised.

IFRS 9 provides for a general impairment model (three-level model) and a simplified method for determining the expected loss:

General impairment model (three-level model)

Level 1: Financial assets without a deterioration in credit rating
All financial instruments are always assigned to Level 1 in the first-time recognition (provided that there is no impairment of credit rating at the time of acquisition). The expected loss corresponds to the value that can arise from possible default events within the next 12 months after the balance sheet date.

Level 2: Financial assets with significant deterioration in credit rating
If there has been a significant increase in the default risk since first-time recognition, the financial instrument is transferred from Level 1 to Level 2. The impairment corresponds to the value that can arise from possible default events during the remaining term of the instrument.

Level 3: Impaired financial assets
If there is objective evidence that a financial asset is impaired, it must be transferred to Level 3.

Simplified method

IFRS 9 provides for simplifications for trade receivables. These receivables are generally of a short-term nature, i.e. due in less than 12 months, meaning that the expected loss for the next 12 months corresponds to the expected loss for the remaining term of the receivable and a transfer from Level 1 to Level 2 is therefore not relevant. Trade receivables are therefore covered by the lifelong expected credit loss.

The option of simplifying the measurement of trade receivables also applies to contract assets in accordance with IFRS 15 (if they do not contain any material financing components) and to lease receivables.

To simplify the calculation of impairment, IFRS 9 permits the use of a value adjustment matrix for trade receivables. On the balance sheet date, the expected loss over the remaining term is determined as a fixed-sum percentage based on empirical values depending on the dunning level or the duration of the overdue payment.

5.8 Receivables and other assets

Receivables are recognised at cost less value adjustments for expected uncollectible amounts. Value adjustments are determined in accordance with the impairment model prescribed by IFRS 9. Actual losses result in the derecognition of the respective receivables. In the framework of individual value adjustments, financial assets characterised by a potential need for impairment are categorised according to similar loss risk characteristics and tested for impairment losses together, as well as value adjusted, if necessary.

Other assets are valued at cost of acquisition less impairment losses. Non-interest bearing, long-term receivables are recognised at their present value.

Receivables and other assets consist of the following:

Receivables and other assets

in K€	Residual term as at 31/12/2025			Residual term as at 31/12/2024		
	< 1 year	> 1 year	Total	< 1 year	> 1 year	Total
Trade accounts receivable	565,711	371	566,083	626,200	536	626,736
Receivables from companies with which a shareholding relationship exists	3,704	20,896	24,600	3,237	20,994	24,231
Other receivables and assets	127,715	4,844	132,559	168,673	5,011	173,683
Total	**697,131**	**26,111**	**723,242**	**798,110**	**26,541**	**824,650**

Current trade accounts receivable includes receivables due from associated companies amounting to K€ 39,995 (previous year: K€ 45,454).

In the 2025 financial year, current trade accounts receivable were netted with trade accounts payable arising from electricity trading activities ("Portfolio") in the amount of K€ 55,969 (previous year: K€ 25,401) based on agreements with the respective counterparties, which provide for financial clearing of trading positions on a standardised key date once a month, and the net amount was reported in the balance sheet.

In addition, receivables for futures hedging services (variation margin) included in other receivables and assets totalling K€ 8,703 (previous year: K€ 4,011) were offset against the fair value measurement of futures in the current financial year. See here also Note 8.5 "Use of derivative financial instruments to minimise commodity price risks."

The table below shows the effects on the balance sheet:

Offsetting information

in K€	**31/12/2025**		
Class	Gross amount before offsetting	Gross amount offset	Net amount disclosed in the balance sheet
Trade accounts receivable	622,052	-55,969	566,083
Other receivables and assets	141,262	-8,703	132,559

in K€	**31 December 2024**		
Class	Gross amount before offsetting	Gross amount offset	Net amount disclosed in the balance sheet
Trade accounts receivable	652,137	-25,401	626,736
Other receivables and assets	177,695	-4,011	173,683

Other receivables and assets consist of the following:

Other receivables and assets

in K€	Residual term as at 31/12/2025			Residual term as at 31/12/2024		
	< 1 year	> 1 year	Total	< 1 year	> 1 year	Total
Receivables from the hedging of derivative financial instruments	49,087	0	49,087	87,294	0	87,294
Tax and duty refund claims	57,512	0	57,512	51,096	0	51,096
Receivables from allowances granted not yet received	4,889	0	4,889	3,137	0	3,137
Advance payments for expenses affecting the subsequent periods	3,479	444	3,923	3,732	619	4,351
Deposits	603	3,141	3,744	8,420	3,142	11,562
Receivables from payroll	318	1,177	1,495	45	1,127	1,172
Other receivables and assets	11,826	81	11,908	14,948	124	15,071
Total	**127,715**	**4,844**	**132,559**	**168,673**	**5,011**	**173,683**

Receivables from the hedging of derivative financial instruments result from granted financial securities for forward transactions in electricity trade. There were no pledges of trade accounts receivable as collateral.

Depending on the respective business model and customer segment, the Group uses individual impairment models to determine the expected credit losses on trade receivables from individuals that comprise a very large number of small balances. The loss rates here are determined either on the basis of arrears or dunning levels. In addition, a general allowance of 0.6 percent is recognised in the Group for trade receivables that are not overdue or have not been (previous year: 0.6 percent). Collateral received for past-due receivables on the balance sheet date was of subordinate significance.

In addition, individual value adjustments are made to financial assets for which there is a specific need for impairment. Value adjustments made result mainly from uncollectible payments and delays in payment.

Impairments of receivables are recognised using value adjustment accounts. Actual losses result in the derecognition of the respective receivables.

The value adjustments on trade receivables in the course of the year developed as follows:

Impairments, trade accounts receivable

in K€	**Level 1** Expected 12-month credit loss	**Level 2** Expected credit loss over the term – no impaired credit rating	**Level 3** Expected credit loss over the term – impaired credit rating	**Total**
As at 01/01/2024	**4,494**	**1,755**	**6,286**	**12,535**
Expenses for value adjustments	1,813	1,138	8,114	11,065
Use of value adjustments	-255	-44	-419	-718
Reversal of value adjustments	-523	-139	-195	-857
As at 31/12/2024	**5,528**	**2,710**	**13,786**	**22,025**
Expenses for value adjustments	755	1,591	1,681	4,026
Use of value adjustments	-1,376	-129	-2,040	-3,545
Reversal of value adjustments	-1,685	-809	-2,473	-4,968
As at 31/12/2025	**3,223**	**3,363**	**10,953**	**17,539**

The value adjustments in respect of other receivables in the course of the year developed as follows:

Impairments, other receivables and assets

in K€	**Level 1** Expected 12-month credit loss	**Level 2** Expected credit loss over the term – no impaired credit rating	**Level 3** Expected credit loss over the term – impaired credit rating	**Total**
As at 01/01/2024	**0**	**0**	**189**	**189**
Expenses for value adjustments	0	10	0	10
Use of value adjustments	0	0	-16	-16
Reversal of value adjustments	0	0	-4	-4
As at 31/12/2024	**0**	**10**	**170**	**181**
Expenses for value adjustments	26	10	0	36
Use of value adjustments	0	0	-24	-24
Reversal of value adjustments	0	0	-1	-1
As at 31/12/2025	**26**	**20**	**145**	**192**

Expenses for derecognition amount to K€ 4,423 (previous year: K€ 1,288) for trade accounts receivable and to K€ 128 (previous year: K€ 139) for other receivables and assets.

5.9 Inventories

Inventories of primary energy, raw materials and supplies are recognised at cost of acquisition or the lower fair value. To determine the cost of sale, the weighted average cost method is used or the sequence of consumption method, if such is more suitable with regard to the actual circumstances.

Inventories consist of the following items:

Inventories

in K€	31/12/2025	31/12/2024
Primary energy inventories	25,453	31,069
CO_2 emission certificates	31,574	21,089
Raw materials and supplies	14,704	13,832
Finished and unfinished goods	1,161	1,221
Total	**72,892**	**67,211**

Primary energy inventories include mainly natural gas inventories amounting to K€ 20,548 (previous year: K€ 25,910).

Gas inventories designated for sale to end consumers are depreciated if the cost of acquisition is not covered by the estimated sales prices obtainable within ordinary business activities, less estimated completion and selling costs. Other inventories are depreciated for insufficient turnover rate.

In the current financial year, value adjustments of raw materials and supplies amounting to K€ 1,520 (previous year: K€ 1,635) were made to the lower net selling value. The impairments are recognised in cost of materials and other purchased services in other expenses of material (please refer to Note 3.4).

A large proportion of the CO_2 emission certificates are measured in accordance with the brokerage exemption under IAS 2, as they are held exclusively for trading purposes. They are measured at fair value (Level 1) less costs to sell. The corresponding forward transactions are recognised as financial assets or financial liabilities and measured at fair value.

In total, the fair value of inventories held for trading amounted to K€ 644 as at the reporting date of 31 December 2025 (previous year: K€ 949).

In addition, the CO_2 emission certificates include certificates that have not yet been redeemed to fulfil the requirements of the Emission Allowance Act. These are recognised at cost in accordance with IAS 2. Certificates received free of charge are measured at fair value at the time of allocation and, according to IAS 20, they are disclosed on the liabilities side under the "Government grants" item (see Note 6.5 "Building cost contributions"). A provision is created as of the balance sheet date for the obligation to use them; the amount of such provision depends on the value of the certificates declared to be used. Any obligation to grant emission rights regarding the existing certificates will be measured at the market value of the certificates to be subsequently procured.

In the current financial year, certificates assigned, free of charge, were valued at a fair value of K€ 9,329 (previous year: K€ 10,383).

No inventories were pledged or used as a security for liabilities in any other way or manner.

5.10 Cash and cash equivalents

A list of cash and cash equivalents is shown below:

Cash and cash equivalents

in K€	31/12/2025	31/12/2024
Cash in hand	107	115
Bank balances	351,149	201,522
Total	**351,257**	**201,638**

Cash in hand and bank balances include short-term liquid funds in foreign currency in the amount of K€ 1,326 (previous year: K€ 2,670).

The average interest rate for bank balances available as at 31 December 2025 is approx. 1.8 percent (previous year: around 3.3 percent).

Cash and cash equivalents are deposited with banks or financial institutions. Based on the external ratings of banks and financial institutions and based on published default rates per rating category, an impairment of K€ 23 (previous year: K€ 21) was determined, which was not recognised for reasons of materiality.

6 EQUITY AND LIABILITIES

6.1 Equity

The individual components and the development of equity are shown in a separate table ("Statement of Changes in Consolidated Equity", p. 6).

6.1.1 Share capital

The share capital amounts to K€ 100,000 and consists of 100,000,200 no-par value shares (previous year: 100,000,200 no-par value shares). Two block registered shares were issued, comprising 75,000,000 and 25,000,200 no-par value shares respectively, in the name of the Federal State of Styria. The share capital was fully paid up.

6.1.2 Capital reserves

Capital reserves include that part of reserves not formed from previous years' period results. Of which K€ 611,152 (previous year: K€ 611,152) is not available for distribution to shareholders.

6.1.3 Accumulated results

Accumulated results come from accumulated earnings within the Group. Any amount of these accumulated results might be distributed to the shareholders of the parent company which is disclosed as "Balance sheet profit" in the parent company's separate financial statements as at 31 December 2025, which are prepared according to the accounting principles applicable in Austria.

The dividend per share amounts to EUR 0.70 (previous year: EUR 0.60).

6.1.4 Accumulated changes not affecting earnings

Other reserves developed as follows:

Other reserves in K€	Profits and losses from					
	Currency conversion	Re valuations in accordance with IAS 19	Cash flow hedges	Changes in the fair value of shareholdings	Shareholdings recognised using the equity method	Total
As at 01/01/2024	**5,571**	**-66,369**	**-377,434**	**782,128**	**-13,426**	**330,469**
Change not affecting the result	-59	7,057	407,124	-276,249	1,890	139,763
Realisation affecting income	0	0	45,681	0	0	45,681
Taxes offset directly against equity	0	-1,628	-104,145	63,542	0	-42,231
As at 31/12/2024	**5,512**	**-60,940**	**-28,774**	**569,421**	**-11,537**	**473,683**
Change not affecting the result	137	7,017	-83,098	-2,075	3,391	-74,628
Realisation affecting income	0	0	67,404	0	0	67,404
Taxes offset directly against equity	0	-1,608	3,610	477	0	2,479
As at 31/12/2025	**5,649**	**-55,530**	**-40,858**	**567,823**	**-8,146**	**468,938**

The currency translation reserve comprises all foreign currency differences due to the translation of financial statements of foreign operations.

The revaluations pursuant to IAS 19 consist of actuarial gains and losses from the revaluation of net debt from defined-benefit obligations.

Profits and losses from cash flow hedges are reserves for hedging transactions in connection with cash flow hedging (see Note 7 "Financial instruments" and Note 8 "Risk management"). The reserve comprises the effective portion of the cumulative net changes in the fair value of hedging instruments used to hedge cash flows until the future recognition of the hedged cash flows or hedged items in profit or loss.

Profits and losses from changes in fair value include the cumulative net changes in the fair value of financial assets at fair value through equity.

Profits and losses from shareholdings recognised using the equity method reflect gains and losses from the revaluation of the net debt from defined-benefit obligations, value changes of assets held for sale recognised as not affecting earnings at associates, and cash flow hedges.

6.1.5 Non-controlling interests

The development of non-controlling interests is reported in the Statement of Changes in Consolidated Equity.

Non-controlling interests include the minority interests in the equity capital of fully consolidated subsidiaries shown in the table below. All other fully consolidated companies are directly or indirectly 100 percent shareholder property of Energie Steiermark AG (see Note 2 "Scope of Consolidation").

Non-controlling interests

%	31/12/2025	31/12/2024
Jihlavské Kotelny, s.r.o. (Czech Republic)	49.16%	49.16%
STEFE Rimavska Sobota, s.r.o. (Slovakia)	41.34%	41.34%
ENWA GesmbH (Austria)	40.00%	40.00%
Murkraftwerk Graz Errichtungs- und BetriebsgmbH (Austria)	37.60%	37.60%
STEFE Martin, a.s. (Slovakia)	34.07%	34.07%
STEFE Banska Bystrica, a.s. (Slovakia)	34.00%	34.00%
STEFE Zvolen, s.r.o. (Slovakia)	34.00%	34.00%

The following table provides information on fully consolidated subsidiaries with non-controlling interests before intra-group eliminations. For reasons of materiality, they are summarised per country.

Significant items of subsidiaries with non-controlling interests

in K€

	31/12/2025						
	Slovakia				Czech	Austria	
Subsidiaries	**STEFE RS**	**STEFE ZV**	**STEFE MT**	**STEFE BB**	**Jihlavske**	**ENWA**	**MKG**
Non-controlling interests in %	41.34%	34.00%	34.07%	34.00%	49.16%	40.00%	37.60%
Profit and loss statement							
Sales revenues	7,359	15,578	19,978	27,526	8,522	0	1,847
Result after income taxes	332	396	434	1,880	831	-72	244
Result after income taxes attributable to the non-controlling interests	137	135	148	639	409	-29	92
Balance sheet							
Non-current assets	3,764	6,232	8,574	23,137	9,765	5,566	82,568
Current assets	3,606	3,766	3,457	7,172	10,229	1,009	1,498
Non-current liabilities	-808	-2,778	-4,140	-10,214	-2,742	0	-74,153
Current liabilities	-2,065	-2,760	-3,846	-7,223	-10,408	-114	-1,233
Net assets attributable to the non-controlling interests	1,859	1,517	1,378	4,376	3,364	2,585	3,264
Cash flow statement							
Cash flow resulting from ongoing	361	-57	722	3,128	947	-188	281
Cash flow resulting from investment	37	-286	-900	-2,842	-528	-384	35
Cash flow resulting from financing activities	1,132	-176	-121	-157	-1,873	572	-316
Dividends paid to non-controlling interests during the year [1]	89	141	73	511	455	0	92

in K€

	31 December 2024						
	Slovakia				Czech	Austria	
Subsidiaries	**STEFE RS**	**STEFE ZV**	**STEFE MT**	**STEFE BB**	**Jihlavske**	**ENWA**	**MKG**
Non-controlling interests in %	41.34%	34.00%	34.07%	34.00%	49.16%	40.00%	37.60%
Profit and loss statement							
Sales revenues	7,837	14,965	18,585	26,639	9,307	0	2,672
Result after income taxes	287	416	428	1,515	874	-53	204
Result after income taxes attributable to the non-controlling interests	119	141	146	515	430	-21	77
Balance sheet							
Non-current assets	3,748	6,501	8,304	21,725	9,618	5,173	83,736
Current assets	3,865	4,528	3,441	7,462	3,127	692	1,619
Non-current liabilities	-1,037	-3,027	-4,563	-8,847	-3,389	0	-75,321
Current liabilities	-2,196	-3,523	-3,356	-7,844	-2,683	-132	-1,353
Net assets attributable to the non-controlling interests	1,811	1,523	1,303	4,248	3,278	2,293	3,264
Cash flow statement							
Cash flow resulting from ongoing	1,111	2,211	1,816	2,973	1,663	-30	847
Cash flow resulting from investment	144	-342	-889	-1,247	-445	-349	20
Cash flow resulting from financing activities	-1,606	-1,377	-491	-3,123	-1,211	379	-1,313
Dividends paid to non-controlling interests during the year [1]	91	114	69	1,868	365	0	96

[1] Included in cash flows from financing activities

6.2 Non-current and current financial liabilities

Non-current and current financial liabilities are composed of:

Non-current and current financial liabilities recognised at amortised cost of acquisition

in K€	Residual term as at 31/12/2025			Residual term as at 31/12/2024		
	< 1 year	> 1 year	Total	< 1 year	> 1 year	Total
Liabilities due to banks	31,253	1,016,287	1,047,540	31,613	786,883	818,495
Lease liabilities	3,011	16,444	19,455	2,931	15,709	18,641
Liabilities to others	36	434	470	35	436	471
Total	**34,299**	**1,033,165**	**1,067,465**	**34,579**	**803,028**	**837,607**

Non-current financial liabilities include liabilities with a remaining term of more than five years amounting to K€ 658,880 (previous year: K€ 524,287).

The maturity analysis of lease liabilities is presented as follows:

Maturity analysis of lease liabilities

in K€ **2025**	up to 1 year	1 to 5 years	over five years
Land and buildings	1,327	3,140	10,882
Technical plants and machinery	42	107	19
Office and business equipment	1,641	2,297	0
Total	**3,011**	**5,544**	**10,900**
2024	up to 1 year	1 to 5 years	over five years
Land and buildings	1,145	2,814	9,448
Technical plants and machinery	31	111	25
Office and business equipment	1,756	3,292	20
Total	**2,931**	**6,216**	**9,493**

The category office and business equipment includes vehicles leases amounting to K€ 2,256 (previous year: K€ 3,457). Please refer to Note 5.2 "Property, plant and equipment" for information on rights-of-use assets in accordance with IFRS 16.

In the year under review, the average interest rate for financing in local and foreign currency is as follows:

Average interest

	2025	2024
in EUR	2.86%	2.67%
in CZK	2.51%	2.84%

Non-current and current financial liabilities are composed in detail of:

Non-current and current financial liabilities recognised at amortised cost of acquisition

in K€

2025	Maturity	Emission volumes	Outstanding amount in FW	Outstanding amount in €	Residual term up to 1 year	Residual term more than 1
Liabilities due to banks					**31,253**	**1,016,287**
In foreign currencies					**355**	**860**
Fixed interest rate	2016-2032	109,300	29,385	1,215	355	860
Interest accrued					0	
in euros					**30,898**	**1,015,426**
Fixed interest rate	2009-2041	1,080,000	0	1,015,134	19,469	995,665
Variable interest rate	2004-2040	61,708	0	25,280	5,519	19,761
Interest accrued					5,910	
Lease liabilities					**3,011**	**16,444**
In foreign currencies					**23**	**97**
Fixed interest rate	2019-2045	3,235	3,235	119	23	97
Interest accrued					0	
in euros					**2,988**	**16,347**
Fixed interest rate	2017-2100	19,335	0	19,335	2,988	16,347
Interest accrued					0	
Financial liabilities to others					**36**	**434**
in euros					**36**	**434**
Variable interest rate	2016-2042	471	0	471	36	434
Interest accrued					0	
Total financial liabilities					**34,299**	**1,033,165**

Non-current and current financial liabilities recognised at amortised cost of acquisition

in K€

2024	Maturity	Emission volumes	Outstanding amount in FW	Outstanding amount In €	Residual term up to 1 year	Residual term more than 1
Liabilities due to banks					**31,613**	**786,883**
In foreign currencies					**434**	**1,597**
Fixed interest rate	2013-2032	119,200	51,115	2,031	434	1,597
Interest accrued					0	
in euros					**31,178**	**785,286**
Fixed interest rate	2009-2041	930,000	0	784,656	19,469	765,187
Variable interest rate	2005-2100	59,915	0	25,219	5,120	20,099
Interest accrued					6,589	
Lease liabilities					**2,931**	**15,709**
In foreign currencies					**20**	**102**
Fixed interest rate	2019-2045	3,087	3,087	123	20	102
Interest accrued					0	
in euros					**2,911**	**15,607**
Fixed interest rate	2017-2100	18,518	0	18,518	2,911	15,607
Interest accrued					0	
Financial liabilities to others					**35**	**436**
in euros					**35**	**436**
Variable interest rate	2016-2042	471	0	471	35	436
Interest accrued					0	
Total financial liabilities					**34,579**	**803,028**

The market value of financial liabilities is determined as the present value of expected future cash flows. Current market interest rates are used for discounting. The market value of financial liabilities is as follows:

Market value of financial liabilities

in K€

	2025		2024	
	Market value	**Carrying amount**	Market value	Carrying amount
Liabilities to banks in foreign currencies	1,164	1,215	1,907	2,031
Liabilities to banks in euro	1,028,437	1,040,414	805,996	809,875

6.3 Non-current provisions and accruals

Provisions are made in the Balance Sheet when present obligations due to third parties arose from past events, the payment is likely to be made and the amount can be reliably estimated. Provisions are recognised at the value determined by the best estimate at the time of the preparation of the Financial Statements. If no reasonable estimate of the amount is feasible, no provision is formed. Long-term provisions are recognised in the Balance Sheet at their settlement value discounted at the balance sheet date, if the interest effect resulting from discounting is material.

Non-current provisions and accruals are as follows:

Non-current provisions and accruals

in K€	31/12/2025	31/12/2024
Provisions for pensions and similar obligations	95,411	105,422
Provisions for severance payments	70,198	74,922
Provisions for service anniversary bonuses	22,818	20,104
Provisions for part-time retirement	12,544	15,468
Accrued liabilities for severance pay	268	534
Accruals for other personnel expenses	550	712
Total personnel-related provisions and accruals	**201,789**	**217,162**
Provisions for imminent losses from pending transactions	13,025	101
Provisions for damages and process risks	3,092	1,986
Total other provisions and accrued liabilities	**16,116**	**2,087**
Aggregate total	**217,905**	**219,248**

6.3.1 Provisions for pensions and similar obligations

The provisions for pensions and similar obligations are calculated according to the projected unit credit method. In accordance with IAS 19, revaluations are recognised in Other comprehensive income, not affecting the result. These comprise actuarial gains and losses, return on plan assets, if any, as well as changes in the effect of the asset ceiling, if any, in each case excluding any amounts that are included in net interest on net liabilities/assets.

Provision amounts are determined annually by an external expert's actuarial calculations.

The calculations as at 31 December 2025 and 2024 are based on the following assumptions:

Actuarial assumptions	2025	2024
Interest rate	3.40 % p.a.	3.20 % p.a.
Pension increases	2.50 % p.a.	2.60 % p.a.
Salary increases	2.50 % p.a.	2.60 % p.a.
Career trend	0.20 % p.a.	0.20 % p.a.
Expected investment result of the fund assets	3.40 % p.a.	3.20 % p.a.

By derogation from the long-term salary trends disclosed in the above table, a one-time increase of 2.90 percent as of the end of 2025 (previous year: 4.10 percent to the end of 2024) and a one-time increase of 2.60 percent to the end of 2026 (previous year: 3.20 percent to the end of 2025) and a one-time increase of 2.50 percent to the end of 2027 (previous year: 2.90% to the end of 2026) was recognised for pensions and salaries. Future salary increases by contractually determined two or three-year periods will be taken into account individually.

Valuation is based on the imputed pension age of 60 years for women and 65 years for men in compliance with the transitional regulations according to the Amendment of the ASVG (General Social Security Act) pursuant to Sec. 73, Budgetbegleitgesetz 2003 (BGBl. (Federal Gazette) I no. 71/2003 of 20 August 2003) and/or in line with the individual contract. Moreover, the pension age for women was determined using the "BVG Altersgrenzen" (Age Limits) (BGBl. 1992/832).

Calculations for salaried employees were based on "AVÖ 2018-P – Rechnungsgrundlagen für die Pensionsversicherung" (Actuarial Assumptions for Pension Insurance for Salaried Employees), published in August 2018. Education-specific mortality and specific probability of marriage were also taken into account individually.

Provisions for pensions developed as follows in the 2025 and 2024 financial years:

Change in provision for pensions and similar obligations

in K€		2025	2024
	Present value of defined benefit obligations (DBO) on 1/1	105,422	117,671
+	Current service cost	221	217
+	Interest expense	3,370	3,749
-	Pension payments	-9,244	-10,262
-	Actuarial gains/losses	-4,358	-5,954
	Present value of defined benefit obligations (DBO) on 31/12	**95,411**	**105,422**

Expected pension payments in 2026 are K€ 9,339 (previous year: K€ 9,714).

Change in parameters

The change in the interest rate and salary trend in the financial year (see table p. 55 for actuarial assumptions) led to a reversal of K€ 3,738. The change in interest rate and salary trend in the previous year resulted in an allocation in the amount of K€ 2,608. The parameter changes are contained in the "Actuarial gain/loss" item.

As at 31 December 2025, the weighted average residual term of pension and similar obligations is 9.3 years.

Provisions for pensions and similar obligations are composed of the following items:

Changes in liabilities for defined benefit pension obligations and other obligations similar to pensions

in K€	2025	2024	2023	2022	2021
Present value (DBO) of obligations covered by fund assets	15,404	17,436	18,652	17,113	20,396
Fair value of plan assets	-11,805	-12,022	-10,745	-11,204	-10,916
Provision recognised for obligations covered by fund assets	3,599	5,414	7,907	5,909	9,480
Provision recognised for obligations not covered by fund assets	91,812	100,008	109,764	110,916	140,599
Experience adjustments of plan liabilities	-0.6%	-8.9%	-8.9%	-2.5%	0.9%
Provision recognised as at 31/12	**95,411**	**105,422**	**117,671**	**116,825**	**150,079**

Experience adjustments of plan liabilities are relative divergences between the predicted value of previous years' obligations and the real amount of the obligation calculated in the following year.

Due to corporate agreements and contracts, the company is obligated to pay old age pension benefits to employees upon retiring under certain conditions. These performance-based payment obligations are partly backed by appropriated pension insurance funds with "APK-Pensionskasse Aktiengesellschaft" (Pension Insurance Company). As to obligations that are to be met by APK-Pensionskasse Aktiengesellschaft, the employer has to provide extra funds. The amount of the defined benefit pensions is based normally on the length of service with the company and benefit-related remuneration.

The outsourced defined pension claims are managed by an umbrella pension fund. The pension fund is a legally independent enterprise in the form of a stock corporation, which collects the contributions, invests the funds received and makes pension payments to the beneficiaries.

Pension fund assets are invested by the pension insurance carrier primarily in various investment funds, in accordance with the provisions of the Pensionskassengesetz (Pension Plans Act). The expected return results from the investment structure, the macro-economic conditions and the influences on the capital markets connected therewith.

The experience-based adjustments for defined benefit pension commitments consist of actuarial gains and losses from changes in financial assumptions of K€ -567 (previous year: K€ 469).

The following table shows the components of the plan assets of the funds:

Composition of plan assets	2025	2024
Shares in euro	9.4%	7.3%
Shares in foreign currencies	27.9%	29.1%
Government bonds	17.7%	18.1%
Corporate bonds	21.0%	22.5%
Other bonds	17.3%	15.1%
Bank/finance market	2.3%	3.3%
Real estate	4.5%	4.6%

Plan assets changed as follows:

Change in plan assets

in K€	2025	2024
Fair value of the plan assets on 1/1	12,022	10,745
+ Expected income from the plan assets	374	327
+ Actuarial gains/losses	158	1,079
+ Employer contributions	273	921
- Benefits paid	-1,022	-1,050
Fair value of the plan assets on 31/12	**11,805**	**12,022**

Value fluctuations occurring from plan assets were K€ 532 (previous year: K€ 1,406).

Pension obligations are covered by pension provisions or pension funds. In the event that claims transferred to the pension fund require additional payments, they are recognised in the Balance Sheet if the assets of the pension fund fall below the projected benefit obligation.

The sensitivity analysis was performed separately for each actuarial key parameter. Only one key parameter was changed in the analysis, all other variables being held constant (ceteris paribus). The changed pension obligation was determined in the same manner as the actual obligation. Interdependencies between the individual actuarial parameters were not taken into account.

Sensitivity analysis of the provision for pensions and similar obligations

		31/12/2025	
Calculation bases/assumptions	Change in the assumption	Decrease in parameter/change in DBO	Increase in parameter/change in DBO
Interest rate	0.10%	0.9%	-0.9%
Salary increase	0.10%	0.0%	0.0%
Pension increase	0.10%	-0.9%	1.0%
Remaining life expectancy	1 year	-7.1%	6.7%

		31/12/2024	
Calculation bases/assumptions	Change in the assumption	Decrease in parameter/change in DBO	Increase in parameter/change in DBO
Interest rate	0.10%	0.9%	-0.9%
Salary increase	0.10%	0.0%	0.0%
Pension increase	0.10%	-1.0%	1.0%
Remaining life expectancy	1 year	-6.7%	6.3%

6.3.2 Provisions for Severance Pay

Severance pay is a statutory one-time payment to be made in the event of termination of employment or at the commencement of old-age retirement. The amount depends on the number of years of employment and the salary paid at the time of separation. The calculation period ends after twenty-five years of employment with the achievement of an annual salary. Severance pay provisions are determined using actuarial calculations. The same calculation factors as for pension provisions and similar obligations are used for their measurement (see 6.3.1). In accordance with IAS 19, revaluations are recognised in Other comprehensive income, not affecting the result.

Provisions for severance pay developed as follows in the 2025 and 2024 financial years:

Change in severance pay provisions

in K€		2025	2024
	Present value of defined benefit obligations (DBO) on 1/1/	74,922	77,758
+	Current service cost	304	420
+	Interest expense	2,395	2,488
-	Severance payments	-4,764	-4,642
-	Actuarial gains/losses	-2,659	-1,103
	Present value of defined benefit obligations (DBO) on 31/12	**70,198**	**74,922**

Expected severance payments in 2026 are K€ 7,072 (previous year: K€ 4,620).

Change in parameters

The change in the interest rate and salary trend in the financial year (see table p. 55 for actuarial assumptions) led to a reversal of K€ 1,982. The change in interest rate and salary trend in the previous year resulted in an allocation in the amount of K€ 2,234. The parameter changes are contained in the "Actuarial gain/loss" item.

As at 31 December 2025, the weighted average residual term of severance pay obligations is 7.3 years.

The following table shows the experience adjustments of the plan obligations showing the relative divergences between the predicted value of previous years' obligations and the actual amount of the obligations calculated in the following year:

Change in provisions for defined benefit obligations

in K€	2025	2024	2023	2022	2021
Balance sheet provision for defined benefit obligations	70,198	74,922	77,758	71,196	84,461
Experience adjustments of plan liabilities	-0.9%	-6.6%	-3.1%	-2.2%	1.3%
Provision recognised as at 31/12	**70,198**	**74,922**	**77,758**	**71,196**	**84,461**

The sensitivity analysis was performed separately for each actuarial key parameter. Only one key parameter was changed in the analysis, all other variables being held constant (ceteris paribus). The changed pension obligation was determined in the same manner as the actual obligation. Interdependencies between the individual actuarial parameters were not taken into account.

As regards severance pay obligations, sensitivity of the remaining life expectancy was not taken into account due its minor significance.

Sensitivity analysis of the severance pay provision		31/12/2025	
Calculation bases/assumptions	Change in the assumption	Decrease in parameter/change in DBO	Increase in parameter/change in DBO
Interest rate	0.10%	0.7%	-0.7%
Salary increase	0.10%	-0.7%	0.7%

		31/12/2024	
Calculation bases/assumptions	Change in the assumption	Decrease in parameter/change in DBO	Increase in parameter/change in DBO
Interest rate	0.10%	1.0%	-0.6%
Salary increase	0.10%	-0.6%	1.0%

Based on legal amendments which took effect on 1 January 2003, no severance pay provisions are created for newly hired employees in the Austrian group companies. 1.53 percent of the salary sum are paid to an employee provisions scheme for these employees. The company does not have any further obligations.

6.3.3 Other Personnel-related Provisions and Accruals

Anniversary benefit obligations based on collective agreements have been made on the basis of the following assumptions. In accordance with IAS 19, actuarial gains and losses from anniversary benefit obligations are recognised in profit or loss.

Actuarial assumptions	2025	2024
Interest rate	3.40 % p.a.	3.20 % p.a.
Salary increases	2.50 % p.a.	2.60 % p.a.
Career trend	0.20 % p.a.	0.20 % p.a.

By derogation from the long-term salary trends disclosed in the above table, a one-time increase of 2.90 percent as of the end of 2025 (previous year: 4.10 percent to the end of 2024) and a one-time increase of 2.60 percent to the end of 2026 (previous year: 3.20 percent to the end of 2025) and a one-time increase of 2.50 percent to the end of 2027 (previous year: 2.90% to the end of 2026) was recognised for salaries. Future salary increases by contractually determined two or three-year periods will be taken into account individually.

The changes in interest rate and salary trend in the financial year resulted in a reversal in the amount of K€ 747. The change in interest rate and salary trend in the previous year resulted in an allocation in the amount of K€ 578.

Eight Group companies form the provision for part-time retirement based on a "Betriebsvereinbarung betreffend Altersteilzeitmodell" (corporate agreement on part-time retirement model) or based on individual part-time retirement agreements.

Accrued liabilities for severance pay are related to restructuring measures based on corporate agreements.

6.3.4 Other non-current provisions

Other non-current provisions changed as follows:

Change in other non-current provisions

in K€	Provisions for imminent losses from pending transactions	Provisions for damages and other risks	Total
As at 01/01/2024	**116**	**1,921**	**2,037**
Allocation	23	100	123
Transfer	-27	0	-27
Utilisation	0	-35	-35
Reversal	-11	0	-11
As at 31/12/2024	**101**	**1,986**	**2,087**
Allocation	12,886	1,292	14,179
Transfer	48	0	48
Utilisation	0	-6	-6
Reversal	-11	-180	-191
As at 31/12/2025	**13,025**	**3,092**	**16,116**

Provisions for imminent losses from pending transactions comprise provisions for contractual obligations arising from supply agreements for electricity and natural gas. The provision for the current financial year relates primarily to the obligation under sections 36–40 of the Electricity Industry Act (ElWG) for suppliers serving domestic customers to provide "eligible households" with electricity at a subsidised price.

Provisions for damages and other risks contain provisions for damage compensation payments and litigation risks and are calculated based on estimates in the amount of the outflow of funds expected in the future.

Non-current provisions are discounted at the EUR-swap rate commensurate with the projected residual term.

Furthermore, there are contingent liabilities from lawsuits arising from contractual agreements, which according to IAS 37.26 did not require provisions. In view of the subordinate significance to the Group's assets, financial and earning position, more detailed information is not provided according to IAS 37.86.

6.4 Current provisions

Current provisions and accruals are as follows:

Current provisions and accruals

in K€	31/12/2025	31/12/2024
Provisions for part-time retirement	9,713	8,158
Accrued liabilities for severance pay	556	851
Deferred holiday which has not yet been taken	23,854	21,896
Accruals for other personnel expenses	17,217	16,594
Total personnel-related provisions and accruals	**51,340**	**47,499**
Provisions for imminent losses from pending transactions	16,209	15,904
Provisions for damages and process risks	1,763	1,135
Other accrued liabilities	25,778	46,374
Total other provisions and accrued liabilities	**43,749**	**63,414**
Aggregate total	**95,089**	**110,913**

6.4.1 Personnel-related provisions and accruals

Provisions for part-time retirement refer to the current portion that is due for disbursement next year.

Accrued liabilities for severance pay are related to restructuring measures based on corporate agreements.

Accruals for other personnel expenses primarily include accruals for credit hours and bonuses not yet applied.

Other accrued liabilities include accruals for auditing and maintenance costs; legal, audit and consulting costs; and costs for preparing expert opinions.

6.4.2 Other current provisions

Provisions for imminent losses from pending transactions comprise provisions for contractual obligations.

Provisions for damages and litigation risks means compensation for damage, mandatory restoration, litigation and evaluation costs as well as litigation risks.

Current provisions developed as follows:

Development of other current provisions

in K€	Provisions for imminent losses from pending transactions	Provisions for damages and process risks	Total
As at 01/01/2024	**14,039**	**990**	**15,029**
Allocation	12,831	1,021	13,852
Transfer	27	0	27
Utilisation	-7,800	-875	-8,676
Reversal	-3,193	0	-3,193
As at 31/12/2024	**15,904**	**1,135**	**17,040**
Allocation	9,343	1,158	10,500
Transfer	-48	0	-48
Utilisation	-2,848	-440	-3,288
Reversal	-6,141	-90	-6,232
As at 31/12/2025	**16,209**	**1,763**	**17,972**

6.5 Construction subsidies

Building cost contributions are customer contributions for investing in primary grids (electricity, gas and heat generation and distribution or production systems). These connection and supply charges are like liabilities due to the obligation to supply or deliver.

The deferred building cost contributions amounting to K€ 269,625 (previous year: K€ 263,386) relate to one-off contributions paid by customers or project partners for the provision of grid access and electricity procurement rights on a service-specific basis. Building cost contributions are reversed analogously to the useful life of the affected plants and are disclosed under other sales revenues. If the term in the contract with the customer is shorter than the useful life of the asset, the building cost contribution is reversed over the contract term.

The reversal of building cost contributions is based on the useful life of the assets concerned or on the contract term and is as follows:

Useful life of building cost contributions

	Amortisation rate in %	Useful life in years
Contribution to building costs: GAS lines	3.33 / 2.5 / 4	20 / 30 / 40
Contribution to building costs: electricity/heating	5	20
Contribution to building costs: Energy Complete	6.67 / 5	15 / 20

The current portion in the amount of K€ 19,840 (previous year: K€ 18,138) includes the amount to be reversed in the next financial year.

CO2 emission certificates (see Note 5.9 "Inventories") assigned free of charge are recognised on the liabilities side as government grants at market value at the time of assignment. Valuation of this liability corresponds to the emission certificates provided free of charge for which government grants have been recognised in the balance sheet. Both upon the valuation of emission certificates and upon consumption or sale of emission certificates, income and expenses from emission certificates assigned free of charge are compensated for by the reversal or determination of the liability item.

6.6 Trade accounts payable

In the current financial year, current liabilities were offset against trade accounts receivable from electricity trading activities ("Portfolio"), based on agreements with the respective counterparties, which provide for financial clearing of trading positions on a standardised key date once a month, and the net amount was reported in the Balance Sheet.

The table below shows the effects on the balance sheet:

Offsetting information

in K€	31/12/2025		
Class	Gross amount before offsetting	Gross amount offset	Net amount disclosed in the balance sheet
Trade accounts payable *)	416,612	-55,969	360,643

*) including non-current trade accounts payable amounting to K€ 4,257

in K€	31 December 2024		
Class	Gross amount before offsetting	Gross amount offset	Net amount disclosed in the balance sheet
Trade accounts payable *)	497,273	-25,401	471,872

*) including non-current trade accounts payable amounting to K€ 3,667

6.7 Other non-current liabilities and accruals/deferrals

Other non-current liabilities and accruals/deferrals are as follows:

Other non-current liabilities

in K€	31/12/2025	31/12/2024
Investment grants	44,997	44,670
Liabilities due to companies in which a participating interest is held	22,458	26,652
Trade accounts payable	4,257	3,667
Advance payments received on account of orders	1,500	1,500
Citizen participation in renewable energy projects	818	858
Taxes and social security	54	51
Other financial liabilities	507	594
Liabilities recognised at amortised cost of acquisition	**74,590**	**77,992**
Derivative financial instruments recognised at fair value through profit or loss	46,835	73,100
of which derivative financial instruments (level 2)	46,835	73,100
Derivative financial instruments	**46,835**	**73,100**
Aggregate total	**121,425**	**151,092**

Investment subsidies are government and third-party grants for the acquisition or production of certain assets and are reversed fundamentally over the useful life of the subsidised assets. The capitalised investment subsidies relate primarily to grants and contributions for wind turbines, high- and medium-voltage power lines, natural gas pipelines and broadband expansion.

Derivative financial instruments recognised at fair value through profit or loss comprise derivative financial instruments in the energy segment with negative market values. For a detailed explanation on derivative financial instruments, refer to Note 7 "Financial instruments".

For information on net profits and losses from derivative financial instruments held for trading, please refer to Note 3.1 "Sales revenues" and Note 3.9 "Financial income and expenses".

6.8 Other current liabilities and accruals/deferrals

Other current liabilities as well as deferrals and accruals are as follows:

Other current liabilities and accruals/deferrals

in K€	31/12/2025	31/12/2024
Taxes and social security	128,717	79,098
Liabilities from overpayments and customer energy vouchers	33,330	69,368
Advance payments received on account of orders	31,389	8,791
Investment grants	11,448	11,538
Liabilities due to companies in which a participating interest is held	2,869	1,532
Other financial liabilities	42,717	59,476
Liabilities recognised at amortised cost of acquisition	**250,470**	**229,804**
Derivative financial instruments recognised at fair value through profit or loss	92,546	93,280
of which derivative financial instruments (level 2)	92,546	93,280
Derivative financial instruments	**92,546**	**93,280**
Aggregate total	**343,017**	**323,084**

During the current financial year, liabilities for margin calls on futures (variation margin) amounting to K€ 13,612 (previous year: K€ 74,505) were offset against the fair value measurement of futures. See here also Note 7 "Financial instruments".

The table below shows the effects on the balance sheet:

Offsetting information

in K€	31/12/2025		
Class	Gross amount before offsetting	Gross amount offset	Net amount disclosed in the balance sheet
Liabilities recognised at amortised cost of acquisition	264,082	-13,612	250,470

in K€	31 December 2024		
Class	Gross amount before offsetting	Gross amount offset	Net amount disclosed in the balance sheet
Liabilities recognised at amortised cost of acquisition	304,309	-74,505	229,804

The derivative financial instruments measured at fair value through profit or loss include financial instruments with negative market values to hedge against unexpected price developments in the energy trading business. Moreover, electricity derivatives not designated for trading and derivative financial instruments in this item which, economically, serve as hedging instruments for risks but which are not qualified as hedging instruments the Balance Sheet are disclosed under this item if their fair value is negative on the balance sheet date. For a detailed explanation on derivative financial instruments, refer to Note 7 "Financial instruments".

For information on net profits and losses from derivative financial instruments held for trading, please refer to Note 3.1 "Sales revenues" and Note 3.9 "Financial income and expenses".

7 FINANCIAL INSTRUMENTS

A financial instrument is an agreement that simultaneously gives rise to a financial asset at one company and to a financial liability or an equity instrument at another entity.

7.1 Recognition of financial instruments

ORIGINAL FINANCIAL INSTRUMENTS

Original financial instruments disclosed in the Balance Sheet include the following items: cash and cash equivalents, financial assets, trade accounts receivable and trade accounts payable as well as obligations from financial liabilities and other financial debts.

Financial assets are classified in the following measurement categories:

- valued at fair value (at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVTPL))
- valued at amortised cost

The classification depends on the business model for managing the financial assets and on the contractual cash flows.

Equity instruments such as investments in unconsolidated subsidiaries, associated companies not accounted for using the equity method and other unlisted investments held for long-term strategic reasons are classified as "at fair value through other comprehensive income (FVOCI)" in accordance with IFRS 9 and measured at fair value as at the balance sheet date. In the event that the fair value cannot be reliably determined by means of quoted market prices or measurement models, recognition is made at cost of acquisition, or at cost of acquisition less required amortisation for impairment. All changes in fair value are recognised in other comprehensive income (OCI). Dividends are recognised as income in profit or loss unless the dividend is clearly covering part of the cost of the investment. Other net gains or losses are recognised in other comprehensive income and never reclassified to profit or loss.

Financial assets that are held within the framework of a business model with the objective to collect contractual cash flows representing only principal and interest payments are measured at amortised cost. As such, loans granted are recognised at their outstanding nominal value. Non-interest bearing loans or loans with an interest rate below the market interest rate are recognised at the present value. Amortised cost is reduced by impairment losses as required. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. A gain or loss on derecognition is also recognised in profit or loss.

All financial assets that are not measured at amortised cost or at FVOCI are classified as at fair value through profit or loss (FVTPL). These include investment fund units and listed investments, provided they are not consolidated and are not accounted for using the equity method. Net profits or losses, including any interest or dividend income, are recognised in profit or loss.

Cash in hand, sight deposits and fixed-term deposits with initial terms of up to three months are treated as liquid funds.

Financial liabilities are stated at cost of acquisition. Financing costs and discounts are recognised as part of the cost of acquisition of the financial instrument by applying the effective interest method. Interest expenses and foreign currency translation differences are recognised in profit or loss. Gains or losses on derecognition are also recognised in profit or loss.

With the exception of derivative financial instruments, the Group has not classified any financial liabilities at fair value through profit or loss.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are recognised as assets or liabilities. All derivative financial instruments are recognised at fair value, regardless of their purpose.

Upon the signing of the contract, derivative financial instruments are recognised at their fair value and are carried at this fair value in subsequent periods. The fair value of derivative financial instruments is determined through their market prices or by using market prices of comparable products. If no market prices exist, the fair values must be calculated using recognised actuarial models. Treatment of unrealised valuation gains or -losses depends on the relevant purpose of the transaction.

Certain derivatives are designated as hedging instruments to hedge fluctuations in cash flows associated with highly probable forecast transactions resulting from changes in market prices. At the beginning of the designated hedging relationship, the risk management objectives and strategies pursued with respect to the hedge are documented. Furthermore, the economic relationship between the hedged item and the hedging instrument is assessed, as well as the expectation whether changes in the cash flows of the hedged item and those of the hedging instrument will offset each other.

The relationship between the hedged item and the hedging instrument must comply with the requirements of the risk management strategy. If the effectiveness of a hedging relationship changes without any change to the underlying risk management objective, the amounts of the hedged item and the hedging instrument are rebalanced without terminating the hedging relationship. A hedging relationship must be retained for accounting purposes for as long as the documented risk management objective for this hedging transaction does not change and the other conditions for hedge accounting are met.

Companies must prove, without being tied to quantitative threshold values, that an economic relationship exists between the underlying transaction and the hedging instrument, which leads to contrasting changes in value due to a (shared) reference value or a hedged risk. However, the changes in value of the economic relationship may not be primarily attributable to the influence of credit risk.

If a derivative is designated as a cash flow hedge, the effective portion of the change in fair value is recognised in other comprehensive income. The amounts set aside in this way are released to income in the settlement period of the hedged item. Possibly ineffective shares are immediately credited to income in the net income for the period.

Derivative financial instruments not included in a hedging relationship according to IFRS 9 are to be categorised as "measured at fair value through profit or loss" and are therefore to be recognised at fair value through profit or loss. If this is positive, it is to be disclosed under "Financial assets". Negative fair values are reported under financial liabilities and accruals/deferrals.

Derivative financial instruments in connection with energy trading activities are also recognised at fair value at the balance sheet date. Any changes in valuation are recognised in the Profit and Loss Statement as affecting income. Results from derivative energy trading activities are disclosed in net terms under sales revenues.

In accordance with IFRS 9, all commodity future contracts that are classified as derivatives (these include forwards and futures) are to be recognised in profit or loss as a rule. Transactions that are concluded by the company to meet expected purchase, sale or usage requirements and that are to be settled through delivery are exempt from the scope of IFRS 9 (so called own use exemption). These transactions are not derivative financial instruments as defined by IFRS 9, but they represent pending purchase and sale contracts, which are assessed for anticipated losses from pending transactions in accordance with the requirements of IAS 37. Such pending transactions are used to a minor extent in the Group, although no provisions for impending losses needed to be recognised in the current financial year.

If the prerequisites for the own use exemption are not fulfilled, for example, in the case of transactions for short-term optimisation, the transactions are recognised as derivatives in accordance with IFRS 9.

Transactions that are not settled through physical performance, but through cash settlement and, thus, not covered by the own use exemption fall under the scope of IFRS 9, regardless of their economic purpose.

RECOGNITION AND MEASUREMENT

Loans and receivables are recognised in the balance sheet from the date on which they accrue. All other financial assets and liabilities are recognised initially on the trading day.

Financial assets are derecognised when the contractual rights to the cash flows from an asset expire, or the rights to receive the cash flows from that asset are transferred in a transaction in which all major risks and rewards associated with ownership of the financial asset are also transferred.

Financial liabilities are derecognised when the contractual obligations are discharged, cancelled or have expired.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet if there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise an asset and settle the liability simultaneously.

In determining the fair value of an asset or a liability, the Group uses observable market data as far as possible. On the basis of the inputs used in the valuation techniques, the fair values are categorised into different levels of the fair value hierarchy in accordance with IFRS 13:

- Level 1: Quoted prices in active markets for identical assets and liabilities.

- Level 2: Valuation parameters that are not the quoted prices used in Level 1 that are observable for the asset or the liability either directly (i.e. as a price) or indirectly (i.e. derived from prices).

- Level 3: Valuation parameters for assets or liabilities, which are not based on observable market data.

If the input factors used to measure the fair value of an asset or a liability can be categorised into different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety in the level of the lowest level input factor that is significant to the entire measurement.

Any transfers between different levels of the fair value hierarchy are recognised at the end of the reporting period in which the change has occurred.

The market value is derived from market information available on the balance sheet date and the following methods and assumptions:

The fair values of futures and forward contracts used in connection with energy trading activities can be determined reliably on each balance sheet date, since quoted prices are available for futures contracts and/or since the valuation of forward contracts is performed using a forward price curve derived from quoted prices, taking account of the credit risk inherent in the counterparties. Consequently, the measurements of electricity, gas and CO_2 futures contracts are Level 1 measurements pursuant to IFRS 13. As a rule, the measurements of electricity, gas and CO_2 forward contracts are Level 2 measurements.

Determination of market value of financial liabilities and borrowings is based on current market data. Open cash flows are discounted at the market interest rate corresponding to the remaining term on the valuation date. The current market interest rate is calculated with the appropriate EURIBOR or the EUR swap rate plus a credit spread. For financial liabilities in non-euro currencies, future cash flows are discounted in the respective currency at the interest rate of that same currency. The resulting market value in foreign currency is then converted into euro using the exchange rate prevailing on the reporting date. The market values determined in this way correspond to Level 2 of the fair value hierarchy in accordance with IFRS 13.

The market value of current financial assets and current liabilities corresponds approximately to the carrying amounts based on their daily or short-term maturities.

7.2 Additional information on financial instruments pursuant to IFRS 7

Assets - balance sheet items

in K€			31/12/2025	
Classes	Valuation category pursuant to IFRS 9	Level	Carrying amount	Fair value
Shareholdings measured at fair value	@FVOCI *)	2	938,304	938,304
Shareholdings measured at fair value	@FVTPL	1	6,626	6,626
Securities measured at fair value	@FVTPL	1	33,369	33,369
Loans granted by the company	FAAC	2	20,000	20,589
Derivative financial instruments	@FVTPL/ @FVOCI **)	2	42,225	42,225
Non-current financial assets			**1,040,524**	**-**
Trade accounts receivable	FAAC	2	371	371
Receivables from companies with which a shareholding relationship exists	FAAC		20,896	20,896
Other receivables	FAAC	2	4,400	4,400
Non-financial assets	-		444	-
Non-current receivables and other assets			**26,111**	**-**
Loans granted by the company	FAAC	2	1,383	1,383
Derivative financial instruments	@FVTPL/ @FVOCI **)	2	49,988	49,988
Current financial assets			**51,370**	**-**
Contract assets	**FAAC**	**2**	**6,376**	**6,376**
Trade accounts receivable	FAAC	2	565,711	565,711
Receivables from companies with which a shareholding relationship exists	FAAC	2	3,704	3,704
Other receivables	FAAC	2	62,400	62,400
Non-financial assets	-		65,315	-
Current receivables and other assets			**697,131**	**-**
Cash and cash equivalents			**351,257**	**351,257**

*) Recognised at cost of acquisition if fair values cannot be determined reliably.

**) Cash flow hedges are no longer separable due to offsetting based on netting agreements

Summarised by measurement categories				
Financial assets at acquisition costs	FAAC		1,036,498	1,037,087
Financial assets valued at fair value through equity	@FVOCI		938,304	938,304
Financial assets valued at fair value through profit or loss	@FVTPL		39,995	39,995
Derivative financial instruments	@FVTPL/ @FVOCI **)		92,213	92,213

Assets - balance sheet items

in K€			31 December 2024	
Classes	Valuation category pursuant to IFRS 9	Level	Carrying amount	Fair value
Shareholdings measured at fair value	@FVOCI *)	2	945,309	945,309
Shareholdings measured at fair value	@FVTPL	1	6,311	6,311
Securities measured at fair value	@FVTPL	1	36,024	36,024
Loans granted by the company	FAAC	2	20,000	21,361
Derivative financial instruments	@FVTPL/ @FVOCI **)	2	49,676	49,676
Non-current financial assets			**1,057,320**	**-**
Trade accounts receivable	FAAC	2	536	536
Receivables from companies with which a shareholding relationship exists	FAAC		20,994	20,994
Other receivables	FAAC	2	4,392	4,392
Non-financial assets	-		619	-
Non-current receivables and other assets			**26,541**	**-**
Loans granted by the company	FAAC	2	1,129	1,129
Derivative financial instruments	@FVTPL/ @FVOCI **)	2	109,330	109,330
Current financial assets			**110,459**	**-**
Contract assets	**FAAC**	**2**	**3,087**	**3,087**
Trade accounts receivable	FAAC	2	626,200	626,200
Receivables from companies with which a shareholding relationship exists	FAAC	2	3,237	3,237
Other receivables	FAAC	2	109,799	109,799
Non-financial assets	-		58,874	-
Current receivables and other assets			**798,110**	**-**
Cash and cash equivalents			**201,638**	**201,638**

*) Recognised at cost of acquisition if fair values cannot be determined reliably.

**) Cash flow hedges are no longer separable due to offsetting based on netting agreements

Summarised by measurement categories				
Financial assets at acquisition costs	FAAC		991,011	992,372
Financial assets valued at fair value through equity	@FVOCI		945,309	945,309
Financial assets valued at fair value through profit or loss	@FVTPL		42,335	42,335
Derivative financial instruments	@FVTPL/ @FVOCI **)		159,006	159,006

Liabilities - balance sheet items

in K€			31/12/2025	
Classes	Valuation category pursuant to IFRS 9	Level	Carrying amount	Fair value
Liabilities due to banks	FLAC	2	1,016,287	1,004,552
Liabilities to others	FLAC		16,878	-
Non-current financial liabilities	**FLAC**		**1,033,165**	**1,004,552**
Liabilities recognised at amortised cost of acquisition	FLAC		23,341	23,341
Non-financial liabilities	-		46,992	-
Derivative financial instruments	@FVTPL/ @FVOCI *)	2	46,835	46,835
Other non-current liabilities			**117,168**	**-**
Liabilities due to banks	FLAC	2	31,253	25,050
Liabilities to others	FLAC		3,047	-
Current financial liabilities			**34,299**	**25,050**
Trade accounts payable	**FLAC**		**360,643**	**360,643**
Contract liabilities	**FAAC**		**1,444**	**1,444**
Liabilities recognised at amortised cost of acquisition	FLAC		66,138	66,138
Non-financial liabilities	-		184,332	-
Derivative financial instruments	@FVTPL/ @FVOCI *)	2	92,546	92,546
Other current liabilities			**343,017**	**-**

**) Cash flow hedges are no longer separable due to offsetting based on netting agreements

Summarised by measurement categories				
Financial liabilities at amortised cost of acquisition	FLAC		1,519,031	1,481,168
Derivative financial instruments	@FVTPL/ @FVOCI *)		139,381	139,381

Liabilities - balance sheet items

in K€			31 December 2024	
Classes	Valuation category pursuant to IFRS 9	Level	Carrying amount	Fair value
Liabilities due to banks	FLAC	2	786,883	811,997
Liabilities to others	FLAC		16,145	-
Non-current financial liabilities	**FLAC**		**803,028**	**811,997**
Liabilities recognised at amortised cost of acquisition	FLAC		27,557	27,557
Non-financial liabilities	-		46,768	-
Derivative financial instruments	@FVTPL/ @FVOCI *)	2	73,100	73,100
Other non-current liabilities			**147,425**	**-**
Liabilities due to banks	FLAC	2	31,613	32,659
Liabilities to others	FLAC		2,966	-
Current financial liabilities			**34,579**	**32,659**
Trade accounts payable	**FLAC**		**471,872**	**471,872**
Contract liabilities	**FAAC**		**1,785**	**1,785**
Liabilities recognised at amortised cost of acquisition	FLAC		121,221	121,221
Non-financial liabilities	-		108,583	-
Derivative financial instruments	@FVTPL/ @FVOCI *)	2	93,280	93,280
Other current liabilities			**323,084**	**-**

**) Cash flow hedges are no longer separable due to offsetting based on netting agreements

Summarised by measurement categories				
Financial liabilities at amortised cost of acquisition	FLAC		1,460,042	1,467,091
Derivative financial instruments	@FVTPL/ @FVOCI *)		166,380	166,380

@FVOCI at fair value through other comprehensive income
@FVTPL at fair value through profit or loss
FAAC financial assets at cost
FLAC financial liabilities at cost

8 RISK MANAGEMENT

The Energie Steiermark Group is exposed to various financial risks, particularly to credit risks, liquidity risks, currency exchange risks, interest rate risks and price risks.

Financial risk management is performed centrally by corporate treasury and is based on a corporate guideline provided by the management. Central treasury identifies and assesses the financial risks in close cooperation with the operative business units and hedges them, if necessary.

For several years, Energie Steiermark has employed a company-wide risk and opportunity management system as an integrated component of corporate decision-making processes. The risk management system ensures that all legal requirements and regulations of the Energie Steiermark AG Corporate Governance Code with regard to risk management are fully complied with.

8.1 Credit Risk

Credit risk means the risk arising when business partners are in non-compliance with contractual obligations, which might result in a loss of assets. Risk concentrations might result from financial instruments having the same or similar characteristics. Counterparty risks arising in the fields of financing and investment as well as in energy trading are minimised and excessive risk concentration is avoided by a strict limit system, continuing credit rating monitoring, guarantee commitments and the conclusion of accepted, standardised master agreements. In the operating business, outstanding accounts are continuously monitored in each business unit. As a reaction to the crisis on the international financial markets, the limits for bank investments were reduced to further limit the counterparty risk.

The maximum default risk is reflected by the going concern values of the financial assets reported in the balance sheet and the receivables resulting from settled financial assets as at the measurement date, with contractual netting agreements being explicitly taken into account in the disclosure. For exchange-traded derivatives in the electricity, gas and certificates business that have a positive fair value on the balance sheet date, collateral is provided on an ongoing basis that practically eliminates the default risk. At the same time, financial securities are provided by the contract partners if certain limits are exceeded for derivatives with a positive fair value in gas trading, to abate the default risk. Securities included in the non-current and current financial instruments as well as invested funds are subject to the general market risk. Individual credit risk is minimised by investing in partners with excellent credit rating. The maximum default risk for guarantee commitments provided to third parties corresponds to the amount disclosed under "Contingent Liabilities" (see Note 11.2).

The maximum default risk for financial assets on the balance sheet date is presented below:

Maximum default risk in K€	**Carrying amount at 31/12/2025**	Carrying amount at 31/12/2024
Loans granted by the company	21,383	21,129
Securities at fair value through profit or loss	33,369	36,024
Derivative financial instruments	0	84,013
Trade accounts receivable	566,083	626,736
Other receivables and assets	42,313	51,127
Cash and cash equivalents	351,257	201,638
Total default risk pursuant to balance sheet	**1,014,404**	**1,020,666**
Guarantees	12,497	36,646
Other contractual liability obligations	27	27
Total default risk	**1,026,928**	**1,057,339**

Derivatives (exchange-traded and/or OTC futures and forwards) carry default risks if the counterparty fails to meet payment obligations under the derivative contract.

In order to limit this credit risk arising from derivative financial instruments, transactions are concluded exclusively with such counterparties who meet the current corporate credit requirements. All counterparties are categorised in credit-rating categories by external rating and scoring methods. The credit rating category determines the allowable transaction scopes to prevent risk concentrations.

Master agreements are concluded with all counterparties in order to further reduce the default risk. A significant component of these master agreements is offsetting arrangements so that the respective risk towards a business partner is considerably lower than the actual open receivables due from this business partner. Due to the existing legal claim and the intention to settle on a net basis, the fair value measurements of forwards are netted for the respective settlement month, in each case separately for the corresponding counterparties with whom such agreements were concluded.

In addition, receivables and liabilities for futures hedging services and the fair value measurement of futures across different maturities and exchanges or clearing houses are netted. However, only the variation margin for offsetting changes in the market value of the derivatives is included in the netting, not the initial margin, as this is general basic collateral for opening transactions.

8.2 Liquidity Risk

Liquidity risk refers to the potential inability to produce the financial means to meet contracted liability requirements in a timely manner. The corporate financing policy is tailored to long-term financial planning and is controlled and monitored centrally. Liquidity development is controlled and documented by continuous liquidity representations in the form of a rolling liquidity planning, including comparisons between target and actual situation.

Energie Steiermark AG's rating enables a diversification of the financing sources, which ensures sufficient liquidity. Moreover, the liquidity risk is limited by a defined reserve policy, defined limit values and the opportunity of using credit lines.

The liquidity analysis to be prepared according to IFRS 7.39, including contractually agreed (undiscounted) interest rate payments and repayments of financial liabilities, is shown in the table below.

Variable interest payments are taken into account based on the conditions prevailing as of the balance sheet date. Financial liabilities that can be repaid at any time are allocated to the earliest period. Liabilities arising from derivative financial instruments are recognised at fair value as of the balance sheet date, unless changes of the derivatives' fair value were compensated by additional payment obligations or unless certain payments were contractually agreed. Cash flows from guarantees and other contractual contingencies constitute fictitious outflow of funds which might occur if all obligations arising therefrom are claimed. These are allocated to the earliest period in which the obligation can be claimed.

Items disclosed under financial liabilities which will not result in an outflow of funds are not included in the liquidity analysis. These are derivative financial instruments whose change in value has already been offset by margin calls.

Liquidity analysis in K€	**Carrying amount at 31/12/2025**	**Cash flows 2026**	**2027 - 2030**	**from 2031**
Liabilities due to banks	1,047,540	54,755	582,226	585,275
Other financial liabilities	19,925	3,047	3,964	12,915
Trade accounts payable	360,643	356,386	4,245	12
Other liabilities	90,924	67,582	32,111	0
Guarantees	12,497	12,497	0	0
Other contractual liability obligations	27	27	0	0
Financial liabilities arising from purchase commitments	1,735,667	1,167,122	568,545	0
Financial obligations from other contracts	17,031	586	2,365	14,081

8.3 Currency exchange risks

The risk arising from value fluctuations of financial instruments, other Balance Sheet items (e.g. receivables and liabilities) and/or cash flows due to currency exchange variations is called the currency exchange risk. This risk is predominant where a currency different from the corporation's local currency (in the following referred to as "foreign currency") is involved in business transactions or may be involved during business operations.

There is almost no currency exchange risk as deliveries and investments as well as liabilities and loans are performed primarily in the local currency of the respective Group company.

8.4 Interest rate risk

Interest rate risk means the possibility that the value of financial instruments, other Balance Sheet items and/or interest-related cash flows might change due to movements in the market interest rates. Interest rate risk includes the present value risk for fixed-rate Balance Sheet items and the cash flow risk for Balance Sheet items with variable interest rates. The interest rate risk relevant for Energie Steiermark is primarily the Euro zone risk.

For financial instruments with a fixed interest rate, a stipulated market interest rate is agreed upon for the entire term. The risk results from the fact that the quoted value of the financial instruments changes in case of fluctuations of the interest rate. The interest rate-related risk results in loss or gain when the fixed-rate financial instrument is disposed of prior to maturity. For variable-rate financial instruments, the interest rate is continually adapted, usually in line with the prevailing market interest rate. Here, the risk exists in market interest rate fluctuations resulting in varied interest payments.

For financial assets, an interest rate risk basically exists only for fixed-rate securities in non-current financial instruments. As regards financial liabilities, essential interest rate risks might exist in financial liabilities with a maturity of more than one year. The residual term for 96.8 percent of financial liabilities is more than one year, 2.6 percent of which has a variable interest rate.

No interest rate hedging by means of derivative financial instruments existed due to the current market estimates and a long-term secured financing structure.

IFRS 7 requires sensitivity analyses showing the effects of hypothetical changes of relevant risk variables in order to represent interest rate risks. Such an analysis shows the effects of changes in market interest rates on interest paid, income from interest and interest expenses as well as on valuation results of interest rate-induced market value changes. Effects are determined by relating the hypothetical changes in the risk variables to the inventory of financial instruments as of the balance sheet date. It is assumed that such an inventory is representative for the entire financial year.

Interest rate sensitivity analyses are based on the following assumptions: Market interest rate changes in fixed-rate original financial instruments will only have an impact on the result if such are recognised at fair value in the Balance Sheet. Market interest rate changes have an impact on the interest result of variable-rate original financial instruments and are, thus, included in the calculation of result-related sensitivities. Changes in market interest rates affecting interest rate derivatives that are not part of an effective hedging relationship under IFRS 9 impact the financial result when their fair value changes and are therefore taken into account in the profit-and-loss sensitivity calculations.

If the market interest rate level had been higher (lower) by 100 base points on 31 December 2025, the result from interest payments would have been higher (lower) by K€ 1,960 (previous year: K€ 1,010).

If the market interest rate level had been higher (lower) by 100 base points on 31 December 2025, the result from the change in the market values of financial assets recognised at fair value through profit or loss would have been lower (higher) by K€ 1,839 (previous year: K€ 1,950).

8.5 Use of Derivative Financial Instruments to Minimise Commodity Price Risks

In energy trading, derivative financial instruments are used as hedging instruments against undesirable price developments on the relevant wholesale markets for electricity, gas and certificates (CO_2 emission certificates and guarantees of origin). In the event of hedging transactions, fluctuations of future cash flows based on expected purchases and sales are hedged by derivatives (cash flow hedges).

If the criteria are met, these hedges are subject to hedge accounting and the hedging relationship's effectiveness is assessed by means of an analysis.

As a matter of principle, derivative financial instruments are not used as instruments of speculation, but serve to protect against risks in connection with operating activities. In addition, derivatives are used in proprietary trading within the narrow limits provided for this purpose. These limits are defined and monitored by independent organisational units.

Changes in the prices of the commodities on which the derivative financial instruments are based have an impact on the fair values. It needs to be noted here that the market value changes of derivative financial instruments used for hedging are paired with underlying transactions with compensating effect.

In order to assess the effectiveness of the hedging relationship, an economic relationship between the hedged item and the hedging instrument must be demonstrated and the default risk must not have a dominant influence on the changes in value. The prospective effectiveness assessment is generally carried out on a qualitative basis using the critical terms match method, in which the main terms of the hedging instruments are compared with those of the underlying transaction.

The reasons for the ineffectiveness are that the structure of the underlying transactions does not fully match the structure of the hedging instruments available on the market.

Ineffective portions of hedges are determined by comparing the fair values of the hedges and the underlying transactions. The hypothetical derivative method is used to determine the fair value of the underlying transactions. In the current financial year, ineffectiveness of K€ -852 (previous year: K€ 1,816) resulting from hedging relationships qualifying as cash flow hedges as at the reporting date was recognised in profit and loss under cost of materials.

Hedged items have potential future volume uncertainties with regard to the actual amount of future fulfilment of these hedged items. If the underlying items to be hedged change during the term of the corresponding underlying items after the original hedge with corresponding forward products to such an extent that the hedging transactions established for the hedge no longer appear fully suitable for adequately hedging the risk to be hedged, the corresponding forward items are adjusted and recognised in profit and loss.

As at 31 December 2025, derivative financial instruments in the energy sector (electricity and gas futures as well as electricity and gas forwards, CO_2 futures and forwards for guarantees of origin) were composed as follows

Cash flow hedges

in K€	Positive market value 31/12/2025	Negative market value 31/12/2025	Net
Electricity futures and forwards	103,935	116,771	-12,836
Gas futures and forwards	3,314	13,376	-10,062
CO_2 certificates futures	2,787	1,423	1,364
Guarantees of origin forwards	417	4,621	-4,205
Total before netting	**110,452**	**136,192**	**-25,739**
thereof short-term	73,619	106,361	-32,742
thereof long-term	36,833	29,831	7,003
thereof in other comprehensive income	0	0	-25,739

in K€	Positive market value 31/12/2024	Negative market value 31/12/2024	Net
Electricity futures and forwards	204,479	142,573	61,905
Gas futures and forwards	37,163	7,964	29,199
CO_2 certificates futures	1,051	5,062	-4,011
Guarantees of origin forwards	116	5,208	-5,092
Total before netting	**242,809**	**160,807**	**82,001**
thereof short-term	190,151	126,166	63,984
thereof long-term	52,658	34,641	18,017
thereof in other comprehensive income	0	0	82,001

Trading

in K€	Positive market value 31/12/2025	Negative market value 31/12/2025	Net
Electricity futures and forwards	51,451	67,971	-16,521
Total before netting	**51,451**	**67,971**	**-16,521**
thereof short-term	1,979	42,398	-40,419
thereof long-term	49,472	25,573	23,899

in K€	Positive market value 31/12/2024	Negative market value 31/12/2024	Net
Electricity futures and forwards	78,946	97,828	-18,881
Total before netting	**78,946**	**97,828**	**-18,881**
thereof short-term	29,460	48,219	-18,759
thereof long-term	49,486	49,608	-122

Total

in K€	Positive market value 31/12/2025	Negative market value 31/12/2025	Net
Electricity futures and forwards	155,386	184,743	-29,357
Gas futures and forwards	3,314	13,376	-10,062
CO_2 certificates futures	2,787	1,423	1,364
Guarantees of origin forwards	417	4,621	-4,205
Total before netting	**161,903**	**204,163**	**-42,260**
Consideration of netting agreements	-69,690	-64,782	-4,908
Total after netting	**92,213**	**139,381**	**-47,168**

in K€	Positive market value 31/12/2024	Negative market value 31/12/2024	Net
Electricity futures and forwards	283,425	240,401	43,024
Gas futures and forwards	37,163	7,964	29,199
CO_2 certificates futures	1,051	5,062	-4,011
Guarantees of origin forwards	116	5,208	-5,092
Total before netting	**321,755**	**258,635**	**63,120**
Consideration of netting agreements	-162,749	-92,255	-70,494
Total after netting	**159,006**	**166,380**	**-7,374**

Suitable bank or parent company guarantees may help to improve the credit rating of smaller business partners.

Transactions with commodity exchanges are considered counterparty risk-free due to their high credit standing and the mandatory security system.

The potential financial loss upon the default of a business partner results from outstanding net receivables (receivables less liabilities due to existing offsetting agreements) as well as market value differences of the underlying derivative contracts not yet completely fulfilled.

The counterparty risk (current exposure = potential financial loss upon the default on the part of a business partner on the balance sheet date) from energy trade is as follows on the balance sheet date:

Counterparty risk

in K€	Current exposure, total[1]				Current exposure, previous year			
Rating category*	Maximum	Minimum	∑	∑ **positive**	Maximum	Minimum	∑	∑ **positive**
iAAA	-4,564	-4,564	**-4,564**	**3,059**	0	0	**0**	**0**
iAA	43	-112	**-70**	**37**	4,847	-5,741	**-659**	**933**
iA	12,794	-32,429	**-23,147**	**41,110**	16,766	-55,421	**-105,647**	**39,172**
iBBB	4,352	-26,613	**-26,263**	**4,595**	27,555	-45,046	**-29,932**	**22,473**
iBB	296	-186	**435**	**2,592**	5,496	-11,389	**-5,449**	**28,691**
iB	305	-11,077	**-10,748**	**330**	3,199	-7,332	**-4,132**	**505**
iC	0	0	**0**	**0**	0	0	**0**	**0**
iD	0	0	**0**	**0**	0	0	**0**	**0**
Total			**-64,356**	**51,724**			**-145,820**	**91,774**

* Internal rating category by creditworthiness - depending on their creditworthiness, business partners are assigned to an internal rating category from iAAA (best credit rating) to iCCC, by analogy to the rating scales used by recognised, external rating agencies

in K€	Current exposure			Counterparty risk arising from outstanding net receivables [2]			Counterparty risk from market value differences[3]			
Rating class	Maximum	Minimum	∑ **positive**	Maximum	Minimum	∑ **positive**	Maximum	Minimum	∑	∑ **positive**
iAAA	-4,564	-4,564	**-4,564**	-4,767	-4,767	**-4,767**	203	203	**203**	**203**
iAA	43	-112	**-70**	0	-119	**-119**	43	0	**49**	**49**
iA	12,794	-32,429	**-23,147**	7,370	-32,945	**-78,730**	9,809	-60	**55,583**	**55,677**
iBBB	4,352	-26,613	**-26,263**	2,602	-10,260	**-16,391**	4,633	-24,511	**-9,872**	**15,646**
iBB	296	-186	**435**	0	-233	**-233**	296	0	**668**	**668**
iB	305	-11,077	**-10,748**	0	-11,284	**-11,284**	305	-70	**537**	**654**
iC	0	0	**0**	0	0	**0**	0	0	**0**	**0**
iD	0	0	**0**	0	0	**0**	0	0	**0**	**0**
Total			**-64,356**			**-111,525**			**47,168**	**72,898**

1 Risk taking into account contractual offsetting agreements

2 Negative values correspond to net liabilities on the balance sheet date

3 Negative values correspond to net market value losses; in the event of default of a business partner and net market value losses, the business partner receives financial compensation from Energie Steiermark so there is no credit risk for net market value losses

Thecounterparty risk from market value differences is as follows in the balance sheet:

in K€	Counterparty risk from market value differences recognised in the balance sheet, residual term < 1 year			Counterparty risk from market value differences recognised in the balance sheet, residual term > 1 year			Counterparty risk from market value differences recognised in the balance sheet, total		
Rating class	Market value	Market value	∑	Market value	Market value	∑	Market value	Market value	∑
iAAA	165	0	**165**	66	-27	**38**	230	-27	**203**
iAA	110	-60	**49**	0	0	**0**	110	-60	**49**
iA	65,593	-32,096	**33,497**	35,353	-13,266	**22,086**	100,946	-45,362	**55,583**
iBBB	23,922	-16,012	**7,910**	11,080	-28,862	**-17,782**	35,002	-44,874	**-9,872**
iBB	606	0	**606**	62	0	**62**	668	0	**668**
iB	2,151	-1,820	**332**	274	-69	**205**	2,425	-1,889	**537**
iC	0	0	**0**	0	0	**0**	0	0	**0**
iD	0	0	**0**	0	0	**0**	0	0	**0**
Total	92,546	-49,988	**42,559**	46,835	-42,225	**4,610**	139,381	-92,213	**47,168**

To represent market risks, IFRS 7 requires sensitivity analyses showing the effects of hypothetical changes of relevant risk variables on result and equity. Effects are determined by relating the hypothetical changes in the risk variables to the inventory of financial instruments as of the balance sheet date. It is assumed that such an inventory is representative for the entire financial year.

In the electricity and gas business, including the associated certificate markets (certificates for guarantees of origin and certificates in connection with the EU CO_2 certificate scheme), derivative financial instruments are used to hedge against price change risks. If these derivatives are included in a cash flow hedge relationship, hypothetical price changes in the commodity prices underlying these transactions have effects on the security reserves in equity and on the fair value of the hedging transactions. It needs to be noted here that the market value changes of derivative financial instruments used for hedging are paired with underlying transactions with compensating effect.

In the event of a 10 percent product price increase (product price decrease) in the electricity segment as at 31 December 2025, the hedging reserve in equity and the fair value of the hedging transactions would have been higher (lower) by K€ 72,280 (previous year: K€ 80,133).

In the event of a 10 percent product price increase (product price decrease) in the gas segment as at 31 December 2025, the hedging reserve in equity and the fair value of the hedging transactions would have been higher (lower) by K€ 15,650 (previous year: K€ 23,855).

Fair value changes in derivative financial instruments used for trading in the electricity and gas segment are recognised under sales revenue affecting income. Value-at-risk models are used to control the resulting financial risks. For this purpose, the value-at-risk is determined using a variance/covariance analysis with a confidence level of 99 percent and a holding period of one trading day.

In the event of a 10 percent product price increase (product price decrease) in the certificates segment as at 31 December 2025, the hedging reserve in equity and the fair value of the hedging transactions would have been higher (lower) by K€ 2,815 (previous year: K€ 3,059).

No open positions were held in the electricity and gas trading business, or in certificates, as at 31 December 2025.

The derivative financial instruments for hedging cash flows are composed as follows:

Derivative financial instruments to hedge cash flows

in K€

31/12/2025	Nominal volumes	Nominal value [1]	Fair value [2]	Residual term < 1 year	Residual term > 1 year
Electricity futures and forwards	9,082,612 MWh	722,799	-12,836	-25,332	12,496
Gas futures and forwards	5,212,630 MWh	154,649	-10,062	-5,823	-4,239
CO_2 certificates futures	280,000 t	24,769	1,364	779	586
Guarantees of origin forwards	6,216,124 MWh	2,334	-4,205	-2,365	-1,839
Total			**-25,739**	**-32,742**	**7,003**

31/12/2024	Nominal volumes	Nominal value [1]	Fair value [2]	Residual term < 1 year	Residual term > 1 year
Electricity futures and forwards	8,548,168 MWh	853,362	61,905	47,507	14,398
Gas futures and forwards	5,126,330 MWh	217,515	29,199	21,538	7,661
CO2 certificates futures	367,000 t	31,376	-4,011	-1,921	-2,090
Guarantees of origin forwards	3,714,821 MWh	8,319	-5,092	-3,140	-1,952
Total			**82,001**	**63,984**	**18,017**

[1] Cost price of derivative financial instruments

[2] Change in market value at cost price: Basis for recording potential ineffectiveness

positive market value (+) / negative market value (-)

The composition of the hedging reserve in equity is shown below:

Hedge reserve

in K€

2025	Residual term > 1 year	Residual term < 1 year	Cash flow hedges, total	OCI total	Deferred taxes	OCI after taxes
Electricity futures and forwards	12,496	-25,332	-12,836	-14,409	-3,070	-17,479
Gas futures and forwards	-4,239	-5,823	-10,062	-27,523	6,330	-21,193
CO_2 certificates futures	586	779	1,364	1,364	-314	1,050
Guarantees of origin forwards	-1,839	-2,365	-4,205	-4,205	967	-3,238
As at 31/12/2025	**7,003**	**-32,742**	**-25,739**	**-44,772**	**3,913**	**-40,858**
of which derivatives with a positive Market value	36,833	73,619	110,452			
of which derivatives with a negative market value	-29,831	-106,361	-136,192			

2024	Residual term > 1 year	Residual term < 1 year	Cash flow hedges, total	OCI total	Deferred taxes	OCI after taxes
Electricity futures and forwards	14,398	47,507	61,905	-39,639	2,733	-36,906
Gas futures and forwards	7,661	21,538	29,199	19,665	-4,523	15,142
CO_2 certificates futures	-2,090	-1,921	-4,011	-4,011	923	-3,089
Guarantees of origin forwards	-1,952	-3,140	-5,092	-5,092	1,171	-3,921
As at 31/12/2024	**18,017**	**63,984**	**82,001**	**-29,078**	**304**	**-28,774**
of which derivatives with a positive Market value	52,658	190,151	242,809			
of which derivatives with a negative market value	-34,641	-126,166	-160,807			

9 CAPITAL MANAGEMENT

The corporate aim of capital management is the continuation of the company's business as a going concern and the continuous increase in the company's value to meet the shareholders' interests and to generate value for other stakeholders. This involves ensuring and expanding an efficient, secure, affordable and environmentally sustainable energy supply, as well as maintaining security of supply, whilst safeguarding the company's credit rating. Control and adjustment, if required, of the capital structure are made on the basis of the company's medium-term plans, in consideration of changes in the economic environment as well as changes in the risk characteristics of assets and liabilities.

Capital management is performed based on the quotient of equity and total capital. In addition, the debt repayment length in the broader sense and the level of indebtedness, which is calculated as the quotient of financial liabilities, liabilities held for trading purposes plus non-current provisions and equity, is used as a control factor. Equity comprises share capital, capital reserves, non-controlling interests, accumulated results and changes not affecting earnings recognised in equity.

	2025	2024
Equity ratio (equity/total capital)	42.8%	42.6%
Level of indebtedness ((capital employed 1 - equity)/equity)	70.3%	64.2%

The defined limit values are measures serving for early identification of developments. If these values are (expected to be) reached or exceeded, there is the possibility of presenting and/or initiating countermeasures.

The indicators comprise parameters for securing liquidity, commitment of capital, fixed interest rate periods and for controlling the counterparty risks, and are presented in the following table:

Capital Management

Key indicator	Supplementary note	Limit values
Liquidity	• Credit lines available at any time set up • Short-term needs-based adjustment of credit lines ensured	Adjustment process initiated when defined utilisation levels are reached
Commitment of capital	• Long-term capital commitment, at least in an amount sufficient to achieve a positive net working capital	Capital commitment > 1 year to achieve positive net working capital
Fixed interest rate period	• Interest sensitivity: Interest balance limit max. 10% of earnings before taxes • Minimum interest cover ratio for financial liabilities of 5	max. 10% of earnings before taxes Interest cover ratio > 5
Allocation of business	• Maximum investment per partner in the amount of the allocated limit	Allocated investment limit

10 CASH FLOW STATEMENT

The Consolidated Cash Flow Statement is presented using the indirect method. The composition of cash and cash equivalents is shown in the table below. Effects of changes in exchange rates are disclosed separately.

Composition of cash and cash equivalents

in K€	31/12/2025	31/12/2024
Cash in hand, cheques, bank balances (commitment period of less than three months)	351,257	201,638
Other current loans (commitment period of less than three months)	0	0
Cash and cash equivalents at the end of the period	**351,257**	**201,638**

Income tax payments and interest payments are reported separately under operating activities. Dividends and interest received are allocated to investment activities. Dividends paid are disclosed as part of the financing activity.

Cash flow arising from the acquisition and sale of consolidated companies are contained in the net cash flow from investment activities. For information on company acquisitions and disposals, reference is made to Note 2 "Scope of Consolidation".

The reconciliation of debt movements to net cash flow from financing activities is shown below:

Reconciliation of movements in liabilities to cash flows from financing activities		Liabilities			Total
in K€	Note	Liabilities due to banks	Liabilities due to other parties	Liabilities from financing leases	
Balance sheet as at 01/01/2024		**867,779**	**461**	**20,200**	**888,439**
Changes in net cash flow from financing activities					
Raising of bonds, loans and credits	6.2	304,447	44	0	304,490
Repayment of bonds, loans and credits	6.2	-352,877	-34	0	-352,911
Repayment of lease liabilities	6.2	0	0	-3,089	-3,089
Total change in net cash flow from financing activities		**-48,431**	**10**	**-3,089**	**-51,510**
Currency changes		**-48**	**0**	**-2**	**-50**
Other changes related to debts					
New leases	5.2	0	0	1,534	1,534
Termination of leases	5.2	0	0	-2	-2
Interest expenses	3.9	23,664	0	590	24,254
Interest paid		-24,469	0	-590	-25,059
Total other changes related to debts		**-805**	**0**	**1,532**	**727**
Balance sheet as at 31/12/2024		**818,495**	**471**	**18,641**	**837,607**
Changes in net cash flow from financing activities					
Raising of bonds, loans and credits	6.2	255,047	35	0	255,082
Repayment of bonds, loans and credits	6.2	-25,390	-35	0	-25,425
Repayment of lease liabilities	6.2	0	0	-3,409	-3,409
Total change in net cash flow from financing activities		**229,657**	**0**	**-3,409**	**226,248**
Currency changes		**66**	**0**	**5**	**71**
Other changes related to debts					
New leases	5.2	0	0	4,217	4,217
Interest expenses	3.9	25,669	0	632	26,301
Interest paid		-26,348	0	-632	-26,980
Total other changes related to debts		**-679**	**0**	**4,217**	**3,538**
Balance sheet as at 31/12/2025		**1,047,540**	**470**	**19,455**	**1,067,465**

11 OTHER NOTES

11.1 Significant Events after the Balance Sheet Date

Such material events that must be recognised or disclosed in the Consolidated Financial Statements in accordance with IAS 10 (Contingencies and Events Occurring after the Balance Sheet Date) have been reported as far as they were of significance to valuations on the balance sheet date.

In view of current market dynamics, Energie Steiermark has publicly announced a price adjustment effective 1 June 2026, including an energy bonus, to take effect on 6 February 2026 for all fixed-rate metering points, and has also factored this into its forward-looking financial projections.

11.2 Contingencies, Financial Obligations and Contingent Liabilities

Contingencies comprise the following obligations:

Contingencies

in K€	31/12/2025	31/12/2024
Guarantees	12,497	36,646
Other contractual liability obligations	27	27
Total	**12,524**	**36,673**

Furthermore, the following financial obligations exist:

Financial obligations

in K€	31/12/2025	31/12/2024
From purchase commitment	1,735,667	1,869,245
From other contracts	17,031	13,462
Total	**1,752,698**	**1,882,707**

Concluded electricity trading contracts account for the highest part of the obligations from purchase commitment of K€ 1,735,667 (previous year: K€ 1,869,245). In the following year, an amount of K€ 1,167,122 (previous year: K€ 1,373,567).

Apart from the contingencies and other obligations, the company has other obligations arising from long-term agreements, which were concluded to safeguard the procurement of electricity, natural gas and primary energy and which include arrangements for fixed quantities and prices. In addition, there are long-term natural gas transportation and storage contracts.

11.3 Related party transactions

Related parties of Energie Steiermark AG are all companies included in the scope of consolidation, the sole shareholder, the Federal State of Styria, as well as the members of the Management Board and Supervisory Board of Energie Steiermark AG and their close relatives.

A list of consolidated companies is shown in Note 12.

The transactions with related parties of the federal state of Styria are of subordinate significance.

Apart from the remuneration for bodies of the company as mentioned below, no material transactions occurred with related natural persons during the financial year. Transactions approved according to Section 95 (5) no. 12 AktG are of subordinate importance and in line with the arm's length principle.

Balances with subsidiary companies, associated companies and other significant shareholdings are reported under the relating items in the Financial Statements and are summarised separately in the following tables:

Business relationships with associated companies

in K€	2025	2024
Sales revenues	207,734	180,970
Other income	102	233
Expenses for purchased services	-13,982	-11,190
Other expenses	-988	-957
Interest income	1,712	1,712
Interest expenses	-1,286	-1,532

in K€	31/12/2025	31/12/2024
Receivables	66,055	69,680
Borrowings	20,290	20,285
Liabilities	-25,503	-28,329

Business relationships with non-consolidated affiliated companies

in K€	2025	2024
Sales revenues	411	437
Other income	1	5
Expenses for purchased services	-252	-195
Other expenses	-1,450	-1,859
Interest income	49	117

in K€	31/12/2025	31/12/2024
Receivables	48	74
Borrowings	1,093	843
Liabilities	-197	-209

Significant transactions with other shareholdings

in K€	2025	2024
Sales revenues	17,831	27,368
Other income	556	170
Expenses for purchased services	-51,877	-27,596
Other expenses	-5,793	-4,619

in K€	31/12/2025	31/12/2024
Receivables	0	308
Liabilities	0	-315

The following business relationships existed with related companies under market compliant conditions:
- Heating supply and procurement agreements
- Natural gas supply agreement
- Electricity supply and procurement agreements
- Service agreements
- Grid access agreements

Such agreements were in place with Energie Graz GmbH, Feistritzwerke-STEWEAG-GmbH and homee GmbH.

The business relationships are not different from the delivery and service relationships with companies that are not related to the Group of Energie Steiermark AG.

11.4 Information on Expenses for the Group's Auditor

Expenses for services performed by the auditor of the Consolidated Financial Statements consist of the following:

Expenses for services performed by the Group's auditor

in K€	2025	2024
Audit of the Consolidated Financial Statements	41	40
Other assurance work	306	287
Total	**347**	**327**

11.5 Employees

The average number of employees during the year was:

Number of employees (average)	2025	2024
Salaried employees	2,103	2,003
Workers	186	196
Total	**2,288**	**2,199**

11.6 Disclosures on the Supervisory Board and Management Board

Disclosures on the Supervisory Board and Management Board

in K€	2025	2024
Supervisory Board remuneration (Energie Steiermark and consolidated companies)	80	96
Remuneration paid to the Management Board members of Energie Steiermark (active time)	538	548
Payments to former Energie Steiermark Management Board members and their surviving relatives	793	426
Total	**1,411**	**1,069**

Management Board remuneration

in K€	Dipl.-Ing. (FH) Mag. (FH) Martin GRAF, MBA (since 01/04/2016)	MMag. Werner RESSI (since 01/04/2025)	Dipl.-Ing. Christian PURRER (from 01/04/2012 to 31/03/2025)
Payments due in the short term			
Fixed remuneration	268	208	62

In addition, variable remuneration amounting to K€ 80 was paid. These figures are taken from the final accounts for the Management Board's term of office as at 31 March 2025 and relate primarily to the 2024 financial year. From the start of the new term of office, no variable remuneration will be agreed.

Contracts with members of the Management Board are concluded in compliance with the provisions of the *Steiermärkisches Stellenbesetzungsgesetz* (Law Governing the Filling of Positions of Styria), *LGBl.* (Federal State Gazette) no. 120/2008 and the Steiermärkische Vertragsschablonenverordnung (Contract Scheme Decree of Styria), LGBl. no. 18/2009.

The total annual remuneration of each individual member of the Management Board must not exceed the maximum total annual remuneration specified in the *Steiermärkisches Landesbezügegesetz* (Federal Remuneration Law of Styria), LGBl. no. 72/1997.

The contractual relationships are principally subject to the provisions of the Betriebliche Mitarbeiter- und Selbständigenvorsorgegesetz BMSVG (Corporate Employee and Self-Employed Pension Act), BGBl I 2004/161 as amended. (Abfertigung NEU).

No loans or advance payments have been granted to the Management Board. No liabilities have been assumed.

The Management Board members are included in the group-wide D&O insurance policy for members of corporate bodies and executive employees.

Pension fund contributions in the amount of K€ 54 (previous year: K€ 50) were paid in the 2025 financial year for members of the Energie Steiermark AG's Management Board. These contributions paid for members of the Management Board to the company pension scheme are in line with the Steiermärkische Vertragsschablonenverordnung LGBl. 18/2009 in conjunction with section 13 Stmk. LBezG. (Remuneration Act of Styria) LGBl. 72/1997.

The corporate body members are individually listed in Note (14).

12 GROUP COMPANIES

The shareholdings of Energie Steiermark AG are disclosed below. The list contains values from the last available financial statements prepared in line with IFRS or according to the national commercial law as of the balance sheet dates of the individual companies. For financial statements prepared in foreign currencies, equity amounts were translated using the average exchange rate on the relevant balance sheet date, net profit/loss of the year was translated using the annual average exchange rates.

Shareholdings of Energie Steiermark AG ≥ 20 percent as of 31/12/2025

in K€	Parent company	Shareholding	Headquarters	Type of consolidation	Financial year	Equity	Annual profit/ loss
Energie Steiermark AG			Graz	FC	2025	1,866,075	105,139
AQUA.NET Wasser- und Freizeitanlagen Steiermark GmbH	Energie Steiermark	100.00%	Graz	FC	2025	1,839	550
E1 Energiemanagement GmbH	KD	100.00%	Nuremberg	FC	2025	2,597	324
Energie Steiermark Breitband GmbH	Energie Steiermark	100.00%	Graz	FC	2025	11,756	-2,813
Energie Steiermark Business GmbH	KD	100.00%	Graz	FC	2025	71,179	6,447
Energie Steiermark Finanz-Service GmbH (EFG)	Energie Steiermark	100.00%	Graz	FC	2025	8,944	3,115
Energie Steiermark Green Power GmbH (GP)	Energie Steiermark, EFG	100.00%	Graz	FC	2025	144,515	6,110
Energie Steiermark Judgment GmbH (KD)	Energie Steiermark	100.00%	Graz	FC	2025	96,686	14,076
Energie Steiermark Service GmbH	Energie Steiermark	100.00%	Graz	FC	2025	4,516	904
Energie Steiermark Wärme GmbH	Energie Steiermark, GP	100.00%	Graz	FC	2025	84,244	11,168
Energie Steiermark Wasserstoff GmbH	Energie Steiermark	100.00%	Graz	FC	2025	4,264	-736
Energienetze Steiermark GmbH	Energie Steiermark, EFG	100.00%	Graz	FC	2025	582,503	59,408
ENWA GesmbH	GP	60.00%	Graz	FC	2025	6,461	-72

	Parent company	Shareholding	Headquarters	Type of consolidation	Financial year	Equity	Annual profit/ loss
go green energy GmbH	KD	100.00%	Vienna	FC	2025	132	5
go green energy GmbH & Co KG	KD	100.00%	Vienna	FC	2025	33,784	11,146
IBIOLA Mobility Solutions GmbH	KD	100.00%	Vienna	FC	2025	590	-237
Jihlavské Kotelny, s.r.o.	Energie Steiermark	50.84%	Jihlava	FC	2025	6,844	831
la bellenergie SaS (LBE)	KD	100.00%	Toulon	FC	2025	20,665	704
LBE Business SaS	LBE	100.00%	Toulon	FC	2025	5,158	228
Murkraftwerk Graz Errichtungs- und BetriebsgmbH	GP EGG	62.40% 12.50%	Graz	FC	2025	8,680	244
STEFE Banská Bystrica, a.s.	STEFE SK	66.00%	Banská Bystrica	FC	2025	12,872	1,880
STEFE ECB, s.r.o.	STEFE SK	100.00%	Banská Bystrica	FC	2025	5,470	1,469
STEFE Martin, a.s.	STEFE SK	65.93%	Martin	FC	2025	4,046	434
STEFE Rimavská Sobota, s.r.o.	STEFE SK	58.66%	Rimavská Sobota	FC	2025	4,496	332
STEFE Rožňava, s.r.o.	STEFE SK	100.00%	Banská Bystrica	FC	2025	105	47
STEFE SK, a.s.	Energie Steiermark	100.00%	Banská Bystrica	FC	2025	35,345	4,955
STEFE THS, s.r.o.	STEFE SK	100.00%	Revúca	FC	2025	6,053	569
STEFE Zvolen, s.r.o.	STEFE SK	66.00%	Zvolen	FC	2025	4,460	396
V.I.Trade s.r.o.	STEFE SK	100.00%	Nitra	FC	2025	444	141
Windpark Stubalm GmbH	GP	100.00%	Graz	FC	2025	8,505	137
ADRIAPLIN, Podjetje za distribucijo zemeljskega plina d.o.o.	Energie Steiermark	38.00%	Ljubljana	EK	2024	56,011	4,444
Brucker Kraftwerks-, Bau-, und Betriebs GmbH [1]	STB	100.00%	Bruck an der Mur	EK	2024	1,630	900

	Parent company	Shareholding	Headquarters	Type of consolidation	Financial year	Equity	Annual profit/loss
Energie Graz GmbH (EGG)	Energie Steiermark	49.00%	Graz	EK	2025	202,333	6,991
Enery Green Power GmbH	GP	50.00%	Graz	NC	2025	2,406	-43
ES SN Green Power GmbH	GP	50.00%	Graz	NC	2025	1,070	177
Feistritzwerke-STEWEAG-GmbH [1]	Energie Steiermark	27.00%	Gleisdorf	EK	2025	55,560	4,147
homee GmbH [1]	KD	33.33%	Berlin	EK	2024	0	-2,879
Stadtwerke Bruck an der Mur GmbH (STB) [1]	Energie Steiermark	34.00%	Bruck an der Mur	EK	2024	6,459	900
Stadtwerke Hartberg Energieversorgungs GmbH [1)]	Energie Steiermark	25.10%	Hartberg	EK	2024	4,029	495
STEFE Trnava, s.r.o.	STEFE SK	50.00%	Trnava	EK	2025	4,976	593
Stromnetz Graz GmbH	EGG	100.00%	Graz	EK	2025	10,232	1,699
E 1 Wärme und Energie GmbH [1)]	KD	100.00%	Seiersberg	NC	2025	3,095	900
Grazer Energieagentur Ges.m.b.H. [1]	Energie Steiermark, EGG	5.00% 47.50%	Graz	NC	2024	1,054	63
WDS Wärmedirektservice der Energie Graz GmbH [1]	EGG	100.00%	Graz	NC	2024	5,538	846

[1] Financial statements prepared based on the national commercial code

FC Full consolidation
EC Equity consolidation
NC Non-consolidated shareholding due to insignificance

All value disclosures are, if available, in accordance with IFRS.

13 ACCOUNTING METHODS

13.1 New standards which have not yet been applied

At the time the Consolidated Financial Statements were prepared, the IASB had adopted further standards and interpretations which were not yet obligatorily applicable to the 2025 financial year:

New standards and interpretations which are not yet applicable		applicable from [1]
IFRS 18	"Presentation and Disclosure in Financial Statements"	1 January 2027
IFRS 19	"Subsidiaries without Public Accountability: Disclosures" [2]	1 January 2027

[1] *The standards which have not yet been adopted by the EU are, in accordance with IASB, applicable for each financial year beginning on or after the date the standard comes into force. This date might change for the European Union by application in the EU.*

[2] *Standard not yet adopted by the EU as of 31 December 2025.*

IFRS 18 "Presentation and Disclosure in Financial Statements" will replace IAS 1 "Presentation of Financial Statements". The new standard introduces the following key new requirements:

- Companies are required to classify all income and expenses in the income statement into five categories: operating, investing, financing, income tax and discontinued operations. Companies will also be required to present a newly defined subtotal "operating result". The companies' net income for the period will not change.

- Certain company-specific performance indicators (management-defined performance measures, MPMs) are disclosed in a separate note in the financial statements

- Improved guidelines for grouping information within the financial statements have been introduced.

Companies are also required to use the operating result as the starting point for the cash flow statement if they present the cash flow from operating activities using the indirect method.

IFRS 19 "Subsidiaries without Public Accountability: Disclosures" allows certain subsidiaries to apply IFRS accounting standards with reduced disclosures in the notes if

- the subsidiary itself is not subject to public accountability and
- its parent company prepares IFRS consolidated financial statements.

A public accountability obligation exists in particular if the subsidiary has listed equity or debt instruments on a public market.

The Group is currently evaluating the potential impact of IFRS 18 "Presentation and Disclosure in Financial Statements", particularly with regard to the structure of the Consolidated Profit and Loss Statement, the Cash Flow Statement and the additional disclosure requirements for MPMs. The Group is also examining the effects on the way in which information is grouped in the financial statements. No voluntary early application has been planned yet.

In addition to the new standards and interpretations, the IASB has adopted a range of comprehensive amendments to existing standards which were not yet obligatorily applicable to the 2025 financial year:

Amended standards and interpretations which are not yet applicable		applicable from [1]
IFRS 9 and IFRS 7	Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures": Classification and measurement of financial instruments	1 January 2026
IFRS 9 and IFRS 7	Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures": Nature-dependent electricity contracts	1 January 2026
IAS 19	Amendments to IFRS 19 "Subsidiaries without Public Accountability: Disclosures": Completion of planned additional work [2]	1 January 2026
Improvements to IFRSs	Amendments as part of the Annual Improvements to IFRS Accounting Standards - Volume 11 – Improvements to International Financial Reporting Standards [2]	1 January 2026

[1] *The standards which have not yet been adopted by the EU are, in accordance with IASB, applicable for each financial year beginning on or after the date the standard comes into force. This date might change for the European Union by application in the EU.*

[2] *Standard not yet adopted by the EU as of 31 December 2025.*

The **amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments:** Disclosures" include a clarification of the classification of financial assets that are linked to environmental, social and governance (ESG) and similar characteristics and clarifies how the contractual cash flows of corresponding instruments are to be assessed during subsequent consolidation.

In addition, the amendment addresses the fulfilment of liabilities through electronic payment systems. The amendments clarify when a financial asset or financial liability is derecognised. An option is also introduced that allows a company to derecognise a financial liability before it delivers cash on the settlement date, provided certain criteria are met.

The amendments also introduced additional disclosure requirements with regard to investments in equity instruments measured at fair value through other comprehensive income and financial instruments with contingent features (e.g. ESG objectives).

Targeted **amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures"** are intended to help companies to better account for the effects of nature-dependent electricity contracts, such as electricity from wind and solar energy, in their financial statements:

- Option to designate a variable volume of expected electricity transactions as a hedged item if certain criteria are met and amendment to the hedge accounting requirements in IFRS 9 to allow an entity to designate a contract for electricity from nature-based renewable energy with certain characteristics as a hedging instrument.

- Option to measure the hedged item using the same quantity assumptions used for the hedging instrument.

IFRS 19 "Subsidiaries without Public Accountability: Disclosures" allows certain subsidiaries to apply IFRS accounting standards with reduced disclosures in the notes. The version of IFRS 19 published in May 2024 contained only the reduced disclosure requirements set out in the IFRS accounting standards published up to February 2021.

The recently published IFRS 19 also includes reduced disclosure requirements for standards and interpretations issued between February 2021 and May 2024. In future, IFRS 19 will be amended at the same time as other IFRS accounting standards are issued by the IASB.

As part of the annual improvement project (**Improvements to IFRSs - Volume 11**), amendments were made to IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS 7 "Financial Instruments: Disclosures", IFRS 9 "Financial Instruments", IFRS 10 "Consolidated Financial Statements" and IAS 7 "Statement of Cash Flows".

No significant effects on the asset, financial and earnings position of the Energie Steiermark Group are expected as a result of the adoption of the amended standards and interpretations. No voluntary early application has been planned yet.

13.2 Regulation System for Electricity and Gas Grids according to section 137 ElWOG and Section 71 GWG

In Austria, the amendment to the 2010 Electricity -Act (ElWOG 2010), which took effect on 3 March 2011, introduced a new ex-post regulation procedure for the grid operator revenue in the form of the regulatory account in section 50 ElWOG. This framework was also incorporated into section 71 of the Gas Industry Act 2011 (GWG) and its provisions were continued in the new Section 137 of the Electricity Industry Act (ElWG), which came into force on 24 December 2025. The purpose of the regulatory account is to use a "virtual account" maintained for each network operator to offset defined volume- and price-related discrepancies between actual revenues and the revenues allocated by official decision. In accordance with section 137 ElWG and section 71 GWG, these differences are to be taken into account in determining the cost base for the next payment periods.

The differences pursuant to section 137 ElWG and/or section 71 GWG between actual revenue earned and the revenue assumption in the ordinance as well as the differences between the actual costs incurred and the cost assumption in the ordinance are recorded, on balance, under receivables and other assets or under other liabilities in the separate financial statements of Energienetze Steiermark GmbH prepared in line with corporate laws.

In January 2021, the IASB published an Exposure Draft ED/2021/1 "Regulatory Assets and Regulatory Liabilities" aimed at replacing IFRS 14 "Regulatory Deferral Accounts", which has not been adopted into EU law, and making it possible to recognise subsequent amounts in the future.

Regulatory Account [1]

in K€	Status as at 1/1	Addition/ Reversal	Status as at 31/12 *)
2013	2,981	10,912	**13,893**
2014	13,893	16,341	**30,234**
2015	30,234	2,640	**32,874**
2016	32,874	-18,613	**14,261**
2017	14,261	-21,812	**-7,551**
2018	-7,551	-4,135	**-11,686**
2019	-11,686	2,778	**-8,907**
2020	-8,907	6,925	**-1,983**
2021	-1,983	11,315	**9,332**
2022	9,332	18,609	**27,941**
2023	27,941	13,708	**41,649**
2024	41,649	6,350	**47,999**
2025	47,999	-34,466	**13,532**

· pursuant to company law
· receivable (+) / liability (-)

In view of the current developments regarding accounting for regulatory deferral account balances, the company refrained from recognising regulatory assets and regulatory liabilities pursuant to IFRS (see also Note 3.1 "Sales revenues").

If the regulatory account had been recognised, the Group's operating result would have been as follows:

Adjusted operating income

in K€	2025	2024
Operating result	**122,930**	**113,621**
Regulatory account	-34,466	6,350
Adjusted operating income	**88,464**	**119,970**

14 CORPORATE BODIES

MANAGEMENT BOARD

- Dipl.-Ing. (FH) Mag. (FH) Martin GRAF, MBA (since 01/04/2016)
- MMag. Werner RESSI (since 01/04/2025)
- Dipl.-Ing. Christian PURRER (spokesman of the Management Board from 1/4/2012 to 31/3/2025)

SUPERVISORY BOARD

Shareholder Representatives:

- Univ.-Prof. Dipl.-Ing. Karl **ROSE**
  (Chairman since 05/12/2022, Deputy Chairman from 06/02/2014 to 05/12/2022, member since 17/01/2011)
- Ewald-Marco **MÜNZER**, B.A. MBA (Vice Chairwoman since 25/04/2025, member since 25/04/2025)

- MMMag. Dr Axel **KASSEGGER** (member since 25/04/2025)
- Univ.-Prof. Mag. Dr Thomas **KRAUTZER** (member since 06/02/2014)
- Mag. Christian **MOSER** (member since 25/04/2025)
- Mag. Judith **OBERMAYR-SCHREIBER**, E.M.B.L.-HSG (member since 25/04/2025)
- Mag. Doris **SCHWEIGGL** (member since 25/04/2025)
- Dipl.-Ing. Christa **ZENGERER** (member since 03/06/2020)

- Mag. Dr Peter **EBNER** (member from 03/03/2023 to 25/04/2025)
- Mag. Michaela **HUBER** (member from 05/12/2022 to 25/04/2025)
- Dr Kurt **KLEIN** (member from 15/12/2005 to 25/04/2025)
- Dipl.WI (FH) Claudia **von der LINDEN**, MBA (IMD)
  (Vice Chairwoman from 05/12/2022 to 25/04/2025, member from 25/09/2018 to 25/04/2025)
- **Dr Martin WIEDENBAUER** (member from 03/03/2023 to 25/04/2025)

Employee Representatives:

- Ing. Harald **KASPROWICZ** (member since 09/11/2023)
- Ing. Christoph **RATH** (member since 09/11/2023)
- Mag. Johann **SCHUPFER** (member since 09/11/2023)
- Petra **WEISSENSTEINER**, MBA (member since 14/12/2023)

The Consolidated Financial Statements were approved by the Management Board with the date of the signature and will be presented to the Supervisory Board. The Supervisory Board is responsible for checking the Consolidated Financial Statements and declaring whether it approves them.

Graz, 23 February 2026

The Management Board

Dipl.-Ing. (FH) Mag. (FH) Martin Graf, MBA

MMag. Werner Ressi